

Report to Cabinet

12 January 2022

Subject:	School Funding Formula 2022/23
Cabinet Member:	Cabinet Member for Children and Education, Cllr Simms
Director:	Director of Finance, Simone Hines Director of Children and Education, Michael Jarrett
Key Decision:	Yes The implications are borough-wide
Contact Officer:	Rosemarie Kerr, Principal Accountant rose_kerr@sandwell.gov.uk

1 Recommendations

1.1 That approval be given to:

In respect of the 2022/2023 schools funding formula for Sandwell schools, consider the outcome of the consultation proposals following review by the Schools Forum, as shown in Appendix 1 as follows:

- (a) The funding formula option 1; a primary: secondary ratio of 1:1.29 be adopted.
- (b) A minimum funding guarantee of at least 0.5% and up to 2.0% be set.
- (c) The pupil number growth fund be set at £1.3m as recommended by Schools Forum.



- 1.2 In respect of the proposal to top slice the dedicated schools grant (DSG) to create a growth fund for 2022/23 of £1.300m to be ring fenced for the purposes of supporting growth in pre-16 pupil numbers to meet basic need, additional classes need to meet infant class size regulation and to meet the costs necessary new schools, including the lead-in costs, post start up costs and any diseconomy of scale costs.
- 1.3 In respect of the de-delegated budgets for Sandwell maintained schools consider the outcome of the consultation proposals as agreed by the Schools Forum for 2022/23, as shown in section 4.34 and Appendix 2.
- 1.4 In respect of the education functions budgets for Sandwell maintained schools consider the outcome of the consultation proposals as agreed by the Schools Forum for 2022/23, as shown in section 4.40 and Appendix 3.
- 1.5 Approve, in respect of the central schools services block and the line by line expenditure outlined in section 4.48 to 4.52 and as agreed by the Schools Forum for 2022/23, as shown in Appendix 4.
- 1.6 Approve the provisional 2022/2023 schools funding formula values as outlined below

Item	Primary	Secondary
Primary: Secondary Ratio	1	1.29
Basic Entitlement	£3,512	£4,977
Free School Meals	To be checked by the DfE and confirmed with DCS and S151 Officer	
Free School Meals – Ever 6		
IDACI Band E	£77	£350
IDACI Band D	£485	£676
IDACI Band C	£551	£771
IDACI Band B	£602	£855
IDACI Band A	£630	£900
Prior Attainment	£1,225	£1,776
English as an Additional Language (EAL)	£846	£1,227



(2 years)		
Lump Sum	£129,057	£129,057
Split Site	£129,057	£129,057
Rates	Actual	Actual
Private Finance Initiative (PFI)	Actual	Actual
Minimum Funding Guarantee (MFG)	To be checked by the DfE and confirmed with DCS and S151 Officer	


- 1.7 That the Director of Children and Education Services, in conjunction with the Section 151 Officer, be authorised to approve the 2022/2023 schools funding formula following confirmation of the funding allocation from the Department for Education

2 Reasons for Recommendations

- 2.1 The Schools Revenue Funding 2022/2023 – Operational Guide requires the Council to engage in open and transparent consultation with maintained schools and academies in their area, as well as with their schools forum about any changes to the local funding formula, including the principles adopted and any movement of funds between blocks.
- 2.2 The Council is responsible for making the final decisions on the formula and for ensuring there is sufficient time to gain political approval before the schools funding model (Authority Proforma Tool – APT) deadline in January 2022.



3 How does this deliver objectives of the Corporate Plan?

	<p>Best start in life for children and young people</p> <p>Our children benefit from the best start in life and a high quality education throughout their schools careers with outstanding support from their teachers and families.</p> <p>The budget consultation with schools and other stakeholders provides the basis on which the majority of resources are directly allocated to individual schools. The strategies and proposed direction of these resources contribute significantly towards raising attainment in schools and therefore supports children benefitting from a high-quality education throughout their school careers with outstanding support from their teachers and families.</p>
---	--

4 Context and Key Issues

- 4.1 In August 2019, the government announced that funding for schools and high needs would increase by £2.6 billion for 2020/21, £4.8 billion for 2021/22, and £7.1 billion for 2022/23, compared to 2019/20. This funding includes additional funding for children with special educational needs and disabilities. The government has published the provisional dedicated schools grant (DSG) allocations for 2022/23, which is the final year of the three year funding increase.
- 4.2 The DSG consists of 4 blocks; schools, high needs, early years and the central schools services block. Each of the blocks of the dedicated schools grant has been determined by a separate national funding formula (NFF).
- 4.3 Schools block funding is based on notional allocations for each school, which is aggregated to arrive at the schools block funding for each local authority.
- 4.1 The Schools Revenue Budget 2022/23 Consultation was issued to schools on 10th November 2021 after approval at the Schools Forum meeting on 8th November 2021; with a deadline of noon 1st December 2021 to respond.



4.2 A summary of responses to this consultation can be found in Appendix (1), (2), (3), (4) and (5).

Consultation with the following stakeholders was held:

- Joint Executive Group – 11th November 2021
- Primary/Secondary Partnership – 15th November 2021
- Joint Union Panel - 16th November 2021
- Association Sandwell Governing Bodies – 24th November 2021

4.3 A total of 53 responses were received (compared with 70 last year), with 43 out of 94 (46%) primary schools/academies, and 10 out of 20 (50%) secondary schools/academies responding.

4.4 The authority has received two responses from individual unions (refer to section 4.58 to 4.63 for further detail.)

4.5 Consultation Proposals

The consultation on the formula funding for schools for 2022/23 includes proposals on the following:

4.6 The funding formula to use for allocating schools budgets;

- Option 1 – Stepped change in the Primary: Secondary ratio – Local Authority Formula with a ratio of 1:1.29 in year 3.
- Option 2 – Secondary Schools receive 1% more above the overall increase in funding.
- Option 3 – National Funding Formula Factor Values
- Pupil Number Growth Contingency Fund of either Option 1 £1.850m or Option 2 £1.300m.
- Minimum funding guarantee and capping of gains.
- De-delegation proposals.



- Education Functions.
- Central Schools Services Block.

4.7 Funding Options – General Assumptions

4.8 The authority modelled 3 options for calculating schools revenue budget for 2022/23. There were some general adjustments which applied to all options which were as follows:

- Q3 Langley opened in September 2016 with a PAN of 240 for each year group. The PAN has increased to 300 from September 2021. (however, for modelling purposes the pupils numbers are the same as 2021/22 to allow for comparison)
- The Shireland Technology Primary opened in September 2019 with a PAN of 60 for Reception.
- The West Bromwich Collegiate Academy opened in September 2019 with a PAN of 150 for each year group.
- The amalgamation of Warley Infants and Bleakhouse Junior Schools into Bleakhouse Primary School on 1st September 2020. The guidance states that where schools have amalgamated during the financial year, they retain the equivalent of 85% of the predecessor schools' lump sums for the following financial year (2021/22).

For example, assuming a lump sum of £100,000, the additional payment would be £70,000 $((£100,000 \times 2) \times 85\% - £100,000)$.

Local authorities may apply to provide a second year of protection. Applications must specify the level of protection sought, although the expectation from the DfE is that the additional protection would not exceed 70% of the combined lump sums. They have stated they will consider applications on a case-by-case basis.

At its meeting on 8th November 2021; Forum members agreed that an application could be submitted for Bleakhouse Primary School requesting a second year of the lump sum protection equivalent to 70% of the predecessor schools lump sum for the financial year 2022/23.

The ESFA has approved the application request.



4.9 The funding formula options were as follows:

Option 1: Stepped increase to the 2022/23 Local authority model - Increase of the Primary: Secondary Ratio to 1:1.29 (3rd Year)

4.10 This model uses the same factors as previous years, except for the two factors mentioned below. In Sandwell's local school funding formulae, the 2021/22 rate for Basic Entitlement/AWPU is significantly above the National Funding Formula (NFF) rate. The recommendation was therefore; to keep these rates the same for 2022/23 and instead introduce for the first time, factor value rates for Free School Meals (FSM) and Free School Meals Ever 6 (FSM6) in order to reflect the change of moving to a primary secondary ratio of 1:1.29.

The DfE have issued guidance on the "Schools block funding formulae 2021/22" This guidance provides a summary of the local funding formulae submitted by each LA to the Education and Skills Funding Agency (ESFA) in January 2021. As part of this analysis, local authorities' schools block funding formulae have been used to calculate the relative differences in per-pupil funding allocated to secondary pupils compared to primary pupils. A ratio of 1 : 1.24, for instance, indicates that secondary-age pupils in a local authority receive, on average, 24% more funding per head than primary-age pupils.

The overall ratio nationally across all local authorities is 1 : 1.296, a slight decrease from the 2020/21 formulae where it was 1 : 1.298.

The following table is a comparison of the primary : secondary ratio for our statistical neighbours for the financial years 2017/18 to 2021/22. Sandwell's ratio for 2021/22 was agreed at 1:1.27 whereas before it had remained unchanged at 1 : 1.23 for several years; before increasing to 1:1.25 in 2020/21.



Statistical Neighbour Comparison of Primary: Secondary Ratio 2017/18 - 2021/22									
Rank (1 = closest)	Local Authority	Closeness in ranking	ID	Primary: Secondary Ratio 2017/18	Primary: Secondary Ratio 2018/19	Primary: Secondary Ratio 2019/20	Primary: Secondary Ratio 2020/21	Primary: Secondary Ratio 2021/22	Change in ratio from 2020/21 to 2021/22
1	Wolverhampton	Very Close	336	1.34	1.34	1.34	1.36	1.36	0.01
2	Walsall	Very Close	335	1.25	1.24	1.24	1.24	1.25	0.01
3	Derby	Close	831	1.30	1.35	1.36	1.30	1.30	0.00
4	Birmingham	Close	330	1.30	1.31	1.33	1.32	1.31	0.00
5	Coventry	Close	331	1.31	1.32	1.31	1.32	1.32	0.00
6	Peterborough	Close	874	1.36	1.33	1.33	1.34	1.34	0.00
7	Nottingham	Close	892	1.35	1.35	1.34	1.34	1.35	0.01
8	Stoke -on Trent	Close	861	1.27	1.29	1.29	1.29	1.30	0.01
9	Luton	Close	821	1.32	1.32	1.34	1.35	1.36	0.01
10	Blackburn with Darwen	Close	889	1.39	1.35	1.34	1.34	1.30	-0.04
	Sandwell		333	1.23	1.23	1.23	1.25	1.27	0.02
	Dudley		332	1.22	1.33	1.32	1.33	1.33	0.00

Option 2: Secondary Schools receive 1% more above the overall increase in funding.

- 4.11 This model gives secondary schools 1% more of the additional funding than primary pupils (The 1% is calculated on the basis of funding to primary and secondary schools prior to applying Minimum Funding Guarantee (MFG) and Minimum Per Pupil Funding levels (MPPF). The model uses the same factors as previous years, except for the FSM6 which was introduced for the first time in order to reflect the change of secondary schools receiving 1% more above the overall increase in funding.

Option 3: National Funding Formula Factor Values

- 4.12 This model used the factor values used in the National Funding Formula, without applying the Area Cost Adjustment. In order to fund the Pupil Number Growth fund and the MFG to be set at 0.5% to keep in line with the modelling of the other options, the English as an additional language factor had to be changed from those eligible pupils recorded on the census as having entered state education in England during the last three years, whose first language is not English, to those pupils entering during the last two years to remain within the provision allocations funding envelope announced.
- 4.13 Most respondents voted for Option 1. The responses for each option is shown below.



- Option 1 – 42 Agreed, 11 against
- Option 2 - 1 Agreed, 52 against
- Option 3 – 0 Agreed, 53 against

4.14 The following responses reflect some of the comments received:

- “I have not indicated an option as my preference is to request a standstill as I do not believe any more money should be moved from primary sector to secondary sector as no evidence /research as been provided to support. Further consultation is needed through schools forum.”
- “Without discussing and agreeing an educational rationale, it should not be possible to make any of the changes to school funding mechanisms as proposed”

4.15 The comments above are a small reflection of the comments received in relation to the options for the authority funding formula. Appendix 5 provides further detail on the comments made about the funding formula as well as detailing comments on each question in the consultation and general comments overall.

4.16 The comments received were almost exclusively received from the primary sector whilst the secondary sector responded to the specific consultation questions to the affirmative or otherwise without making any specific or general comments.

4.17 Schools Forum voted for option 1 in line with the responses received from the schools

4.18 Pupil Number Growth Fund

Local authorities may topslice the DSG to create a growth fund. The growth fund is ring-fenced so that it is only used for the purposes of supporting growth in pre-16 pupil numbers to meet basic need, to support additional classes needed to meet the infant class size regulation and to meet the costs of necessary new schools. These will include the lead-in costs, post start-up costs and any diseconomy of scale costs.



- 4.19 Local authorities are responsible for funding these growth needs for all schools in their area, for new and existing maintained schools and academies.
- Local authorities must fund all schools on the same criteria.
 - Where growth occurs in academies that are funded by ESFA on estimates, the ESFA will use the pupil number adjustment process to ensure the academy is only funded for the growth once.
- 4.20 The Authority has estimated the costs for authority led expansions of schools to cater for the increase in birth rates, pre-opening and diseconomy of scale costs for West Bromwich Collegiate Academy and it has also estimated mid- year admissions costs.
- 4.21 For the last 4-5 years the pupil number growth fund has been set at £2.269m, however since 2019/20 the level of recoupment that the LA has been able to retain has increased to an average of £0.544m per year compared to levels of £0.178m per year prior to 2019/20. This has therefore increased the total Pupil number growth funding in the last few years.
- 4.22 In 2021/22 the Pupil number growth fund was reduced from the levels set in previous years of £2.269m to £1.091m as a result of accrued balances built up over the last few years.
- 4.23 The government have stated in their consultation document “Fair School Funding for all: completing our reforms to the National Funding Formula” that they are planning to change growth funding and the basis on which they fund new and growing schools.

4.24 DFE Growth fund – Current formulaic method

Growth funding is within local authorities’ schools block NFF allocations. Since 2019/20, growth funding has been allocated to local authorities using a formulaic method based on lagged growth data. The change in the method of funding to local authorities has not changed the way in which authorities can allocate funding locally.

- 4.25 For each local authority, the growth factor will allocate:

- £1,485 for each primary “growth” pupil,



- £2,220 for each secondary “growth” pupil
- £70,800 for each brand new school that opened in the previous year (that is, any school not appearing on the October 2020 census but appearing on the October 2021 census).

4.26 The authority currently funds schools as follows:

- LA agreed PAN Increase/Bulge Class at 100% of Basic Entitlement/AWPU; which for 2021/22 is £3,512 for primary pupils and £4,977 for secondary pupils.
- Mid Year Admissions at 50% of Basic entitlement/AWPU for 2021/22.
- New/Growing schools – ESFA rates for leadership and resources.

4.27 Given the disparity between the Growth funding rates received by the authority and the Pupil number growth rates used to pay schools; and because of the government’s plans to change the basis of funding; the authority is proposing two options for setting the allocation:

4.28 Option 1 – Continue with the current criteria as set out in section 4.25. above. An estimation of the Pupil Number Growth amount required is £1.850m.

4.29 Option 2 – To fund schools for LA agreed PAN/Bulge increase and New/growing schools only. The funding for mid year admissions would cease. An estimation of the Pupil Number Growth amount required is £1.300m.

4.30 Option 2 was put forward for schools to consider working towards aligning the authority’s Pupil growth fund with the government’s direction of travel; particularly in relation to the growth values.

4.31 The majority of respondents agreed option 2 with a Pupil Number growth fund set at £1,300,000.

- Option 1 – 21 Agreed, 32 against
- Option 2 - 35 Agreed, 18 against

4.32 Schools Forum voted of option 2.



4.33 De-delegations

There were 5 de-delegation proposals and the details are set out in the table below.

De-delegation Budget Proposals 2022/23				
Ref	Service	Total Budget	Primary Phase Cost	Secondary Phase Cost
		£	£	£
1	Health & Safety Licenses	5,990	4,970	1,020
2	Evolve Annual Licence	6,300	5,200	1,100
3	Union Facilities Time	213,000	177,000	36,000
4	School Improvement Service	100,000	83,000	17,000
5	School in financial difficulty	88,000	73,000	15,000
	Total De-delegation proposals	413,290	343,170	70,120

4.34 The Schools Forum voted in line with the responses received for both primary and secondary school blocks for all the proposals with the exception of the union facilities for secondary schools.

Proposal	Schools response		Forum vote	
	Primary	Secondary	Primary	Secondary
Health & Safety Licences	35 For	3 For	5	1
Evolve Annual Licence	40 For	3 For	5	1
Union Facilities	27 For	2 Against	1	1
School Improvement Service	39 For	3 For	5	1
Schools in financial difficulties	28 For	3 For	5	1



4.35 Education Functions Proposals for maintained schools

Local authorities can fund services previously funded from the general funding rate of the ESG (for maintained schools only) from maintained school budget shares, with the agreement of maintained school members of the Schools Forum.

- 4.36 The relevant maintained schools members of the Schools Forum (primary and secondary), should agree the amount the local authority will retain.
- 4.37 Sandwell, in line with guidance, intend to set a single rate per 5 to 16 year old pupil for all mainstream maintained schools, both primary and secondary. The rate of £14.97 per pupil is based on October 2020 census data, this will be updated to be based on October 2021 census data.
- 4.38 If the local authority and Schools Forum are unable to reach a consensus on the amount to be retained by the local authority, the matter can be referred to the Secretary of State.
- 4.39 There are 3 education function proposals and the details are set out in the table below.

Education Functions Budget Proposals 2022/23		
Service	Total Budget	Amount per pupil
	£	£
Education Benefits Team	175,000	5.55
Children's Clothing Support Allowance	33,000	1.05
Safeguarding & Attendance	264,000	8.37
Total Education Functions	472,000	14.97

- 4.40 The maintained school forum members voted in favour for the Education functions lines as shown in the table below together with the maintained schools responses.
(Refer to appendix 3).



School Forum vote and School responses

Ref	Service	Maintained Schools Response		Forum Vote	
		Yes	No	Yes	No
1	Education Benefits Team	42	3	Majority	0
2	Children's Clothing Support Allowance	38	7	Majority	0
3	Safeguarding & Attendance	40	5	Unanimous	0

4.41 Attendance and Safeguarding Team

At the 8 November 2021 meeting of Schools' Forum, members expressed an interest in better understanding the services provided by the Attendance and Safeguarding team and the appropriateness of the funding approved by the Forum. The request for additional information was made at a stage in the current consultation process that would not allow time for wider consideration and enable the Forum to make an informed decision about future funding.

- 4.42 It was suggested that the Children's Directorate undertake a review of the team, with the assistance of the Forum, seeking to assess the value added by the team compared to the funding made available from DSG. The review to be completed in the first half of 2022 and reported to Schools Forum no later than the meeting scheduled for 20 June 2022, with the objectives of the review agreed in advance with the Chair of the School Forum.

4.43 Minimum Funding Guarantee

- 4.43 Local authorities continue to have the ability to set a pre-16 minimum funding guarantee (MFG) in their local formulae, to protect schools from excessive year-on-year changes and to allow changes in pupil characteristics (for example reducing levels of deprivation in a school) to flow through.
- 4.44 The DfE have stated there continue to have greater flexibility for the MFG in 2022/23; local authorities are able to set an MFG between plus 0.5% and plus 2.00% per pupil. Setting the MFG between these rates gives the authority the flexibility to make local decisions about the distribution of funding and enables the authority to manage any changes



in pupil characteristics when characteristics data is updated in December.

- 4.45 The respondents have unanimously voted for an MFG of at least 0.5% and up to 2.00% if modelling proved this was achievable within the funding given (53 agreed, 0 against).
- 4.46 The majority of respondents agreed with the scaling and capping of the MFG if it proves necessary to ensure the MFG is within the funding envelope. (40 agreed, 13 against).
- 4.47 Schools forum voted in line with the school responses received, voting for an MFG of at least 0.5% and up to 2% with capping and scaling if it proves necessary. (MFG: 12 agreed, 0 against; Scaling and capping 13 agreed, 0 against)

4.48 Central School Service Block

The Central Schools Service Block (CSSB) continues to provide funding for local authorities to carry out central functions on behalf of maintained schools, and academies, comprising two distinct elements:

- Ongoing responsibilities; such as admissions and schools forum costs.
- Historic commitments; in this case pensions administration.

- 4.49 Funding for historic commitments is based on the actual cost of the commitment. The DfE have stated they expect these commitments to reduce and cease over time and there will be no protection for historic commitments in the CSSB.
- 4.50 For 2022/23 the DfE have reduced Historic commitment funding by 20%; this has resulted in a cut for Sandwell from £0.182m to £0.146m.
- 4.51 Schools Forum approval is required each year to confirm the amounts on each line for central school services the detail of which is included in the table below. In the event that Schools Forum does not agree with the authority CSSB proposal as detailed below, the authority can ask the DfE to adjudicate.



Central School Services Budget Proposals 2022/23	
Service	Total Budget
	£
Statutory & Regulatory, Education Welfare and Asset Management	1,662,000
Schools Forum	3,000
Admission Service	452,600
Pensions Administration	145,900
Total Central School Services	2,263,500

4.52 The School Forum Members voted unanimously for the Central Schools Service Budget proposals as shown in the table below together with the school responses.

Central School Services Budget Proposals 2022/23				
Service	All Schools Response		Forum Vote	
	Yes	No	Yes	No
Statutory & Regulatory, Education Welfare and Asset Management	49	4	13	0
Schools Forum	52	1	13	0
Admission Service	49	4	13	0
Pensions Administration	50	3	13	0

4.53 Consultation Response/Schools Forum Vote

The Schools Forum met on 13th December 2021 to consider the outcome of the consultation with schools.

4.54 Cabinet should be aware that the recommendations from the Schools Forum resulted from lengthy discussions on the formula funding options. Representatives of the Primary sector asked that their views be included in the cabinet report which are included in appendix 5.

4.55 This report now presents an analysis of responses received from schools and other stakeholders and recommends the proposals to be taken forward with effect from 1 April 2022.



4.56 Appendices 1- 4 provides a summary of the responses received from schools.

4.57 The overall results of the consultation responses are recorded below. School Forum members voted all the proposals in line with the school responses received.

Proposal	Schools	Forum vote
1. Please indicate the option you prefer to use for calculating school funding for 2022/23		
a) Option 1: LA formula with a stepped increase in the primary: secondary ratio of 1:1.29 (3rd year)	42	12 For 0 Against 1 Abstain
b) Option 2: Secondary Schools receive 1% more above the overall increase in funding.	1	0 For
c) Option 3 – National Funding Formula factor values.	0	0 For
2. Do you agree that we should set the Pupil Number Growth fund for 2022/23 at:		
a). Option 1: Current Pupil Number Growth formula with an estimated cost of £1.850m	21	0 For
b). Option 2: Current Pupil Number Growth formula with an estimated cost of £1.300m	35	12 For 0 Against 0 Abstain
4.Which of the De-delegated budget proposals do you agree with (see Appendix 2)	Refer to Section 4.34	
5.Which of the Education Function budget proposals do you agree with (see Appendix 3)	Refer to Section 3.40	
6. Please indicate whether you agree with: a). MFG of at least +0.5% and up to 2.00% if modelling proves this achievable within the funding given	53	12 For
b) The application of scaling and capping if it proves necessary to be able to	40	13 For



implement an MFG as outlined in a). and to remain within the available funding		
7. Do you agree for the authority to provide for the responsibilities it holds for all schools from the “Central School Services Block” funding. The provisional 2022/23 allocation is £2.264m.	Refer to Appendix 4	13 For

4.58 Trade Union Response

The authority has consulted with the Joint Union Panel and received responses from the National Education Union (NEU) and the National Association of Head Teachers (NAHT).

4.59 The NEU response commented:

“Sandwell is NOT what you call an ‘average’ area. In 2018, according to a report on childcare, it was reported that more than 20,000 children were living in poverty in Sandwell, which is one in every four children. It is for you to decide if you think things have improved since then. According to The English Indices of Deprivation 2019, which is an official measure of deprivation, Sandwell is one of the most deprived areas in the country. On most measures, Sandwell is the most deprived local authority within the Black Country.

The DfE acknowledged the essential role of LAs during the pandemic to support education, however, such praise will be short lived. The consultation document mentions significant financial challenges ahead such as the increasing outsourcing of services, once provided by the council. This is a further step towards a fragmented, privatised system in which, sadly, competition and profit will come before pupils.”

4.60 The NEU stated in relation to question 1:

“Whilst Sandwell NEU recognises the historic primary/secondary ratio as being favourable to primary schools, there is a reason for this. As stated above, Sandwell is not an ‘average’ LA, regarding poverty and deprivation. Sandwell NEU would have preferred a standstill option.”

4.61 The NAHT agreed with the proposal to change the Pupil Number Growth criteria and they agreed with all the other proposals for the MFG and capping and scaling, de-delegations, Education functions and the Central Schools Services Block.



- 4.62 The NAHT did not respond specifically to question 1 in the consultation but stated that “A number of members have been in touch to express disappointment that there was no standstill option presented this year given the significant increases in their ongoing expenditure.”
- 4.63 The NAHT agreed with the proposal to change the Pupil Number Growth criteria and they agreed with all the other proposals for the MFG and capping and scaling, de-delegations, Education functions and the Central Schools Services Block.

4.64 Proposed schools funding formula 2022/23

The following table details the formula factors and unit values which will be used as the basis for 2022/23 Schools Funding Formula in line with schools forum recommendation. The free schools meals and free school meals ever 6 values together with the MFG will be determined once the DSG allocations and the schools funding model otherwise known as the Authority Proforma Tool (APT) model has been published.

Item	Primary	Secondary
Primary: Secondary Ratio	1	1.29
Basic Entitlement	£3,512	£4,977
Free School Meals	To be checked by the DfE and confirmed with DCS and S151 Officer	
Free School Meals – Ever 6		
IDACI Band E	£77	£350
IDACI Band D	£485	£676
IDACI Band C	£551	£771
IDACI Band B	£602	£855
IDACI Band A	£630	£900
Prior Attainment	£1,225	£1,776
English as an Additional Language (EAL) (2 years)	£846	£1,227
Lump Sum	£129,057	£129,057
Split Site	£129,057	£129,057
Rates	Actual	Actual



Private Finance Initiative (PFI)	Actual	Actual
Minimum Funding Guarantee (MFG)	To be checked by the DfE and confirmed with DCS and S151 Officer	
MFG Ceiling		

5 Alternative Options

- 5.1 The alternative options considered are set out under paragraphs 4.9 to 4.12 for the local authority funding formula and paragraphs 4.18 to 4.29 for the value of the Pupil Number Growth Fund.

6 Implications

Resources:	The Education and Skills Funding Agency (ESFA) announced the DSG allocations for 2022/23 in December 2021. The table below details the allocations by block.			
	DSG Block	Allocation prior to Adjustments	Adjustments	Allocation after adjustments
		£m	£m	£m
	Schools	308.463	(2.961)	305.502
	Central School Services	2.283	0.000	2.283
	High Needs	61.267	(3.130)	58.137
	Early Years	23.387	0.000	23.387
	Total	395.400	(6.091)	389.309
	The Schools Block funding that will be distributed through the main funding formula is £304.202m. This has been calculated as follows:			
				£m
Schools Block DSG				305.502
Less Pupil Number Growth Contingency				(1.300)
Schools Block DSG Available to Distribute				304.202



The government have also announced additional funding for schools in the form of a supplementary grant for 2022/23 with an indicative amount of £9m for Sandwell, final allocations will be confirmed in Spring 2022.

Also, following the Autumn 2021 spending review, the High Needs Block (HNB) will receive additional funding of £2.3m on top of the allocation specified in the table above. This extra funding recognises the additional costs that local authorities and schools will face in the coming year, which were not foreseen when the original HNB allocations were calculated, including the Health and Social Care Levy.

This report will affect the funding received by individual schools in 2022/23.

The DfE has given greater flexibility for the Minimum Funding Guarantee (MFG) in 2022/23; with local authorities being able to set an MFG between +0.5% and +2.00% per pupil.

The main risks regarding school funding are that:

- (a) There are significant financial challenges in the education sector at present, and the Covid-19 pandemic has only added to it. It is clear that schools feel that despite the recent funding announcements, the proposed schools funding arrangements will not fully offset the effects over the last 10 years of inflation, national pay awards and the apprenticeship levy to name a few.
- (b) The Council will have no powers with which to mitigate the risk as detailed above. The planning for managing this risk sits with individual school governing bodies, as they have delegated authority over school budgets.

The local authority closely monitors school budgets through receipt of termly monitoring reports and can offer some minimal support to schools in financial difficulty. Schools



	Forum will also review the school funding formula on an annual basis.
Legal and Governance:	The Authority currently must adhere to the Schools and Early Years Finance (England) Regulations 2021. The regulations are due to be updated for 2022.
Risk:	The Corporate Risk Management Strategy (CRMS) has been complied with – to identify and assess the significant risks associated with this decision. This includes (but is not limited to) political, legislation, financial, environmental and reputation risks. As set out in paragraph 4.1, school's will see an increase in their funding from 2022/23. The recommendation by School Forum members to adopt option 1 will see schools moving as a further step towards a primary: secondary ratio more in line with the national average under the national funding formula. The increase in funding from both these aspects will in part help to mitigate against some of the impact of years of real terms cuts as identified in the directorate risks "Impact of reductions to funding." Also based on the information provided, it is the officers' opinion that for the significant risks that have been identified, arrangements are in place to manage and mitigate these effectively.
Equality:	<p>The DfE have undertaken an equalities impact assessment of the national funding formula for schools and high needs. The analysis is also based on the assumption that local authorities will fund their schools in accordance with the national funding formula. In practice 2022/23, local authorities will retain the discretion to distribute funds in accordance with locally set formula. The allocation at authority level is based on the national funding formula and as such is supposed to create a fairer and consistent distribution of funding that is more closely aligned to need and to provide support for all children irrespective of their background, ability, need or where in the country they live.</p> <p>The authority's formula targets funds to support pupil groups that have been identified as needing additional support. It does not target funding by reference to particular protected characteristics under the Equality Act 2010, but instead targets funding to those groups which the evidence demonstrates face barriers to their educational achievement.</p>



Health and Wellbeing:	The proposals in this report have no impact on health and wellbeing.
Social Value	Sandwell is committed to providing a first-class education for all children, irrespective of their backgrounds, and to level up opportunity so that all children can realise their potential, preparing them for a fulfilling and successful adult life.

7. Appendices

- Appendix 1 - School Consultation Response Summary
- Appendix 2 - De-delegated Budget Proposals Response
- Appendix 3 - Education Functions Budget Proposals Response
- Appendix 4 - Central Schools Services Block Proposals Response

8. Background Papers

Schools Revenue Funding 2022/23 – Operational Guide



Consultation Response Summary

Question	Primary		Secondary		Total	
	Yes	No	Yes	No	Yes	No
1. Please indicate the option you prefer to use for calculating school funding for 2022/23						
a) Option 1: LA formula with a stepped increase in the primary: secondary ratio of 1:1.29 (3rd year)	33	10	9	1	42	11
b) Option 2: Secondary Schools receive 1% funding than primaries above the overall increase in funding.	0	43	1	9	1	52
c) Option 3 – National Funding Formula factor values.	0	43	0	10	0	53
2. Do you agree that we should set the pupil Number Growth Fund for 2022/23 at:						
Option 1: Current Pupil Number Growth formula with an estimated cost of £1.850m	16	27	5	5	21	32
Option 2: Current Pupil Number Growth formula with an estimated cost of £1.300m	29	14	6	4	35	18
4. Which of the De-delegated budget proposals do you agree with (see Appendix 2)	See Appendix (2)					
5. Which of the Education Function budget proposals do you agree with (see Appendix 3)	See Appendix (3)					
6. Please indicate whether you agree with:	43	0	10	0	53	0



a). MFG of 0.05% and up to 2% if modelling proves this achievable with the funding given.						
b) If an MFG where with scaling and capping in order for the MFG to be within the funding envelope.	36	7	4	6	40	13
7. Do you agree for the authority to provide for the responsibilities it holds for all schools from the “Central School Services Block” funding. The provisional 2022/23 allocation is £2,263,500.	See Appendix (4)					



De-delegated Budgets Consultation Responses

Ref	Name	Lead Officer	Primary		Secondary	
			Yes	No	Yes	No
1	Health & Safety Licences & Subscriptions	Group Head – Learning Improvement	35	7	3	0
2	Evolve Annual Licence	Residential Manager	40	2	3	0
3	Union Facilities Time	Group Head – Learning Improvement	27	15	1	2
4	School Improvement Services	Group Head – Learning Improvement	39	3	3	0
5	Schools in financial difficulties	Group Head – Learning Improvement	28	14	3	0



Education Functions Budgets Consultation Responses

Ref	Name	Lead Officer	Maintained Schools	
			Yes	No
1	Education Functions	Group Head: Education Support	42	3
2	Children's Clothing Allowance Support	Group Head: Education Support	38	7
3	Safeguarding and Attendance	Attendance & Prosecution Manager	40	5



Central Schools Services Block Budgets Consultation Responses

Service	£m	Yes	No
Provisional Allocation 2022/23	2.264		
Expenditure Items:			
Statutory & Regulatory, Education Welfare and Asset Management	1.662	49	4
Schools Forum	0.003	52	1
Admissions Service	0.453	49	4
Historical Commitment – Pensions Administration.	0.146	50	3
Total Central Schools Services Block	2.264		



MAIN THEMES/COMMENTS ON SCHOOL FUNDING 2022/23 CONSULTATION

Question 1: Please indicate the option you prefer to use for calculating school funding for 2022/23 (Please only mark one option).

- *Purpose of National Funding Formula is to reduce the historical inequalities between different geographical locations and not close the gap between secondary and primary funding per pupil to my knowledge. No clear rationale provided, from an educational perspective, to move funds from Primary to Secondary. Should be a 4th option "Standstill (Status Quo)" position - especially noting current climate and considering requests made at Schools Forum both last year and this year. This should be revisited at Cabinet due to changes in the educational landscape since they last discussed this in 2019. Furthermore, when reviewing the minutes of the Cabinet meeting in February 2019, it states in the resolution that primary and secondary schools should "work together to consider the educational journey or children of staged movement towards the NFF". To my knowledge no education rationale has ever been discussed. Without discussing and agreeing an educational rationale, it should not be possible to make any of the changes to school funding mechanisms as proposed.
- Without discussing and agreeing an educational rationale, it should not be possible to make any of the changes to school funding mechanisms as proposed
- A request to include a standstill option was made at Schools Forum last year and again this year. The request was denied on both occasions. The Cabinet Member for Children and Education has been contacted to ask for her reasoning behind endorsing the original directive from Councillor Simon Hackett, the Cabinet Member during the 2019/20 consultation The Local Authority regularly refers back to this directive from Councillor Hackett as the justification for only offering options that move money from the primary sector to the secondary sector. No reasons relating to the educational needs and outcomes of children have ever been discussed in this process but the Council minutes from the Cabinet meeting 20th February 2019 are clear that this should have been the case: To ensure full and proper



consultation on this matter, the Schools Forum would be tasked to develop an options paper which demonstrated the impact of movement toward the NFF on children's educational journey. This process would be in consultation with all schools and academies. Without discussing and agreeing an educational rationale, it should not be possible to make any of the changes to school funding mechanisms as propose

- I have not indicated an option as my preference is to request a standstill as I do not believe any more money should be moved from primary sector to secondary sector as no evidence /research as been provided to support. Further consultation is needed through schools forum.

Question 2: Do you agree that we should set the Pupil Number Growth fund for 2022/23 at a) Option 1 £1.850m or b) Option 2 £1.300m.

- This option would fund schools for significant increase in the number on role between census. Budgets are normally set within the allocations received. For most schools this would be additional funding they have managed without. Mid-year admissions wouldn't be funded but all schools would benefit from additional £1.3m

Question 3: De-delegations: Health and Safety Licences

- Risk of duplicating options which are already available to most schools through subscriptions such as The Key. If this is de-delegated then more effort needs to be made to promote the services available as we don't use half of what is listed in the impact report as we never knew we had access to it.
- Schools should be made aware of what services are available.

Question 3: De-delegations: Evolve

- This is a useful tool but were no savings made over the past year, given that trips didn't happen, to reduce the amount for this year? Also, I do not believe it is fair that primaries have to fund the majority of the costs. If the request is for the licence fee only then surely this should simply be split evenly between all the schools it is available too rather than based on the proportion of how often schools use the site?



Question 3: De-delegations: Union Facilities Time

- Costings aimed at primary schools only - would like further details of the benefits primary's receive compared to secondary
- Seems very high and no evidence of impact
- Time too generous, no consideration to austerity and reducing budgets. Primary is subsidising Secondary's, along with Consultation Q1 it appears majority of funds being directed to secondary schools. Also, I find it flabbergasting that union time would be funded at more than twice the level of what we are investing into the school improvement team (which should be our priority)

Question 3: De-delegations: School Improvement Team

- This is vital to all schools
- School Improvement roles need to be reviewed. Are all roles necessary? The core role of advisors in supporting, challenging and intervening in school is very important and valued in Sandwell
- We value the support of our SIA, however we do not feel we have £1394.80 worth of support based on 440 pupils on role

Question 3: De-delegations: Schools in financial difficulties

- This penalises schools that make cost savings on their budgets and that generate their own income. Schools with deficit budgets should be made more accountable and the staff that manage the budgets should be trained and qualified to understand budgets and how to manage public money.
- For schools to manage own finances. In effect of sponsored conversion LA needs to put in measures to manage any potential overspend; having a provision available may result in LA being pressured to utilise such a fund in order to push a conversion through. May result in unintended consequences and inequitable use of reserves.

Question 4: Education Functions: Education Benefits Team

- This service can be purchased by schools at lower cost. Schools can identify their own families in need of FSM/PP we already do the leg work at the start of the school year by asking families to complete the forms. Schools no longer receive alerts of new entitlements from LA and have to check the lists themselves increasing the admin burden.



- As in previous years, it would have been useful to see how much money is forecast to be spent in the current year

Question 4: Education Functions: Clothing Support Allowance

- Schools that employ Family support workers can identify their own families in need and provide assistance where needed.
- As in previous years, it would have been useful to see how much money is forecast to be spent in the current year

Question 4: Education Functions: Safeguarding & Attendance

- Would be helpful to separate these please in order to see financial commitments.
- Can costs of Safeguarding and Attendance Services be split. More responsibilities relating to Attendance Services are being passed back to schools
- As in previous years, it would have been useful to see how much money is forecast to be spent in the current year
- Not in the way it is currently structured. If this was separated as different services then it would be a different response. I find it hard to believe that the A&P team require as much money as they do when you compare it to the other services which come under this area, e.g. safeguarding , CME etc (who provide a much higher quality of service and have a much greater need). I also think information needs to be shared about the impact of A&P, e.g. how many PNs were issued, how much income was generated and where does this get used?

Question 5: An MFG of between +0.5% and 2% if modelling proves this is achievable within the funding given; and

- Primary schools will lose significant funding, both in real terms and because of consultation proposals. Protection, even in the short term, is essential in the current climate.

Question 5: The application of scaling and capping if it proves necessary to be able to implement an MFG as outlined in a). And to remain within then available funding

- Depends on what the MGG is



Question 6: Do you agree for the authority to provide for the responsibilities it holds for all schools from the "Central School Services Block" funding? The provisional 2022/23 allocation is £2,263,500 (This figure will be adjusted in December to reflect the October 2021 census pupil numbers).

For all 4 sections: (1) Statutory & Regulatory, Education Welfare & Asset Management £1,662,000, (2) Schools forum £3,000; Admission Services £452,600; Historical Commitment – Pensions administration £145,900

Specific response Statutory & Regulatory.....

- Separating these would be helpful to consider costs.
- Increase of £140,000 from 2020/21 to 2021/22 and increase of £220,600 from 2021/22 to 2022/23. This is not reflective of budget increase in schools funding
- The details provided in the service block proposal are not detailed enough to fully understand the purpose of this money, i.e. it refers to certain functions and services where de-delegation decisions are taken separately such as attendance. Also, I am concerned that schools do not/have not had the same quality of input as they had when Chris Ward was in post so I would like to understand more about the statutory responsibility of the Directors role in relation to schools (i.e. are school contributions propping up a social care system)?
- Yes and no - if Academies as wellm the Asset Manangement element shoud be split out from planning for Ed Services etc
- Unfair for PFI schools, as the Asset Management does not take into account PFI school.
- As in previous years, it would have been useful to see how much money is forecast to be spent in the current year

Specific response: Admissions Service

- Would like an option where LA manages admissions at the beginning of the year, with schools managing in year admissions. Can this be explored further so schools have more choice than just yes or no next year?



- Whilst we have voted yes to the Admissions service this year we have not been happy with the service levels nor with the information provided as part of this consultation. We will be investigating whether we would be better served by opting out and providing this service in house next year should the service not improve substantially.
- If academies as well? There is a separate SLA bought into.
- Impact and deployment is missing from paperwork

General Comments

- No reasons relating to the educational needs and outcomes of children have ever been discussed. Without discussing and agreeing an educational rationale, it should not be possible to make any of the changes to school funding mechanisms as proposed
- Question 1 - A request to include a standstill option was made at Schools Forum last year and again this year. The request was denied on both occasions. We believe that this remains the most appropriate course of action in the current climate of uncertainty relating to finances of schools and finances generally. We're very disappointed to see that there is still no educational rationale provided to explain any movement of funds from the primary sector to the secondary sector. We firmly believe that any discussion around relative funding levels must take into account the Sandwell context. This was the reason for setting the primary:secondary ratio at its original level and it remains as vital to the overall progress of Sandwell pupils as it was when the ratio was originally discussed and agreed. seven years ago, the primary sector has suffered a far greater burden of the costs related to non-teaching staff. To move funding from the primary sector to the secondary sector would not recognize these additional expenditure burdens. All schools, primary and secondary, have faced additional costs relating to National Insurance and pension increases. This has had a much more profound impact on primary schools because of the workforce distribution. Primary schools employ nearly four times as many Education Support Staff as secondary schools (176,200 compared to 47,800). For an average two-form entry school in Sandwell this equates to over £20,000 per year in additional costs. This amount is similar to the impact of moving money from the primary sector to the secondary sector to match national funding ratios. Question 7 - There appears to be a contradiction in this area of the consultation: the consultation document states that "a number of the services that are covered by funding are subject to a limitation of no



new commitments or increase in expenditure from 2021/22. This limit no longer applies to the Admissions Service or the servicing of schools forums", however the Statutory and Regulatory, Education Welfare and Asset Management request has increased from £1,441,400 in last year's consultation to £1,662,000 in the current consultation. An increase of £220,600 or 15.30%.

It would be difficult to support such an increase without understanding why it has happened and whether it is legitimate given the narrative in the consultation document replicated above.

- We are extremely disappointed to hear that despite being told last year that a standstill option would be considered by cabinet, it hasn't. The answer given to Primary schools is that by raising the ratio in favour of secondary funding you are doing Primary schools a favour and preparing us for the national funding formula. This is not appreciated, this stance suggests that we are incapable of budgeting appropriately for ourselves. We are in a situation where the youngest children (primary aged, in particular current KS1) have been most negatively impacted by covid in terms of their learning progression. During closures they were less able to make progress during home learning due to lack of independence and support at home. They have missed out on valuable basic skills that underpin learning. A year of standstill would have supported Primary schools, enabling them to utilise those funds to better focus on closing those gaps. Instead, Primary schools face further cuts and a greater challenge in terms of learning recovery. In time this will negatively impact on the Secondary sector because children will begin to arrive less ready to cope with the KS3 curriculum.
- It is important that comments collated from this year's consultation are considered carefully, even if de-delegated decisions are taken, ahead of designing the consultation for next year. Finally, there appears to be a contradiction in the final area of the consultation: The consultation document states that "a number of the services that are covered by funding are subject to a limitation of no new commitments or increase in expenditure from 2021/2022. This limit no longer applies to the Admissions Service or the servicing of schools forums", however, the Statutory and Regulatory, Education Welfare and Asset Management request has increased from £1,441,400 in last year's consultation to £1,662,000 in the current consultation, an increase of £220,600 or 15.30%
- There appears to be a contradiction in the "Central Services Block" section of the consultation: The consultation document states that "a



number of the services that are covered by funding are subject to a limitation of no new commitments or increase in expenditure from 2021/22. This limit no longer applies to the Admissions Service or the servicing of schools forums", however, the Statutory and Regulatory, Education Welfare and Asset Management request has increased from £1,441,400 in last years consultation to £1,662,000 in the current consultation. An increase of £220,600 or 15.30%

- It is disappointing that again Primary schools have no voice in Sandwell's funding consultation options. The only rationale offered for the movement of funds from the primary to secondary sector appears to be to bring the authority more in line with other authorities. Primary schools have not been given reasoning that links to the educational needs of the children in Sandwell for this change. Is there clear evidence that secondary school children are disadvantaged by the current funding formula? There is certainly research showing that the youngest pupils have been most effected by the covid pandemic yet indicative figures show increases to our budget will not even cover national insurance rises and teacher pay increases that the DfE have promised will be in our budgets. Following last years consultation Chris Ward told Primary Heads that our voices had been heard at Cabinet and that there would be different conversations for this year it is sad for our children that this has not been the case.

