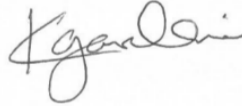


London Borough of Waltham Forest

Report Title	Individual School and Early Years Providers Budgets 2024/25
Meeting / Date	Cabinet, 14 March 2024
Cabinet portfolio	Councillor Kizzy Gardiner, Portfolio Lead Member for Children and Young People 
Report author/ Contact details	Christopher Spencer, Interim Strategic Director, People christopher.spencer@walthamforest.gov.uk Duncan James-Pike, Strategic Finance Advisor 0208 496 3502 duncan.james-pike@walthamforest.gov.uk
Wards affected	All
Public access	Open
Appendices	A1: Local Funding Formula 2024/25 A2: Local Funding Formula 2024/25: Change from 2023/24 B: Individual Schools Block budget share allocations for schools 2024/25 and change from 2023/24 C1: Indicative High Needs Block top-up funding for mainstream schools 2024/25 C2: Indicative High Needs Block funding for special schools 2024/25 C3: Indicative High Needs funding for Special Resource Provisions 2024/25 C4: Indicative High Needs funding for Alternative Provision and Pupil Referral Units 2024/25 D: Indicative Place Led funding for Post 16 providers 2024/25 E: Indicative budget shares for 2 year olds eligible for up to 15 hrs FEEE per week under the benefits related criteria F: Indicative budget shares for 3 & 4 year old universal offer places 2024-25 G: Indicative budget shares for 3 & 4 year old working families offer places 2024-25 H: Equalities Screening

1. Summary
 - 1.1 This report informs Cabinet of the indicative 2024/25 allocations of the Dedicated Schools Grant (DSG) to schools and other education providers.
 - 1.2 These allocations were calculated in consultation with and agreed by Schools Forum, schools, and Private Voluntary and Independent providers, including child minders (PVI's).
 - 1.3 This report sets out these allocations and the individual budget shares for all schools (maintained schools, free schools, and academies) and other providers. Under regulations, the Local Authority (LA) is required to confirm budget shares to mainstream maintained schools by 29 February 2024. The Education & Skills Funding Agency (ESFA) use these calculations to confirm final budgets for academies and free schools for the academic year 2024/25 by 31 March 2024.
 - 1.4 The draft 2024/25 Local Funding Formula (LFF) for schools which shadows the National Funding Formula was agreed by Cabinet on 11 January 2024. The final LFF is shown at Appendix A1.

2. Recommendations
 - 2.1 Cabinet is recommended to:
 - 2.1.1 Approve the final 2024/25 Local Funding Formula for 5-16 year olds at Appendix A1 and note the changes of the Local Funding Formula from 2023/24 at Appendix A2.
 - 2.1.2 Note the 2024/25 individual budget share allocations calculated for all schools of £238.390 million at Appendix B.
 - 2.1.3 Note the 2024/25 indicative High Needs Block funding for mainstream schools of £14.484 million at Appendix C1.
 - 2.1.4 Note the 2024/25 indicative High Needs Block funding for special schools of £7.5 million for place funding, £10.102 million top-up funding and £0.690 million special school additional funding at Appendix C2.
 - 2.1.5 Note the 2024/25 indicative High Needs funding for Special Resource Provisions of £1.196 million for place funding and £2.155 million top-up funding at Appendix C3.
 - 2.1.6 Note the 2024/25 indicative High Needs funding for Alternative Provision and Pupil Referral Units of £2.518 million for place funding, £0.134 million top-up funding and £0.038 million PRU HN additional funding at Appendix C4.
 - 2.1.7 Note the 2024/25 indicative place-led funding for Post-16 providers of £1.608 million at Appendix D.
 - 2.1.8 Note the 2024/25 indicative individual budget shares allocations calculated for early years providers at Appendices E (2 year olds benefit related criteria £2.902 million); F (3&4 Year Olds universal

£13.855 million); and G (3&4 Year Olds Working Families £5.782 million).

- 2.1.9 Note that due to the recent implementation of Free Early Early years entitlement and non availability of previous census data, ESFA have used their estimate of the number of families that they think will take up the expanded offer. The DfE will carry out an additional census in the Summer 2024 term to capture data on the actual take up of places. As a result no annual budget estimates have been produced for 9 month to 2 year old children from working families cohort.

3. Proposals

- 3.1 For 2024/25 the gross DSG allocation for Waltham Forest is estimated at £335.45 million. The DSG is allocated in four funding blocks: Schools; High Needs; Early Years; and Central School Services.

- 3.2 The change in gross funding is shown in Table 1 below:

Table 1: Dedicated Schools Grant 2023/24 and 2024/25

	2023/24	2024/25	Change	Change
Block	£m	£m	£m	%
School Individual Budgets	227.66	238.68	11.01	4.84%
Schools Growth Fund	1.25	0.92	-0.33	-26.05%
Subtotal Schools	228.91	239.60	10.69	4.67%
High Needs	56.52	58.23	1.71	3.02%
Early Years	24.22	36.01	11.79	48.69%
Central School Services	1.57	1.61	0.04	2.54%
DSG Total	311.22	335.45	16.84	5.70%

- 3.3 The DSG allocation to be received by the Council is estimated at £193.94 million after recoupment for academies, National Non-Domestic Rates (NNDR) and Further Education institutions which the Education and Skills Funding Agency (ESFA) pay direct.
- 3.4 DSG Schools Block (£239.60 million gross for 2024/25 including Growth Fund)
- 3.4.1 Funding is allocated to schools and academies for the education of 5 to 16 year olds by a Local Funding Formula (LFF) determined in consultation with the Schools Forum. The LFF allocates over 92% of the funding by pupil numbers and pupil characteristics. The allocations for academies are recouped by the ESFA and passed to academies directly. The Schools Block allocation for the Council after academy and NNDR recoupment is estimated at £121.161 million.
- 3.4.2 In 2018/19 the National Funding Formula (NFF) for schools was introduced and while it remains the government's intention that every school budget should be set on the basis of a single NFF, in 2024/25 LAs continue to determine final funding allocations for schools through

a local funding formula. School allocations increased by £11.01 million (4.84%) and the Growth Fund, which supports permanently expanding schools and temporary “bulge” class expansions, decreased by £0.33 million.

- 3.4.3 Not all schools will receive an increase in budget as schools’ funding fluctuates due to the number of pupils on roll and their characteristics such as deprivation and additional educational needs, however their per-pupil allocations can be protected through the minimum funding guarantee (MFG).
 - 3.4.4 In November 2024, Schools Forum agreed that when the LA set the 2024/25 School Budgets, the LA should continue to adopt the NFF locally; set the MFG at 0.5%, the maximum allowed; and allocate any remaining increase in funding through the basic entitlement per pupil (also known as Age Weighted Pupil Unit or AWPU).
 - 3.4.5 A MFG of 0.5% has been applied ensuring that each school has received a 0.5% uplift per pupil (excluding the lump sum and rates factors).
 - 3.4.6 There were £249,534 of unallocated resources once the initial formula had been run and these were allocated by adding 0.324% to Basic Entitlement (Age Weighted Pupil Unit or AWPU) rates. This raised the AWPU for Key Stages 1&2 by £12.50; Key Stage 3 by £17.63; and Key Stage 4 by £19.87.
 - 3.4.7 The final LFF and the changes from 2023/24 are shown in Appendix A1 and A2. The individual school allocations are shown in Appendix B
- 3.5 DSG High Needs Block (£58.23 million gross for 2024/5)
- 3.5.1 The gross High Needs Block allocation includes place funding for special academies, special resource provisions in mainstream academies and FE institutions which is deducted by the EFSA before passing on the Council’s allocation of the High Needs Block. The allocation for the Council after this recoupment is estimated at £48.58 million.
 - 3.5.2 Mainstream schools receive additional funding for pupils with Education Health and Care plans (EHCPs) and special schools and special resource provisions receive funding for commissioned places and top-ups where relevant for occupied places.
 - 3.5.3 Indicative allocations are shown in Appendices D to G. All top-up allocations are indicative as they will change in-year depending on actual occupancy of commissioned places and the numbers of pupils with EHCPs.
- 3.6 DSG Early Years Block (£36.01 million for 2024/25)
- 3.6.1 The government announced in its spring budget 2023 that in addition to the current free early education entitlements the entitlement would be expanded in phases between April 2024 and September 2025 as follows:

- Commencing from April 2024, a provision of 15 hours will be made available to eligible working parents of 2-year-olds.
- Effective from September 2024, 15-hour entitlement will be extended to eligible working parents of children aged 9 months and older.
- Starting from September 2025, a substantial enhancement will be implemented, granting eligible working parents of children aged 9 months to primary school age access to 30 hours of childcare and early education.

3.6.2 The majority of the 2024/25 budget increase is a result of the Government expanding the free early education entitlement (FEEE) offer to working families in phases from April 2024. This expanded offer equates to a £3.9m budget allocation for under 2's and a £5.7m allocation for 2-year-olds from working families. In addition, there have been increases to the hourly rates payable for 2024-25 as opposed to those payable in April 2023.

3.6.3 The Early Years Block allocation for 2024/25 is based on census data from January 2023 and will be updated for the January 2024 census, with the final allocation due to be announced in summer 2025. The Early Years Block comprises funding for:

- under 2 year olds for eligible working families;
- 2 year olds from the most disadvantaged backgrounds;
- 2 year olds for working families;
- funding for a universal entitlement of 15 hours per week for 3 and 4 year olds or 30 hours per week for eligible working parents;
- the early years pupil premium;
- the disability access fund; and
- a supplement for maintained nursery schools.

95% of the Early Years Block must be passed through to providers through a formula agreed with providers and Schools Forum.

3.6.4 Funding for providers for 3 and 4 year olds comprises a base rate and a deprivation (IDACI) factor. Maintained Nursery Schools receive a supplement. Funding for 2 year olds comprises a base rate for working families entitlement and a deprivation enhancement for benefit related entitlement. Following consultation with childminders operating in the Borough, we will pilot the use of a single hourly rate for childminders for all age ranges which is based on the average hourly rate payable to settings for under 2's, 2 year olds and a ward average rate for 3 & 4 year olds

3.6.5 The Early Years Funding Formulae are set out in Tables 2, 3 and 4 below. Hourly rates (which include a deprivation element) and estimated annual budget allocations for providers are shown in Appendices E, F and G. These allocations are indicative as they will

change in-year depending on actual occupancy and the number of working families which are entitled to the extended offer of 30 hours per week that take up a place.

Table 2: Early Years Funding Formula for 3 & 4 year olds

	1 April 24 to 31 March 25	1 April 23 to 31 March 24
Base Rate: 3 & 4 Year Olds	£5.39 per hour	£5.14 per hour
Maintained Nursery Schools Supplement	£4.64 per hour	£3.80 per hour
Quality Supplement for Nurseries within Maintained Schools & Academies (to replace Teachers Pay and Pension Grant)	£0.13 per hour	£0.13 per hour
Pupil lives in IDACI Band 1	£0.25 per hour	£0.25 per hour
Pupil lives in IDACI Band 2	£0.50 per hour	£0.50 per hour
Pupil lives in IDACI Band 3	£0.75 per hour	£0.75 per hour
Pupil lives in IDACI Band 4	£1.50 per hour	£1.50 per hour
Pupil lives in IDACI Band 5	£2.25 per hour	£2.25 per hour
Pupil lives in IDACI Band 6	£2.70 per hour	£2.70 per hour

Table 3: Early Years Funding Formula for 2 year olds and under 2 year olds

	1 April 24 to 31 March 25	1 April 23 to 31 March 24
2 year old funding (benefit related)	£8.36 per hour	£6.15 per hour
2 year old funding (working families)	£7.86 per hour	Not applicable
under 2 year old funding (working families)	£11.04 per hour	Not applicable

Table 4: Early Years Funding Formula for under 2s, 2 year olds and 3 & 4 year olds for childminders

Childminder rates for under 2s, 2yo (from working families) and 3&4 year olds)	Average hourly rate inc. Deprivation 2024-25
Cann Hall Ward Average	£8.17
Cathall Ward Average	£8.15
Chapel End Ward Average	£8.16
Chingford Green Ward Average	£8.14

Endlebury Ward Average	£8.15
Forest Ward Average	£8.14
Grove Green Ward Average	£8.12
Hale End & Highams Park South Ward Average	£8.19
Hatch Lane & Highams Park Average	£8.16
High Street Ward Average	£8.17
Higham Hill Ward Average	£8.18
Hoe Street Ward Average	£8.13
Larkswood Ward Average	£8.15
Lea Bridge Ward Average	£8.18
Leyton Ward Average	£8.16
Leytonstone Ward Average	£8.12
Markhouse Ward Average	£8.16
St James Ward Average	£8.15
Upper Walthamstow Ward Average	£8.14
Valley Ward Average	£8.16
William Morris Ward Average	£8.13
Wood Street Ward Average	£8.16

3.7 DSG Central School Services Block (£1.61 million for 2024/25)

3.7.1 This block funds the cost of Admissions, Schools Forum and the Retained Duties of the local authority which support all schools and academies. Each element must be approved by Schools Forum separately. The ESFA deducts the cost of Copyright Licences fees from this block.

3.8 Pupil Premium Grant

3.8.1 In addition to the DSG, schools receive the Pupil Premium Grant. The per-pupil amounts have been announced as £1,480 per eligible primary pupil; £1050 per eligible secondary pupil; and £2,570 for Looked after Children and pupils previously looked after. The ESFA pays pupil premium direct to academies.

4. Options & Alternatives Considered

4.1 In September 2015 Schools Forum adopted the following principles to be applied to its funding decisions:

- Transparency
- Fairness

- Stability
- Support for vulnerable students

4.2 In October 2019 Schools Forum noted the direction of travel towards a NFF and asked officers to model the impact of moving towards NFF funding figures over a transitional period. A task and finish group considered several detailed models and recommended the adoption of the NFF factors and rates in 2020-21, coupled with raising the MFG to the then new upper limit of +1.84%. The high MFG protected schools from the negative effect of any redistribution flowing from the adoption of NFF factor rates, while allowing some gains to feed through.

4.3 These proposals were adopted by Schools Forum in November 2019 and confirmed by a consultation in late November 2019.

4.4 From 2021/22 through to 2024/25 Schools Forum has reaffirmed its decision on the NFF together with using the maximum level of MFG available. This sharing of resources is demonstrated by Waltham Forest having the sixth highest proportion nationally of Schools Block allocated through the MFG in 2023/24.

Year	MFG	Net	As % of Schools Block
2019/20	0%	£0.289m	0.14%
2020/21	1.63%	£7.356m	3.16%
2021/22	2.0%	£6.050m	2.8%
2022/23	2.0%	£6.304m	2.9%
2023/24	0.5%	£4.722m	2.1%

4.5 Schools Forum establishes Task and Finish Groups to meet with officers to consider funding options in detail, often reporting back to Schools Forum with recommendations. In preparation for financial year 2024-25, four task and finish groups considered:

- mainstream school contributions to commissioned Alternative Provision places;
- options for moving funding from the Schools Block to the High Needs Block;
- the issue of moving to the new Resource Ladder those pupils on the old Resource Ladder; and
- the 2024-25 Early Years Block funding including the wider consultation with all FEEE providers regarding the Early Years Funding Formula (EYFF) for under 2s, 2, 3 and 4 year-olds and the EYFF hourly payment rates for under 2s, 2, 3 & 4 year-olds.

5. Council Strategic Priorities

- 5.1 The key priority is to provide children and young people with good quality education, welfare and health services including better school buildings.

6. Consultation

- 6.1 In addition to formal consultation with Schools Forum, officers also work with task and finish groups which are set up by Schools Forum from time to time and which are open to all schools and include head teachers and school business managers. The groups consider any changes to funding arrangements and report their conclusions to Schools Forum.

7. Implications

7.1 Finance, Value for Money and Risk

Dedicated Schools Grant and the High Needs Block

- 7.1.1 Funding for schools and PVI settings is through the ring-fenced Dedicated Schools Grant. Any budget variations are contained within the ring-fenced budgets.
- 7.1.2 Regulations and grant conditions have strengthened the ring-fence by effectively precluding the General Fund supporting the Dedicated School Budget other than issues such as PFI and small items which would require permission from the Secretary of State to be sought.
- 7.1.3 This “statutory override” has been extended for a further three years to March 2026, during which any brought forward balance is expected to be recovered.
- 7.1.4 The DSG conditions requires that any LA with an overall deficit on its DSG account or whose DSG surplus has substantially increased during the year, must be able to present a plan to the Department for Education (DfE) for managing their future DSG spend. This information must be shared with stakeholders, such as Schools Forums, parent and carer forum, local headteacher boards or groups.
- 7.1.5 To help LAs to meet this requirement the DFE have provided a DSG management plan template and may require this to be completed prior to discussions on high needs sustainability.
- 7.1.6 The principal cause of the deficit is the significant financial pressure on the High Needs Block locally, and nationally, with the HNB going into deficit in many local authorities. The deficits are being driven by the increase in the numbers of young people needing additional support and the Government’s decision to raise the age of those supported to 25 without the provision of additional funding to support this new requirement. Additionally, there have been notable rises in numbers of

children within the system reported by several Boroughs post pandemic.

- 7.1.7 As at March 2021 the Waltham Forest DSG reserves moved into a net deficit balance for the first time: £942,000 comprising a deficit on the High Needs Block which has accumulated over several years, offset by surplus reserves on the Early Years Block and the Schools Block
- 7.1.8 The DSG deficit is projected to be £3.023 million as at 31 March 2024 with the movement caused mainly by spend from the High Needs Block exceeding its allocation.

Table: Projected Movement in DSG Reserves

DSG DEFICIT	Actual	Actual	Actual	Projected
2021 to 2023	Mar-21	Mar-22	Mar-23	Mar-24
	£	£	£	£
Schools Block including Growth Fund	1,393,029	884,967	893,543	983,543
Central Services Block	0	42,944	61,751	61,751
Early Years Block	2,672,976	997,745	1,224,039	1,224,039
High Needs Block	-5,007,516	-4,689,142	-4,517,661	-5,292,661
DSG DEFICIT	-941,511	-2,763,485	-2,338,328	-3,023,328

- 7.1.9 In this table, spend on High Needs in 2023/24 is assumed to be an in-year deficit of £0.775 million due mainly to continued growth in EHCPs and cost pressures in out borough placements. There are continued risks from increased costs in FE colleges and any new low incidence high cost EHCPs for the most complex needs where one additional placement in an independent out-borough school would have a significant impact on the outturn.
- 7.1.10 The increased allocation of 3.03% for 2024/25 is unlikely to be sufficient to fund the projected increase in EHCPs and other inflationary pressures and there is a significant risk of a further in-year deficit in 2024-25.
- 7.1.11 While there may be insufficient funding for general increases for inflation there is a process in place for parents, carers, and schools to apply for additional SEN funding when necessary to ensure that individual children's needs are met.
- 7.1.12 The Education service is implementing a series of management actions to mitigate this risk and has prepared a draft strategic deficit management plan. The proposed mitigations in the draft plan are predominantly based around: reducing the number of requests to assess for children whose needs can be met outside the statutory framework; more cost-effective provision and closer financial management; and improving the workforce capacity to support children

with SEND or at risk of exclusion, through work around Ordinarily Available Provision, training and development across the local system.

7.1.13 In addition, School Forum has agreed to transfer £0.5 million across academic years 2023/24 and 2024/25 to enable support to children who would potentially benefit from extending the Special Educational Needs Inclusion Fund (SENIF) from the Early Years Block to reception-aged pupils to make accelerated progress, with a view to not requiring an EHCP.

Schools Block

7.1.14 Funding for schools is through the ring-fenced Dedicated Schools Grant Schools Block. Any budget variations are contained within the ring-fenced budgets.

7.1.15 The increase in funding does not cover inflationary pressures. The Institute of Fiscal Studies *Annual Report on Education Spending in England* published November 2023 states: “The costs faced by schools – such as teacher and support staff salaries – are growing faster than economy-wide inflation. We estimate that schools’ costs will rise by 7% in 2023–24. This reflects the 6.5% pay offer to teachers and an 8% salary rise for support staff. In 2024–25, we estimate that schools’ costs will grow by 4%, which is just about matched by 4% growth in total funding. After accounting for growth in schools’ costs, we estimate that the purchasing power of school budgets in 2024 will still be about 4% lower than in 2010. The recently announced 10% increase in the National Living Wage could push up school costs further, as local government employers seek to maintain small wage differentials over the National Living Wage.”

7.1.16 It is important to note that while there is a headline increase in the Schools Block, this is a headline per pupil. There is a wide distribution in how funding is allocated to schools as 92% of funding is dependent on pupil numbers and characteristics and several primary schools have experienced large drops in funding for 2024-25 due to reduction in primary age population.

Movement in school budgets 2023/24 to 2024/25

No increase or reduction	10
Increase 3% or less	17
Increase 4% to 6%	26
Increase greater than 6%	15

Highest % increase in budget	19.6%
Largest % reduction in budget	-15.1%

- 7.1.17 Schools Forum has agreed clear criteria around use of a Falling Roll Fund, which supports schools who have falls in actual admissions compared to their Published Admission Number (PAN) or where the LA was unable to support a PAN reduction due to wider capacity needs of the planning area. The criteria have been used by officers to review need each year, with one schools falling into these criteria for financial year 2024/25.
- 7.1.18 Under Waltham Forest's Education Financial Recovery Plan 2021-24, the Education Business Effectiveness Service (EBE), has been leading the implementation of a holistic systems approach with the aim of balancing risks across maintained schools. A core aspect of this plan has been the proactive management of Pupil Place Planning at an individual school level, place planning area, and at a borough level. The work around Pupil Place Planning is reported to Head Teacher representatives at the School Organisation and Admissions Board (SOAB). As part of this work the EBE proactively approach schools to have conversations about reducing their PAN or restricting the number in year groups post-admission where appropriate. These reductions are agreed by the school's Governing Body.
- 7.1.19 There is a significant risk that more schools will use up their reserves and submit deficit budgets. If a school with a deficit is rated as Requires Improvement by Ofsted and the school's overall effectiveness was also below Good at the previous inspection, the school may be directed to academise, in which case the Council must write off the deficit. This risk is managed by supporting all schools to achieve a rating of Good or Outstanding.
- 7.1.20 In a case of academisation, the LA has a duty to support with the process and while some costs relating to supporting the school as a party to the transfer agreement (e.g. HR costs) are chargeable to the school, other costs will be incurred that relate to the LA's own role as a party to the agreement and will not be chargeable to the school.
- 7.1.21 Maintained schools had brought forward opening balances totalling £9.18 million in April 2023 and as per the latest projections, these balances are projected to decline by 30% to £6.46 million by the end of 2023/24 and 11 of 42 maintained schools are expected to be in deficit in 2023/24. Education Finance Team, together with Education Business Effectiveness officers are working together with these schools to bring them back into a positive reserves position.
- 7.1.22 As maintained schools seek to reduce costs there is a risk to the Council's general fund as redundancy costs for both teaching and non-teaching staff related to savings are a charge to the Council as the employer of those staff. An additional pressure towards retrenchment for primary schools is falling rolls as primary numbers are now falling after several years of growth.
- 7.1.23 A Schools Facing Financial Challenges (SFFC) programme was established which works with schools in deficit or at risk of being so to

support schools and to mitigate the risks to the Council. A £1 million one-off reserve was set aside to support the SFFC programme and mitigate risks from deficits and redundancies, of which £378,000 remains to fund support in 2024/25 and 2025/26.

Early Years Block

- 7.1.24 Maintained Nursery Schools (MNS) do not receive funding for business rates, unlike schools, including those with nursery provision, which have their rates fully funded by the LFF. MNS are also disadvantaged as they cannot claim rate relief unlike the Private, Voluntary and Independent providers. To mitigate this extra burden, in November 2023 Schools Forum agreed to transfer £55,000 from the Schools Block to the Early Years Block for 2024/25 as it had done for the previous two financial years.
- 7.1.25 Whilst the increase in hourly rates are welcomed, they need to be considered in light of increasing delivery costs. These are due to factors such as increased salary costs as a result of pay agreements and increases in national living wage as well as a competitive market due to recruitment issues, as well as increases to running costs such as utilities, lease/rental/mortgage costs and resources etc.
- 7.1.26 LAs will be required to extend special educational needs inclusion fund (SENIFs) to children aged 9 months to 2 years with special educational needs and disabilities (SEND) who are taking up the free entitlements. The size of the SENIF budget will be increased due to the demand for SENIF post COVID and the additional cohort of children aged 9 months to 2 years that will be eligible during 2024-25. A 5% top-slice has been applied to under 2, 2 and 3&4yo rates to reflect this which will equate to an annual budget of £1.747million.
- ## 7.2 Legal
- 7.2.1 The legal framework for school budgets is based on legislative provisions contained in sections 45-53 of the School Standards and Framework Act 1998 and accompanying regulations. The School and Early Years Finance (England) Regulations 2023 provide the framework for the funding of maintained schools including how the local authority may allocate their schools' budget for 2023/2024 and regulations in respect of 2024/2025 are expected to be passed in the same form as previously. Consultation has therefore taken place in accordance with regulation 9 of existing and previous years regulations.
- 7.2.2 The School and Early Years Finance Regulations 2014 gave effect to the decision to reform school funding through simplified local formulae with greater delegation to schools and new arrangements for funding pupils with high needs. The School and Early Years Finance (England) Regulations 2023 came into force on 14th February 2023 and set the parameters that local authorities must abide by in determining schools' budgets, and the budgets which are allowed to be retained centrally. They also set out how local authorities are to allocate funding to maintained schools and private, voluntary and independent providers

of free early years provision through locally-determined funding formulae. The National Funding Formulae (“NFF”) determine local authority DSG allocations. These were introduced in 2018/19 for schools, high needs and central school services; and in 2017/18 for early years. The schools NFF calculates notional school-level allocations, which are aggregated to form local authorities’ school funding within the DSG. The introduction of the NFF is in line with reforms by the Department for Education to make the funding system simpler, fairer and more transparent.

7.2.3 The Department for Education issued Operational guidance for local authorities for 2024/25, in July 2023, and this was last updated in December 2023.

7.2.4 The schools budget allocations have been made in accordance with the requirements set out in the regulations.

7.3 Equalities and Diversity

7.3.1 An analysis screening tool has been carried out on this report and has concluded that no major change is required as the assessment has not identified any potential for discrimination or adverse impact and all opportunities to advance equality have been taken.

7.4 Sustainability (including climate change, health, crime and disorder)

7.4.1 The changes to the distribution of funding to schools through the local formula do not in themselves have a direct impact on climate change. Schools use funding to support premises related expenditure including minor works. An Officer in the Energy team is assisting some schools to reduce their energy use by investing in energy saving technologies.

7.4.2 The individual needs of pupils are assessed in allocating funding to individual schools and in funding held centrally.

7.5 Council Infrastructure

7.5.1 There is no direct impact on Council Infrastructure

Background Information (as defined by Local Government (Access to Information) Act 1985)

None