

Appendix 1 ~ Setting the Schools Funding Formula 2024/25

1. The Schools Forum is required to make a recommendation to Children and Families Committee on the funding formula to allocate funding to schools for the next financial year.
2. The Schools Forum meeting on 22 June 2023 considered the approach to the 2024/25 funding formula. They agreed to retain the existing sub-group to consider the issues in more detail and consult with schools.
3. The sub-group met on four occasions (21 September, 12 October, 2 November and 30 November 2023) to consider the issues for schools and ran a consultation process from 20 October to 10 November 2023.
4. The consultation process considered two minimum funding guarantee options and asked if a transfer from the Schools Block to the High Needs Block was supported.
5. Schools were asked to feed back their views via an online survey, with the results being summarised in a report for consideration by Schools Forum representatives at the meeting on 7 December 2023.
6. At the meeting nine representatives voted for 0% MFG and two representatives voted for +0.5% MFG. Five representatives supported a transfer to High Needs and six representatives voted against a transfer.
7. The feedback was considered and the Forum recommended the +0% MFG option with no block transfer to High Needs to Children and Families Committee.

Available Funding Levels

8. The initial DSG funding allocations released in July 2023 were used to inform the modelling work used in the consultation process.
9. These figures allowed for the updated headline minimum per pupil funding levels (MPPF) for primary and secondary schools to be achieved with a relatively low levels of MFG scaling back.
10. All the modelling for the consultation used October 2022 pupil numbers and the revised NFF factors provided by the DfE.
11. The recommended model will be fully updated by the revised funding announcements from the DfE incorporating October 2023 pupil information that

were released on 19 December 2023. These confirmed the additional number of pupils and the local growth factor and increased schools funding by 2.2% for 2024/25 to £285.6m.

Minimum per pupil funding levels

12. The compulsory MPPF figures have increased by 0.5%.

| Change to Minimum Per Pupil Funding Levels | 2023/24 | 2024/25 | Change | Change |
|--|---------|---------|--------|--------|
| Primary | £4,405 | £4,610 | £205 | 0.5% |
| Secondary | £5,715 | £5,995 | £280 | 0.5% |

The Formula Option for 2024/25

13. Two formula options were consulted on. These were based on the same model using the national funding formula (NFF) plus area cost adjustment and all flexibility routed through the basic entitlement. Then two different levels of MFG were applied:

MFG at 0%
MFG at +0.5%

Setting the minimum funding guarantee percentage

14. MFG is a self-funding method of ensuring no schools suffer significant reductions to funding levels by scaling back funding from those schools set to gain.

15. Therefore, any models needed to consider the achievement of the MFG percentage and the resulting scaling back percentage. High levels of MFG scaling are required with a higher MFG.

16. The Schools Forum voted to recommend a model with MFG at +0%. In context the previous exercises have always led to the Schools Forum recommending the lowest MFG option available.

Growth Fund

17. The council is able to hold an element of schools funding back and use it to provide some extra funding to schools who have increased their admission number in September or seen significant levels of in year pupil growth. This is called the Growth Fund.

18. The extra pupils are not funded through the main formula until the following year and the Growth Fund is intended to help schools manage the delay in receiving the formula funding.
19. Operational guidance also states that the growth fund should be held to fund pre-opening costs and diseconomy of scale allowance for new maintained schools and academies, when not funded directly by DfE.
20. The Schools Forum have recommended setting the Growth Fund at the full allocation (£1.5m). This was based on consideration of the medium term financial plans for the Growth Fund and the funding required for new schools in the near future.

Timetable

21. The following key stages of the process will be followed:

| Date | Event |
|------------------|---|
| 19 December 2023 | Final school and pupil funding announcements |
| 22 January 2024 | APT model submitted |
| | Circulate the list to schools as provisional |
| 12 February 2024 | C&F Committee – determine formula |
| 15 February 2024 | Schools Forum receive final school funding levels |
| 29 February 2024 | Source of funds issued to schools |

22. Full details of the process are available in [Schools Forum papers](#).
23. The other three funding blocks all follow the requirements of the specific funding guidance.