

WIRRAL COUNCIL

SCHOOLS FORUM – 17th JANUARY 2023

REPORT OF THE DIRECTOR FOR CHILDREN, FAMILIES AND EDUCATION

SCHOOLS BLOCK ALLOCATION 2023-24

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to seek the views of Schools Forum on the options of the proposal changes in the funding rates in the funding formula to address the gap in the Schools Block funding within the Dedicated Schools Grant (DSG).

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The DSG Allocations were published by the Department for Education on 16th December 2022 and the funding allocated to Wirral's Schools block is £251.662m. The funding has been updated from the indicative allocation published in July 2022 using the October 22 census.
- 2.2 The funding is calculated with the Primary Unit of Funding (PUF) and Secondary Unit of Funding (SUF) multiplied by the number of pupils in the October 2022 census. PUF and SUF were determined at the July 22 indicative funding announcement where the 2022-23 data (October 21 census) was applied to the 2023-24 National Funding Formula (NFF).
- 2.3 The Schools Block funding under the NFF calculation is split into three components:
- Core NFF funding
 - Pupil-led factors - basic per-pupil, deprivation, low prior attainment (LPA), English as an additional language (EAL), mobility, minimum per pupil funding and funding floor
 - School-led factors – Lumpsum, sparsity
 - Premises Funding
 - Growth factor funding
- 2.4 Applying the NFF to the October 22 census data leaves a shortfall in DSG Schools Block funding of £0.147m due to a change in the pupil characteristics since October 21.

3.0 FINANCIAL IMPLICATIONS

- 3.1 There is a shortfall of £0.147m in DSG Schools block funding and funding required for individual schools allocations when applying the NFF rates. The comparison of two figures is as table below.
Please note that premises factor includes PFI allocations which are provisional and subject to change.

	DSG allocation	Individual schools allocation	Difference
	£m	£m	£m
Primary Schools Funding	122.2664	122.8429	-0.5765
Secondary Schools Funding	121.8897	122.2084	-0.3187
Premises factor	5.7005	5.7570	-0.0565
Growth funding	0.8052	0.0000	0.8052
Total schools block	250.662	250.808	-0.147

3.2 The change in the pupil characteristics is the main reason for the shortfall. The factors which have the higher impact than others are Free School Meals (FMS) and Free school meals at any time in the last six years (FSM6) at the Secondary schools, EAL and LPA at the Secondary and Primary.

4.0 CHANGING THE FACTOR VALUE PROPORSAL

4.1 To address the shortfall identified in paragraph 3.1 above, one or more formula factor value will need to be reduced to balance the individual school budget allocations to the DSG Schools Block available.

4.2 The proposed options are as follows:

Option A: To remove the reception uplift. Wirral's school budget is calculated with the pupil number count for schools in the January census if they are higher than October census, however this is not a part of the NFF and will be removed when DfE introduces the direct NFF.

Option B: To reduce the formula value for all pupil-led factors. In 2023-24 the DfE allows local authorities to have flexibility to set this factor value within 2.5% of the NFF factor value.

Option C: To reduce the lump sum factor value for all schools. The lump sum is a school led factor and each school receives the same value irrespective of its size or phase.

Option D: To reduce the Basic Entitlement per pupil funding rates – the reductions of the rate for the Primary and Secondary will be determined separately considering each area's growth and gap.

4.3 Option A to be the most appropriate approach as this moves the formula towards to the NFF and it will be a smoother transition to the direct NFF.

5.0 RECOMMENDATIONS

5.1 That the views of Schools Forum are sought on the options to balance the Schools block Budget for 2023-24.

5.2 That Schools Forum adopt Option A to address the shortfall.

Simone White
Director for Children, Families and Education