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# Schools Funding Formula 2025/26: Consultation Results

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**Report being considered by:** Schools' Forum

**Date of Meeting:** 2nd December 2024

**Report Author:** Melanie Ellis

**Item for:** Decision                      **By:** All School Members/All Forum Members/All Maintained School Members

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## 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 2025/26.
- 1.2 For Schools Forum to consider the Local Authority and Heads Funding Group recommendations to Schools Forum.

## 2. Recommendations

- 2.1 Following consultation, the Local Authority recommend the following for setting the school funding formula for 2025/26, for approval at Schools Forum and to go as a recommendation for political ratification:
  - (a) To mirror the Department for Education's (DfE) 2025/26 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 apply a 0.5% top slice to schools' funding to support the High Needs Block.
  - (d) To approve the criteria to be used to allocate additional funds.
  - (e) To approve the proposed services to be de-delegated.
- 2.2 Following the meeting of 19<sup>th</sup> November 2024, the Heads Funding Group (HFG) recommendations were as follows:
  - (a) Agree
  - (b) Agree
  - (c) Recommended a 0% block transfer
  - (d) Agree

- (e) Agree for 2025/26 in line with the consultation responses. However, recommend to commence a detailed review of dedelegations on a service by service basis, with a view to voting on each service separately for 2026/27.

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: <input checked="" type="checkbox"/>	No: <input type="checkbox"/>

### 3. Implications and Impact Assessment

Equalities Impact:	Positive	No Impact	Negative	Commentary
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		Y		
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?	Y			The NFF has a positive impact on some protected characteristics. If a transfer to the high needs block is supported this would further support disability.
<b>Data Impact:</b>		Y		
<b>Consultation and Engagement:</b>	All schools in West Berkshire.			

### 4. Introduction/Background

- 4.1 2025/26 is the third 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.
- 4.2 In previous years, the DfE has announced provisional financial settlement information for each LA for the upcoming financial year by the end of July. This generally includes

confirmed NFF per pupil funding rates to be paid to each individual LA and details of how funding rates and any other elements of the Funding Framework have changed.

- 4.3 However, the notional NFF allocations for schools for 2025-26 are yet to be published, with an indication as to the publication date being by the end of November 2024. Due to the delay in the confirmation the NFF factor values, a modelling authority proforma tool (APT) for 2025-26 will not be provided.
- 4.4 A summary policy note was issued on 5<sup>th</sup> November 2024 by the DfE with indicative schools NFF values. These mostly look to be increasing by 0.5%, after mainstreaming additional grants and allowing for the full year effect of the September 2024 teachers pay increase. This uplift will need to accommodate the full cost of the 2025-26 support staff pay award and the pay award for teachers from September 2025. There will be a separate grant to cover the additional cost of the increase in employers' NI contributions in 2025-26. Full detail will be confirmed in due course.
- 4.5 A key feature of the budget setting process is the consultation with schools. This takes place each year for the Schools Forum to consider the outcomes early in the autumn. Despite the lack of notional allocations and confirmed factor values, it was important to still seek views from schools on the relevant areas of the budget that remain subject to local decision making.
- 4.6 The LA will remain responsible for determining final allocations to schools, in consultation with the Schools Forum.
- 4.7 The LA has the right of appeal to the Secretary of State on any funding decisions made by the Schools Forum.
- 4.8 Political ratification must be obtained before the 22nd January 2025 deadline for submission.

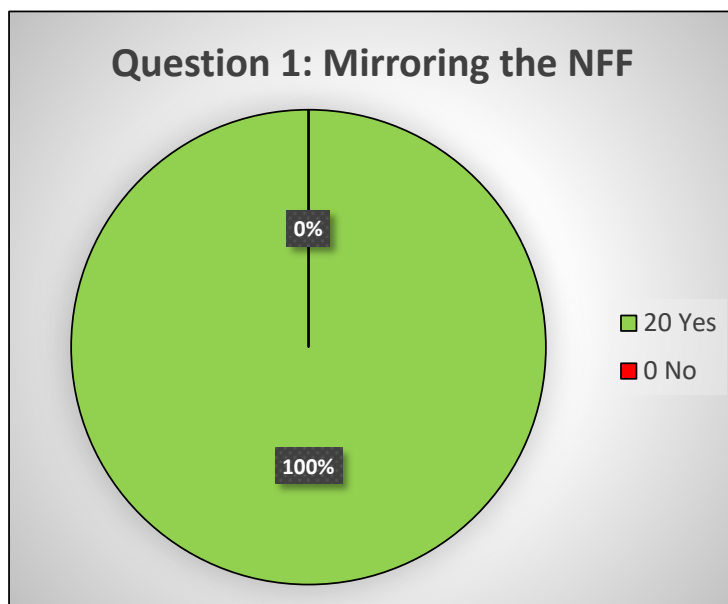
## 5. Consultation Responses

- 5.1 The consultation was open for three weeks from 16th October 2024 to 6th November 2024 and 20 responses were received.

### **Question 1:**

- 5.2 2025/26 is the third year of transition to the direct schools National Funding Formula (NFF). Local authorities:
  - Must use all NFF factors other than the following optional factors: rates, PFI contracts and exceptional circumstances.
  - Will only be allowed to use NFF factors in their local formulae.
  - Must move their local formula factor values at least 10% closer to the NFF, except where local formulae are already 'mirroring' the NFF. (local factors within 2.5% of the respective NFF values are deemed to be mirroring the NFF).

Do you agree that, subject to final affordability, West Berkshire should mirror the DfE's 2025/26 NFF as closely as possible and that this formula should be used to calculate funding allocations? Yes/No



**Comments in support:**

"It makes sense to mirror the DfE NFF as far as possible".

"We need to continue to mirror the DfE's 2025/26 NFF and to use this to calculate funding allocations".

"This is consistent with previous years. Not mirroring the NFF would be contrary to the requirement to move local formula factor values closer to the NFF year on year".

**Local Authority recommendation:**

To mirror the Department for Education's (DfE) 2025/26 National Funding Formula (NFF) to calculate the funding allocations.

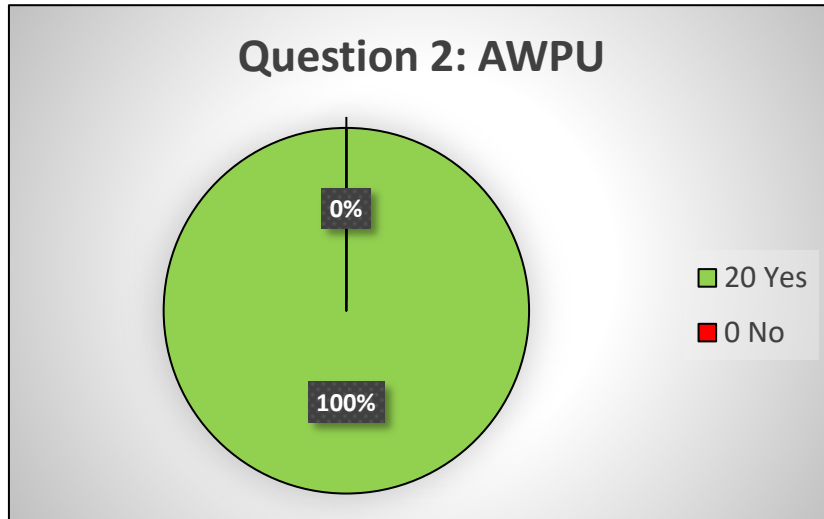
**HFG recommendation:**

Agree

**Question 2:**

West Berkshire Council replicates the NFF as far as possible, however, a decision needs to be taken locally on how to allocate any surplus or shortfall in the final funding allocation. There are a number of options for ensuring affordability, which effectively means deciding on a methodology for allocating any funding shortfall or surplus. Amending the Age Weighted Pupil Unit (AWPU), the basic funding entitlement, is the LA's recommendation as this would restrict the gains of all schools, but protects some schools by the minimum funding guarantee (MFG).

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 option seems fairest”.

“Adjusting AWPU is the fairest way of addressing any shortfall or surplus as it affects all schools equally in proportion to their size and phase. It is consistent with previous years”.

“This is the fairest way of doing this”.

**Local Authority recommendation:**

To address any surplus or shortfall in funding by adjusting the AWPU values.

**HFG recommendation:**

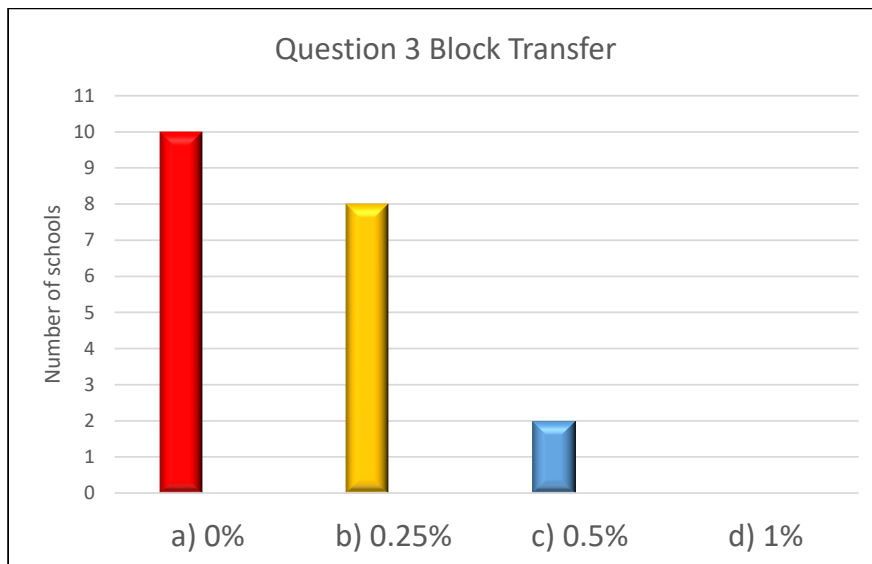
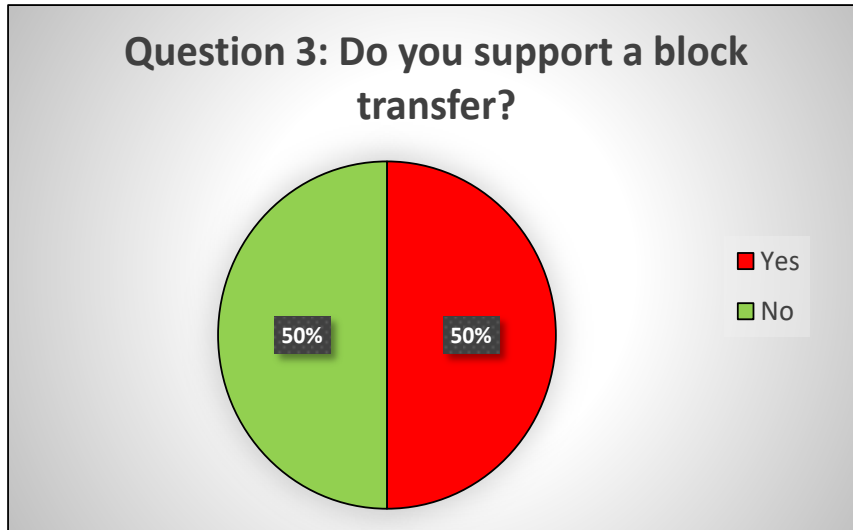
Agree

**Question 3:**

The NFF allows for a transfer up to 0.5% of the total schools block allocations to other blocks of the DSG, with Schools Forum agreement. Without Schools Forum agreement, or where they wish to transfer more than 0.5% of their schools block funding into one or more other blocks, local authorities can submit a disapplication request to the Secretary of State.

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 in support:**

“I do not generally agree with funding being transferred from core school budgets. However, I know that without an agreement from schools' forum, the Local Authority is likely to appeal to the Secretary of State, due to the high level of deficit within the High Needs Block. Therefore, I think that 0.5% of funding should be transferred, which I feel is a level, which would be just about manageable for schools”.

“Support 0.25%. More information (methodology, viability of funding allocations) is required to support a higher transfer”.

“We are sympathetic to the idea of top-slicing Schools Block funding to help support high needs students in the LA. Any transfer of funds should not be used simply to reduce the £16.5m deficit in the HNB. We would agree to a maximum 0.25% transfer provided that it is clear to schools how the LA propose to use the additional funding and provided there is a clear plan on how the LA will reduce the HNB deficit”.

“Support 0.25%. Funding for EHCP’s is already low and many schools are struggling to balance budgets alongside employing staff to support children. Transferring further money would only be agreeable when all other consultations and plans are implemented. We need to ensure greater scrutiny of how EHCP’s are agreed and funded. Some schools will have to make difficult decisions about how best to support children in mainstream classes – e.g. sharing support or funding part of the day”.

“Support 0.25%. This amount seems to a compromise percentage to ensure some money is given to the High Needs Block, whilst bearing in mind 1) that some schools will not benefit greatly from this if they have low SEND numbers, 2) other schools are already stretched with their budgets or are in deficit and cannot afford this middle ground percentage to be transferred and 3) the Local Authority is likely to appeal to the Secretary of State, due to the high level of deficit within the High Needs Block already if some monies are not transferred”.

### **Comments against:**

“I think it needs to be understood that EHCPs are making schools pay more than is provided anyway. Schools pay £6,000 to the EHCP through the agreed approach but due to the payments being based on staff pay 20 years ago, the actual costs are significantly higher and schools need to support the children with hours expected. Transferring money over, will lead to schools having a larger deficit and the problem not being fixed”.

“While the funding issues for High Needs are recognised, a detailed deficit recovery plan should be in place before any funding transfer is considered”.

“Over the last 5 years we have transferred £1.4 million to the HNB and yet the deficit has still grown by 84% in the last financial year and is forecast to increase by a further 75% by the end of this financial year. At the same time SEND provision is even more stretched with a severe lack of appropriate provision to meet the needs of children and young people. The transfers are not making any difference. Leaving the money in schools allows schools to use the money directly on children and young people”.

“Schools are already penalised with the poor SEN funding rates/bands day to day for children in receipt of top up funding EHCP support. Services for SENs Support have vanished and only parents who can afford a diagnosis receive this as thresholds too high for local funded provision e.g. dyslexic testing. Current practise has incentivised the desire for an EHCP. The deficit is linked to outside provision provided and chosen by the LA. We spend minimal in schools and schools are struggling as a result to recruit staff and provide safe spaces for all children”.

### **Local Authority recommendation:**

To apply a 0.5% top slice to the schools’ funding to support the High Needs Block.

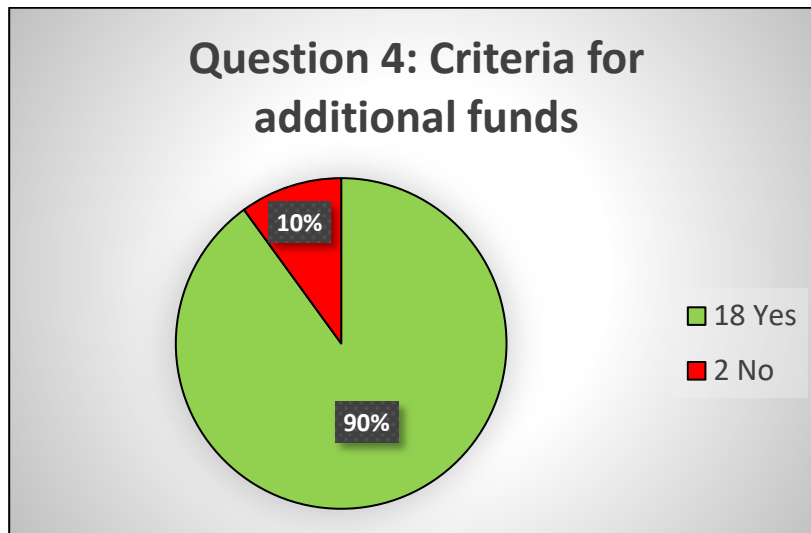
### **HFG recommendation:**

To apply 0% block transfer.

#### Question 4:

School funding regulations allow a few exceptional circumstances to be funded outside the formula and be top sliced from the DSG. Criteria for allocating these need to be agreed.

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



#### Comments against:

"I think the School Forum's previous decisions to cease funding schools in financial difficulty and falling rolls are still accurate and should not be re-started."

"The methodology for the additional high needs funding formula needs to take account of all EHCP students in a school including those from other LAs, not just those from WBC. In our case, the total number of EHCP students, including our Reading students, would bring the number of EHCP from 11 to 28, slightly above the threshold for additional funding. The number of EHCP students is not the only indicator of a disproportionately high level of SEN in a school, as it does not take account of the students with lower SEN needs, who need additional input and resources. Addressing this might also result in a fairer distribution of the total funding between the primary and secondary sector".

#### Local Authority recommendation:

To approve the criteria to be used to allocate additional funds.

#### HFG recommendation:

Agree

#### Question 5

De-delegated services are for **maintained** schools only. Funding for these services must be allocated through the formula but can be passed back, or 'de-delegated' for



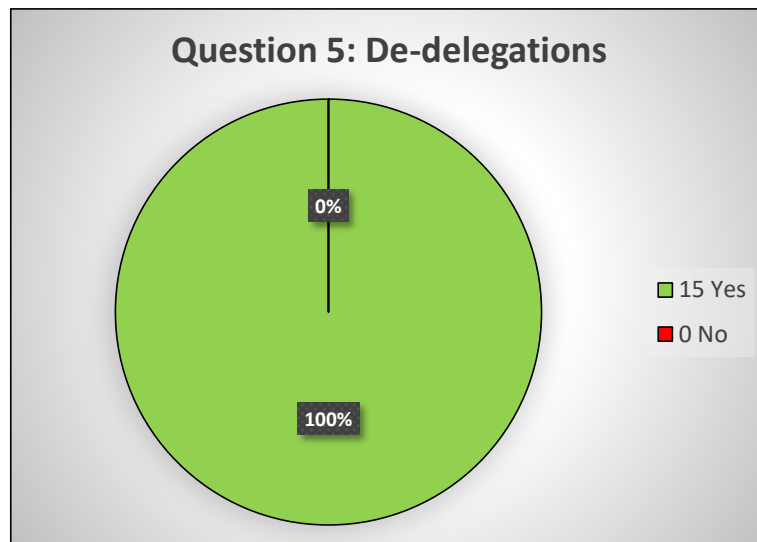
maintained primary and secondary schools with schools forum approval. The de-delegations need to be re-determined on an annual basis.

The services currently and proposed to be de-delegated for primary and secondary only are Behaviour Support Services, Ethnic Minority Support, Trade Union Local Representation and CLEAPSS.

Education responsibilities held by local authorities for **all** schools are funded from the Central Schools Services Block of the DSG. Education functions held by local authorities for **maintained schools only**, can be funded from maintained schools budget shares and de-delegated, with agreement of the maintained schools members of schools forums. The services for maintained schools are Statutory and Regulatory Duties comprising statutory accounting functions, internal audit and administration of pensions.

In order to meet the requirements of the employer under the Health and Safety at Work etc. Act 1974 and the Management of Health and Safety at Work Regulations and other related legislation, a full schools health and safety service will be provided to all maintained schools. All maintained schools will need to agree to be part of this collective agreement to equitably fund the service.

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



**Comments in support:**

“Yes for health and safety. We can’t afford school improvement even with no slice. We have to source externally ad hoc or in exchange for working partnerships (traded days)”.

“There is still some concern as to why School Improvement Service is not listed in the de-delegated services and is therefore not subject to the right kind of scrutiny”.

“I am happy with all of these services”.

“These are invaluable services for all schools”.

**Local Authority recommendation:**

To approve the proposed services to be de-delegated.

**HFG recommendation:**

Agree for 2025/26 in line with the consultation responses. However, recommend to commence a detailed review of dedelegations on a service by service basis, with a view to voting on each service separately for 2026/27.

**6. Options for Consideration**

6.1 As detailed above

**7. Proposals**

7.1 For Heads Funding Group (HFG) to consider the Local Authority recommendation to Schools Forum.

**8. Appendices**

8.1 Appendix A – Equalities Impact Assessment

# **West Berkshire Council Equity Impact Assessment**

TEMPLATE  
March 2023

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## Section 1: Summary details

<b>Directorate and Service Area</b>	People CS, Education and Resources, Finance Property and Procurement
<b>What is being assessed</b> (e.g. name of policy, procedure, project, service or proposed service change).	The schools funding formula 25/26
<b>Is this a new or existing function or policy?</b>	No, annual setting of the formula
<b>Summary of assessment</b> Briefly summarise the policy or proposed service change. Summarise possible impacts. Does the proposal bias, discriminate or unfairly disadvantage individuals or groups within the community? (following completion of the assessment).	Annual setting of the schools funding formula. WBC follows the NFF so already has funding factors in to protect some characteristics, therefore does not unfairly disadvantage individuals or groups within the community.
<b>Completed By</b>	Melanie Ellis
<b>Authorised By</b>	
<b>Date of Assessment</b>	7.11.24

## Section 2: Detail of proposal

<p><b>Context / Background</b> Briefly summarise the background to the policy or proposed service change, including reasons for any changes from previous versions.</p>	Following the NFF for schools funding
<p><b>Proposals</b> Explain the detail of the proposals, including why this has been decided as the best course of action.</p>	All schools consulted with. Results and recommendations within this report.
<p><b>Evidence / Intelligence</b> List and explain any data, consultation outcomes, research findings, feedback from service users and stakeholders etc, that supports your proposals and can help to inform the judgements you make about potential impact on different individuals, communities or groups and our ability to deliver our climate commitments.</p>	As per the report.

<p><b>Alternatives considered / rejected</b></p> <p>Summarise any other approaches that have been considered in developing the policy or proposed service change, and the reasons why these were not adopted. This could include reasons why doing nothing is not an option.</p>	<p>Consultation responses have been considered.</p>
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### Section 3: Impact Assessment - Protected Characteristics

Protected Characteristic	No Impact	Positive	Negative	Description of Impact	Any actions or mitigation to reduce negative impacts	Action owner	Timescale and monitoring arrangements
<b>Age</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The NFF differentiates between primary and secondary phases of education, recognising that as pupils progress through key stages, the breadth and complexity of the curriculum increases, leading to higher costs. As WBC follows the NFF there will be no additional impact on age that should be considered.		Melanie Ellis, Service Lead Management Accounting, Revenues and Benefits.	
<b>Disability</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The NFF provides protection for the funding of children and young		Melanie Ellis, Service Lead Management Accounting,	

				<p>people with SEN and disabilities.</p> <p>By supporting a block transfer from schools to high needs, this would further support disability.</p>		Revenues and Benefits.	
<b>Gender Reassignment</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			Melanie Ellis, Service Lead Management Accounting, Revenues and Benefits.	
<b>Marriage &amp; Civil Partnership</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			Melanie Ellis, Service Lead Management Accounting, Revenues and Benefits.	
<b>Pregnancy &amp; Maternity</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			Melanie Ellis, Service Lead Management Accounting, Revenues and Benefits.	
<b>Race</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The NFF uses additional needs factors of deprivation, low prior attainment and English as a foreign language, and mobility.		Melanie Ellis, Service Lead Management Accounting, Revenues and Benefits.	
<b>Sex</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The NFF does not differentiate by gender		Melanie Ellis, Service Lead Management Accounting,	

						Revenues and Benefits.	
<b>Sexual Orientation</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			Melanie Ellis, Service Lead Management Accounting, Revenues and Benefits.	
<b>Religion or Belief</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The NFF is applied to all schools consistently, including faith schools.		Melanie Ellis, Service Lead Management Accounting, Revenues and Benefits.	

### Section 3: Impact Assessment - Additional Community Impacts

<b>Additional community impacts</b>	<b>No Impact</b>	<b>Positive</b>	<b>Negative</b>	<b>Description of impact</b>	<b>Any actions or mitigation to reduce negative impacts</b>	<b>Action owner (*Job Title, Organisation)</b>	<b>Timescale and monitoring arrangements</b>
<b>Rural communities</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sparsity factor		Melanie Ellis, Service Lead Management Accounting, Revenues and Benefits.	
<b>Areas of deprivation</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Deprivation factor		Melanie Ellis, Service Lead Management Accounting, Revenues and Benefits.	
<b>Displaced communities</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Mobility factor		Melanie Ellis, Service Lead	



Additional community impacts	No Impact	Positive	Negative	Description of impact	Any actions or mitigation to reduce negative impacts	Action owner (*Job Title, Organisation)	Timescale and monitoring arrangements
						Management Accounting, Revenues and Benefits.	
Care experienced people	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			Melanie Ellis, Service Lead Management Accounting, Revenues and Benefits.	
The Armed Forces Community	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Mobility factor		Melanie Ellis, Service Lead Management Accounting, Revenues and Benefits.	

#### Section 4: Review

Where bias, negative impact or disadvantage is identified, the proposal and/or implementation can be adapted or changed; meaning there is a need for regular review. This review may also be needed to reflect additional data and evidence for a fuller assessment (proportionate to the decision in question). Please state the agreed review timescale for the identified impacts of the policy implementation or service change.

Review Date	7.11.2024
Person Responsible for Review	Melanie Ellis
Authorised By	



## Consultation Results