

Schools Funding Formula 2021/22

Report being considered by:	Schools Forum on 25 January 2021		
Report Author:	Melanie Ellis		
Item for:	Decision	By:	All School Members/PVI Representative

1. Purpose of the Report

1.1 To agree the final school funding formula allocations for 2021/22.

2. Recommendations

2.1 To note that the 2021/22 growth fund allocation of £604k is not required for growth, as the cumulative balance on the fund is sufficient. As a result a decision needs to be made either,

(a) To put the full 2021/22 allocation of £604k growth funding into the school formula and allocate to schools, or,

(b) To use £274k of the 2021/22 growth fund allocation to increase the High Needs Block transfer from 0.25% as previously agreed, to 0.5%, and put the balance of £330k into the school formula and allocate to schools. The HNB additional funding would be on a spend to save basis supporting initiatives that will support the block to reduce its annual expenditure over time.

2.2 To note the final formula rates and allocations to schools, subject to political ratification and allocation to schools by 28th February 2021. The allocations have been made according to the principles agreed by Schools' Forum in December and in relation to the total funding available from the Schools Block DSG allocation.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
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3. Introduction

3.1 2021/22 is the fourth year of the National Funding Formula (NFF). As in previous years, the Local Authority (LA) continues to have discretion over their schools funding formulae, in consultation with local schools. The LA is responsible for making the final decisions on the formula. Political ratification is required for the LA to be able to issue budgets to maintained schools before the 28th February 2021.

3.2 A consultation was held between 21.10.20 and 11.11.20. The responses were considered by the Schools Forum in December 2020, and the following agreed:

(1) To mirror the DfE's 2021/22 National Funding Formula to calculate the funding allocations

- (2) To award a lower increase to the schools sparsity factor in the local formula
- (3) To address any surplus or shortfall in funding by adjusting the AWPU values
- (4) To apply a top slice of 0.25% to the schools' funding, in order to support High Needs
- (5) To approve the criteria for additional funds as per the consultation
- (6) To approve the proposed de-delegations.

4. Final School Funding

- 4.1 The final schools block DSG funding allocation for 2021/22 is £114.83m, and after the 0.25% HNB transfer of £0.27m, there is £114.56m available for schools, comprising £113.96m pupil/premises funding and £0.6m growth funding.

Final DSG Allocation	2020/21		2021/22	
		£		£
Primary schools unit of funding (£s)	£4,088		£4,443	
Number of pupils in primary schools	13,190		13,122	
Primary funding		53,921,775		58,296,060
Secondary schools unit of funding (£s)	£5,108		£5,537	
Number of pupils in secondary schools	9,621		9,832	
Secondary funding		49,146,132		54,436,539
Premises		1,487,173		1,495,197
Growth funding		756,100		603,831
Total allocation including pay and pensions		105,311,180		114,831,627
0.25% HNB transfer		-263,285		-274,284
Total school funding		105,047,895		114,557,343

5. Growth Funding 2021/22

- 5.1 The main DSG funding for schools is lagged and based on pupil numbers from the previous October census. Since 2019/20, growth funding is allocated to the local authority by formula and forms part of the Schools Block DSG. The formula for allocating growth funding to each LA is based on actual growth in pupil numbers.
- 5.2 The growth is measured within each 'middle layer super output area' (MSOA). In West Berkshire there are 22 MSOAs. Changes in pupil numbers between October 2019 and October 2020 are identified for each MSOA, although only positive increases are counted. A growth factor value is then applied:
- (1) £1,505 for each primary growth pupil
 - (2) £2,250 for each secondary growth pupil
 - (3) £71,082 for each new school which opened in the previous year.
- 5.3 As it is within the schools block, a movement of funding between the schools formula and the growth fund is not treated as a transfer between blocks. If funding is not required for growth, it can be added into the school formula, but if there is a shortfall, this needs to be met from a top slice of the main schools' block allocation.

5.4 The cumulative balance on the growth fund was £666k at 31.3.2020. The 2020/21 DSG growth fund allocation of £756k was all put aside for growth, but with an estimated spend of £150k, the fund could total £1.27m by 31.3.2021.

Growth Fund	Budget £	Spend £	Cumulative Balance £
2018/19	280,710	87,500	193,210
2019/20	655,800	183,048	665,962
2020/21	756,100	150,000	1,272,062

5.5 The DSG growth funding allocation for 2021/22 is £604k. The projected balance of the growth fund is sufficient to meet growth, and therefore it is proposed to put all of the 2021/22 allocation into the school formula and not use it to further increase the growth fund. There are two options being proposed:

- (a) To put the full 2021/22 allocation of £604k growth funding into the school formula and allocate to schools, or,
- (b) To use £274k of the 2021/22 growth fund allocation to increase the High Needs Block transfer from 0.25% as previously agreed, to 0.5%, and put the balance of £330k into the school formula and allocate to schools. The HNB additional funding would be on a spend to save basis supporting initiatives that will support the block to reduce its annual expenditure over time.

5.6 The impact on overall school funding is shown below.

	Growth Fund increase & 0.25% transfer	A) 2021/22 No Growth Fund & 0.25% transfer	B) 2021/22 No Growth Fund & 0.5% transfer
DSG Allocation	£	£	£
Total allocation including pay and pensions	114,831,627	114,831,627	114,831,627
less Growth Fund	-603,831	0	0
	114,227,796	114,831,627	114,831,627
HNB transfer	-274,284	-274,284	-548,568
Total school funding	113,953,512	114,557,343	114,283,059

6. Formula Rates

Factor	National Rate	WBC National Rate (with ACA)	Final rate	National Rate	WBC National Rate (with ACA)	A) Rate at 0.25% transfer	B) Rate at 0.5% transfer	Final Total funding	A) Total Funding 0.25% transfer	B) Total Funding 0.5% transfer
	2020/21			2021/22				2020/21	2021/22	2021/22
Basic per pupil funding										
Primary AWPU	£2,857	£2,956	£2,941	£3,123	£3,231	£3,245	£3,230	£38,848,003	£42,643,505	£42,437,881
KS3 AWPU	£4,018	£4,157	£4,137	£4,404	£4,557	£4,569	£4,547	£24,956,306	£28,286,309	£28,149,921
KS4 AWPU	£4,561	£4,719	£4,696	£4,963	£5,135	£5,149	£5,124	£16,862,164	£18,762,507	£18,672,063
Minimum per pupil										
Primary	£3,750			£4,180						
Secondary	£5,000			£5,415						
Additional needs funding										
Deprivation										
Primary FSM	£450	£466	£466	£460	£476	£476	£476	£4,042,914	£4,459,755	£4,459,755
Secondary FSM	£450	£466	£466	£460	£476	£476	£476			
Primary FSM6	£560	£579	£579	£575	£595	£595	£595			
Secondary FSM6	£815	£843	£843	£840	£869	£869	£869			
Primary IDACI A	£600	£621	£621	£620	£642	£642	£642			
Primary IDACI B	£435	£450	£450	£475	£491	£491	£491			
Primary IDACI C	£405	£419	£419	£445	£460	£460	£460			
Primary IDACI D	£375	£388	£388	£410	£424	£424	£424			
Primary IDACI E	£250	£259	£259	£260	£269	£269	£269			
Primary IDACI F	£210	£217	£217	£215	£222	£222	£222			
Secondary IDACI A	£840	£869	£869	£865	£895	£895	£895			
Secondary IDACI B	£625	£647	£647	£680	£704	£704	£704			
Secondary IDACI C	£580	£600	£600	£630	£652	£652	£652			
Secondary IDACI D	£535	£554	£554	£580	£600	£600	£600			
Secondary IDACI E	£405	£419	£419	£415	£429	£429	£429			
Secondary IDACI F	£300	£310	£310	£310	£321	£321	£321			
Low Prior Attainment										
Primary LPA	£1,065	£1,102	£1,102	£1,095	£1,133	£1,133	£1,133	£3,879,823	£3,754,603	£3,754,603
Secondary LPA	£1,610	£1,666	£1,686	£1,660	£1,718	£1,718	£1,718	£3,373,235	£3,693,631	£3,693,631
English as an Additional Language										
Primary EAL	£535	£554	£554	£550	£569	£569	£569	£469,603	£458,637	£458,637
Secondary EAL	£1,440	£1,490	£1,490	£1,485	£1,537	£1,537	£1,537	£136,152	£125,342	£125,342
Mobility										
Primary Mobility	£875	£905	£905	£900	£931	£931	£931	£53,507	£19,555	£19,555
Secondary Mobility	£1,250	£1,293	£1,293	£1,290	£1,335	£1,335	£1,335	£0	£0	£0
School led funding										
Lump Sum										
Primary	£114,400	£118,370	£118,370	£117,800	£121,885	£121,885	£121,885	£9,065,145	£9,334,360	£9,334,360
Secondary	£114,400	£118,370	£118,370	£117,800	£121,885	£121,885	£121,885			
Sparsity										
Primary	£26,000	£26,902	£26,902	£45,000	£46,562	£35,000	£35,000	£193,689	£257,078	£257,078
Secondary	£67,600	£69,946	£69,946	£70,000	£72,428	£72,428	£72,428			
Premises										
Primary	18/19 estimate			19/20 estimate				£1,495,196	£1,566,240	£1,566,240
Secondary	18/19 estimate			19/20 estimate						
Total Allocation (excluding minimum per pupil funding level and MFG funding total)								£103,375,737	£113,361,523	£112,929,067
Additional funding to meet the minimum funding level								£777,576	£1,061,934	£1,202,627
Total Allocation including minimum funding adj								£104,153,313	£114,423,457	£114,131,694
MFG adjustment								£138,484	£133,887	£151,366
Post MFG budget								£104,291,797	£114,557,344	£114,283,060
Growth fund								£756,100	£0	£0
Total for Schools Block allocation								£105,047,897	£114,557,344	£114,283,060
Transfer to High Needs Block								£263,285	£274,284	£548,568
DSG Schools Block DfE allocation								£105,311,182	£114,831,628	£114,831,628

