

**Decision Maker:**        **SCHOOLS FORUM**

**Date:**                    **29<sup>th</sup> September 2022**

**Decision Type:**        Non-Urgent                    Executive                    Non-Key

**Title:**                    **THE NATIONAL FUNDING FORMULA 2023/24**

**Contact Officer:**        David Bradshaw, Head of Finance, Children, Education and Families  
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**Chief Officer:**         Director, Children, Education and Families

**Ward:**                    (All Wards);

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1.    Reason for report

1.1   This report provides details of the National Funding Formula for 2023/24 and the provisional allocations.

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2.    **RECOMMENDATION(S)**

2.1   **The Schools Forum are asked to:**

- (i)    **Review and make any comments**

### Corporate Policy

1. Policy Status: Not Applicable
  2. BBB Priority: Health and Integration
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### Financial

1. Cost of proposal: Not Applicable:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: CEF Portfolio
  4. Total current budget for this head: £327.8m
  5. Source of funding: DSG Budget
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### Staff

1. Number of staff (current and additional): N/A
  2. If from existing staff resources, number of staff hours: N/A
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### Legal

1. Legal Requirement: Statutory Requirement
  2. Call-in: Applicable
- 

### Customer Impact

1. Not applicable
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

### 3. COMMENTARY

3.1 On the 19<sup>th</sup> July 2022, the Department for Education (DfE) published the illustrative 2023/24 funding for schools under the National Funding Formula. A technical note, published alongside the figures, sets out the design of the NFF for 2023/24 for the Schools, High Needs, and Central blocks. Illustrative allocations for Early Years funding have been published separately as part of the early years consultation published on the 4<sup>th</sup> July 2022 and have been circulated previously.

3.2 Final 2023/24 funding for the Schools, High Needs, and Central School Services Blocks will be calculated in December. This will be based on the latest pupil data available. The illustrative figures outlined in this paper do not represent actual allocations, they are based upon 2022/23 pupil numbers and will obviously be subject to change.

#### 3.3 Overall picture

3.4 2023/24 is the first year of the transition to the 'direct' schools NFF, whereby all mainstream schools across England will be funded through the same national formula without allowing for adjustment through local funding formulae. Therefore, in 2023/24, local authorities will only be allowed to use NFF factors in their local formula and, excluding the locally determined premises factors, must use all NFF factors. Bromley are currently following the NFF as far as possible and this is not an issue. Highlight changes are:-

a) The 2022/23 supplementary schools grant will be rolled into the NFF by adding grant figures to the baseline data and uplifting the minimum per pupil values by the grant's basic per pupil values.

b) Local Authorities must move their local formula factor at least 10% closer to the NFF. Bromley are in the main already very close to NFF figures and this should pose no significant issues

c) Local authorities must identify a notional budget for their mainstream schools, that can help them comply with their duty to meet the special educational needs of their pupils. Bromley already does this through the APT

3.5 For the Schools, High Needs and Central Blocks the National average overall increase is 2.7%. Bromley's increase is 2.6%. The London average is 2.4%. Further details can be seen in appendix 1.

#### 3.6 Schools Block

3.7 The 2022 to 2023 schools supplementary grant has been rolled into the schools NFF. The methodology used is trying to ensure that the additional funding schools will attract through the NFF is as close as possible to the funding they would have received if this funding was continuing as a separate grant. This is going to be achieved by adding the value of the basic entitlement, FSM6, and the lump sum parts of the grant to the corresponding factors. DfE will also add funding to the minimum per pupil funding levels, to reflect the average amount of funding these schools currently attract through the grant although this will only have a minor impact in Bromley. Also funding will be added to the baseline to increase the amount that schools whose allocations are determined by the funding floor will attract, reflecting the amount of funding these schools currently attract through the grant.

3.8 Illustrative increases in factors are as follows:-

a) 4.3% to free school meals at any time in the last 6 years (FSM6) and income deprivation affecting children index (IDACI)

b) 2.4% to basic entitlement, lower prior attainment (LPA), free school meals (FSM), English as an additional language (EAL), mobility, sparsity factors and the lump sum.

c) 0.5% to the floor and the minimum per pupil levels (MPPLs)

d) 0% on the premises factors, except for PFI which has increased by RPIX

3.9 Schools NFF funding is increasing nationally by 1.9% per pupil in 2023/24, compared to this year. The Bromley equivalent figure is 1.6%, with the London average being the same figure of 1.6%. DfE have stated that the Spending review front loaded the funding with the 2021/22 to 2023/24 comparative figure being an increase of 7.9%.

3.10 There are some transitional requirements being introduced for the Schools NFF. They are:-

a) Local authorities must use all NFF factors, except the locally determined premises factors.

b) Local authorities can only use NFF factors in their local formulae. The Looked after children (LAC) factor will no longer be an allowable factor.

c) The local formula factor values should be moved at least 10% closer to the NFF, subject to a 2.5% mirroring threshold.

These are not a particular issue for Bromley as we have been trying to follow the NFF as far as possible

3.11 Further detail is contained in appendix 1.

3.12 Further detail on the Funding factors are contained in appendix 2

3.13 High Needs Block

3.14 The structure of the high needs NFF is remaining largely unchanged in 2023/24. DfE have said that they want to ensure stability for local authorities and providers, pending more fundamental changes following the SEND and AP green paper consultation.

3.15 The 2023/24 high needs NFF includes a 5% funding floor to make sure that all local authorities receive an increase of at least 5% per head of their 2-18 population, compared to their 2022/2023 funding baseline.

3.16 Gains under the high needs NFF in 2023 to 2024 will be limited to 7%. The gains limit has allowed DfE to provide more local authorities with greater increases than would have been possible with a higher limit on the gains.

3.17 The national increase overall is a 6.4% increase on 2022/23. Bromley's provisional increases is 6.1%. The London average is 5.8%

3.18 Early Years Block

3.19 On 4 July DfE issued a consultation on updating the national funding formulae for the 2, 3 and 4 year old free childcare entitlements, and on the distribution of MNS supplementary funding. This included an announcement of an additional £10m funding for MNS from 2023/24.

- 3.20 Many of the datasets used in the formulae to reflect the variation in costs and levels are in need of updated and this has been discussed in the consultation document.
- 3.21 Using the most current data is important to ensure the funding system is fair, responsive to changing needs and targeted to where it needed most. The proposals are:-
- a) To update the data and make some adjustments to the national formulae.
  - b) Mainstream the EY element of the Teachers' Pay and Pensions Grants, meaning this grant will be distributed through the EYNFF and MNS supplementary funding. There is also a consultation on plans to reform MNS supplementary funding which is proposing to introduce a funding floor and cap to correct the most extreme outliers.
  - c) There are no proposed changes to local level funding rules.
  - d) The consultation includes proposals for new year to year protections for local authority funding rates in 2023/24.
  - e) Illustrative modelling published as part of the consultation shows that all local authorities would see an increase of between 1% and 4.6% for the 3 and 4 year old entitlement, and between 1% and 8.6% for the 2-year-old entitlement. Bromley comparative rate increases are 4.6% for the 3 and 4 year olds and 8.6% for 2 year olds.
  - f) Bromley have submitted their response. DfE have said that they will publish the government response and the final rates for 2023/24 as soon as possible in the Autumn.

### 3.22 Central Schools Services Block (CSSB)

- 3.23 The CSSB provides funding for local authorities to carry out central functions on behalf of maintained schools and academies comprising of ongoing responsibilities and historic commitments.
- 3.24 Local authorities will be protected so the maximum per pupil year on year reduction in below the total value of the block will be -2.5%, with the gains cap at 5.86%.
- 3.25 Historic commitments funding has again been reduced by 20%, as in recent years. This does not affect Bromley.
- 3.26 DfE have protected local authorities from having a reduction that takes their total historic commitments funding, in recognition of time required for costs to unwind. This does not affect Bromley.
- 3.27 Nationally the decrease in funding is -4.1%. Bromley's reduction is -2.5% with the London average being -4.4%.
- 3.28 Links to the various documents, technical notes and provisional funding are below:-

National Funding formula for Schools and High Needs 2023/24

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1091988/2023-24\\_NFF\\_Policy\\_Document\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1091988/2023-24_NFF_Policy_Document_.pdf)

NFF Summary allocation table 2023/24

[https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fassets.publishing.service.gov.uk%2Fgovernment%2Fuploads%2Fsystem%2Fuploads%2Fattachment\\_data%2Ffile%2F1091163%2F2023-24-NFF-summary-table.ods&wdOrigin=BROWSELINK](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fassets.publishing.service.gov.uk%2Fgovernment%2Fuploads%2Fsystem%2Fuploads%2Fattachment_data%2Ffile%2F1091163%2F2023-24-NFF-summary-table.ods&wdOrigin=BROWSELINK)

National Funding Formula technical notes

<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2023-to-2024>

Early Years documents have been previously circulated as part of the recent consultation

<b>Non-Applicable Sections:</b>	Legal Implications Financial implications Personnel Implications Customer Implications
Background Documents: (Access via Contact Officer)	Links attached to the paper

## Total Illustrative Funding (excluding Early Years)

<b>London Boroughs</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Change</b>
	<b>£m</b>	<b>£m</b>	<b>%</b>
Camden	179.1	184.0	2.7%
Hackney	288.8	293.5	1.6%
Hammersmith and Fulham	149.9	153.0	2.1%
Haringey	272.0	276.0	1.5%
Islington	186.3	191.6	2.8%
Kensington and Chelsea	104.8	108.4	3.5%
Lambeth	286.8	292.0	1.8%
Lewisham	300.2	307.8	2.5%
Newham	457.1	463.3	1.4%
Southwark	342.4	348.1	1.7%
Tower Hamlets	373.8	378.8	1.3%
Wandsworth	240.0	245.6	2.4%
Westminster	163.8	169.3	3.3%
Barking and Dagenham	305.5	312.2	2.2%
Barnet	374.1	383.4	2.5%
Bexley	257.3	265.5	3.2%
Brent	333.1	339.6	1.9%
<b>Bromley</b>	<b>319.6</b>	<b>327.8</b>	<b>2.6%</b>
Croydon	379.7	390.1	2.7%
Ealing	354.2	364.4	2.9%
Enfield	363.4	374.6	3.1%
Greenwich	327.2	335.1	2.4%
Harrow	234.9	240.7	2.5%
Havering	248.5	255.7	2.9%
Hillingdon	316.9	324.9	2.5%
Hounslow	290.9	299.5	2.9%
Kingston Upon Thames	154.8	159.0	2.7%
Merton	188.8	195.2	3.4%
Redbridge	333.5	340.1	2.0%
Richmond Upon Thames	172.9	177.0	2.4%
Sutton	244.0	251.0	2.9%
Waltham Forest	277.5	282.3	1.8%
<b>London Total</b>	<b>8,821.7</b>	<b>9,029.6</b>	<b>2.4%</b>

<b>London Boroughs</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Change</b>
	<b>£m</b>	<b>£m</b>	<b>%</b>
Camden	127.8	129.6	1.4%
Hackney	228.0	229.2	0.6%
Hammersmith and Fulham	113.8	115.4	1.4%
Haringey	217.8	218.9	0.5%
Islington	142.9	146.2	2.3%
Kensington and Chelsea	80.6	81.9	1.6%
Lambeth	227.4	228.8	0.6%
Lewisham	226.9	231.0	1.8%
Newham	387.2	389.6	0.6%
Southwark	276.5	277.4	0.3%
Tower Hamlets	296.1	296.6	0.2%
Wandsworth	178.4	181.2	1.6%
Westminster	126.7	129.4	2.1%
Barking and Dagenham	254.5	257.9	1.3%
Barnet	304.1	309.3	1.7%
Bexley	210.6	216.2	2.6%
Brent	255.8	258.8	1.2%
<b>Bromley</b>	<b>250.7</b>	<b>254.9</b>	<b>1.6%</b>
Croydon	292.5	299.4	2.4%
Ealing	280.6	287.8	2.5%
Enfield	293.2	299.9	2.3%
Greenwich	259.0	263.7	1.8%
Harrow	190.4	193.9	1.8%
Havering	210.3	215.0	2.2%
Hillingdon	258.5	262.8	1.7%
Hounslow	223.4	228.2	2.1%
Kingston upon Thames	124.9	127.5	2.1%
Merton	143.3	147.4	2.9%
Redbridge	271.5	275.8	1.6%
Richmond Upon Thames	137.7	140.2	1.8%
Sutton	189.6	194.1	2.4%
Waltham Forest	224.0	226.2	1.0%
<b>London Total</b>	<b>7,005.2</b>	<b>7,114.2</b>	<b>1.6%</b>

<b>London Boroughs</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Change</b>
	<b>£m</b>	<b>£m</b>	<b>%</b>
Camden	50.0	53.2	6.3%
Hackney	59.0	62.4	5.9%
Hammersmith and Fulham	33.2	35.1	5.7%
Haringey	51.3	54.4	6.0%
Islington	41.9	44.0	5.0%
Kensington and Chelsea	23.4	25.8	10.1%
Lambeth	58.3	61.9	6.2%
Lewisham	69.6	73.5	5.6%
Newham	67.5	71.3	5.6%
Southwark	64.0	68.8	7.5%
Tower Hamlets	74.2	79.0	6.5%
Wandsworth	58.9	62.0	5.2%
Westminster	36.1	38.9	7.8%
Barking and Dagenham	48.7	52.2	7.1%
Barnet	67.8	71.8	5.9%
Bexley	44.9	47.6	6.0%
Brent	75.2	78.7	4.7%
<b>Bromley</b>	<b>66.8</b>	<b>70.9</b>	<b>6.1%</b>
Croydon	81.9	85.9	4.9%
Ealing	71.0	74.1	4.3%
Enfield	67.7	72.3	6.7%
Greenwich	63.9	67.6	5.7%
Harrow	43.1	45.4	5.3%
Havering	36.5	39.0	6.9%
Hillingdon	55.9	59.6	6.7%
Hounslow	65.9	69.6	5.7%
Kingston upon Thames	28.8	30.4	5.7%
Merton	44.4	46.7	5.2%
Redbridge	57.0	60.0	5.4%
Richmond Upon Thames	34.2	35.7	4.6%
Sutton	52.5	55.1	4.9%
Waltham	51.9	54.5	5.1%
<b>London Total</b>	<b>1,745.5</b>	<b>1,847.4</b>	<b>5.8%</b>

<b>London Boroughs</b>	<b>2022-23</b>	<b>2023-24</b>	<b>Change</b>
	<b>£m</b>	<b>£m</b>	<b>%</b>
Camden	1.3	1.2	-3.9%
Hackney	1.9	1.9	-0.9%
Hammersmith and Fulham	2.8	2.4	-13.8%
Haringey	2.8	2.7	-2.5%
Islington	1.5	1.4	-5.1%
Kensington and Chelsea	0.8	0.8	-4.4%
Lambeth	1.2	1.3	5.9%
Lewisham	3.7	3.3	-10.1%
Newham	2.3	2.4	2.4%
Southwark	1.9	1.9	2.5%
Tower Hamlets	3.5	3.2	-9.6%
Wandsworth	2.6	2.4	-8.7%
Westminster	1.0	1.0	-1.2%
Barking and Dagenham	2.2	2.1	-3.5%
Barnet	2.3	2.3	3.2%
Bexley	1.8	1.7	-0.7%
Brent	2.1	2.1	-1.6%
<b>Bromley</b>	<b>2.1</b>	<b>2.0</b>	<b>-2.5%</b>
Croydon	5.3	4.7	-11.0%
Ealing	2.6	2.5	-2.9%
Enfield	2.5	2.4	-1.7%
Greenwich	4.2	3.8	-9.1%
Harrow	1.4	1.4	2.4%
Havering	1.7	1.7	0.2%
Hillingdon	2.5	2.5	-3.1%
Hounslow	1.6	1.7	5.2%
Kingston upon Thames	1.1	1.1	-0.9%
Merton	1.1	1.1	2.7%
Redbridge	5.0	4.3	-12.7%
Richmond Upon Thames	1.0	1.1	4.1%
Sutton	1.9	1.8	-1.2%
Waltham Forest	1.5	1.6	2.1%
<b>London Total</b>	<b>71.1</b>	<b>68.0</b>	<b>-4.4%</b>

## Funding Factors

Basic entitlement - This is a compulsory factor.

Values must be brought 10% closer to NFF values, subject to the 2.5% mirroring threshold. Based on pupil numbers, from reception to year 11, as per the October census/ APT

Funding is allocated according to a basic per-pupil rate

There is a single rate for primary, but there can be different rates for KS3 and KS4

The rolled-in basic entitlement element of the supplementary amounts should be added to basic per pupil rates.

Local authorities can choose to increase the pupil number count for schools with higher reception pupil numbers in the January census, rather than the October census. This flexibility will be removed as we move towards the direct NFF.

Minimum per pupil amount (MPPLs) - This is a compulsory factor.

The purpose of this factor is to ensure local authorities provide the minimum per pupil funding levels to primary and secondary schools.

The rates for the minimum per pupil funding levels for 2023 to 2024 are:-

- Primary: £4,405
- Secondary: £5,715 (£5,503 for KS3 and £6,033 for KS4)

Local authorities can request to disapply the use of the full NFF MPPLs, by exception and on affordability grounds only.

Additional needs factors – All are compulsory

These factors should all be brought 10% closer to the NFF, subject to the 2.5% mirroring threshold.

These factors allocate funding based on the additional needs of the specific child.

The factors are:-

- Deprivation factors, including free school meals (FSM), FSM6 and the income deprivation affecting children index (IDACI).
- Low prior attainment
- English as an additional language
- Mobility

Deprivation factors - These are compulsory factors.

Each of the deprivation factors must be used. Values must be brought 10% closer to NFF values, subject to the 2.5% mirroring threshold.

These factors allocate funding based on measures of economic disadvantage.

The factors are:-

- Free school meals (FSM)
- FSM6 - In 2023 to 2024, the rolled-in lump sum element of the supplementary amounts should be added to the local formula
- Income deprivation affecting children index (IDACI)

Low prior attainment - This is a compulsory factor.

Values must be brought 10% closer to NFF values, subject to the 2.5% mirroring threshold.

The low prior attainment factor acts as a proxy indicator for low level, high incidence, special educational needs:-

- primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP)
- secondary pupils not reaching the expected standard in KS2 at either reading or writing or maths

As there is no 2020 or 2021 assessment data due to Covid, LAs must use the 2019 data as a proxy for the missing 2020 and 2021 data.

English as an additional language (EAL) - This is a compulsory factor.

Values must be brought 10% closer to NFF values, subject to the 2.5% mirroring threshold.

Pupils identified in the October census with a first language other than English attract funding for three years after they enter the statutory school system. 3 years must now be used as an indicator, in line with the department's methodology for the NFF.

Separate values for primary and secondary.

If local authorities allocated funding using EAL 1 in 2022 to 2023, baseline factor values will be multiplied by one third before applying tightening criteria, and for those who used EAL2 the factor values will be multiplied by two thirds.

Mobility - This is a compulsory factor.

Values must be brought 10% closer to NFF values, subject to the 2.5% mirroring threshold.

The mobility factor allocates funding to schools with a high proportion of pupils who first joined on a non-standard date in the last three years.

To be eligible for mobility funding, the proportion of mobile pupils a school has must be above the threshold of 6%.

Funding is then allocated on a per-pupil amount to all mobile pupils above that threshold

School led funding

These factors include:-

- Sparsity
- Lump sum

- Split sites
- Rates
- PFI
- Exceptional circumstances, related to premise

Sparsity - This is a compulsory factor.

Values must be brought 10% closer to NFF values, subject to the 2.5% mirroring threshold.

Schools that are eligible for sparsity funding must meet two criteria:-

- they are in areas where pupils would have to travel a significant distance to an alternative school, should the school close; and
- they are small schools

The maximum sparsity values in the 2023 to 2024 NFF are £56,300 for primary schools and £81,900 for secondary, middle, and all-through schools.

There is some flexibility in the design of the factor, which can be done through the APT.

Lump sum - This is a compulsory factor.

Values must be brought 10% closer to NFF values, subject to the 2.5% mirroring threshold.

In 2023 to 2024, the rolled-in lump sum element of the supplementary amounts should be added to the local formula lump sum.

Local authorities can set a flat lump sum for all phases, or differentiate the sums for primary and secondary

All-through schools will receive the secondary lump sum value and middle schools will receive an average based on the number of primary and secondary year groups.

Split site - This is an optional factor.

The purpose of this factor is to support schools that have unavoidable extra costs because the school buildings are on separate sites.

Allocations must be based on objective criteria for the definition of a split site, and for how much is paid.

Values may be different for primary and secondary schools.

This is not available for schools sharing facilities, federated schools or those with remote sixth form or early years provision.

One of the proposals as part of the direct NFF consultation is for local authorities to identify which schools have a split site. This has not been agreed yet.

Rates - This is an optional factor.

As in 2022 to 2023, rates will be paid directly by ESFA to those billing authorities adopting the revised NNDR payment process on behalf of their maintained schools and academies.

In two tier areas, all billing authorities in that county must agree to adopt the new payment process to be able to implement the changes.

Billing authorities implementing the new payment process for April 2023, will submit rates data via the online portal. Adjustments will be submitted via this service too.

For April 2023, it remains optional for billing authorities to implement the revised payment process. Local authorities whose billing authority remains under the current arrangements will not see any changes.

DSG allocations will include the NFF NNDR amount and this funding will be included in school's budgets as under current regulations, NNDR remains part of the school's budget share

Local authorities whose billing authority is not adopting the revised payment process will include adjustments in the 2023 to 2024 APT.

Local authorities whose billing authority is adopting the revised payment process will only include adjustments in the 2023 to 2024 APT for the last quarter of 2021 to 2022, where there have been revaluations for their maintained schools. We do not expect any adjustments for academies.

Billing authorities will confirm by January 2023 which payment process they will implement from April 2023.

Payments for new claims will be made in a single lump sum in June. October 2023 and March 2024 are for in-year adjustments.

PFI - This is an optional factor.

The purpose of this factor is to support schools that have unavoidable extra premises costs, because they are a PFI school, and to cover situations where the PFI 'affordability gap' is delegated and paid back to the local authority.

There is no change to the PFI factor for 2023 to 2024.

Exceptional Circumstances (premises) - This is an optional factor.

Local authorities can apply to the ESFA to use exceptional factors relating to school premises costs, for example, for rents, or joint-use sports facilities.

Local authorities should only submit applications where the value of the factor is more than 1% of a school's budget, and applies to fewer than 5% of the schools in the local authority's area.

If local authorities received approval from 2018 to 2019 onwards, the approved factors can still be used if the criteria are met. If approval was received prior to this, a new disapplication request is required.

London fringe - This factor is compulsory for the 5 local authorities it applies to.

The purpose of this factor is to support schools that have higher costs because they are in the London fringe area, and only part of the local authority is in this area

The multiplier is applied to the 7 pupil-led factors, the lump sum factor, and the sparsity factor

The 10% tightening requirement will be calculated in respect of the factor values for the part of the local authority with the lowest ACA value. This year, no tightening criteria are being applied to the parts of the local authority with the highest ACA value.

### Minimum funding guarantee (MFG)

Local authorities must set a pre-16 MFG in their local formulae, to protect schools from excessive year-on-year losses.

Local authorities can choose to set an MFG between +0.0% and +0.5% per pupil.

Local authorities will need to consult on the level of the MFG, as with the rest of the formula.

Funding representing funding allocated through the 2022 to 2023 schools supplementary grant (SSG) for reception to year 11 pupils must be included in the baseline. The post-16 and early years element of the SSG will continue as a separate grant this year.

The MFG protection for special schools is changing, but this is covered in the high needs funding operational guide, and a separate workshop.

MFG exemption - There are exceptional circumstances where local authorities may want to disapply the MFG if there is a significant change in a school's circumstances or pupil numbers. For instance:-

- schools that previously qualified for a split site, PFI or exceptional factor, but are no longer eligible (or vice versa)
- where the normal operation of the MFG would produce perverse results for very small schools with falling or rising rolls
- secondary schools that are admitting primary age pupils who would otherwise be over protected at the secondary age weighted pupil unit of funding
- where over protection would otherwise occur, for example where additional funding has been distributed in the previous year and the authority can demonstrate that the funding is genuinely one-off

### Capping and scaling

Local authorities can choose to cap gains schools receive this year through the local formula, unlike NFF where no gains cap is applied.

Capping and scaling must be applied on the same basis to all schools. Local authorities and their schools forums will need to agree the levels.

ESFA will apply caps and scales to academy budgets on the same basis as for maintained schools.

### Growth fund

Funding is within the schools block DSG allocations.

Local authorities are responsible for funding the following growth needs for all schools in their area, for new and existing maintained schools and academies. The growth fund can only be used only 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

To meet this responsibility, most local authorities set aside funding to cover this growth. The amount of the fund can vary depending on the local authority's predictions of growth. Growth fund

Local authorities are required to produce criteria on which any growth funding is to be allocated, which must be agreed by the schools forum.

Criteria must include:-

- details that the growth fund is available to both schools and academies
- details that the growth fund is available to meet basic need growth as opposed to popular growth
- details of the methodology of distributing funding

### Falling rolls fund

Local authorities may set aside schools block funding to create a small fund to support good and outstanding schools with falling rolls, where local planning data shows that the surplus places will be needed within the next three financial years.

Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification, and a clear formula for calculating allocations. Differences in allocation methodology are permitted between phases.

### Notional SEN budget

Local authorities are required to identify a notional budget for mainstream schools, to help with their duty to meet the special educational needs (SEN) of their pupils

This is not a separate budget. It is within a maintained school's budget share and an academy's GAG.

It is calculated by local authorities using local mainstream schools formula factors, and is intended to meet the costs of support for children with SEN up to £6,000 per pupil per annum. High needs top-up funding covers costs over £6,000, and local authorities can also supplement some of their schools' notional SEN budgets with targeted high needs funding.

Separate guidance has been published to help you review your budget calculations and to help schools understand what the budget is for. This is available on the same web page as the Schools Operational Guide for 2023-24.

### School improvement

Local authorities currently receive the school improvement monitoring and brokering grant to support them in delivering their school improvement functions in maintained schools. These are to:-

- monitor the performance of maintained schools
- broker school improvement provision
- exercise their statutory intervention powers

From 2023 to 2024, the school improvement monitoring and brokering grant will no longer be paid to local authorities. Local authorities are now able to deduct funding from maintained school budgets for this activity instead.

#### Dedicated schools grant (DSG) deficits and high needs exceptional funding

The department now runs three programmes offering direct support to ensure effectiveness and sustainability of local authorities' high needs systems:-

- 1. Safety valve
- 2. Delivering better value in SEND (DBV)
- 3. ESFA support programme