



Northumberland County Council

Agenda Item 8

Schools Forum: 27 November 2024

2025/26 National Funding Formula & School Funding Consultation

1. Purpose of the Report

To provide further additional information in respect of the continuing implementation of the National Funding Formula, the Dedicated Schools Grant (DSG) and associated 2025/26 Schools Funding information. This includes formal consultation with Schools Forum in relation to funding for 2025/26.

2. Recommendations

Schools Forum is asked to:

- a. Support the disapplication request arising from the second phase of the Coquet Partnership reorganisation with effect from September 2025.
- b. Support the disapplication request arising from the first phase of the Berwick Partnership reorganisation with effect from September 2025.
- c. Support the disapplication request in relation to the exceptional Premises factors for Beaufront First School, Seaton Delaval First School and Astley High School.
- d. Agree to a transfer of up to 0.5% (approximately £1.143 million) from the Schools Block to the High Needs Block for 2025/26
- e. Agree to a further transfer of up to 0.5% (therefore up to 1% in total) from the Schools Block to the High Needs Block for 2025/26
- f. Support the associated disapplication request in relation to the Block Transfer.
- g. Agree that the funding values for 2025/26 be set in line with the principles outlined in the report;
- h. Note the delegation of final decisions on the values to the Executive Director of Children's Services, in consultation with the lead member for Children's Services once final funding becomes known in December 2024, in order to enable the required Cabinet report to be prepared and submitted to the 14 January 2025 meeting, and the submission of the necessary return to the ESFA by 22 January 2025.
- i. Receive a further report to the Schools Forum meeting on 15 January 2025 on the outcome of the consultation with schools and final funding values to be used for 2025/26.

3. Background

Schools Forum has previously received reports outlining developments in relation to the National Funding Formula (NFF). There is usually information published by the ESFA during July relating to provisional figures and NFF values for the following financial year, but due to the General Election this was not published this year, hence the cancellation of the usual September Schools Forum meeting.

4. Latest Information

There was a summary policy note published on 06 November 2024, the contents of which can be found at the link below :

<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2025-to-2026/summary-policy-document-for-schools-national-funding-formula-2025-to-2026>

The key information to note in the bulletin is the Total Core School Funding (i.e. Schools Block, High Needs Central Services to Schools Block (CSSB) and pupil premium) is to increase by £2.3 billion to “almost” £63.9 billion, this represents an overall estimated 3.7% increase, but proportionately the High Needs element is in receipt of a higher % increase, as this is cited by the ESFA as being “over 9% compared to the 2024 to 2025 baseline”. If the remaining £1.3 billion is assumed to equate to the Schools Block increase, this would equate to roughly 2.5% however, no definitive figures will emerge until the publication of the DSG allocations in December, which will reflect the October 2024 School Census figures.

5. Minimum Per Pupil Funding (MPPF)

While no formal MPPF Levels have been published for 2025/26, the 06 November bulletin did contain indicative figures, shown below. It is felt at this stage these should be treated with a degree of caution, as the level of increase in the MPPF figures for primary and secondary appears higher than the overall settlement figures as per the previous paragraph. It should be remembered that, as with the other provisional NFF values published on 06 November and included for information only at Appendix A, this now has additional elements “rolled in” that related to separate grants in 2024/25.

Phase	2024/25 MPPF Level	Additions to baselines from grants	CSBG uplift	2025/26 Provisional Figures (6 Nov)	Increase
Primary	£4,610	£257	£62	£4,955	£345 (7.5%)
KS3	£5,771 #	£350	£83	£6,465(secondary)	£470 (7.8%)
KS4	£6,331 #				

the secondary value of £5,995 is a weighted average of the KS3 (3/5) and KS4 (2/5) figures

6. The Funding Floor and Minimum Funding Guarantee (MFG)

The Funding Floor ensures that a school’s funding is protected year on year (on a “ funding per pupil” basis) and that all schools attract a minimum uplift to their pupil-led funding, even if the core formula factors indicate funding should be lower. The ESFA set thresholds for this, as determined by the MFG. For 2025/26, this must be set between -0.5% and 0%. This is 0.5% lower than the thresholds of 0 to 0.5% for 2024/25. In theory a funding floor of -0.5% could mean an overall drop in per pupil funding values for a school, but we will endeavour to maintain this at 0% subject to the final allocations being made available in December. Based on previous 2024/25 figures, this would be at a cost of £145,000 benefitting 15 schools.

7. Central Schools Services Block (CSSB)

There has been little information provided in relation to CSSB funding for 2025/26, other than the 06 November bulletin indicating figures would be between a maximum per pupil reduction (“funding floor”) of 2.5% and a maximum increase / “cap” of 2.98% in the ongoing responsibilities figure, and the previously flagged 20% reduction in the historic

commitment element. The actual 2024/25 figures are shown for information below, together with the potential figures for 2025/26 using the floor and cap figures.

	2024/25 (Actual)	2025/26 Projection (-2.5%)	2025/26 Projection (+2.98%)
Ongoing Responsibilities	£1,489,245	£1,452,014	£1,533,625
Historic Commitments	£668,160	£534,528	£534,528
TOTAL CSSB	£2,157,405	£1,986,542	£2,068,153

8. Early Years Block

No information in relation to Early Years was published in the 6th November bulletin. Details of the 2025/26 EY funding will be received in December together with the rest of the DSG information for 2025/26.

9. De-delegation

De-delegation is the process by which the relevant maintained school members of Schools Forum can agree to have funding deducted at source from maintained schools for certain services as specified by the DfE. For academies and special schools to access these services, they will need to agree to buy in, either on an individual or a multi academy trust level.

For 2024/25, de-delegation was agreed in respect of the following services:

- Contingency for costs arising from reorganisation or restructuring;
- Free School Meal eligibility checking;
- Trade union facility time; and
- Support to underperforming ethnic minority groups and bilingual learners;

It is anticipated that de-delegation will again be sought in respect of these services.

10. Disapplication Requests

11.1 Reorganisation in respect of Coquet and Berwick Partnership areas

As reported to Schools Forum last year, in September 2024, the Coquet Partnership area commenced phase 1 of a reorganisation which saw the 5 feeder First Schools retaining their Year 4 students into Year 5 as part of the 2 year transition to becoming Primary Schools. This process will be repeated in September 2025, when the Year 5 students will continue into Year 6 in the Primary School, Year 4 retained into Year 5 in the Primary Schools, at which point James Calvert Spence College will operate in line with a more traditional secondary Year 7 to Year 13 model.

To reflect this, the November 2023 meeting of the Schools Forum supported a Disapplication Request diverting funding to the 5 Primary Schools from September 2024 to reflect this rather than the standard funding formula lagged model. James Calvert Spence College was funded

for April to August 2024 (5/12 of the year) in respect of the Year 6 students for 2024/25, and from September 2024 to March 2025 (7/12 of the year), the First Schools received further funding in 2024/25 for their current Year 4 students, as measured at the October 2023 school census, to reflect the fact they will be retained those students from September 2024.

A further similar adjustment is required from September 2025 to reflect the retention of those students into Year 6. Last year it was estimated that £232,172 will be redistributed from James Calvert Spence College to the Feeder Primary schools in respect of this adjustment, and a similar amount is anticipated in 2025/26, although at this point no Authority Proforma Tool has yet been made available for modelling purposes for 2025/26.

A similar request is being made in respect of the first Phase of the Berwick reorganisation, which will see Year 4 students retained into Year 5 in the First / Primary Schools wef September 2025.

This required a disapplication request to be made to the ESFA, and this was submitted by the deadline of Monday 18 November.

Schools Forum's support of this Disapplication Request is requested on that basis.

11.2 Exceptional Premises Factor – Rents in excess of 1% of DSG

There has been a longstanding disapplication requests in relation to Seaton Delaval First School (9292228) and Beaufront First School (9292227) in respect of exceptional rental costs that are over 1% of their DSG. These have resulted in approved exceptional circumstance (3) formula factors of £9,000 (Seaton Delaval) and £6,750 (Beaufront) respectively. These now need to be resubmitted on an annual basis. In addition to these, the capital redevelopment of Astley High School means that there is a further request in relation to this school following a new rental agreement and associated costs which are again over the 1% threshold.

This required a disapplication request to be made to the ESFA, and this was submitted by the deadline of Monday 18 November.

Schools Forum's support of this Disapplication Request is requested on that basis.

11.3 Block Transfer

There have been ongoing discussions regarding this following last year's Schools Forum agreement to transfer 0.5%; the 2023 consultation with asked about a larger transfer in the future and the majority of Schools understood and were in favour of this. This is the one of the subjects of a current consultation with Schools and an update will be provided to the Forum on 27 November in respect of this. Historically Northumberland has varied its requested transfer between 0.25% and 1%, in line with the prevailing HN position at the time but give the increase in Plan numbers, resulting financial requests and reported financial position it is felt necessary to seek a transfer of up to 1% for 2025/26.

Any block transfer of over 0.5% will require the agreement of the Secretary of State (SoS) for Education, and for that reason, after discussions held with the ESFA earlier this month, the request is structured in two parts:

- An initial request seeking a transfer of up to 0.5% from the Schools Block to the High Needs Block/ If agreed by Schools Forum this does not needs SoS agreement;
- A further request seeking an additional transfer of up to 0.5% (so up to 1% in total), which will require SoS agreement even if agree by Schools Forum.

To provide some context to this request, the 2024/25 Schools Block DSG saw an allocation of £229.709 million allocated to Schools, a 0.5% transfer would be £1.148 million, or £29.76 for each relevant student in Northumberland.

Discussions with the ESFA are ongoing in relation to the submission of a DSG Management Plan due to the resulting overall DSG deficit. This involves the production of parallel “unmitigated” and “mitigated” figures, showing the projected “in-year” and cumulative deficits, as current projections indicated, and then mitigated figures if proposed actions result in a reduced demands upon HN Block funding.

Proposals shared included the development of alternative “Alternative Provision” models, together with the Specialist Support Base developments which will hopefully enable students to remain in mainstream education for longer. Other proposals in relation to the timings of new banding requests and Notional school level SEN payments which have been implemented with effect from this term, as agreed at the July 2024 Schools Forum.

Schools Forum’s support of this Disapplication Request for a block transfer from the Schools Block to the High Needs block is therefore requested on the following basis:

- (i) Schools Forum are requested to support an initial transfer of 0.5% from the Schools Block to the High Needs Block for the 2025/26 financial year;
- (ii) Schools Forum are requested to support a further transfer of 0.5% (totalling up to 1% in total). If agreed by Schools Forum this would also subsequently require Secretary of State for Education agreement.

11. Schools Consultation

Previously a consultation exercise with all Schools has followed the November Schools Forum meeting seeking support for the recommendations made by Forum. This year it was launched slightly earlier on Tuesday 19 November, so that an update could be brought to Schools Forum, though the consultation does not close until Monday 02 December 2024. The consultation requested schools’ views on the level of the transfer, together with any other suggestions for high needs cost reductions, as well as consulting as to what NFF elements should be funded under NFF levels, and the level of MFG and use of capping and scaling depending on the level of resources available once the DSG settlement is known. A copy of the 17 responses as at Tuesday 26 November is attached at Appendix B.

At this point it is noted there was a clear majority in support of the 0.5% transfer, and reduced numbers in favour of a larger transfer up to 1%.

12. Next Steps:

Because of the short timescales between receiving the final 2025/26 DSG settlement in December, the preparation of a report to the Cabinet meeting on 14 January 2025 and the submission of the final figures to the ESFA by 22 January 2025, delegated powers are sought for the Executive Director for Children’s Services and Lead Member for Children’s Services to set the final figures, in line with the principles and illustrative figures outlined in this report.

As reflected in the recommendations the Cabinet report will seek delegated powers to agree the final values, these will be reported to the Schools Forum meeting on 15 January 2025 prior to submission to the ESFA by 22 January 2025.

13. Summary and Conclusions:

The support of Schools Forum in relation to 2025/26 School Funding is requested in line with the recommendations in section 2 of this report, with regard to the principles to be adopted for the setting of the DSG for 2025/26. Further information will be provided to the January and February 2025 meetings once the final 2025/26 DSG settlement has been received in December 2024, but the views of School Forum are required at this stage to enable the appropriate report seeking approval to go to Cabinet in January 2025, as has been the case in previous years.

Bruce Parvin
Education and Skills Funding Manager
26 November 2024

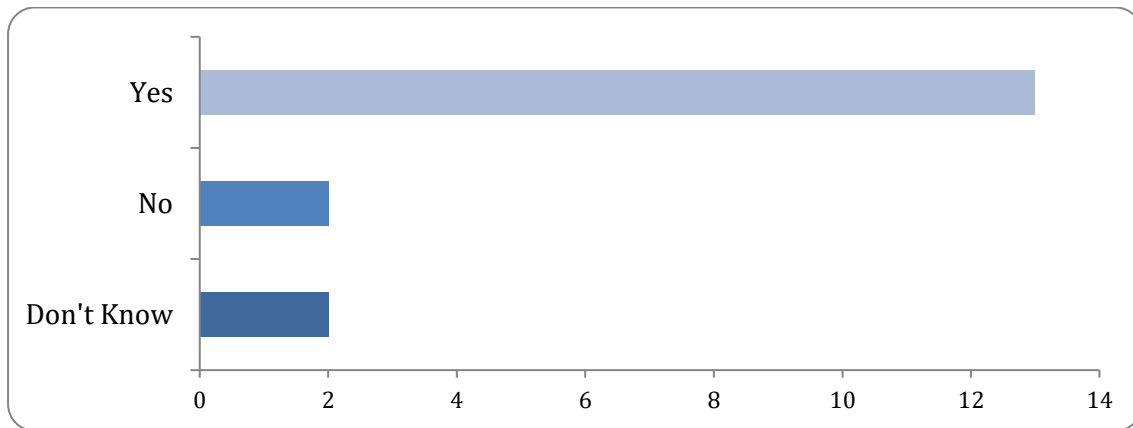
Table 1: Provisional factor values in 2025 to 2026

	2024 to 2025 NFF values	Additions to baselines from grants	CSBG u plift	Sub Total	Other Increases	Provisional 2025 to 2026 NFF values
Basic per pupil funding						
Basic entitlement						
Primary basic entitlement	£3,562	£213	£51	£3,826	£21	£3,847
Key stage 3 basic entitlement	£5,022	£300	£71	£5,393	£29	£5,422
Key stage 4 basic entitlement	£5,661	£339	£80	£6,080	£33	£6,113
Minimum per pupil						
Primary minimum per pupil funding	£4,610	£257	£62	£4,929	£26	£4,955
Secondary minimum per pupil funding	£5,995	£350	£83	£6,428	£37	£6,465
Additional needs funding						
Deprivation						
Primary free school meals (FSM)	£490	£0	£0	£490	£5	£495
Secondary FSM	£490	£0	£0	£490	£5	£495
Primary free school meals Ever 6 (FSM6)	£820	£188	£45	£1,053	£7	£1,060
Secondary FSM6	£1,200	£277	£68	£1,545	£10	£1,555
Primary income deprivation affecting children index (IDACI) A	£680	£0	£0	£680	£5	£685
Primary IDACI B	£515	£0	£0	£515	£5	£520
Primary IDACI C	£485	£0	£0	£485	£5	£490
Primary IDACI D	£445	£0	£0	£445	£0	£445
Primary IDACI E	£285	£0	£0	£285	£0	£285
Primary IDACI F	£235	£0	£0	£235	£0	£235
Secondary IDACI A	£945	£0	£0	£945	£5	£950
Secondary IDACI B	£740	£0	£0	£740	£5	£745
Secondary IDACI C	£690	£0	£0	£690	£5	£695
Secondary IDACI D	£630	£0	£0	£630	£5	£635
Secondary IDACI E	£450	£0	£0	£450	£0	£450
Secondary IDACI F	£340	£0	£0	£340	£0	£340
Low prior attainment (LPA)						
Primary LPA	£1,170	£0	£0	£1,170	£5	£1,175
Secondary LPA	£1,775	£0	£0	£1,775	£10	£1,785
English as an additional language (EAL)						
Primary EAL	£590	£0	£0	£590	£5	£595
Secondary EAL	£1,585	£0	£0	£1,585	£10	£1,595
Mobility						
Primary mobility	£960	£0	£0	£960	£5	£965
Secondary mobility	£1,380	£0	£0	£1,380	£5	£1,385
School-led Funding						
Lump sum						
Primary lump sum	£134,400	£8,006	£1,915	£144,321	£779	£145,100
Secondary lump sum	£134,400	£8,006	£1,915	£144,321	£779	£145,100
Sparsity						
Primary sparsity	£57,100	£0	£0	£57,100	£300	£57,400
Secondary sparsity	£83,000	£0	£0	£83,000	£400	£83,400
Premises						
Split sites	£80,600	£0	£0	£80,600	£400	£81,000
Table 1 above shows the provisional unit values of each factor in the NFF for 2025 to 2026. The column 'Addition to baseline from grants' sets out the rolled in value of the 3 grants from 2024 to 2025 (TPAG, TPECG and CSBG). The column 'CSBG uplift' sets out the additional funding rolled into the baseline to reflect the full year cost of the 2024 teachers' pay award.						

4: Do you support a transfer of 0.5% from the Schools Block to the High Needs Block for the financial year 2025/26, in line with the 2024/25 figure?

Support transfer

There were 17 responses to this part of the question.



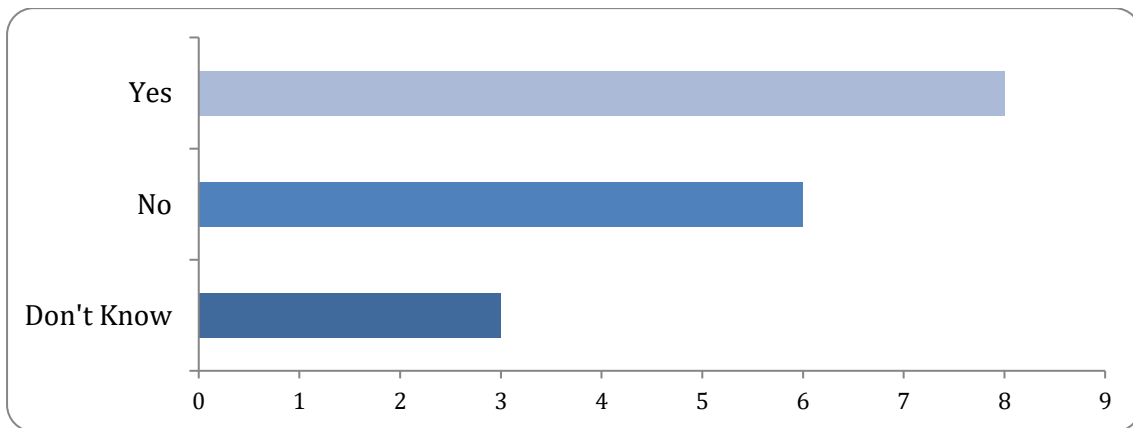
Option	Total	Percent
Yes	13	76.47%
No	2	11.76%
Don't Know	2	11.76%
Not Answered	0	0.00%

5: It is the intention (depending on the final need highs block allocations) to seek an additional 0.5% increased transfer from the Schools Block to the High Needs Block taking the overall transfer to 1% for 2025/26. This additional 0.5% requires the approval of Secretary of State for Education, which is why it is being requested separately to the initial 0.5%. The increase is intended to support growth in additional provision in mainstream schools. This additional 0.5% would bring the proposed transfer to a maximum of 1%, depending on the 2025/26 funding allocation.

Do you support a transfer of an additional 0.5% from the Schools Block to the High Needs Block for the financial year 2025/26?

Comment

There were 17 responses to this part of the question.

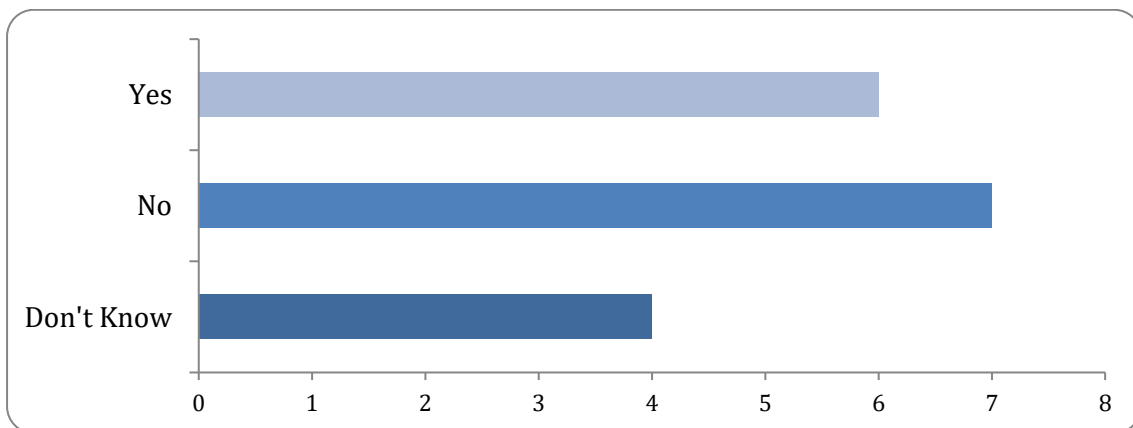


Option	Total	Percent
Yes	8	47.06%
No	6	35.29%
Don't Know	3	17.65%
Not Answered	0	0.00%

6: Would you be supportive of a larger transfer from the Schools Block to the High Needs Block in subsequent years to help address the current £6 million gap in resources?

Support transfer

There were 17 responses to this part of the question.



Option	Total	Percent
Yes	6	35.29%
No	7	41.18%
Don't Know	4	23.53%
Not Answered	0	0.00%

7: Do you have any other suggestions as to how Northumberland can reduce its High Needs overspend?

Comment

There were 17 responses to this part of the question.

Transport provided for those children who receive a mobility car
County Wide publicity to inform parents that an EHCP does not guarantee a special school place. Expectations currently far outweigh resources that are available.
No
Target school transportation - for instance, setting up council transportation instead of private companies. Whilst this comes at initial capital expense, it will resolve significant cost issues around the use of private transportation, particularly taxis. Support for specialist provision to run their own transportation is another way of doing this.
Reduce the number of EHCPs by making it more straightforward to access top up funding - if schools are informed EHCPs will be much harder to get but that specific pots are available to support children, this may also benefit.
Early identification and support through family hubs, etc.
I think that this is extremely difficult. My feeling is that we need to look at :- -how we train staff to manage children with SEND -school ethos and aims, their commitment to supporting children with SEND and how they use the additional funds available -lobbying government to think about school funding as a whole, this would include Pupil Premium and how this is allocated and used
I think there is great variability between what different mainstream schools are offering as reasonable adjustments to meet the the needs of learners within mainstream. This is made worse by individual children only being represented by paperwork. Whilst EPs get involved as part of an assessment, more frequently these are just done over the telephone without meeting the child or seeing their current provision. Is their scope for some of assessment as to whether a school is making reasonable adjustments?
Proactive lobbying of national government. Fewer "out of county" provisions More "on site " fully funded provisions in schools. More effective specialist services so that schools can address needs. Better early identification of need of children coming into nursery and school provisions
Review of EHCP cases
A comprehensive review of the whole service needs to be undertaken in consultation with schools. There needs to be clarity around thresholds and how criteria can be met. There should be a review of funding allocation for specialist places for children in both primary and secondary.
Try to support pupils more in their own location/local schools, to reduce the cost of out of county places or transport costs. Schools keep the suggested increase of 0.5% in school budgets but ring fence it for just SEN. Access to timely support and training as soon as needs are identified in schools which can be either from Health or sen support which maybe before 3 cycles of intervention are completed to ensure needs of pupils are met quickly and effectively and prevent escalation of need, especially for pupils with SEMH.

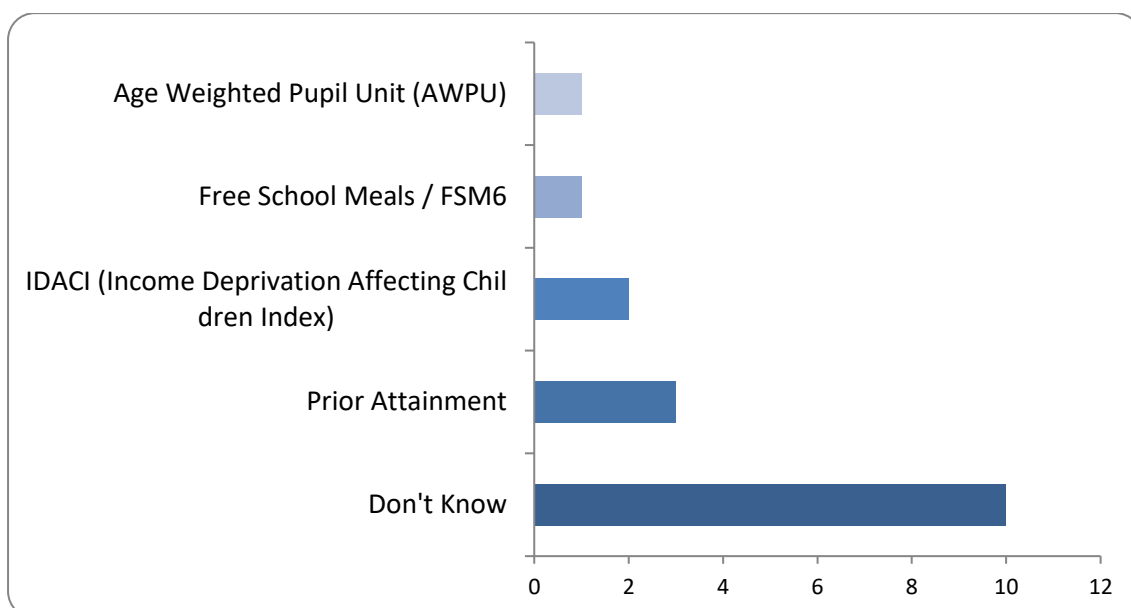
Not beyond those already being considered.
N/A
Additional SEND funding has been committed in the recent budget - this should be explored first. Secondly current EHCPs identify strategies that are undeliverable within the additional and top-up funding that schools are given... therefore suggest manageable workable strategies that can be costed and embed that costing into the EHCP directly so that those identifying strategies in EHCPs are ensuring that these are deliverable by the schools..
It is an impossible situation for all and I wish I had some answers. We invest in staff to be as inclusive as possible but, with budget shortfalls looming for our school, we will have to reduce staffing numbers.
Not without fully understanding the breakdown of income v's expenditure and what that expenditure actually goes on.
None I can currently think of
Work with mainstream schools to improve the provision in order to decrease the demand on special schools. Support mainstream schools to increase parental understanding about the level of complexity of need to help parents see the level of provision required rather than what they expect. Support parents to understand what is reasonable to expect in mainstream and provide examples of success to help them see that mainstream may be able to meet their child needs.

8: Following receipt of Northumberland's DSG Allocation for 2025/25, if it is not possible to fund all formula elements at the National Funding Formula values, which formula factor should be reduced to balance DSG:

Comment

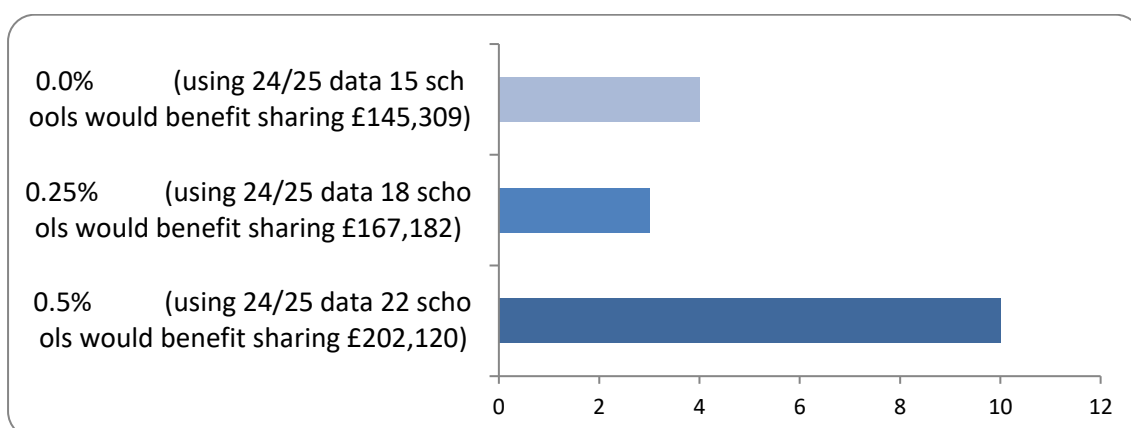
There were 17 responses to this part of the question.

Option	Total	Percent
Age Weighted Pupil Unit (AWPU)	1	5.88%
Free School Meals / FSM6	1	5.88%
Lump Sum	0	0.00%
IDACI (Income Deprivation Affecting Children Index)	2	11.76%
Prior Attainment	3	17.65%
Don't Know	10	58.82%
Not Answered	0	0.00%



9: At what level do you believe Northumberland's MFG should be set for 2024/25? setting MFG

There were 17 responses to this part of the question.

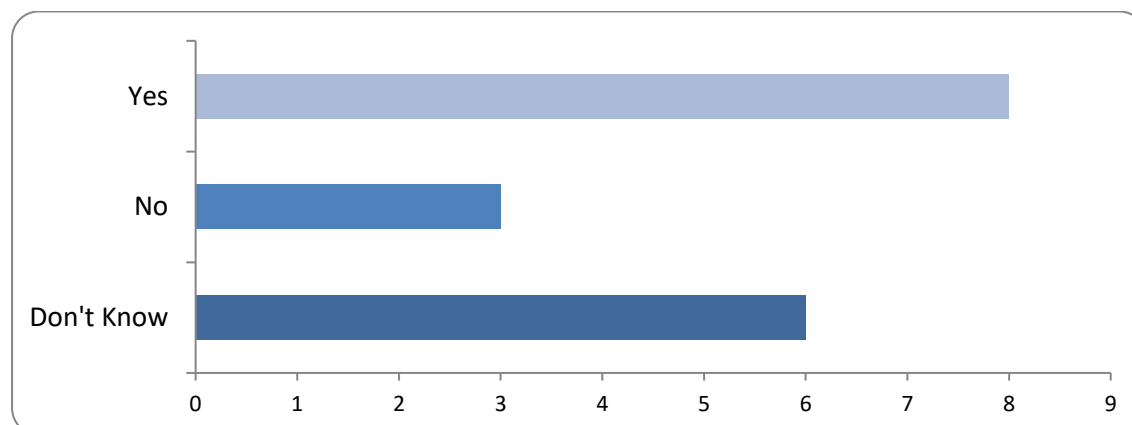


Option	Total	Percent
0.0% (using 24/25 data 15 schools would benefit sharing £145,309)	4	23.53%
0.25% (using 24/25 data 18 schools would benefit sharing £167,182)	3	17.65%
0.5% (using 24/25 data 22 schools would benefit sharing £202,120)	10	58.82%
Not Answered	0	0.00%

10: Do you support the potential use of capping and scaling as part of the 2025/26 School Budget setting process?

Yes/No

There were 17 responses to this part of the question.



Option	Total	Percent
Yes	8	47.06%
No	3	17.65%
Don't Know	6	35.29%
Not Answered	0	0.00%

11: Please provide any other comments that you have in relation to School Funding or SEN Finance

Comment

There were 6 responses to this part of the question.

I understand that there is only so much money in the pot. As a small special school our funding is very challenging. We have no way of increasing our roll and therefore no way of gaining more baseline funding. We continue to try and ensure that we balance our budget and remain in a positive position this is becoming increasingly difficult in the current climate.
School funding is stretched to the limit and the provision for children with SEN is a massive strain. Even with an EHCP the funding provided is insufficient to fully address needs and has a negative effect on the budget available for school development.
Consideration should be given to schools in a deficit budget when funding other school's financial viability. If a school already has a deficit then using part of their fund allocation to support other areas does not support the individual school's attempts to reduce their deficit.
See answer 7.
See answer 7.
Both need more funding from Central Government