

2022-23 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 2022-23 and the final formula and school allocations submitted to the ESFA and approved by the Council's Policy Committee on 10 February 2022.

Information and Advice

1. 2022-23 DSG Funding Allocation

The 2022-23 DSG funding allocation was published on 16 December 2021 and is detailed in the table below:

Table 1 DSG Funding Allocation

Funding Block	October 2020 Census	2021-22 Allocation	October 2021 Census	2022-23 Allocation	Annual Change
	Pupil No.'s	£m	Pupil No.'s	£m	%
Schools Block	110,733	556.729	112,182	581.171	4.39%
High Needs Block		88.806		98.990	11.47%
Central Services Block		5.855		5.686	-2.89%
Early Years		50.681		50.922	0.48%
		702.071		736.769	

2. 2022-23 Schools Local Funding Formula

A report was considered by the Schools Forum in November 2021 which outlined the position with the indicative 2022-23 Schools Block funding announcement and possible consultation options. The formal consultation on the proposals was held from 22nd November to 5th December 2021.

A total of 12 (41 in 2020) responses were received to the schools consultation which was a response rate of 3.7% (12.5% in 2020).

The Forum met on 9th December 2021 to consider the consultation responses and decide on how the formula should be implemented for 2022-23.

The Forum approved all the Schools Block proposals as below:

- adoption of NFF factors and unit values
- Minimum Funding Guarantee (MFG)/Funding Floor of between 0.5% - 2% with 2% being the preferred level

- reintroduction of the gains cap if necessary.

Table 2 Schools Block

	October 2020 Pupil No.'s	Unit of Funding £	2021-22 £m	October 2021 Pupil No.'s	Unit of Funding £	2022-23 £m
Primary	66,628	4,467	297.63	66,717	4,592	306.36
Secondary	44,105	5,650	249.21	45,465	5,817	264.47
Premises & Mobility - Historic spend			6.33			6.11
Growth Funding			3.56			4.22
Total	110,733		556.73	112,182		581.17

On 17th December 2021 the Schools Block funding allocation was announced together with the October 2021 census data. Changes in the census data, including a large increase in pupil mobility, EAL and the sparsity factors have resulted in it being necessary to introduce a gains cap to ensure the formula is affordable. The gains cap is set at 6.90% and MFG at +2.00%.

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.

In January, Schools Forum members were consulted on two further disapplications. This included a disapplication for Exceptional premises factor – for Nottinghamshire this is Joint Use and Rental. The schools operational guidance published in December 2021 changed and states “Where local authorities have already received approval for exceptional circumstances from 2017 to 2018 onwards, they can continue to use the approved factors if the criteria is still being met. Where the latest approval was prior to 2017 to 2018 the local authority will need to submit a new disapplication request for consideration.” Nottinghamshire’s approval was prior to 2017 – 2018 and therefore it was necessary to submit a new disapplication.

The schools in receipt of either factor must meet the criteria that the amount is more than 1% of their school budget share, and the schools involved do meet this criteria.

- Rental factor- there are 3 schools, the amounts are £30,000 - £7,070 - & £4,500 these rentals are for additional area (to deliver PE) and used as classrooms.
- Joint Use- there are 2 schools, the amounts are £118,678 & £71,060 which covers the schools daytime pupil use of the joint use facilities, the funding does not cover community use.

The Autumn 2021 consultation did include these allocations for the relevant schools.

There was a disapplication for Technical adjustment and MFG exclusion. There are two schools that for 2022-23 budgets require a technical adjustment and amounts excluded from their Minimum Funding Guarantee (MFG) calculations, these are factor allocations that have changed since 2021-22 budgets, and the technical adjustment and exclusion is so that the amount difference from 2021-22 and 2022-23 is not protected by the MFG that would top up their school budget.

One school only requires their split site allocation for 5/12 and the other no longer has a joint use agreement. The total of these two amounts that need to be excluded from the MFG and the schools 2021-22 baseline is £151,490. By not doing a technical adjustment the protection will be paid for by the other Nottinghamshire schools.

The Technical adjustment and MFG exclusion disapplication and Exceptional premises factor were both approved by School Forum members. The ESFA have also approved the disapplications.

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

Table 3 2022-23 Schools Block Distribution

	2022-23
	£m
Distributed to Schools via the Formula	578.791
Retained Growth Funding	2.379
Total	581.170

The final LFF 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.

The allocation for Nottinghamshire for 2022-23 is £4.2m (2021-22 £3.6m).

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.

School Name	Reason
Bingham presumption primary free school	New Academy/Free School
Millside Spencer Academy	New Academy/Free School
Rivendell Primary Free School	New Academy/Free School
Christ Church C of E Primary School	Change in pupil numbers/factors
Rushcliffe Spencer Academy	Change in pupil numbers/factors
Redhill Academy	Change in pupil numbers/factors
Rosecliffe Spencer Academy	Change in pupil numbers/factors
The West Bridgford School	Change in pupil numbers/factors
Carlton Academy	Change in pupil numbers/factors
South Nottinghamshire Academy	Change in pupil numbers/factors

The allocated growth funding for 2022/23 is £1.838m. The retention of growth funding is subject to Schools Forum approval and this will be sought for £2.379m.

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 2022-23 formula and school budgets were submitted to the ESFA have been approved.

The report on the 2022-23 Schools and Early Years Funding was presented to the Council's Policy Committee on 10th February 2022 and approved.

RECOMMENDATION/S

That the Forum

- 1) Notes the content of the report.
- 2) Approves the amount of growth funding centrally retained for 2022-23, £2.379m.

For any enquiries about this report please contact:

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APPENDIX A

	Nottinghamshire Local Funding Formula 2021-22			National Funding Formula 2022-23		
	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	4,180	5,215	5,715	4,265	5,321	5,831
Basic Entitlement - per pupil						
Primary	3,131.62			3,225.91		
KS3		4,416.16			4,548.56	
KS4		4,976.70			5,126.16	
Deprivation - per eligible pupil						
FSM Current	461.27	461.27		471.30	471.30	
FSM6	576.59	842.32		591.63	867.40	
IDACI Band A	621.71	867.39		641.77	892.47	
IDACI Band B	476.31	681.88		491.36	701.94	
IDACI Band C	446.23	631.74		461.27	651.80	
IDACI Band D	411.13	581.60		421.16	596.65	
IDACI Band E	260.72	416.15		270.75	426.18	
IDACI Band F	215.59	310.86		220.61	320.89	
Low Prior Attainment - per eligible pupil	1,098.02	1,664.58		1,133.13	1,714.74	
English as an Additional Language - per eligible pupil	551.52	1,489.10		566.57	1,534.24	
Lump Sum - per school	118,125.13	118,125.13		121,636.00	121,636.00	
Sparsity - per eligible school	45,124.20	70,193.20		55,152.35	80,221.60	
Pupil Mobility - per eligible pupil	902.48	1,293.56		927.56	1,333.68	
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%			2.00%		
Gains Cap	0.00%			6.90%		

Note: The National Funding Formula unit values have been increased to reflect the Area Cost Adjustment for Nottinghamshire. For 2021-22 this is 1.00276 and for 2022-23 this is 1.00277