

Schools Forum Document NQ Appendix 1 – Summary of Schools Block Consultation Proposals

This is an extract from full consultation document

1.1 There are **7 key decisions** we need to take on Bradford's 2022/23 mainstream primary and secondary Schools Block funding formula arrangements.

1.2 Please be aware that the 2.0% increases in the primary and secondary phase minimum levels of funding per pupil (MFLs) are mandatory and not for local determination. We are not consulting on the application of the MFL factor.

1.3 Running alongside our 7 decisions, it should be noted:

- The COVID-19 pandemic has affected the availability of data that would have normally been used to calculate 2022/23 formula funding allocations. The DfE has made adjustments to data sources:
 - For the Low Prior Attainment (LPA) factor, Early Years Foundation Stage (for primary phase funding) and Key Stage 2 (for secondary phase funding) assessment results from 2019 will be used as a proxy for both the 2020 and 2021 assessments. Effectively, this means in 2022/23 that 2019's assessment data is being used for 3 cohorts of pupils in the calculation of a school's / academy's Low Prior Attainment percentage. This may have an impact on the values of allocations that individual schools and academies receive through the LPA factor, especially where 2019 results were improved on results in previous years. Where results were improved, we would expect 2022/23 LPA funding to reduce. The impact of data change is further discussed in section 4.
 - For the Pupil Mobility factor, due to the cancellation of the May 2020 Census, the DfE will use the start dates of pupils recorded in the October 2021 Census to identify pupils that were mobile between January 2020 and May 2020.
- The construct of the national high needs funding system – the notional value of £4,000 for element 1 and £6,000 for element 2 – remains unchanged from 2021/22 arrangements. We put forward proposals regarding the funding of top up for Education Health and Care Plans (EHCPs) for 2022/23 within our separate high needs funding consultation.
- The role of Bradford's Dedicated Schools Grant in the funding of PFI (Building Schools for the Future) remains unchanged in 2022/23, limited to funding the agreed DSG Affordability Gap. PFI funding is a matter that the Schools Forum wishes to monitor closely within the national 'hard' NFF review work to come.
- The Education and Skills Funding Agency (ESFA) has confirmed that the national changes proposed to how payments to billing authorities from mainstream primary and secondary maintained schools and academies for business rates (NNDR) are managed will be implemented from April 2022. Further guidance will be published.
- The data source for the Pupil Premium Grant (PPG) has been transferred on a permanent basis from the annual January Census back to the annual October Census. 2022/23 PPG allocations data will be sourced with reference to the pupils recorded in the October 2021 Census.

Decision 1 - Whether we transfer budget from the Schools Block to the High Needs Block in 2022/23

1.4 This is the first decision in our consultation because a transfer directly affects the amount of funding available to spend within the Schools Block and therefore, what formula funding uplift and what Minimum Funding Guarantee we can afford to propose.

1.5 The DfE has now taken important steps in recognising that there has been a significant national high needs funding sufficiency issue. Bradford received a 17% per pupil increase in High Needs Block funding in

2020/21 and a 12% per pupil increase in 2021/22. We estimate we will receive a 9.5% per pupil increase in 2022/23. Although no announcements have yet been made about the position of high needs funding after 2022/23 and therefore, there is concern about affordability going forward, combined with the uncertainties regarding the financial impact of the DfE's national SEND and Alternative Provision reviews, the settlements received over 3 years put Bradford's current High Needs Block in a fundamentally much stronger position than was the case in 2018/19.

1.6 As a result, the Local Authority does not propose to transfer Schools Block funding to the High Needs Block in 2022/23. This means that the full Schools Block settlement will be retained for spending within this Block.

Decision 2 – Whether we continue to mirror the DfE's 2022/23 National Funding Formula

1.7 The table below shows the DfE's NFF factors in 2022/23, as these are applied to Bradford (so adjusted for area costs - ACA), compared against those used for 2021/22. These are the factors that we use in Bradford to allocate formula funding to mainstream primary and secondary schools and academies. The key changes are:

- The values of the NFF pupil-led factors have been uplifted in line with the DfE's settlement – by a headline 3% - for all factors except for the FSM factors, which have been increased by a nominal 2%. The final factor values have then been adjusted so that the overall weightings (proportions of total spend nationally by factor) previously established within the NFF are maintained. The DfE has then also rounded values, prior to the application of the ACA, to the nearest £5.
- The minimum levels of funding per pupil (MFLs) have been increased by 2% (rounded), from £4,180 to £4,265 (primary) and from £5,415 to £5,525 (secondary).

Factor	NFF £ 2022/23	NFF £ 2021/22	£Diff	% Diff
Primary – Base £APP	£3,217.51	£3,123.50	+ £94.01	+ 3.01%
Secondary – Key Stage 3 Base £APP	£4,536.73	£4,404.70	+ £132.03	+ 3.00%
Secondary – Key Stage 4 Base £APP	£5,112.82	£4,963.79	+ £149.03	+ 3.00%
Lump Sum – Primary & Secondary	£121,319	£117,819	+ £3,500	+ 2.97%
Primary - Deprivation – FSM Ever 6	£590.09	£575.09	+ £15.00	+ 2.61%
Primary - Deprivation – Flat FSM	£470.08	£460.07	+ £10.01	+ 2.18%
Secondary - Deprivation – FSM Ever 6	£865.14	£840.13	+ £25.01	+ 2.98%
Secondary - Deprivation – Flat FSM	£470.08	£460.07	+ £10.01	+ 2.18%
Primary - Deprivation – IDACI F	£220.04	£215.03	+ £5.01	+ 2.33%
Primary - Deprivation – IDACI E	£270.04	£260.04	+ £10.00	+ 3.85%
Primary - Deprivation – IDACI D	£420.07	£410.07	+ £10.00	+ 2.44%
Primary - Deprivation – IDACI C	£460.07	£445.07	+ £15.00	+ 3.37%
Primary - Deprivation – IDACI B	£490.08	£475.08	+ £15.00	+ 3.16%
Primary - Deprivation – IDACI A	£640.10	£620.10	+ £20.00	+ 3.23%
Secondary - Deprivation – IDACI F	£320.05	£310.05	+ £10.00	+ 3.23%
Secondary - Deprivation – IDACI E	£425.07	£415.07	+ £10.00	+ 2.41%
Secondary - Deprivation – IDACI D	£595.10	£580.09	+ £15.01	+ 2.59%
Secondary - Deprivation – IDACI C	£650.10	£630.10	+ £20.00	+ 3.17%
Secondary - Deprivation – IDACI B	£700.11	£680.11	+ £20.00	+ 2.94%
Secondary - Deprivation – IDACI A	£890.14	£865.14	+ £25.00	+ 2.89%
Primary - English as an Additional Language (3)	£565.09	£550.09	+ £15.00	+ 2.73%
Secondary - English as an Additional Language (3)	£1,530.24	£1,485.24	+ £45.00	+ 3.03%
Primary – Low Prior Attainment	£1,130.18	£1,095.18	+ £35.00	+ 3.20%
Secondary – Low Prior Attainment	£1,710.27	£1,660.27	+ £50.00	+ 3.01%
Primary - Pupil Mobility	£925.15	£900.14	+ £25.01	+ 2.78%
Secondary – Pupil Mobility	£1,330.21	£1,290.21	+ £40.00	+ 3.10%
Primary – Minimum £APP (MFL)	£4,265	£4,180	+ £85.00	+ 2.03%
Secondary – Minimum £APP (MFL)	£5,525	£5,415	+ £110.00	+ 2.03%

1.8 So, the NFF in 2022/23 retains the same dynamic as in the last four years, including its focus on Additional Educational Needs (AEN) funding, the Low Prior Attainment factor within AEN, and the lower value of lump sum, which has been one of the most significant factors in terms of impact of the NFF on smaller schools and on the primary phase more widely.

1.9 The Authority's case for moving to fully replicate the DfE's NFF, originally put forward for 2018/19, was strongly supported. Schools and academies in Bradford have since continued to support our close mirroring of the NFF. Therefore, we believe schools and academies will also support the principle that, in this period prior to the establishment of the 'hard' NFF, where further transition is now expected to be directed by the DfE from April 2023, our local formula funding arrangements should continue to move in line with the DfE's NFF as this uplifts and incrementally develops. 105 (out of 150) authorities in the last four years have moved closer to NFF and / or are now within 1% of NFF variable values. This includes 72 other local authorities that are directly mirroring the NFF, as we are.

1.10 We propose therefore, **subject to final affordability (please see decision 6), that we will continue to mirror the NFF in 2022/23, using the 'NFF 2022/23' factor values shown in the table above.**

Question 1 - Do you agree that our local formula in 2022/23 should mirror the DfE's 2022/23 National Funding Formula and that this formula should be used to calculate primary and secondary school and academy mainstream formula funding allocations? If not, please explain the reasons why not.

Decision 3 – Whether we apply the 'Reception Uplift' factor for the primary phase, on a one off exceptional basis for 2022/23 only. This is a new decision for 2022/23.

1.11 Authorities currently are permitted to use a 'Reception Uplift' factor in their local formula funding arrangements. For 2022/23, this factor will enable authorities to increase the funded pupil number count for schools and academies that had higher reception year numbers recorded in the January 2021 Census than were recorded in the October 2020 Census. For example, a primary phase academy has 210 pupils on roll in total in the October 2021 Census. The academy recorded 30 on roll in the reception year in January 2021 but 28 on roll in the reception year in October 2020. The academy would have 2 pupils added to their funded pupil number count, meaning that they would be funded in 2022/23 for 212 pupils. Only positive adjustments are made i.e. a school or academy that had a lower number of pupils in reception year recorded at January 2021 will not see a negative adjustment, and only differences in reception year numbers are used (the factor does not look at year 1 to year 6 pupil numbers).

1.12 Recognising that the October Census is taken relatively early in the autumn term, the purpose of the Reception Uplift factor is to fund primary schools and academies that have substantial later intakes of pupils into their reception years (as a result e.g. of admission of pupils on appeal or from having available places as a consequence of under-subscription), including at the beginning of the spring term. Albeit that this funding is allocated a year in arrears.

1.13 The use of the Reception Uplift factor is optional. We used this within our local formula up to 2017/18. However, as this factor is not used within the National Funding Formula (NFF), in order to fully mirror the NFF, we ceased to use it at April 2018. We would now not normally revisit this decision. However, there are two matters, which require closer consideration:

- Firstly, the Schools Forum has continued to monitor and to consider the financial implications on schools and academies of the COVID-19 pandemic. An area of concern that was raised by Forum members last year was the delay in the normal primary-phase admissions appeals timetable that the pandemic caused in autumn 2020, meaning that potentially a larger than normal number of primary phase appeals for the reception year were concluded after the October 2020 Census was taken. Applying the Reception Uplift factor in 2022/23, on a one-off exceptional basis, could help minimise the negative financial impact of this situation on schools and academies that admitted reception year children on appeal between October 2020 and January 2021. It could also help schools and academies that have admitted pupils as a consequence of under-subscription.
- Secondly, in the balances brought forward within the Schools Block, we currently hold a sum of £0.917m of unallocated primary phase-specific formula monies. This sum has been accrued over 2020/21 and 2021/22. The Schools Forum has found it difficult to allocate this funding to the primary

phase in such a way as to add value but also to ensure that it is not used to contribute to an on-going mechanism (as balances can only be spent once). Allocating a proportion of the £0.917m to the Reception Uplift factor in 2022/23 would be a way of adding value specifically to the primary-phase but only funding a mechanism that would be in place for a single year.

1.14 Following these two considerations, **we propose, subject to final affordability (please see decision 6), to use the Reception Uplift factor in 2022/23. This will be for 2022/23 only and will be funded by the primary-phase specific Schools Block balance.** For point of clarity, in applying the Reception Uplift factor, we are not exactly mirroring the National Funding Formula in 2022/23. However, movement away from mirroring for this purpose is a relatively small adjustment and is time limited. Please also note that the pupil numbers added as a result of the Reception Uplift factor are excluded in the calculation of the Minimum Funding Guarantee (MFG) in 2022/23. The result of this is that, for schools and academies on the MFG, the additional funding allocated by the Reception Uplift factor replaces the funding that would otherwise be allocated by the MFG in 2022/23.

1.15 The number of reception year pupils to be added to 2022/23 formula funding will be provided by the DfE in December, within the dataset that the Authority must use to calculate 2022/23 allocations. Indicatively, using our downloads of census data, we estimate that 102 additional reception pupils would be funded across 52 primary schools and primary academies. We estimate that the cost of adding these pupils will be £0.493m, which would be met from the £0.917m specific brought forward balance.

1.16 The number of additional reception year pupils by school and academy is shown in the modelling in Appendix 1, on an estimated basis.

Question 2 - Do you agree that, subject to final affordability (please see decision 6) we should include the Reception Uplift factor in our 2022/23 primary-phase funding formula on a one off exceptional basis for 2022/23 only funded using brought forward balances? If not, please explain the reasons why not.

Decision 4 – Whether we continue unchanged our existing local approaches to the factors not yet covered by the NFF

1.17 **Business rates (NNDR)** will continue to be funded at actual cost. As introduced in paragraph 1.5, the Education and Skills Funding Agency (ESFA) has confirmed that the national changes proposed to how payments to billing authorities from mainstream primary and secondary maintained schools and academies for business rates (NNDR) are managed will be implemented from April 2022.

1.18 **We propose to continue in 2022/23 our current formulae for the allocation of split sites funding.** Please see the technical annex at Appendix 2. We propose to increase the values of the variables used within the split site formula by 3%, which is in line with the headline NFF settlement, subject to final affordability (please see decision 6).

1.19 **We propose to continue to pass through the specific BSF DSG Affordability Gap values using our current method** (please see Appendix 2), continuing the adjustment to ensure that the amounts passed on to academies by the ESFA on an academic year basis are equivalent to the amounts that the Authority requires academies to pay back on a financial year basis.

1.20 As explained in the introduction, **we propose to continue to use our existing methodology for the definition of Notional SEND budgets for mainstream primary and secondary schools and academies within the Schools Block funding formulae.** We are minded not to propose any amendments at this time, and not until the outcomes of the DfE's reviews are known. Please see Appendix 2 for a breakdown of our current definition. Following the introduction of the Minimum Level of Per Pupil Funding Factor (MFLs) in the primary and secondary funding formula however, some mainstream schools and academies now receive what can be determined to be Additional Educational Needs (AEN) pupil-led funding through the MFLs, rather than through the AEN formula factors, which are used to define published notional SEND budgets. For point of clarity therefore, although the Authority does not propose to change the methodology behind the published notional SEND allocations for schools and academies, the Authority will consider MFL allocations within discussions that may be had with individual schools and academies about available delegated SEND monies.

We discuss the SEND Funding Floor within our separate consultation on high needs funding for 2022/23.

Question 3a - Do you agree with the proposal to continue to use our existing formula for the allocation of split sites funding, uplifted by 3% in 2022/23 (subject to affordability)? If not, please explain the reasons why not.

Question 3b - Do you agree with the proposal to continue to use our existing formula for the apportionment of BSF DSG Affordability Gap funding in 2022/23? If not, please explain the reasons why not.

Question 3c - Do you agree with the proposal to continue to use our existing methodology for the definition of notional SEND budgets in 2022/23? If not, please explain the reasons why not.

Decision 5 – The % level of the Minimum Funding Guarantee (MFG)

1.21 The Minimum Funding Guarantee (MFG) is the mechanism through which the Authority can ensure a minimum percentage increase in funding per pupil for all schools and academies in 2022/23. Typically, we seek to set the MFG at the maximum that is affordable, having also considered the minimum provided by the DfE within its NFF settlement as well as how costs in schools and academies may increase, especially following nationally determined teacher and support staff pay awards and salary on-costs changes.

1.22 The DfE permits the Minimum Funding Guarantee in 2022/23 to be set between positive 0.5% and positive 2.0%. 2.0% would mean, simply for example, that a school or academy that is funded on the MFG, and that has the same total pupil numbers recorded in October 2021 as recorded in October 2020, will receive in 2022/23 the cash value of its 2021/22 core-formula funding, uplifted by 2.0%.

1.23 The DfE's has provided a floor (a minimum increase) of + 2.0% in its notional 2022/23 NFF calculations for individual schools and academies. A 2.0% MFG in Bradford would effectively pass this floor through to delegated budgets in Bradford.

1.24 The DfE has previously set out a policy aim to increase the salaries of early career teachers (for example, to bring Main Pay Scale 1 up to a minimum £30,000). An initial step was made at September 2020. Following the COVID-19 pandemic response, and the pay pause at September 2021, the status of, and timescales for, the further implementation of this policy are currently uncertain. However, it is sensible for us to plan our formula funding approach on the basis that some further movement on this policy will take place at September 2022, within an overall national teacher's pay award. It is also sensible to plan on the basis that there will be a support staff pay award at April 2022, as there has been at April 2021. The pay award for NJC scale staff is determined by a separate bargaining process that the Chancellor's pay pause announcement does not extend to. The Government has also recently announced an additional 1.25% employer's National Insurance contribution (for the NHS and Social Care) from April 2022. As stated earlier in this document, how additional funding may be allocated to schools and academies to support the cost of the 1.25% National Insurance levy, as well as the value of this funding, is currently unclear. The Government has stated that public sector employers will be compensated for the cost of the 1.25% levy. Following enquiry, the ESFA has advised us that further details on the approach to this compensation will be set out at the conclusion of the Spending Review on 27 October. Recognising the cumulative cost impact that these salaries factors may have on delegated budgets, and the high proportion of our schools and academies (especially in primary phase) that are currently funded on the MFG, we see that it is important for us to take steps to set the MFG at the maximum permitted level.

1.25 So, subject to final affordability (please see decision 6), we propose to set the Minimum Funding Guarantee (MFG) in 2022/23 at the maximum permitted level of positive 2.0%. The impact of this is shown in Appendix 1, illustratively, at individual school and academy level.

Question 4 - Do you agree with the proposal, subject to final affordability, to set the Minimum Funding Guarantee at the maximum positive 2.0% in 2022/23? If not, please explain the reasons why not.

Decision 6 – How we would amend our mainstream primary and secondary funding formula, if necessary for affordability reasons, should the total cost of the formula substantially increase (and be unaffordable) when the October 2021 Census dataset is used. This is a new decision for 2022/23.

1.26 Lag in the pupil-need data, such as Free School Meals %s and Low Prior Attainment %s, between that, which is required to be used to calculate individual school and academy formula funding allocations and that, which is used by the DfE to calculate Dedicated Schools Grant funding to local authorities, is a feature of the current formula funding system. For this 2021/22 financial year, for example, schools and academies have been funded with reference to their October 2020 Census data. The Local Authority however, has received Dedicated Schools Grant, from which the cost of these school and academy allocations must be met, calculated using data recorded a year earlier in the October 2019 Census.

1.27 Where there are only relatively small data changes year on year, or where there are ‘ups and downs’ in different data streams, which generally cancel each other out, this lag does not cause overall affordability problems. By ‘affordability problems’, we mean that the cost of formula funding using the National Funding Formula mirroring approach (Decision 2) exceeds the value of Dedicated Schools Grant funding that the Authority has received from the DfE, to the extent that the Authority has to adjust its proposals to reduce cost.

1.28 One of the problems in managing this situation is that, although we can identify and very indicatively estimate in advance potential areas of change, we do not know for certain whether our formula funding proposals are affordable until we receive the relevant October Census dataset from the DfE in December each year. It is difficult to model the impact for individual schools and academies with certainty in advance of receiving the dataset.

1.29 In our consultation documents, published in previous years, we have highlighted this as an issue and we have always stated that our proposals are subject to a final ‘affordability check’. We have also always previously stated, if we need to adjust our proposals, that we will work closely with the Schools Forum. In recent years, affordability has not been an issue. Although there have been some changes in individual factors, the overall cost of formula funding using the final December dataset has either been as expected or has reduced rather than increased.

1.30 For 2022/23 however, partly as a consequence of the COVID-19 pandemic, we have identified that we may come across greater swings in costs associated with individual formula factors, as a result of greater differences between the data recorded with reference to the October 2021 Census and the data recorded with reference to the October 2020 Census. We do anticipate that this will be an issue limited to 2022/23’s formula funding process, due to the specific impact of the greater levels of change in pupil-level data that will be recorded between the October 2020 and October 2021 censuses. We anticipate that the funding system will ‘catch up’ for 2023/24, meaning that the on-going risks of an affordability issue (for data swings between the respective October censuses) will return to be in line with the levels we would normally expect and that we have managed in recent years.

We have identified the potential for significant cost changes in 2 areas in particular within 2022/23’s cycle:

- Free School Meals %s (both Flat and Ever 6) recorded in the October 2021 Census are likely generally to be substantially increased on the %s recorded in October 2020. We have already identified an increase on a snapshot taken from the May 2021 Census.
- As the summer 2019 assessment results are being used for a 3rd cohort of children, Low Prior Attainment (LPA) allocations for schools and academies are generally expected to reduce in 2022/23 vs. 2021/22. This is because attainment in 2019 was better on average than in the years where the data now drops out of the LPA calculation.

1.31 Changes in data will have implications for the allocations received by individual schools and academies in 2022/23. Schools and academies need to be alert to this and we give further warning in section 4.

Regarding the affordability of our formula arrangements as currently proposed, it may be that changes across different factors continue largely to 'cancel each other out' as they have done recently. Changes in individual factors also may not necessarily result in a significant change in overall cost. This is because the 'top up' allocated by the Minimum Funding Guarantee and by the Minimum Levels of Funding may change at the same time.

1.32 However, given the circumstances this year, we feel that it is appropriate and will aid transparency, to set out in a little more detail the approaches that the Authority would take were we to find that the funding formula we set out in this consultation document for 2022/23, in particular under Decisions 2 (mirroring of the NFF) and 5 (the MFG set at 2%), is not affordable when we use the October 2021 Census dataset provided by the DfE in December. We wish to give schools and academies the opportunity now to provide feedback. This feedback will help guide our continued discussions with the Schools Forum on this issue.

1.33 The 4 broad options that are available are:

- A. Use a value of brought forward balances (one off monies) either to afford our proposals without amendment or to reduce the size of other amendments that might be applied. This may include re-directing the primary phase balance that is proposed to be used to apply the Reception Uplift factor (Decision 3).
- B. Reduce our funding formula factor values, moving away from exact mirroring of the NFF as proposed in Decision 2, so that the cost fits within the Dedicated Schools Grant budget available on a phase-specific basis.
- C. Re-introduce a ceiling, which would cap the year on year %increases in per pupil funding for individual schools and academies that, for example, see higher than average %per pupil increases.
- D. Reduce the Minimum Funding Guarantee (MFG) from the 2% proposed in Decision 5.

To be clear on a specific point - we would not be permitted to reduce the values of the Minimum Levels of Funding (MFLs), as these values are set by the DfE and are mandatory. Therefore, the minimum values of £4,265 (primary) and £5,525 (secondary) per pupil will be unaffected by any affordability adjustments that we may make.

1.34 It is the Authority's view currently that:

- In using brought forward balances (A), we need to be careful to ensure that affordability can be managed on an on-going basis. Balances can only be spent once and using these to support an on-going formula funding cost issue may potentially create affordability problems for 2023/24.
- Reducing the Minimum Funding Guarantee (D), from the 2% proposed, would be one of the last adjustments we would consider and, if we reduced it, we would only do so having first reduced formula factor values (B). This would be in recognition of the importance of the MFG for the primary-phase and also of the need to ensure a reasonable minimum level of funding increase in response to estimated growth in costs, including salaries costs, in 2022/23. Not providing an MFG at the maximum permitted 2%, whilst not making any other formula funding cost adjustments, would also further widen the gap in the increases in funding received by schools and academies on the MFG versus those funded on the National Funding Formula.
- Re-introducing a ceiling (C) would be considered before adjusting the MFG but, again, only in combination with adjusting the formula factor values (B). We specifically recognise that we would need to very carefully consider the impact a ceiling would have on individual schools and academies. We would not wish the re-introduction of a ceiling to have a disproportionate impact on the funding received by a relatively small number of schools and academies for supporting pupils with Additional

Educational Needs (AEN), including pupils who share protected characteristics who strongly correlate with measures of AEN. It is likely that schools and academies that will see above average % increases in per pupil funding in 2022/23 will achieve these increases because the level of AEN of their pupils has grown. We would need to be very careful about the impact a ceiling would have on reducing funding growth for individual schools and academies in such circumstances.

- The main 'go-to' option for reducing the overall cost of formula funding, after use of brought forward balances, but before a reduction in the MFG and before the re-introduction of a ceiling, would be to reduce the values of the factor variables (B). In doing this, the Authority would not adjust how each formula factor works, but would adjust the value of the variable used for that factor. We would make these adjustments on a phase-specific basis i.e. the adjustments for primary may be different than those for the secondary phase because the formula funding affordability position for the primary phase may be different.

The values of the variables that are currently proposed for 2022/23 are shown in the table under Decision 2.

We propose that we would take a 'collective pro-rata' scaling style approach to adjusting variable values, meaning that we would reduce all factors by the same %, with the scaling % set at the value required to bring the cost of the total formula by phase back within the budget available. There are different approaches that could be taken here, but this kind of 'collective pro-rata' scaling approach ensures, firstly, that we would 'step away' from mirroring the National Funding Formula in an even way. This means, crucially, that this will create less turbulence when seeking to return to mirroring from April 2023, when additional DfE restrictions are likely to be introduced. Secondly, this approach means that adjustments would not have a disproportionate impact on individual Additional Educational Needs formula factors and the funding that schools and academies receive via these factors. We assess, for example, that there would be a significant disproportionate impact were we to offset any growth in the FSM factor cost only by reducing the values of the FSM variables.

Once we have the final affordability figures, and we know the % reduction that might be needed, we will look more closely with the Schools Forum at our approach before finalising this in January 2022. We would also look more closely at whether / how we would ensure that all factors would still increase by a minimum e.g. 2%.

1.35 We recognising that the discussion here is technical as well as a little abstract. Whilst we are not certain currently that such affordability adjustments will be necessary (or the scale of them if they are, or if the scale will be such that we would need to use more than one adjustment), we nonetheless think it is helpful to highlight this now as a potential issue. We welcome any views that you might have on how best to approach this and we welcome any specific points that you wish the Authority and the Schools Forum to consider, including with reference to your own school or academy.

Question 5 - Do you have any views on how the Authority should adjust the 2022/23 funding formula, from that which is proposed in this consultation, should the total cost of the funding formula substantially increase (and be unaffordable) when the October 2021 Census dataset is used. We welcome any specific points that you would wish the Authority and the Schools Forum to consider.

Decision 7 – Whether we retain, with their existing criteria and methodologies, the funds currently managed centrally within the Schools Block

1.36 The DfE's National Funding Formula does not yet include a methodology, which prescribes how Growth Funding should be allocated at individual school and academy level. Local authorities in 2022/23 therefore, retain the responsibility for determining arrangements locally, albeit within tight Regulations. Local Authority compliance with these Regulations is checked annually by the Education and Skills Funding Agency (EFSA).

Our proposed Growth Fund arrangements and criteria for 2022/23 are set out in the documents embedded under paragraph 6. These are unchanged from current arrangements.

1.37 We established back in 2019/20 a Falling Rolls Fund for our primary phase. Our proposed Falling Rolls Fund arrangements and criteria for 2022/23 are set out in the document embedded under paragraph 7. These are unchanged from current arrangements.

1.38 This document also asks for feedback on the continuation for the 2022/23 financial year of funds de-delegated from maintained primary and secondary schools within the Schools Block of the Dedicated Schools Grant. Our proposed de-delegated fund arrangements and criteria for 2022/23 are set out in paragraph 5 and also in detail in Appendix 3. These are unchanged from current arrangements.

Question 6 - Do you agree with the proposed criteria and methodology for the allocation of the Growth Fund to schools and academies in 2022/23? If not, please explain the reasons why not.

Question 7 - Do you agree with the proposed criteria and methodology for the allocation of the Falling Rolls Fund to primary-phase schools and academies in 2022/23? If not, please explain the reasons why not.

Question 8 – Should sums continue or cease to be de-delegated from maintained school budgets in 2022/23 for the purposes listed? Please explain the reasons why if you believe that these should cease or change.