



# Report to Schools Forum

**Date:** 18<sup>th</sup> January 2022

**Title:** School Budget Proposals 2022-23 – Section A: Schools Block – Supplementary Paper

**Author:** Liz Williams, Head of Finance – Children’s Services and Jonathan Carter – Schools Accountant

## Recommendations:

- a) To consider the revised methodology for the calculation of Low Prior Attainment Funding within the local funding formula for infant schools based on the previous year’s average data for those schools rather than the county average.
- b) To agree which model should be used to calculate school budgets for 2022-23

## 1. Background

- 1.1. Proposals for school budgets using the agreed formula updated for October 2021 census data have been included in Section A of the School Budget Proposals 2022-23 report.
- 1.2. On 12th January the DfE contacted local authorities to issue clarification on the use of prior attainment data for infant schools within the National Funding Formula (NFF) and the potential actions that local authorities could take within their local formulae. As there is no data for the early years foundation stage profile for pupils in years 1 and 2, as no tests were carried out in 2020 and 2021, the year 3 proportion is used for the low prior attainment factor if available. If the school has no year 3 pupils, then the local authority average for year 3 is used.
- 1.3. This has been queried with the DfE as in many cases the data for Infant Schools does not reflect the county average. The DfE have now confirmed “for infant schools without a year 3, LAs will have the option to either:
  - (i) use the LA average data which has been pre-populated in the data provided,  
or

- (ii) the proportion of pupils in Year 2 in the school in the previous year (so effectively repeating the low prior attainment percentages from the previous year).

1.4. If LAs choose the latter of the two, they can change the infant school LPA data in the APT, without that requiring a disapplication. This flexibility is included in the 2022 regulations.”

1.5. As a result of this clarification the two alternatives have been modelled for Buckinghamshire schools. The modelling shows that the impact of using the county average data is to give infant schools more funding than if the previous year data is used for those individual schools. This is because the infant schools have lower poor prior attainment than the county average. If the county average is used, therefore, those schools will most likely see an increase in funding for 2022-23 and a drop in prior attainment funding in 2023-24. This is likely to lead to them being protected by the minimum funding guarantee in 2023-24, meaning that budgets will continue to be protected whilst not reflecting the profile of pupils in those schools.

1.6. The outcome of the financial modelling and the impact on individual schools is shown in Appendices 1a to 4a attached to this report.

1.7. A summary of the funding levels and the impact on the minimum funding guarantee under this revised model is shown in the table below:

| Illustrative Funding Levels<br>Funding Factors | 2021/22<br>Final Rates | 2022/23<br>Indicative<br>Funding<br>Model | 2022/23<br>Final funding<br>model |
|--|------------------------|---|-----------------------------------|
| Scaling factor (% of NFF)                      | 100.00%                | 100.00%                                   | 100.00%                           |
|  | £m                     | £m  | £m                                |
| Total through funding formula                  | 373.88                 | 384.01                                    | 387.72                            |
| Growth Fund                                    | 2.11                   | 2.04                                      | 1.26                              |
| <b>Total cost to schools block</b>             | <b>375.99</b>          | <b>386.05</b>                             | <b>388.97</b>                     |
| <b>Met from :</b>                              |                        |   |                                   |
| Pupil Led Funding                              | 368.07                 | 378.34                                    | 381.18                            |
| Premises Funding                               | 4.33                   | 3.73                                      | 3.73                              |
| Growth Funding                                 | 2.46                   | 2.29                                      | 2.37                              |
| <b>Transfer from Growth Reserves</b>           | <b>1.13</b>            | <b>1.68</b>                               | <b>1.68</b>                       |
| <b>Total Funding Available</b>                 | <b>375.99</b>          | <b>386.05</b>                             | <b>388.97</b>                     |

|                          |    |   |   |
|--------------------------|----|---|---|
| No. of Schools Protected | 20 | 6 | 4 |
| No. of Schools Capped    | 0  | 0 | 0 |

|                        |         |        |        |
|------------------------|---------|--------|--------|
|                        | £       | £      | £      |
| Cost of MFG Protection | 224,453 | 93,106 | 71,443 |

1.8. Schools Forum is asked to confirm which model should be used for the calculation of school budgets in 2022-23.

