

# SCHOOLS FORUM

<b>SUBJECT</b>	2024/24 Schools Funding Formula Arrangements
<b>DATE</b>	19th September 2023
<b>REPORT OF</b>	Liz Brummer, Strategic Finance Lead

## PURPOSE OF THE REPORT

To advise Schools Forum members of the key points arising from the Schools Revenue Funding 2024/25 Operational Guidance.

## RECOMMENDATIONS

### It is recommended that Schools Forum:

- Note the key points relating to the 2024/25 Schools Revenue Funding guide as summarised in this report.
- Note that further detailed reports will be provided to Forum at subsequent meetings when modelling has been undertaken and final allocations announced (expected December 2023).

## KEY CHANGES AND POINTS TO NOTE

### Schools Block

The 2023 to 2024 mainstream schools additional grant (MSAG) to be rolled into the National Funding Formula (NFF). Academies will still receive a separate grant up until end of August 2024.

Increase in NFF factor values (in addition to the MSAG adjustment):

- 2.4% on basic entitlement, low prior attainment (LPA), FSM6, income deprivation affecting children index (IDACI), English as an additional language (EAL), mobility, sparsity and the lump sum
- 2.4% to the minimum per pupil levels (MPPL)
- 0.5% to the funding floor, to ensure a minimum 0.5% uplift against baseline
- 1.6% to the free school meals (FSM) factor
- MFG to remain at between +0.0% and +0.5%
- Can transfer up to 0.5% from the Schools Block with Schools Forum approval
- LA's will remain responsible for determining final allocations to schools in conjunction with the Schools Forum.
- Minimum funding levels £4,655 per primary pupil and £6,050 per secondary pupil. This includes the rolling in of the MSAG
- Flexibility over the use of the Sparsity Factor remains in place.

- Lower Prior Attainment to be taken from 2019 results for missing data in 2020 and 2022 data for the 2021 assessments not undertaken due to COVID.
- 2.7% per pupil increase from 2023-24 and 8.5% per pupil higher than in 2022-23.
- 10.1% of the schools NFF allocated based upon deprivation.

### **Transition to the NFF**

Transition to the NFF will continue in 2024/25, and local authorities must move their local formula factor values at least a further 10% closer to the NFF. These criteria do not apply to optional, locally determined factors. In 2023-24 NELC adopted in full the NFF values except for Free School Meals (FSM) and sparsity.

Local Authorities must use the new national formulaic approach to split sites and follow the new local formula requirements for growth funding whereby additional classes (identified by basic need) must be funded in line with minimum levels in the funding calculation. The split site factor is not applicable to NELC.

Local Authorities with a falling rolls fund must follow the new requirements for falling rolls funding. Local Authorities can only provide falling rolls funding to schools where school capacity survey (SCAP) 2022 data shows that school places will be required in the subsequent 3 to 5 years.

The restriction, that schools were previously only eligible for falling rolls funding if they were judged 'good' or 'outstanding' by Ofsted, is also being removed from 2024 to 2025

### **High Needs**

Specific aspects of the NFF relating to High Needs have been confirmed as follows:

- Funding floor set at 3% - ensuring each local authority will see an increase of at least 3% per head of population.
- Gains limit set at 5%, allowing local authorities to see gains up to this percentage per head of population.

### **Central Services**

Historic funding elements will be subject to a 20% decrease as in previous years.

Mechanism for protection remain in place. NELC currently is in receipt of protection and as in previous years will submit a claim to evidence on-going termination of employment costs.

## Other Considerations

Growth Fund and Falling Rolls Fund need to be considered. Introduction of a methodology for calculating and allocating funding for falling rolls.

Separate teacher's pay additional grant (TPAG) to cover pay increases in 2023 to 2024 and 2024 to 2025.

School Improvement De-delegation. – last year maintained schools chose not to de-delegate any funding in respect of School Improvement.

Local authorities are required to identify a notional budget for their mainstream schools which helps them comply with their duty to use their 'best endeavours' to meet the special educational needs (SEN) of their pupils. Guidance has been updated to assist LAs in reviewing these calculations. Notional SEN budget expected to meet costs up to £6000 per pupil. This is not additional funding but is identified within a school's delegated funding or general annual grant if an academy.

## Early Years National Funding Formula

Guidance to be issued in the autumn following recent consultation on extension of funding arrangements.

## Indicative allocations 2024/25

The table below shows the indicative allocations for the DSG Blocks, excluding Early Years. The Schools Block excludes the Growth Factor allocation.

<b>Block</b>	<b>2023-24 (£)</b>	<b>2024-25 (£)</b>	<b>Change (£)</b>	<b>Change %</b>
School Block	129,963,334	133,523,865	3,560,531	2.74%
High Needs Block	27,015,116	31,319,682	4,304,567	15.93%
CSSB	1,375,659	1,280,139	(95,520)	-6.94%
<b>TOTAL</b>	<b>158,354,108</b>	<b>166,123,686</b>	<b>7,769,578</b>	<b>4.91%</b>

The final allocations will not be confirmed until December 2023 when the outcome of the October 2023 School Census is known.

## Overall NFF Values

- These are shown in Appendix A and B at the bottom of this report.

## Redetermination of Schools Budgets

- As in previous years this is not permitted.

## **Consultation and Voting**

Consultation on the Schools funding formula 2024/25 remains the same as in previous years. This includes the Schools Forum, all mainstream schools regardless of whether they are academy or maintained and obtaining the necessary political approval.

Consultations should include any changes (factor values / MFG / Capping and Scaling, the impact of these including modelling and whether the changes would bring the local formula further or closer to the NFF.

The voting requirements on centrally retained expenditure and de-delegated expenditure items remain unchanged.

## **Timetable**

The schools funding timetable for 2024/25 is shown at Appendix C below. This is broadly in line with previous years.

**Appendix A****National Funding Formula Values & NELC Values 2023-24**

<b>NFF Factor</b>	<b>24-25 NFF Values</b>	<b>23-24 NFF Values</b>	<b>% Change</b>	<b>NELC value used 23-24</b>
Primary basic entitlement (AWPU)	£3,597.00	£3,394.00	6.0%	£3,394.00
KS3 basic entitlement (AWPU)	£5,072.00	£4,785.00	6.0%	£4,785.00
KS4 basic entitlement (AWPU)	£5,717.00	£5,393.00	6.0%	£5,393.00
Primary FSM	£490.00	£480.00	2.1%	£454.00
Secondary FSM	£490.00	£480.00	2.1%	£454.00
Primary FSM6	£830.00	£705.00	17.7%	£705.00
Secondary FSM6	£1,210.00	£1,030.00	17.5%	£1,030.00
Primary IDACI F	£235.00	£230.00	2.2%	£230.00
Primary IDACI E	£285.00	£280.00	1.8%	£280.00
Primary IDACI D	£450.00	£440.00	2.3%	£440.00
Primary IDACI C	£490.00	£480.00	2.1%	£480.00
Primary IDACI B	£520.00	£510.00	2.0%	£510.00
Primary IDACI A	£685.00	£670.00	2.2%	£670.00
Secondary IDACI F	£345.00	£335.00	3.0%	£335.00
Secondary IDACI E	£455.00	£445.00	2.2%	£445.00
Secondary IDACI D	£635.00	£620.00	2.4%	£620.00
Secondary IDACI C	£695.00	£680.00	2.2%	£680.00
Secondary IDACI B	£750.00	£730.00	2.7%	£730.00
Secondary IDACI A	£950.00	£930.00	2.2%	£930.00
Primary EAL	£595.00	£580.00	2.6%	£580.00
Secondary EAL	£1,605.00	£1,565.00	2.6%	£1,565.00
Primary LPA	£1,185.00	£1,155.00	2.6%	£1,155.00
Secondary LPA	£1,790.00	£1,750.00	2.3%	£1,750.00
Primary mobility	£970.00	£945.00	2.6%	£945.00
Secondary mobility	£1,395.00	£1,360.00	2.6%	£1,360.00
Primary lump sum	£135,700.00	£128,000.00	6.0%	£128,000.00
Secondary lump sum	£135,700.00	£128,000.00	6.0%	£128,000.00
Primary sparsity	£57,700.00	£56,300.00	2.5%	£32,900.00
Secondary sparsity	£83,900.00	£81,900.00	2.4%	£70,200.00

## Appendix B

### North East Lincolnshire minimum and maximum factor values

Factor	2024 to 2025 national funding formula (NFF) value including area cost adjustment (ACA)	2024 to 2025 authority proforma tool (APT) minimum value	2024 to 2025 authority proforma tool (APT) maximum value
Primary basic entitlement (AWPU)	£3,597.00	£3,507.08	£3,686.93
KS3 basic entitlement (AWPU)	£5,072.00	£4,945.20	£5,198.80
KS4 basic entitlement (AWPU)	£5,717.00	£5,574.08	£5,859.93
Primary FSM	£490.00	£466.60	£502.25
Secondary FSM	£490.00	£466.60	£502.25
Primary FSM6	£830.00	£809.25	£850.75
Secondary FSM6	£1,210.00	£1,179.75	£1,240.25
Primary IDACI F	£235.00	£229.13	£240.88
Primary IDACI E	£285.00	£277.88	£292.13
Primary IDACI D	£450.00	£438.75	£461.25
Primary IDACI C	£490.00	£477.75	£502.25
Primary IDACI B	£520.00	£507.00	£533.00
Primary IDACI A	£685.00	£667.88	£702.13
Secondary IDACI F	£345.00	£336.38	£353.63
Secondary IDACI E	£455.00	£443.63	£466.38
Secondary IDACI D	£635.00	£619.13	£650.88
Secondary IDACI C	£695.00	£677.63	£712.38
Secondary IDACI B	£750.00	£731.25	£768.75
Secondary IDACI A	£950.00	£926.25	£973.75
Primary EAL3	£595.00	£580.13	£609.88
Secondary EAL3	£1,605.00	£1,564.88	£1,645.13
Primary LPA	£1,185.00	£1,155.38	£1,214.63
Secondary LPA	£1,790.00	£1,745.25	£1,834.75
Primary mobility	£970.00	£945.75	£994.25
Secondary mobility	£1,395.00	£1,360.13	£1,429.88
Primary lump sum	£135,700.00	£132,307.50	£139,092.50
Secondary lump sum	£135,700.00	£132,307.50	£139,092.50
Primary sparsity	£57,700.00	£36,640.00	£59,142.50
Secondary sparsity	£83,900.00	£73,370.00	£85,997.50
Middle-school sparsity	£83,900.00	£19,100.00	£85,997.50
All-through sparsity	£83,900.00	£19,100.00	£85,997.50

## Appendix C

### Schools Funding Formula 2024-25 Timetable

<b>Date</b>	<b>Action</b>
5 <sup>th</sup> October 2023	School Census Day
10 <sup>th</sup> October 2023	Disapplication from MFG requests
27 <sup>th</sup> October 2023	Evidence submission date for termination of employment costs protection
Mid November 2023	Closing date for High Needs PLACE Change workbooks
17 <sup>th</sup> November 2023	Disapplication from MFG requests
November 2023	School Census database closes
December 2023	Final APT issued to local authorities, containing October 2023 census-based pupil data and factors
December 2023	Publication of 2024 to 2025 DSG schools block (prior to academies recoupment), central school services block, initial early years block allocations and updated high needs block allocations for 2024 to 2025
Mid January 2024	Schools Forum and political approval required for the final 2024/25 funding formula
22 <sup>nd</sup> January 2024	Deadline for submission of final 2024/25 APT to ESFA
2 <sup>nd</sup> February 2024	2 <sup>nd</sup> deadline for evidence submission date for termination of employment costs protection
29 <sup>th</sup> February 2024	Deadline for confirmation of school's budget shares to mainstream maintained schools.
By 31 March 2024	Deadline for confirmation of school's budget shares by the ESFA to mainstream academy schools.
Summer 2024	EY Block updated for January 2024 EY pupil numbers