

Bristol Schools Forum
Schools Block 2022/23

Date of meeting:	13 January 2022
Time of meeting:	5:00 pm
Venue:	Zoom

1. Purpose of report

- 1.1 To inform and seek agreement of the Schools Forum on the final application of the funding formula for mainstream schools and academies for 2022/23, prior to final decision by Cabinet and submission of the Authority Proforma Tool (APT) to the Education and Skills Funding Agency.

2. Recommendations

Schools Forum is invited to:

- 2.1 Approve the proposed arrangements for the 2022/23 mainstream funding formula, including the amount set aside for the Growth Fund
- 2.2 Provide feedback, as appropriate, to Cabinet and Council, for their consideration in making final decisions on the Schools Budget for 2022/23.

3. Funding available

- 3.1 The DSG overview paper elsewhere on this agenda explains the overall strategy for schools finance for 2022/23. This indicates that the allocated funding for Schools Block in 2022/23 is £306.2m.
- 3.2 At the meeting held November 2021, Schools Forum agreed the following:
- the transfer of 0.5% of the Schools Block to the High Needs Block;
 - the Minimum Funding Guarantee (MFG) to be set at +0.5%;
 - the lump sum to be preserved at £125,000;
 - any remaining funding directed to the Additional Education Needs (AEN) factors; and
 - £2.0m top-slice of Schools Block to create the Growth Fund for 2022/23.
- 3.3 **Table 1** sets out how it is proposed that this funding be calculated and applied.

Table 1: Proposed Schools Block Budget 2022/23

Funding	£'000	Cost	£'000
Pupil led DSG funding	£294.3	Transfer of 0.5% to HNB	£1.5m
Premises led DSG funding	£10.0m	Growth Fund	£2.0m
Growth funding	£1.9m	Balance remaining for Mainstream Schools formula	£302.7m
DSG Schools Block Total Allocation	£306.2m	Schools Block Total	£306.2m

- 3.4 The component elements of the calculation have been refreshed, upon release of the October 2021 census data. Each of the components is explained below.
- 3.5 **Pupil led DSG funding £294.3m.** This is the sum allocated to the LA based on the number of pupils recorded in the October 2021 census. Primary age pupils attract unit funding of £4,733.44, which is an increase on 2021-22's £4,616.37. Secondary age pupils attract unit funding of £6,168.48, up from £6,000.90. The allocation to Bristol is based on a recorded 35,360 primary age pupils, down from last year's 35,867.5. Secondary is based upon 20,579.0 pupils, up from last year's 19,938.0.
- 3.6 **Premises led funding £10.0m.** This is the element of the Schools Block DSG that recognises costs not defined by NFF values, and is derived from the 2021/22 NFF baseline.
- 3.7 **Growth Funding £1.9m.** This element of the DSG Schools Block settlement is calculated by the ESFA based on the observed differences between the October 2020 and October 2021 school censuses. Growth is measured at the level of middle layer super output areas (MSOAs). This allocation is intended to meet the cost of both the growth fund and the additional cost of those pupils in growing schools not yet present in the school census, but can be insufficient as it is based on the historic change and not the anticipated change it is required to fund.
- 3.8 **Schools Block Total £306.2m.** This is the sum of the proposed allocations above.
- 3.9 **Transfer 0.5% of Schools Block to High Needs Block £1.5m** Schools Forum agreed to the transfer of 0.5% of the Schools Block to the High Needs Block at its meeting in November 2021. 0.5% is the maximum the DfE allows to be agreed locally.
- 3.10 **Growth Fund allocation £2.0m** This funding is the top-slice of the Schools Block taken in order to fund growth expansions in existing schools for the following academic year, separate to the growth commitment in "new and

growing” schools” which is funded within the formula mechanism. The commitment for 2022/23 is estimated at £1.9m, leaving £0.1m for new commitments that may arise during the admissions round.

- 3.11 **Balance remaining for Mainstream Schools formula £302.7m.** This is the remainder of the Schools Block allocation available for the mainstream funding formula, including the mandated elements of the formula.
- 3.12 **Teacher Pay and Teacher Pensions Employer Contributions Grant funding**
The funding formerly provided to mainstream schools via the Teachers Pay Grant (TPG) and Teacher Pensions Employer Contributions Grants (TPECG) was incorporated into the Schools Block of the DSG from 2021/22.
- 3.13 For 2021/22, the ESFA inflated the 2020/21 Post MFG Budget of all mainstream schools subject to the funding formula by an amount representing the funding schools receive through the TPG, the TPECG and supplementary fund in respect of their reception to year 11 pupils. This had the effect of raising each school’s baseline funding levels, which the 21/22 formula had to provide against. The ESFA ensured funding these increased baselines by imposing higher Minimum Per Pupil Funding levels and a positive MFG with no capping.
- 3.14 For 2022/23 this methodology continues, with the funding previously paid separately for TPG and TPECG incorporated into each school’s baseline position. These baselines and the mandated increases in funding for schools are provided for again via the increased minimum per pupil funding levels and positive MFG.
- 3.15 **Schools Block Total £306.2m.** This is the total of the elements above.

4. Growth Fund

- 4.1 The growth funding into the Schools Block is £1.9m, and this intended to support both the “new and growing” schools funded via the APT and create a growth fund to support existing schools that have been expanded.
- 4.2 Officers have estimated the requirement in “new and growing schools” to be for 70 FTE pupils, and this cost is built into the school funding formula.
- 4.3 Officers have also considered the existing commitments on the Growth Fund and projected these forward for a potential cost in 2022/23. This commitment is estimated to be approximately £1.9m, and includes the effect of existing growth moving from KS3 into KS4.
- 4.4 In addition to the existing known commitments it is possible further expansion may be needed, as the primary age bulge continues to move into secondary schooling. The Growth Fund of £2.0m leaves approximately £0.1m over the estimated known commitment to support any additional growth commitments that may arise.

5. Funding formula

- 5.1 Schools Forum agreed the principles for the operation of the mainstream formula at its meeting in November 2021, including:
- Appropriate allocations are made for NNDR/rates
 - A Minimum Funding Guarantee of +0.5%
 - The Additional Educational Needs (AEN) factor values to be a function of the available funding
 - The lump sum is preserved at £125,000 for both Primary and Secondary
 - An allocation of £2.0m is set for the Growth Fund
 - In addition, some de-delegation for maintained primary and secondary schools was decided, however decisions remain to be taken on Insurances and Education Psychology. As de-delegation is applied after formula shares are determined, these outstanding items have no bearing on the information presented in this report.
- 5.2 The Schools Block formula presented has been modelled within the above constraints, using the 2021/22 formula unit values as the starting point.
- 5.3 The basic entitlement uses the AWPU rates from the 2021/22 formula. The total funding distributed by these factors is £205.760m (68% of the pre-MFG total). The per-pupil rates for 2022/23 are as follows:
- Primary £3,123
 - KS3 (years 7-9) £4,404
 - KS4 (years 10-11) £4,963
- 5.4 The £125,000 lump sum for all settings distributes £15.8m (5% of the pre-MFG total).
- 5.5 After applying the above, remaining unallocated funding allowed the increase of the AEN factors unit funding by 11% above 2021-22 levels. This means that £65.890m (22% of pre-MFG total) is distributed through these factors.
- 5.6 The Minimum per Pupil funding levels were made a mandatory item in 2020/21 and remain mandatory in the formula, the rates have been dictated by the NFF. For 2022-23 the Primary rate is £4,265, and £5,525 for secondary school pupils.
- 5.7 30 primary schools and 3 secondary schools will receive an uplift to meet this minimum per-pupil funding costing £4.6m (1.5% of pre-MFG funding). For comparison, in 2021/22 32 primary schools and 2 secondary schools required uplifting to the minimum per pupil funding levels, at a cost of £4.1m (1.4% of preMFG funding).

- 5.8 After all the above factors MFG (Minimum Funding Guarantee) is then applied. The MFG increases the funding to 12 schools to uplift them to this guarantee, costing £0.4m, which is both half the cost of the MFG in 2021/22 (£0.8m), and half the number of schools requiring this support (23 in 2021/22).
- 5.9 Overall, 91 of the 126 schools are set to receive an increase in cash funding in 2022/23, whilst 35 out of the 126 schools will receive less funding than in 2021/22. Of the 91 receiving increases, 48 also have increased numbers on roll, whilst 39 have reduced NOR. In all 35 schools receiving a reduction in funding this is being driven by a reduction in pupil numbers on roll that more than offsets per-pupil funding gains in the formula.
- 5.10 In total, 74 schools have a reduced NOR in 2022-23, whilst four are static and 48 have increased NOR.
- 5.11 Forum should note that the formula is subject to final approval from ESFA so figures in the report and appendices are therefore still indicative at this stage.
- 5.12 The detail of the unit values, the allocations against factors and individual school budget shares are shown in the appendices.
- Appendix A shows the formula unit values
 - Appendix B shows the distribution of the funding across the relevant factors
 - Appendix C shows the school budget shares and changes from 2021/22.

6. Future funding arrangements

- 6.1 Earlier this year the DfE launched a consultation on introducing the hard National Funding Formula in 2023/24 "*Fair Funding for all: completing our reforms to National Funding Formula*". Whilst the outcomes of this consultation have not yet been published, the ESFA is already looking to move away from current practices and towards implementing a hard NFF for 2023/24.
- 6.2 Indications are that this round of formula determination (for 2022/23) will be the last time LAs and School Forum can decide on local priorities for funding mainstream schools in the area.
- 6.3 Information on future arrangements will be shared with Schools Forum as and when this becomes available.