

AGENDA ITEM 6

REPORT TO SCHOOLS FORUM

18th DECEMBER 2024

Schools Funding Consultation Report 2025-26

SUMMARY

1. Dedicated School Grant (DSG) to Local Authorities is allocated in blocks. There are blocks of funding for Early Years, Schools, High Needs and Central School Services. The Education and Skills Funding Agency (ESFA) uses the national funding formula to calculate the blocks within the DSG that are allocated to local authorities. Local authorities currently have some flexibility in how this funding is allocated to schools, within the framework and constraints set out by the ESFA.
2. Following reports to the Schools Forum on 12th November 2024 on the delay to the publication of the National Schools Funding Formula there was a requirement to undertake the remaining part of the annual funding consultation exercise with all schools on proposals for next year's funding arrangements.
3. This paper sets out the results of this recent local consultation with maintained schools and academies which covered preferences for the schools funding formula. The schools forum should take into account the views of the schools responding before making their decision.

RECOMMENDATION

4. Schools Forum is asked to support the proposals for the schools funding formula for 2025/26 (Q1-3) noting that:-
 - All Schools Forum members may vote on these proposals.
 - The local authority is required to consult with Schools Forum on the funding formula, however the local authority retains the final decision on the formula to be used.

DETAIL

5. The council recently held a consultation on school funding arrangements for 2025/26. This consultation closed on the 11th December. A copy of the consultation document issued to schools is attached at **Appendix A** to this report.
6. The proposals in this report regarding the Schools Funding formula may therefore be subject to change. A Schools Forum meeting has been arranged for 21st January 2025, where the full final proposals will be confirmed prior to submission to ESFA on 22nd January 2025.

Summary of the Consultation Responses

7. Of the 78 schools consulted with, 23 responses were received. The responses include a block of 11 votes from one Academy Trust and a block of 5 votes from another.
8. The breakdown of the 23 responses (which is a 29% response rate) is as shown in the table below:-

LA Primary	6
LA Secondary	1
Primary Academy	12
Secondary Academy	4
AP / Special Academy	0
TOTAL	23

9. The three questions related to the Schools Funding formula and are considered together.

Question 1 - Do you agree, funding permitting, to increase the formula factors in line with the NFF?, except for the PFI factor which will increase in line with the RPIX measure of inflation to reflect the use of RPIX in PFI contracts.

Question 2 - The Council seeks your views on whether you agree with the proposal to set the MFG at the maximum of 0%, assuming the level of funding permits this?

Question 3 - Do you agree to adjust the Basic Entitlement AWPU if funding allocated to the LA is greater than that needed to fulfil the National Funding Formula?

10. The council is required to apply a funding formula in order to allocate schools block funding to schools. The ESFA sets a range of factors we are able to use in the formula. Within each of these factors there are also certain restrictions that can apply; for example the application of minimum per pupil funding levels.

Consultation Responses

11. With the exception of 1 return, which had no views all remaining responses fully supported the proposals in Questions 1 to 3.
- Q1 - 22 Responded Yes, 1 No Views
 - Q2 - 23 Responded Yes,
 - Q3 - 23 Responded Yes,
12. Schools Forum is asked to support the proposals for the schools funding formula for 2025/26 noting that:-

- a. All Schools Forum members may vote on this proposal.
- b. The local authority is required to consult with Schools Forum on the funding formula, however the local authority retains the final decision on the formula to be used.

Contact Officer: Andy Bryson, Chief Accountant
Tel No: 01642 528850



School Funding 2025/26 - Consultation Document

PURPOSE

To seek views from maintained schools, academies and free schools on proposals in respect of the Schools Budget for 2025/26. The results of this consultation will be presented at the School Forum Meeting on 18th December for relevant Forum Members to vote on each proposal.

Schools forums have a range of responsibilities relating to local funding formulae for mainstream schools. For example, they must be consulted by their LA on changes to local funding formulae for schools. This consultation fulfils the Forums responsibilities.

This consultation ends on **Wednesday 11th December 2024**.

BACKGROUND

Due to the election the Government have not yet confirmed funding allocations for 2025/26 although they have produced the following document on the national funding formula.

[Summary policy note for schools and high needs national funding formula 2025 to 2026 - GOV.UK](#)

ESFA aim to publish NFF allocations for schools and local authorities and all supporting documents on the NFF (including the schools operational guide and NFF technical note), for 2025 to 2026, by the end of November 2024. The dedicated schools grant (DSG) allocations will then be published in December 2024.

To not delay decision making at the Forum on the 18th December I am undertaking the required consultation with relevant maintained schools, academies and free schools.

This is the second part of the consultation following the schools block transfer that has taken place over the last month and which was agreed at the Schools Forum on the 12th November.

SCHOOL BUDGET

Funding provided to mainstream schools through the teachers' pay additional grant (TPAG), the teachers' pension employer contribution grant (TPEG) 2024 and the annualised core schools budget grant (CSBG) will be rolled into the schools NFF for 2025 to 2026. Funding provided for special schools and alternative provision (AP) through these grants will be consolidated into a single CSBG. In addition,

ESFA anticipate that further funding, in respect of the increase in employers' National Insurance contributions, will be provided in 2025 to 2026 by a grant outside the NFF.

Formula Factors Increase

As mentioned above, formula factors will increase due to grants being rolled into the NFF. It is proposed to increase the formula's core factors in line with the NFF. The PFI factor is increasing in line with the RPIX measure of inflation to reflect the use of RPIX in PFI contracts.

Minimum Funding Guarantee

The MFG is set by the Council after taking account of the views of schools and the Schools Forum. In 2025/26 this can be set between -0.5% and 0%. The Minimum Funding Guarantee (MFG) is a way to protect schools funding on a per pupil rate. It is proposed to implement the maximum 0% MFG (subject to affordability) so all mainstream schools see an increase at this level for pupil led factors.

Basic Per Pupil Entitlement

Otherwise referred to as AWPU (age weighted pupil unit), this is a compulsory formula factor that assigns funding on the basis of individual pupils, with the number of pupils for each school or academy based on the previous October pupil census. Stockton proposes that if there is any funding remaining after ensuring that all the formula factors and protections have been fulfilled that the balance will be allocated to all pupils through the basic entitlement (AWPU) factor.

Consultation Questions

Question 1 - Do you agree, funding permitting, to increase the formula factors in line with the NFF?, except for the PFI factor which will increase in line with the RPIX measure of inflation to reflect the use of RPIX in PFI contracts.

Question 2 - The Council seeks your views on whether you agree with the proposal to set the MFG at the maximum of 0%, assuming the level of funding permits this?

Question 3 - Do you agree to adjust the Basic Entitlement AWPU if funding allocated to the LA is greater than that needed to fulfil the National Funding Formula?

Consultation Questions

Question 1 - Do you agree, funding permitting, to increase the formula factors in line with the NFF?, except for the PFI factor increasing in line with the RPIX measure of inflation to reflect the use of RPIX in PFI contracts.

	Response	Comments
Yes		
No		
No views		

Question 2 - The Council seeks your views on whether you agree with the proposal to set the MFG at the maximum of 0%, assuming the level of funding permits this?

	Response	Comments
Yes		
No		
No views		

Question 3 - Do you agree to adjust the Basic Entitlement AWPU if funding allocated to the LA is greater than that needed to fulfil the National Funding Formula?

	Response	Comments
Yes		
No		
No views		

Please complete and certify this sheet and return electronically with your consultation to:
andy.bryson@stockton.gov.uk by 5pm on Wednesday 11th December 2024.

If you are unable to include electronic signatures could you please provide authorisation within the body of the email from both the Headteacher and Chair / Clerk to Governors.

Name of School:

.....
Chair or Clerk to Governors	Headteacher
(Please specify)	

.....
Print Name	Print Name