

	Schools Forum 25 January 2024
	Report from the Corporate Director of Children and Young People
Dedicated Schools Grant Schools Budget 2024/25	
Wards Affected:	All
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	N/A
List of Appendices:	Appendix A – 2024-25 Brent Local Funding Formula Rates Appendix B – School Level Allocations 2024-25
Background Papers:	None
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1.0 Executive Summary

- 1.1. This report sets out the proposed DSG Schools Budget for 2024/25 for consultation and agreement by Schools Forum ahead of the Council budget being set and approved by Full Council in February 2024.
- 1.2. In November 2023, Schools Forum was presented with the provisional DSG allocations, which were published in July 2023. The final DSG block funding allocations were announced on 19 December 2023. This report gives an update on the final Schools Block allocations which includes the growth funding allocation for 2024/25.

2.0 Recommendation(s)

- 2.1 Schools Forum is asked to:
 - a. Approve the transfer of (0.5%) £1.4m from the Schools Block to support the High Needs Block. Department for Education (DfE) regulations permit up to 0.5% of the Schools Block funding can be transferred with Forum approval.

- b. Note the additional funding allocations to Brent, as mentioned in the Government's Autumn Statement 2023.
 - c. Endorse the 2024/25 budget for the DSG Blocks, including the mainstream funding formula, to Full Council for approval.
 - d. Approve 2024/25 growth fund and the change in the current process of allocating growth fund to schools, in line with DfE's mandatory requirements for the treatment of the growth fund allocation.
- 2.2 Maintained school members of the Schools Forum are requested to approve the proposed de-delegation arrangements set out within this report. This includes the proposal to increase the allocation to fund redundancy costs for school-based staff from the de-delegated contingencies budget and the proposal to increase the de-delegated funds from schools to make provisions for the local authority to continue to support school improvement activities.

3.0 Contribution to Borough Plan

- 3.1 This report is linked to the Council's Borough Plan which aims to support babies, children and young people get the best start in life, by working in partnership with schools and other partners to make sure access to education is fair and equal.

4.0 2024/25 DSG Funding Announcements

- 4.1 Additional funding for schools announced since the Spending Review 2021 totals more than £2.4bn in 2023/24, and more than £2.8bn in 2024/25, with the core schools' budgets totalling c£59.6bn in 2024/25.
- 4.2 This includes the additional funding for teachers' pay announced in July 2023; the Teachers Pay Additional Grant (TPAG) provided an additional £482.5m in 2023/24, and £827.5m for 2024/25 for mainstream, special and alternative provision schools.
- 4.3 The government has also committed to providing an extra £4.1bn for childcare by 2027/28 to facilitate the expansion of the new free hours offer, which will bring total investment in childcare to over £8bn.
- 4.4 In the 2023/24 financial year, mainstream schools received additional funding through the mainstream schools' additional grant (MSAG). This grant has now been rolled into the National Funding Formula (NFF) and included in the baselines of 2024/25 Schools Block allocations.

4.5 Pupil premium which is funding to improve education outcomes for disadvantaged pupils in schools in England in 2024/25 will increase to £1,480 for Primary aged pupils, £1,050 for Secondary aged pupils and £2,570 for children who are looked after by the local authority or who have been adopted from care or have left care.

5.0 2024/25 DSG Funding Blocks

5.1 Brent is set to receive a total DSG funding allocation of £397m in 2024/25 compared to £379m in 2023/24. This represents an overall increase of £18m.

5.2 The growth funding allocation has remained the same (£1.2m) as in 2023/24. This allocation is based on the difference between the number of pupils on roll in each school between the October 2022 and October 2023 school censuses. This growth funding allocation is included in the overall Schools Block funding for 2024/25 as shown in Table 1 below.

5.3 Table 1 – 2024/25 Brent DSG Funding Allocations

Confirmed Allocations	Schools Block	High Needs Block	Central Services Block	Early Years	Total
	£'000	£'000	£'000	£'000	£'000
2023/24	270,258	82,205	2,105	24,499	379,067
2024/25	274,404	85,045	2,094	35,196	396,739
Increase/(Reduction)	4,146	2,840	(11)	10,697	17,672
% Change from 2023/24	1.5%	3.5%	(0.5%)	43.7%	4.7%

5.4 The final HNB allocation has been announced as £85.0m. This is £2.8m more than the allocation for 2023/24 and represents a funding increase of 3.5%.

5.5 The 2023/24 HNB expenditure budget, excluding the proportion allocated for Brent children placed in other local authorities is £74.7m. The budget is currently forecast to spend £75.5m. The number of children with Education, Health and Care plans (EHCPs) continues to increase. Therefore, in addition to measures outlined in the DSG deficit recovery plan, it is recommended that there is a transfer of 0.5% from the Schools Block to the HNB to mitigate the growing demand. This equates to a transfer of £1.4m, which would bring the total 2024/25 HNB budget to £86.4m and a net budget of £77.4m after deductions for allocations to other local authorities.

5.6 The 3.5% increase in funding in 2024/25 is considerably less than the 10% increase seen in 2023/24 and will not contribute towards the projected cumulative DSG deficit of £14.6m. It would, however, contribute towards funding any further additional pressures due to continued increases in the

number of ECHPs. A detailed breakdown of the HNB budget will be presented to Schools Forum in February 2024.

5.7 The Early Years (EY) Block allocations were also published in December 2023. The DfE has made further changes to the EY funding formula to take effect from the 2024/25 financial year, following a consultation on the EY funding formula which concluded in September 2022. This includes the introduction of new free childcare entitlements for children of working parents aged 9 months to 3 years. Brent is set to receive £35.2m. This represents an overall increase of £10.7m compared to 2023/24. The hourly rate of the EY NFF for EY Provision for the existing 2-year-old entitlement and the new working parent entitlement is £9.59 in 2024/25, an increase from £6.84 in 2023/24. The 3 and 4-year-olds rate has increased from £5.93 to £6.59 in 2024/25. The detailed Early Years Block budgets are presented in a separate paper to this Schools Forum.

5.8 The Central Schools Services Block funding is allocated to local authorities to carry out central functions on behalf of pupils in maintained schools and academies. The Central Block funding is split into two elements: funding for ongoing responsibilities (£55k increase) and funding for historic pension costs for centrally employed teachers (£66k reduction). The Central School Services Block income was confirmed at £2.1m, a small decrease across both elements of £11k compared to 2023/24.

6.0 Schools Block Expenditure – Mainstream Funding Formula

6.1 Table 2 – Individual Schools Block funding

Details	£
2024/25 DSG allocation	274.40
2024/25 NFF funded NNDR	(2.31)
DSG schools block after deduction of 2024/25 NFF funded NNDR	272.09
Less transfer to HN Block	(1.36)
	270.73
Less growth fund	(0.66)
	270.07
Less De-delegation	(0.79)
Less Education services	(0.52)
Post De-delegation and Education functions budget after deduction of 2024/25 NFF NNDR allocation	268.77

6.2 As shown in Table 2 above, the mainstream funding formula for 2024/25 is £274.4m. This includes £2.3m of the Schools Block funding which has been clawed back by the DfE to pay for Non-Domestic Business Rates directly to

billing authorities on behalf of schools. £0.7m has been excluded for the growth fund with £1.4m proposed to be transferred to the HN Block. The allocation has been reduced by £0.790m for de-delegated funds and £0.519m retained by the council as a contribution towards fulfilling education services including school improvement services. This leaves £268.77m to be transferred to schools.

- 6.3 As was agreed at previous Schools Forums, the DSG contribution to central services to fund education functions was £0.6m, made up of the £0.250m contribution from all schools (included in the growth fund allocation) and £0.360m from maintained schools only. The DfE guidance makes clear that the £0.250m contribution could be charged to the Central Schools Services Block of the DSG and not to be funded from the growth fund. As such, the £0.250m element of this budget which was previously approved at Forum (December 2018) to support Council central services from 2019/20 has been removed from the growth fund, thereby releasing funds back to schools' allocations, however this additional cost cannot be absorbed by the Central Schools Services Block and will lead to a pressure against the Council's General Fund budgets for 2024/25.

School improvement services

- 6.4 The School Improvement Monitoring and Brokering Grant was introduced in 2017 to provide local authorities with funding to support them in fulfilling their statutory school improvement functions under Part 4 of the Education and Inspections Act 2006 and their additional school improvement expectations as set out in the Schools Causing Concern (SCC) guidance (collectively referred to as core school improvement activities).
- 6.5 The government reduced the grant by 50% in 2022/23 and has brought it to an end in 2023/24. Part 7 of Schedule 2 to the School and Early Years Finance (England) Regulations 2023 allows local authorities to de-delegate for all improvement expenditure, including all core improvement activities.
- 6.6 Schools Forum was informed in January 2022 that the local authority would cover the cost of the 50% (£0.109m) reduction in grant funding in 2022/23 and this continued in 2023/24 with an undertaking to provide an update to this Forum.
- 6.7 There is now a requirement to make a £50k saving against the budget that contributes the above 50% from the council's general fund account. As a result of this, it is proposed to increase the de-delegated amount from schools to £0.159m and the local authority will continue to fund the balance of £59k for school improvement services to schools, to continue to support the functions of the Setting and School Effectiveness Service. Proposals for funding for

2025/26 will be presented at the subsequent January 2025 Schools Forum as part of the budget setting process.

6.8 This allocation of £0.159m plus the on-going £0.360m totals the £0.519m budget for education services as shown in Table 2.

7.0 De-Delegations

7.1 Approval to de-delegate is sought on the basis that centralised budgets provide better value, and that maintained schools have open access to the services listed in the table below. Maintained school representatives are required to take a decision for their own school phase on each service on whether to de-delegate. The table below sets out the proposed de-delegated services.

7.2 Table 3 – De-delegated items

	2023/24		2024/25	
Primary Pupil Numbers	18,665		18,554	
Secondary Pupil Numbers	1,890		1,873	
Total Maintained pupils	20,555		20,427	
	Rate per pupil (£)	Amount (£)	Rate per pupil (£)	Amount (£)
Contingencies- Schools in Financial Difficulty	8.53	175,400	8.59	175,400
Contingencies- Redundancy funding	9.73	200,000	14.69	300,000
Free School Meals eligibility service	1.22	25,000	1.22	25,000
Licenses/ Subscriptions	0.27	5,500	0.32	6,500
Staff costs - Maternity & paternity supply cover	10.85	223,000	10.92	223,000
Staff costs - Trade union facilities	2.77	57,000	2.94	60,000
¹ School improvement services	5.30	109,000		
Total De-delegated items		794,900		789,900

Contingencies

7.3 The number of Brent schools experiencing difficulties in 2023/24 has increased with 79% (67% in 2023/24) projecting an in-year deficit. 39% (23% in 2023/24) of these schools' plan to use over 50% of reserves to balance their budgets in 2023/24. It is therefore proposed to continue to de-delegate funds to support schools in financial difficulty. There is a £0.07 increase in the proposed rate for 2024/25 at £8.59, due to reduced number of pupils, to allocate £0.175m.

Schools Forum agreed in January 2022 that if in exceptional circumstances school redundancies are eligible to be funded centrally then these will need to

¹ This budget has been moved from de-delegations and added to the budget for education functions as set out in section 6.3, since funding can now be deducted from maintained special schools and PRUs, as well as maintained primary and secondary schools ([paragraph 53 of Schedule 2 to the School and Early Years Finance \(England\) Regulations 2023](#))

be found from within wider DSG funding. It was agreed that redundancies should be funded from the Schools Facing Financial Difficulties Fund (SFFDF). It is proposed to increase this allocation to £0.3m (£0.2m in 2023/24) at a rate of £14.69 per pupil for centrally funded redundancies, where schools are eligible for funding. This is based on forecast payments in 2023/24 and the expected increase in requests in 2024/25 considering declining levels of schools' reserves.

Free School Meals eligibility

- 7.4 The Per Pupil rates (£1.22) will remain the same as last financial year despite the fall in pupil numbers. This is required to maintain the Free Schools Meals eligibility service at £25k.

Licences and Subscriptions

- 7.5 This covers the cost of two licences which the local authority pays for on behalf of schools. These are the British Pathe and CLEAPPS which is an advisory service that provides support in science and technology for a consortium of local authorities and their schools. It is proposed to increase this allocation to £6.5k in line with the actual cost in 2023/24 and expected inflationary increase in the next financial year.

Staff costs

- 7.6 This covers schools' costs for maternity and paternity supply cover and Trade Union services. It is proposed to increase the Trade Union service budget by £3k to meet additional staff costs from the increase in pay award in the current financial year. The net cost of centrally employing union representatives is estimated at £60k with £0.223m earmarked for maternity and paternity supply cover, in line with the current forecast for 2023/24. This equates to de-delegation rates of £2.94 and £10.92 respectively.

8.0 Growth Fund

- 8.1 The current growth budget funds growth in pupil numbers, as well as the Choice Advice and Fair Access Interview (CAFAl) projects for children who have newly arrived in the UK and require additional educational support.

8.2 Brent's current growth fund criteria

For the Primary Phase that expand in response to the basic need to accommodate pupil; if pupil numbers increase by more than 1.75% as measured by two October census points, then in-year 'Rising Rolls funding' will apply. This is calculated as actual growth x 85% AWPU pro rated.

For the Secondary Phase that expand in response to the basic need to accommodate pupils, by 30 places or more, a pupil number variation will be applied in the first year of growth, based on the number of planned places. Increases in actual pupil numbers in subsequent years will then be funded by the rising rolls mechanism; increased number of pupils x 85% AWPU pro rated. The threshold for triggering rising rolls in Secondary schools is an absolute value of 15 pupils per secondary school.

- 8.3 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 to meet basic need in the area (either as a bulge class or as an ongoing commitment).
- 8.4 The growth fund can only be used to:
- support growth in pre-16 pupil numbers to meet basic need.
 - support additional classes needed to meet the infant class size regulation.
 - meet the revenue cost of new schools.
 - meet revenue costs, for schools, of removing or repurposing surplus places.

The growth fund must not be used to support:

- schools in financial difficulty; any such support for maintained schools should be provided from a de-delegated contingency.
- general growth due to popularity; this is managed through lagged funding. This includes cases where academies have admitted above pupil admission numbers (PAN) by their own choice.

- 8.5 As a minimum local authorities will have to provide funding to a level which is compliant with the following formula:

primary growth factor value (£1,550) × number of pupils × ²ACA

The primary growth factor value will be used for all school types – recognising there is one teacher pay scale and that this funding is a minimum value.

- 8.6 Schools Forum is asked to approve the change in the current basis of allocating growth funding to schools, from allocating funds for popular growth to allocating funds for pupil growth to meet basic need, as the former is not supported by the DfE.

² Area Cost Adjustment. Brent's ACA for 2024/25 is 1.14748

- 8.7 Schools Forum is also asked to approve the change in the current funding criteria to match the DfE's requirements as set out in paragraph 8.5 of this report. There are currently no formal agreements between the local authority and any of the schools to support growth in pre-16 pupil numbers to meet basic need however there are c65 pupils who are expected to be placed in secondary schools during the year. A budget of £0.116m has been earmarked for arrangements with schools to place these children.
- 8.8 The proposal is to set aside a growth budget of £0.656m made up of £0.116m to provide extra classes to meet basic need for the pupils on the waiting list and £0.540m for the current CAFAI arrangements with 3 schools to continue to meet the local authority's requirement to meet basic need for children who have newly arrived in the UK and require additional educational support.

9.0 Falling Rolls

- 9.1 For the first time in 2024 to 2025 the DfE will allocate funding based on both growth and falling rolls. The falling rolls funding will be distributed based on the reduction in pupil numbers that local authorities experience each year. The calculation for 2024/25 will be based on the observed differences between the primary and secondary number on roll between the October 2022 and October 2023 school censuses. The DfE will measure falling rolls using Office of National Statistics (ONS) population data. The falling rolls allocation for each local authority will be £140k per Middle Super Output Area (MSOA) from the ONS data, which sees a 10% or greater reduction in the number of pupils on roll between the two census years. Brent did not receive an allocation for 2024/25.
- 9.2 In addition, the requirement that schools must be Ofsted rated 'good' or 'outstanding' to be eligible for falling rolls funding will no longer apply from 2024/25.
- 9.3 Where local authorities operate a fund, they will only be able to provide funding where school capacity data 2022 (SCAP) shows that school places will be required in the subsequent three to five years. A review of Brent's SCAP demonstrates that fallings rolls are projected for the next 3 to 5 years for the schools experiencing falling rolls and therefore, the funding would not apply for the next financial year.

10.0 Funding Formula Rates

- 10.1 The government is taking a gradual approach to transitioning the local formulae progressively closer to the NFF over time. 2023/24 was the first year of that compulsory gradual process. A fixed target date by which the direct NFF will

be in place has not been set, although the expectation is a move to the direct NFF by the 2027/28 funding year at the latest.

- 10.2 The DfE has provided the 2023/24 factor values including an Area Cost Adjustment (ACA) for Brent. Minimum and maximum allowable rates have also been included so local authorities must either move towards the NFF within the allowable rates or use the actual NFF rates. In line with this requirement, Appendix A provides information on the proposed funding factor rates used in setting the 2024/25 Schools budgets.
- 10.3 To allocate the maximum amount of the Schools Block funding to schools via the funding formula factors, and to make use of the increased funding available in 2024/25 to cushion the impact of the transition, the local funding formula factors used to set the budgets for 2024/25 have been applied as follows to:
- (a) In line with the results of the local authority's consultation with schools on the implementation of the direct NFF and as prescribed by the DfE, implement the compulsory 10% move, and narrow the gap for Primary IDACI B, C, E and F, Secondary IDACI F, Primary LPA and Primary and Secondary lump sums as these factor rates were significantly higher than the NFF.
 - (b) Set all Age-Weighted Pupil Unit (AWPU), Primary and FSM ever6, Primary IDACI bands A and D, Secondary IDACI bands A to E, Secondary Low Prior Attainment (LPA), Primary and Secondary Mobility factors at the NFF rate as the current rates are either almost mirroring the NFF rate or affordable within the allocated funding.
 - (c) To set the DfE's compulsory split site rates at the NFF rates.
 - (d) To utilise the remaining funds after allocating all other factors to move the Primary and Secondary FSM and Primary and Secondary Additional Language (AEL) factors c45% closer to the NFF and within the DfE stipulated factor values.
- 10.4 The change in formula rates primarily allocates 25% of the additional pupil led funding through AWPU for all Primary and Secondary schools and targets schools with high deprivation via FSM as well as schools with a high number of pupils with EAL across both phases.
- 10.5 The Minimum Funding Guarantee (MFG) threshold range for 2024/25 is between 0% and +0.5%. The MFG has been set at the maximum allowable rate of +0.5%. This means that the per pupil funding rates will increase by this proportion. Under these proposals 20 out of 76 schools require an MFG

allocation, and this totals £2.1m. This adjustment is included in the overall post de-delegations and education functions budget as shown in Appendix B.

10.6 Appendix B contains an analysis of the funding formula by individual school, giving both the total formula funding and per pupil funding against the previous year. It should be noted that changes in individual school funding are also caused by changes to the pupil cohort data for that school, for example, the number of pupils attracting the low prior attainment funding factor will change from year to year, so changes in funding are not solely driven by increases or decreases to pupil numbers.

10.7 10 schools are set to see reductions in overall budget share allocations in 2024/25 and this is mainly due to falling rolls ranging from 4% to 22% drop in pupil numbers.

11.0 Update on Split site funding

11.1 Following the [Implementing the direct national funding formula – government consultation](#) which concluded in September 2022, the DfE has announced that from 2024/25, there will be a standardised formula to calculate the funding for schools with split sites in order to ensure consistency across all local authorities.

11.2 The DfE has developed a split sites factor which recognises costs through a basic eligibility criteria that attracts a lump-sum payment of £62k, and a distance 600m eligibility criteria that attracts an additional lump-sum payment of up to £31k.

11.3 Brent's allocation for split site funding is made up of a lump sum of £151,847, plus £113.70 per pupil. There is also an allocation for partial funding at a reduced lump sum of £50,000 where schools met two of the three criteria stated above.

11.4 The table below sets out the split sites funding allocations for 2024/25 for schools that meet the new criteria compared to 2023/24. The 2023/24 rates have been included in the baseline amounts used to calculate these school's 2024/25 minimum funding guarantee and therefore protected the schools from losing out due to this change. The local authority met with the schools' head teachers to help address concerns and respond to queries raised.

11.5 Table 4 – Brents Schools’ Split Site funding for 2024/25

School	DfE's distance to second site (metres)	Basic eligibility	Distance factor	Total 2024/25 allocation	Total 2023/24 allocation
		£	£	£	£
Alperton	670	61,620	30,867	92,487	334,790
Islamia	112	61,620	950	62,570	96,958
Kingsbury High	600	61,620	30,867	92,487	337,860
Leopold	1730	61,620	30,867	92,487	223,933

12.0 Mayor’s Free School Meals Update 2024/25

12.1 In February 2023, the Mayor of London informed all London authorities that he will provide funding at £440 per child for all state-funded primary school children to receive Free School Meals (FSM) for the academic year 2023/24. The Mayor’s ambition was that the funding offers all primary aged children access to a meal at least once a day. The funding was at a rate of £2.65 per meal and provision was also made for Kosher meals funded at a rate of £3.50. These rates are above the government’s current rate of £2.41 which is to enable schools fund the associated costs such as administrative and staffing costs of delivering additional FSMs.

12.2 This was intended to be a one-year arrangement only however, the Mayor informed London authorities on the 9th of January 2024 that the funding will continue for the 2024/2025 academic year which will be until July 2025. The proposed price per meal will also increase from £2.65 to £3.00 per meal which is still higher than the government’s 2024/25 increased rate of £2.53. The rate for the Kosher meals is yet to be confirmed.

13.0 Stakeholder and ward member consultation and engagement

13.1 This paper enables consultation with members of Brent’s Schools Forum. The recommendations include a requirement for the endorsement of the DSG 2024/25 budgets for approval at full council on 29 February 2024.

14.0 Financial Considerations

14.1 The financial implications have been detailed in the body of this paper.

15.0 Legal Considerations

15.1 This report has been drafted with due consideration of the School and Early Years Finance (England) Regulations 2023.

16.0 Equality, Diversity & Inclusion (EDI) Considerations

16.1 Not applicable.

17.0 Climate Change and Environmental Considerations

17.1 Not applicable.

18.0 Human Resources/Property Considerations (if appropriate)

18.1 Not applicable.

19.0 Communication Considerations

19.1 All School Forum papers are published, and all schools will have access to them. The final 2024/25 Schools' budget allocations school will be published on Best Brent by 29 February 2024.

Report sign off:

Nigel Chapman

Corporate Director of Children and Young People