

Schools Forum

12 January 2023

Schools National Funding Formula 2023-24

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

Recommendations:

Schools Forum agree to recommend to Cabinet full implementation of the 'hard' National Funding Formula in 2023-24.

1. Purpose of the Report

- 1.1. To inform Schools Forum of the Schools Block DSG Allocation for 2023-24 and how it will be allocated to schools using the 'hard' National Funding Formula (NFF), ahead of the Council budget being set and approved by full Council.

2. National Funding Formula 2023-24

- 2.1. The schools block DSG allocation for 2023-24 is £425.6 million which is an increase of £28.8 million (7.26%) from the 2022-23 allocation and is mainly due to increase in pupil numbers. A breakdown of the changes between 2022-23 and 2023-24 can be found in Appendix 2 of this report.
- 2.2. The total Number on Roll for 2023-24 has increased by 1,316 pupils (1.70%) above 2022-23 pupil numbers. Table 1 shows the Number on Roll changes by phase.

Phase	Number of pupils in schools 2023/24	Number of pupils in schools 2022/23	Variance
Primary	45,615	45,247	368
Secondary	33,506	32,558	948
Total	79,120	77,804	1,316

Table 1: Distribution of increased NOR 2023/24

- 2.3. The minimum pupil funding for 2023-24 has increased to £4,405 for Primary Schools and £5,715 for Secondary school compared to £4,265 in Primary Schools and £5,525 in Secondary Schools for 2022/23. This represents an increase of 3.03% above 2022-23 funding levels mainly due to Supplementary grant is rolled into the school NFF.
- 2.4. The pupil led funding formula factors were increased by between 2.17% and 3.85% above 2022-23 funding levels. A breakdown of how much each factor has increased by is outlined in Appendix 1. Also, the Minimum Funding Guarantee has been set at +0.50%.
- 2.5. The DSG allocation for 2022-23 has allowed the Local Authority to continue to apply the 'hard' NFF in 2023-24 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 £127,500, 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 £3.5million to the Growth Fund which is the subject of a separate paper before today's schools' forum.

3. Additional Allocations 2023-24

- 3.1. In November 2022, Schools Forum were presented with the provisional DSG allocations, which were published in July 2022. The latest Schools Block allocation noted in this report is from the ESFA announcement on 20th December 2022.

- 3.2. The modelling of Schools Block DSG funding against the October 2022 census data has meant that we can continue to implement the 'hard' NFF in 2023-24.
- 3.3. It can now be confirmed that the Local Authority proposes to fund the following (see paragraphs 3.5 and 3.6) from within the overall schools' block DSG allocation in 2023-24. Please note that this is subject to the ESFA verifying our schools funding submission which needs to be submitted by Friday 20 January 2023. Schools Forum will therefore receive the final budget position at the March meeting.
- 3.4. Schools' forum did not approve the transfer of any of the school block DSG to the high needs block DSG in 2023-24.
- 3.5. The lump sum in 2022-23 is £121,300 per school in line within 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 2023-24 is increased to £127,500 for all mainstream schools and academies. Note that £3,680 of this increase relates to the mainstreaming of the supplementary funding which was provided as a separate grant in 2022-23.
- 3.6. Increasing any factor beyond those within the NFF would only benefit some schools and not all of them. Schools 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 would be offset by an equal and opposite decrease in either their minimum per pupil funding or minimum funding guarantee protection.

4. School Supplementary Funding

- 4.1. The aim of ESFA approach for rolling the 2022-23 supplementary grant into the schools NFF in 2023-24 is to ensure that the additional funding schools attract through the NFF is as close as possible to the funding they would have received if the funding was continuing as a separate grant in 2023-24, without adding significant additional complexity to the formula. We have rolled in the grants in three ways, to reflect the three different ways in which schools attract funding through the NFF:
- Adding £97, £137 and £155 to the primary, key stage 3 and key stage 4 per pupil funding factors respectively
 - Adding £85 and £124 to the primary and secondary FSM6 factors.
 - Adding £3,680 to the school lump sum.

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NFF Factors 2022-23 and 2023-24

Factor	2022-23	Supplementary	2023-24	Change	
	A	B	C	(C-A-B/A)	
AWPU	£		£	%	£
Primary AWPU	3,217	97	3,395	2.52%	81
KS3 AWPU	4,536	137	4,780	2.36%	107
KS4 AWPU	5,112	155	5,380	2.21%	113
Minimum Per Pupil Funding					
Primary	4,265		4,405	3.28%	140
Secondary	5,525		5,715	3.44%	190
Deprivation					
FSM Primary	470		480	2.13%	10
FSM Secondary	470		480	2.13%	10
FSM6 Primary	590	85	695	3.39%	20
FSM6 Secondary	865	124	1,015	3.01%	26
Primary IDACI A	640		660	3.13%	20
Primary IDACI B	490		510	4.08%	20
Primary IDACI C	460		475	3.26%	15
Primary IDACI D	420		435	3.57%	15
Primary IDACI E	270		280	3.70%	10
Primary IDACI F	220		230	4.55%	10
Secondary IDACI A	890		915	2.81%	25
Secondary IDACI B	700		720	2.86%	20
Secondary IDACI C	650		670	3.08%	20
Secondary IDACI D	595		610	2.52%	15
Secondary IDACI E	425		441	3.76%	16
Secondary IDACI F	320		330	3.13%	10
Low Prior Attainment					
Primary LPA	1,130		1,160	2.65%	30
Secondary LPA	1,710		1,725	0.88%	15
English as an Additional Language					
Primary EAL	565		580	2.65%	15
Secondary EAL	1,530		1,570	2.61%	40
Lump Sum					
Primary LS	121,300	3,680	127,500	2.08%	2,520
Secondary LS	121,300	3,680	127,500	2.08%	2,520
Sparsity					
Primary Sparsity	55,000		56,000	1.82%	1,000
Secondary Sparsity	80,000		81,000	1.25%	1,000
DSG Schools Block Allocations					
Primary Units of Funding (PUFs)	4,516		4,729	4.73%	214
Secondary Units of Funding (SUFs)	5,737		6,046	5.40%	310

Comparison of NFF allocations 2022-23 and 2023-24

Factor	2022-23 £m	2023-24 £m	Difference £m	Difference %	Reason for Change
Age Weighted Pupil Unit (AWPU)	301.2	324.2	23.1	7.66%	Pupil led factor and increase in rates. 23/24 rates include Supplementary grant funding as per NFF guidance
Deprivation	25.4	29.6	4.2	16.48%	Pupil led factor and increase in rates. 23/24 rates include Supplementary grant funding as per NFF guidance
English as an Additional Language	2.5	3.1	0.6	23.32%	Pupil led factor
Mobility	0.0	0.1	0.1	100.00%	As per NFF requirement
Prior Attainment	25.1	26.5	1.4	5.44%	Pupil led factor
Lump Sum	28.0	29.6	1.6	5.64%	Lump sums rates include part of Supplementary grant as per NFF guidance
Split Sites	0.2	0.2	0.0	0.00%	
Sparsity	1.0	1.1	0.1	6.80%	Increased rate
Rates	3.7	3.7	0.0	0.00%	Actual costs of rate bills are fully funded
Minimum Pupil Funding	6.8	3.9	-3.0	-43.28%	As other factors increase there is less need to protect schools through this factor
Minimum Funding Guarantee	0.6	0.2	-0.4	-61.67%	As other factors increase there is less need to protect schools through this factor
Growth Fund	2.3	3.5	1.2	50.76%	Increase in pupil number for bulk classes (for details see separate paper for growth fund)
Total (impacted by roundings)	396.9	425.6	28.8	7.26%	