



Report to: Schools Forum

Date of Meeting(s): 20 October 2022

Subject: Schools Block Funding Formula – 2023/24

Report of: Colette Dutton – Director Children and Families

Contact Officer: Mark Rotheram - Strategic Finance Manager
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Summary: A report outlining the currently known information in relation to the Funding Formula in 2023/24 including provisional allocations.

Recommendation(s): To note the information included within the report.

To agree the approach to confirm the school level allocations for 2023/24.

Implications:

*What are the **financial** implications?* n/a

*What are the **staffing** implications?* n/a

Risks: n/a

Please list any appendices:-

Appendix number or letter	Description
N/A	N/A

1. Introduction

- 1.1 The National Funding Formula (NFF) was introduced in 2018/19. As in previous years, in 2023/24, each Local Authority will continue to have responsibility for setting a local schools funding formula to determine the funding to be distributed to individual schools (referred to by the DfE as the NFF 'soft approach'). The Government is committed to implementing the direct NFF within the next 5 years and has published specific transition requirements for those LA's not yet using the NFF. It was agreed by Forum in 2018/19 that Wigan's local formula should mirror the NFF factors and rates and this has continued since.
- 1.2 In July 2022 the provisional funding allocations for 2022/23 were received and a summary note was circulated to forum members.
- 1.3 The purpose of this report is to provide Forum members with a summary of the provisional allocations, the key elements of the formula and to outline a timeline of actions to ensure the timely approval of next year's school level allocations.

2. National Funding Formula (NFF) 2023/24

- 2.1 In the spending review last year it was confirmed by the Government that core schools funding would increase by £1.5 billion in 2023/24 compared with the previous year (2022/23). It has now been confirmed that of this additional funding, £570 million relates to increases in the high needs block, with the remainder allocated for mainstream school funding (£930m). This represents a 1.9% increase in funding through the schools NFF nationally.
- 2.2 Summarised below are the key changes/points of note in relation to the School's NFF for 2023/24:
 - Additional support is going to be directed to disadvantaged pupils. The FSM6 and IDACI factors in the NFF are increasing by 4.3% compared to 2022/23 values.
 - The other core factors in the NFF, such as the basic entitlement and lump sum, are increasing by 2.4%.
 - The mandatory minimum per pupil levels are to be increased to £4,405 for primary schools and £5,715 for secondary schools. This equates to just a 0.5% increase after the rolling in of the 2022/23 supplementary grant funding.
 - The NFF funding floor has been set at 0.5% for pupil led funding compared with the funding baseline.
 - The 2022/23 supplementary grant is to be rolled in to the schools core budgets in 2023/24 by way of adjustments to NFF factor values and baselines.
 - The LA are permitted to set the Minimum Funding Guarantee (MFG) between +0% and +0.5% per pupil.

- The change which was proposed for 2022/23 regarding the centralisation of business rates for maintained schools, but later deferred, is still optional in 2023/24.

3. Provisional Funding Allocations

3.1 Provisional funding allocations were received in July 2022. This initial funding information is based on October 2021 census data and pupil numbers, which will be adjusted in the final allocation received in December 2022 to reflect any changes in pupil numbers in the October 2022 data. The pupil numbers used for the provisional funding details are 45,003 (26,010 Primary and 18,993 Secondary). Information on Growth Fund allocations will only be received in December.

3.2 Provided in the tables below is a summary of the provisional funding information for 2023/24.

Table 1: Provisional Funding Details 2023/24

	Value (Total)	Value (per pupil)
2022/23 Schools Block (exc. Growth)	£233.972m	£5,199
2022/23 School Supplementary Grant	£6.992m	£155
2022/23 Total Funding	£240.964m	£5,354
2023/24 Provisional Schools Block (exc Growth)	£245.891m	£5,464
Increase (£)	£4.927m	£110
Increase (%)	2.04%	2.04%

Provisional Allocation is calculated as follows:

Element	Number	Value (£)	Total (£)
Primary Unit of funding	26,010	4,870	126,667,397
Secondary Unit of funding	18,993	6,203	117,802,333
Premises			1,420,875
Total			245,890,605

3.3 As highlighted by the table above the provisional Schools Block funding for 2023/24 totals **£245,890,605** which is an increase of approx. £4.927 million on our 2022/23 actual allocations, inclusive of the 22/23 supplementary grant. This equates to a 2.04% increase per pupil. For comparison purposes in 2022/23 we received an initial school block increase of 2.6% per pupil compared with 2021/22, increasing to 5.6% per pupil with the additional supplementary grant.

4. Next Steps

- 4.1 Modelling is currently ongoing to determine indicative funding allocations for schools. This will be based on the October 2021 census data for initial modelling purposes.
- 4.2 In December 2022 final allocations and an updated pro-forma tool including the October 2022 census data will be received and the final allocations can then be determined. The details of the final school level allocations need to be submitted to the ESFA for approval by 20th January 2023. Political approval is also required prior to submission. Subsequently the LA needs to confirm with maintained schools their 2023/24 budget share by 28th February 2023.
- 4.3 In previous years a sub-group of Schools Forum has been established to consider and subsequently recommend principles for the determination of individual school budgets. Given the limited local discretion and the current position of our local formulae this may not be necessary. In recent years considerations of the sub-group have centred around School Block contributions to High Needs and how this would be made affordable.
- 4.4 We would like schools forum to consider and agree in principle, pending further consultation with the wider sector, the following proposals for the formulation of school budgets in 2023/24:
 - To continue to apply all National Funding Formula factors and values.
 - To set the minimum funding guarantee at the maximum 0.5% if affordable within the funding envelope. This would only be reduced if the NFF was found to be unaffordable when final modelling is done in December/January.
 - In May 2022 forum agreed that £0.750m from 2021/22 DSG underspends could be used to support High Needs in 2023/24. In view of this and the current unprecedented financial pressures schools are seeing we propose not to make any further contribution from the Schools Block to High Needs in 2023/24. This position will be kept under review in future financial years.
- 4.5 If forum are in agreement with the above proposals, this will be the approach applied and **indicative** school level allocations (based on October 2021 census data) will be produced and brought to the next meeting for information.

5. Recommendations

- 5.1 Schools Forum to note the information in relation to the 2023/24 funding formula outlined in this report.
- 5.2 To agree the proposals in 4.4 above in principle, pending consultation with the wider sector.

