

STOCKPORT COUNCIL

REPORT TO CABINET– SUMMARY SHEET

Subject: Schools Funding Settlement and Local Funding Formula 2024/25

Report to Cabinet

Date: 30 January 2024

Report of: (a) Cabinet Member for Children, Families & Education

Key Decision: (b) Y

Forward Plan General Exception Special Urgency (Mark with a Y if applicable)

Summary:

The Dedicated schools grant (DSG) will continue to be allocated to the LA in four notional blocks for 2024/25 as per the national funding formula (NFF) models, which continue to be complex and provide Stockport a low level of funding in comparison to other LA's. The main funding headlines include:

- The core factors in the schools NFF (such as basic per-pupil funding, additional education needs and the lump sum that all schools attract) will increase by 2.4%.
- The funding floor will ensure that every school attracts at least 0.5% more pupil-led funding per pupil compared with its 2023/24 NFF allocation.
- The minimum per pupil funding levels (MPPLs) as defined by DfE, will mean that, next year, every primary school will be allocated at least £4,610 per pupil (previously £4,405), and every secondary school at least £5,995 (previously £5,715).
- The maintained schools additional grant (MSAG) allocated to schools in 2023/24 has been rolled into the schools NFF. Adding the grant funding to the NFF ensures that this additional funding forms part of schools' core budgets and will continue to be provided.

Further to the above, DfE have confirmed that 2024/25 will continue to be a further year of "transition" towards introducing the "direct" national funding formula (NFF) model and NFF policy from 1 April 2024 will include:

- All local authorities will only be allowed to use NFF factors in their local formulae, except the locally determined premises factors.
- All local authorities will be required to use the new NFF formulaic approach to funding to schools with split sites.
- Local authorities will also be required to continue to move their local formula factors a further 10% closer to the NFF values, compared to where they were in 2023/2024, unless their local formulae are already so close to the NFF that they are classed as mirroring the NFF.

The Minimum funding guarantee (MFG) control mechanism will continue to provide support and stability to any school due to receive a reduced funding level in comparison to their 2023/24 baseline level because of reduced numbers and/or change in school profile. This will be set locally and must be within the range 0 to +0.5% per pupil as defined in regulations.

The early years block of funding will increase to c. £36m locally in line with the extension of the funding entitlements for two years old working families from April 2024 and the under two's offer which will be rolled out from Sept 2024 as per central government plans/announcements in March 2023. The LA will retain centrally funds up to the permissible 5% retention across each funding stream and ensure compliance with the 95% pass-through regulations to ensure providers receive a minimum base rate funding offer as summarized below:

The above will ensure all providers receive a minimum hourly funding rate of:

3&4 years old £5.00 per hour

2 years old offer £7.20 per hour

Under Two's £9.65 per hour

Comments/Views of the Cabinet Member: (c)

The 2024/25 quantum DSG allocation determined via application of the NFF model provides further national investment for schools as part of the previously announced comprehensive spend review up to and including the 2024/25 financial year, which includes a further £440m for high needs pupils on top of the current 2023/24 baseline position.

The updated NFF model (c.1.9% inflationary uplift) alongside the application of the mandatory minimum funding levels (MFLs) that the additional resources allocated via the DSG from central government will ensure all primary schools receive a baseline allocation of £4,610 per pupil and £5,995 per pupil for secondary from April 2024.

The teachers pay additional grant (TPAG) provided to schools from September 2023 in light of the recent pay award will continue as a separate grant to schools in 2024/25 and will be provided at a full year rate from April 2024.

Though schools funding continues to receive a generous overall increase compared to other parts of public sector from April 2021 and is welcomed, Stockport continues to be one of the lowest funded authorities overall and as part of the F40 group will continue to lobby for additional resources.

The high needs block of funding provided to support our most vulnerable cohort of pupils with SEND requirements, continues to be the greatest area of need and demand for specialist provision/support continues to grow at a higher rate than the overall pupil population increase.

The LA is also part of the central governments "delivering better value" (DbV) support program aimed at 50 LA's across the country with a DSG cumulative deficit, we have recently received the first part of our non-recurrent central government allocation of £1m support grant which is being used to finance a series of initiatives, operating models and new strategies as part of our recovery plan to support and enhance SEN across the borough.

Recommendation(s) of Cabinet Member: (d)

The Cabinet is asked to:

(i) Note the details of the Education Funding Settlement for 2024/25.

(ii) Approve the construction of the early year's budget as per section 3.1 to 3.2 and the updated 2024/25 local funding formula for schools as outlined in sections 3.3. to 3.5 and detailed in the table(s) in section 6.2 which will form the basis of the

calculation of school budgets and be notified to the DfE in accordance with statutory requirements.

Relevant Scrutiny Committee (if decision called in): **(e)**

Children & Families Scrutiny Committee

Background Papers (if report for publication): **(f)**

Contact person for accessing
background papers and discussing the report

Officer: Peter Hughes
Tel: 0161 474 3947

'Urgent Business': **(g)**

Yes/ No (Please circle)

Certification (if applicable)

This report should be considered as 'urgent business' and the decision exempted from 'call-in' for the following reason(s):

The written consent of Councillor _____ and the Chief Executive/Monitoring Officer/ Borough Treasurer for the decision to be treated as 'urgent business' was obtained on /will be obtained before the decision is implemented.
