

<b>Committee:</b>	Schools Forum
<b>Meeting Date:</b>	22 <sup>nd</sup> November 2022
<b>Title:</b>	Schools Block Funding Formula: 2023-24
<b>Author:</b>	Michael Quinton, Senior Accountant - CYP
<b>Decision making / consultative / information:</b>	Decision Making
<b>Who can vote?</b>	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 23-24. All factors used in 23-24 will be the same as those used in 22-23. Schools Forum is being asked to continue to follow the NFF.
2. Schools Forum is also being asked to agree a £2.1m transfer from Dedicated Schools Grant (DSG) reserve monies to help support the DSG deficit recovery plan. This funding is made up of pre NFF underspends, growth and recoupment underspends and central service schools block underspends specifically against the regulatory element of funding. This transfer continues the agreement that schools forum made previously, but in 23-24 means that schools block funding is not being reduced as has been the case for the past 3 years.

**Reason for recommendation**

3. The recommendation is for Suffolk to continue to follow the NFF (as previously agreed by forum) to determine schools’ budgets in 23-24.
4. Local authorities are now required to move their local formula factor values at least 10% closer to the NFF factor value, except where local formulae are already mirroring the NFF. Thankfully a position that Suffolk and our schools will not need to face.
5. The recommendation with regard to the transfer to support the DSG deficit continues the work to reduce and manage the deficit recovery, specifically against the High Needs Block.

**Alternative options**

6. There are no alternative options in respect of the NFF and Forum have agreed to follow the NFF over the past 5 years.

7. With regard to the deficit recovery, schools forum could decide not to transfer £2.1m from DSG reserves to support the deficit recovery and either retain the reserves position or have this money added to schools block funding. However, this would reverse the agreement that schools forum made previously to support the deficit recovery.

### **Who will be affected by this decision?**

8. The funding formula used to calculate school budgets for 23-24 will affect all LA maintained schools, free schools, and academies.

### **Main body of the Report**

#### **NFF Update**

9. The provisional DSG allocations for the Schools, High Needs and Central School Services blocks were published in July 2022.
10. The final DSG allocations for 22-23 will be confirmed in December, based on updated October 2022 census information which will then be used to set 23-24 school budget allocations.
11. Funding for mainstream schools through the schools NFF is increasing by 1.9% per pupil compared to 22-23 nationally. This is based on the July 22 provisional allocations.
12. Suffolk will see an increase in 23-24 of the 1.9% (provisionally as stated above) in schools block funding over 2022-23 (in cash terms). See Table 1 below for the provisional allocations. Early Years funding is based on actual take up and is adjusted accordingly each financial year, therefore there is no provisional allocation.
13. See Annex A for the draft 23-24 proforma and schools block unit values. These values will be used to set the final 23-24 allocation, however AWPU values may need to be altered slightly (as the balancing adjustment) if there are any changes to non-pupil led funding factors or disparities between the growth allocation from the ESFA that forms part of the schools block funding and what Suffolk sets for growth funding and also now for falling rolls budgets.

**Table 1**

<b>Block</b>	<b>22-23 Allocation</b>	<b>23-24 Provisional</b>	<b>Change</b>	<b>Change</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>
Schools	494,464,953	503,944,829	9,479,876	1.9%
High Needs	95,913,496	102,004,953	6,091,457	6.0%
Central	5,992,219	5,466,802	-525,417	-9.6%

## Schools Block

14. The schools national funding formula (NFF) has been updated for 2023-24 with new factor values and some technical adjustments. The key changes are:

- rolling the 22-23 schools supplementary grant into the NFF by:
  - adding an amount representing what schools receive through the grant into their baselines
  - adding the value of the lump sum, basic per pupil rates and free school meals Ever 6 (FSM6) parts of the grant onto the respective factors in the NFF
  - uplifting the minimum per pupil values by the supplementary grant's basic per-pupil values, and an additional amount which represents the average amount of funding schools receive from the FSM6 and lump sum parts of the grants
- increasing NFF factor values (on top of the amounts added for the school's supplementary grant) by:
  - 4.3% to free school meals at any time in the last 6 years (FSM6) and income deprivation affecting children index (IDACI)
  - 2.4% to the basic entitlement, low prior attainment (LPA), FSM, English as an additional language (EAL), mobility, and sparsity factors, and the lump sum.
  - 0.5% to the minimum per pupil levels (MPPL)
- Local authorities have the freedom to set the MFG in their local formulae between +0.0% and +0.5% per pupil to protect schools from excessive year-on-year changes.

15. 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:

- £4,405 for primary
- £5,503 for KS3
- £6,033 for KS4

16. Based on the current data 41 schools would require an adjustment to ensure that they reach these per pupil funding levels (77 in 22-23). In cash terms, based on the current information, £2.4m is needed from the formula to 'boost' these schools.

17. Schools' Forum have been asked over the past 3 years to vote on the continuation of the 0.5% contribution to the DSG deficit recovery, from the Schools Block. However, for 23-24 the contribution can be taken from the CYP reserves and therefore does not need to be taken from the 23-24 schools block budget. Schools Forum still needs to agree the transfer and use of this reserve funding of £2.1m to support the DSG deficit recovery.

# Annex A

Local Authority Funding Reform Proforma							
LA Name:	Suffolk						
LA Number:	935						
	Primary minimum per pupil funding level	Secondary (KS3 only) minimum per pupil funding level	Secondary (KS4 only) minimum per pupil funding level	Secondary minimum per pupil funding level			
	£4,405.00	£5,503.00	£6,033.00	£5,715.00			
Pupil Led Factors							
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception uplift	No	Pupil Units		0.00		
	Description	Amount per pupil		Pupil Units		Sub Total	Total
	Primary (Years R-6)	£3,392.61		54,914.00		£186,301,786	£378,729,168
	Key Stage 3 (Years 7-9)	£4,783.61		23,516.00		£112,491,373	
	Key Stage 4 (Years 10-11)	£5,391.61		14,826.00		£79,936,010	
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total
2) Deprivation	FSM	£480.00	£480.00	11,323.00	7,427.00	£9,000,000	£38,771,979
	FSM6	£705.00	£1,030.00	12,090.00	9,312.00	£18,114,810	
	IDACI Band F	£230.00	£335.00	5,593.34	3,611.22	£2,496,227	
	IDACI Band E	£280.00	£445.00	4,416.11	3,025.04	£2,582,651	
	IDACI Band D	£440.00	£620.00	2,121.24	1,439.85	£1,826,051	
	IDACI Band C	£480.00	£680.00	3,153.47	2,109.30	£2,947,989	
	IDACI Band B	£510.00	£730.00	850.01	502.27	£800,164	
4) English as an Additional Language (EAL)	EAL 3 Primary	£580.00		3,219.29		£1,867,186	£3,130,435
	EAL 3 Secondary		£1,565.00		436.21	£682,673	
5) Mobility	Pupils starting school outside of normal entry dates	£945.00	£1,360.00	519.06	66.22	£580,576	
	Description	Weighting	Amount per pupil (primary or secondary respectively)	Percentage of eligible pupils	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total
6) Low prior attainment	Primary low prior attainment		£1,155.00	27.75%	15,237.50	£17,599,308	£33,887,678
	Secondary low prior attainment (year 7)	64.53%	£1,750.00	24.20%	9,307.64	£16,288,371	
	Secondary low prior attainment (year 8)	64.53%		24.16%			
	Secondary low prior attainment (year 9)	64.53%		24.21%			
	Secondary low prior attainment (year 10)	63.59%		24.58%			
	Secondary low prior attainment (year 11)	58.05%		24.23%			

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)
7) Lump Sum	£128,000.00	£128,000.00			£38,272,000
8) Sparsity factor	£56,300.00	£81,900.00	£81,900.00	£81,900.00	£3,568,255

Primary distance threshold (miles)	2.00	Primary pupil number average year group threshold	21.40	Apply primary distance taper	Yes
Secondary distance threshold (miles)	3.00	Secondary pupil number average year group threshold	120.00	Apply secondary distance taper	Yes
Middle schools distance threshold (miles)	2.00	Middle school pupil number average year group threshold	69.20	Apply middle school distance taper	Yes
All-through schools distance threshold (miles)	2.00	All-through pupil number average year group threshold	62.50	Apply all-through distance taper	Yes
9) Fringe Payments					£0
10) Split Sites					£222,000
11) Rates					£4,317,737
12) PFI funding					£0
13) Exceptional circumstances (can only be used with prior agreement of ESFA)					
Additional lump sum for schools amalgamated during FY22-23					£0
Additional sparsity lump sum for small schools					£0
Rent					£119,293
Exceptional Circumstance4					£0
Exceptional Circumstance5					£0
Exceptional Circumstance6					£0
Exceptional Circumstance7					£0
<b>Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total)</b>					<b>£501,018,546</b>
14) Additional funding to meet minimum per pupil funding level					£2,412,846
<b>Total Funding for Schools Block Formula (excluding MFG Funding Total)</b>					<b>£503,431,391</b>
15) Minimum Funding Guarantee			0.50%	£511,545	
MFG Net Total Funding (MFG + deduction from capping and scaling)					£511,545
<b>Total Funding for Schools Block Formula</b>					<b>£503,942,937</b>