



## TO: ALL MEMBERS OF THE SCHOOLS' FORUM

2 December 2021

**Your contact:** Steph Heaps, Schools/DSG Business Partner  
Email: [steph.heaps@brighterfuturesforchildren.org](mailto:steph.heaps@brighterfuturesforchildren.org)  
Tel: 0118 937 4161

## NOTICE OF MEETING - SCHOOLS FORUM 9 DECEMBER 2021

A meeting of the Schools Forum will be held on **Thursday, 9 December 2021 at 5.00 pm** This will be held virtually using **Microsoft Teams, the link will be sent via 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 overview for 2022/23- Schools & DSG Business Partner	15 - 28
5.	Final proposals for school funding formula for 2022/23 - Schools & DSG Business Partner	29 - 50
6.	Top up Funding - Schools & DSG Business Partner / Head of Education	51 - 54
7.	DSG Budget Monitoring 2021/22 - Month 8 including update to Deficit Recovery Plan - Schools & DSG Business Partner	55 - 72
8.	Commissioning project review - Children and Young People Integrated Therapies - Mandie Barnes	73 - 76
9.	Agenda items for next meeting	

- DSG actual funding settlement for 2022/23
- Final school funding formula for 2022/23
- Agree growth fund for 2022/23
- Agree de-delegations for 2022/23
- Agree central school services budget for 2022/23

10. Any Other Business

11. Date of Next Meeting

20 January 2022 at 5pm – TBC



## Minutes of Schools’ Forum Meeting

14 October 2021

### Members Present

Nikki McVeigh – Head Teacher of Christ the King; 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; Simon Uttley – Head Teacher of Blessed Hugh Faringdon; Rachel Cave – Head Teacher of Highdown; Symon Cooke – Head Teacher of The Avenue; Lee Smith – Head Teacher of Holy Brook; Karen Edwards – Head Teacher of The Heights; Annal Nayyar – Finance Director of Baylis Trust (Reading Girls); Jane Brown – Business Manager of Churchend; Isabelle Sandy – Business Manager of Kendrick; Claire Brown – Business Manager of Prospect School (substitute); Cathy Woodcock – Finance Director of Reading; Mark Hester – Business Manager of Cranbury College; Andy Johnson – Head Teacher of Maiden Erlegh School in Reading; Julia Cottee – Governor at Reading Early Years Schools Federation; Alison McNamara - NEU.

### Apologies

### In attendance

Steph Heaps – Schools & DSG Business Partner; Clare Warren – School Support Lead; Steven Davies – Strategic Finance Business Partner; Deborah Glassbrook - Director of Children’s Social Care; Gill Dunlop – Pupil & School Service Manager; Siobhan Egan – Service Manager IT & Data Intelligence; Corinne Dishington – Service Manager Under 5s; Vanessa Hurdle – minute taker.

	Item	Notes
1	Welcome and apologies - Chair	The Chair welcomed everyone to the meeting.  Steph Heaps read out the protocol for the virtual meeting and confirmed that members would not be required to vote during the meeting. Recording of the meeting commenced. The recording will be retained until the minutes have been approved.

2	Minutes of the meeting held on 24 June 2021 - Chair	<p>Minutes were agreed as an accurate record of the meeting from 24 June 2021.</p> <p><b>Matters arising:</b></p> <ul style="list-style-type: none"> <li>- Membership – Discussed under Item 3.</li> </ul>
3	Schools' Forum Membership Update - Chair	<p>Richard confirmed that the Forum remains at full membership, although two positions still need to be clarified – Karen Edwards from The Heights Primary and Ita McGullion, Manager of Kennet Day Nursery.</p> <p>Karen messaged to say that she was happy to remain a member. Richard will chase this matter up with Ita.</p>
4	DSG Budget Strategy for 2022/23 - Schools/DSG Business Partner	<p>Steph Heaps presented.</p> <p>Schools Forum to note that there has been an update on the funding that has been announced so far for 2022/23 budget as well as the timetable for budget planning.</p> <p>In July 2021 an update was received, which confirmed primary and secondary units of funding. The overall allocation will be based on the October 21 census.</p> <p>Table 1 shows the funding that is currently received by Reading for the Schools, Central and High Needs Blocks. A comparison is shown using the new funding values if pupil numbers remain the same. No update will be given on the Early Years Block until late November/December.</p> <p>The Schools Block is set to receive an increase of £2.7m, which is 2.6%. Reading currently mirrors the National Funding Formula for 2021/22 and it is hoped to do the same in 2022/23. The growth factor is not yet known and won't be known until the October 21 census data has been finalised. This will be notified in the December 21 allocation. It is believed that this funding plus the carry forward from the current year will be enough to meet next year's growth requirements.</p> <p>The Central Block – Steph confirmed that she had made an error in the table and that the actual funding against pupil numbers should read <b>£772k</b>, and not £722k. This is actually an increase of 5.56% and not a decrease of 1.2%. Overall in the Central Block, there is, however, a reduction by ESFA due to</p>

		<p>historic commitments of 20%. This means that savings will still need to be found in this block.</p> <p>High Needs Block – There is no change to the current funding formula. Additional funding in 2022/23 will be allocated through the formula and all LAs will receive a minimum of 8%. Reading is expected to receive this, which will equate to £1.9mil.</p> <p>Specific Considerations for budget setting 2022/23 – The main decision that needs to be considered, and which will go out to consultation, is whether the transfer from the Schools Block to the High Needs Block will continue. The maximum allowed in the regulations is 0.5% and this is what Reading is currently doing in 21/22. For 21/22 this amount is £484k, and is likely to increase to £526k for 22/23. This money is meant specifically for the Inclusion Fund and is additional funding for those schools with a disproportionate number of pupils with EHCPs. The consultation on this is due to be sent to schools next week.</p> <p>Insurance Update regarding the Risk Protection Arrangement (RPA) – The Scheme of Finance for Schools was amended to allow for the de-delegation of this. This means that if the Schools Forum agreed then all primary and secondary schools would be signed up without a choice. Currently only 10 schools out of 34 or 29%, have chosen to sign up to the RPA. The Insurance SLA will be continued to be offered to schools in 2022/23. There is a three-month notice period if schools do wish to leave RBC’s Insurance service and the deadline for this is 31 December 2021.</p> <p>The Insurance Team has also advised that if schools are considering moving to the RPA and have contract work scheduled, they need to seek advice from both the Insurance Team and the Legal Team as the RPA scheme does not currently meet with what the current insurance market provides in terms of cover for building works. Schools should contact Derek Crisp on this matter as soon as possible.</p> <p>Timetable for Setting 2022/23 budget – Table 2 shows the current plan for the year. The main point to note is that the consultation that will be sent out next week will be due back by <b>12 November</b>.</p>
5	Initial proposals for school funding formula for 2022/23 - Schools/DSG Business Partner	<p>Steph Heaps presented.</p> <p>Steph confirmed that although the item mentions decision, no formal decision is required for this item. It is just intended to</p>

		<p>gauge feedback on the approach being used and it will be sent out to all schools, together with the Consultation.</p> <p>We are now into the fifth year of the move towards the National Formula Funding. There is still no confirmation as to when the final implementation will occur. When the move is made to the full National Formula Funding approach, a decision will have to be taken on how local issues, such as growth funding and the transfer between the blocks, should be dealt with.</p> <p>Table 1 – This shows the total estimate for 2022/23. This is currently using the October 2020 figures, but will be updated. The Schools Block is set to receive a £2.7m increase. There is no change to the National Formula factors and all these details can be found in appendix 1. However, there are updates to the national values that are used. A comparison to previous years can be found in appendix 2.</p> <p>Section 4 – School Formula for 2022/23 – 4.2 shows the actual value changes:</p> <ul style="list-style-type: none"> <li>• 3% increase to basic entitlement</li> <li>• £10k to the maximum sparsity values (not applicable to Reading)</li> <li>• 2% increase to Free School Meals</li> <li>• 2% minimum funding guarantee on pupil led funding above 21/22 baseline</li> <li>• Minimum funding per pupil for primary to increase to £4,180 and to £5,415 for secondary pupils</li> </ul> <p>As the LA, it is still Reading’s responsibility to set the formula by choosing the factors to apply and the values to use permitting they are in line with the regulations. These are detailed in appendix 1.</p> <p>Appendix 2 – This shows the actual values. Reading was able to set the formula for 2021/22 very close to the National Formula. The only difference being the lump sum, which was adjusted and was just 1% below the national value. It is hoped that the same can be done for 2022/23.</p> <p>Appendix 3b – This shows three models that have been drafted. Model 1 equates to the current financial year, with the lump sum kept at the 21/22 rate of £116k. This model shows a shortfall of £509k. When compared to this time last year, the model was showing a shortfall of £232k. The census data can affect the funding as it is not just based on the number of pupils, but other factors such as deprivation.</p>
--	--	--

		<p>The intention is to be as close to the National Formula Funding as possible and to mirror all of the factors, including the area cost adjustment. It is expected that the lump sum will be used as the balancing figure. Reading welcomes schools' comments on this approach. It may be a question that all of the rates are reduced by a percentage as shown in Model 2, which is the only model that is shown to be affordable. Model 3, which mirrors all of the formula factors including the area cost adjustment, shows a shortfall of £800K.</p> <p>The actual funding that Reading will receive will not be known until December so the figures in the three models could change, but it is the approach that needs to be considered and the aim to mirror the National Funding Formula as closely as possible. No formal consultation is required, but all schools will be made aware of the different approaches that are under-consideration. There will, however, be a Consultation regarding the transfer from the Schools Block to the High Needs Block. This is due to be sent out next week. Currently the statistical neighbouring average is being used for the Inclusion Fund, but this is not looking as if it will be affordable. The results from the Consultation will be discussed at the December meeting.</p> <p>Steph confirmed that the Consultation will be sent to both Head Teachers and Business Managers.</p>
6	<p>DSG Budget Monitoring for 2021/22 – Month 6 including update to Deficit Recovery Plan – School Support Lead</p>	<p>Steph Heaps presented.</p> <p>The only update is the change in the allocation to the High Needs Block. There has been a reduction of £18k, which is due to the import/export adjustment for those pupils, which are placed in and out of the borough. No further adjustments are expected to the High Needs Block.</p> <p>There would usually be an update to the Early Years funding at this time of year, but due to the way that the funding for this financial year is being done on a termly basis, no update for this area will be seen until November.</p> <p>Table 2 – This summarizes the current budget per block. The variances shown are the position as at the end of September 2021. The deficit forecast for the end of the financial year has decreased to £1.168m, compared to the revised budget of £2.371m. This is a movement of £1.2m and how this is made up is listed below Table 2.</p>

		<p>Although the £1.2m reduction looks good, a lot of the items have been ring-fenced. The majority of this reduction is made up of £1.074m growth fund, which will be ring-fenced for future years. The reason for this large underspend is due to the fact that no bulge classes were required in September 2021. Bulge classes are forecast for September 2022, so the underspend will be carried forward to then. It may also be required for the growth fund in the Central Block for 2022/23.</p> <p>A current surplus of £86k is forecast for Early Years from the brought forward contingency of £154k. This financial year looks very different for Early Years as funding is being done on actual numbers per census per term as opposed to the usual method. Normally it would be 5/12 of January 21 census and 7/12 of January 2022, but this year it is being done on May census, October census and January census. At the December meeting, the position should be clearer, as the funding for both the summer and the autumn terms should be known.</p> <p>The Central Block is showing a small variance of a £7k underspend due to contributions to the Block.</p> <p>The High Needs Block – As at September 2021, there are 1,531 EHCPs, which is an increase of 91 since January 2021. Table 4 details the increase per year in the number of EHCPs as at each January. The top-up budget forms 83% of the High Needs spend. £17.4m is the top-up budget. The current number of EHCPs is actually 52 places less than what was forecast. However, the average cost of placements has increased from £13.5k to just over £14k. This means that Reading is, therefore, near to budget, but this does not take into account any uplift to top-up rates.</p> <p>There was an external review and Schools Forum was told that if nothing came of this, then schools would receive an uplift to their current top-up rates from September 2021. This is what is now being proposed and will be brought to the December meeting. It has not been brought to today's meeting due to the fact that there is no Director of Education in post and that there are a number of external factors which need to be considered, such as the National Insurance increase. It had also been decided to await the outcome of the Government's SEND review. However, after recent discussions with the DfE it looks as if the outcome of the SEND review won't be until some point next year. With regards to the increase to National Insurance, the Government has advised that there will be funding to cover the increase. It is expected</p>
--	--	--



		<p>that it will be given as a grant as it is too late to be incorporated into a formula.</p> <p>Deficit Recovery Plan 2021/22 – It has been assumed that there will be an 8% increase next year and a 5% increase the following year. It also assumes that £484k will continue to be transferred from the Schools’ Block to the High Needs Block and that all the centrally retained costs in the High Needs Block will remain static. An average uplift for top-ups will be 2%. The number of top-ups continue to increase at the current rate, but it is not known at what type of provisions. The current forecast of the number of pupils in special and mainstream schools has actually been less than was predicted, whilst there has been an increase of pupils in independent and non-maintained special schools.</p> <p>It is estimated that by 2024/25, the planned deficit will be £202k, meaning that the deficit may be paid in full by the end of 2024/25. This is, however, dependent on the number of EHCPs, the number of local provisions in place and the cost of these provisions. This could also be affected by the outcome of the SEND review. This forecast will, however, be presented to the DfE in November and feedback from this meeting will be given at the December Schools’ Forum.</p> <p>Isabelle Sandy asked what the implications were for recovery now that the Director of Education has left. Steph confirmed that she would be in touch with the new Director of Education once they have started. However, Steph confirmed that it is the pupils’ needs that drive the recovery plan, rather than the financial aspect.</p>
7	Agenda items for next meeting	<p>The next meeting will be held on <b>9 December 2021 at 5pm</b> as a virtual meeting.</p> <ul style="list-style-type: none"> <li>• DSG budget overview for 2022/23</li> <li>• Final proposals for school funding formula for 2022/23</li> <li>• Agree growth fund for 2022/23</li> <li>• Budget monitoring for 2021/22 month 8</li> <li>• Maintained schools’ outturn 2021/22</li> <li>• Top up funding</li> </ul>
8	Any other business	<p><u>December Agenda Item</u> - Steph said that she had been contacted by Commissioning, which is working on a project to review the Children and Young People Integrated Therapies</p>

		<p>and that they would like to present a report at the December Schools' Forum meeting to give an update to all schools.</p> <p><u>Director of Education</u> - Deborah Glassbrook confirmed that the overall responsibility for the DSG Recovery Plan sits with her as the Executive Director of Children's Services. She has been meeting with Steph to discuss the issues and is very aware of how important it is to continue to drive the Recovery Plan with the DfE.</p> <p>Sue Imbriano will start on 15 October as the Interim Director of Education. She is very experienced and knowledgeable, having previously been a Director of Children's Services in her own right. She will be working one day a week until November and then three days per week after that.</p> <p>The advert for a permanent Director of Education has gone out. It is hoped that interviews will be at the end of November, with someone starting as soon as possible.</p> <p>Isabelle questioned why there had been a number of Directors of Education in recent years. Deborah confirmed that there is no underlying reason at Reading as to why people are moving on. She also confirmed that she currently has no plans to leave.</p> <p>Simon Uttley wished to know if key people would be on the interview panel for the new Director of Education. Deborah confirmed that there will be a stakeholder panel. She also confirmed that the Job Description has not changed from the previous time that the role went out to advert.</p> <p><u>Future Meetings</u> – Richard clarified that hybrid meetings can now be held in the Council Chambers. Going forward if there is a face-to-face meeting, people must still be offered the opportunity to join the meeting virtually as well. The December meeting could, therefore, be offered in this way. However, Richard wished to know, if the meeting was offered as both in person and virtually, if people would actually attend in person or continue to join on-line. Richard would prefer to hold face-to-face meetings as there is better discourse at these types of meetings. From the responses that were given, Richard confirmed that the December meeting will continue to be virtual</p> <p><u>De-Delegation</u> – Julia Cottee was expecting this item to be on today's agenda and queried why it wasn't. Richard confirmed that this would be looked into.</p>
--	--	---

		<p>Julia also brought up the issue of schools still paying by cheques, rather than BACs. She wondered what needed to be done for all schools to pay by BACs only. Steve Davies confirmed that it is up to schools to make their own decision on this issue. The LA/School Support can only offer advice.</p> <p>The meeting finished at 17.59.</p>
--	--	--

## Summary of Actions Outstanding

SF Date & Item no.	Action Required	Responsible Person
14/10/21 – Item 3	Membership – Ita McGullion to remain a member.	Richard Rolfe

This page is intentionally left blank

## Agenda Item 3

### SCHOOLS' FORUM MEMBERSHIP

Dec-21

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	
<b>School Members:</b>									
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	<b>Governor *</b>	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-21	3 Yrs	Jul-24	
	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	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	
<b>Non-School Members:</b>									
Early Year's PVI (1)	21	PVIs	Ita McGullion	Kennet Day Nursery	Oct-17	Oct-21	3 yrs	Oct-24	
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
----------	---	-----	---

\* Chair

\*\* Vice chair

Elected October 2020

Elected October 2020

This page is intentionally left blank



# Reading Schools' Forum

December 9, 2021

Agenda Item 4

DSG Budget Overview 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 an overview of the budget setting for 2022/23. It also contains a recommendation to transfer funding from the schools block to the high needs block.

## AUTHOR

Steph Heaps, Schools & DSG Business Partner

Tel: 0118 937 4161

Email: [steph.heaps@brighterfuturesforchildren.org](mailto:steph.heaps@brighterfuturesforchildren.org)

## VERSION

Version number 1

## DATE

December 2, 2021

## REVIEW DATE

None

---

© Brighter Futures for Children

Brighter Futures for Children  
Civic Offices, Bridge Street,  
Reading RG1 2LU

Company number 11293709

## 1. Recommendations

- 1.1 AGREE: The transfer of £526k funding from the Schools Block to the High Needs Block in 2022/23.
- 1.2 NOTE: The funding announced so far for 2022/23 and the requirements for completing the 2022/23 budget.

## 2. Background

- 1.1 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.
- 1.2 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).
- 1.3 Transfers of funding between blocks are allowed, but a transfer out of the schools block must be consulted with all schools and agreed by the Schools’ Forum.
- 1.4 This report provides an update on the funding expected for 2022/23, sets out the request to transfer funding from the schools’ block to the high needs block, and summarises what is required in order to set the budget for 2022/23.
- 1.5 The Government announced the school funding arrangements for the schools, high needs and central blocks in July and additional funding for Early Years in 2022/23 was announced in the October 2021 Spending review.

## 3. Funding Announced for 2021/22

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



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 will then determine the local funding formula to as near possible to the NFF. In 2021/22 Reading is virtually mirroring the NFF, and it is hoped this can be repeated in 2022/23.

- 3.2. The Growth funding DSG allocation will be on the same formula basis as last year. Using current information, it is estimated that the in year allocation will go up/ down by £399k to £446k. However, this funding plus the carry forward (£1,075k) from the current year will meet our growth fund requirements. Once census data has been verified, a report on the growth fund will be brought to the January schools forum to agree allocation criteria along with expected funding for 2022/23.
- 3.3. 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.
- 3.4. 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.
- 3.5. This will deliver an additional £2.02m or 8.2% 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.
- 3.6. The Early Years block will receive increases to all entitlements, part of the £160m increase in funding announced for 2022/23. 2 year old entitlements will increase by £0.21, 3 & 4 year old entitlements by £0.17, Maintained Nursery supplement grant by 3.5%, Pupil Premium by £0.07 and Disability Access Fund (DAF) by £185. The current and expected rates for Reading are as follows:

Entitlement	Current Rate 2021-22	Increase	Expected rate for 2022-23
2 Year Old	£5.90	£0.17	£6.07
3 & 4 Year Old	£5.28	£0.21	£5.49
Maintained Supplementary Grant	£1.08	3.50%	£1.12
Early Years Pupil Premium	£0.53	£0.07	£0.60
Disability Access Fund	£615.00	£185.00	£800.00

3.7. 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. Request to Transfer Funding from the Schools' Block to the High Needs Block

4.1. A transfer of funding from the Schools Block to the High Needs Block 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 based on current allocation forecast 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.

4.2. All schools have been consulted on the continuation of this fund and the transfer of funding to support this. The consultation document sent to schools is in Appendix 2. 28% of mainstream schools responded (11 primary, 3 secondary). The responses are summarised in Table 1.

**Table 1: Responses to Consultation**

Do you agree to transferring funding from the schools block to the high needs block in order to provide additional funding to schools with a high percentage of EHCPs?	Primary	Secondary	Total	%
Option: 1 Yes - I agree to the transfer of funding in 2022/23 at the same level of funding as in 2021/22: transfer of £484k.	2	3	5	36%
Option: 2 Yes - I agree to the transfer of funding in 2022/23 at an increased level of funding and transfer £526k (current estimate based on the maximum 0.5% of Schools Block).	7		7	50%
Option: 3 No - I do not agree to transfer any funding from the schools' block to the high needs block and schools with a high percentage of EHCPs will not be financially supported in 2022/23 by this method.	2		2	14%
	11	3	14	28%

4.3. Although not by a vast margin, most schools responding have preferred option 2 and transferring the higher amount. Given the growing number of pupils with EHCP's in mainstream schools, it is therefore recommended that £526k is transferred in 2022/23.

## 5. Summary of Requirements to Set the Budget for 2022/23

- 5.1 Appendix 3 sets out the timetable for setting the 2022/23 budget.

### **Schools Block**

- 5.2. Other reports on this agenda detail the setting of the school funding formula. The budget will be set according to the outcomes of these reports and the final agreement by the Council on the school formula.

### **High Needs Block**

- 5.3. The additional high needs funding will be approximately £2.02m. There is the expectation from the ESFA that local authorities whose high needs block is in deficit will continue to work towards reducing the deficit. This needs to be considered when setting the budget. The current forecast is that the deficit will increase by the end of this financial year. A key element of the strategy to reduce the deficit is to increase local provision and this will result in an increase in costs as new places are opened but will mitigate costs in the long term by saving on more expensive out of county placements.
- 5.4. The place numbers review has identified some settings where the number of places can be increased, and this cost will be built into next year's budget.
- 5.5. Top up funding makes up the greatest proportion of expenditure in this block (at around 83%). The budget will be based on the current actual average cost of each type of placement (as at February 2022) with an average inflation rate added and an annual increase in number of placements according to current trends.
- 5.6. Other budgets in this block will be reviewed on a line by line basis.
- 5.7. The impact on the deficit recovery plan will be reviewed, and the plan refreshed with the 2022/23 budget and future year forecasts. It is likely that a significant part of the additional £2.02m will be required for increases in both numbers of top ups and inflationary increases to top up fees.
- 5.8. Note that the DSG regulations changed in 2020 and the 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 income.
- 5.9. Further information on the high needs budget setting will be brought to the Schools' Forum in January and March.

### **Early Years Block**

- 5.10. The percentage increase to the early year's block is likely to be minimal compared to the schools and high needs blocks. We intend to pass on the increase received to providers by increasing the provider funding rates.

- 5.11. The budgets for the early years block cannot be determined until the funding arrangements for 2022/23 are published and the draft January 2022 census data is available. The government have recently confirmed that the funding allocations for 2022/23 will revert to the previous allocation basis and will use January 2022 (5/12) and January 2023 (7/12) census data. Details on the proposed early years budget will therefore be brought to the Schools' Forum in March.

**Central School Services Block**

- 5.12. The intention is to balance the central school services block, which means that savings will need to be made due to the reduction in funding. The reduction relates to historical commitments; these budgets are contributions towards service costs, so will result in these services either having to fund the reduction from elsewhere or reduce the level of service where it can.
- 5.13. Details on these budgets will be brought to the Schools' Forum in January.

## 6. Appendices

Appendix 1 – DSG Allocations 2021/22 and 2022/23

Appendix 2 – Consultation Document on Transfer of Funding

Appendix 3 – Timetable for Setting 2022/23 Budget

## Appendix 1 – DSG Allocations 2021/22 and 2022/23

	2021/22 ACTUAL		2022/23 ESTIMATE		YEAR ON YEAR CHANGE		
		Funding £'000		Funding £'000	£'000	%	Notes
<b>Schools Block (SB):</b>							
Primary Unit of Funding (PUF)	£4,501		£4,632		+131		
<i>Primary Pupil numbers &amp; 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 &amp; 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
<b>TOTAL SB</b>		<b>102,639</b>		<b>105,342</b>	<b>+2,703</b>	<b>+2.6%</b>	
<b>Growth Funding Factor</b>		<b>844</b>		<b>446</b>			<b>Estimated</b>
<b>Central School Services Block (CSSB):</b>							
Unit of Funding	£36.20		£38.21		+2.01		
<i>Pupil Numbers</i>	20,215.5	731	20,215.5	772	+41	+5.56%	Will be based on Oct 21 census
Historic Commitments		435		348	-87	-20.0%	Planned reduction by ESFA
<b>TOTAL CSSB</b>		<b>1,167</b>		<b>1,121</b>	<b>-46</b>	<b>-3.9%</b>	
<b>High Needs Block (HNB):</b>							
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
<b>Total HNB</b>		<b>24,611</b>		<b>26,635</b>	<b>+2,024</b>	<b>+8.2%</b>	

Early Years Block (EYB):							
3 & 4 Year Old Funding Rate	£5.28		£5.49				
3 & 4 year olds numbers & funding	3,786	£11,394	3,786	£11,847			To be based on Jan 22 & Jan 23 census
2 Year Old Funding Rate	£5.90		£6.07				
2 Year old numbers & funding	351.7	£1,183	351.7	£1,217			To be based on Jan 22 & Jan 23 census
Pupil Premium Funding Rate	£0.53		£0.60				To be based on Jan 22 & Jan 23 census
Pupil Premium numbers & funding	341.4	£103	341.4	£107			
Disabled Access Fund		£40		£52			
Maintained Nursey Funding Grant	£1.08		£1.12				
Maintained Nursey Supplementary Funding	422.8	£260	422.8	£269			
<b>Total EYB</b>		<b>£12,981</b>		<b>£13,492</b>	<b>+511</b>	<b>3.9%</b>	
<b>TOTAL ALL BLOCKS</b>		<b>£141,398</b>		<b>£146,590</b>	<b>£5,192</b>	<b>3.7%</b>	<b>Excluding growth</b>

## Appendix 2 - Consultation Document on Transfer of Funding

### Consultation on the Transfer of Funding from the Schools Block to the High Needs Block in 2022/23

#### 1. Introduction

- 1.6 Funding for schools is met from the Dedicated Schools Grant (DSG), which is split into four funding blocks – schools, central school services, high needs, and early years. The schools block provides the funding for the primary and secondary school funding formula. Transfers of funding are allowed between blocks but transfers out of the schools' block are limited to 0.5%, require all schools to be consulted, and need the agreement of Schools' Forum. This decision is for one year only.
- 1.7 Transfers from the schools' block to the high needs block have taken place every year, and the amounts transferred each year since Schools' Forum approval has been required are as follows:
- 2018/19 - £434,000
  - 2019/20 - £447,000
  - 2020/21 - £350,000
  - 2021/22 - £484,000
- 1.8 This paper sets out the reasons why a transfer of funds from the schools' block to the high needs block is requested for 2022/23.

#### 6. Proposal

- 2.1 The High Needs Block of the DSG funds places in special schools, resource units and alternative provision, and top up funding for pupils with EHCPs in all settings. Due to historic under funding in this block (funding not keeping up with the increase in numbers/levels/costs of pupils with EHCPs) this block is in deficit. The local authority is required to have in place a deficit recovery plan, and this is shared with the Schools' Forum with updates provided at each meeting in the budget monitoring report<sup>1</sup>. Officers are due to meet with the DfE early 2022 to review the plan, however they were previously satisfied with the strategy and progress made to date.
- 2.2 In 2021/22 funding in this block increased by £1.8m (10%) and it is expected that an increase of 8% is due for 2022/23. This increase alongside the strategies in place to keep increases in costs down is largely keeping in year costs below in year funding and slowly reducing the deficit.

---

<sup>1</sup> Reports can be viewed on the Schools' Forum Webpage: <https://www.reading.gov.uk/council/policies-finance-and-legal-information/education-budgets-and-funding/schools-forum-meeting-papers/>

- 2.3 Schools have played their part in keeping increases in costs down as the top up rates for pupils with EHCPs remained static for many years. In September 2020, Top up rates were increased for the first time since 2013. Due to the increase in funding in this block in 2021/22, these rates will be increased again from September 2021. Subject to the outcome of the governments SEND review and SEN Finance strategy (Strand 7), it is expected that a banding review will be carried out next year for the longer term. The intention is to implement from September 2022.
- 2.4 Due to the overall continuing growing numbers of pupils with EHCPs and the lack of local specialist places to keep up with this demand, many mainstream schools have seen an increase in their EHCPs over the last few years. The top up funding covers the costs greater than £6k and this funding follows the pupil. But where schools have a high **percentage** of pupils with an EHCP compared to the average, the demand on their budget is greater. This is because the first £6k of costs need to be met from their budget yet the school formula does not recognise the number of pupils with high needs. The proxy factors of deprivation and low prior attainment do not necessarily capture all the pupil's requiring additional support, and these factors are irrelevant if the school is on the minimum per pupil funding level or minimum funding guarantee.
- 2.5 In order to address this funding shortfall in some schools, since September 2018, we have been paying schools additional funding from the high needs block to pay the first £6k where a school's percentage of pupils with EHCPs is above the local authority statistical neighbour average. Unlike top up funding, this is not a statutory requirement, and is supporting spend which should come from a school's individual budget.
- 2.6 In order to fund this, schools agreed in 2021/22 to transfer the funding from the schools' block to the high needs block. This non statutory cost therefore does not impact on the high needs block deficit. We are consulting on whether to continue with this arrangement in 2022/23 and to top slice funding from the schools' block funding allocation to pay for this.
- 2.7 The Local Authority statistical neighbour average will be the starting point but will not remain static in calculating funding to schools. The current average is not deemed affordable in 2021/22 therefore must be adjusted to remain within the budget allocation.
- 2.8 This transfer can either be £484k to continue with the current allocation or the maximum permitted of £526k, which would increase the funding to existing beneficiaries. £526k is based on an initial estimate of 0.5% of potential schools block budget but is likely to change when we receive our actual allocation.
- 2.9 Based on current data and trends it is predicted that more EHCPs are going into mainstream however this budget will be capped at the agreed transfer amount and not allow an overspend. It may also result in the actual % used being increased in order to remain within budget.
- 2.10 Appendix 1 shows an illustration of the 2021/22 data and percentages used to allocate the agreed £484k to schools. Note that this is illustrative only, and actual allocations would be



based on the latest census data for each term and percentages adjusted accordingly. This table also shows for information how much the notional SEN budget is within the school formula funding in 2021/22 for each school.

2.11 The proposal in summary:

- To pool funding (by a top slice of the schools' block DSG) from all primary and secondary schools, to pay towards the costs incurred by those schools with a higher percentage of EHCPs.
- If the transfer of funding is not agreed, this arrangement will come to an end in March 2022 (end of Spring term) and these schools will no longer be financially supported. This would possibly have an impact on the level of support these pupils would receive and/or impact on these school's budgets.
- Any funding transferred is ringfenced for this specific purpose and will not be used to offset the high needs block deficit. Any underspend will be carried forward to the following year.
- The decision is for one year only. Future requests are subject to the deficit position on the high needs block and affordability within this block.

Consultation question

Do you agree to transferring funding from the schools block to the high needs block in order to provide additional funding to schools with a high percentage of EHCPs?

Please respond to the consultation by choosing one of these options.

**Option 1: Yes - I agree to the transfer of funding in 2022/23 at the same level of funding as in 2021/22: transfer of £484k.**

**Option 2: Yes - I agree to the transfer of funding in 2022/23 at an increased level of funding and transfer £526k (current estimate based on the maximum 0.5% of Schools Block).**

**Option 3: No - I do not agree to transfer any funding from the schools' block to the high needs block and schools with a high percentage of EHCPs will not be financially supported in 2022/23 by this method.**

Additional comments to be considered by the Schools' Forum:

--

## 7. Next Steps

- 1.1 Responses to this consultation need to be returned by email by 12 November 2021. Schools' Forum will consider the responses when making its final decision at its meeting on 9 December 2021. Please respond to [steph.heaps@brighterfuturesforchildren.org](mailto:steph.heaps@brighterfuturesforchildren.org)

## 8. Appendices

Appendix 1 - 2021/22 Funding Allocations to Schools with High Percentage of Pupils with EHCPs. Current forecast allocation for 2021/22 with budget of £484k.

DfE Ref	SCHOOL	Formula Funding Notional SEN Budget 2021/22	Annual Based on May 2021 Census data				Additional Funding
			Actual Pupil No's (Yr R - 11) MAY 2021 Census less RU Pupils	Mainstream Pupil No's (Yr R - 11) with EHCP at MAY 2021	Percent of Pupils with EHCPs	No. of Pupils with EHCPs Above Average (un rounded)	
					Days: 190	1 FTE Funding: £6,000	
					Statistical Neighbour Average 2020 + 0.32%: Primary 2.47% Secondary 2.39%		
8702000	Alfred Sutton Primary School	£338,161	629	11	1.75%	0.00	£0
8703000	All Saints Church of England Aided Infant School	£35,690	60	0	0.00%	0.00	£0
8702002	All Saints Junior School	£42,406	96	0	0.00%	0.00	£0
8702011	Battle Primary Academy	£346,367	400	7	1.75%	0.00	£0
8702233	Caversham Park Primary School	£72,495	172	1	0.58%	0.00	£0
8702003	Caversham Primary School	£127,367	416	9	2.16%	0.00	£0
8703305	Christ The King Catholic Primary School	£328,598	281	6	2.14%	0.00	£0
8702031	Churchend Primary Academy	£316,993	409	12	2.93%	1.90	£11,386
8702015	Civitas Academy	£285,568	284	7	2.46%	0.00	£0
8702005	Coley Primary School	£189,769	217	2	0.92%	0.00	£0
8702006	E P Collier Primary School	£247,735	281	10	3.56%	3.06	£18,356
8702026	Emmer Green Primary School	£159,521	408	6	1.47%	0.00	£0
8703304	English Martyrs' Catholic Primary School	£315,938	410	19	4.63%	8.87	£53,238
8702008	Geoffrey Field Infant School	£288,832	266	5	1.88%	0.00	£0
8702007	Geoffrey Field Junior School	£324,775	353	6	1.70%	0.00	£0
8702039	Green Park Primary Academy	£26,251	31	0	0.00%	0.00	£0
8702226	Katesgrove Primary School	£475,478	607	9	1.48%	0.00	£0
8702253	Manor Primary School	£238,763	264	11	4.17%	4.48	£26,875
8702004	Meadow Park Academy	£298,644	335	7	2.09%	0.00	£0
8702234	Micklands Primary School	£204,839	374	7	1.87%	0.00	£0
8702034	Moorlands Primary School	£331,711	364	9	2.47%	0.01	£55
8702254	New Christ Church Church of England (VA) Primary School	£151,357	185	7	3.78%	2.43	£14,583
8702028	New Town Primary School	£214,132	308	10	3.25%	2.39	£14,354
8702016	Oxford Road Community School	£183,534	206	11	5.34%	5.91	£35,471
8702021	Park Lane Primary School	£200,627	407	4	0.98%	0.00	£0
8702025	Ranikhet Academy	£179,409	171	5	2.92%	0.78	£4,658
8702018	Redlands Primary School	£128,891	207	6	2.90%	0.89	£5,323
8702027	Southcote Primary School	£352,499	592	8	1.35%	0.00	£0
8703302	St Anne's Catholic Primary School	£104,030	184	6	3.26%	1.46	£8,731
8703300	St John's Church of England Primary School	£261,894	383	5	1.31%	0.00	£0
8703360	St Martin's Catholic Primary School	£75,422	152	4	2.63%	0.25	£1,474
8703301	St Mary and All Saints Church of England Voluntary Aided Primary	£261,168	275	4	1.45%	0.00	£0
8702029	St Michael's Primary School	£310,267	406	5	1.23%	0.00	£0
8702036	Thameside Primary School	£270,840	387	29	7.49%	19.44	£116,647
8702017	The Heights Primary School	£95,695	349	12	3.44%	3.38	£20,278
8702019	The Hill Primary School	£121,197	415	6	1.45%	0.00	£0
8702012	The Palmer Primary Academy	£342,806	388	4	1.03%	0.00	£0
8702020	The Ridgeway Primary School	£418,797	427	12	2.81%	1.45	£8,719
8703361	Whitley Park Primary and Nursery School	£577,261	526	31	5.89%	18.01	£108,047
8702024	Wilson Primary School	£244,965	415	14	3.37%	3.75	£22,497
8705411	Blessed Hugh Faringdon Catholic School	£740,330	809	5	0.62%	0.00	£0
8704020	Highdown School and Sixth Form Centre	£587,130	1,225	17	1.39%	0.00	£0
8706905	John Madejski Academy	£715,890	483	13	2.69%	1.46	£8,738
8705413	Kendrick School	£36,221	520	0	0.00%	0.00	£0
8704001	Maiden Erlegh School in Reading	£842,380	883	17	1.93%	0.00	£0
8705410	Prospect School	£1,142,249	860	0	0.00%	0.00	£0
8704003	Reading Girls' School	£646,781	565	4	0.71%	0.00	£0
8705401	Reading School	£61,212	748	1	0.13%	0.00	£0
8704002	The WREN School	£906,591	851	21	2.47%	0.66	£3,967
8704000	UTC Reading (excluded as funded for high needs differently)	£153,450					
	<b>PRIMARY TOTAL</b>	<b>£9,490,693</b>	<b>19,984</b>	<b>405</b>		<b>78</b>	<b>£470,691</b>
	<b>SECONDARY TOTAL</b>	<b>£5,832,234</b>	<b>6,944</b>	<b>78</b>		<b>2</b>	<b>£12,704</b>
	<b>TOTAL ALL SCHOOLS</b>	<b>£15,322,927</b>	<b>26,928</b>	<b>483</b>		<b>81</b>	<b>£483,395</b>

## Appendix 3 - Timetable for Setting 2022/23 Budget

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 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, agree growth funding for 2022/23, 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

This page is intentionally left blank



# Reading Schools' Forum

December 9, 2021

Agenda Item 5

School Funding Formula 2022/23 –  
Final Proposal

For decision

For discussion

For information

## SUMMARY

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

## AUTHOR

Steph Heaps, Schools & DSG  
Business Partner

Tel: 0118 937 4161

Email:

[steph.heaps@brighterfuturesforchildren.org](mailto:steph.heaps@brighterfuturesforchildren.org)

## VERSION

Version number 1

## DATE

9 December 2021

## REVIEW DATE

None

---

© Brighter Futures for Children

Brighter Futures for Children  
Civic Offices, Bridge Street,  
Reading RG1 2LU

Company number 11293709

## 1. Recommendations

- 1.1 NOTE: The basis of the school funding formula for 2022/23.
- 1.2 NOTE: 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”<sup>1</sup> 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”<sup>2</sup> 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.

---

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

<sup>2</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1003492/2022-23\\_NFF\\_Policy\\_Document.pdf](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 (covered in Item 4 of this agenda).
- 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>	£58,572	<i>13,013</i>	£60,272
Secondary Unit of Funding (SUF)	£5,924		£6,077	
<i>Secondary Pupil numbers</i>	<i>7,202.5</i>	£42,668	<i>7,202.5</i>	£43,770
Premises		1,399		1,300
<b>TOTAL SCHOOLS BLOCK ALLOCATION</b>		<b>102,639</b>		<b>105,342</b>

Add underspend/(less overspend) from previous year		-10		
Less: transfer to high needs block		-484		-484
<b>FUNDING AVAILABLE FOR SCHOOL FORMULA</b>		<b>102,145</b>		<b>104,858</b>

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).

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

4.4 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).

4.5 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%.

4.6 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).

4.7 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.

4.8 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).

4.9 No comments have been received back from schools regarding the proposed strategy to set the formula.

## 5. Final Proposal

5.1 As there have been no further comments or information received, there will be no change to the original proposal as set out in paragraph 4.6. This strategy will be followed in setting the school funding formula for 2022/23 and we will continue to keep to the NFF as close as is possible.

5.3 Final local authority funding allocations for the schools block and data from the October 2021 census will be provided by ESFA to local authorities mid-December, after which the final formula can be built on the agreed basis and approved by the local authority. This will be brought back to Schools Forum in January to view a few days before the ESFA submission date of 21 January 2022.

## 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><b>1. Basic entitlement</b> 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"> <li>• Funding is allocated according to a basic per-pupil rate (age-weighted pupil unit (AWPU)).</li> <li>• There is a single rate for primary age pupils, which must be at least £2,000.</li> <li>• There can be different rates for KS3 and KS4, with a minimum of £3,000 for each.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>
<p><b>2. Deprivation</b> 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"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>

Funding factor	Description and further information																					
	<ul style="list-style-type: none"> <li>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:</li> </ul> <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
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																				
<p><b>3. Low Prior attainment</b></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"> <li>primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP)</li> <li>secondary pupils not reaching the expected standard in KS2 at either reading or writing or maths</li> </ul> <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 weightings<sup>1</sup> are:</p> <ul style="list-style-type: none"> <li>pupils in year 7 to 9 inclusive in October 2021: 65%</li> <li>pupils in year 10 in October 2021: 64%</li> <li>pupils in year 11 in October 2021: 58%</li> </ul> <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%<sup>2</sup> 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><b>4. Looked-after children (LAC)</b> 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"> <li>• The department maps this data to schools using the January school census to identify the number of LAC in each school or academy.</li> <li>• 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.</li> </ul>
<p><b>5. English as an additional language (EAL)</b> 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"> <li>• 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.</li> <li>• The department has used three years in the national funding formula; local authorities should consider this when setting their local formula.</li> </ul>
<p><b>6. Pupil mobility</b> 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><b>7. Sparsity</b> An optional factor</p>	<p>school is eligible for sparsity funding in the NFF if:</p> <ul style="list-style-type: none"> <li>• Its sparsity distance is equal to or above the main distance threshold, or above the tapered distance threshold, and</li> <li>• 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</li> </ul> <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 1518"> <thead> <tr> <th data-bbox="512 1115 655 1182">School phase</th> <th data-bbox="655 1115 874 1272">Size threshold: Maximum average number of pupils per year group<sup>3</sup></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 1518">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 size<sup>4</sup>, so that the smaller the school the greater the allocation.</p>	School phase	Size threshold: Maximum average number of pupils per year group <sup>3</sup>	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 <sup>3</sup>	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																		

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><b>8. Lump sum</b> 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"> <li>• Local authorities should give middle schools a weighted average, based on the number of year groups in each phase.</li> <li>• The maximum lump sum is £175,000, even for schools that receive a London fringe uplift.</li> </ul> <p>Further information is in the lump sum section of the Operational Guide, including information for amalgamated schools.</p>
<p><b>9. Split sites</b> 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"> <li>• the sites are a minimum distance apart, as the crow flies, and the sites are separated by a public highway</li> <li>• the provision on the additional site does not qualify for an individual school budget share through the DSG</li> <li>• the school has remote playing fields, separated from the school by a minimum distance, and there is no safe walking route for the pupils</li> <li>• 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</li> </ul>

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"> <li>• a minimum percentage of pupils are taught on each site on a daily basis</li> </ul> <p>Examples of a clear formula for funding schools with split sites are:</p> <ul style="list-style-type: none"> <li>• a lump sum payment</li> <li>• a per-pupil rate</li> <li>• a rate per square metre of the additional site</li> </ul> <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><b>10. Rates</b> 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><b>11. Private finance initiative (PFI) contracts</b> 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><b>12. London fringe</b> 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><b>13. Exceptional circumstances</b> 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"> <li>• Exceptional circumstances must relate to premises costs.</li> <li>• 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.</li> <li>• 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.</li> </ul> <p>Further information on the application process can be found in the operational guidance.</p>
<p><b>14. Minimum level of per pupil funding for primary and secondary schools</b> 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"> <li>• 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:</li> </ul>

Funding factor	Description and further information
	<p><b>(number of primary year groups × £4,265) + (number of KS3 year groups × £5,321) + (number of KS4 year groups × £5,831)</b>  <b>divided by</b>  <b>Total number of year groups</b></p> <ul style="list-style-type: none"> <li>• 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 TPEG. 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Disapplication requests may also be submitted to alter the NFF methodology, for specific schools only, where the local authority</li> </ul>

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><b>15. Minimum Funding Guarantee</b> 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"> <li>• 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.</li> <li>• The MFG applies to pupils in reception to year 11. Early years pupils and post-16 pupils are excluded from the calculation.</li> <li>• The following elements of funding need to be added to schools' budget shares before the MFG calculation: <ul style="list-style-type: none"> <li>- Funding deducted through the negative factor for schools entered into the risk protection arrangement under regulation 19</li> <li>- Funding for de-delegated services that have been agreed with the schools forum under regulations 11(5) and 11(6)</li> <li>- Negative adjustments for excluded pupils during the year under regulation 29.</li> </ul> </li> <li>• 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"> <li>- 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</li> <li>- Any higher lump sum paid under the regulations in 2021 to 2022 for amalgamated schools; this is excluded from the baseline only.</li> <li>- 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.</li> </ul> </li> </ul>

Funding factor	Description and further information
	<ul style="list-style-type: none"> <li>- 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</li> <li>- rates: these are excluded from both the baseline and 2022 to 2023 funding, at their respective values for each year</li> <li>- Any positive adjustments for excluded pupils during the year under regulation 29</li> </ul> <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><b>16. Capping and Scaling</b> 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 Actual	NFF	Reading NFF with ACA	Reading PROPOSED
<b>Basic Entitlement:</b>									
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
<b>Deprivation:</b>									
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
<b>Prior Attainment:</b>									
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
<b>English as an Additional Language:</b>									
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
<b>Mobility</b>									
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
<b>Lump Sum</b>	£114,400.00	£118,296.46	£114,600.00	£117,800.00	£121,885.30	£116,595.00	£121,300.00	£125,515.18	£116,595.00
<b>Business Rates (Actual - locally set)</b>	£1,283,350		£1,322,787	£1,322,787		£1,283,350	£1,283,350		£1,283,350.00
<b>Exceptional Circumstances (locally set):</b>									
Rents	£59,826		£59,046	£59,046		£0	£0		£0.00
Split Site	£17,149		£17,149	£17,149		£17,149	£17,149		£17,149.00
<b>Minimum Per Pupil Level</b>									
Primary	£3,750		£3,750	£4,180		£4,180	£4,265		£4,265.00
Secondary	£5,000		£5,000	£5,415		£5,415	£5,525		£5,525.00
(KS3 only school)				£5,215		£5,215	£5,321		£5,321.00
(KS4 only school)			£5,300	£5,715		£5,715	£5,831		£5,831.00
<b>Minimum Funding Guarantee</b>	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%
<b>PRIMARY TOTAL</b>		<b>59,590,543</b>	<b>13,085</b>	<b>4,554.11</b>	<b>60,982,630</b>	<b>13,085</b>	<b>4,660.50</b>	<b>1,392,086</b>	<b>2.50%</b>	<b>435.15</b>	<b>10.30%</b>
<b>SECONDARY TOTAL</b>		<b>42,858,932</b>	<b>7,206</b>	<b>5,947.67</b>	<b>44,385,148</b>	<b>7,206</b>	<b>6,159.47</b>	<b>1,526,216</b>	<b>3.96%</b>	<b>613.88</b>	<b>11.07%</b>
<b>TOTAL ALL SCHOOLS</b>		<b>102,449,476</b>	<b>20,291</b>	<b>5,049.01</b>	<b>105,367,778</b>	<b>20,291</b>	<b>5,192.83</b>	<b>2,918,302</b>	<b>3.10%</b>	<b>511.22</b>	<b>10.92%</b>

## Appendix 3b – Comparison of Three Models – Total Allocations

		Base - Model 1			All Factors at NFF values (including ACA) + lump sum at 21-22 rate (£116,595)			Model 2			All Funding Values (including ACA) reduced by 0.5% + Lump sum balacing figure (£110,500 currently)			Model 3			All Factors at NFF values (Including ACA)		
		2022/23 BASE																	
LAESTAB	SCHOOL	Formula	Pupil	Per Pupil	Formula	Pupil	Per Pupil	Formula	Pupil	Per Pupil	Formula	Pupil	Per Pupil	Formula	Pupil	Per Pupil	Formula	Pupil	Per Pupil
		Allocation	No's	Funding	Allocation	No's	Funding	Allocation	No's	Funding	Allocation	No's	Funding	Allocation	No's	Funding	Allocation	No's	Funding
		(Oct 2020)			(Oct 2020)			(Oct 2020)			(Oct 2020)			(Oct 2020)			(Oct 2020)		
8702000	Alfred Sutton Primary School	2,679,589	619	4,328.90	2,679,710	619	4,329.10	2,679,410	619	4,328.61									
8702003	Caversham Primary School	1,789,935	414	4,323.51	1,790,056	414	4,323.81	1,789,756	414	4,323.08									
8702005	Coley Primary School	1,112,399	222	5,010.80	1,103,272	222	4,969.69	1,121,658	222	5,052.51									
8702006	E P Collier Primary School	1,425,015	298	4,781.93	1,412,915	298	4,741.32	1,434,356	298	4,813.28									
8702007	Geoffrey Field Junior School	1,698,845	348	4,881.74	1,685,550	348	4,843.54	1,708,303	348	4,908.92									
8702008	Geoffrey Field Infant School	1,355,724	265	5,115.94	1,344,554	265	5,073.79	1,365,101	265	5,151.32									
8702016	Oxford Road Community School	1,046,038	208	5,029.03	1,037,448	208	4,987.73	1,055,306	208	5,073.59									
8702018	Redlands Primary School	974,171	206	4,728.99	966,326	206	4,690.90	983,351	206	4,773.55									
8702019	The Hill Primary School	1,770,842	406	4,361.68	1,770,964	406	4,361.98	1,770,663	406	4,361.24									
8702020	The Ridgeway Primary School	2,105,587	421	5,001.40	2,105,709	421	5,001.68	2,111,662	421	5,015.82									
8702021	Park Lane Primary School	1,783,657	406	4,393.24	1,783,778	406	4,393.54	1,783,478	406	4,392.80									
8702024	Wilson Primary School	1,807,659	408	4,430.54	1,807,780	408	4,430.83	1,807,480	408	4,430.10									
8702026	Emmer Green Primary School	1,757,106	406	4,327.85	1,757,228	406	4,328.15	1,756,927	406	4,327.41									
8702027	Southcote Primary School	2,609,085	597	4,370.33	2,609,207	597	4,370.53	2,608,907	597	4,370.03									
8702029	St Michael's Primary School	1,900,957	412	4,613.97	1,886,685	412	4,579.33	1,910,424	412	4,636.95									
8702034	Moorlands Primary School	1,776,556	363	4,894.09	1,762,882	363	4,856.43	1,786,034	363	4,920.20									
8702036	Thameside Primary School	1,782,314	393	4,535.15	1,768,552	393	4,500.13	1,791,714	393	4,559.07									
8702226	Katesgrove Primary School	2,687,897	588	4,571.25	2,688,019	588	4,571.46	2,688,281	588	4,571.91									
8702233	Caversham Park Primary School	834,655	185	4,511.65	827,939	185	4,475.35	843,757	185	4,560.85									
8702234	Micklands Primary School	1,640,937	372	4,411.12	1,629,929	372	4,381.53	1,650,289	372	4,436.26									
8702253	Manor Primary School	1,331,700	267	4,987.64	1,323,717	267	4,957.74	1,341,012	267	5,022.52									
8703000	All Saints Church of England A	362,490	60	6,041.50	362,612	60	6,043.53	363,706	60	6,061.77									
8703302	St Anne's Catholic Primary Sch	842,998	181	4,657.45	840,591	181	4,644.15	852,129	181	4,707.89									
8703304	English Martyrs' Catholic Prima	1,817,520	404	4,498.81	1,803,467	404	4,464.03	1,826,964	404	4,522.19									
8703305	Christ The King Catholic Primar	1,517,608	308	4,927.30	1,505,004	308	4,886.38	1,527,002	308	4,957.80									
8703360	St Martin's Catholic Primary Sch	721,479	156	4,624.86	715,678	156	4,587.68	730,558	156	4,683.06									
8703361	Whitley Park Primary and Nurse	2,595,127	519	5,000.25	2,577,851	519	4,966.96	2,604,889	519	5,019.05									
8705411	Blessed Hugh Faringdon Catho	5,067,693	829	6,113.02	5,037,862	829	6,077.03	5,077,509	829	6,124.86									
8702002	All Saints Junior School	473,925	93	5,095.97	470,562	93	5,059.80	482,947	93	5,192.97									
8702004	Meadow Park Academy	1,599,965	329	4,863.12	1,586,990	329	4,823.68	1,609,391	329	4,891.77									
8702011	Battle Primary Academy	1,875,141	404	4,641.44	1,860,912	404	4,606.22	1,884,690	404	4,665.08									
8702012	The Palmer Primary Academy	1,788,024	373	4,793.63	1,788,146	373	4,793.96	1,797,201	373	4,818.23									
8702015	Civitas Academy	1,539,438	328	4,693.41	1,526,813	328	4,654.92	1,548,884	328	4,722.21									
8702017	The Heights Primary School	1,507,071	353	4,269.32	1,507,193	353	4,269.67	1,506,892	353	4,268.82									
8702025	Ranikhet Academy	936,404	177	5,290.42	928,786	177	5,247.38	945,595	177	5,342.35									
8702028	New Town Primary School	1,297,103	272	4,768.76	1,287,684	272	4,734.13	1,306,436	272	4,803.07									
8702031	Churchend Primary Academy	1,877,394	416	4,512.97	1,863,115	416	4,478.64	1,886,894	416	4,535.80									
8702035	St Mary and All Saints Church o	1,370,865	279	4,913.49	1,358,989	279	4,870.93	1,380,227	279	4,947.05									
8702039	Green Park Village Primary Aca	385,658	66	5,843.30	385,780	66	5,845.15	385,480	66	5,840.60									
8702254	New Christ Church Church of E	886,597	176	5,037.48	879,386	176	4,996.51	895,785	176	5,089.69									
8703300	St John's Church of England Pr	1,717,158	387	4,437.10	1,703,652	387	4,402.20	1,726,624	387	4,461.56									
8704000	UTC Reading	1,631,875	242	6,743.29	1,618,537	242	6,688.17	1,641,018	242	6,781.07									
8704001	Maiden Erleigh School in Readin	5,520,535	891	6,195.89	5,488,332	891	6,159.74	5,530,357	891	6,206.91									
8704002	The WREN School	5,415,006	847	6,393.16	5,383,596	847	6,356.08	5,424,852	847	6,404.78									
8704003	Reading Girls' School	3,620,793	555	6,523.95	3,598,018	555	6,482.92	3,630,367	555	6,541.20									
8704020	Highdown School and Sixth For	6,888,434	1,216	5,664.83	6,849,910	1,216	5,633.15	6,898,313	1,216	5,672.95									
8705401	Reading School	4,157,546	746	5,573.12	4,157,546	746	5,573.12	4,157,546	746	5,573.12									
8705410	Prospect School	5,854,636	885	6,615.41	5,821,089	885	6,577.50	5,864,624	885	6,626.69									
8705413	Kendrick School	2,897,879	521	5,562.15	2,897,879	521	5,562.15	2,897,879	521	5,562.15									
8706905	John Madejski Academy	3,330,752	474	7,026.90	3,309,517	474	6,982.10	3,340,330	474	7,047.11									
	<b>PRIMARY TOTAL</b>	<b>60,982,630</b>	<b>13,085</b>	<b>4,660.50</b>	<b>60,695,434</b>	<b>13,085</b>	<b>4,638.55</b>	<b>61,250,163</b>	<b>13,085</b>	<b>4,680.94</b>									
	<b>SECONDARY TOTAL</b>	<b>44,385,148</b>	<b>7,206</b>	<b>6,159.47</b>	<b>44,162,285</b>	<b>7,206</b>	<b>6,128.54</b>	<b>44,462,794</b>	<b>7,206</b>	<b>6,170.25</b>									
	<b>TOTAL ALL SCHOOLS</b>	<b>105,367,778</b>	<b>20,291</b>	<b>5,192.83</b>	<b>104,857,718</b>	<b>20,291</b>	<b>5,167.70</b>	<b>105,712,957</b>	<b>20,291</b>	<b>5,209.84</b>									
	<b>Funding Available</b>	<b>104,858,168</b>			<b>104,858,168</b>			<b>104,858,168</b>											
	<b>(Over) / Under Funding Alloca</b>	<b>-509,610</b>			<b>450</b>			<b>-854,789</b>											
	<b>Minimum Funding Guarantee</b>	<b>293,867</b>			<b>419,777</b>			<b>233,828</b>											



## 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%
<b>PRIMARY TOTAL</b>	<b>1,392,086</b>	<b>2.3%</b>	<b>1,104,890</b>	<b>1.9%</b>	<b>1,659,620</b>	<b>2.8%</b>
<b>SECONDARY TOTAL</b>	<b>1,526,216</b>	<b>3.6%</b>	<b>1,303,352</b>	<b>3.0%</b>	<b>1,603,862</b>	<b>3.7%</b>
<b>TOTAL ALL SCHOOLS</b>	<b>2,918,302</b>	<b>2.8%</b>	<b>2,408,243</b>	<b>2.4%</b>	<b>3,263,482</b>	<b>3.2%</b>

This page is intentionally left blank



# Reading Schools' Forum

December 9, 2021

Agenda Item 6

Top Up Funding

For decision

For discussion

For information

## SUMMARY

This report sets out the increases to Top-Up rates from September 2021

## AUTHOR

Steph Heaps, Schools & DSG  
Business Partner

Tel: 0118 937 4161

Email:  
steph.heaps@brighterfuturesf  
orchildren.org

## VERSION

Version number 1

## DATE

December 9, 2021

## REVIEW DATE

None

---

© Brighter Futures for Children

Brighter Futures for Children  
Civic Offices, Bridge Street,  
Reading RG1 2LU

Company number 11293709

## 1. Recommendations

1.1 NOTE: The increase in top up rates from 1 September 2021.

## 2. Banding Review

2.1 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.

2.2 As no immediate changes to our current banding system is being proposed and the recent open letter from the Secretary of State indicated that there would be no further government proposals until at least March 2022, an uplift to current rates will be implemented as previously advised.

## 3. Top up Rates 2021/22

2.3 In 2021/22, all local authorities received a minimum increase of 8% per head of the age 2 to 18 population based on their 2020/21 allocation. For Reading, the high needs block has increased by £2.246m (10%) to £24.640m. Part of this increase (£296,780) is for pay and pension grants added to the DSG and is therefore not new funding and the real increase is 8.8%

2.4 In September 2020, the top up rates across all school sectors (special schools, resource units, mainstream) were increased in Reading for the first time since 2013. The main reason as to why rates were not previously uplifted is because the high needs block of the Dedicated Schools Grant (DSG) from which the fees are funded did not increase for several years, and alongside increasing numbers of pupils requiring top up, the block went into a significant deficit. By not inflating the top up fees, schools have therefore played a role in generating savings and preventing the block going into an even higher deficit.

2.5 The increase to rates in 2020/21 for Special Schools, Resource Units and Pupil Referral Units were at a rate of 5%. For mainstream schools, a different approach to the uplift was undertaken because mainstream provision is mainly through additional 1 to 1 support. The increases were a lot higher to bring the equivalent hourly rate of funding in line with average salary. Resource units were also reviewed separately at a later point and annual top ups for units were realigned.

2.6 In 2021/22 the High Needs Block has received a real-terms increase of 8.8% and the same year on year increase is due for 2022/23. Although the numbers of pupils requiring top up continue to rise and need to be funded from this increase, and some of the funding needs to go towards reducing the historic deficit (expectation from the DfE), it is hoped that the top up rates and bandings will be reviewed next year.

2.7 Various rates were reviewed as part of the increase to current values and were as follows:

- 3% - In-line with the national increase to the schools national funding formula for 2022-23.

- 4% - the average rates of inflation using both CPI and RPI (3.1% & 4.9% as @ Sept 2021)
- 5% - Equivalent rate used to increase top-up rates in September 2020.

- 2.8 The affordability and impact on the high needs deficit has to be considered and It is proposed that the top up rates for all sectors will increase by 4% and funding will be backdated to September 2021.
- 2.9 As the numbers and required levels of support continue to increase in mainstream it is important to ensure that these schools are not placed in a financial disadvantage. This increase will take a step towards meeting the actual costs incurred by schools and supports the deficit recovery plan strategy of maximising local provision.
- 2.10 Appendix 1 sets out the current top up rates and what they will move to based on the proposals above. The impact on the 21/22 budget is shown in Table 1. When the original budget was set it was assumed that all top up rates (including out of county placements) would increase overall by 2% (inflation) for the whole year. Based on the current number of Reading pupils receiving top up in our schools and the increase being for part year only, the impact on the budget of these proposals is currently an additional in year cost of £204k.

**Table 1: Impact of Increase on Current Year Budget – Reading Schools**

	Current top up forecast – Sep to Mar £	Current Top up forecast with increased rate – Sep to Mar £	Impact on Current Year Forecast £	Annual Impact based on Current numbers £
Special Schools	3,133,458	3,258,796	125,338	185,950
Resource Units	269,284	280,056	10,771	16,019
PRU	399,000	414,960	15,960	27,360
Mainstream	1,317,218	1,369,907	52,689	78,664
<b>TOTAL</b>	<b>5,118,961</b>	<b>5,323,719</b>	<b>204,758</b>	<b>307,993</b>

- 2.11 The above table does not take into account any pupils on bespoke packages which will be reviewed in line with the new rates. It also does not reflect increases imposed by out of county providers some of which have been greater than 2%. The overall impact of in-year cost increases is reviewed in the budget monitoring report.

#### 4. Appendices

Appendix 1 – Current Top Up Rates and Rates from September 2021

## Appendix 1 – Current Top Up Rates and Proposed Rates from September 2021

TOP UP FEES FOR READING SCHOOLS - FROM 1 SEPTEMBER 2021				
	CURRENT TOP UP FEE £	New Rate	Increase £	Increase %
<b>SPECIAL SCHOOLS</b>				
THE AVENUE - 175 PLACES:				
ASD1	7,699	8,010	311	4%
ASD2	15,367	15,980	613	4%
ASD3	19,200	19,970	770	4%
ASD4	24,861	25,860	999	4%
ASD5	29,989	31,190	1,201	4%
ASD6	39,480	41,060	1,580	4%
ASD7	49,350	51,320	1,970	4%
MLD1	3,359	3,490	131	4%
MLD2	6,824	7,100	276	4%
MLD3	10,288	10,700	412	4%
MLD4	13,752	14,300	548	4%
MLD5	18,695	19,440	745	4%
MLD6	20,521	21,340	819	4%
PMLD1	16,733	17,400	667	4%
PMLD2	23,598	24,540	942	4%
PMLD3	25,200	26,210	1,010	4%
SLD1	6,149	6,390	241	4%
SLD2	9,613	10,000	387	4%
SLD3	13,078	13,600	522	4%
SLD4	16,542	17,200	658	4%
SLD5	21,485	22,340	855	4%
SLD6	23,311	24,240	929	4%
HOLY BROOK - 32 PLACES				
	17,850	18,560	710	4%
HAMILTON (SEMH) - 64 PLACES				
	13,650	14,200	550	4%
<b>RESOURCE UNITS</b>				
BLESSED HUGH ASD (THE BASE) - 25 PLACES				
	7,928	8,250	322	4%
EP COLLIER S&L - 12 PLACES				
	2,437	2,530	93	4%
CHRIST THE KING ASD (THE ARK) - 21 PLACES				
	7,928	8,250	322	4%
HIGHDOWN VI - 5 PLACES				
	12,111	12,600	489	4%
PROSPECT MLD (THE BRIDGE) - 30 PLACES				
	2,858	2,970	112	4%
SOUTHCOTE SCD - 8 PLACES (from 1/9/21)				
	7,928	8,250	322	4%
<b>MAINSTREAM</b>				
(20 HRS)	2,740	2,850	110	4%
(25 HRS)	4,925	5,120	195	4%
(30 HRS)	7,110	7,390	280	4%
EXCEPTIONAL (UP TO)	8,820	9,170	350	4%
<b>PUPIL REFERRAL UNIT</b>				
CRANBURY COLLEGE - 132 PLACES (including exclusions)				
GENERAL TOP UP - Annual Fixed Sum	684,000	711,360	27,360	4%



# Reading Schools' Forum

December 9, 2021

Agenda Item 7

Dedicated Schools Grant (DSG)  
Budget Monitoring 2021/22

For decision

For discussion

For information

## SUMMARY

This report sets out the current position (month 8) of the DSG budget for 2021/22 and outlines the variances.

## AUTHOR

Steph Heaps, Schools & DSG  
Business Partner

Tel: 0118 937 4161

Email:

steph.heaps@brighterfuturesforchildren.org

## VERSION

Version number 1

## DATE

December 9, 2021

## REVIEW DATE

None

---

© Brighter Futures for Children

Brighter Futures for Children  
Civic Offices, Bridge Street,  
Reading RG1 2LU

Company number 11293709

## 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 Allocations (£m)	Gross DSG Allocations (£m)	Less Recoupment relating to Academies/ Post 16 (£m)	Total LA DSG Allocations (£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
<b>Total</b>	<b>142.288</b>	<b>-58.880</b>	<b>83.407</b>	<b>142.270</b>	<b>-58.880</b>	<b>83.389</b>	<b>0.018</b>
20/21 Early Years adj.						0	0
<b>Total Available</b>						<b>83.389</b>	<b>0.018</b>

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.
- In November 2021, we received final notification of our Early Years block allocation for 2020-21. This has resulted in a claw back of £399k, £42k less than we had made a provision for and which can be added to our contingency fund. This does however take into account a small amount received in relation to the 85% Spring term top up funding which was £64k. We are still awaiting updates to our 2021-22 allocations which are currently still based on January 2020 census data (shown in table 1 above).

#### 4. DSG Budget 2021/22 Month 8 Overall Position

- 4.1. Appendix 2 contains the 2021/22 budget and current (month 8) 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 8 (£m)	VARIANCE as at MONTH 8 (£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	12.445	0.783
High Needs Block	21.205	0	21.205	21.643	0.438
Repayment of Deficit	2.189	-0.058	2.132	2.132	0
<b>Sub Total – Net Expenditure</b>	<b>84.362</b>	<b>0.718</b>	<b>85.081</b>	<b>85.221</b>	<b>0.140</b>
DSG Allocation	81.934	0.776	82.710	83.597	0.888
<b>Balance Over/(Under) Allocated</b>	<b>2.429</b>	<b>-0.058</b>	<b>2.371</b>	<b>1.623</b>	<b>-0.747</b>

- 4.3. The deficit forecast for the end of the financial year is now £1.623m, an increase of £0.455m from that reported at month 6. This is still a decrease of £0.747m compared to the 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	-£122,498
Early Years - Resource Provision	-£58,764
Place funding	-£100,168
Top Up funding - overspend	£564,221
Reduction in High Needs Block funding due to Import / Export Adjustment	£18,043
Overspend in Sensory Consortium Joint Arrangement	£33,000
<b>Total</b>	<b>-£747,437</b>

- 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 received 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, funding will be based on each termly census (split 5/12, 4/12, 3/12). 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 draft data for the Autumn and predictions for the Spring terms. The Spring term numbers are currently based on 2019-20 data and forecast will be reviewed again after October census data has been verified.
- 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. The latest allocations show we received an additional £64k. 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.

- The contingency budget bought forward from 2020/21 is £154k (original budget set at zero) and based on the current forecast there will be £122k of contingency remaining at the end of the financial year.
- Further details on the position of this block will be known in mid-December when we will receive our next funding update.

### 5.5. High Needs Block

- 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 3 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 (November 2021) is 1,562, an increase of 122 since January 2021. Out of the new plans finalised this year to date, 38% relate to pupils aged 4 to 6.

**Table 3: 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
<b>Latest Annual Increase</b>	<b>+70</b>	<b>-61</b>	<b>+4</b>	<b>+36</b>	<b>+49</b>	

- 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 4. The current

forecast is £18.052k, which is £564k over budget (3.2%), and some individual variances by type of placement are quite large.

**Table 4: 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	9,055	-81	460	455	-5
Resource Units	778	668	-110	111	85	-26
Mainstream	2,736	2,693	-43	500	489	-11
Nursery	43	35	-8	5	1	-3
Independent/NMSS	2,477	3,119	641	59	67	9
Further Education	953	1,103	150	128	140	11
PRU *	911	861	-50	13	11	-2
Hospital *	199	199	0	n/a	n/a	
Other Alternative	256	319	64	24	16	-8
<b>Total</b>	<b>17,488</b>	<b>18,052</b>	<b>564</b>	<b>1,300</b>	<b>1,265</b>	<b>-35</b>

\* 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).

- The above forecasts take into the account the increase in top up fees to Reading Schools which has been agreed at a rate of 4% and will effective from September 2021. Other increases in the forecast are mainly due to other LA top ups coming into effect from September 2021. There has also been an increase in 36 EHCP's with associated costs since last reported.
- Although the forecast is showing less actual places overall than budgeted, the cost does not reflect this. Reasons for this are that more places are occupied in independent settings which come at a higher cost, but we have also seen higher cost per place for alternative provision (this includes personal budgets).
- The average placement cost budget for all settings is £13,567 and using the current data this stands at £14,270
- 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. Maintained School Balances 2021/22

- 6.1 In October 2021 all maintained schools were asked to report their current forecast to 31 March 2021. The expected carry forward balance outturn has increased from £1.298m surplus balance to £1.754m surplus or an increase of £456k compared to when the budget was set (at the same stage last year the outturn for 2020-2021 was a decrease of £694k reflecting the impact of the first lockdown, but similar to 2019-2020). There is often quite a variation at this stage to reflect staffing/operational changes that have taken place over the summer term and at the beginning of the new academic year as well as the ongoing uncertainty with regards to the Covid pandemic.

## 7. Deficit Recovery Plan for 2021/22

- 7.1. 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.
- 7.2. 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. We are due to meet with the DfE early 2022.
- 7.3. The current (November 2021) budget monitoring forecast shows the overall deficit across all blocks will increase by £0.268m by the end of 2021/22 with £1.623m to be carried forward at the end of the current financial year. However of this £1.623m, £1.204m is ringfenced within each block for use in future years therefore the high needs block deficit to be repaid is £2.827m, an increase of £0.695m. This is £0.456m more than budgeted for 2021/22.
- 7.4. 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.

7.5. 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 2022/23 and 2023/24 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% from 2022/23.
- 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.

7.6. Table 5 summarises the 2021/22 financial plan using the above basis and assumptions. This does not repay the deficit within the 3 year timeframe shown, but from 2022/23 around £850k is repaid per year, which if maintained would repay the deficit by 2026/27. One of the reasons for the increase in costs in 2022/23 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.

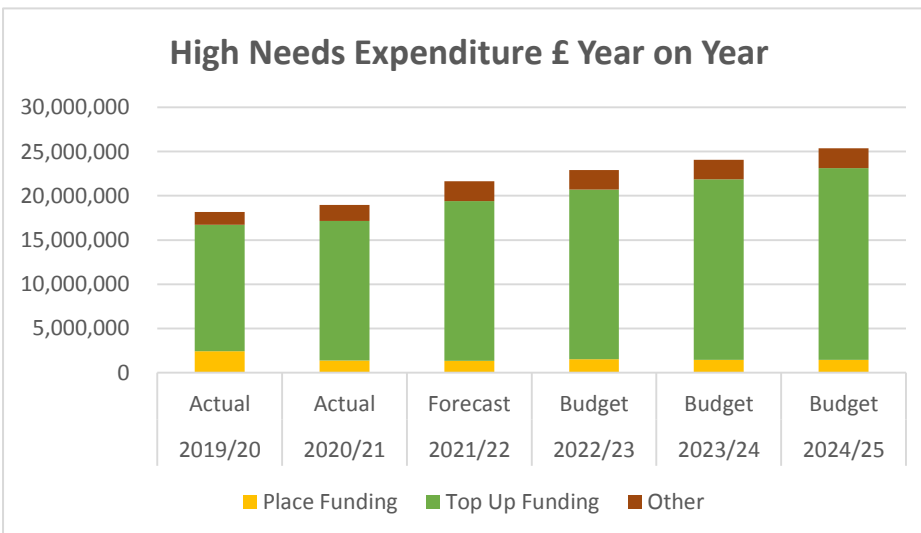
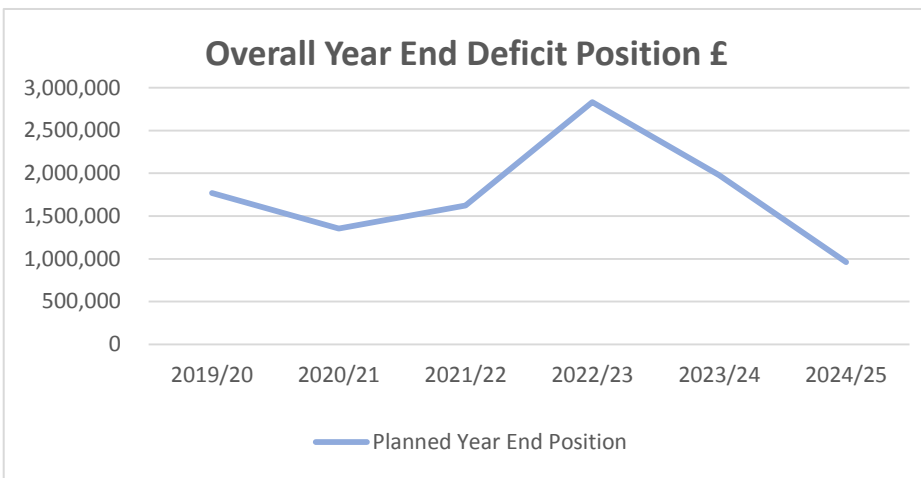
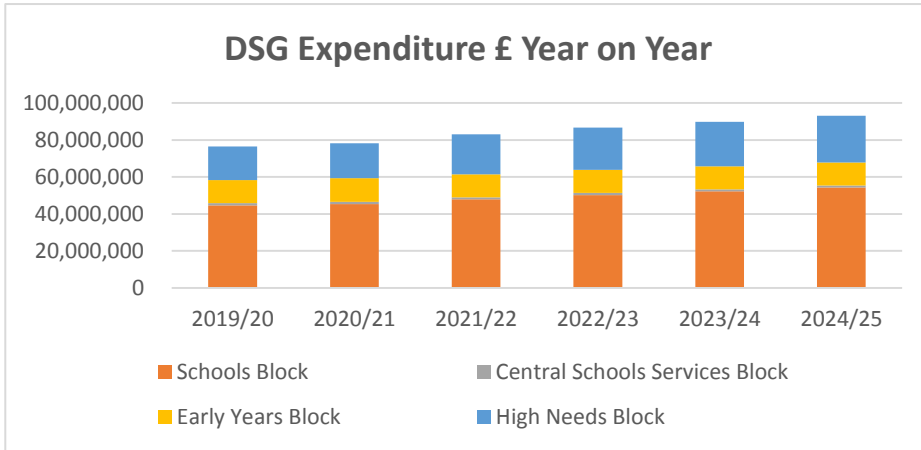
Table 5: Deficit Recovery Plan 2021/22 – 2024/25

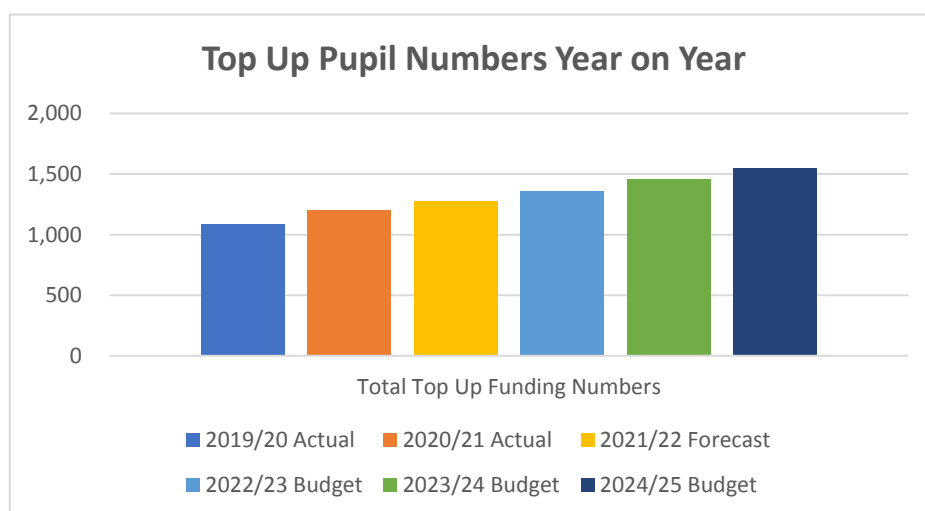
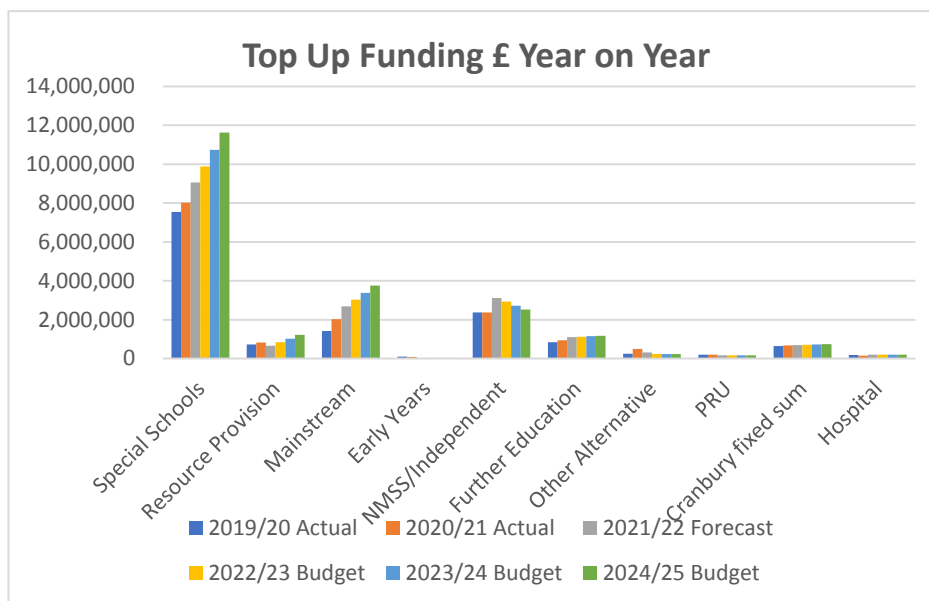
DSG Financial Plan 2021/22 November 2021							
Overall DSG Position (Net of recoupment)	2019/20 Actual	2020/21 Actual	2021/22 Budget	2021/22 Forecast	2022/23 Budget	2023/24 Budget	2024/25 Budget
<b>Expenditure</b>							
Schools Block	44,593,880	45,302,134	48,294,360	47,841,301	50,226,134	52,235,180	54,324,587
Central Schools Services Block	1,290,736	1,257,064	1,167,000	1,160,467	1,082,000	1,012,000	956,000
Early Years Block	12,462,006	12,750,981	11,507,285	12,445,030	12,445,030	12,445,030	12,445,030
High Needs Block	18,167,356	18,956,974	21,204,361	21,642,768	22,927,449	24,084,798	25,375,731
<b>Total Expenditure</b>	<b>76,513,978</b>	<b>78,267,153</b>	<b>82,173,006</b>	<b>83,089,566</b>	<b>86,680,613</b>	<b>89,777,008</b>	<b>93,101,348</b>
<b>DSG Income</b>							
Schools Block	-44,496,700	-45,923,814	-48,294,360	-48,916,037	-50,226,134	-52,235,180	-54,324,587
Central Schools Services Block	-1,330,000	-1,257,110	-1,167,000	-1,167,000	-1,082,000	-1,012,000	-956,000
Early Years Block	-12,842,060	-12,905,309	-11,507,285	-12,567,528	-12,445,030	-12,445,030	-12,445,030
High Needs Block	-18,322,000	-18,915,613	-20,965,057	-20,947,057	-22,921,112	-24,940,612	-26,392,612
<b>Total Income</b>	<b>-76,990,760</b>	<b>-79,001,846</b>	<b>-81,933,702</b>	<b>-83,597,622</b>	<b>-86,674,277</b>	<b>-90,632,822</b>	<b>-94,118,229</b>
<b>In Year Net Position - Deficit/(surplus)</b>							
Schools Block	97,180	-621,680	0	-1,074,736	0	0	0
Central Schools Services Block	-39,264	-46	0	-6,533	0	0	0
Early Years Block	-380,054	-154,328	0	-122,498	0	0	0
High Needs Block	-154,644	41,361	239,304	695,711	6,337	-855,814	-1,016,881
<b>Total Net</b>	<b>-476,782</b>	<b>-734,693</b>	<b>239,304</b>	<b>-508,056</b>	<b>6,337</b>	<b>-855,814</b>	<b>-1,016,881</b>
Add brought forward deficit (net)	2,245,003	1,768,221	1,532,612	1,355,666	1,623,664	2,833,768	1,977,954
Ringfenced (not part of HNB deficit)		322,138	656,731	776,053	1,203,767	0	0
<b>Planned Year End Position</b>	<b>1,768,221</b>	<b>1,355,666</b>	<b>2,428,647</b>	<b>1,623,664</b>	<b>2,833,768</b>	<b>1,977,954</b>	<b>961,072</b>

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
<b>Expenditure</b>							
Place Funding	2,429,700	1,372,366	1,507,333	1,348,467	1,529,734	1,448,067	1,458,067
Top Up Funding	14,283,909	15,792,169	17,487,888	18,052,121	19,155,535	20,394,551	21,675,484
Other	1,453,749	1,792,439	2,209,140	2,242,180	2,242,180	2,242,180	2,242,180
<b>Total High Needs Block Expenditure</b>	<b>18,167,358</b>	<b>18,956,974</b>	<b>21,204,361</b>	<b>21,642,768</b>	<b>22,927,449</b>	<b>24,084,798</b>	<b>25,375,731</b>
DSG High Needs Block Funding	-18,322,000	-18,915,613	-20,965,057	-20,947,057	-22,921,112	-24,940,612	-26,392,612
<b>In Year High Needs Block</b>	<b>-154,642</b>	<b>41,361</b>	<b>239,304</b>	<b>695,711</b>	<b>6,337</b>	<b>-855,814</b>	<b>-1,016,881</b>
Add brought forward deficit / (surplus)	2,245,003	2,090,360	2,189,343	2,131,721	2,827,432	2,833,769	1,977,955
<b>Planned Year End Position</b>	<b>2,090,361</b>	<b>2,131,721</b>	<b>2,428,647</b>	<b>2,827,432</b>	<b>2,833,769</b>	<b>1,977,955</b>	<b>961,074</b>

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
<b>Expenditure</b>							
Special Schools	7,542,515	8,019,449	9,135,866	9,055,343	9,881,444	10,736,967	11,622,758
Resource Provision	730,209	824,388	777,797	667,749	844,364	1,027,776	1,218,187
Mainstream	1,416,794	2,036,057	2,735,528	2,692,514	3,032,794	3,385,608	3,751,322
Early Years	100,412	79,679	43,166	35,327	36,034	36,754	37,489
NMSS/Independent	2,371,565	2,372,060	2,477,478	3,118,891	2,926,600	2,725,370	2,514,920
Further Education	839,139	936,503	952,633	1,102,961	1,125,021	1,147,521	1,170,471
Other Alternative	245,419	494,127	255,714	319,237	230,797	235,413	240,122
PRU	198,871	204,600	212,659	161,180	164,404	167,692	171,046
Cranbury fixed sum	652,000	671,016	698,088	699,960	712,050	726,291	740,817
Hospital	186,985	154,290	198,959	198,959	202,028	205,159	208,352
<b>Total Top Up Funding Expenditure</b>	<b>14,283,908</b>	<b>15,792,169</b>	<b>17,487,888</b>	<b>18,052,121</b>	<b>19,155,535</b>	<b>20,394,551</b>	<b>21,675,484</b>
<b>Numbers</b>							
Special Schools	433	430	460	455	485	515	545
Resource Provision	81	91	111	85	105	125	145
Mainstream	361	450	500	489	539	589	639
Early Years	11	5	5	2	2	2	2
NMSS/Independent	51	64	59	68	63	58	53
Further Education	105	128	128	139	139	139	139
Other Alternative	37	24	24	24	16	16	16
PRU	11	13	13	11	11	11	11
<b>Total Top Up Funding Numbers</b>	<b>1,090</b>	<b>1,205</b>	<b>1,300</b>	<b>1,273</b>	<b>1,360</b>	<b>1,455</b>	<b>1,550</b>







- 7.7. 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](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 24<sup>th</sup> March, the outcomes of which are still awaited.
- 7.8. 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.

## 8. Appendices

Appendix 1 – DSG Allocation 2021/22

Appendix 2 – Summary DSG Budget and Forecast 2021/22 as at November 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	
<b>Schools Block</b>						
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						
<b>Gross Allocation</b>		<b>£103,481,313</b>		<b>£103,481,313</b>		<b>£103,481,313</b>
Academy Recoupment				-£54,702,955		-£54,702,955
<b>Schools Block Net Total</b>		<b>£103,481,313</b>		<b>£48,778,357</b>		<b>£48,778,357</b>
<b>Central School Services Block</b>						
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						
<b>Central School Services Block Net Total</b>		<b>£1,167,001</b>		<b>£1,167,001</b>		<b>£1,167,001</b>
<b>High Needs Block</b>						
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						
<b>Gross Allocation</b>		<b>£24,658,387</b>		<b>£24,658,387</b>		<b>£24,640,387</b>
Recoupment - academy high needs places		-£4,168,000		-£4,177,330		-£4,177,330
<b>High Needs Block Net Total</b>		<b>£20,490,387</b>		<b>£20,481,057</b>		<b>£20,463,057</b>
<b>Early Years Block</b>	(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						
<b>Early Years Block Net Total</b>		<b>£12,980,843</b>		<b>£11,507,285</b>		<b>£11,507,285</b>
<b>SUMMARY GROSS IN YEAR ALLOCATION</b>						
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
<b>TOTAL GROSS DSG ALLOCATION IN YEAR</b>		<b>£142,287,544</b>		<b>£140,813,986</b>		<b>£140,795,986</b>
<b>SUMMARY NET IN YEAR ALLOCATION</b>						
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
<b>TOTAL NET DSG ALLOCATION IN YEAR</b>		<b>£138,119,544</b>		<b>£81,933,700</b>		<b>£81,915,700</b>

## Appendix 2 – Summary DSG Budget and Forecast 2021/22

Line Ref.	Description	Original Budget £m	Change	Current Budget £m	Forecast £m	Variance £m
<b>Schools Block</b>						
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
<b>7</b>	<b>Sub Total Schools Block Net Expenditure</b>	<b>48.294</b>	<b>0.622</b>	<b>48.916</b>	<b>47.841</b>	<b>-1.075</b>
<b>8</b>	<b>Schools Block DSG Allocation</b>	<b>48.294</b>	<b>0.622</b>	<b>48.916</b>	<b>48.916</b>	<b>-0.000</b>
<b>9</b>	<b>Balance Over / (Under) Allocated</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>-1.075</b>	<b>-1.075</b>
<b>Central Schools Services Block</b>						
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
<b>16</b>	<b>Sub Total Central School Services Block Net Expenditure</b>	<b>1.167</b>	<b>0.000</b>	<b>1.167</b>	<b>1.160</b>	<b>-0.007</b>
<b>17</b>	<b>Central School Services Block DSG Allocation</b>	<b>1.167</b>	<b>0.000</b>	<b>1.167</b>	<b>1.167</b>	<b>-0.000</b>
<b>18</b>	<b>Balance Over / (Under) Allocated</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>-0.007</b>	<b>-0.007</b>
<b>Early Years Block</b>						
19	Early Years Funding (free entitlement)	10.772	0.154	10.926	11.710	0.783
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
<b>23</b>	<b>Sub Total Early Years Block Net Expenditure</b>	<b>11.507</b>	<b>0.154</b>	<b>11.662</b>	<b>12.445</b>	<b>0.783</b>
<b>24</b>	<b>Early Years Block DSG Allocation</b>	<b>11.507</b>	<b>0.154</b>	<b>11.662</b>	<b>12.568</b>	<b>0.906</b>
<b>25</b>	<b>Balance Over / (Under) Allocated</b>	<b>0.000</b>	<b>-0.000</b>	<b>-0.000</b>	<b>-0.122</b>	<b>-0.122</b>
<b>High Needs Block</b>						
26	SEN placements - Maintained Schools (first £10k/£6k place funding)	1.507	0.000	1.507	1.348	-0.159
27	Top up funding - Special Schools	9.136	0.000	9.136	9.055	-0.081
28	Top up funding - Resource Units	0.778	0.000	0.778	0.668	-0.110
29	Top up funding - Mainstream	2.735	0.000	2.735	2.693	-0.043
30	Top up funding - Nursery	0.043	0.000	0.043	0.035	-0.008
31	Top up funding - FE Colleges	0.953	0.000	0.953	1.103	0.150
32	Top up funding - Alternative Provision	1.166	0.000	1.166	1.087	-0.079
33	Top up and other funding - non maintained & independent schools	2.478	0.000	2.478	3.212	0.734
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
<b>42</b>	<b>Sub Total High Needs Block Net Expenditure</b>	<b>23.394</b>	<b>-0.058</b>	<b>23.336</b>	<b>23.775</b>	<b>0.438</b>
<b>43</b>	<b>High Needs Block DSG Allocation</b>	<b>20.965</b>	<b>0.000</b>	<b>20.965</b>	<b>20.947</b>	<b>-0.018</b>
<b>44</b>	<b>Balance Over / (Under) Allocated</b>	<b>2.429</b>	<b>-0.058</b>	<b>2.371</b>	<b>2.827</b>	<b>0.456</b>
<b>45</b>	<b>Total All Blocks Net Expenditure</b>	<b>84.362</b>	<b>0.718</b>	<b>85.081</b>	<b>85.221</b>	<b>0.140</b>
<b>46</b>	<b>Total DSG Allocation Available</b>	<b>81.934</b>	<b>0.776</b>	<b>82.710</b>	<b>83.598</b>	<b>0.888</b>
<b>47</b>	<b>Balance - Deficit / (surplus) In Year</b>	<b>2.429</b>	<b>-0.058</b>	<b>2.371</b>	<b>1.624</b>	<b>-0.747</b>
<b>Memorandum - Budgets Recouped from Gross DSG Allocation</b>						
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
<b>50</b>	<b>Total DSG Recouped</b>	<b>53.279</b>	<b>0.000</b>	<b>53.279</b>	<b>0.000</b>	<b>0.000</b>
<b>51</b>	<b>Gross DSG Expenditure including Recoupment</b>	<b>137.641</b>	<b>0.718</b>	<b>138.360</b>	<b>85.221</b>	<b>0.140</b>

## 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.

This page is intentionally left blank





# Reading Schools' Forum

December 9, 2021

Agenda Item 8

Commissioning Update

## SUMMARY

This report provides an update on the work being completed by Commissioning, Contracts and Procurement that supports schools.

## AUTHOR

Mandie Barnes, Strategic Commissioner – SEND and Education

Email:

[amanda.barnes@brighterfuturesforchildren.org](mailto:amanda.barnes@brighterfuturesforchildren.org)

## VERSION

Version number 1

## DATE

December 9, 2021

## REVIEW DATE

None

---

Brighter Futures for Children

Brighter Futures for Children  
Civic Offices, Bridge Street,  
Reading RG1 2LU

Company number 11293709

For decision     For discussion     For information

## 1. Recommendations

- 1.1. NOTE: The progress to date on the work being completed by the Company's Contracts, Commissioning and Procurement Team (CCP) which supports schools.

## 2. Introduction



- 2.1. There are two key projects that CCP have been supporting service teams and schools to deliver, these are:
  - to produce a Directory of Approved Alternative Provision Providers (AP Directory); and
  - to review and retender the therapies service for pupils with a therapy need stated in Section F of their EHCPs (Section F Therapies).
- 2.2. The Forum has previously received an update on the scoping and project management of the AP Directory, the aim of this report is to provide a further update on the work completed.
- 2.3. The Section F Therapies (commonly called Children and Young Peoples Integrated Therapies or CYPIT) review has been in progress since April 2021 and this is the first update for the Forum.

## 3. AP Directory

- 3.1. The outcome of the project was to produce a directory of providers who had been screened through a tender process to ensure the organisations were:
  - of appropriate quality;
  - meeting the minimum safeguarding requirements (including Section 11 audits);
  - able to provide appropriate references;
  - appropriately insured; and were
  - financially sustainable.
- 3.2. The bidders were also asked to complete an organisation profile (template in Appendix 1). This template was designed to provide a quick and easy assessment of whether the organisation is potentially able to meet the need of the pupil requiring alternative provision.
- 3.3. The initial tender process was completed during August and September of this year resulting in 10 providers bidding and being accepted on to the directory. This was disappointing as all known current and past providers were notified of the opportunity and 30 organisations had expressed an interest in applying.
- 3.4. CCP requested feedback from the organisations that didn't apply, and the response, from those that did reply, were mixed. They:
  - didn't provide any of the services required;
  - didn't feel they could meet the specification requirements.
- 3.5. The AP Directory will re-open every April to new applicants and there is already growing interest. Further work will be completed to engage with potential provider to encourage them to apply.
- 3.6. Once accepted on to the AP Directory providers will be required to resubmit evidence that they still meet the screening criteria on an annual basis.
- 3.7. The AP Directory will be published with guidance on how to use it as soon as all contracts have been signed.

## 4. Section F Therapies

- 4.1. For the purpose of this report I have referred to the CYPIT contract as the Section F Therapies service as CYPIT is the name of the team and the service delivered by Berkshire Healthcare Foundation Trust that also includes the Clinical Commissioning Group's (CCG) commissioned therapies service for children without EHCPs.

- 
- 
- 4.2. A review is underway of the service commissioned by local authorities to deliver the therapies required/outlined in Section F of pupils EHCPs.
  - 4.3. The service is currently delivered by Berkshire Healthcare Foundation Trust.
  - 4.4. The Company is working with West Berkshire and Wokingham to jointly procure the service. The rationale behind this joint approach is to ensure Reading pupils receive the same high-quality service where ever they attend school in the Berkshire West area.
  - 4.5. By commissioning jointly, it is anticipated that economies of scale will allow for an improved value for money service.
  - 4.6. The Company's SEND Team are being involved in the review and development of the model for the new tender.
  - 4.7. There has been an initial market engagement exercise aimed at promoting the opportunity and to talk to potential providers about our initial proposals. Eight organisations expressing an interest and the Project Group have met with some of these providers and will incorporate their feedback into the development of the specification.
  - 4.8. A stakeholder questionnaire has also been developed and was published mid-November.
  - 4.9. The questionnaire was promoted with schools through the Head Teachers Briefing and the Project Manager attended the SenCo meeting (30 November 2021) to discuss the project and support the completion of the stakeholder questionnaire's by schools.
  - 4.10. The questionnaire was also provided to parents' groups to support families to complete.
  - 4.11. Work has now started on the new specification and will include the feedback received from the questionnaires.

## Appendix 1 – AP Directory Organisation Profile

Alternative Education Provider - Organisation Profile						
Provider Name						
Address						
Telephone						
Contact Name						
E-mail						
Website						
Summary of provision provided						
Lot 1 - Full Time Alternative Provision						
Lot 2 - Part Time Alternative Provision						
Lot 3 - Tutoring						
Lot 4 - On-line Learning						
Lot 5 - Off-site support, mentoring and coaching						
Lot 6 - On-site support, mentoring and coaching						
Lot 7 - Full or Part-Time Alternative Provision for Post 16 Students						
Additional Information on Provision						
Key Stage 1						
Key Stage 2						
Key Stage 3						
Key Stage 4						
16 Plus						
English Tuition						
Maths Tuition						
Science (including IT) Tuition						
Core Curriculum						
Vocational Training						
Physical activities – such as sports						
Professional Bodies affiliated to						
<i>Add rows as required</i>						
Additional Provision Information						
Pastoral Support Offered						
Service Provider Benefits						
<i>Add rows as required</i>						
Provider Outcomes						
<i>Add rows as required</i>						
Other Information						
Registered as a school? (please provide URN)						
Which regulatory body inspects the provision? (please state last inspection rating)						
Can the organisation can be a 'named school' on an Education, Health and Care Plan						
Free School Meals Catered for?						
Can cater for service users with restricted mobility?						
Can support service users with complex health needs?						
Can support service users with complex education needs?						
Pricing Schedule						
Course/Service	For Course	Per hour	Per Day	Per Week	Per Term	Per Annum
<i>Add rows as required</i>						