

Meeting: Schools Forum

Date: 11 October 2021

Report of: Head of Health, Adults, Families, Children and Learning Finance

Subject: Analysis of Schools Funding 2021/22

Wards Affected: All

1. Purpose of the report

- 1.1 To advise the Forum on the analysis of the LA mainstream school funding proformas submitted in January 2021 for the 2021/22 financial year, in comparison to the 151 Local Authorities nationwide, and the national funding formula (NFF).

2 Recommendation

- 2.1 To note the analysis of the 2021/22 funding proformas and comparisons with the national picture and the NFF.

3. Information/Background

- 3.1 The funding formula is applied for mainstream schools within parameters set by the Department for Education (DfE) and a compliance test is carried out before the LA is able to allocate budgets to schools.
- 3.2 There are 14 allowable factors and Brighton & Hove is currently operating the majority of these (see table in 3.6 below) within the funding formula. The factors that Brighton & Hove are not using are: sparsity, London fringe and post-16. These are relatively small factors that have been considered in previous years and the LA does not feel would add any significant value to the current funding model.
- 3.3 The DfE has undertaken an analysis of local authorities' schools block funding formulae for 2021/22. A summary of the Brighton & Hove position and the comparison with all local authorities is provided in paragraphs from 3.6 below.
- 3.4 Overall, the data reflects further progress towards the NFF. Local funding formulae in 2021/22 show that a majority of local authorities have moved towards the NFF since its introduction in 2018/19. Of the total 152 LAs, 73 are now mirroring the NFF factors almost exactly.
- 3.5 The 2021/22 schools block is allocated through the formula to all mainstream schools and academies. For Brighton & Hove in 2021/22, £150,185k was the total post de-delegated funding to mainstream schools and academies, allocated through the formula as detailed in the table below:

Formula Factor	£k
Basic Entitlement (age weighted pupil units)	112,383
Deprivation	14,500
Low Attainment	9,219
English as an Additional Language	1,254
Lump Sum	8,060
Mobility	100
Premises (including rates, split sites)	3,517
Minimum Funding Per Pupil	2,448
Exceptional Circumstances	34
Total (pre de-delegation)	151,515
De-delegation – Exception 1	(1,330)
Total Schools Block Allocation to Mainstream Schools	150,185

3.6 A summary analysis of the respective funding arrangements for BHCC, the overall position across all LAs and the NFF is provided below:

Formula Factor	Proportion of Schools Block Funding through Factor		
	BHCC	All LAs	NFF
Basic Entitlement (age weighted pupil units)	74.2%	74.5%	75.3%
Deprivation	9.6%	8.6%	8.8%
Looked After Children	0%	0%	0%
English as an Additional Language	0.8%	1.0%	1.1%
Mobility	0.1%	0.1%	0.1%
Low Attainment	6.1%	6.4%	6.9%
Lump Sum	5.3%	6.4%	6.4%
Sparsity	0%	0.1%	0.1%
Premises (addition error in DfE publication)*	2.3%	Not specified	1.4%*
Minimum per pupil funding threshold	1.6%	Not specified	1.2%
Total	100.0%	100.0%	100.0%

3.7 From this table, it is apparent there is some variation within the basic entitlement (often referred to as age weighted pupil units (AWPUs)) and deprivation factors. For basic entitlement, in 2021/22, the unit rates of funding for BHCC are set at £3,134 for each primary age pupil and £4,696 for each secondary age pupil.

Formula Factor – Basic Entitlement	2021/22 Unit Rates	
	BHCC	NFF
Primary AWPU	£3,134	£3,123
Key Stage 3 AWPU	£4,696	£4,404
Key Stage 4 AWPU	£4,696	£4,963

Brighton and Hove are now one of very few LAs that operates the same AWPU rate for KS3 and KS4. For 2022/23 consideration should be given to establishing a differential unit rate for KS3 and KS4 to reflect the approach in the NFF.

3.8 The following table provides a more detailed analysis of the unit rates used within the BHCC formula and the comparative rates used in the NFF.

Factor	National FF		BHCC	
	Unit Values	Proportion of Total	Unit Values	Proportion of Total
Basic per pupil Funding		76.5%		75.8%
AWPU		75.3%		74.2%
Primary AWPU	£3,123	38.3%	£3,134	37.6%
KS3 AWPU	£4,404	21.8%	£4,696	22.8%
KS4 AWPU	£4,963	15.2%	£4,696	13.8%
Minimum per pupil		1.2%		1.6%
Primary Minimum per pupil Funding	£4,180	0.8%	£4,180	1.59%
Secondary Minimum per pupil Funding	£5,415	0.4%	£5,415	0.01%
Additional Needs Funding		17.0%		16.6%
Deprivation		8.8%		9.6%
Primary FSM	£460	1.0%	£781	1.9%
Secondary FSM	£460	0.6%	£872	1.2%
Primary FSM Ever 6	£575	1.6%	£719	1.9%
Secondary FSM Ever 6	£840	1.9%	£661	1.2%
Primary IDACI Band A	£620	0.3%	£1,001	0.4%
Primary IDACI Band B	£475	0.4%	£602	0.3%
Primary IDACI Band C	£445	0.4%	£546	0.4%
Primary IDACI Band D	£410	0.3%	£509	0.2%
Primary IDACI Band E	£260	0.4%	£341	0.4%
Primary IDACI Band F	£215	0.3%	£285	0.3%
Secondary IDACI Band A	£865	0.2%	£728	0.2%
Secondary IDACI Band B	£680	0.3%	£596	0.2%
Secondary IDACI Band C	£630	0.3%	£561	0.3%
Secondary IDACI Band D	£580	0.3%	£507	0.1%
Secondary IDACI Band E	£415	0.4%	£401	0.3%
Secondary IDACI Band F	£310	0.3%	£294	0.2%
Low Prior Attainment		6.9%		6.1%
Primary LPA	£1,095	4.1%	£1,018	3.6%
Secondary LPA	£1,660	2.8%	£1,560	2.5%
English as an Additional Language		1.1%		0.8%
Primary EAL	£550	0.8%	£559	0.6%
Secondary EAL	£1,485	0.3%	£1,720	0.3%
Mobility		0.1%		0.1%
Primary Mobility	£900	0.1%	£5,443	0.1%
Secondary Mobility	£1,290	0.0%	£0	0.0%
School led Funding		6.5%		7.6%
Lump Sum		6.4%		5.3%
Primary Lump Sum	£117,800	5.4%	£130,000	4.4%
Secondary Lump Sum	£117,800	1.1%	£130,000	0.9%
Sparsity		0.1%		0.0%
Premises (addition error in DfE publication)*		1.4%*		2.3%
Total		100.0%		100.0%

The proportion of total funding is rounded to the nearest 0.1% in this table.

- 3.9 In addition to the variation in the rate of the basic entitlement funding referred to in paragraph 3.7, other significant areas of variation would appear to be the proportion of funding allocated through deprivation and low prior attainment factors.

For 2022/23, consideration should be given to increasing the unit rates of the low attainment factor to bring these closer to the NFF rates.

The low attainment factor is the element of the formula that is most closely aligned to the incidence of SEN and therefore is the most effective way of directing funding to meet need.

3.10 Primary: Secondary Funding Ratio

In overall terms, and although certain elements of the formula differ from the NFF, the funding ratio between primary and secondary schools in Brighton & Hove is close to the national average.

In Brighton and Hove the primary: secondary funding ratio stands at 1:1.27 whereas the national average is 1:1.296.

3.11 Minimum Funding Guarantee (MFG)

The MFG protects the per-pupil funding of schools from one year to the next. For 2021/22 local authorities were able to set a rate between 0.5% and 2%. This allowed local authorities to mirror the 2% funding floor protection included in the NFF, which most local authorities chose to reflect in their MFG rate in 2021/2022.

In 2021/22, Brighton and Hove chose to restrict the MFG rate to 1.0%. The rationale for adopting this approach was to offer a degree of protection to schools that are not otherwise gaining funding on a per pupil basis but to balance this with ensuring schools who are gaining through characteristics identified in the formula receive a fair proportion of their gains. A higher level of MFG will mean that the scaling back of formula allocation increases would be subject to a greater level of scaling back.

- 3.12 In summary, analysis shows Brighton & Hove is broadly comparable to both the national average and NFF for the majority of components within the formula, including the primary: secondary funding ratio.

The particular areas that may require further consideration in terms of the application of the formula for the Schools Block in 2022/23 are:

- Basic entitlement, particularly consideration of whether separate unit values should be used for KS3 and KS4
- Increase the weighting of funding to be applied through the low prior attainment factor

These themes are considered in more detail within the 2022/23 Schools Block paper.