

# Schools Forum

21<sup>st</sup> November 2024

# National Update

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- The DfE circulated indicative schools NFF factor values alongside policy documents for schools' block, high needs block & CSSB
- The DfE aim to publish indicative NFF allocations by the end of November 2024
- An announcement has also been made stating that funding will be made available for the public sector (including schools) to support settings with the additional Employer National Insurance costs.
- Allocations will be announced in due course
  - Will be a separate grant that sits outside of the 25/26 NFF

# Indicative NFF Factor Values

- From April 2025 the following grants will be rolled into the Schools NFF:
  - Teachers Pay Additional Grant (TPAG) – September 2023 teachers pay award
  - Teachers Pension Employer Contribution Grant (TPECG) – April 2024 employer contribution increase
  - Core Schools Budget Grant (CSBG) – September 2024 Teachers pay award
- The CSBG will be uplifted to fund the full year effect of September 2024 pay awards
- This means that the amounts for these grants are either not new money or they are new money but schools also have the full year effect of associated costs

# Indicative NFF Factor Values

- NFF factor values have been increased by 7.7% when compared to 2024/25 factor values
  - 5.7% relates to mainstreaming of TPAG, TPECG & CSBG
  - 1.4% relates to the CSBG uplift
  - Meaning the true NFF uplift is 0.6%
- The Minimum Funding Guarantee must be set between -0.5% and 0% (i.e. for those schools on the MFG at best funding must stay the same as 2024/25 including TPAG, TPECG and CSBG on a per pupil level)
- Current forecasts indicate there may be approximately 8 schools on the MFG in 2025/26
- No expectation of any supplementary grants for any pay awards in 2025/26
- Maintained schools had been budgeting for 0.5% increase in funding

# High Needs and CSSB

- Additional £1bn available for high needs in 2025/26 compared to 2024/25
- All supplementary grants being rolled into one CSBG
- High Needs NFF includes a funding floor that provides a minimum increase of 7% per head of a LA's 2 to 18 population – previously this floor was 3%
  - Gains are to be limited to 10% - previously 5%
- MFG for special schools is 0%
- TEPCG & CSBG for centrally employed teachers is being rolled into the formula, possibility of changes to the copyright licenses formula – uplift to reflect increased costs in this area. otherwise there is no change to the CSSB – CCC expecting a 2.5% reduction to ongoing commitments & a 20% reduction to historic commitments

# Fair Funding Consultation

# Summary

- Launched 7<sup>th</sup> November, closes 22<sup>nd</sup> November
- Contents of the consultation
  - Cost pressures and funding
  - Funding Formula options
  - De-delegation Options
  - Fair Funding Scheme of delegation
- Results of the consultation go to Cabinet in January
- Looking to collect a Schools Forum response today



# FFC – Cost Pressures & Funding

- Officers pay award £1,290 from April 2024 & forecasting a further 3% from April 2025
- Teachers pay award 5.5% from September 2024 – funded by the CSBG & forecasting 3% from September 2025
- National Insurance contributions increasing by 1.2% to 15% & a lowered earning threshold down from £9,100 to £5,000. Schools will receive a grant to help cover these costs
- General inflation 2.6%
- NFF factor increase as previously discussed
- MFG to be set between -0.5% & 0%

# Proposal 1 – Fair Funding Formula Option

- Despite moving towards to hard NFF, the LA does still have a certain amount of flexibility when setting the local funding formula
- However, since 2018/19 Coventry has taken the decision to mirror the NFF as closely as possible
  - Maximises the amount of funding able to be passed to schools by ensuring all schools receive the higher of the NFF funding floor or the NFF allocation
  - Reduces volatility when the hard NFF is introduced
- Proposed option: mirror the NFF protection levels as closely as possible (subject to affordability)
  - MFG of between -0.5% & 0% increase per pupil
  - Should the full 0% MFG not be affordable, we will reduce all school allocations on a equivalent % basis
- Are Schools Forum happy to support this proposal?

## Proposal 2 – De-Delegation

- Maintained schools can opt to ‘pool’ resources for a number of services for the LA to manage on their behalf:

2024/25 De-delegated Amounts	
	Primary
Free school meal eligibility	12,721
Licences/subscriptions	0
Maternity	551,319
Trade Union facility	76,016
School Improvement	0
EMAS (new arrivals fund)	247,246
Behaviour support services	0
<b>Total</b>	<b>887,302</b>

- We will be seeking Schools Forum approval in relation to de-delegated services at the January meeting.
- Do Schools Forum have any comments regarding de-delegation?

# Proposal 3 – FFSD changes

- 2 new paragraphs added to reflect the introduction of a new accounting standard IFRS16 which ends the distinction between operating leases & finance leases which means that all leases will be classified as finance leases for accounting purposes
- Section 3.6.2 (Borrowing by Schools)
  - The introduction of IFRS16 for LA's from 1 April 2024 ends the distinction between operating and finance leases at maintained schools for accounting purposes. Under the Education Act 2002, all leases will be classed as borrowing & will require the Secretary of State for Education's consent.
- Section 3.6.3 (Borrowing by Schools)
  - The Secretary of State has, however, agreed to provide blanket consent to a range of the most common leasing activities. Leases not included in this order will still require written consent and it remains the general position that schools will only be granted permission for other types of borrowing in exceptional circumstances.
- Do Schools Forum have any comments on this proposal?