

Report to Cabinet

7 February 2024

Subject:	Schools Funding 2024-25
Cabinet Member:	Cabinet Member for Children and Education, Councillor Hackett
Director:	Director of Children and Education, Michael Jarrett
Key Decision:	Yes
Contact Officer:	Finance Business Partner – Children’s Services, Elaine Taylor elaine_taylor@sandwell.gov.uk

1 Recommendations

1.1 That having considered the outcome of the consultation proposals following review by the Schools Forum, as shown in Appendix A, approval be given to the 2024/2025 schools funding formula for Sandwell schools, as follows:


- (a) adopting the minimum transition option for calculating schools funding in 2024/25;
- (b) setting the Growth Funding at £1.60m;
- (c) the introduction of a Falling Rolls Fund in 2024/25;
- (d) the transfer of £0.512m funding from the Schools Block to the Central Schools Services Block to fund the attendance service;
- (e) the Central Schools Services Block, De-delegated and Education Function proposals as set out in Appendix A (with the exception of Schools in Financial Difficulty).



2 Reasons for Recommendations

- 2.1 The Schools Revenue Funding 2024/25 Operational Guide requires the Council to engage in open and transparent consultation with maintained schools and academies in their area, as well as with their school's forum about any changes to the local funding formula, including the principles adopted and any movement of funds between blocks.
- 2.2 The Council is responsible for making the final decisions on the formula and for ensuring there is sufficient time to gain political approval before the funding is distributed to schools - deadline 28 February 2024.
- 2.3 The contents of this report were considered by Schools Forum at their meeting of 11 December 2023.

3 How does this deliver objectives of the Corporate Plan?

	<p>The Best Start in Life for Children and Young People Delegated grant funding is in support of children and schools providing suitable provision within schools in the community and being able to support that readiness and long-term promotion of becoming good citizens within the community</p>
------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

4 Context and Key Issues

- 4.1 There have been a few changes announced by the DfE/ESFA in the Summer 2023 on the way schools will be funded from 2024/25 and these are summarised below.
- 4.2 In 2024/25, each local authority will continue to be required to bring their own formulae closer to the schools direct National Funding Formula (NFF). There is an expectation that the full move to the NFF will be completed by 2027/28.
- 4.3 The Mainstream Schools Additional Grant (MSAG) is being rolled into the schools NFF from 2024/25. To ensure schools do not lose funding as a result of this change, additional funding has been added to each



school's MFG baseline. The amount added reflects the number of pupils included in the school's MFG baseline.

- 4.4 Split sites funding is now mandatory and is calculated using the DfE formula.
- 4.5 The Minimum Funding Guarantee will continue in 2024/25 to be between +0.0% and +0.5% without the need for a disapplication request to the DfE.
- 4.6 The basic structure of the high needs NFF for 2024/25 is not changing.
- 4.7 Local authorities will continue to be able to transfer up to 0.5% of their schools block to other blocks of the DSG, with Schools Forum approval. A disapplication request is required for transfers above 0.5%, or for any amount without Schools Forum approval. The authority will once again be requesting a movement of funding from the Schools Block to the Central Schools Services Block.

4.8 Background/Context

- 4.9 There were 7 proposals/questions asked in the schools funding consultation 2024/25 (5 to academies). Questions asked and responses to each are detailed in Appendix A.
- 4.10 **Question 1:** At the request of Schools Forum three modelling options were pulled together in order to demonstrate what a school's funding could potentially be if they chose to move 10% closer to the NFF, 20% closer and if they chose to move directly to the NFF.
- 4.11 It was stressed that the funding that was modelled in each option was to be a guide only and did not represent the actual amount each school would get. This was due to the following large number of assumptions made which were not known at the time of the consultation:

- The data used in the modelling is from the October 2022 census data and the final funding model will be based upon and updated with the latest October 2023 census.



- The Mainstream Schools Grant (MSAG) was a separate grant in 2023/24 but will be rolled into the 2024/25 schools block.
- An assumption at this stage that Growth Fund will make use of the brought forward balances and so will be set at £1.60m (see Question 2)
- An assumption at this stage that £0.512m will be transferred from the Schools Block to Central Schools Services Block (see question 3)
- The final DSG will not be announced until December 2023

4.12 It was important that schools noted the context of the question and provide their views on how quickly they would wish to move towards the National Funding Formula: There were 3 possible answers/options given:

- Option 1: Minimum Transition
- Option 2: Accelerated Transition
- Option 3: Move directly to the NFF.

4.13 **Question 2:** Schools and School Forums were asked how much growth fund they would like to see top sliced from their DSG with 2 response options being the full £1.9m or making use of the brought forward thereby reducing this to £1.6m.

4.14 Growth fund has been part of the school's consultation for a number of years and is used to support growth in pre-16 pupil numbers to meet basic need, additional classes need, infant class size regulation and to meet the costs necessary for new schools.

4.15 **Question 3:** Schools and School Forums were asked if they would support the introduction of a Falling Rolls Fund.

4.16 **Question 4:** Schools and School Forums were asked if they would support the movement of funding from the Schools Block to the Central Schools Services Block to the value of £0.512m in order that the attendance and safeguarding service could provide services to both the maintained and academy sector.



- 4.17 **Question 5:** Schools were asked if they supported the proposals outlined in the Central Schools Services Block which were unchanged from 2023/24 (Outlined in Appendix A).
- 4.18 **Question 6:** Maintained Schools were asked if they supported the De-delegated proposals which were unchanged from 2023/24 (Outlined in Appendix A).
- 4.19 **Question 7:** Maintained Schools were asked if they supported the Education Functions proposals which were unchanged from 2023/24 (Outlined in Appendix A).

5 Alternative Options

- 5.1 The consultation with schools resulted in the option to move their funding closer to the National Funding Formula (NFF) by 10% as a minimum. The primary sector predominantly chose to move to the NFF at this slower pace. The secondary sector preference however was to move directly to the NFF in 2024/25.
- 5.2 There is an alternative option whereby cabinet can overrule schools' overall preferences and approve the move where funding, in 2024/25, immediately mirrors the NFF.
- 5.3 Moving to the NFF in 2024/25 will mean Sandwell schools will be funded consistently as part of the Governments plan for fair funding for all at a much faster pace. However, and as can be seen at Appendix A below, majority of Sandwell's schools are not in favour of this option. In addition, it will result in more turbulence (the number of gainers and losers) within the system.



6 Implications

Resources:	This report will affect the funding received by individual schools in 2024/25. The schools block of the DSG is £349.852m and all of this will be distributed to schools via the Schools Funding Formula.
Legal and Governance:	The Authority must adhere to the Schools and Early Years Finance (England) Regulations 2023 and have taken into account the DfE Schools Operational Guide 2024/25.
Risk:	<p>The Corporate Risk Management Strategy (CRMS) has been complied with – to identify and assess the significant risks associated with this decision. This includes (but is not limited to) political, legislation, financial, environmental and reputation risks.</p> <p>As set out in paragraphs 4.9-4.19 the LA has undertaken its duty to ensure all schools and interested stakeholders have been consulted on around the changes to their funding allocations from previous years. The recommendation by School Forum members to adopt option 1 will see schools moving another 10% closer to the National Funding Formula (NFF).</p> <p>Despite the Government providing additional funding schools will continue to experience budget pressures from rising costs and inflation. There are an increased number of small and primary schools who will find it difficult to set balanced budgets as we move to the NFF.</p> <p>The LA helps schools to mitigate their risk of financial difficulty through the submission of school budget plans and termly monitoring reports and:</p> <ul style="list-style-type: none"> (i) by identifying early, any schools showing financial difficulty (ii) by supporting them to manage their finances by using various tools including deployment



	<p>of Schools Resource Management Advisor (SRMA)</p> <p>(iii) where appropriate providing them with funds from the “schools in financial difficulty fund”</p> <p>(iv) if in deficit, mandate they go through a “schools in financial difficulty” process.</p>
Equality:	The DfE has undertaken an equalities impact assessment of the national funding formula for schools and high needs. The analysis is also based on the assumption that local authorities will fund their schools in accordance with the national funding formula.
Health and Wellbeing:	The proposals in this report have no impact on health and wellbeing
Social Value:	Sandwell is committed to providing a first-class education for all children, irrespective of their backgrounds, and to level up opportunity so that all children can realise their potential, preparing them for a fulfilling and successful adult life.
Climate Change:	There are no climate change implications
Corporate Parenting:	There are no Corporate Parenting implications

7. Appendices

Appendix A - Consultation Questions and Responses



Responses

The table below compares responses from the previous 4 years:

	Primary	%	Secondary	%	TOTAL	%
2020-21	56/94	60%	9/18	50%	65/112	58%
2021-22	60/95	63%	10/20	50%	70/115	61%
2022-23	43/94	46%	10/20	50%	53/114	47%
2023-24	55/94	59%	6/20	30%	61/114	54%
2024-25	55/94	59%	10/20	50%	65/115	57%

Question 1

Please indicate the option you prefer to use for calculating schools funding for 2024/25? There were 3 possible responses which were:

- OPTION 1 - Minimum transition
- OPTION 2 - Accelerated transition
- OPTION 3 – National Funding Factor (NFF) values

Q1: Overall Responses	Total	%
OPTION 1 - Minimum Transition	51	78%
OPTION 2 - Accelerated Transition	5	8%
OPTION 3 - National Funding Formula Factor	9	14%
Grand Total	65	100%



Q1: Detailed Responses	Total
Minimum Transition	51
Primary	47
Secondary	4
Accelerated Transition	5
Primary	4
Secondary	1
National Funding Formula Factor Values	9
Primary	4
Secondary	5
Grand Total	65

Question 2

Do you agree to the use of the Brought Forward of £0.282m to set the Pupil Number Growth Fund? There were 2 possible responses which were:

- YES
- NO

Q2: Overall Responses	Total	%
YES – Utilise the Brought Forward	56	86%
NO – Do NOT use the Brought Forward	9	14%
Grand Total	65	100%



Q2: Detailed Responses	Total
YES - Utilise the B/F	56
Primary	47
Secondary	9
NO – Do not utilise B/F	9
Primary	8
Secondary	1
Grand Total	65

Question 3

Do you agree to the introduction of a Falling Rolls Fund (FRF)? There were 2 possible responses which were:

- YES
- NO

Q3: Overall Responses	Total	%
YES – Agree with the introduction of a FRF	44	68%
NO – Do NOT agreed with the introduction of a FRF	21	32%
Grand Total	65	100%

Q3: Detailed Responses	Total
YES – introduce a FRF	44
Primary	38
Secondary	6
NO – Do NOT agree with a FRF	22
Primary	18
Secondary	4
Grand Total	65



Question 4

Do you agree to the top slice of £512,000 from the Schools Block to the Central Schools Services Block (CSSB) to fund the Attendance Team? There were 2 possible responses which were:

- YES
- NO

Q4: Overall Responses	Total	%
YES – agree to £512k top slice	57	88%
NO – Do NOT agree to £512k top slice	8	12%
Grand Total	65	100%

Q4: Detailed Responses	Total
YES – agree to £512k top slice	57
Primary	47
Secondary	10
NO – do NOT agree to £512k top slice	7
Primary	7
Secondary	0
Grand Total	65

Question 5

Do you agree with the indicative allocation of the CSSB?

Q5: Responses	YES	NO
CSSB1 – Statutory & Regulatory /Welfare and Asset Man	57	8
CSSB2 Admissions Service	57	8
CSSB3 Historical Commitment Pensions Administration	57	8
CSSB4 Schools Forum	57	8



Question 6 and 7

Please indicate YES / NO if you agree with the De-delegated and Education Functions Proposals? There were 2 possible responses which were either Yes or No to each of the proposals.

De-Delegation

Q6: Responses	YES	NO
DD1 Health & Safety Licences	43	8
DD2 EVOLVE	50	1
DD3 Union Facilities Time	33	18
DD4 School Improvement	44	7
DD5 Schools in Financial Difficulty	31	20

Education Functions proposals

Q7: Responses	YES	NO
EF1 Education Benefits Team	45	6
EF2 Children's Clothing Support Allowance	32	19

