

Individual Decision



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The attached report will be taken as Individual Portfolio Member Decision on:

Tuesday 28th February, 2023

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Schools Funding Formula 2023/24

Committee considering report:	Individual Executive Member Decisions
Date of Committee:	28 February 2023
Portfolio Member:	Councillor Ross Mackinnon
Report Author:	Melanie Ellis
Forward Plan Ref:	ID4330

1 Purpose of the Report

- 1.1 To approve the school funding formula distribution for 2023/24.

2 Recommendations

- 2.1 To approve the 2023/24 school funding formula to be distributed to schools. 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.
- 2.2 To note that the Authority Proforma Tool (APT) was submitted to the Department for Education (DfE) on 20 January 2023 with no approved block transfers.
- 2.3 To note that the final formula rates and allocations will be notified to schools by 28th February 2023.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	Distribution of £125.8m to schools
Human Resource:	n/a
Legal:	Need to notify budgets to schools by 28.2.23
Risk Management:	n/a
Property:	n/a

Policy:	n/a			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
Environmental Impact:		x		
Health Impact:		x		
ICT Impact:		x		
Digital Services Impact:		x		
Council Strategy Priorities:		x		
Core Business:		x		
Data Impact:		x		

Consultation and Engagement:	Consulted with all schools in October/November 2022. Consulted with Heads Funding Group and Schools Forum.
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4 Executive Summary

- 4.1 2023/24 is the first year of transition to the direct schools National Funding Formula (NFF). Each Local Authority (LA) will continue to have some discretion over their schools funding formulae, in consultation with local schools. The LA is responsible for making the final decisions on the formula.
- 4.2 Political ratification is required for the LA to be able to issue budgets to maintained schools. Allocations must be distributed to schools by 28th February 2023.
- 4.3 A consultation was held between 19 October 2022 and 9 November 2022. The responses were considered by the Schools Forum in December 2022, and a methodology for distributing the funding was agreed.
- 4.4 The final DSG funding notification was received from the DfE in December 2022 totalling £127.4m, including a growth allocation of £0.89m. The growth allocation will be distributed as part of the formula and not added to the Growth Fund. Total allocation to schools is £125.8m, after direct allocation of Business Rates funding.

5 Supporting Information

Introduction

- 5.2 A consultation was held between 19 October 2022 and 9 November 2022. The responses were considered by the Schools Forum in December 2022, and the following agreed:
 - (a) To mirror the Department for Education's (DfE) 2023/24 National Funding Formula (NFF) to calculate the funding allocations.
 - (b) To use the minimum sparsity factor.
 - (c) To address any surplus or shortfall in funding by adjusting the AWPU values.
 - (d) To not top slice any of the schools' funding to support the High Needs Block.
 - (e) To not reinstate the Falling Rolls fund.
 - (f) To approve the criteria to be used to allocate additional funds.
 - (g) To approve the proposed services to be de-delegated, but to cease the Primary Schools in Financial Difficulty Fund (PSIFD).
 - (h) To distribute the 2023/24 growth allocation as part of the funding formula.

Schools Funding Formula 2023/24

- 5.3 At the Schools Forum in December 2022 it was agreed not to increase the Growth Fund but to distribute the 2023/24 growth allocation via the formula.
- 5.4 The final DSG funding notification was received from the DfE in December 2022 totalling £127.4m, including a growth allocation of £0.89m. The growth allocation will be distributed as part of the formula and not added to the Growth Fund. Total allocation to schools is £125.8m, after direct allocation of Business Rates funding.

Growth Funding 2023/24

- 5.5 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.
- 5.6 This funding can be put aside into a Growth Fund, where it can be awarded to schools under certain criteria. If 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. 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.
- 5.7 The cumulative balance on our Growth Fund was £1.3m at 31.3.2022 and is forecast to be £0.9m by 31.3.2023. The DSG growth funding for 2023/24 is £885k. The projected balance of our Growth Fund is sufficient, so the Schools' Forum agreed to put all the 2023/24 funding into the school formula to distribute to schools.

Final School Funding:

		2023/24		
	2022/23	Unit of	Number of	Total
Schools Block	Total funding	funding	pupils	funding
Primary	59,679,321	4,832.32	12,936.50	62,513,308
Secondary	57,946,639	6,034.83	10,348.50	62,451,439
Premises factor (NNDR)	1,566,240			1,589,347
DfE allocation	119,192,200			126,554,094
Growth	874,544			885,348
Total block allocation	120,066,744			127,439,442
Block transfer	- 300,165			-
Total formula funding	119,766,579			127,439,442
NNDR direct allocation	- 1,566,240			- 1,597,037
Total schools block after deductions	118,200,339			125,842,405

Formula Rates:

Factor	National Rate	WBC National Rate (with ACA)	Rate after 0.25% transfer & growth funding	National Rate	WBC National Rate (with ACA)	WBC final rate	Total Funding after 0.25% transfer & growth funding	Total Funding after 0% transfer & growth funding
	2022/23			2023/24			2022/23	2023/24
Basic per pupil funding								
Primary AWPU	£3,217	£3,329	£3,343	£3,394	£3,512	£3,501	£43,509,329	£45,367,600
KS3 AWPU	£4,536	£4,694	£4,714	£4,785	£4,952	£4,935	£29,826,898	£31,251,334
KS4 AWPU	£5,112	£5,290	£5,313	£5,393	£5,581	£5,563	£20,289,797	£22,367,127
Minimum per pupil								
Primary	£4,265	£4,265	£4,265	£4,405	£4,405	£4,405		
Secondary	£5,525	£5,525	£5,525	£5,715	£5,715	£5,715		
Additional needs funding								
Deprivation								
Primary FSM	£470	£486	£486	£480	£497	£497		
Secondary FSM	£470	£486	£486	£480	£497	£497		
Primary FSM6	£590	£611	£611	£705	£730	£730		
Secondary FSM6	£865	£895	£895	£1,030	£1,066	£1,066		
Primary IDACI A	£640	£662	£662	£670	£693	£693		
Primary IDACI B	£490	£507	£507	£510	£528	£528		
Primary IDACI C	£460	£476	£476	£480	£497	£497		
Primary IDACI D	£420	£435	£435	£440	£455	£455		
Primary IDACI E	£270	£279	£279	£280	£290	£290		
Primary IDACI F	£220	£228	£228	£230	£238	£238		
Secondary IDACI A	£890	£921	£921	£930	£962	£962		
Secondary IDACI B	£700	£724	£724	£730	£755	£755		
Secondary IDACI C	£650	£673	£673	£680	£704	£704		
Secondary IDACI D	£595	£616	£616	£620	£642	£642		
Secondary IDACI E	£425	£440	£440	£445	£460	£460		
Secondary IDACI F	£320	£331	£331	£335	£347	£347		
Low Prior Attainment								
Primary LPA	£1,130	£1,169	£1,169	£1,155	£1,195	£1,195	£3,780,358	£4,146,645
Secondary LPA	£1,710	£1,769	£1,769	£1,750	£1,811	£1,811	£3,961,148	£4,137,677
English as an Additional Language								
Primary EAL	£565	£585	£585	£580	£600	£600	£492,907	£601,097
Secondary EAL	£1,530	£1,583	£1,583	£1,565	£1,619	£1,619	£166,597	£331,285
Mobility								
Primary Mobility	£925	£957	£957	£945	£978	£978	£54,461	£79,131
Secondary Mobility	£1,330	£1,376	£1,376	£1,360	£1,407	£1,407	£0	£0
School led funding								
Lump Sum								
Primary	£121,300	£125,515	£125,515	£128,000	£132,454	£132,454	£9,664,655	£10,198,989
Secondary	£121,300	£125,515	£125,515	£128,000	£132,454	£132,454		
Sparsity								
Primary	£55,000	£56,911	£45,529	£56,300	£58,259	£48,015	£687,071	£742,348
Secondary	£80,000	£82,780	£66,224	£81,900	£84,750	£69,850		
Premises								
Primary							£1,558,549	£1,797,378
Secondary								
Total Allocation (excluding minimum per pupil funding level and MFG funding total)							£119,056,814	£127,082,139
Factor							Total Funding after 0.25% transfer & growth funding	Total Funding after 0% transfer & growth funding
							2022/23	2023/24
Total Allocation (excluding minimum per pupil funding level and MFG funding total)							£119,056,814	£127,082,139
Additional funding to meet the minimum funding level							£637,221	£293,032
Total Allocation including minimum funding adj							£119,694,036	£127,375,171
MFG adjustment							£72,543	£64,271
Post MFG budget							£119,766,579	£127,439,442
Other adjustments								
Growth fund							£0	£0
Total funding for Schools Block Formula							£119,766,579	£127,439,442
Amount of block transfer							£300,166	£0
NNDR allocation							-£1,566,240	-£1,597,037
DSG Schools Block DfE allocation							£118,500,505	£125,842,405

Proposals

5.8 To approve the final school funding formula allocations for 2023/24.

6 Appendices

6.1 Appendix A – Final school funding allocations

Background Papers:

School Forum papers between October 2022 and January 2023

Subject to Call-In:

Yes: No:

The item is due to be referred to Council for final approval	<input type="checkbox"/>
Delays in implementation could have serious financial implications for the Council	<input checked="" type="checkbox"/>
Delays in implementation could compromise the Council's position	<input checked="" type="checkbox"/>
Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months	<input type="checkbox"/>
Item is Urgent Key Decision	<input type="checkbox"/>
Report is to note only	<input type="checkbox"/>

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