

<b>Schools Forum 28 November 2024</b>	
<b>Report from Executive Director Finance &amp; Commercial &amp; Executive Director of People - Children Services</b>	
<b>Local Funding Formula Consultation &amp; Block Transfers</b>	
<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	N/A
<b>No. of Appendices:</b>	
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This report relates to all academies and mainstream schools' representatives and is for decision by all Forum Members.

## 1 Purpose of the Report

- 1.1 The purpose of the report is to agree the form and timeline for consultation with Maintained Schools and Academies on the local application of the National Funding Formula for 2025-26.

## 2 Recommendations

- 2.1 Subject to consultation, Schools Forum members are asked for provisional agreement on:
- 2.1.1 Approve the transfer of 0.5% (provisionally £0.xx) million of the Schools Block to support pressures in the High Needs block.
- 2.1.2 Approve the transfer of £100,000 of the Schools Block to support improvements in the Admissions service
- 2.1.3 Approve using the Basic Entitlement for Pupils Factor to allocate surplus schools block funding to Mainstream Maintained Schools and Academies in 2025-26.
- 2.1.4 Schools' Forum is asked to note the recommendation in another report on the proposed allocation of £750,000 to the Growth Fund in 2025/26 which will form a top slice from the Schools Block DSG.

### 3 Introduction

- 3.1 Each year the Education and Skills Funding Agency (ESFA) informs Local Authorities (LA) of the provisional allocations for the forthcoming financial year. Slough BC has then normally undertaken modelling of the available funding as informed by a working party of Schools Forum to illustrate the varying impact it has on each Mainstream Maintained School and Academy in their area. This is a common approach across many local authorities, however there are other approaches where consultation on the principle of changing factor values is undertaken before the allocation is known.
- 3.2 There is no right approach and each school forum approaches consultation that reflects its history.
- 3.3 This year however the Government are later than normal (but they have been later) and whilst they have published, but not confirmed, provisional NFF factor values, they have not yet released modelling tools incorporating data collected in the October census that informs how the allocations are to be distributed.
- 3.4 We are still able to do some modelling to inform decision-making but it must be stressed that these are in terms of advising
- 3.5 Modelling usually results in there being a modest surplus and this consultation exercise seeks views from individual Mainstream Maintained Schools and Academies on a number of options to use the surplus to support children in our Mainstream Maintained Schools and Academies.
- 3.6 In advance of consultation, Schools Forum are asked to help shape the proposals that if supported would form recommendations to the LA on the local formula. Schools Forum are also requested to approve funding transfer proposals between DSG blocks.

### 4 Timetable

#### *November 2024*

- ESFA *aim* to publish schools, high needs and central school services block (CSSB) NFF allocations for schools and local authorities and all supporting documents on the NFF (including the schools operational guide and NFF technical note), for 2025 to 2026 in late November 2024

#### *December 2024*

- DSG allocations will be published

#### *January 2025*

- Authority Proforma Tool (APT) submission deadline is 22 January 2025

#### *February 2025*

- local authorities will confirm school budget shares to mainstream and special maintained schools, and pupil referral units (PRUs)

#### *March 2025*

- ESFA will confirm general annual grant (GAG) allocations to academies

**5 Dedicated Schools Grant**

5.1 Analysis of the 151 councils with Education Authority is set out below showing that on average Slough schools receive approximately 72-73% of the best funded schools in England, and receive approximately 50% more than the lowest funded schools.

	Primary schools unit of funding (£s)		Secondary schools unit of funding (£s)	
<b>ENGLAND</b>	<b>5,216.13</b>		<b>6,755.73</b>	
<b>Slough</b>	<b>5,004.51</b>		<b>6,810.81</b>	
<b>Minimum</b>	<b>145%</b>	<b>4,777.80</b>	<b>154%</b>	<b>6,065.85</b>
<b>Maximum</b>	<b>72%</b>	<b>6,956.49</b>	<b>73%</b>	<b>9,328.87</b>

5.2 The overall position for schools in Slough is that total school block funding is in excess of the level of funding required to implement the National Funding Formula (NFF) levels. Appendix A sets out the funding required for our Local Funding Formula (LFF) factor values, and the NFF values.

5.3 In summary, allowing for block transfer of up to 0.5% and establishing the growth fund, the amount of headroom within the Slough LFF is just under £5m.

Details	Amount
<b>DSG schools block</b>	<b>£172,307,899</b>
<b>24-25 NFF funded NNDR, excluding prior year adjustments</b>	<b>£1,745,162</b>
<b>DSG schools block after deduction of 24-25 NFF funded NNDR</b>	<b>£170,562,737</b>
<b>Total of all transfers</b>	<b>£861,539</b>
<b>Total SB funding available (excluding 24-25 NFF NNDR allocation)</b>	<b>£169,701,198</b>
<b>Comparable NFF</b>	<b>£164,780,355</b>
<b>Headroom allowing for Block Transfer and Growth Fund</b>	<b>£4,920,843</b>

5.4 The Headroom that exists in the system allows the LFF to reflect local priorities and this is reflected in the choice of the factor values in the LFF.

5.5 In their review of the 2023-24 LFFS included in the [National funding formula for schools and high needs 2024 to 2025](#) identified Slough as one of the local authorities that mirror the NFF in most factors in 2023-24, having moved to mirroring the NFF in most factors but is not mirroring across all additional needs factors, identifying the mobility factor.

5.6 We have not yet received confirmation of the guidance for 2025-26 nor confirmation of the NFF factor values but it is unlikely that we will be directed to amend the values of our LFF significantly although there might be some pressure to increase the mobility factors by 10% which would still have a minimal impact.

5.7 We have received notification of the provisional values that are set out in Appendix B Provisional 2025/26 NFF Funding Rates Comparison. There has been no significant change to any of the factor values with the majority increasing from between 0.4 % and 1.03%. In terms of how this is reflected in changes to our local factors it is proposed that the consultation it is not possible to follow either the specific increase nor match the actual percentage increase. In order to maintain the status quo it is proposed that we consult on the basis to maintain the current “Proportion of total pre MFG funding (%). So in the example below 78.02% of the total pre MFG would be distributed by AWPU.

	Description	Amount per pupil	Proportion of total pre MFG funding (%)
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Primary (Years R-6)	£3,675.77	36.67%
	Key Stage 3 (Years 7-9)	£5,182.40	23.73%
	Key Stage 4 (Years 10-11)	£5,841.81	17.62%

## 6 Key Factors Behind Current High Needs Block Position

- 6.1 Slough Borough Council is one of around 40 local authorities who have entered into safety valve agreements. In return for a phased contribution of £27m from the DfE, the Council agreed to an action plan that sought to contain expenditure and avoid an unmitigated deficit of over £40m. To that extent the response has been positive and up until now annual deficits have been avoided.
- 6.2 However it is now clear that as the Council processes new EHCPs and undertakes annual reviews on existing ones that there is pressure in the system that needs to be quantified. Whilst additional places have been commissioned for 2024/25, more places will be needed for 2025//26 and further years.
- 6.3 The Council is keen to keep children and young people close and reviewing panel processes ensuring only pupils whose needs cannot be met at local Maintained Provisions are being placed in independent non maintained special schools [INMSS]. Consultation processes are being strengthened and INMSS schools are only being consulted with where appropriate.
- 6.4 Nationally all local authorities are seeing a significant increase in demand which is exacerbated by the shortage of special school places and general inflationary pressures. Cost-effective local provision and effective allocation of capital funding will be needed to meet rising special school demand. Working with the school community the SEND Sufficiency Working Party will be key to managing this. Working with school leaders, local authority officers, health partners and other stakeholders they will consider demand for resource provisions and alternative based on current data and inform future commissioning strategies too.

6.5 The Government has committed to increasing SEN funding by £1Bn in 2025/26 and it is expected to be distributed via the High Needs NFF. However, as with mainstream schools the first element of any extra funding will be needed to cover increases in salary costs. The remainder can be used to contribute to the growing costs that virtually all, but not every Council is feeling. How the additional monies will be incorporated into the formula will give an indication of their approach, although it is one of need and of increased numbers.

6.6 Notwithstanding the additional funding being provided by the Government there is still a need to request Schools Forum approval to transfer 0.5% of funding from the Schools Block to support pressures in the High Needs Block.

## 7 Consultation

7.1 The Council is obliged to consult on setting the values of the Local Funding Formula and for Block Transfers. As in previous years it is proposed to consult with all mainstream schools impacted by the proposals and ask the following two questions:

7.1.1 Q1 Do you support the transfer of 0.5% of the schools block to support pressures in the High Needs block?

7.1.2 Q2 Do you support maintain the current budget proportion for all factors in the local formula e.g, distributing 78.02% of the total budget by AWPU.

7.1.3 All respondents opposed to the proposal will be given the opportunity to provide an explanation or identify an alternative factor.

7.2 Schools Forum will want to give consideration as to how they would like to make a decision on these questions.

## 8 Financial Implications

8.1 The financial implications have been detailed in the body of this paper.

## 9 Alternative Options Considered

9.1 No alternative options were considered.

## 10 Supporting Information

Not applicable.

## 11 Legal Implications

11.1 Local Authorities are under a statutory duty to ensure that there are sufficient school places in their area, ensure fair access to educational opportunity and promote the fulfilment of every child's educational potential.

## 12 Equality Implications

Not applicable.