

Schools Forum

13 January 2022

Schools National Funding Formula 2022-23

This report relates to both academy and maintained mainstream schools and is for decision by all school and PVI members of Schools Forum.

Recommendations

1. Schools Forum agree a consensus on its advice to Cabinet regarding the continuation of moving to the 'hard' National Funding Formula in 2022-23.

1. Purpose of the Report

- 1.1. Inform Schools Forum of the Schools Block DSG Allocation for 2022-23 and how it will be allocated to schools using the 'hard' National Funding Formula (NFF).
- 1.2. The report also considers the funding impact of the options agreed by schools forum at its meeting on 11 November 2021.

2. National Funding Formula 2022-23

- 2.1. The schools block DSG allocation for 2022-22 is £397.8 million and is an increase of £16.2 million (4.25%) from the 2021-22 allocation and is due to several reasons.
- 2.2. Firstly, total Number on Roll for 2022-23 has increased by 814 pupils (1.06%) above 2021-22 pupil numbers. Table 1 shows the Number on Roll changes by phase.

Phase	Total
Primary	271
Secondary	543
Total	814

Table 1: Distribution of increased NOR 2022-23

- 2.3. Secondly, Minimum pupil funding for 2022-23 is £4,265 in Primary Schools and £5,525 in Secondary Schools. This represents an increase of 2.03% above 2021-22 funding levels.
- 2.4. Lastly, pupil led funding formula factors were increased by between 2.17% and 3.85% above 2021-22 funding levels. A breakdown of how much each factor has increased by is outlined in Appendix 1. Also, Minimum Funding Guarantee has been set at +2.00% again.
- 2.5. The DSG allocation for 2022-23 has allowed the Local Authority to continue to apply the 'hard' NFF in 2022-23 as follows:
- Set the Age Weighted Pupil Unit (AWPU) rate in line with the 'hard' NFF.
 - Use all Deprivation rates (Free Schools Meals and Income Deprivation Affecting Children Index) in line with the 'hard' NFF.
 - Allocate funding for English as an additional language for the maximum 3 eligible years in line with the 'hard' NFF.
 - Prior attainment set at 100% in line with the 'hard' NFF.
 - All schools are allocated a lump sum of £121,300, in line with the 'hard' NFF.
 - Split sites allocated £38,500 per site and this is a local factor.
 - Business Rates are fully funded and this is mandatory.
 - Funding to meet minimum per pupil funding (£4,265 for primary school pupils and £5,525 for secondary school pupils) in line with the 'hard' NFF.
 - Set the Minimum Funding Guarantee at +2.00% in line with the 'hard' NFF.
 - Allocate £2. 328million to the Growth Fund which is the subject of a separate paper before today's schools forum.
- 2.6. Once all funding is allocated in line with the 'hard' NFF this leaves £2.202 million unallocated. A breakdown of funding by factors together with a comparison with 2021-22 funding is included in the Appendix 2.

3. Additional Allocations 2022-23

- 3.1. Schools forum on 11 November 2021 agreed several funding proposals above the NFF, subject to affordability. These were:
- Transfer of 0.5% to the High Needs Block
 - Increasing the lump sum for all schools
- 3.2. Modelling schools block DSG funding against the October 2021 census data has meant that we can continue to implement the 'hard' NFF in 2022-23.

- 3.3. Even after modelling the 'hard' NFF there is still an unallocated surplus in 2022-23 of £1.132 million. In addition, there is an underspend of £1.070 million in the growth fund and more detail on this is included in the DSG monitoring report. Overall there is £2.202 million surplus in the schools block DSG going into 2022-23.
- 3.4. It can now be confirmed that the Local Authority proposes to fund the following from within the overall schools block DSG surplus in 2022-23. Although this is subject to the ESFA verifying our schools funding submission which needs to be submitted by Friday 21 January 2022.

Transfer 0.5% to the High Needs Block (£1.989 million)

- 3.5. Schools forum approved the transfer of 0.5% of the school block DSG to the high needs block DSG in 2022-23. This is a one-off transfer and any future year transfers will have to follow the same process of consultation with mainstream schools and approval of schools forum.
- 3.6. The 0.5% transfer is based on the overall schools block DSG for 2022-23. Therefore, the monetary value of the transfer is £1.989 million.

Lump Sums (£0.205 million)

- 3.7. The lump sum is currently set at £121,300 per school in line with the NFF. Local Authorities can increase this to a maximum of £175,000, subject to affordability. The Local Authority is proposing that the lump sum for 2022-23 is increased to £123,000 for all mainstream schools and academies.
- 3.8. Increasing the lump sum by £1,700 will see increased funding for 143 of our 236 mainstream schools and academies in 2022-23.
- 3.9. Increasing any factor within the NFF only benefits some schools and academies and not all of them. Schools and academies who are protected, either through the minimum per pupil funding or minimum funding guarantee, do not generally benefit from any factor increases. This is because an increase in a factor will be off-set by an equal and opposite decrease in either their minimum per pupil funding or minimum funding guarantee protection.

Contingency (£0.010 million)

- 3.10. After the application of the 'hard' NFF, transfer of funding to the High Needs Block, and increasing lump sums there remains a surplus of £0.010 million. As in previous years this

will be held within the Growth Fund as a contingency against any future pressures against this funding.

4. School Supplementary Allocations 2022-23

- 4.1. When calculating schools block DSG the ESFA use the January census data to calculate individual local authority allocations. These are known as Primary Units of Funding (PUFS) and Secondary Units of Funding (SUFS).
- 4.2. Therefore the schools block DSG allocations for 2022-23 are calculated using January 2021 census data. Schools block DSG allocations are announced in December each year and are based on the preceding October census data. IF there have been any significant changes in census data between January and October these can be covered by increasing DSG.
- 4.3. We saw that last year when Free School Meals eligibility saw a 28% increase in uptake between the January and October census points. The burden of this on schools was alleviated by the ESFA through paying specific grant to schools and academies.
- 4.4. A similar situation has arisen for 2022-23 as a consequence of the autumn 2021 Comprehensive Spending Review. The main additional burdens on schools in 2022-23 will be the cost of the Health and Social Care Levy and wider costs. These wider cost include removal of the school improvement grant in 2022-23 by half and in full by 2023-24 and are covered in a separate paper to schools forum.
- 4.5. The total schools supplementary allocation for Warwickshire schools and academies in 2022-23 is £11.623 million.

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NFF Factors 2021-22 and 2022-23

Factor	2021-	2022-	Change	
	22	23	%	£
AWPU	£	£		
Primary AWPU	3,123	3,217	3.01%	94
KS3 AWPU	4,404	4,536	3.00%	132
KS4 AWPU	4,963	5,112	3.00%	149
Minimum Per Pupil Funding				
Primary	4,180	4,265	2.03%	85
Secondary	5,415	5,525	2.03%	110
Deprivation				
FSM Primary	460	470	2.17%	10
FSM Secondary	460	470	2.17%	10
FSM6 Primary	575	590	2.61%	15
FSM6 Secondary	840	865	2.98%	25
Primary IDACI A	620	640	3.23%	20
Primary IDACI B	475	490	3.16%	15
Primary IDACI C	445	460	3.37%	15
Primary IDACI D	410	420	2.44%	10
Primary IDACI E	260	270	3.85%	10
Primary IDACI F	215	220	2.33%	5
Secondary IDACI A	865	890	2.89%	25
Secondary IDACI B	680	700	2.94%	20
Secondary IDACI C	630	650	3.17%	20
Secondary IDACI D	580	595	2.59%	15
Secondary IDACI E	415	425	2.41%	10
Secondary IDACI F	310	320	3.23%	10
Low Prior Attainment				
Primary LPA	1,095	1,130	3.20%	35
Secondary LPA	1,660	1,710	3.01%	50
English as an Additional Language				
Primary EAL	550	565	2.73%	15
Secondary EAL	1,485	1,530	3.03%	45
Lump Sum				
Primary LS	117,800	121,300	2.97%	3,500
Secondary LS	117,800	121,300	2.97%	3,500
Sparsity				
Primary Sparsity	45,000	55,000	22.22%	10,000
Secondary Sparsity	70,000	80,000	14.29%	10,000
DSG Schools Block Allocations				
Primary Units of Funding (PUFs)	4,395	4,516	2.74%	121
Secondary Units of Funding (SUFs)	5,574	5,737	2.92%	163

Comparison of NFF allocations 2021-22 and 2022-23

Factor	2021-22 £m	2022-23 £m	Difference £m	Difference %	Reason for Change
Age Weighted Pupil Unit (AWPU)	288.2	300.8	12.6	4.37	Pupil led factor + Increase in factor
Deprivation	21.8	25.4	3.6	16.51	Pupil led factor + further increase uptake of 13.27% for Free Schools Meals
English as an Additional Language	2.3	2.5	0.2	8.70	Pupil led factor + 3.36% increase in eligible children in 2022-23
Prior Attainment	24.4	25.1	0.7	2.87	Pupil led factor
Lump Sum	29.9	28.4	-1.5	-5.02	Lump sums were higher in 2021-22
Split Sites	0.2	0.2	0.0	0.00	
Sparsity	0.9	1.1	0.2	22.22	Increased rate
Rates	3.6	3.8	0.2	5.56	Actual costs of rate bills are fully funded
Minimum Pupil Funding	7.7	6.7	-1.0	-12.99	As other factors increase there is less need to protect schools through this factor
Minimum Funding Guarantee	0.6	0.6	0.0	0.0	
Growth Fund	2.4	2.3	0.1	-4.17	
Unallocated	0.1	0.0	-0.1	-100.00	
Total (subject to roundings)	382.1	* 396.9	14.8	3.87	

* £397.8 million (2022-23 Schools block DSG) + £1.1 million (Growth Fund underspend) - £2.0 million (0.5% Transfer) = 396.9 million