

<b>REPORT:</b>	<b>CABINET</b>	
<b>DATE OF DECISION</b>	<b>25th January 2023</b>	
<b>REPORT TITLE:</b>	<b>Dedicated Schools Grant (DSG) School Funding 2023/24 Formula Factors</b>	
<b>CORPORATE DIRECTOR / DIRECTOR:</b>	<b>Debbie Jones, Interim Corporate Director of Children, Young People &amp; Education</b>	
<b>LEAD OFFICER:</b>	<b>Shelley Davies Director, Education</b>	
<b>LEAD MEMBER:</b>	<b>Cllr Gatland – Cabinet Member for Children, Young People &amp; Learning</b>	
<b>AUTHORITY TO TAKE DECISION:</b>	<b>Cabinet as required in line with the DSG grant conditions. Ref. ESFA Operational Guide published on the 13th of October 2022</b>	
<b>KEY DECISION?</b> [Insert Ref. Number if a Key Decision]	<b>Yes</b>	<b>REF. NO: 8122EM</b>  <b>This is a statutory requirement under the DfE governance process in setting and allocating the annual Schools Block funding allocation of £301.8m for 2023/24</b>
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>NO</b>	<b>Public</b>
<b>WARDS AFFECTED:</b>	<b>All</b>	

## 1 SUMMARY OF REPORT:

- 1.1 Dedicated School Grant (DSG) is a ring-fenced grant of which the Schools Block element is used to fund individual school's budgets in Croydon maintained schools and academies.
- 1.2 This report provides the basis for the final funding allocation across Croydon individual school budgets approved by Schools Forum on the 7<sup>th</sup> of November 2022. This paper is to inform cabinet about how the budget was set and to seek cabinet approval prior to updating the DfE Authority Proforma Tool (APT) which is a model used in setting the schools budget before submission to ESFA by the set January 2023 deadline.
- 1.3 The Local Authority is responsible in setting the £301.8m annual school's budget for Croydon. There are currently 109 schools with a total population of 50,330 pupils accordingly to the most recent DfE statistical data. The 109 schools comprise of 86 Primary schools and 22 secondary schools. There is only one all-through school making a total of 109 schools.

## **2 RECOMMENDATIONS**

- 2.1 The Executive Mayor in Cabinet is recommended to approve the provisional funding formula for Croydon schools for the financial year 2023/24 for both maintained schools and academies in line with the recommendations voted for by School Forum.
- 2.2 The Executive Mayor in cabinet is asked to also note the DfE optional factors values reported in table 3 in section 6.1 and paragraphs 6.4 to 6.14 (summarised in table 3) which forms the bases underlying the draft budget for 2023/24
- 2.3 The Executive Mayor in cabinet is finally asked to note the three new underlisted requirements for setting the 2023/24 school's budget. These are:
  - (a) Local authorities will only be allowed to use National funding formula (NFF) factors in their local formulae.
  - (b) Local authorities must use all NFF factors – except for the locally determined premises factors which remain optional, and the fringe factor which is compulsory for the 5 local authorities on the fringe.
  - (c) Local authorities must also move their local formula factor values to at least 10% closer to the NFF, except where local factor is already mirroring the NFF

## **3 REASONS FOR THE RECOMMENDATIONS**

- 3.1 The DSG governance arrangements referred to in section 37.3 of the 2023/24 ESFA operational guide published on the 13th of October 2022 clearly states that the local authority needs to seek political approval of the formula factors by mid-January 2023, prior to the submission of the authority pro-forma tool, which specifies Croydon's schools funding formulae.
- 3.2 Schools Forum has already discussed and considered all the optional factor values and its implications and thereafter voted for the options which best support the needs of our school community. Their recommendations are all in line with the DfE strategic approach of further aligning schools' budget close to the DfE National Funding Formula.

## **4. BACKGROUND AND DETAILS**

- 4.1 Local Authorities receive annual notification of funding as well as funding methodology from the Department for Education (DfE) as part of the School's Annual Budget Setting process. This information is provided via the DfE through information sharing portal as well as published in the DfE Annual Schools Block Operational Guide. The guide provides useful updates from the DfE regarding the National Funding Formula for the following year and how local authorities are expected to calculate their individual schools' budgets
- 4.2 This report outlines the factors agreed at Schools Forum on the 7<sup>th</sup> of November 2022, which were proposed for setting of the school's budgets for 2023/24 through the Authority Proforma Tool (APT). These factors were consulted on through the Schools Block meeting and were voted on and approved at the meeting on 7<sup>th</sup> of November 2022.
- 4.3 The next stage is to seek political approval of the formula factors listed in table 3. This paper highlights the voting results by the members of the school's forum regarding the chosen optional value assigned to each of the compulsory and optional factors.

## 5. DEDICATED SCHOOLS GRANT ALLOCATION

### 5.1 New funding regulations – 2023/24

5.1.1 The (DfE) has taken another major step this year towards the National Funding Formula implementation by requesting additional changes to how the 2023/24 schools' budget should be set. The (3) important requirements are as follows:

- (c) local authorities will only be allowed to use NFF factors in their local formulae. This means that the looked after children (LAC) factor will no longer be an allowable factor.
- (d) local authorities must use all NFF factors – except for the locally determined premises factors which remain optional, and the fringe factor which is compulsory for the 5 local authorities on the fringe. This means that local authorities will have to use all 3 deprivation factors (FSM, FSM6 and IDACI), as well as LPA, EAL, mobility, sparsity, and the lump sum.
- (c) local authorities must also move their local formula factor values to at least 10% closer to the NFF, except where local factor is already mirroring the NFF. The 10% movement is calculated such that local authorities bring their local formula factor much closer to the NFF. The deviation is ascertained by comparing to the difference between the local factor value and the NFF value in 2022 to 2023. These criteria do not apply to locally determined factors – notably the premises factors.

5.1.2 Local authorities are therefore expected to set the funding allocations for schools through a formula in line with the new directive above. This paper sets out the new compulsory and optional factors expected to be used in line with the new DfE directive. Schools' forum therefore decided to select one of the three options (a minimum rate based on 10% deviation, the national rate, or the maximum cap of 2.5% above the national rate) presented in this paper.

5.2 The school's block DSG is a ring-fenced grant, but local authorities can transfer up to 0.5% of their school's block funding into another block, with the approval of their school's forum. The Local Authority would likely consider a request from Schools forum to transfer between 0.3% to 0.5% from school's block to the High Need blocks next year to support the locality funding.

5.3 The NFF provisional allocation for 2023/24 is below in Table 2. The funding is an indicative allocation and subject to change following pupil numbers adjustments after the October census. Final allocations have in prior years been issued in late December. The movement shows an indicative increase of £13.8m from the 2022/23 final allocation.

**Table 2 Schools Block provisional allocation 2023/24**

	Total 2022/23 final allocation	Provisional funding in 2023/24	Movement
Schools block allocation	£285,631,819	£299,439,818*	£13,807,999

ESFA 19/07/2022 Published data\*

## 6 FORMULA FACTORS

6.1 The formula factors expected to be used this year are summarised here in Table 3.

**Table 3 - Formula factors used in Croydon 2023-24**

Para No.	Formula factor	Approval type -2023/24
6.2	Minimum per pupil funding	To note (compulsory factor and rate) (Need to add a row for split site)
6.3	Age weighted pupil unit (Basic Entitlement)	To note (compulsory factor and local rate)
6.4	Deprivation - IDACI	To note (compulsory factor) NFF and Local rate used last year.
6.5	Deprivation – FSM & FSM6	To note (compulsory factor and NFF rate adopted)
6.6	Low prior attainment	To agree (compulsory factor and NFF rate adopted)
6.7	English as an additional language	To agree (compulsory factor and NFF are adopted)
6.8	Looked after children	(This must be removed by DfE rule)
6.9	Lump Sum	To agree (compulsory and local factor used last year)
6.10	Mobility	To agree (compulsory)
6.11	Private Finance Initiative – base rate increase	To agree (optional but needs Schools Forum consideration on Amount and RPIX measure of inflation)
6.12	Minimum Funding Guarantee	To agree (compulsory) and part of the DfE Model
6.13	Growth Funding	Criteria for growth and no change expected on agreed rate for 2024/25
6.14	Split Site	Optional Factor – Same criteria and approved rate as agreed last year
6.15	Sparsity and London Fringe	Sparsity is compulsory but none of Croydon schools falls within the eligibility criteria on <u>distance</u> and <u>pupil numbers</u> , therefore this factor not applicable. Croydon is also not considered as “London Fringe” Local Authority

### 6.2 Minimum per pupil level funding

Minimum per pupil funding level is set by the NFF to ensure that each pupil attracts a basic level of funding thus ensure that if no other factor is relevant that there is a minimum level each pupil at each school phase should be funded for.

**Table 4****Rates for Minimum per pupil level funding**

School phase	2023/24 NFF Minimum rate per pupil	2023/24 NFF Mid-rate per pupil	2023/24 NFF Maximum rate pupil (2.5 % above NFF)
Primary school	To be updated	To be updated	To be updated
Secondary school	To be updated	To be updated	To be updated

## 6.2.1 Schools Forum to note once completed

6.3 Age weighted pupil unit (AWPU)

The funding formulae will calculate our rate of AWPU **after** all the other factors amounts have been allocated. The AWPU rates applied last year as well as the new funding limits set by the DfE after completion of the model with agreed factors is as shown below.

**Table 5 AWPU rates with DfE Recommendations**

Factor	22-23 NFF including ACA	22-23 APT	Difference between 22-23 APT and 22-23 NFF	23-24 APT minimum	23-24 NFF including ACA*	23-24 APT maximum
A	B	C	D	E	F	G
Primary basic entitlement	£3,487.55	£3,783.18	£295.63	£3,592.18	£3,684.29	£3,950.36
KS3 basic entitlement	£4,917.48	£4,826.68	-£90.80	£5,064.40	£5,194.26	£5,324.12
KS4 basic entitlement	£5,541.92	£5,135.23	-£406.69	£5,488.24	£5,854.26	£6,000.62

\* Area Cost Adjustment - The Area Cost Adjustment (ACA) is a tool used to measure this variation in costs for local authorities in England

## 6.3.1 School's Forum to note the final AWPU once determined after the LA receives the final allocation from the DfE and after all other factors have been distributed.

6.4 Deprivation - IDACI

This is a compulsory factor and is made up of 3 elements; free school meals (FSM), free school meals 6 (FSM6) and the income deprivation affecting children index (IDACI). Schools Forum can choose to use free school meals (FSM and FSM6) and/or IDACI.

DfE have set revised IDACI banding rate amounts. The intention is for this factor to be moved to a 'hard formula' to introduce nationally consistent factor values. See Appendix A for definition of FSM6 relates to and the IDACI movements. Total value for IDACI last year was £10.271m.

**Table 6 IDACI rates Primary Schools**

School phase	Primary schools			
	2022/23 IDACI rate per primary pupil used in Croydon	2023/24 NFF Minimum rate per pupil	2023/24 NFF rate per pupil	2023/24 NFF Maximum rate pupil
IDACI Band F	£212	£225.82	£249.67	£255.91
IDACI Band E	£262	£276.31	£303.95	£311.55
IDACI Band D	£402	£429.64	£477.63	£489.57
IDACI Band C	£443	£470.94	£521.05	£534.08
IDACI Band B	£486	£512.93	£553.62	£567.46
IDACI Band A	£717	£709.12	£727.31	£748.16

**Table 6B IDACI rates Secondary Schools**

School phase	Secondary schools			
	2022/23 IDACI rate per secondary pupil used in Croydon	2023/24 NFF Minimum rate per pupil	2023/24 NFF rate per pupil	2023/24 NFF Maximum rate pupil
IDACI Band F	£302	£323.23	363.65	372.74
IDACI Band E	£411	£438.29	483.06	495.14
IDACI Band D	£554	£591.09	673.03	689.85
IDACI Band C	£613	£655.66	738.16	756.61
IDACI Band B	£685	£725.95	792.44	812.25
IDACI Band A	£1,015	£984.30	1,009.54	1,054.68

#### 6.4.1 Use IDACI as a method of calculating deprivation by:

- (a) Moving to the minimum national average rate set by in the NFF rate per pupil\* or
- (b) Moving to the average national NFF rate. **Recommended for Band B to Band F. Voted**
- (c) Moving to the maximum rate above NFF. **Recommended for Band A only. Voted**

#### 6.5 Deprivation free school meals (FSM) and (FSM6)

Schools receive funding for all FSM eligible pupils through this factor. In 2022/23 Croydon followed the NFF rates and distributed £19.095m through this factor. The rates per school phase varies for each of the two elements (FSM rates and FSM6).

**Table 7 FSM rates**

School phase	2022/23 rate per pupil - FSM	2023/24 NFF Minimum rate per pupil	2023/24 NFF rate per pupil	2023/24 NFF Maximum rate pupil
Primary school	£470	£485.48	£521.05	£534.08
Secondary school	£470	£485.48	£521.05	£534.08

**Table 7B FSM6 rates**

School phase	2022/23 rate per pupil - FSM6	2023/24 NFF Minimum rate per pupil	2023/24 NFF rate per pupil	2023/24 NFF Maximum rate pupil
Primary school	£590.00	£720.64	£765.30	£784.43
Secondary school	£865.00	£1,052.62	£1,118.10	£1,146.05

- #### 6.5.1
- (a) Moving to the minimum national average rate set by in the NFF rate per pupil\* or
  - (b) Moving to the average national NFF rate. **Option B voted for FSM and FSM6**
  - (d) Moving to the maximum rate above NFF

#### 6.6 Low prior attainment

This is now a compulsory factor which Croydon will use again this year. It is a rate per pupil per school phase and is set locally. In the 2022/23 allocation Croydon distributed £16.4m through this factor. The APT tool automatically provides the number of pupils who are eligible (based off the prior year census data). See Appendix A for definition of Low Prior Attainment and the pupils in this category

The DfE uses a weighting system to identify the number of pupils qualified. For the financial year 2023 to 2024, the weightings are:

pupils in year 7 in October 2022: [will be calculated in autumn 2022]  
 pupils in years 8 to 10 in October 2022: 65%  
 pupils in year 11 in October 2022: 64%

The weightings will operate in the same way as in 2022: 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.

LPA funding has been 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.

**Table 8 Low Prior Attainment rates**

School phase	2022/23 NFF rate per pupil	2023/24 NFF Minimum rate per pupil	2023/24 NFF rate per pupil	2023/24 NFF Maximum rate per pupil
Primary school	£1,130.00	£1,168.26	£1,253.79	£1,285.13
Secondary school	£1,710.00	£1,770.25	£1,899.68	£1,947.17

6.6.1 The Low Prior Attainment agreed rate should:

- (a) Moving to the minimum national average rate set by in the NFF rate per pupil\* or
- (b) Moving to the average national NFF rate. Option B voted by Forum for LPA.
- (c) Move above the average national NFF rate

6.7 English as additional language (EAL)

This is an optional factor but has been used in the Croydon local formula. This rate per pupil per phase had been set locally. In the 2022/23 allocation Croydon distributed £4.829m through this factor.

**Table 9 EAL rates**

School phase	2022/23 midpoint rate per pupil	2023/24 NFF Minimum rate per pupil	2023/24 NFF rate per pupil	2023/24 NFF Maximum rate per pupil
Primary school	£565.00	£586.84	£629.61	£645.35
Secondary school	£1,530.00	£1,583.05	£1,698.85	£1,741.33

6.7.1 The English as an additional language factor rate should:

- (a) Moving to the minimum national average rate set by in the NFF rate per pupil\* or
- (b) Moving to the average national NFF rate. Option B voted by Forum for EAL
- (c) Move above the average national NFF rate

## 6.8 Looked after children

This rate per pupil per school phase is set locally using the 2022/23 local rate Croydon distributed £167k through this factor. This factor is no more expected to be applied from 2023/24.

**Table 10 Looked after Children rate**

School phase	2022/23 proposed rate per pupil	Number of pupils
Primary school	£500	145
Secondary school	£500	192

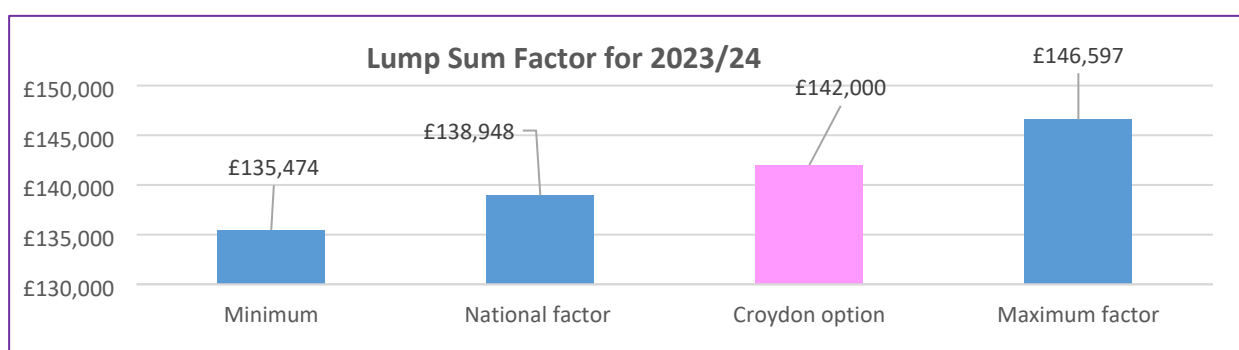
6.8.1 The Schools Block should decide how the service is expected to be funded. Either de-delegated/allocated to the funding to Virtual Schools team directly  
**Recommended - School block working Group requested de-delegation to support the service using the rates per pupil shown in table 10 and ensure the right DfE funding regulations followed. Agreed £210k.**

## 6.9 Lump Sum

Each school receives a lump sum. In 2021/22 and 2022/23, the local lump sum per school was £140,000 and resulted in a distribution of £15.300m and £15.260m respectively. The published NFF rate is £138,947 for Primary schools and Secondary schools.

**Table 11 Lump sum rates**

School phase	2021/22 Local rate per school	2023/24 NFF Minimum rate per pupil	2023/24 NFF Mid rate per pupil	2023/24 NFF Maximum rate pupil
Secondary school	£140,000	£135,474	£138,948	£146,597
Primary school	£140,000	£135,474	£138,948	£146,597



6.9.1 The lump sum factor should:

- (a) Moving to the minimum national average rate set by in the NFF rate per pupil\* or
- (b) Moving to the average national NFF.
- (c) Move above the average national NFF rate
- (d) Steering Group recommended £142,000. Option "D" voted by Forum**

## 6.10 Mobility

The mobility factor allocates funding to schools with a high proportion of pupils who first join on a non-standard date. Mobility funding was previously allocated on the basis of historic



spend. However, for 2020/21, the DfE developed a new methodology that enables calculation of allocations of this funding on a formulaic basis. Rather than relying on a single census, the methodology involved 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 considered a mobile pupil.

To be eligible for mobility funding, the proportion of mobile pupils a school has must be above the threshold of 6%. A per pupil amount will then be allocated to all mobile pupils above that threshold. See Appendix A for definition of Mobility and the schools and school phases impacted. The total amount paid last year on this factor was £441.7k.

**Table 12 Mobility rates**

School phase	2022/23 Local rate (@NFF)	2023/24 NFF Minimum rate per pupil	2023/24 NFF rate per pupil	2023/24 NFF Maximum rate per pupil
Primary school	£925	£955.81	£1,025.83	1051.47
Secondary school	£1,330	£1,375.65	£1,476.32	1513.23

6.10.1 The Mobility factor should:

- (a) Moving to the minimum national average rate set by in the NFF rate per pupil\* or**
- (b) Moving to the average national NFF rate Option “B” voted by Forum.**
- (c) Move above the average national NFF rate**

6.11 Private Finance Initiative

Croydon has one PFI school and therefore uses this factor. The purpose of the factor is to fund the additional costs to a school of being in a PFI contract. The agreed amount paid last year was £547k.

6.11.1 The PFI factor should:

- a) Inflationary increase to be applied to last year’s rate.**
- b) Stay the same as last year’s rate.**
- c) Reduce last year’s rate by £100k to £447,000. Option “C” voted by Forum.**

6.12 Minimum funding guarantee (MFG)

MFG protects schools’ budgets from large changes in funding based on factor changes. It protects on £/per pupil basis but does not protect against a fall in pupil numbers.

Local authorities have the freedom to set the MFG in their local formulae between +0.0% and +0.5% per pupil. All of Croydon schools have reached and exceeded these increases using the NFF rates. Proposed to keep the limit of +0.5% in 2023/24.

**Table 13 MFG rates**

Year	MFG	Using NFF rate for all factors
2016/17	£11,425,730	
2017/18	£3,861,329	
2018/19	£2,362,522	
2019/20	£1,143,179	
2020/21	£670,987	
2021/22	£87,337	
2022/23	TBA	£101,196

6.12.1 Schools Forum were asked to note the set MFG

6.13 Growth funding

The criteria for growth funding for schools was reviewed and approved by Schools Forum on 5th October 2020. The rates for various parts of the growth fund will be applied to the schools that meet the growth criteria and have been confirmed by the Schools Admissions Team.

**Table 14 Growth rates**

Year	Growth
2017/18	£3,002,894
2018/19	£3,365,680
2019/20	£2,279,811
2020/21	£1,708,617
2021/22	£1,914,299
2022/23	£1,369,581
2023/24	To be confirmed

**6.13.1 Schools Forum are requested to note the above and agree that this sum be allocated to schools that meet the growth criteria.**

6.14 Split site factor

An updated criteria was approved last year with a value of £50k per split site.

(Schools block working Group recommended keeping last year's criteria and agreed by Forum).

6.15 Sparsity factor

This is now a compulsory factor from 2023/24. This factor distributes funding to schools that are remote, measured by sparsity distances, and are small, based on average year group size. 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 from these pupils' home postcodes to their second nearest compatible schools. None of Croydon falls reaches the DfE threshold hence not applicable.

**7. CONSULTATION**

7.1 Croydon Schools Forum has a statutory consultative and advisory role in respect of school funding and consultation took place at the meeting of 17th October 2022 and 7th November 2022. Schools Forum reviewed the modelling within each of the proposed options recommended for each of the above factors. The formula proposals have been

communicated to schools via the schools Forum papers. The responsibility for approving the funding formula now rests with the LA as required by the DfE Governance arrangements.

## **8. FINANCIAL IMPLICATIONS**

8.1 Whilst acknowledging the financial position of the Council in respect of the General Fund, the approval of the recommendations in this paper has no direct bearing on the council finances.

8.2 All the £301.8m Schools Block grant will be paid to the schools and it's a ring-fenced Dedicated School Grant used for the purposes of providing education to pupils in the London borough of Croydon in accordance with *The School and Early Years Finance (England) Regulations* and DfE guidance.

Approved by: Jane West Corporate Director (Finance, Investment and Risk) Section 151 Officer.

## **9. LEGAL CONSIDERATIONS**

9.1 The Head of Litigation and Corporate Law comments on behalf of the Council's Director of Legal Services and Monitoring Officer

9.2 Dedicated Schools Grant (DSG) is paid to the Council by the Secretary of State under Section 14 of the Education Act 2002, and Section 16 of the Act provides that financial assistance under Section 14 may be given on such terms as the Secretary or State considers appropriate. Under Section 45 of the School Standards and Framework Act 1998 (SSFA), every maintained school must have, for each funding period, a budget share which is allocated to it by the authority which maintains it. Under Section 47 of the SSFA, a maintained school's budget share for a funding period is such amount as the local authority may determine, in accordance with regulations, to allocate to the school out of the authority's individual schools budget for that period, (which budget includes DSG paid to the authority under Section 14 of the Education Act 2002). Regulations have been made annually under Section 47 of the SSFA, entitled *The School and Early Years Finance (England) Regulations*, but there are currently no regulations for the funding period starting on 1 April 2023.

9.3 However, the Council must have regard to the Education and Skills Funding Agency Guidance "Schools Operational Guide: 2023-2024" updated on 13 October 2022. In particular, Section 7 of the Guidance provides as follows

"Local authorities must engage in open and transparent consultation with all maintained schools and academies in their area, as well as with their schools forums, about any proposed changes to their local funding formulae, including the principles adopted and any movement of funds between blocks.

Any consultation should include a demonstration of the effect of modelling such changes on individual maintained schools and academies.

Local authorities also need to set out how their proposals meet the requirements to move the local formulae towards the NFF.

Local authorities should communicate proposed formula changes to all bodies affected by the changes.

The local authority is responsible for making the final decisions on their formula; each local authority's process should ensure that there is sufficient time to gain political approval before the APT deadline in January 2023.

Political approval means approval in line with the local authority's local scheme of delegation, so this may be decisions made by the council cabinet, cabinet member or full council. The school's forum does not decide on the formula".

- 9.4 The decisions recommended in this report are in respect of executive functions, and therefore approval is sought in accordance with the Executive Mayor's scheme of delegation.

Approved by: Sandra Herbert, Head of Litigation and Corporate Law on behalf of the Council's Director of Legal Services and Monitoring Officer

## **10. HUMAN RESOURCES IMPACT**

- 10.1 There are no direct Human Resources considerations arising from this report. If there are subsequent proposals that affect the workforce as a result of the budget limit set, consultation and planning must be in line with the relevant HR policies and procedures and HR advice must be sought from the assigned provider.

Approved by: Deborah Calliste, Head of HR CYPE, on behalf of the Chief People Officer.

## **11. EQUALITIES IMPACT**

- 11.1 The funding allocations and formulae are set nationally and are therefore already subject to an equality assessment. The Council is also committed to the government's vision - an education system that works for everyone. No matter where they live, whatever their background, ability or need, children should have access to an excellent education that unlocks talent and creates opportunity. We want all children to reach their full potential and to succeed in adult life.
- 11.2 In setting the Education Budget 2023/24 the Council has taken into account the need to ensure targeted funding is available for work on raising the attainment of disadvantaged pupils who are likely to share a "protected characteristic" (as defined in the Equality Act 2010) and close the gap between them and their peers.
- 11.3 The Council will ensure that the system for distributing funding is fair in order to support the life chances of our most vulnerable children and young people; a fairer funding system will help provide all schools and all areas with the resources needed to provide an excellent education for all pupils irrespective of their background, ability, need, or where in the country they live.
- 11.4 This will help the Council meet its equality objective "to improve attainment levels for white working class and Black Caribbean heritages, those in receipt of Free School Meals and Looked after Children.

Approved by: Caroline Bruce Head of Business Intelligence & Performance

## **12. ENVIRONMENTAL IMPACT**

- 12.1 There are no direct implications contained in this report.

## **13. CRIME AND DISORDER REDUCTION IMPACT**

- 13.1 There are no direct implications contained in this report.

## **14. OPTIONS CONSIDERED AND REJECTED**

14.1 Given the provisional allocations there is no requirement for additional action at this time.

**15. DATA PROTECTION IMPLICATIONS**

15.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

NO

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**CONTACT OFFICER:** Charles Quaye (Interim) Head of Finance – Education (Children, Young People and Learning)

## Appendix A

**FSM6** - Pupils who are identified as FSM6 eligible (pupils who have been entitled to FSM at any time in the last 6 years) as taken from the previous January census.

**IDACI** - The IDACI element of the deprivation factor is based on the IDACI dataset for 2019, which is published by the Ministry for Housing, Communities and Local Government (MHCLG). IDACI is a relative measure of socio-economic deprivation—an IDACI score is calculated for an LSOA (an area with typically about 1,500 residents) based on the characteristics of households in that area. The IDACI score of a given area does not mean that every child living in that area has particular deprivation characteristics—it is a measure of the likelihood that a child is in a household experiencing relative socio-economic deprivation. LSOAs are ranked by score, from the most deprived LSOA, with the highest score, to the least deprived LSOA.

The IDACI measure uses 7 bands (A to G where A is the most deprived) and different values can be attached to each of the 6 bands A to F. Different unit values can also be used for primary and secondary schools in each band.

**Low Prior Attainment** - The LPA factor acts as a proxy indicator for low level, high incidence, special educational needs and is measured as such for primary and secondary pupils:

1. primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP).
2. secondary pupils not reaching the expected standard in KS2 at either reading, writing or maths—an individual weighting is applied to each year group from years 7 to 10 when calculating secondary LPA to reflect the higher levels of low attainment under the new testing regime

**Mobility** - This factor pertains to pupils who first appeared in either the January or May census return at their current school (the one they are on roll with in the October census) in 2017 or later. This is for pupils in reception only, those first appearing at their current school in the May census are classed as mobile.

With this factor, there is a 6% threshold and funding is allocated based on the proportion above the threshold (for example, a school with 8% of pupils classed as mobile will attract pupil mobility funding for 2% of pupils).

**How PFI is calculated in the NFF** - Premises funding will continue to be allocated at local authority level on the basis of actual spend in the 2020-21 APT, with the PFI factor increasing in line with the RPIX measure of inflation (1.56%) to reflect PFI contracts.

## Appendix B

**Key changes to the schools NFF in 2023 to 2024 are:**

- increasing the 2022/23 NFF factor values (on top of the amounts we have added for the schools supplementary grant) by:
  - 4.3% to free school meals at any time in the last 6 years (FSM6) and income deprivation affecting children index (IDACI)
  - 2.4% to the basic entitlement, low prior attainment (LPA), FSM, English as an additional language (EAL), mobility, and sparsity factors, and the lump sum.
  - 0.5% to the floor and the minimum per pupil levels (MPPL)

- 0% on the premises factors, except for Private Finance Initiative (PFI) which has increased by Retail Prices Index excluding mortgage interest payments (RPIX) which is 11.2% for the year to April 2022

### *Compulsory*

- Basic entitlement
- FSM
- FSM6
- IDACI
- Minimum level of per-pupil funding for primary and secondary schools
- Prior attainment and EAL
- Pupil mobility and Sparsity
- Lump sum
- London fringe – compulsory for the eligible authorities

### *Optional*

- Split sites
- Rates
- Private finance initiative (PFI) contracts
- Exceptional circumstances (with ESFA agreement)

## **Appendix C**

### **Extract from DfE Table for Croydon**

<b>Factor</b>	<b>22-23 NFF including ACA</b>	<b>22-23 APT</b>	<b>23-24 NFF including ACA</b>	<b>23-24 APT minimum</b>	<b>23-24 APT maximum</b>
Primary basic entitlement	£3,487.55	£3,783.18	£3,684.29	£3,592.18	£3,950.36
KS3 basic entitlement	£4,917.48	£4,826.68	£5,194.26	£5,064.40	£5,324.12
KS4 basic entitlement	£5,541.92	£5,135.23	£5,854.26	£5,488.24	£6,000.62
Primary IDACI A	£693.82	£717.00	£727.31	£709.12	£748.16
Secondary IDACI A	£964.85	£1,015.00	£1,009.54	£984.30	£1,054.68
Primary lump sum	£131,501.33	£140,000.00	£138,947.84	£135,474.14	£146,596.64
Secondary lump sum	£131,501.33	£140,000.00	£138,947.84	£135,474.14	£146,596.64