



# SCHOOLS' FORUM

8<sup>th</sup> December 2022

## SCHOOLS' FUNDING UPDATE

### 1 INTRODUCTION

- 1.1 The purpose of Schools Forum is to advise local authorities on the operation of the local Schools Budget and its distribution among schools and other bodies. This paper updates the Forum on the Schools Funding Position.

This paper is also asking for a decision on continuing the transfer of 0.5% from the schools' block to the high needs block

### 2 SCHOOLS FUNDING 22/23

- 2.1 The table below summarises the current forecast on the Dedicated Schools Grant for 2022/23.

	Schools £000	High Needs £000	Early Years £000	Central Schools £000	Total £000
<b>Surplus/(Deficit) Carry Forwards from 2021/22</b>	<b>1</b>	<b>(1,239)</b>	<b>107</b>	<b>69</b>	<b>(1,062)</b>
DSG Allocations prior to recoupment	28,367	5,272	1,718	184	<b>35,540</b>
Transfer between blocks	(142)	142			<b>0</b>
Academy Recoupment	(26,348)	(310)			<b>(26,658)</b>
<b>Expenditure in Year</b>					
Schools' allocations	(1,877)				<b>(1,877)</b>
Nationally Agreed School Licences				(41)	<b>(41)</b>
Admissions Service- staffing costs				(68)	<b>(68)</b>
Statutory & Retained Duties				(76)	<b>(76)</b>
Education for under 5's			(77)		<b>(116)</b>
3 & 4 Year Old Funding			(1,524)		<b>(1,507)</b>
2 Year Old Funding			(114)		<b>(87)</b>
SEN Funding Maintained Schools and Academies		(2,800)			<b>(2,774)</b>

SEN Funding Post 16		(137)			(137)
SEN Recovery Plan Expenditure		(357)			(378)
SEN Funding - Independent Special Schools		(1,312)			(1,377)
SEN Funding EOTAS & Tuition		(605)			(521)
SEN RCC Recharge		(197)			(197)
Early Years Inclusion (SENIF)		(30)			(50)
<b>Under/(Over) spends in 2022/23</b>	<b>(0)</b>	<b>(335)</b>	<b>3</b>	<b>(1)</b>	<b>(304)</b>
<b>Surplus/(Deficit) Carried Forward to 2023/24</b>	<b>1</b>	<b>(1,574)</b>	<b>110</b>	<b>68</b>	<b>(1,366)</b>

- 2.2 The High Needs Block continues to be the biggest area for concern. The Councils recovery plan is having a positive impact, but demand is outstripping the savings we generate from the actions in the recovery plan.

Although Early Years is largely on budget, the mix of the children we are funding is different to the current funding with more 2 year old funding and less 3 and 4 year old funding. January Census will determine the Council's new funding which will impact the over/underspend in year.

### 3 SCHOOLS FUNDING 23/24

- 3.1 At a high level, the following indicative funding has been published

Area	2022/23 Funding £000	2023/24 Funding £000	Difference £000 (%age)
Schools Block	28,367	29,403	£1,036 (3.6%)
High Needs Block	5,272	5,602	£330k (6.2%)
Central Schools	184	195	£11k (5.9%)

- 3.2 Based on the above data the transfer requested from the schools' block would equate to £147k.

The government funding announcement sets out the key items nationally are as follows;

- Confirms the provisional funding allocations for 2023-24 through the schools, high needs and central school services national funding formulae (NFF). Overall, core schools funding (including funding for mainstream schools and high needs) is increasing by £1.5bn in 2023-24 compared to the previous year, on top of the £4bn increase in 2022-23.
- High needs funding is increasing by a further £570m, or 6.3%, in 2023-24 – following the £2.6 billion increase over the last three years. This brings the total high needs budget to over £9.7bn. All local authorities will receive at least a 5% increase per head of their 2-18 population, compared to their 2022-23 allocations, with some authorities seeing gains of up to 7%.
- The Government remains committed to ensuring a financially sustainable system where resources are effectively targeted to need. The consultation on the SEND and Alternative Provision Green Paper closed on 22 July, and the Government will

confirm the next steps in implementing the reform programme later this year.

- Funding for mainstream schools through the schools NFF is increasing by 1.9% per pupil compared to 2022-23. Taken together with the funding increases seen in 2022-23, this means that funding through the schools NFF will be 7.9% higher per pupil in 2023-24, compared to 2021-22.
- The NFF will distribute this funding based on schools' and pupils' needs and characteristics. The main features in 2023-24 are:
- The core factors in the schools NFF (such as basic per-pupil funding, and the lump sum that all schools attract) will increase by 2.4%.
- Funding for disadvantaged pupils will see greater increases – with funding for two deprivation factors in the NFF increasing by a greater amount than other factors. These two factors (relating to pupils who have been eligible for free school meals at any point over the last six years, and the IDACI factor which relates to relative deprivation between local areas) will increase by 4.3% compared to their 2022-23 values.
- The funding floor will ensure that every school attracts at least 0.5% more pupil-led funding per pupil compared to its 2022-23 NFF allocation.
- The minimum per pupil funding levels (MPPLs) will increase by 0.5% compared to 2022-23. This will mean that, next year, every primary school will receive at least £4,405 per pupil, and every secondary school at least £5,715.
- The 2022-23 schools supplementary grant has been rolled into the schools NFF. Adding the grant funding to the NFF ensures that this additional funding forms part of schools' core budgets and will continue to be provided.
- The DfE's Schools Operational Guide for 2023-24 requires Local authorities to set an MFG between +0% and +0.5% per pupil. Any local authorities wanting to set an MFG outside of these parameters must apply for exceptional permission from the DfE.

3.3 Caution needs to be applied to the information above as this was prior to the autumn statement and change in government, although during the autumn statement it was stated that there would be no reduction, in cash terms, to the funding already announced.

## **4 RECOMMENDATIONS**

4.1 Schools Forum agree to continue to transfer the 0.5% to the high needs block schools

4.2 That Schools Forum Note the contents of the report.