



## Schools Funding Forum 28th October 2024

## ITEM 4

**Subject Heading:**

**Schools Funding 2025-26**

**Report Author:**

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**Eligibility to vote:**

**All school and academy members**

### SUMMARY

This report offers information to the Schools Funding Forum representatives on the DfE's 2025-26 Policy Note and the draft Schools and High Needs consultation. It invites LA maintained schools to review the consultation outcomes and consider voting on the proposed service de-delegation.

### RECOMMENDATIONS

1. That Schools Funding Forum notes the update on DfE Funding Policy Note Guidance 2025-26
2. All school and academy members to consider the draft consultation document for the Schools and High Needs Funding 2025-26.
3. LA maintained primary school representatives to review consultation responses and vote on continuing the de-delegation of funding for the following services:
  - (i) Insurance
  - (ii) Free school meals eligibility checking
  - (iii) Maternity leave insurance
  - (iv) EAL service
  - (v) Behaviour support service
4. LA maintained primary and special school representatives to review consultation responses and vote on continuing the de-delegation of funding for the following services:
  - (i) Statutory and regulatory duties
  - (ii) Core school improvement activities

## REPORT DETAIL

### 1. DfE Funding Policy Note Guidance 2025-26 update – November 2024

Due to the general election that took place in July and the change of government, the much anticipated release of the funding levels for education was announced in the Autumn 2024 Budget Statement, with a total core school funding of £63.9 billion in 2025-26, which is £2.3 billion more than 2024-25. The total includes funding through the Schools NFF, High Needs funding, CSSB and Pupil Premium Grants.

Following previous years' principles, the Government has rolled in the Teachers' Pay Additional Grant (TPAG), the Teachers' Pension Employer Contribution Grant (TPECG) 2024 and the Core Schools Budget Grant (CSBG). The CSBG has been annualised and an uplift has been applied to reflect the financial year equivalent of this additional grant. Appropriate adjustments have been made to the NFF factor values and baselines to reflect this.

The DfE have published the guidance on 8 November 2024 of "**Summary policy note for schools and high needs national funding formula 2025 to 2026**", which outlined the updates for 2025-26 with full details of the announcement in **Appendix A**.

Following the provisional rates provided at the October meeting, please note the updated indicative rates for financial year 2025-26, that includes the uplift to the rates taking for inflation and CSBG.

These updated indicative amounts are shown on **Appendix B** in the minimum NFF funding rates to be used in 2025-26 formula and those used for 2024-25.

Local authorities not already using NFF funding rates will be required to bring their own formula closer to the schools NFF. Havering already uses NFF factors and rates.

The key updates for 2025-26 in the Schools Block is as follows:

- The overall structure of the NFF remains largely unchanged, ensuring stability and predictability.
- Teachers' Pay Additional Grant (TPAG) and Teachers' Pensions Employer Contribution Grant (TPECG) are rolled into the NFF, through adjustments to factor values of the lump sums, basic per-pupil rates, and FSM6 allocations associated with these grants.
- Core Schools Budget Grant (CSBG) rates for 2024-2025 recalculated and rolled in to fund the 2024 pay award fully.
- Updated minimum per-pupil funding levels (MPPL) for primary schools of £4,715 per pupil, and for secondary schools, the level is increased to £5,865 per pupil.
- MFG range set between -0.5% and 0%, with rolled in grants (TPAG, TPECG and CSBG) are included in baseline funding, ensuring all schools receive an uplift.
- Growth Fund arrangements remaining unchanged.

- Local authorities are required to move their formulae 10% closer to the NFF if not already mirroring it, the threshold for mirroring remains at  $\pm 2.5\%$  of NFF factor values (accounting for Area Cost Adjustments).

Although the DfE have set the top of the range for MFG to be 0.0%, the DfE have ensured that schools now receive the amounts for TPAG, TPECG and CSBG within their regular funding allocations, and this ensures that these grants are embedded in the baseline funding for future years.

The DfE have indicated that they will release further details on the funding allocations and guidance documents at the end of November and in December, and these updates will be shared with Schools Funding Forum members at the January 2025 meeting.

## **2. Consultation on Schools and High Needs Funding 2025-26**

Following the School Funding Forum meeting and the DfE policy note announcement, the LA has prepared the consultation for Schools Funding Forum members to review and approve for issuing for schools to respond to.

The LA has used the principles of previous years, and the LA is proposing to consult on two options, in line with the previous year.

The options to consult are as follows:

- Option A - 0.5% transfer from Schools Block to High Needs
- Option B – no pre-set transfer from the Schools Block to High Needs. Any transfer would be restricted to unallocated funds available

Further details on the consultation document is in **Appendix C**, and School Funding Forum members are asked to consider the document and to review and propose any changes to the draft document provided.

## **3. De-delegation and Education Services consultation (Maintained Schools)**

At the meeting held on 17th October 2024, the Schools Funding Forum received a report on the de-delegated and Education Services proposals for financial year 2025-26. Following discussion at the meeting, the LA has consulted with Maintained Schools for de-delegation and Education Services.

The Local Authority presented a consultation document for review by the Maintained Schools for the services for 2025-26. The funding consultation was issued on 12th November 2024 with a closing date of 22nd November 2024. The consultation document is shown at **Appendix D**.

## Responses received

The result was as follows:

Ref	Service proposed	Agree	Disagree
A	Insurance	93%	7%
B	Free school meals eligibility checking	100%	0%
C	Maternity Leave insurance	96%	4%
D	EAL Service	75%	25%
E	Social Emotional and Mental Health (SEMH) Team	57%	43%
F	Trade Union Facility Time	89%	11%
G	Statutory and Regulatory Duties (Maintained Schools)	89%	11%
H	Core school improvement activities (SIMB)	71%	29%

Responses were received covering 28 out of 40 maintained schools, 70% of the total number.

A more detailed analysis of the responses, together with any comments submitted, is shown at **Appendix E**.

Maintained schools School Forum members are to note the consultation responses and to agree the recommendation of de-delegation for the following services:

- Insurance
- Free school meals eligibility checking
- Maternity Leave insurance
- EAL Service
- Social Emotional and Mental Health (SEMH) Team
- Trade Union Facility Time
- Statutory and Regulatory Duties (Maintained Schools)
- Core school improvement activities (SIMB)