

Schools Forum

29 September 2022

2023-24 National Funding Formula and Budget Setting Timetable

This report relates to all members of schools' forum and is for information and comment.

Recommendations

Schools' forum is asked to:

- Note the timetable for agreeing allocations for DSG funded services for 2023-24 as set out in Appendix A.

1. Purpose of the Report

- 1.1. The purpose of the report is to outline for the schools forum the planned timetable for approving the use of Dedicated Schools Grant in Warwickshire for 2023-24. In noting the timetable, the forum should note that this is based on a 'steady state' approach given the significant move towards the implementation of the hard National Funding Formula made in 2018-19.
- 1.2. If any information is released which suggests a revised approach is needed prior to the January meeting of the schools forum a note and revised timetable will be circulated to forum members.

2. NFF Consultations

2021 Consultation

- 2.1. During the summer of 2021, the ESFA conducted a consultation on "Fair schools funding for all: completing our reforms to the National Funding Formula". This focused on the principles of moving to a direct formula and following consultation feedback the government published its response which confirmed their commitment to the direct NFF and encouraged Local Authorities to move to the 'hard' National Funding Formula as quickly as possible.

2.2. Schools forum members will be aware that schools forum and Warwickshire County Council both agreed to move to the 'hard' National Formula Funding in January 2018, subject to affordability within the school block DSG.

2022 Consultation

2.3. During the summer of 2022, the ESFA has conducted a further consultation on: "Implementing the Direct National Funding Formula". This focused further on the detail of the implementation of the direct NFF, and also sets out proposals to continue to have flexibility within the funding system to transfer funding from the school block to the high needs block, subject to appropriate approvals.

2.4. The consultation proposed a short list of options on how adjustments could be made to school budgets to enable a transfer:

- A percentage reduction in all mainstream schools' NFF allocation.
- A percentage reduction in the NFF funding that mainstream schools attract through the basic entitlement factor (rather than additional needs factors) – this would be of relative benefit to schools with high proportions of pupils with additional needs.
- A percentage reduction in the NFF funding that schools attract through additional needs factors.

2.5. It should be noted that the outcome of the 2022 consultation has not yet been shared, but provisional modelling based on October 2021 census data and our estimated funding of Primary and Secondary Units of Funding (PUFS and SUFs) suggest that we should be able to replicate the 'hard' National Funding Formula in 2023-24.

2.6. However, unlike 2022-23 and 2021-22, we do not currently anticipate either reserve balances or a school block surplus to be available to fund a transfer of up to 0.5% from the school block DSG to the high needs block, although this will be subject to the financial implications of the October 2022 census data. Therefore, if approved, it is likely that a transfer of up to 0.5% would have an impact on 2022-23 school budgets. There is another report on today's agenda which provides an update to the DSG Recovery Plan and how previous 0.5% transfers have been utilised and the impact they have had.

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Note that, as the DfE have still not issued the outcome of their recent consultation on the NFF or confirmed their deadlines for the disapplication process, this timetable is still subject to change.

Date	Responsibility	Process
2022		
7 October	School	Schools Census date.
10 October	WCC SEND and Inclusion	Send out consultation to schools on movement of 0.5% from the school block DSG to the high needs DSG. Consultation will run for 5 weeks.
3 November		Final day for census data sent to the ESFA of numbers on roll in individual schools.
7 November	WCC SEND and Inclusion	Return deadline for consultation on 0.5% disapplication.
10 November	School forum	Provisional date to discuss and agree/disagree 0.5% disapplication.
19 November	WCC Finance	Deadline for submitting any disapplication to the ESFA to move up to 0.5% of funding from the school block DSG to the high needs block DSG. Schools forum supported a disapplication in 2022-23.
Mid December	ESFA	Authority Pro-forma Tool (APT) is sent to Local Authorities with October 2021 census data and indicative schools block DSG. At this point WCC Finance models the funding for individual schools.
2023		
12 January	School forum	Takes decisions needed on: <ul style="list-style-type: none"> • 2023-24 Schools Funding Formula • 2023-24 Formula Proposal from the Early Years Working Group
16 January (To be confirmed)	WCC Finance	APT is sent back to ESFA outlining our proposed funding formula for 2023-24.
27 January	WCC Cabinet	Approves: <ul style="list-style-type: none"> • 2023-24 Schools Funding Formula • 2023-24 Early Years Funding Formula
End January	ESFA	Confirm our funding formula meets ESFA validation checks.
16 February	WCC Council	Agree the County Council's budget for 2023-24
Early February	WCC Finance	Send out individual mainstream school budgets for 2023-24 together with indicative budget allocations for 2024-25 and 2025-26
23 March	School forum	Agree detail of Central Services Block DSG allocations for 2023-24