

**DSG Budget Setting for 2022/23**  
**Consultation with Schools - November 2021**

Planned Consultation Period – Monday 1<sup>st</sup> November to Monday 15<sup>th</sup> November

**Consultation covering:-**

- 1) Principles of the Schools Block funding formula**
- 2) Disapplication request for our all-through school**
- 3) 0.5% transfer from the Schools Block to the High Needs Block**
- 4) Falling Rolls fund**
- 5) De-delegation - for maintained schools only**

## **1. Principles of the Schools Block Funding Formula**

### **Background**

At the end of July 2021 the DfE advised Wokingham Borough Council of our Primary and Secondary Units of Funding for 2022-23. The DfE are not changing local authorities' flexibility over the distribution of school funding in 2022-23. The government are still planning to move to a "hard" National Funding Formula (NFF) in the next few years which will determine schools' budgets directly rather than through local formulae set independently by each local authority. The government have advised that from 2023/24, local authorities will be required to bring their own formulae closer to the schools NFF to smooth the transition.

For the past three years the Task and Finish Group, which is made up of a small group of Schools Forum members and Finance Officers, have been slowly moving the formula towards the National Funding Formula. Local funding formulae in 2021-22 shows that the majority of local authorities have moved towards the NFF since its introduction in 2018-19. Of 150 local authorities in England, 105 have moved every one of their factor values in their local formulae closer the NFF over the past 3 years. Of these, 73 local authorities are now mirroring the NFF funding factors almost exactly.

### **Purpose of this consultation**

As we are still able to set our own local formula, we would like to consult with schools on the principles and factors of the formula. We will also be consulting with schools again towards the end of the Autumn term once we have the final details from the October 2021 census.

There are 14 allowable funding formula factors in 2022-23

#### Compulsory

- Basic entitlement
- Deprivation
- Minimum level of per-pupil funding for primary and secondary schools

#### Optional

- Prior Attainment
- Looked after children (not included in the National Funding Formula)
- English as an additional language
- Pupil mobility
- Sparsity (does not apply to Wokingham)
- Lump sum
- London fringe (Wokingham not eligible)
- Split sites (applies to one Wokingham school)
- Rates (changes being applied nationally to the approach for 2022/23)
- Private finance initiative contracts (does not apply to Wokingham)
- Exceptional circumstances (does not apply to Wokingham)

The table below shows the rates used for each factor of the formula for Wokingham in 2021-22, the proposed values for Wokingham for 2022/23 and the NFF rates for 2022-23.

AWPU rates are dependent upon the levels of the other factors and have effectively been superseded by Minimum per pupil levels of funding. Thus AWPU is calculated dependent upon the other factors.

Minimum per pupil levels of funding are rising by 2.03% for all schools, whilst total WBC funding is rising by 2.3%. The models therefore currently show that all schools will see a rise in per pupil funding for 2022/23 whilst also accommodating the proposed increases to 2021/22 factors to be nearer to NFF.

As in 2021/22 The teachers pay grant and the teachers' pension grant have been subsumed into the minimum per pupil funding levels for EYFS to Year 11.

|  | Actual      |        |             | Proposed    |
|--|-------------|--------|-------------|-------------|
|  | APT 2021-22 |        | NFF 2022-23 | APT 2022-23 |
| <u>Minimum per Pupil Funding level</u> |             |        |             |             |
| Primary                                | 4,180.00    |        | 4,265.00    | 4,265.00    |
| Secondary KS3                          | 5,215.00    |        | 5,321.00    | 5,321.00    |
| Secondary KS4                          | 5,715.00    |        | 5,831.00    | 5,831.00    |
| Secondary                              | 5,415.00    |        | 5,525.00    | 5,525.00    |
| Reception uplift                       |             |        |             | Yes         |
| <u>Basic Entitlement</u>               |             |        |             |             |
| AWPU Primary                           | 3,348.25    | 82.09% | 3,217.00    |             |
| AWPU KS3                               | 4,654.07    |        | 4,536.00    |             |
| AWPU KS4                               | 5,424.16    |        | 5,112.00    |             |
| <u>Deprivation</u>                     |             |        |             |             |
| FSM6 Primary                           | 612.04      | 2.07%  | 590.00      | 601.02      |
| FMS6 Secondary                         | 811.15      |        | 865.00      | 838.07      |
| IDACI Band F Pri                       | 238.42      |        | 220.00      | 229.21      |
| IDACI Band F Sec                       | 296.76      |        | 320.00      | 308.38      |
| IDACI Band E Pri                       | 290.48      |        | 270.00      | 280.24      |
| IDACI Band E Sec                       | 374.75      |        | 425.00      | 399.87      |
| IDACI Band D Pri                       | 396.06      |        | 420.00      | 408.03      |
| IDACI Band D Sec                       | 494.22      |        | 595.00      | 544.61      |
| IDACI Band C Pri                       | 481.84      |        | 460.00      | 470.92      |
| IDACI Band C Sec                       | 596.85      |        | 650.00      | 623.43      |
| IDACI Band B Pri                       | 565.95      |        | 490.00      | 527.98      |
| IDACI Band B Sec                       | 699.49      |        | 700.00      | 699.74      |
| IDACI Band A Pri                       | 799.57      |        | 640.00      | 719.79      |
| IDACI Band A Sec                       | 865.00      |        | 890.00      | 877.50      |
| <u>LAC</u>                             | -           | 0.00%  |             | -           |
| <u>EAL</u>                             |             |        |             |             |
| EAL 3 Primary                          | 354.65      | 0.80%  | 565.00      | 459.83      |
| EAL 3 Secondary                        | 1,351.74    |        | 1,530.00    | 1,440.87    |
| <u>Mobility</u>                        |             |        |             |             |
| Primary                                | 2,337.76    | 0.13%  | 925.00      | 1,631.38    |
| Secondary                              | 2,467.76    |        | 1,330.00    | 1,898.88    |
| <u>Prior Attainment</u>                |             |        |             |             |
| Primary Low Attainment                 | 898.33      | 4.77%  | 1,130.00    | 1,014.17    |
| Secondary Low Attainment Year 7        | 1,377.69    |        | 1,710.00    | 1,543.85    |
| Secondary Low Attainment Year 8        | 1,377.69    |        | 1,710.00    | 1,543.85    |
| Secondary Low Attainment Year 9        | 1,377.69    |        | 1,710.00    | 1,543.85    |
| Secondary Low Attainment Year 10       | 1,377.69    |        | 1,710.00    | 1,543.85    |
| Secondary Low Attainment Year 11       | 1,377.69    |        | 1,710.00    | 1,543.85    |
| <u>Lump Sum</u>                        |             |        |             |             |
| Primary                                | 135,000.00  | 7.12%  | 121,300.00  |             |
| Secondary                              | 135,000.00  |        | 121,300.00  |             |
| <u>Split Sites</u>                     | 110,000.00  | 0.09%  |             |             |
| <u>Sparsity</u>                        |             | 0.00%  |             | -           |
| <u>Rates</u>                           |             | 1.38%  |             |             |
| <u>Disapplication all -through</u>     | 142,463.00  | 0.12%  |             |             |
| <u>Additional funding to meet MPPL</u> |             | 1.44%  |             |             |

The Task and Finish Group have met twice to discuss the funding formula. Their proposals are:

1. Adopt the statutory Minimum Per Pupil Funding model as per NFF
  - £4,265 for primary
  - £5,525 for secondary
2. Lump Sum for primary and secondary schools (currently at £135K) to be modelled at £135K, £121.3k and £128.15K.
3. There will be a cap on gains, the amount to be determined once the model and pupil numbers are clearer.

MFG protects schools from losing funding per pupil year on year. It only looks at the pupil led factors of the formula (AWPU, deprivation etc) and does not include the premises factors (lump sum etc), The calculation includes any MFG amount that a school may have received in the previous year, when comparing to the current year. For 2022/23 MFG can be set between +0.5% and +2%.

**Question 1 – MFG to be set at +1% as per previous years?**

Yes

No

**Question 2 – Retain the 1:1.29 primary to secondary ratio. For every £1 for a primary child, a secondary child would receive £1.29.**

Yes

No

For the 2021/22 factors, we consulted with schools with the T&F Group proposal of a three year move towards adopting NFF rates for each of the funding formula factors. This was agreed by 96% of respondents. 2022/23 will be the 2<sup>nd</sup> year. Thus in 2022/23 there will be a move to either increase or decrease the factors halfway between the 2021/22 rates and the updated NFF factor values. For example, where the 2020/21 figure for primary prior attainment in Wokingham was £800, the 2021/22 figure for NFF was £1,095. So, for 2021/22 we agreed that the Wokingham figure would be £898. For 2022/23 the NFF rate is £1,130, therefore we propose the Wokingham rate would be £1,014. Therefore by 2023/24 we should be mirroring the NFF rates which is what the DfE want authorities to achieve.

**Question 3 – Do you approve to continue to move the local funding factor rates (excluding lump sum) towards NFF rates?**

Yes

No

## **2. All-through School Funding – Disapplication Request**

### **Background**

The Government has made Minimum per Pupil Levels (MPPL) of funding statutory for all state funded schools under the National Funding Formula (NFF). It is now statutory for primary and secondary schools to receive at least the MPPL funding. Importantly, ESFA have provided more than enough funding to ensure this happens nationally through the Primary Units of Funding (PUF) and Secondary Units of Funding (SUF).

For 2022/23 the MPPL rates have increased.

|         | 2021/22<br>MPPL | 2022/23 MPPL | Increase<br>% |
|---------|-----------------|--------------|---------------|
| Primary | £4,180          | £4,265       | 2.03%         |
| KS3     | £5,215          | £5,321       | 2.03%         |
| KS4     | £5,715          | £5,831       | 2.03%         |

Every school should receive at least these amounts of funding per child. Many schools will receive more than this minimum funding per pupil due to other factors, such as low prior attainment or socioeconomic disadvantage.

In keeping calculations simple, the same anomaly exists as previous years in the NFF formula whereby all-through school could be funded below these minimum levels. The NFF recognises this, especially for all-through schools, where the minimum per pupil funding would be skewed by unusual year group sizes.

The Operational Guide for Schools Revenue Funding 2022 to 2023 states, “where a local authority can show that the relevant MPLP value for that school is skewed significantly by unusual year group sizes. For example, a local authority may want to provide a higher minimum per-pupil level for an all-through school with significantly larger secondary than primary year group sizes”. and has given local authorities the power to submit a disapplication to rectify any per pupil funding below the national minimum.

Wokingham’s single all-through school has a primary site with a PAN of 30 and is full in each year group. The secondary site has a PAN of 206 and is full or over PAN in each year group.

### **Proposal**

As this school clearly meets the criteria for disapplication the local authority intends to submit a disapplication to ensure that children at this school attract at least the minimum funding levels which every other school will receive.

Last year when we consulted with schools, 97% of respondents agreed to us submitting a disapplication request, and it was approved by the DfE.

### **Question**

*Do you agree that the Local Authority should submit a disapplication request in regards to the funding for our one all-through school for 2022/23?*

Yes

No

### **3. 0.5% Transfer from Schools Block to High Needs Block**

#### **Background**

High Needs Block funding for Wokingham in the 2022/23 financial year is £24.8m, which is an increase of almost 14% compared to 2021/22. The funding is used to support a range of settings and support for our children and young people with SEND. This includes top-ups and exceptional needs funding for those in mainstream schools, funding of resource bases, special schools

As with all local authorities across the Council, Wokingham's High Needs Block is under significant financial pressure with a cumulative deficit of £9.6m forecast at the end of the current financial year.

The number of children & young people in Wokingham with an EHCP has risen by over 60% since 2017/18 with the number now above 1,400. The SEND Service are currently seeing around 30 requests to assess per month, with around 95% of those resulting in an EHCP.

#### **Proposal**

It is proposed to transfer 0.5% from the Schools Block to the High Needs Block for financial year 2022/23, as we had agreed after consultation for 2021/22. This would equate to a reduction of around £630k on the amount to be allocated through the schools budget setting formula. The overall funding for schools will however still increase by 2.3% overall in 2022/23.

The additional funds within the High Needs Block would be used **to invest in valued local provision, supporting our most vulnerable children and young people.**

For 2021/22 we used the 0.5% transfer to support an above inflation increase on mainstream top-up rates, additional funding support for the review of Foundry, and additional capacity for the SEND IIP to drive forward improvements and embed change.

#### **Question**

*Do you support the proposal to transfer 0.5% of School Block funding (approx. £630k) to the High Needs Block for 2022/23 to support the overall SEND strategy and inclusion agenda?*

Yes

No

#### **4. Principles of establishing a Falling Rolls Fund**

Local authorities may set aside Schools Block funding to create a small fund to support good schools with falling rolls, where local planning data shows that surplus places will be needed within the next three years.

Funding is provided within the Schools Block allocation of the Dedicated Schools Grant.

Schools Forum are required to agree the value of the fund and the criteria for allocation. Local authorities should report any remaining falling rolls funding at the end of the financial year to Schools Forum. Funding may be carried forward to the following funding period and local authorities can choose to use it specifically for falling rolls.

The DfE would expect policies to contain some of the following features:

- Clear and objective triggers for qualification, and a clear formula for calculating allocations.
- Support is available for schools judged good or outstanding at their latest Ofsted inspection (this is mandatory).
- Surplus capacity exceeds a minimum number of pupils, or a percentage of the planned admission number.
- Local planning data shows a requirement for a minimum percentage of the surplus places within the next three years.
- Formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort.
- The school will need to make redundancies in order to contain spending within its formula budget.

#### Question

*Do you support the need for a Falling Rolls Fund for Wokingham schools?*

Yes

No

## 5. De-delegated Services

*Tbc – format and wording of consultation will be agreed through De-delegated Review Task & Finish Group*

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