

Committee:	Schools Forum
Meeting Date:	30 November 2021
Title:	Schools Block Funding Formula: 2022-23
Author:	Michael Quinton
Decision making / consultative / information:	Decision Making
Who can vote?	All Members with Voting rights

What is the Forum being asked to decide?

1. The paper provides an update to the National Funding Formula (NFF) for 2022-23. All factors used in 2023-23 will be the same as those used in 2021-22. There are no proposals for any changes and for Forum to agree that Suffolk continues to follow the NFF.

Reason for recommendation

2. The recommendation is for Suffolk to continue to follow the NFF (as previously agreed by forum) to determine schools' budgets in 2022-23.

Alternative options

3. There are no alternative options in respect of the NFF and Forum have agreed to follow the NFF over the past 4 years.

Who will be affected by this decision?

4. The funding formula used to calculate school budgets for 2022-23 will affect all LA maintained schools, free schools, and academies.

Main body of the Report

NFF Update

5. The provisional DSG allocations for the Schools, High Needs and Central School Services blocks were published in July 2021. 2022-23 is the final year of the government's three-year funding commitment.
6. Compared to 2019-20, core schools funding increased nationally by £2.6 billion in 2020-21, £4.8 billion in 2021-22 and £7.1 billion in 2022-23. This is

separate from the additional funding to support the education recovery in response to the COVID-19 pandemic, which is worth more than £3 billion nationally.

7. In 2022-23, nationally schools funding is increasing by 2.9% overall and funding for high needs is increasing by 9.6%.
8. The final DSG allocations for 2022-23 will be confirmed in December, based on updated October 2021 census information.
9. Suffolk will see an increase in 2022-23 of approximately 2.78% in schools block funding over 2021-22 (in cash terms). This now totals £478.8m for allocating through the NFF. See Table 1 below for the provisional allocations. Unit values have been for the factors which distribute the funding and can be seen in **Annex 1**.

Table 1

Block	Current 2021-22 DSG Allocation	Provisional 2022- 23 DSG	Change	Change
	£	£	£	%
Schools Block	465,880,658	478,830,783	12,950,126	2.78%
High Needs Block	85,910,747	92,461,867	6,551,120	7.63%
Central School Services Block	6,697,991	5,987,409	-710,581	-10.61%
Total	558,489,395	577,280,060	18,790,665	3.36%

10. Suffolk overall has seen a provisional 3.36% increase in funding but despite this, Suffolk is still ranked 127th out of 150 LAs on a per pupil basis.

Schools Block - Overview:

11. The schools national funding formula (NFF) has been updated for 2022/23 with new factor values and some technical adjustments. The key changes are:
 - The core NFF factors will increase by 3%, which includes the basic entitlement, additional needs factors and the lump sum.
 - The minimum per pupil funding levels and funding floor are increasing by 2%. This means that all schools will see an increase in their pupil-led funding of at least 2% per pupil compared to their baseline.
 - There are changes to the sparsity factor which aims to support small and rural schools. There is an increase of £10,000 to the maximum amount of sparsity funding schools can attract. Sparsity distances will be calculated by road distance, rather than straight-line ‘crow flies’ distance. A sparsity distance taper has been introduced so that schools just outside of the sparsity distance will attract some funding. This will benefit a number of our small and rural schools who have just missed out on the distant threshold for a number of years.

- The data on which pupils are eligible for Free School Meals Ever 6 will be taken from the October 2020 census rather than the January 2020 census, bringing the factor in line with how other factors are calculated.
- The 2019 data for early years foundation stage and key stage 2 assessment has been used for the Low Prior Attainment factor as a proxy for 2020 data following the cancellation of the assessments.
- Eligibility for the mobility factor is usually determined based on the census in which pupils first appear at their current school. After the cancellation of the May 2020 census, pupils who joined a school between January and May 2020 attract funding for mobility on the basis of their entry date, rather than by virtue of the May school census being their first census at the current school.
- Further to a consultation on changes to the payment process of schools' business rates, the business rates payment system for schools will be centralised and ESFA will pay billing authorities directly on behalf of state funded schools from 2022-23 onwards. Schools and local authorities will have access to the online business rates portal from 1 April 2022, where they will be able to view their rates bill and any payments. Schools are encouraged to check their bills and notify the billing authority of any errors. Further information will be issued to schools on this change in due course.

Change to sparsity funding

12. The government consulted on changes to sparsity funding earlier this year and will be implementing the following changes for 2022-23:

- The maximum amount of sparsity funding schools can attract is increasing to £55,000 for primary schools and £80,000 for secondary and all-through schools.
- Schools sparsity distances will be calculated by road journeys, rather than the previous straight-line distance methodology. This will better identify schools that are remote and increase the number of schools eligible for sparsity funding.
- A new sparsity distance threshold taper will apply. This means that schools who aren't currently eligible for sparsity funding as they are just below the minimum distance threshold, will now attract some funding. For primary schools, the minimum distance threshold is 2 miles, however schools with a sparsity distance of between 1.6 miles and 2 miles will now also attract funding. For secondary schools, the minimum distance threshold is 3 miles, but schools with a sparsity distance of between 2.4 and 3 miles will also attract some funding.

- Based on the provisional modelling for the draft 22-23 budgets the changes to how sparsity is calculated can be seen:

- 21-22: 46 schools, totalling £1.6m
- 22-23: 73 schools (provisionally) totalling £2.5m

13. The NFF includes a minimum per pupil funding factor (MPPF), which sets a minimum per pupil funding that each school attracts through the NFF. This minimum refers to the level in £ of per-pupil funding schools attract through the NFF. These values are:

- £4,265 for primary
- £5,321 for KS3
- £5,831 for KS4

14. Due to being a low funded local authority a large number of schools receive MPPF, however this has decreased from 21-22 due to the increases to the core NFF factors. Based on the current data 77 schools would require an adjustment to ensure that they reach these per pupil funding levels. In cash terms, based on the current information, £4.8m is needed from the formula to 'boost' these schools.

Authority Proforma and Movements from the schools' block

- 15. The Authority Proforma Tool (APT) is used to submit the schools block budget to the DfE. The deadline this year is 21st January 2022. Updated data based on the October 21 census should be with the LA during December. When this is received, the APT can be updated to reflect the October 21 pupil numbers.
- 16. In **Annex A** the APT takes into account the core NFF factor increases but still using the October census data.
- 17. The schools' block is ring-fenced in 2022-23, but LAs can, as in previous years, transfer up to 0.5% of their schools' block into another block, with the approval of schools forum. The APT in Annex 1 also includes a 0.5% transfer of funding to support the DSG deficit recovery. The amount would be in the region of £2.4m.

Annex A

Pupil Led Factors

	Reception uplift	No	Pupil Units		0.00								
	Description	Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)				
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Primary (Years R-6)	£3,210.22		55,179.00		£177,136,729	£357,500,185	37.23%					
	Key Stage 3 (Years 7-9)	£4,529.22		23,264.00		£105,367,774		22.15%					
	Key Stage 4 (Years 10-11)	£5,105.22		14,690.00		£74,995,682		15.76%					
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)			
2) Deprivation	FSM	£470.00	£470.00	10,432.54	6,390.00	£7,906,593	£33,563,220	7.05%	50.00%	50.00%			
	FSM6	£590.00	£865.00	11,391.36	9,005.34	£14,510,519			50.00%	50.00%			
	IDACI Band F	£220.00	£320.00	5,623.69	3,559.08	£2,376,116			50.00%	50.00%			
	IDACI Band E	£270.00	£425.00	4,468.72	2,949.99	£2,460,301			50.00%	50.00%			
	IDACI Band D	£420.00	£595.00	2,155.38	1,434.29	£1,758,659			50.00%	50.00%			
	IDACI Band C	£460.00	£650.00	3,186.54	2,068.47	£2,810,313			50.00%	50.00%			
	IDACI Band B	£490.00	£700.00	855.38	508.07	£774,786			50.00%	50.00%			
	IDACI Band A	£640.00	£890.00	834.66	485.11	£965,932			50.00%	50.00%			
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)			
3) Looked After Children (LAC)	LAC March 19	£0.00		500.42		£0	£2,790,408	0.00%					
4) English as an Additional Language (EAL)	EAL 3 Primary	£565.00		3,163.35		£1,787,292		0.52%					
	EAL 3 Secondary		£1,530.00		461.19	£705,620							
5) Mobility	Pupils starting school outside of normal entry dates	£925.00	£1,330.00	255.59	45.92	£297,496		0.06%					
	Description	Weighting	Amount per pupil (primary or secondary respectively)	Percentage of eligible pupils	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)			
6) Low prior attainment	Primary low prior attainment		£1,130.00	28.56%	15,758.10	£17,806,658	£33,630,291	7.07%	100.00%				
	Secondary low prior attainment (year 7)		64.53%		24.29%	9,253.59							
	Secondary low prior attainment (year 8)		64.53%		24.22%								
	Secondary low prior attainment (year 9)		63.59%		24.72%								
	Secondary low prior attainment (year 10)		58.05%		24.55%								
	Secondary low prior attainment (year 11)		48.02%		24.12%								

Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)
7) Lump Sum	£121,300.00	£121,300.00			£36,268,700	7.62%	8.24% 8.24%
8) Sparsity factor	£55,000.00	£80,000.00	£80,000.00	£80,000.00	£2,520,687	0.53%	
Rows 46 to 49 are populated with the NFF methodology, please leave this as is if you wish to follow the NFF. As per the Operational Guidance, the distance thresholds can be increased or the year group size thresholds decreased and the distance threshold taper is optional. An alternative method of allocation to the NFF's average year group size taper can be chosen: the continuous taper (Tapered) or fixed sum (Fixed). Examples of each are provided in the Operational Guidance.							
Primary distance threshold (miles)	2.00	Primary pupil number average year group threshold	21.40	Apply primary distance taper	Yes	NFF, tapered or fixed sparsity primary lump sum?	NFF
Secondary distance threshold (miles)	3.00	Secondary pupil number average year group threshold	120.00	Apply secondary distance taper	Yes	NFF, tapered or fixed sparsity secondary lump sum?	NFF
Middle schools distance threshold (miles)	2.00	Middle school pupil number average year group threshold	69.20	Apply middle school distance taper	Yes	NFF, tapered or fixed sparsity middle school lump sum?	NFF
All-through schools distance threshold (miles)	2.00	All-through pupil number average year group threshold	62.50	Apply all-through distance taper	Yes	NFF, tapered or fixed sparsity all-through lump sum?	NFF
9) Fringe Payments					£0	0.00%	
10) Split Sites					£222,000	0.05%	
11) Rates					£4,317,737	0.91%	
12) PFI funding					£0	0.00%	
13) Exceptional circumstances (can only be used with prior agreement of ESFA)							
Circumstance					Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)
Additional lump sum for schools amalgamated during FY21-22					£0	0.00%	8.24% 8.24%
Additional sparsity lump sum for small schools					£0	0.00%	
Rent					£147,263	0.03%	
Exceptional Circumstance4					£0	0.00%	
Exceptional Circumstance5					£0	0.00%	
Exceptional Circumstance6					£0	0.00%	
Exceptional Circumstance7					£0	0.00%	
Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total)					£470,960,491	98.99%	
14) Additional funding to meet minimum per pupil funding level					£4,814,439	1.01%	
Total Funding for Schools Block Formula (excluding MFG Funding Total)					£475,774,930	100.00%	
15) Minimum Funding Guarantee				1.85%	£661,850		
Where a value less than 0.5% or greater than 2% has been entered please provide the disapplication reference number authorising the value							
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)					No		
Capping Factor (%)		Scaling Factor (%)					
Total deduction if capping and scaling factors are applied				£0			
MFG Net Total Funding (MFG + deduction from capping and scaling)				Total (£)	Proportion of Total funding(%)	Notional SEN (%)	
Total Funding for Schools Block Formula				£476,436,779	0.14%	£53,401,900	