

Date of meeting:	Thursday 11 November 2021
Title of report:	2022/23 School Funding Consultation Results
Type of report: Delete as required	For decision
Executive summary: Including reason for submission	<p>This report provides the results of the 2022/23 School Funding Consultation that ran from 22nd September to 22nd October 2021. The report requests the Schools Forum to consider:</p> <ul style="list-style-type: none"> • Which of the options consulted on should be endorsed in relation to the level of the Minimum Funding Guarantee; • The methodology to be used for the allocation to school budgets of any surplus funding available within the Schools Block DSG after the calculation of the school funding formula using NFF values <p>The Schools Forum is also asked to support the submission of an application to the ESFA to include an exceptional circumstance of up to £50,000 for very small sparse secondary schools, which would otherwise be unable to attract sufficient funding to remain viable, in the 2022/23 North Yorkshire school funding formula.</p>
Budget / Risk implications:	Individual school budget levels for the 2022/23 financial year.
Recommendations:	<p>As detailed in Section 4, in respect of:</p> <ul style="list-style-type: none"> • The options endorsed by the Schools Forum in relation to the level of the Minimum Funding Guarantee, and the methodology to be used for allocation to school budgets of any surplus funding available within the Schools Block DSG after the calculation of the school funding formula using NFF values for the 2022/23 financial year. • Support the submission of an application to the ESFA to include an exceptional circumstance of up to £50,000 for very small sparse secondary schools, which would otherwise be unable to attract sufficient funding to remain viable, in the 2022/23 North Yorkshire school funding formula, as detailed in sections 3.5 & 3.6 of this report.



NORTH YORKSHIRE SCHOOLS FORUM

Voting requirements:	All Schools Forum members
Appendices:	Appendix 1 – Additional comments provided in school / academy Consultation responses.
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1.0 PURPOSE OF THE REPORT

- 1.1 This report provides an overview of the results and responses received from schools and academies to the 2022/23 School Funding Consultation.
- 1.2 The Schools Forum is asked to consider:
- i. The results of the Consultation and the responses received.
 - ii. Which of the options consulted on should be endorsed in relation to the Minimum Funding Guarantee (MFG), and the methodology to be used for allocation to school budgets of any surplus funding available within the Schools Block DSG after the calculation of the school funding formula using NFF values.
 - iii. The submission of an application to the ESFA to include an exceptional circumstance of up to £50,000 for very small sparse secondary schools, which would otherwise be unable to attract sufficient funding to remain viable, in the 2022/23 North Yorkshire school funding formula.

2.0 BACKGROUND

- 2.1 At its meeting in September, the Forum considered the information provided by DfE in July 2021 in relation to National Funding Formula (NFF) developments for the 2022-23 financial year. The key NFF updates for the next financial year are as follows:
- The key factors in the NFF will increase by 3%,
 - The minimum per pupil funding levels will ensure that every primary school receives at least £4,265 per pupil, and every secondary school at least £5,525 per pupil. The minimum per pupil funding levels are mandatory in 2022/2023.
 - Every school will be allocated at least 2% more pupil-led funding per pupil compared to its 2021-22 NFF baseline.
 - Local authorities are able to continue to set a Minimum Funding Guarantee (MFG) in local formulae, which in 2022-23 must be between +0.5% and +2.0%.
 - Additional funding for small and remote schools will increase by £10,000 in 2022-23, with an increase in the maximum sparsity value for primary schools from £45,000 to £55,000 (previously £26,000 in 2020/21) and for secondary schools from £70,000 to £80,000 (previously £67,600 in 2020/21). In addition, sparsity distances will be based on road distances, instead of “as the crow flies” distances, and a sparsity distance taper will be introduced, in addition to the existing year group size taper.
 - Data on pupils who have been eligible for FSM6 will be taken from the October 2020 school census instead of the January 2020 census, to make the factor more up to date and bring it in line with arrangements for other NFF factors as well as the pupil premium.
 - In calculating low prior attainment proportions, data from the 2019 early years foundation stage profile (EYFSP) and key stage 2 (KS2) tests will be used as a proxy for the 2020 tests, following the cancellation of assessments due to the coronavirus (COVID-19) pandemic.
 - Pupils who joined a school between January 2020 and May 2020 will attract funding for mobility based on their entry date, rather than by virtue of the May school census being their first census at the current school (the May 2020 census did not take place due to the coronavirus (COVID-19) pandemic).

- Further to a DfE consultation earlier in 2021, schools business rates will be paid by the ESFA to billing authorities directly on behalf of all state funded schools from 2022/2023 onwards. The ESFA are yet to provide further details on the operation of this change.
- Local authorities continue to be able to transfer up to 0.5% of their schools block to other blocks of the Dedicated Schools Grant (DSG), with school's forum approval. A disapplication request is required for transfers above 0.5%, or for any amount without school's forum

2.2 North Yorkshire County Council is not requesting a transfer of funding from the Schools Block to the High Needs budget for the 2022/23 financial year.

3.0 **RESULTS OF THE LOCAL CONSULTATION**

3.1 43* responses have been received to the Consultation, as shown below.

LA Maintained Primary	25
LA Maintained Secondary	1
LA Federation - Primary	5
Primary Academy	3
Secondary Academy	5
Academy Trust	4
	43

(76 schools and academies are represented in the responses received providing an overall response rate of 20.94% (16.17% LA maintained schools, 29.69% academies). 287 schools / academies are not represented in the consultation responses.

*Duplicate and anonymous responses have been disregarded from the consultation results.

3.2 The Consultation requested the views of schools and academies on 8 options related to the level of the Minimum Funding Guarantee and the methodology to be used for allocation to school budgets of any surplus funding available within the Schools Block DSG after the calculation of the school funding formula using NFF values. The consultation results are detailed in the table below:

Option	MFG %	Methodology for the Allocation of Any Surplus Funding	No. Responses Received Supporting Option	No. Schools Represented in Responses Supporting Option
1	0.5%	Lump Sum Formula Factor value increased	17	31
3	0.5%	Lump Sum Formula Factor value increased + Small, Sparse Secondary School Lump Sum	4	20
5	0.5%	Age Weighted Pupil Unit (AWPU) values increased	12	14

7	0.5%	Age Weighted Pupil Unit (AWPU) values increased + Small, Sparse Secondary School Lump Sum	0	0
			33	65
2	2%	Lump Sum Formula Factor Value increased	4	4
4	2%	Lump Sum Formula Factor value increased + Small, Sparse Secondary School Lump Sum	1	1
6	2%	Age Weighted Pupil Unit (AWPU) values increased	7	8
8	2%	Age Weighted Pupil Unit (AWPU) values increased + Small, Sparse Secondary School Lump Sum	1	1
			13	14

3 responses, representing 4 schools, supported two options
1 response stated no preference.

A number of schools and academies also provided additional comments to support their responses. These comments are detailed in **Appendix 1** to this report

- 3.3 The majority of the responses (and the number of schools represented by the responses) received to the Consultation indicated support for a MFG of 0.5%. In terms of the methodology to be used for the allocation to school budgets of any surplus funding available within the Schools Block DSG after the calculation of the school funding formula using NFF value, Lump Sum was the preferred option under a 0.5% MFG; AWPU was the preferred option under a 2% MFG. The setting of the MFG level is the prime decision, with the surplus funding allocation methodology decision representing a secondary consideration.
- 3.4 In 2018/19, the decision was made by the North Yorkshire Education Partnership (now Schools Forum) to implement a funding formula that reflects the NFF principles and the associated transitional arrangements. Option 6 (2% MFG, any surplus funding allocated by AWPU) best reflects the DfE 'direction of travel' providing formula factor values closest to the national NFF values and provides a 2% guaranteed per pupil funding increase through the MFG.
- 3.5 5 responses, representing 21 schools (26.58% of the number of schools represented in the consultation response) supported options for the provision of an additional lump sum for small, sparse secondary schools. Despite the increase in sparsity funding for 2022/23, the Local Authority remains very concerned about the financial plight of the small, rural secondary schools within North Yorkshire. Whilst the LA continues to rigorously lobby DfE and local MPs on this issue, any change to the NFF to provide additional funding to these schools could not now be made until April 2023. In this regard, and based on the support provided in the funding consultation for the provision of additional funding to these schools, the LA recommends that, as an interim measure, an application is made to the ESFA to include an exceptional circumstance of up to £50,000 for very small sparse secondary schools, which would

otherwise be unable to attract sufficient funding to remain viable in the North Yorkshire school funding formula. Local authorities can only make an application for this where schools have:

- pupils in years 10 and 11
- 350 pupils or fewer
- a sparsity distance of 5 miles or more

Based on the latest available data for October 2021 pupil numbers, two schools are eligible to receive this funding; the schools are Upper Wharfedale School and The Wensleydale School.

- 3.6 The funding requirement for the provision of the additional lump sum to small sparse secondary schools would be £100k, based on the two schools receiving the additional funding. In order to mitigate the impact of the provision of this funding on the funding levels of other schools, it is proposed to use the Schools Block DSG Reserve (currently £2.227m) to support the provision of the funding. In the event of the provision of the additional lump sum funding compromising the achievement of the NFF funding formula factor values within the North Yorkshire school funding formula for the 2022/23 financial year, the Schools Block Reserve would be used to supplement the 2022/23 School Block DSG funding in order to achieve the NFF values.

4.0 RECOMMENDATIONS

- 4.1 Following the consultation with all schools and academies in North Yorkshire, the Forum is asked to:
- a. Consider which of the options consulted on should be endorsed by the Schools Forum.
 - b. Support the submission of an application to the ESFA to include an exceptional circumstance of up to £50,000 for very small sparse secondary schools, which would otherwise be unable to attract sufficient funding to remain viable, in the 2022/23 North Yorkshire school funding formula, as detailed in sections 3.5 & 3.6 of this report.

STUART CARLTON
Corporate Director – Children and Young People's Service

2022/23 School Funding Consultation – Additional Comments

School Type	Comment
LA Maintained Primary School Federation	Whilst we would benefit more from option 1 I feel as 3 feeder primary schools to our small sparse secondary the option 3 would seem to also give us the second highest increase but also help the high school.
Academy Trust	This response is on behalf of the 11 schools and represents the central Trust view.
LA Maintained Primary School	There is minimal difference in all the options but we of course feel a 2% increase is more advantageous to our school.
Academy Trust	Option 1 would provide the most funding for schools in our Trust, however, we recognise the significant financial challenge faced by very small secondary school and feel it is right that additional financial support is given to those schools to make up for the inadequate funding levels in the NFF. XXXXXX School is on the MFL and therefore will not benefit from any of the options put forward for the redistribution of additional funding - there are approx 60 other schools in the same position. Please could consideration be given as to how schools on the MFL could be supported as by their very nature they are already operating on minimum levels of funding.
Academy Trust	We have gone with option 3 to support of other rural schools