

2024/25 Schools Budgets and Dedicated Schools Grant Funding

Schools Forum – 3rd November 2023

Introduction

The purpose of today's presentation is to share with Schools Forum the latest position on Dedicated Schools Grant (DSG) funding in relation to the 2024/25 budget setting round:

1. 2024/25 DSG Funding Arrangements
2. Illustrative Budget Modelling (Primary and Secondary)
3. Notional SEN / High Needs Contingency
4. Central School Services Block
5. Retained Funding and De-Delegations (Maintained Primary only)
6. Growth Funding / Falling Rolls Funding
7. Next Steps

24-25 DSG Funding Arrangements

The DfE published the schools NFF for 2024 to 2025 in July. However, there was an error processing forecast pupil numbers, which means that the overall cost of the core schools budget would be 0.62% greater than allocated.

For Cambridgeshire the original data published in July showed the provisional Schools Block (excluding growth) as **£477.569m**.

The revised data published in October is now showing the provisional figure as **£473.188m**, so a reduction of £4.381m.

24-25 DSG Funding Arrangements

The revised October information can be viewed on the Department for Education (DfE) website at:

[National funding formula tables for schools and high needs: 2024 to 2025 - GOV.UK](https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2024-to-2025)
(www.gov.uk)

- [Impact of the Schools NFF](#) Illustrative figures for each school compared to their 2023-24 baseline formula allocations
- **Please Note: these are not the final budget figures** but a generational model to derive LA level funding
- [NFF Summary Table](#) showing illustrative DSG amounts for 2024-25 based on October 2022 census (figures will be updated for the October 2023 census in December's final allocations)

24-25 DSG Funding Arrangements

Schools Block

- Revised DfE published illustrative figures show a **£9.4m / 2%** increase for Cambridgeshire (excluding changes in growth funding) compared to the amount due to be received in 2023/24.
- The Maintained Schools Additional Grant (MSAG) of £15.4m received in 2023/24 has been baselined into the National Funding Formula (NFF) allocations.
- A new formulaic approach to allocating split sites funding has been introduced, replacing the previous locally determined split sites factor.
- NFF factor values have been increased by varying %

24-25 DSG Funding Arrangements

Schools Block

- As in 23/24 Local Authorities must use **all** NFF factors, and can only use NFF factors. No impact for CCC as we already comply with this approach.
- Local Authorities required to move local formula factor values at least a further 10% closer to the NFF, including the area cost adjustment.
- Minimum Funding Guarantee (MFG) can be set between +0% and reduced maximum of +0.5%
- Teachers Pay Additional Grant (TPAG) will continue to be paid separately outside of the NFF in 24/25.

24-25 DSG Funding Arrangements



High Needs Block

- The 24/25 high needs NFF is increasing by £440m / 4.3% nationally compared to 23/24.
- Current illustrative figures for Cambridgeshire show approx. increase of £3m / 2.9% compared to current 23/24 allocations. Will be updated on receipt of final figures.
- 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.
- Historic Funding streams (Supplementary Funding, MFG, Teacher Pay and Pension Grant, Passporting) to be baseline into top-up amounts at rate of £2k per pupil.
- Teachers Pay Additional Grant (TPAG) will continue to be paid separately outside of the NFF in 24/25.

24-25 DSG Funding Arrangements

Central Schools Services Block (CSSB)

- The CSSB provides funding for the benefit of all schools for ongoing and historic commitments.
- Historic commitments reduced by a further 20% from last year resulting in a net CSSB reduction of £0.34m compared to 24/25:
 - Ongoing responsibilities:
 - Admissions
 - Copyright
 - Statutory/Regulatory Duties etc
 - Historic Commitments:
 - Contribution to Combined Budgets

24-25 DSG Funding Arrangements

Early Years Block

- DFE announcements awaited on
 - Confirmed funding rates/allocations for
 - Existing entitlements for 2-4-year-olds
 - New entitlements for children of working parents 9 months - 2 years
 - Proposed changes to Statutory Guidance (critical to charging)
- Indicative level of funding for 2-year-olds slightly (10p/hour) below 2023-24 consolidated funding rates
- As per previous announcements, maintained nursery school supplement confirmed until March 2025.

24-25 DSG Funding Arrangements

■ Illustrative DSG Allocations for 2024/25:

	Amount to be Received in 2023/24 £ (as at Sept 2023)	Illustrative Allocations for 2024/25 £ (as at Oct 2023)	Illustrative Increase £	Illustrative Increase %	
Schools Block (excluding Growth Fund)	£448,302,931	£473,187,568			Revised figures based on 84,208.5 pupils
Mainstream Schools Additional Grant (MSAG)	£15,443,258				MSAG Baseline - DfE figure
Growth Fund	£4,517,055	£4,517,055			To be updated for 24/25
Total Schools Block	£468,263,244	£477,704,623	£9,441,379	2.0%	
High Needs Block	£104,164,500	£107,206,815			Revised figures as at Sept 23 - includes £4.1m additional allocation
Total High Needs Block	£104,164,500	£107,206,815	£3,042,315	2.9%	
Central Schools Services Block	£5,563,315	£5,223,284	-£340,031	-6.1%	Includes 20% reduction to Historic Commitments
Early Years Block	£39,574,161	£39,574,161	£0	0.0%	Revised figures as at August 23 - to be updated for 23/24 and 24/25
Total DSG including Business Rates	£617,565,220	£629,708,883	£12,143,663	2.0%	
Total DSG to be received	£617,565,220	£629,708,883	£12,143,663	2.0%	

24-25 DSG Funding Arrangements

- A number of grants will continue to be funded outside of the main DSG:
 - Pupil Premium – circa £26.7m for 23/24 financial year.
 - Universal Infant Free School Meals – estimate circa £4.3m for 23/24 academic year.
 - PE and Sport Premium – estimate circa £2.2m for 23/24 academic year.
 - Teachers Pay Additional Grant – 7/12th received in 23/24 = £4.6m - 12/12th for 24/25 academic year circa £7.9m.

24-25 DSG Funding Arrangements



Cambridgeshire
County Council

■ Schools block per pupil comparison:

LA name	2023-24 Ranking	Total 2023-24 baseline for the schools block (excluding growth factor) (£ per pupil)	2024-25 Provisional Ranking	Provisional funding in 2024-25 (excluding growth factor) [will be updated] (£ per pupil)	Provisional percentage change in 2024-25 over 2023-24 DSG baseline [will be updated] (per pupil)
		£5,839		£5,950	1.90%
Tower Hamlets	1	£8,017	1	£8,091	0.93%
Hackney	2	£7,995	2	£8,058	0.80%
Peterborough	57	£5,862	59	£5,973	1.90%
Norfolk	91	£5,723	86	£5,851	2.24%
Bedford	89	£5,728	89	£5,843	2.01%
West Berkshire	114	£5,620	98	£5,781	2.85%
West Northamptonshire	99	£5,662	100	£5,777	2.04%
Hertfordshire	110	£5,634	108	£5,759	2.21%
Suffolk	122	£5,595	121	£5,701	1.91%
Worcestershire	120	£5,599	122	£5,693	1.68%
Bath and North East Somerset	125	£5,566	127	£5,663	1.74%
Essex	127	£5,555	128	£5,660	1.89%
North Northamptonshire	128	£5,548	129	£5,657	1.96%
Wiltshire	130	£5,531	130	£5,650	2.15%
Oxfordshire	131	£5,529	131	£5,649	2.18%
Cambridgeshire	136	£5,507	136	£5,619	2.04%
Hampshire	144	£5,452	143	£5,559	1.96%
West Sussex	143	£5,455	144	£5,555	1.83%
Central Bedfordshire	145	£5,443	146	£5,530	1.59%
South Gloucestershire	150	£5,366	150	£5,473	1.99%

Illustrative Budget Modelling

- **Appendix 2** contains illustrative school level primary and secondary budget allocations for 24/25:
 - Figures are based on 23/24 datasets and pupil numbers, and as such will change on receipt of final Oct 23 census data.
 - Modelling has assumed a 1% block transfer as per Safety Valve agreement
 - Also assumed increase in retained growth fund due to changes to national funding arrangements.
 - Minimum Funding Guarantee (MFG) has been set at the maximum +0.5% per pupil.
 - Final figures will also be updated to reflect changes for growth funding, new schools and business rates.

Illustrative Budget Modelling



- Maintained schools business rates will be adjusted to reflect any differences between 23/24 funding and actual bills.
- Overall funding for business rates within the Schools Block remains lagged so will be an impact due to the increase in rateable values applied from April 2023.
- Following recent discussions it is hoped that the billing authorities responsible for Cambridgeshire schools will sign up to the national central process from April 2024.
- This would mean all maintained primary schools rates bills would be uploaded directly by the billing authorities and paid directly by the ESFA.
- This would remove the requirement for prior-year adjustments.

Illustrative Budget Modelling

- The formula factor unit values applied have been weighted based on overall affordability, and exceed the minimum allowable values set by the ESFA (further details on the following slide)
- Revised Minimum per Pupil Levels (£4,610 for Primary and £5,995 for Secondary) have been met.
- Should overall affordability be an issue on receipt of final datasets we may be required to apply for a disapplication to reduce the MPPL, or could consider reducing the MFG below the 0.5% maximum.

Illustrative Budget Modelling

NFF Factor		Cambridgeshire Funding Formula (NFF) Unit Rates 2023-24	National Funding Formula (NFF) Unit Rates 2024- 25 (with ACA applied)	Minimum Allowable 2024- 25 Values	Maximum Allowable 2024- 25 Values	0.9933 Illustrative Cambridgeshire Unit Rates 2024-25 (Weighting Applied)	£ Increase compared to 23/24	% Increase compared to 23/24
Basic per pupil entitlement (AWPU)	AWPU: Primary	£3,390	£3,609	£3,519	£3,700	£3,585	£196	5.77%
	AWPU: Secondary KS3	£4,779	£5,089	£4,962	£5,216	£5,055	£276	5.78%
	AWPU: Secondary KS4	£5,386	£5,736	£5,593	£5,880	£5,698	£312	5.79%
Deprivation (based on ever 6 free school meal numbers)	FSM current - Primary	£479	£497	£484	£509	£493	£14	2.89%
	FSM current – Secondary	£479	£497	£484	£509	£493	£14	2.89%
	Ever6 FSM – Primary	£704	£831	£810	£852	£825	£121	17.23%
	Ever6 FSM – Secondary	£1,029	£1,216	£1,186	£1,246	£1,208	£179	17.42%
	Primary IDACI F	£230	£238	£232	£244	£237	£7	2.98%
	Primary IDACI E	£280	£289	£282	£296	£287	£7	2.59%
	Primary IDACI D	£439	£451	£440	£462	£448	£8	1.93%
	Primary IDACI C	£479	£491	£479	£504	£488	£9	1.84%
	Primary IDACI B	£509	£522	£509	£535	£518	£9	1.77%
	Primary IDACI A	£669	£689	£672	£706	£684	£15	2.29%
	Secondary IDACI F	£335	£345	£336	£353	£342	£8	2.29%
	Secondary IDACI E	£444	£456	£445	£467	£453	£9	1.92%
	Secondary IDACI D	£619	£638	£622	£654	£634	£15	2.41%
	Secondary IDACI C	£679	£699	£682	£717	£695	£15	2.27%
	Secondary IDACI B	£729	£750	£731	£769	£745	£16	2.17%
	Secondary IDACI A	£929	£958	£934	£982	£951	£22	2.41%
English as an Additional Language	Primary	£579	£598	£583	£613	£594	£15	2.52%
	Secondary	£1,563	£1,606	£1,566	£1,646	£1,595	£32	2.07%
Low Prior Attainment	Primary	£1,153	£1,186	£1,156	£1,215	£1,178	£24	2.10%
	Secondary	£1,748	£1,799	£1,754	£1,844	£1,787	£39	2.23%
Pupil Mobility	Primary	£944	£973	£948	£997	£966	£23	2.39%
	Secondary	£1,358	£1,398	£1,363	£1,433	£1,389	£31	2.27%
Lump Sum	Primary	£127,832	£136,192	£132,787	£139,596	£135,279	£7,447	5.83%
	Secondary	£127,832	£136,192	£132,787	£139,596	£135,279	£7,447	5.83%
Sparsity	Primary	£56,300	£57,861	£56,415	£59,308	£57,473	£1,173	2.08%
	Secondary	£81,900	£84,106	£82,004	£86,209	£83,543	£1,643	2.01%
Split Sites	Eligibility		£54,416	£53,055	£55,776	£54,051	£54,051	
	Distance		£27,259	£26,577	£27,940	£27,076	£27,076	
Minimum per pupil funding Primary		£4,265				£4,610		
Minimum per pupil funding Secondary (KS3 and KS4 combined)		£5,525				£5,995		

Consultation / Feedback

- The schools funding formula continues to be a Local Authority decision in 2024-25.
- As in prior years, Schools Forum must be consulted on:
 - a) Any changes to the formula being proposed; and
 - b) Any transfer proposed from the Schools Block.
- For 24/25 there are no major changes being proposed to the local funding formula, other than the required alignment with the NFF.

Consultation / Feedback

- As previously approved by Schools Forum a 1% block transfer has been built into Safety Valve Agreement assumptions and applied to budget modelling.
- However, despite forming part of the Safety Valve Agreement the local authority is required to seek annual approval. We will therefore still be asking Schools Forum to give views / vote on the block transfer, but as above the 0.5% threshold will require a disapplication request (17th November deadline) and ultimately a decision by the Secretary of State.

Consultation / Feedback

- A virtual briefing session will be held for key stakeholders at 6pm on Tuesday 14th November.
- Comments / feedback on the budget proposals should be emailed to schools.funding@cambridgeshire.gov.uk by 5pm Friday 1st December.

Required Actions

- ***Funding Formula***

- a) Schools Forum are asked to comment on the proposed LA approach for the Cambridgeshire Schools Funding Formula for 24/25.

- ***High Needs Block Transfer***

- b) Following previous discussions in respect of the Safety Valve Intervention Programme Schools Forum are asked to vote on the approval of a block transfer between the Schools Block and High Needs Block of 1% - (circa £4.78m – actual amount to be confirmed on receipt of final DSG allocations and subject to SoS approval)

Notional SEN Budget

- As in previous years Local authorities are required to identify a notional budget for mainstream schools, to help with their duty to meet the special educational needs (SEN) of their pupils.
- The notional SEN is **not** a separate formula factor or funding allocation, so does not generate funding in its own right, but is based on a % applied to individual funding factors.
- The DfE have published additional guidance at: [The notional SEN budget for mainstream schools: operational guide 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/the-notional-sen-budget-for-mainstream-schools-operational-guide-2024-to-2025)

Notional SEN Budget

- For Cambridgeshire the notional SEN budget is calculated as follows:
 - 6.00% of Basic Per Pupil Entitlement
 - 10.00% of FSM and FSM6
 - 75.00% of IDACI Deprivation
 - 45.00% of Prior Attainment
- As in 23/24 a High Needs contingency process will be undertaken twice a year on receipt of the May (5/12th) and October (7/12th) census .
- Where the numbers of EHCPs recorded on the census (excluding Units / ERBs) is greater than 4% of the total number of pupils (R-Y11) on roll census, and:
- Where the number of EHCPs x £6,000 exceeds x% of the notional SEN.
(Recognising that start and end dates will vary, as will overall resources so this is not an exact calculation of the school level contribution.)

Notional SEN Budget

- To support schools with a higher proportion of High Needs needs children, the contingency allocations for 22/23 were based on 2 options:
 - **Option 1** - Comparison of Notional SEN to number of EHCPs as per the previous slide. A revised threshold of **92%** has been applied due to overall affordability.
 - **Option 2** – For those schools **>5%** of EHCP on role and allocation of funding based on £6,000 multiplied by the number of EHCPs in excess of 5%.
- Whilst recognising the limitations of both approaches Option 2 removes the direct link to the notional SEN budget and provides support to those schools with a higher proportion of EHCPs.
- In both options consideration would need to be given to the

Central Schools Services Block



- Illustrative CSSB allocation of **£5.22m** compared to £5.56m in 23/24. Includes further 20% reduction in funding for Historic Commitments and increased allocation for retained duties.
- Copyright License costs (excluding VAT) are expected to increase. Additional cost will be met from the CSSB rather than being a direct cost to schools.
- Local Authority Business Planning proposals include £733k of funding to remove the remainder of Contribution to Combined budgets.
- This saving and any residual balance on CSSB will support DSG deficit recovery.

Central Schools Services Block

Budget Line	2023/24	2024/25	Description
School Admissions	£467k	£467k	To be approved by Schools Forum
Servicing of Schools Forum	£3k	£3k	To be approved by Schools Forum
Other Items	£544k	£544k	National Copyright Licence arrangements – set by DfE - TBC
Ongoing Retained Duties	£2,186k	£2,318k	To be updated based on October census data
Total Ongoing Commitments	£3,199k	£3,333k	
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	£5,223k	

Retained Duties Funding

- For 2024/25 it is proposed to:
 - Continue to apply the retained duties funding received as per of the CSSB to support ongoing functions.
 - Continue to retain £10 per pupil from maintained schools for services specifically provided to maintained schools.
 - This amount has remained at £10 per pupil since it was introduced in 2017/18, whereas the schools block has increased by approximately 42% over the same period.

Retained Duties Estimates	2024/25 £000
Estimated Education Functions - £10 per pupil - Maintained Only*	£288

*Final amounts will be dependent on October 2023 pupil numbers and academy conversions.

De-delegation Amounts

- Apply to maintained primary schools only:

	Agreed 2023/24 Basis	Proposed 2024/25 Basis
Contingency	£2.10 per pupil	£2.10 per pupil
Free School Meals Eligibility	£4.65 per FSM child	£4.65 per FSM child
Maternity	£5.00 per pupil	£5.00 per pupil
Trade Union Facilities Time	£1.10 per pupil	£1.10 per pupil

Please note: Although final total de-delegation amounts will change to reflect final pupil numbers and academy conversions the principles for de-delegation will remain as set out above.

Required Actions

- ***Central School Services Block – Schools Forum are asked to approve:***
 - c) The continuation of the £467k to support the Admissions Service.
 - d) The continuation of the £3k to support the Servicing of Schools Forum.
 - e) Schools Forum are asked to note the proposed budgets for the national copyright licence arrangements and retained duties funding. Final figures will be presented at the January meeting of Schools Forum.

Required Actions

- ***Education Functions and De-delegations:***
- f) Maintained Primary School representatives on Schools Forum are asked to note:
 - The continued retention of £10 per pupil from maintained schools for services specifically provided to maintained schools.
 - The continuation of the de-delegation in respect of Contingency.
 - The continuation of the de-delegation in respect of Free School Meals Eligibility.
 - The continuation of the de-delegation in respect of Maternity and Paternity Cover.
 - The continuation of the de-delegation in respect of Trade Union Facilities Time.

Approval will be sought at the December meeting to allow time for feedback from the maintained Primary sector.

Growth / Falling Rolls Fund

- Changes in the national guidance in respect of Growth and Falling Rolls Funding:
 - For the first time in 2024 to 2025 the DfE will allocate funding based on both growth and falling rolls.
 - Local authorities must follow the new local formula requirements for growth funding, whereby additional classes (driven by basic need) must be funded by at least the minimum funding level set out in the funding calculation
 - Local authorities with a falling rolls fund must also follow the new requirements for falling rolls funding, whereby local authorities can only provide falling rolls funding to schools where school capacity survey (SCAP) 2022 data shows that school places will be required in the subsequent 3 to 5 years. The restriction, that schools were previously only eligible for falling rolls funding if they were judged 'good' or 'outstanding' by Ofsted, is also being removed from 2024 to 2025.

Growth / Falling Rolls Fund

- 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) local authorities will have to provide growth funding to a minimum level which is compliant with the following formula:
 - $\text{primary growth factor value (£1,550)} \times \text{number of pupils} \times \text{ACA}$
- The primary growth factor value will be used as the factor value for all school types - recognising that this funding is a minimum value. Funding for maintained schools is provided to cover the period from September to March before the lagged funding system 'catches up' from the subsequent April through the subsequent year's NFF. Since academies are funded on an academic year basis, they would receive additional funding (at a rate of an additional five-sevenths of the allocation) to cover a full year's growth funding before the system 'catches up'.

Growth / Falling Rolls Fund

- Our current Growth Fund criteria will only provide funding where schools can evidence the need to operate an extra class to meet basic need (the growth fund does not support growth due to popularity/parental preference).
- Funding for an additional class will therefore be calculated on the basis of 30 pupils:
 - $£1,550 \times 30 \times 1.01333 =$

Phase	Current 7/12th	Current 12/12th	New 7/12th	New 12/12th
Primary	£31,500 +£4,000	£54,000 +£4,000	£47,120	£80,777
Secondary	£37,917 +£4,000	£65,000 +£4,000	£47,120	£80,777

- The increases in funding rates will result in the requirement to increase the retained Growth Fund. Work with the Place Planning Team to estimate the requirement for 24/25 is ongoing with a holding amount of £2m being applied for modelling purposes (previously £1.7m).

Growth / Falling Rolls Funding

- Primary phase of Northstowe Secondary College due to open in September 2024.
- Variations to pupil numbers continue to be applied to new and growing schools whilst they fill to capacity.

School	Proposed Guaranteed Number 24/25 APT - April to Aug (5/12ths)	Proposed Guaranteed Number 24/25 APT - Sept to Mar (7/12ths)
Wintringham Park (opened Sept 18)	120	150
Cromwell Community College (Primary phase)	120	150
Marleigh Primary Academy (opened Sept 22)	90	150
Northstowe Secondary (Primary Phase)	0	30

Please note: All numbers are still to be confirmed following discussion with schools/MATs on receipt of October 23 census and relevant pupil forecasts.

Growth / Falling Rolls Funding



- Falling rolls funding will be distributed on the basis of the reduction in pupil numbers between the primary and secondary number on roll in each local authority between the October 2022 and October 2023 school censuses.
- Falling rolls are measured at the MSOA (middle layer super output area) within each local authority – these are areas used by the ONS based on population data.
- The falling rolls allocation for each local authority will be £140,000 per MSOA which sees a 10% or greater reduction in the number of pupils on roll between the two census years. This allocation will be subject to an ACA.
- Local authorities will continue to have discretion over whether to operate a falling rolls fund.

Growth / Falling Rolls Funding

- Where local authorities operate a fund, they 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.
- Following the changes to the Falling Rolls Fund criteria (removal of good / outstanding requirement) work is underway to identify any schools which may qualify.
- Initial analysis suggests only a very small number of primary schools could potentially be eligible.
- Following receipt of the October census the analysis will be refreshed, and officers will provide a recommendation to Schools Forum, including estimated costings.
- Should a Falling Rolls Fund be implemented it may be an additional cost to the Schools Block, operated alongside the Growth Fund.

Required Actions

- ***Growth Funding and New Schools – Schools Forum are asked to:***
 - g) Note and comment on the proposed changes to the Growth Funding amounts to apply to 2024/25.
 - h) Note the proposed variation to pupil numbers. Final numbers will be presented to Schools Forum in January.
 - i) Note and comment on the potential implementation of a Falling Rolls Fund for 2024/25.

Next Steps



- 14th November 2023 – Schools Funding Virtual Briefing
- 1st December 2023 – Final date for comments on proposed approach to 24/25 budgets.
- 13th December 2023 – Schools Forum – update on budget position
- Mid-December 2023 – DfE to publish final DSG allocations
- 12th January 2024 – Schools Forum to review final proposals
- 16th January 2024 – Children and Young People Committee to approve final budget proposals
- 19th January 2024 – submission of the Authority Proforma Tool (APT) to the Education & Skills Funding Agency (ESFA)
- End of January/Early February 2024 – Primary and Secondary School Budgets to be published (illustrative for academies).
- February/March 2024 – Initial Nursery and Special budgets to be published