

Bolton Council

Report to: Schools Forum

Date: 12th November 2021

Report of: Director of Childrens Services
Deputy Chief Executive

**Report
No:**

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Report Title: **School Funding Consultation 2022-23**

**Confidential /
Non Confidential:** This report does **not** contain information which warrants its
consideration in the absence of the press or members of the public

Purpose: To update the Schools Forum on the latest budget announcements,
the Spending Review and discuss the principles to be adopted in
the school budget consultation for 2022-23.

Recommendations: The Schools Forum is asked to note and comment on the proposed
consultation to schools.

Decision:

1. PURPOSE OF THE REPORT

To update the Schools Forum on the latest budget announcements and discuss the principles to be adopted in the school budget consultation for 2022-23.

2. 2022- 23 Headlines

At the last meeting the Forum were informed of the key changes in 2022-23 :-

Increases built into the National Funding Formula:-

- 3% increase to basic entitlement, FSM ever 6, IDACI, low prior attainment, EAL and lump sum, 2% increase FSM
- 2% increase to the Minimum Per Pupil Levels (MPPLs). This provides per-pupil funding of at least £4,265 for each primary school, and £5,525 for each secondary school.
- 2% increase to the funding floor
- 0% increase to premises factors, besides PFI funding which has increased by RPIX

Other Changes:-

- Data for FSM6 will now be taken from the October 2020 census rather than January 2020, this brings the factor in line with other NFF factors and the pupil premium, which changed in 2021-22
- School sparsity distances will now be based on road distances instead of straight line distances, although this factor is not used in the Bolton Formula.
- Following the cancellation of assessments in summer 2020 due to COVID-19, local authorities will use 2019 assessment data as a low prior attainment proxy in funding formulae for the 2020 reception and year 6 cohort.
- Pupils who joined a school between January 2020 and May 2020 will attract mobility funding based on their entry date, this is because the May 2020 census did not take place due to COVID and this is where the data would normally be picked up from.
- Change to the payment process for business rates whereby the ESFA will pay billing authorities directly rather than separate invoices for each school. Note the cost of the business rates will still be charged to school budgets.

Key features of a Local Authority Funding Formula:-

- The Minimum Per Pupil Levels (MPPLs) remain mandatory, see above for values.
- Local authorities have the freedom to set the Minimum Funding Guarantee (MFG) in local formulae between +0.5% and +2% per pupil
- Local authorities will continue to be able to transfer up to 0.5% of their Schools block to other blocks of the DSG, with schools forum approval

The Group were also notified of the initial DSG settlement, prior to pupil number changes:-

Provisional DSG 2022-23				2021-22	2022-23	Change	Change
				£m	£m	£m	%
Schools Block				247.103	253.487	6.384	2.58%
Central School Services Block				1.961	1.958	-0.003	-0.15%
High Needs Block				46.111	50.843	4.732	10.26%
Early Years Block				22.288	22.288	0.000	0.00%
Total Value of Changes				317.463	328.576	11.114	3.50%

3. SPENDING REVIEW

Since the last meeting the Government has published its spending review up to 2024-25.

The Spending Review detailed a national increase to the core school budget of £4.7bn by 2024-25, compared to the original 2022-23 announcement. This includes £1.6bn in additional funding for 2022-23 budgets.

The detail of how the additional funding will be allocated between schools and high needs has not yet been announced but will mean an increase to the provisional figures published in this report.

Additional funding for early years of £160m in 2022-23, £180m in 2023-24 and £170m in 2024-25 was announced. This is for local authorities to increase hourly rates paid to childcare providers for the government's free childcare entitlement offers and reflects the costs of inflation and national living wage increases. Details of the hourly rates for 2022-23 have not been announced yet.

The government has confirmed continuation of maintained nursery school supplementary funding throughout the Spending Review period, providing the sector with long-term certainty.

The Spending Review also confirmed that investment of £2.6bn between 2022 and 2025 to deliver new places and improve existing provision for pupils with Special Educational Needs and Disabilities or who require alternative provision.

4. INCREASES TO UNIT VALUES

The National Funding Formula values have increased in 2022-23 and are listed in Appendix 1.

Bolton currently uses the 2021-22 unit values in the local formula, apart from Free School Meals (FSM). This was due to data changes in the October 2020 census. This factor will again be used as a balancing figure but it is hoped that the NFF values in Appendix 1 will be affordable.

5. HIGH NEEDS BLOCK

As reported in the monitoring reports the High Needs Block is still in deficit due to ongoing demand pressures.

Work is ongoing by the School Support Reforms Group and the budget consultation will request the transfer of 0.5% to support the implementation of proposals from the group and the ongoing pressure.

6. CONSULTATION

The consultation questions will cover the following 3 proposals:-

- adopt the NFF formula values
- apply a minimum funding guarantee of 2%
- transfer 0.5% of schools block to the high needs block

These 3 proposals are in line with the principles adopted in Bolton's formula in recent years.

7. DE-DELEGATION

Schools Forum is allowed to retain funding centrally for some services on behalf of all maintained primary and secondary schools where they believe this will be of benefit to the children within Bolton. The process is that funding is delegated to schools and then maintained schools buy back globally into the service. Academies can buy back into these services via a Service Level Agreement.

The services currently de-delegated are:-

- Maternity
- Schools Library Service
- Schools Museum Service
- Free School Meals Eligibility
- Partnerships
- CLEAPSS

The consultation will ask schools if they wish to continue.

School Improvement De-delegation

A Government consultation was launched on 29th October 2021 "Reforming how local authorities' school improvement functions are funded".

The consultation proposes ending the current School Improvement Grant that local authorities receive to deliver its core school improvement functions and funding the activities in the future through de-delegation.

The grant would be reduced by 50% in 2022-23 and 100% in 2023-24. Bolton's grant in 2021-22 financial year is £301,099.

The timescale of the consultation and resulting decisions overlap with the budget consultation therefore the budget consultation will take place assuming the school improvement proposals will go ahead.

8. CONSULTATION ARRANGEMENTS AND TIMETABLE

The budget consultation will be launched via a webinar briefing for all schools to attend.

The consultation will run for three weeks during November/December in order for the Formula Review Group to review the results at its meeting on 6th January 2022 in advance of the Schools Forum meeting on 14th January 2022.

9. NEXT STEPS

At the next Schools Forum on 14th January 2022 the results of the consultation will be presented to inform Schools Forums recommendation for the formula, this will be submitted to the ESFA and taken to the Executive cabinet Member Meeting on 7th February 2022 for political ratification.

The budget report in January will also include the impact of the October 2021 census.

10. RECOMMENDATION

The Schools Forum is asked to note and comment on the proposed consultation to schools.

Appendix A – Unit Value Changes

			2021-22 NFF	2022-23 NFF	Increase	%	Comments
1. BASIC ENTITLEMENT							
	Primary		£ 3,123	£ 3,217	£ 94	3.01%	
	Secondary						
		KS3	£ 4,404	£ 4,536	£ 132	3.00%	
		KS4	£ 4,963	£ 5,112	£ 149	3.00%	
2. DEPRIVATION							
FSM							
	Primary		£ 460	£ 470	£ 10	2.17%	Note Bolton value 2021-22 £415
	Secondary		£ 460	£ 470	£ 10	2.17%	Note Bolton value 2021-22 £415
EVER 6							
	Primary		£ 575	£ 590	£ 15	2.61%	
	Secondary		£ 840	£ 865	£ 25	2.98%	
IDACI							
	Primary						
	IDACI Band G		£ -	£ -	£ -		
	IDACI Band F		£ 215.00	£ 220	£ 5	2.33%	
	IDACI Band E		£ 260.00	£ 270	£ 10	3.85%	
	IDACI Band D		£ 410.00	£ 420	£ 10	2.44%	
	IDACI Band C		£ 445.00	£ 460	£ 15	3.37%	
	IDACI Band B		£ 475.00	£ 490	£ 15	3.16%	
	IDACI Band A		£ 620.00	£ 640	£ 20	3.23%	
	Secondary						
	IDACI Band G		£ -	£ -	£ -		
	IDACI Band F		£ 310	£ 320	£ 10	3.23%	
	IDACI Band E		£ 415	£ 425	£ 10	2.41%	
	IDACI Band D		£ 580	£ 595	£ 15	2.59%	
	IDACI Band C		£ 630	£ 650	£ 20	3.17%	
	IDACI Band B		£ 680	£ 700	£ 20	2.94%	
	IDACI Band A		£ 865	£ 890	£ 25	2.89%	
PRIOR ATTAINMENT							
	Primary		£ 1,095	£ 1,130	£ 35	3.20%	
	Secondary		£ 1,660	£ 1,710	£ 50	3.01%	
4. EAL							
	Primary		£ 550	£ 565	£ 15	2.73%	
	Secondary		£ 1,485	£ 1,530	£ 45	3.03%	
5. MOBILITY							
	Primary		£ 900	£ 925	£ 25	2.78%	
	Secondary		£ 1,290	£ 1,330	£ 40	3.10%	
6. LUMP SUM							
	Primary		£ 117,800	£ 121,300	£ 3,500	2.97%	
	Secondary		£ 117,800	£ 121,300	£ 3,500	2.97%	