

# Cheshire West and Chester Schools forum

16 January 2024

## Agenda Item 7

### Schools Funding Update

#### 1 Purpose of the Report

- 1.1 This report details the draft School Allocation and Funding Formula for 2024-2025 taking into account the decisions taken previously on the principles of the local funding formula and the October 2023 census data provided by the Education and Skills Funding Agency (ESFA).

#### 2 Recommendations

- 2.1 The Schools Forum is requested to:

- (i) Approve the proposed indicative allocations for the 2024-2025 DSG budget.
- (ii) Approve the continuation of the existing 0.5% transfer from schools block to high needs block for 2024-2025.
- (iii) The Schools Forum (School, Academy and PVI representatives) is requested to endorse the draft funding formula submission to the ESFA. Proposed unit values are included in Appendix A

#### 3 Background

- 3.1 The indicative DSG allocation for 2024-2025 was made available by the Education and Skills Funding Agency (ESFA) in December 2023 and forms the basis of the budget proposals for 2024-2025. The submission to the ESFA of the Schools Block Funding Formula for primary and secondary schools and academies is required by 22 January 2024. Following the meeting in October 2023, Schools Forum recommended to continue to mirror the National Funding Formula factors and values for 2024-2025. This decision was endorsed by Cabinet at the meeting of 6 December 2023. The final budget approval and formula values will be taken by Council on 15 February 2024.

#### 4.0 Dedicated Schools Grant 2024-25

- 4.1 Following confirmation of the allocations through National Funding Formulae, the Dedicated Schools Grant (DSG) allocation will continue to consist of four blocks of funding in 2024-25. The gross allocation for the Local Authority (prior to academy recoupment) is to increase by £28.829m from £334.758m in 2023-24 to £363.587m in 2024-25.





- 4.2 The changes are summarised in table 1 below.

**Table 1 Final DSG 2023-2024 and indicative 2024-2025 allocation**

<b>DSG Allocation Block</b>	<b>Final 2023-2024 £000</b>	<b>Indicative 2024-2025 (Dec 2023) £000</b>	<b>Change £000</b>
Schools Block	253,491	265,285	11,794
High Needs Block	56,235	58,352	2,117
Early Years Block	22,800	37,760	14,960
Central School Services Block	2,232	2,190	(42)
<b>Total DSG Allocation</b>	<b>334,758</b>	<b>363,587</b>	<b>28,829</b>

4.3 The DSG allocation funds both schools and academies and also central services and retained budgets for education and schools. The school funding formula to be used to allocate the School Block funding is as agreed by Cabinet on 6 December 2023 and reflects the decision to mirror the National Funding Formula factors and values in the local formula.

4.4 In accordance with the DfE requirement to ringfence the schools block allocation, 99.5% of the schools block will be allocated through the funding formula approved by Cabinet on 6 December 2023. This assumes the continuation of the existing 0.5% transfer to other funding blocks will be approved by Schools Forum as requested in the consultation with schools conducted in December 2023 / January 2024. The table below shows the 33 responses received to the consultation question which are largely in support of maintaining the transfer. The value of the transfer for 2024-2025 is £1.326m which is 0.5% of the total allocation. Please see Appendix B for draft School Block allocations for 2024/25. Please note these allocations are subject to School Forum and DfE amendments/approval.

<b>1. Considering the continuing pressure on funding from the high needs block, do you agree with the proposal to continue to transfer up to the existing 0.5% of funding from the schools block for a further year in 2024-25?</b>				
<b>Answer Choices</b>			<b>Response Percent</b>	<b>Response Total</b>
1	Strongly agree		18.18%	6
2	Agree		72.73%	24
3	Neither agree or disagree		6.06%	2
4	Disagree		3.03%	1
5	Strongly disagree		0.00%	0
			answered	33

5.0 The 2024-2025 formula is based on pupil numbers and demographics taken from the October 2023 census (although funding allocations are based on October 2021 pupil characteristics). This data was made available by the ESFA on 19 December 2023 and forms the basis of the formula values proposed in this report for the final formula submission.

6.0 **DSG Deficit**

6.1 Due to ongoing and unavoidable increasing demand for high needs provision above the available funding the DSG deficit is set to increase. Local authorities are permitted to hold a deficit reserve based on a temporary override of accounting treatment approved by the Department for Levelling Up, Housing & Communities (DLUHC) until March 2026. The DSG reserve position is summarised in the table 2 below.

<b>Table 2</b>	<b>£m</b>
2022-23 Brought forward deficit position	2.713
2023-24 Forecast in year pressure (as at Third Review)	5.420
<b>Total DSG reserve deficit</b>	<b>8.133</b>

6.2 In line with Department for Education guidance on recovering DSG deficits, the Local Authority are commencing the implementation of recommendations arising from the SEND Strategic Review which form the basis of a recovery plan to bring the in year DSG position into balance by 2026-27. To address the cumulative deficit, the service is undertaking a wider review of DSG funded budgets and will pursue a number of further savings proposals in 2024-25.

7.0 **Institution led factors**

7.1 There are four premises factors within the formula for which funding allocations have been applied as set out below.

Approved Exceptional Circumstance	Lease agreement for Wincham Primary School to ensure that they have sufficient school hall premises. The sum is more than 1% of the school's budget and only impacts upon this school. This exceptional circumstance was in place pre 2013 and a reapplication has been approved by the ESFA for 2024-2025 within an inflation uplift in line with RPI applied to the agreement.
Approved Exceptional Circumstance	Management Agreement for Upton High School for hire of sports facilities in place since 2016-2017. The sum is more than 1% of the school's budget and only impacts upon this school. This exceptional circumstance was in place for 2022-2023 and a reapplication has been approved by the ESFA for 2024-2025 within an inflation uplift in line with RPI applied to the agreement.

PFI Funding	Delegated amounts are an apportionment of affordability gap across the 6 PFI schools. The affordability gap for each school has been calculated using a combination of direct and apportioned costs to give a % for each school which is set out in the revised governing body agreements. Amounts have been inflated from 2023-2024 values to meet the RPI increase in the unitary charge.
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## 8.0 Notional SEN

8.1 The current CW&C notional SEN calculation is based on percentages determined from the funding reforms and mapping of the local funding formula in 2013. The calculation allocates the following percentages to each school's schools block allocation.

Formula Factor	Primary	Secondary KS3	Secondary KS4
Basic Entitlement	4.41%	4.41%	4.32%
Deprivation (Free School Meals Ever 6 plus IDACI Bands)	32.88%	32.6%	32.6%
Low scorer funding	100%	100%	100%
Lump Sum	2.8%	3.63%	3.63%

8.2 The Notional SEN guidance calculation remains the same as 2023/24.

## 9 Confirmation of centrally retained budgets

9.1 The draft formula assumes that the Schools Block allocation will be distributed in full except for the Growth Fund and the continuation of the 0.5% transfer to the high needs block. Other budget setting items will not affect the total amount to be distributed to primary and secondary schools which is now ringfenced.

## 10 Next Steps

10.1 Further to any amendments described within this report, the School Funding Formula will be submitted to the ESFA for 22 January deadline for final approval. A draft funding statement will be sent to schools following this so that schools are notified as early as possible of the proposed allocations. As per the requirements of the School Finance Regulations, final funding statements will be issued to individual maintained schools by 28 February 2024.

10.2 Further detail on early years funding rates and high need funding arrangements to be tabled for discussion with Schools Forum at the meeting in February 2024.

10.3 To include the central spend budgets in the 2024-2025 Section 251 Budget statement submission to the DfE for April 2024.

**Appendix A** 2023-2024 formula values used in Cheshire West and Chester (CW&C) against the 2024-2025 proposed CW&C formula values

<b>Appendix A</b> Funding Factors	<b>2023-2024 SNFF formula values £</b>	<b>2024-2025 Indicative Formula Values £</b>
Basic per-pupil funding		
Basic entitlement: Primary	3,388.05	3,556.75
Basic entitlement: Secondary – Key Stage 3	4,779.03	5,016.75
Basic entitlement: Secondary – Key Stage 4	5,387.03	5,655.75
Minimum per pupil funding level Primary	4,405	4,610
Minimum per pupil funding level Secondary	5,715	5,995
Additional needs funding		
Current Free School Meal (FSM) top up (Pupils currently claiming FSM at the last census): Primary	480	490
Current FSM top up (Pupils currently claiming FSM at the last census): Secondary	480	490
FSM6 (Any pupil that has ever claimed FSM in the past 6 years): Primary	705	820
FSM6 (Any pupil that has ever claimed FSM in the past 6 years): Secondary	1,030	1,200
Income Deprivation Affecting Children Index (IDACI) band F: Primary	230	235
IDACI band F: Secondary	335	340
IDACI band E: Primary	280	285
IDACI band E: Secondary	445	450
IDACI band D: Primary	440	445
IDACI band D: Secondary	620	630
IDACI band C: Primary	480	485
IDACI band C: Secondary	680	690
IDACI band B: Primary	510	515
IDACI band B: Secondary	730	740
IDACI band A: Primary	670	680
IDACI band A: Secondary	930	945
Low prior attainment: Primary	1,155	1,170
Low prior attainment: Secondary	1,750	1,775
English as an additional language: Primary	580	590
English as an additional language: Secondary	1,565	1,585
Mobility: Primary	945	960
Mobility: Secondary	1,360	1,380
School led funding		

<b>Appendix A</b>	<b>2023-2024 SNFF formula values £</b>	<b>2024-2025 Indicative Formula Values £</b>
Funding Factors		
Lump sum: Primary	128,000	134,400
Lump sum: Secondary	128,000	134,400
Sparsity: Primary	56,300	57,100
Sparsity: Secondary	81,900	83,000
Premises		
Split Sites (criteria specified locally)	Continue 2022-2023 criteria	80,600
Private Finance Initiative (PFI) (criteria specified locally)	Continue 2022-2023 criteria	Continue 2023/24 criteria
Rates (to be funded based on actual charges)	Funded on actual charges	Funded on actual charges
Exceptional factors (criteria specified locally)	Reapplicatio n of criteria to ESFA	Reapplicatio n of criteria to ESFA

**Appendix B**

**Draft School Block Allocations**

**To follow**