

**TO: Schools Forum**  
**DATE: 16 November 2023**

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**Update on 2024-25 School Budgets including outcomes from the October 2023  
Financial Consultation with Schools  
Executive Director: People / Resources**

**1 Introduction**

- 1.1 The purpose of this report is to provide an update to the Schools Forum on a revision to the funding rates to be used by the Department of Education (DfE) for funding mainstream schools in the 2024-25 Financial Settlement. It also provides an update on responses from schools to the annual financial consultation.
- 1.2 With work underway on preparing a potential bid to the DfE for the High Needs Block Safety Valve Programme, it is not appropriate to consider any decisions on 2024-25 school budgets at this stage.

**2 Supporting Information**

Update on Department for Education 2024-25 funding rates

- 2.1 At its last meeting on 14 September, as part of initial budget preparations for 2024-25, it was reported that the usual July release by the DfE of new year funding allocations had indicated an average increase in per pupil funding for schools of 2.7%.
- 2.2 Other updates to the Funding Framework were also confirmed including mainstreaming into main school schools the funds separately allocated to schools in 2023-24 to contribute to cost pressures through Mainstream Schools Additional Grant, and to continue paying separately the Teachers' Pay Addition grant that contributes to extra costs arising from the September 2023 Teachers' Pay Award.
- 2.3 On 6 October, DfE confirmed an error in the July budget calculations which had understated the number of pupils that needed to be funded. The effect of this was a £375m over allocation of funds through the national schools' budget.
- 2.4 Correcting this means that rather than schools in England receiving an average 2.7% increase in per pupil funding in 2024-25, it is now forecast at 1.9%. Working through the information released indicates that the revised average increase for BF schools will in fact only amount to 1.7%. In total, £0.9m of previously expected grant income has been withdrawn.
- 2.5 The DfE announcement of the change in funding stated that "Schools have not yet received their 2024-25 funding – so the correction of this error does not mean adjusting any funding that schools have already received". Whilst it is correct to say schools across the country have not received their 2024-25 funding, like BFC, other LAs would have shared this information and schools will have used the July data to assess the level of staff they can afford to employ in the forthcoming academic.
- 2.6 With such a significant impact arising from this, the Leader of the Council has written to James Sunderland MP to lobby on behalf of Bracknell Forest pupils and residents for the reinstatement of the per pupil funding increases announced by the DfE in July.

2.7 The table below sets out the key elements of the funding announcements:

| Item   | July 2023 announcement | October 2023 update | Change   |
|--|------------------------|---------------------|----------|
| Total BF Schools Block DSG   | £94.218m               | £93.318m            | -£0.900m |
| England average increase in per pupil funding  | +2.7%                  | +1.9%               | -0.6%    |
| BF average increase in per pupil funding <sup>A</sup>                                  | +2.6%                  | +1.7%               | -0.9%    |
| Increase in core National Funding Formula (NFF) <sup>1</sup> factor values             | +2.4%                  | +1.4%               | -1.0%    |
| Increase in NFF current Free School Meal factor value                                  | +1.6%                  | +1.6%               | None     |
| Minimum per Pupil Funding Level – Primary (MPPFL) <sup>2</sup>                         | £4,655                 | £4,610              | -£45     |
| Minimum per Pupil Funding Level – Secondary  | £6,050                 | £5,995              | -£55     |
| Permitted range for Minimum per Pupil Increase from 2023-24 (the “MFG”) <sup>3</sup> . | Nil to +0.5%           | Nil to +0.5%        | None     |

<sup>A</sup> The indicated change in per pupil funding for BF schools is after removing from 2023-24 starting budgets the additional £0.101m allocated through the fixed lump sum allocation which was affordable for one year only as a consequence of the lagged allocation of elements of the DSG income.

#### Additional information requested by the Schools Forum

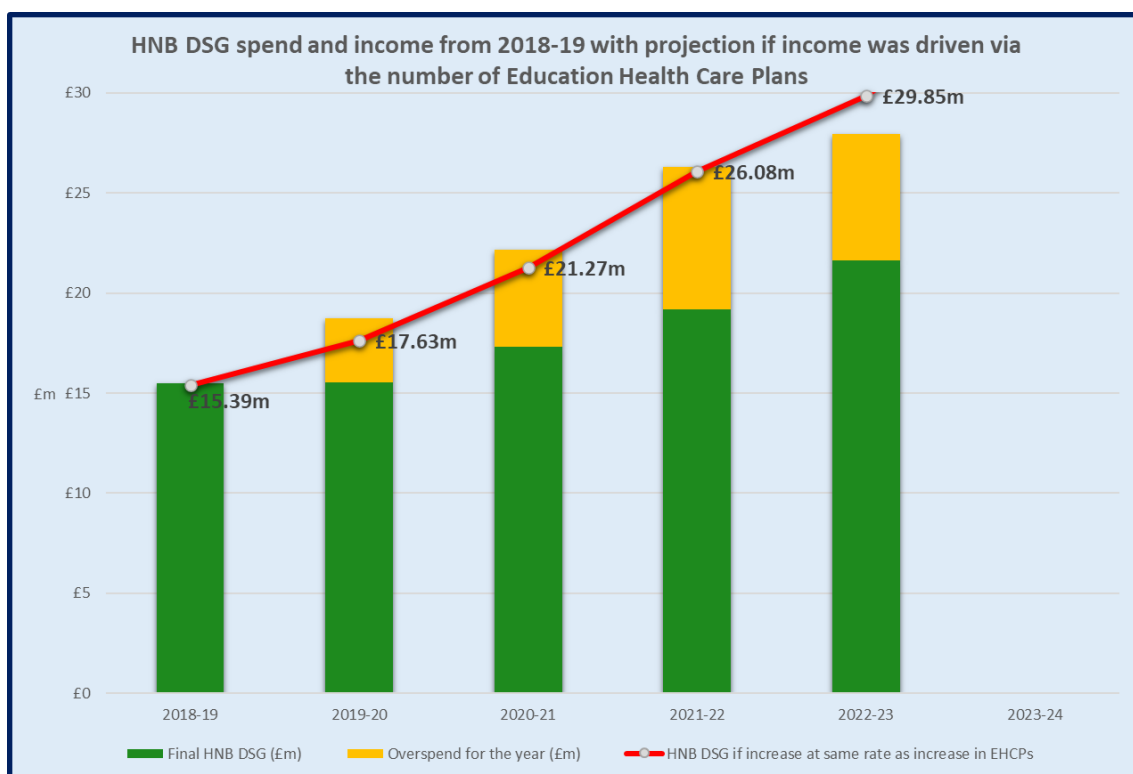
2.8 At the previous meeting, the Safety Valve presentation displayed information relating to medium term changes in relation to spending patterns from the point the HNB Budget generated a deficit in 2019-20, income receipts and the number of EHCP issued. Additional information was requested in respect of how DSG income would look if annual increases were more closely linked to the number of EHCPs or if the more recent 9% increases had been provided throughout the medium term.

<sup>1</sup> The DfE uses a National Funding Formula to resource LAs for their schools. It uses objective data, such as pupil numbers and pupil eligibility to Free School Meals in order fund all schools in the country on the same basis.

<sup>2</sup> The NFF includes MPPFLs that are applied equally to all primary and secondary schools if the NFF delivers a lower level of funding. LAs must also apply these minimum rates in their local funding formula. The only factors not included in the calculation are premises e.g. business rates

<sup>3</sup> The MFG compares per pupil funding allocations between years and where the change is below the minimum threshold, a funding top-up is added to meet the minimum per pupil change requirement. The MFG calculation required by the DfE excludes funding for business rates and fixed lump sum allocations. The cost of top-up funding is financed by scaling back increases to schools experiencing the highest proportional funding gains

- 2.9 What this additional analysis shows is that even if there had been a 9% increase in each year's HNB DSG allocation, there would have been a £6.069m overspend in 2022-23 and a cumulative deficit of £17.843m compared to the actual cumulative deficit of £21.381m.
- 2.10 An alternative view would be to compare 2018-19 HNB DSG income per EHCP and what that approach would have delivered if a similar amount of income per EHCP, uplifted for inflation, was received in each of the following years. This would have resulted in a £1.919m in year surplus in 2022-23, and a cumulative deficit of £0.317m. The budget performance moves to an in-year surplus as a consequence of the improvement programme which has also delivered savings.
- 2.11 The following table sets out the projection.



### Outcomes from the financial consultation with schools

- 2.12 An annual consultation is undertaken with school to provide an initial overview of school funding for the next financial year and to also meet DfE consultation requirements.
- 2.13 With an agreed financial strategy in place for a number of years now to mirror as closely as possible the NFF, questions are limited to views on the level and funding required for setting the minimum per pupil funding increase from 2023-24 through the MFG, whether maintained schools supported on-going de-delegation of budgets and also whether a financial contribution should continue to be made to the council in respect of the cost of meeting statutory education related duties. In addition, views were also sought on making an update to the calculation of Notional SEN Funding.

- 2.14 Ordinarily, to aid budget planning, the council would be seeking decisions on these questions, however, with work underway on preparing a bid to the DfE for the High Needs Block Safety Valve Programme, it is not appropriate to consider any decisions on 2024-25 school budgets at this stage.
- 2.15 Responses from the financial consultation showed clear support from maintained schools for continuing to maximise the strategic and cost-effective benefits that can arise from central management through the de-delegation route on permitted services. Furthermore, there is strong support from maintained schools to continue to contribute £20 per pupil towards the cost to the council of meeting education statutory and regulatory duties that the DfE no longer provides LAs with grant funding to meet their responsibilities. Schools also demonstrated strong support for the treatment proposed for the MFG and the changes suggested to calculating the Notional SEN funding included in the NFF budget allocation. With 51% of schools responding, there is confidence that the consultation responses are suitably reflective of schools.
- 2.16 The following tables set out a summary of the key elements of the financial consultation. Any decisions required on these areas will be sought later in the budgets setting process. Annex 1 provides more detailed information.

*Response rate: 51% (58% in 2022)*

|            | %           | Replies   |                | %          | Replies   |
|------------|-------------|-----------|----------------|------------|-----------|
| Maintained | 66%         | 17        | Primary        | 57%        | 17        |
| Academy    | 23%         | 3         | Secondary      | 33%        | 2         |
|            |             |           | Special / PRU  | 50%        | 1         |
|            | <b>521%</b> | <b>20</b> | <b>Overall</b> | <b>51%</b> | <b>20</b> |

*Responses to the questions*

| Question  | Yes  | No  | No. of Replies | Impacts:                           |
|---|------|-----|----------------|------------------------------------|
| 1. Should minimum increases in per pupil funding be set at the maximum permitted amount of +0.5%                      | 95%  | 5%  | 20             | All schools including special      |
| 2. Should the cost of financing any impact from 1. be met from deductions to schools receiving the highest % increase | 90%  | 10% | 20             | Mainstream schools only            |
| 3. Should de-delegation continue on permitted services?   | 100% | 0%  | 15             | Maintained mainstream schools only |

| Question  | Yes | No  | No. of Replies | Impacts:                |
|---|-----|-----|----------------|-------------------------|
| 4. Should maintained schools continue to contribute £20 per pupil to LA statutory education related costs?  | 88% | 12% | 17             | Maintained schools only |
| 5. Is the best way to calculate notional SEN through the actual number of pupils on SEN support or in receipt of an EHCP?   | 84% | 16% | 19             | All mainstream schools  |
| 6. Should individual school Notional SEN Funding amounts be calculated from the key proxy SEN funding factors in the NFF plus an element of core per pupil funding amounts? | 95% | 5%  | 19             | All mainstream schools  |

2.17 Eleven comments were received from ten schools / trusts which related to:

1. more financial support to; small schools; those with falling rolls, those with high needs (4 comments);
2. de-delegated services, and most commonly that each service should be considered individually when comments are sought relating to on-going de-delegation (3 comments);
3. Greater information on Education related statutory and regulatory duties (1 comment);
4. Notional SEN Funding (3 comments).

Annex 2 sets out the detailed responses received.

2.18 The following responses are made to the comments from schools:

1. additional financial support is already provided to 1 FE primary schools, the council recognises the difficulties facing schools with falling rolls and is actively reducing the number of available places and considering other options. The NFF is becoming a mandatory basis for allocating funds to schools, with no power to make changes. Work in relation to the Safety Valve Programme will consider all areas of support to High Needs pupils.
2. the future presentation of questions to schools on de-delegation of services will be reviewed with the intention of seeking views on each requested service.
3. for Education related duties, the Financial Consultation document provides an overview of the areas the requested £20 per pupil deduction helps finance. This will be reviewed and enhanced.
4. for Notional SEN Funding, the varied comments are noted and will be further considered as part of the on-going work programme relating to high needs pupils.

3 Equalities Impact Assessment

3.1 The need for an EIA is not considered necessary for this update report.

4 Strategic Risk Management Issues

4.1 None identified.

Background Papers

None

Contact for further information

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## Outcomes from the October 2023 Financial Consultation with Schools

1. By the October response deadline, replies had been received from 29 out of 39 schools (51% response rate – was 58% last year). A reply was received from 17 primary schools (57%), 2 secondary schools (33%) and Kennel Lane Special School. This represents a good response rate, with 65% of maintained schools and 23% of academy schools responding which gives confidence that decisions on these matters can be taken with the knowledge of the majority view of schools.
2. The questions are set out below and responses summarised. A numerical summary of replies to each question can be found at Annex 2.
3. In terms of agreeing decisions from this consultation, the Executive Member for CYPL has the statutory duty in respect of agreeing the MFG (questions 1 to 2). For de-delegation, the maintained school members of the Forum decide for their phase (question 3) with any contribution to education related statutory duties being decided by the relevant maintained school members, including special school and pupil referral unit members (question 4). The calculation of the Notional SEN Funding amount can be decided by the Schools Forum.

### 4. Question 1: Strategy for allocating funds to schools

**Do you agree that subject to affordability, that both mainstream and special schools should receive a minimum +0.5% increase in per pupil funding from the 2023-24 financial year? +0.5% is the highest increase permitted by the DfE.**

This question relates to the Minimum Funding Guarantee (MFG) which LAs are required to apply and requires funding top-up to schools where the ordinary operation of the Funding Formula results in a change in per pupil funding that is below a specified percentage. It compares the final budget from one year to the next and adjusts for changes in the number of pupils. For 2024-25, the DfE will permit LAs to set a rate of between 0% and +0.5.

Responses from 19 schools (95%) supported this proposal, 1 school (5%) did not, declining to make a specific comment.

### 5. Question 2: Strategy for allocating funds to schools

**Do you agree that we should continue to fund any cost associated with providing all mainstream schools with the agreed minimum percentage increase in per pupil funding from 2023-24 by limiting increases to those mainstream schools receiving the largest increases in per pupil funding, typically those above the average percentage increase?**

Where top-up funding is required through the MFG, the main option available to finance the cost relates to scaling increases to schools with increases above the minimum threshold which based on responses to this consultation is expected to be +0.5%. The consultation proposed limiting the scaling of increases to only those schools receiving above the average percentage increase. An alternative approach would be to scale increases to all schools receiving a rise in per pupil funding.

Responses from 18 schools (90%) potentially impacted by this supported this proposal. 2 schools disagreed (10%).

6. **Question 3: de-delegated services**

**To continue the strategic and cost effective approach in the use of the funds for contingencies (including schools in financial difficulties including those in or in danger of entering an Ofsted category), support to underperforming ethnic groups, CLEAPSS licence fees, staff supply cover costs, premature retirement / dismissal cost, free school meal eligibility checking and Behaviour Support Services, do you agree that the Schools Forum should again agree to de-delegate all relevant funding for continued central management by the LA?**

Note this question only impacts on maintained, mainstream schools.

Responses were received from 15 schools, all of which supported the proposal.

7. **Question 4: statutory education related duties**

**In respect of making a financial contribution to the education related statutory and regulatory duties required of the council that are no longer financed through DfE grant, do you agree that maintained schools should continue to make a £20 per pupil / place contribution?**

Note this question only impacts on maintained schools, including mainstream special schools and Pupil Referral Units.

From April 2017, the DfE implemented a saving of £600m through the complete withdrawal of the Education Services Grant (ESG) which was the mechanism used to fund LAs for their statutory and regulatory education related duties as prescribed in various Education Acts and other relevant statutes. This resulted in the council losing £1.2m of grant but continuing to have to meet the same requirements. The DfE “recognise that local authorities will need to use other sources of funding to pay for education services once the general funding rate has been removed” and will “allow local authorities to retain some of their schools block funding to cover the statutory duties that they carry out for maintained schools which were previously funded through the ESG.” Schools have always previously agreed to a £20 per pupil deduction which would contribute around £0.18m to the £1.2m loss in grant. The deduction, if agreed, is taken after the calculation of final school budgets.

Respondents from 15 schools (88%) agreed that a £20 per pupil contribution should continue, 2 schools (12%) did not.

8. **Question 5: Notional SEN Funding**

**Do you agree that the best approach to calculate the total notional SEN funding in the overall Schools Budget is to include £3,000 for the total number of pupils identified as receiving SEN support (half the maximum amount of financial support a school is expected to provide), and £6,000 for the total number of pupils with an EHCP (the amount a school is required to provide) i.e. Option C?**

Respondents from 16 schools (84%) supported this proposal, with 3 (16%) not in agreement.

Of those schools not in agreement, all 3 supported retaining the existing methodology that was agreed when Notional SEN Funding was first introduced.



9. **Question 6: statutory education related duties**

**Do you agree that the best approach to calculate individual school Notional SEN Funding amounts is to use the key proxy SEN funding factors in the NFF plus core per pupil funding amounts?**

Responses from 18 schools (95%) supported this proposal. 1 school disagreed (5%).

## Summary responses to the October 2023 financial consultation with schools

| QUESTION  | TOTALS  |           |             |         | TOTAL | %   |
|---|---------|-----------|-------------|---------|-------|-----|
|   | PRIMARY | SECONDARY | ALL THROUGH | SPECIAL |       |     |
| 1 Do you agree that subject to affordability, that both mainstream and special schools should receive a minimum +0.5% increase in per pupil funding from the 2023-24 financial year? +0.5% is the highest increase permitted by the DfE.  |         |           |             |         |       |     |
| Yes   | 16      | 2         | 0           | 1       | 19    | 95% |
| No  | 1       | 0         | 0           | 0       | 1     | 5%  |
| No reply / not applicable   | 0       | 0         | 0           | 0       | 0     |     |
| 2 Do you agree that we should continue to fund any cost associated with providing all mainstream schools with the agreed minimum percentage increase in per pupil funding from 2023-24 by limiting increases to those mainstream schools receiving the largest increases in per pupil funding, typically those above the average percentage increase? |         |           |             |         |       |     |
| Yes   | 17      | 1         | 0           | 0       | 18    | 90% |
| No  | 0       | 2         | 0           | 0       | 2     | 10% |
| No reply / not applicable   | 0       | 0         | 0           | 1       | 1     |     |

| QUESTION   | TOTALS  |           |             |         | TOTAL | %    |
|--|---------|-----------|-------------|---------|-------|------|
|  | PRIMARY | SECONDARY | ALL THROUGH | SPECIAL |       |      |
| 3<br>To continue the strategic and cost effective approach in the use of the funds for contingencies (including schools in financial difficulties including those in or in danger of entering an Ofsted category), support to underperforming ethnic groups, CLEAPSS licence fees, staff supply cover costs, premature retirement / dismissal cost, free school meal eligibility checking and Behaviour Support Services, do you agree that the Schools Forum should again agree to de-delegate all relevant funding for continued central management by the LA? |         |           |             |         |       |      |
| Yes  | 14      | 1         | 0           | 0       | 15    | 100% |
| No   | 0       | 0         | 0           | 0       | 0     | 0%   |
| No reply / not applicable  | 2       | 1         | 0           | 1       | 4     |      |
| 4<br>In respect of making a financial contribution to the education related statutory and regulatory duties required of the council that are no longer financed through DfE grant, do you agree that maintained schools should continue to make a £20 per pupil / place contribution?  |         |           |             |         |       |      |
| Yes  | 13      | 1         | 0           | 1       | 15    | 88%  |
| No   | 2       | 0         | 0           | 0       | 2     | 12%  |
| No reply / not applicable  | 1       | 1         | 0           | 0       | 2     |      |

| QUESTION   | TOTALS  |           |             |         | TOTAL | %   |
|--|---------|-----------|-------------|---------|-------|-----|
|  | PRIMARY | SECONDARY | ALL THROUGH | SPECIAL |       |     |
| 5 Do you agree that the best approach to calculate the total notional SEN funding in the overall Schools Budget is to include £3,000 for the total number of pupils identified as receiving SEN support (half the maximum amount of financial support a school is expected to provide), and £6,000 for the total number of pupils with an EHCP (the amount a school is required to provide) i.e. Option C? |         |           |             |         |       |     |
| Yes  | 15      | 1         | 0           | 0       | 16    | 84% |
| No   | 2       | 1         | 0           | 0       | 3     | 16% |
| No reply / not applicable  | 0       | 0         | 0           | 1       | 1     |     |
| If you have selected "No" to question 5 directly above, which alternative Option do you prefer?<br>Please select only one option   |         |           |             |         |       |     |
| A Retain the existing amount from the school led evaluation  | 2       | 1         | 0           | 0       | 3     |     |
| B Move to the national average percentage of all LAs   | 0       | 0         | 0           | 0       | 0     |     |
| 6 Do you agree that the best approach to calculate individual school Notional SEN Funding amounts is to use the key proxy SEN funding factors in the NFF plus core per pupil funding amounts?  |         |           |             |         |       |     |
| Yes  | 17      | 1         | 0           | 0       | 17    | 95% |
| No   | 0       | 1         | 0           | 0       | 1     | 5%  |
| No reply / not applicable  | 0       | 0         | 0           | 1       | 1     |     |

## School comments rising from the October 2023 financial consultation

| School        | Comment  |
|---------------|--|
| Bonitas Trust | <p>Q6. As long as the calculation remains notional and not real this is a good move to create transparency. Creating a 3 year average is a good move.</p> <p>If it became reality the variation in funding would be impossible to support. A lack of reflection of IDACI is not what a society should support. Whilst we benefit greatly in the change in money it is morally wrong to take this.</p>  |
| Crowthorne    | <p>As always, we have the following costs that put an additional financial strain on us:</p> <ul style="list-style-type: none"> <li>- As a one form entry school, we have higher 'per head' costs</li> <li>- We have an old building, and so more costly upkeep costs (than newer schools)</li> <li>- We have a lot of trees/natural areas that can potentially have a large yearly cost to keep safe.</li> <li>- Our PP children numbers are small compared to other schools, however, that in itself puts strain on us financially, as extra interventions are more costly on a 'one to one' basis, rather than say a 'three to one' basis</li> <li>- The uncertainty surrounding utility costs is a great concern to us as we already are working to very small/tight margins</li> <li>- The expectation to increase staff salaries but with no additional funding is a strain</li> </ul> |
| Garth Hill    | <p>Q5 and Q6. In relation to Notional SEN, we cannot make a decision until we have greater understanding of the overall provision of SEN funding across the LA.</p>  |
| Harmanswater  | <p>At HWPS. We have a higher than average social need and higher than average SEN including the SRP</p>  |
| Meadow Vale   | <p>Re question 3, whilst Behaviour Support Services have helped the schools I have worked in over the years, I do not feel as though this is providing value for money any longer, in terms of offering specialist support to meet the needs of more challenging behaviours in school.</p>   |
| Owlsmoor      | <p>When is the new banding system going to be implemented in BFC? The banding system makes the system fair and also allows individual children the funding they need to have their needs met in a mainstream setting.</p>  |

| <b>School</b>       | <b>Comment</b>  |
|---------------------|---|
| Pines               | Q3 All services are collated within this but there are some that we are happy to pay for and others we are not - we would prefer if they split so we can be more specific about which we are happy to pay for.  |
|                     | I know that you will say that this isn't double dipping where services that have SLAs are concerned, such as HR, Finance and Governor Services, but I would like to know more about what the £20 pays for so I don't feel this way.   |
| St Joseph's Primary | <p>re question 6. To apply a best fit approach using permitted NFF funding factors to a calculation using 3 year average actual number of pupils on SEN Support requires clear criteria for defining pupils who should be placed on SEN support to ensure there is consistency across all schools.</p> <p>We currently have several pupils who we consider to be "borderline" - but this might be different to how other schools would have assessed them - leading to unfairness in this new approach.</p> |
| Wildridings         | <p>The LA need to provide funds in-line with specialist provision for high-needs children based in mainstream settings due to the lack of specialist provisions. Our budget is hugely affected by providing support for children desperately in need of more support.</p> <p>As a school, we are incredibly concerned around changes within the SEND safety valve programme.</p>  |
| Woodenhill          | re question 3, some services of value, others not. Advise seek school views on valuable aspects.  |