
Schools Funding Formula 2023/24: Consultation Results

Report being considered by: Schools Forum on 5th December 2022

Report Author: Melanie Ellis

Item for: Decision **By:** All School Members and Early Years PVI Rep / All Forum Members

1. Purpose of the Report

- 1.1 To set out the results of the consultation with all schools on the proposed primary and secondary school funding formula for 2023/24 and to make a recommendation to Schools Forum.

2. Recommendations from Heads Funding Group

- 2.1 Recommend the following for setting the school funding formula for 2023/24, for approval at Schools Forum and to go as a recommendation for political ratification:
- (a) To mirror the Department for Education's (DfE) 2023/24 National Funding Formula (NFF) to calculate the funding allocations.
 - (b) To use the minimum sparsity factor.
 - (c) To address any surplus or shortfall in funding by adjusting the AWPU values.
 - (d) To not top slice any of the schools' funding to support the High Needs Block.
 - (e) To not reinstate the Falling Rolls fund.
 - (f) To approve the criteria to be used to allocate additional funds.
 - (g) To approve the proposed services to be de-delegated, but to defer a decision on the Primary Schools in Financial Difficulty Fund to the next meeting.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
---	-------------------------------	---

3. Introduction

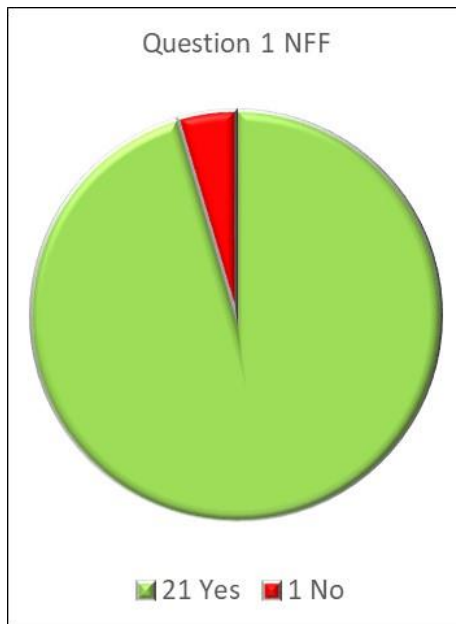
- 3.1 2023/24 is the first year of transition to the direct schools National Funding Formula (NFF). Each Local Authority (LA) will continue to have some discretion over their schools funding formulae, in consultation with local schools. The LA is responsible for making the final decisions on the formula. Political ratification must be obtained before the 20 January 2023 deadline.

4. Consultation Responses

4.1 The consultation was open for three weeks from 19 October 2022 to 9 November 2022 and 22 responses were received.

Question 1:

Do you agree that, subject to final affordability, West Berkshire should mirror the DfE's 2023/24 NFF as closely as possible and that this formula should be used to calculate funding allocations? Yes/No



Comments:

In support:

"The authority should be mirroring the DfE's NFF".

"This is consistent with previous years and minimises funding volatility as local formulas transition to the NFF".

"This approach will support the rationale of fair funding that sits behind the DfE producing a NFF. It will also ensure that WBC school funding is already close to the DfE's NFF when that is fully deployed".

Against:

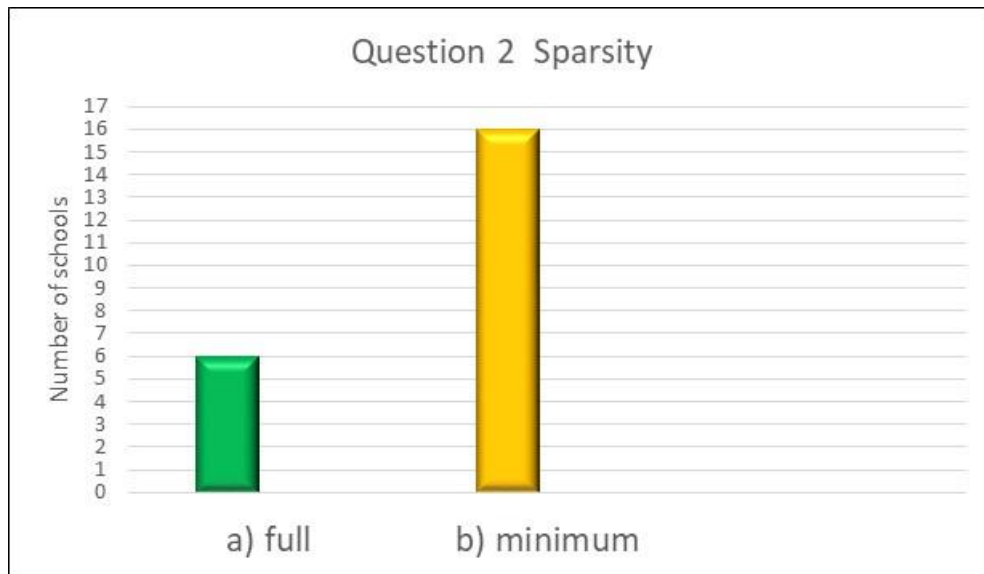
"It is equality but in times of needs it needs to be equitable".

Question 2:

How would you support applying the NFF Sparsity Factor?

A) In Full

B) Minimum.



Comments:

In support of minimum:

“I think that we should keep this to the minimum for as long as possible, as I believe that it is unfair on the majority of schools”.

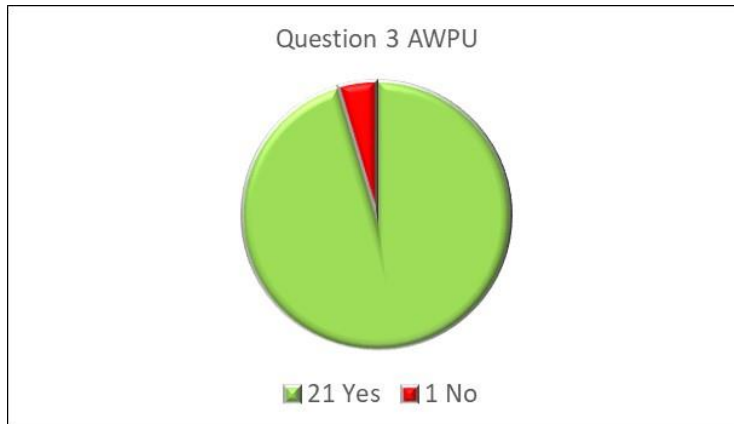
“Applying the factor in full will obviously affect the available funding for other areas. Applying the minimum is a more gradual approach to bedding in the NFF in this area, making the impact more manageable”.

In support of full:

“As a school who is struggling to pay wages of children with high needs, we can only hope to receive the sparsity in full. Schools on the borders and rural have to pay for more services. Many schools this year do not qualify for the up lift as the West Berkshire % of EHCPs in Primary schools doubled and add some. 1.8% to 4% nationally in one year, this year West Berks is 4.5%. So, no longer will we receive support for high needs top up as we sit at 3% which is one child at least per class. All in different LAs which again is another barrier”.

Question 3:

Do you agree that any shortfall or surplus in funding is addressed by adjusting the AWPU values? Yes/No



Comments:

In support:

“Fairest way for all schools”.

“This is the fairest way to adjust funding, if necessary, and is consistent with previous years”.

“Adjusting the AWPU shares the impact across all schools”.

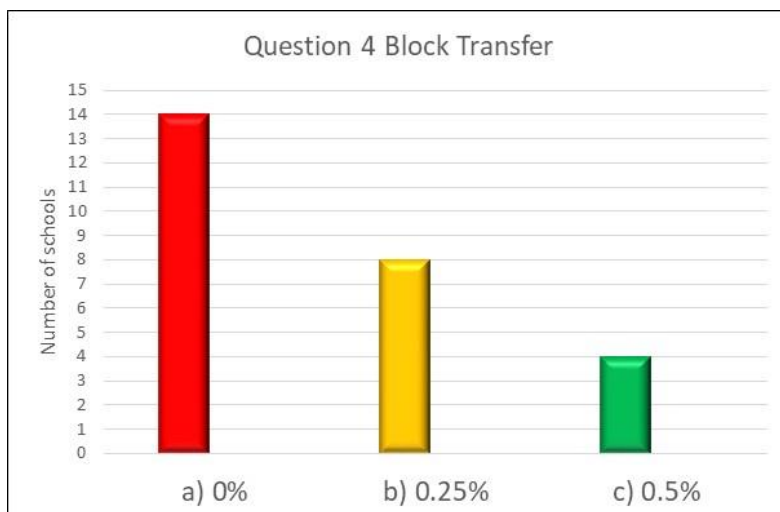
Against:

“No, it is tidier but it is masking the difficulties that should be accounted for and recognised, as per neat budgeting procedures. It is not clear why schools get different amounts. This too would support benchmarking tools”.

Question 4:

What percentage transfer of funding would you support from the Schools Block to the High Needs block?

A) 0%, B) 0.25%, C) 0.5%.



Note: there were 26 votes, as four schools voted for either a) or b).

Comments:

“I believe that funding for schools is becoming increasingly difficult and believe that with an artificial transfer to the high needs block, this reduces the pressure on government to do something about the school funding pressures. Having said that, I could support a 0.25% transfer, if the money were used effectively to support children with high needs in mainstream schools of which there is a significantly increasing number”.

“There is an increasing need to support more children with high needs in mainstream schools and whilst the government should be looking in more detail of how this should be funded schools need help now”.

“Transferring funding masks the underfunding and problems with the sector”.

“Government funding MUST be adjusted to recognise the demand - we cannot keep subsidising”.

“Provided that the funding is used to increase high-needs top-up rates which have not increased for many years. It would have been helpful to have an indication of what increase in top-up rates is envisaged. However, in our own case, the topslice to the delegated budget is likely to be more than the additional funding being returned to the school through increased top-ups”.

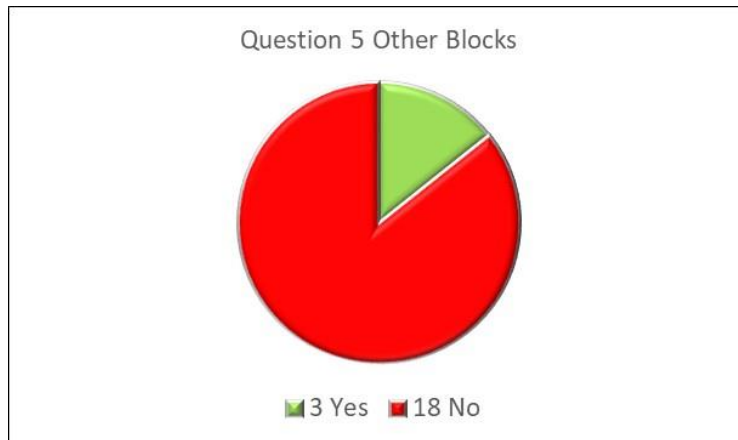
“Costs are currently rising more quickly than funding for all schools – it is not fair or sustainable to keep transferring funding to High Needs, especially when that only benefits a relatively small number of pupils whilst having a negative impact on the majority. How successful is the 5 year strategy being at addressing rising costs in the High Needs Block? Does the strategy need to be adapted in order to avoid the need to ask every year for money to be transferred from the schools block?”

“The proposal is that the transfer would be used to increase the band values for mainstream schools and resourced units within schools for 2023/24. As there is great uncertainty with education funding, especially around staff pay rises if Union actions secures a greater pay rise in line with the 12% they propose, increased support staff pay rises and increase in energy skills, schools are not in a position to lock themselves into this permeant increase now”.

“Schools already are struggling, not only do we have more pupils with high needs, we don't qualify and we don't get better services as a result. We need funding to pay for the now privatised services that are no longer available”.

Question 5:

Would you support any of this transfer supporting any of the other funding blocks?
Yes/No



Comments:

I had considered whether the transfer could support the early years block, but I think that this would not be a fair transfer, as not all schools have early years provision and therefore some schools would lose out on funding”.

“As a school with a nursery we have the additional cost of employing a teacher and therefore need some transfer of funds especially to the Early Years Block”.

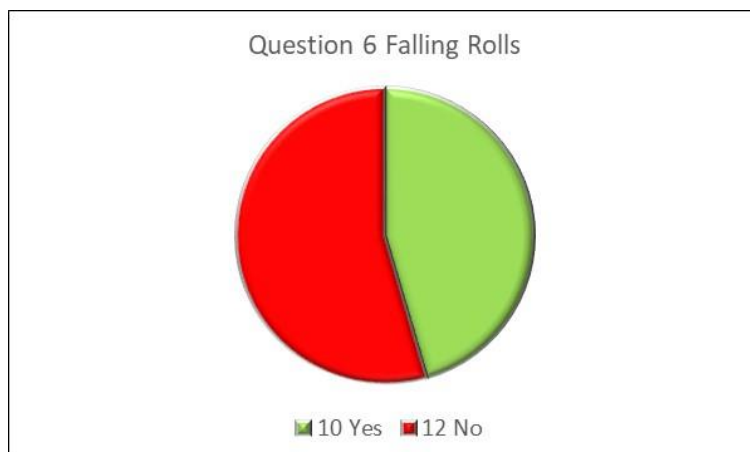
“Schools are going to be facing considerable budget pressures in the next few years”.

“Schools are battling unfunded increases in pay and utilities, as well as other costs currently rising due to high inflation”.

“Yes, if all schools are consulted, not just the forum”.

Question 6:

Would you support a falling rolls fund being introduced? Yes/No



Comments:

In support:

“I agree that a falling rolls fund would support schools in difficult circumstances. However, I think it is important to ensure that the criteria for the fund are clear”.

“As long as the criteria is clear”.

Against:

“I am a firm believer in being rewarded for having a full school. What is the incentive to change a falling roll and fill spaces if you are being subsidised to remain at a low capacity? It would be better to use some funding to investigate federating small schools and closing some”.

“As a school that have worked very hard over the past 4 years to increase our roll, we do not feel it is fair to ask all schools to contribute to this fund. The headteacher spends a considerable amount of time providing 1:1 tours with parents in order to attract prospective parents. If this fund does go ahead, we think it is important to ensure that the criteria for the fund are clear and fair to smaller schools such as ours”.

“The falling rolls fund was discontinued following consultation. The consultation paper does not put forward any new evidence that would suggest it should be reintroduced”.

“Schools have to be open on the basis of a sustainable number of students. Any short term falls in roll need to be managed by individual schools themselves, via their own 3 year budget plans”.

“Not at present, federations and Trusts through the LA brokering should be an option as they are not viable without. A longer term plan strategically needs looking into for these schools”.

Question 7:

Do you agree with the criteria set to access additional funds outside the school formula? Yes/No



Comments:

In support:

“I agree with it apart from the section that is linked to opening new schools – this contradicts with the point made in question 6 – why open new schools when we could fill others?”

“This has high thresholds and not easily accessed anyway”.

Against:

“In relation to C) funding for schools with disproportionately high number of high needs, the proposed formula allocates less than 1/3rd of the funding set aside for additional high needs, (£13k out of the £40k), and to only 3 out of the total number of WBC schools. This suggests that the funding could be better targeted. Schools only receive funding where the actual number of high needs students is ‘significantly higher than the WBC average (1%)’. 1 percentage point above the WBC average actually means that, in the case of a secondary school, 71% (1 / 1.4) more high needs pupils than the average are needed before any funding is allocated. This threshold is too high. A lower threshold of, say, 0.5 percentage points above the average would allocate more funding to more schools with disproportionately high numbers of high needs students. A 0.5 threshold would still mean (secondary) schools would need to have 36% more high needs students than the average, and would still be consistent with the requirement to limit allocations ‘to a minority of schools’. It is not clear if the model includes or excludes non WBC high needs students. Excluding non WBC students would disadvantage schools on the edge of WBC, which might take a significant number of high needs pupils from neighbouring LAs. These pupils need to be included in the formula if they are not already. Also, it would have been appropriate if the model had used more up-to-date data, from the Oct21 census and Jan22 top-ups (rather than the year before)”.

“There should also not be a fund for Schools in Financial difficulty – having this ‘safety net’ does not potentially encourage schools to take as much responsibility for their financial management as they would if there was no safety net. Secondary schools don’t have such a fund and nor should Primary schools”.

Question 8

Do you agree with the proposed De-delegated Services, Education Functions and Health and Safety Service for all maintained schools? Yes/No



Comments:

In support:

“Happy with all areas of de-delegation”.

“It gives schools the freedom to choose and more going into the school improvement pot potentially”.

“Could we have some more information on the level of School Improvement service (could not see this on the Schools Forum papers)”.

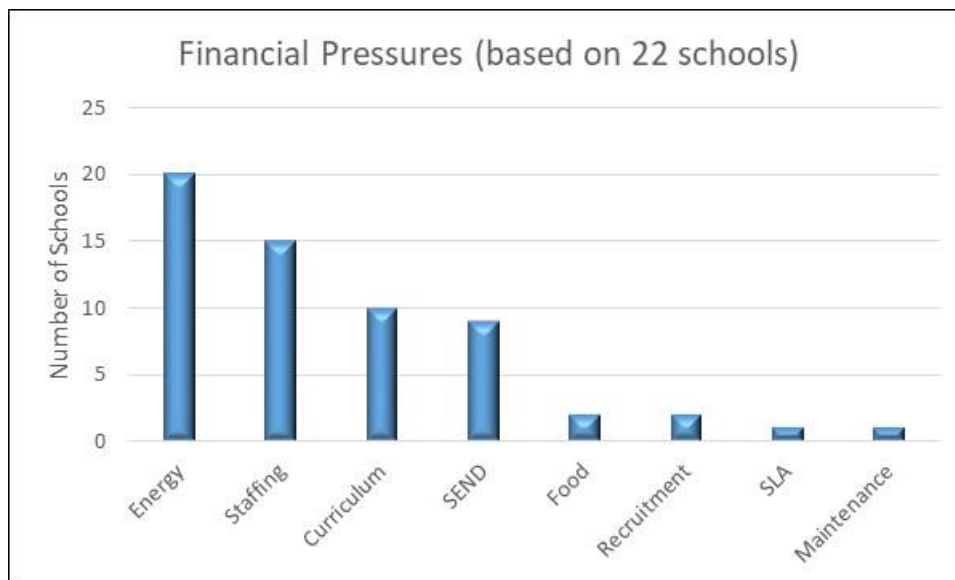
“We think this allows us access to necessary services that should be always at least good in these areas. P.S Is an education function, Mark Lewis??? Because he is brilliant to work with”.

Against:

“Further discussion is needed as to the VFM of some of these services (School Improvement, Therapeutic Thinking) and whether there are alternative ways to fund them based on level of usage by individual schools. In terms of H & S, the percentage increase in cost is significantly higher for Band F and G schools with no explanation as to the reason for this. EMTAS and CLEAPSS de-delegations look fine, as do the de-delegations linked to Accountancy, Audit and Pension Scheme Admin”.

Question 9

Which three areas of your budget are you experiencing the most financial pressure in?



Comments:

Special Educational Needs - we have an increasing number of more complex children with high needs, particularly in the lower years. Most of these children need individual one to one support and this creates a significant pressure on the budget, particularly in terms of staffing.

SEND – increasing numbers of children with high needs that have to have a 1:1 assistant which most schools are funding themselves prior to an EHCP being awarded.

Special Educational Needs - Children with a high level of need, EHCP, etc... usually need individual full time one to one support and this creates a significant pressure on the budget, particularly in terms of staffing and the costs associated with this.

High needs of children where by their plans and funding accounts only for 2/3 of the actual cost to the school.

Fuel costs - We are very concerned about these costs. Budget monitoring is already showing we will be spending in excess of our budgeted amount even after allowing for significant increases.

Curriculum - this is the area that is being squeezed the most, as it is the only area of budget, where costs can be saved.

Educational resources – this is the only area where savings can be made which then impacts on the pupils and staff well-being.

Curriculum resources and training for subject leads has been significantly reduced over the past 3-4 years to ensure we don't go in to deficit.

Staffing increases in terms of wages and add on costs. Implication for redundancy.

Staffing costs (including pay awards with no extra funding) and the need to recruit extra staff to support increasing SEND needs for in-year pupils.

UIFSM & FSM (We are currently paying 30p per meal because our grant does not cover the total cost. Last year, this was 26p per meal so our costs year-on-year are increasing).

Maintenance up keep (size of school is 1 form, actual funding is 0.5 form).

5. Next Steps

- 5.1 The results of the consultation will be discussed at HFG and Schools Forum, where a vote will be held.

6. Appendices

Appendix A – Equalities Impact Assessment

Appendix A

Equality Impact Assessment (EqIA) - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (section 149 of the Equality Act 2010), which states:

- (1) A public authority must, in the exercise of its functions, have due regard to the need to:
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:
 - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;*
 - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.*
 - (3) Compliance with the duties in this section may involve treating some persons more favourably than others.*

The following list of questions may help to establish whether the decision is relevant to equality (the relevance of a decision to equality depends not just on the number of those affected, but on the significance of the impact on them):

- Does the decision affect service users, employees or the wider community?
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the Council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

What is the proposed decision that you are asking the Schools' Forum to make:	Approve the school funding formula consultation to go out to all schools.
Name of Service/Directorate:	Finance and Property/Resources
Name of assessor:	Melanie Ellis
Date of assessment:	14.10.22

Is this a ?		Is this policy, strategy, function or service ... ?	
Policy	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	New or proposed	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Strategy	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Already exists and is being reviewed	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Function	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Is changing	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Service	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		

(1) What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?	
Aims:	To consult on the school funding formula 2023/24
Objectives:	To comply with Government guidance
Outcomes:	To use the responses to inform the decision
Benefits:	To comply with Government guidance

(2) Which groups might be affected and how? Is it positively or negatively and what sources of information have been used to determine this?			
<i>(Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation)</i>			
Group Affected	Potential Positive Impacts	Potential Negative Impacts	Evidence
Age	none	none	
Disability	none	none	
Gender Reassignment	none	none	
Marriage and Civil Partnership	none	none	

Consultation Results

Pregnancy and Maternity	none	none	
Race	none	none	
Religion or Belief	none	none	
Sex	none	none	
Sexual Orientation	none	none	
Further Comments:			

(3) Result	
Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Please provide an explanation for your answer: following government guidance on setting a school formula	
Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Please provide an explanation for your answer: the decision will impact school funding but only within certain parameters. The size of the funding will not change, only the distribution method. The consultation aims to consider the impact on all schools.	

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a EqIA 2.

If an EqIA 2 is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the EqIA guidance and template – <http://intranet/index.aspx?articleid=32255>.

(4) Identify next steps as appropriate:	
EqIA Stage 2 required	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Owner of EqIA Stage Two:	
Timescale for EqIA Stage Two:	

Name: Melanie Ellis

Date: 14.11.22

Please now forward this completed form to Pamela Voss, Equality and Diversity Officer (pamela.voss@westberks.gov.uk), for publication on