

2023-24 SCHOOLS LOCAL FUNDING FORMULA UPDATE

Purpose of the Report

To inform the Early Years & Schools Forum (the Forum) of the Dedicated Schools Grant (DSG) funding allocation for 2023-24 and the final formula and school allocations submitted to the ESFA and approved at the Cabinet Member Briefing on the 16 January 2023.

Information and Advice

1. 2023-24 DSG Funding Allocation

The 2023-24 DSG funding allocation was published on 16 December 2022 and is detailed in the table below:

Table 1 DSG Funding Allocation

Funding Block	October 2021 Census Pupil No.'s	2022-23 Allocation £m	October 2022 Census Pupil No.'s	2023-24 Allocation £m	Annual Change %
Schools Block	112,182	581.171	113,487	619.149	6.53%
High Needs Block		102.757		114.414	11.34%
Central Services Block		5.686		5.499	-3.29%
Early Years		51.387		54.010	5.10%
		741.001		793.072	

The Dedicated Schools Grant 2023-24 funding allocation is £793.1m (2022-23 £741.0m) for the Schools, High Needs, Early Years and Central Services Schools Blocks.

The 2023-24 Schools Block funding for Nottinghamshire is £38m more than that received in 2022-23.

The High Needs Block funding allocation in 2023-24 has increased by 11.2% (£114.4m before deductions) compared with 2022-23 (£102.9m). This includes the extra funding announced in the Autumn Statement.

The Early Years Block indicative 2023-24 funding allocation is £54m and the final allocation will be confirmed in July 2024 (determined by January 2023 and January 2024 census data). This includes £0.868m of Teacher Pay and Pension Grant which is now rolled into the funding.

2. 2023-24 Schools Local Funding Formula

A report was considered by the Forum in November 2022 which outlined the position with the indicative 2023-24 Schools Block funding announcement and possible consultation options. The formal consultation on the proposals was held from 14 November to 28 November 2022.

A total of 45 responses were received to the school consultation (12 responses in 2021) which was a response rate of 13.7% (3.7% 2021).

The Forum met on 8 December 2022 to consider the consultation responses and decide on how the formula should be implemented for 2023-24. The Forum approved all the Schools Block proposals as below:

- To continue with the principle to mirror the National Funding Formula (in keeping with the acceptable minimum and maximum values) for each factor. Local factors within 2.5% of the area cost adjusted NFF values are deemed to be mirroring the National Funding Formula.
- Local authorities have the freedom to set the Minimum Funding Guarantee in their local formulae between +0.0% and +0.5% per pupil. The Forum agreed with aiming to set the Minimum Funding Guarantee at +0.5%.
- Agree that if the formula is not affordable the preferred and first option to make this affordable is to reduce pupil factors e.g., the £2 and £4 reductions presented in the consultation models (in keeping with the acceptable minimum and maximum values).

On 10 November 2022 the Forum approved the disapplication request regarding the application of the NFF Minimum Per Pupil methodology for Minster School because it disadvantages the school for not having a standard number of year groups and a disproportionate number of primary and secondary pupils. This had significantly reduced the Minimum Per Pupil protection that it would have received as a stand-alone secondary school. The disapplication request was a repeated request approved by the Forum in 2020-21, 2021-22 and 2022-23 to the Education & Skills Funding Agency which was approved.

On 8 December 2022 the Forum approved the disapplication for the school funding formula 2023-24 for a technical adjustment / Minimum Funding Guarantee exclusion. This was a continuation request from previous years of which the Local Authority had full support from Forum members. The Local Authority was seeking to exclude the allocation from the Minimum Funding Guarantee and make a technical adjustment so that schools are not protected for this allocation when it is not included in their 2023-24 budget. The disapplication was the principle of excluding allocations related to premises for schools who are no longer eligible.

Table 2 Schools Block

	October 2021 Pupil No's	Unit of Funding £	2022-23 £m	October 2022 Pupil No.'s	Unit of Funding £	2023-24 £m
Primary	66,717	4,592	306.36	66,610	4,814	320.63
Secondary	45,465	5,817	264.47	46,877	6,145	288.04
Premises & Mobility - Historic spend			6.11			5.89
Growth Funding			4.22			4.58
Total	112,182		581.16	113,487		619.14

On 16 December 2022 the Schools Block funding allocation was announced together with the October 2022 census data. It was also announced that there would be additional source of funding for schools in a supplementary grant. The amount for Nottinghamshire is an additional £21m (2022-23 £16.8m previous grant rolled in).

The School Block allocation for 2023-24 is £619.149m. There was a funding gap of £2.158m between the DSG funding and distributing the funding via the National Funding Formula. Due to the formula not being affordable the pupil factors were adjusted (in keeping with the acceptable

minimum and maximum values) for each factor. The Local Funding Formula continues to meet the criteria the principle to mirror the National Funding Formula.

The final distribution of the Schools Block funding is as follows:

	2023-24
	£m
Distributed to Schools via the Formula	615.872
Retained Growth Funding	3.277
Total	619.149

The final Local Funding Formula is detailed at **Appendix A**.

3. Growth Funding

The government introduced a new formula to allocate funding for growth in pupil numbers to local authorities in 2019-20. Allocations received via this formula will be recalculated each year and therefore not guaranteed to continue at the same level.

Funding for growth is based on the year-on-year increases in pupil numbers as measured at Middle Super Output Area (MSOA) level: net reductions at MSOA level would be ignored. Allocations received via this formula are recalculated each year and therefore not guaranteed to continue at the same level.

The growth fund can only be used to:

- support growth in pre-16 pupil numbers to meet basic need
- support additional classes needed to meet the infant class size regulation
- meet the costs of new schools.

The allocation for Nottinghamshire for 2023-24 is £4.6m (2022-23 £4.2m).

School Name	Reason
Christ Church C of E Primary School	Change in pupil numbers/factors
Carlton Academy	Change in pupil numbers/factors
Rosecliffe Spencer Academy	Change in pupil numbers/factors
Rivendell Flying High Academy	Change in pupil numbers/factors
Millside Spencer Academy	Change in pupil numbers/factors
Bingham Primary School	Change in pupil numbers/factors
Carlton le Willows Academy	Change in pupil numbers/factors
South Nottinghamshire Academy	Change in pupil numbers/factors

The allocated growth funding for 2023/24 is £1.34m. The retention of growth funding is subject to Schools Forum approval, and this will be sought for £3.276m.

Any unallocated balance on the growth funding will be ring-fenced for future growth and held in the Non-ISB reserve.

4. Schools Funding Formula Approvals

The Nottinghamshire 2023-24 formula and school budgets were submitted to the ESFA in January and at the time of writing this report it is still awaiting approval.

The report on the 2023-24 Schools and Early Years Funding was approved at the Cabinet Member Briefing on the 16 January 2023.

RECOMMENDATION/S

That the Forum

- 1) Notes the content of the report.
- 2) Approves the amount of growth funding centrally retained for 2023-24, £3.277m.

For any enquiries about this report please contact:

Naomi Clark

Senior Finance Business Partner - Children & Families

Chief Executive's Department

T: 01159 774088

E: naomi.clark@nottsc.gov.uk

APPENDIX A

	Nottinghamshire Local Funding Formula 2023-24			National Funding Formula 2023-24		
	Primary	Secondary	Secondary KS3 Only	Primary	Secondary	Secondary KS3 Only
	Unit Value £	Unit Value £	Unit Value £	Unit Value £	Unit Value £	Unit Value £
Minimum Per Pupil				4,405	5,503	6,033
Basic Entitlement - per pupil						
Primary	3,387.82			3,403.40		
KS3		4,776.29			4,798.25	
KS4		5,383.19			5,407.94	
Deprivation - per eligible pupil						
FSM Current	479.13	479.13		481.33	481.33	
FSM6	703.72	1,028.13		706.95	1,032.85	
IDACI Band A	229.58	334.39		671.86	932.58	
IDACI Band B	279.49	444.19		511.41	732.02	
IDACI Band C	439.20	618.87		481.33	681.88	
IDACI Band D	479.13	678.76		441.22	621.72	
IDACI Band E	509.07	728.67		280.78	446.23	
IDACI Band F	668.78	928.31		230.78	335.93	
Low Prior Attainment - per eligible pupil	1,152.90	1,746.82		1,158.20	1,754.85	
English as an Additional Language - per eligible pupil	578.94	1,562.15		581.61	1,569.34	
Lump Sum - per school	128,354.56	128,354.56		128,354.56	128,354.56	
Sparsity - per eligible school	56,455.95	82,126.86		56,455.95	82,126.86	
Pupil Mobility - per eligible pupil	943.28	1,357.53		947.62	1,363.77	
Split Sites		School specific unit values				
Rental		School specific unit values				
Rates		School specific unit values				
Joint Use		School specific unit values				
Minimum Funding Guarantee	0.50%			0.0% -0.50%		
Gains Cap	0.00%					

Note: The National Funding Formula unit values have been increased to reflect the Area Cost Adjustment for Nottinghamshire.

- Figures in report sent to members are slightly different to the above due to a change in the APT which occurred after the meeting