

**SCHOOLS AND ACADEMIES**

**2023-2024 FUNDING FORMULA CONSULTATION**

 **(SCHOOLS BLOCK)**

**A Medway Council Consultation**

**Launch Date: Monday 31st October 2022**

**Respond By: Sunday 20th November 2022**

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**1. INTRODUCTION**

Each year the local authority allocates its Dedicated Schools Grant Schools Block Budget using a local funding formula based on government guidelines and the recommendations of the Medway **Schools’ Forum.**

In July 2016, the government announced it would go ahead with introducing the National Funding Formula (NFF) and published the guidelines on 14th September 2017.

The local funding formula determines the basic funding for both schools and academies within Medway. Any changes to this formula must be made in consultation with schools and academies and with the approval of the Schools’ Forum before being implemented.



The Schools’ Forum members agreed as part of the 2021-22 Funding Formula that the basic principles for future Schools and Academies Funding Formula should wherever possible and financially mirror the national funding formula and the following recommendation match this apart for the lump sum.

1. Increase the Primary Basic entitlement to £3,394 (An increase of £177 per pupil)
2. Increase the Secondary KS3 Basic to £4,785 (An increase of £249 per pupil)
3. Increase the Secondary KS4 Basic to £5,393 (An increase of £281 per pupil)
4. Increase the FSM to £480 (An increase of £10 per pupil)
5. Increase the Primary FSME6 to £705 (An increase of £115 per pupil)
6. Increase the IDACI banding rates to match national
7. Increase both mobility funding unit costs to match national
8. Increase the Primary low prior attainment to match national (An increase of £25 per pupil)
9. Increase the Secondary low prior attainment to match national (An increase of £40 per pupil)
10. Increase the lump sum to £88,300 (an increase of £5,300) although the national is currently £128,000

Medway Council and its Schools’ Forum would like to consult with maintained schools on what services they would like de-delegated for 2023-24. The Schools’ Forum in principal and following on from previous years would like the following de-delegated services, subject to this consultation:

1. Central Services
2. Trade Unions Support

Copies of this consultation and the model workings provided can be located on Medway Council’s website and on SLA online.

Written comments on the proposals are requested by **Sunday 20th November 2022** at the latest, and once all of these have been collated the Schools’ Forum will meet on 7th December 2022 and 11th January 2023 and make recommendations to Cabinet.

If you have any questions further queries please contact one of the following:

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**2. FUNDING FACTORS IN THE FUNDING FORMULA**

### Pupil Count Arrangements

The pupil numbers used to calculate the model Schools Block funding allocations are those recorded in the **Autumn-October 2021 school census**. The following criteria are used to determine pupil numbers for funding purposes within the Schools Block:

* Pupils have been counted by headcount, irrespective of whether or not they are part-time.
* Pupils aged 16+ are not funded in the ‘Basic Entitlement’ factor of the Schools Block, but under the ‘Sixth Form Funding’ factor, as post-16 pupils funding is calculated centrally by the EFA.
* Nursery-aged pupils are not funded within the Schools Block, but within the Early Years Block.
* Pupils occupying a place in a resource units are included in the pupil numbers, if the place is occupied.

### Basic Entitlement

Pupils recorded as in national curriculum year groups Yr.R – Yr.6 are classed as in the primary phase and year groups Yr.7 – Yr.11 are classed as in the secondary phase. Funding is allocated according to pupil numbers using a flat Basic Entitlement rate.

PAN Increases – this relates to schools that have had their permanent PAN increased from September 2023 with approval by Medway Council, the Schools Forum, and the ESFA. These increases are included within the pupil headcount.

Pupils occupying a place in a resource unit are included in the pupil numbers and will only be paid £6,000 per place from the High needs block. Unoccupied places will be paid from the High Needs Block at £10,000 per place based on the October 2021 census.

### Deprivation

Free School Meals (FSM) – The proportion of pupils eligible for free school meals is calculated according to the Autumn-October 2021 school census. Funding is allocated according to eligible pupils using a flat rate.

IDACI (Income Deprivation Affecting Children Index) is a relative measure of socio-economic deprivation: an IDACI ‘score’ is calculated for a lower super output area (LSOA, an area with typically about 1,500 residents) based on the characteristics of households in that area. The IDACI score of a given area does not mean that every child living in that area has particular deprivation characteristics: it is a measure of the likelihood that a child is in a household experiencing relative socio-economic deprivation. LSOAs are ranked by score, from the most deprived LSOA, with the highest score, to the least deprived LSOA. There are 7 Bands which attract funding, with band A being the most deprived:

|  |  |  |  |
| --- | --- | --- | --- |
| IDACI Score | Ranks |  DACI Band | Funded |
| Banding does not attract funding |  | G | No |
| Pupils in the next 10% most deprived LSOA’s | 9033 to 12316 | F | Yes |
| Pupils in the next 10% most deprived LSOA’s | 5748 to 9032 | E | Yes |
| Pupils in the next 5% most deprived LSOA’s | 4106 to 5747 | D | Yes |
| Pupils in the next 5% most deprived LSOA’s | 2464 to 4105 | C | Yes |
| Pupils in the next 5% most deprived LSOA’s | 822 to 2463 | B | Yes |
| Pupils in the most deprived 2.5% of LSOA’s | 1 to 821 | A | Yes |

So, for example, a pupil with an IDACI score of 600 is likely to come from a most deprived background. Only pupils in IDACI Band A – F can be assigned deprivation funding through this factor. The bands were selected by the DFE so that each band above 0 contains a broadly similar number of pupils across the country. The Autumn-October 2020 school census has been used for pupils with valid home postcodes. Each band is funded at a different rate. Funding is allocated according the amount of pupils in each band. If you would like to map a postcode to an IDACI score please use the following DFE website here:

<https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

**English as an Additional Language (EAL): last 3 years**

Pupils have been counted using the Autumn-October 2021 school census with a Language Code of ‘2\_OTH’ as long as the ‘years in system indicator’ shows they have been in the school system for 3 years or less (using the Autumn counts of 2017, 2018 & 2019). The minimum start year is Yr.1, not Yr.R. Funding is allocated per eligible pupil using a flat rate.

**Mobility**

This factor is based on the number of pupils in the Autumn-October 2021 census whose start date at their current school is within the previous 3 academic years & whose start month was not August or September (or January for Yr.R pupils). There is a 10% threshold and funding is based on the proportion above the threshold. (E.g. a School with 12% mobility would attract funding of 2%).

**Prior Attainment**

The Prior Attainment data is based on:

a) the ‘new’ Early Years Foundation Stage Profile (EYFSP) for pupils in Years 1-3 who did not achieve the level of Good Development.

The total score is then used. These results have then been mapped to the Autumn-October 2021 school census by the DFE. Funding is allocated per eligible pupil using a flat rate.

b) Secondary Phase: Attainment funding is targeted at pupils who failed to achieve a level 3 in English or Maths at KS2. These results have then been mapped to the Autumn-October 2021 school census by the DFE.

**Lump Sum**

Each school receives a Lump Sum allocation and it is proposed that will **start at £88,300 per place.**

**As in previous years it is proposed that this funding factor is increased or reduced to ensure the formula is affordable.**

**Sparsity**

Each school’s sparsity distance is calculated by measuring the distance that pupils live from their second nearest school. For each school (School A), those pupils who live closest to it are identified, and then the average distance from these pupils’ homes to the second nearest school is calculated. This becomes School A’s ‘sparsity distance’ in miles.

Grammar schools are not considered when identifying the second nearest school. Distances are measured ‘as the crow flies’ from a pupil’s postcode to a school’s postcode using the Autumn-October 2021 census.

The average size of year groups within the school will determine eligibility. Schools will only qualify if total pupils divided by the number of year groups are below the threshold for that phase. This has been calculated as follows;

Primary phase: 21.4 pupils (i.e.150 pupils divided by 7 year groups)

Secondary phase: 120.0 pupils (i.e.600 pupils divided by 5 year groups)

All-Through phase: 62.5 pupils (i.e.750 pupils divided by 12 year groups)

A school will be eligible for Sparsity funding if they meet *both* the distance and the size criteria.

|  |  |  |
| --- | --- | --- |
| Phase | Distance Criteria | Size Criteria |
| Primary | over 2 miles | under 21.4 pupils |
| Secondary | over 3 miles | under 120 pupils |
| All-Through | over 2 miles | under 62.5 pupils |

The funding is tapered with smaller schools attracting higher funding. Primary schools will attract up to the DFE-set maximum of £56,300 and secondary schools up to a maximum of £81,900.

**Split Site**

To qualify for split site funding, a school must be located on two or more main sites separated by more than ½ mile or by a busy main road. Schools that have a tunnel or a bridge to alleviate the problems of a busy main road do not qualify. The funding received by a school is expressed as an amount per pupil using three separate rates. The rate of funding is determined by whether schools have been categorised into band A, B or C. These bands are based on the size of the school’s second site as a proportion of the school’s total floor area, as follows:

Size of second site as % of schools’ total floor area:

Band A: less than 10%

Band B: 10% to 25%

Band C: greater than 25%

**Rates**

Each school receives an allocation that matches the current actual charge for 2022-23 at the start of the year, as provided by the Council’s Business Rates Team. This is shown in box *1. 22-23 Rates.* Amounts are calculated on the basis of the rateable value, adjusted by any charitable relief, multiplied by the national non-domestic rate.

If during 2022-23 the rates were re-valued in-year for your school, this may have resulted in an increase or decrease in the charge. These funding adjustments will be made in 2023-24 and are shown in box *2. 22-23 Rates Adjustment.*

Similarly then, if your 2023-24 rates bill changes in-year the funding adjustment will be made in 2024-25. .

As with 2023/24 Rates will be paid directly to the local authority and any reference on the APT are for reference only.

Any questions on your rates bill should, in the first instance, be directed to Rates Team colleagues on e-mail: rates@medway.gov.uk.

### Exceptional Circumstances

This relates to circumstances approved by the DFE such as schools housed in Listed Buildings or schools which have Scheduled Ancient Monuments on school grounds.

To match the National Funding Formula this factor is being removed from 2023/24 as we no longer have any schools that meet these criteria.

**Schools Block: Minimum Funding Guarantees**

### 0.5% MFG Funding per pupil compared to the 2021-22 baseline.

Medway Council has built into the funding formula that your school is protected from a *decrease* of more than 0.5% per pupil when compared to last year and if your are one of the schools which is losing funding and falls below this percentage, we have increase your MFG funding to top up your funding to this level.

**Minimum Funding per pupil**

The government has promised all primary schools will receive at least £4,405 per pupil in 2023-24 and secondary schools will receive £5,715 per pupil (KS3 £5,503 and KS4 £6,033) in 2023-24. This average per pupil is based on your total funding (excluding rates and the lump sum factors) divided by your pupil numbers. If your schools funding is below this level, we have increased your MFG funding to top up your funding to this level. This MFG does not protect against an increase or decrease in pupil numbers.

**Capping**

The National Funding Formula (NFF) for 2023/24 does not include a gains cap on the amounts schools can gain via the funding formula. Last year a gains cap was set at 6% meaning schools could not gain more than this percentage. At present we have mirrored the NFF but to make the funding formula affordable we may have to apply a cap gains of 6% to 8% once our final DSG allocation is confirmed. This cap does not protect against an increase or decrease in pupil numbers.

**3. DE-DELEGATIONS**

Funding for schools and academies must be allocated through the funding formula but certain funding can be passed back for the Local Authority, or de-delegated with the Schools’ Forum approval.

De-delegated services are only applicable for mainstream maintained schools but can be purchased through SLA online for special schools, academies and pupil referral units. Decisions made in previous years to de-delegate any services only relate to the year the decision was made and cannot be carried forward to the next year.

Medway Council are requesting approval to de-delegate the following two services for 2023/24:

**Central Services**

The charge per school is calculated based on £84 per pupil for maintained mainstream schools from April 2023. This charge pays for statutory services such as school improvement, legal support and central finance which the Local Authority must provide to maintained schools and the charge proposed remains the same as last year.

These rates are being frozen again for the 2022-23 year.

|  |  |
| --- | --- |
| Responsibilities for maintained schools  | Amount per pupil |
| Functions relating to LA pensions and redundancy | £31 |
| General Landlord Duties | £3 |
| National curriculum assessments and virtual head teacher. | £12 |
| Monitoring of school improvement.  | £38 |
| Total | **£84** |

**Trade Union Support**

This service is managed through Medway Council and enables schools as the employer (and not as an employee through subscriptions) to access support, advice and guidance on all employment related matters from local Trade Union (teaching and non-teaching) representatives.

 The local trade union representatives are from NUT; UNISON: NAHT: NASUWT: GMB: ATL: Voice-The Union; and ASCL. Local representatives have experience of working effectively and developing successful relationships with local schools and academies.

Benefits of using this service include:

• School compliance with statutory entitlement of employees’ right to representation;

• Access to trade union representatives with experience of working effectively and developing successful relationships with schools and academies;

• Attendance by trade union representatives at formal meetings with staff;

• TU liaison with the Local Authority on policy and procedure development;

• Support with individual casework and change management projects that effects employees;

• Advice and guidance in relation to industrial action.

If the de-delegated funding is removed then the staff in maintained schools would not have access to local TU support at formal meetings or during consultation processes unless they purchase another SLA. Some academies who do not currently buy the TU support service do experience delays in meetings with staff because of lack of availability of regional TU reps.

The charge per school is calculated based on £1.50 per pupil for maintained mainstream schools from April 2023 and the academies charge is £1.65 per pupil form September 2023 but academies wishing to use this service must purchase it as an SLA.

**4.** **LA COMMISSIONED OUTREACH SERVICES**

The Outreach Services focus on assisting schools to meet the needs of pupils with additional needs who attend state-funded schools in Medway.

This factor has been removed from the 2023/24 funding formula.