



CABINET

Date: 11th January 2022

National Funding Formula & School Funding 2022/23

Report of the Executive Director of Adult and Children's Services, Cath McEvoy-Carr

Cabinet Member: Councillor Guy Renner-Thompson, Children's Services

Purpose of Report

To update Cabinet regarding the National Funding Formula (NFF) and the implications for 2022/23 School Funding in Northumberland.

Recommendations

It is recommended that Cabinet:

- 1) Approve the continuing adoption of the proposals for the two-step implementation of the National Funding Formula for 2022/23 as agreed previously for 2021/22, in line with the recommendation of the Schools Forum meeting of 17 November 2021 and the results of the subsequent consultation exercise held with schools.
- 2) Approve the transfer of up to 0.5% funding from the Schools' Block to the High Needs Block, in line with recommendation of the Schools Forum meeting of 17 November 2021 and the results of the subsequent consultation exercise held with schools.
- 3) Approve the delegation of the approval of the final formula values to the Executive Director of Adult Social Care & Children's Services and the Lead Member for Children's Services and Deputy Leader of the council in line with the principles agreed at Schools Forum on 17 November 2021, once the final budget allocations are released by the Department for Education in December 2021.

Link to Corporate Plan

These proposals are most closely linked to the Council's priority for Learning (achieving and realising potential, but it is also strongly linked with the priority for Connecting (having access to the things you need).

Key issues

- It remains the intention of the Department for Education (DfE) to move to a National Funding Formula (NFF). Earlier this year the DfE consulted on the completion of the reforms to the NFF, with a closing date of 30 September 2021. The findings and outcome of the consultation have not yet been published. In the consultation paper, while re-affirming the intention to move to a hard formula, the Department for Education (DfE) acknowledges the disruption caused by the covid pandemic and the need for

“careful implementation and transition to avoid any unexpected disruption.”

Consequently, no firm fixed target date is proposed.

- It has been confirmed that for 2022/23 local authorities will continue to have some discretion over their schools funding formula within parameters determined by the DfE, and in consultation, will determine values and allocations in their area. This allows local authorities to mitigate the impact of significant changes in the respective formula funding factors as authorities move from local to nationally determined formula values. The majority of Northumberland's formula values are in line with the NFF Values, and a two-phase approach to completing the transition for those differing values was agreed in 2020.
- As reported last year, historically Northumberland has maintained higher levels of standard “per pupil” Age Weighted Pupil Unit (AWPU) funding. This has largely been at the expense of the Primary Low Prior Attainment values which again have previously been lower in Northumberland.
- The two-step approach agreed last year meant that those values that were significantly over (Primary and KS4 Age Weighted Pupil Unit (AWPU)) or under (Primary Low Prior Attainment) National Funding Formula Values would have this gap closed in two equal steps. These were illustrated by the table shared last year below figures below, with the final 2022/23 NFF rates now added in Column (j):

Factor (a)	2020/ 21 NFF Value s (b)	2020/2 1 NCC Values (c)	2021/2 2 NFF Values (d)	Difference between 20/21 NFF and NCC rates (e)	First Step to NFF in 21/22 (f)	Final 21/22 NCC Rate (g)	Secon d Step to NFF in 22/23 (h)	Projecte d 22/23 Rate (@21/22 rates) (i)	Final NFF (& *NCC Rate) for 2022/23 (j)
AWPU Primary	2,857	2,919	3,123	62	-31	3,154	-31	3,123	3,217
AWPU KS4	4,561	4,763	4,963	202	-101	5,064	-101	4,963	5,112
Low Prior Attainment Primary	1,065	555	1,095	-510	255	840	255	1,095	1,130

* subject to affordability and final settlement figures

5. While we await final Dedicated Schools Grant figures for 2022/23, the DfE has published revised national funding formula values for 2022/23. These can be seen in the table in **Appendix ONE** of the attached 17 November 2021 School Forum report. It should be remembered that these figures are used to distribute funding at a local authority level, so funding any elements above NFF values can only be done by incorporating reductions to other values elsewhere.
6. For 2021/22 the other key formula value differing from the NFF is Free School Meals (FSM) at both Primary and Secondary, this arose due to the introduction of the FSM 6 measure in the NFF, which had not previously been used in Northumberland prior to the phased transition to NFF. This will continue to move towards NFF Values depending on the overall level of funding available, though the respective Northumberland and NFF values were aligned far more closely in 2020/21 than had previously been the case.
7. At the time of drafting the report, the final Dedicated Schools Grant (DSG) figures had not yet been released. This report has therefore been prepared on the basis of provisional figures released by the DfE in July, using October 2020 data. When the final figures are released, these will be taken into account when setting 2022/23 budgets. Delegated powers are requested as part of the report to allow the Executive Director of Adults and Childrens Services to make any minor adjustments required to values once final overall figures are known. Other key respective deadlines are:
 - **21 January 2021** Northumberland's Authority Pro-Forma Tool (APT) must be returned to the ESFA by, which confirms the funding formula values for 2022/23 and
 - **28 February 2022** all maintained schools notified of their budgets. Academies are notified separately by the ESFA using the same funding formula values.
8. The provisional 2022/23 figures based on October 2020 data are shown in the table below:

DSG Block	2021-22	Provisional 2022-23	Potential Change	
			£	%
Schools Block	£202,622,277	£208,507,566	£5,885,289	2.90%
HN Block	£40,831,888	£43,923,780	£3,091,892	7.57%
Central School Services Block	£2,757,343	£2,460,034	-£297,309	-10.78%
EY not yet available yet for 22/23	£17,593,993	-	-	-

9. It should also be remembered that in 2020/21 the transfer from the Schools Block to the High Needs block was reduced to 0.5% for 2020/21, having previously been at 1% for the two previous years. An undertaking has been made to schools that this will not exceed 0.5% for 2022/23, this was agreed at School Forum and by respondents to the consultation.
10. Schools Forum have previously supported additional sparsity funding to schools using an alternative road distances measure rather than the standard "as the crow flies" distance measures to alternative schools. Following a consultation during 2021, it was noted that the road distances measure had been adopted as standard by the DfE, thereby generating a further £719,000 for small rural

Northumberland schools.

11. At Schools Forum on 17 November 2021, support was reiterated for the previously agreed two-phase move to NFF rates.
12. It was also agreed that
 - A mobility element should be included, at a reduced 50% value in line with the general phased approach;
 - It was agreed that we could continue to use capping and scaling for 2022/23 to ensure affordability as we move towards NFF;
 - We should establish the Minimum Funding Guarantee (MFG) at 2%, thereby giving the largest possible per pupil increase to all schools;
 - The use of a falling rolls fund should be further investigated.

The above would be subject to the overall funding available once the final figures are known.

13. Finally, the Schools Forum were also supportive of the 0.5% transfer from the Schools Block to the High Needs Block, noting the context of increasing numbers of children and young people with Education Health and Care Plans, and pressures arising from independent sector placements and permanent exclusions.
14. The recommendations agreed with the Schools Forum were the basis for a consultation with all schools carried out between 24 November and 13 December 2021. Six responses were received within the consultation period, whilst this number is a low response it is higher than last year and may reflect implicit agreement with the approach agreed in consultation with the Schools Forum. As can be ascertained from the results, there was clear support for the School Forum decision for all questions from those who did respond, as detailed below
15. 6 questions were asked:

- Q1 Do you support the introduction of a mobility factor into the Northumberland Schools Funding Formula for 2022/23, in order to move closer to the NFF, as supported by Schools Forum? All respondents agree to support the introduction of a mobility factor.
- Q2 How should the mobility factor be introduced ? All respondents agreed that a phased 2 stepped approach would be the preferred method of implementation
- Q3 Do you support the potential use of capping and scaling as part of the 2022/23 School Budget setting process?
(“capping and scaling” is a mechanism by which different increases under new formula values are averaged out in order to limit some gains and provide more funding for general distribution to schools via the formula values. Without the use of capping and scaling, formula funding values would need to be set at lower values.)
The majority of respondents agreed to continue using capping and scaling.

- Q4 At what level do you believe Northumberland's Minimum Funding Guarantee (MFG) level should be set for 2022/23? In relation to Q4, on the minimum level of MFG at which schools should be supported at, there were again some differences in opinion, but no overall consensus. In the absence of a strong view to the contrary it is believed that the approach favored by Schools Forum to set the level at the maximum 2% is a sound one, providing the highest possible level of baseline increase to all schools within the financial resources available.
- Q5 Do you agree to the Council's proposal, agreed with Schools Forum on 20 November 2019 to transfer up to 0.5% from the Schools Block to the High Needs block for the financial year 2022/23? All respondents to the consultation supported the transfer of up to 0.5% from the schools block to the high needs block.
- Q6 Do you agree to the proposal that the establishment of a falling rolls fund should be investigated for Northumberland subject to funding being available? The vast majority of respondents agreed that the introduction of a falling rolls fund should be investigated
16. As in previous years the recommendations requests approval for delegated authority for the Executive Director of Adult Social Care and Children Services and the Lead Member for Children's Services to agree the final formula values, in line with the principles outlined once the final 2022/23 Schools Block figure is known.

Background

1. For 2018/19, Cabinet was informed of the decision of the Schools Forum to seek a move towards the implementation of the NFF in a measured gradual approach, in order to avoid any significant changes ("cliff edges") when the NFF final formula was fully implemented. This approach was also supported by the majority of schools who responded in that year's consultation exercise. This approach continued to be endorsed by both Schools Forum and the school consultation for 2019/20 and 2020/21.
2. In January 2018 Cabinet also agreed the transfer of up to 1% from the Schools Block to the High Needs Block in order to assist with the increasing pressures in this area including rising numbers of pupils with Education Health and Care Plans receiving Top Up funding, and in specialist independent sector placements. Increasing costs arising from the rising number of permanent exclusions were also highlighted.
3. Funding was also sought in order to grow places in our own maintained special schools, following the outcome of the SEND consultation exercise.
4. Schools' Forum had previously supported this transfer, and it was also part of the

consultation exercise with all Northumberland Schools, who supported the 1% transfer. A transfer of 1% was again agreed for 2019/20.

5. These key pressures remains but a combination of improved financial management and additional high needs resources means that the requested transfer for 2020/21 was reduced from 1% to 0.5%, as a contribution to the costs of SEND Support Services. At the level of 0.5%, Northumberland does not need to seek the specific agreement of the Department for Education, as it has been agreed with the School Forum, and schools as part of the consultation. 0.5% is again proposed as a maximum for 2022/23.

IMPLICATIONS ARISING OUT OF THE REPORT

Policy:	Further Changes to the formula funding mechanism for schools for 2022/23 as part of the move to implementation of the NFF
Finance and value for money:	Further Changes to the formula funding mechanism for schools for 2022/23 as part of the move to implementation of the NFF
Legal:	The school and Early Years Finance (England) Regulations 2020 make provision for local authorities' financial arrangements in relation to the funding of maintained schools and providers of funded early years provision in England. The proposals contained within the report comply with the regulations as published.
Procurement:	None.
Human Resources:	Potential issues for school staffing structures arising from budgets, depending on individual school circumstances.
Property:	Further academisation of schools will affect school estate.
Equalities: (Impact Assessment attached) Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>	Changes arising from the implementation of the National Funding Formula will impact on children in schools, particularly when fully implemented in the future.
Risk Assessment:	As stated previously, there are risks arising for individual school's funding from the switch to the NFF, but the LA has continually sought to mitigate these, including in the proposals for 2022/23.
Crime & Disorder:	There are considered to be no implications arising from this report.
Customer Considerations:	The introduction of the National Funding Formula has implications for schools, parents and children, particularly over the longer term.
Carbon Reduction:	None.
Consultation	Consultation on the funding formula principles for 2022/23 were consulted upon with all schools and academies across Northumberland.
Wards:	All.

Report sign off

Finance Officer	Jan Willis
Monitoring Officer/Legal	Suki Binjal
Executive Director of Children's Services	Cath McEvoy-Carr
Chief Executive	Daljit Lally
Portfolio Holder(s)	Cllr Guy Renner Thompson

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DATA PROTECTION IMPLICATIONS

In carrying out the consultation set out in this report, the Council has acted in compliance with Data Protection Act 1998 via the Council's Data Protection Policy

Specifically,

- Data gathered during this consultation process has been dealt with fairly - e.g. the responses from members of the public have been anonymised, whilst those responding within a public role have been identified e.g. Chairs of Governors, Dioceses and so on.
- The data and information gathered during consultation has been used to assist in informing the recommendations set out in this report and will not be used for any other purpose, i.e. it will not be shared with another service area or any third party.
- The data and information gathered has been limited to that which would assist in informing the recommendations set out that will arise from this consultation.

28.2 The Council has set out how it deals with information received as part of consultation in the Council's Privacy Notice, at

<http://www.northumberland.gov.uk/About/Contact/Information.aspx#privacynotices> .

APPENDIX ONE

Schools Forum: 17 November 2021

National Funding Formula & Dedicated Schools Grant (DSG) & Consultation on 2022/23 Funding Values

1. Purpose of the Report

To provide further additional information in respect of the continuing implementation of the National Funding Formula, the Dedicated Schools Grant (DSG) and associated 2022/23 Schools Funding information. This includes formal consultation with Schools Forum in relation to funding values for 2022/3 and a transfer from the Schools Block, as has been undertaken in previous years.

2. Recommendations

Schools Forum is asked to:

- a. Agree the transfer of up to 0.5% of the final value of the Schools Block as an ongoing contribution to the costs of SEND Support Services, once the final DSG values are released in December.
- b. Agree that the funding values for 2022/23 be set in line with the principles outlined in the report; and agree for these to be the basis for the wider consultation with schools.
- c. Note the delegation of final decisions on the values to the Executive Director of Adult Social Care and Children's Services, once final funding becomes known in December 2021, in order to enable the required Cabinet report to be prepared and submitted to the 11 January 2022 meeting, and the submission of the necessary return to the ESFA by 21 January 2022.
- d. Receive a further report to the School Forum meeting on 19 January 2021 on the outcome of the consultation with schools and final funding values to be used for 2022/23.

3. Background

Schools Forum has previously received reports outlining developments in relation to the National Funding Formula (NFF). Information from the Department for Education (DfE) has confirmed their intention to move to a National Funding Formula (previously known as the "Hard" Formula though the ESFA are now using the term "Direct" Formula) but there is no definitive information as to when this will be implemented. Once the NFF hard formula is fully implemented, local authorities will have no discretion in the values of the individual factors used to distribute funding to schools, as is the case now, within the overall framework provided by the ESFA Revenue Funding Guide and the associated Authority Proforma Tool (APT) used to calculate individual school budget shares.

At the 18 November 2020 meeting, for 2021/22 Schools Forum agreed a two-step approach towards the adoption of National Funding Formula figures. This meant that

those values that were significantly over (Primary and KS4 Age Weighted Pupil Unit (AWPU)) or under (Primary Low Prior Attainment) National Funding Formula Values would have this gap closed in two equal steps. These were illustrated by the figures below, with the final 2022/23 NFF rates now added in Column (j):

Factor	2020/21 NFF Value s (a)	2020/21 NCC Values (b)	2021/22 NFF Values (c)	Difference between 20/21 NFF and NCC rates (d)	First Step to NFF in 21/22 (e)	Final 21/22 NCC Rate (f)	Second Step to NFF in 22/23 (g)	Projected 22/23 Rate (@21/22 rates) (h)	Final NFF (& *NCC Rate) for 2022/23 (j)
AWPU Primary	2,857	2,919	3,123	62	-31	3,154	-31	3,123	3,217
AWPU KS4	4,561	4,763	4,963	202	-101	5,064	-101	4,963	5,112
Low Prior Attainment Primary	1,065	555	1,095	-510	255	840	255	1,095	1,130

* subject to affordability and final settlement figures

It was felt that this approach would provide a substantial increase to those schools in receipt of Primary Low Prior Attainment while offering a degree of protection to schools who currently benefit from receiving AWPU rates more than NFF figures. Importantly overall this was felt to be consistent with the established Schools Forum view of progressing towards NFF in a gradual and smooth transition.

4. Latest Information

The provisional 2022/23 allocations based on October 2020 data are shown in the table below:

DSG Block	2021-22	Provisional 2022-23	Potential Change	
			£	%
Schools Block	£202,622,277	£208,507,566	£5,885,289	2.90%
HN Block	£40,831,888	£43,923,780	£3,091,892	7.57%
Central School Services Block	£2,757,343	£2,460,034	-£297,309	-10.78%
EY not yet available yet for 22/23	£17,593,993	-	-	-

It should be stressed that both these figures and the indicative school figures supplied as an Appendix, will be updated with reference to the October 2021 School Census data when the final figures are released in late December.

Given the Government has re-affirmed its commitment to move to the NFF, and that the majority of Northumberland's Funding Formula values are in line with NFF rates, it is believed that these figures should remain in line with NFF for 2022/23.

The only other formula value differing from the NFF is Free School Meals (FSM) at both Primary and Secondary, School Forum agreed to continue to pay at a level over NFF last year due to changes in the qualifying date used for pupil premium. This will continue to move towards NFF Values depending on the overall level of funding available. The initial assumption in line with the

figures in the table at Appendix A is that the NFF rates will be used, in line with the 2 step approach agreed previously.

As reflected in the draft minutes of the Funding Formula Committee, the proposal to move towards the full adoption of NFF Values over two years, in two equal steps, in line with that potential 2022/23 deadline was recommended by the group to be the approach Northumberland should take. The estimated available Schools Block DSG of £201.8 million would also support this approach, adopting the funding values in col (g) in the above table.

5. Minimum Per Pupil Funding (MPPF)

The impact of MPPF was highlighted last year as an influential factor in the 2021/22 formula, being estimated to account for the distribution of £2.6 million due primarily to the 6.67% increase in the primary level MPPF. It should be noted that the 2022/23 increase is 2% for both primary and secondary. Using last year's data, it is estimated that 15 First and Primary, 5 Middle and 3 High Schools should benefit from this in 2022/23, based on the historic data. This is estimated to account for £2.451 million of Schools Block funding.

6. Sparsity

A separate briefing on Sparsity is provided elsewhere on the agenda. It should be noted that the current 2022/23 APT tool has not been updated to reflect the change to road distances in the calculations. This affects both Northumberland's overall total and the individual schools benefitting from the change in methodology.

7. Transfer from Schools Block

It is the local authority's intention to request a transfer from the Schools Block. While a 1% transfer was agreed for 2018/19 and 2019/20 respectively, given the reduction in the level of the High Needs deficit, and increased levels of funding for High Needs as well as the Schools Block, the figure requested for 2020/21 was reduced to 0.5% for 2020/21 and 2021/22. 0.5% would be the maximum figure requested for 2022/23, depending on the final funding figures. This transfer would support the continued provision of the Inclusive Education Services offer, that was previously funded via SLA charges. The cost of the Inclusive Education Service is £2.055 million; the maximum funding to be transferred based on the 2022/23 Provisional Settlement figure would be £1.043 million, with the balance being funded via the High Needs Block.

Further information will be provided to the January and February meetings in relation to this.

8. Central Services Block

It should be noted that there has been a further significant fall in 2021/22 Central Services Block funding. While there is a small 1.13% increase in element of the CSSB for ongoing responsibilities, there is a further 20% reduction in the funding for historic commitments, resulting in a 10.2% fall overall.

	2021/22 (final)	2022/23 (provisional)	Change	
			£	%
Ongoing Responsibilities	£1,452,343	£1,416,034	- £36,309	- 2.5%
Historic Responsibilities	£1,305,000	£1,044,000	-£261,000	-20.0%
TOTAL CSSB	£ 2,757,343	£ 2,460,034	-£297,309	-10.8%

Discussions last year with the ESFA mitigated the impact of the reduction in the Historic Commitment elements as this figure no longer covered the Capital Financing and Historic Retirement costs of £1,305,000. However, this element will continue to unwind. The fall in the element for ongoing responsibilities in 2022/23 is a concern as the forecast shortfall will fall to Northumberland as a budget pressure for 2022/23.

9. Early Years Block

No information for Northumberland is available yet in relation to Early Years funding, in line with previous years. Details of the 2022/23 EY funding will be received in December together with the rest of the DSG information for 2022/23.

10. De-delegation

De-delegation is the process by which the relevant maintained school members of Schools Forum can agree to have funding deducted at source from maintained schools for certain services as specified by the DfE. For academies to access these services, they will need to agree to buy in, either on an individual or a multi academy trust level.

For 2021/22, de-delegation was agreed in respect of the following services:

- Contingency for costs arising from reorganisation or restructuring;
- Free School Meal eligibility checking;
- Trade union facility time; and
- Support to underperforming ethnic minority groups and bilingual learners;

It is anticipated that de-delegation will again be sought in respect of these services.

For 2022/23 the DfE has recently published details of a consultation as to how School Improvement functions will be funded in the future. Details are available [HERE](#). The consultation is open until 26 November 2021. Currently in Northumberland this is funded via a combination of DfE grant and SLA income. The proposal is that School Improvement Grant will be cut by 50% for 2022/23 and removed with effect from 2023/24, and in its place the school funding regulations would be amended to allow LAs to raise funding from School Improvement via de-delegation, requiring the agreement of Schools Forum maintained school representatives. Further information will again be provided to the January and February meetings in relation to this.

11. Other Information

In the context of this report Schools Forum are reminded of other information previously highlighted on the agenda, and previously considered by the Formula Funding Committee on 03

November. Support was reiterated for the previously agreed two phase move to NFF rates and according to financial availability:

- We should if possible, establish MFG at 2%, thereby giving the largest possible per pupil increase to all schools;
- It was agreed that we could continue to use capping and scaling for 2022/23 to ensure affordability as we move towards NFF;
- A mobility element should be included, at a reduced 50% value in line with the general phased approach;
- The use of a Falling Rolls fund should be further investigated.

This will be reflected in the principles used to establish Northumberland's Funding Values for 2022/23 once the 2022/23 allocations are known in late December, and as is reflected in recommendation 2 (b) of this report.

12. Next Steps:

Following any comments received today, the intention is also to consult with schools ahead of the final budget setting report to Cabinet. A copy of the draft consultation paper is attached for your consideration in Appendix C. The results of the consultation and final recommendations to Cabinet will be reported back to the January 2022 Schools Forum meeting.

Because of the short timescales between receiving the final 2022/23 DSG settlement in December, the preparation of a report to the Cabinet meeting on 11 January 2022 and the submission of the final figures to the ESFA by 21 January 2022, delegated powers are sought for the Executive Director of Adult Social Care and Children's Services to set the final figures, in line with the principles and illustrative figures outlined in this report.

As reflected in the recommendations the Cabinet report will seek delegated powers to agree the final values, there will be reported to the Schools Forum meeting on 13 January 2021 prior to submission to the ESFA by 21 January 2022.

13. Summary and Conclusions:

The support of Schools Forum in relation to 22/23 School Funding is requested in line with the recommendations in section 2 of this report, with regard to the principles to be adopted for the setting of the DSG in 2022/23. Further information will be provided to the January and February 2021 meetings once the final 2022/23 DSG settlement has been received in December 2021, but the views of School Forum are required at this stage to enable the appropriate report seeking approval to go to Cabinet in January 2022, as has been the case in previous years.

Appendix A

**COMPARISON OF FINAL 2021-21 AND POTENTIAL 2022-23 FORMULA VALUES FOR NFF
AND NORTHUMBERLAND**

Factor (all figures £)	NFF Values (As published July 2020)	Final NCC Values 2021/22	2022-23 NFF Values (As published July 2021)	Potential NCC Values 22-23	Change in NFF Values 21/22 to 22/23	Change in NCC Values 21/22 to 22/23
	2021/22		%		%	
AWPU Primary	3,123	3,154	3,217	3,217	3.01%	2.00%
KS3	4,404	4,404	4,536	4,536	3.00%	3.00%
KS4	4,963	5,064	5,112	5,112	3.00%	0.95%
Lump Sum Primary	117,800	117,800	121,300	121,300	2.97%	2.97%
Middle	117,800	117,800	121,300	121,300	2.97%	2.97%
High/Secondary	117,800	117,800	121,300	121,300	2.97%	2.97%
Deprivation - Free School Meals Primary	460	570	470	470	2.17%	-17.54%
Secondary	460	570	470	470	2.17%	-17.54%
Deprivation – FSM6 Primary	575	575	590	590	2.61%	2.61%
Secondary	840	840	865	865	2.98%	2.98%
Deprivation – IDACI:						
Primary Band F	215	215	220	220	2.33%	2.33%
Band E	260	260	270	270	3.85%	3.85%
Band D	410	410	420	420	2.44%	2.44%
Band C	445	445	460	460	3.37%	3.37%
Band B	475	475	490	490	3.16%	3.16%
Band A	620	620	640	640	3.23%	3.23%
Secondary Band F	310	310	320	320	3.23%	3.23%
Band E	415	415	425	425	2.41%	2.41%
Band D	580	580	595	595	2.59%	2.59%
Band C	630	630	650	650	3.17%	3.17%
Band B	680	680	700	700	2.94%	2.94%
Band A	865	865	890	890	2.89%	2.89%
Low Attainment Primary	1,095	840	1,130	1,130	3.20%	34.52%
Secondary	1,660	1,660	1,710	1,710	3.01%	3.01%
Mobility : Primary	900	0	925	463	2.78%	-
Secondary	1,290	0	1,330	665	3.10%	-
EAL Primary	550	550	565	565	2.73%	2.73%
Secondary	1,485	1,485	1,530	1,530	3.03%	3.03%
Sparsity (max): Primary	45,000	45,000	55,000	55,000	22.22%	22.22%
Middle	70,000	70,000	80,000	80,000	14.29%	14.29%
Secondary/All Through	70,000	70,000	80,000	80,000	14.29%	14.29%
Totals Adjusted by Capping and Scaling rates:						
Capping		4.65%				
Scaling		50%				
Minimum Funding Guarantee level		2%				
Primary Minimum Per Pupil Funding	4180		4265		2.03%	
Secondary Minimum Per Pupil Funding	5415		5525		2.03%	

Appendix B

Illustrative 2022/23 School Level DSG based on October 2020 data – see separate schedule
This schedule does not reflect the updated Sparsity methodology using road distance measures.
Pupil number are also unadjusted in respect of any reorganisation or restructuring issues.

Appendix C

National Funding Formula (NFF): Update and 2022/23 School Funding Consultation

Previously Northumberland County Council consulted on its approach to the introduction of the National Funding Formula (NFF) in Northumberland, following discussions at Schools Forum. The results of these discussions have consistently been to move in a phased or gradual approach to NFF values, reflecting the fact that historically Northumberland has maintained some values that were different to the NFF values. In December 2020, Schools Forum and subsequently Schools themselves supported a two-step approach towards the adoption of NFF values. The results of the consultation were reported to Schools Forum in January 2021 and are available [HERE](#).

Earlier in 2021, the Department for Education consulted on the completion of the NFF reforms (closing date 30 September 2021; the response has not yet been published). In the consultation paper, while reaffirming the intention to move to a hard formula, the Department for Education (DfE) acknowledges the disruption caused by the covid pandemic and the need for "*careful implementation and transition to avoid any unexpected disruption.*" (P12)

Consequently, no firm fixed target date is proposed by the DfE. Other information includes:

- Minimum per pupil funding (MPPF) levels continue to be determined centrally, the 2022/23 figures are £4,265 (primary) and £5,525 (secondary);
- In 2022/23 Local authorities continue to set a Minimum Funding Guarantee (MFG), which protects schools on a per pupil basis from significant year to year changes in pupil characteristics (e.g. fall in FSM numbers) and provide a baseline level of increase in per pupil funding. For 2021/22 Northumberland set a figure of 2%, within the permitted range of +0.5% to +2%. For 2021/23, the permitted range has again been set at +0.5% to +2%.
- With the approval of Schools Forum, local authorities can transfer up to 0.5% from the Schools Block to the High Needs Block; to transfer more than this, a request must be made to the Department for Education.

Latest guidance from the DfE has reiterated their intention to introduce the "hard" NFF, there is no specific timescale currently for this but the DfE expect LAs to move towards NFF values. It has been confirmed that for 2022/23 local authorities will continue to have discretion over their schools funding formula, and in consultation, will determine values and allocations in their area. Therefore, we would be grateful if you would review the information set out in this questionnaire and complete the questions where appropriate.

Further supporting information is available on the Council website at:

<http://www.northumberland.gov.uk/Education/Schools/Consultations.aspx#schoolconsultations>

This includes:

- November 2021 Schools Forum report on the National Funding Formula
- November 2021 Schools Forum report on Special Educational Needs (SEN)

Schools Forum agendas, minutes and reports are also available on the Council website at:

<https://www.northumberland.gov.uk/Education/Professionals/Forum.aspx>

Responses need to be received no later than **12.00 noon on Monday 13 December 2021**. Due to reporting deadlines in line with Department for Education requirements for the submission of information, responses received after this closing date will not be considered.

Thank you in advance for your assistance.

APPENDIX E

QUESTION 1: INTRODUCTION OF MOBILITY INTO NORTHUMBERLANDS FUNDING FORMULA

Mobility is a factor with the NFF but has not to date featured in the Northumberland Funding Formula. As we move closer to the NFF we must consider whether to introduce Mobility as a formula factor, and how.

The mobility factor allocates funding to schools with a high proportion of pupils with an entry date in the last 3 years which is not typical. For year groups 1 to 11, 'typical' means that the first census on which a pupil is recorded as attending the school (or its predecessors) is the October census. 'Not typical' means that the first census a pupil is recorded as attending the school is a January or May census.

For the reception year, 'typical' means the first census in October or January. To be eligible for mobility funding, the proportion of mobile pupils in a school must be above the threshold of 6%. The NFF value for qualifying pupil in 2022/23 is £925 for primary, and £1,330 for secondary school pupils.

The proposal supported by Schools Forum was to introduce mobility on a phased basis, using 50% of the NFF Value for 2022/23. This is consistent with the approach taken around other variations previously and allows us to assess the impact of the use of mobility in Northumberland.

Question 1.1: Do you support the introduction of a mobility factor into the Northumberland Schools Funding Formula for 2022/23, in order to move closer to the NFF, as supported by Schools Forum?

- A: YES
- B: NO

Question 1.2: How should the mobility factor be introduced

- A: Phased 2 Step
- B: Full NFF

QUESTION 2: CAPPING AND SCALING INCREASES

The use of capping and scaling is a mechanism by which different increases under new formula values are averaged out in order to limit some gains and provide more funding for general distribution to schools via the formula values. Without the use of capping and scaling, formula funding values would need to be set at lower values. Northumberland used capping and scaling for the School Block DSG, setting these values at 4% and 50% respectively. This meant that any gains by Schools over 4% were reduced by 50% and redistributed via the funding mechanism. As Northumberland moves closer to the NFF, the need to use Capping and Scaling should reduce, however it remains a useful tool to ensure the distribution of a general level of increase via the funding formula.

Do you support the potential use of capping and scaling as part of the 2022/2 School Budget setting process?

- YES
- NO

QUESTION 3: Minimum Funding Guarantee (MFG)

The MFG is a way of giving schools a guaranteed minimum increase in funding per pupil each year. It works by comparing a school's level of funding per pupil from one year to the next on a like for like basis, and in such a way as to exclude funding that could distort the per pupil value that is the basis for the guarantee. The baseline for the calculation is intended to cover as much of a school's budget as possible but does not include rates (because they are funded in the formula on actuals) and lump sum allocations because they do not relate to pupil numbers. The MFG is how the ESFA protects individual schools from excessive year to year changes or falls in their formula funding (e.g. as a result of reducing levels of deprivation within a school). In 2021/22 Northumberland set its MFG at +2%, on a range of +0.5% and +2.0%. In 2021/22 Schools Forum agreed with the proposal to set MFG at the maximum 2%, in order to increase the funding for those schools receiving the lowest level of per pupil funding increase

At what level do you believe Northumberland's MFG should be set for 2022/23?

- 0.5% to 0.9%
- 1.0% to 1.4%
- 1.5% to 1.9%
- 2.0%

QUESTION 5 – 0.5% Transfer from the Schools Block

It is the local authority's intention to request a transfer from the Schools Block to the High Needs Block for 2021/22. While a 1% transfer was agreed for 2018/19 and 2019/20 respectively, given the reduction in the level of the High Needs deficit and increased levels of funding for High Needs as well as the Schools Block, the figure requested for 2020/21 was reduced to 0.5% for 2021/22. It should also be noted that the element in respect of the Teachers Pay and Pensions Grants in the Schools Block figure would not be included in respect of the 0.5% calculation. This transfer would enable investment in three areas:

- Continued provision of the new Inclusive Education Services offer, as reported within the SEN paper;
- Reduction of the High Needs deficit; and

Do you agree to the Council's proposal to transfer up to 0.5% from the Schools Block to the High Needs block for the financial year 2020/21?

- Yes
- No

QUESTION 6 - INTRODUCTION OF A FALLING ROLLS FUND

From the School Block, the DfE permits the use of School Block funding for certain specific purposes. An example of this is the Growth Fund, which was agreed with School Forum and has been used previously. The DfE also permits School Block funding to be used to create a Falling Rolls Fund, Guidance is provided in relation to both Growth and Falling Rolls funds by the ESFA which is available [HERE](#).

The key requirements for Falling Rolls Fund are:

- 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.

It is anticipated that further clear criteria would need to be established and applications would be considered by Schools Forum or its Formula Funding Committee from schools who believe that they meet the criteria.

On 17 November 2021, School Forum agreed that the establishment of a falling rolls fund should be investigated further.

Do you agree to the proposal that the establishment of a falling rolls fund should be investigated for Northumberland subject to funding being available?

- Yes
 No

FURTHER COMMENTS

Please use the box below for any other comments that you have in relation to the implementation of the NFF or this consultation exercise: