

Report to: Schools Forum

Date: 18th January 2024

Report of: Kirsty Lister, Schools Finance Business Partner

Title: Mainstream Schools 2024-25 Funding Formula Update

Status: For Approval of APT Submission 24/25

Purpose

The purpose of this report is to inform Schools Forum of key National Funding Formula (NFF) changes for 2024-25 and proposed Schools Block/APT Submission to ESFA for 2024/25 School Budgets

Background

Each year local authorities are required to detail their schools block funding formulae in accordance with the arrangements set out by the Secretary of State for Education. The Education and Skills Funding Agency (ESFA) has developed the authority proforma tool (APT) to assist local authorities to model, and then confirm how they plan to do this for the funding year.

The total allocation as at 19th December 2023 for Birmingham is £1,147m including £7.8m National Non Domestic Rates (NNDR) within the premises factor, therefore Schools Block of £1,139million after Premises deductions

Final allocations of mainstream schools and central schools services funding for 2024-25 has been calculated based on the latest pupil data at that point (October 2023)

The final version of the APT was also released in December 2023 and must be returned to the ESFA by **19 January 2024**.

2024/25 National Funding Formulae Update - Recap

- The overall structure of the formula is the same as in 2023-24. Most factors have increased by 1.9%, but with some exceptions.
- The ESFA have introduced a formulaic approach to allocating split sites funding in 2024-25. This ensures that split sites funding will be provided on a consistent basis across the country.
- Through the minimum per pupil funding levels, every primary school will receive at least £4,610 per pupil, and every secondary school at least £5,995
- The funding floor will ensure that every school will attract at least 0.5% more pupil-led funding per pupil, compared to its 2023-24 allocation.
- The core factors in the schools NFF (such as basic entitlement and the lump sum that all schools attract) will increase by 1.4%.
- The mainstream schools additional grant (MSAG) will be rolled into the schools NFF for 2024/25 ensuring that this additional funding forms an on-going part of the schools' core budgets. Appropriate adjustments have been made to NFF factor values and baselines to reflect this.
- TPAG will be allocated outside of the NFF in 2024-25
- Local Authorities will be funded for falling rolls as well as growth.

Government National Funding Formula Expectations

Every school must receive a minimum of £4,610 per pupil for primary schools, and £5,995 per pupil funding for secondary schools (KS3: £5,503, KS4: £6,033). This has been reflected in the APT.

Primary	Secondary	Secondary (KS3 only)	Secondary (KS4 only)
£4,610.00	£5,995.00	£5,503.00	£6,033.00

Birmingham APT 2024/25 Update

- Final version was published on 19th December 2023
- Final Schools Block allocation £1,147,185,334
- Contains the published pupil Census data for October 2023
- Maximum Minimum Funding Guarantee (MFG) is 0.5%
- Middle values used for pupil led factors
- Maximum values used for Lumpsum factors
- For schools with roll forward growth: 5/12ths of Oct 2023 pupil numbers + 7/12ths of estimated Oct 2024 pupil numbers
- Oct 2023 census data used for all other pupil related factors

At the Technical Meeting on the 21st December, the APT draft was discussed and the above assumptions confirmed with members. By using the above assumptions this meant Birmingham were able to balance their Schools Budgets/Blocks without utilising any reserve funding. 2023/24 required approx. £3million from the DSG reserves in order to balance Schools Budgets

Discussions were held at the Technical Meeting regarding the use of the Middle/Maximum values for the Pupil Led Factors and the group requested further modelling take place by Finance to ensure Schools Forum are in agreement with the assumptions Finance have used

Recommendations/Discussions

Appendix 1 shows the various modelling options to be discussed and to be agreed

