



North Northamptonshire Schools Forum: 20th January 2022

Agenda Item 5

2022-23 Primary and Secondary Schools Budget

1 Background

1.1 This report sets out:

- Details of 2022-23 Schools Block DSG Allocation
- Details of the three proposed options for allocating 2022-23 Primary and Secondary Schools Budget

2 Introduction

2.1 Pending the release of North Northamptonshire Council's 2022-23 DSG Settlement, Schools Forum at the December 2021 meeting have approved the following recommendations:

- Transfer 0.5% from Schools Block to High Needs Block
- Set aside £700,000 from School Block for Explicit Growth Fund for 2022-23.
- To adopt the Split Site Funding Policy
- Set a Minimum Funding Guarantee of 2%
- Cap and Scale as required to balance the Schools Block DSG

2.2 However there is currently an overspend of £30,000+ on Growth Fund in 2021-22. Consequently, there is a need to revise the approved Growth Fund from £700,000 to £750,000 in 2022-23.

2.3 Schools Forum is asked to revise and approve the Growth Fund be set at £750,000 for 2022-23.

3. 2022-23 Schools Block DSG Allocation

3.1 The DFE announced the 2022-23 DSG Funding Settlement on 16th December 2021. Table A sets out the 2022-23 Schools Block DSG allocation compared against 2021-22 DSG.

Table A – Schools Block DSG

Schools Block DSG	2021-22 DSG Allocation	Provisional 2022-23 NFF Allocation	2022-23 DSG Allocation	Change from 2021-22 DSG Allocation	% Change from 2021-22 DSG Allocation
Primary schools' unit of funding	£4,405.29	£4,526.11	£4,526.11	£120.82	2.74%
Secondary schools' unit of funding	£5,693.88	£5,857.68	£5,857.68	£163.80	2.88%
Number of pupils in primary schools	29,695.50	29,695.50	29,697.50	2.00	0.01%
Number of pupils in secondary schools	19,491.50	19,491.50	19,971.00	479.50	2.46%
Proportion of NFF funding (excluding premises and growth) that is protected through the teachers' pay and pensions grants	4.38%	4.38%	0%	-4.38%	-100.00%
Protected schools block funding for the pay and pensions grants	£10,590,821	£10,887,809	£0	-£10,590,821	-100.00%
Funding through the premises factor	£1,666,417	£1,795,379	£1,795,380	£128,963	7.74%
Growth funding	£1,339,468		£1,682,902	£343,434	25.64%
Schools block before protected funding for the teachers' pay and pension grants	£234,214,617	£239,487,693	£251,397,880	£17,183,263	7.34%
Total Schools Block	£244,805,438	£250,375,503	£254,876,162	£10,070,724	4.11%

3. Setting the 2022-23 Primary and Secondary Schools Budget

3.1 The National Funding Formula (NFF) factor values adjusted for North Northamptonshire Area Cost Adjustment were used. The factor values used are as follows in Table B:

Table B – North Northamptonshire National Funding Formula Factor Values

NFF Funding Factors	2022-23 NNC NFF ACA adjusted (1.00329) rates
AWPU-primary (R-Y6) per pupil	£3,227.58
AWPU-secondary (KS3) per pupil	£4,550.92
AWPU-secondary (KS4) per pupil	£5,128.82
FSM (primary/secondary)	£471.55
FSM6 (primary)	£591.94

FSM6 (secondary)	£867.85
IDACI A (primary)	£642.11
IDACI B (primary)	£491.61
IDACI C (primary)	£461.51
IDACI D (primary)	£421.38
IDACI E (primary)	£270.89
IDACI F (primary)	£220.72
IDACI A (secondary)	£892.93
IDACI B (secondary)	£702.30
IDACI C (secondary)	£652.14
IDACI D (secondary)	£596.96
IDACI E (secondary)	£426.40
IDACI F (secondary)	£321.05
Low prior attainment (primary)	£1,133.72
Low prior attainment (secondary)	£1,715.63
EAL (primary)	£566.86
EAL (secondary)	£1,535.03
Mobility (primary)	£928.04
Mobility (secondary)	£1,334.38
Lump sum (both sectors)	£121,699.08
Sparsity (primary)	£55,180.95
Sparsity (secondary)	£80,263.20
MFG	2%

3.2 After applying the Schools Forum December 2021 decision to:

- Transfer 0.5% from Schools Block to High Needs Block
- Set aside £750,000 from School Block for Explicit Growth Fund for 2022-23.
- To adopt the Split Site Funding Policy
- Set a Minimum Funding Guarantee of 2%

there is insufficient Schools Block fund available to set the Primary and Secondary School Budget.

3.3 The budget shortfall is as follows:

	2022-23 Schools Block DSG	£254,876,162.00
Less:	Transfer 0.5% from Schools Block to High Needs Block	-£1,274,380.81
Less:	Explicit Growth Fund	-£750,000.00
	Available for Individual School Budgets	£252,851,781.19
	Budget required applying 2% MFG	£253,155,235.88
	Budget Shortfall	-£303,454.69

- 3.4 Schools Forum was advised in the December 2021 meeting that it may need to consider capping and scaling the school budgets to set a balanced Primary and Secondary Schools Budget.
- 3.5 Schools Forum was also advised that a Schools Forum Funding Review Group be set up to consider the available options in advance of the January 2022 Schools Forum.
- 3.6 Representatives from all Primary and Secondary schools and academies were invited to participate. The meeting took place on Wednesday 12th January 2022.
- 3.7 The Schools Forum Funding Review Group were presented with the attached presentation and budget options.
- 3.8 Three options were proposed:
- Option 1 2% CAP and 10.95% Scale
 - Option 2 4.57% CAP and 50% Scale
 - Option 3 7.72% CAP and 100% Scale
- 3.9 All three options will address the shortfall but have different implications for different schools.
- 3.10 The impact on schools is as advised in the attached presentation.
- 3.11 Schools Forum Funding Review Group have discussed and reviewed the three different options but was unable to recommend Schools Forum which option to adopt as the preferred option.
- 3.12 Schools Forum Funding Review Group said they needed further contextual characteristic information of schools impacted by the Cap and Scale. However, this is difficult as each school is different and unique in its own circumstance and characteristic.
- 3.13 Schools Forum Funding Review Group were reminded that the Cap and Scale relates to reducing the rate of gain by schools.
- 3.14 Whilst the final decision of the Schools Funding Formula belongs to the LA, it is preferable that Schools Forum consider, agree, approve and advise the LA the direction it should take.
- 3.15 Schools Forum is therefore asked to consider and agree the adoption of one of the three options be used as 2022-23 Primary and Secondary Schools Funding Formula basis to set the 2022-23 Schools Budget.

4 De-delegation for School Effectiveness Service

- 4.1 At the December 2021 meeting, Schools Forum agreed to the de-delegation of the School Effectiveness Service but disagreed with the rate of £15 per pupil and requested the LA to review the rate and propose a revised rate.
- 4.2 The LA have reviewed Schools Forum request and have brought a paper to Schools Forum as Agenda item 6.

4.3 Schools Forum are asked to agree a final rate for the de-delegation of School Effectiveness if the de-delegation is to go ahead as it will need to be included in North Northamptonshire Council's Authority Proforma Tool (APT) submission on the 21st January 2022 to the ESFA.

5 Recommendations for Schools Forum

5.1 Schools Forum are asked to note the outcome of the Schools Forum Funding Review Group.

5.2 Schools Forum are asked to consider and agree one of the options to be adopted in the setting of the 2022-23 Primary and Secondary School Budget for submission to the ESFA as North Northamptonshire Council's APT.

5.3 Schools Forum are asked to approve the rate be adopted for the de-delegation of Schools Effectiveness as detailed in on Agenda item 6 paper. This is required to complete the setting of the 2022-23 Primary and Secondary School Budget.

6 Next steps

6.1 The LA will set the 2022-23 Primary and Secondary School Budget on the APT with the decisions made by Schools Forum.

6.2 In the event of Schools Forum failing to reach a consensus decision, the LA will proceed to adopt the option it thinks is the fair and equitable option namely Option 1 where the Cap is shared amongst all schools.

7 Financial implications

7.1 Schools need to be aware of the decisions made by Schools Forum so that they can advise their respective Governing Body in setting their Individual School Budgets.

8 Legal implications

8.1 Schools funding is governed by The School and Early Years Finance (England) Regulations 2021. It is important to ensure decisions are made within the regulations set.

9 Risks

9.1 Whilst there is the risk that the financial decision is made by Schools Forum will be detrimental to a group of schools, the final decision would be in the interest of North Northamptonshire schools overall.

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