

**Report to Hartlepool Schools' Forum 18 November 2022
From Amanda Whitehead – Assistant Director Education**

Item 10: Indicative Schools Block Budget Update 2023/24

1. Introduction

- 1.1 The purpose of the report is to provide indicative Individual School Budgets (ISBs) for 2023/24 following the ESFA's release of the draft Authority Proforma Tool (APT) on 8 August 2022.
- 1.2 Indicative ISBs are currently based on the pupil counts and characteristics from the October 2021 census. Figures will be updated by ESFA during December to reflect the October 2022 census.

2. Background

- 2.1 Schools' Forum are considering the budgets proposed for historic and ongoing commitments from the Central Schools Services Block (CSSB) as a separate agenda item at this same meeting. Should Schools' Forum approve the proposed budgets, an estimated £0.140m will be available to transfer into the Schools Block for 2023/24.
- 2.2 A local Minimum Funding Guarantee (MFG) can be set to a maximum 0.5% for 2023/24 as per the Schools Revenue Funding Operational Guide for 2023/24.
- 2.3 No transfer from the Schools Block to the High Needs Block is proposed for 2023/24.
- 2.4 Forum will recall that DSG Schools Block funding is on the basis of primary pupil numbers multiplied by the Primary Unit of Funding (PUF) and secondary pupil numbers multiplied by the Secondary Unit of Funding (SUF). Although the distribution and allocation of the NFF to individual schools is more complex with multiple formula factors at varying rates, the actual receipt of overall funding is a very simple calculation based on the PUF and SUF.
- 2.5 The table below shows the changes in the PUF and SUF over recent years in both monetary and percentage terms.

Rate	2020/21 Increase		2021/22 Increase*		2022/23 Increase		2023/24 Increase**	
PUF	£127.90	3.00%	£329.19	7.49%	£108.96	2.31%	£263.33	5.45%
SUF	£124.70	2.31%	£485.36	8.80%	£199.35	3.32%	£380.42	6.13%

(*) Increase includes mainstreaming of Teachers Pay and Pension Grant

(**) Increase includes mainstreaming of Supplementary Grant

3. Indicative ISB Modelling for 2023/24

- 3.1 On the basis of pupil counts and characteristics from the October 2021 census, a local MFG of the maximum 0.5% is currently affordable without the implementation of a cap. Affordability is based on the new Primary Unit of Funding (PUF) and

Secondary Unit of Funding (SUF) rates provided by ESFA for 2023/24 multiplied by the October 2021 pupil count. However, this position may change once October 2022 pupil numbers and characteristics are reflected in the formula.

- 3.2 Appendix A lists indicative school budget shares for 2023/24 and assumes that Forum support a maximum MFG of 0.5%. Key assumptions included in Appendix A are:
- Based on pupil numbers and pupils characteristics from the October 2021 census;
 - Includes the transfer-in of £0.140m from CSSB;
 - Applies the maximum MFG of 0.5%;
 - Uses the indicative DSG funding of **£76.511m** for 2023/24 published by ESFA.
- 3.3 Appendix A is repeated to show the same listing in ascending order of pupil numbers. Forum may find this helpful in understanding the impact of the NFF on smaller schools.
- 3.4 Two primary schools receive a minimum per pupil uplift as their per pupil funding does not meet the minimum per pupil guarantee within the formula. This position may change once the NFF is updated for the October 2022 census. Column B indicates those schools where the base formula failed to meet the minimum per pupil amount guaranteed.
- 3.5 Although a number of schools receive less than a 0.5% increase in their overall indicative budget for 2023/24 (shown in column I), all schools receive at least a 0.5% increase per pupil because of the MFG (shown in column J). The 0.5% increase per pupil calculation excludes the lump sum and premises budgets.
- 3.6 Appendix B to the report presents two worked examples taken from Appendix A. The first example illustrates a school that passes the Minimum Per Pupil Funding (MPPF) test and the second school fails the test and therefore receives an uplift to ensure funding is provided to the level of the MPPF (£4,405 for primary schools and £5,715 for secondary schools).
- 3.7 At their meeting on 20 September 2022, Forum received information from the Council's Data Team that suggests an overall reduction of 33 pupils in the October 2022 census (in comparison to October 2021). A reduction in overall pupil numbers in the October 2022 census could mean that a maximum 0.5% MFG is not affordable. Schools' Forum may wish to consider the application of a cap alongside MFG if this is the case once the final NFF is published.
- 3.8 Using forecast DSG funding of **£76.442m** for 2023/24 based on estimated pupil numbers provided by the Council's Data Team (overall reduction of 33 pupils), calculations show that a cap in the region of 3.1% may be required in order to implement a 0.5% MFG. The level of cap is uncertain as, although calculations have been updated to reflect reduced DSG funding using the pupil number forecast, it is not possible to amend the pupil characteristics. Therefore, this can only ever be an approximation.

4. **Recommendations**

4.1 Forum is asked to

- Note the contents of the report;
- approve the application of a maximum 0.5% MFG, with the application of an appropriate cap to make this affordable for 2023/24 ISBs

Please note: Final ISBs will be based upon October 2022 pupil counts and characteristics once they are published by ESFA in December.

All Forum Members are eligible to vote.

APPENDIX A: Indicative ISBs 2023/24

A	B	C	D	E	F	G	H	I	J
School Reference	MPPF Test Result	2023/24 Pre MFG Budget (Excl ESG and De-Del)	MFG 0.50%	Cap	2023/24 Post MFG Budget (INDICATIVE)	2022/23 post MFG Budget (incl supplementary grant)	Budget Increase +£ / Decrease (£)	Budget Increase +% / Decrease (%)	Per Pupil Increase %
1	PASS	1,752,414	0	0	1,752,414	1,709,377	43,037	2.52%	2.73%
2	PASS	784,658	0	0	784,658	764,891	19,767	2.58%	3.12%
3	PASS	8,320,633	0	0	8,320,633	8,099,980	220,653	2.72%	2.79%
4	PASS	7,143,327	0	0	7,143,327	6,960,529	182,798	2.63%	2.68%
5	PASS	8,605,147	0	0	8,605,147	8,373,663	231,485	2.76%	2.82%
6	PASS	937,242	13,600	0	950,842	946,779	4,063	0.43%	0.50%
7	PASS	1,478,049	0	0	1,478,049	1,440,379	37,670	2.62%	2.88%
8	PASS	455,663	51,796	0	507,459	505,583	1,876	0.37%	0.50%
9	PASS	1,508,838	0	0	1,508,838	1,473,365	35,473	2.41%	2.65%
10	FAIL	1,331,588	0	0	1,331,588	1,324,365	7,223	0.55%	0.61%
11	PASS	2,148,394	0	0	2,148,394	2,075,010	73,384	3.54%	3.78%
12	PASS	1,454,735	0	0	1,454,735	1,417,097	37,638	2.66%	2.94%
13	PASS	2,040,556	0	0	2,040,556	1,990,765	49,792	2.50%	2.69%
14	PASS	1,593,135	0	0	1,593,135	1,539,695	53,440	3.47%	3.82%
15	PASS	1,624,131	0	0	1,624,131	1,581,104	43,027	2.72%	2.97%
16	PASS	1,104,143	0	0	1,104,143	1,070,479	33,664	3.14%	3.59%
17	PASS	495,096	57,601	0	552,697	550,595	2,101	0.38%	0.50%
18	PASS	8,135,724	0	0	8,135,724	7,937,218	198,506	2.50%	2.56%
19	PASS	4,958,598	0	0	4,958,598	4,800,467	158,131	3.29%	3.41%
20	PASS	1,029,663	0	0	1,029,663	1,003,888	25,775	2.57%	2.96%
21	PASS	1,358,777	0	0	1,358,777	1,318,405	40,372	3.06%	3.41%
22	PASS	596,386	0	0	596,386	590,800	5,587	0.95%	1.21%
23	PASS	1,071,271	0	0	1,071,271	1,044,526	26,746	2.56%	2.93%
24	PASS	468,002	48,455	0	516,457	514,539	1,918	0.37%	0.50%
25	PASS	1,787,966	0	0	1,787,966	1,732,931	55,035	3.18%	3.52%
26	PASS	1,779,095	0	0	1,779,095	1,734,098	44,997	2.59%	2.85%
27	PASS	1,212,353	0	0	1,212,353	1,171,470	40,883	3.49%	4.06%
28	FAIL	1,599,156	1,836	0	1,600,992	1,593,818	7,174	0.45%	0.50%
29	PASS	1,800,505	0	0	1,800,505	1,784,945	15,560	0.87%	0.96%
30	PASS	1,274,005	0	0	1,274,005	1,241,651	32,354	2.61%	2.98%
31	PASS	2,150,732	0	0	2,150,732	2,075,972	74,760	3.60%	3.94%
32	PASS	1,791,676	0	0	1,791,676	1,767,859	23,817	1.35%	1.48%
33	PASS	1,399,290	0	0	1,399,290	1,363,917	35,372	2.59%	2.95%
34	PASS	649,302	17,433	0	666,734	664,125	2,609	0.39%	0.50%
35	PASS	626,270	1,725	0	627,995	625,521	2,474	0.40%	0.50%
TOTAL		76,466,518	192,446	0	76,658,964	74,789,804	1,869,160		

APPENDIX A REPEATED: Indicative ISBs 2023/24 (Listed in ascending order by pupil numbers)

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3	PASS	8,320,633	0	0	8,320,633	8,099,980	220,653	2.72%	2.79%
TOTAL		76,466,518	192,446	0	76,658,964	74,789,804	1,869,160		

Appendix B: Worked Examples – Minimum Per Pupil Funding (MPPF)

School 8 (89 pupils on roll)	£	Notes
What is the total MPPF guarantee for this school?	392,045	This is calculated as 89 pupils @ £4,405. £4,405 is the MPPF guarantee for primary schools in 2023/24
MPPF Test Result	PASS	
What is the actual MPPF for the school?		
Basic entitlement	302,857	89 pupils @ AWPU (incl CSSB transfer in)
FSM	7,560	
IDACI	4,590	
EAL	0	
Low Attainment	10,428	
Mobility	0	
Lump Sum	128,000	Lump sum per pupil is £1,438.20
Actual MPPF total	453,435	Actual MPPF is £5,094.78
Difference between MPPF guarantee and actual MPPF total	(61,390)	A negative figure here means the school is above the £4,405 MPPF so does not receive an uplift
Budget increase		
	1,876	This is an increase of 0.37%
Explained by:		
Increase in Basic entitlement	15,570	
MPPF Uplift	0	
Increase in FSM	960	
Increase in IDACI	190	
Increase in EAL	0	
Increase in Low Attainment	225	
Increase in Mobility	0	
Increase in Lump Sum	6,700	
Decrease in MFG	(8,776)	
Mainstream supplementary grant	(12,993)	
TOTAL	1,876	

School 10 (301 pupils on roll)	£	Notes
What is the total MPPF guarantee for this school?	1,325,905	This is calculated as 301 pupils @ £4,405. £4,405 is the MPPF guarantee for primary schools in 2023/24
MPPF Test Result	FAIL	
What is the actual MPPF for the school?		
Basic entitlement	1,024,269	301 pupils @ AWPU (incl CSSB transfer in)
FSM	25,560	
IDACI	20,214	
EAL	1,359	
Low Attainment	68,636	
Mobility	0	
Lump Sum	128,000	Lump sum per pupil is £425.25
Actual MPPF total	1,268,038	Actual MPPF is £4,226.93
Difference between MPPF guarantee and actual MPPF total	57,867	The actual MPPF is below the guarantee of £4,405 so the school receives an uplift
Budget increase		
	7,223	This is an increase of 0.55%
Explained by:		
Increase in Basic entitlement	52,657	
MPPF Uplift	(22,553)	
Increase in FSM	2,940	
Increase in IDACI	876	
Increase in EAL	35	
Increase in Low Attainment	1,486	
Increase in Mobility	0	
Increase in Lump Sum	6,700	
Decrease in MPPF Uplift	0	
Mainstream supplementary grant	(34,917)	
TOTAL	7,223	