

DfE CONFIRMED FUNDING ARRANGEMENTS FOR 2023-24 – SUMMARY OF ISSUES

1. DfE CONSULTATION 7th JUNE 2022

IMPLEMENTING THE DIRECT NATIONAL FUNDING FORMULA – SUMMARY

Consultation closed 9th September 2022

The Department for Education have published this consultation on the implementation of the National Funding Formula (NFF) following the consultation over the summer of 2021 entitled “Fair school funding for all: completing our reforms to the NFF”, which focused on the principles of moving to a direct formula.

A direct NFF will mean that the Department determines funding allocations for individual schools, without substantial local adjustment. The DfE, in the Schools White Paper, have also expressed their aim that that by 2030, all children will benefit from being taught in a family of schools, with their school in a strong multi academy trust or with plans to join or form one. Currently multi-academy trusts’ individual academies can be funded on a different basis if they are spread over more than one local authority area. The direct NFF will ensure that all academies, and all schools, are funded on a consistent basis, wherever they are in the country.

This change requires legislative changes and is included within the schools Bill, presented to Parliament this May. This consultation tackles the interaction between the NFF and SEN/AP provision, the issue of rapidly rising/falling rolls, the Minimum Funding Guarantee and the Funding Cycle. The consultation does not include a definitive final “end date” at which the direct NFF will be implemented. The DfE will be guided by the impact of the initial transition towards the direct NFF, before deciding on the further pace of change. However, they expect to have moved to the direct NFF within the next five years – that is, by the **2027-28 funding year**.

Funding Cycle

The DfE want to support schools’ budget planning, by giving them early indication of future funding levels. This section of the consultation asks questions on the proposed high-level timeline for the annual funding cycle under the direct NFF. Under the current arrangements, DfE typically publish NFF factor values and any structural changes to the NFF for the subsequent year’s NFF, in July. LAs then prepare their local formulae during the autumn, with final allocations confirmed – at the latest – by the end of February for maintained schools and end of March for academies. Under a direct NFF, LAs will no longer prepare local funding formulae, but DfE propose to keep other features of the cycle unchanged.

2. PROVISIONAL DSG ALLOCATIONS 2023-24

2.1 **Table 1** confirms the DSG Current 2022-23 compared to the DSG Provisional Allocations for 2023-24 for 3 of the DSG Blocks – Schools, Central School Services and High Needs. This is the **gross** DSG prior to academy and high needs places recoupment.

Table 1:
DSG Current 2022-23 compared to the DSG Provisional Allocation 2023-24

Detail	DSG Current 2022-23 March 2022 £'m	DSG Initial 2023-24 September 2022 £'m	Notes
SCHOOLS BLOCK			
Schools	381.380	380.128	A.
Pupil Growth Fund (PGF)	1.976	TBC	B.
TOTAL SCHOOLS BLOCK	383.256	400.515	
CENTRALLY SERVICES SCHOOLS BLOCK (CSSB)			
Central School Services	2.556	2.700	C.
Historic Commitments	0.768	0.614	D.
TOTAL CSSB	3.325	3.319	
HIGH NEEDS (HN) BLOCK			
Formulaic	78.205	82.535	E.
TOTAL	78.205	74.746	
TOTAL DSG SCHOOLS AND HIGH NEEDS	464.886	486.364	
Schools Block Guaranteed Units of Funding £			
Primary (PUF)	£4,534.65	£4,751.58	F.
Secondary (SUF)	£5,803.59	£6,107.94	F.

Notes on 2022-23 Provisional Allocations

A. This reflects the share of the NFF Year 6 on the parameters set out by the DfE (see below).

B. The PGF for 2023-24, to support basic need revenue costs, has yet to be confirmed as it requires the final October 2021 pupil census data.

C. Central School Services £2.7m for ongoing functions for Co-ordinated Admissions, Servicing of the Schools Forum, Retained Duties Former ESG and National Licenses and Subscriptions.

D. Ongoing Historic Commitments £0.614m for Early Intervention Family Support Service (EIFS). The DfE have started to unwind this funding for all LAs and have reduced all LAs allocations by a further 20% in 2023-24.

E. Reflects the share of the additional funding for High Needs.

F. The new Primary and Secondary Units of Resource (PUF) and (SUF) reflecting the DfE NFF Year 6. These will be applied to the October 2022 pupil census to calculate the Schools Block DSG for 2022-23, to be notified as part of the School Funding Settlement 2023-24 later in December 2022.