

2021-22 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 2021-22 and the final formula and school allocations submitted to the ESFA and approved by the Council's Policy Committee on 10 February 2021.

Information and Advice

1. 2021-22 DSG Funding Allocation

The 2021-22 DSG funding allocation was published on 17 December 2020 and is detailed in the table below:

Table 1 DSG Funding Allocation

Funding Block	October 2019 Pupil No.'s	2020-21 Allocation £m	October 2020 Census Pupil No.'s	2021-22 Allocation £m	Annual Increase %
Schools Block	109,851	509.903	110,733	556.729	9.18%
High Needs Block		78.195		89.070	13.91%
Central Services Block*		5.795		5.855	
Early Years		50.005		50.681	1.35%
		643.898		702.335	

* the funding allocation has actually reduced by £180,448 the figures are misleading because of a prior year adjustment in 2020-21.

2. 2021-22 Schools Local Funding Formula

At the November 2020 meeting Schools Forum were informed of a potential shortfall in the 2021-22 Schools Block funding allocation due to an expected increase in the number of children eligible for benefits related free school meals (FSM) between the October 2019 and October 2020 census points. An increase of approximately 26% (4,335 pupils @ £461.27 per pupil) was projected resulting in a potential funding shortfall of up to £2.0m. The consultation proposals for the MFG and gains cap were to address this potential issue.

When the actual October 2020 census data was received the number of children eligible for FSM had increased although this wasn't quite as high as projected (21% compared to the 26% assumption) and that together with other changes in the dataset and application of the formula offset the financial impact. This has meant that the local authority can continue to mirror the NFF for 2021-22 as follows:

- (a) Adoption of all NFF factors and unit values
- (b) Minimum Funding Guarantee set at +2.00% per pupil;
- (c) Gains cap set at 0%.
- (d) Minimum Per Pupil amount set at the mandatory levels.

The impact on schools of a 0% gains cap and setting the MFG at +2.00% will mean increases of between 2.00% and 12.24% per pupil compared to the 2020-21 pupil led funding allocation. The 3 schools with the highest gains have between 37 and 49 pupils.

There will be 73 schools in receipt of the minimum 2.00% increase because their current funding allocation is already in excess of that they would receive under the LFF.

At the November meeting the Schools Forum were informed of the requirement to submit a disapplication request to the Secretary of State for the local authority to alter the NFF MPP methodology for The Minster School. This is because it disadvantages the school for not having a standard number of year groups and a disproportionate number of primary and secondary pupils. This was submitted, approved and the necessary adjustment made.

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

Table 2 2021-22 Schools Block Distribution

	2021-22
	£m
Distributed to Schools via the Formula	554.054
Undistributed Formula Funding	0.013
Retained Growth Funding	2.662
Total	556.729

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

The undistributed formula funding will be retained in the reserve and ring fenced for the formula in future years.

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 £3.6m which is a reduction of £0.2m compared with 2020-21. 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 2021-22 Growth Funding Allocations

School Name	Reason	Pupil No. Variation 7/12ths	£m
Suthers Free School	Growing Schc	8.75	0.364
Hucknall Flying High Academy	New Free Sch	5.83	0.023
The Rushcliffe School	Basic Need	70.00	0.063
The West Bridgford School	Basic Need	11.67	0.073
The Carlton Academy	Basic Need	6.42	0.033
The Redhill Academy	Basic Need	13.42	0.071
Rosecliffe	New Free Sch	66.50	0.243
Christ Church C of E	Basic Need	13.42	0.030
Total Variations		196.00	0.900
Centrally Retained Growth Funding			2.662
TOTAL Growth Funding Allocation			3.562

The centrally retained growth funding for 2021-22 is £2.662m and will be ring fenced for primary and secondary growth in 2021-22. Any unspent growth funding will be carried forward and ring fenced for basic need growth in future years. The forecast balance at 31 March 2021 currently ring fenced for growth is £2.936m.

The retention of growth funding is subject to Schools Forum approval and this will be sought for £2.662m

4. Schools Funding Formula Approvals

The Nottinghamshire 2021-22 formula and school budgets were submitted to the ESFA on 21 January 2021 and awaiting approval.

The report on the 2021-22 Schools and Early Years Funding was presented to the Council's Policy Committee on 10th February 2021 and approved.

RECOMMENDATION/S

That the Forum

- 1) Notes the content of the report.
- 2) Approves the amount of growth funding centrally retained for 2021-22, £2.662m.

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Nottinghamshire Local Funding Formula 2021-22

	Primary Unit Value £	Secondary Unit Value £	Secondary KS3 Only Unit Value £
Minimum Per Pupil	4,180	5,215	5,715
Basic Entitlement - per pupil			
Primary	3,131.62		
KS3		4,416.16	
KS4		4,976.70	
Deprivation - per eligible pupil			
FSM Current	461.27	461.27	
FSM6	576.59	842.32	
IDACI Band A	621.71	867.39	
IDACI Band B	476.31	681.88	
IDACI Band C	446.23	631.74	
IDACI Band D	411.13	581.60	
IDACI Band E	260.72	416.15	
IDACI Band F	215.59	310.86	
Low Prior Attainment - per eligible pupil	1,098.02	1,664.58	
English as an Additional Language - per eligible pupil	551.52	1,489.10	
Lump Sum - per school	118,125.13	118,125.13	
Sparsity - per eligible school	45,000.00	70,000.00	
Pupil Mobility - per eligible pupil	902.48	1,293.56	
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	2.00%		
Gains Cap	0.00%		

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