



TO: ALL MEMBERS OF THE SCHOOLS' FORUM

October 7, 2021

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NOTICE OF MEETING - SCHOOLS FORUM 14 OCTOBER 2021

A meeting of the Schools Forum will be held on Thursday, 14 October 2021 at 5.00 pm **via Microsoft Teams, the link will be sent by email.** The Agenda for the meeting is set out below.

AGENDA		
Item		Page
1.	Welcome and apologies - Chair	
2.	Minutes of the previous meeting including matters arising - Chair	3 - 12
3.	Schools Forum Membership Update	13 - 14
4.	DSG Budget Strategy for 2022/23 - Schools/DSG Business Partner	15 - 22
5.	Initial proposals for school funding formula for 2022/23 - Schools/DSG Business Partner	23 - 44
6.	DSG Budget Monitoring 2021/22 - Month 6 including update to Deficit Recovery Plan - Schools/DSG Business Partner	45 - 60
7.	Agenda items for next meeting <ul style="list-style-type: none">• DSG budget overview for 2022/23• Final proposals for school funding formula for 2022/23• Agree growth fund for 2022/23• Budget monitoring 2021/22 month 8• Maintained schools outturn 2021/22• Top up Funding	
8.	Any Other Business	

- Consultation on 2022/23 budget

9. Date of Next Meeting

December 9, 2021 at 5pm – To be held virtually via Teams



Minutes of Schools' Forum Meeting

24 June 2021

Members Present

Justine McMinn – Head Teacher of E P Collier; Cathy Doberska – Head Teacher of English Martyrs; Peter Kayes – Governor at the Ridgeway; Richard Rolfe – Governor at Micklands (Chair); Dani Hall - Co-Chair of the Federation between Oxford Road Community School & Wilson School; Jo Budge - Executive Head Teacher of Reading Early Years Schools Federation; Tonia Crossman – Head Teacher of Emmer Green; Simon Uttley – Head Teacher of Blessed Hugh Faringdon; Symon Cooke – Head Teacher of The Avenue; Ita McGullion – Manager of Kennet Day Nursery; Ashley Robson – Principal of Reading School; John Salberg – Principal of The Wren; Annal Nayyar – Finance Director of Bayliss Trust (Reading Girls); Jane Brown – Business Manager of Churchend; Isabelle Sandy – Business Manager of Kendrick; Claire Brown – Business Manager of Prospect School (substitute); Mandy Wilton – Head of Cranbury College; Alison McNamara - NEU.

Apologies

Karen Edwards – Head Teacher of The Heights;

In attendance

Cllr Ashley Pearse – Lead member for Education; Ann McDonnell – Business Manager of Blessed Hugh Faringdon; Kate Reynolds - Director of Education & Research; Steph Heaps – Schools & DSG Business Partner; Clare Warren – School Support Lead; Siobhan Egan – Service Manager IT & Data Intelligence; Corinne Dishington – Service Manager Under 5s; Vanessa Hurdle – minute taker.

	Item	Notes
1	Welcome and apologies - Chair	<p>The Chair welcomed everyone to the meeting.</p> <p>Steph Heaps read out the protocol for the virtual meeting and confirmed who was eligible to vote and for which votes. Recording of the meeting commenced. The recording will be retained until the minutes have been approved.</p> <p>Apologies were noted.</p>

2	Minutes of the meeting held on 11 March 2021 - Chair	<p>Minutes were agreed as an accurate record of the meeting from the 11 March 2021.</p> <p>Matters arising:</p> <ul style="list-style-type: none"> - Academy Membership – Discussed under Item 3.
3	Schools' Forum Membership Update – including confirmation of representation - Chair	<p>Richard confirmed that the Forum remains at full membership. Symon Cooke (Head of The Avenue) has confirmed that he will remain as the Special Schools' Representative. Andy Johnson (Head of Maiden Erlegh School in Reading) will replace Ashley Robson as an Academy Representative from September 2021.</p> <p>Cathy Doberska (Head of English Martyrs) noted that her term is due to end in July. Nicky McVeigh (Head of Christ The King) will take over as the Primary Voluntary Aided Representative. Karen Edwards' (Head of The Heights) term is also due to end in July 2021. Richard will contact her to see if she wishes to continue as a member. Jane Brown (Business Manager at Churchend) advised that the Head, Richard Pearse, will be leaving at the end of this term. The new Head Teacher is happy to replace Richard as a representative from September 2021.</p>
4	Schools' Forum Constitution/Terms of Reference for 2021/22 - Schools/DSG Business Partner	<p>Steph Heaps presented.</p> <p>Richard clarified that the Constitution is largely unchanged from the previous one. A vote is required for this item to keep in line with statutory requirements.</p> <p>Steph explained that there is no minimum or maximum number of members required for the Schools' Forum. The average across the UK is 20-25 members. Reading has 23 members. Table 2 shows the January 2021 census figures and the apportionment of the number of pupils. Currently the proportion of members still fits within the requirements, so this will remain unchanged.</p> <p>The only change that has been made to the Constitution is a permanent provision to enable the Schools' Forum to meet remotely (Appendix 1). The Schools' Forum has previously discussed the idea of moving to a hybrid model so that some of the meetings can be held in person and some on-line. If a face-to-face meeting is held at the Civic Centre then the Forum will be required to allow people to attend the meeting remotely as well. This needs to be looked at in more detail.</p>

		<p>The Forum will be updated as to how the meetings will be held going forward at a later date.</p> <p>Peter Kayes raised the issue of Head Teachers being able to appoint a substitute if a regular substitute is not available. Peter made the suggestion that an amendment should be made to state that 'Voting Members' are allowed to appoint a substitute. A proviso should be made that there is at least one Head Teacher present and a Governor.</p> <p>14 members agreed the proposed change to the Constitution</p>
5	<p>DSG Outturn 2020/21 including update on deficit recovery plan - Schools/DSG Business Partner</p>	<p>Steph Heaps presented</p> <p>Table 1 sets out the DSG Outturn for 2020/21 compared to the original and revised budget. The outturn shows a deficit of £1.356m. This is £413k less than the previous year's deficit and £431k less than the in-year budget. The actual amount to be repaid is £2.132m, which relates to the High Needs Block. The other variances are contained within the relevant blocks.</p> <p>Schools Block – The surplus of £622k, which relates to growth funding, will be carried forward and will be used to pay for additional secondary bulge classes in 21/22 and beyond.</p> <p>Early Years Block – This started with a contingency of £412k. Due to the impact and uncertainty of covid-19, it had been assumed that all of this contingency would be wiped out. Instead there has been an underspend of £154k. This will be carried forward into 21/22 to be used as contingency.</p> <p>Based on Spring term funding, there is the potential to receive some additional funding from the DfE once the final allocations are confirmed. It is estimated that this is likely to be a maximum of £68k.</p> <p>Table 2 – shows the variances.</p> <p>The bulk of the deficit of £2.132m sits in the High Needs Block. This is £344k overbudget, which is only £42k more than the 19/20 deficit. This is better than had been predicted as at month 9, it had been estimated that the overspend would be £400k. This is a good outcome as Reading is seeing an increasing number of EHCPs. There was an increase of 43 EHCPs in year.</p> <p>The Top-up budget was overspent by £250k. This is only £24k more than was spent in 19/20. The average cost of a</p>

		<p>placement for 20/21 was £13,106 compared to £13,105 in 19/20. It had been estimated in the budget that placements would cost £13,171.</p> <p>Table 3 – Top-up Budgets</p> <p>This shows a breakdown of the top-up budgets and where the variables sit. There are some quite large variances and these areas will be monitored quite closely throughout the year. The budget monitoring will be presented at the next Schools’ Forum meeting. It may be a case that the budgets are re-aligned according to the figures.</p> <p>DSG Deficit Recovery Plan – At the end of 19/20, the deficit was 1.43% of the allocation and at the end of 20/21 it had reduced to 1.03% (£2.132m). It is estimated that for 21/22, the deficit will increase by £239k, leading to a deficit of £2.371m. This increase is due to the additional place funding in local schools, which will be a one-off cost. This should mean lower costs for the increasing number of higher cost places in independent schools.</p> <p>Top-up costs have been increased by 2% for inflation in the recovery plan. An external review on top-up funding is taking place. The outcome from this review will be shared with the Forum as soon as it is available. Schools should expect to see an uplift from September 2021, but a rate has not yet been agreed. It has also been assumed that funding will increase by £2m for 21/22 and 22/23 on the same basis as for 20/21, followed by a slight reduction of £1.5m thereafter. It has also been assumed that the transfer of £484k from the School Needs block to the High Needs block will continue until the deficit is repaid.</p> <p>Appendix 3 shows the full deficit recovery plan. It is predicted that the deficit will be repaid by 2025/26.</p>
6	Maintained School Balances – School Support Lead	<p>Clare Warren presented.</p> <p>The Maintained Schools’ balances for 2020/21 were £3.39m. This was an increase of £576k over 19/20. It was a very unusual year for schools with some schools being able to make savings as they did not require agency staff or did not run any trips or have any overtime costs, whilst other schools lost income due to not having any lettings.</p> <p>Seven schools ended the year in deficit at a total cost of £1.25m. This is an increase on last year’s deficit figure. These</p>

		<p>schools are being offered support to bring them back to a financially sustainable position.</p> <p>2021/22 Budgeted Balances – The overall balances for 21/22 are budgeted to decrease by £1,880k. It has been very difficult to set the budgets for this year due to the uncertainty in pupil numbers and the recovery from the pandemic.</p> <p>Richard mentioned that the figures set out in Appendix 1 suggest that the Primary schools are having a very hard time at the moment, possibly due to a reduction in numbers.</p> <p>Ashley Robson noted that most of the maintained schools in Reading are Primaries, with the majority of secondary schools being Academies and that a comparison between the experiences of primaries and secondaries should not be drawn.</p> <p>Simon Uttley also mentioned the projects that schools were not able to undertake/complete last year due to the pandemic. These were not savings, as they had been committed and can now take place.</p>
7	DSG Budget 2021/22 – Schools/DSG Business Partner	<p>Steph Heaps presented.</p> <p>The report sets out the 2021/22 DSG budget in its usual format and this is the format that will be monitored over the year. The allocation is currently £81.9m. The first changes are likely to be received shortly, usually an update in July, which should contain updates to the High Needs block.</p> <p>The July update would normally include changes for Early Years Funding allocations based on the January 2021 census. Due to the changes going forward to Early Years’ funding, no changes are expected to be announced in July. The earliest that a change is likely to be announced is November 2021. Early Years is now funded per term. Usually funding would have been 5/12ths of the January 21 census and then 7/12s of January 2022. Funding is now being done as follows each term: summer term 5/12s, autumn term 4/12s and spring term 3/12s.</p> <p>It is currently very hard to predict the position that Reading will be left in using this new method. However, if numbers are high, then Reading should do well as the funding is on a like for like basis, which is the method that Reading uses to pay out to providers. It is hoped that further information on the top-up</p>

		<p>funding of 85% will be announced before November and that it will possibly be issued in September.</p> <p>Table 2 shows a breakdown of the budget per block. The High Needs Block includes the payment of the previous year's deficit as forecast when the budget was set. This now needs to be revised to £2.371m based on the outturn.</p> <p>The variances to note for the year and risks emerging show that there is likely to be an underspend of £74k in the Schools' Block Growth Funding. This does not take into account the carry forward of £622k, meaning that there could be a potential underspend of £696k in total. This will be carried forward for future use. The requirements for funding this year's bulge classes from September 2021 are currently not known and probably will not be known until closer to September. The October meeting should give a clearer position of the Growth Funding for 21/22. There should not be any other variances in this block.</p> <p>Central Block – No variances are expected in this area. However, if there are, they will be carried forward into the next year and managed within the block itself.</p> <p>Early Year's Block – Over 95% of the funding relates to the free entitlement for 2, 3 and 4 year olds. The budget has been based on the 19/20 funded hours as this is the last full year of data. The hourly rates have been increased by 6p and 8p by the DfE and this increase will be passed on to the providers.</p> <p>The Maintained Nursery Transitional Grant has now been confirmed for all of 21/22. It is currently unclear as to whether this Grant will continue in future years.</p> <p>High Needs Block – The level of top-up fees being paid to Reading schools is under review. This means that either a new model will be implemented or the rates that Reading uses are increased. Last September was the first time in a while since schools had seen an increase. This was for 5% on average. An increase of 2% has been factored into the 21/22 budget, but it is possible that it could be higher than this. This would then need to be taken into account in the deficit recovery plan as it would have an impact. When the options are reviewed, the long-term effect will need to be taken into consideration.</p> <p>The Inclusion Fund, which is a transfer from the Schools' Block to the High Needs Block, has been set at £484k for 21/22, compared to £350k in 20/21. This provides funding to</p>
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		<p>mainstream schools with a high percentage of pupils with EHCPs. Previously, the allocation basis of this used Reading's statistical neighbours' percentage. Looking at the spring term census, it seems likely that the allocations may need to be made using a different and higher basis.</p>
8.	<p>Scheme for Financing Schools Update – Schools/DSG Business Partner</p>	<p>Steph Heaps presented.</p> <p>Richard confirmed that a decision was needed on this item.</p> <p>There have not been many changes to the Scheme for Financing Schools, but this is a document that all LAs must produce for Maintained Schools. It sets out the LA's financial relationship with its schools.</p> <p>The last update received from the DfE was on 23 April 2021, and due to the pandemic, changes have been kept to a minimum. The updates are mainly concerned with links to the latest on-line regulations.</p> <p>One statutory change in the guidance has been reflected in the Scheme. This is that all schools must submit a recovery plan to their LA if their revenue deficit rises above 5%. School budgets are already closely monitored by the School Support Lead so this should not be an issue.</p> <p>The other compulsory change made by the DfE is that schools must now submit a 3 year budget forecast. This is something that is already in place within the LA.</p> <p>13 members agreed the change to the Scheme for Financing Schools</p>
9.	<p>SEND Strategy Annual Update – including update on Top-Up review – Director of Education</p>	<p>Kate Reynolds presented.</p> <p>Kate confirmed that at March's meeting, an annual, detailed SEND update would now be presented at the June meeting. However, individual papers will be presented at other meetings as and when required. The SEND Local Area Inspection is currently taking place. Over 200 documents have been produced over 4 days for this inspection.</p> <p>Kate reminded the Forum that there has been investment, which will see a further 179 places for pupils with EHCPs. Some from September 2021 and some from September 2022.</p> <p>A further issue is the top-up funding which is currently being reviewed. However, the Forum should note that besides the outcome of the current inspections, there is also the SEND</p>

		<p>Review from the Government. It is understood that this Review may signal significant changes to funding. If Reading has to wait for the outcome of this Review, then rates will be uplifted in the meantime.</p> <p>There will be a new framework in place for Alternative Provision from September 2021 to ensure that the provision is appropriate and of the right quality for the pupils. The SEND Team is currently producing 100% of EHCPs within the 20 week statutory timeframe. The national figure is currently running at 58%.</p> <p>There is also work being undertaken with Therapeutic Thinking Schools. This has meant that there has not been any permanent exclusions of pupils with SEND in the last two years.</p> <p>A review of the Service Level Agreement has been undertaken for all the resource bases. Additional resource bases are being put into Early Years, Primary and Secondary.</p>
10	<p>Early Years SCD Resourced bases update – Under 5s Service Manager</p>	<p>Corinne Dishington presented</p> <p>Corinne updated the Forum on the two SCD resource bases, which are being put into Norcot and Blagdon Nurseries. The intention is that there will be 10 full-time places in each. This will actually translate into 20 part-time places in each and will mean that a total of 40 extra children can be supported. This complements the provisions that already exist at Snowflakes and Dingleys.</p> <p>A comprehensive training package will also be included as part of the proposal based on the Autism Growth Project. It is hoped that additional speech and language therapy can be commissioned as well as Occupational Therapy to support the bases.</p> <p>There will be a Joint Admissions Resources Panel for Primaries and Secondaries to ensure a seamless support service. The proposal is currently out for consultation and this closes at the end of June. If all goes to plan, then the resource bases will open from September 2021.</p>
11	<p>Agenda items for next meeting</p>	<p>The next meeting will be held on 14 October 2021 as a virtual meeting.</p> <ul style="list-style-type: none"> • DSG budget setting strategy for 2022/23 • Initial proposals for school funding formula for 2022/23

		<ul style="list-style-type: none"> Budget monitoring 2021/22 month 6 (including update on deficit recovery plan)
	Any other business	<p>Richard thanked Steph for all her hard work and wished everyone a very happy summer break.</p> <p>The meeting finished at 17.42.</p>

Summary of Actions Outstanding

SF Date & Item no.	Action Required	Responsible Person
24/6/21 – Item 3	Membership – Karen Edwards to remain a member.	Richard Rolfe

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Agenda Item 3

SCHOOLS' FORUM MEMBERSHIP	Sep-21
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Group / Sub Group	Votes	Position	Name	School	First elected / appointed to SF	Last elected / appointed to SF	Period of office as member	Due for re-election / appointment
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School Members:

Nursery (2)	1	Head teacher	Jo Budge	Reading EY Schools Federation	Jan-17	Jan-19	3 yrs	Jan-22	
	2	Governor	Julia Cottee	Reading EY Schools Federation	Mar-20	Mar-20	3 yrs	Mar-23	
Maintained Primary (7)	3	Head teacher	Robert Howell	Alfred Sutton	Mar-19	Mar-19	3 yrs	Mar-22	
	4	Head teacher	Justine McMinn	EP Collier	Nov-13	Jan-19	3 yrs	Mar-22	
	5	Head teacher	Nikki McVeigh	Christ the King	Jul-21	Jul-21	3 yrs	Jul-24	
	6	Head teacher	Tonia Crossman	Emmer Green	May-17	Mar-19	3 yrs	Mar-22	
	7	Governor **	Peter Kayes	The Ridgeway	Mar-07	Dec-19	3 yrs	Dec-22	
	8	Governor *	Richard Rolfe	Micklands	Dec-16	Dec-19	3 yrs	Dec-22	
	9	Governor	Dani Hall	Oxford Road and Wilson	Mar-20	Mar-20	3 yrs	Mar-23	
		Observer/Substitute	Sarah Bernto	St Anne's					
Maintained Secondary (1)	10	Head teacher	Simon Utley	Blessed Hugh Faringdon	Jan-17	Jan-19	3 yrs	Jan-22	
Academy Primary (2)	11	Academy Member	Karen Edwards	The Heights	Jul-18	Jul-18	3 Yrs	Jul-21	
	12	Academy Member	Howard Seymour	Churchend	Mar-20	Mar-20	3 yrs	Mar-23	
Academy Secondary (5)	13	Academy Member	Isabelle Sandy	Kendrick	Feb-12	Mar-19	3 Yrs	Mar-22	
	14	Academy Member	David Littlemore	Prospect	Feb-12	Mar-19	3 Yrs	Mar-22	
	15	Academy Member	Rachel Cave	Highdown	Feb-12	Mar-19	3 Yrs	Mar-22	
	16	Academy Member	Annal Nayyar	Reading Girls	Dec-17	Mar-19	3 Yrs	Mar-22	
	17	Academy Member	Andy Johnson	Maiden Erlegh School	Sep-21	Sep-21	3 Yrs	Sep-24	
			Observer/Substitute	Louise Baker	John Madjeski				
			Observer/Substitute	Jonathan Nicholls	UTC				
			Observer/Substitute	Andy Johnson	Maiden Erlegh in Reading				
		Observer/Substitute	John Salberg	The Wren					
Maintained Special (1)	18	Head teacher	Lee Smith	Holy Brook	Oct-19	Oct-19	3 yrs	Oct-22	
Academy Special (1)	19	Academy Member	Symon Cooke	The Avenue	Mar-18	Mar-21	3 Yrs	Mar-24	
Alternative Provision (1)	20	Head teacher	Mandy Wilton	Cranbury College			On-going	n/a	

Non-School Members:

Early Year's PVI (1)	21	PVIs	Ita McGullion	Kennet Day Nursery	Oct-17	Oct-17	3 yrs	Oct-21
Trades Unions (1)	22	Trades Unions	Ali McNamara	NEU			On-going	n/a
16 - 19 Provision (1)	23	FE College	Charlotte Morgan	Reading College (Activate Learning)	Oct-20	Oct-20	3 yrs	Oct-23

Non Members

Observer	-	RBC	Cllr Ashley Pearce, Lead Member for Education					
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* Chair

** Vice chair

Elected October 2020

Elected October 2020

Agenda Item 3

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Reading Schools' Forum

October 14, 2021

Agenda Item 4

DSG Budget Setting for 2022/23

For decision For discussion For information

SUMMARY

This report sets out the information we know so far about DSG funding for 2022/23, and the timetable for setting the DSG budget.

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VERSION

Version number 1

DATE

06/10/2021

REVIEW DATE

None

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1. Recommendations

- 1.1 NOTE: The funding announced so far for 2022/23.
- 1.2 NOTE: The tasks and timetable for completing the 2022/23 budget.

2. Background

- 2.1 School Funding is received through the Dedicated Schools Grant (DSG), and is split into four blocks, each with its own formula to calculate the funding to be distributed to each local authority.
 - Schools Block – funds mainstream primary and secondary schools through the school formula, and growth funding for new growing schools/bulge classes.
 - High Needs Block – funds places in special schools, resource units and alternative provision, and top up funding for pupils with EHCPs in all settings including non-maintained, independent, and further education colleges.
 - Early Years Block – funds nursery schools, nursery classes in mainstream schools, and early year’s settings in the private, voluntary and independent (PVI) sector through the free entitlement for 2, 3 & 4 year olds.
 - Central Schools Services Block – funds services provided by the local authority centrally for all schools, such as the admissions service.
- 2.2 The Government announced the school funding arrangements for the schools, high needs and central blocks in July. Arrangements for the early years block will not be made until late November.
- 2.3 The DSG must be deployed in accordance with the conditions of grant and the latest School and Early Years Finance (England) Regulations. Detailed guidance is contained within various operational guidance documents issued by the Education Funding & Skills Agency (EFSA).
- 2.4 This report sets out the funding expected for 2022/23, specific considerations, and the tasks required and timetable for setting the budget.

3. Funding Announced for 2022/23

- 3.1. Table 1 sets out the DSG funding Reading receives for the schools, central, and high needs blocks for 2021/22 and compares to the current information on allocations known for 2022/23. The units of funding for these blocks have been confirmed for 2022/23, but the actual funding will be based mainly on the October 2021 census to be confirmed in December. The table therefore shows the funding allocations if there were the same number of pupils.

Table 1: DSG Allocations 2021/22 and 2022/23

	2021/22 ACTUAL		2022/23 ESTIMATE		YEAR ON YEAR CHANGE		
		Funding £'000		Funding £'000	£'000	%	Notes
Schools Block (SB):							
Primary Unit of Funding (PUF)	£4,501		£4,632		+131		
<i>Primary Pupil numbers & funding</i>	13,013	58,572	13,013	60,272	+1,700	+2.9%	Will be based on Oct 21 census
Secondary Unit of Funding (SUF)	£5,924		£6,077		+153		
<i>Secondary Pupil numbers & funding</i>	7,202.5	42,668	7,202.5	43,770	+1,102	+2.6%	Will be based on Oct 21 census
Premises		1,399		1,300	-99	-7.1%	Confirmed
TOTAL SB		102,639		105,342	+2,703	+2.6%	
Growth Funding Factor		844		?			Not yet known
Central School Services Block (CSSB):							
Unit of Funding	£36.20		£38.21		+2.01		
<i>Pupil Numbers</i>	20,215.5	731	20,215.5	722	-9	-1.2%	Will be based on Oct 21 census
Historic Commitments		435		348	-87	-20.0%	Planned reduction by ESFA
TOTAL CSSB		1,167		1,121	-46	-3.9%	
High Needs Block (HNB):							
Formula		24,687		26,665	+1,978	+8%	Confirmed
Hospital & AP pay grants		300		296	-4	-1.3%	
Place Funding Unit of Funding	£4,908		£4,912		+£4		Confirmed
<i>Place Numbers</i>	322	1,580	332	1,630	+50	+3.2%	Will be based on Oct 21 census
Import/Export Adjustment	-326	-1,956	-326	-1,956			Based on Oct 21 census & Jan 22 ILR
Total HNB		24,611		26,635	+1974	+8%	

- 3.2. Schools' block funding is increasing by £2.7m or 2.6% overall. The implementation of the National Funding Formula (NFF) for mainstream schools will continue in 2022/23, though there is no confirmation when final implementation will take place; funding will continue to

be distributed to local authorities using Primary Units of Funding (PUFs) and Secondary Units of Funding (SUFs), based on the previous year's data. The local authority in consultation with the Schools' Forum and all schools will then determine the local funding formula. In 2021/22 Reading is virtually mirroring the NFF, and it is hoped this can be repeated in 2022/23. It may not be possible to replicate the NFF in the local formula in full because funding received/available for the school formula is unlikely to match funding required for the NFF due to the following reasons:

- Differences between the two years in the pupil characteristics driving the funding (which may result in funding which is higher or lower than the actual requirement).
- Growth funding requirements not met by the separate grant, and so a top slice is required.
- Funding transfers to other blocks (namely high needs).
- Overspends in the previous financial year are a first call on resources in the following year. This will only happen for growth funding.

3.3. More information and detail on the proposals for the 2022/23 school formula is contained in another report on this agenda.

3.4. The Growth funding DSG allocation will be on the same formula basis as last year and with the same transitional protection (being a loss of no more than 0.5% of the SB DSG). Reading received funding through the formula last year, so the transitional protection did not apply, but until we have October census pupil number data, we cannot estimate this funding. The expectation is that the funding plus the carry forward from the current year will meet our growth fund requirements.

3.5. The Central Schools Services block funding rate will increase by 3.9% for on-going responsibilities, but with a maximum reduction of 2.5% and maximum gain of 5.6% (i.e. reflecting decreases/increases in overall pupil numbers on which this allocation is based. Funding for the historical commitments element is being phased out and will reduce by a further 20% in 2022/23 (the first 20% reduction was in 2020/21) with no protection on this element. Therefore, savings will again need to be found in this block.

3.6. There will be no change to the High Needs funding formula, and the additional funding in 2022/23 for high needs will be allocated through this formula. Under this formula, Reading currently loses funding, and are therefore on the funding floor, however every local authority will have a minimum increase of at least 8% per head of age 2 to 19 population based on their 2021/22 allocation, and there is a gains cap of 11% for local authorities gaining funding through the formula; this is to help manage cost pressures in this area.

3.7. This will deliver an additional £1.9m to the high needs block assuming similar population numbers, the same increase as in the current year. This will again be very helpful in meeting the costs of our current provision, the growing numbers, and reducing the deficit in this block. Consideration will need to be given on how this additional funding is allocated (including the increase in top up rates), bearing in mind the continual increase in numbers of pupils requiring additional support. The Government is continuing to pursue a cross-departmental review of the SEND system to see what further improvements are necessary to ensure it supports children and young people with SEND as effectively as possible.

- 3.8. As always, there will be the requirement to review the number of high needs places to be funded, and to submit any changes to ESFA in November.
- 3.9. There has been no announcement yet for early years, so it is not even known whether there will be an increase in the hourly rate that all providers receive for 2, 3 & 4 year olds or whether the funding method will be the same as 2021/22 or will revert back to previous method. The maintained nursery school lump sum will continue at least until the end of this financial year but there are no further details on the future of this.
- 3.10. The teachers pay and pension grants for primary and secondary schools have now been fully incorporated into the schools formula. The equivalent grant for Special schools, AP providers and nursery schools/classes will be added to the relevant DSG blocks, and LAs will distribute the grant to these settings. No announcements have been made yet on other grants, such as pupil premium.

4. Specific Considerations for 2022/23 Budget Setting

- 3.11. A key decision to be made is whether to make a transfer of funding from the Schools Block to the High Needs Block. As in previous years, this is subject to a maximum of 0.5% of the total schools block allocation with Schools' Forum approval and following a consultation with all schools. The maximum transfer permissible in 2022/23 totals £526k; the current amount being transferred is £484k and specifically funds the inclusion fund – additional funding for schools with a disproportionate number of pupils with EHCPs. All schools will be consulted on the continuation of this fund and the transfer of funding to support this.
- 3.12. From April 2020, all maintained schools have been able to access the Risk Protection Arrangement (RPA) as an alternative to the Council's or other insurance schemes. The Scheme for Financing Schools has also been amended to allow for de-delegation of this service – which means that if Schools' Forum agree, all maintained primary and/or secondary schools would be signed up to the RPA centrally with no choice. Given that 10 out of 34 schools (29%) have so far chosen to go with the RPA, and it is still too early to assess from these schools whether the RPA offers a good value service, it is proposed to allow schools to choose for themselves in 2022/23. The Council will therefore still offer an insurance SLA to all maintained schools in 2022/23. Once over half of schools have chosen to opt for the RPA, it *may* not be viable for the Council to offer the current Insurance scheme to the remaining schools, so RPA may be the only option for schools from 2023/24 and it would make sense to then consider de-delegation (if this is still an option under a NFF). Points to note:
- It is in the best interest of all parties, especially schools, not to chop & change insurance providers. This opens up the potential for gaps in cover between the two programmes to occur, and inevitably the council's insurers will have a number of (detailed) underwriting questions should a school wish to re-join the SLA having placed their cover elsewhere for a period of time.
 - There is a notice period for leaving the Insurance SLA as set out in the Insurance Guidance Notes for Schools, so planning ahead is essential. The final deadline to give notice to leave the SLA is 31st December 2021.

- 3.13. Following earlier reports to Schools Forum, a review of bandings was completed by an external consultant. It was decided to pause this review to enable the outcome of the Government’s SEND review to be known since, we believe, that may have a substantial impact on funding streams across education, social care and health. A report is expected to come to schools forum in December proposing a current year uplift. Any decision about the change in rates must be taken in the context of the overall high needs budget and deficit recovery plan.

5. Timetable for Setting 2022/23 Budget

- 5.1. Table 2 sets out the tasks and timetable for setting the 2022/23 DSG budget.

Table 2: DSG Budget Timetable

TASK	DATE
BFFC inform all schools on proposals for 2022/23 school formula, and to consult with all schools on the transfer of funding from the schools block to high needs block	Send to schools 22 October 2021. Comments due back by 12 November 2021
BFFC complete High Needs Place Review	Submission due to ESFA 12 November 2021
BFFC review of Top Up bandings	September – December 2021
Schools’ Forum recommend school formula for 2022/23, agree growth funding for 2022/23, and decide on transfer of funding from Schools Block to High Needs Block. Schools’ Forum review top up funding proposals.	9 December 2021
BFFC work on high needs and central school services budgets	December 2021 – January 2022
Final funding allocations received from ESFA for schools, high needs (part), central services block and Early Years. Final data received from ESFA for school formula based on October 2021 census.	Due from ESFA mid December 2021
BFFC finalise the school formula based on final funding allocation	Late December 2021
Schools’ Forum informed on final school formula, decide de-delegations, and decide the central school services budget. Schools’ Forum review first draft of high needs budget in light of funding available/deficit position.	20 January 2022
Local Authority agrees school formula for 2022/23 and BFFC submits APT to ESFA	Submission Due to ESFA by 21 January 2022
BFFC Inform mainstream maintained schools of their budget shares for 2022/23	By 28 February 2022 (statutory date but in

	reality by end of January 2022)
BFFC work on final high needs and early years budgets	January to end of February 2022
Schools' Forum review/agree final budgets for high needs and early years	10 March 2022
ESFA confirm to academies their general annual grant (budget shares) for 2022/23	31 March 2022
High Needs place numbers at institution level published by ESFA	31 March 2022

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Reading Schools' Forum

October 14, 2021

Agenda Item 5

School Funding Formula 2022/23 – Proposals

For decision For discussion For information

SUMMARY

This report summarises the school funding formula arrangements for 2022/23 and sets out the approach for setting the 2022/23 formula for Reading schools.

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VERSION

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DATE

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REVIEW DATE

None

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1. Recommendations

- 1.1 NOTE: The basis of the school funding formula for 2022/23.
- 1.2 AGREE: The approach to setting the school formula for 2022/23.

2. Introduction

- 2.1 The move towards all primary and secondary schools receiving their formula funding through the National Funding Formula (NFF) will continue in 2022/23, which will be the fifth year of transition. The DfE is making limited changes to the funding arrangements for 2022/23 due to the coronavirus pandemic, and local authorities will still be responsible for setting the school formula for all schools in its area. The Government recently published the “Fair School Funding for all” consultation. This consultation is set out to seek views on the approach of how to most effectively transition away from local formulae to all schools’ funding allocations being determined directly by the NFF. This consultation closed on 30 September 2021 and a second consultation is expected to follow. It suggests this will include changes to SEND along with national approach to centralising budgets currently managed by LAs, such as the Growth Fund and Falling Rolls
- 2.2 In 2021/22 Reading was almost mirroring the NFF, using **all** the NFF factors at the base value, the same minimum funding guarantee, and the same minimum per pupil funding levels. Reading also receives an area cost adjustment added to each factor value, and all the formula factors except the lump sum were increased to this higher value. To allow a balanced budget the lump sum was set at a value slightly lower than the base NFF (1%).
- 2.3 The “Schools revenue funding 2022 to 2023 operational guide”¹ was published in July 2021. This details the funding formula and requirements for 2022/23. The policy document “The national funding formulae for schools and high needs 2022 – 2023”² also published in July, details the actual formula factor values in the NFF.
- 2.4 This report summarises the arrangements for 2022/23 and sets out a proposed strategy for setting the schools funding formula for 2022/23.

3. Schools Block Funding Allocation

- 3.1. The schools block allocation is based on Primary Units of Funding (PUFs) and Secondary Units of Funding (SUFs). These units are calculated for each local authority by adding together the total formula allocations for each school in each phase using the NFF and dividing by the previous year’s pupil numbers for each phase. These units are then fixed and will be multiplied by the October 2021 census pupil numbers to give the final funding allocation in December.

¹ <https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2022-to-2023>

²

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1003492/2022-23_NFF_Policy_Document.pdf

- 3.2. It is likely that the factors other than pupil numbers making up the NFF will change from one year to the next, so there is a mismatch between the funding received by the local authority and what would have been allocated to schools through a NFF. The other differences that would usually arise are that business rates (funded at actual cost in the local formula) and other local premises costs are included in the schools block allocation at the previous year's amount and not the updated (inflated) allocation. The business rates payment system for schools will be centralised and Education and Skills Funding Agency (ESFA) will pay billing authorities directly on behalf of state funded schools from 2022-23 onwards. There will be no overall financial impact on schools from this change
- 3.3. The schools block allocation will also need to fund any shortfall in the growth funding element of the grant, if this formula does not deliver enough, though for 2022/23 the allocation plus carry forward of under spend from 2021/22 should be enough.
- 3.4. There may also be a decision to transfer funding from the schools block to the high needs block to meet any specific pressures in this block, which reduces the funding available for the school formula. Local Authorities may continue to transfer up to 0.5% of its school's block funding to other blocks with Schools' Forum approval, therefore the maximum transfer allowed in 2022/23 is £526k. As in previous years all schools must be consulted on such transfers. The table below assumes that the same amount as in 2021/22 will be transferred to the High Needs block, but this is subject to the consultation.
- 3.5. In moving to a full NFF, the ESFA will need to determine how the above local issues will be incorporated.
- 3.6. The calculation of funding that was available for the school formula in 2021/22 (excluding growth funding which will come through as a separate allocation) is shown in Table 1, compared to an estimate for 2022/23 based on the same pupil numbers.

Table 1: Schools Block DSG Allocation

	2021/22 ACTUAL		2022/23 ESTIMATE	
		Funding £'000		Funding £'000
Primary Unit of Funding (PUF)	£4,501.65		£4,632	
<i>Primary Pupil Numbers</i>	<i>13,013</i>	<i>£58,572</i>	<i>13,013</i>	<i>£60,272</i>
Secondary Unit of Funding (SUF)	£5,924		£6,077	
<i>Secondary Pupil numbers</i>	<i>7,202.5</i>	<i>£42,668</i>	<i>7,202.5</i>	<i>£43,770</i>
Premises		1,399		1,300
TOTAL SCHOOLS BLOCK ALLOCATION		102,639		105,342
Add underspend/(less overspend) from previous year		-10		

Less: transfer to high needs block		-484		-484
FUNDING AVAILABLE FOR SCHOOL FORMULA		102,145		104,858

3.7. TPG and TPECG are now fully rolled in to the NFF; no separate adjustments are needed in the local formulae to account for these grants in 2022 to 2023.

4. School Formula for 2022/23

4.1. There will be no change to the National Funding Formula factors in 2022/23. These are detailed in Appendix 1.

4.2. Nationally, the factor values are changing as follows:

- £10,000 to the maximum sparsity values
- 3% increase to the basic entitlement.
- 2% increase to Free school meals (FSM);
- 2% minimum funding guarantee on pupil led funding above the 2021/22 baseline. This is broadly in line with current inflation forecasts.
- Mandatory minimum per pupil funding levels of £4,180 primary and £5,415 secondary
- £10,000 to the maximum sparsity values (this is not applicable to Reading schools).

4.4 Appendix 2 shows the national funding formula values for 2022/23 alongside recent years.

4.5 Local authorities remain responsible for setting the formula, by choosing the factors to use and values to apply as long as this complies with the guidelines (see Appendix 1). This must be done in consultation with the Schools' Forum.

4.6 As shown in Appendix 2, in 2021/22, Reading was able to set its local formula very close to the national formula; only the lump sum was below the national value by 1%.

4.7 It is hoped that funding received will allow this position to be replicated in 2022/23. The following strategy is therefore proposed in setting the school formula:

- Start with all factors and values mirroring the national factors and values.
- If a shortfall in funding remains, reduce all the main formula factors by the same percentage and use lump sum as balancing figure. The minimum per pupil funding levels will remain at the national levels and the minimum funding guarantee will remain at 2%. In Appendix 3b this is shown as Model 2.
- An adjustment will be made to the lump sum amount if this is required to balance the budget (this could be upwards or downwards).

4.8 Appendix 3a provides an exemplification per school of what the base model looks like, assuming the same pupil numbers and characteristics used in the 2021/22 formula. Appendices 3b and 3c compare the total funding allocations (3b) and increases in funding (3c) for the three models as follows:

- Model 1 is the base model which is comparable with the 2021/22 funding formula with the lump remaining at the 2021/22 rate of £116,595. Compared to our assumed funding level of £104.858m there is a shortfall in funding of £509k.
- Model 2 shows the impact on reducing all formula factors by the same percentage (0.5%) and a lump sum used as a balancing figure to come back to the funding available.
- Model 3 shows the formula at full national level which is unlikely to be afforded, with a shortfall of £855k.

Note that because several schools are receiving the minimum per pupil funding levels or minimum funding guarantee, the funding is the same for each model. The purpose of the models is to give an indication of funding on a like for like basis, but changes to pupil numbers and other pupil characteristics (from the October 2021 census) in each school will vary these figures, and affordability may change due to these changes in pupil characteristics not being reflected in the funding received.

4.5 The percentage increase varies significantly between schools due to the following reasons:

- The increase in the minimum per pupil funding levels – more schools are now on the minimum levels which has given an increase greater than the inflation (MFG) level of 2%.
- For schools receiving the MFG of 2% this is on pupil led factors only, so the overall increase may be less (particularly for smaller schools where the lump sum is a greater proportion of their budget).

5. Next Steps

- 5.1 As there is minimal change and the proposal is to continue to keep to the NFF as close as is possible, a formal consultation is not required, but this report and appendices will be sent to all schools inviting them to make comments. Schools will be consulted on transfer of funding to the high needs block on similar lines to last year. The deadline for return of responses will be Friday 12 November 2021.
- 5.3 Comments received will be brought back to Schools' Forum in December for discussion. This will be prior to final funding allocations from ESFA being confirmed, but the final formula will be built on the agreed basis and will be brought back to Schools Forum in January to view a few days before the ESFA submission date of 21 January 2022. The local authority is responsible for making the final decision on the formula.

6. Appendices

Appendix 1 – Local Authority Allowable Formula Factors for 2022/23

Appendix 2 – Formula Factor Values: 2020/21 to 2022/23

Appendix 3a – 2022/23 Exemplification Using Proposed Values in Appendix 2 (Base Model)

Appendix 3b – Comparison of Three Models – Total Allocations

Appendix 3c – Comparison of Three Models – Increase in Allocations

Appendix 1 – Local Authority Allowable Funding Formula Factors for 2022/23

(Source: ESFA Schools revenue funding 2022 to 2023 operational guide July 2021)

Funding factor	Description and further information
<p>1. Basic entitlement A compulsory factor</p>	<p>This factor assigns funding on the basis of individual pupils, with the number of pupils for each maintained school or academy based on the October 2021 pupil census.</p> <ul style="list-style-type: none"> • Funding is allocated according to a basic per-pupil rate (age-weighted pupil unit (AWPU)). • There is a single rate for primary age pupils, which must be at least £2,000. • There can be different rates for KS3 and KS4, with a minimum of £3,000 for each. • In many cases, local authorities added in the rolled-in pay and pensions amounts to their basic per-pupil rates in 2021 to 2022. As set out in the guide no separate adjustments are needed in the local formulae- beyond what was already done in 2021 to 2022, to account for these grants in 2022 to 2023. • Local authorities can choose to increase the pupil number count for schools with higher reception pupil numbers in the January 2021 census, rather than the October 2020 census. • The department does not include reception uplift in the national funding formula; local authorities currently using a reception uplift factor should consider whether to do so in 2022 to 2023.
<p>2. Deprivation A compulsory factor</p>	<p>Local authorities can use one or all of free school meals (FSM), FSM Ever 6 (FSM6), and the income deprivation affecting children index (IDACI) to calculate the deprivation factor.</p> <ul style="list-style-type: none"> • The department measures eligibility for current FSM using the previous October census. In a change for the 2022 to 2023 NFF, for FSM6 (pupils recorded as eligible for free school meals at any time in the last 6 years) we now also use the October 2020 census (rather than the January census, as in previous years). The FSM6 in the APT is based on January 2020 census. • For schools not open in October 2020, which are included in the 2021 to 2022 APT, the APT FSM6 data is used for the 2022 to 2023 NFF. • The IDACI measure uses 6 bands. Different values can be attached to each band and different unit values can be used for primary and secondary within each band. The Ministry for Housing, Communities and Local Government (MHCLG) published new IDACI data on 26 September 2019.

Funding factor	Description and further information																					
	<ul style="list-style-type: none"> The 2022 to 2023 NFF, as in the previous year, uses IDACI 2019 ranks to group each lower super output area (LSOAs, an area with typically about 1,500 residents) into one of six bands of decreasing deprivation. The table below shows how the bands are defined in the 2022 to 2023 NFF: <table border="1" data-bbox="515 488 1342 739"> <thead> <tr> <th>IDACI data</th> <th>Ranks</th> <th>Band</th> </tr> </thead> <tbody> <tr> <td>Pupils in the most deprived 2.5% of LSOAs</td> <td>1 to 821</td> <td>A</td> </tr> <tr> <td>Pupils in the next 5% most deprived LSOAs</td> <td>822 to 2463</td> <td>B</td> </tr> <tr> <td>Pupils in the next 5% most deprived LSOAs</td> <td>2464 to 4105</td> <td>C</td> </tr> <tr> <td>Pupils in the next 5% most deprived LSOAs</td> <td>4106 to 5747</td> <td>D</td> </tr> <tr> <td>Pupils in the next 10% most deprived LSOAs</td> <td>5748 to 9032</td> <td>E</td> </tr> <tr> <td>Pupils in the next 10% most deprived LSOAs</td> <td>9033 to 12316</td> <td>F</td> </tr> </tbody> </table>	IDACI data	Ranks	Band	Pupils in the most deprived 2.5% of LSOAs	1 to 821	A	Pupils in the next 5% most deprived LSOAs	822 to 2463	B	Pupils in the next 5% most deprived LSOAs	2464 to 4105	C	Pupils in the next 5% most deprived LSOAs	4106 to 5747	D	Pupils in the next 10% most deprived LSOAs	5748 to 9032	E	Pupils in the next 10% most deprived LSOAs	9033 to 12316	F
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<p>3. Low Prior attainment</p> <p>An optional factor (used by most local authorities)</p>	<p>Local authorities can apply this factor for:</p> <ul style="list-style-type: none"> primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP) secondary pupils not reaching the expected standard in KS2 at either reading or writing or maths <p>Since 2017 to 2018, the department has weighted the low prior attainment (LPA) factor for some secondary year groups so that those who have sat the more challenging KS2 tests introduced in the 2015 to 2016 academic year do not have a disproportionate influence within the total for the low prior attainment factor in the mainstream formula.</p> <p>In 2022 to 2023, the department has carried forward the weightings it used in 2021 to 2022 for the year 7 to year 10 cohorts, so they will apply to the year 8 to year 11 cohorts respectively.</p> <p>For the financial year 2021 to 2022, the weightings¹ are:</p> <ul style="list-style-type: none"> pupils in year 7 to 9 inclusive in October 2021: 65% pupils in year 10 in October 2021: 64% pupils in year 11 in October 2021: 58% <p>This is included under Schedule 3, paragraph 4 of the 2021 Regulations. Following the cancellation or incompleteness of assessments in summer 2020 and summer 2021 due to coronavirus (COVID-19), local authorities will not be able to use this data as part of setting a low prior attainment factor in local funding formulae. Instead, local authorities will use 2019 assessment data as a proxy for assessments which would have taken place in 2020 and 2021. This will be reflected in the APT. The same national weighting of 65%² for pupils in year 9 should therefore also be used for those who are years 7 and 8 in the academic year 2022 to 2023.</p>																					

Funding factor	Description and further information
	<p>The weightings will operate in the same way as last year; the number of pupils identified as having LPA in the data will be multiplied by the relevant weighting to determine the number of pupils eligible for the factor for funding purposes.</p> <p>Local authorities will not be able to change the weighting but will be able to adjust their secondary LPA unit value as in previous years. This will enable local authorities, in most cases, to maintain their LPA factor at previous levels without significant turbulence.</p> <p>LPA funding will be allocated to all pupils identified as not reaching the expected standard at the previous phase, regardless of their year group. It does not only apply to those pupils in their first year of schooling.</p> <p>As with current funding arrangements, pupils who have not undertaken the assessment are given the overall average attainment score of their year group, so are taken into account when calculating a school's LPA rate.</p>
<p>4. Looked-after children (LAC) An optional factor</p>	<p>Local authorities can apply a single unit value for any child who has been looked after for one day or more, as recorded on the LA SSDA903 return at 31 March 2021.</p> <ul style="list-style-type: none"> • The department maps this data to schools using the January school census to identify the number of LAC in each school or academy. • The DfE does not use a LAC factor in the national funding formula. Instead, the department increased the pupil premium plus rate from 2019 to 2020 from £1,900 to £2,300. Local authorities currently using this factor should consider whether to do so in 2022 to 2023.
<p>5. English as an additional language (EAL) An optional factor</p>	<p>Pupils identified in the October census with a first language other than English may attract funding for up to three years after they enter the statutory school system</p> <ul style="list-style-type: none"> • Local authorities can choose to use indicators based on one, two, or three years, and there can be separate unit values for primary and secondary. • The department has used three years in the national funding formula; local authorities should consider this when setting their local formula.
<p>6. Pupil mobility An optional factor</p>	<p>The mobility factor allocates funding to schools with a high proportion of pupils with an entry date in the last three years which is not typical. (For</p>

Funding factor	Description and further information
	<p>year groups 1 to 11, 'typical' means that the first census on which a pupil is recorded as attending the school (or its predecessors) is the October census. 'Not typical' means that the first census a pupil is recorded as attending the school is a January or May census. For the reception year, 'typical' means the first census is October or January.)</p> <p>This mobility methodology involves tracking individual pupils using their unique pupil ID through censuses from the past 3 years. If the first census when the pupil was in the school was a spring or summer census, they are a mobile pupil. This excludes reception pupils who start in January. This methodology also excludes pupils who joined in the summer term after the summer census, or pupils who joined in October before the autumn census.</p> <p>Because of the cancellation of the May 2020 census, pupils who joined a school between January 2020 and May 2020 attract funding for mobility on the basis of their entry date, rather than by virtue of the May school census being their first census at the current school. This change will be reflected in the APT and ensures that the factor continues to operate in as similar a way as possible to what it would have done if the May census had not been cancelled. To be eligible for mobility funding, the proportion of mobile pupils in a school must be above the threshold of 6%. The department has allocated a per-pupil amount in respect of all mobile pupils above that threshold. The department has published the NFF factor values for mobility as part of the 2022 to 2023 NFF publication.</p> <p>Mobility will continue to be an optional factor for local authorities' formulae. The department has supplied local authorities with mobility data in the APT. Further information is available in the NFF technical note.</p>
<p>7. Sparsity An optional factor</p>	<p>school is eligible for sparsity funding in the NFF if:</p> <ul style="list-style-type: none"> • Its sparsity distance is equal to or above the main distance threshold, or above the tapered distance threshold, and • The average year group size (calculated as the APT-adjusted pupil count divided by number of year groups present at the school) is below the relevant size threshold <p>The sparsity factor allocates funding to schools that are remote, measured by sparsity distances, and are small, based on average year group size.</p> <p>There is a change to the way that sparsity distances have been measured this year, by road distances instead of straight-line distances. To calculate a school's sparsity distance, we take all the pupils for whom it is the nearest compatible school and find the average shortest road distance</p>

Funding factor	Description and further information																				
	<p>from these pupils' home postcodes to their second nearest compatible schools. Further details are provided in the NFF technical note.</p> <p>In addition, the factor includes a new distance threshold taper this year. This means that where schools' sparsity distances are marginally below the main distance thresholds for sparsity funding, they will still attract some allocation through the NFF. The distance threshold taper has been set 20% below the main distance thresholds.</p> <p>This factor allows for a sparsity taper to mirror the methodology used as part of the NFF.</p> <p>For the pupils for whom the school is their closest compatible school, the factor measures the distance (as the crow flies) from their home to their second nearest compatible school, and the mean distance for all pupils is then calculated.</p> <p>As the pupil population changes each year, it is possible for a school to be eligible for sparsity funding in one year but not in the next.</p> <p>The school eligibility criteria for sparsity funding are as follows:</p> <table border="1" data-bbox="507 1115 1390 1525"> <thead> <tr> <th data-bbox="512 1115 655 1178">School phase</th> <th data-bbox="655 1115 874 1272">Size threshold: Maximum average number of pupils per year group³</th> <th data-bbox="874 1115 1118 1305">Main distance threshold: Minimum average distance to second nearest compatible school</th> <th data-bbox="1118 1115 1385 1305">Distance taper threshold: Minimum average distance to second nearest compatible school</th> </tr> </thead> <tbody> <tr> <td data-bbox="512 1339 655 1373">Primary</td> <td data-bbox="655 1339 874 1373">21.4</td> <td data-bbox="874 1339 1118 1373">2 miles</td> <td data-bbox="1118 1339 1385 1373">1.6 miles</td> </tr> <tr> <td data-bbox="512 1373 655 1406">Secondary</td> <td data-bbox="655 1373 874 1406">120</td> <td data-bbox="874 1373 1118 1406">3 miles</td> <td data-bbox="1118 1373 1385 1406">2.4 miles</td> </tr> <tr> <td data-bbox="512 1406 655 1440">Middle</td> <td data-bbox="655 1406 874 1440">69.2</td> <td data-bbox="874 1406 1118 1440">2 miles</td> <td data-bbox="1118 1406 1385 1440">1.6 miles</td> </tr> <tr> <td data-bbox="512 1440 655 1514">All-through</td> <td data-bbox="655 1440 874 1473">62.5</td> <td data-bbox="874 1440 1118 1473">2 miles</td> <td data-bbox="1118 1440 1385 1473">1.6 miles</td> </tr> </tbody> </table> <p>Local authorities can reduce the average year group size threshold or increase the distance threshold in local funding formulae. The distance taper threshold is optional in local funding formulae for 2022 to 2023.</p> <p>The maximum sparsity values in the 2022 to 2023 NFF are £55,000 for primary schools and £80,000 for secondary, middle, and all-through schools. Different values can be set in local funding formulae across all phases. The maximum permissible value is £100,000 (including the London fringe uplift).</p> <p>In the NFF schools allocations are tapered according to average year group size⁴, so that the smaller the school the greater the allocation.</p>	School phase	Size threshold: Maximum average number of pupils per year group ³	Main distance threshold: Minimum average distance to second nearest compatible school	Distance taper threshold: Minimum average distance to second nearest compatible school	Primary	21.4	2 miles	1.6 miles	Secondary	120	3 miles	2.4 miles	Middle	69.2	2 miles	1.6 miles	All-through	62.5	2 miles	1.6 miles
School phase	Size threshold: Maximum average number of pupils per year group ³	Main distance threshold: Minimum average distance to second nearest compatible school	Distance taper threshold: Minimum average distance to second nearest compatible school																		
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All-through	62.5	2 miles	1.6 miles																		

Funding factor	Description and further information
	<p>Schools with a sparsity distance equal to or greater than the main distance threshold (2 or 3 miles) and an average year group size of less than half the year group threshold receive 100% of the sparsity funding for their phase. More information on the calculation of schools' sparsity weightings and allocations is available in the NFF technical note</p> <p>Further details and examples are provided in sparsity section of the Operational Guide.</p>
<p>8. Lump sum An optional factor (used by most local authorities)</p>	<p>Local authorities can set a flat lump sum for all phases, or differentiate the sums for primary and secondary.</p> <ul style="list-style-type: none"> • Local authorities should give middle schools a weighted average, based on the number of year groups in each phase. • The maximum lump sum is £175,000, even for schools that receive a London fringe uplift. <p>Further information is in the lump sum section of the Operational Guide, including information for amalgamated schools.</p>
<p>9. Split sites An optional factor</p>	<p>The purpose of this factor is to support schools that have unavoidable extra costs because the school buildings are on separate sites. Allocations must be based on objective criteria for the definition of a split site, and for how much is paid.</p> <p>A local authority's formula can include a factor to provide additional funding to schools that operate on more than one site.</p> <p>Criteria for providing extra funding should be clear and transparent, incorporating clear and objective trigger points, and a clear formula for allocating additional funding. All schools and academies that meet the criteria will be eligible for split site funding.</p> <p>Examples of clear trigger points are:</p> <ul style="list-style-type: none"> • the sites are a minimum distance apart, as the crow flies, and the sites are separated by a public highway • the provision on the additional site does not qualify for an individual school budget share through the DSG • the school has remote playing fields, separated from the school by a minimum distance, and there is no safe walking route for the pupils • a percentage of staff are required to teach on both sites on a daily basis, to support the principle of a whole school policy, and

Funding factor	Description and further information
	<p>to maintain the integrity of the delivery of the national curriculum</p> <ul style="list-style-type: none"> • a minimum percentage of pupils are taught on each site on a daily basis <p>Examples of a clear formula for funding schools with split sites are:</p> <ul style="list-style-type: none"> • a lump sum payment • a per-pupil rate • a rate per square metre of the additional site <p>Values for primary and secondary schools may be different. There may be one rate of payment for the first additional site, and a separate rate for each additional site. Payment rates may be stepped, for example as the distance between sites increases.</p> <p>Schools sharing facilities, federated schools, and schools with remote sixth forms or remote early years provision are not eligible for split site funding.</p>
<p>10. Rates An optional factor (used by all local authorities)</p>	<p>This is an optional factor used by all local authorities. Rates will be paid by the ESFA directly to billing authorities on behalf of all maintained schools and academies from 2022 to 2023 onwards. Local authorities no longer need to fund rates at their estimate of the actual cost and will no longer allocate rates payments to schools. This is new for 2022 to 2023 (and a change from previous years).</p> <p>Therefore, local authorities also no longer need to adjust rates with additional allocations to schools during the financial year (outside of the funding formula).</p> <p>All state funded schools will retain liability for their own business rates, except for community and voluntary controlled schools for which liability will continue to rest with the local authority. Liable parties will continue to retain responsibility for the payment of any penalty charges incurred because of late or non-payment in instances where they are at fault, for example, if an academy converter fails to inform their billing authority of their conversion</p>

Funding factor	Description and further information
	Further information on the application process can be found in the operational guidance
<p>11. Private finance initiative (PFI) contracts An optional factor</p>	<p>The purpose of this factor is to support schools that have unavoidable extra premises costs, because they are a PFI school, and to cover situations where the PFI ‘affordability gap’ is delegated and paid back to the local authority.</p> <p>More information is in the PFI section of the operational guidance.</p>
<p>12. London fringe An optional factor, applicable only for five local authorities (Buckinghamshire, Essex, Hertfordshire, Kent, and West Sussex)</p>	<p>The purpose of this factor is to support schools that have higher costs because they are in the London fringe area, and only part of the local authority is in this area. The multiplier is applied to the 7 pupil-led factors, the lump sum factor, and the sparsity factor.</p> <p>The factor can be applied as a multiplier of 1.0156 or as a multiplier of the differential of the area cost adjustment of London fringe and non-London fringe zones within the local authority.</p>
<p>13. Exceptional circumstances An optional factor</p>	<p>Local authorities can apply to ESFA to use exceptional circumstances relating to school premises. These may be for rents, or joint-use sports facilities, for example.</p> <ul style="list-style-type: none"> • Exceptional circumstances must relate to premises costs. • Local authorities should only submit applications where the value of the factor is more than 1% of a school’s budget, and applies to fewer than 5% of the schools in the authority’s area. • Local authorities can use exceptional circumstances used in 2021 to 2022 (for pre-existing, and newly-qualifying schools) in 2022 to 2023, if the qualification criteria are still met. <p>Further information on the application process can be found in the operational guidance.</p>
<p>14. Minimum level of per pupil funding for primary and secondary schools A compulsory factor</p>	<p>This factor must be used in local funding formulae, at the NFF cash values, including the additional funding added from the TPG and TPECG. The purpose of this factor is for local authorities to provide the NFF minimum per-pupil funding levels to every school. All local authorities must implement the MPPLS by following the same methodology used in the NFF, summarised below and detailed in the schools block NFF technical note.</p> <ul style="list-style-type: none"> • To ensure consistency for all schools, including those with non-standard year groups, the DfE has simplified the calculation for a school’s individual minimum per-pupil levels within the NFF. For all schools, the department now applies the calculation below:

Funding factor	Description and further information
	<p>(number of primary year groups × £4,265) + (number of KS3 year groups × £5,321) + (number of KS4 year groups × £5,831) divided by Total number of year groups</p> <ul style="list-style-type: none"> • This provides per-pupil funding of at least £4,265 for each primary school, and £5,525 for each secondary school with standard structures of seven and five year groups respectively, including additional funding from the TPG and TPECG. For middle schools, all-through schools and other schools with a non-standard year group structure, this will produce a specific minimum per-pupil value that relates to the number of year groups in each phase. • When calculating the MPPLs for individual schools, local authorities should take the number of year groups from the APT, which is the approach taken in the NFF. When completing the APT, local authorities should only list the number of year groups in each Key Stage which have pupils in them at present, or will do so in the upcoming year. Where a school will have empty year groups in the upcoming year, for example a school which has recently opened, these should not be included in the APT. • The only factors not included in per-pupil funding for the purpose of the MPPL calculation are premises and growth funding. Any prior year adjustments local authorities have made should also be excluded from the calculation. • Any capping and scaling cannot take a school’s per-pupil funding, defined above, below the MPPLs. The only further calculation that local authorities are able to make once their formula has provided the minimum levels is, for maintained schools only, to deduct funding for de-delegated central services if the schools forum has agreed this can be taken from their budget shares in 2022 to 2023. • Local authorities have the option, as with other aspects of the school funding regulations, to request to disapply the use of the full NFF MPPL values. Such requests should be exceptional and only made on the grounds of affordability. • While the DfE will consider any individual request on its merits, it expects the commitment to MPPLs to be implemented in full locally, and both local authorities and schools should work on that basis. The department will scrutinise any disapplication requests in this context. • Disapplication requests may also be submitted to alter the NFF methodology, for specific schools only, where the local authority

Funding factor	Description and further information
	<p>can show that the relevant MPPL value for that school is skewed significantly by unusual year group sizes. For example, a local authority may want to provide a higher minimum per-pupil level for an all-through school with significantly larger secondary than primary year group sizes.</p>
<p>15. Minimum Funding Guarantee A compulsory factor</p>	<p>Local authorities will continue to set a pre-16 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.</p> <ul style="list-style-type: none"> • Local authorities will be able to set an MFG between +0.5% and +2.0% per pupil. Any local authorities wanting to set an MFG outside of these parameters must apply for exceptional permission using a disapplication proforma. Local authorities need to consult on any changes to the level of the MFG, as with the rest of the formula. • The MFG applies to pupils in reception to year 11. Early years pupils and post-16 pupils are excluded from the calculation. • The following elements of funding need to be added to schools' budget shares before the MFG calculation: <ul style="list-style-type: none"> - Funding deducted through the negative factor for schools entered into the risk protection arrangement under regulation 19 - Funding for de-delegated services that have been agreed with the schools forum under regulations 11(5) and 11(6) - Negative adjustments for excluded pupils during the year under regulation 29. • The following elements of funding are automatically excluded from the MFG calculation, as not doing so would result in excessive protection, or would be inconsistent with other policies: <ul style="list-style-type: none"> - The 2022 to 2023 lump sum; this is excluded from both the baseline and 2022 to 2023 funding so that schools are protected against significant change in the lump sum between years - Any higher lump sum paid under the regulations in 2021 to 2022 for amalgamated schools; this is excluded from the baseline only. - Any higher lump sum to be paid under the regulations in 2022 to 2023 for amalgamating schools; this is excluded from the 2022 to 2023 funding only.

Funding factor	Description and further information
	<ul style="list-style-type: none"> - the 2022 to 2023 sparsity factor: this is excluded from both the baseline and 2022 to 2023 funding so that schools are protected against significant change in the sparsity value between years - rates: these are excluded from both the baseline and 2022 to 2023 funding, at their respective values for each year - Any positive adjustments for excluded pupils during the year under regulation 29 <p>The school funding Regulations set out requirements for the MFG calculation in detail, under Schedule 4.</p> <p>Information on technical adjustments, disapplications, and a worked example are in the MFG section of the operational guidance.</p>
<p>16. Capping and Scaling An optional factor</p>	<p>It is likely that protection will still be required in some areas as a result of changes to formulae, so the department will again allow overall gains for individual schools to be capped as well as scaled back to ensure that the formula is affordable.</p> <p>It is worth noting that the schools NFF will not include a gains cap or alternative gains cap in 2022 to 2023. Therefore, the department will not be accepting disapplications to use the alternative gains cap, as local authorities wishing to mirror the NFF will not need to use it.</p> <p>Local authorities can continue to choose to cap any gains schools receive through the 2022 to 2023 local formula, unlike the NFF where no gains cap is applied. Capping and scaling must be applied on the same basis to all schools.</p> <p>Local authorities and their schools forums will therefore need, as part of their formula modelling, to determine whether and how to limit gains. This remains a local decision.</p> <p>The department applies caps and scales to academy budgets on the same basis as for maintained schools, although the values may differ from those shown in the APT since the actual baseline position for the academy may not be the same as that shown in the dataset.</p> <p>Capping and scaling factors must not be applied to schools that have opened in the last seven years and have not reached their full number of year groups. This definition of new and growing schools does not include existing schools that are extending to include a new phase and have empty year groups in the new phase.</p> <p>Capping and scaling must not take a school below the minimum per-pupil funding levels.</p>

Funding factor	Description and further information
	Should local authorities elect to apply a gains cap in 2022 to 2023, the cap must be set at least as high as the MFG threshold. This ensures all schools retain any gains up to the MFG threshold even where a cap is applied.

Required proportion of funding allocated through pupil-led factors

Local authorities must allocate at least 80% of the delegated schools block funding through pupil-led factors (the factors in lines 1 to 6, 14 and 15 above, and London fringe uplift, where relevant).

Appendix 2 – Formula Factor Values: 2020/21 to 2022/23

Formula Values	2020/21			2021/22			2022/23		
	NFF	Reading NFF with ACA	Reading Actual	NFF	Reading NFF with ACA	Reading PROPOSED	NFF	Reading NFF with ACA	Reading PROPOSED
Basic Entitlement:									
Primary	£2,857.00	£2,954.31	£2,954.00	£3,123.00	£3,231.31	£3,231.00	£3,217.00	£3,328.79	£3,328.00
Secondary - KS3	£4,018.00	£4,154.85	£4,154.00	£4,404.00	£4,556.73	£4,556.00	£4,536.00	£4,693.63	£4,693.00
Secondary - KS4	£4,561.00	£4,716.35	£4,716.00	£4,963.00	£5,135.12	£5,135.00	£5,112.00	£5,289.64	£5,289.00
Deprivation:									
Free School Meals - Primary	£450.00	£465.33	£465.00	£460.00	£475.95	£475.00	£470.00	£486.33	£486.00
Free School Meals - Secondary	£450.00	£465.33	£465.00	£460.00	£475.95	£475.00	£470.00	£486.33	£486.00
Free School Meals Ever 6 - Primary	£560.00	£579.07	£579.00	£575.00	£594.94	£594.00	£590.00	£610.50	£610.00
Free School Meals Ever 6 - Secondary	£815.00	£842.76	£842.00	£840.00	£869.13	£869.00	£865.00	£895.06	£895.00
IDACI Band A (over 0.6) - Primary	£600.00	£620.44	£620.00	£620.00	£641.50	£641.00	£640.00	£662.24	£662.00
IDACI Band A (over 0.6) - Secondary	£840.00	£868.61	£868.00	£865.00	£895.00	£895.00	£890.00	£920.93	£920.00
IDACI Band B (0.5 - 0.6) - Primary	£435.00	£449.82	£449.00	£475.00	£491.47	£491.00	£490.00	£507.03	£507.00
IDACI Band B (0.5 - 0.6) - Secondary	£625.00	£646.29	£646.00	£680.00	£703.58	£703.00	£700.00	£724.33	£724.00
IDACI Band C (0.4 - 0.5) - Primary	£405.00	£418.79	£418.00	£445.00	£460.43	£460.00	£460.00	£475.99	£476.00
IDACI Band C (0.4 - 0.5) - Secondary	£580.00	£599.75	£599.00	£630.00	£651.85	£651.00	£650.00	£672.59	£672.00
IDACI Band D (0.3 - 0.4) - Primary	£375.00	£387.77	£387.00	£410.00	£424.22	£424.00	£420.00	£434.60	£434.00
IDACI Band D (0.3 - 0.4) - Secondary	£535.00	£553.22	£553.00	£580.00	£600.11	£600.00	£595.00	£615.68	£615.00
IDACI Band E (0.25 - 0.3) - Primary	£250.00	£258.52	£258.00	£260.00	£269.02	£269.00	£270.00	£279.38	£279.00
IDACI Band E (0.25 - 0.3) - Secondary	£405.00	£418.79	£418.00	£415.00	£429.39	£429.00	£425.00	£439.77	£439.00
IDACI Band F (0.2 - 0.25) - Primary	£210.00	£217.15	£217.00	£215.00	£222.46	£222.00	£220.00	£227.65	£227.00
IDACI Band F (0.2 - 0.25) - Secondary	£300.00	£310.22	£310.00	£310.00	£320.75	£320.00	£320.00	£331.12	£331.00
Prior Attainment:									
Primary	£1,065.00	£1,101.27	£1,101.00	£1,095.00	£1,132.97	£1,132.00	£1,130.00	£1,169.27	£1,169.00
Secondary	£1,610.00	£1,664.84	£1,664.00	£1,660.00	£1,717.57	£1,717.00	£1,710.00	£1,769.42	£1,769.00
English as an Additional Language:									
Primary	£535.00	£553.22	£553.00	£550.00	£569.07	£569.00	£565.00	£584.63	£584.00
Secondary	£1,440.00	£1,489.05	£1,489.00	£1,485.00	£1,536.50	£1,536.00	£1,530.00	£1,583.17	£1,583.00
Mobility									
Primary	£875	£904.80	£904.00	£900	£931.21	£931.00	£925	£957.14	£957.00
Secondary	£1,250	£1,292.58	£1,292.00	£1,290	£1,334.74	£1,334.00	£1,330	£1,376.22	£1,376.00
Lump Sum	£114,400.00	£118,296.46	£114,600.00	£117,800.00	£121,885.30	£116,595.00	£121,300.00	£125,515.18	£116,595
Business Rates (Actual - locally set)	£1,283,350		£1,322,787	£1,322,787		£1,283,350	£1,283,350		£1,283,350
Exceptional Circumstances (locally set):									
Rents	£59,826		£59,046	£59,046		£0	£0		£0
Split Site	£17,149		£17,149	£17,149		£17,149	£17,149		£17,149
Minimum Per Pupil Level									
Primary	£3,750		£3,750	£4,180		£4,180	£4,265		£4,265
Secondary	£5,000		£5,000	£5,415		£5,415	£5,525		£5,525
(KS3 only school)				£5,215		£5,215	£5,321		£5,321
(KS4 only school)			£5,300	£5,715		£5,715	£5,831		£5,831
Minimum Funding Guarantee	1.84%		1.84%	2.00%		2.00%	2.00%		2.00%

Appendix 3a – 2022/23 Exemplification Using Proposed Values in Appendix 2 (Base Model)

This assumes same pupil numbers and pupil characteristics. This should NOT be used by schools for 2022/23 budgeting purposes

LAESTAB	SCHOOL	2021/22 ACTUAL ALLOCATION			2022/23 INDICATIVE ALLOCATION			Overall Change between 2021/22 and 2022/23			
		Formula Allocation	Pupil No's (Oct 2020)	Per Pupil Funding	Formula Allocation	Pupil No's (Oct 2020)	Per Pupil Funding	Total	%	Per Pupil	%
8702000	Alfred Sutton Primary School	2,630,172	619	4,249.07	2,679,589	619	4,328.90	49,417	1.88%	79.83	1.88%
8702003	Caversham Primary School	1,757,656	414	4,245.55	1,789,935	414	4,323.51	32,279	1.84%	77.97	1.84%
8702005	Coley Primary School	1,084,215	222	4,883.85	1,112,399	222	5,010.80	28,184	2.60%	126.96	2.60%
8702006	E P Collier Primary School	1,387,793	298	4,657.02	1,425,015	298	4,781.93	37,222	2.68%	124.91	2.68%
8702007	Geoffrey Field Junior School	1,654,286	348	4,753.70	1,698,845	348	4,881.74	44,558	2.69%	128.04	2.69%
8702008	Geoffrey Field Infant School	1,320,819	265	4,984.22	1,355,724	265	5,115.94	34,905	2.64%	131.72	2.64%
8702016	Oxford Road Community School	1,019,750	208	4,902.64	1,046,038	208	5,029.03	26,289	2.58%	126.39	2.58%
8702018	Redlands Primary School	949,991	206	4,611.61	974,171	206	4,728.99	24,180	2.55%	117.38	2.55%
8702019	The Hill Primary School	1,739,232	406	4,283.82	1,770,842	406	4,361.68	31,610	1.82%	77.86	1.82%
8702020	The Ridgeway Primary School	2,068,184	421	4,912.55	2,105,587	421	5,001.40	37,404	1.81%	88.84	1.81%
8702021	Park Lane Primary School	1,751,704	406	4,314.54	1,783,657	406	4,393.24	31,953	1.82%	78.70	1.82%
8702024	Wilson Primary School	1,775,137	408	4,350.83	1,807,659	408	4,430.54	32,522	1.83%	79.71	1.83%
8702026	Emmer Green Primary School	1,725,496	406	4,249.99	1,757,106	406	4,327.85	31,610	1.83%	77.86	1.83%
8702027	Southcote Primary School	2,561,508	597	4,290.63	2,609,085	597	4,370.33	47,577	1.86%	79.69	1.86%
8702029	St Michael's Primary School	1,850,262	412	4,490.93	1,900,957	412	4,613.97	50,695	2.74%	123.05	2.74%
8702034	Moorlands Primary School	1,729,489	363	4,764.43	1,776,556	363	4,894.09	47,067	2.72%	129.66	2.72%
8702036	Thameside Primary School	1,734,932	393	4,414.59	1,782,314	393	4,535.15	47,382	2.73%	120.56	2.73%
8702226	Katesgrove Primary School	2,638,714	588	4,487.61	2,687,897	588	4,571.25	49,183	1.86%	83.64	1.86%
8702233	Caversham Park Primary School	814,261	185	4,401.41	834,655	185	4,511.65	20,394	2.50%	110.24	2.50%
8702234	Micklands Primary School	1,601,040	372	4,303.87	1,640,937	372	4,411.12	39,897	2.49%	107.25	2.49%
8702253	Manor Primary School	1,300,591	267	4,871.13	1,331,700	267	4,987.64	31,109	2.39%	116.51	2.39%
8703000	All Saints Church of England Aided Infant School	357,682	60	5,961.37	362,490	60	6,041.50	4,808	1.34%	80.13	1.34%
8703302	St Anne's Catholic Primary School	826,358	181	4,565.51	842,998	181	4,657.45	16,640	2.01%	91.93	2.01%
8703304	English Martyrs' Catholic Primary School	1,768,742	404	4,378.07	1,817,520	404	4,498.81	48,778	2.76%	120.74	2.76%
8703305	Christ The King Catholic Primary School	1,477,132	308	4,795.88	1,517,608	308	4,927.30	40,475	2.74%	131.41	2.74%
8703360	St Martin's Catholic Primary School	703,879	156	4,512.04	721,479	156	4,624.86	17,600	2.50%	112.82	2.50%
8703361	Whitley Park Primary and Nursery School	2,527,264	519	4,869.49	2,595,127	519	5,000.25	67,864	2.69%	130.76	2.69%
8705411	Blessed Hugh Faringdon Catholic School	4,880,857	829	5,887.64	5,067,693	829	6,113.02	186,836	3.83%	225.38	3.83%
8702002	All Saints Junior School	463,516	93	4,984.04	473,925	93	5,095.97	10,409	2.25%	111.93	2.25%
8702004	Meadow Park Academy	1,557,361	329	4,733.62	1,599,965	329	4,863.12	42,604	2.74%	129.50	2.74%
8702011	Battle Primary Academy	1,824,612	404	4,516.37	1,875,141	404	4,641.44	50,528	2.77%	125.07	2.77%
8702012	The Palmer Primary Academy	1,755,504	373	4,706.45	1,788,024	373	4,793.63	32,520	1.85%	87.19	1.85%
8702015	Civitas Academy	1,498,582	328	4,568.85	1,539,438	328	4,693.41	40,856	2.73%	124.56	2.73%
8702017	The Heights Primary School	1,479,892	353	4,192.33	1,507,071	353	4,269.32	27,179	1.84%	76.99	1.84%
8702025	Ranikhet Academy	912,843	177	5,157.31	936,404	177	5,290.42	23,560	2.58%	133.11	2.58%
8702028	New Town Primary School	1,264,709	272	4,649.67	1,297,103	272	4,768.76	32,393	2.56%	119.09	2.56%
8702031	Churchend Primary Academy	1,826,558	416	4,390.77	1,877,394	416	4,512.97	50,835	2.78%	122.20	2.78%
8702035	St Mary and All Saints Church of England Voluntary Aided Primary School	1,334,647	279	4,783.68	1,370,865	279	4,913.49	36,218	2.71%	129.81	2.71%
8702254	New Christ Church Church of England (VA) Primary School	864,400	176	4,911.36	886,597	176	5,037.48	22,197	2.57%	126.12	2.57%
8703300	St John's Church of England Primary School	1,671,249	387	4,318.47	1,717,158	387	4,437.10	45,909	2.75%	118.63	2.75%
8702039	Green Park Village Primary Academy	380,382	66	5,763.37	385,658	66	5,843.30	5,276	1.39%	79.94	1.39%
8704000	UTC Reading	1,550,238	242	6,405.94	1,631,875	242	6,743.29	81,637	5.27%	337.34	5.27%
8704001	Maiden Erlegh School in Reading	5,316,004	891	5,966.33	5,520,535	891	6,195.89	204,531	3.85%	229.55	3.85%
8704002	The WREN School	5,206,547	847	6,147.04	5,415,006	847	6,393.16	208,459	4.00%	246.11	4.00%
8704003	Reading Girls' School	3,520,718	555	6,343.64	3,620,793	555	6,523.95	100,075	2.84%	180.32	2.84%
8704020	Highdown School and Sixth Form Centre	6,622,872	1,216	5,446.44	6,888,434	1,216	5,664.83	265,562	4.01%	218.39	4.01%
8705401	Reading School	4,075,486	746	5,463.12	4,157,546	746	5,573.12	82,060	2.01%	110.00	2.01%
8705410	Prospect School	5,628,002	885	6,359.32	5,854,636	885	6,615.41	226,634	4.03%	256.08	4.03%
8705413	Kendrick School	2,840,569	521	5,452.15	2,897,879	521	5,562.15	57,310	2.02%	110.00	2.02%
8706905	John Madejski Academy	3,217,640	474	6,788.27	3,330,752	474	7,026.90	113,112	3.52%	238.63	3.52%
	PRIMARY TOTAL	59,590,543	13,085	4,554.11	60,982,630	13,085	4,660.50	1,392,086	2.50%	435.15	10.30%
	SECONDARY TOTAL	42,858,932	7,206	5,947.67	44,385,148	7,206	6,159.47	1,526,216	3.96%	613.88	11.07%
	TOTAL ALL SCHOOLS	102,449,476	20,291	5,049.01	105,367,778	20,291	5,192.83	2,918,302	3.10%	511.22	10.92%

Appendix 3c – Comparison of Three Models – Increase in Allocations

SCHOOL	Model 1 Base		Model 2		Model 3	
	£	%	£	%	£	%
Alfred Sutton Primary School	49,417	1.9%	49,538	1.9%	49,238	1.9%
Caversham Primary School	32,279	1.8%	32,400	1.8%	32,100	1.8%
Coley Primary School	28,184	2.6%	19,058	1.8%	37,443	3.5%
E P Collier Primary School	37,222	2.7%	25,122	1.8%	46,563	3.4%
Geoffrey Field Junior School	44,558	2.7%	31,264	1.9%	54,016	3.3%
Geoffrey Field Infant School	34,905	2.6%	23,735	1.8%	44,282	3.4%
Oxford Road Community School	26,289	2.6%	17,698	1.7%	35,556	3.5%
Redlands Primary School	24,180	2.5%	16,336	1.7%	33,360	3.5%
The Hill Primary School	31,610	1.8%	31,732	1.8%	31,431	1.8%
The Ridgeway Primary School	37,404	1.8%	37,526	1.8%	43,478	2.1%
Park Lane Primary School	31,953	1.8%	32,075	1.8%	31,774	1.8%
Wilson Primary School	32,522	1.8%	32,643	1.8%	32,343	1.8%
Emmer Green Primary School	31,610	1.8%	31,732	1.8%	31,431	1.8%
Southcote Primary School	47,577	1.9%	47,699	1.9%	47,399	1.9%
St Michael's Primary School	50,695	2.7%	36,423	2.0%	60,162	3.3%
Moorlands Primary School	47,067	2.7%	33,393	1.9%	56,545	3.3%
Thameside Primary School	47,382	2.7%	33,620	1.9%	56,782	3.3%
Katesgrove Primary School	49,183	1.9%	49,305	1.9%	49,567	1.9%
Caversham Park Primary School	20,394	2.5%	13,679	1.7%	29,497	3.6%
Micklands Primary School	39,897	2.5%	28,889	1.8%	49,249	3.1%
Manor Primary School	31,109	2.4%	23,126	1.8%	40,421	3.1%
All Saints Church of England Aided Infant School	4,808	1.3%	4,930	1.4%	6,024	1.7%
St Anne's Catholic Primary School	16,640	2.0%	14,233	1.7%	25,771	3.1%
English Martyrs' Catholic Primary School	48,778	2.8%	34,725	2.0%	58,223	3.3%
Christ The King Catholic Primary School	40,475	2.7%	27,872	1.9%	49,869	3.4%
St Martin's Catholic Primary School	17,600	2.5%	11,799	1.7%	26,679	3.8%
Whitley Park Primary and Nursery School	67,864	2.7%	50,587	2.0%	77,625	3.1%
Blessed Hugh Faringdon Catholic School	186,836	3.8%	157,005	3.2%	196,652	4.0%
All Saints Junior School	10,409	2.2%	7,046	1.5%	19,431	4.2%
Meadow Park Academy	42,604	2.7%	29,629	1.9%	52,030	3.3%
Battle Primary Academy	50,528	2.8%	36,299	2.0%	60,078	3.3%
The Palmer Primary Academy	32,520	1.9%	32,642	1.9%	41,697	2.4%
Civitas Academy	40,856	2.7%	28,232	1.9%	50,302	3.4%
The Heights Primary School	27,179	1.8%	27,301	1.8%	27,000	1.8%
Ranikhet Academy	23,560	2.6%	15,942	1.7%	32,752	3.6%
New Town Primary School	32,393	2.6%	22,975	1.8%	41,727	3.3%
Churchend Primary Academy	50,835	2.8%	36,556	2.0%	60,336	3.3%
St Mary and All Saints Church of England Voluntary Aided Pr	36,218	2.7%	24,342	1.8%	45,580	3.4%
Green Park Village Primary Academy	5,276	1.4%	5,398	1.4%	5,097	1.3%
New Christ Church Church of England (VA) Primary School	22,197	2.6%	14,986	1.7%	31,385	3.6%
St John's Church of England Primary School	45,909	2.7%	32,403	1.9%	55,375	3.3%
UTC Reading	81,637	5.3%	68,299	4.4%	90,780	5.9%
Maiden Erlegh School in Reading	204,531	3.8%	172,328	3.2%	214,353	4.0%
The WREN School	208,459	4.0%	177,049	3.4%	218,305	4.2%
Reading Girls' School	100,075	2.8%	77,300	2.2%	109,649	3.1%
Highdown School and Sixth Form Centre	265,562	4.0%	227,038	3.4%	275,441	4.2%
Reading School	82,060	2.0%	82,060	2.0%	82,060	2.0%
Prospect School	226,634	4.0%	193,087	3.4%	236,622	4.2%
Kendrick School	57,310	2.0%	57,310	2.0%	57,310	2.0%
John Madejski Academy	113,112	3.5%	91,877	2.9%	122,690	3.8%
PRIMARY TOTAL	1,392,086	2.3%	1,104,890	1.9%	1,659,620	2.8%
SECONDARY TOTAL	1,526,216	3.6%	1,303,352	3.0%	1,603,862	3.7%
TOTAL ALL SCHOOLS	2,918,302	2.8%	2,408,243	2.4%	3,263,482	3.2%

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Reading Schools' Forum

October 14, 2021

Agenda Item 6

Dedicated Schools Grant (DSG)
Budget Monitoring 2021/22

For decision

For discussion

For information

SUMMARY

This report sets out the current position (month 6) of the DSG budget for 2021/22 and outlines the variances.

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None

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1. Recommendations

- 1.1 NOTE: The current overall DSG allocation and budget position for 2021/22.
- 1.2 NOTE: The current position within each funding block and impact on the deficit recovery plan.

2. Background

- 2.1 The Dedicated Schools Grant (DSG) is a ring fenced specific grant and can only be used in support of the schools' budget and spent on school/pupil activity as defined by the School and Early Years Finance (England) Regulations (2020).
- 2.2 The DSG is split between four different funding blocks - schools, central school services, early years, and high needs. Each Council's allocation is largely based upon actual pupil numbers from the October pupil count proceeding the actual financial year. Although separate allocations are received for each block, transfers are allowed between blocks but subject to certain restrictions.
- 2.3 Most of the grant is allocated to schools – the Individual School's Budget (ISB) or delegated budget – this is mainly formula driven; the remainder is the Centrally Retained School's Budget – the non-delegated budget.
- 2.4 Overspends on the DSG are carried forward and are a first call on the following year's allocation of DSG. Underspends on the DSG are carried forward to support the future year's school's budget.
- 2.5 The Authority must ensure that DSG is correctly spent and has to report the outturn position to inform the impact upon the following year's budget position. The budget monitoring of the Authority distinguishes between how services are funded, namely by DSG or by the Local Authority.
- 2.6 The LA receives its DSG allocation gross (including allocations relating to academies and post 16 provision), and then the Education & Skills Funding Agency (ESFA) recoups the actual budget for these settings to pay them direct, leaving a net or LA allocation.

3. DSG Allocation 2021/22

- 3.1. The DSG allocation received by the LA will change during the year. Table 1 shows the original estimate made by the LA and the current position, as last notified by the ESFA in July 2021. Further details are contained in Appendix 1. Changes to the allocation could impact on the overall budget position.
- 3.2. The allocations shown in the table are prior to any transfers between blocks. For the 2021/22 budget the Schools' Forum has agreed a transfer of £484k from the schools' block to the high needs block.
- 3.3. Overall there has been a reduction of £18,000 to the current year allocation, which relates to the High Needs Block import / export adjustment.

Table 1: RBC's original and revised (current) DSG allocations for 2021-22

BLOCK	ORIGINAL ESTIMATED DSG ALLOCATION 2021/22			REVISED DSG ALLOCATION 2021/22			CHANGE (£m)
	Gross DSG Allocations (£m)	Less Recoupment relating to Academies/ Post 16 (£m)	Total LA DSG Allocatio ns (£m)	Gross DSG Allocations (£m)	Less Recoupment relating to Academies/ Post 16 (£m)	Total LA DSG Allocatio ns (£m)	Total DSG (£m) Available
Schools Block	103.481	-54.703	48.778	103.481	-54.703	48.778	0
Central Schools Block	1.167		1.167	1.167		1.167	0
Early Years Block	12.980		12.980	12.980		12.980	0
High Needs Block	24.658	-4.168	20.481	24.640	-4.177	20.463	0.018
Total	142.288	-58.880	83.407	142.270	-58.880	83.389	0.018
20/21 Early Years adj.						0	0
Total Available						83.389	0.018

3.4. The main changes that may occur and need to be monitored during the year are as follows:

- Reductions in the schools' block funding due to any academy conversions. This is because funding is paid direct to these schools by the ESFA, though this has no impact on the LA budget, as expenditure is reduced accordingly. Currently, there are no mainstream academy conversions in process, so the budget remains the same.
- High needs block funding was adjusted in July due to the import/export adjustment: this is where there has been a change to the number of Reading pupils placed in settings outside Reading or a change in the number of pupils from other LAs attending settings in Reading. This is because the LA where the setting is located is responsible for the place funding, so this adjustment ensures any changes in pupil numbers transferring between LAs are properly funded. Overall, this has resulted in a reduction in funding of £18k, as the number of pupils placed outside of Reading has increased by 3. There should not be any further changes to this block this year.
- The July update would usually see revision to the Early Years Block. For 2021-22 funding will be based on each termly census (split 5/12, 4/12, 3/12). Due to the changes in the way funding is being allocated this year, the updated allocations have been delayed until November 2021.
- The DSG allocation shown in Table 1 above is based on our original 2020-21 allocation therefore we expect a clawback of funding this year to account for the reduction of numbers seen in 2020-21. A provision has been made in the 2020-21

accounts for this and any further adjustments will be reflected within the monitoring report.

4. DSG Budget 2021/22 Month 6 Overall Position

- 4.1. Appendix 2 contains the 2021/22 budget and current (month 6) forecasts. This is split between the four funding blocks, and broken down by the main reporting lines for the DSG. Appendix 3 contains brief notes on what is included in each line of the budget report.
- 4.2. Table 2 summarises the current budget and forecast per block. Note that the DSG allocation includes an additional net £0.776m which is ring fenced surpluses brought forward from 2020/21 and being utilised in 2021/22 and 2022/23 (for growth fund and early years).

Table 2: Summary Budget and Forecast 2021/22

	ORIGINAL BUDGET (£m)	CHANGES £m	CURRENT BUDGET (£m)	FORECAST as at MONTH 6 (£m)	VARIANCE as at MONTH 6 (£m)
Schools Block	48.294	0.622	48.916	47.841	-1.075
Central Schools Block	1.167	0	1.167	1.160	-0.007
Early Years Block	11.507	0.154	11.662	12.713	1.052
High Needs Block	21.205	0	21.205	21.151	-0.054
Repayment of Deficit	2.189	-0.058	2.132	2.132	0
Sub Total – Net Expenditure	84.362	0.718	85.081	84.998	-0.083
DSG Allocation	81.934	0.776	82.710	83.830	1.120
Balance Over/(Under) Allocated	2.429	-0.058	2.371	1.168	-1.203

- 4.3. The deficit forecast for the end of the financial year has decreased to £1.168m compared to the original budget of £2.429m and revised budget of £2.371m. The variances from the original budget are summarised as follows:

Growth fund - No bulge classes required in 2020/21 or 2021/22	-£1,074,736
Underspend in Contribution to Central services	-£6,535
Early years - difference between funding (including contingency) and forecast payments to providers	-£86,165
Early Years - Resource Provision	-£58,764
Place funding	-£33,401
Top Up funding - overspend	£5,317
Reduction in High Needs Block funding due to Import / Export Adjustment	£18,043
Overspend in Sensory Consortium Joint Arrangement	£33,000
Total	-£1,203,241

- 4.4. Note that because many of these underspends are ringfenced and required for future commitments, this does not mean that the overall deficit has reduced by this amount. The following paragraphs provide more details on the variances.

5. Variances, Current Risks & Emerging Issues

5.1. Repayment of Deficit

The end of year position in 2020/21 was more favourable than when the current year budget was planned and set, so the deficit to be repaid has reduced by £58k to £2.132m.

5.2. Schools Block

- The Growth Fund budget will underspend (partly planned), with the surplus funding currently estimated at £1.075m required to be carried forward towards paying for additional secondary bulge classes in 2022/23 and beyond. The current budget allowed for bulge classes in 2021/22 which have not been required this year.

5.3. Central Schools Services Block

- Most of the central school services budgets are agreed contributions towards the full cost of a service and the majority will not usually have a variance. This year there is a small variance of £6.5k underspend. There will be no variance on copyright licences, as this is a national contract agreed in advance.

5.4. Early Years Block

- The majority of Early Years Funding (95%) is relating to the free early year's entitlement for 2, 3 and 4 year olds. The budget is based on the hours funded in the previous financial year at the set hourly rates. The DSG funding which we would normally expect to receive would be based on an average of the January 2021 and 2022 census numbers, so in theory, as expenditure is based on the actual uptake of entitlement for each term, any increase or decrease in numbers during the year should be funded if the January census represents the average for the year. Funding is increased or clawed back (by the ESFA) in the following year if there has been an under or over allocation.
- However, for 2021/22, the funding will be based on each termly census. The uncertainty of numbers gives more strain on this budget this year as other budgets that pay for central spend (mainly contributions as agreed at budget setting) are not likely to reduce and costs still need to be met.
- The forecast for this year has been based on the actual Summer term 2021 along with predictions of numbers for the Autumn and Spring terms. The Autumn and Spring term numbers are currently based on 2019-20 data and will be reviewed again after October census.
- The contingency budget brought forward from 2020/21 is £154k (originally set zero) and based on the current forecast there will be £86k of contingency remaining at the end of the financial year.
- The DfE announced local authorities would be eligible for some additional top up funding for Spring term if the January 2021 census numbers were lower than 85% of January 2020 census, and if the take-up has then increased over the course of the term. Unfortunately this appears to only be the case for Reading for one of the

entitlements and therefore we are likely to receive a very small amount of funding. Due to the upcoming changes in which local authorities will be funded termly in 2021-22, The DfE anticipate that local authorities will retain this funding as contingency to contribute to later demands and shortfalls should they arise.

- Further details on the position of this block will be known in November when we will receive our next funding update.

5.5. High Needs Block

- Annual expenditure in the HNB is now largely being contained within its annual DSG allocation, and the focus is to continue to drive average costs of placements down in order to repay the deficit.
- Approximately 83% of the high needs block budget is payments for statutory top up fees for pupils/students with Education Health and Care Plans (EHCPs). This is the area of highest risk due to the unpredictability of the number and level (cost) of plans. It is the continued growth in both the number and cost of these plans that has led to the DSG deficit. Table 4 shows the rising trend in the number of EHCPs. Data as at January in each year is used being mid-way through an academic year and is what the ESFA use for data comparisons. The current number of EHCPs (September 2021) is 1,531, an increase of 91 since January 2021.

Table 4: Numbers of EHCPs

Date	Mainstream	Further Education	Independent, Resource, Special	Other (PRU, Alternative, Home Education)	Actual Total Number	Annual Yr on Yr Increase
15/16: January 2016	353	62	550	37	1,002	43
16/17: January 2017	361	115	531	59	1,066	64
17/18: January 2018	363	209	567	36	1,175	109
18/19: January 2019	398	244	580	54	1,276	101
19/20: January 2020	444	296	585	66	1,391	115
20/21: January 2021	514	235	589	102	1,440	49
Latest Annual Increase	+70	-61	+4	+36	+49	

- The top up budget for 2021/22 was set based on the number and cost of top ups as at February 2021 and predicted increase (note that not all EHCPs result in a top up payment which is why the top up numbers are lower). The budget and the current

top up forecasts (cost and number of placements) are shown in Table 5. The current forecast is £17.493k, which is £5.3k over budget (2.3%), and some individual variances by type of placement are quite large.

Table 5: Top Up Budgets and Current Forecasts 2021/22

Placement Type	Budget £'000	Forecast £'000	Variance £'000	Budget No.	Current No.	Variance No.
Special Schools	9,136	8,769	-367	460	451	-9
Resource Units	778	647	-131	111	85	-26
Mainstream	2,736	2,545	-190	500	463	-37
Nursery	43	31	-13	5	1	-4
Independent/NMSS	2,477	3,050	572	59	67	8
Further Education	953	1,155	202	128	140	12
PRU *	911	837	-74	2	11	9
Hospital *	199	199	0	n/a	n/a	
Other Alternative	256	262	6	24	19	-5
Total	17,488	17,493	5	1,289	1,237	-52

* PRU/Hospital costs will relate to all pupils placed in these provisions (e.g. costs include excluded pupils *without* an EHCP who are not included in the numbers above).

- Although the forecast is showing near to budget, the overall numbers of placements are currently 52 under budget suggesting the average cost of placement has increased. The average placement cost for the budget is £13,567 and using the current data this stands at £14,142
- This does not yet take into account the increases in top up fees to be paid to Reading schools from September 2021. Due to external contributing factors and the awaited outcome of the governments SEND review, the decision on rate increase has ben delayed and a report will be bought to the December schools forum. The delay will not impact an uplift to current fees being granted.
- The Inclusion Fund provides additional funding to mainstream schools with a high percentage of pupils with EHCPs compared to our statistical neighbour average. £484,000 has been transferred from the Schools Block to the High Needs block to pay for this. Based on the current numbers of EHCPs in mainstream, the increase since the Spring term would have meant a significant overspend using the original criteria. Therefore, the qualifying percentage has been increased by 0.6% above our statistical neighbour in order to keep within budget. As a result some schools have received

lower payments from this fund than would have been expected. This will be reviewed once the Autumn census data is available.

6. Draft Deficit Recovery Plan for 2021/22

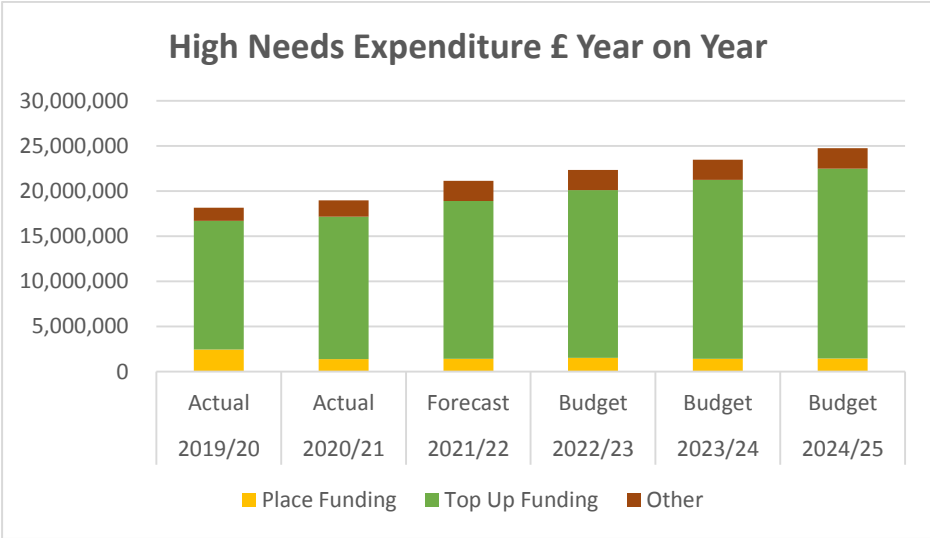
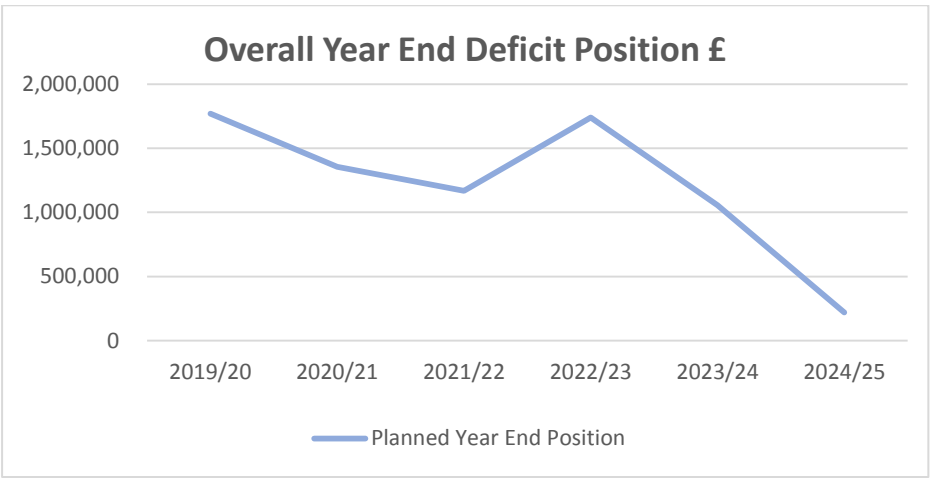
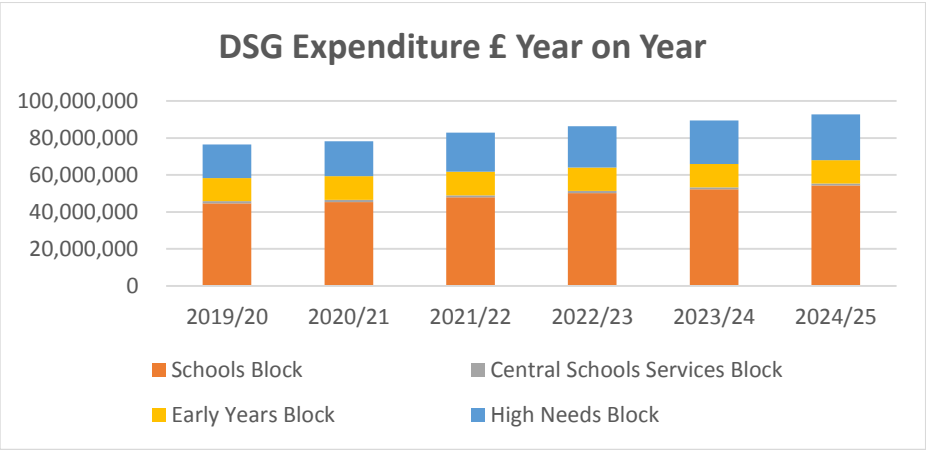
- 6.1. The DSG deficit is now totally separate from local authority funding and reserves. This means that the deficit must not be funded by the local authority's general reserves and that DSG deficits will over time be recovered from DSG allocations. The carry forward of a deficit no longer requires the consent of Schools' Forum.
- 6.2. The local authority must however be able to present a plan to the DfE for managing their future DSG spend. The plan should be shown to the local Schools' Forum and should be kept regularly updated throughout the year to reflect the most recent forecast position and be viewed as an on-going live document.
- 6.3. The current (September 2021) budget monitoring forecast shows the deficit will increase by £0.203m by the end of 2021/22 with £2.335m to be carried forward at the end of the current financial year.
- 6.4. The SEND strategy is still key in supporting the recovery of the deficit and keeping costs down to ensure future sustainability. The basis of the plan is a continuation of the following strategies:
 - Maximise local provision. This includes increasing the number of places in local resource units and the building of a new special school.
 - Inclusion in mainstream – help schools in providing the right support for their EHCP pupils and provide additional funding through the inclusion fund (with £484k transferred from the schools' block in 2021/22 for this purpose).
 - Minimise placements in the most expensive independent/non maintained specialist provisions by providing good local provision.
 - SEN panel is robust and consistent in its decision making; EHCPs are necessary and set at the right level and are reviewed annually.
 - Ensure out of county top up costs/annual reviews are negotiated at the right level through the commissioning team, and inflation is contained to a reasonable realistic level.
 - Ensure other contracts in the HNB do not increase more than inflation, negotiated by the commissioning team.
- 6.5. The assumptions made in estimating the budgets for next year and the following three years are as follows:
 - The annual increase in the HNB DSG allocation for 2021/22 and 2022/23 is at 8%, and 5% thereafter.
 - £484k transfer from the schools' block to the high needs block for inclusion funding continues until the deficit is repaid.
 - All other funding blocks balance in year or carry forward their balances; under spends in other blocks will not offset the high needs deficit.
 - All centrally retained costs in the high needs block remain static beyond 2021/22.

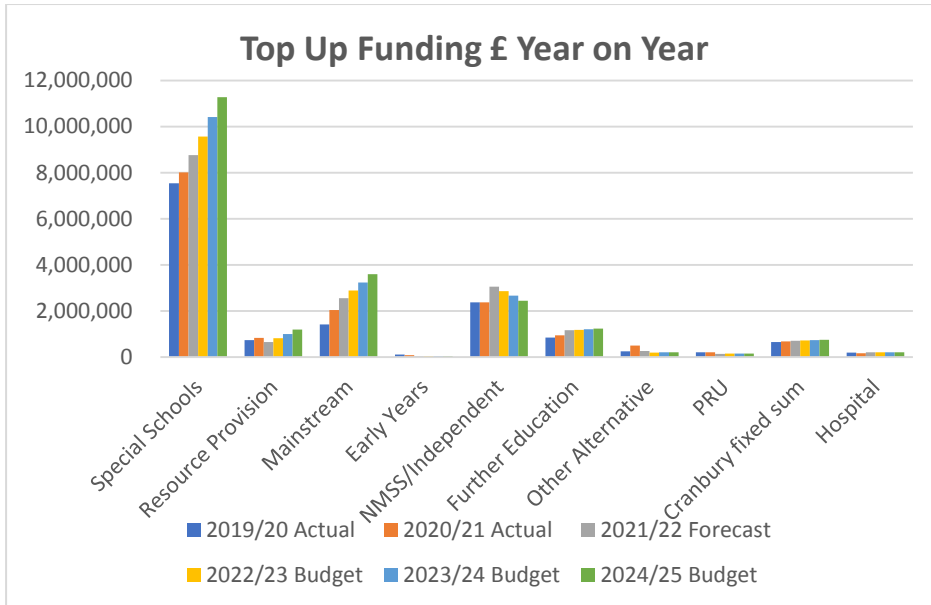
- The number of places to be funded for new resources and the new special school are factored in.
- Average costs of top ups inflated annually by 2%.
- The number of top ups overall continue to increase year on year at current trend/known changes in each type of provision and at the average cost for each type of provision.

6.6. Table 3 summarises the 2021/22 draft financial plan using the above basis and assumptions. This does not repay the deficit within the timeframe shown, but from 2022/23 around £700k is repaid per year, which if maintained would repay the deficit by 2026/27. One of the reasons for the increase in costs in 2021/22 is for additional place funding in local schools as a one off additional cost. This will provide lower average cost places for the increasing numbers of new placements and is therefore mitigating against higher costs in future years.

High Needs Budget (Net of Recoupment for Academy Place Funding)	2019/20 Actual	2020/21 Actual	2021/22 Budget	2021/22 Forecast	2022/23 Budget	2023/24 Budget	2024/25 Budget
Expenditure							
Place Funding	2,429,700	1,372,366	1,507,333	1,415,233	1,509,000	1,427,334	1,437,334
Top Up Funding	14,283,909	15,792,169	17,487,888	17,493,217	18,592,471	19,804,218	21,057,016
Other	1,453,749	1,792,439	2,209,140	2,242,200	2,242,200	2,242,200	2,242,200
Total High Needs Block Expenditure	18,167,358	18,956,974	21,204,361	21,150,651	22,343,671	23,473,752	24,736,550
DSG High Needs Block Funding	-18,322,000	-18,915,613	-20,965,057	-20,965,057	-22,939,112	-24,158,612	-25,570,612
In Year High Needs Block	-154,642	41,361	239,304	185,594	-595,441	-684,861	-834,062
Add brought forward deficit / (surplus)	2,245,003	2,090,360	2,189,343	2,131,721	2,317,315	1,721,873	1,037,012
Planned Year End Position	2,090,361	2,131,721	2,428,647	2,317,315	1,721,873	1,037,012	202,950

Top Up Funding by Type of Provision	2019/20 Actual	2020/21 Actual	2021/22 Budget	2021/22 Forecast	2022/23 Budget	2023/24 Budget	2024/25 Budget
Expenditure							
Special Schools	7,542,515	8,019,449	9,135,866	8,768,720	9,575,845	10,411,748	11,277,256
Resource Provision	730,209	824,388	777,797	646,692	818,596	997,117	1,182,452
Mainstream	1,416,794	2,036,057	2,735,528	2,545,346	2,882,767	3,232,667	3,595,410
Early Years	100,412	79,679	43,166	30,607	31,219	31,843	32,480
NMSS/Independent	2,371,565	2,372,060	2,477,478	3,049,503	2,857,579	2,656,759	2,446,763
Further Education	839,139	936,503	952,633	1,154,812	1,177,908	1,201,466	1,225,496
Other Alternative	245,419	494,127	255,714	261,978	193,195	197,059	201,000
PRU	198,871	204,600	212,659	138,513	141,283	144,109	146,991
Cranbury fixed sum	652,000	671,016	698,088	698,088	712,050	726,291	740,817
Hospital	186,985	154,290	198,959	198,959	202,028	205,159	208,352
Total Top Up Funding Expenditure	14,283,908	15,792,169	17,487,888	17,493,217	18,592,471	19,804,218	21,057,016
Numbers							
Special Schools	433	430	460	451	481	511	541
Resource Provision	81	91	111	85	105	125	145
Mainstream	361	450	500	463	513	563	613
Early Years	11	5	5	1	2	2	2
NMSS/Independent	51	64	59	67	62	57	52
Further Education	105	128	128	140	140	140	140
Other Alternative	37	24	24	19	14	14	14
PRU	11	13	13	11	11	11	11
Total Top Up Funding Numbers	1,090	1,205	1,300	1,237	1,328	1,423	1,518





- 6.7. The recovery is dependent on the funding increases as set out in the assumptions, and that the rate of growth in the number of top ups does not exceed the current trends. The current ESFA consultation on High Needs funding can be found here: https://consult.education.gov.uk/funding-policy-unit/high-needs-nff-proposed-changes/supporting_documents/High%20needs%20NFF%20review%20consultation%20document.pdf . Responses were required by 24th March, the outcomes of which are still awaited.
- 6.8. The high needs budget and deficit recovery plan will continue to be regularly monitored with a report brought to each meeting of the Schools’ Forum.

7. Appendices

Appendix 1 – DSG Allocation 2021/22

Appendix 2 – Summary DSG Budget and Forecast 2021/22 as at 30 September 2021

Appendix 3 – Additional Information per Service for Appendix 2 table

Appendix 1 – DSG Allocation 2021/22

	December 2020 Notification		LA Estimate for Budget		July update	
Schools Block						
Pupil Numbers Primary	13,013.0		13,013.0		13,013.0	
Rate	£4,500.65		£4,500.65		£4,500.65	
Allocation		£58,566,958		£58,566,958		£58,566,958
Pupil Numbers Secondary	7,202.5		7,202.5		7,202.5	
Rate	£5,924.46		£5,924.46		£5,924.46	
Allocation		£42,670,923		£42,670,923		£42,670,923
Growth Funding		£844,449		£844,449		£844,449
Premises Funding		£1,398,982		£1,398,982		£1,398,982
actual funding rounding adjustment						
Gross Allocation		£103,481,313		£103,481,313		£103,481,313
Academy Recoupment				-£54,702,955		-£54,702,955
Schools Block Net Total		£103,481,313		£48,778,357		£48,778,357
Central School Services Block						
Pupil Numbers	20,215.5		20,215.5		20,215.5	
Rate	£36.20		£36.20		£36.20	
Allocation		£731,801		£731,801		£731,801
Historic Commitments		£435,200		£435,200		£435,200
actual funding rounding adjustment						
Central School Services Block Net Total		£1,167,001		£1,167,001		£1,167,001
High Needs Block						
Formula		£24,687,713		£24,687,713		£24,687,713
Hospital Funding		£213,230		£213,230		£213,230
AP Teachers pay/pension grant		£65,995		£65,995		£65,995
Pupil Numbers - Special Schools	298.0		298.0		298.0	
Pupil Numbers - Alternative Provision	34.0		34.0		34.0	
Rate (includes grants)	£4,907.98		£4,907.98		£4,907.98	
Allocation		£1,629,449		£1,629,449		£1,629,449
Import/Export Adjustment	-323		-323		-326	
Rate	£6,000.00		£6,000.00		£6,000.00	
Allocation		-£1,938,000		-£1,938,000		-£1,956,000
Additional funding for Special Free Schools						
actual funding rounding adjustment						
Gross Allocation		£24,658,387		£24,658,387		£24,640,387
Recoupment - academy high needs places		-£4,168,000		-£4,177,330		-£4,177,330
High Needs Block Net Total		£20,490,387		£20,481,057		£20,463,057
Early Years Block	(Jan '20 census)		(Jan '21 census)		(Jan '21 census)	
3 & 4 year olds Universal - Schools	1,369.2		1,125.0		1,125.0	
3 & 4 year olds Universal - PVI	1,550.2		1,392.0		1,392.0	
3 & 4 year olds Additional - Schools	262.6		206.4		206.4	
3 & 4 year olds Additional - PVI	603.9		637.0		637.0	
Total	3,786		3,360		3,360	
Rate	£5.28		£5.28		£5.28	
Allocation		£11,393,984		£10,113,460		£10,113,460
2 year olds - schools	72.0		64.0		64.0	
2 year olds - PVI	279.7		246.0		246.0	
Total	351.73		310.0		310.0	
Rate	£5.90		£5.90		£5.90	
Allocation		£1,182,868		£1,042,530		£1,042,530
PPG - schools	205.6		205.6		205.6	
PPG - PVI	135.8		135.8		135.8	
Total	341.36		341.4		341.4	
Rate	£0.53		£0.53		£0.53	
Allocation		£103,125		£103,125		£103,125
DAF - eligible pupils	66.0		66.0		66.0	
Rate	£615.00		£615.00		£615.00	
Allocation		£40,590		£40,590		£40,590
Maintained Nursery Grant		£260,276		£207,580		£207,580
actual funding rounding adjustment						
Early Years Block Net Total		£12,980,843		£11,507,285		£11,507,285
SUMMARY GROSS IN YEAR ALLOCATION						
Schools Block		103,481,313		103,481,313		103,481,313
Central School Services Block		1,167,001		1,167,001		1,167,001
High Needs Block		24,658,387		24,658,387		24,640,387
Early Years Block		12,980,843		11,507,285		11,507,285
TOTAL GROSS DSG ALLOCATION IN YEAR		£142,287,544		£140,813,986		£140,795,986
SUMMARY NET IN YEAR ALLOCATION						
Schools Block		£103,481,313		£48,778,357		£48,778,357
Central School Services Block		£1,167,001		£1,167,001		£1,167,001
High Needs Block		£20,490,387		£20,481,057		£20,463,057
Early Years Block		£12,980,843		£11,507,285		£11,507,285
TOTAL NET DSG ALLOCATION IN YEAR		£138,119,544		£81,933,700		£81,915,700

Appendix 2 – Summary DSG Budget and Forecast 2021/22

Line Ref.	Description	Original Budget £m	Change	Current Budget £m	Forecast £m	Variance £m
Schools Block						
1	Individual Schools Budget - Maintained Schools	47.210	0.000	47.210	47.210	-0.000
2	Growth Fund	0.657	0.622	1.279	0.204	-1.075
3	Behaviour Support Services (de-delegation)	0.176	0.000	0.176	0.176	-0.000
4	Staff costs supply cover (trade unions) (de-delegation)	0.043	0.000	0.043	0.043	0.000
5	School Improvement (de-delegation)	0.128	0.000	0.128	0.128	0.000
6	Statutory/regulatory Duties (ESG) (de-delegation)	0.080	0.000	0.080	0.080	-0.000
7	Sub Total Schools Block Net Expenditure	48.294	0.622	48.916	47.841	-1.075
8	Schools Block DSG Allocation	48.294	0.622	48.916	48.916	-0.000
9	Balance Over / (Under) Allocated	0.000	0.000	0.000	-1.075	-1.075
Central Schools Services Block						
10	Contribution to combined budgets	0.430	0.000	0.430	0.423	-0.007
11	School admissions	0.220	0.000	0.220	0.220	0.000
12	Servicing of schools forum	0.020	0.000	0.020	0.020	0.000
13	Prudential borrowing costs	0.040	0.000	0.040	0.040	0.000
14	Other Items (copyright licences)	0.119	0.000	0.119	0.118	-0.000
15	Statutory/regulatory Duties (ESG)	0.339	0.000	0.339	0.339	0.001
16	Sub Total Central School Services Block Net Expenditure	1.167	0.000	1.167	1.160	-0.007
17	Central School Services Block DSG Allocation	1.167	0.000	1.167	1.167	-0.000
18	Balance Over / (Under) Allocated	0.000	0.000	0.000	-0.007	-0.007
Early Years Block						
19	Early Years Funding (free entitlement)	10.772	0.154	10.926	11.978	1.052
20	Support for inclusion	0.100	0.000	0.100	0.100	0.000
21	SEN support services (Portage/Dingley)	0.238	0.000	0.238	0.238	0.000
22	Central expenditure on early years entitlement	0.397	0.000	0.397	0.397	0.000
23	Sub Total Early Years Block Net Expenditure	11.507	0.154	11.662	12.713	1.052
24	Early Years Block DSG Allocation	11.507	0.154	11.662	12.800	1.138
25	Balance Over / (Under) Allocated	0.000	-0.000	-0.000	-0.086	-0.086
High Needs Block						
26	SEN placements - Maintained Schools (first £10k/£6k place funding)	1.507	0.000	1.507	1.415	-0.092
27	Top up funding - Special Schools	9.136	0.000	9.136	8.769	-0.367
28	Top up funding - Resource Units	0.778	0.000	0.778	0.647	-0.131
29	Top up funding - Mainstream	2.735	0.000	2.735	2.545	-0.190
30	Top up funding - Nursery	0.043	0.000	0.043	0.031	-0.013
31	Top up funding - FE Colleges	0.953	0.000	0.953	1.155	0.202
32	Top up funding - Alternative Provision	1.166	0.000	1.166	1.026	-0.140
33	Top up and other funding - non maintained & independent schools	2.478	0.000	2.478	3.122	0.645
34	Additional high needs targeted funding (Inclusion Fund)	0.484	0.000	0.484	0.484	0.000
35	SEN support services	0.576	0.000	0.576	0.609	0.033
36	Hospital education services	0.199	0.000	0.199	0.199	-0.000
37	Support for inclusion	0.340	0.000	0.340	0.340	0.000
38	Therapies and other health related services	0.413	0.000	0.413	0.413	0.000
39	SEN Transport	0.100	0.000	0.100	0.100	0.000
40	Teachers pay & pension grants to special schools/PRU	0.297	0.000	0.297	0.297	0.000
41	Repayment of DSG deficit from previous year	2.189	-0.058	2.132	2.132	0.000
42	Sub Total High Needs Block Net Expenditure	23.394	-0.058	23.336	23.282	-0.054
43	High Needs Block DSG Allocation	20.965	0.000	20.965	20.947	-0.018
44	Balance Over / (Under) Allocated	2.429	-0.058	2.371	2.335	-0.036
45	Total All Blocks Net Expenditure	84.362	0.718	85.081	84.998	-0.083
46	Total DSG Allocation Available	81.934	0.776	82.710	83.830	1.120
47	Balance - Deficit / (surplus) In Year	2.429	-0.058	2.371	1.168	-1.203
Memorandum - Budgets Recouped from Gross DSG Allocation						
48	Individual Schools Budget - Academies	49.450	0.000	49.450	0.000	0.000
49	SEN placements - Academies	3.829	0.000	3.829	0.000	0.000
50	Total DSG Recouped	53.279	0.000	53.279	0.000	0.000
51	Gross DSG Expenditure including Recoupment	137.641	0.718	138.360	84.998	-0.083

Appendix 3 – Additional Information for Appendix 2 Table

SCHOOLS BLOCK

Line 1 - Individual School Budget – Schools formula budget for maintained Primary's and Secondary's.

Line 2 - Growth fund - The growth fund budget is for new/growing schools or bulge classes in response to basic need and is allocated to schools from the autumn term based on the criteria set by Schools' Forum.

DE-DELEGATIONS – Maintained Primary or/and Secondary Schools Only:

Line 3 - Behaviour Support Services – Passported to Cranbury College to supply this service.

Line 4 - Staff Costs to Supply Union Cover – Pays for Union support and supply cover for staff engaging in union duties.

Line 5 - School Improvement – To fund staff and Projects within the service.

Line 6 – Statutory/regulatory duties - formally known as the Education Services Grant, for statutory duties carried out by the LA on behalf of all maintained schools such as internal audit, year-end accounts, central reporting, monitoring compliance with scheme for financing schools.

CENTRAL SCHOOLS SERVICES BLOCK

Line 10 - Combined Budgets - covers contribution towards Commissioning, school improvement advisors, MASH (Multi Agency Safeguarding Hub), virtual school for looked after children, Early Help – children action teams that covers family workers, Welfare, CAMHs and Education Psychology.

Line 11 - School Admissions – contribution towards the statutory admissions service for all Reading Schools.

Line 12 - Servicing of Schools Forum – contribution towards officer time for preparation of reports and attendance at meetings; cost of room hire; arranging meetings, minute taking, web site.

Line 13 - Prudential Borrowing costs – Borrowing costs for schools capital programme has historically been and will be funded by borrowing over many years. This is a small contribution to the overall borrowing costs.

Line 14 – Other Items – Copyright licences – national contract, purchased on behalf of all schools.

Line 15 – Statutory/regulatory duties - formally known as the Education Services Grant, for duties carried out by the LA for all schools, including academies. Includes DSG budgets, school funding formula, payments to schools, statutory returns, education welfare, asset management.

EARLY YEARS BLOCK

Line 19 - Early Years formula funding – 2, 3 & 4 year old free entitlement funding including deprivation and early Years pupil premium and other early years grants relating to maintained nurseries and disability.

Line 20 - Support for Inclusion – Early Years Cluster funding and central staffing in Education department. Supports inclusion of children in early year's settings, supporting inclusive practices and

resources that enable young children with SEND to have their needs met in these settings. There is also a contribution from the high needs block (in line 37).

Line 21 - SEN Support Services – portage and contribution to Dingley.

Line 22 - Central Expenditure on Children under 5 – Early Years Team Staff including compliance, data, sufficiency and performance.

HIGH NEEDS BLOCK

Line 26 - SEN Placements – Place funding for pre 16 maintained Resource units (first £6k), maintained special Schools (first £10k), and Cranbury College up to the date they became an academy.

Line 27 to 30 - Top-up funding for schools - EHCP top-ups for nursery, primary, secondary, special and alternative provisions within any LA that has a Reading financial responsibility for the EHCP. This also includes Pupils without EHCPs in Pupil referral units

Line 31 - Top-up funding for FE Colleges - EHCP top-ups for students in further education colleges.

Line 32 - 33 - Top-up funding and other funding – non maintained and Independents - EHCP Top-ups for Independent and non-maintained special schools, and placements in other alternative private provision for pupils with or without a EHCP.

Line 34 – Additional High Needs Targeted Funding (Inclusion Fund) – financial support to schools with a higher than average number of pupils with EHCPs.

Line 35 - SEN Support Services – This includes Sensory Consortium (joint arrangement with other Berkshire LAs), virtual school, and ASD Outreach commissioned to Christ The King School.

Line 36 - Hospital Education Services – This includes Hospital Education unit at Royal Berkshire Hospital and Education for Pupils in Tier 4 CAMHS specialist independent mental health hospital provision which is commissioned by NHS England

Line 37 - Support for Inclusion – Funding for hard to place pupils (through Inclusion panel & Therapeutic Thinking approach), and central staffing (2 posts) in Education department, one for statutory functions including monitoring exclusions and one for ASD advisory support. The final year's payment to Manor School for the inclusion project, a contribution to the early years inclusion panel, plus early years place funding at Snowflakes.

Line 38 - Therapies and other Health Related services – Contribution towards Speech and Language, Occupational and Physio therapy. Jointly funded with the Clinical Commissioning Group.

Line 39 - SEN Transport – Contributions to SEN School Travel

Line 40 – Teachers Pay and Pension grants to special schools/PRU

Line 41 – Repayment of deficit – All of the 2019/20 deficit related to the high needs block, and this is a first call on the 2020/21 resources.

RECOUPMENT

Line 48 – Individual School Budget – School formula budgets recouped for academies.

Line 49 - SEN Placements – Placement funding recouped for academy resource unit places (£6k) and special school places (£10k), and Cranbury College from the date they became an academy.

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