

**Schools Forum  
16 January 2024**

**Final Mainstream Schools Funding Formula for 2024/25**

**1. Purpose of report**

- 1.1 Schools Forum endorsed, and Cabinet approved, the principle for setting the funding formula for mainstream primary and secondary schools for 2024/25 in October 2023, which was the second and final stage of a gradual transition to full National Funding Formula (NFF) rates for Walsall. This is in line with Department for Education (DfE) requirements to transition towards NFF by at least 10% in 2024/25. This allows the use of a local funding formula until full implementation of the NFF is enforced by the DfE. Confirmation of when this will occur is yet to be received.
- 1.2 The Education and Skills Funding Agency (ESFA) requires the final submission of the 2024/25 Authority Pro-forma Tool (APT) by 22 January 2024. The aim of this report is to obtain the endorsement of Schools Forum, which in line with legal requirements and governance will then require approval by the Director of Children's Services at Walsall Council, in consultation with the portfolio holder for Education and Skills, before then being submitted to the ESFA.

**2. Recommendations**

- 2.1 Schools Forum to note the overall level of Schools Block Dedicated Schools Grant (DSG) funding.
- 2.2 Schools Forum to note the funding factor values for 2024/25 to ensure that allocations to mainstream schools via the local funding formula are affordable within the funding that is available (updated values are set out at Appendix A).
- 2.3 Schools Forum to endorse and recommend the formula (as set out at Appendix A), including the changes to funding factor values set out within the report, to the Director of Children's Services, the Portfolio Holder for Education and Skills, and the ESFA.

**3. Background**

- 3.1 This report sets out the changes to the local funding formula factor values for 2024/25 previously approved by Schools Forum at their meeting in October 2023 to ensure allocations remain within available Schools Block Dedicated Schools Grant (DSG) funding.
- 3.2 The Dedicated Schools Grant is divided into 4 notional blocks. These blocks are Schools, Early Years, High Needs and the Central Schools Services block. Mainstream schools funding is funded from the Schools Block. The expected funding allocation the Schools Block for the current and next financial year is as per table 1 below:

<b>Table 1 – Total Walsall Schools Block DSG Funding (before academy recoupment) 2023/24 and 2024/25</b>		
	<b>2023/24 £m</b>	<b>2024/25 £m</b>
Schools Block	264.753	282.959

- 3.3 The increase on Schools Block is partly due to the inclusion of Mainstream Schools Additional Grant (MSAG), which has been rolled into Schools Block in 2024/25. The total MSAG allocation for 2023/24 was £9.150m.

#### **4. 2024/25 Schools Funding Formula Pro-forma**

- 4.1 Walsall's Schools Block Unit of DSG for 2024/25 totals £282.959m (an increase of £18.206m from the 2023/24 total of £264.753m). The amount of funding attracted based on numbers of pupils totals £279.103m, with the value per primary pupil being £5,369 and £6,969 per secondary pupil. In addition, the Schools Block has attracted £2.371m relating to premises costs and £1.485m pupil growth funding.
- 4.2 As set out in paragraph 1.1 Schools Forum has previously endorsed the funding rates for the 2024/25 funding formula for mainstream primary and secondary schools, with the aim that the transition to full NFF rates will be completed over a period of two years with 2024/25 being the second and final year.
- 4.3 Validated pupil data from the October 2023 census confirms that funded pupil numbers have increased overall by 1.2% compared to October 2022. Totals by sector indicate an increase of 0.8% in primary schools and an increase of 1.7% in secondary. Deprivation data also shows an overall increase of 1.0% in the number of disadvantaged pupils to be funded in 2024/25.
- 4.4 A more significant increase, however, is in the number of secondary pupils eligible for free school meals, with an increase of 5.1%. The number of primary pupils eligible for free school meals reduced by 0.9%. The overall cost increase is £3.130m.
- 4.5 The 2024/25 local funding formula allocates an additional £19.944m of funding, when compared to 2023/24, across the six pupil-led funding factors as follows:
- £11.509m funds the increase to Basic Entitlement rates (Average Weighted Pupil Unit AWPUP), plus the increase in overall pupils.
  - £3.130m of additional funding allocated on the basis of free school meals eligibility.
  - £0.541m additional funding for English as an Additional Language (EAL).

- £1.400m additional funding allocated for Deprivation.
- £3.020m additional funding for Low Prior Attainment.
- £0.345m additional funding for Mobility

This £19.944m is largely funded by the £18.206m increase in the Schools Block for 2024/25, with the balance of the funding requirement been made possible by the redistribution of funds from reducing the lump sum funding factor.

- 4.6 All factors mirror the NFF rates as endorsed by Schools Forum and approved by Cabinet in October 2023 with the exception of the AWPU rates for primary, KS3 and KS4, which have been reduced by 0.14%. This minor adjustment is required to ensure the total allocation for all schools is within the total Schools Block funding for 2024/25.
- 4.7 As in previous years, the local authority is required to set a minimum funding guarantee (MFG) in our local formulae to protect schools from excessive year on year changes to their per pupil funding level. For 2024/25, to ensure that the total allocation for all schools is within the total Schools Block funding available for 2024/25, the MFG has been set at 0% which is the minimum level permitted.
- 4.8 The proposal presented to Schools Forum and Cabinet in October 2023, assumed an MFG of +0.5%. Based on the final confirmed DSG allocation and the updated census data from October 2023, this is no longer affordable within the Schools Block allocation and has therefore been reduced to 0%. This still ensures that schools will not see a reduction in their per pupil funding rate.
- 4.9 The MFG protects the per pupil funding rate only therefore schools that have seen a reduction in overall pupil numbers in October 2023 when compared to October 2022, will see a reduction in funding via the basic entitlement AWPU funding factor. This maybe offset for schools that have also had significant changes to pupil characteristics such as deprivation or free school meals as this will attract additional funding on those pupil-led funding factors.
- 4.10 The recommended final funding formula values for 2024/25, incorporating the change set out above is shown at Appendix A, and it can be confirmed that these factor values would be affordable within the available Schools Block of DSG.

## **5. Financial implications / Value for Money**

- 5.1 After analysing the level of Dedicated Schools Grant (DSG) available for 2024/25 and the value of funding set out within the Schools Block, comparing it to the updated formula and values set out in Appendix A, this report confirms the formula would be affordable for 2024/25.

## **6. Legal Implications**

- 6.1 The report ensures that the school funding formula complies with school funding regulations and provides sufficient time to allow the authority to finalise the submission of the 2024/25 Authority Pro-forma Tool (APT) by 22 January 2024, in line with ESFA requirements.

## **7. School Improvement**

- 7.1 As part of making any decisions regarding changes to the funding formula factor values, consideration should be made of the potential impact on the desired outcomes of the Walsall school improvement programme.

## **8. Members eligible to vote**

- 8.1 This report provides an update on the changes that have been required to the formula endorsed by Schools Forum in October 2023 and seeks Schools Forums endorsement of the revised formula (as set out at Appendix A), and recommendation to the Director of Children's Services, the portfolio holder for Education and Skills, and the ESFA. As such, no formal vote is required.

## Appendix A

### Local Funding Formula Factors and their values for 2024/2025

Factor		Indicator / Criteria / Data		£ Unit / multiplier		
Basic Entitlement (AWPU)	Compulsory	October 2023 census		Primary	£3,569.41	
				Secondary – KS3	£5,032.45	
				Secondary – KS4	£5,672.78	
Minimum per Pupil Funding	Compulsory	MPPL rates have been set in guidance		Primary	£4,610.00	
				Secondary – KS3	£5,771.00	
				Secondary – KS4	£6,331.00	
Deprivation	Compulsory	Proportion of pupils eligible for Free School Meals		Primary	£491.72	
				Secondary	£491.72	
		Proportion of pupils eligible for Free School Meals – Ever 6		Primary	£822.88	
				Secondary	£1,204.21	
					Primary	Secondary
		Now changed to use IDACI 2019 ranks to group each lower super output area into one of six bands of decreasing deprivation. IDACI bands have previously been defined on basis of scores.	Pupils in the next 10% most deprived LSOAs	Band F	£235.82	£341.19
			Pupils in the next 10% most deprived LSOAs	Band E	£286.00	£451.58
			Pupils in the next 5% most deprived LSOAs	Band D	£446.56	£632.21
			Pupils in the next 5% most deprived LSOAs	Band C	£486.70	£692.42
			Pupils in the next 5% most deprived LSOAs	Band B	£516.81	£742.60
			Pupils in the most deprived 2.5% of LSOAs	Band A	£682.39	£948.32
		Funding allocated on proportion of pupils in each band.				
Lump Sum	Compulsory			£134,871.74		
Low Prior Attainment	Compulsory	Primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP).		Primary	£1,174.11	
		Secondary pupils not reaching the expected standard in KS2 at either reading or writing or maths.		Secondary	£1,781.23	
English as Second Language	Compulsory	Pupils identified in the October census with a first language other than English may attract funding for up to three years after they enter the statutory school system.		Primary	£592.07	
				Secondary	£1,590.56	
Mobility	Compulsory	Pupils identified as first attending schools from January or May census instead of October.		Primary	£963.37	
				Secondary	£1,384.84	
Business Rates	Compulsory	Rateable value of premises with discretionary relief applied where appropriate.		£0.499 for RV < £51,000 £0.512 for RV > £51,000		

Split Site – basic eligibility and distance	Eligibility	A separate site is recognised either where a single school occupies more than one building separated by a public highway or following an amalgamation of two schools where the new school continues to use the two former sites and have two entrances	£53,888.49 / £26,994.42
Premise Rental	Exceptional circumstance	An exceptional factor approved by DfE to fund one primary school for the premise rental charged by the diocese of the school	£54,000
MFG		Minimum funding guarantee	Set at 0%