

Final Mainstream Schools Funding Formula for 2022/23

1. Purpose of report

1.1 Schools Forum endorsed, and Cabinet approved, the funding formula for mainstream primary and secondary schools for 2022/23 in October 2021. Following this decision, the DfE have now published details of the amount of Dedicated Schools Grant (DSG) that Walsall will receive in 2022/23. This has allowed the authority to carry out further analysis of the cost of applying the formula at the factor values approved in October, therefore making small positive adjustments to the inflation rates applied to the following factor:

- Low Prior Attainments (Primary & Secondary) +0.10%

1.2 The Education and Skills Funding Agency (ESFA) requires the final submission of the 2022/23 Authority Pro-forma Tool (APT) by 21 January 2022. The aim of this report is to obtain the endorsement of Schools Forum, which for legal and governance reasons will then require approval by the Director of Children's Services at Walsall Council, in consultation with the portfolio holder for Education and Skills, before then being submitted to the ESFA.

2. Recommendations

2.1 To note the overall level of DSG funding.

2.2 To note the funding factor values for 2022/23 to ensure that allocations to mainstream schools via the local funding formula are affordable within the funding that is available (updated values are set out at Appendix A).

2.3 To endorse and recommend the formula (as set out at Appendix A), including the changes to funding factor values set out within the report, to the Director of Children's Services, the portfolio holder for Education and Skills, and the ESFA.

3. Background

3.1 This report sets out the changes to the local funding formula factor values for 2022/23 previously approved by Schools Forum to ensure allocations remain within available Schools Block DSG funding.

3.2 The Dedicated Schools Grant is divided into 4 notional blocks. These blocks are Schools, Early Years, High Needs and the Central Schools Services block. Walsall Council, with the endorsement of Schools Forum, has sought as much as possible to allocate funding in line with the ESFA notional blocks.

3.3 DSG can be broken down for the current and next financial year as per table 1 below:

Table 1 – Total Walsall DSG Funding (before academy recoupment) 2021/22 and 2022/23		
	2021/22 DSG £m	2022/23 DSG £m
Schools Block	238.954	249.278
High Needs Block	43.842	49.177
Early Years Block	21.920	20.835
Central School Services	1.561	1.663
Total DSG	306.277	320.954

4. 2022/23 Schools Funding Formula Pro-forma

- 4.1 Walsall's Schools Block Unit of DSG for 2022/23 totals £249.278m (an increase of £10.324m from the 2021/22 total of £238.954m). The amount of funding attracted on the basis of numbers of pupils totals £245.760m, the value per primary pupil being £4,833 and £6,251 per secondary pupil. In addition, the Schools Block has attracted £2.079m relating to premises costs and £1.439m pupil growth funding.
- 4.2 As stated in paragraph 1.1 Schools Forum has previously endorsed the funding rates for the 2022/23 funding formula for mainstream primary and secondary schools, with the aim that units of resource for each factor would largely remain unchanged from 2021/22, with inflationary increases applied to all factors.
- 4.3 Validated pupil data from the October 2021 census confirms that funded pupil numbers have increased overall by 1.3% compared to October 2020. Totals by sector indicate an increase of 0.6% in primary schools and an increase of 2.2% in secondary. Deprivation data also shows an overall increase of 1.3% in the number of disadvantaged pupils to be funded in 2022/23.
- 4.4 A more significant increase, however, is in the number of pupils eligible for free school meals, 9% in primary and 15% in secondary at an additional cost of £2.604m.
- 4.5 In summary the 2022/23 local funding formula allocates an additional £10.426m, when compared to 2021/22, across the four funding factors detailed below, which is largely funded by the £10.324m increase in the School Block for 2022/23. The balance of the funding needed has been possible by the redistribution of funds from four other formula factors where a reduction in allocated resources has occurred:
- £6.903m funds the 2.6% increase to Basic Entitlement rates, plus the increase in overall pupils.

- £2.579m of additional funding allocated on the basis of free school meals eligibility.
 - £155k additional funding for EAL.
 - £633k additional funding allocated for Deprivation.
 - £156k additional funding for Low Prior Attainment.
- 4.6 All factors have had an inflationary increase of at least 2.4% applied as endorsed by Schools Forum and approved by Cabinet in October 2021.
- 4.7 As in previous years, the local authority is required to set a minimum funding guarantee (MFG) in our local formulae to protect schools from excessive year on year changes. For 2022/23 the MFG has been set at the minimum permitted i.e. +0.5% and is unchanged from October proposals.
- 4.8 The +0.5% MFG will mean that all schools see an increase on per pupil level funding of at least 0.5% between 2021/22 and 2022/23.
- 4.9 The recommended final funding formula values for 2022/23, incorporating the change set out above is shown at Appendix A, and it can be confirmed that these factor values would be affordable within the available Schools Block of DSG.

5. Financial implications / Value for Money

- 5.1 After analysing the level of Dedicated Schools Grant (DSG) available for 2022/23 and the value of funding set out within the Schools Block, comparing it to the updated formula and values set out in Appendix A, this report confirms the formula would be affordable for 2022/23.

6. Legal Implications

- 6.1 The report ensures that the school funding formula complies with school funding regulations, and provides sufficient time to allow the authority to finalise the submission of the 2022/23 Authority Pro-forma Tool (APT) by 21 January 2022, in line with ESFA requirements.

7. School Improvement

- 7.1 As part of making any decisions regarding changes to the funding formula factor values, consideration should be made of the potential impact on the desired outcomes of the Walsall school improvement programme.

8. Members eligible to vote

- 8.1 This report provides an update on the changes that have been required to the formula endorsed by Schools Forum in October 2021 and seeks Schools Forums endorsement of the revised formula (as set out at Appendix A), and

recommendation to the Director of Children's Services, the portfolio holder for Education and Skills, and the ESFA. As such, no formal vote is required.

Appendix A

Local Funding Formula Factors and their values for 2022/2023

Factor		Indicator / Criteria / Data		£ Unit / multiplier			
Basic Entitlement (AWPU)	Compulsory	October 2021 census		Primary	£3,211		
				Secondary	£4,831		
Minimum per Pupil Funding	Compulsory	MPPL rates have been set in guidance		Primary	£4,265		
				Secondary	£5,525		
Deprivation	Compulsory	Proportion of pupils eligible for Free School Meals		Primary	£1,258		
				Secondary	£1,508		
		<p>Now changed to use IDACI 2019 ranks to group each lower super output area into one of six bands of decreasing deprivation. IDACI bands have previously been defined on basis of scores.</p> <p>Funding allocated on proportion of pupils in each band.</p>		Pupils in the next 10% most deprived LSOAs	Band F	£215	£307
				Pupils in the next 10% most deprived LSOAs	Band E	£256	£415
				Pupils in the next 5% most deprived LSOAs	Band D	£384	£548
				Pupils in the next 5% most deprived LSOAs	Band C	£415	£594
				Pupils in the next 5% most deprived LSOAs	Band B	£445	£640
Pupils in the most deprived 2.5% of LSOAs	Band A			£614	£860		
Lump Sum		Maximum allowable		£175,000			
Low Prior Attainment	Optional	Primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP).		Primary	£871		
		Secondary pupils not reaching the expected standard in KS2 at either reading or writing or maths.		Secondary	£1,302		
English as Second Language	Optional	Pupils identified in the October census with a first language other than English may attract funding for up to three years after they enter the statutory school system		£548			
Business Rates	Optional	Rateable value of premises with discretionary relief applied where appropriate.		£0.499 for RV < £51,000 £0.512 for RV > £51,000			
Split Site – fixed sum	Optional	A separate site is recognised either where a single school occupies more than one building separated by a public highway or following an amalgamation of two schools where the new school continues to use the two former sites and have two entrances		£16,615			
Premise Rental	Exceptional circumstance	An exceptional factor approved by DfE to fund one primary school for the premise rental charged by the diocese of the school		£54,000			
MFG		Minimum funding guarantee		Set at +0.5%			