

2019-20 SCHOOL LOCAL FUNDING FORMULA UPDATE.

Purpose of the Report

To inform Schools Forum of the final Dedicated Schools Grant settlement for 2019-20 and the final formula and allocations submitted to the ESFA and approved by the Council's Policy Committee on 13 February 2019.

Information and Advice

1. 2019-20 Funding Allocation

The 2019-20 DSG settlement was published on 17 December 2018. A summary of the published Schools Block settlement for 2019-20 together with 2018-19 for comparison purposes:

Table 1 Schools Block Settlement

	October 2017 Pupil No.'s	Unit of Funding £	2018-19 £m	October 2018 Pupil No.'s	Unit of Funding £	2019-20 £m
Primary	66,195	3,927	259,968	66,711	3,946	263,270
Secondary	40,526	4,985	202,020	41,808	5,013	209,588
Premises & Mobility - Historic spend			5,766			6,121
Growth Funding			1,363			3,085
Total DSG	106,721		469,117	108,519		482,064

This amount was allocated to schools as follows:

Table 2 2019-20 Schools Block Allocation

	2019-20 £m
0.5% HNB Transfer	2,410
Retained Growth Funding	2,269
Distributed to Schools via the Formula	477,385
Total	482,064

2. 2019-20 Schools Local Funding Formula

The 2019-20 funding allocations to schools largely reflect the recommendations of the Forum i.e.

- (a) Minimum Funding Guarantee set at 0% per pupil;
- (b) Gains cap at 0.815%. This is a small increase from the 0.75% agreed at the December meeting. This gives a cumulative gain of 3.56% for 2018-19 and 2019-20.

- (c) Reduction to the primary Low Prior Attainment (LPA) unit value to £1,024.77 to mirror the NFF;
- (d) Minimum Per Pupil amounts increased by £100 to £3,400 (primary) and £4,700 (secondary);
- (e) Introduction of the Funding Floor to guarantee a 1% per pupil increase compared with 2017-18 baselines.

There was also a reduction to the mobility unit value because the number of eligible pupils has increased and the allocation to schools has been limited to the actual funding received. Mobility is not part of the NFF and the funding is allocated based on historic spend, for Nottinghamshire this is £181k. Those schools affected have been protected by the MFG.

The final formula is detailed at **Appendix A**.

3. Growth Funding

The Forum have been made aware that the ESFA were intending to introduce a formula to allocate funding for growth in 2019-20 but the actual funding allocation was not known. This would be 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 will be recalculated each year and therefore not guaranteed to continue at the same level and the ESFA have already indicated its intention to review the formula for 2020-21.

The allocation for Nottinghamshire is £3.1m which is an increase of £1.7m compared with 2018-19. This allocation has been used to fund all pupil growth including the primary pupil growth fund, new free schools and pupil number variations for schools as a result of basic need. The table below lists the allocation of the funding:

Table 3 2019-20 Growth Funding Allocations

Name	Adjustment	Pupil No. Variation 7/12ths	£000
Suthers Free School	Growing School	35.58	170
The Lanes	Extended Age Range	5.83	19
Hucknall Flying High Academy	New Free School	70.00	249
The Rushcliffe School	Basic Need	29.17	137
The West Bridgford School	Basic Need	31.50	148
The Carlton Academy	Basic Need	6.42	30
The Redhill Academy	Basic Need	13.42	<u>63</u>
			816
Primary Growth Fund			1,000
Unallocated Balance			1,269
TOTAL		191.92	3,085

The unallocated balance of £1.269m has been retained and effectively ring fenced for future growth in the Non-ISB reserve. This approach will protect against the uncertainty around the level of growth funding in future years.

The retention of growth funding is subject to Schools Forum approval and currently there is only approval to retain £1m for the primary growth fund. The unallocated balance of the growth funding has increased the amount retained to £2.269m and further approval is sought.

4. Schools Funding Formula Approvals

The Nottinghamshire 2019-20 formula and school budgets were submitted to the ESFA on 12 February 2019 and have subsequently been approved.

The report on the 2019-20 Schools and Early Years Funding was presented to the Council's Policy Committee on 13th February 2019 and that was also approved.

RECOMMENDATION/S

That the Schools Forum

- 1) Notes the content of the report.
- 2) Approves the increase to the amount of growth funding centrally retained.

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Nottinghamshire 2019-20 Schools Block Local Funding Formula

	Primary Unit Value £	Secondary Unit Value £
Minimum Per Pupil - new factor	3,400	4,700
Basic Entitlement - per pupil		
Primary	2,754.43	
KS3		3,873.12
KS4		4,397.70
Deprivation - per eligible pupil		
FSM Current	441.19	441.19
FSM6	541.46	787.13
IDACI Band A	576.56	812.20
IDACI Band B	421.14	601.63
IDACI Band C	391.06	561.52
IDACI Band D	360.98	516.40
IDACI Band E	240.65	391.06
IDACI Band F	200.54	290.79
Low Prior Attainment - per eligible pupil	1,024.77	1,554.20
English as an Additional Language - per eligi	516.40	1,388.75
Lump Sum - per school	110,298.10	110,298.10
Sparsity - per eligible school	25,067.75	65,176.15
Pupil Mobility - per eligible pupil	345.23	345.23
Split Sites	School specific unit values	
Rental	School specific unit values	
Rates	School specific unit values	
Joint Use	School specific unit values	
Funding Floor	Minimum funding guarantee - 1% increase above 2017-18 per pupil baseline.	
Minimum Funding Guarantee	0.00%	0.00%
Gains Cap	0.815%	0.815%

Note: The National Funding Formula unit values have been increased to reflect the Area Cost Adjustment for Nottinghamshire which is 1.00271.