

**Report to Hartlepool Schools' Forum 2 February 2022
From Amanda Whitehead – Assistant Director Education**

Item 5: Schools Block Budgets Update 2022/23

1. Introduction

- 1.1 The purpose of the report is to provide updated information on the 2022/23 Schools Block funding issued by the Education and Skills Funding Agency (ESFA) on 16 December 2021.
- 1.2 ESFA have provided updated funding information that reflects the October 2021 school census and pupil characteristics.

2. Background

- 2.1 Consultation on setting individual school budgets (ISBs) took place with Schools' Forum during September to early December 2021. These discussions were on the basis of the indicative NFF published in July 2021.
- 2.2 Forum will recall that additional modelling was performed for this budget year with the aim of anticipating the funding position before the release of the updated allocation by ESFA. This additional modelling suggested that a cap would be needed in order for the maximum Minimum Funding Guarantee (MFG) of 2.0% to be affordable.
- 2.3 At their meeting on 9 December 2021, Schools' Forum voted in favour of applying the maximum possible MFG, with an appropriate cap. Budget estimates suggested that a cap in the region of 2.75% would be required.
- 2.4 Schools' Forum agreed to the transfer of £0.174m from the Central School Services Block (CSSB) to the Schools Block.

3. Schools Block Funding 2021/22

- 3.1 The following table shows the updated Hartlepool schools block allocation of £70.647m for 2022/23 based on October 2021 census numbers. This allocation includes growth funding which ESFA have confirmed is £0.275m for 2022/23.

Schools Block	Pupil Numbers (Oct 2021)	2022/23 Funding (£m)
Primary	7,654	36.991
Secondary	5,604	34.750
Premises		0.631
Growth		0.275
NFF Schools Block 2022/23		72.647
NFF Schools Block 2021/22		70.779
Funding increase		1.868
Percentage increase in funding		2.64%

- 3.2 Primary pupil numbers reduced from 7,812 to 7,654 between the October 2020 and October 2021 census (a reduction of 158). Secondary pupil numbers increased from 5,508 to 5,604 (an increase of 96).
- 3.3 The formula calculation based on updated pupil numbers and characteristics for the October 2021 census required a cap of 3.33% so as to fund the 2.0% maximum MFG. This is an improved position from the estimated cap of 2.75%.
- 3.4 The council submitted the Hartlepool formula using the government's Authority Pro-Forma Tool (APT) for the statutory deadline of 21 January 2022. However, questions affecting allocations for NNDR (National Non Domestic Rates) were raised by officers and the ESFA prior to the deadline and at the date of writing remain unanswered. Forum will recall that a formula change is being implemented from 2022/23 relating to the funding and payment process for schools NNDR. The process of dealing with NNDR adjustments for prior years (and how to reflect these in the APT) lacks clarity. Although unlikely, it is possible that the pending responses from ESFA will affect school budget shares for 2022/23. If this were the case, the changes are expected to be minimal and Head Teachers would be informed ahead of school budget packs being issued.
- 3.5 Appendix A shows the 2022/23 schools block funding at an individual school level once the block transfer and Minimum Funding Guarantee (MFG) plus cap have been applied. Appendix A excludes growth funding.
- 3.6 The final columns in Appendix A show the change in ISBs from 2021/22 to 2022/23 as both a monetary value and percentage.

4. **Block Transfers**

- 4.1 Updated CSSB funding of £0.731m for 2022/23 (£0.769m in 2021/22) has been confirmed based on October 2021 census numbers.
- 4.2 At their meeting on 21 September 2021, Schools' Forum agreed to fund the elements amounting to £0.558m shown in the table below and for the balance of CSSB funding (£0.173m) to be transferred to the schools block for 2022/23.

Historic Commitments		£m
Licenses		0.067
Termination of Employment costs		0.031
	Total	0.098
Ongoing Responsibilities		£m
Retained Education Services		0.217
Admissions		0.136
Copyright licences		0.071
Servicing Schools Forum		0.036
	Total	0.460
Grand Total		0.558

5. Supplementary Funding 2022/23

- 5.1 As part of their funding updates published on 16 December 2021, ESFA announced supplementary funding to schools. This funding is part of the autumn spending review and is provided “in respect of both the Health and Social Care Levy and other cost pressures”.
- 5.2 The supplementary funding takes the form of a separate grant in 2022/23 so is separate from the Dedicated Schools Grant (DSG). However, early indications are that the grant will continue in future years and be mainstreamed into the DSG.
- 5.3 Funding will be allocated to local authorities on the basis of FSM Ever 6 volumes. The indicative allocation for Hartlepool schools amounts to £2.2m.
- 5.4 Finalised allocations of the schools supplementary grant will be published in spring 2022, along with conditions of grant. Further information will be provided to schools once the grant conditions are clarified.
- 5.5 Forum Members will recall that the Chair of Forum and Leader of the Council sent a joint letter to the Secretary of State for Education to outline the severity of expected energy cost increases for schools and the lack of support being provided by government on this matter. The response to the joint letter is attached at appendix B to this report for information. The response refers to the supplementary grant.

6. Recommendations

- 6.1 Forum is recommended to note the updated schools block funding for 2022/232 outlined in this report and illustrated at an individual school level on appendix A.
- 6.2 Forum is recommended to note the response relating to energy cost increases and reference to supplementary funding at appendix B.

APPENDIX A: Updated Individual School Budgets 2022/23

School Reference	MPPF Test Result	2022/23 Pre MFG Budget (Excl ESG and De-Del)	MFG	Cap	2022/23 Post MFG Budget (INDICATIVE)	2021/22 post MFG Budget	Budget Increase +£ / Decrease (£)	Budget Increase +% / Decrease (%)	Per Pupil Increase %	NoR Oct-20	NoR Oct-21	Pupil Number Change
1	PASS	1,661,176	0	0	1,661,176	1,665,758	(4,582)	(0.28%)	2.01%	397	388	(9)
2	PASS	742,786	0	0	742,786	757,612	(14,826)	(1.96%)	3.24%	148	140	(8)
3	PASS	7,874,587	0	(16,101)	7,858,486	7,476,282	382,203	5.11%	3.33%	1296	1320	24
4	PASS	6,737,983	0	0	6,737,983	6,530,617	207,366	3.18%	2.16%	1033	1044	11
5	PASS	8,119,706	0	(10,925)	8,108,781	7,684,379	424,402	5.52%	3.33%	1211	1238	27
6	FAIL	893,315	27,228	0	920,543	904,993	15,550	1.72%	2.00%	208	208	0
7	PASS	1,396,086	0	0	1,396,086	1,409,337	(13,251)	(0.94%)	2.05%	298	289	(9)
8	PASS	432,017	60,572	0	492,590	452,829	39,760	8.78%	2.00%	81	89	8
9	PASS	1,428,418	2,683	0	1,431,101	1,414,180	16,921	1.20%	2.00%	299	297	(2)
10	FAIL	1,289,448	0	0	1,289,448	1,230,423	59,025	4.80%	2.55%	293	301	8
11	PASS	2,027,975	0	(16,541)	2,011,435	1,902,801	108,634	5.71%	3.33%	370	380	10
12	PASS	1,374,172	0	0	1,374,172	1,338,776	35,395	2.64%	3.32%	261	260	(1)
13	FAIL	1,932,373	0	0	1,932,373	1,919,118	13,255	0.69%	2.08%	457	451	(6)
14	PASS	1,507,203	0	(12,502)	1,494,700	1,437,871	56,829	3.95%	3.33%	302	305	3
15	PASS	1,533,398	0	0	1,533,398	1,470,829	62,569	4.25%	3.18%	279	283	4
16	PASS	1,041,289	0	(4,808)	1,036,481	993,112	43,369	4.37%	3.33%	186	189	3
17	PASS	469,962	67,108	0	537,069	512,419	24,651	4.81%	2.00%	94	98	4
18	PASS	7,695,880	0	0	7,695,880	7,176,585	519,295	7.24%	3.16%	1260	1310	50
19	PASS	4,675,817	0	(30,872)	4,644,945	4,602,758	42,187	0.92%	3.33%	708	692	(16)
20	PASS	975,614	0	(76)	975,538	960,492	15,047	1.57%	3.33%	203	200	(3)
21	PASS	1,289,201	0	(7,308)	1,281,894	1,304,997	(23,104)	(1.77%)	3.33%	293	278	(15)
22	PASS	564,449	9,425	0	573,874	596,547	(22,673)	(3.80%)	2.00%	105	98	(7)
23	PASS	1,015,352	0	0	1,015,352	1,049,272	(33,920)	(3.23%)	2.24%	225	212	(13)
24	PASS	442,968	57,715	0	500,683	533,316	(32,633)	(6.12%)	2.00%	92	83	(9)
25	PASS	1,690,338	0	(9,334)	1,681,004	1,687,871	(6,867)	(0.41%)	3.33%	328	316	(12)
26	PASS	1,681,507	0	0	1,681,507	1,662,475	19,032	1.14%	3.32%	350	343	(7)
27	PASS	1,145,683	0	(10,285)	1,135,398	1,172,728	(37,331)	(3.18%)	3.33%	223	206	(17)
28	FAIL	1,549,316	0	0	1,549,316	1,477,256	72,060	4.88%	2.48%	346	356	10
29	FAIL	1,734,334	930	0	1,735,264	1,754,844	(19,580)	(1.12%)	2.00%	411	398	(13)
30	PASS	1,204,526	0	0	1,204,526	1,288,508	(83,982)	(6.52%)	3.11%	256	230	(26)
31	PASS	2,037,720	0	(21,105)	2,016,616	1,965,675	50,941	2.59%	3.33%	420	418	(2)
32	FAIL	1,718,979	0	0	1,718,979	1,702,124	16,855	0.99%	2.11%	399	395	(4)
33	PASS	1,322,944	0	0	1,322,944	1,475,069	(152,124)	(10.31%)	3.27%	279	239	(40)
34	PASS	613,698	30,759	0	644,456	634,480	9,977	1.57%	2.00%	107	107	0
35	PASS	592,001	15,246	0	607,247	622,194	(14,948)	(2.40%)	2.00%	102	97	(5)
TOTAL		72,412,221	271,665	(139,858)	72,544,029	70,768,525	1,775,504			13,320	13,258	(62)



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Baroness Barran

Parliamentary Under-Secretary of State for the School System
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Councillor Shane Moore
 Leader of Hartlepool Borough Council
 By email: shane.moore@hartlepool.gov.uk

12 January 2022

Dear Councillor Moore,

Thank you for your letter of 13 December, also sent on behalf of Mr Mark Tilling, Chair of the Schools' Forum in Hartlepool, addressed to the Secretary of State, regarding increased energy costs for schools. I am replying as the minister responsible for this policy area.

We recognise that schools are facing increased cost pressures this winter. However, these cost increases should be seen in the wider context of funding for schools: the most recent spending review invests an additional £4.7 billion in the core schools budget by 2024-25. This is over and above the Spending Review 2019 settlement for schools which delivered a £7.1 billion increase to core schools funding by 2022-23, compared to 2019-20.

Overall, core schools funding will increase by £4 billion in 2022-23 compared to 2021-22, a 5% real terms per pupil boost. This includes an additional £1.2 billion for schools in the new Schools Supplementary Grant for 2022-23. Indicative allocations, at local authority level, of the supplementary grant are published at: tinyurl.com/2P9hf2wm.

This additional funding will provide support to schools for the Health and Social Care Levy and wider cost pressures, for example on energy costs

Through the Dedicated Schools Grant and the indicative figures for the Schools Supplementary Grant for mainstream schools combined, school funding in Hartlepool is forecast to see an extra £4.1 million this year. This is an increase of 6.2% per pupil (this per pupil increase excludes "growth" funding for schools experiencing significant increases in pupil numbers). This takes total schools funding for 2022-23 in Hartlepool to £74.8 million.

Schools will have the flexibility to make their own decisions on how to prioritise their spending to invest in a range of resources that will best support their staff and pupils.

All schools continue to be able to access a wide range of school resource management tools. Schools in serious financial difficulty should contact their local authority or the Education and Skills Funding Agency.

Thank you for writing on this important matter and I would be grateful if you would share a copy of my response with Mr Tilling.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Baroness Barran". The signature is written in a cursive, flowing style.

BARONESS BARRAN

PARLIAMENTARY UNDER-SECRETARY OF STATE