



Report to:	SCHOOLS' FORUM
Date:	26 September 2023
Reporting Officer:	Gemma McNamara – Interim Assistant Director, Finance Jane Sowerby – Assistant Director, Education
Subject:	SCHOOL FUNDING UPDATE ON NFF AND SUMMER ANNOUNCEMENTS FROM DFE
Report Summary:	This report provides an update on the latest school funding announcements.
Recommendations:	Members of the Schools' Forum are requested to note the contents of the report.
Corporate Plan:	Education finances significantly support the Starting Well agenda to provide the very best start in life where children are ready to learn and encouraged to thrive and develop and supports Aspiration and Hope through learning and moving with confidence from childhood to adulthood.
Policy Implications:	In line with financial and policy framework.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	The Dedicated Schools Grant is a ring-fenced grant solely for the purposes of schools and pupil related expenditure. The provisional allocations for 2024-25 are outlined within the report. The allocation of the High Needs element of this grant continues to be insufficient to meet current spending or growth in number of pupils requiring support. The Schools' Forum and the Council must identify savings to address the growing High Needs deficit and continue to update DfE with progress against the DSG deficit recovery plan.
Legal Implications: (Authorised by the Borough Solicitor)	There are no immediate legal implications arising from this report. Finance and education will monitor the use of the grant to ensure compliance with the terms of the funding.
Risk Management:	The correct accounting treatment of the Dedicated Schools Grant is a condition of the grant and procedures exist in budget monitoring and the closure of accounts to ensure that this is achieved. These will be subject to regular review
Access to Information:	NON-CONFIDENTIAL This report does not contain information which warrants its consideration in the absence of the Press or members of the public.
Background Information:	The background papers relating to this report can be inspected by contacting Jerome Francis – Finance Business Partner, Financial Management, Childrens and Safeguarding Services  Telephone: 0161 342 3044  e-mail: jerome.francis@tameside.gov.uk

1. INTRODUCTION

- 1.1 This report provides information with regards to the DfE spending announcements and some context for the potential impact of the Tameside MBC position. The DSG announcements at this stage only cover the Schools Block, High Needs Block and the Central Service Support Block. Detailed Early Years Block information is not shared at this point. Updates on this and confirmation of all other allocations are expected in December 2023.
- 1.2 These are indicative figures. The information released at this stage is indicative and based on the 2023-24 data set (October 2022 census data) and actual allocations will change based on the October 2023 census return.
- 1.3 The provisional 2024-25 allocation for Tameside has increased by £8.668m. This is after increasing the 2023-24 allocation to take account to the mainstream schools' additional grant (MSAG) funding that was allocated in 2023-24.

TABLE 1 – Provisional DSG Allocation

Funding Block	2023-24 £m	2024-25 £m	Increase £m
Schools Block (excluding growth)	207.081	213.806	6.726
High Needs Block	36.910	38.757	1.847
Central School Services Block (CSSB)	1.249	1.344	0.095
Total	245.240	253.908	8.668

2. SCHOOLS BLOCK UPDATE 2024-25

- 2.1 The schools block allocation is based on October 2022 census data. The provisional 2024-25 allocation for Tameside MBC has increased by £6.726m, which currently excludes Growth funding which will be included once the final allocation is announced in December 2023. A full breakdown of the funding elements can be found at **Appendix A** along with the detailed national funding amounts.

TABLE 2 – Provisional Schools Block Allocation 2024-25

Schools Block Funding	Total 2023-24 Funding Allocated £m	Total 2024-25 Provisional Funding £m	Increase £m
Pupil Led Funding (including the MSAG in 2023/24)	203.168	209.326	6.159
Premises Funding	3.913	4.480	0.567
Total Funding excluding Growth	207.081	213.806	6.726

- 2.2 The increase in pupil led funding relates to the increased NFF funding rates. The increase in premises funding relates to an increase in Business Rates and a 10.4% RPIX increase on PFI funding. Details of the main updates to the NFF are set out below.
- 2.3 A formulaic approach to allocating split site funding is being introduced. This will ensure split site funding is provided on a consistent basis across the country. We don't believe this currently affects any of our mainstream schools, but this will be reviewed, and any relevant updates will be included in the annual funding consultation.

- 2.4 The core factors in the schools NFF (such as basic entitlement and the lump sum) will increase by 2.4% and the funding floor will ensure that every school will attract at least 0.5% more pupil-led funding than 2023-24.
- 2.5 The MSAG has been rolled into the schools NFF, ensuring this additional funding forms an ongoing part of the schools' core budget.
- 2.6 2023-24 was the first year of transition to a direct (or hard) NFF. The same approach is being continued in 2024-25 meaning every LA must use only NFF factors and they must use all of the NFF factors. They must also move 10% closer to the NFF factors compared to where they were in 2023-24. Tameside is already in line with NFF therefore these changes will not impact on Tameside schools.
- 2.7 Local Authorities (LAs) must use the new NFF requirements for growth funding, whereby additional classes (driven by basic need) must be funded by at least the minimum funding level set out in the funding calculation. The growth allocations have been set at £1,550 per new primary pupil and £2,320 pre new secondary pupil plus a lump sum of £76,195 for each brand new school. The rates used in the local formulae for Tameside are already above these rates. We are currently reviewing this update to the NFF and any proposed changes will be brought forward as part of the annual funding consultation.
- 2.8 LA's must also follow the new NFF requirements for falling rolls funding, whereby LA's can only provide falling rolls to schools where school capacity survey (SCAP) data shows that schools places will be required in the subsequent three to five years. The restriction that schools must be judged Good or Outstanding at their last Ofsted inspection to be eligible for funding is also being removed from 2024-25. Again, we are reviewing this update and if any updates are required they will be brought forward as part of the annual funding consultation.
- 2.9 Local authorities will continue to set a minimum funding guarantee (MFG) in their local formulae which must be between +0.0% and +0.5% per pupil.
- 2.10 Local Authorities continue to be able to transfer up to 0.5% of the Schools Block allocation to another block within the DSG, with Schools' Forum approval. A disapplication process to the DfE continues to be in place for any amounts over 0.5% or for any amount without Schools' Forum approval. A request to transfer 0.5% from the schools' block to the high needs block will be included in the annual funding consultation and the response to the consultation brought to the November 2023.
- 2.11 The prior attainment factor uses pupil attainment data as a measure to allocate funding for pupils with low prior attainment. The 2019 assessment data will be used as a proxy measure for the missing assessments in 2020, and 2022 attainment data as a proxy for the missing assessments in 2021.
- 2.12 The calculation of notional SEN should be kept under review to ensure notional SEN budgets are both proportionate to the costs and prevalence of pupils identified as requiring SEN support and they meet the additional support costs up to £6,000 per pupil of those with more complex needs. This will be reviewed, and any relevant updates included in the annual funding consultation.

3. HIGH NEEDS BLOCK UPDATE 2024-25

- 3.1 Nationally, High Needs funding is increasing by £440m or 4.3% in 2024-25 and funding allocated to Local Authorities is increasing by around 5% overall.
- 3.2 A funding floor has been set at 3% to ensure every LA receives at least a 3% increase on the relevant funding elements per head compared to 2023-24 baselines and a limit on gains

will also apply so the maximum increase an LA can receive will be 5% compared to 2023-24 baselines.

- 3.3 Tameside have received the maximum increase possible capped at 5%. Without the cap (or limit on gains) at 5%, Tameside would have received an additional £3.885m in 2024-25.
- 3.4 The current announcements are provisional and will be subject to further updates as below:
- December 2023 update to the basic entitlement factor, based on data from the January 2023 alternative provision (AP) census and October 2023 school census.
 - May/June 2024 update to the import/export adjustments, based on data from the January 2023 school census and February 2024 R06 Individualised Learner Record (ILR)
- 3.5 Table 3 shows the provisional allocation for 2024-25 compared to the current 2023-24 allocation. Tameside are seeing an overall increase of £1.847m and the maximum 5%. This includes the rolling in of the Additional High Needs Grant from 2023-24 and is before recoupment and any further adjustments to Basic Entitlement and the Import / Export factor as discussed above.

TABLE 3 – Provisional High Needs Allocation 2024-25

High Needs funding	Current 2023-24 £m	Provisional 2024-25 £m	Increase £m	% Diff
HN factors in funding floor & gains calculation (including supplementary funding)	£35,625	£39,511	£3,886	11%
Basic Entitlement	£3,981	£3,981	£0	0%
Plus AP Factor	£192	£195	£3	2%
Less Gains Limit Factor	-£3,479	-£3,885	-£406	
Plus Additional Grant	£1,636		-£1,636	
Sub-total	£37,954	£39,801	£1,847	5%
Less Import / Export Adjustment	-£1,044	-£1,044	£0	0%
Total Funding	£36,910	£38,757	£1,847	5%

4. CENTRAL SERVICES SCHOOLS BLOCK (CSSB) 2024-25

- 4.1 The CSSB covers funding allocated to LAs to carry out central functions on behalf of pupils in maintained schools and academies in England. CSSB funding is split into two elements: funding for ongoing responsibilities and funding for historic commitments, Tameside receives only for on-going responsibilities in its allocation. Tameside will see an increase in funding of £0.095m as outlined in Table 1 of the report.

5. EARLY YEARS FUNDING ANNOUNCEMENTS

- 5.1 As reported to Schools' Forum in June 2023, in the government's spring budget, the Chancellor announced transformative reforms to childcare for parents, children, the economy and women. This new offer will empower parents, allowing them to progress their careers and support their families. The new entitlements will be introduced in phases:
- From April 2024, all working parents of 2-year-olds can access 15 hours per week;
 - From September 2024, all working parents of children aged 9 months up to 3-years old can access 15 hours per week;

- From September 2025, all working parents of children aged 9 months up to 3-years old can access 30 hours per week.

5.2 Further announcements have been made regarding additional funding for early years providers from September 2023. This information is included in the DSG Budget Update 2023-24 report.

5.3 A consultation was launched on 21 July 2023 regarding the extension of the entitlements, and closed on 8 September 2023. The consultation was for LAs, early years providers and sector representative bodies. The LA have responded to this consultation and await the outcome. Further information on the rates and distribution will not be known until the Autumn term. The DfE have advised that they will provide information at the earliest opportunity. However, in previous years LAs have not been provided with this information until mid/late December. We will continue to update Schools' Forum once announcements are received.

6. OTHER ANNOUNCEMENTS

Teachers Pay Additional Grant (TPAG)

6.1 In July 2023 the Government announced the teachers' pay additional grant to support schools to meet the costs of the 2023-24 teachers pay award. Schools, early years and post-16 settings will receive an additional £525m in the 2023-24 financial year and £900m in the 2024-25 financial year.

6.2 School level allocations have been announced for maintained schools and specialist settings, but we are still waiting for information on how funding will be allocated to eligible early years providers.

6.3 The funding for all settings will be allocated as a separate grant allocation for the period September 23 to March 24 and for 2024-25 financial year, TPAG will continue to be paid as a separate grant and it will cover the whole of that financial year. Further information can be found at the following link: [Teachers' pay additional grant - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/teachers-pay-additional-grant-2023-24).

7. RECOMMENDATIONS

7.1 As set out at the front of the report.

APPENDIX A

Item	2023-24 Unit Value	MSAG Funding Unit Value	2023-24 Unit Value Adjusted to include MSAG	2024-25 Unit Value	% Increase	% Increase with MSAG Funding	Total Funding (Including ACA) £m	Proportion of core total %
Basic per pupil Funding							£33,696	75.7%
Basic entitlement (AWPU)							£33,505	75.3%
Primary basic entitlement	3,394	119	3,513	3,597	6.00%	2.40%	£16,419	36.9%
KS3 basic entitlement	4,785	168	4,953	5,072	6.00%	2.40%	£9,904	22.2%
KS4 basic entitlement	5,393	190	5,583	5,717	6.00%	2.40%	£7,183	16.1%
Minimum Per Pupil							£191	0.4%
Minimum Per Pupil Level Primary	4,405	143	4,548	4,655	5.70%	2.40%	£150	0.3%
Minimum Per Pupil Level Secondary	5,715	198	5,913	6,050	5.90%	2.30%	£40	0.1%
Additional Needs Funding							£7,917	17.8%
Deprivation							£4,511	10.1%
Primary FSM	480	0	480	490	2.10%	2.10%	£540	1.2%
Secondary FSM	480	0	480	490	2.10%	2.10%	£376	0.8%
Primary FSM6	705	104	809	830	17.70%	2.60%	£951	2.1%
Secondary FSM6	1,030	152	1,182	1,210	17.50%	2.40%	£1,067	2.4%
Primary IDACI A	670	0	670	685	2.20%	2.20%	£104	0.2%
Primary IDACI B	510	0	510	520	2.00%	2.00%	£152	0.3%
Primary IDACI C	480	0	480	490	2.10%	2.10%	£140	0.3%
Primary IDACI D	440	0	440	450	2.30%	2.30%	£124	0.3%
Primary IDACI E	280	0	280	285	1.80%	1.80%	£147	0.3%
Primary IDACI F	230	0	230	235	2.20%	2.20%	£115	0.3%
Secondary IDACI A	930	0	930	950	2.20%	2.20%	£97	0.2%
Secondary IDACI B	730	0	730	750	2.70%	2.70%	£151	0.3%
Secondary IDACI C	680	0	680	695	2.20%	2.20%	£140	0.3%
Secondary IDACI D	620	0	620	635	2.40%	2.40%	£122	0.3%
Secondary IDACI E	445	0	445	455	2.20%	2.20%	£165	0.4%
Secondary IDACI F	335	0	335	345	3.00%	3.00%	£117	0.3%
Low Prior Attainment (LPA)							£2,857	6.4%
Primary LPA	1,155	0	1,155	1,185	2.60%	2.60%	£1,617	3.6%
Secondary LPA	1,750	0	1,750	1,790	2.30%	2.30%	£1,240	2.8%
English as an additional language (EAL)							£488	1.1%
Primary EAL	580	0	580	595	2.60%	2.60%	£346	0.8%
Secondary EAL	1,565	0	1,565	1,605	2.60%	2.60%	£142	0.3%
Mobility							£61	0.1%
Primary Mobility	945	0	945	970	2.60%	2.60%	£48	0.1%
Secondary Mobility	1,360	0	1,360	1,395	2.60%	2.60%	£13	0.0%
School Led Funding							£2,900	6.5%
Lump Sum							£2,801	6.3%
Primary lump sum	128,000	4,510	132,510	135,700	6.00%	2.40%	£2,339	5.3%
Secondary lump sum	128,000	4,510	132,510	135,700	6.00%	2.40%	£462	1.0%
Sparsity							£99	0.2%
Primary Sparsity	56,300	0	56,300	57,700	2.50%	2.50%	£94	0.2%
Secondary Sparsity	81,900	0	81,900	83,900	2.40%	2.40%	£5	0.0%
Area Cost Adjustment							£1,123	
Core total (excluding funding floor)							£44,513	
Floor							£223	
Primary floor funding							£109	
Secondary floor funding							£114	
Premises							£595	
Split Site:							£33	
Split Site Basic Eligibility (Lump Sum)				54,300				
Split Site Distance Eligibility				27,100				
TOTAL							£45,331	