

Schools National Funding Formula Implementation 2023-24 – Schools Forum & Schools Consultation

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National Position

- Funding for mainstream schools and high needs increasing by £1.5bn in 2023-24 compared to 2022-23, on top of a £4bn increase in 2022-23.
- Schools funding will increase by 1.9% overall and by 1.9% per pupil from 2022-23.
- Per pupil funding has increased by 7.9% from 2021-22.
- High needs funding is increasing by £570m or 6.3% in 2023-24 on top of the £1bn increase in 2022-23.

Summary of the changes for the 2023-24 funding formula (1)

- The Government continues to reaffirm its intention to implement the hard NFF and in 2023-24 all LA's will be required to use all funding formula factors. NELC currently does not use the FMS or mobility factors so these will need to be factored in
- Basic entitlement, Prior Attainment, EAL funding formula element values will increase by approximately 2.9% on the 2021-22 amounts.
- Additional support directed to disadvantaged pupils by increasing Deprivation and Lump Sum by 4.3%.
- Confirmation the Schools Supplementary grant has been rolled into the NFF basic entitlement, FMS6 and the lump sum in 2023-24

Summary of the changes for the 2023-24 funding formula (2)

- Minimum per pupil funding levels will remain a mandatory factor and have increased to £4,405 (£4,265) for all primary schools and £5,503 (£5,321) (KS3) and £6,033 (£5,831) (KS4)
- Lower Prior Attainment to be taken from 2019 results as 2020 and 2021 assessments not undertaken due to COVID.
- Flexibility over the use of the Sparsity Factor remains in place for 2023-24.
- Only EAL3 can be used, no longer an option to use 1 and 2. NELC uses EAL3.

Summary of the changes for the 2023-24 funding formula (3)

- LA's have the flexibility to set a local Minimum Funding Guarantee (MFG) between +0.0% and +0.50%.

Summary of the unchanged matters for the 2023-24 funding formula (1)

- The schools block will remain ring fenced but LAs will be able to transfer up to 0.5% of their schools block funding with the agreement of their Schools Forum.
- School Business Rates to be paid to billing authorities by ESFA direct.
- Redetermination of budget shares still not permitted.
- School Forum approval for centrally retained and delegated funding remains and needs to be voted on by the eligible members.

Summary of the unchanged matters for the 2021-22 funding formula (2)

- DSG Account balances in deficit reporting requirements unchanged. The LA needs to prepare a report advising how it intends to bring the account back into balance. This report must be shared with the Schools Forum.
- The status of the DSG grant as a ringfenced grant exemption expires on the 23rd March 2023. Whether this will be extended is yet to be confirmed. If it is there will be no obligation for Council's general fund to meet deficits.

2022-23 position refresh (1)

- Adopted all NFF factor unit values except:
 - Primary AWPU - £3,470 (£253 above NFF)
 - Secondary KS3 AWPU - £4,536 (NFF value)
 - Secondary KS4 AWPU - £5,306 (£194 above NFF)
- Had a MFG of +2.00%
- Had additional funding for 6 primary / 2 secondary schools in order to meet the minimum funding levels.
- Put 75.51% of the funding through AWPU (Basic Pupil Factors)

2022-23 position refresh (2)

- Put 93.35% of the funding through Pupil led Factors.
- Allocated 100% of the Schools Block through the APT.
- Delivered a Primary : Secondary ratio of 1 : 1.28.

Proposed Approach (1)

- Use of all NFF values and factors.
- Review of Growth Fund of £400k (see later slide).
- Assume no NFF Growth Factor for 2022-23 at this time.
- MFG to be set at +0.5%. All schools will keep the gains the formula generates
- As in 2022-23 no top slice for the falling roles fund is to be anticipated as required.
- Retaining the sparsity factor approach as used in 2022-23.
- The Primary:Secondary ratio is anticipated will move to at 1:1.32

Proposed Approach (2)

- Not requesting a top slice from the Schools Block in respect of High Needs pressures
- The approach will lead to a fully allocated indicative schools block of £125m.

Caveats

- Modelling based on October 2021 school census data so the financial position will change.

Work to be undertaken

- Schools Forum meeting on the 7th October and the 22nd November 2022 to discuss the proposed approach and initial modelling.
- Consultation with schools via email in the first instance.
- Work on the final model following the release of the October 2022 Census data and final DSG allocations in December 2022.
- Formal Schools Forum to be scheduled for 13th January 2023 where an update will be provided and discussion will take place prior to the submission to the ESFA.

Timetable (1)

Date	Action
6 October 2022	School Census date
28 October 2022	Evidence submission date for termination of employment costs protection
Mid November 2022	Closing date for High Needs PLACE Change workbooks
November 2022	School Census database closes
December 2022	Final APT issued to local authorities, containing October 2022 census-based pupil data and factors
December 2022	Publication of 2023 to 2024 DSG schools block (prior to academies recoupment), central school services block, initial early years block allocations and updated high needs block allocations for 2023 to 2024

Timetable (2)

Date	Action
Mid January 2023	Schools Forum and political approval required for the final 2023-24 funding formula.
20 th January 2023	Deadline for submission of final 2023-24 APT to ESFA
28 th February 2023	Deadline for confirmation of school's budget shares to mainstream maintained schools.
31 st March 2023	Deadline for confirmation of school's budget shares by the ESFA to mainstream academy schools.
Summer 2023	EY Block updated for January 2023 EY pupil numbers

High Needs Block pressures

Financial Context

- In 2017-18 the High needs Block overspent by £0.6m (the first overspend in the history of NELC)
- In 2018-19 the High Needs Block overspent by £1.1m.
- In 2019-20 the High Needs Block was overspent by £1.088m
- In 2020-21 the High Needs Block was overspent by £0.853m.
- In 2021-22 the High Needs Block was overspent by £0.772m
- The deficit of the DSG Contingency Account as at the 31st March 2022 is now £1.533m.
- Current in year projections will increase this deficit to c£1.8m.

What is the LA doing?

- Reviewing of out of area placements is continuous.
- SEND Service Review
- Additional SEND capital allocation - £883K
- Together for All
- Residential / Educational facility
- Establishment of a Schools Forum working group
- Mainstream inclusion agenda

BUT

- This will not deliver the savings quickly enough and demand and complexity of care increases are outstripping cost reductions.
- If the above actions do not work then we will need to consider a top slice from the Schools Block in 2023-24 should ESFA provisions allow for this

Schools Funding approach - Impact on Schools

- Following this presentation schools will be supplied with a copy of this presentation and then an individual statement of the impact of the changes on their funding.
- In reviewing this data schools are reminded that figures are indicative and will change following the receipt of the October 2022 census data.
- Indicative allocations do not include any element of pupil growth funding should this be received through the national formula.

Question

- Do you agree with our proposed way forward on the Schools Funding Formula? If not what alternative proposal would you make?