

Committee:	Schools' Forum
Meeting Date:	30 th November 2023
Title:	Schools Block Funding Formula: 2024-25
Author:	Michael Quinton, Senior Accountant - CYP
Decision making / consultative / information:	Decision Making
Who can vote?	All members with voting rights

What is the Schools' Forum being asked to decide?

1. The paper provides an update to the National Funding Formula (NFF) for 24-25. All factors used in 24-25 will be the same as those used in 23-24. Schools' Forum is being asked to continue to follow the NFF.

Reason for recommendation

2. The recommendation is for Suffolk to continue to follow the NFF for next years submission (as previously agreed by Schools' Forum) to determine schools' budgets in 24-25.
3. Local authorities are now required to move their local formula factor values at least a further 10% closer to the NFF factor value, except where local formulae are already mirroring the NFF. Thankfully a position that Suffolk and our schools will not need to face and therefore reduces any significant changes to school funding for Suffolk schools.

Alternative options

4. There are no alternative options in respect of the NFF and Schools' Forum have agreed to follow the NFF over the past 6 years.

Who will be affected by this decision?

5. The funding formula used to calculate school budgets for 24-25 will affect all LA maintained schools, free schools, and academies.

Main body of report

6. The provisional DSG allocations for the Schools, High Needs and Central School Services blocks were re-published in October 2023 after an error was uncovered by the DfE on the July 23 initial allocations. Please see DfE explanation below:

Republication of the 2024-25 schools NFF: what happened?

- *The department initially published 2024-25 funding allocations for schools in July, as it does annually to support forward planning.*
- *We subsequently discovered a technical error made by DfE officials during the initial calculations of the 2024-25 schools NFF. Specifically, this was an error processing pupil numbers.*
- *Officials have subsequently worked as quickly as possible to update the NFF allocations for schools – these were republished on 6th October.*
- *The error means that the overall cost of the core schools budget would be 0.62% greater than allocated.*
- *The total funding for schools, through the core schools budget, will remain at £59.6bn in 2024-25, the highest ever in real terms per pupil.*
- *The error only affects the mainstream schools' NFF: the 2024-25 high needs and CSSB NFF allocations are unaffected, as are other funding streams outside the NFF, including the Teacher Pay Additional Grant announced in the summer*

7. For Suffolk schools, the LA hopes this did not have any direct impact in planning. We know that generally Suffolk schools will plan on the information shared in the autumn Schools' Forum reports with regard to allocations, NFF factors and APT draft submission.
8. The final DSG allocations for 24-25 will be confirmed in December, based on updated October 2023 census information which will then be used to set 24-25 school budget allocations.
9. See **Annex A** for the draft 24-25 proforma and schools block unit values. These values will be used to set the final 24-25 allocation, however AWPU values may need to be altered slightly (as the balancing adjustment) for any agreed transfers between blocks, if there are any changes to non-pupil led funding factors and disparities between the growth and falling rolls allocation from the ESFA that forms part of the schools block funding and what Suffolk sets for growth funding and falling rolls budgets.

10. The schools national funding formula (NFF) has been updated for 2024-25 with new factor values and some technical adjustments. The key changes are:

- Rolling the 2023 to 2024 mainstream schools additional grant (MSAG) into the NFF by:
 - adding an amount representing what schools receive through the grant into their baselines. This means funding increases year on year are calculated on the same basis.
 - adding the value of the lump sum, basic per pupil rates and free school meals Ever 6 (FSM6) parts of the grant onto the respective factors in the NFF
 - uplifting the minimum per pupil values by the mainstream schools additional grant's basic per-pupil values and an additional amount which represents the average amount of funding schools receive from the FSM6 and lump sum parts of the grants
- Increasing NFF factor values (on top of the amounts added for the MSAG) by:
 - 1.4% to the following factors: 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
 - 1.4% to the minimum per pupil levels (MPPL)
 - 1.6% to the free school meals (FSM) factor value
- A new formulaic approach to split sites, which has replaced local level approaches. Schools eligible must have site which has the same URN, is separated by a road or railway line and the separate building is maintained by the school and for the education of 5–16-year-olds.

11. Local authorities have the freedom to set the MFG in their local formulae between +0.0% and +0.5% per pupil to protect schools from excessive year-on-year changes.

12. The NFF continues to include a minimum per pupil level factor (MPPL), which sets a minimum per pupil funding that each school attracts through the NFF. This minimum refers to the level in £ of per-pupil funding schools attract through the NFF. These values for 24-25 are:

Year groups	2024-25 minimum per pupil funding levels
Primary	£4,610
KS3	£5,771
KS4	£6,331

13. Based on the provisional allocations and October 22 census information (used for the draft budget setting) 40 schools would require an adjustment to ensure that they reach these per pupil funding levels (41 schools in 23-24 and 77 in 22-23). In cash terms and based on current information, £2.3m is needed from the formula to 'boost' these schools to required levels (£2.4m in 23-24).

Authority Proforma and Movements from the schools' block

14. The Authority Proforma Tool (APT) is used to submit the schools block budget to the DfE. The deadline this year is 22nd January 2024. Updated data based on the October 23 census should be with the LA during December. When this is received, the APT can be updated to reflect the October 23 pupil numbers.
15. A further paper to confirm the final allocations and to highlight any further changes or important aspects of the 24-25 school budgets will be presented at the Schools' Forum meeting in January. Provisional allocations are shown in the table below:

Table 1 - Provisional DSG allocations and year on year change

Block	23-24 Allocation	24-25 Provisional	Change £	Change %
Schools Including 23-24 MSAG*	£524,188,720	£532,462,575	£8,273,855	2%
High Needs	£107,203,958	£113,248,177	£6,044,219	6%
Central	£5,480,429	£5,172,322	-£308,107	-6%

*After 0.5% transfer to support HNB recovery

16. In **Annex A** the APT takes into account the core NFF factor increases and any other changes from 23-24, but still using the October 22 census data.
17. The schools block is ring-fenced in 24-25 in line with the DSG conditions of grant, however local authorities can transfer up to and including 0.5% of their schools block funding into another block, with the approval of Schools' Forum. Schools' Forum were asked in 20-21, 21-22 and 22-23 to vote on the continuation of the 0.5% contribution to the DSG deficit recovery, from the Schools Block. In 23-24 the contribution was taken from CYP reserves and therefore there was no transfer or vote.
18. Schools' Forum are again being asked to agree a transfer to support the High Needs and DSG deficit recovery (**please refer to the HNB paper**). As Suffolk are part of the Delivering Better Value programme the DfE would expect LAs to be having these conversation with their Schools' Forum to mitigate the deficit position and to aid in the recovery. Without Schools' Forum agreement, or where they wish to transfer more than 0.5% of their schools block funding into one or more other blocks, local authorities must submit a disapplication request to the Secretary of State.
19. The APT in **Annex A** does include a 0.5% transfer of funding to support the DSG deficit recovery. The amount would be in the region of £2.675m.

Annex A

Local Authority Funding Reform Proforma

LA Name:	Suffolk
LA Number:	935

Primary minimum per pupil funding level	Secondary (KS3 only) minimum per pupil funding level	Secondary (KS4 only) minimum per pupil funding level	Secondary minimum per pupil funding level
£4,610.00	£5,771.00	£6,331.00	£5,995.00

Pupil Led Factors							
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception uplift	No	Pupil Units		0.00		
	Description	Amount per pupil		Pupil Units		Sub Total	Total
	Primary (Years R-6)	£3,541.02		54,876.50		£194,319,041	£398,496,739
	Key Stage 3 (Years 7-9)	£5,001.02		23,579.00		£117,919,161	
	Key Stage 4 (Years 10-11)	£5,640.02		15,294.00		£86,258,537	
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total
2) Deprivation	FSM	£490.00	£490.00	11,847.74	8,233.00	£9,839,562	£43,114,381
	FSM6	£820.00	£1,200.00	12,239.74	9,453.00	£21,380,186	
	IDACI Band F	£235.00	£340.00	5,627.22	3,707.85	£2,583,065	
	IDACI Band E	£285.00	£450.00	4,397.89	3,058.12	£2,629,555	
	IDACI Band D	£445.00	£630.00	2,067.39	1,476.81	£1,850,381	
	IDACI Band C	£485.00	£690.00	3,088.00	2,101.79	£2,947,915	
	IDACI Band B	£515.00	£740.00	837.54	530.71	£824,055	
	IDACI Band A	£680.00	£945.00	828.13	525.43	£1,059,662	
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total
3) English as an Additional Language (EAL)	EAL 3 Primary	£590.00		3,685.06		£2,174,186	£3,786,270
	EAL 3 Secondary		£1,585.00		563.70	£893,464	
4) Mobility	Pupils starting school outside of normal entry dates	£960.00	£1,380.00	616.45	91.91	£718,620	
	Description	Weighting	Amount per pupil (primary or secondary respectively)	Percentage of eligible pupils	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total
5) Low prior attainment	Primary low prior attainment		£1,170.00	29.27%	16,060.35	£18,790,610	£35,435,676
	Secondary low prior attainment (year 7)	54.47%	£1,775.00	24.43%	9,377.50	£16,645,066	
	Secondary low prior attainment (year 8)	64.53%		23.93%			
	Secondary low prior attainment (year 9)	64.53%		23.89%			
	Secondary low prior attainment (year 10)	64.53%		23.93%			
	Secondary low prior attainment (year 11)	63.59%		24.46%			

Factor			Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)
6) Lump Sum			£134,400.00	£134,400.00			£40,185,600
7) Sparsity factor			£57,100.00	£83,000.00	£83,000.00	£83,000.00	£3,602,912
Primary distance threshold (miles)	2.00	Primary pupil number average year group threshold		21.40	Apply primary distance taper		Yes
Secondary distance threshold (miles)	3.00	Secondary pupil number average year group threshold		120.00	Apply secondary distance taper		Yes
Middle schools distance threshold (miles)	2.00	Middle school pupil number average year group threshold		69.20	Apply middle school distance taper		Yes
All-through schools distance threshold (miles)	2.00	All-through pupil number average year group threshold		62.50	Apply all-through distance taper		Yes
8) Fringe Payments					Fringe multiplier	1.0000	£0
9) Split Sites			Basic eligibility funding	£53,700.00	Distance funding rate	£26,900.00	£161,200
10) Rates							£4,638,061
11) PFI funding							£0

12) Exceptional circumstances (can only be used with prior agreement of ESFA)				
Circumstance			Total (£)	Proportion of total pre MFG funding (%)
Additional lump sum for schools amalgamated during FY23-24			£0	0.00%
Additional sparsity lump sum for small schools			£0	0.00%
Rent			£114,644	0.02%
Exceptional Circumstance4			£0	0.00%
Exceptional Circumstance5			£0	0.00%
Exceptional Circumstance6			£0	0.00%
Exceptional Circumstance7			£0	0.00%
Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total)			£529,535,483	99.57%
13) Additional funding to meet minimum per pupil funding level			£2,307,779	0.43%
Total Funding for Schools Block Formula (excluding MFG Funding Total)			£531,843,262	100.00%
14) Minimum Funding Guarantee		0.50%	£619,314	
Where a value less than 0% or greater than 0.5% has been entered please provide the disapplication reference number authorising the value				
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)			No	
Capping Factor (%)		Scaling Factor (%)		
Total deduction if capping and scaling factors are applied			£0	
			Total (£)	Proportion of Total funding(%)
MFG Net Total Funding (MFG + deduction from capping and scaling)			£619,314	0.12%
Total Funding for Schools Block Formula			£532,462,575	

