



Northumberland County Council

Agenda Item 9

Schools Forum 17 November 2021

Comparison of 2021/22 NE Schools block Funding Formula Values

1. Purpose of the Report

To provide information regarding the respective formula values used by the 12 NE local authorities and our neighbouring authority Cumbria in 2021/22. This is to provide additional insight and assurance in respect of the continuing implementation of the National Funding Formula (NFF) and potential implications for school funding in Northumberland for 2022/23 and beyond.

The report should be considered in conjunction with the NFF update and consultation and update elsewhere on the agenda, and the associated proposals for 2022/23.

2. Recommendations

Schools Forum is asked to consider the attached information to inform the consultation in relation to the setting of school funding formula values for Northumberland for 2022/23.

3. Background

Schools Forum received a report in July 2019 highlighting the progress made towards the implementation of the National Funding Formula (NFF). For Northumberland in 2019/20, of the 28 key formula factors highlighted, for Northumberland:

- 20 were in line with NFF values;
- 6 were higher than NFF figures including Primary and KS4 AWPU and certain deprivation indices; and
- 2 were lower than NFF values, including Primary Low Prior Attainment.

Due to disruptions by the covid pandemic, this report was not produced for 2020/21 but the values used by LAs for 2021/22 is now available at:

<https://www.gov.uk/government/publications/schools-block-funding-formulae-2021-to-2022>

This report and the accompanying presentation compare the 2021/22 funding values for the 12 North East LAs and Cumbria.

4. Basic per-pupil entitlement

This is a mandatory factor which every local authority must use in their 2021 to 2022 formula. Local authorities are permitted to choose different age-weighted pupil unit (AWPU) rates for primary pupils, for key stage 3 pupils and for key stage 4 pupils; but they must specify a primary AWPU of at least £2,000, and key stage 3 and key stage 4 AWPU values of at least £3,000.

6 of the 13 authorities have set their Primary AWPU value in line with the NFF figure of

£3,123. 1 authority has a figure that is less than the NFF value, while 6 including Northumberland have a higher figure. The range of figures varies from £3,113 to £3,168 per pupil, a spread of £55 (1.8%).

At KS3, 8 authorities, including Northumberland have set their figures in line with the NFF AWPU figure of £3,863, 1 is below and 5 are above. Figures range from £4,390 to £4,468, a spread of £78 (1.8%).

At KS4, 6 authorities have set their figures in line with the NFF AWPU figure of £4,963. 1 is below and 6 are above including Northumberland. Figures range from £4,947 to £5,064, a difference of £117 (2.3%).

5. Deprivation

This is another mandatory factor which every local authority must use in their formula. Local authorities can distribute their deprivation funding using any combination of the three indicators: children eligible for free school meals (FSM), children eligible for free school meals in any of the last 6 years (FSM6) or Income Deprivation Affecting Children Index (IDACI) data. IDACI is a measure of income deprivation and identifies the proportion of children in out-of-work households or on low incomes. Based on postcode properties are allocated to one of 7 bands, individual financial assessments are not carried out in respect of IDACI.

There is also some significant variation in the overall proportion of funding distributed by deprivation, even within the North East comparators. The average for the 13 authorities is 11.9% of total DSG is distributed via deprivation; however individual authority figures vary from 6.2% to 16.6%. Northumberland at 8.9% is below the average, and represents the second lowest figure.

Historically Northumberland used FSM and IDACI but introduced FMS6 into the formula in 2018/19 following initial NFF information.

Comparisons based on FSM and FSM6 are relatively straightforward, unlike IDACI where each LA can assign a different value to each of the different bands.

FSM and FSM6:

All 13 authorities use FSM in their formulas, 9 use the NFF value of £460 per child (at both primary and secondary), 2 LAs used a lower figure and 2 use a higher figure. Figures range from £320 to Northumberland's figure of £570, a difference of £250 (78%).

In relation to FSM6, all 13 authorities use this in their formula. 10, including Northumberland are in line with NFF, one authority is below and 2 are above. Figures range from £837 to £881, a difference of 5.2%.

IDACI:

Comparisons involving IDACI are more difficult due to the different levels of banding involved. Northumberland is in line with NFF values for all bands. This applies to 11 of the 13 authorities, with difference being generally relatively marginal.

6. Prior attainment

While use of this factor is optional, all 151 local authorities are using the indicator.

For primary pupils, the indicator is the number of children in years one to 6 assessed under the new early years foundation stage profile as not achieving a good level of development. For secondary pupils a new national curriculum and assessment was introduced in the 2015 to 2016 academic year. The proportion of pupils who fall in the low prior attainment bracket is higher than previous, so a national weighting has been applied to each of these years to prevent them overly influencing the funding levels

At Primary the NFF value was £1,095 per qualifying pupil, values used ranged from £840 (Northumberland's figure) to £1,110, a difference of £270 (32%). 2 authorities were below NFF, 10 were in line, and 1 above.

At Secondary the NFF value was £1,660, values used ranged from £1,634 to £1,684. 1 authority was below NFF, 11 including Northumberland were in line, with one above.

7. Lump Sum

The NFF values have the same lump sum at primary and secondary, at £117,800. Northumberland had previously had higher differentiated values for Middle and High / Secondary schools. 11 authorities, including Northumberland, are in line with the NFF, with 1 above and 1 below but the differences are marginal in this area.

8. Mobility

The pupils eligible for funding through the NFF mobility factor are pupils whose school census record at their current school (or one of its predecessors) in the last three years indicates an entry date which is not "typical". In practice this means that the first schools census a pupil is recorded as attending a school is a January or May census, not an October one. Historically Northumberland has not included a mobility element with its funding formula, due to concerns in relation to the data and the fact that it does not reflect net patterns of pupil movement, simply pupils starting outside the traditional September date.

However, it is a feature within the NFF, even though it is responsible for the distribution of a relatively small amount of funding, the NFF values for 2021/22 are £900 (Primary) and £1,290 (Secondary). Using full NFF values, 2021/22 data for Northumberland suggests that this would be responsible for £56,063 of Northumberland Schools Block funding, and impact 21 schools. The largest single amount paid to an individual school is £6,390.

Given we have not previously used this factor, it is proposed that we adopt a similar approach as we adopted last year and move 50% towards the NFF Values, this allows us to introduce Mobility into Northumberland's formula in a phased manner and assess its impact.

9. Growth and Falling Rolls Fund

School Forum are aware that we have previously introduced a Growth Fund in Northumberland and used it where there is evidence for growing demand from within a school's catchment area for school places. This is a common approach across the group with 11 of the 13 Authorities having Growth Funds. Less prevalent is for LAs to have a Falling Rolls fund; only 2 of the 13 authorities did this in 2021/22. Guidance is provided in relation to both Growth and Falling Rolls funds by the ESFA which is available below:

<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2020-to-2021/growth-and-falling-rolls-guidance-2020-to-2021>

The key requirements are that support is available only to schools judged good or outstanding, and local planning data show the surplus places will be needed within the next three financial years.

10. Summary and Conclusions

An accompanying presentation provides a summary of the key formula values used by the 13 authorities for 2021/22. This information is provided for further context for discussions in relation to the setting of formula values for 2022/23.