

Appendix 1 - Setting the Schools Funding Formula 2022/23

1. The Schools Forum are required to make a recommendation to the Children and Families Committee on the funding formula to allocate funding to schools for the next financial year.
2. The Schools Forum meeting on 7 October 2021 considered the approach to the 2022/23 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 (21 September, 14 October, 4 November and 2 December 2021) to consider the issues for schools and ran a consultation process from 9 November to 26 November 2021.
4. The consultation resulted in a 27% response rate from schools. Full details of the consultation results were reported to Schools Forum on 9 December 2021 and the results are summarised below:

Q1 Which Formula do you prefer ?					
Count of Schools as a %	MFG at +0.5%	MFG at +1.25%	MFG at +2.0%	Not sure / Don't know	Grand Total
Primary	37.5%	25.0%	7.5%	10.0%	80.0%
Secondary	15.0%	5.0%	0.0%	0.0%	20.0%
Grand Total	52.5%	30.0%	7.5%	10.0%	100.0%

Q2 High Needs Transfer				
Count of Schools as a %	No	Yes	Not sure / Don't know	Grand Total
Primary	52.5%	22.5%	5.0%	80.0%
Secondary	20.0%	0.0%	0.0%	20.0%
Grand Total	72.5%	22.5%	5.0%	100.0%

Available Funding Levels

5. The initial DSG funding allocations released in July 2021 were used to inform the modelling work used in the consultation process. 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 MFG scaling percentage

of 4%. This increased to 15% for the 2% MFG option which remains low. Therefore, different MFG options formed the basis for the consultation.

6. All the modelling for the consultation used October 2020 pupil numbers.
7. The recommended model will be fully updated by the revised funding announcements from the DfE incorporating October 2021 pupil information that were released on 16 December 2021. These confirmed the additional number of pupils and the local growth factor and increased schools funding for 2022/23 to £254.7m.

Minimum per pupil funding levels

8. The compulsory minimum per pupil funding (MPPF) figures have increased by 2%.

Change to Minimum Per Pupil Funding Levels	2021/22	2022/23	% change
Primary	£4,180	£4,265	+2%
Secondary	£5,415	£5,525	+2%

The Formula Option for 2022/23

9. Three 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 three different levels of MFG were applied:

MFG at +0.5%

MFG at +1.25%

MFG at +2.0%

10. The Schools Forum voted in support of using the formula model with MFG at +0.5%.

The Transfer to High Needs

11. The pressure on the high needs block from an increase in education, health and care plans and rising costs of independent placements meant this issue had to be considered as part of the consultation.
12. The Schools Forum voted against the transfer to high needs. It was noted that a disapplication to the DfE had been made by the council to reverse this decision. The result of the application has not yet been released at the time of writing.

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 20% under the current funding arrangements.
15. The Schools Forum voted in support of setting MFG at +0.5%.

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 published 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.

Timetable

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

Date	Event
Late December 2021	Final school and pupil funding announcements
Late January 2022	APT model submitted
	Circulate the list to schools as provisional
14 February 2022	Children and Families Committee – determine formula
17 February 2022	Schools Forum receive final school funding levels
28 February 2022	Source of funds issued to schools