
Schools Funding Formula 2024/25: Consultation Results

Report being considered by: Schools Forum
On: 4th December 2023
Report Author: Melanie Ellis
Item for: Decision **By:** All School Members/Forum Members

1. Purpose of the Report

- 1.1 To set out the results of the consultation with all schools on the proposed primary and secondary school funding formula for 2024/25 and to make a recommendation to Schools Forum.

2. Recommendations

- 2.1 Recommend the following for setting the school funding formula for 2024/25, for approval at Schools Forum and to go as a recommendation for political ratification:
- (a) To mirror the Department for Education's (DfE) 2024/25 National Funding Formula (NFF) to calculate the funding allocations.
 - (b) To address any surplus or shortfall in funding by adjusting the AWPU values.
 - (c) To consider whether to use the NFF sparsity factor or the minimum.
 - (d) To consider what % top slice to apply to the schools' funding to support the High Needs Block only.
 - (e) To consider whether to reinstate the Falling Rolls fund.
 - (f) To approve the criteria to be used to allocate additional funds.
 - (g) To approve the proposed services to be de-delegated.
 - (h) To consider whether to include a clawback mechanism in the 23/24 Scheme for Financing Schools (this item to come to a future Schools Forum meeting).
 - (i) To approve the other changes to the 203/24 Scheme. For Financing Schools.

Is the Schools' Forum required to make a decision as part of this report or subsequent versions due to be considered later in the meeting cycle?

Yes:

No:

3. Implications and Impact Assessment

Equalities Impact:	Positive	No Impact	Negative	Commentary
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
Data Impact:		x		
Consultation and Engagement:	The Heads Funding Group Consultation took place with schools from 20 th October and 10 th November 2023.			

4. Introduction

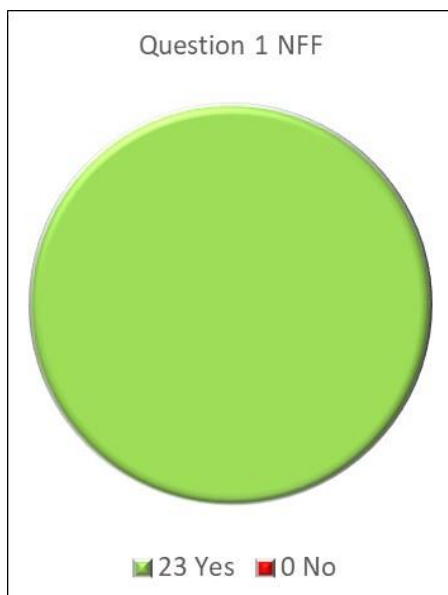
4.1 2024/25 is the second year of transition to the direct schools National Funding Formula (NFF). Each Local Authority (LA) will continue to have some discretion over their schools funding formulae, in consultation with local schools. The LA is responsible for making the final decisions on the formula. Political ratification must be obtained before the 22 January 2024 deadline.

5. Consultation Responses

5.1 The consultation was open for three weeks from 20 October 2023 to 10 November 2023 and 24 responses were received.

Question 1:

Do you agree that, subject to final affordability, West Berkshire should mirror the DfE’s 2024/25 NFF as closely as possible and that this formula should be used to calculate funding allocations? Yes/No



Comments:

In support:

“The government is working towards full implementation of the formula and therefore it makes sense for West Berks to mirror this so that there are no shocks in future”.

“As an authority it is important that we continue to mirror the DFE’s 2024/25 NFF. The focus by the government on the full implementation of NFF means that the authority should be doing the same. By doing this we should be well prepared and avoid any unnecessary future shocks”.

“This is consistent with previous years and minimises funding volatility as local formulas transition to the NFF”.

Unsure:

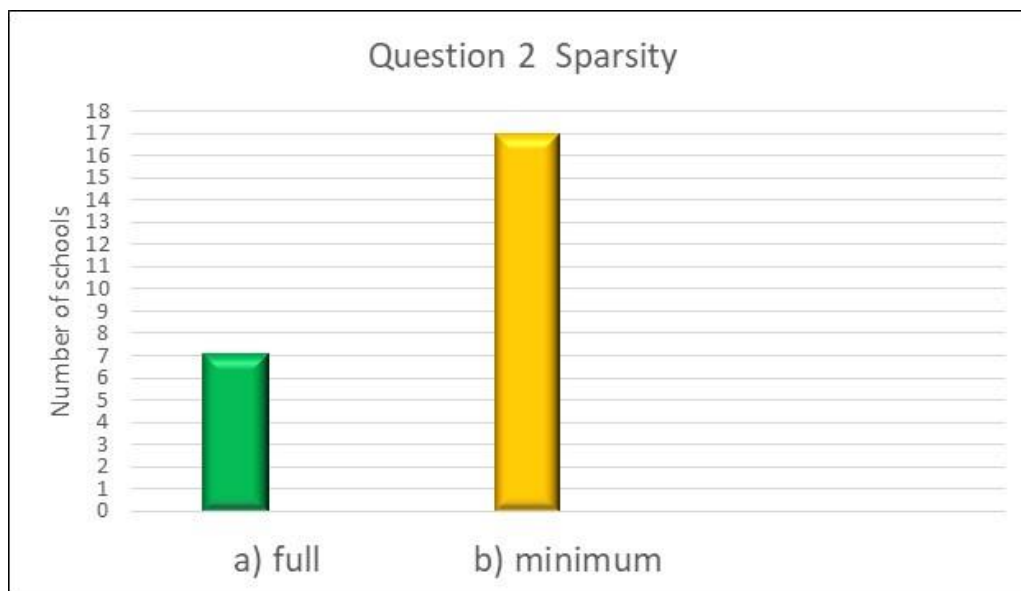
“Unsure we want the maximum amount to schools as direct as possible”.

HFG recommendation: Yes to mirror the NFF as closely as possible.

Question 2:

How would you support applying the NFF Sparsity Factor?

- A) In Full
- B) Minimum.



Comments:

In support of minimum:

“Although I agree with West Berks moving as close as possible to the NFF, I still think that the sparsity factor is inherently unfair and would support the minimum application that we can”.

“We think the sparsity factor is unfair and therefore support the minimum possible”.

“Consistent with 23/24”

“As per 22/23, this will still move the WBC formula closer to the NFF”.

In support of full:

“As a small school we benefit from the sparsity factor without which we would in deficit. If it is applied as a minimum, all small schools would be at a disadvantage and those that do not qualify, benefit greatly”.

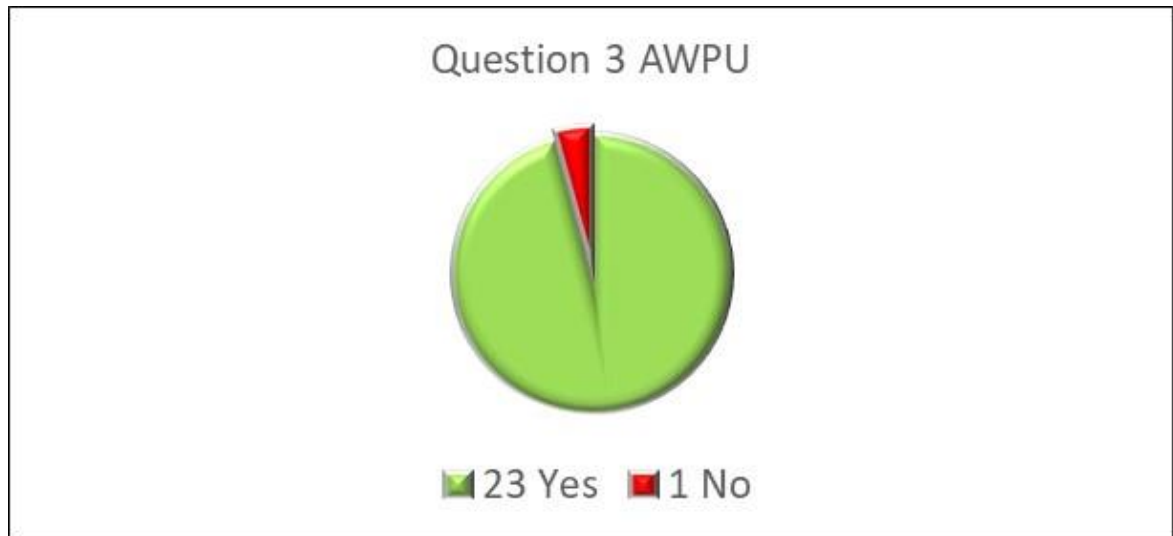
“This helps support the sustainability of small schools and support more isolated communities and families”.

“To support small rural schools who can't use economies of scale to balance budget”.

HFG recommendation: to be discussed fully at Schools Forum.

Question 3:

Do you agree that any shortfall or surplus in funding is addressed by adjusting the AWPU values? Yes/No



Comments:

In support:

“Fair approach across all schools with MFG protection”.

“This makes sense”.

“Adjusting AWPU values impacts all schools equally and is therefore the fairest. It is consistent with previous years”.

“Appears to be the fairest way to achieve this”.

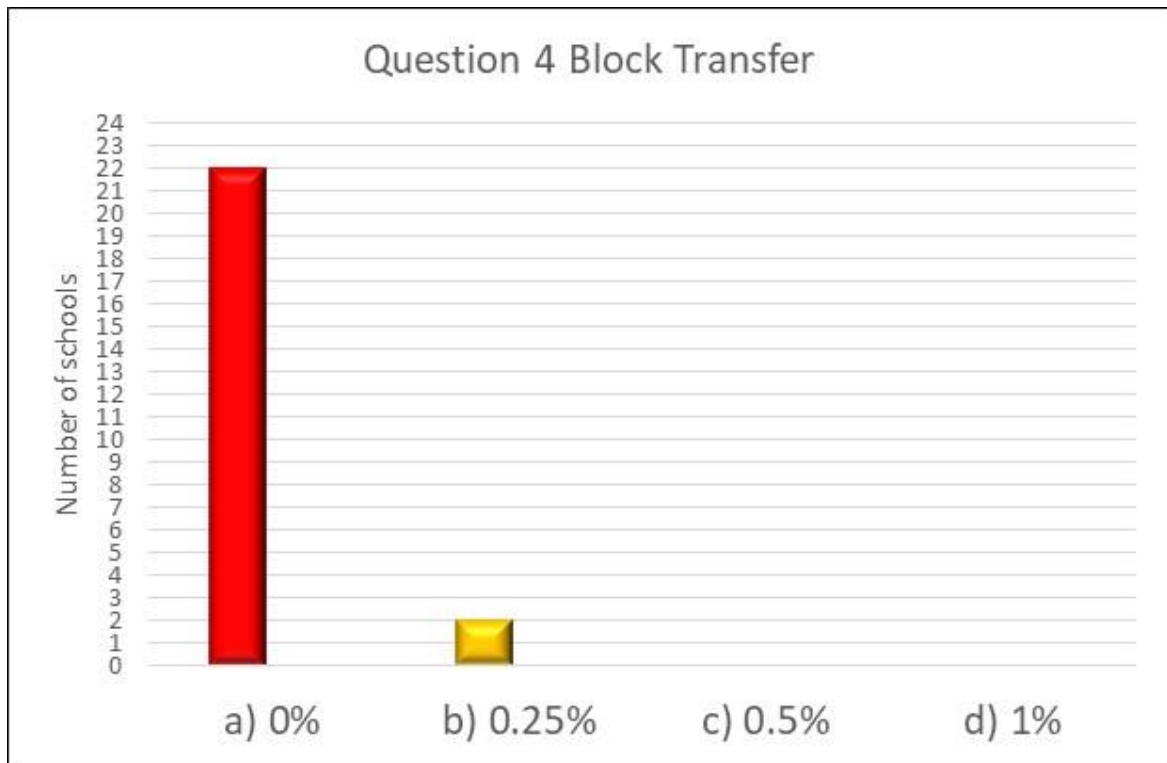
“Because AWPU seems the fairest way to split money per pupil on roll”.

HFG recommendation: recommend use of AWPU.

Question 4:

What percentage transfer of funding would you support from the Schools Block to the High Needs block?

A) 0%, B) 0.25%, C) 0.5%, D) 1%.



Comments:

“I strongly believe that the schools block funds are aimed at the majority of children without EHCPs. This funding is low already and schools are struggling to balance their budgets. If money was transferred to the high needs block, this would further erode schools’ budgets. Schools are already expected to meet many special educational needs from within their existing budgets and it would not be fair or right for additional money to be transferred”.

“All budgets are extremely tight and by transferring money from one to another, leads to all schools missing out. It would also mean an unrealistic return will be completed to the DfE and we should be reporting the shortfall in education”.

“The whole issue of funding for the high needs block is a national issue and needs to be addressed as such by the government. Schools need as much support as possible to fund the increasingly high number of pupils coming into all year groups with SEND therefore budgets should not be decreased – we are all struggling to provide the necessary support from within existing budgets”.

“All schools are struggling to support SEND in schools: to transfer any further funding from Schools Block to High Needs would cause even more problems with school budgets”.

“Anything above 0% will have a significant impact on our overall budget and will require challenging internal savings to be made. I am not against a transfer from

the Schools Block to the High Needs block, but still have concerns about the effectiveness of the SEND strategy and provision, for example, this is used to pay for specialist places, but getting these is not happening, the High Needs budget funds PEX'd students, and there is much uncertainty about different approaches to this between Secondary Schools at the moment. I would hope that the invest to save funding as part of the DBV programme would help address the significant lack of funding that this service has suffered over the last 10 years. As I stated earlier, if I had confidence that the hit I would take to my budget (which I cannot afford) would mean that we (and other schools) could better manage the needs of EHCP (and high needs SEND) students in school, I would be in favour of this, but reluctantly, I would go for 0% for 2024-25".

"More information (methodology, viability of funding allocations) is required to support a higher transfer"

"Given that support is being provided by the DfE under the DBV programme, consideration of any further transfers from the Schools Block to the High Needs Block should only take place once a recovery plan has been created".

"Las should find another pot to take from as schools are struggling to balance their books as it is".

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"We are sympathetic with the idea of top slicing Schools Block funding to explore more cost effective ways of supporting SEN students. We agree headteachers and SENDCos should be part of this work, but it needs to be led by the LA. However, we are currently reluctant to commit a significant amount of schools' delegated funding without clearer plans on how the funding would be used, and feel the funding would currently be better spent on things we have control over. If effective plans can be worked up over the course of the next year, we will consider a top slice from the Schools block in 2025/26".

"I disagree with the comment – Agreeing a transfer in 2024/25 **does not** commit schools to transferring funds in future years. A range of percentages for the transfer has been suggested. If funding is used to increase services and create new roles and provision it would be difficult to remove this once established after a year".

HFG recommendation: 0% transfer.

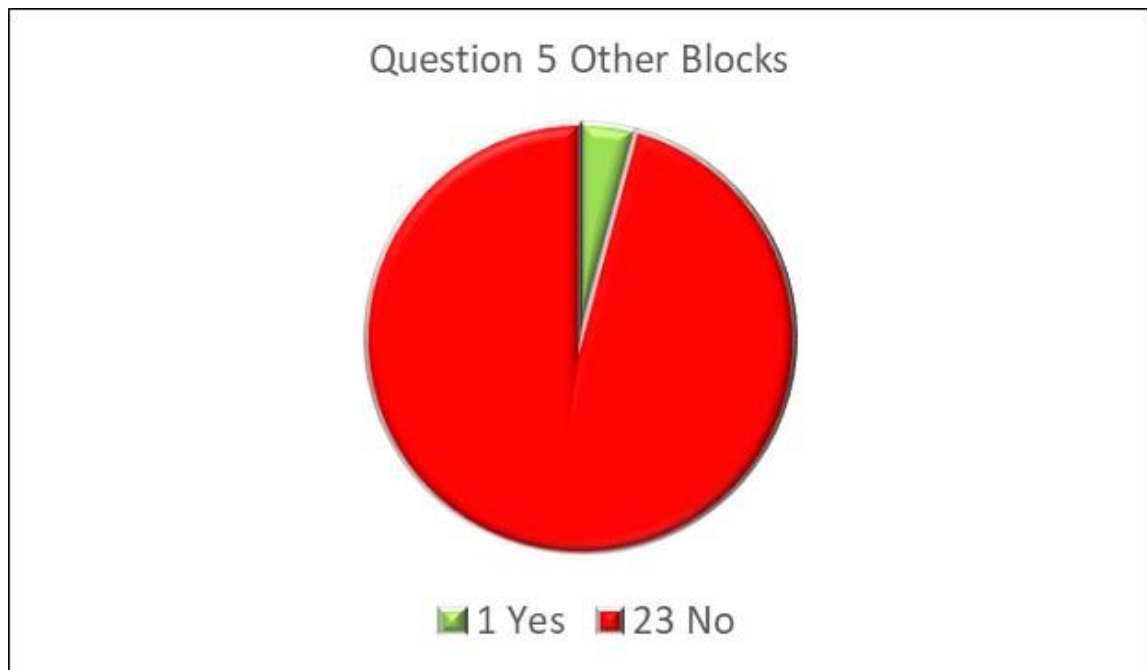
Local Authority recommendation: The Local Authority has made a disapplication to the Department for Education (DfE) asking that a 0.5% block transfer from the Schools Block to the High Needs Block be approved if the Schools Forum vote against a transfer. The disapplication has been made in advance of the Forum meeting as the deadline was 17th November. Minutes of the Schools Forum discussion will need to be forwarded to the DfE. The DfE has already had the consultation results as part of the disapplication documentation.

A 0.5% transfer will provide an additional £671k funding for the HNB. The impact of this on individual schools was included in the consultation papers. Schools will however be protected from the funding loss by using the growth and falling rolls DfE allocation to top up the schools block funding formula amounting to £650k.

The disapplication has been made to transfer whilst progress is made on reducing the deficit. The draft SEND strategy for 2023-28 seeks to reduce HNB expenditure by improving early identification and provision in the early years, strengthening the mainstream SEND offer, increasing the number of places at the Council's maintained special schools, creating more new local specialist provision for SEMH/Autism and improving access to employment eg. By increasing supported internships. This programme of activity will be supported by the DBV action plan which is likely to include revision of banding systems, improvement to the local offer and improvement of systems for predicting need.

Question 5:

Would you support any of this transfer supporting any of the other funding blocks?
Yes/No



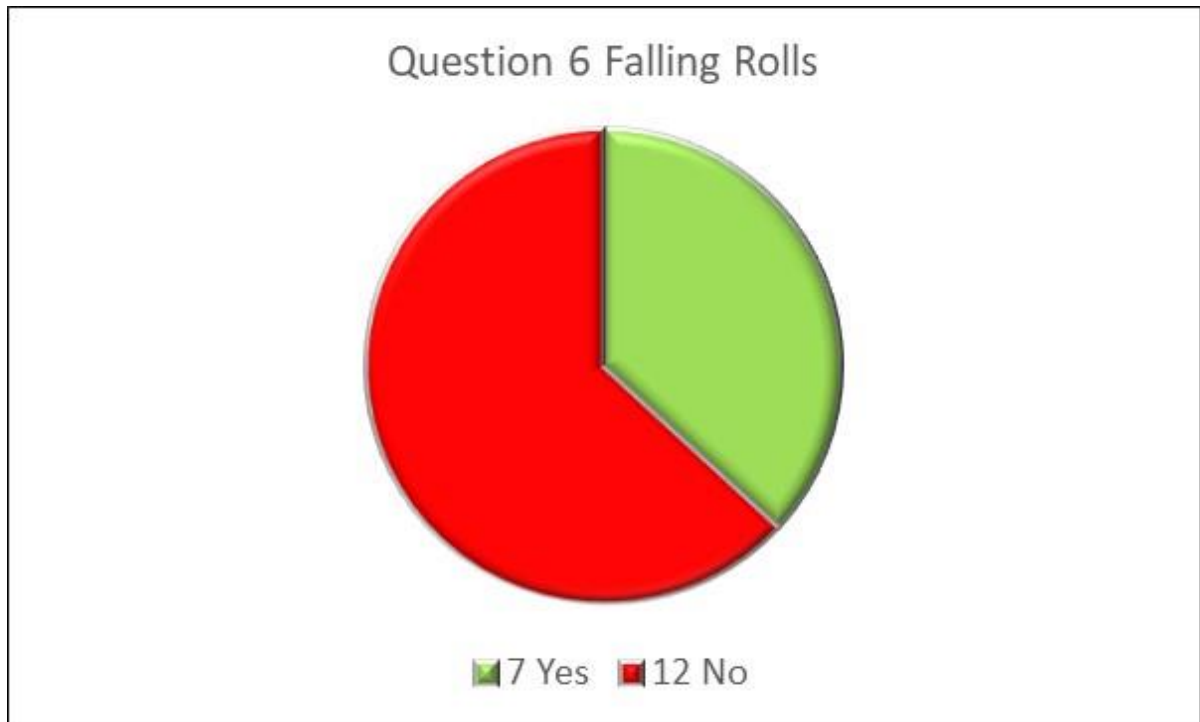
Comments:

“There are no convincing proposals in the consultation paper that would suggest a transfer to the Central Block or Early Years block would be worthwhile”.

HFG recommendation: no support of other funding blocks.

Question 6:

Do you think there should be a falling rolls fund? Yes/No



Comments:

In support:

“For first year of dramatic fall, particularly for small schools where a loss in numbers has a huge effect on staffing structure”.

“The national picture for falling rolls is one of significance and should be considered. This may not be for some schools now but certainly for the future”.

“Support in principle although more details needed”.

“But only if this is new funding with the DSG allocation, not at the expense of schools’ delegated budgets”.

Unsure:

“This is a difficult one. Schools with falling rolls will find it hard to adjust to any budget changes. However, with reducing birth rates, it is likely that an increased number of schools will have falling rolls and this may lead to the fund becoming unsustainable”.

“Difficult one, rolls are falling across the region due to falling birth rates so all schools will be affected and this could make the fund unsustainable”.

“Not sure, Comment: This is a difficult question to answer. Falling rolls especially in the smaller schools perhaps should be addressed differently. If a school has a decreasing number on roll and is no longer economically viable then the decision to

Consultation Results

merge or close should be addressed. May be as an authority we have to creatively look at how we can move children to a larger school as per the Shefford model. We could then look at how to use empty buildings more effectively for SEND or SEMH provision. Schools with falling rolls find it hard to adjust to any budget changes. However, with reducing birth rates, as seen perhaps for the first time this year at reception entry levels means that it is likely that an increased number of schools will have falling rolls and this may lead to the fund becoming unsustainable”.

Against:

“With reducing birth rates, it is likely that an increased number of schools will have falling rolls and this may lead to the fund becoming unsustainable”.

“Comment: In the past we have adjusted our structure to accommodate this. Eg 4 classes down to 3”.

“Given the current turnover of school staff (both teaching staff and support staff), recruitment is the greater challenge over being overstaffed”.

“If, as the dropping birth rate suggests, this should affect all schools. Although, if not all are affected, schools with falling rolls will find it hard to adjust to any budget changes. In time, it is likely that an increased number of schools will have falling rolls and this may lead to any such fund becoming unsustainable. Could it be reflected in reduced rates perhaps?”.

HFG recommendation: to be discussed fully at Schools Forum.

Question 7:

Do you agree with the criteria set to access additional funds outside the school formula? Yes/No



Comments:

“Yes for growth yes for high needs: Not sure whether additional Growth funding is likely to be used in the future with the changing demographics. The High needs requires you to have >1% EHCP learners than the W Berks average. There are many different ways to manage this and this method seems as reasonable as any. With the increase in numbers across all schools, and therefore even less variation between secondary schools, I would imagine an even smaller % would go to Secondaries. Then again, if more resource goes to Primaries, then there may be better support for these EHCP learners before they come to Secondary school, which is crucial.

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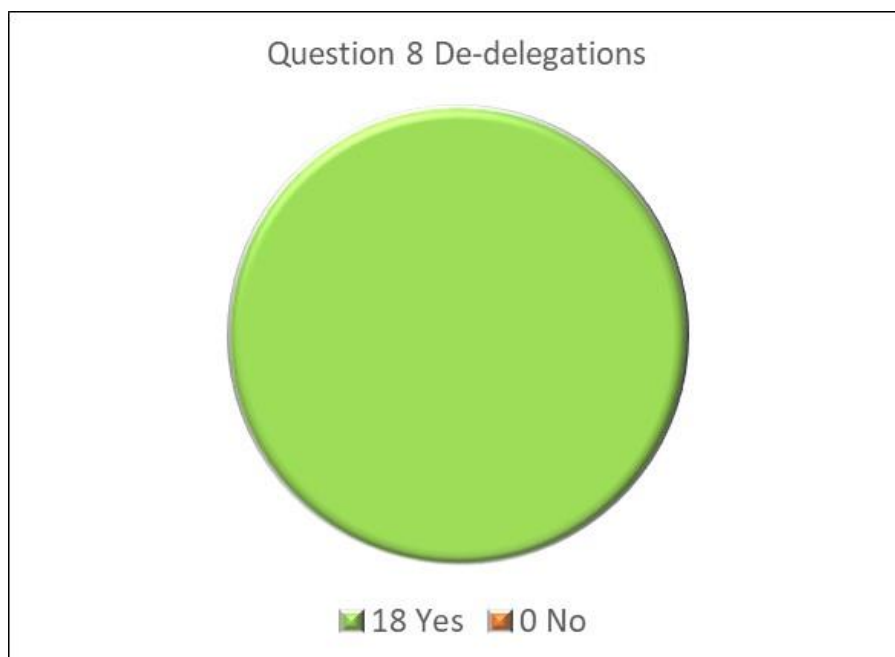
“Where does the money go if not spent?”

“Yes in part. Funding for schools with disproportionately high SEN: At the very least, the methodology needs to take account of all pupils in a school with EHCP plans including those from other Las, not just those from WBC. The number of EHCP students may not be the best indicator of a disproportionately high level of SEN in a school, as it does not take account of the number of students with lower SEN needs, who need additional input and resources”.

HFG recommendation: to adopt the criteria as per the consultation

Question 8

Do you agree with the proposed De-delegated Services, Education Functions and Health and Safety Service for all maintained schools? Yes/No



Comments:

“Partly. I think that the EMTAS funding should be on a per pupil basis rather than on a per EAL pupil basis. This would spread the cost between all schools (as TTST is currently) rather than putting a larger burden on certain schools, which do not get additional funding for EAL, due to their catchment areas”.

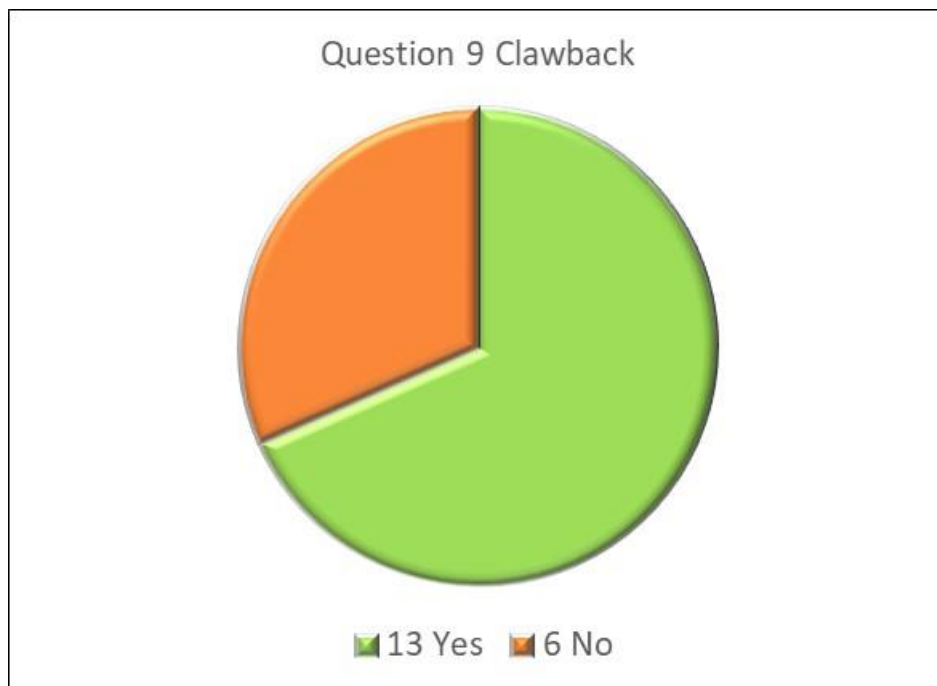
“An essential service for all maintained schools”.

“Yes if statutory roles”.

HFG recommendations: to agree the proposed de-delegated services, education functions and health and safety service. To allocate EMTAS funding on a per pupil basis.

Question 9

Do you support the Scheme for Financing Schools containing a clawback mechanism for schools with balances over 10% of their budget share, subject to retention of a minimum of £50k? Yes/No.



Comments:

In Support:

“I did not initially agree with this proposal but feel that we need to find a way to reduce schools' balances to give a more true figure of the state of finance in education. If large balances are held then the government has a strong argument not to increase funding, whereas in reality balances are probably being held to avoid financial difficulty in future”.

“Schools balances need to be reduced to give a true picture of the state of finance in education. Schools retain funds to balance budgets in future years but this doesn't help the DfE understand that schools are struggling financially”.

“Yes, provided the money clawed back is shared amongst schools who need this funding as we are supporting an immense amount of need in schools without any funding”.

“Straight into the high needs block”.

“As long as this is made clear to operate from a particular date. Also perhaps have a consideration if a school is taking an amount forward for a large planned project etc. A way needs to be found for the true extent of the state of finance in education to be seen. If large balances are held then the government has a strong argument not to increase funding”.

Against:

“We do a lot of money raising and saving. Self generated income should be shown separately from our allocation”.

“Schools are holding balances to deal with in year unfunded and unknown increases (like recent staffing costs). In reality balances are probably being held to avoid financial difficulty in future. Schools should not be penalised for being financially stable and well controlled where they can be”.

“Whilst I appreciate that as a school, we have a carry forward above the proposed 10% budget share I disagree with the proposal of a claw back for the following reasons. As a school we have a number of large building projects about to be completed (roof) and the begin (drains). Whilst this has been funded via a capital project as a school, we have ensured that we have enough in our budget to support the payments needed and further improvements after the projects have been completed”.

“Inadequate information provided within the consultation to understand the level of detail would be required from schools with a surplus to evidence commitments in the coming years. Will the 3-year budget submissions be reviewed and the setting of in year deficit budgets be considered? Scheme for financing schools runs parallel with the financial year, therefore a clawback mechanism introduced within the 24/25 scheme should not clawback surpluses until 31st March 2025, so not be moving the goalposts on a surplus that relates to the 23/24 financial year. This would also ensure that schools don't feel encouraged to spend funds on arguably less critical resources to run down their balances before the end of the current financial year (in 5 months) in order to avoid more intense scrutiny in a public forum. This is an unintended consequence which puts at risk the public sector duty to achieve value for money”.

“As long as any surplus is accounted for i.e. there are plans for medium term projects/commitments, this should be fine. Not sure my voice should count for much on this question as an Academy!”

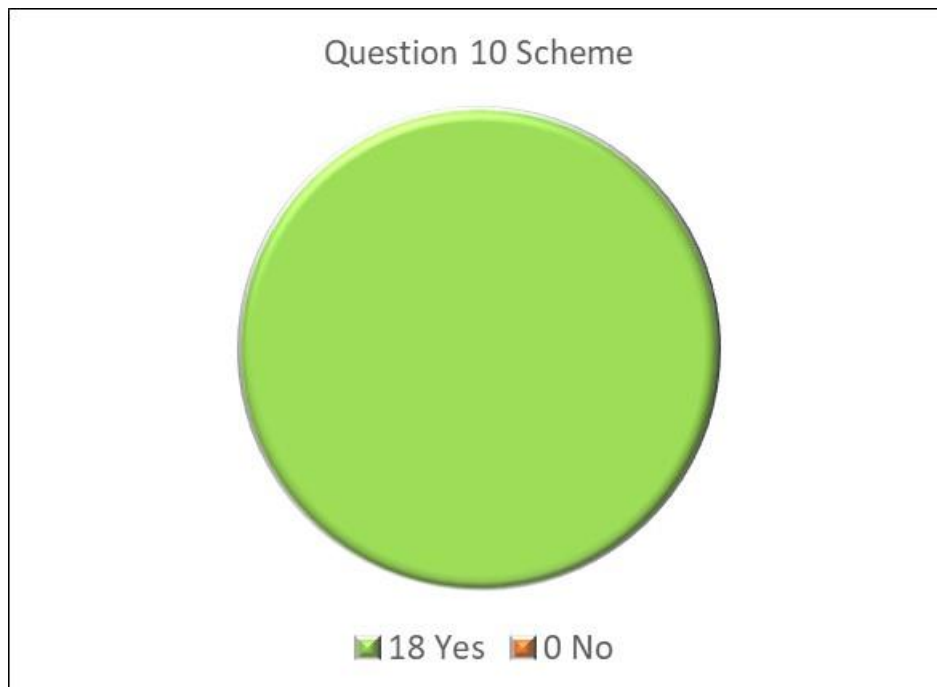
“Not relevant to academies, but if we were maintained, it would be ‘no’. Most schools understand the need to use their reserves for the benefit of existing pupils, but schools should be able to plan to spend reserves in the way they choose”.

HFG recommendation: The HFG would like to better understand the implications relating to the clawback. It was agreed that wider strategic implications should be better understood. This will allow the HFG to make a recommendation to Schools Forum based on a more thorough understanding of consequences not only for individual schools but also the wider school system.

The decision on this item will therefore come back to a future Schools Forum meeting.

Question 10

Do you support the other changes to the Scheme for Financing Schools? Yes/No.



HFG recommendation: Adopt the changes to the scheme for 2023/24.

6. Next Steps

- 6.1 The results of the consultation will be discussed at Schools Forum, where a vote will be held.