

Report to: Schools Forum

Date: 20th October 2022

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Title: Mainstream Schools 2023/24 Funding Formula Forecast

Status: For Information

Purpose

The purpose of this report is to inform Schools Forum of key National Funding Formula (NFF) changes for 2023/24 and the forecast for Birmingham schools funding allocations in line with the NFF requirements.

Background

Each year local authorities are required to detail their schools block funding formulae in accordance with the arrangements set out by the Secretary of State for Education. The Education and Skills Funding Agency (ESFA) has developed the authority proforma tool (APT) to assist local authorities to model, and then confirm how they plan to do this for the funding year.

Our current modelling and forecasts are based on the APT issued in August 2022 for the 2023/24 schools block funding formulae. The APT is populated with schools' block data primarily drawn from the October 2021 schools census, but with a forecast of pupil numbers for October 2022.

The final version of the APT will be released in December 2022 and must be returned to the ESFA by 20 January 2023. The schools block data in the December version will be updated to use the October 2022 census.

The overall structure of the formula is the same as in 2022/23. Most factors have increased by 1.9%, but with some exceptions.

The council has applied the NFF rates in the APT, with the maximum MFG 0.5% in line with NFF guidance.

Appendix 1 shows a list of NFF factors and rates set out in the NFF guidance.

Government National Funding Formula Expectations

Every school must receive a minimum of £4,405 per pupil for primary schools, and £5,715 per pupil funding for secondary schools (KS3: £5,503, KS4: £6,033). This has been reflected in the APT.

Primary	Secondary	Secondary (KS3 only)	Secondary (KS4 only)
£4,405.00	£5,715.00	£5,503.00	£6,033.00

Birmingham Methodologies

Apart from applying the rate specified in NFF Guidance, our forecast has increased the following factors in the APT:

- Split sites: increase by 1.9% in line with general NFF factor increase rate
- PFI top ups for PPP1 schools: increase by 10% - need to check ONS rate in November 2022 as 2022/23 APT used ONS (Office for National Statistics) published RPI(X) rate in November 2021.
- NNDR business rates: 3% increase applied

Forecast of Schools Funding 2023/24 Based on August 2022 APT

We have applied NFF in the APT and Birmingham methodologies listed above based on pupil number estimates provided by Education Infrastructure (EDI). This shows a surplus of £4.45m.

We then applied ACA (Area Cost Adjustment) factor of 1.00338 as per NFF rate for Birmingham to most of other factors apart from the MPPL (minimum per pupil level) and the Premises factor. This shows a surplus of £1.86m, which will be used to fund expected increased costs for FSM and deprivation in the final DSG settlement.

The ACA is a multiplier applied to funding factors to reflect geographical variation in labour market costs (for teaching and non-teaching staff). Details are explained in the ACA technical notes via the link in the appendix.

The forecast shows that based on the estimated pupil numbers for October 2022, there is sufficient funding to apply NFF with MFG at 0.5% and ACA factors. The surplus of £1.86m is a small balance and is expected to reduce when DFE update the APT for October Census 2022 data.

We will provide updates at the next forum meeting.

Appendix 1: List of NFF Factors and Rates for 2023/24

	Unit Values
Basic per pupil Funding	
Basic entitlement	
Primary basic entitlement	£3,394
KS3 basic entitlement	£4,785
KS4 basic entitlement	£5,393
Minimum per pupil	
Primary Minimum Per Pupil funding	£4,405
Secondary Minimum Per Pupil funding	£5,715
Additional Needs Funding	
Deprivation	
Primary FSM	£480
Secondary FSM	£480
Primary FSM6	£705
Secondary FSM6	£1,030
Primary IDACI A	£670
Primary IDACI B	£510
Primary IDACI C	£480
Primary IDACI D	£440
Primary IDACI E	£280
Primary IDACI F	£230
Secondary IDACI A	£930
Secondary IDACI B	£730
Secondary IDACI C	£680
Secondary IDACI D	£620
Secondary IDACI E	£445
Secondary IDACI F	£335
Low Prior Attainment	
Primary LPA	£1,155
Secondary LPA	£1,750
English as an Additional Language	
Primary EAL	£580
Secondary EAL	£1,565
Mobility	
Primary Mobility	£945
Secondary Mobility	£1,360
School Led Funding	
Lump Sum	
Primary lump sum	£128,000
Secondary lump sum	£128,000
Sparsity	
Primary sparsity	£56,300
Secondary sparsity	£81,900

- **All factors are mandatory except** Split sites, Rates, Private finance initiative (PFI) contracts and Exceptional circumstances (with ESFA agreement)

Source:

The national funding formulae for schools and high needs 2023/24

Published by DFE @July 2022

Appendix 2: DFE guidance weblinks:

[The national funding formulae for schools and high needs \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

[Schools block national funding formula: technical note \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

[Area cost adjustment for national funding formula: technical note \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)