

Appendix 1 ~ Setting the Schools Funding Formula 2023/24

1. The Schools Forum is required to make a recommendation to Children and Families Committee on the funding formula to allocate funding to schools for the next financial year.
2. The Schools Forum meeting on 6 October 2022 considered the approach to the 2023/24 funding formula. They agreed to convene a sub-group to consider the issues in more detail and consult with schools.
3. The sub-group met on four occasions (20 September, 13 October, 3 November and 1 December 2022) to consider the issues for schools and ran a consultation process from 17 November to 7 December 2022.
4. The consultation process considered two minimum funding guarantee options.
5. Schools were asked to feed back their views to Schools Forum representatives for consideration at the meeting on 8 December 2022. At the meeting four representatives voted for 0% MFG and seven representatives voted for +0.5% MFG.
6. The feedback was considered and the Forum recommended the +0.5 MFG option to Children and Families Committee.

Available Funding Levels

7. The initial DSG funding allocations released in July 2022 were used to inform the modelling work used in the consultation process.
8. These figures allowed for the updated headline minimum per pupil funding levels (MPPF) for primary and secondary schools to be achieved with a relatively low levels of MFG scaling back.
9. All the modelling for the consultation used October 2021 pupil numbers and the revised NFF factors provided by the DfE.
10. The recommended model will be fully updated by the revised funding announcements from the DfE incorporating October 2022 pupil information that were released on 16 December 2022. These confirmed the additional number of pupils and the local growth factor and increased schools funding by 6.7% for 2023/24 to £279.6m (including a new supplement of £9.1m as announced in the 2022 Autumn Statement).

Minimum per pupil funding levels

11. The compulsory MPPF figures have increased by 0.5%.

Change to Minimum Per Pupil Funding Levels	2022/23 Restated	2023/24	Change	Change
Primary	£4,384	£4,405	£21	0.5%
Secondary	£5,689	£5,715	£26	0.5%

The Formula Option for 2023/24

12. Two formula options were consulted on. These were based on the same model using the national funding formula (NFF) plus area cost adjustment and all flexibility routed through the basic entitlement. Then two different levels of MFG were applied:

MFG at	0%
MFG at	+0.5%

Setting the minimum funding guarantee percentage

13. MFG is a self-funding method of ensuring no schools suffer significant reductions to funding levels by scaling back funding from those schools set to gain.

14. Therefore, any models needed to consider the achievement of the MFG percentage and the resulting scaling back percentage. Previous years have seen high levels of MFG scaling, however that has reduced to less than 5% under the current funding arrangements.

15. The Schools Forum voted to recommend a model with MFG at +0.5%. In context the previous exercises have always led to the Schools Forum recommending the lowest MFG option available. As such this differed from the views of the formula sub group.

Growth Fund

16. The council is able to hold an element of schools funding back and use it to provide some extra funding to schools who have increased their admission number in September or seen significant levels of in year pupil growth. This is called the Growth Fund.

17. The extra pupils are not funded through the main formula until the following year and the Growth Fund is intended to help schools manage the delay in receiving the formula funding. The Schools Forum have recommended setting the Growth Fund at £0.8m. This was based on consideration of the medium term financial plans for the Growth Fund.

Timetable

18. The following key stages of the process will be followed:

Date	Event
16 December 2022	Final school and pupil funding announcements
20 January 2023	APT model submitted
	Circulate the list to schools as provisional
13 February	C&F Committee – determine formula
16 February	Schools Forum receive final school funding levels
28 February	Source of funds issued to schools

19. Full details of the process are available in [Schools Forum papers](#).

20. The other three funding blocks all follow the requirements of the specific funding guidance.