



Report to: Schools Forum

Date of Meeting(s): 18th January 2024

Subject: School Funding Formula 2024/25– Schools Block

Report of: Colette Dutton - Director for Children and Families

Contact Officer: Mark Rotheram Strategic Finance Manager
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Summary: To provide details of the DSG allocations for 2024/25 and details of the allocation per school.

Recommendation(s): For Schools Forum members to sign off the formula and school level allocations for 2024/25
To agree the total growth fund for 2024/25
To agree the allocation of the Central School Service Block (CSSB) funding

Implications:
*What are the **financial** implications?* Contained within report

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

Risks: n/a

Please list any appendices: -

Appendix number	Description
1	National Funding Formula Values 2024/25
2	DSG School Block Allocations 2024/25
3	Mainstream Schools Additional Grant 2023-24 allocations

1 SCHOOL FUNDING FORMULA 2024/25

- 1.1 The LA will remain responsible for determining the local schools funding formula model to be used to distribute final delegated budget allocations to individual schools (referred to by the DfE as the National Funding Formula “soft” approach). Each authority’s process must ensure that there is sufficient time to gain political approval before the APT (authority proforma tool) deadline of the 22/01/2024. Political ratification means approval in line with the authority’s local scheme of delegation, so this may be decisions made by the council cabinet, cabinet member or full council. At the meeting of the Wigan Council Cabinet on the 20/01/2022 Cabinet approved the delegation of future decisions to approve the School Funding formula model to the Portfolio Holder for Children and Families.
- 1.2 The Government is committed to implementing the direct National Funding Formula (NFF) and has published specific factor values for those LA’s 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.

2. SCHOOLS BLOCK

- 2.1 The NFF model for the schools block calculates an “indicative” budget for each individual school in their host Local Authority and the aggregated total of such forms the 2024/25 LA baseline schools block allocation. The schools block allocation is expressed as separate per pupil primary and secondary rates for each LA and includes funding for premises based on historic spend and growth on a formulaic basis. The published allocation for 2024/25 is **£264,178,827**, including growth funding and having rolled in the Mainstream Schools Additional Grant from 2023/24. The total schools block funding for 2024/25 after the deduction for ESFA NNDR payments is **£262,447,107**. The pupil numbers for funding purposes have increased by 472 (an increase of 165 in the Primary Sector and an increase of 307 in the Secondary Sector).
- 2.2 The minimum funding guarantee (MFG) for schools will continue to provide protection and stability to school budgets, but local authorities will have the flexibility to set a local MFG rate between +0% and +0.5% per pupil. The mandatory minimum funding levels also will continue to apply to ensure that all schools receive a minimum amount of funding per pupil and any funding arrangement agreed by the Local Authority must ensure that this is protected.
- 2.3 The schools block is ring-fenced, but the LA is permitted to transfer up to 0.5% of the schools block funding allocated to other blocks (ie high needs) with the agreement of their Schools Forum. At the forum meeting in June 2022 (ratified October 22) it was agreed that £0.750m from DSG underspends in 2021/22 could be utilised to support the High Needs block in 2023/24. This position is reviewed year on year, the maximum amount of the Schools Block that can be transferred from the 2024/25 allocation, without need for a disapplication is £1,300,000.
- 2.4 The Schools Forum members reviewed options for distributing the funding at the meeting on 7th December. The members discussed the impact of transferring funds

from the schools block to the high needs block. The options were considered and it was agreed that **£500,000** should be transferred to the high needs block.

- 2.5 As part of Wigan's 23/24 APT submission a Local Authority estimate of 23/24 NNDR charges to schools of £1,731,720 was included and used in the calculation of Wigan's School Block funding of £264,178,827 as detailed in paragraph 2.1 above. The 24/25 APT requires indicative 24/25 NNDR figures to be submitted. Following release of an updated multiplier this calculation is being worked through. Whilst this may impact on the final APT submission it will not have any impact on the level of school funding to be allocated via the other factors.

3. BUDGET ALLOCATIONS

- 3.1 At the December 2023 Forum meeting, members were presented with proposals setting out the key principles to be applied in setting the 2024/25 funding formula, together with indicative school level allocations.

- 3.2 Provided below is a summary of the key principles agreed at the meeting:

- The NFF factors and associated values (including the Area Cost Adjustment) should be adopted.
- The Minimum Funding Guarantee (MFG) should be maintained at the maximum 0.5%.
- No capping and scaling should be applied.

The formula factors used in the allocations is attached at Appendix 1. Appendix 2 shows the agreed allocations revised for updated pupil numbers and built in growth factors.

4 GROWTH FUND

- 4.1 Growth funding is allocated to local authorities using a formulaic method based on lagged growth data. The allocations are based on pupil data from the October 2023 census. Wigan has been allocated £1,252,493 growth funding in 2024/25, (£987,993 2023/24).

- 4.2 In October 2019 a report was presented to Schools Forum on Growth Funding and it was agreed that our local method of allocation should be maintained until any changes are directed by the DfE. To summarise, Wigan's methodology is as follows:

'A school or academy can submit a business case where it has agreed with the authority to provide an extra class in order to meet basic need or where a school has increased its PAN in agreement with the authority. The business case will detail the additional costs to the school for this extra provision, and this will be cross referenced against an amount based on an additional per pupil AWPU increase reflecting the proportion of the year which is not funded within the school's budget share. (The amount paid includes not just the AWPU but all funding factors less the fixed sum)'

4.3 As the growth allocation is within the Schools Block, the establishment of the growth fund is not treated as a transfer between blocks and the Schools Forum are required to agree the total value of the growth fund. In line with the agreed 2023/24 allocation £500,000 was allocated to the growth fund in the options provided to Schools Forum at the December 2023 meeting and has been used again in the revised APT. However, on balancing the APT there was a minor difference of £137.97 which has been allocated to the growth fund, making the revised allocation **£500,137.97** (2023/24 £500,000).

4.4 Any unspent growth funding remaining at year end will be reported to Schools Forum. Any such underspends will be carried forward to the following funding period and Forum will be consulted on the use of the funding. Any overspends on the growth fund will form part of the overall DSG surplus or deficit balance.

5. CENTRAL SCHOOL SERVICES BLOCK

5.1 The central school services block (CSSB) is the fourth block of funding within the DSG framework.

5.2 This block funds local authorities for the statutory duties that they hold for both maintained schools and academies and brings together 3 former funding streams as detailed below:

- Funding previously allocated through the retained duties element of the Education Services Grant (ESG) functions including education welfare and asset management;
- Funding previously top-sliced from the schools block for ongoing responsibilities (i.e. Admissions/Schools Forum); and
- Residual funding for historic commitments, previously top-sliced from the schools block

The CSSB also incorporates an element of funding for the teacher's pension grant for centrally employed teachers, which was previously allocated through a separate grant payment and also covers the cost of copyright licences.

5.3 Wigan's calculated allocation for the CSSB block for 2024/25 is **£1,011,399** (2023/24 is £917,588).

5.4 Schools Forum approval is required each year to confirm the amounts for activities within the CSSB and when using centrally held funding, local authorities must treat maintained schools and academies on an equivalent basis.

6. ACTIONS

6.1 To agree the funding formula and school block allocations having considered the revised growth fund allocation set out in 4.3 above.

6.2 To agree the total growth fund for 2024/25.

6.3 To agree to the Central Schools Services Block (CSSB) specified allocation for Local Authority statutory duties.