

2022-23 Peterborough Schools Budget Update

Schools Forum – 19th January 2022

Introduction

The purpose of today's presentation is to update Schools Forum on the latest position in relation to the 2022/23 budget setting round:

1. National Funding Announcements
2. Final Budget Proposals - Schools Block
3. New Schools and Growth Funding
4. Final Budget Proposals - Central Schools Services Block
5. Next Steps

National Funding Arrangements

- On 16th December 2021 the Department for Education (DfE) published the DSG allocations for 2022-23. Full details can be found on the DfE website at the following link:
- <https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2022-to-2023>

National Funding Arrangements

- The initial 2022-23 DSG allocations for Peterborough are set out in the following table, which also provides the 2021-22 figures for comparison:

DSG Block	2021-22 Allocation £m	2022-23 Initial Allocation £m	Increase v 2021-22 Allocation £m
Schools Block (incl. growth and business rates)	185.367	194.261	+8.893
High Needs Block	38.447	41.864	+3.417
Central Services Schools Block	1.517	1.549	+0.032
Early Years Block	17.584*	17.571*	-0.013
Total	242.915	255.245	+12.329

National Funding Arrangements

- Uplift to Peterborough's Schools Block allocation is as a result of a combination of the additional investment through the national funding formula and the net increase in pupils between October 2020 and October 2021.
- Primary (Reception – Year 6) – net reduction of 62 pupils
- Secondary (Year 7 –Year 11) – net increase of 612 pupils
- Early Years Block indicative figures are currently based on January 2021 data. Adjustments expected to 2021/22 figures based on actual take-up.

National Funding Arrangements

- In addition to the DSG, mainstream schools will receive an additional grant in 2022 to 2023 worth £1.2 billion. The grant is being provided in respect of both the Health and Social Care Levy and other cost pressures. Details have been published at:
- <https://www.gov.uk/government/publications/schools-supplementary-grant-2022-to-2023>
- Initial indicative figures for Peterborough suggest an allocation of circa £6m.
- Finalised allocations of the schools supplementary grant will be published in spring 2022.

National Funding Arrangements

- Supplementary Grant Funding:

	Area Cost Adjustment	1.01284
	Base Rate	ACA Adjusted Rate
Per-pupil funding rate for early years provision in schools, and for maintained nursery schools	£24.00	£24.31
The base funding rates for 5-16 schools will be:		
Per-pupil rate for primary pupils	£97.00	£98.25
Per-pupil rate for key stage 3 pupils	£137.00	£138.76
Per-pupil rate for key stage 4 pupils	£155.00	£156.99
Lump sum of £3,680	£3,680.00	£3,727.25
FSM6 per-pupil rate per eligible primary pupil	£85.00	£86.09
FSM6 per-pupil rate per eligible secondary pupil	£124.00	£125.59
Per-student funding rate for 16-19 provision in schools, including 16 to 19 schools and academies	£35.00	£35.45

National Funding Arrangements

- Alongside the mainstream allocation an additional £325 million of high needs funding has been allocated nationally for 2022 to 2023. This is payable via a separate grant to the DSG, but is subject to the same conditions of grant.
- Initial indicative figures for Peterborough suggest an allocation of circa £1m.
- This additional funding will not be calculated at school level based on the methodology on the previous slides.
- Further work and discussion will therefore be required to agree how the funding is applied.

Final Budget Proposals – Schools Block

- Following receipt of the revised datasets on 16th December further budget modelling has been undertaken reflecting the approach presented to Schools Forum at the November meeting:
 - Align funding rates with the National Funding Formula (excluding Area Cost Adjustment)
 - Apply weighting to relevant unit values should affordability allow
 - Apply revised sparsity criteria
 - Apply the maximum 2% Minimum Funding Guarantee
- Distribution total for draft budgets:
 - Schools Block £194.261m less growth fund estimate of £1.2m = **£193.061m**

Final Budget Proposals – Schools Block

NFF Factor		Peterborough Unit Rates 2021- 22 (£)	National Funding Formula (NFF) Unit Rates 2022-23 (£)	1.0078 National Funding Formula (NFF) Unit Rates 2022-23 (Weighting Applied) (£)
Basic per pupil entitlement (AWPU)	AWPU: Primary	3,150	3,217	3,242
	AWPU: Secondary KS3	4,442	4,536	4,572
	AWPU: Secondary KS4	5,006	5,112	5,152
	Minimum per pupil funding Primary	4,180	4,265	4,265
	Minimum per pupil funding Secondary (KS3 and KS4 combined)	5,415	5,525	5,525
Deprivation (based on ever 6 free school meal numbers)	FSM current - Primary	460	470	470
	FSM current – Secondary	460	470	470
	Ever6 FSM – Primary	575	590	590
	Ever6 FSM – Secondary	840	865	865
	IDACI Band F: Primary	217	220	222
	IDACI Band F: Secondary	313	320	323
	IDACI Band E: Primary	262	270	272
	IDACI Band E: Secondary	419	425	428
	IDACI Band D: Primary	414	420	423
	IDACI Band D: Secondary	585	595	600
	IDACI Band C: Primary	449	460	464
	IDACI Band C: Secondary	635	650	655
	IDACI Band B: Primary	479	490	494
	IDACI Band B: Secondary	686	700	705
IDACI Band A: Primary	625	640	645	
IDACI Band A: Secondary	872	890	897	

Final Budget Proposals – Schools Block

NFF Factor		Peterborough	National Funding	1.0078
		Unit Rates 2021-22	Formula (NFF) Unit Rates 2022-23	National Funding Formula (NFF) Unit Rates 2022-23 (Weighting Applied)
		(£)	(£)	(£)
Low Prior Attainment	Primary	1,104	1,130	1,139
	Secondary	1,674	1,710	1,723
English as an Additional Language	Primary	555	565	569
	Secondary	1,498	1,530	1,542
Pupil Mobility	Primary	908	925	932
	Secondary	1,301	1,330	1,340
Lump Sum	Primary	117,800	121,300	121,300
	Secondary	117,800	121,300	121,300

■ Notes to the Table:

- Unit rates are the NFF base rates with scaling applied (scaling not applied to factors highlighted in red) Amounts shown to nearest £.
- The values for sparsity are not included in the table above as are variable up to a new maximum of £55,000 for primary schools and £80,000 for secondary schools.
- The DfE recognises that some factors cannot easily be allocated on a formulaic basis and under the NFF continue to be funded at historical or actual funding levels. This covers the premises factors which includes PFI (variable), split site (£100k) and business rates (variable) for those schools affected.

Final Budget Proposals – Schools Block

- The **illustrative** impact of the final budget proposals at school level can be seen in **Appendix A**.
- Figures have been updated to reflect the October 2021 census data. As such the impact for individual schools will also be dependent on changes in pupil numbers.
- The cost to meet the revised minimum per pupil level funding is circa **£534k**
- The cost to meet the 2% minimum funding guarantee is **£886k**.
- These figures are still **illustrative** at this stage and are subject to change as final data validation is undertaken.
- Published figures will include an allocation for business rates for 22/23. However this is for information only and will not form part of the actual funding to be received as will be paid directly by the ESFA as part of the new centralised process. Awaiting further guidance on treatment.
- Actual amounts to be received by academies will be notified directly by the ESFA for the 22/23 academic year and may differ due to pupil numbers and protections applied.

Final Budget Proposals – Schools Block

De-delegations and Education Functions – Maintained Schools Only

- A de-delegation of **£1.54** per pupil (as approved by Schools Forum at the November meeting) will be applied in respect of Trade Union Facilities Time (academies are charged via a separated arrangement).
- As in previous years maintained schools will be subject to a charge of **£16.08** per pupil (as approved by Schools Forum at the November meeting) to reflect the Education functions undertaken by the LA specifically for maintained schools.

New Schools and Growth Funding

New Schools

- No changes to approach for funding new schools.
- 3 new schools due to open in September 2022. Funding has been based on guaranteed numbers for the 7/12th period.
- 2 new schools continuing to grow to capacity will be funded via variation to pupil numbers

Schools	Description
Hampton Lakes Primary School	New school still filling to capacity - to be funded via variation to pupil numbers for 22/23. To be funded on actual numbers from 23/24.
Hampton Gardens Secondary School	New school still filling to capacity - to be funded via variation to pupil numbers for 22/23. To be funded on actual numbers from 23/24.
Manor Drive Primary	New School opening September 22. To be funded via variation to pupil numbers. Guaranteed 60 pupils.
Manor Drive Secondary	New School opening September 22. To be funded via variation to pupil numbers. Guaranteed 120 pupils.
St John Henry Newman	New School opening September 22. To be funded via variation to pupil numbers. Guaranteed 60 pupils.

New Schools and Growth Funding

Growth Fund

- No changes to approach for funding growth:
- Growth funding will be available to meet additional revenue costs associated with significant growth between October 2021 and October 2022. Schools will receive growth funding where they meet the following criteria:
 - a. There has been a structural change to the school where the increased PAN is working its way through the school. Or;
 - b. There is a future planned structural change to the school. Or;
 - c. The projected increase in pupil numbers exceed 5% of the roll.

And:

- d. In every case the growth is resulting from **basic need** and has been agreed by the local authority.
- Funding will be allocated by applying the increase in pupil numbers between October 2021 and October 2022 to Peterborough's funding formula. The unit rates of funding will be reduced to 75% of those used in the funding formula to manage the cost of growth within the agreed resource available. Initial estimates will be provided when budgets are published but these will be revised in March 2022 for up to date admissions data. There will be no clawback of funding once allocations have been finalised in March 2022. This is to allow schools plan for the projected increase in pupil numbers.

New Schools and Growth Funding

Growth Fund

Based on forecasts from place planning schools to be considered for growth funding:

School	Oct 21 Census	Oct 22 Forecast	Change	% Change	Comments
Eye CofE Primary School	445.0	467.0	22	5%	Asked to run additional FE in 22/23. Growth funding maybe required, although initial 1 st preferences lower than forecasts.
Oakdale Primary School	313.0	338.0	25	8%	Received growth funding in 21/22 to support structural change working its way through the school. Growth funding required in 22/23.
The Duke of Bedford Primary School	211.0	223.0	12	6%	Asked to run additional FE in 22/23. Growth funding maybe required, although initial 1 st preferences lower than forecasts.
Woodston Primary School	560.0	590.0	30	5%	Received growth funding in 21/22 to support structural change working its way through the school. Growth funding required in 22/23.
Jack Hunt School	1,600.0	1,641.0	41	3%	Received growth funding in 21/22 to support structural change working its way through the school. Growth funding required in 22/23.
Ken Stimpson Community School	997.0	1,048.0	51	5%	Small year 11 leaving. Maybe a requirement for growth in 22/23, although initial 1 st preferences lower than forecasts.
Nene Park Academy	1,142.0	1,188.0	46	4%	Received growth funding in 21/22 to support structural change working its way through the school. Growth funding required in 22/23.
Ormiston Bushfield Academy	935.0	1,001.0	66	7%	Received growth funding in 21/22 to support structural change working its way through the school. Growth funding required in 22/23.
Queen Katharine Academy	1,112.0	1,202.0	90	8%	Received growth funding in 21/22 as hit growth funding trigger. Year 7 intake results in requirement for growth funding in 22/23.

New Schools and Growth Funding

Growth Fund

- Applying the proposed 2022/23 unit values (at 75%) to the growth within these schools results in an initial growth fund requirement of **£1.025m**
- It is proposed to set the growth fund at **£1.2m** for 2022/23 to allow for changes in final admissions and any other schools which may qualify.
- **Schools Forum are asked to approve the growth fund criteria and centrally retained amount for 2022/23.**

Final Budget Proposals - Central Schools Services Block

Central Schools Services Block (CSSB)	2022/23 £
Funding for Historic Commitments	164,606
Funding for Ongoing Commitments	1,383,907
Total CSSB to be received	1,548,513
Planned Expenditure	
A – Admissions	
B – Copyright Subscription	
C – Pension Liabilities	
D – Retained Duties	
E – Servicing Schools Forum	
Total CSSB planned expenditure	

A) Admissions – This top-slice meets the cost of the local authorities admissions function.

B) Copyright Subscription – Since 2015-16 the Department for Education (DfE) has procured copyright licences for all state maintained schools in England.

C) Historic Schools Pension Liabilities – The local authority can retain funding with Schools Forum approval for historic pension liabilities. This top-slices represents historic pension liabilities arising from premature retirement costs following the closure of several schools.

D) Retained Duties Funding – This covers costs incurred by the local for statutory duties it holds on behalf of maintained schools and academies.

E) Servicing Schools Forum - This top-slice is made to meet the costs of facilitating Schools Forum i.e. cost of the venue, clerking, refreshments etc... No increase allowed from previous years.

Next Steps

- January 2022 – Schools Forum to review final proposals
- 21st January 2022– submission of the Authority Proforma Tool (APT) to the Education & Skills Funding Agency (ESFA)
- End of January – Primary and Secondary School Budgets to be published
- 2022/23 – Next stages in consultation on move towards a direct national funding formula?