

School Funding 2023/24

Report to the Schools Forum 19 January 2023

- 1.1 At the Autumn 2022 Forums, in September and November 2022, papers were presented summarising the information released by the DfE up until that point concerning 2023/24 funding. Shortly before Christmas final allocations for the Schools, High Needs and Central School Services DSG blocks were issued. The final early years DSG allocation will not be released until Summer 2023, as it is based partly upon the January 2023 census, but the funding rates have been announced.
- 1.2 In addition the DfE released details of a “Mainstream Schools Additional Grant” representing the additional funding for schools announced in the Autumn statement (details below).

Mainstream School Funding

- 1.3 Final pupil numbers were similar to those that had been used for modelling purposes and the sum allocated of £154m (including £1.4m for growth funding) was broadly as anticipated. T&W’s cabinet agreed on Thursday 5 January 2023 that we should continue to mirror the DfE’s national funding formula (NFF) for schools as far as possible.
- 1.4 The amounts allocated to schools in T&W’s formula can differ slightly from those in the DfE allocations due to timing differences in the data used to arrive at local authority figures compared to that used to distribute to schools and depending upon whether we allocate more or less for pupil growth than the allocation to T&W for growth funding. In 2021/22 we were able to allocate slightly more than the NFF amounts, in 2022/23 slightly less.
- 1.5 T&W primary schools 2023/24 NFF funding factors are shown below, with 2022/23 actual amounts allocated shown for comparison purposes adjusted where necessary for the Schools Supplementary Grant which will be incorporated into the formulae for 2023/2024.

2023/24 Primary School Funding Factors

	T&W 2022/23	NFF 2023/24
AWPU	£3,314	£3,394
FSM	£467	£480
FSM6	£675	£705
IDACI A	£636	£670
IDACI B	£487	£510
IDACI C	£457	£480
IDACI D	£418	£440
IDACI E	£268	£280
IDACI F	£219	£230
Low Prior Attainment	£1,124	£1,155
English as an Additional Language (EAL)	£562	£580

Mobility	£920	£945
Lump sum	£124,980	£128,000

1.6 The factor amounts for secondary schools are as follows:

2022/23 Secondary School Funding Factors

	T&W 2022/23	NFF 2023/24
AWPU KS3	£4,673	£4,785
AWPU KS4	£5,267	£5,393
FSM	£467	£480
FSM6	£989	£1,030
IDACI A	£885	£930
IDACI B	£696	£730
IDACI C	£646	£680
IDACI D	£592	£620
IDACI E	£423	£445
IDACI F	£318	£335
Low Prior Attainment	£1,700	£1,750
English as an Additional Language (EAL)	£1,521	£1,565
Mobility	£1,322	£1,360
Lump sum	£124,980	£128,000

1.7 The minimum per pupil funding levels for 2022/23 have been set by the DfE at £4,405 (22/23 £4,265) for primary schools and £5,715 (22/23 £5,525) for secondary schools.

1.8 T&W Council's Cabinet approved the principles of the funding formula at the meeting held on Thursday 5 January, so we will be able to issue budgets to maintained schools shortly and send the details of the formula to the ESFA to issue to academies.

Mainstream Schools Additional Grant

1.9 Following the 'supplementary grant' in 2022/23 (which has been brought into Schools Block DSG for 2023/24) once again there is additional funding outside the schools block, the Mainstream Schools Additional Grant. The DfE will confirm school level allocations "in May 2023" – so some months after Schools Block budgets are issued. Academies will receive the additional funds from April 2022, in line with maintained schools. The DfE have published details of how school level allocations will be calculated, as follows:

- a basic per-pupil rate of £119 for primary pupils,
- a basic per-pupil rate of £168 for key stage 3 pupils
- a basic per-pupil rate of £190 for key stage 4 pupils
- a lump sum of £4,510
- an FSM6 per-pupil rate of £104 per eligible primary pupil
- an FSM6 per-pupil rate of £152 per eligible secondary pupil

- 1.10 The total allocation to T&W will be around £5m, or around 3%, so significant additional funding. Together with the increase in the schools block, the DfE estimates that the increase per T&W pupil is 5.9%.
- 1.11 For T&W mainstream schools, in order to assist budget planning, we will upload onto the Forum webpage our estimates of this additional income.

High Needs Funding

- 1.12 The DfE published provisional high needs block allocations in September and the amount in the final December allocations was similar at £33.5m. However, it is supplemented by Additional Grant of £1.4m to give an overall total of just under £35m. This represents an increase of just under £3.4m compared to the 2022/23 allocations.
- 1.13 In order to ensure special schools and PRUs benefit directly from the additional grant, there is a requirement to ensure that these settings receive a minimum increase of 3.4% to place and top-up funding (on a per place basis).
- 1.14 High needs will remain an area of significant financial pressure in Telford & Wrekin, as well as many other Local Authorities, due to the upwards trend in the number and complexity of children and young people with high needs. Actual expenditure in 2022/23 is forecast to be £3.8m higher than 2021/22 and is only sustainable due to year on year increases in grant funding. Nonetheless, T&W's DSG position is far better than many local authorities – the County Councils Network recently estimated that their member authorities have a collective deficit of around £2bn, representing tens of £millions deficits in some authorities.
- 1.15 The lack of flexibility in the deployment of DSG funding means that the Authority is dependent on DfE allocations of high needs funding being sufficient to meet demand. Services are working to make local provision both educationally and financially sustainable, in particular by supporting mainstream schools to be as inclusive as possible.

Early Years Funding

- 1.16 The increases in early years funding are much lower in percentage terms than in either the schools or high needs blocks. For 3 and 4 year olds the increase for T&W is 2.9%, for 2 years olds 1.1%. In the context of current inflationary pressures, this will put considerable financial pressure on providers. There will be a reduction in support for energy bills in 2023/24, and a significant increase of around 10% in the national minimum wage (on average, there are different rates for workers under 23). For school settings, there was a £1,925 per annum increase in pay for staff on local authority terms and condition in 2022/23 with an as yet unknown further pay award in 2023/24.

1.17 As early years allocations are based upon numbers of children in two January censuses, January 2023 and January 2024 for financial year 2023/24, the allocations are provisional until final adjustments are made after the financial year end (Summer 2024 for financial year 2023/24). The provisional total allocation for 2023/24 is £13.6m.

1.18 Details of the early years budget for 2023/24 will be provided to the Forum at the next meeting, 9 March 2023.

Central School Services

1.19 Compared to the provisional allocation, the final allocation decreased by £6K to £1.109m. This is almost exactly the same as the 2022/23 allocation, with a 2.5% per annum reduction to loss of protection being offset by an increase due to more pupil numbers.

1.20 However the amount available for statutory local authority services has decreased due to the DfE's bill for school licences, which is the first call on this block, increasing by 13% to £166,009 an increase of or £20,128. Once again, DSG funding for local authorities is squeezed much harder than any other part of the system.

Pupil premium

1.21 Pupil premium rates for 2023/24 have all increased by 5%, to the following rates:

- Primary pupils eligible for free school meals at any time over the last six years (FSM6): £1,455
- Secondary FSM6 pupils: £1,035
- Looked-after children: £2,530
- Children who have ceased to be looked-after: £2,530
- Service children: £335

Just over £11m was allocated to Telford & Wrekin via pupil premium in 2022/23, so whilst the 2023/24 allocations have yet to be announced, the increase is likely to mean 2023/24 allocations of around £12m.

Summary

1.22 The final allocations of Schools, High Needs and Central Services DSG were broadly in line with provisional figures. However for schools and high needs, significant additional funding has been provided through additional grant. The low percentage increases in early years funding represent a significant real terms reduction in funding in the context of inflationary pressures

1.23 We will be working on the details of the deployment of the high needs budget over the next couple of months and will update the Forum at the March 2023 meeting, together with details of the 2023/24 early years' budget.

Tim Davis
Group Accountant
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