

SCHOOLS FORUM

5th December 2023



2024-25 Mainstream Schools NFF and LA Planned Growth

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Forum asked to decide / steer / be informed	Decide and to recommend
Time Needed	15 Minutes

Introduction

Following the 2024-2025 B&NES Mainstream Schools Funding Consultation – Autumn 2023, that was completed on 13th November 2023, the forum is asked to comment on schools' responses and to decide on planned actions for the National Funding Formula (NFF) for 2024-2025 and the change in methodology for funding LA Planned Growth for basic need via the NFF.

Recommendation

The Forum is asked to:

- 1) Comment on the responses to the consultation and recommend to the cabinet member the preference the forum would like to take with regard to the details of the NFF.
- 2) Decide on the request to support the continued 0.5% contribution from the Schools Block to the High Needs Block for 2024-2025
- 3) Discuss and agree the change in methodology for funding LA Planned Growth for basic need via the NFF for 2024-25 onwards. This change will affect schools that currently receive this funding and any new requests for LA Planned Growth.

Report

The 2024-25 B&NES mainstream schools funding consultation document was emailed to schools on the 12th October 2023 in order to communicate proposed formula changes for 2024-2025 and covered the following 3 main topics.

- A. Proposed changes to the school's formula for 2024-2025 that will be used to fund all mainstream schools and academies.
- B. Continuation of utilisation of school block resources to support High Needs
- C. Changes to the way LA's should fund LA Planned Growth for basic need for mainstream schools for 2024-2025 onwards.

Set out below for each of these topics is the decision-making powers and the required actions by the schools Forum.

The Formula for 2024-2025 and LA's moving to a 'direct' NFF.

As in previous years, each local authority will continue in consultation with maintained schools and academies, to set a local schools funding formula in 2024-25, in order to calculate the distribution of funding available for mainstream schools.

Local authorities will be required to move their local formulae factors 10% closer to the NFF values, compared to where they were in 2023-24, unless they are already mirroring the NFF. B&NES is deemed to be mirroring the NFF.

The B&NES Autumn 2023 consultation document set out the DFE confirmed technical changes in the NFF, announced in July and Oct 2023, and the LA proposed changes in the local authority school's formula for 2024-25 that will be used to fund all B&NES mainstream schools. The consultation also discussed the continuation of the utilisation of school block resources to support the high needs block and changes to the way LA's should fund LA Planned Growth for basic need.

The consultation responses can be viewed at **Appendix 4.1**

The Forum is asked to recommend a course of action to the Cabinet Member for Children and Young People for the following three areas **A, B and C**.

A. Proposed changes to the school's formula for NFF for 2024-25

If you look at **Appendix 4.1** you will see all the schools' responses to the questions in the consultation and some have shared their opinions.

The school's forum is asked to steer LA officers with regard to the detail of the formula as follows:

1. If the final schools block allocation by the DFE for 2024-25, is not sufficient to support the allocation of the NFF in full, do the forum agree with the 98% of schools that responded to the consultation, that LA Officers should scale back the eligible NFF factor values by a relevant percentage to balance the overall schools funding formula allocation to the resources available.

B. Utilising Schools Block funding for High Needs

For 2024-25 Local authorities will continue to be able to transfer up to 0.5% of their school's block funding into the high needs block with school's forum approval. Transfers above 0.5%, or any amount without school's forum approval will require Secretary of State Approval even if ministers agreed the same amount in the past two years.

The LA consulted on the transfer of 0.5% from the school's block to the High Needs Block in 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24, following consultation, which the school's forum agreed. The resources that transferred in 2023-24 were approximately £646k.

The LA consulted with schools in autumn 2023 to ask if they agree to extend the current arrangement to transfer 0.5% of the school's block to the high need block for 2024-25 and **100% of the schools** that responded to the consultation **agreed to this proposal**.

The autumn 2023 consultation responses can be viewed at **Appendix 4.1**

The Forum is asked to decide whether to approve a 0.5% transfer of school's block funding to the High Need Budget for 2024-2025. The requested transfer would amount to an estimated £659k.

If the Forum turns down the proposal to transfer any funding from the school's block to the high needs block the LA can request Secretary of State Approval under the Financing of Schools Regulations.

C. Change in methodology for funding LA Planned Growth for basic need via the NFF for 2024-25 onwards.

In 2024 to 2025 local authorities will be required to provide growth funding where a school or academy has agreed with the local authority to provide an extra class to meet basic need in the area (either as a bulge class or as an ongoing commitment). As a minimum local authorities will have to provide funding to a level which is compliant with the following DFE formula:

- primary growth factor value (£1,550 per annum) × number of pupils × ACA

The primary growth factor value will be used for all school types – recognising there is one teacher pay scale and that this funding is a minimum value.

The DFE minimum funding requirement for 2024-25 of £1,550 per annum lump sum compares to the B&NES equivalent value of £2,088 per annum lump sum for 2023-2024.

Of the 44 schools that responded to the consultation question number 4, 'Do you wish to reduce the B&NES equivalent value of £2,088 per annum for the year 1 lump sum allocation for LA Planned Growth, to the DFE minimum requirement of £1,550 per annum from 1st April 2024?', 20 left this question blank, 22 responded 'No' and 2 responded 'Yes'

The DFE advise that they expect local authorities to use varying pupil numbers in the NFF calculations for LA Planned Growth, where there is a more permanent and significant change to numbers, and where it is **appropriate for the change to be reflected in the national funding formula**.

Since the autumn 2023 consultation was issued to schools in October 2023, officers have been looking at how much additional funding via the NFF that schools could have been allocated for 2023-24 if the schools pupil numbers had been varied to take into account LA Planned Growth requests and compared this to the actual funding they are receiving under the LA's current LA Planned Growth funding policy in 2023-24.

The results of this exercise **have confirmed that all the schools** would have received more funding if they had been funded LA Planned Growth via the NFF.

The LA therefore proposes that a new mechanism for planned growth be adopted in line with the DFE expectations for the NFF.

This approach will prepare the LA and schools for the changes the DFE are likely to make in the near future. Additionally, the funding a school will received will be more reflective of their current school funding allocation rather than a fixed amount based on averages.

Please see the proposed new funding policy at **Appendix 4.2 for FY2024-25 B&NES Policy for Growth in LA Planned Admission Numbers**

In 2024 to 2025, local authorities will continue to set criteria to determine how to allocate growth funding to schools for Pre-Opening Costs and Post Opening costs for diseconomies of scale for new mainstream schools in their local area. Please see **Appendix 4.3** with the funding policy for **FY2024-25 B&NES Policy for pre-opening start-up & post opening diseconomies of scale**.

The LA propose to increase the funding values for this funding allocation in line with the increase in the overall funding for schools block funding, at 1.74%

For the FY2022-23 the B&NES local Authority allocated a budget of £444,978 for LA Planned Growth centrally against an actual spend for financial year 2022-23 of £328,422. This left a balance of £116,556 on 31st March 2023 that became part of the overall DSG carry forward. Had the LA varied pupil numbers in the NFF for LA Planned Growth in FY2022-23 the LA would have set aside a small contingency for in year emergency LA Planned Growth of £50k and added the rest of the funding into the resources for the schools national funding formula.

The forum is asked to:

1. **Agree** the new funding policy for Growth in LA Planned Admission Numbers from 1st April 2024.
2. **Agree** an increase of 1.74% to the values in the FY2024-25 B&NES Policy for pre - opening start-up & post opening diseconomies of scale to mirror the funding increase in the mainstream schools NFF