



Report to Schools Forum

Date: 5th December 2023

Title: NFF Operational Guidance and School Budget Proposals 2024-25

Author: Sarah Fogden, Head of Finance – Children’s Services

Recommendations:

Schools Forum is asked to:

- a. **Note the information set out in the report, including the accompanying appendices, showing indicative allocations for 2024-25. Note that modelling is based on October 2022 census data. Final DSG allocations are due in December 2023 and will be updated for October 2023 census data.**
- b. **To note the allocation for the Central Schools Services Block and the increased allocation for the High Needs Block for 2024-25.**

1. Purpose of Report

- 1.1. The purpose of this report is to update Schools Forum on the modelling of the local funding formula for 2024-25.
- 1.2. Updated modelling is also provided for the Central Schools Services Block.
- 1.3. Work continues on the development of the SEND Delivering Better Value exercise and this will inform the future model for demand against high needs budget to be considered by Schools Forum in January 2024.

2. Background

- 2.1. In October, Schools Forum would normally consider the updated Schools Revenue Funding 2024 to 2025 Operational [Guide](#) issued by the DfE and agree the principles for the local funding formula in 2024-25. This meeting did not take place and the following assumptions have been applied to the initial modelling:

- a) Adopt the National Funding Formula factors.

b) Adopt the Minimum Per Pupil funding levels at the values defined in the NFF and prorate (scale) of all other factors in the formula to match the available allocation of funding from the DfE.

c) Set a Minimum Funding Guarantee (MFG) at +0.5%.

2.2. As agreed last year we will not consult with schools as there is no change to the MFG or on any proposals to move funding between DSG blocks.

3. Indicative DSG Allocation 2024-25

3.1. The provisional DSG allocation for the Schools Block, High Needs Block and Central Schools Services Block is as follows:

DSG Block*	Provisional Allocation 2024-25	2023-24 Allocation	Increase/ (Decrease)	% Change
	£m	£m	£m	
Schools Block	434.466	424.349	10.117	2%
High Needs Block	127.344	123.578	3.766	3%
Central Schools Services Block	4.671	4.934	-0.263	-5%
Total	566.481	552.861	13.62	2%

* DSG allocations before deductions by ESFA for NNDR and direct funding of places to Academies

3.2. The provisional allocation is based on the October 2023 census and will be updated for the October 2023 census in December. The 2023-24 Schools block DSG includes the Maintained School Additional Grant in order to compare to the 2024-25 DSG allocation.

3.3. The allocation for the schools block 2024-25 excludes the allocation for growth funding, a calculator is provided to local authorities to enable the potential growth funding to be estimated.

3.4. In July 2023, the government announced additional funding for teachers' pay. This will be allocated to mainstream schools through the teachers' pay additional grant (TPAG). Information and funding related to TPAG is **not** included throughout the remainder of this document, as TPAG will be allocated outside of the National Funding Formula for 2024 to 2025.

4. Schools Block – Modelling of the 2024-25 Formula

4.1. Using the indicative allocations as noted above, the local funding formula has been modelled using the principles listed above and applying a Minimum Funding Guarantee of 0.5%. Based on the October 2022 census data, the proposed model is

affordable within the Schools Block budget available without needing to cap any gains.

4.2. Appendices 1 to 3 show the impact of the proposed model on funding rates, funding levels and school by school allocations. The impact is summarised below:

Illustrative Funding Levels Funding Factors	2023/24 Final Rates	2024/25 Indicative Funding Model
Scaling factor (% of NFF)	99.89%	100.00%
	£m	£m
Total through funding formula	413.49	434.98
Growth Fund	0.91	2.26
Total cost to schools block	414.40	437.24
Met from :		
Pupil Led Funding	406.93	429.78
Premises Funding	3.46	4.68
Growth Funding	3.47	2.47
Transfer from Growth Reserves	0.53	0.31
Total Funding Available	414.40	437.24

No. of Schools Protected	23	8
No. of Schools Capped	24	0

	£	£
Cost of MFG Protection	140,290	63,540

5. Disapplication request – Exceptional Rent Factor

5.1. The DfE have confirmed that no new application is required this year.

5.2. The factor is used to support those schools that require additional premises, currently we fund three schools at a total of £87,605 this is included within the modelling and affordable.

6. Exceptional Small Schools Premises Costs Factor

6.1 The DfE have informed us that from 2024/25 we are no longer permitted to use this factor.

7. Split Site factor

7.1. From 2024/25 as part of the NFF the DfE have devised a new formula for funding schools with split sites. Schools who qualify now attract a basic allocation of £55.3k with a further potential £27.7k based on the distance between the eligible sites.

7.2. This benefits 5 schools within Buckinghamshire who previously received just £8.6k

8. Growth Fund

8.1. Appendix 4 shows the estimated use of growth funding in 2024-25 based on the current agreed criteria. The summary for the current year indicates that there will be an underspend against the allocation in the current year however school places are proving difficult to predict and we have limited space in some year groups it would therefore be prudent to roll forward any underspend as an earmarked reserve to support future growth fund requirements.

8.2. The schools revenue funding guidance from the Department for Education (DfE) states that “Local authorities should report any unspent growth funding remaining at the year end to the schools forum. For local authorities that have an overall DSG surplus, funding may be carried forward to the following funding period, as with any other centrally retained budget, and local authorities can choose to use it specifically for growth. Any overspent growth funding will form part of the overall DSG surplus or deficit balance.”

9. Falling Rolls Fund

9.1. From 2024/25 the DfE have introduced funding for falling rolls, the DfE provided calculator suggests that we will receive additional funding of £144.9k. Previously we have not considered it necessary to have a falling rolls policy, given the new funding we will need to reconsider the position.

10. Central Schools Services Block (CSSB)

10.1. The CSSB continues to provide funding for local authorities to carry out central functions on behalf of maintained schools and academies, comprising two distinct elements:

- ongoing responsibilities
- historic commitments

10.2. Local authorities will continue to be protected so that the maximum per-pupil year-on-year reduction in funding for ongoing responsibilities is -2.5%, while the year-on-year gains cap will be set at the highest affordable rate of 6.45%.

10.3. The indicative allocation for the CSSB for 2024-25 is £4.671, a reduction of £263k on the current year.

11. High Needs Block

11.1. The provisional allocation for the High Needs Block in 2024-25 is £127.3m, an increase of £3.8m (3%) compared to the current year.

11.2. Detailed modelling on the high needs block, to include updated forecasts for this year and projected demand in future years, will be brought to the January meeting. This will also include recommendations from the Delivering Better Value in SEND workstream.

12. Early Years Block

12.1. The Early Years Block for 2024-25 will be announced in December 2023. The initial allocation is expected to be based on the January 2023 census. There has been considerable investment in Early Years from September 2023. The funding is being wrapped into the Early Years Allocation for 2024-25, but the Early Years funding formula is subject to considerable change. A further report on Early Years will be brought to Forum in January 2024.

