



London Borough of Hammersmith & Fulham

SCHOOLS FORUM

Tuesday, 11th October 2022

2023/24 Provisional Schools Block Budget Share Options

Open

Classification - For Scrutiny Review & Comment

Agenda Item 4

Key Decision: No

Wards Affected: (All Wards); All

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Purpose of the report

The report provides a briefing on the decisions required for the 2023/24 budget setting process for the provisional Schools Block allocation of the Dedicated Schools Grant, following the receipt of provisional funding allocations in Summer 2022 and the Authority Proforma Tool in August 2022.

These decisions are requested from Schools Forum representatives in advance of formal consultation with schools which will take place following this meeting for a period of 4 weeks ending on Monday 14th November 2022. The consultation is limited to the principles of the Schools Block Budget Share model.

Schools Forum are asked to record any preferences with respect to the options available for the distribution of Schools Block funding in Hammersmith and Fulham and prior to consultation with the wider schools community.

Introduction

- 1.1. The provisional allocation of the Schools Block of the Dedicated Schools Grant for 2023/24 has been received from the ESFA at £115,429,853 based on October 2021 census numbers.
- 1.2. This allocation excludes growth which will be announced in December in the final allocation. Therefore, the Schools Block final allocation for 2023/24 may increase or decrease dependent on the October 2022 census returns.
- 1.3. The Schools Supplementary Grant which was introduced in the 2022/23 financial year to cover the additional costs of the Social Care Levy and other cost pressures has now

been incorporated into the initial 2023/24 Schools Block allocation. The ESFA has made a baseline adjustment to the 2022/23 allocation to ensure schools are not disadvantaged. The value of the adjustment is £3.178m and this will be allocated to schools via the basic per pupil funding entitlement.

- 1.4. Table 1 below details the change in the provisional allocation for 2023/24 (before growth) notified in August 2022 compared with the final 2022/23 Schools Block allocation adjusted for Schools Supplementary Grant as described in paragraph 1.3. The allocation before growth has increased by £1.900m or 1.67%.

Table 1 Schools Block Funding Allocation Year on Year

	2022/23 Final Allocation plus Schools Supplementary Grant £m	2023/24 Provisional Allocation including baseline adjustment for Schools Supplementary Grant £m	Change £m	Change %
Funding	113.530	115.430	1.900	1.67%

- 1.5. Individual schools can anticipate the final budget shares modelled in Appendix 3 – Model Comparisons 2023/24 based on October 2021 census count and before taking into account any expected changes in rolls as at October 2022 using the funding value per pupil.

2. 2023/24 Initial Modelling

- 2.1. The initial modelling uses the ESFA’s Authority Proforma Tool (APT) and operational guidance to model a number of affordable budget allocation models for 2023/24 based on the initial allocation which excludes growth and is based on the October 2021 census.

- 2.1. There are three allocation options illustrated:

- **Option 1 – Using current year (2022-23) local factor rates uplifted by 1.15% and 1.59% respectively for:**
 - Model 1 – Minimum funding guarantee set at 0.5% on pupil led funding year on year - the maximum increase within the NFF

- Model 2 - Minimum funding guarantee set at 0% on pupil led funding year on year - the minimum increase within the NFF

Plus:

- £0.200m Falling Rolls Provision
- £0.577m Transfer of 0.5% from Schools Block to support the High Needs Block
- FSM factors set at minimum 2023-24 level, FSM6 factors set at hard NFF rates. FSM and FSM6 factors are set at hard NFF 2023-24.

- **Option 2 – Using proposed ESFA notified National Funding Formula rates for 2023/24 with Inner London area cost adjustment and uplifted by 2.85% and 3.27% respectively for:**

- Model 3 – Minimum funding guarantee set at 0.5% on pupil led funding year on year - the maximum increase within the NFF
- Model 4 - Minimum funding guarantee set at 0% on pupil led funding year on year - the minimum increase within the NFF

Plus:

- £0.200m allowance for Falling Rolls Provision
- £0.577m Transfer of 0.5% from Schools Block to support the High Needs Block
- FSM factor set at Hard NFF 2023-24 level, FSM6 uplifted

- **Option 3 – like option 2, uses proposed ESFA notified National Funding Formula rates for 2023/24 with Inner London area cost adjustment and uplifted by 0.04%, additionally an increase to the transfer to the High Needs Block from 0.5% to 1%.**

- Model 5 – Minimum funding guarantee set at 0.5% on pupil led funding year on year - the maximum increase within the NFF

Plus:

- £0.200m allowance for Falling Rolls Provision
- £1.154m Transfer of 1.0% from Schools Block to support the High Needs Block.
- FSM factor set at Hard NFF 2023-24 level FSM6 uplifted

2.2. Option 3 – model 5. This is the recommended option as it extends support to the High Needs block in the short term to mitigate delivery risk to the High Needs Block Safety Valve agreement.

- 2.3. The options that have been modelled are all compliant with the guidelines set by the DfE. There is limited scope to suggest different options within the guidelines as the resulting changes to funding are marginal.
- 2.4. The updated APT will be issued in December populated with the October 2022 census and including growth. The growth funding and final census may enable greater flexibility in the model to increase the factor rates further above the NFF ACA level or to confirm a falling rolls fund at an appropriate level.
- 2.5. There is a provisional proposed fund of £0.200m from the 2023/24 budget included within all models with respect to roll falls between October 2021 and 2022 census dates.
- 2.6. Proposed de-delegated budget provision of £0.691m in 2023/24 (key elements of all models for maintained primary schools only):
- £0.666m 2022/23 agreed allocation
- Add:
- £0.014m school Effectiveness to offset loss of £0.145m School Improvement Grant
 - £0.011m allowance for 1.6% pay inflation in line with block growth
- 2.7. Proposed 2023/24 Education Functions budget provision of £0.262m for maintained school's budgets (key element of all models for maintained primary schools only). This is an increase of £0.004m versus 2022/23 budget which allows for 1.6% pay inflation in line with block growth.
- 2.8. Other maintained schools will be consulted with respect to making contributions to delegated and education functions on a fair and consistent basis.
- 2.9. The full list of factor rates can be found in Appendix 1 – Factor rates current and NFF values with area cost adjustment.
- 2.10. Appendix 2 shows how total funding is allocated across the factors in each model.
- 2.11. Appendix 3 shows the impact of different models at school level, with a comparison to 2022/23 final budget shares. The pupil numbers used for this modelling is from October 2021 and final school budget shares will be based on October 2022 pupil numbers.

3. Recommendations and Decisions Required

- 3.1. Recommendation 1: Option 3 Model 5 is recommended prior to consultation with schools:
- in order to support the High Needs Block at 1% - an increase on 0.5% block transfer in recent years
 - Mirrors the National Funding Formula factor rates during the transition to the hard national formula and allows for 0.04% uplift on inner London NFF rates
 - Provides a fairly uniform increase in year-on-year funding of around 0.5% on pupil led factors which is consistent with the upper NFF limit on MFG.
- 3.2. Recommendation 2: It is recommended that Schools Forum agree a proposal to increase the transfer to support the High Needs Block from 0.5% to 1% of the total Schools Block to the High Needs Block in 2023/24. This equates to £1.154m based on the provisional allocation.
- 3.3. Recommendation 3: It is recommended that Schools Forum agree a provisional top-slice the 2023/24 Schools Block to the value of £0.200m for a limited Falling Rolls fund. The need for a fund will be assessed following the October 2022 census and consultation responses indicating requests to access potential funding. Requests will need to be supported by a strong business case and meet grant funding requirements.
- 3.4. Recommendation 4: It is recommended that Schools Forum consider the approach to maintained school de-delegation and education functions top-slice to extend to all maintained schools on a consistent basis in line with school funding regulations.
- 3.5. Recommendation 6: It is recommended that Schools Forum agree for the LA to consult schools on the basis of the above recommendations 1 to 4.

4. Key dates

4.1. Table 11 – key dates and next steps

Date	Activity
11 th October 2022	Schools Forum consider initial modelling and agree basis for schools block budget consultation
2x late October/Early Nov	Schools Block 2023/24 budget consultation and workshop via Teams including all maintained schools for dedelegation and Education functions.
14 th November 2022	Consultation feedback deadlines
Late December 2022	DfE release final Authority Proforma Tool with October 2022 census data and final allocation released by ESFA
Week Commencing 3 rd January 2023	TBA School Budget Briefings via Teams
17 th January 2023	Schools Forum - receive consultation feedback and final school budget recommendations following October 2022 census data
20 January 2022	Deadline for submission of the final 2022 to 2023 APT to the ESFA
January/February 2023	Urgent Committee Decision for Council's approval of the 2022/23 Schools budget.
28 February 2023	Deadline for confirmation of school budget shares to maintained schools.

Report ends