

Consultation on the local School Funding Formula for Bath and North East Somerset Mainstream Schools for 2025-26

Closing Date: Monday 15th November 2024

Contents

	Page
1. Introduction	3
2. Changes and information about the NFF for 2025-26	4
3. Utilisation of school's block funding for High Needs	5
4. How to Respond to this Consultation	6

List of Appendices attached to the email with this Consultation.

Appendix 1 – 2025-26 Estimated total school block amount and the amount of the 0.5% to be transferred from the school's block to the high needs block

Appendix 2 – Estimated impact of transferring 0.5% from the school's block to the high needs block for 2025-26

Section 1 - Introduction

The ESFA issued a summary policy document on the 3rd of October 2024 to confirm the key elements of the schools national funding formula (NFF), prior to the publication of the delayed NFF allocations for 2025 to 2026. It was published to support LA's, schools and academy trusts in planning, by providing the structure of the NFF for 2025 to 2026 (that is the factors that will be used in the NFF, and how they will operate). This is in advance of the department confirming the NFF factor values and NFF allocations for 2025 to 2026.

The authority aims to publish NFF allocations for schools and all supporting documents on the NFF (including the schools operational guide and NFF technical note), for 2025 to 2026 as soon as possible following the budget announcement on 30 October 2024. The dedicated schools grant (DSG) allocations will then be published in December 2024. Hence, the policy document published only covers mainstream school funding and the detail on the high needs NFF will be published alongside the NFF allocations as usual.

The 2025 to 2026 schools NFF will use the same factors as the 2024 to 2025 NFF. These individual NFF factors for 2025 to 2026 will operate in the same way as in 2024 to 2025 except for some changes to the PFI factor. The PFI and exceptional premises factors are allocated to local authorities based on historic spend and rates based on actual costs. The structure of the schools NFF for 2025 to 2026 will use the pupil-led factors, the school-led factors and will continue to provide the minimum per pupil levels (MPPLs) as well as the funding floor funding protections. These changes will not affect Bath and North East Somerset schools.

2023-24 was the first year of transition to the direct schools NFF with the end point being a system in which, to ensure fairness and consistency in funding, every mainstream school in England will be funded through the same national funding formula without adjustment through local funding formulae.

Local Authorities must continue to engage in open and transparent consultation with all mainstream schools in their area, as well as with the school's forum, about any changes to the local funding formula including the principles adopted and any movement of funds between blocks.

The NFF for 2025-26 is yet to be issued by the DfE, however the summary policy document released on the 3rd of October confirmed the key elements of the schools national funding formula (NFF), prior to the publication of the delayed NFF allocations for 2025 to 2026. These key changes which affect local formulae are described in Section 2 of this consultation.

This consultation will cover the:

- A. changes in the local authority school's formula for 2025-26 that will be used to fund all B&NES mainstream schools and 2 consultation questions.
- B. Continuation of the utilisation of school block resources to support High Needs

The schools Forum will be consulted on the responses by schools to the questions in this consultation at the next meeting on 3rd December 2024.

Section 2 – Changes to schools funding formula for 2025-26 and consultation questions that need a response from schools.

The DfE have advised the following key changes to the 2025-26 NFF and that local authorities will be required to continue to bring their own formulae closer to the schools NFF which will not require schools' forum approval.

There are a few consultation questions to answer below regarding the 0.5% transfer of funding from the schools' block to the high needs block and rolling in of the 3 grants currently allocated outside the NFF in the schools NFF for 2025 to 2026.

2.1 Rolling in the 3 grants into the schools NFF in 2025-26:

The teachers' pay additional grant (TPAG) and the teachers' pension employer contribution grant (TPECG) 2024 will be rolled into the NFF for 2025 to 2026. The recently announced core schools budget grant (CSBG) will also be rolled into the schools NFF for 2025 to 2026.

The funding of these grants will be rolled in following a very similar approach to previous grants. That is:

- adding cash amounts to the primary, key stage 3 and key stage 4 per pupil funding factors in the schools NFF, to represent the equivalent amounts in the grants.
- adding cash amounts to the primary and secondary FSM6 factors, and the lump sum, in the schools NFF, to represent the equivalent amounts in the grants.
- adding cash amounts to the minimum per pupil funding levels (MPPLs) for primary, KS3 and KS4 respectively, to reflect the average per pupil amount of funding that schools attracted through the preceding grants.
- adding an amount representing the total funding each school received through the preceding grants on to its baseline, which is used to calculate funding protection for the schools through the funding floor.

For TPAG and TPECG, the funding rolled in to the NFF will use the published funding rates directly. For example, in step (1) above, the cash amount added to the primary basic per pupil NFF factor to roll-in TPAG will simply be the cash value of the primary basic per pupil rate in TPAG for 2024 to 2025 (that is, £62).

For CSBG, however, the ESFA will take a slightly different approach to rolling-in this funding to the NFF. This is because the total funding in the CSBG in 2024 to 2025 is calculated to match, at a national level, the funding needed to meet the full-year cost of the support staff pay award, as well as the part-year cost of the 2024 teachers' pay award (from September 2024). Therefore, to roll in this funding, the ESFA will calculate the full year equivalent of the whole of the CSBG, and then calculate new (higher) full-year equivalent funding rates from this new total. The cash values rolled into the NFF in 2025 to 2026 will then reflect these full-year equivalent funding rates.

The LA plan to allocate the above grants in the manner that they are received from the ESFA.

Question 1

Do you agree for the LA to roll in the 3 grants currently allocated outside the NFF into the 2025-26 schools NFF, using the same methodology that the DfE use to allocate the funds to the LA?

Section 3 - Utilisation of Schools Block for High Needs

The DfE have delayed the announcement of the provisional allocations for the High Needs Block but have indicated that there will be limited changes to the funding regime for 25-26. This will mean that we will not know the increases in funding for the High Needs Block until after the National Budget announcements at the end of October 2024.

It is likely that the DfE will use floors and caps of gains for the High Needs Block allocations as it did for the 2024-25 budget allocations (these resulted in a floor of 3% per pupil and a maximum gain of 5% per pupil). Local authorities are likely 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.

Schools are aware that the high needs pressures in B&NES are growing, and that the LA has entered a Safety Valve agreement with the DfE and have recently resubmitted a revision of that agreement to the DfE. The resubmission shows that the LA will overspend its High Needs Block budget allocation by £12.3m in 2024-25.

The Councils SEN strategy of increasing local provision will take time to generate the efficiencies anticipated. As part of the strategy the LA is seeking the continuation of the 0.5% transfer of Schools Block funding to the High Needs Block.

The LA consulted with schools on the transfer of 0.5% from the school's block to the High Needs Block from 2018-19 to 2024-25. The Schools Forum agreed the transfer in each year following consultation. The resources that transferred in 2024-25 were £674k.

For 2025-26, it is not yet possible to calculate the exact figure that would be requested as the increase in the Schools Block has not been announced, but it is likely that the increase is likely to be in excess of 3% as the grants allocated to schools in 2024-25 amount to 1% of the school block funding. We estimate that the High Needs Block transfer would be approximately £700k.

The Local Authority is therefore proposing that a request should be made to the school's forum to continue the transfer of 0.5% schools block funding to the high needs block for 2025-26.

Question 2

Do you agree to extend the current arrangement of transferring **0.5%** of the Schools Block funding to the High Needs Block for 2025-26?

The estimated impact of transferring 0.5% from the school's block to the High Needs Block on each schools funding for 2024-25 is shown in **Appendix 1**. These estimated

calculations have been complicated by the lack of accurate data about overall funding to the LA from the DfE for 2025-26, therefore the estimates have been generated using the 2024-25 same pupil numbers and factor data used in the formula calculations for 2024-25. Some assumptions have also been made which are detailed in the appendix.

It must be stressed that the figures shown in Appendix 1 are for LA modelling purposes only and schools should not use any of this information as part of their budget planning as the DfE have yet to confirm the final DSG allocations for 2025-26.

Question 3

Do you have any other comments you would like to make about the local National Funding formula for 2025-26?

Section 4 - How to respond to this consultation.

This consultation is being sent to all Head teachers at maintained schools and Chief Executive Officers of Academy Trusts

It is the LA's intention to take the responses received from either maintained schools or academy trusts, but to record the trust responses as a response for all schools in the trust. There-fore if a trust has two secondary schools and five primary schools then their responses would be counted as seven schools in total.

If two responses are received from an individual school and its trust, then the trust responses will override the school response.

Responses to the consultation will be **required by Friday 15th November 2024** in order for officers to process the responses to submit the LA school funding proposals to the schools forum meeting on 3rd December 2024 and if required for the LA to submit a disapplication request to the DfE.

An electronic response form has been attached to the email with the consultation. The form will allow you to make comments on the LA proposals. These views will be fed to the schools Forum who will make the final decision. Please return your completed electronic response forms to the email address below.

Should you have a question about the proposals could you also e-mail them to: -

SchoolsStrategic_FinanceTeam@bathnes.gov.uk

Your query can then be passed to the most appropriate officer.