



Report to: Schools Forum
Date of Meeting(s): 19 October 2023
Subject: Schools Block Funding Formula – 2024/25
Report of: Colette Dutton – Director Children and Families
Contact Officer: Mark Rotheram - Strategic Finance Manager
Kirsten Reid – Group Finance Manager

Summary: A report outlining the currently known information in relation to the Funding Formula in 2024/25 including provisional allocations.

Recommendation(s): To note the information included within the report.

To agree the approach to confirm the school level allocations for 2024/25.

Implications:

*What are the **financial** implications?* n/a

*What are the **staffing** implications?* n/a

Risks: n/a

Please list any appendices:-

Appendix number or letter	Description
N/A	N/A

1. Introduction

- 1.1 The National Funding Formula (NFF) was introduced in 2018/19. As in previous years, in 2024/25, each Local Authority will continue to have responsibility for setting a local schools funding formula to determine the funding to be distributed to individual schools (referred to by the DfE as the NFF 'soft approach'). The Government is committed to implementing the direct NFF within the next 4 years and has published specific transition requirements for those LA's not yet using the NFF. It was agreed by Forum in 2018/19 that Wigan's local formula should mirror the NFF factors and rates, and this has continued since.
- 1.2 2023/24 was the first year of transition to the direct schools NFF. This year was considered successful by the DfE and they will continue with the same approach of tightening control in 2024/25.
- 1.3 The purpose of this report is to provide Forum members with a summary of the provisional allocations, the key elements of the formula and to outline a timeline of actions to ensure the timely approval of next year's school level allocations.

2. National Funding Formula (NFF) 2024/25

- 2.1 In the October 23 publication of the NFF the government have confirmed that the overall 2024/25 schools budget will be £59.6bn.
- 2.2 There was a technical error in the provisional NFF calculations in July 2023, which was updated in the October 2023 guidance.
- 2.3 Summarised below are the key changes/points of note in relation to the School's NFF for 2024/25:
 - Per pupil funding through the NFF will increase by 1.9% in 2023/24 and in 2024/25 will be 7.6% higher than the 2022/23 baseline.
 - There is a new formulaic approach for the split site factor.
 - The core factors eg basic entitlement and the lump sum will increase by 1.4%
 - The minimum per pupils funding will be set so that primary schools receive at least £4,610 per pupil and secondary schools receive £5,995 per pupil.
 - The funding floor will allow 0.5% more pupils led funding that 2023/24.
 - The LA are permitted to set the Minimum Funding Guarantee (MFG) between +0% and +0.5% per pupil.
 - The 2023/24 Mainstream Schools Additional Grant has been rolled into the schools core budgets.

3. Provisional Funding Allocations

- 3.1 Provisional funding allocations were received in July 2023. This initial funding information is based on October 2022 census data and pupil numbers, which

will be adjusted in the final allocation received in December 2023 to reflect any changes in pupil numbers in the October 2023 data. The pupil numbers used for the provisional funding details are 45,046 (25,774 Primary and 19,273 Secondary). Information on Growth Fund allocations will only be received in December.

- 3.2 Provided in the tables below is a summary of the provisional funding information for 2024/25.

Table 1: Provisional Funding Details 2024/25

	Value (Total)	Value (per pupil)
2023/24 Schools Block (exc. Growth)	£245.055m	
2023/24 MSAG and premises funding	£9.984m	
2023/24 Total schools block funding (exc. Growth)	£255.039m	£5,662
2024/25 Provisional Schools Block (exc. Growth)	£260.074m	£5,774
Increase (£)	£5.035m	£112
Increase (%)	1.97%	1.97%

Provisional Allocation is calculated as follows:

Element	Number	Value (£)	Total (£)
Primary Unit of funding	25,774	5,132	132,270,020
Secondary Unit of funding	19,273	6,541	126,071,980
Premises			1,731,720
Total			260,073,720

- 3.3 As highlighted by the table above the provisional Schools Block funding for 2024/25 totals **£260,073,720** which is an increase of approx. £5,035 million on our 2023/24 actual allocations, inclusive of the 2023/24 supplementary grant. This equates to a 1.97% increase per pupil. For comparison purposes in 2023/24 we received an increase of 2.04% per pupil compared with 2022/23, including the additional supplementary grant.

4. Next Steps

- 4.1 Modelling is currently delayed due to errors in the July 2023 NFF allocations. When the figures are reissued work will begin to determine indicative funding allocations for schools. This will be based on the October 2022 census data for initial modelling purposes.
- 4.2 In December 2023 final allocations and an updated pro-forma tool including the October 2023 census data will be received and the final allocations can then be determined. The details of the final school level allocations need to be submitted to the ESFA for approval by 20th January 2024. Political approval is also required prior to submission. Subsequently the LA needs to

confirm with maintained schools their 2024/25 budget share by 28th February 2024.

4.3 In previous years a sub-group of Schools Forum has been established to consider and subsequently recommend principles for the determination of individual school budgets. Given the limited local discretion and the current position of our local formulae this may not be necessary. In recent years considerations of the sub-group have centred around School Block contributions to High Needs and how this would be made affordable.

4.4 We would like schools forum to consider and agree in principle, pending further consultation with the wider sector, the following proposals for the formulation of school budgets in 2024/25:

- To continue to apply all National Funding Formula factors and values.
- To set the minimum funding guarantee at the maximum 0.5% if affordable within the funding envelope. This would only be reduced if the NFF was found to be unaffordable when final modelling is done in December/January.
- In May 2022 forum agreed that £0.750m from the 2021/22 Centrally Retained DSG underspends could be used to support the High Needs block in 2022/23. In view of the unprecedented financial pressures impacting on schools it was agreed not to make any further contribution from the Schools Block to High Needs in 2023/24. It was agreed to keep this position under review in future financial years.
- In 2023/24 the high needs budget continues to be under pressure and it is expected that in 2024/25 it will become increasingly difficult to balance the budget. Therefore, consideration needs to be given as to whether an additional transfer is made in 2024/25 from the schools block to the high needs block to recognise this pressure. The amount of any transfer to be discussed.
- In previous years a transfer of 0.5% has been made from the schools block to other DSG blocks. This transfer can be made without need to submit a disapplication request. The transfer would be used principally to support the High Needs Block to help support the ongoing pressures and assist in balancing the High Needs budget for 2024-25.

4.5 If Forum are in agreement with the above proposals, this will be the approach applied and **indicative** school level allocations (based on October 2022 census data) will be produced and brought to the next meeting for information.

5. Recommendations

5.1 Schools Forum to note the information in relation to the 2024/25 funding formula outlined in this report.

5.2 To agree the proposals in 4.4 above in principle, pending consultation with the wider sector.