

**(BARKING AND DAGENHAM SCHOOLS FORUM)**

**17 December 2024**

<b>Title:</b> Schools' Forum Report	
<b>Open</b>	For Decision / For Information
<b>Wards Affected: All</b>	Key Decision: No
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<b>Summary:</b> The purpose of this report is to update the Barking and Dagenham Schools Forum on:  <ol style="list-style-type: none"><li>1. Update on Schools, Central, High Needs and EY DSG Blocks Allocations 2024/25</li><li>2. 2024/25 Projected DSG Outturn</li><li>3. Update on 2024/25 Projected High Needs Outturn</li><li>4. National Funding Formula for 2025/26</li><li>5. Schools Block Funding Formula – 2025/26</li><li>6. Revised Growth Fund allocation for 2024/25</li></ol>	

7. Revised Falling Rolls criteria and allocation for 2024/25

8. Any other Business

**Recommendation(s)**

The Schools' Forum is requested to:

1. Note the updated 2024/25 DSG funding.
2. Note the projected DSG outturn for 2024/25
3. Note and comment on the 2024/25 High Needs outturn position.
4. Note and comment on National Funding Formula for 2025/26.
5. Note and comment on proposed Local formula funding model for 2025/26.
6. Note changes to the growth fund allocation for 2024/25.
7. Note the proposed distribution of falling rolls budget for 2024/25.
8. Any other business

**Reason(s)**

The Schools Forum Regulations 2012 requires that the Schools' Forum meets regularly and is consulted by the local authority concerning the Dedicated Schools Budget and various related matters.

## 1. Update on Schools, Central, High Needs, and Early Years Block

1.1 The DfE has published a revised allocation for the 2024/25 Dedicated Schools Grant (DSG), in November 2024. The current DSG allocation for LBBB is a total of **£365.6m** across the four blocks (excluding academy recoupment). Adjustments have been made to the latest allocation published on the 19th of November. There has been a reduction of **£1.767m** to the overall DSG allocation.

The updates from November are detailed in the table below.

2024/25 DSG allocation as a July 2024				2024/25 DSG allocation as at Nov 2024			
	Before recoup't £000's	Less recoup't & Rates £000's	Net £000's	Before recoup't £000's	Less recoup't & Rates £000's	Net £000's	Movement £000's
	(a)	(b)	('c) = (a) - (b)	(d)	('e)	(f) =(d) - (e)	(g) = (f) - (c)
Schools Block	275,744	78,082	197,662	275,744	78,397	197,347	(315)
Central Block	2,118	0	2,118	2,153	0	2,153	35
High Needs	56,586	5,013	51,573	56,580	5,013	51,567	(6)
Early Years	32,633	0	32,633	31,152	0	31,152	(1,481)
	<b>367,081</b>	<b>83,094</b>	<b>283,987</b>	<b>365,629</b>	<b>83,094</b>	<b>282,219</b>	<b>(1,767)</b>

Table - Updated DSG Grant Allocation for 2024/25 (in £'000s)

1.2. There has been a significant net reduction of **£1.481m** in the Early Years funding. This change is due to a drop in the take up of the 2-year-old entitlement for working parents (£1.559m) offset by an increase of £488k in the number of hours for the under 2- year-olds.

1.3 The School Block allocation has reduced by **£315k** because of a change to the amount recouped to fund academies. The small change of **£6k** on the High Needs block is due to the import/export adjustments. The increase in the central block is due to an increase in the unit funding of 85p per pupil.

Recommendation Schools forum is requested to:

(i) Note the updated 2024/25 DSG funding.

## 2. DSG projected outturn – 2024/25

- 2.1 The table below outlines the projected DSG outturn for 2024/25. Among the funding categories, Schools, Central and Early Years blocks anticipate achieving a breakeven position at year end. Conversely, the high needs block is forecasting an overspend of **£5.311m**. This reported position has worsened due to increase cost of Outreach and home tuition service. There's a potential increase in cost for post 16 due to demand pressure, the impact of this pressure will be reported to school's forum at the spring meeting.
- 2.2 DSG reserves brought forward from 2023/24 is **£7.750m**. The projected overspend of **£5.311m** is due to the pressures on the High Needs Block. The adjusted reserve for the current financial year is **£2.439m** following the clawback of EY funding of **£205k**. The reserve balance includes **£937k** earmarked for growth/falling rolls funding and **£785k** allocated to support Schools Facing Financial Difficulties (SFFD).

	2024/25 Funding £'000	2024/25 Projected Outturn Oct2024 £'000	Dec-24 Surplus / (Deficit) £'000	Oct-24 Surplus / (Deficit) £'000	Movement from October Favourable/ (Adverse)
Schools Block (ISB)	197,347	197,347	0	0	(0)
Central Services Block	2,153	2,153	0	0	(0)
High Needs Block	51,567	56,878	(5,311)	(4,025)	(1,286)
Early Years Block	31,152	31,152	0	0	0
	<b>282,219</b>	<b>287,530</b>	<b>(5,311)</b>	<b>(4,024)</b>	<b>(1,287)</b>
<b>DSG reserves B/f</b>	<b>7,955</b>	<b>(205)</b>	<b>7,750</b>	<b>7,750</b>	<b>0</b>
<b>Revised DSG Carried forward</b>			<b>2,439</b>	<b>3,726</b>	<b>(1,287)</b>
Of Which					0
Growth/Falling Rolls		(937)			0
SFFD retained centrally		(785)			0
<b>Projected DSG Reserves 2024/25</b>			<b>717</b>	<b>2,004</b>	<b>(1,287)</b>

Recommendation (ii): Schools Forum are requested to:

- (a) Note the 2024/25 projected outturn

### 3. 2024/25 Update on High Needs and Projected Outturn

Service Area	2023/24 Outturn	2024/25 Budget	2024/25 Outturn Forecast	Variance +surplus / (deficit)
Alternative Provision	3,369,139	3,728,080	4,362,619	(634,539)
ARP Funding	9,789,848	11,040,112	9,803,161	1,236,951
Education Inclusion.	1,945,955	2,115,587	2,182,386	(66,799)
Out of Borough & Non-Maintained Funding	10,371,272	8,318,115	9,360,669	(1,042,554)
HN Top Ups – Post 16	2,664,888	2,413,600	3,961,511	(1,547,911)
SEN Panel Top Ups	5,474,350	2,661,000	5,535,854	(2,874,854)
Provision Payments	2,790,000	3,000,000	2,440,000	560,000
Aspire Virtual School	380,035	372,999	372,999	0
Initiatives - Rapid Response	903,872	772,601	772,601	0
Special School Funding	14,438,249	15,252,455	16,446,718	(1,194,263)
EY Portage & Youth Service	471,527	658,432	404,597	253,835
Parent Support Projects (Phoenix, S&L Lead etc.)	0	666,416	666,416	0
Words First & SALT Projects	570,315	568,000	568,000	0
<b>Total Budget</b>	<b>53,169,450</b>	<b>51,567,397</b>	<b>56,877,531</b>	<b>(5,310,134)</b>

Table – High Needs Outturn

3.1 The High Needs working group met on 26<sup>th</sup> November 2024 and reviewed the current year outturn position and ongoing pressures for 2024/25 and 2025/26. The group discussed in detail:

- Benchmarking of other London boroughs and detailed SEN2 returns, including each LA forecast outturn of DSG reserves and Safety Valve programs or Delivering Better Value Programs (DBV) to identify possible High Needs working initiatives that the group could review directly with LAs to mitigate known current in year pressures.
- 5 other London LAs with DSG surplus balances was discussed and review of their published banding rates for mainstream schools and top up rates in comparison to LBBD.
- Proposed savings for 2025-26 to balance the High Needs block and implication to schools, specific individual school examples was discussed at the meeting and noted.
- DfE recent briefings for High Needs Block allocations 2025/26 and NFF estimated increase in funding.
- Request for a new Chair of the High Needs working group.

### 3.2. High Needs Update

The high needs NFF will ensure that every local authority receives at least a 7% increase per head of their projected cohort aged 2 – 18. LBBD is likely to receive 8.8% uplift in funding for 2025/26. This is equivalent to £4,978,588 increase above 24/25 allocation.

This indicative allocation means, we may not have to implement the full savings strategy previously discussed, (e.g. % reduction in top-up rates, stopping year 7 top-up rates may have to be paused, however some of the savings such as reduction in central services spend & provision payments may have to be reviewed to set a balanced budget and respond to growth & demand in 2025/26).

### 4. Early Years Update

4.1 The DfE has provided information for LA's to prepare for the next financial year and has therefore confirmed the following policy updates ahead of the 2025-26 funding rates announcement.

4.2 The following changes to local rules will apply in 2025-26:

- **Pass-through requirement will increase from 95% to 96% in 2025-26**, with plans to move to 97% once the new entitlements are sufficiently embedded.
- On the timing of local funding rates to providers: The DfE has abolished the 8-week window within which LAs need to communicate providers' rates. Instead, in 2025-26, the Early Years funding operational guidance will be updated for all LAs to inform providers of their rates no later than **28<sup>th</sup> February**, this will be formalised in regulations from 2026-27 onwards.

### 5. National Funding Formula (NFF) - Indicative Funding 2025/26

5.1 Provisional funding allocations was announced at the end of November 2024. Total core school funding is increasing by **£2.3bn** in 2025/26 bringing the funding total to **£63.9bn** nationally compared to **£61.6bn** in 2024/25. This includes funding through the schools NFF, high needs, central school services block and pupil premium. **£1bn** of the **£2.3bn** increase is being allocated as high needs funding, bringing the total high needs budget to **£11.9bn** nationwide.

5.2 The DfE have committed to further funding in 2025 to 2026 to cover the increase in employers National Insurance Contributions. This allocation will be in addition to the funding announced above in paragraph 5.1

- 5.3 Funding for mainstream schools through the NFF is increasing nationally by **2.23%** per pupil compared with 2024/25. This includes a 1.28% increase to ensure the 2024 teachers and support staff pay awards continues to be fully funded.
- 5.4 The 3 grants paid separately in 2024/25 will now be rolled into the core school budget these are:
- **Teachers Pay Additional Grant (TPAG):** – funding to support schools with the September 2023 teachers’ pay award. TPAG funding was allocated for the 2024/25 financial year for mainstream, special and AP schools
  - **Teachers’ Pension Employer Contribution Grant (TPECG):** funding to support employers with the increase in the employer contribution rate. TPECG funding was allocated for the 2024/25 financial year for mainstream schools, high needs settings, and LA’s with centrally employed teachers.
  - **Core School Budget Grant (CSBG):** funding to support schools with their overall costs including the 2024 teacher pay award. CSBG funding was allocated for September 2024 to March 2025 for mainstream schools, special and AP schools. This additional funding will form part of the schools’ core budget in 2025/26 and subsequent years.
- 5.5 The Schools NFF will use the same factors as 2024 to 2025, with some changes to the PFI factor. Funding protections will continue to be based on a minimum per pupil level (MPPLs) and a funding floor will be cash flat @ 0% so that schools will be protected from per cash reductions in their pupil led funding.
- 5.6 The only structural changes being made to the NFF are in relation to the PFI factor: The changes are:
- a) Providing pro-rata funding when a PFI contract is coming to an end in the financial year.
  - b) Setting conditions that LA’s would need to meet to receive above-inflation increases in PFI funding on an exceptional basis. The default position is that the previous year’s PFI funding through the NFF will be increased by the Retail Prices Index excluding mortgage interest payments (RPIX) measure of inflation.
- 5.7 The LA will take advantage of the flexibility to model different basic entitlement values to achieve the optimum values to get closest to the NFF cash envelope. The DfE have set minimum and maximum values for the basic entitlement for

primary, KS3 & KS4. Keeping within this range of values enforces ‘tightening’, bringing the local funding formula closer to the NFF.

Factor	2025 to 2026 national funding formual (NFF) value including area cost adjustment (ACA)	2025 to 2026 authority proforma tool (APT) minimum value	2025 to 2026 authority proforma tool (APT) maximum value
Primary basic entitlement	£ 4,339.65	£ 4,231.16	£ 4,448.14
KS3 basic entitlement	£ 6,116.34	£ 5,963.43	£ 6,269.25
KS4 basic entitlement	£ 6,895.83	£ 6,723.44	£ 7,068.23

5.8 The provisional NFF allocation for LBBB Schools block is shown in the table below.

LBBB NFF Allocation	2024-25	2025-26	Change	% change
Pupil Nos*	40,519	40,519	0	
Primary Unit of Funding (PUF)	£5,737	£6,165	428	7.46%
Secondary Unit of Funding (SUF)	£7,741	£8,351	610	7.88%
LA Allocation excl growth & premises factors	£264,925,768	£285,227,768	£20,302,000	7.66%
LA Allocation through premises funding	£9,636,861	£11,721,990	£2,085,129	21.64%
Allocations through additional grants	£15,178,021	£0	(15,178,021)	
<b>Total SB baseline (excluding growth)</b>	<b>£289,740,650</b>	<b>£296,949,758</b>	<b>£7,209,108</b>	<b>2.49%</b>
Baseline per pupil (excluding growth)	£7,151	£7,329	£178	
Provisional % change in 205/26 DSG Baseline			2.49%	

Table – Estimated provisional allocation

\*NOR is yet to be updated: we are waiting the release of 25/26 Pupil numbers via APT (Authority Proforma Tool).

## 6. Schools Block Funding Formula- 2025/26

- 6.1 LBBB will continue to use its restricted local budget setting powers, to set the 2025-26 individual school’s budget. The national funding factor rates have been adopted across all the mandatory factors except for the basic entitlement (AWPU). The DfE have set the limits on the amounts that can be allocated to Age Weighted Pupil Unit (AWPU), this ensures a move closer to the NFF.
- 6.2 Pending the publication of the Authority Pro-Forma Tool (APT), we are consulting on the principles of the methodology to be adopted for 2025/26. The following models of the schools’ block funding have been produced for consideration.

The underlying assumptions across the 2 models presented are as follows:

- The models are based on 2024/25 pupil numbers (40,519) and pupil characteristics



- Modelling excludes growth funding as NFF provisional allocation excludes growth allocation
- MFG figure is provisional and based on 2024/25 amount. This may change once the APT is published.

6.3 The 2025/26 assumed NFF provisional cash envelope for LBBD is **£296,949,758**. This does not include funding for growth and falling rolls. LA's will be notified of the growth and falling rolls when the allocation is published later this month.

6.4 The Models – Appendix A

**Model A**

- Replicates the NFF factor values for all mandatory factors.
- MFG at 0% but assumes the value of £2m from 24/25
- This model is not affordable, because it exceeds the funding allocation by £127k.
- This model will also impact primary schools, as the funding ratio shifts funding from primary to secondary phase.

**Model B**

- Replicates the NFF factor values for all mandatory factors **except** for the basic entitlement, which has been slightly adjusted to ensure the Funding allocation is not exceeded.
- MFG budget assumed to be £2m
- This model ensures the full allocation is distributed across the formula.
- The model is fairer for primary schools but does not disadvantage secondary schools either. All secondary schools will receive an uplift in funding as compared to 2024/25.

**When considering the models it is the underlying principle that is important. The final values will depend on the release of the October census and the final DSG allocation for 2025/26.**

6.5 The table below sets out the cost and affordability of each of the models:

	Funding Model Cost	DSG Grant	Surplus / (shortfall)
	£'000	£'000	£'000
Model A - Full NFF	£297,077	£296,950	(£127)
Model B- Adjusted NFF AWPU rates	£296,949	£296,950	£1

Table – Model options

- 6.6 Following this meeting the Finance team will carry out a consultation with all schools on the principles of the funding formula. There will also be a report to Council Cabinet. The final formula will be updated following the release of the APT by the DFE. We will report the final indicative allocation per school level at the January 2025 meeting.

**Recommendation (v):** School Forum are requested to:

1. Note the principles to be consulted with schools for the funding models.
2. Note deadline for consultation with schools on the funding principles is on 10<sup>th</sup> January 2025.

## **7. Revised Growth Fund Allocation for 2024/25**

- 7.1 Growth funding is allocated to Schools to manage an increase in pupil numbers in 2024-25 before the lagged funding catches up. The DFE allocate growth funding based on the differences between primary and secondary pupils at school within each Middle Layer Super Output Area (MSOA) between the October 2022 and October 2023 census figures. Only positive MSOA growth will be used in calculating the number of pupils to be funded. The criteria for the growth fund are as below:

- Support growth in Pre-16 pupil numbers to meet basic need.
- Support additional classes needed to meet the infant class size regulation.
- Meet the costs of new schools.
- 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), regardless of whether the additional class is within or outside of the PAN.

- 7.2 The growth fund must not be used to support:

- Schools in financial difficulty, any such support should be met from the de-delegated contingency.
- General growth due to popularity, this is managed through lagged funding

7.3 At the October meeting, school’s forum agreed to keep the growth fund within the DfE allocation of **£1.181m** for 2024/25. The growth allocation for each LA is set at a rate of **£1,550** per new primary pupil and **£2,320** per new secondary pupil, plus a lump sum o **£76,195** for each brand-new school.

7.4 The table below sets out the revised growth allocations for the schools which meet the growth fund criteria. The DfE rates mentioned in 7.3 above have been applied to the growth numbers instead of the previous rates used for calculating LBBB growth allocations.

School	Pri Nos	Sec Nos	Sep24 Growth Nos	Calculation based on LBBB AWPU rates			Calculation based on DfE rates			Reduction
				Prim. Growth £2,406.43	Sec. Growth £3,434.67	Total Growth Allocation 2024/25	Prim. Growth £1,550	Sec. Growth £2,320	Revised Growth Allocation 2024/25	
Eastbrook School		30	30	0	103,040	103,040	0	69,600	69,600	33,440
Ripple Primary School	30		30	72,193	0	72,193	46,500	0	46,500	25,693
Riverside Primary (Free School)	60		60	144,386	0	144,386	93,000	0	93,000	51,386
Riverside Secondary (Free School)		30	30	0	103,040	103,040	0	69,600	69,600	33,440
Robert Clack School of Science	60	180	240	144,386	618,240	762,626	93,000	417,600	510,600	252,026
Greatfields School	30	30	60	72,193	103,040	175,233	46,500	69,600	116,100	59,133
<b>Total</b>	<b>180</b>	<b>270</b>	<b>450</b>	<b>505,349</b>	<b>927,360</b>	<b>1,360,517</b>	<b>279,000</b>	<b>626,400</b>	<b>905,400</b>	<b>455,117</b>
DFE Growth Fund Allocation 2024/25						<b>1,181,691</b>			<b>1,181,691</b>	
(Shortfall)/ Surplus Growth Allocation						<b>(178,826)</b>			<b>276,291</b>	

Table – 2024/25 Revised Growth Fund

7.5 By remodelling the growth fund calculations, there is a surplus of £276k which can be used to offset falling rolls fund.

**Recommendation (vi):** School Forum are requested to:

- (a) Approve the revised growth fund allocations for 2024/25
- (b) Approve to use the surplus of £276k to support falling rolls fund.

## 8. Falling Rolls Fund 2024/25

8.1 For the first time in 2024/25 the DfE allocated falling rolls fund to LAs as part of the growth fund. Falling rolls is distributed based on the reduction in pupil numbers between the October 2022 and October 2023 school censuses.

8.2 The DfE states, “schools forum should agree the value of the fund and the criteria for allocation”. In 2024/25, we allocated a budget of **£351k** towards falling rolls. The qualifying criteria previously agreed by Schools Forum are:

- (a) The school must have a reduction of 10 or more pupils after adjusting for impact of bulge classes.
- (b) There must be a year-on-year reduction in delegated budget.
- (c) The school’s reserves do not exceed 8% of delegated budget.

Following request by members to amend the falling rolls criteria to ensure the funding is targeted to schools most in need and account for the impact of school size, Schools Forum is requested to approve a revised set of local criteria as follows:

- (a) Reduction of 2% or more in pupil numbers.
- (b) Only pay falling rolls above the 2% drop in pupil numbers.
- (c) Review rate annually to ensure affordability within cash envelope
- (d) There must be a year-on-year reduction in delegated budget.
- (e) The school's reserves do not exceed 8% for primary schools and 5% for secondary schools delegated budget.

The table below shows falling rolls benchmarked criteria for neighbouring local authorities.

**Falling Rolls Benchmarking information:**

Local Authority	Folling Roll Criteria
Redbridge	1) Only payable when Falling Rolls is 80% of PAN (KS1,2,3). 2) Reserves threshold 6% Primary & 3% Secondary 3) Paid for 2 years & reviewed.
Waltham Forest	1) Only payable when Falling Rolls is 80% of PAN 2) Must be 5% lower between October censuses.
Enfield	1) Only payable if pupil numbers reduce by 10% or more between October censuses.
Barking & Dagenham	1) Only payable when there is a year-on-year reduction of 2%. 2) Reserves must be below 8% for Primary & 5% for Secondary. 3) There should be a year-on-year reduction in delegated budget.

- 8.3 The above revised criteria will be implemented in 2025/26 if approved by members. The table below shows 2024/25 calculation using the old criteria. This will not be amended since schools have already budgeted to receive this funding pot.

Phase	School Name	Total NOR Oct 2022	Total NOR Oct 2023	Change in NOR increase/ (decrease)	Falling Rolls Fund £
Primary	Roding Primary School	1,055	1,003	-52	62,239
Primary	William Bellamy Primary School	909	861	-48	57,452
Primary	St Joseph's Catholic Primary School(Barking)	250	217	-33	39,498
Primary	Dorothy Barley Infants' School	259	234	-25	29,923
Primary	Manor Infants' School/Manor Longbridge	1,075	1,050	-25	29,923
Primary	Parsloes Primary School	372	349	-23	27,529
Primary	Valence Primary School	852	833	-19	22,741
Primary	Hunters Hall Primary School	588	571	-17	20,348
Primary	St Joseph's Catholic Primary School (Dagenham)	326	311	-15	17,954
Primary	Rose Lane Primary School	621	610	-11	13,166
Primary	The Leys Primary School	392	382	-10	11,969
Secondary	The Warren School	1,073	1,062	-11	18,581
	<b>Falling Rolls requirement</b>	<b>7,772</b>	<b>7,483</b>	<b>-289</b>	<b>351,322</b>
	Surplus on growth fund allocation				<b>-276,291</b>
	<b>Falling rolls from reserve</b>				<b>75,031</b>

Table: Falling rolls allocation for 2024/25

**Recommendation (ix):** School Forum are requested to:

- (a) Approve the revised falling rolls criteria to be implemented in 2025/26
- (b) Note falling rolls allocation for 2024/25 will not be impacted by the revised criteria.

**9. AOB**

**10 Financial implications**

As presented in this document.

**11 Legal implications**

The schools' forums (England) regulations 2012 govern the constitution and conduct of meetings of the forum. The schools finance (England) regulations 2012 determine those matters on which the local authority must or may consult the schools' forum and those in respect of which the school's forum can make decisions. These regulations make provision for the financial arrangements of local authorities in relation to the funding of maintained schools and providers of prescribed Early Years provision in England.

**12 Other implications**

- a. **Risk management** - None
- b. **Contractual issues** - None
- c. **Staffing issues** – None
- d. **Customer impact** – None
- e. **Safeguarding children** - None
- f. **Health Issues** - None
- g. **Crime and Disorder Issues** – None
- h. **Property / Asset Issues** – None

**Background papers used in the preparation of the report:**

None.

**List of appendices:**

Appendix A \_Overview of 2025/26 Funding Models.