

REPORT TO: Schools' Forum
DATE: 11th October 2023
REPORTING OFFICER: Operational Director - Finance
SUBJECT: Provisional DSG funding for 2024-25
WARDS: Borough wide

1.0 PURPOSE OF THE REPORT

To update and consult the Schools' Forum on the Dedicated Schools Grant provisional funding for 2024-25.

2.0 RECOMMENDATION: That

- 2.1 The report is noted.
- 2.2 Schools Forum support the continuation of the National Funding Formula (NFF) methods, principles and rules for mainstream primary and secondary school funding allocations for 2024-25.
- 2.3 Schools Forum agree to make a decision on the level of Minimum Funding Guarantee (MFG) to be applied to the Schools Block funding formula for 2024-25.
- 2.4 Schools Forum agree to make a decision on the National Funding Formula (NFF) unit values to be applied to the mainstream Schools and academies funding formula for 2024-25

3.0 SUPPORTING INFORMATION

3.1 Grant settlement

The provisional Dedicated Schools Grant settlement for 2024-25 was announced on 17th July 2023 giving Halton a total of £140,756,493 for the Schools Block, Central Schools Services Block and High Needs Block.

The DfE have indicated that the Early Years Block provisional settlement for 2024-25 will be announced in December.

3.2 Schools Block

The Schools Block provisional allocation is £112,914,268, based on the October 2022 census data which is an increase of £2.722m or 2.5% when compared to the actual Schools Block allocation for 2023-24 inclusive of the Mainstream Schools Additional Grant (MSAG) which has been rolled into the Schools Block for 2024-25.

Inclusive of MSAG, the Primary Unit of Funding (PUF) is increasing from £5,215.18 to £5,545.55 for 2024-25 and the Secondary Unit of Funding (SUF) is increasing from £6,648.26 to £7,012.20 for 2024-25.

The PUF and SUF increases for 2024-25 will be multiplied by the number of primary and secondary age pupils counted on the October 2023 census to give our final Schools Block allocation which will be announced in December.

Please note that the PUFs and SUFs are used solely to calculate the amount of funding due to the LA and do not represent any individual Schools Block funding formula factor.

For schools and academies formula funding the DfE have uplifted the cash values of most factors within the National Funding Formula (NFF) by on average 2.4%.

The DfE have provided indicative models of what each school would receive using the uplifted NFF cash values against the October 2022 census data and is available for information at: [National funding formula tables for schools and high needs: 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/115444/nff_tables_for_schools_and_high_needs_2024_to_2025.pdf)

From 2023-24 Halton has fully mirrored the NFF funding factors. The DfE have not proposed any material changes to the NFF structure for 2024-25 other than to develop a more detailed formula for Split Site allocations which is not applicable to Halton as we have no schools eligible for Split Site funding.

3.3 Central Schools Services Block

The provisional CSSB allocation is £740,944 based on pupil numbers on the October 2022 census plus £15,434 for the Historical funding giving a provisional total of £756,378. Once again, the final allocation will be based on the October 2023 census data. The Historic commitment funding has again reduced by 20% and as this is used to fund the Safeguarding post, the balance required to be met by schools & academies will also increase, as previously agreed.

The individual budgets to be funded from the CSSB for 2023-24 will be presented at the January meeting.

3.4 High Needs Block

The provisional High Needs Block allocation has been announced as £27,085,847 before Further Education (FE) recoupment but including a deduction of £0.366m for Halton children being educated in other areas, known as Exports. This represents an increase from 2023-24, including the Special schools equivalent to MSAG, of £0.951m or 3.6%.

We estimate the FE recoupment will be £0.924 for 2024-25 leaving £26,161,847 available to support Special Educational Needs and/or

Disabilities (SEND) eligible pupils and increasing cost pressures including, Halton's Specialist provisions, Pupil Referral Unit, (PRU), Mainstream Resourced Units, Education Health and Care Plan (EHCP) top-up funding, Out-borough high-cost Independent and Non-Maintained Specialist (INMS) providers, and specialist support services.

The individual High Needs Block budgets will be presented at the February meeting.

3.6 Minimum Funding Guarantee

The MFG continues in 2024-25 with a permissible range of 0.0% to plus 0.5%, meaning that a school's per pupil amount must increase by a minimum of 0.5% compared to the previous year.

It is not possible to say what level of MFG we can afford until after the October 2023 census data and final grant allocation for 2024-25 is received, however it is envisaged that the maximum 0.5% MFG will be able to be applied as in previous years. The final grant settlements are typically released less than a week before Christmas and it is envisaged it will be mid-January before the final calculations are available for Schools' Forum consideration.

Schools' Forum are therefore requested to recommend the MFG in principle at 0.5%, noting that any affordability issues will be brought back to the January 2024 meeting of Forum for their final recommendation.

3.7 Schools Block Funding Formula

It is proposed to continue to follow the National Funding Formula (NFF), using the NFF cash values where possible. Affordability has not been an issue in recent years where Halton has mirrored the NFF values, therefore it is expected that the final Schools Block grant allocation will be sufficient to fully fund at the NFF cash values for 2024-25.

The NFF formula values being proposed to be applied to Halton's school funding formula are detailed at Appendix A.

Schools' Forum are therefore requested to recommend the use of all NFF values for the determination of schools and academies formula funding for 2024-25, noting that any affordability issues will be brought back to the January 2024 meeting of Forum for their final recommendation.

4.0 FINANCIAL IMPLICATIONS

4.1 We are required to set a local funding formula in line with the Schools Block operational guidance for 2024-25. Failure to do so will result in the DfE imposing a funding formula on us.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 Children & Young People in Halton

It is essential that schools and education support services receive sufficient funding to allow them to support all children and young people.

5.2 Employment, Learning & Skills in Halton

None.

5.3 A Healthy Halton

None.

5.4 A Safer Halton

None.

5.5 Halton's Urban Renewal

None.

6.0 RISK ANALYSIS

6.1 We need to comply with the regulations otherwise could have formula imposed on us.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.

8.0 CLIMATE CHANGE IMPLICATIONS

8.1 None identified.

Consultation on the Schools Block Funding Formula

Funding Formula

We are required to consult with Schools' Forum on the method, principles and rules adopted for the funding formula to be applied to mainstream primary and secondary schools and academies.

As you will be aware we have followed the National Funding Formula (NFF) method, principles and rules, and mirrored the NFF values for several years. We are recommending that we continue this and apply the unit values as per the table below.

The NFF 2024-25 for recommendation is:

<u>Factor</u>	<u>Criteria</u>	<u>Primary NFF value 24-25</u>	<u>Secondary NFF value 24-25</u>
Basic per Pupil	A set level of funding according to age for each pupil.	£3,611	£5,091 KS3 £5,739 KS4
Deprivation - FSM	Funding for pupils who are currently eligible for FSM.	£492	£492
Deprivation – FSM Ever 6	Funding for pupils who have been eligible for FSM at some point in the previous 6 years.	£833	£1,215
Deprivation – IDACI	Income Deprivation Affecting Children Index. Funding is based on the deprivation level assigned to each pupil's home post code, banded A to G. However funding is only allowed for bands A to F.	F £236 E £286 D £452 C £492 B £522 A £689	F £346 E £457 D £637 C £698 B £753 A £954
Low Prior Attainment	Primary – where pupils have not achieved the expected level of development at EYFSP. Secondary – where pupils have not achieved the expected standard in KS2 at either reading, writing or maths.	£1,189	£1,797
English as an Additional Language	Pupils identified with a first language other than English can be funded for up to the first three years of statutory schooling. We fund for the maximum period of three years.	£597	£1,611

Pupil Mobility	Provides funding for pupils who enter a school other than at the start of Autumn Term. A minimum threshold applies of 6% of pupil numbers. This is now a mandatory factor.	£974	£1,400
Sparsity	Funding for small schools located in areas where pupils would have to travel a set minimum distance to the next nearest school. This is now a mandatory factor.	Year Group size and distance tapers as per DfE	Year Group size and distance tapers as per DfE
Minimum Level of Per-pupil funding	A mandatory factor. <i>Combines all pupil-led factors and is not a stand-alone amount.</i>	£4,655	£5,824 KS3 £6,389 KS4
Total Pupil-led factors	Each LA is required to allocate at least 80% of the delegated Schools Block funding through the above pupil-led factors.	23-24 was 92%	23-24 was 92%
Lump Sum	An amount per school up to a maximum of £175,000. Can be different for primary and secondary schools.	£136,212	£136,212
Split Sites	No schools in Halton are eligible for funding under this factor.	n/a	n/a
LA Rates	LA Rates	Estimates will be set in December based on latest uplift information.	
PFI contracts	A factor to support schools that have unavoidable premises costs due to being a PFI school. In Halton we use a per pupil rate. RPIX increase of 11.2% as per DfE Guidance.	n/a	£416.23
Exceptional Premises	In Halton, this is for the joint use of leisure facilities by contractual agreement with one school increased annually in line with RPIX at 11.2%	n/a	£178,227
Minimum Funding Guarantee	The MFG can be set between 0% and +0.5%.	0.5%	0.5%

All unit values above are rounded to the nearest £ for presentational purposes