

SCHOOLS FORUM MEETING – 13TH JANUARY 2023**FUNDING FORMULA FOR SCHOOLS 2023-24 UPDATE****1. Introduction**

On the 20th December 2022 the Department for Education (DfE) issued the final funding allocations for the 2023-24 financial year together with a revised APT updated for the October 2022 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 2023-24 prior to submission of the proforma to the DfE.

2. Impact of the Changes

The updated School Census data shows a net decrease in pupil numbers of 48. This is split as follows:

<u>Sector</u>	<u>Pupil Numbers</u>
Primary	(222)
Secondary	174
Total	(48)

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

<u>Phase</u>	<u>2023-24</u>	<u>2022-23</u>	<u>Change</u>
Primary	13,229	13,451	(222)
Secondary	9,156	8,982	174
Total	22,385	22,433	(48)

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

Primary

<u>Pupil number changes Oct 2021 – Oct 2022</u>	<u>No of primary schools impacted</u>
0 - 10	16
11 - 20	3
(1) – (10)	16
(11) – (20)	8
(21) – (30)	3

(31) – (40)	1
Total	47

Secondary

<u>Pupil number changes Oct 2021 – Oct 2021</u>	<u>No of secondary schools impacted</u>
0 - 25	2
51 – 75	2
100 – 125	1
(0) – (25)	4
(50) – (75)	1
Total	10

The impact of the net pupil number decrease and the other updated data plus the confirmation of the growth factor gives a final allocation for the Schools Block of £126.260m.

When the initial modelling work was undertaken this was based on £125.565m. Growth funding for 2023-24 amounted to £0.656m. There is therefore this additional amount to allocate.

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.

As in 2022-23 it is proposed to retain a growth fund which was re-introduced last year.

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:

<u>Factor</u>	<u>2023-24 NFF unit value £</u>	<u>NELC 2023-24 initially proposed unit value £</u>	<u>Variance £</u>
FSM – Primary and Secondary	480	379	(101)
Mobility - Primary	945	113	(832)
Mobility - Secondary	1,360	163	(1,157)

Sparsity - primary	56,300	32,900	(23,400)
--------------------	--------	--------	----------

No specific feedback was received in respect of the consultation.

On receipt of the final school's block allocation and updated proforma then, as stated above further refinement is necessary. As can be seen from the above the number of pupils has fallen overall compared with the previous year. In DSG terms this means that the totality of funding will be impacted on. This should not be confused with the per pupil value of funding.

Given this and the clear DfE requirement for all LA's to be as close to the NFF as possible and the fact we are not meeting the NFF values on the Mobility and FSM factors it was decided to review these in the first instance together with the amount set aside for the Growth Fund. In respect of the latter, we had set aside £400k in the 2022-23 funding formula.

Following this review the value of the Growth Fund is to be reduced to £354k. This will carry some risk but is considered manageable. This reduction together with the additional amount received will then allow an increase in the values of the two formula factors which were not at the NFF value.

In respect of the NFF factors and values then the changes to those used in the initially modelling are detailed in the table below:

<u>Factor</u>	<u>2023-24 NFF unit value £</u>	<u>NELC 2023-24 initially proposed unit value £</u>	<u>NELC 2023- 24 final unit value £</u>	<u>Variance (NFF and NELC Final value) £</u>
FSM – Primary and Secondary	480	379	454	(26)
Mobility - Primary	945	113	945	NIL
Mobility - Secondary	1,360	163	1,360	NIL
Sparsity - primary	56,300	32,900	32,900	(23,400)

4. Submitted Final Funding Formula 2023-24

If the changes highlighted above are accepted, then the 2023-24 Schools funding formula will:

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

<u>Factor</u>	<u>2023-24 NFF unit value £</u>	<u>NELC 2023-24 final unit value £</u>	<u>Variance £</u>
FSM – Primary and Secondary	480	454	(26)
Sparsity - primary	56,300	32,900	(23,400)

- Set aside a Growth Fund of £0.354m to support schools where the LA has requested they increase their PAN's and they meet the agreed criteria.
- Increase the Primary:Secondary ratio to 1:1.31 (2022-23 was 1:1.28).
- Have additional funding for 9 primary schools and 0 secondary schools in order to meet the minimum funding levels (£485k). The cost for 2022-23 was £295k.
- Maintains the maximum MFG at 0.50%. As a result, schools that gain will be allowed to keep these.
- Have a MFG cost of £405k protecting 20 primary schools and 1 secondary schools. The cost for 2022-23 was £400k.
- Put 72.36% of the funding through Basic pupil factors – Age Weighted Pupil Factors (AWPU). This was 75.51% in 2022-23.
- Put 93.29% of the funding through Pupil led factors – Age Weighted Pupil Factors (AWPU), deprivation, prior attainment etc. This was 93.35% in 2022-23.
- Allocates 100% of the schools block. See below:

<u>Sector</u>	<u>£'000</u>
2023-24 final allocation	126,260
Less: Growth Fund	(354)
Less: Rates top slice	(667)
Amount available to allocate to schools	125,239

2023-24 proposed allocation to schools	125,239
Under / over allocated	0

As in 2022-23 the rates will be dealt with 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 £667k.

The formula submission needs to be forwarded to the DfE by their deadline of 20th January 2023.

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 2023-24.

Contact Officer: David Kirven, Strategic Lead – Business Partnering

13th January 2023

Appendix A**National Funding Formula Values & NELC Values 2023-24**

<u>National Funding Formula Factor</u>	<u>NFF 2023-24 Values</u>	<u>NFF 2022-23 Values</u>	<u>% Change</u>	<u>Final NELC Value used 2023-24</u>	<u>Final NELC Value used 2022-23</u>	<u>% Change</u>
	£	£		£	£	
AWPU – Primary	3,394	3,217	5.5	3,394	3,479	-2.4
AWPU Secondary KS3	4,785	4,536	5.5	4,785	4,536	5.5
AWPU Secondary KS4	5,393	5,112	5.5	5,393	5,321	1.4
Primary Minimum per pupil funding	4,405	4,265	3.3	4,405	4,265	3.3
Secondary Minimum per pupil funding -KS3	5,503	5,321	3.4	5,503	5,321	3.4
Secondary Minimum per pupil funding -KS4	6,033	5,831	3.5	6,033	5,831	3.5
Current FSM – primary & secondary	480	470	2.1	454	0	N/A
FMS6 FSM – primary	705	590	19.5	705	590	19.5
FMS6 FSM – secondary	1,030	865	19.1	1,030	865	19.1
IDACI Band A - Primary	670	640	4.7	670	640	4.7
IDACI Band B - Primary	510	490	4.1	510	490	4.1
IDACI Band C - Primary	480	460	4.3	480	460	4.3
IDACI Band D - Primary	440	420	4.8	440	420	4.8
IDACI Band E - Primary	280	270	3.7	280	270	3.7

IDACI Band F - Primary	230	220	4.5	230	220	4.5
IDACI Band A - Secondary	930	890	4.5	930	890	4.5
IDACI Band B - Secondary	730	700	4.3	730	700	4.3
IDACI Band C - Secondary	680	650	4.6	680	650	4.6
IDACI Band D - Secondary	620	595	4.2	620	595	4.2
IDACI Band E - Secondary	445	425	4.7	445	425	4.7
IDACI Band F - Secondary	335	320	4.7	335	320	4.7
Low prior attainment - primary	1,155	1,130	2.2	1,155	1,130	2.2
Low prior attainment – secondary	1,750	1,710	2.3	1,750	1,710	2.3
EAL3 – primary	580	565	2.7	580	565	2.7
EAL3 - secondary	1,565	1,530	2.3	1,565	1,530	2.3
Primary Mobility	945	925	2.2	113	0	N/A
Secondary mobility	1,360	1,330	2.3	163	0	N/A
Lump sum – primary & secondary	128,000	121,300	5.5	128,000	121,300	5.5
Sparsity - primary	56,300	0 - 55,000	N/A	32,900	29,000	13.4
Sparsity - secondary	81,900	0 – 80,000	N/A	N/A	N/A	N/A
Primary: Secondary ratio DfE expectation				1:1.31	1:1.28	