

**2020-21 SCHOOLS LOCAL FUNDING FORMULA UPDATE**

**Purpose of the Report**

To inform Schools Forum of the Dedicated Schools Grant (DSG) funding allocation for 2020-21 and the final formula and school allocations submitted to the ESFA and approved by the Council’s Policy Committee on 12 February 2020.

**Information and Advice**

**1. 2020-21 DSG Funding Allocation**

The 2020-21 DSG funding allocation was published on 19 December 2019 and is detailed in the table below:

**Table 1 DSG Funding Allocation**

<b>Funding Block</b>	<b>October 2018 Census</b>	<b>2019-20 Allocation</b>	<b>October 2019 Census</b>	<b>2020-21 Allocation</b>	<b>Annual Increase</b>
	<b>Pupil No.'s</b>	<b>£m</b>	<b>Pupil No.'s</b>	<b>£m</b>	<b>%</b>
Schools Block	108,519	482.064	109,851	509.903	5.77%
High Needs Block		66.362		78.195	17.83%
Central Services Block		6.768		5.795	-14.38%
Early Years		49.136		50.005	1.77%
		<b>604.330</b>		<b>643.898</b>	<b>6.55%</b>

The funding for each block increased apart from the Central Schools Services Block. A reduction in this block was expected but not by such a significant amount. Work is being undertaken to assess the implications of this and the outcome will be reported to the Forum at the next meeting.

**2. 2020-21 Schools Local Funding Formula**

The Nottinghamshire Local Funding Formula (LFF) will mirror the National Funding Formula (NFF) in full for 2020-21 and reflects the recommendations of the Forum i.e.

- (a) Adoption of all NFF factors and unit values
- (b) Minimum Funding Guarantee set at +1.84% per pupil;
- (c) Gains cap set at 0%.
- (d) Minimum Per Pupil amount set at the mandatory levels.

The impact on schools of removing the gains cap and setting the MFG at +1.84% will mean increases of between 1.84% and 33.75% per pupil compared to the 2019-20 pupil led funding allocation.

There will be 64 schools in receipt of the minimum 1.84% increase because their current funding allocation is already in excess of that they would receive under the LFF. The 4 schools with the highest gains have between 31 and 47 pupils.

When all the school budgets had been calculated there was an unexpected balance of £342k which had not been distributed via the formula. The possibility of this happening hadn't been envisaged and so no options for dealing with it had been considered or discussed with the Forum. An option would have been to adjust the unit values against the formula factors but that would have meant moving away from the NFF and potentially impacting the affordability of the 2021- 22 formula. The local authority decided to retain the balance in the Non-ISB reserve and ring fence it for the formula in future years.

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

	<b>2020-21</b>
	<b>£m</b>
Distributed to Schools via the Formula	506.719
Undistributed Formula Funding	0.342
Retained Growth Funding	2.842
<b>Total</b>	<b>509.903</b>

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

### **3. Growth Funding**

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 allocation for Nottinghamshire is £3.8m which is an increase of £0.7m compared with 2019-20. 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 via the formula:

**Table 3 2020-21 Growth Funding Allocations**

<b>School Name</b>	<b>Reason</b>	<b>Pupil No. Variation 7/12ths</b>	<b>£m</b>
Suthers Free School	Growing School	35.00	0.179
Hucknall Flying High Academy	New Free School	28.67	0.106
The Rushcliffe School	Basic Need	29.17	0.146
The West Bridgford School	Basic Need	12.83	0.064
The Carlton Academy	Basic Need	6.42	0.031
The Redhill Academy	Basic Need	13.42	0.066
Rosecliffe	New Free School	78.75	0.331
Christ Church C of E	Basic Need	5.83	0.024
<b>Total Growth</b>		<b>210.09</b>	<b>0.947</b>
Primary Growth Fund			1.000
Unallocated Balance			1.842
<b>TOTAL Growth Funding Allocation</b>			<b>3.789</b>

In addition to the growth funding allocations in Table 3 the local authority has formally asked Southwolds Academy to take an additional 60 pupils in September 2020 and the funding for this will be a commitment against the unallocated balance.

The unallocated balance of £1.842m has been retained and ring fenced for future growth and is in addition to the £1.269m already retained for 2019-20. 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 growth funding has increased the amount retained to £2.842m and further approval is sought.

#### **4. Schools Funding Formula Approvals**

The Nottinghamshire 2020-21 formula and school budgets were submitted to the ESFA on 21 January 2020 and have subsequently been approved.

The report on the 2020-21 Schools and Early Years Funding was presented to the Council's Policy Committee on 12<sup>th</sup> February 2020 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 for 2020-21.

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**Nottinghamshire 2020-21 Schools Block Local Funding Formula**

	<b>Primary Unit Value £</b>	<b>Secondary Unit Value £</b>
<b>Minimum Per Pupil</b>	3,750	5,000
<b>Basic Entitlement - per pupil</b>		
Primary	2,864.89	
KS3		4,029.09
KS4		4,573.59
<b>Deprivation - per eligible pupil</b>		
FSM Current	451.24	451.24
FSM6	561.55	817.25
IDACI Band A	601.66	842.32
IDACI Band B	436.20	626.73
IDACI Band C	406.12	581.60
IDACI Band D	376.04	536.48
IDACI Band E	250.69	406.12
IDACI Band F	210.58	300.83
<b>Low Prior Attainment - per eligible pupil</b>	1,067.94	1,614.44
<b>English as an Additional Language - per eligible pupil</b>	536.48	1,443.97
<b>Lump Sum - per school</b>	114,715.74	114,715.74
<b>Sparsity - per eligible school</b>	26,071.76	67,786.58
<b>Pupil Mobility - per eligible pupil</b>	877.42	1,253.45
<b>Split Sites</b>	School specific unit values	
<b>Rental</b>	School specific unit values	
<b>Rates</b>	School specific unit values	
<b>Joint Use</b>	School specific unit values	
Minimum Funding Guarantee	1.84%	1.84%
Gains Cap	0.00%	0.00%

Total

**Note:** The National Funding Formula unit values have been increased to reflect the Area Cost Adjustment for Nottinghamshire which is 1.00276.