

**Bristol Schools Forum**  
**Schools Block 2023/24**

<b>Date of meeting:</b>	12 January 2023
<b>Time of meeting:</b>	5:00 pm
<b>Venue:</b>	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 2023/24, 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 2023/24 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 2023/24.

## 3. Funding available

- 3.1 The DSG overview paper elsewhere on this agenda explains the overall strategy for schools finance for 2023/24. This indicates that the allocated funding for Schools Block in 2023/24 is £325.5m.
- 3.2 At the meeting held November 2022, Schools Forum agreed to the transfer of 0.5% of the Schools Block to the High Needs Block, and expressed approval for the Minimum Funding Guarantee (MFG) to be set at +0.0%. The lump sum was to be preserved at £126,627 and any remaining funding directed to the Additional Education Needs (AEN) factors.
- 3.3 In addition Schools Forum approved a £2.0m top-slice of Schools Block to create the Growth Fund for 2023/24.
- 3.4 **Table 1** sets out how it is proposed that this funding be calculated and applied.

**Table 1: Proposed Schools Block Budget 2023/24**

<b>Funding</b>	<b>£'000 (allocations)</b>	<b>Cost – spending plan</b>	<b>£'000</b>
Pupil led DSG funding	£312.4m	Transfer of 0.5% to HNB	£1.627m
Premises led DSG funding	£10.9m	Growth Fund	£2.0m
Growth funding	£2.2m	Balance remaining for Mainstream Schools formula	£321.8m
<b>DSG Schools Block Total Allocation**</b>	<b>£325.5m</b>	<b>Schools Block Total</b>	<b>£325.5m</b>

\*\*This does not include Mainstream Schools Additional Grant (MSAG) 2023-24 government announced on 16th December 2022 where indicative allocation to Bristol is £10.749m. The LA will update the Forum once School Level allocations is confirmed by ESFA in Spring 2023.

- 3.5 The component elements of the calculation have been refreshed, upon release of the October 2022 census data. Each of the components is explained below.
- 3.6 **Pupil led DSG funding £312.4m.** This is the sum allocated to the LA based on the number of pupils recorded in the October 2022 census. Primary age pupils attract unit funding of £4,946.84, which is an increase on 2022-23's £4,733.44. Secondary age pupils attract unit funding of £6,513.22, up from £6,168.48. The allocation to Bristol is based on a recorded 35,001 primary age pupils, down from last year's 35,360. Secondary is based upon 21,376.17 pupils, up from last year's 20,579.0
- 3.7 **Premises led funding £10.9m.** This is the element of the Schools Block DSG that recognises costs not defined by NFF values such as PFI spend, split sites and NNDR.
- 3.8 **Growth Funding £2.2m.** This element of the DSG Schools Block settlement is calculated by the ESFA based on the observed differences between the October 2021 and October 2022 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.
- 3.9 **Schools Block Total £325.5m.** This is the sum of the proposed allocations above. This does NOT include the Mainstream Schools Additional Grant (MSAG) circa £10.749m where School Level allocations will be confirmed by ESFA in Spring 2023.
- 3.10 **Transfer 0.5% of Schools Block to High Needs Block £1.627m** Schools Forum agreed to the transfer of 0.5% of the Schools Block to the High Needs Block at its

meeting in November 2022. 0.5% is the maximum the DfE allows to be agreed locally.

- 3.11 **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 2023/24 is estimated at £1.2m, leaving £0.8m for new commitments that may arise during the admissions round.
- 3.12 **Balance remaining for Mainstream Schools formula £321.8m** This is the remainder of the Schools Block allocation available for the mainstream funding formula, including the mandated elements of the formula.
- 3.13 **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.
- 3.14 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.
- 3.15 For 2023/24 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.
- 3.16 **Schools Block Total £325.5m.** This is the total of the elements above. It worthnoting that this does not include the Mainstream Schools Additional Grant (MSAG) circa £10.749m where School Level allocations will be confirmed by ESFA in Spring 2023.

#### 4. Growth Fund

- 4.1 The growth funding into the Schools Block is £2.0m, 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 140 FTE pupils (pro rata 7/12 of academic year), 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 2023/24. The known commitment is

estimated to be approximately £1.2m, 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 £0.8m 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 2022, including:

- Appropriate allocations are made for NNDR/rates
- A Minimum Funding Guarantee of +0.0%
- The Additional Educational Needs (AEN) factor values to be a function of the available funding
- The lump sum is preserved at £126,627 for both Primary and Secondary
- An allocation of £2.0m is set for the Growth Fund

- 5.2 The Schools Block formula presented has been modelled within the above constraints, using the 2022/23 formula unit values as the starting point.

- 5.3 The basic entitlement uses the AWPU rates from the 2023/24 formula. The total funding distributed by these factors is £222.083m (69% of the pre-MFG total). The per-pupil rates for 2023/24 are as follows:

- Primary £3,317
- KS3 (years 7-9) £4,677
- KS4 (years 10-11) £5,271

- 5.4 The £126,627 lump sum for all settings distributes £16.1m (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 2% above 2022-23 levels. This means that £69.099m (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 2023/24 the Primary rate is £4,405, whilst is £5,715 for secondary school pupils.

- 5.7 25 primary schools and 1 secondary school will receive an uplift to meet this minimum per-pupil funding costing £3.2m (1% of pre-MFG funding). For comparison, in 2022/23 30 primary schools and 3 secondary schools required uplifting to the minimum per pupil funding levels, at a cost of £4.6m (1.5% of preMFG funding).

- 5.8 After all the above factors MFG (Minimum Funding Guarantee) is then applied. The MFG increases the funding to 7 schools to uplift them to this guarantee, costing £0.09m.
- 5.9 Overall, 105 of the 126 schools are set to receive an increase in cash funding in 2023/24, whilst 21 out of the 126 schools will receive less funding than in 2022/23. Of the 105 receiving increases, 72 also have increased numbers on roll, 4 have static NOR, whilst 29 have reduced NOR. In all 21 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, 50 schools have a reduced NOR in 2023-24, whilst four are static and 72 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 2022/23.

## **6. Future funding arrangements**

- 6.1 2023/24 is the first firm year of transition to a hard funding formula, and it's clear that the intention of the ESFA is to continue on this transition in 2024/25 and following years, although no end or target date has yet been set.
- 6.2 Elements of funding in scope yet to transition include split site policy, falling rolls support and growth funding methodology, and it can be expected that local formula factor unit values will further converge towards NFF absolute values in coming years. Guidance issued on 3rd November indicates that Split Site eligibility criteria will be mandated for 2024/25 and suggests that some BCC schools currently receipt of split site funding will no longer be eligible under the proposed NFF criteria.
- 6.3 Bristol's Schools Block is funded at a level above that needed to implement a hard NFF in full. Whilst it is not clear whether that once any hard NFF is in operation if Bristol schools will be protected at this higher funding level by any future MFG or other floor mechanism, it seems likely that NFF minimum per pupil funding levels will grow to a point to provide floor protections to Bristol schools.