

**North Northamptonshire Schools Forum: 18<sup>th</sup> January 2024**

**Agenda Item 6**

**2024-25 Schools Block Budgets**

**Attachments:**

**Appendix A - North Northamptonshire Area Cost Adjusted NFF funding factor values.**

**Appendix B – Comparison of 2024-25 with 2023-24 NFF Factor Values using Oct 2023 Census.**

**Appendix C – NNC's Draft 2024-25 Mainstream Schools Funding Formula Allocations Pending ESFA Validation and NNC Approval.**

**1 Introduction**

1.1 This report sets out the:

- 2024-25 Schools Block DSG Allocation for Schools Forum to note.
- Proposed 2024-25 Mainstream Primary and Secondary School Budgets for Schools Forum to agree to recommend to North Northamptonshire's Executive and Council for approval.
- Proposed Growth Fund Budget for Schools Forum to agree to recommend to North Northamptonshire's Executive and Council for approval.

**2 Background**

2.1 The October 2023 revised Provisional North Northamptonshire's Schools Block NFF funding for 2024-25 using the October 2022 census data estimated NNC's Schools Block DSG (Dedicated Schools Grant) total excluding growth at £283.129M.

2.2 NNC finance communicated to members the National Funding Formula updates on the Schools Block and the proposed funding formula during the School Forum Meeting in November 2023. Subsequently, a consultation was initiated with all schools in November 2023 to collect their feedback and opinions.

2.3 Pending the release of North Northamptonshire Council's 2024-25 DSG Settlement, Schools Forum at the December 2023 meeting have agreed the following proposals to run the mainstream schools funding formula:

- The adoption of the 2024-25 ACA adjusted National Funding Formula values to set the 2024-25 mainstream funding formula for schools and academies.
- The Minimum Funding Guarantee to be set at 0.5% (the maximum allowed), gains capped at 0.5% and scaled to 100%.

- To transfer 0.5% from the Schools Block to the High Needs Block in 2024-25.
- After which all remaining funding in the Schools Block will be allocated to the Growth Fund.
- The de-delegation of £3.79 per pupil for Trade Union Facilities Time and £12.78 per pupil for School Effectiveness and £22.48 for Insurance for Maintained Primary and Secondary Schools.

2.4 This report sets out the proposed budget plan and formula for 2024-25 in the context of the decisions already made by Schools Forum and the available funding.

2.5 Final decisions on the funding formula for schools are for the Executive and Council to determine in February 2024, but the proposals they will consider are the ones which Schools Forum have developed over the last few meetings. This report seeks Schools Forum's views on the final proposals before they are considered by the Executive and Council.

### **3 2024-25 Schools Block DSG Allocation**

3.1 The DfE announced the 2024-25 DSG Funding Settlement on 19<sup>th</sup> December 2023. The LA also received an Authority Proforma Tool (APT) (the mechanism for calculating and reporting mainstream formula budgets for 2024-25), which reflected October 2023 pupil and other data. The LA must submit a completed APT by 19<sup>th</sup> January 2024, subject to political ratification to the Education Skills Funding Agency (ESFA).

3.2 **Table A** sets out the 2024-25 Schools Block DSG allocation compared against the 2023-24 DSG. There has been a decrease in the number of primary school pupils which has reduced by 14.5 pupils and an increase in secondary school pupils which has increased by 394.5 pupils in North Northamptonshire which is based on the October 2023 census.

3.3 Funding for premise costs including funding for National Non-Domestic Rates have increased by £282,189.

3.4 Funding for Pupil Growth has increased by £13,795.

3.5 As the DfE rolled the Primary and Secondary Mainstream School Additional Grant (MSAG) into the Schools Block in 2024-25, the 2023-24 DSG allocation is shown for comparison.

**Table A – Schools Block DSG**

Component	Final Schools Block composition 2023-24			Available Funding 2024-25			Difference		
	Pupil Nos	PUF / SUF*	Total 2023/24	Pupil Nos	PUF / SUF*	Total 2024/25	Pupil Nos	PUF / SUF*	Total Funding
			£m			£m			£m
Primary NFF	29,554	£4,735.55	139,954,444.70	29,540	£5,007.20	147,910,184.40	-14.50	£271.65	7,955,739.70
Secondary NFF	20,494	£6,190.29	126,860,708.12	20,888	£6,491.89	135,602,598.32	394.50	£301.60	8,741,890.21
Premises NFF			1,822,977.00			2,105,166.00			282,189.00
Primary & Secondary MSAG			9,050,422.00			-			- 9,050,422.00
Growth Factor			1,645,539.00			1,659,334.00			13,795.00
<b>Estimated Total DSG Schools Block</b>			<b>279,334,090.82</b>			<b>287,277,282.72</b>			<b>7,943,191.90</b>

3.6 **Table A** reflects a headline increase of £271.65 (5.74%) increase per primary pupil unit of funding and £301.60 (4.87%) increase per secondary pupil unit of funding, but most of this increase is through the Mainstream Schools Additional Grant from 2023-24 which has been rolled into the main formula. **Table B** illustrates the impact of the primary and secondary unit funding increase.

**Table B – Impact of Unit Funding Rate Increase**

Component	Nov 2023 Schools Block DSG 2023-24			Oct 2023 2024-25 Schools Block DSG Settlement			Difference from 2023-24 DSG			
	Pupil Nos	PUF / SUF*	Total 2023/24	Pupil Nos	PUF / SUF*	Total 2024/25	Pupil Nos	PUF / SUF*	Total Funding	% Change
			£			£			£	
Primary NFF	29,539.50	£4,735.55	£139,885,779.23	29,539.50	£5,007.20	£147,910,184.40	0.00	£271.65	£8,024,405.18	5.74%
Secondary NFF	20,888.00	£6,190.29	£129,302,777.52	20,888.00	£6,491.89	£135,602,598.32	0.00	£301.60	£6,299,820.80	4.87%
									<b>Increase in funding due to rate increase</b>	<b>£14,324,225.98</b>

3.7 Pupil numbers fell in primary by 14.5 pupils (-0.05%) and in secondary increased by 394.50 pupils (1.93%), a net increase of 380 pupils overall. **Table C** illustrates the impact of falling pupil roll in primary schools and growth pupil roll in secondary schools.

**Table C – Impact of Falling Pupil Roll in Primary Schools and Growing Roll in Secondary Schools**

Component	Nov 2023 Schools Block DSG 2023-24			Oct 2023 2024-25 Schools Block DSG Settlement			Difference from 2023-24 DSG			
	Pupil Nos	PUF / SUF*	Total 2023/24	Pupil Nos	PUF / SUF*	Total 2024/25	Pupil Nos	PUF / SUF*	Total Funding	% Change
Primary NFF	29,554.00	4,735.55	£139,954,444.70	29,539.50	£4,735.55	£139,885,779.23	-14.50	£0.00	-£68,665.48	-0.05%
Secondary NFF	20,493.50	6,190.29	£126,860,708.12	20,888.00	£6,190.29	£129,302,777.52	394.50	£0.00	£2,442,069.41	1.93%
									Increase in funding due to pupil no. increase	£2,373,403.93

3.8 For the first time in 2024-25 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 formula: **Primary growth factor value (£1,550) × number of pupils × ACA.**

3.9 The DFE have for the first time funded falling pupil roll as part of Growth Fund. North Northamptonshire’s Schools Forum can decide whether to operate a Falling Pupil Roll Fund. Local authorities that choose to operate a Falling Pupil Roll Fund will only be able to provide funding where **school capacity data 2022 (SCAP) shows that school places will be required in the subsequent three to five years (mandatory requirement)**. However as North Northamptonshire did not receive any Falling Pupil Roll Funding as part of Growth Fund in 2024-25 we are not recommending that a Falling Pupil Roll Fund is established in 2024-25.

3.10 **Table D** sets out the DFE’s calculation for the Growth Funding.

**Table D: Composition of the Growth Factor in the Schools Block 2024-25**

Sector	Eligible Growth	ACA	Rate (including ACA of 1.00341)	Allocation 2024-25
			£	£
Primary	318	1.003	£1,555.29	£494,580.71
Secondary	467.5	1.003	£2,327.91	£1,088,298.32
New school allocation				£76,454.81
<b>Total Growth Allocation 2024-25</b>				<b>£1,659,333.85</b>

#### **4 Setting the 2024-25 Primary and Secondary Schools Budget**

- 4.1 The National Funding Formula (NFF) factor values adjusted for North Northamptonshire Area Cost Adjustment of 1.00341 were used. The North Northamptonshire Area Cost Adjusted NFF funding factor values used are illustrated in **Appendix A** attached.
- 4.1 The recent opened Stanton Cross Primary Academy in September 2022 and Weldon Village Academy (new secondary academy) in September 2023 means the planned growth for 2024-25 is as follows:
- Stanton Cross Primary – 2 x Class of 30 pupils in Year R
  - Weldon Village Academy – 5 x Class of 30 pupils in Year 7
- 4.2 As the pupils for these schools have yet to arrive when October 2023 Census was collected, North Northamptonshire did not receive any funding in the Schools Block for these new pupils in the 2024-25 Schools Block DSG allocation. However, the ESFA expects NNC to build these two schools into NNC's Local Authority's Proforma Tool when setting the 2024-25 mainstream school budgets.
- 4.3 Applying Schools Forum December 2023 decisions to building the mainstream school's funding formula, Schools Forum is asked to:
- **Adopt the 2024-25 ACA adjusted National Funding Formula values in setting the 2024-25 mainstream funding formula for schools and academies for NNC.**
  - **Approve that the Minimum Funding Guarantee (MFG) is set at 0.50% (the maximum allowed) with all increases capped at 0.50% and scaled at 100%.**
  - **Transfer 0.5% to the High Needs Block from the Schools Block.**
  - **Allocate the remainder to Growth Fund to address the growth and sufficiency issues in North Northamptonshire.**
- 4.4 The Minimum Funding Guarantee of 0.5% ensures every North Northamptonshire school and academy receives at least a 0.5% increase.
- 4.5 The proposed allocation of Schools Block funding for 2024-25 is in Table E below:

**Table E – Summary of Proposed Allocation of Schools Block Funding 2024-25**

Component	North Northamptonshire's Schools Block 2024/25
	£M
Basic Entitlement	216.715
Pupil Led Factors	47.896
School Led Factors	20.660
Additional funding to meet per pupil level funding	1.333
MFG Adjustment	-3.045
Total for distribution through funding formula	283.559
Amount set aside for Growth Fund	2.270
0.5% transferred to High Needs Block	1.436
Tennyson Road Infant School NNDR	0.012
<b>Total Schools Block 2024-25</b>	<b>287.277</b>

4.6 **Appendix B** shows the comparison of 2024-25 with 2023-24 NFF Factor Values using October 2023 census.

4.7 **Appendix C** is the proposed NNC's Draft 2024-25 Mainstream Schools Funding Formula allocations pending ESFA validation and North Northamptonshire Council's approval.

## 5 **Recommendations for Schools Forum**

5.1 Schools Forum is asked to note the contents of the report.

5.2 **Schools Forum is asked to:**

- a) **approve that the Minimum Funding Guarantee to be set at 0.5% (the maximum allowed) for 2024-25, all gains capped at 0.5% and scaled to 100%.**
- b) **approve the transfer of 0.5% to High Needs Block from the Schools Block which amounts to £1,436,386.**
- c) **approve the remainder of £2,269,846 to Growth Fund to address the growth and sufficiency issues in North Northamptonshire.**
- d) **approve the de-delegation of £3.79 per pupil for Trade Union Facilities Time, £12.78 per pupil for School Effectiveness and £22.48 for Insurance for Maintained Primary and Secondary Schools.**
- e) **identify any points they may wish to convey to Executive and Council as part of the 2024-25 DSG Budget setting process.**

## 6 **Next steps**

6.1 Decisions made by Schools Forum will be used to set North Northamptonshire's 2024-25 Mainstream Schools Funding Formula. This will then form the recommendation by

Schools Forum to North Northamptonshire’s Executive and Full Council. The ultimate decision of how North Northamptonshire’s 2024-25 Mainstream Schools Funding Formula is set is decided by North Northamptonshire’s Council at the meeting on 22<sup>nd</sup> February 2024.

**7 Financial implications**

7.1 Schools need to be aware of the decisions made by Schools Forum so that they can advise the respective Governing Body in setting their Individual School Budgets.

**8 Legal implications**

8.1 Schools funding is governed by The School and Early Years Finance (England) Regulations 2023. It is important to ensure decisions are made within the regulations set.

**9 Risks**

9.1 Whilst there is the risk that the financial decision made by Schools Forum may be detrimental to a group of schools, the final decision would be in the interest of North Northamptonshire pupils overall.

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