

Schools Forum - 16 January 2024

Title of paper:	Schools Budget 2024/25
Corporate Directors:	Catherine Underwood - People Ross Brown - Finance and Resources
Report authors and contact details:	Julia Holmes, Senior Commercial Business Partner julia.holmes@nottinghamcity.gov.uk Collins Elechi, Interim Senior Commercial Business Partner collins.elechi@nottinghamcity.gov.uk
Other colleagues who have provided input:	Ann Barrett, Team Leader Legal Services Carol McCrone, Senior HR Consultant (Schools)

Summary

This report presents the proposed Schools Budget for the financial year (FY) 2024/25. The Schools' Budget has been prepared in line with the parameters agreed at Schools Forum (SF) and with the financial regulations issued by the Department for Education (DfE).

As outlined in the report to the 5 December 2023 SF, for 2024/25 the LA has continued to move away from the standard approach of setting a schools budget that balances the budgets by block to the DSG income received as was the approach in 2023/24.

Indicative individual school budgets, Early Years (EY) and High Needs (HN) funding allocations along with guidance notes will be issued by 28 February 2024.

Where applicable, the Local Authority's (LA's) Medium Term Financial Plan (MTFP) incorporates the impact from the Dedicated Schools Grant (DSG).

Recommendations:

- | | |
|----------|--|
| 1 | <p>DSG</p> <p>a) To note the overall indicative 2024/25 Schools Budget to be spent incorporating the Schools, Central Schools Services (CSS), EY's and HN's blocks is £376.155m.</p> <p>b) To note this is funded by:</p> <ul style="list-style-type: none"> i. £374.246m the provisional 2024/25 DSG allocation; ii. reimbursement of £0.302m funding paid to academies for pupil growth for April to August 2024; and iii. £1.493m from DSG reserves to support the additional one-off distribution to mainstream schools, from the balance earmarked for distribution in the DSG reserve for pupil growth. SF approved the allocation of up to £1.493m on the 'Proposed approach to DSG budget setting 2024/25 by block on 5 December 2023 (agenda item 4); iv. £0.104m from the DSG reserve to fund the shortfall in funding in the Schools |
|----------|--|

	<p>Block in 2024/25 if approved by SF. (see paragraph 2.6.1 and recommendation 2).</p> <p>c) To note that the budget will be updated in year to reflect subsequent adjustments made by the ESFA to our 2024/25 DSG allocation as described in the report.</p> <p>d) To note that any balance remaining will be allocated to the Statutory School reserve (SSR). This includes the £2.669m balance of the provisional DSG allocation, which represents a proportion of the additional High Needs funding announced in the Autumn Statement. If any new HN budget requirements arise in year, over and above those planned from the HN budget outlined in this report then separate in-year approval will be sought.</p> <p>e) To note the impact to schools' budgets of the indicative allocation as set out in section 2.5, table 5.</p>
2	To approve the allocation of £0.104m from the DSG reserve to fund the shortfall in funding in the Schools Block in 2024/25. See paragraph 2.6.1
3	<p><u>Additional one-off DSG distribution to mainstream schools</u></p> <p>To note that the budget presented in this report includes the distribution of one-off additional funding to mainstream schools by leaving in the additional £85 per pupil allocated in the financial year 2023/24 in the 2023/24 baselines in 2024/25 which amounts to £1.748m.</p>
4	<p><u>DSG block transfers</u></p> <p>To note that this budget incorporates the £0.508m HN to Central School Services Block transfer approved at SF on 5 December 2023.</p>
5	<p><u>Early Years</u></p> <p>To note that total planned early years central expenditure aligns to the £1.025m approved at SF on the 5 December 2023.</p>
6	<p><u>Pupil Premium (PP)</u></p> <p>To note the allocation of PP funding will be allocated to schools in accordance with the grant conditions.</p>

1. Reasons for recommendations

- 1.1 To ensure an understanding of how and on what basis different DfE grants are allocated to the LA and how they are then allocated to individual schools forming their annual budget allocations.
- 1.2 To provide SF with a summary budget position based on the approvals gained in accordance with the Schools and Early Years Finance (England) Regulations 2023.
- 1.3 To update SF on the impact of any new legislation on the Schools budgets and the financial implications of those changes.

1.4 To ensure transparency over the methodology and approach for the 2024/25 Schools Budget, which incorporates funding from DSG reserves in order to respond to the current level of financial pressures in schools and settings.

2. **Background (including outcomes of consultation)**

2.1 **2024/25 Funding Settlement and overall approach to budget setting**

2024/25 is the seventh year of the National Funding Formula (NFF) for Schools, HN's and CSS which has been used to calculate the block values allocated to LA's. The Early Year's NFF (EYNFF) was introduced one year earlier in 2017/18.

On 17 July 2023 the ESFA released the indicative schools NFF allocations for the financial year 2024/25. However, LA's were then notified on 6 October 2023 that there was an error in the calculation of the schools NFF due to a technical error. The technical error was due to the incorrect processing of pupil numbers in the initial calculations. This error meant that the overall cost of the schools NFF was underestimated, also that incorrect factor values were published in July 2023.

To correct this error the core factors such as the basic entitlement, additional needs and the school lump sum were only increased by 1.4% in 2024/25 instead of the 2.4% quoted in July 2023. The minimum per pupil levels (MPPL) were also reduced to £4,610 from £4,655 per primary aged pupil in 2024/25 and to £5,995 from £6,050 per secondary aged pupil, this meant that they would now increase by 1.4 % not the 2.4% originally quoted.

As outlined at the last meeting on 5 December 2023, the LA are concerned that a significant proportion of schools will struggle to set a balanced budget for 2024/25. This is the reason why the LA proposed to leave in the additional £85 per pupil allocated above the NFF basic entitlement rates in the financial year 2023/24 in the 2023/24 baselines in 2024/25. This was estimated to cost around £1.988m based on pupils recorded on the October 2022 school census. This was the only option available to the LA as the ESFA had confirmed that approval from the Secretary of State would not be given to allocate additional funding in 2024/25 as was done last year as we had stated that the additional funding was a one-off and that other LA's who had tried to allocate additional funding a second time had been rejected.

Schools Forum were consulted on the above proposal on 5 December 2023 – Proposed approach to DSG budget setting 2024/25 by block – Recommendation 1. SF were in support of this approach. All mainstream schools were also consulted between 5-19 December 2023 and the outcome of the consultation is shown in Appendix A. The responses show unanimous support for the proposal to distribute additional funding by leaving in the additional funding given in 2023/24 in the 2023/25 MFG unit value for 2024/25. This is the approach that the LA has taken when setting the 2024/25 school budgets. This has enabled an additional £1.748m to be allocated to mainstream schools above the schools NFF.

In addition, the 2023/24 Mainstream Schools Additional Grant (MSAG) has been rolled into the NFF for 2024/25.

The standard approach followed by the LA in setting the Schools Budget is to set budgets by block which mirror the DSG income received and to mirror the NFF in setting budgets for schools. However, as agreed at the 5 December 2023 meeting, for 2024/25 the LA is responding to pressures both within the Schools Block (SB) and

Central Schools Services Block (CSSB) with the allocation of funding from the DSG reserve to the Schools Block and a block transfer from the High Needs block (HNB) to the CSSB where there is a short-term surplus.

The DSG settlement published on 19 December confirmed £418m in additional funding for high needs linked to the Autumn Statement. This provides Nottingham City with a further £2.926m for High Needs in 2024/25 and means that there will now be a surplus on the HNB for 2023/24 even after the block transfer.

This report builds on the approvals gained at SF at previous meetings as summarised in **Table 1** in paragraph 2.2.

Table 2 in paragraph 2.3 then shows the DSG received into the LA for each DSG block, and summarises the planned DSG spend by block indicating the block transfers and planned use of DSG reserves.

The report then goes on to provide detailed supporting information for each DSG block:

- Section 2.4 of the report provides further detail of the methodology for the DSG income received for each block.
- Section 2.5 shows the year-on-year movements.
- Section 2.6 outlines planned spend or onward distribution to settings from each DSG block.

2.2 The purpose of this report is to provide a 2024/25 summary budget position for Schools; this report is a continuation of budget reports presented to SF during the 2024/25 budget setting process in accordance with the Schools and Early Years Finance (England) Regulations 2023.

These approvals are set out in **Table 1** below:

TABLE 1: ANALYSIS OF APPROVALS		
	Status	Date
De-delegated budgets		
Trade union representative cover	Approved	5 Dec 2023
Schools health and safety tests and inspections	Approved	5 Dec 2023
Block Transfer proposals		
High Needs to CSSB block transfer	Approved	5 Dec 2023
Central budgets		
Schools	Approved	5 Dec 2023
SEN Transport	Approved	5 Dec 2023
Early Years	Approved	5 Dec 2023
Copyright licensing Agreement/Music Publishing Association licences	Education Skills Funding Agency – Top-sliced from the DSG	
Pupil Growth Contingency Fund (PGCF)	Approved	5 Dec 2023

2.3 **Table 2** summarises the DSG income received by DSG block and the total planned spend. Information to support this summary is provided in the subsequent sections of this report.

TABLE 2: SUMMARY OF 2024/25 DSG BUDGET BY BLOCK £m						
	DSG Block	DSG income	Block transfer	DSG reserves	ESFA reimb.	2024/25 Budget
1	Schools	277.855	0.000	1.597	0.302	279.754
2	Central Schools	3.654	0.508	0.000	0.000	4.162
3	Early Years	31.538	0.000	0.000	0.000	31.538
4	High Needs	61.208	-0.508	0.000	0.000	60.700
5	TOTAL	374.256	0.000	1.597	0.302	376.155

2.4.1 Schools Block DSG Allocation

The school block allocation is based on 3 elements:

a) **Pupil-led and School-led funding**

This is based on a Primary unit of funding (PUF) and secondary unit of funding (SUF).

In 2024/25 this equates to:

- £5,447.53 per primary pupil and
- £7,232.42 per secondary pupil.

These rates are calculated on the level of funding the LA would receive through the 2024/25 NFF which is based on the October 2022 census data.

The Schools Block allocation for 2024/25 is based on:

- The number of primary pupils in Reception to Year 6 on the October 2023 school census plus
- Pupils aged 4 to 10 not assigned to a year group on the October 2023 school census multiplied by the PUF plus
- The number of secondary pupils in Year 7 to Year 11 on the October 2023 school census plus
- Pupils aged 11 to 15, not assigned to a year group on the October 2023 school census multiplied by the SUF.

Pupils in special units and resource provisions are included in the pupil counts above. Reception pupils are counted as one full time equivalent (FTE) irrespective of the hours they attend. No reception uplift has been applied to pupil numbers.

- The 2023/24 MSAG has been rolled into the NFF by:
 - adding an amount representing what schools receive through the grant into their baselines;

- adding the value of the lump sum, basic per pupil rates and free school meals Ever 6 (FMS6) parts of the grant onto the respective factors in the NFF;
 - uplifting the minimum per pupil values by the MSAG's basic per pupil values, and an additional amount which represents the average amount of funding schools receive from the FSM6 and lump sum parts of the grants
- Minimum Funding Guarantee (MFG) of 0.5% has been applied to the allocation of funding given to LA's for schools not fully on the NFF.

Within the regulations LA's can set the MFG between plus 0% and plus 0.5% per pupil. The maximum level has been set for maintained schools and academies to ensure as much of the funding is allocated as possible and to mitigate any significant budget variations that may arise as budgets move towards the NFF.

- As stated in 2.1 the minimum per pupil funding levels (MPPL's) have been increased by 1.4% in the FY 2024/25 and increased to take account of the MSAG funding which has been rolled into the NFF in 2024/25. **Table 3** shows the MPPL values for the financial years 2020/21 to 2024/25:

Table 3: Minimum Per Pupil Funding Levels					
	2020/21	2021/22	2022/23	2023/24	2024/25
Primary	£3,750	£4,180*	£4,265	£4,405	£4,610
Key Stage 3	£4,800	£5,215**	£5,321	£5,503	£5,771
Key Stage 4	£5,300	£5,715**	£5,831	£6,033	£6,331
Secondary with all 5 year groups	£5,000	£5,415**	£5,525	£5,715	£5,995

* From 2021/22 rate includes £180 per primary pupil for the Teachers' Pay Grant (TPG), Teachers' Pension Employer Contribution Grants (TPECG) and the Supplementary fund see below;

** From 2021/22 rate includes £265 per secondary pupil for the Teachers' Pay Grant (TPG), Teachers' Pension Employer Contribution Grants (TPECG) and the Supplementary fund see below.

- In addition to the amounts that have been added for the MSAG the NFF factor values have been increased by:
 - 1.6% to the free school meals factor
 - 1.4% to the basic entitlement, free school meals at any time in the last 6 years (FSM6) and income deprivation affecting children index (IDACI), low prior attainment (LPA), FSM, English as an additional language (EAL), mobility, and the lump sum factors.
 - 0% on premises factors except for Private Finance Initiative (PFI) which has increased by 10.4% for the year to April 2023.
- Following the cancellation or incompleteness of both EYFSP and KS2 assessments in summer 2020 and summer 2021 due to coronavirus (COVID-19), local authorities will not be able to use assessment data from these years in the low prior attainment factor in their local funding formulae. Instead, local authorities will use 2019 attainment data as a proxy for the missing assessments in 2020 and 2022 attainment data as a proxy for the missing assessments in 2021. This is a change from 2023 to 2024 when 2019 attainment data was used as a proxy for the missing assessments in both 2020 and 2021.

- The Education and Skills funding Agency (ESFA) will continue to pay business rates directly to billing authorities on behalf of all state funded schools in 2024 to 2025.
- **The gains cap was removed in the financial year 2020/21.** Therefore LA's will continue to receive all the funding that schools attract under the NFF. LA's will continue to be able to use a cap if they wish to do so. In line with the NFF the LA will continue to not apply a gains cap.

The total funding allocated based on the primary and secondary units of funding totalled £270.667m.

b) Premises

This funding is allocated to LA's based on:

- the new split sites eligibility criteria;
- historic costs in 2023/24 on the exceptional premises factor (Building Schools For the Future costs), with the exception of PFI funding which has been uplifted by the RPIX from April 2022 to April 2023 (10.4%);
- Estimated cost of schools and academies business rates by the LA for 2024/25 which was included on the 2023/24 Authority Pro-forma Tool.

Total funding allocated for premises totalled £5.211m.

a) Growth funding

In 2019/20 the DfE introduced a formulaic approach to funding pupil growth. The total funding received for growth in 2023/24 was £1.911m.

Actual pupil growth allocations have been based on the movement in pupils between the October 2022 and October 2023 school census data in Middle Super Output Areas (MSOA).

In 2024/25 the DfE increased the rates applied to the growth in primary and secondary pupils by 2%. The primary rate in 2023/24 was £1,520 and is £1,550 in 2024/25. The secondary rate in 2023/24 was £2,275 and is £2,320 in 2024/25.

Additional new requirements have been introduced from the financial year 2024/25:

- For the first time local authorities will be required to provide growth funding where a school or academy has agreed with the local authority to provide an extra class to meet basic need in the area (either as a bulge class or as an ongoing commitment). Funding, either through the growth fund, or by adjusting pupil numbers in the APT, growth funding will need to be provided regardless of whether the additional class is within or outside of the PAN.
- As a minimum local authorities will have to provide funding to a level which is compliant with the following formula: Primary and secondary growth factor value (£1,550) x number of pupils x Area Cost Adjustment ACA

Based on the values allocated in both the primary and secondary phases for a class of 30 pupils, the pupil growth criteria Nottingham City exceeds the minimum value per pupil of £1,550 per pupil.

Total funding allocated for growth in 2024/25 totalled £1.977m.

2.4.2 Central Schools Services DSG Allocation

The Central School Services Block (CSSB) is made up of two categories of funding:

- Historic commitments and
- Ongoing commitments

Table 4 below shows the categorisation of budgets within the CSSB.

Commitment	Classification	2024/25 Allocation approved by SF £m
Prudential borrowing	Historic commitment	0.054
Termination of employment costs	Historic commitment	1.609
Contribution to combined budgets	Historic commitment	0.196
Admissions	Ongoing commitment	0.585
Copyright licences	Ongoing commitment	0.264
Schools Forum	Ongoing commitment	0.039
Retained duties	Ongoing commitment	1.320
TPG and TPECG for centrally employed teachers	Ongoing commitment	0.096
Total CSSB		4.162

As stated in the LA's report to SF on 5 December 2023 in the Central Expenditure Budget 2023/24 – Historic Commitments report on 17 July 2023, the ESFA published each LA's 2024/25 illustrative DSG allocations, including those for the CSSB.

In keeping with the DfE's commitment to reduce historic commitment funding, Nottingham City's funding **has been cut by a further 20% in 2024/25** in addition to the reductions to date applied up to 2023/24 of £3.275m.

The 2024/25 reduction is a further £0.465m taking the **total funding reduction to date to £3.740m.**

The ESFA have stated that this funding will be cut year on year until LA's only have the value of the termination of employment and prudential borrowing remaining budgets, for those LA's who have commitments for these costs. This has created a budget pressure for Nottingham City Council.

In the Schools operational guide: 2024 to 2025 the ESFA it is stated in section 34:

"In 2024 to 2025, for those local authorities that receive it, historic commitments funding has been reduced by 20%.

The department has protected any local authority from having a reduction that takes their total historic commitments funding below the total value of their ongoing prudential borrowing and termination of employment costs, in recognition of the time required for such costs to unwind.”

Nationally funding for historic commitments in the FY 2024/25 has been cut by £10.662m.

In 2023/24 the LA received £2.324m for historic commitments.

Total allocation for historic commitments in 2024/25 is £1.859m.

LA's are funded for ongoing commitments based on a national formula which distributes 90% of funding according to a per-pupil factor and 10% of funding according to a deprivation factor. However, in the financial year 2024/25 a third factor has been introduced, a copyright licences per pupil factor to fund the additional costs of copyright licences that local authorities faced in 2023/24.

Both elements have been adjusted for area costs. LA's due to receive reductions in their per-pupil funding for ongoing functions compared to their 2023/24 baseline will be protected against large losses year on year. **The maximum per-pupil reduction in funding is -2.5%**. This has been afforded by placing a gains cap on the amount that LA's can gain under the formula. In 2024/25 LAs will be able to gain a maximum of 5.51%. **Nationally, in 2024/25 the funding for ongoing commitments that LA's have for all schools is £305m, and includes an increase of 3.7% compared to 2023/24.**

In 2023/24 the CSSB unit of funding for Nottingham City for ongoing commitments was £39.62 per pupil. In 2024/25 this has increased to £40.88 per pupil. This equates to a rise of 3.2% per pupil and includes the additional £0.67 per pupil for increased copyright licences costs faced by LA's in 2023/24.

In 2023/24 the LA received £1.697m for ongoing commitments.

In 2024/25 NCC has been allocated £1.795m for ongoing commitments.

The DfE have stated that they will be reviewing central school services, to see which services best sit within:

- LA's ongoing responsibilities for all schools;
- De-delegated central functions for schools that local authorities (for maintained schools) and MATs (for academies) are responsible for;
- Optional traded services for all schools.

They wish to review if there is any scope to set out a clearer list of services to be funded centrally, alongside a greater move towards de-delegated and traded services. There is to be a more technical consultation on this on the future of central schools services.

2.4.3 Early Years Block DSG Allocation

The LA's EY block allocation is based on the EYNFF which was introduced in April 2017. The EYNFF dictates the hourly rate that each LA receives for 3 & 4-year-olds.

Over Summer 2023 the government consulted on proposals for the extension of entitlements to 2Y, this was reported to SF in October as well as EY supplementary grant in Autumn. The changes, which have now been implemented, put the LA above the funding floor as the increase to the LA's funding rates for 2,3 & 4-year-olds is only 4.4% for 2024/25. This represents a £0.24/hour increase for 3 & 4-year-olds and a £1.80/hour increase for 2-year-olds from 2023/24 initial budget allocation.

In addition, from 2023 to 2024 the separate teachers' pay grant and teachers' pensions employer contribution grants are no longer being paid directly to school-based nurseries, and instead this funding has been rolled into the overall quantum of 3- and 4-year-old entitlement funding. The exception to this is the element relating to allocations for maintained nursery schools which has instead been merged into the maintained nursery supplement. This has added £0.15/hour to the LA's hourly rate for 3 & 4-year-olds.

The LA is being funded for 3 & 4-year-olds in 2024/25 at **£5.72 per hour, £8.36 per hour** for 2-year-olds and £11.43 for under 2s from Sep 2024.

The national funding rate for EY pupil premium has been increased by another 2 pence per eligible child per hour taking the rate to 68 pence.

The national funding rate for disability access fund has been increased by £29 per eligible child per year taking the rate to £910 this includes the £53 autumn increase from the EY Supplementary grant.

The LA's provisional EY block allocation, as published on 19 December 2023, is £31.538m.

Within this provisional allocation there is funding for:

- a) 3 & 4-year-old universal entitlement (£14.547m)
- b) 3 & 4-year-old extended entitlement (£4.345m)
- c) 2-year-old funding universal entitlement (£4.576m) and
- d) 2 year old funding working parent entitlement (£4.084m)
- e) Under 2s funding from Sep 2024 (£2.829m) based on 38 weeks
- f) EY Pupil Premium (EYPP) (£0.717m)
- g) Early Years disability access fund (£0.237m)
- h) Maintained Nursery Supplementary (MNS) funding (£0.202m)

Provisional allocations are based on January 2023 pupil numbers.

Final allocations will be based on 5/12ths x January 2024 pupil numbers and 7/12ths x January 2025 pupil numbers.

2.4.4 High Needs Block DSG Allocation

The LA's HN's block allocation is based on the HN National Funding Formula (HN NFF) which was implemented in April 2018.

Based on the indicative 2024/25 DSG settlement published in July 2023, Nottingham City was due to receive a **5% increase** per head of 2-18 population. This was the maximum allowable gain, with LA's receiving increases of between 3% and 5% per head of population.

The 2024/25 allocation is based upon the latest mid-2023 ONS population estimate for Nottingham City of 68,159. This is 0.6% higher than last year's mid-2022 (67,754) population estimate.

The LA's provisional 2024/25 HN block allocation before recoupment is £61.208m.

This represents a **£2.926m increase compared to the latest published 2023/24 allocation of £58.282m.**

The ESFA will make a recoupment deduction from this allocation for direct funding of HN's places.

2.5 Overall DSG funding has **increased since 2023/24 indicative budgets by £29.437m** (£374.256 - £344.819m). This increase is due to the reasons set out in **Table 5** below:

Table 5: 2024/25 Budget Increase Analysis	
2024/25	£m
Schools – Increased pupil numbers and the impact of the changes to the NFF in 2024/25 (43,244 in 2023/24 to 43,915 in 2024/25)	16.877
Premises funding	0.511
National non-domestic rates	0.245
Pupil growth contingency fund	0.067
Historic commitments allocation	(0.465)
Ongoing commitments allocation – effect of increase in rate and increase in pupil numbers	0.082
EY – Impact of the EYNFF 1.8% drop in numbers but fully off-set by 29p/hour increase on 3 & 4 YO funding	0.490
EY – Impact of the EYNFF 29p/hour increase & 3.9% intake on 3 & 4 YO funding	0.394
EY - Indicative funding allocation for 2-year -old working parent entitlement - New funding	4.084
EY - Indicative funding allocation for under 2s entitlement - New funding	2.829
EY – Impact of the EYNFF 13% drop in numbers but fully off-set by £2.70p/hour increase on 3 & 4 YO funding	0.962
EY – Increase in Disability Access Fund 3 – 4-year-olds	0.032
EY – Indicative Disability Access Fund 2-year-olds	0.050
EY – Indicative Disability Access Fund under 2-year-olds	0.020
EY – Increase in Early Years Pupil Premium 3 – 4-year-olds	0.063
EY – Indicative Early Years Pupil Premium 2-year-olds	0.252

EY – Indicative Early Years Pupil Premium Under 2-year-olds	0.013
EY – Increase in supplementary funding allocation for maintained nursery school	0.062
HN – NFF 5% per head funding increase per head of population	2.810
HN – Basic entitlement factor for special school pupils	0.047
HN – Import/Export adjustment change	(0.057)
HN – 2.7% Hospital education funding uplift	0.070
TOTAL ALLOCATION INCREASE	29.437

Overview of DSG Funding Distribution

Table 6 (i) below provides a breakdown of the Schools budget for 2024/25 by block and category of spend and **Table 6 (ii)** shows the 2024/25 allocations compared to preceding years.

TABLE 6 (i) Schools budget for the financial year 2024/25 by block and category of spend

Elements	Schools Block £m	Central Schools Services Block £m	Early Years Block £m	High Needs Block £m	Total DSG £m
Educational settings	278.568	-	30.513	52.401	361.482
Pupil Growth	0.909	-	-	-	0.909
Central Expenditure	-	4.162	1.025	4.997	10.194
De-delegated	0.277	-	-	-	0.277
High Needs Contingency	-	-	-	0.633	0.633
BLOCK TOTAL	279.754	4.162	31.538	58.041	373.495
2024/25 DSG Settlement	-277.855	-3.654	-31.538	-61.208	-374.255
DSG Reserve Funding	-1.597	-	-	2.669	1.062
Reimbursement from ESFA 2024/25	-0.302	-	-	-	-0.302
TOTAL FUNDING	-279.754	-3.654	-31.538	-58.549	-373.495
VARIANCE	0.000	0.508	0.000	-0.508	0.000

TABLE 6 (ii) Comparison of DSG allocations 2020/21 to 2024/25

Elements	Schools Block £m	Central Schools Services Block £m	Early Years Block £m	High Needs Block £m	Total DSG £m
2024/25 Indicative	277.855	3.654	31.538	61.208	374.256
2023/24 as at 16 Nov 23	260.157	4.037	21.811	58.282	344.287
2022/23	246.254	4.570	21.250	52.141	324.214
2021/22	237.015	5.218	20.606	45.001	307.840
2020/21	219.853	6.007	22.219	39.470	287.549

2.6 Distribution of DSG Funding To Settings

The following paragraphs outline in detail how funding is distributed in each block.

2.6.1 Distribution of Schools Block Funding

This block currently totals £279.754m. This is funded by:

- DSG £277.855m (as per **Table 2, 6 (i) & (ii)**);
- Reimbursement of costs from academies of £0.302m
- Reserve drawdown of £1.597m which is made up of the balance earmarked within the DSG reserve for pupil growth £1.493m (approved by SF 5 December 2023) and £0.104m (pending SF approval, see below) from the DSG reserve which is to meet the shortfall in the Schools Block as a result of allocating additional funding to mainstream schools.

On 5 December 2023 the LA outlined in 'Proposed approach to DSG Budget Setting by block 2024/25' report its intention in the financial year 2024/25 to continue to move away from the standard budget setting process of balancing each block budget to the DSG income received for each block. The proposed approach involved:

- passing onto primary and secondary schools additional funding by leaving in the 2023/24 baselines the additional £85 per pupil allocated above the national funding formula rates through the Primary, Key Stage 3 and Key Stage 4 Age Weighted Pupil Units in the financial year 2023/24. **This is one-off funding for the financial year 2024/25 only.**
- Drawing down £1.493m of ring-fenced funding in the SSR.
- Fully fund the Education Welfare Team which is funded through the CSSB. In the past the CSSB has supported £0.156m of costs of the Education Welfare Team but the full cost is £0.508m higher.
- Actioning a HN Block of £0.508m to the CSSB.

Upon calculating all schools 2024/25 budgets based on the October 2023 school census data and leaving in the additional £85 per pupil funding allocated in 2023/24 in the 2023/24 baselines an additional £1.748m has been allocated to mainstream primary and secondary schools above the schools national funding formula.

However, by doing this it has created a shortfall in funding in the Schools Block of -£0.104m. To offset this shortfall the LA proposes to use the forecast underspend on the Pupil Growth Contingency Fund in the financial year 2023/24 of £0.090m, this will be credited to the DSG at the end of the financial year 2023/24. The remaining shortfall balance of £0.014m is also proposed to be funded from the DSG reserve. See recommendation 2 of this report.

It must be noted that in the financial year 2025/26 the LA will need to review the formula once the illustrative funding allocations for 2025/26 have been released by the ESFA to see if there is sufficient funding available in the Schools Block to set a balanced budget.

Under the finance regulations LA's are required to include on the APT estimated pupil numbers for any new schools or schools that have opened in the last 7 years that do not yet have pupils in every year group. Funding for new schools is recouped from the LA the same as any other academy or free school. In the financial year 2024/25 the LA has included estimated pupils numbers for the following schools:

- Bluecoat Trent Academy - In the financial years 2021/22, to 2024/25 the LA has funded through the local funding formula (which mirrors the schools NFF) the new free school Bluecoat Trent Academy which opened in September 2021.

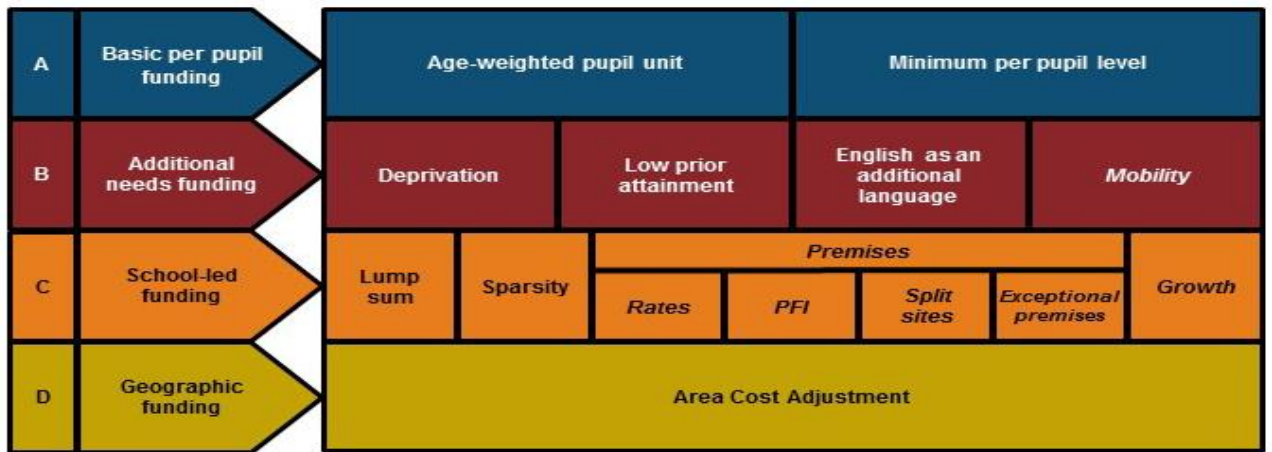
As at the October 2023 school census there were 240 pupils in each of the years 7 and 8 and 180 pupils in year 9, making a total of 660 pupils. From September 2024 a further 8 forms of entry are going to be admitted. Therefore, the LA has funded the new free school for the 660 pupils that were included on the October 2023 school census plus 7/12ths of 240 pupils which are forecasted to be admitted in September 2024. The total number of pupils funded in 2024/25 is 800 pupils.

- Waterside Primary Academy - In September 2024 a new free school named Waterside Primary Academy is due to open. The academy will be a 210 place primary school with a 30 FTE nursery and will open with 30 pupils in reception year and grow year on year until full. As the APT is based on the financial year and the schools budget is based on an academic year so the academy will be funded for 7/12ths of 30 pupils with equates to 17.5 pupils in the financial year 2024/25.

Split site funding has been allocated based on the new national split site criteria and the allocations match the funding received for split site schools.

After applying the +0.5% MFG per pupil within the local funding formula (this is the maximum MFG that can be applied within the formula in 2024/25, and leaving in the additional funding of £85 per pupil allocated through each AWPU in 2023/24 in the 2023/24 baselines in 2024/25 this has created expenditure of £279.754m in the Schools Block. This leaves a deficit balance of -£1.597m on the Schools Block. This is to be funded from the drawdown of £1.493m from the DSG reserve agreed at SF on 5 December 2023 and if approved by SF an additional £0.104m from the DSG reserve as per recommendation 2 in this report.

Figure 2 below illustrates the factors that have been included when calculating schools budgets for 2024/25 based on the NFF.



In 2024/25 the age weighted pupil units (AWPU) have increased by 5% compared to 2023/24 as set out in **Table 7** below:

Table 7: Movement on Age Weighted Pupil Units and the							
	2018/19 & 2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Increase/ (Decrease) 2023/24 to 2024/25
Primary	£2,754.43	£2,864.88	£3,131.62*	£3,249.26	£3,403.40***	£3,572.22****	£168.82
Key Stage 3	£3,873.12	£4,029.09	£4,416.16**	£4,581.49	£4,798.25***	£5,036.41****	£238.16
Key Stage 4	£4,397.70	£4,573.59	£4,976.70**	£5,163.26	£5,407.94***	£5,677.25****	£269.31
Total MFG protection	£9.546m – 2018/19 £11.233m 2019/20	£7.815m	£7.645m	£5.444m	£2.340m	£3.147m	£1.687m - 2019/20 (£3.418m) - 2020/21 (£0.170m) - 2021/22 (£2.201m) - 2022/23 (£3.104m - 2023/24 £0.807m - 2024/25

* First financial year includes £180 per primary pupil for the TPG and TPECG;

** First financial year includes £265 per secondary pupil for the TPG and TPECG.

*** Excludes additional funding of £85 per pupil given in 2023/24, and includes the additional funding passed onto schools for the Supplementary Grant.

**** Excludes the addition funding given to mainstream school in 2024/25 by leaving the additional funding allocated in 2023/24 in the 2023/24 baselines in 2024/25, and includes the additional funding passed onto schools for the Mainstream Schools Additional Grant.

However, in reality due to the MSAG being added into the 2024/25 AWPU rates, the rates have not increased by the 5% they have increased by 1.4%.

The level of MFG protection has risen from £2.340m in 2023/24 to £3.147m in 2024/25. This is mainly due to the inclusion of the additional funding allocated in 2023/24 through the basic entitlement factors not being removed from the 2023/24 baseline funding in 2024/25.

In the financial year 2024/25 LA's are required to:

- Use all the 12 compulsory NFF factors - This means that LA's have to use the basic entitlement factor, all 3 deprivation factors (FSM, FSM6 and IDACI), the MPPL, LPA, EAL, mobility, sparsity, London fringe, split sites and the lump sum factors;
- Apply the national split sites eligibility criteria and factor values;
- move their factor values 10% closer to the NFF factor values.

The above is not an issue for NCC as it already mirrors the NFF factors and factor values.

2.6.2 Distribution of CSSB Funding

The CSSB funding has been allocated as per **Table 4**.

The only revisions that have been made to the CSSB allocations since they were approved by SF 5 December 2023 is to the retained duties funding, which has been increased by £0.027m. The illustrative funding allocation for ongoing commitments was £1.768m. The final allocation for ongoing commitments is £1.795m.

The copyright licences budget has not been adjusted as in previous financial years due to the DfE still being in negotiations with some copyright management organisations for new agreements which will stretch into the new year. Once the final cost is known the copyright licences budget will be adjusted to reflect the actual cost and the adjustment will be netted off the retained duties budget.

This principle was approved by SF.

2.6.3 Distribution of Early Years Block Funding

Table 8 provides an indicative breakdown of the 2024/25 EY block budget:

TABLE 8: EY INDICATIVE BUDGET BREAKDOWN (£m)					
ELEMENT	3 & 4 YO	2 YO	Under 2 YO	DLA	EYPP
<i>Base rate/hour</i>	£5.01	£7.46	£9.72		£0.68
<i>Base rate total</i>	£16.750	£7.522	£2.829		
<i>Supplements</i>					
<i>-Deprivation/hour</i>	£1.00			£910	
<i>-Flexibility/hour</i>	£0.10				
<i>DLA/annum</i>					
<i>Supplements total</i>	£0.766				
<i>MNS lump sum</i>	£0.202				
<i>SEN inclusion fund</i>	£0.283	£0.010			
<i>Contingency</i>	£0.365	£0.832			
TOTAL PROVIDERS	£18.365	£8.364	£2.829	0.237	0.717
Central Expenditure	0.960	0.065			
TOTAL	19.325	8.429	2.829	0.237	0.717

3 & 4-Year-Old Funding

There are no changes to the entitlement of 3 and 4-year-olds, the age group is still funded on the same basis for both universal 15 hours entitlement and the additional 15 hours entitlement for working parent. As stated in 2023 to 2024 budget report, the separate teachers' pay grant and teachers' pension employer contribution grants are no longer being paid directly to school-based nurseries, and instead this funding has been rolled into the overall quantum of 3- and 4-year-old entitlement funding, this has also been factored in 2024-25 funding allocation.

The Early Years Entitlements: LA funding operational guidance 2024/25 encourages LAs to use the discretionary quality supplement to distribute this funding via their local EYFF e.g. to target the funding to take account of additional pressures that some providers might face, from, for example, the need to pay employer contributions to the teachers' pension scheme.

In Nottingham City, we do not currently have a quality supplement in our EYFF. Introducing a quality supplement would represent a change to our EYFF which would require consultation with all early years providers. Such a proposal is likely to be divisive. The EYFF introduced a requirement for a single base rate across both sectors (Schools and PVI) and was supposed to create a level playing field. The government consultation report acknowledges that some respondents, particularly PVIs, questioned the purpose of the TPPG grant more generally, suggesting the grant itself creates inequality between provider types.

The LA is funded at £5.72 and instead of introducing a new funding rates, the LA is proposing to use the £5.01/hour Autumn Early years Supplementary grant in 2024-25 as reported to SF in December, however, if there is need to change the rate in-year we may need to seek approval from the secretary of state. The

funding rates for both 3 and 4-year-old entitlement and the additional 15 hours working parents remain the same as LA should any funding factors equally to both entitlements.

2 Year-old Funding

This year will see the introduction of new working parent entitlements for 2-year-old from April 2024 and extension to aged 9 months and up to 2 years from September 2024, the funding rate by ESFA is £8.36/hour and the LA has also allocated £7.46/hour based on Early year supplementary grant from autumn 2023, an increase of £1.80/hour from 2023-24 initial allocation of £5.66. Raising 2-year-old participation is a target in the Council plan. Some of our “families in need” access places requiring extra involvement in multi-agency meetings from staff in settings. This is key to supporting the Children’s Services improvement journey, keeping children safe and getting them school ready.

The guidelines allowed the LA to ensure funding for deprivation is reflected in the funding for the entitlements, however, LA are not mandated to include this where they choose to have separate formulae for 2-year-old entitlement and working parent, in this context, the LA is proposing to use the same rate for both entitlements as we don’t have a comprehensive working parent data to estimate a full year cost.

9 months and up to 2-year-old entitlement

This is one of the new funding entitlements announced last summer and reported to SF in October, by government directives this will be implemented from autumn 2024 and LA has been allocated £2.829m, funded at £11.43/hour, and by my calculations, the amount allocated to Nottingham City is based on 38 weeks which is a full year cost as against part allocation from Sep-Mar 2025. We have sought clarification from ESFA to confirm if we need to pro-rata this allocation, however, at the time of this report, we have not had any response from ESFA besides acknowledgment of our enquiry. We will be liaising with the settings to for potential take up of these entitlements as well as consult with them to determine local funding rates.

SEN Inclusion Fund

From April 2022, the LA introduced new allocation criteria for the SEN Inclusion Fund as outlined in a paper presented to SF on 25 January 2022.

This new set of criteria included 3 strands of support; child-level, setting-level and universal. The setting-level support is designed to provide additional financial support to settings with high proportions of high needs children. This strand pays £3000 per child attracting HLN over a certain threshold of 1-3 HLN part-time equivalent children according to setting size. This covers the cost of the first £3000 (or £6000 for a full-time child) of additional needs that would otherwise have to be met from their core 3 & 4-year-old funding. There is no change from 2023/24 allocation.

The LA is proposing to maintain the existing SEN IF criteria and funding level. This is seen as an important priority given significantly rising demands experienced by schools and settings in supporting the additional needs that children are currently presenting with in this age group.

2.6.4 Distribution of High Needs Block Funding

Table 9 provides a provisional breakdown of the 2024/25 HN budget, with latest comparative budget figures for 2023/24.

Table 9: Provisional HN Budget Breakdown			
Budget	2023/24 £m	2024/25 £m	Change £m
Mainstream High Level Needs (HLN) including Additional Inclusion Allowance	11.294	11.552	0.258
Special Education Needs (SEN) resource unit top-up funding	0.865	1.059	0.194
SEN resource unit places (via recoupment)	0.246	0.270	0.024
Special School top-up & maintained places	13.132	13.808	0.676
Special academy places (via recoupment)	3.578	3.760	0.182
Net cross border top-ups	0.357	0.375	0.018
Post-16 HLN funding	1.968	2.066	0.098
Further Education places (via recoupment)	0.920	0.960	0.040
Independent/Non Maintained Special School (INMSS)	1.632	1.714	0.082
Hospital & Home Education (HHE) including NEST & HHE contingency	2.587	2.771	0.184
Behaviour PRUs/Devolved Alternative Provisions (AP)	7.373	9.201	1.828
PRU academy places (via recoupment)	1.520	1.600	0.080
AP free schools (via recoupment)	0.039	0.039	0.000
Fair access - allocations for schools	0.300	0.315	0.015
Outreach services delivered from Westbury/Oakfield	0.271	0.264	-0.007
Contribution to residential placements	1.554	1.632	0.078
High Needs settings TPG/TPECG	0.091	0.095	0.004
AP Free schools additional grant	0.113	0.117	0.004
Total Provision	47.841	51.598	3.757
SEN team	0.375	0.394	0.019
SEN specialist equipment	0.066	0.054	-0.012
SEN transport contribution	1.000	1.000	0.000
Disability access	0.200	0.200	0.000
Inclusive education services – Sensory, Learning Support & Autism teams	2.020	2.106	0.086
Intensive Support Team (IST)	0.470	0.581	0.111
Other LA staff supporting inclusion including fair access & teenage parents	0.588	0.580	-0.008
Sensory Occupational Therapy services	0.080	0.084	0.004
Total Central Services	4.800	4.997	0.197
High Needs In-year Contingency	1.350	1.446	0.096
Grand Total	53.991	58.042	4.051

The figures in **Table 9** are provisional and there will be amendments resulting from the detailed calculation of indicative budgets for settings prior to the end of February and the finalisation of 2024/25 service budgets.

The provisional budget figures are underpinned by the following assumptions and principles:

- Incorporates planned high needs place changes for the 2024/25 academic year as submitted to the ESFA in November 2023 and associated top-up funding for special schools and special resource units.
- A base level 0.5% increase in PRU funding levels in line with the level of increase applied to mainstream schools through the MFG.
- A 5% assumed increase in the daily cost of external AP commissioned via the PRU. Top-up funding provided to cover the actual cost of external AP will be adjusted to reflect the extra funding being provided through the separate additional high needs funding allocation.
- Projections of excluded pupils requiring provision funded by the high needs budget underpinned by assumption that permanent exclusions of City Secondary pupils in the academic years 22/23 and 23/24 remain at the same level as 21/22 and participation of all schools in the inclusion model. The assumption on exclusion of City pupils from City primary and County schools has been doubled (from 16 to 32) as permanent exclusions in Autumn term 2022 already total those made in the whole of academic year 2021/22. It also indicates an increase in exclusions in current year and providers requested and increase to make it worth their while, we had increase the exclusion rates by 25% from £11,000 to £13,750 to incentivise them, and this will cost the LA additional £0.610m
- There are plans to increase the total places for pupils at risk of exclusion funded through the 2024/25 devolved funding Inclusion model in line with the overall increase in Secondary aged pupils between October 2022 and October 2023, we will be looking at data from Office of National Statistics (ONS) to determine the national average and compare with NCC.
- A 19% increase to special resource unit (SRU) funding levels due to additional place funding from the 2024/25 place change request
- There is an increase in special school funding levels plus further specific top-up increases where the special school funding review highlighted changes in the pupil cohorts with impacts on staffing requirements.
- Ring-fencing the 5% uplift received for Hospital Education funding for the Hospital & Home Education (HHE) Learning Centre budget/HHE contingency and £0.174m in contingency to cover additional HHE places
- A 5% increase in the post-16 budget to meet rising demand. This budget is demand led and numbers of young people aged 16-25 with EHC plans has risen by over a third in the last 4 years, largely in the extended age range from 19-25.
- A £0.607m increase in the mainstream HLN budget for 2024/25. This is an estimated requirement intended to cover;
 - An uplift to HLN bandings to reflect staffing cost increases from April 2024.
 - The rollout of the revised HLN/Targeted funding system above notional SEN for Secondary aged pupils, however further work needs to be done.
 - The demand pressure arising from increasing numbers of pupils qualifying for HLN funding.

- Implications of a post-implementation review on the HLN roll out in the early years and primary stages.
- In line with 2023/24 introduction of a high needs in-year contingency budget, there is (£1.446m) allocated in year to support a number of potential development areas which are under consideration, but which are not yet in a position to be confirmed or costed:
 - Up to support HHE additional new places 10
 - Current Alternative Provision (AP) commissioning review

The assumption is for 2024/25 the high needs contingency budget has been set at a level that should adequately cover all known plans. As there is a potential £3m underspend in current year and increase of £2.926m HN funding in 2024/25 we estimated a £2.7m balance from HN budget allocation and will show this element as going straight to reserves for use in future years.

Should there be any unforeseen HN budget requirements for 2024/25 that cannot be met from the high needs contingency budget, then appropriate approvals will be sought in-year to fund these from the DSG reserve.

2.7 Pupil Premium Grant (PP)

The total PP allocated to schools is made up of 3 of elements, funding for free school meal pupils (Ever6), service children and post looked after children. Each element has a different pupil criteria.

- **Pupil Premium** – In 2024/25 funding will be allocated to schools based on the October 2023 school census data. The only exceptions to this include alternative provision and pupil referral units where eligibility will continue to be based on the January census.

The ESFA have confirmed the PP rates for each element of the grant for 2024/25.

Table 10: Pupil Premium Comparison				
	FSM Ever6			
	Primary	Secondary	Service Children	Post Looked after Child*
	£	£	£	£
2024/25	1,480	1,050	340	2,570
2023/24	1,455	1,035	335	2,530
2022/23	1,385	985	320	2,410
2020/21 & 2021/22	1,345	955	310	2,345
2018/19, 2019/20	1,320	935	300	2,300
2015/16, 2016/17 & 2017/18	1,320	935	300	1,900

*From 1 April 2023 pupil premium eligibility for pupils who have been adopted from care or have left care will include children adopted from outside of England and Wales.

2.8 Pupil Premium Plus Grant – As per 2.7 the rate for pupil premium plus for looked after children will be £2,570 in the financial year 2024/25.

Detailed guidance on the pupil premium is available at:

[Pupil premium - GOV.UK \(www.gov.uk\)](https://www.gov.uk/pupil-premium)

The pupil premium allocations and conditions of grant for 2024/25 will be published in Spring 2024.

2.9 Other Grants

2.9.1 Teachers' pay additional grant (TPAG) for 2024/25

In July 2023 the ESFA announced £525m in 2023/24 and £900m in 2024/25 to support schools with the September 2023 teachers' pay award. This funding is to be split between mainstream schools, special schools, alternative provision, early years and 16-19 provision.

In 2024/25 the TPAG will cover the whole financial year. Therefore, allocations for 2024/25 will be calculated twelve-sevenths of the funding rates in 2023/24.

Mainstream academies will also receive an additional allocation to cover April to August 2025 because their funding cycle follows the academic year – this will represent five-twelfths of academies' 2024/25 allocations.

The TPAG will not continue as a separate grant in 2024/25 for early years since that funding has been rolled into the core early years funding instead.

Details of post-16 for academic year 2024/25 will be announced in due course.

The ESFA will pay funding direct to mainstream academies.

Local authorities and academies will receive their payments for 2024 to 2025 in 2 tranches. Payments will be made in May 2024 for local authorities, and June 2024 for academies, to cover April 2024 to August 2024; and in October 2024 for local authorities, and November 2024 for academies, to cover September 2024 to March 2025.

The funding will be incorporated into core budget allocations for 2025 to 2026. For primary, secondary and all-through schools, this will mean the funding being rolled into the schools national funding formula for 2025/26.

In recognition of the funding cycle for academies, which follows the academic year (rather than the financial year used for local authority maintained schools), academies will receive an additional allocation of the TPAG to cover April to August 2025. This is the period in advance of the funding being rolled into academies' core budget allocations through the national funding formula. This will be allocated using the same rates and pupil numbers as the 2024 to 2025 grant and will, therefore, represent five-twelfths of their 2024 to 2025 allocations.

Local authorities will receive 2 payments for their special schools and AP schools in 2024/25.

The ESFA will confirm local authorities' first allocations of TPAG funding for special schools and AP schools in May 2024. This allocation will be based on place numbers as reported to ESFA by April 2024. The allocation will also specify an amount of funding specifically for maintained hospital schools (and the equivalent academies). This first payment will be made to local authorities in June 2024.

Local authorities will receive a second allocation of TPAG funding for special schools and AP schools in March 2025, using updated place number data as set out in the [allocations](#) section. This allocation will also specify an amount of funding specifically for hospital schools (and the equivalent academies).

The ESFA will allocate funding for local authorities to pass onto individual schools as listed in the [eligibility for the grant](#) section, except for NMSS who will be funded directly by ESFA.

2.9.2 Teachers Pensions grant for 2024/25

There will be an additional grant for 2024/25 to reflect the additional costs of the increase to the employer contribution rates to the Teachers Pensions' Scheme from April 2024. Further details will be announced in due course.

3. Other options considered in making recommendations

- 3.1 No other options are available as the recommendations align to the financial regulations issued by the DfE in relation to the allocation of DSG and pupil premium.

4. Outcomes/deliverables

- 4.1 To allocate budgets to schools on a fair and transparent basis before 31 March 2024 in accordance with The Schools and Early Years Finance (England) Regulations 2023.

5. Consideration of Risk

The risk associated with this grant will be captured in the 2023/24 outturn report once all grant updates have been received.

6. Finance colleague comments (including implications and value for money/VAT)

- 6.1 Financial implications are contained throughout this report.

The financial allocations set out in this report are in line with the Schools and Early Years Finance Regulations 2023. All the required approvals from SF have been ascertained for the financial year 2024/25 as stated in **Table 1** except for £0.104m which is to meet the shortfall in the School Block as result of leaving in the additional funding given to mainstream schools in the financial year 2023/24 in the 2023/24 baseline funding in 2024/25. See paragraph 2.6.1 and recommendation 2 in this report.

In addition, the approval to transfer £0.508m from the HN Block to the CSS Block was approved by SF on 5 December 2023.

7. Legal colleague comments

- 7.1 The School and Early Years Finance (England) Regulations 2023 make provision for local authorities' financial arrangements in relation to the funding of maintained schools and providers of funded early years provision in England. The Council must ensure that it complies with its obligations in accordance with these Regulations and the DSG Conditions of Grant. Financial advice and compliance confirmation in that respect is given in 6.1 above and in the main body of the report.
- 7.2 The Recommendations appear to be within the Forum's powers and in accordance with its constitution.

Ann Barrett, Team Leader, Legal Services – 8 January 2024.

8. Other relevant comments

- 8.1 There are no direct Human Resources implications as part of this report.

It should be noted that there are a number of teams and posts that are funded by the Dedicated Schools Grant. As the council manages its own financial challenges, caution should be applied to ensure that the funding behind services/posts is fully understood before any proposals are formulated, equality impact assessments are developed as part of any proposals, and best value is demonstrated.

- 8.2 Where funding is time limited or where service reductions are proposed within the Council's Central Education and Children's workforce, or wider within the schools' workforce; this may result in potential staffing implications for the workforce. In the event of any such implications, genuine and meaningful consultation processes will commence with Education and Schools Trade Unions and affected staff, in line with policies and procedures, supported by HR. All financial implications arising from any staffing changes must comply with the Council's spending controls at the time of their application.

Carol McCrone, Senior HR Consultant (Schools) - 8 January 2024

9. Crime and Disorder Implications (If Applicable)

- 9.1 Not applicable

10. Social value considerations (If Applicable)

- 10.1 Not applicable

11. Equality Impact Assessment (EIA)

- 11.1 An EIA is not required because the report does not contain new proposals or strategies.

12. Data Protection Impact Assessment (DPIA)

- 12.1 A DPIA is not required.

13. Carbon Impact Assessment (CIA)

13.1 A CIA is not required.

14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

14.1 None.

15. Published documents referred to in this report

15.1 DfE – The Schools and Early Years Finance (England) Regulations 2023

15.2 DfE Policy document - National funding formulae for schools and high needs 2024-25

15.3 SF – Proposed approach to DSG Budget Setting 2024/25 by block – 5 December 2023

15.4 SF – Central Expenditure Budget 2024/25 – Historic Commitments – 5 December 2023

15.5 SF – Central Expenditure Budget 2024/25 – Ongoing Commitments – 5 December 2023

15.6 SF - De-delegation of funding for trade union time off for senior representatives for 2024/25 – 5 December 2023

15.7 SF – De-delegation request for maintained schools for school improvement and brokerage grant 2024/25 – 5 December 2023

15.8 SF - Early Years Central Expenditure 2024/25 – 5 December 2023

15.9 SF – Proposed pupil growth allocation for 2024/25 – 5 December 2023

15.10 SF – De-delegation of 2024/25 Health and Safety Building Inspection Funding – 5 December 2023

APPENDIX A

Nottingham City School Funding Consultation 2024/25

Overall Summary

A total of 27 responses were received. This included responses from the following schools/setting types:

- 1 Maintained nursery school
- 4 Secondary academies
- 17 Maintained primary schools
- 5 Primary academies

It needs to be noted that two maintained primary schools submitted 2 separate responses from the Head and Business/Office Manager. For the purposes of statistical analysis of responses to Q1 and Q2, only one response has been counted for these schools so that their view is not over represented compared to other maintained schools. Responses show unanimous support for the proposal to distribute additional funding by leaving in the additional funding given in 2023/24 in the 2023/25 MFG unit value for 2024/25. The maintained nursery school response indicated their support but only if they were included in the funding distribution. Unfortunately, it is not possible to fund Nottingham Nursery through this proposal as they are funded separately through the Early Years funding formula. An analysis of each question and summary of responses is provided below.

Consultation results by question

Q1) Do you support the proposal to leave in the additional funding given in 2023/24 in the 2023/24 MFG unit value for 2024/25 for mainstream schools?

Response	Number	%
Yes	25	100
No	-	-
Not Sure	-	-
Total	25	100

The following sample of comments reflect the reasons given by schools for their support:

- The additional funding would enable us to bridge the gap between the rising cost of living and easing some pressure on a very restrictive budget.
- Any additional funding to support our critical budget will be gratefully received and I believe that the current money should be used to support our current cohort of children.
- Schools are facing deficit budgets and it will only get worse. Any extra funding will help towards bringing budgets out of the red and back into the black.
- There should be more funding to support Good schools with higher staffing salaries. Retention is key but the funds need to support this more.

- We have a very stable workforce, we do not have a teacher retention problem. However, this means that we have highly paid teaching staff. We would appreciate more funding to recognise our staff retention as this comes with a cost.
- I support anything that is going to give schools more money but always remain cautious about the wider impact this could have. SEND provision and support is waning and ensuring this vulnerable group receives what they need has to be a priority. Would their high needs block be impacted? What are the other far-reaching consequences? Would we be expected to 'manage' with what we have been given here despite having very real budget cuts from the DfE anyway - especially in light of their financial misadministration.
- We have a deficit budget and this money will help us maintain current staffing levels and reduce the risk of redundancies.
- School Budgets continue to be under increasing pressure and need to increase in order to meet the ever-increasing needs of our pupils.
- Schools are struggling at the moment and it makes sense to equitably divide to help all schools and children.
- All additional funding is welcomed due to current financial pressures.
- We are in desperate need of additional funding so wherever it can be taken from legitimately, it needs to be done. school budget pressures are at their worst and with old buildings and laughable capital funding for maintained schools we need every bit of financial support we can get.
- I am very much in support of this consultation - thank you.
- Rising running costs of schools, rising number on pupils with special educational needs overall, insufficient funding provided to meet the specific needs of high level needs SEND pupils and a decreasing budget is having a significant impact on pupil provision and staff and pupil well-being. Really difficult time to be a head and teacher in a mainstream school in Nottingham City.
- With the financial pressures schools are facing, retaining the additional £85 over and above the Age weighted pupil unit rates will assist us in supporting our students needs.

Q2) Do you agree with the approach of allocating up to £1.493m from the DSG reserve to meet any shortfall in the schools NFF in 2024/25?

Response	Number	%
Yes	24	96
No	-	-
Not Sure	1	4
Total	25	100

All schools except one were in support of allocating up to £1.493m from the DSG to meet the shortfall in the schools NFF in 2024/25 as they felt they needed clarity on how schools would be means tested.

Schools will not be means tested to attract the additional funding in 2024/25. The additional funding that each school receives is dependent upon the make-up pupils within each school (which factor funding they attract). The allocations to each school will therefore vary.