

**SCHOOLS FORUM MEETING – 12<sup>TH</sup> JANUARY 2022**  
**FUNDING FORMULA FOR SCHOOLS 2022-23 UPDATE**

**1. Introduction**

On the 16th December 2021 the Department for Education (DfE) issued the final funding allocations for the 2022-23 financial year together with a revised APT updated for the October 2021 School census data.

The purpose of this report is to update Schools Forum members on the effect of the updated data, the re-modelling undertaken and the final proposed funding formula for 2022-23 prior to submission of the proforma to the DfE.

**2. Impact of the Changes**

The updated School Census data shows a net increase in pupil numbers of 143. This is split as follows:

<b><u>Sector</u></b>	<b><u>Pupil Numbers</u></b>
Primary	(13)
Secondary	156
<b>Total</b>	<b>143</b>

The total number of pupils across each phase over the last two years is as follows:

<b><u>Phase</u></b>	<b><u>2022-23</u></b>	<b><u>2021-22</u></b>	<b><u>Change</u></b>
Primary	13,451	13,464	(13)
Secondary	8,982	8,826	156
Total	22,433	22,290	143

Within individual schools however there have been significant movements. These are detailed below for each phase:

**Primary**

<b><u>Pupil number changes Oct 2020 – Oct 2021</u></b>	<b><u>No of primary schools impacted</u></b>
0 - 10	22
11 - 20	5
(1) – (10)	11
(11) – (20)	7
(21) – (30)	2

<b>Total</b>	<b>47</b>
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### **Secondary**

<b><u>Pupil number changes Oct 2020 – Oct 2021</u></b>	<b><u>No of secondary schools impacted</u></b>
0 - 25	4
26 – 50	1
51 – 75	1
76 – 100	1
(0) – (25)	2
(26) – (50)	1
<b>Total</b>	<b>10</b>

The impact of the net pupil number increases and the other updated data plus the confirmation of the growth factor gives a final allocation for the Schools Block of £119.983m.

When the initial modelling work was undertaken this was based on £119.282m which included an assumed amount for growth of £0.829m. There is therefore an additional amount of £0.701m to allocate predominantly as a result of the updated October 2021 census data.

As a consequence of the above it has been necessary to refine the funding formula to ensure full allocation of the Schools Block. As in previous years such refinement needed to be aware of the National Funding formula (NFF) values and the changes to these and the DfE views around the Primary: Secondary ratio of it being around the parameter of 1:1.28.

In addition, in 2022-23 it was proposed to re-introduce a growth factor for reasons discussed at the meeting of the 18<sup>th</sup> November 2021. The amount of £0.300m was used for modelling purposes

### **3. Modelling changes proposed**

In the initial modelling shared with the Schools Forum and the schools during the consultation process all NFF values had been used with the exception of the following:

<b><u>Factor</u></b>	<b><u>NFF unit value £</u></b>	<b><u>NELC 2022-23 initially proposed unit value £</u></b>	<b><u>Variance £</u></b>
Primary	3,217	3,482	265
Secondary – KS3	4,536	4,622	86
Secondary – KS4	5,112	5,320	208

No specific feedback was received in respect of the consultation.

On receipt of the final school's block allocation and updated proforma then further refinement is necessary. One major consideration was around FSM where we were required to put in an extra £0.300m through the formula. Given that other than the above all other factor values are at the NFF then the proposal is to amend the AWPU's as follows:

<u>Factor</u>	<u>NFF unit value £</u>	<u>NELC 2022-23 final unit value £</u>	<u>Variance £</u>
Primary	3,217	3,469	252
Secondary – KS3	4,536	4,536	0
Secondary – KS4	5,112	5,308	198

The above actions will move the KS3 to the NFF value and consequently move the formula towards the NFF factor values which is a requirement from the 2023-24 formula onwards but retains the values of primary and KS4 AWPU's at approximately just under the same amount over the NFF AWPU as has been the case for the last 2 years.

The above action in respect of KS3 AWPU adjustment also has the impact of moving the Primary: Secondary ratio to 1:1.28.

Following further work on the requested PAN increases it was deemed prudent to increase the value of the growth fund to £0.400m.

#### 4. Submitted Final Funding Formula 2022-23

If the changes highlighted above are accepted, then the 2022-23 Schools funding formula will:

- Adopt the NFF and its unit values except for the below:

<u>Factor</u>	<u>NFF unit value £</u>	<u>NELC 2022-23 final unit value £</u>	<u>Variance £</u>
Primary	3,217	3,469	252
Secondary – KS4	5,112	5,308	198

- Pay the Primary and Secondary KS4 AWPU's at a higher level than the NFF.

- Creates a Growth Fund of £0.400m to support schools where the LA has requested they increase their PAN's and they meet the agreed criteria.
- Reduce the Primary:Secondary ratio to 1:1.28 (2021-22 was 1:1.29). This is in line with DfE benchmarks.
- Has additional funding for 6 primary schools and 2 secondary schools in order to meet the minimum funding levels (£296k).
- Maintains the MFG at + 2.00% as per 2021-22. As a result, schools that gain will be allowed to keep all of these.
- Has a MFG cost of £398k protecting 6 primary schools and 7 secondary schools.
- 10 primary schools and 1 secondary school will be worse off in cash terms (excluding rates) compared to 2021-22. All of these schools have lost pupil numbers. The largest reduction is £65k
- Puts 75.51% of the funding through Basic pupil factors – Age Weighted Pupil Factors (AWPU). This was 75.68% in 2021-22.
- Puts 93.35% of the funding through Pupil led factors – Age Weighted Pupil Factors (AWPU), deprivation, prior attainment etc. This was 93.32% in 2021-22.
- Allocates 100% of the schools block. See below:

<b><u>Sector</u></b>	<b><u>£'000</u></b>
2022-23 final allocation	119,983
Less: Growth Fund	(400)
Less: Rates top slice	(686)
<b>Amount available to allocate to schools</b>	<b>118,983</b>
2022-23 proposed allocation to schools	118.983
<b>Under / over allocated</b>	<b>0</b>

The rates position for 2022-23 will be dealt with differently as to previous years in that the total rates liability for all schools in the borough will be paid by the ESFA to the billing authority. This will be funded by an equivalent amount of funding being top sliced from the DSG. The top slice reflected in our allocation is £686k.

The formula submission needs to be forwarded to the DfE by their deadline of 21<sup>st</sup> January 2022.

**5. Recommendation**

It is requested that Schools Forum ratify the report and the decisions taken by officers in respect of the final schools funding formula proposed for 2022-23.

Contact Officer: David Kirven, Strategic Lead – Business Partnering

12<sup>th</sup> January 2022

**Appendix A****National Funding Formula Values & NELC Values 2022-23**

<b><u>National Funding Formula Factor</u></b>	<b><u>NFF 2022-23 Values</u></b>	<b><u>NFF 2021-22 Values</u></b>	<b><u>% Change</u></b>	<b><u>Final NELC Value used 2022-23</u></b>	<b><u>NELC Value used 2021-22</u></b>	<b><u>% Change</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>		<b><u>£</u></b>	<b><u>£</u></b>	
AWPU – Primary	3,217	3,123	3.0	3,479	3,390	2.6
AWPU Secondary KS3	4,536	4,404	3.0	4,536	4,475	1.4
AWPU Secondary KS4	5,112	4,963	3.0	5,321	5,173	2.9
Primary Minimum per pupil funding	4,265	4,180	2.0	4,265	4,180	2.0
Secondary Minimum per pupil funding -KS3	5,321	5,215	2.0	5,321	5,215	2.0
Secondary Minimum per pupil funding -KS4	5,831	5,715	2.0	5,831	5,715	2.0
Current FSM – primary & secondary	470	460	2.2	0	0	0
FMS6 FSM – primary	590	575	2.6	590	575	2.6
FMS6 FSM – secondary	865	840	3.0	865	840	3.0
IDACI Band A - Primary	640	620	3.2	640	620	3.2
IDACI Band B - Primary	490	475	3.2	490	475	3.2
IDACI Band C - Primary	460	445	3.4	460	445	3.4
IDACI Band D - Primary	420	410	2.4	420	410	2.4
IDACI Band E - Primary	270	260	3.8	270	260	3.8
IDACI Band F - Primary	220	215	2.3	220	215	2.3

IDACI Band A - Secondary	890	865	2.9	890	865	2.9
IDACI Band B - Secondary	700	680	2.9	700	680	2.9
IDACI Band C - Secondary	650	630	3.2	650	630	3.2
IDACI Band D - Secondary	595	580	2.6	595	580	2.6
IDACI Band E - Secondary	425	415	2.4	425	415	2.4
IDACI Band F - Secondary	320	310	3.2	320	310	3.2
Low prior attainment - primary	1,130	1,095	3.2	1,130	1,095	3.2
Low prior attainment – secondary	1,710	1,660	3.0	1,710	1,660	3.0
EAL3 – primary	565	550	2.7	565	550	2.7
EAL3 - secondary	1,530	1,485	3.0	1,530	1,485	3.0
Primary Mobility	925	900	2.8	0	0	N/A
Secondary mobility	1,330	1,290	3.1	0	0	N/A
Lump sum – primary & secondary	121,300	117,800	3.0	121,300	117,800	3.0
Sparsity - primary	0 - 55,000	0- 45,000		29'000	26,000	
Sparsity - secondary	0 – 80,000	0- 70,000		N/A	N/A	
Primary: Secondary ratio DfE expectation				1:1.28	1:1.29	