

Appendix A

2024/25 Schools Budget Setting

Schools Forum – 12th January 2024

Introduction

The purpose of today's presentation is to update Schools Forum on the latest position in relation to the 2024/25 budget setting round:

1. National Funding Announcements
2. Budget Proposals - Schools Block
3. Budget Proposals - High Needs Block
4. Budget Proposals - Central Schools Services Block
5. Next Steps

National Funding Announcements

- On 19th December 2023 the Department for Education (DfE) published the DSG allocations for 2024-25. Full details can be found on the DfE website at the following link:
- <https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2024-to-2025>

National Funding Announcements

- The initial 2024-25 DSG allocations for Cambridgeshire are set out in the following table, which also provides the 2023-24 figures for comparison:

| DSG Block | 2022-23 Allocation £m | 2023-24 Initial Allocation £m | Change v 2022-23 Allocation £m | % Change |
|--|-----------------------------|--|---|--------------|
| Schools Block (incl. growth & business rates)* | 468.263 | 480.591 | +12.328 | +2.6% |
| High Needs Block | 103.487 | 107.330 | +3.843 | +3.7% |
| Central Services Schools Block | 5.563 | 5.246 | -0.318 | -5.7% |
| Early Years Block* | 42.263 | 62.407 | +20.143 | +47.7% |
| Total | 619.577 | 655.573 | +35.997 | +5.8% |

National Funding Announcements

- Uplift to Cambridgeshire's Schools Block allocation is as a result of a combination of the additional investment through the national funding formula and the net increase in pupils between October 2022 and October 2023.
- Primary (Reception – Year 6) – net decrease of 360 pupils
- Secondary (Year 7 –Year 11) – net increase of 916 pupils
- Early Years Block indicative figures are currently based on January 2023 data and includes additional funding for the new 2-year-old and under entitlement to 15 hours of free childcare for eligible children of working parents starting from April 2024 for 2-year-olds and September 2024 for children aged between 9 months and 2 years old.

National Funding Announcements

- In addition to the DSG, mainstream schools will also additional revenue grants in 2024 to 2025 including the following:
 - Pupil Premium - increase to £1,480 for primary pupils and £1,050 for secondary pupils in 2024-25, currently £1,455 (+1.71%) and £1,035 (+1.45%) respectively.
<https://www.gov.uk/government/publications/pupil-premium>
 - Teachers Pay Additional Grant (TPAG) – continuation of the grant announced in July 2023 to support schools with the September 2023 teachers' pay award. Funding for the 2024-25 financial year will be calculated using twelve sevenths of the funding rates applied in to 2023-24. - <https://www.gov.uk/government/publications/teachers-pay-additional-grant-2024-to-2025>
- Detail of other revenue grants such as Teachers' pensions grant, PE and Sport Premium, Universal Infant Free School Meals (UISFM) and National Tutoring Programme (NTP) funding are yet to be confirmed.
- School level allocations will be published once available.

Final Budget Proposals

– Schools Block



- Following receipt of the revised datasets on 19th December further budget modelling has been undertaken reflecting the approach previously presented to Schools:
 - 1%/circa £4.8m block transfer from Schools Block to High Needs Block
 - £2.0m centrally retained growth fund
 - Align funding rates with the National Funding Formula
 - Apply the maximum 0.5% Minimum Funding Guarantee
- After adjusting the Schools Block for the 1%/circa £4.8m block transfer and £2.0m centrally retained growth fund the total available for distribution (including business rates) is **£473.785m**

Final Budget Proposals

– Schools Block



- The **draft** budgets at individual school level can be seen in **Appendix B**.
- **Appendix C** shows the draft funding factor values applied, compared to 2023/24 values
- **Appendix D** shows distribution across all funding factors.
- Figures have been updated to reflect the October 2023 census data (variations to pupil numbers have been applied for new schools and guaranteed numbers will be submitted for September 2024)
- The current cost to meet the revised minimum per pupil level funding is circa **£2.4m**
- The current cost to meet the 0.5% minimum funding guarantee is circa **£0.4m**.

Final Budget Proposals

– Schools Block

- Variation to pupil numbers:

| School | Phase | Guaranteed Number as per 24/25 APT - April to Aug (5/12ths) | Guaranteed Number as per 24/25 APT - Sept to Mar (7/12ths) | Total Guaranteed Number as per 24/25 APT | Numbers on Oct 23 Census | Comments: |
|----------------------------|-------------|---|--|--|--------------------------|--|
| Wintringham Park | Primary | 126.00 | 186.00 | 161.00 | 126.00 | New School still growing to capacity |
| Cromwell Community College | All-Through | 1344.00 | 1374.00 | 1361.50 | 1334.00 | Moved to all-through from Sept 2020 - additional 30 primary age pupils per year. |
| Marleigh Primary | Primary | 90.00 | 150.00 | 125.00 | 78.00 | New school still growing to capacity |
| Northstowe Secondary | All-Through | 621 | 711 | 673.50 | 621 | Move to all-through from Sept 2024 and next phase of Secondary provision |
| Sir Harry Smith | Secondary | 1000 | 1060 | 1035.00 | 1000.00 | Planned expansion of Secondary provision. |
| Ermine Street Primary | Primary | 275 | 335 | 310.00 | 275.00 | New school still growing to capacity. |
| Wisbech Free School | Secondary | 0 | 90 | 52.50 | 0.00 | Opening with 90 from Sept 24 |

Final Budget Proposals

– Schools Block



- The factor values on **Appendix C** have been scaled to meet overall affordability – all currently exceed the ESFA's minimum allowable values
- Sparsity and Split Site values are the maximum permissible amounts. School level allocations will vary dependent on individual school circumstances.
- The ESFA recognises that some factors cannot easily be allocated on a formulaic basis and under the NFF continue to be funded at historical or actual funding levels. This covers the premises factors which includes PFI, exceptional premises and business rates.

Final Budget Proposals

– Schools Block



Business Rates / National Non-Domestic Rates (NNDR)

- The current figures include the notional business rates figures for 2024-25 as provided by the ESFA, plus any adjustments relating to 23/24 for maintained schools.
- Awaiting clarification from the ESFA on the treatment for 2024/25 business rates, but expectation is that all districts will sign-up to the central process so maintained schools will no longer have to pay the bills directly (and therefore won't receive the funding for the 24/25 element)
- Further guidance to follow.

Final Budget Proposals

– Schools Block



- Please note:
 - Figures are still draft and are subject to change as final data validation is undertaken and variations to pupil numbers finalised.
 - Final approval of the local formula will be provided by the ESFA.
 - The business rates issues noted on the previous slide will impact on the final amount to be received by maintained schools.
 - De-delegations for maintained schools to be calculated in final versions (as per amounts approved at December Forum)
 - Actual amounts to be received by academies will be notified directly by the ESFA for the 24/25 academic year and may differ due to pupil numbers and protections applied.

Required Actions

- **Schools Funding Formula**

- a) Schools Forum are asked to note and comment on the final schools funding formula proposals following the December announcements.

Final Budget Proposals

– High Needs Block



| Source of Funding | £m |
|---|-----------|
| 2024/25 Initial HNB (Updated December 2023) | £107.330m |
| Transfer from Schools Block (1%) | £4.806m |
| Total available HNB for 2024/25 | £112.136m |

- Actual 22/23 HNB spend = **£110m**
- Current 23/24 HNB in-year forecast spend in excess of **£120m**.
- Safety Valve proposals to be resubmitted to reflect latest position.

Final Budget Proposals

– High Needs Block



Special Schools

- Minimum Funding Guarantee for Special Schools must be set at least 0% and local authorities must consider setting the MFG within a 0% to 0.5% range – propose to set at 0.5% to align with Primary and Secondary Schools.
- Historic Funding streams (Supplementary Funding, MFG, Teacher Pay and Pension Grant, Passporting) to be baselined into top-up amounts at rate of £2k per pupil.
- To form part of new banded funding system – mapping and moderation of existing pupils underway.
- Teachers Pay Additional Grant (TPAG) will continue to be paid separately outside of the NFF in 24/25.

Required Actions

- **High Needs Block**
- b) Schools Forum are asked to note and comment on the high needs block following the December announcements.

Central Schools Services Block

| Budget Line | 2023/24 | 2024/25 | Description |
|----------------------------------|---------|---------|---|
| School Admissions | £467k | £388k | Approved by Schools Forum |
| Servicing of Schools Forum | £3k | £3k | Approved by Schools Forum |
| Other Items | £544k | £544k | National Copyright Licence arrangements – set by DfE - TBC |
| Ongoing Retained Duties | £2,186k | £2,420k | Updated based on October census data |
| Total Ongoing Commitments | £3,199k | £3,355k | |
| Contribution to combined budgets | £733k | £0k | Contribution to Children's Services - removed |
| Residual Balance | £1,631k | £1,891k | Planned underspend to contribute towards DSG deficit recovery |
| Total Historic Commitments | £2,364k | £1,891k | |
| Total CSSB | £5,563k | £5,246k | |

Final Budget Proposals

– Central Schools Services Block

- Final CSSB allocation of £5.25m, reduced from £5.56m.
- Includes further 20% reduction in funding for Historic Commitments and increased allocation for retained duties.
- Any changes in Copyright License costs (excluding VAT) will be managed from within the overall CSSB, so no cost to schools.
- LA's and schools (including academies) do not need to negotiate individual licences. The DfE pays the cost, including VAT, to the agencies and provides this as a service to LA's as a charge to the DSG.

Required Actions

- **Central Schools Services Block**
- c) Schools Forum are asked to note and comment on the central schools services block following the December announcements.

Next Steps

- 16th January 2024 – Children and Young People Committee to approve final Schools Funding Formula
- 19th January 2024 – Authority Proforma Tool (APT) submission deadline to the ESFA
- Late January/early February – budgets to be issued to Primary and Secondary Schools (academy budgets will be illustrative only as final budgets will be confirmed by the ESFA).
- Late February – illustrative budgets to be published for Special Schools