

## Bury Schools' Forum

## Schools and Academies Funding update 2022-23

**1. Indicative Dedicated Schools Grant (DSG) 2022-23**

The following provides the indicative DSG funding blocks for Bury as announced by the DfE in July 2021, and compared to previous announcements made in March 2021 and to last financial year 2020/21:

**a) Schools Block:**

Indicative National Funding Formula (NFF) 2022/23	DSG	DSG				
	March 2021	July 2021	Variation	NFF 2022/23	£	%
					Variation	Variation
<b>Schools Block</b>						
Primary schools unit of funding (£s)	4,471.16	4,471.16	0	4588.35	117.19	3%
Secondary schools unit of funding (£s)	5,749.36	5,749.36	0	5934.15	184.79	3%
Number of pupils in primary schools	16,373.50	16,373.50	0	16,374	0.00	0%
<b>Primary £</b>	<b>73,208,539</b>	<b>73,208,539</b>	<b>0</b>	<b>75,127,299</b>	<b>1,918,760</b>	<b>3%</b>
Number of pupils in secondary schools	11,264.00	11,264.00	0	11264	0.00	0%
<b>Secondary £</b>	<b>64,760,792</b>	<b>64,760,792</b>	<b>0</b>	<b>66,842,256</b>	<b>2,081,464</b>	<b>3%</b>
Proportion of NFF funding (excluding premises and growth) that is protected through the teachers' pay and pensions grants	4.33%	0.04	0			
Protected schools block funding for the pay and pensions grants (£s)	5,974,073	5,974,073	0			
<b>Funding through the premises factor (£s)</b>	<b>1,311,091</b>	<b>1,311,091</b>	<b>0</b>	<b>1,248,873</b>	<b>-62,218</b>	<b>-5%</b>
<b>Growth funding (£s)</b>	<b>318,625</b>	<b>318,625</b>	<b>0</b>		<b>-318,625</b>	<b>-100%</b>
Schools block before protected funding for the teachers' pay and pension grants (£s)	133,624,974	133,624,974	0			
<b>Total schools block (£s)</b>	<b>139,599,047</b>	<b>139,599,047</b>	<b>0</b>	<b>143,218,428</b>	<b>3,619,381</b>	<b>3%</b>
<b>Deductions to schools block for recoupment (£s)</b>	<b>59,220,552</b>	<b>60,256,018</b>	<b>1,035,466</b>			
Total schools block after deductions (£s)	80,378,495	79,343,029	-1,035,466			

**b) High Needs Block:**

	DSG	DSG				
	March 2021	July 2021	Variation	NFF 2022/23	£	%
					Variation	Variation
<b>High Needs Block</b>						
Total high needs elements in the funding floor and gains calculation	33,575,098	33,575,098	0	36,430,517	2,855,419	9%
Basic entitlement factor (area cost adjusted) unit of funding (£s)	4,698.96	4,698.96	0	4,699.67	0.71	0%
Number of pupils in special schools and academies	529.00	529.00	0	529.00	0.00	0%
Import/export adjustment (based on January 2020 school census and February R06 2019 to 20 individualised learner record) (£s)	-75,000	15,000	90,000	15,000	0.00	0%
Additional Funding for Special Free Schools (£s)	0	0	0		0.00	
Hospital education, AP teachers pay/pension and supplementary funding factor	322,438	322,438	0	338,235	15,797	5%
2021-22 high needs block - elements excluded from the funding floor and gains calculations	2,485,750	2,485,750	0	2,486,126	376	0%
<b>Total high needs block before deductions (£s)</b>	<b>36,308,286</b>	<b>36,398,286</b>	<b>90,000</b>	<b>39,269,877</b>	<b>2,871,591</b>	<b>8%</b>
Less FE Recoupment	35,246,286	35,336,286		38,207,877		

## c) Central Schools Services Block:

	DSG	DSG				
	March 2021	July 2021	Variation	NFF 2022/23	£ Variation	% Variation
<b>Central Schools Services Block (CSSB)</b>						
CSSB unit of funding (£s)	28.04	28.04	0	29.60	1.56	6%
2020 to 2021 Teachers' pension employer contributions funding for centrally employed teachers	145,411	145,411	0			
2020 to 2021 CSSB pupil count	27,825	27,825	0			
Additional unit of funding for centrally employed teachers	5.23	5.23	0	5.52	0.29	6%
Final CSSB unit of funding	33.27	33.27	0	35.12	1.85	6%
2021 to 2022 CSSB pupil count	27,637.50	27,637.50	0	27,637.50	0.00	0%
CSSB £	919,500	919,500		970,624	51,124	6%
Funding for historic commitments (£s)	32,516	32,516	0	26,013	-6,503	-20%
<b>Total central school services block (£s)</b>	<b>952,016</b>	<b>952,016</b>	<b>0</b>	<b>996,637</b>	<b>44,621</b>	<b>5%</b>

	DSG	DSG				
	March 2021	July 2021	Variation	NFF 2022/23	£ Variation	% Variation
<b>Total Schools, High Needs and CSSB</b>						
<b>Total Schools, High Needs, CSSB Blocks</b>	<b>176,859,349</b>	<b>176,949,349</b>	<b>90,000</b>	<b>183,484,942</b>	<b>6,535,593</b>	<b>4%</b>

## d) Early Years Block:

<b>Early Years Block</b>						
Hourly rate for 3 and 4 year olds from early years national funding formula (£ / hr)	4.44	4.44				subject to future announcements
Number for 3 and 4 year old universal entitlement funding (part-time equivalent)	3,100.06	3,100.06				
Indicative funding allocation for universal entitlement for 3 and 4 year olds (£s)	7,845,632	7,845,632				
Number for 3 and 4 year old additional 15 hours entitlement for eligible working parents (part-time equivalent)	1,515.99	1,515.99				
Indicative funding allocation for additional 15 hours entitlement for eligible working parents of 3 and 4 year olds (£s)	3,836,668	3,836,668				
Hourly rate for 2 year old entitlement (£ / hr)	5.46	5.46				
Number for 2 year old entitlement funding (part-time equivalent)	649.65	649.65				
Indicative funding allocation for 2 year old entitlement (£s)	2,021,841	2,021,841				
Indicative funding allocation for early years pupil premium (£s)	116,330	116,330				
Funding allocation for disability access fund (£s)	72,570	72,570				
Indicative/conditional supplementary funding allocation for maintained nursery schools (£s)	171,223	171,223				
<b>Total early years block (£s)</b>	<b>14,064,264</b>	<b>14,064,264</b>				

## 2. Schools Block – Schools &amp; Academies Funding Formula – Unit Values 2022-23

Schools' Forum are required annually to recommend the formula unit values to be applied to all Mainstream Schools & Academies funding allocations. Since 2018/19 Bury has transitioned to the National Funding Formula unit values as recommended by the DfE. For 2022/23 the unit values specified in the following table mirror the latest NFF unit values outlined in the Schools Funding Operational and Technical guidance issued by the DfE.

Factor	Sub-level	2021/22	2022/23	Variance to 2021/22	% Variance
Basic Entitlement	Primary	3,123	3,217	94	3.0%
Age Weighted Pupil Unit (AWPU)	Key Stage 3	4,404	4,536	132	3.0%
	Key Stage 4	4,963	5,112	149	3.0%
<b>Deprivation</b>					
Free School Meals	Primary FSM	460	470	10	2.2%
	Secondary FSM	460	470	10	2.2%
Free School Meals - Ever 6	Primary FSM 6	575	590	15	2.6%
	Secondary FSM 6	840	865	25	3.0%
Income Deprivation Affecting Children Indices (IDACI) Primary	IDACI F	215	220	5	2.3%
	IDACI E	260	270	10	3.8%
	IDACI D	410	420	10	2.4%
	IDACI C	445	460	15	3.4%
	IDACI B	475	490	15	3.2%
	IDACI A	620	640	20	3.2%
Income Deprivation Affecting Children Indices (IDACI) Secondary	IDACI F	310	320	10	3.2%
	IDACI E	415	425	10	2.4%
	IDACI D	580	595	15	2.6%
	IDACI C	630	650	20	3.2%
	IDACI B	680	700	20	2.9%
	IDACI A	865	890	25	2.9%
<b>Additional Education Needs Factors</b>					
<b>Looked After Children (LAC)</b>					
English as an Additional Language (EAL)	EAL 3 Years Primary	550	565	15	2.7%
	EAL 3 Years Secondary	1,485	1,530	45	3.0%
Mobility	Pupils starting school outside normal entry	900	925	25	2.8%
		1,290	1,330	40	3.1%
Low cost, high incidence SEN	Low Attainment Primary <73	1,095	1,130	35	3.2%
	Pupils not achieving (KS2 level 4 English and Maths)	1,660	1,710	50	3.0%
<b>School-Led Factors</b>					
Lump Sum	Primary	117,800	121,300	3,500	3.0%
	Secondary	117,800	121,300	3,500	3.0%
Minimum Per Pupil Funding Levels	MFL - Primary	4,180	4,265	85	2.0%
	MFL - Secondary	5,415	5,525	110	2.0%

**Recommendation 1:**

**Schools' Forum (All Members) to recommend all of the unit values specified in the above table to be applied in compliance with the National Funding Formula (NFF) to Bury's Mainstream schools and academies funding formula for 2022/23**

**3. De-Delegation**

Schools' Forum (Maintained Mainstream only) are required to recommend the De-delegated items each year. Forum will be aware that de-delegation has significantly reduced over recent years and there are now only three areas for consideration. The following table proposes the level of de-delegation to be recommended for 2022/23.

For Maintained Mainstream Schools only, the formula mechanism contains options for schools to choose to de-delegate an amount from their formula allocation to contribute to Local Authority services that work to support them. Academies are able to buy back into any services directly.

The De-delegated options for consideration are shown below:

<b>2021/22 (for Recommendation) Unit Values</b>	Schools of Concern / Contingencies	FSM Benefits checking	Trade Union Facilities Time
	Per pupil £	Per pupil £	Per pupil £
	<b>£6.00</b>	<b>£5.00</b>	<b>£4.00</b>
2020/21 for Information	£6.00	£4.00	£5.00

There are no proposed increases to any de-delegated items for 2022/23 when compared to 2021/22

### **RECOMMENDATION 2:**

**Schools' Forum recommend the De-delegated values for 2022/23 as per the table above.**

#### **4. MFG**

The statutory guidance allows for Schools' Forum to consider applying an MFG to protect pupil level school funding at a rate between 0.5% and 2.00%. The rate recommended by the DfE for 2022/23 is 2.00% in line with inflationary protections and consistent to the maximum MFG applied to the 2021/22 formula.

### **Recommendation 3:**

**Schools' Forum recommend the MFG protection is set at 2.00% in line with DfE guidance.**

#### **5. Headroom**

After all formula factors have been updated as per the above recommendations and in accordance to the National Funding Formula unit values, there is a balance of DSG Schools Block that remains un-allocated. This balance is required to cover any outstanding updates to budget determinations as follows:

- **October 2021 census variations** – Pupil numbers will be adjusted for in the final Schools Block determination, however any increases in funding required due to variances in pupil cohort characteristics need to be covered from any available headroom monies, for example if increased Deprivation funding is required once all up to date pupils have been mapped into their respective deprivation Super Output Areas.
  - Specifically in respect to the October 2021 census data, there is an anticipation of increased Free School Meals eligibility that will result in a greater proportion of funding being allocated through the deprivation factors for FSM and FSM Ever6. Initial estimates put this increase at circa £500,000 which will require any available Headroom to fund. If insufficient Headroom once all other updates have been completed then Forum may need to consider how to balance the overall Schools Block by reviewing other formula unit values accordingly.
- **Growth** – where increased pupil intakes require additional classes to meet infant class size regulations, or to meet Basic Need requirements, funding needs to be either retained to fund in-year growth or estimated upfront within schools budget allocations where data is known about planned growth prior to the final budgets being determined and published.

- **Falling Rolls Fund** – funding may be set aside from the Schools Block to create a small fund to support good schools with falling rolls, where local planning data shows that the surplus places will be needed within the next three financial years.
- **Business Rates** – Business Rates has now been centralised nationally and will be subject to a Dedicated Schools Block topslicing arrangement between the LA and the DfE directly from 1<sup>st</sup> April 2022. Funding will therefore no longer be included in individual schools or academies budget allocations from 2022/23 onwards.

However, where there has been any Business Rates adjustments during 2021/22, for example for rateable value reviews, revaluations of premises and inflation, then any corresponding adjustments will be included in schools budget determinations for 2022/23 only. These adjustments are not notified until January each year and may require use of Headroom funding if necessary.

- **Minimum funding Level (MFL) and Minimum Funding Guarantee (MFG) protections** – once all final data has been input there may be increased protections required on individual schools budgets to ensure their actual budget allocations comply with the MFL and MFG funding per-pupil levels and protections.

**Schools Block transfer** – if when all items above have been updated to reflect the actual individual schools budget determinations, and any amounts to support growth and falling rolls have been allocated, there remains a balance of unallocated Schools Block funding, the Local Authority will factor a transfer of this balance by way of supporting the deficit recovery to the High Needs Block.

Schools' Forum may recommend up to 0.5% transfer of Schools' Block without any disapplication process being required to be approved by the Secretary of State for Education. For information, 0.5% of Burys' 2022/23 Schools Block is circa £716,000.

Schools' Forum ultimately recommended a transfer of £250,000 for 2021/22 which is only 0.017% of the Schools Block. This amount has been replicated for future years as part of DSG deficit management plan agreed by the DfE

Currently there is around £689,000 unallocated on the indicative 2022/23 budget determinations, based on recommendations in this paper being applied, however this will be significantly lower once all updated figures from the headroom headings above, in particular for Free School Meals increased eligibility, are confirmed.

#### **RECOMMENDATION 4:**

**Schools' Forum recommends the use of Headroom to address all outstanding items outlined above and a transfer of any balance of unallocated Schools Block Headroom to the High Needs Block, the amount to be agreed and confirmed at the meeting of Schools' Forum in January 2022.**

## 6. APT Pro-forma Extract – Indicative 2022/23

Local Authority Funding Reform Proforma								
LA Name:	Bury							
LA Number:	351							
	Primary minimum per pupil funding level	Secondary (KS3 only) minimum per pupil funding level	Secondary (KS4 only) minimum per pupil funding level	Secondary minimum per pupil funding level				
	£4,265	£5,321.00	£5,831.00	£5,525.00				
<b>Pupil Led Factors</b>								
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception uplift	Yes	Pupil Units		23.00			
	Description	Amount per pupil		Pupil Units		Sub Total	Total	pre MFG funding (%)
	Primary	£3,217.00		16,400.00		£52,758,800	£106,428,104	37.05%
	Key Stage 3	£4,536.00		6,872.00		£31,171,392		21.89%
	Key Stage 4	£5,112.00		4,401.00		£22,497,912		15.80%
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of NOR		Sub Total	Total	
2) Deprivation	FSM	£470.00	£470.00	3,410.86	2,178.00	£2,626,763	£13,202,820	9.27%
	FSM6	£590.00	£865.00	3,662.24	2,891.03	£4,661,463		
	IDACI Band F	£220.00	£320.00	1,408.23	1,000.99	£630,126		
	IDACI Band E	£270.00	£425.00	2,777.87	1,920.79	£1,566,360		
	IDACI Band D	£420.00	£595.00	1,060.23	661.11	£838,655		
	IDACI Band C	£460.00	£650.00	1,807.92	1,204.58	£1,614,625		
	IDACI Band B	£490.00	£700.00	609.54	452.57	£615,473		
IDACI Band A	£640.00	£890.00	504.81	366.61	£649,356			
3) Looked After Children (LAC)	LAC March 19	£0.00		190.84		£0	£1,353,220	0.00%
4) English as an Additional Language (EAL)	EAL 3 Primary	£565.00		1,661.53		£938,765		0.92%
	EAL 3 Secondary		£1,530.00		242.73	£371,381		
5) Mobility	Pupils starting school outside of normal entry dates	£925.00	£1,330.00	46.57	0.00	£43,074		0.03%
6) Low prior attainment	Primary low prior attainment		£1,130.00	30.02%	4,922.93	£5,562,914	£9,787,276	6.87%
	Secondary (year 7)	64.53%		22.80%				
	Secondary (year 8)	64.53%		22.85%				
	Secondary (year 9)	63.59%	£1,710.00	22.47%	2,470.39	£4,224,362		
	Secondary (year 10)	58.05%		20.63%				
	Secondary (year 11)	48.02%		20.72%				
<b>Other Factors</b>								
Factor		Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	
7) Lump Sum		£121,300.00	£121,300.00			£9,340,100	6.56%	
8) Sparsity factor		£0.00	£0.00	£0.00	£0.00	£0	0.00%	
9) Fringe Payments						£0	0.00%	
10) Split Sites						£0	0.00%	
11) Rates						£1,248,873	0.88%	
12) PFI funding						£0	0.00%	
13) Exceptional circumstances (can only be used with prior agreement of ESFA)								
<b>Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total)</b>						<b>£141,360,393</b>	<b>99.28%</b>	
14) Additional funding to meet minimum per pupil funding level						£1,031,166	0.72%	
<b>Total Funding for Schools Block Formula (excluding MFG Funding Total)</b>						<b>£142,391,559</b>	<b>100.00%</b>	
15) Minimum Funding Guarantee					2.00%	£137,243		
<b>Total Funding for Schools Block Formula</b>						<b>£142,528,803</b>		
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)								
Additional funding from the high needs budget								
Growth fund (if applicable)								
Falling rolls fund (if applicable)								
Other Adjustment to 21-22 Budget Shares						£0		
<b>Total Funding For Schools Block Formula (including growth and falling rolls funding)</b>						<b>£142,528,803</b>		
% Distributed through Basic Entitlement						74.74%		
% Pupil Led Funding						91.84%		
Primary: Secondary Ratio						1 :	1.29	

## 7. Other Funding Developments – For Information Only

### a. Early Years Funding

Subject to the outcome of the Comprehensive Spending Review (CSR) and funding settlement for 2022/23, expected to be announced towards the end of October 2022, the DfE have submitted a business case to Treasury which will effectively remove the annual consideration, and consequential concerns/confusion, by ensuring the appropriate level of funding to cover the Maintained Nursery School protected level of funding, plus inflationary increases that have not been applied to early Years funding for several years, is allocated to the Early Years Block of the DSG from 2022/23 onwards.

This will provide stability of funding for Hoyle Nursery School.

The DfE have noted that declining birth rates will have an impact on overall funding allocated to the Early Years Block nationally.

The DfE are also continuing to undertake analysis of the impact of funding on all Early Years provision which, at present, is indicating that current levels of funding do not appear to adversely affecting settings as, nationally, not many are actually closing down. They are aware that parental income may be subsidising provision in some cases and they are also mindful that the full impact of Covid is not fully realised yet.

### b. High Needs Funding

The long awaited major review into High Needs Funding is still subject to consideration by the DfE and is further delayed due to recent changes in Ministerial appointments.

### c. Covid Cost Reimbursement

The DfE have stated that they have no plans to provide any further funding for schools Covid costs reimbursements. They are however continuing to provide various Covid grants available to schools and academies including; Covid Recovery Grant and Testing funding.

In addition they are supporting the allocation of Local Covid Support grants, including the recently announced Household Support Grant, which are helping support the most vulnerable families and children with Free School Meals amongst other essential assistance.

### d. National Insurance rate increases

Expected to cost around £1.8 billion nationally the DfE have confirmed that Treasury have set aside funding to be allocated across all Government Departments impacted by the Employers contribution rate increases.

The DfE are confident the funding allocated will be sufficient to cover the NI increases faced by schools, however, whilst they recognise the importance in delivering education, they are less confident about funding to cover associated costs increases in private sector establishments including Independent Non-Maintained Special Schools (INMS), Private Voluntary and Independent (PVI) early education providers, and other Alternative Provision (AP) providers.

It is highly likely the funding to support National Insurance pressures will be provided as a separate grant to cover costs from September 2021 to March 2022, much the same as the Teachers Pay and Pension Grants were allocated, with the funding then rolled into the national funding formula and Guaranteed Unit of Funding (GUF) for schools/academies. Recognising the lag in funding formula for academies the grant allocation will be extended for academies only to cover the period April-August 2022.

**e. Capital**

The DfE have submitted a 'substantial' bid to Treasury for increased Capital funding with a focus on refurbishment, repairs and maintenance, and developments of SEND provision for schools/academies.

The DfE also recognise that initiatives around requirements to work towards Net Zero carbon emissions are likely to be very expensive, this has been referenced in the bid to Treasury.

**f. Comprehensive Spending Review (CSR)**

Further to any updates relating to spending review and DfE submission to Treasury mentioned above, the DfE have generally said that their bid includes:

- 2022/23 Schools Block funding for schools/academies is not subject to change as this was part of the multiple year settlement covering the £14.5 billion increase to Education already agreed and allocated to 2020/21, 2021/22 and 2022/23
- The CSR will confirm multiple year revenue and capital funding for the next 3 years to 2024/25
- The bid from DfE references the cost impact of Pay inflation, minimum proposed Teaching salaries, increased High Needs costs – including increasing volumes of Education Health and Care Plans (EHCPs), inflation, Demographics including decreasing birth rates, DSG deficits and developments in respect to expanding the Safety Valve projects.

***Update as at: 07/10/2021***