

Bolton Council

Report to: Schools Forum

Date: 17th September 2021

Report of: Director of Childrens Services
Deputy Chief Executive

**Report
No:**

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Report Title: **School Funding Arrangements 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 recent announcements for
education funding for 2022-23.

Recommendations: The Schools Forum is asked to note and comment on the report.

Decision:

1. PURPOSE OF THE REPORT

To update the Schools Forum on the recent announcements for education funding for 2022-23.

2. INTRODUCTION AND NATIONAL FUNDING FORMULA

Due to the coronavirus (COVID-19) pandemic to ensure that funding can be delivered as smoothly as possible to schools, the DfE has once again made limited changes to funding arrangements in 2022-23

In 2022-23, as in previous years, each local authority will continue to set a local schools funding formula, in consultation with local schools. The government has published a consultation regarding plans to move to a 'hard' National Funding Formula (NFF) in the future, which will determine school funding allocations directly, rather than local funding formulae. This consultation is summarised in a separate report on this Schools Forum agenda.

3. HEADLINES

The operational guidance for 2022-23 has been published. This sets out how Local Authorities should implement the funding arrangements and pass funding to schools. The Key features are:-

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

4. DSG BUDGET ANNOUNCEMENT

The 2022-23 provisional allocations for the DSG have been published. The impact on Bolton is set out in the table below:-

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%

The Early Years Block has not yet been announced as this is always later in the year following the spending review.

Note – the schools block, including growth fund, will be updated following the October 2021 census.

High Needs Block

The high needs NFF ensures that every local authority receives at least an 8% increase per head of population.

There has been a technical change to the historic spend factor within the high needs national funding formula, following the consultation earlier this year. The factor has been updated to use 50% of local authorities' actual spend data in 2017- 2018 rather than their planned spend.

Bolton's increase is £4.732, this equates to 10.26%

Central Schools Block

The central schools block includes both funding for historic commitments and on-going responsibilities.

Central schools services funding in 2022-23 will increase for the on-going responsibilities that local authorities continue to have for all schools, however funding for historic commitments within this block will decrease by a further 20%. The net change is £3,000.

5. NEXT STEPS

At the next Schools Forum in November principles supporting the consultation to schools will need to be finalised. This consultation will cover:-

- Minimum Funding Guarantee
- Formula Factors
- High Needs Transfer
- Dedelegation

The results of the schools consultation will contribute to the budget report to the Executive Member in January.

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

6. RECOMMENDATION

The Schools Forum is asked to note and comment on report