

Finance Department

Reply to Michelle Hibbert
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February 2022

Dear Colleague

DRAFT - School Budget Share 2022-23

Outlined below and in the accompanying annexes are the details of your **DRAFT** budget share for 2022-23. The Schools Forum considered the 2022-23 budget at its meeting on 13 January 2022 and the Local Authority (LA) has subsequently submitted the funding formula pro-forma template to the Education and Skills Funding Agency (ESFA) for approval.

Academies should note that this information is indicative only, as actual allocations will be notified by the ESFA in their General Annual Grant (GAG) statement.

Further information on the school funding allocation for 2022-23 is outlined in the January 2022 Schools Forum [papers](#), the budget toolkit on the Local Management of Schools (LMS) [website](#) and Annex A to this letter.

Please review this information carefully and if you have any queries please contact the Schools Finance Team by email at schoolsfinance@milton-keynes.gov.uk.

Budget Setting 2022-23

Guidance notes to assist schools with budget setting will be available on the LMS website in February 2022 – please ensure you read the guidance thoroughly.

Budget plans must be submitted by 1 May 2022, following approval by your governing body or a committee authorised to approve the budget.

Schools are not permitted to plan for a deficit budget in normal circumstances so if you are having difficulty setting a balanced budget for 2022-23 please contact Michelle Hibbert **as soon as possible**. A reminder on the rules for deficit balances is outlined in the [Scheme for Financing Schools](#).

3 Year Budget Plans

It will continue to be a requirement as per The Scheme for Financing Schools for maintained schools to provide LAs with three-year budget forecasts. Schools will be required to submit their 3 year plans to the LA no later than 30 June 2022.

Further guidance and budget templates to complete will follow.

Yours sincerely

Sonia Hattle

Sonia Hattle
Senior Finance Manager

Annex A

Schools Block Funding 2022-23

The components for determining the total funding allocations for each school can be summarised as follows:

- [Primary and Secondary School Funding Formula](#)
- [Early Years National Funding Formula](#)
- [High Needs Places](#)
- [Top Up Funding for High Needs Pupils](#)
- Post 16 funding - these will be determined by ESFA.
- [Government Grants](#)
- [Growth Funding](#) – in addition some schools may receive funding for planned growth in pupil numbers. This is determined in line with the growth fund criteria agreed by the Schools Forum.

National Funding Formula Factors – Schools Block

Basic Entitlement and Age Weighted Pupil Unit (AWPU)

The unit rate applies to each pupil on roll at the October 2021 census, including occupied places in special units and adjustments for approved growth places in new and growing schools.

Deprivation

Funding for deprivation is allocated to schools using a combination of free school meals (FSM), FSM Ever6 eligibility and the income deprivation affecting children index (IDACI) data for each school.

Eligibility for FSM uses the previous October census and Ever6 FSM (pupils entitled to free meals at any time in the last 6 years) from the previous January census.

The funding through IDACI is designed to meet the additional educational needs of children from deprived backgrounds. The DfE have determined that if LA's use IDACI in their funding formula they must use six bands, the bands are configured on the probability that a pupil comes from a deprived background based on the postcode of the home of the pupil using IDACI criteria. There are 7 IDACI bands A to G where A is the highest level of deprivation, although funding is allocated to bands A to F.

Minimum per Pupil Funding (MPPF)

The minimum per pupil funding factor is a mandatory factor from 2020-21. The MPPF sets the minimum per pupil funding that each school attracts through the NFF, this minimum refers to the level in £ of per-pupil funding schools attract through the NFF.

For each school, the minimum per pupil is a weighted average of the minimum per pupil for primary, KS3 and KS4, with the weighting determined by the number of year groups in the

relevant phase that are present at the school. Only the year groups that contain pupils are counted in this calculation.

Year groups	2022-23 minimum per pupil funding level
Primary	£4,265
KS3	£5,321
KS4	£5,831

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.

English as an Additional Language (EAL)

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. LA's can choose to use indicators based on one, two, or three years, however Milton Keynes has applied this factor at three years in line with the National Funding Formula (NFF).

Prior Attainment

This funding is based on prior attainment of pupils and is allocated to fund the low level special educational needs of children and contribute to the first £6,000 of needs of pupils with higher needs.

This factor is applied for: -

- Primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP).
- Secondary pupils not reaching the expected standard in KS2 at either reading or writing or maths.

Since 2017-18, the low prior attainment factor for some secondary year groups has been weighted so that those who sat the more challenging KS2 tests (introduced in academic year 2015-16) do not have a disproportionate influence within the total for the prior attainment factor in the mainstream formula.

In 2022-23, the ESFA has carried forward the weightings it used in 2021-22 for the year 7 to year 10 cohorts, so they will apply to the year 8 to year 11 cohorts respectively.

For the financial year 2022-23, the weightings are:

- pupils in year 7 to 9 inclusive in October 2021: 65%
- pupils in year 10 in October 2021: 64%
- pupils in year 11 in October 2021: 58%

Following the cancellation or incompleteness of assessments in summer 2020 and summer 2021 due to coronavirus (COVID-19), it is not possible to use this data as part of setting a low prior attainment factor in local funding formulae. Instead, 2019 assessment data will be used as a proxy for assessments which would have taken place in 2020 and 2021. The same national weighting of 65% for pupils in year 9 will also be used for those who are years 7 and 8 in the academic year 2022-23.

Pupil Mobility

The mobility factor allocates funding to schools with a high proportion of pupils with an entry date in the last 3 years which is not typical. For 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 in October or January.

To be eligible for mobility funding, the proportion of mobile pupils a school has must be above the threshold of 6%. An amount per-pupil is then allocated to all mobile pupils above that threshold.

Sparsity

Schools that are eligible for sparsity funding must meet two criteria: -

- They are located in areas where pupils would have to travel a significant distance to an alternative should the school close.
- They are small schools, based on average year group size.

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, the ESFA take all the pupils for whom it is the nearest compatible school and find the average shortest road distance from these pupils' home post codes to their second nearest compatible schools.

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.

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.

There has been an increase in the NFF factor values for 2022-23 for sparsity to increase the overall allocation and prioritise small, remote primary schools.

Lump Sum

This is set at a fixed amount for every school in line with the NFF rates.

Split Site

The purpose of this factor is to support schools that have unavoidable extra costs because the school buildings are on separate sites. Allocations for 2022-23 have been adjusted in line with the NFF lump sum rate £90,975 or £60,650 for a large school (75% or 50% of the £121,300 lump sum), the distance requirement is over 500 metres apart and separated by a public highway. A large primary school is defined as having capacity for 420 pupils on each site and a large secondary at least 750 pupils on each site.

Rates

Funding for the cost of rates will no longer be passed to schools through the school budget share, instead rates will be paid to billing authorities directly by the ESFA to settle schools rates liabilities. This is new from 2022-23.

Unit Rates

The DfE NFF unit rates have been applied but adjusted by the Milton Keynes area cost adjustment (ACA) of 1.02863. This ACA uplift does not apply to either the lump sum or the sparsity amounts. The split site factor is yet to be determined under the NFF and therefore remains under local decision making.

Pupil Count

The pupil count is based on the October 2021 census, including occupied places for pre-16 pupils in special units.

The ESFA have advised that all new and growing schools should be funded through the funding formula on the basis of estimated numbers. This means a school expanding by one year group of 30 pupils will be funded based on the census plus an additional 30 pupils for 7 months of the year (September to March) i.e. $7/12 \times 30 =$ an additional 17.5 pupils.

Information on weighted pupil numbers to be applied was reported to Schools Forum in October 2021 and January 2022.

Post 16

Funding is allocated by the ESFA on an academic year basis, therefore funding is currently available for April to July 2022 only. Further funding information will be issued to maintained schools for August 2022 to July 2023 when this is available.

Early Years

For 2 year olds the rate will be paid at £5.45 per hour, an increase of £0.11 per hour from the 2021-22 rate. The same rate will be payable to all provider types.

For 3 and 4 year olds the rate will be paid at £4.80 per hour, an increase of £0.09 per hour from the 2021-22 rate. The same rate will be payable to all provider types.

Budgets will be issued in February using estimated hours of take up; this will include deprivation calculations using postcode data from the January 2022 census, matched to the English indices of deprivation measure updated in September 2019.

De-Delegation

There was agreement with Schools Forum in October 2021 by maintained primary school members to de-delegate funding for the following services: -

Service	Basis of Allocation
Facilities Time – Support Staff	Number on roll
Insurance	Number on roll

CAP

No gains cap has been applied to funding for 2022-23 meaning that all schools will attract their full formula allocation.

Minimum Funding Guarantee (MFG)

Local authorities are able to set an MFG between +0.5% and +2.0% per pupil. The Milton Keynes formula has been set at +0.5%, this will ensure that all schools will see a funding increase on a per pupil level.

MFG protects 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.

The following formula factors are automatically excluded from the MFG calculation, as not doing so would result in excessive protection, or would be inconsistent with other policies: -

- The 2022-23 lump sum; this is excluded from both the baseline and 2022-23 funding so that schools are protected against significant change in the lump sum between years.
- The 2022-23 sparsity factor; this is excluded from both the baseline and 2022-23 funding so that schools are protected against significant change in the sparsity value between years.

Government Grants

Pupil Premium

The government has confirmed that Pupil Premium will continue in 2022-23, the rates will increase in line with inflation: -

	2022-23
Free School Meal – Primary	£1,385
Free School Meal – Secondary	£985
Service children	£320
Looked after children – to be allocated by the virtual head teacher	£2,410

The allocations will be based on the October 2021 census data, just as the October 2020 census was used for the 2021-22 pupil premium allocations. Exceptions to that include alternative provision and pupil referral units where eligibility will continue to be based on the January census. Schools are encouraged to ensure all eligible pupils are recorded on the census. Eligibility is based on a number of criteria: -

Disadvantaged Children ‘Ever FSM 6’ Eligibility

The pupil premium for 2022-23 will be £1,385 per primary pupil (2021-22 £1,345) and £985 per secondary pupil (2021-22 £955). The pupil premium for 2022-23 will include pupils recorded in the October 2021 school census who have had a recorded period of FSM eligibility since Jan 2015, as well as those first recorded as eligible at October 2021.

Service Children “Ever 6” Eligibility

The rate for 2022-23 will be £320 (2021-22 £310) for each pupil in year groups reception to year 11 who is either an Ever 6 service child or in receipt of child pension from the Ministry of Defence. An Ever 6 service child means a pupil recorded in the October 2021 census who was eligible for the service child premium since the January 2015 census as well as those recorded as a service child for the first time on the October 2021 school census.

Looked After Children

The rate for 2022-23 will be £2,410 (2021-22 £2,345) for each eligible looked after child. The eligibility covers all those who have been looked after for one day or more as recorded in the March 2021 children looked-after data return (SSDA903) and aged 4 to 15 at 31 August 2020. The virtual school head will work closely with schools to ensure that, as the ‘corporate parent’ of looked after children the funding is used to maximum effect.

The pupil premium for 2022-23 will include pupils recorded in the October 2021 school census and alternative provision census, who were looked after by a local authority immediately before being adopted, or who left local authority care on a special guardianship order or child arrangements order (previously known as a residence order). These are collectively referred to as post-LAC and will also be eligible of funding at £2,410.

Early Years Pupil Premium

Early Years Pupil Premium is payable to schools, nurseries and childminders, who will receive £342 per year for every eligible 3 and 4 year old. The additional funding is to support disadvantaged children and will be applied where the child is from a low income family or where the child is looked after or has left care through an adoption order, special guardianship order or a child arrangements order.

The DfE will continue to require schools to publish online information about how they have used the Pupil Premium. This is intended to enable parents and others to monitor the achievement of pupils covered by the Pupil Premium.

Universal Infant Free School Meals (UIFSM)

The Universal Infant Free School Meals grant (UIFSM) is allocated on an academic year and the funding is agreed until August 2022. The allocation is based on the average number of meals recorded in the school census in October 2021 and January 2022 is paid at a rate of £2.34 per meal (same rate as 2021-22).

Primary PE and Sports Premium

The Primary PE and Sports Premium grant is allocated on an academic year and the funding is agreed until August 2022. Further announcements on this grant funding are expected in the new year.

In 2021-22 the allocation was based on the number of pupils in years 1 to 6 as recorded in the January 2021 census.

- Schools with 16 or fewer pupils received £1,000 per pupil
- Schools with 17 or more pupils received £16,000 + £10 per pupil.

Further guidance can be found [here](#).

National Tutoring Programme in Schools

The government have announced that it will be investing a further £1bn in its education recovery programme over the next 3 years which includes an expansion to the NTP which will support up to 6 million pupils aged 5 to 16 and 15-hour tutoring packages.

There are three subsidised tutoring options available to schools for the 2021/22 academic year. Further information on each is as follows [Tuition Partners, Academic Mentors and School-led Tutoring](#)

State-funded schools and academy trusts in England will receive £202.50 per pupil for 60% of their pupils that are eligible for pupil premium, from year 1 to year 11.

School Improvement Monitoring and Brokering

School improvement is not included in the NFF arrangements and LAs receive the school improvement monitoring and brokerage grant to support them in delivering their school improvement functions in maintained schools, to monitor the performance of maintained schools, broker school improvement provision and exercise their statutory intervention powers. MK's allocation for 2021-22 funding was £0.270m and for 2020-21 £0.298m.

The consultation response published in January 2022 confirms the grant will be reduced by 50% for 2022-23 and will be fully removed from 2023-24.

Recovery Premium Funding

The government have announced a one-off premium as part of its package of funding to support education recovery. The recovery premium provides additional funding for state-funded schools in the 2021-22 academic year. Building on the pupil premium, this funding will help schools to deliver evidence-based approaches for supporting disadvantaged pupils.

The rates will be as follows:

- Mainstream schools will get:
 - £145 for each eligible pupil in mainstream education
 - £290 for each eligible pupil in a special unit

Further information on the funding can be found [here](#).

High Needs Funding

The high needs funding system supports provision for children and young people with special education needs and disabilities (SEND) from their early years, up to the age of 25. The block includes funding for pre-16 and post-16 places in both maintained and academy special schools, alternative provision, pupil referral units and further education institutions. The high needs block funds commissioned places in these settings, together with top up funding for individual pupils and students. The 2022-23 high needs funding rates can be found on table 1 below:

Table 1: High Needs Funding Rates

Description	Hourly Rates	Annual Payment	Monthly Payment	Comments
SEN Funding:				
Mainstream Top up Funding (for a child with an EHCP)	£12.65			Annual payment dependant on hours agreed at SEN Panel
SEN Support Funding (for a child without an EHCP)	£12.65			Annual payment dependant on hours agreed at SEN Panel for a fixed period
Disability Access Fund (DAF)		£800.00		Must be claimed by school and paid in a lump sum
Early Years Inclusion Grant	£12.65			Annual payment dependant on hours agreed at SEN Panel
Additional Notional SEN Payment				Different for every school, dependant on number of children with an EHCP compared to trigger point
Department Rates:				
Place funding (if filled) for all departments per place		£6,000	£500	Place filled / unfilled is determined at census date
Place funding (if unfilled) for all departments per place		£10,000	£833	Place filled / unfilled is determined at census date
Caroline Haslett Primary		£5,432	£453	
Charles Warren Academy		£14,882	£1,240	
New Bradwell - Communication		£10,449	£871	
Shepherdswell Academy - Communication		£14,882	£1,240	
Orchard Academy - Communication		£10,449	£871	
Radcliffe - Social Communication Pre-16		£10,357	£863	
Radcliffe - Social Communication - Post-16		£10,357	£863	
St Paul's Catholic School - Social Comm Pre-16		£10,633	£886	
St Paul's Catholic School - Social Comm Post-16		£10,633	£886	
St Paul's Catholic School - HI Pre 16		£22,579	£1,882	
St Paul's Catholic School - HI Post-16		£21,759	£1,813	
St Paul's Catholic School VI Pre-16		£14,992	£1,249	
St Paul's Catholic School - VI Post-16		£14,172	£1,181	
Stantonbury Campus - Social Comm Pre-16		£11,946	£996	
Stantonbury Campus - Social Comm Post-16		£11,946	£996	