

## **PROPOSED SURREY SCHOOLS FUNDING FORMULA FACTORS 2022/23**

ANNEX

### **Decision required**

To determine the final values of funding rates in Surrey's (mainstream) schools funding formula for 2022/23 in order to ensure that they are affordable within the final Dedicated Schools Grant allocation while spending the whole of the NFF schools block grant allocation, as required by anticipated regulations. These will then be submitted to DfE for approval and DfE may amend them

Decision delegated by Cabinet on 30 November 2021

### **Decision maker**

Director for Education and Lifelong Learning in consultation with Cabinet Member for Education and Learning

**Decision required by** 21 January 2022

### **Reason why decision is needed**

Local Authorities are obliged to submit proposed schools funding formula factors for 2022/23 with values to the Education and Skills Funding Agency by 21 January 2022, based on updated pupil data published by the DfE in December 2021 and on the December 2021 DSG Announcement. The funding factors agreed by Cabinet on 30 November 2021 were based on provisional data and now require review to match the cost to the revised funding and pupil data. The decision is required in order to comply with the DfE deadline.

### **Proposal**

The figures agreed by Cabinet on 30 November 2021 and the updated proposed January 2022 figures are set out below. 2022/23 is the third and final year of the three year funding increase for schools announced by the Prime Minister in August 2019. For background, the additional funding for schools in 2022/23 announced in the October 2021 spending review has largely been allocated to mainstream schools via a separate new grant, the Schools Supplementary Grant, which is distributed using a separate formula determined by the DfE and requires no council decision.

For 2022/23 the Cabinet considered two sets of proposed formula factors, one with a transfer to high needs block and one without. Schools Forum did not support the transfer to high needs block and no appeal was made to the Secretary of State, so no transfer will be made

The cost of funding schools at the level of the government's National Funding Formula factors (NFF) is slightly higher than previously estimated, largely due to increased incidence of deprivation. In line with the recommendations of Schools Forum in October 2021, the formula factors have been set at NFF rates (except for higher lump sums and balancing lower basic entitlement rates, as agreed by Schools Forum in October) and the additional cost of deprivation has been managed by a ceiling on gains of 3.87% (which means that no school receives an average increase in delegated funding per pupil exceeding 3.87%). The formula factors are slightly lower than those recommended to Cabinet (when it was estimated that formula funding rates 0.2% above the NFF could be afforded). Average DSG funding per pupil for mainstream schools has increased by around 2.6% per pupil and the schools supplementary grant is worth around 3% per pupil, so a school on the 3.87% ceiling should typically see an increase of around 6.87% per pupil

	Provisional figures to Cabinet 30 November 2021		Updated following DSG Settlement & Pupil Data- Jan 2022	
	If transfer to high needs not allowed		No transfer to high needs Ceiling on per pupil gains	
	Primary £	Secondary £	Primary £	Secondary £
<b>Basic entitlement (sum per pupil)</b>	3,401.95	Key Stage 3: 4,797.85	3,395.46	Key Stage 3: 4,789.01
		Key stage 4 5,408.44		Key Stage 4: 5,398.45
<b>Social Deprivation</b>				
* per child on free school meals	497.91	497.91	496.98	496.98
* per "Ever 6 FSM" child	640.91	916.37	638.59	914.65
* per child in DfE IDACI band F	234.23	339.01	233.80	338.37
* per child in DfE IDACI band E	287.44	450.24	286.91	449.40
* per child in DfE IDACI band D	447.16	630.34	446.33	629.15
* per child in DfE IDACI band C	489.72	688.60	488.82	687.31
* per child in DfE IDACI band B	521.67	741.57	520.70	740.18
* per child in DfE IDACI band A	681.36	942.86	680.10	941.09

	If transfer to high needs not allowed		No transfer to high needs Ceiling on per pupil gains	
	Primary £	Secondary £	Primary £	Secondary £
<b>Flat rate/ lump sum</b> (must be same for all schools in a sector)	131,168	137,744	131,168	137,744
<b>Looked after children</b>	396.00	396.00	396.00	396.00
<b>Low Attainment</b> Per low attainer (high incidence SEN)	1197.11	1,811.56	1,194.86	1,808.15
<b>English as an Additional Language (EAL)</b> Per pupil with EAL and in school system for fewer than 3 years	598.56	1,620.87	597.43	1617.82
<b>Pupil Mobility</b> Per mobile pupil (as per DfE definition)	979.94	1,408.99	978.09	1406.34
<b>Additional Classes</b> Funding for Bulge Classes and schools increasing PANs from Sep2022	Avg cost per pupil in schl		Avge cost per pupil in schl	
<b>Minimum Funding Guarantee (MFG)</b> ie minimum percentage increase per pupil	2.00%	2.00%	2.00%	2.00%
<b>Ceiling</b> (maximum increase per pupil). The higher the ceiling the slower the progress to NFF (all else being equal)	n/a	n/a	3.87%	3.87%
<b>Minimum (Average) per pupil funding level</b> (where schools would otherwise receive less than this) implement in full	4,265	5,525	4,265	5,525
Sparsity- additional funding for very small schools in rural areas) up to	58,267	84,751	58,157	84,592

If transfer to high needs not allowed		No transfer to high needs Ceiling on per pupil gains	
Primary	Secondary	Primary	Secondary
£	£	£	£

## NON FORMULA FACTORS

### No change to:

Rates - These are funded at cost

Rents over 1% budget - funded at cost

Split site allowance for schools on 2 or more sites

<b>Summary of available funding and funding used</b>	£000s
DFE Schools Block NFF including growth (16 Dec 2021)	745,811
Recycled school specific contingency	154
underspend previously agreed with Schools	
Backdated rent agreed to be refunded by DfE in 2023/24 and to be met by CSSB in interim	14
total available	<u>745,979</u>
Formula allocations	742,210
Growth fund as per Schools Forum 14 Jan 2022	3,780
total allocated	<u>745,990</u>
Difference reported as met from CSSB actually to be covered by underspend on growth fund identified too late to amend Schools Forum papers	11