

To: Schools Forum
Date: 11 January 2024

**2024-25 Proposals for the Schools Block and
Central School Services Block Budgets
Executive Director: People / Executive Director: Resources**

1 Purpose of report

- 1.1 To present final proposals from the Council for the 2024-25 Schools Block (SB) and Central Schools Services Block (CSSB) elements of the Schools Budget. There is also an update in respect of the council's bid to join the Department for Education (DfE) Safety Valve (SV) Programme.

2 Executive Summary

- 2.1 On 19 December, the Department for Education (DfE) released the key pupil data set that must be used to calculate individual school budgets. Together with the earlier decision of the Schools Forum to allow the equivalent of a 1% Block Transfer from the SB and CSSB budgets to support the High Needs Block (HNB) and the collection of school views on other budget matters from the annual financial consultation, all the information required to produce budget proposals is now available.
- 2.2 Inevitably, this has led to some changes now being presented from previous updates, including the impact of 149 FTE additional pupils in secondary schools (+2.1%) and a 0.5 FTE increase in primary schools. As usual, there have also been considerable changes in the additional educational needs (AEN)¹. In respect of the Block transfer / top slice, individual school contributions will remain at the amounts included in the original consultation document.
- 2.3 Due to the lagged funding used by the DfE in Dedicated Schools Grant (DSG)², whilst no additional resources are allocated to finance changes in AEN, LAs are required to fund schools on the new pupil data. This creates a £0.301m unfunded pressure on the SB. Other changes in DSG income and budget proposals mean that only £0.067m of this pressure is proposed to remain unfunded.
- 2.4 Overall, the final proposals being presented result in schools on average receiving an increase in per pupil funding of 1.8% before the Block Transfer / top slice, which is slightly higher than the 1.7% increase projected and reported to the Forum in November. This compares to 2.7% in 2022-23, 3.8% in 2021-22, 6.3% in 2020-21 and 2.8% in 2019-20. The average increase after the Block Transfer / top slice is 1.4%.
- 2.5 Secretary of State for Education approval will be required to proceed with 0.35% of the proposed transfer of funds from the SB to the HNB, which is above the locally permitted 0.5% limit. As this decision is not expected until February at the earliest, the normal January issuing of individual school budgets will be on a provisional basis.
- 2.6 Recommendations agreed from this report, subject to later decision of the Secretary of State, will form the basis of proposals to be presented to the Executive Member for Children, Young People and Learning on 21 January, who will be agreeing most aspects

¹ AEN for funding purposes relates to pupil-based funding allocations linked to proxy measures for deprivation, English as an additional language and relatively low scores from national testing.

² DSG is the formula based grant used by the DfE to fund local authorities (LAs) for most of their school and education related responsibilities.

of the Schools Budget. However, within the overall budget setting process, there are several areas where the Forum holds responsibility, and these are separately presented now for a decision.

- 2.7 The proposals being presented for a decision are more complex than usual, with some being restricted to the specific membership group that the decision affects, and others being subject to ratification by the secretary of state.
- 2.8 With the DfE needing to be informed of the actual Funding Formula for Schools to be used in 2024-25 with associated units of resource and total cost no later than 22 January, final budget decisions must be made at this meeting. Individual school budgets need to be published by 29 February 2024.

3 Recommendations

- 3.1 **To AGREE that after taking account of the school responses to the October 2023 financial consultation and overall affordability:**

Item for Maintained Primary School members only

- 1) **de-delegation of budgets continues for the services requested by the council.**

Item for Maintained Secondary School members only

- 2) **de-delegation of budgets continues for the services requested by the council.**

Item for all Maintained School members only (includes Special and PRU)

- 3) **a £20 per pupil contribution continues to be made by maintained schools towards the cost of delivering 'general' education related statutory and regulatory duties.**

Items for all Forum members

- 4) **all schools receive at least the same amount of per pupil funding as received in 2023-24 financial year, with the £0.039m cost to be met from reduced funding increases for those schools receiving the largest uplifts in per pupil funding.**
- 5) **That the notional SEN budget quantum be determined through the actual number of pupils on SEN support or in receipt of an EHCP, with individual school Notional SEN Funding amounts calculated from the key proxy SEN funding factors in the NFF plus an element of core per pupil funding amounts.**

- 3.2 **To AGREE that the Executive Member for Children, Young People and Learning is requested to approve:**

- 1) **the initial changes to budgets as set out in Table 2, in particular:**
- a. **that the Schools Block DSG be set at £96.308m (columns A and B of line 4)**
 - b. **that the Central School Services Block DSG be set at £0.848m (column C of line 4)**

- c. that factor values in the BF Funding Formula are set at the same values as included by the DfE in the Dedicated Schools Grant, subject to:
 - i. applying the 0.5% deduction for the transfer to the HNB
 - ii. applying reduced funding rates to the AEN factors to the level required to absorb the £0.067m unfunded pressure.
 - d. the changes to all other budgets that amount to £4.353m (column D of line 17)
 - 2) that other Schools Block related grants for maintained schools, including the new Teachers Additional Pay Grant, be set to the amounts anticipated in 2024-25
 - 3) that de-delegated budgets are inflated by the average increase in per pupil funding of 1.4%
- 3.3 To AGREE that in the event of the Secretary of State for Education not agreeing the 0.35% Schools Block transfer that is above the limit permitted locally, that the £0.341m be placed in the LA managed Growth Fund for later consideration.
- 3.4 To AGREE that the Executive Director: Resources be authorised to submit DfE pro forma templates for the 2024-25 BF Schools Budget in accordance with the decisions taken at this meeting.
- 3.5 To AGREE as decision maker:
 - 1. that the arrangements in place for the administration of central government grants are appropriate;
 - 2. the budgets for the LA managed Growth Fund are as set out in Annex 2
 - 3. the budgets for LA managed Central School Services Block services are as set out in Annex 3.
- 3.6 To NOTE the current position on the Council's Safety Valve proposal.

4 Reasons for recommendations

- 4.1 To ensure that the 2024-25 Schools Budget is developed in accordance with the views of the Schools Form, the anticipated level of resources and the statutory funding framework, including the requirement to submit summary details of individual 2024-25 school budgets to the DfE by 22 January 2024.

5 Alternative options considered

- 5.1 These have been considered during each stage of the budget process.

6 Supporting information

Introduction

- 6.1 This report presents final 2024-25 budget proposals for the SB and CSSB elements of the Schools Budget, in particular the allocation of funds to individual schools. The Forum has been kept up to date with the DfE regulatory funding framework, most notably through the introduction of a National Funding Formula for schools.
- 6.2 In terms of approving budgets, the Executive Member for Children, Young People and Learning has responsibility for agreeing most aspects of the SB although within the overall budget setting process, there are several areas where the Forum holds responsibility, and these are now being presented for a decision.
- 6.3 Whilst this report and decisions to be taken within it remain consistent with previous years, there is one significant change for 2024-25 and this relates to the council bidding to join the DfE Safety Valve (SV) programme. An update on the SV proposal is provided from paragraph 6.39.
- 6.4 As previously agreed, the SV proposal includes a Block Transfer / top slice to the High Needs Block (HNB) at the equivalent of 0.85% of the SB, with individual school contributions to be limited to no more than 0.5% together with the equivalent of 0.15% of the SB from the CSSB. Overall, £0.963m, the equivalent of 1% of the SB budget is proposed to be transferred to the HNB.
- 6.5 The Forum is aware that as the proposed amount of the Block Transfer / top slice from the SB exceeds the 0.5% maximum amount the Schools Forum is permitted to agree (£0.482m), the Secretary of State for Education will need to agree the additional 0.35% (£0.341m) included in the budget proposals. As the outcome of this decision is not expected to be known until after the 22 January deadline for returning individual school budget information to the DfE, advice from government officials is to prepare multiple budgets to cover all the eventualities. The report recommendations therefore reflect this approach.
- 6.6 In terms of the proposed transfer from the CSSB to HNB (£0.140m), this is a local decision and not subject to any limit. It can be made in consultation with the Schools Forum.

Decisions arising from the October 2023 Financial Consultation

- 6.7 The 16 November Forum meeting received a report on the outcomes from the annual financial consultation with schools. As this was during the period of considering a SV bid that may have wider financial implications on schools, no decisions were taken at that time. However, in order to finalise school budgets, a number of decisions now need to be made with the Forum requested to agree the majority responses from schools for questions 2 to 6, as summarised below in Table 1:

Responses to the questions

| Question | Yes | No | No. of Replies | Impacts: |
|---|------|-----|----------------|------------------------------------|
| 1. That subject to affordability, 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 |
| 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 |

- 6.8 Assuming de-delegation continues, the Forum also needs to consider the relevant inflationary uplift to applied to funding rates. It is recommended to continue previous practice and to agree that contributions are uplifted at the same rate as the average increase in school budgets, which for 2024-25 is 1.4%.
- 6.9 In respect of question 1 and setting the minimum increase in per pupil funding from 2023-24 – the Minimum Funding Guarantee (MFG) - the DfE permits LAs in consultation with their Schools Forum to set the relevant change between 0% and +0.5%. In preparing the Block transfer / top slice consultation with schools, in order to minimise any contributions from schools to funding the cost of MFG, the illustrative calculations were set at 0%.
- 6.10 Final budget calculations identify the cost of a +0.5% MFG rate at a pressure on other schools of £0.123m. A rate of 0% reduces the pressure to £0.041m. There are 3 schools that receive an MFG top up, all of which have relatively large increases in pupil numbers. Therefore, cash budgets are increasing from core pupil funding allocations,
- 6.11 As this information was not available to share with schools when the consultation was published, to reduce the funding impact from the MFG on other schools, and to remain consistent with the individual school contributions to the Block Transfer / top slice included in the consultation document, it is proposed to set the MFG at 0%.

- 6.12 In respect of decisions to be taken on the outcomes from the October 2023 consultation, as some of the questions only impact on specific groups, DfE permit only Forum members representing these groups to make relevant decisions. The report recommendations in paragraph 3.1 are therefore presented to reflect this requirement.
- 6.13 The report to Schools Forum on the full outcomes from the autumn term financial consultation with schools can be viewed here [Agenda for Schools Forum on Thursday, 16 November 2023, 4.30 pm | Bracknell Forest Council \(bracknell-forest.gov.uk\)](#)

Final budget proposals for 2024-25

- 6.14 On 19 December, the DfE released the key pupil data set that must be used to calculate individual school budgets and confirmed DSG allocations for the SB and CSSB. These included the reduced SB per pupil funding rates the DfE announced on 6 October which were reported to the Forum on 16 November.
- 6.15 Together with the earlier decision of the Schools Forum to allow a Block Transfer / top slice from the SB and CSSB budgets to the High Needs Block (HNB) and the collection of school views on other budget matters from the annual financial consultation, all the information required to undertake relevant budget calculations and present proposals that are consistent with school views is now available.

Confirmed Schools Block DSG income

- 6.16 The Forum will be aware that to determine an LAs SB DSG funding, the DfE applies the same uniform NFF factors and values to every school in the country, using lagged pupil number and other data sets e.g. FSM, test results. The resultant individual primary school budgets for an LA are then aggregated together and divided by total primary pupil numbers to determine an LAs standard primary per pupil funding rate – called the Primary Unit of Funding (PUF). The same calculation is also made for secondary schools to determine the Secondary Unit of Funding (SUF). Each LA is then funded at these per pupil funding rates on the most recent October census data.
- 6.17 The final 2024-25 PUFs and SUFs show an average increase in per pupil funding of +5.5%. This comprises +3.5% from transferring the Mainstream Schools Additional Grant from a separate income stream for schools into core DSG funding, +1.4% for the inflation uplift applied by the DfE to the NFF funding rates and +0.6% to incorporate the 2023-24 increases in funding top ups to schools relating to pupils with AEN which the lagged DSG funding model now adds into 2024-25 funding rates. This amounts to a total increase of +£4.968m.
- 6.18 The DfE verified October 2023 school census included 0.5 FTE additional primary aged pupils compared to October 2022 and 149.0 FTE additional secondary aged pupils (+2.1%). This adds £0.970m to the DSG allocation.
- 6.19 In terms of funding LAs for in-year increases in pupil numbers after the October 2023 census, the DfE will continue to use the Growth Fund³ to measure pupil growth between the two most recent October census points across small geographical areas. As was expected, with increases in pupil numbers in secondary schools reducing, relevant DSG income has fallen by £0.394m to £0.600m which is in line with earlier estimates used in budget planning. As previously reported, the council does not qualify for any DSG funding through the new Falling Rolls factor.

³ The Growth Fund comprises 3 elements: funding for significant in-year increases in pupil numbers at existing schools; allocations to schools requiring additional financial support to meet Key Stage 1 Infant Class Size Regulations; and pre-opening, diseconomy and post opening costs for new schools.

- 6.20 The DfE has also confirmed the separate funding allocations to LAs for non-pupil-related school expenses. This is lagged funding, based on 2023-24 actual spend and is intended to finance the cost of business rates. The 2024-25 allocation has reduced by -£0.241m to £1.420m which relates to an 80% deducted to previous charges to schools that have recently converted to an academy at which point they receive charitable status and become eligible to the reduced charge. There is no significant financial impact from this as the funding passed on to relevant schools will also be reduced to reflect this change.
- 6.21 Furthermore, the £0.125m split site DSG funding previously received for Warfield Primary School is no longer received as the school now operates on a single site. Again, this was expected and has been reflected in the budget planning.
- 6.22 Overall these changes result in SB DSG income of £96.308m (£94.288m from per pupil funding, £0.600m for the Growth Fund and £1.420m for business rates).

Changes in funding allocations to schools:

- 6.23 In building up the 2024-25 budget, the first stage is to move the 2023-24 final budget to the position expected at the November 2023 consultation on the Block transfer / top slice as this is the new baseline. Following that, the normal budget build process would then be followed to update to actual number of pupils and other data sets from the confirmed December DfE publication.

Re-setting the 2023-24 budget to the November consultation position:

- 6.24 To move from the 2023-24 budget to the new budget baseline after the Block transfer / top slice adjustment, the following updates need to be made. These are summarised and aggregated below in Table 2:
1. The 2023-24 base budget was funded above the NFF rates. This was for one-year only and therefore the £0.101m over allocation to schools is removed. (Line 6 of Table 2)
 2. The Mainstream Schools Additional Grant (MSAG) that was paid separately to schools in 2023-24 has been mainstreamed into the SB DSG in 2024-25. The equivalent funding of £3.046m is therefore added into general school budgets. MSAG will not be paid separately to schools in 2024-25. (Line 7).
 3. The impact of the DfE uplifting 2024-25 funding rates by circa 1.4% has been added into the BFC model at £1.331m. (Line 8).
 4. The additional 157.5 FTE pupils estimated by BFC to be recorded on the October 2023 school census add £0.947m. (Line 9).
 5. There are 2 funding protection measures that must be applied to school budgets:
 - a. A minimum cash per pupil amount of funding (MPPFL): £4,610 for primary agreed pupils and £5,995 for secondary.
 - b. A minimum per pupil funding increase from 2023-24 (MFG). As set out above in paragraph 6.9, to minimise the cost of supporting MFG contributions and maintain the calculation basis used in the Block transfer / top slice consultation, this has been set at 0%. This is a self-balancing factor as those schools with the largest increases in funding collectively finance the cost of this protection.

The impact of these funding protection measures have been included in the amounts set out in points 1 to 4 above.

6. The calculation of the Block Transfer / top slice is then applied, capped at a maximum 0.5% at individual school level. This remains at £0.401m. (Line 10). Annex 1 sets out the relevant amount for each school.

Impact from 19 December DfE data set (the confirmed October 2023 school census):

- 6.25 To move from the new budget baseline after the Block transfer / top slice adjustment to the 2024-25 budget position a number of updates need to be processed from the confirmed DfE data set. These are summarised and aggregated below in Table 2:
7. The Block Transfer / top slice consultation included provisional October 23 pupil numbers. The DfE data set includes 8 fewer pupils than initially estimated, which results in a reduction in funds allocated to relevant schools of -£0.041m (Line 11)
 8. Kings Academy Binfield Primary is the only school receiving additional financial support through the new and expanding school funding policy. This amounts to £0.086m in 2024-25, a reduction of -£0.017m. (Line 12).
 9. As set out below in paragraph 6.26 the centrally retained Growth Fund has also been recalculated on latest data and this indicates a £0.016m reduction in required funding which can be released for use in individual school budgets (Line 3).
 10. Members of the Forum will be aware that the DfE uses lagged data to fund LAs through the units of resource in the SB DSG. This means that despite requiring LAs to fund schools on the latest data, they in turn receive funding based on prior year data. Clearly, where there is an increase in data sets between years, there will be an unfunded cost pressure in the SB. This is one of the most common reasons why LAs may not be able to fully fund school budgets at the NFF rates.

For a number of years now, each school census has recorded more pupils with the AEN measures used for funding purposes than the previous year. The October 2023 census follows this pattern and results in a £0.301m funding pressure. (Line 13).

As DSG income is higher than initially forecast and there are also a number of off-setting savings within the budget, £0.234m⁴ of this can be financed, leaving only £0.067m of this pressure unfunded. (Line 14).

Centrally managed budgets within the SB (LA managed Growth Fund)

- 6.26 Re-calculating funding requirements for the LA managed Growth Fund indicate that a reduction of £0.016m can be applied and transferred to funding available to schools. (Line 3). The other changes proposed in the November 2023 consultation have also been updated and indicate £0.287m of unallocated funding. Full details of the proposed budget lines and amounts for the SB funded LA managed Growth Fund are set out in Annex 2.

Centrally managed budgets within the CSSB

- 6.27 The confirmed DSG allocation now includes the October 2023 verified pupil data which includes a further £0.006m DSG income, making a new total of £0.848m. (Line 4).

⁴ £0.101m saving from one-off 2023-24 budget, £0.064m gain from DSG increase for additional pupils compared to amount allocated at NFF funding rates £0.017m saving on new and expanding schools funding policy, £0.016m funding transferred from LA Managed Growth Fund and £0.036m saving on other changes in DSG funding.

6.28 As set out in the Block Transfer / top slice consultation, the current £0.125m transfer of funds from the SB will no longer be made, with the funding pressure transferred to the council through a corresponding reduced contribution from the CSSB to LA statutory and regulatory duties. Additionally, in order to achieve a 1% equivalent transfer of funds to the HNB, the council will further reduce the contribution to LA statutory and regulatory duties by £0.140m. Overall, a £0.265m pressure has therefore been transferred to the council. Annex 3 sets out the proposed budget lines and amounts for the CSSB.

Summary of proposed changes – SB and CSSB

6.29 Table 2 below summarises the proposed changes made to 204-25 SB and CSSB budgets. Line 19 sets out the proposed 1% SB equivalent funding transfer to the HNB. Due to the Secretary of State for Education being required to agree some aspects of the proposals, the recommendations have been framed to reflect this.

Table 2: Summary final budget proposals for 2024-25

| Ref. | Item | Schools Block | | Central | Total |
|------|--|--|--------------------------------------|--------------------------------------|---------------|
| | | Delegated school budgets A £'000 | LA managed Growth Fund B £'000 | Services Schools Block C £'000 | D £'000 |
| 1 | 2023-24 on-going base budget | 90,325 | 535 | 980 | 91,840 |
| 2 | Provisional 2024-25 DSG funding | 95,708 | 600 | 848 | 97,156 |
| 3 | Internal Schools Block funding transfer | 16 | -16 | 0 | 0 |
| 4 | 2024-25 forecast income | 95,724 | 584 | 848 | 97,156 |
| 5 | +Surplus of income / - Deficit of income | 5,399 | 49 | -132 | 5,316 |
| | <u>Changes for the November school consultation</u> | | | | |
| 6 | Remove: one-off funding in 2023-24 in excess of NFF | -101 | -86 | 0 | -187 |
| 7 | Mainstream Schools Additional Grant at circa +3.5% | 3,046 | 0 | 0 | 3,046 |
| 8 | Cost of new year NFF funding rates at circa +1.4% | 1,331 | 0 | 0 | 1,331 |
| 9 | Impact of change in pupil numbers (+157.5) | 947 | 0 | 0 | 947 |
| 10 | Block transfer / top slice capped at 0.5% per school | -401 | 0 | 0 | -401 |
| | Sub-total: Block transfer / top slice position | 4,822 | -86 | 0 | 4,736 |
| | <u>Changes from confirmed October census data</u> | | | | |
| 11 | Impact of confirmed pupil numbers (+149.5) | -41 | 0 | 0 | -41 |
| 12 | New schools - 2024-25 change in cost pressure | -17 | 0 | 0 | -17 |
| 13 | Impact of change in AEN data e.g. FSM, LPA | 301 | 0 | 0 | 301 |
| 14 | Impact of change in AEN data - unfunded pressure | -67 | 0 | 0 | -67 |
| 15 | Centrally managed Growth Fund | 0 | -287 | 0 | -287 |
| 16 | Central School Services Budget changes | 0 | 0 | -272 | -272 |
| | Sub-total: confirmed October 2023 data impacts | 176 | -287 | -272 | -383 |
| 17 | Total changes proposed for 2024-25 | 4,998 | -373 | -272 | 4,353 |
| 18 | Original budget 2024-25 | 95,323 | 162 | 708 | 96,193 |
| 19 | Surplus of income to transfer to HNB | 401 | 422 | 140 | 963 |

2024-25 individual school budgets

6.30 These budget proposals result in a 1.4% average per pupil funding increase⁵ from 2023-24. The increase in average per pupil funding through BF Funding Formula for Schools is in line with the 1.7% projected increase reported in December, which was before the average 0.4% contribution to the Block transfer / top slice. The following notes present headline summary data from individual school budgets (NB in this context, per pupil funding is calculated from the whole Formula Budget allocation less business rates):

- 1 Primary schools receive an average increase in per pupil funding of 1.5% and Secondary schools receive an average per pupil increase of 0.9%. The difference in increases by phase is mainly accounted for as a result of a larger increase in AEN measures in primary schools compared to secondary together with the funding protection provided to a number of primary schools on the MPPFL.
- 2 The highest per pupil increase in a primary school is 3.2%, with 1.7% in secondary.

One primary school has a reduction in per pupil funding of -0.3%. This is a small school, and whilst the overall cash budget increases by 4% from a rising NOR, there is a cash reduction in AEN top ups plus a much reduced per pupil funding allocation through the fixed lump sum which explains the change.

The lowest increase in per pupil funding in a secondary school is +0.1%. This is a school with a rising roll (+5%) but the change in age profile significantly affects the per pupil funding calculations. Key Stage 3 pupil numbers have increased by 9%, with a reduction of -2% in Key Stage 4. With Key Stage 4 pupils funded at 13% (£666) higher rate than Key Stage 3, the change in age profile has a significant impact on the per pupil funding calculation.
- 3 3 schools receive an MFG top up. The total cash value of support amounts to £0.039m.
- 4 6 primary schools receive top up funding from the MPPFL. These are the same schools as in 2023-24. The total cash value of support amounts to £0.274m.
- 5 The average per pupil funding amount for a primary school is £4,723 and £6,395 for a secondary.

Submission of DfE pro-forma budget statement

- 6.31 The DfE closely monitors the progress of LAs in setting their individual school budgets and requires the completion and submission of a template that sets out the Funding Formula to be used, associated units of resource and total cost. The deadline for return has been set at 22 January 2024. Annex 4 sets out the pro forma based on the recommendations set out in this report. The final submission will need to agree with any decisions made by the Secretary of State for Education and also the Executive Member and is therefore subject to change.
- 6.32 Annex 4 presents the template on the assumption that all of the proposals at this meeting are agreed. Other templates may also be required to be submitted to present the budget should the Secretary of State not permit the 0.35% Block Transfer from the HNB to the SB.

The £95.484m total recorded on the pro forma reconciles to the £90.484m at columns A and B, line 18 of Table 2.

⁵ This average excludes funding for new schools as there are separate, specific funding rules in place for calculating these budgets which would otherwise distort comparisons.

Other grant income for maintained schools

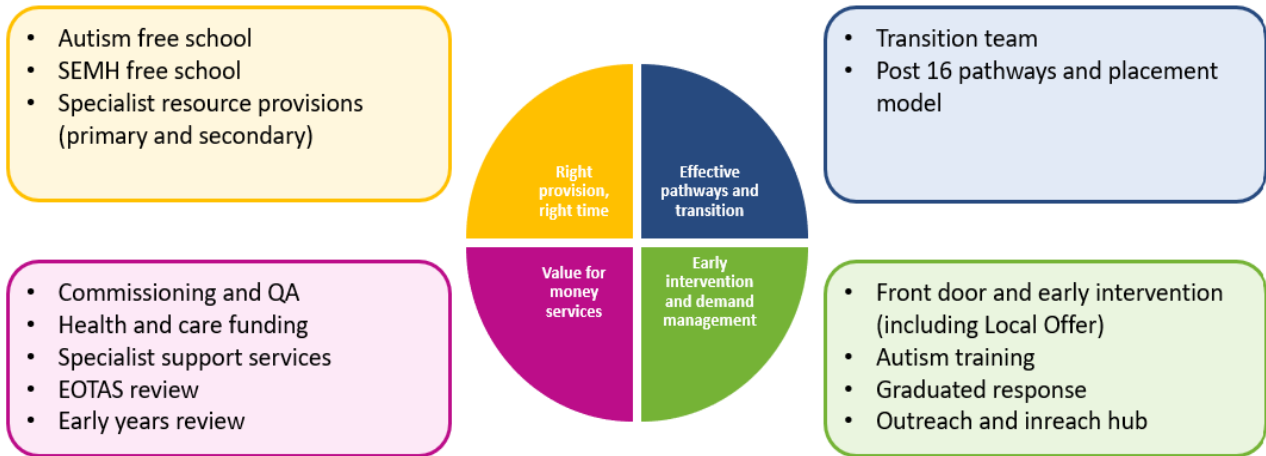
- 6.33 As part of the School Funding settlement, the DfE has confirmed that in the 2024 to 2025 financial year, mainstream schools will continue to receive additional funding through a Teachers' Pay Additional Grant (TPAG). This is estimated at -£0.673m for maintained schools. However, The Mainstream Schools Additional Grant (MSAG) has now been transferred into the DSG and will in future be paid as part of the main school budget. Schools will no longer receive separate MSAG funding.
- 6.34 In addition to the TPAG, schools also receive revenue funding from other specific grants including School Sixth Forms (currently -£1.372m), the Pupil Premium (-£1.775m), Primary PE and Sports Premium (-0.417m), the Universal Infant Free School Meals Grant (-£1.114m).
- 6.35 The Funding rates for the Pupil Premium will increase by around 2% from 2024-25 (Primary pupils now: £1,480 Secondary pupils: £1,050 Looked-after children: £2,570 Children who have ceased to be looked-after: £2,570).
- 6.36 All of the amounts of grant set out above are subject to change in 2024-25 and budgets will be updated once new year funding allocations are confirmed.

Other decisions required from the Schools Forum

- 6.37 The content of this report complies with requirements of the School and Early Years Finance (England) Regulations 2024. In addition to this, in setting the Schools Budget, there are also requirements from the Schools Forum (England) Regulations 2012 that need to be complied with.
- 6.38 There is a requirement to seek comments from the Forum in respect of administration arrangements for the allocation of central government grants. No changes are proposed on existing arrangements whereby relevant costs are absorbed by the council in normal day to day operations and the Forum is requested to agree this approach continues.

SV proposal

- 6.39 The Council was invited by the Department for Education (DfE) to participate in its SV Intervention Programme 2023-24 in July 2023. The SV programme aims to agree a package of reforms to local education systems for pupils with special educational needs and disabilities (SEND) through which the systems will become financially sustainable within the level of grant provided by the Department for Education, while improving the experiences of children and young people. Bracknell Forest is one of five authorities invited to participate in the programme this year, due to its large and rising deficit.
- 6.40 Participation in the programme can secure access to additional capital funding for new local provision and a material financial contribution from the DfE towards the accumulated Dedicated School Grant (DSG) deficit, should proposals for reform submitted by the Council be accepted. A significant financial commitment is also required from the Council, including capital and revenue funding both to secure delivery of the proposed programme of activity and to write off the remainder of the accumulated deficit not funded by the DfE.
- 6.41 Council officers have engaged with local school leaders, both Headteachers and Chairs of Governors and the Bracknell Forest Parent Carer Forum, to agree further areas of focus to ensure that the overall SEND system best meets the needs of pupils and schools and identify areas where current expenditure is not felt to demonstrate value for money. This has led to a programme of activity as summarised in the pictorial below.



6.42 The proposals remain confidential since they are still subject to formal consideration by the DfE but demonstrate a route to reaching a balanced in-year DSG position by 2029-30. This is slightly beyond the DfE's expectation of a five-year plan and therefore a one-off contribution from the Council's reserves is proposed in 2028-29 to offset costs ordinarily met from the DSG and reach balance within five years. This approach meets the DfE's expectations and therefore offers the Council the best opportunity to maximise the contribution it will receive from the DfE towards the cumulative DSG deficit at the end of that period. The proposed approach to funding the deficit includes a request for a large contribution from DfE and setting aside a material amount of Council reserves.

6.43 In its draft submission, the Council had requested flexibility to use the proceeds from asset disposals to fund part of the accumulated deficit during the SV programme period. It has been confirmed that such an approach would not be supported in the current financial year. However, the Department for Levelling Up, Housing and Communities issued a consultation document on 21 December seeking views from the local government sector on additional capital flexibilities. Should any of the proposals in the consultation be implemented, that could provide the Council with different options to fund its share of the deficit in the coming years.

6.44 The Council's plans are based on new, local specialist provision being introduced in the Borough. In order that detailed design works on these can be commenced as quickly as possible, Council is being asked to approve the following additions to the current year's capital programme at its meeting on 10 January.

a) New SEMH School (on the currently vacant Warfield All Saints Site)

Funded from:

| | |
|---|----------------|
| Available capital grants for school provision | £7.089m |
| Available s106 contributions for schools | £3.957m |
| Capital receipt | £0.500m |
| External borrowing | <u>£1.454m</u> |
| Total | £13.000m |

b) New Secondary Special Resource Provision (at Sandhurst school)

Funded from:

| | |
|------------------------------|---------|
| SV capital grant application | £0.900m |
|------------------------------|---------|

- c) New Secondary Special Resource Provision / Unit (at Edgbarrow school)

Funded from:

SV capital grant application £3.100m

- 6.45 The Council's proposal also sets out a number of areas of investment in both the SEND service and programme support to ensure that the plan submitted is delivered to the tight timescales needed. These are to be funded from a variety of sources, including Government grant secured through the Delivering Better Value in SEND programme, the flexible use of capital receipts strategy approved by Council in November, earmarked reserves and the revenue budget. Formal approval of the overall revenue funding package will be sought as part of the Council's final 2024-25 budget proposals to be presented to the Executive and Council in February

Next steps

- 6.46 The Executive Member for Children, Young People and Learning is expected to agree the 2024-25 Schools Budget on 21 January, based on final recommendations agreed by the Schools Forum, which will then need to be reported to the DfE through submission of the national pro-forma.
- 6.47 As usual, schools can expect to receive an initial budget notification for 2024-25 by the end of January. However, as part of the budget requires agreement from the Secretary of State, they will be provisional and subject to change. This will include the provisional BF Funding Formula allocation, plus estimates for funding from the Early Years and a best estimate of likely DfE grant allocations. A final budget statement with updates where available to the provisional amounts will be provided before the end of March. This will include estimated High Needs Block "top up" funding.

7 Advice received from statutory and other officers

Borough Solicitor

- 7.1 The relevant legal implications are addressed within the main body of the report.

Executive Director of Resources

- 7.2 Included within the supporting information.

Equalities Impact Assessment

- 7.3 The budget proposals ensure funding is targeted towards vulnerable groups prioritised by the DfE NFF and a BFC specific EIA is not required.

Strategic Risk Management Issues

- 7.4 The following have been identified as strategic risks:
1. The ability of schools to manage their Block Transfer / top slice contribution within their overall budget
 2. Falling pupil numbers in some primary schools at a time of surplus places will create budget difficulties through having to operate with relatively small class sizes.

3. The ability of schools with deficits to manage their repayments. Three primary schools have significant licensed deficits that need to be repaid.
4. Cost pressures on school responsibilities to meet SEND needs of pupils up to the £10,000 limit when numbers are rising.
5. Uncertainty around future cost increase from inflationary pressures.

7.5 These risks will also be managed through support and assistance to schools in the budget setting process which is a well-established programme. It has ensured that schools develop medium term solutions to budget shortfalls and draws on funding retained to support schools in financial difficulty or through the allocation of short to medium term loans.

Climate Change Implications

7.7 The recommendations from this report are not expected to have an impact on emissions of carbon dioxide.

8 Consultation

Principal Groups Consulted

8.1 People Directorate Management Team, schools and the Schools Forum.

Method of Consultation

8.2 Written reports to People Directorate Management Team and the Schools Forum, formal consultation with schools

Representations Received

8.3 Included in reports.

Background Papers

None:

Contact for further information

Paul Clark, Finance Business Partner – People Directorate
paul.clark@bracknell-forest.gov.uk

(01344 354054)

Doc. Ref

[https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools Forum/\(121\) 110124/2024-25 Schools Budget Final Proposals v3 - FINAL.docx](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools%20Forum/(121)%20110124/2024-25%20Schools%20Budget%20Final%20Proposals%20v3%20FINAL.docx)

Block Transfer / top slice calculation by school

| School | October 2023 Provisional NOR, October 2022 other data | 0.5% max deduction per school, all NFF factors reduced by 0.5% | | |
|---|--|---|------------------------------|--------------------------------|
| | Forecast budget at 2024-25 NFF rates | 0.5% max reduction per school | % change from unscaled | £'s change from unscaled |
| Ascot Heath Primary School | £1,862,680 | £1,862,680 | 0.00% | £0 |
| Binfield Church of England Primary School | £1,905,870 | £1,905,870 | 0.00% | £0 |
| Birch Hill Primary School | £1,890,826 | £1,881,574 | -0.49% | £-9,252 |
| College Town Primary School | £2,128,740 | £2,128,740 | 0.00% | £0 |
| Cranbourne Primary School | £961,641 | £956,968 | -0.49% | £-4,673 |
| Crown Wood Primary School | £2,676,489 | £2,671,950 | -0.17% | £-4,539 |
| Crowthorne Church of England Primary | £1,013,897 | £1,008,937 | -0.49% | £-4,959 |
| Fox Hill Primary School | £1,055,505 | £1,050,340 | -0.49% | £-5,166 |
| Great Hollands Primary School | £1,407,538 | £1,400,533 | -0.50% | £-7,006 |
| Harmans Water Primary School | £2,065,616 | £2,055,672 | -0.48% | £-9,944 |
| Holly Spring Primary School | £2,951,937 | £2,937,411 | -0.49% | £-14,527 |
| Jennett's Park CofE Primary School | £1,844,652 | £1,835,503 | -0.50% | £-9,149 |
| Meadow Vale Primary School | £2,753,958 | £2,740,459 | -0.49% | £-13,498 |
| New Scotland Hill Primary School | £1,012,018 | £1,007,086 | -0.49% | £-4,932 |
| King's Academy Oakwood | £1,067,132 | £1,061,832 | -0.50% | £-5,300 |
| Owlsmoor Primary School | £2,363,630 | £2,363,630 | 0.00% | £0 |
| The Pines School | £1,548,467 | £1,540,884 | -0.49% | £-7,584 |
| Sandy Lane Primary School | £1,994,885 | £1,984,959 | -0.50% | £-9,926 |
| St Joseph's Catholic Primary School | £1,028,151 | £1,023,039 | -0.50% | £-5,112 |
| St Margaret Clitherow Primary School | £996,052 | £991,090 | -0.50% | £-4,963 |
| St Michael's Easthampstead Primary School | £982,526 | £977,630 | -0.50% | £-4,896 |
| St Michael's Primary School, Sandhurst | £967,252 | £962,437 | -0.50% | £-4,815 |
| Uplands Primary School and Nursery | £1,001,621 | £996,726 | -0.49% | £-4,895 |
| Warfield Church of England Primary School | £2,035,420 | £2,035,420 | 0.00% | £0 |
| Whitegrove Primary School | £1,973,830 | £1,973,830 | 0.00% | £0 |
| Wildmoor Heath School | £1,020,421 | £1,015,340 | -0.50% | £-5,082 |
| Wildridings Primary School | £1,991,083 | £1,981,339 | -0.49% | £-9,744 |
| Winkfield St Mary's CofE Primary School | £976,546 | £971,751 | -0.49% | £-4,794 |
| Wooden Hill Primary and Nursery School | £1,804,118 | £1,795,278 | -0.49% | £-8,840 |
| The Brakenhale School | £7,022,277 | £6,987,326 | -0.50% | £-34,951 |
| Easthampstead Park Community School | £6,153,762 | £6,123,194 | -0.50% | £-30,568 |
| Edgbarrow School | £6,855,502 | £6,821,346 | -0.50% | £-34,156 |
| Garth Hill College | £9,136,932 | £9,093,527 | -0.48% | £-43,405 |
| Ranelagh School | £5,359,238 | £5,332,554 | -0.50% | £-26,684 |
| Sandhurst School | £6,659,703 | £6,626,608 | -0.50% | £-33,095 |
| King's Academy Binfield - All through | £7,004,732 | £6,969,798 | -0.50% | £-34,934 |
| Primary Totals | £47,282,504 | £47,118,908 | -0.35% | £-163,596 |
| Secondary totals | £48,192,144 | £47,954,352 | -0.49% | £-237,792 |
| Totals | £95,474,648 | £95,073,260 | -0.42% | £-401,388 |

| | |
|-------------------------------------|-----------------|
| Primary - max reduction | £-14,527 |
| Primary - I FE Max reduction | £-5,300 |
| Primary - min reduction | £0 |
| Secondary - max reduction | £-43,405 |
| Secondary - min reduction | £-26,684 |

Proposed financing and associated budget for the LA Managed Growth Fund

| | Primary | Secondary | Current Proposed 2024-25 | 2023-24 actual | Change |
|---------------------------------------|---------|-----------|--------------------------------|-------------------|--------|
| | A | B | C | D | E |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| <u>New schools:</u> | | | | | |
| Diseconomy costs | 86.0 | 0.0 | 86.0 | 102.8 | -16.8 |
| | 86.0 | 0.0 | 86.0 | 102.8 | -16.8 |
| <u>Retained Growth Fund</u> | | | | | |
| Post opening costs | 15.0 | 0.0 | 15.0 | 22.5 | -7.5 |
| In-year pupil growth | 0.0 | 147.5 | 147.5 | 256.0 | -108.5 |
| KS1 classes | 0.0 | 0.0 | 0.0 | 170.0 | -170.0 |
| | 15.0 | 147.5 | 162.5 | 448.5 | -286.0 |
| <u>2023-24 one-off funding</u> | | | | | |
| Surplus above NFF rates | 0.0 | 0.0 | 0.0 | 86.6 | -86.6 |
| | 0.0 | 0.0 | 0.0 | 86.6 | -86.6 |
| Total estimated costs | 101.0 | 145.5 | 248.5 | 637.9 | -389.4 |

Orange shaded cells highlights amount of funding included in delegated school budgets

Blue shaded cells highlights the amount of funds held centrally by BFC

Green shaded cells highlight 2023-24 one-off funding

Services proposed to be centrally managed by the Council

| Budget Area | Central Schools Services Budget | | |
|--|---------------------------------|-------------------------------|------------------|
| | 2023-24 Final Budget | 2024-25 Proposed Budget | Change |
| Combined Services Budgets: | | | |
| Family Intervention Project | £100,000 | £100,000 | £0 |
| Educational Attainment for Looked After Children | £133,590 | £133,590 | £0 |
| School Transport for Looked After Children | £42,740 | £42,740 | £0 |
| Domestic Abuse | £2,000 | £2,000 | £0 |
| SEN Contract Monitoring | £32,680 | £32,680 | £0 |
| Central School Services - historic commitments | £311,010 | £311,010 | £0 |
| Other Permitted Central Spend | | | |
| Miscellaneous (up to 0.1% of Schools Budget): | | | |
| Forestcare out of hours support service | £5,150 | £5,150 | £0 |
| Borough wide Initiatives | £9,720 | £0 | -£9,720 |
| Support to Schools Recruitment & Retention | £5,000 | £0 | -£5,000 |
| Statutory and regulatory duties: | | | |
| 'Retained' elements | £290,680 | £15,690 | -£274,990 |
| Other expenditure: | | | |
| School Admissions | £202,025 | £202,025 | £0 |
| Schools Forum | £20,935 | £20,935 | £0 |
| Boarding Placements for Vulnerable Children | £50,000 | £50,000 | £0 |
| Central copyright licensing | £85,560 | £103,190 | £17,630 |
| Central School Services - on-going responsibilities | £669,070 | £396,990 | -£272,080 |
| Total Central School Support Services | £980,080 | £708,000 | -£272,080 |
| Funding | | | |
| Historic commitments | £166,170 | £132,940 | -£33,230 |
| On-going responsibilities | £688,670 | £715,060 | £26,390 |
| Total Funding | £854,840 | £848,000 | -£6,840 |
| Transfer from Schools Budget | £125,240 | £0 | -£125,240 |
| Transfer to High Needs Block Budget | £0 | -£140,000 | -£140,000 |
| Central School Services Total Funding | £980,080 | £708,000 | -£272,080 |

Yellow shaded cells highlight the £0.265m cost transfer to BFC.

Provisional 2024-25 Pro Forma BFC School Budget Statement

Local Authority Funding Reform Proforma

Note: only rows relevant to BFC are displayed.

LA Name: Bracknell Forest

Pupil Led Factors

| Reception uplift | | No | Pupil Units | | 0.00 | | | | | |
|--|--|--------------------------|----------------------------|------------------------------------|--------------------------------------|-------------|-------------|---|--------------------------|----------------------------|
| Description | | Amount per pupil | | Pupil Units | | Sub Total | Total | Proportion of total pre MFG funding (%) | Notional SEN (%) | |
| 1) Basic Entitlement Age Weighted Pupil Unit (AWPU) | Primary (Years R-6) | £3,751.17 | | 9,902.50 | | £37,145,968 | £77,030,904 | 38.97% | 2.13% | |
| | Key Stage 3 (Years 7-9) | £5,288.71 | | 4,383.00 | | £23,180,409 | | 24.32% | 1.06% | |
| | Key Stage 4 (Years 10-11) | £5,961.64 | | 2,802.00 | | £16,704,528 | | 17.52% | 1.06% | |
| | | | | | | | | | | |
| Description | | Primary amount per pupil | Secondary amount per pupil | Eligible proportion of primary NOR | Eligible proportion of secondary NOR | Sub Total | Total | Proportion of total pre MFG funding (%) | Primary Notional SEN (%) | Secondary Notional SEN (%) |
| 2) Deprivation | FSM | £512.57 | £512.57 | 1,183.21 | 1,019.00 | £1,128,779 | £4,070,446 | 4.27% | 0.00% | 0.00% |
| | FSM6 | £857.76 | £1,255.26 | 1,195.22 | 1,074.00 | £2,373,368 | | | 80.75% | 42.50% |
| | IDACI Band F | £245.82 | £355.66 | 1,160.64 | 769.22 | £558,888 | | | 76.50% | 42.50% |
| | IDACI Band E | £298.12 | £470.72 | 11.02 | 9.00 | £7,523 | | | 76.50% | 42.50% |
| | IDACI Band D | £465.49 | £659.01 | 0.00 | 1.00 | £659 | | | 76.50% | 42.50% |
| | IDACI Band C | £507.34 | £721.78 | 1.00 | 1.00 | £1,229 | | | 76.50% | 42.50% |
| | IDACI Band B | £538.72 | £774.08 | 0.00 | 0.00 | £0 | | | 76.50% | 42.50% |
| | IDACI Band A | £711.32 | £988.52 | 0.00 | 0.00 | £0 | | | 76.50% | 42.50% |
| Description | | Primary amount per pupil | Secondary amount per pupil | Eligible proportion of primary NOR | Eligible proportion of secondary NOR | Sub Total | Total | Proportion of total pre MFG funding (%) | Primary Notional SEN (%) | Secondary Notional SEN (%) |
| 3) English as an Additional Language (EAL) | EAL 3 Primary | £617.17 | | 1,043.46 | | £643,990 | £1,222,043 | 1.15% | 0.00% | |
| | EAL 3 Secondary | | £1,657.99 | | 270.76 | £448,919 | | | 0.00% | 0.00% |
| 4) Mobility | Pupils starting school outside of normal entry dates | £1,004.21 | £1,443.55 | 107.26 | 14.84 | £129,134 | | 0.14% | 0.00% | 0.00% |
| 5) Low prior attainment | Primary low prior attainment | | £1,223.88 | 26.87% | 2,660.56 | £3,256,209 | £6,161,096 | 6.46% | 90.00% | |
| | Secondary low prior attainment (year 7) | 55.77% | £1,856.74 | 20.89% | 1,564.51 | £2,904,887 | | | 100.00% | |
| | Secondary low prior attainment (year 8) | 54.47% | | 22.58% | | | | | | |
| | Secondary low prior attainment (year 9) | 54.47% | | 22.46% | | | | | | |
| | Secondary low prior attainment (year 10) | 64.53% | | 21.56% | | | | | | |
| | Secondary low prior attainment (year 11) | 64.53% | | 21.36% | | | | | | |

Local Authority Funding Reform Proforma

Note: only rows relevant to BFC are displayed.

LA Name: Bracknell Forest

Other Factors

| Factor | Lump Sum per Primary School (£) | Lump Sum per Secondary School (£) | Lump Sum per Middle School (£) | Lump Sum per All-through School (£) | Total (£) | Proportion of total pre MFG funding (%) | Notional SEN (%) |
|--|---------------------------------|-----------------------------------|---|-------------------------------------|---|---|-------------------|
| 6) Lump Sum | £141,537.72 | £141,537.72 | | | £5,095,358 | 5.35% | 0.00% |
| 10) Rates | | | | | £1,468,080 | 1.54% | 0.00% |
| Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total) | | | | | £95,047,927 | 99.71% | |
| 13) Additional funding to meet minimum per pupil funding level | | | | | £273,644 | 0.29% | 0.00% |
| Total Funding for Schools Block Formula (excluding MFG Funding Total) | | | | | £95,321,571 | 100.00% | |
| 14) Minimum Funding Guarantee | | | 0.00% | | £39,040 | | |
| Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled) | | | | | Yes | | |
| Capping Factor (%) | 1.40% | | Scaling Factor (%) | 18.07% | | | |
| Total deduction if capping and scaling factors are applied | | | | | -£39,040 | | |
| MFG Net Total Funding (MFG + deduction from capping and scaling) | | | | | £0 | 0.00% | 0.00% |
| Total Funding for Schools Block Formula | | | | | £95,321,571 | | £8,786,622 |
| Notional SEN | Top-up - proportion of NOR | 2.81% | SEN support plus EHCP minus Top-up - propor | 13.04% | Notional SEN funding per eligible pupil | | £2,648 |
| Growth fund (if applicable) | | | | | £162,540.00 | | |
| Total Funding For Schools Block Formula (including growth and falling rolls funding) | | | | | £95,484,111 | | |
| % Distributed through Basic Entitlement | | | | | 80.81% | | |
| % Pupil Led Funding | | | | | 92.83% | | |
| Primary: Secondary Ratio | | | | | 1 : | 1.34 | |
| 24-25 NFF NNDR allocation, excluding prior year adjustments | | | | | £1,468,080 | | |
| Total Funding For Schools Block Formula (including growth and falling rolls funding) after deduction of 24-25 NFF NNDR allocation | | | | | £94,016,031 | | |