

**Bristol Schools Forum**  
**Update on the Dedicated School Grant 2024-25**

<b>Date of meeting:</b>	26th September 2023
<b>Time of meeting:</b>	5.00 pm
<b>Venue:</b>	Bordeaux Room, City Hall

## **1 Purpose of report**

- 1.1 This report provides an outline of emerging DSG funding levels for 2024/25, and updates on changes to the School Block with the implementation of the hard National Funding Formula. As details on allocations are yet to be confirmed any figures are indicative and should be treated only as such.

## **2 Recommendation**

### **2.1 Schools Forum is invited to:**

- a) **Note the indicative 2024/25 funding levels.**
- b) **Note the transition to a hard NFF will continue in 2024-25 and the proposed restrictions relating to the DSG School Block.**
- c) **Note that the LA will consult with schools on items in the local formula, particularly MFG, transfers between blocks, and formula factors.**
- d) **Note that the LA will consult with schools on their views on de-delegation, and then report the results of the consultation to Forum for their decision at the meeting in November.**
- e) **Agree to the re-establishment of a Finance Sub-group to consider funding formula proposals for 2024-25**

## **3 Background**

- 3.1 The ESFA released some details of the Pre-16 schools revenue funding for 2024/25 on Monday 17<sup>th</sup> July 2023. [National funding formula for schools and high needs 2024 to 2025](#)
- 3.2 The published information included provisional National Funding Formula (NFF) allocations for Schools Block (excluding Growth), High Needs Block and Central School Services Block for 2024/25, based on current pupil data. Actual allocations and the Growth allocations will be determined later in the Autumn, based on Autumn 2023 school census data. There was no information on Early Years funding in this release.

3.3 For mainstream school funding (the School Block), the ESFA has indicated the intention to continue to move towards a 'hard' national funding formula, following the implementation in 2023-2024.

3.4 Changes that are expected to be in place for 2024/25 include:

- The NFF calculations for 2024-25 are based on the most up-to-date school and pupil characteristics data. These are taken from the 2023-24 authority proforma tool (APT) data and the 2023/24 general annual grant (GAG) data.
- Local factor values must move a further 10% closer to NFF factor values, with maximum and minimum values in place for factors, further limiting local priorities
- New approach to allocating split sites funding in the NFF.
- Inclusion of previously separated mainstream schools additional grant into the block funding which will be added to the baseline and will increase the per pupil funding, this will also include the funding for pupils who have been eligible for free school meals at any time in the last six years (FSM6) and the lump sum funding; and increasing the minimum per pupil funding.
- Calculation for the low prior attainment proportions will be based on 2019 data.
- Introduction of a compulsory formularised split sites factor in the NFF which local authorities will be required to mirror in their local formulae. This will replace the previous locally determined split sites factor used by some local authorities.
- DfE introducing a methodology for calculating and allocating funding for falling rolls
- New local formula requirements for growth funding.

3.5 Whilst funding allocated to the schools and high needs blocks is distributed to individual LAs using National Funding Formula (NFF), the LA will retain some limited discretion over the local formula in to distributing the schools block to individual schools.

## **4 Funding levels for 2024/25**

- 4.1 The announcement has stated that funding for Funding through the mainstream schools national funding formula (NFF) is increasing by 2.7% per pupil in 2024-25, compared to 2023-24. Taken together with the funding increases seen in 2023-24, this means that funding through the schools NFF will be 8.5% higher per pupil in 2024-25, compared to 2022-23. This is based on pupil and school characteristics data from the 2023- 24 APT, which is based on the Adjusted October 2022 school census data.
- 4.2 The NFF factor unit values for Basic Entitlement (AWPU) FSM6, IDACI, Low Attainment, EAL and the lump sum are being increased, however forum will be aware Bristol currently funds many of these factors at a higher rate than NFF. A comparison between the current local formula factor values, the 2023-24 NFF factor values and the 2024-25 NFF factor values is provided in Appendix 1.
- 4.3 The provisional Schools Block allocation for Bristol has been published at £343.97m, before growth funding, with actual allocations expected to be published in December 2023.
- 4.4 The provisional High Needs Block allocation for Bristol has been published at £89.229m (a £5.8m m increase from 2023/24), with actual allocations expected to be published in December 2023.
- 4.5 The central schools services block provides funding for the ongoing responsibilities that local authorities continue to have for all schools. As it has been the practice in recent years, funding for historic commitments within this block will be reduced by a further 20% for 2024/25. The provisional Central School Services Block allocation for Bristol has been published at £2.693m, with actual allocations expected to be published in December 2023. This is an overall reduction of £24k reflecting a £95k reduction in the historical commitments allocation, partially offset by an increase (+£71k) in funding for ongoing responsibilities allocation.
- 4.6 These provisional allocations are based on current pupil data. Final allocations of the 2024/25 funding will use information from the Autumn 2023 census and are expected to be issued in December 2023.
- 4.7 Table 1 shows the potential funding and comparative increases in the DSG blocks for Bristol for 2024/25.

**Table 1: Indicative 2024/25 DSG funding:**

Comparative allocations	2024/25 Indicative DSG allocation	Comparative 2023/24 DSG allocation	£ change	% change
	£m	£m	£m	
Schools Block excl. growth*	343.968	333.991	9.978	2.99%
Central School Services Block	2.693	2.717	-0.024	-0.90%
High Needs Block	89.229	83.361	5.868	7.04%
<b>Total</b>	<b>435.89</b>	<b>420.069</b>	<b>15.822</b>	<b>3.77%</b>
Growth funding in school block	No data	2.202		
Early Years	No data	37.432		-

\*2023/24 Schools Block funding was adjusted to include Mainstream Schools Additional Grant for comparative purpose.

Data source: [2024-25 NFF summary table](#)

## 5 Restrictions on use

- 5.1 For 2024-25 we will continue to set a local school funding formula following the 2023/24 transition to hard national funding formula and LA's were restricted in their options when setting the local formula for 2023/24. These restrictions will carry on being in place for 2024/25
- 5.2 Minimum funding levels per pupil are increasing again, setting a floor as to the minimum each pupil can attract into a school based upon Key Stage. These minimum funding levels remain a mandatory factor in the local formula and are set out in the table below.

Key Stage	2024-25 minimum per pupil funding levels
Primary (KS1 & KS2)	£4,655
KS3	£5,824
KS4	£6,389

- 5.3 For 2023/24, the MFG reduced to between +0.0% and +0.5% with the Schools' Forum agreeing to set this at +0.0%. For 2024/25, the range remains the same as 2023/24, between +0.0% and +0.5% and the Schools' Forum will need to discuss and agree what MFG rate is set for 2024/25 within this range.
- 5.4 As per 2023 / 24, the ESFA has indicated that LAs will not have any option over the funding factors to employ when composing the formula allocation; every NFF factor must be use, except for the locally determined premises factors that stay optional.
- 5.5 This intends that all local authorities will need to use all three deprivation factor (FSM, FSM6 and IDACI) along with low prior attainment (LPA), english language as an extra verbal communication (EAL), mobility, sparsity and the lump sum. Bristol already uses most of these.

The instruction is that Local governments need to move their local formula fact or information certainly 10 % closer to the NFF, apart from where local formulae are already "mirroring" the NFF. For this purpose, local factor value within 2.5% of the respective NFF value are deemed to be "mirroring" the NFF.

- 5.6 This instruction, combined with the fact that there are also minimum and maximum values being applied for individual factors, will limit Bristol's ability to

choose which factor values to enhance, in order to support local priorities. In previous years Bristol has opted to increase the Additional Education Need (AEN) factors, but depending on the final NFF unit values and boundaries this may no longer be possible.

- 5.7 What is staying the same is that the ESFA is denoting that again LA will be allowed to transfer up to 0.5% of their Schools Block to other blocks of the Dedicated School Grant (DSG), with school forum approval. A disapplication will be required for transfers above 0.5%, or for any amount where school's forum does not approve.
- 5.8 In 2023/24 we transferred £1.627m (0.5%) from the Schools Block to high needs block, this was earmarked specifically to support the Education Transformation Programme.
- 5.9 Consultation will be carried out with schools, prior to the November forum meeting to seek their views of the following items;
- Level of MFG to be applied.
  - Changes to formula factor funding values
  - Transfers between blocks
  - De-Delegation
- 5.10 School Forum is invited to reconvene the October 2023 Finance Sub-Group to review the restrictions on School Block use and the consequences for mainstream schools in Bristol in more detail, and to advise School forum ahead of submitting the final local formula for 2024-25 to the ESFA, in January 2024.

## **6 Mainstream schools additional grant (MSAG)**

- 6.1 Mainstream schools additional grant (MSAG) has been rolled into the 2024-25 NFF

## **7 Growth funding**

- 7.1 For 2024 to 2025, it will be calculated using the same methodology as previous year, based on the growth in pupil numbers between the October 2022 and October 2023 censuses. Growth funding to local authorities to manage increases in pupil numbers. From 2024-25 local authorities will need to provide growth funding where a school or academy has agreed with the local authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an ongoing commitment).

- 7.2 Local authorities will have to provide funding that is at minimum that is calculated using the following formula:

Primary Growth Factor value (£1,550) \* Number of Pupils \* ACA

## **8 De-delegation of services to Maintained Mainstream Schools**

- 8.1 In order that schools and academies can be funded on the same basis, the funding for a number of services have been identified by the DfE as services that must be delegated as part of the initial formula.
- 8.2 Maintained mainstream schools, by a majority vote of the Schools Forum in each sector, can opt to 'de-delegate' the funding for their sector i.e. the LA will hold the funding centrally for the agreed services with the funding spent on that sector only. The agreed retention will not then be paid to maintained schools in the formula.
- 8.3 The LA will consult with maintained mainstream schools to canvass opinion on the de-delegated services. The result of this consultation will be reported to the November meeting of Schools Forum where the maintained school representatives will vote on which services to de-delegate for 2024/25.
- 8.4 The current de-delegated services in scope of the consultation are:

### Primary schools

- Premises & employee insurance
- FSM assessment
- Maternity Supply Cover
- Trade Union Facility time
- Education Psychology
- Support for schools in financial difficulty
- Schools Improvement Service

### Secondary schools

- Premises & employee insurance
- FSM assessment
- Maternity Supply Cover
- Trade Union Facility time
- Health & Safety Reps
- Education Psychology
- Schools Improvement Service

- 8.5 Forum members will recall the previous vote for the 2023/24 formula was to continue to support de-delegation of funding for most, except schools in financial difficulties where delegation was agreed but no funding was collected from schools. Primary representatives voted not to de-delegate new funding for Schools in Financial Difficulty, instead this area is to use surpluses accumulated over previous years in 2024/25.

## **9 Schools Improvement Service De-delegation**

- 9.1 From 2023 to 2024, the school improvement monitoring and brokering grant ceased and is no longer paid to local authorities. The loss of this funding jeopardizes the viability of the service.
- 9.2 The school improvement service is seeking a contribution of approximately £86,000 (1 FTE) via de-delegation to continue to provide a core offer to maintained mainstream schools in 2024-2025. We intend to reenergize the service to support and enable strong school leadership whilst facilitating collaboration between system leaders, clusters and the LA to evolve, develop and share best practice across the sector driven by the moral purpose that all children deserve to be educated in successful schools. To inform policy and practice to raise standards and improve achievement for all groups of pupils, particularly those who achieve less well than their peers, those who are most disadvantaged and those with SEND. To also provide additional capacity for the service to enable bespoke school improvement and other services to be available to schools on a traded basis, where school leaders choose to buy in services provided by the Local Authority.

At present, in September 2023, there are approximately 16,200 pupils in maintained mainstream schools. At these present pupil numbers, to obtain a contribution of £86,000, Forum would be asked to agree a de-delegation per-pupil rate of £5.31 and to continue including this item in the de-delegation consultation.

The consultation is scheduled to commence on 3<sup>rd</sup> October 2023 and will last for 6 weeks; ending on the 14<sup>th</sup> November 2023 in readiness for the November reporting. Following the closure of the consultation, School Forum will be asked to vote on whether to support each area of de-delegation for 2024-25 at the meeting in November 2023. The report officers will bring to School Forum in November information on the accumulated surpluses of de-delegated areas in order to inform the vote for 2024/25.