

**Item 5****TITLE OF REPORT: School Funding Update**

---

---

**Purpose of the Report**

1. To update Schools Forum on the funding announcements updated by the Department for Education (DfE) in July 2023.

**Background**

2. The funding announcements by the DfE July 2023 provide the direction of travel for Gateshead's dedicated schools grant (DSG) funding for the financial year 2024/25. This is indicative funding and the actual allocations for the schools block and the central school services block will be confirmed December 2023, together with an update on the high needs block and the early years block which will both be subject to further adjustments.

**Mainstream Schools**

3. The DfE are rolling in the mainstream school additional grant (MSAG) that schools received for 2023/24 into the mainstream NFF. The exact amount of funding into the different funding factors has not been provided, however from a review of the increase in factor values, the MSAG funding has been added to the basic entitlements, deprivation based on free school meal ever 6 (FSM6) numbers and the lump sum. Excluding the MSAG, the DfE have stated that they have also increased core funding factors by 2.4%.
  - The PFI factor will increase in line with RPIX measure of inflation approx. 10.4%.
  - The funding floor is set at 0.5%
  - MFG for mainstream schools will be between 0.0% and +0.5%
4. Provisional Allocation for Gateshead:
  - Primary unit of funding increased from £4,950 to £5,279.
  - Secondary unit of funding increased from £6,249 to £6,680.
  - Premises factors increased from £4,561,314 to £5,239,254.
  - Provisional allocation increased from £135,116,226 to £144,568,580 excluding growth and falling rolls funding but including the mainstreamed MSGA funding. This funding will not include the new grant for teachers pay.
  - All formula factors will have to be used by local authorities and Gateshead's current formula "mirrors" the NFF and as such will not need to be substantially changed.

## **Growth and Falling Rolls Funding**

5. The DfE have issued the Growth and Falling Roles Funding Estimate spreadsheet to help LA's to estimate the additional funding they will receive in the December 2023 DSG settlement. This is the first time that Falling Rolls funding has been part of the schools block funding. To use this tool, the September 2023 admission numbers are requested for reception and year 7 for all Gateshead mainstream schools under the LA's funding arrangements. These were added to the October 2022 school census information, year 6 and year 11 data were removed.
6. This work will be undertaken once the admissions information is known.

## **High Needs Block**

7. Headlines to note:
  - A 5% increase in funding for Gateshead
  - The basic entitlement factor to £4,660 for special schools is the same as 2023/24
8. Provisional allocation for Gateshead:
  - Based on 2024/25 HNB after import/export adjustment the HNB will increase from £33,336,546 to £ 36,203,373 which the DfE have calculated as a 5% increase.

## **Central Schools Services Block**

9. Funding for historic commitments will decrease again by 20% but LA's with costs above their allocation can provide evidence for consideration to the DfE. To reflect any additional funding in the December DSG allocation, evidence is requested by Friday 27 October 2023; and to reflect this in the March DSG publication, evidence is requested by Friday 2 February 2024. No evidence can be submitted after this date.
10. The maximum per pupil year on year reduction for ongoing responsibilities is 2.5% with a year-on-year gains cap of 5.5%.
11. Provisional Allocation for Gateshead
  - The provisional unit of funding is £39.30.
  - Historic commitments reduced by £78,073 from £390,349 to £312,279.
  - Overall reduction in CSSB of £44,016 from £1,294,874 to £1,250,858.

## **Early Years**

12. The Early Years block has not been fully announced for 2024/25. The DfE have stated that there will be an increase in early years funding for 2024/25, however 3- & 4-year-old funding values have not been announced, and only indicative 2 year old funding allocations have been published, which could be subject to change following the current DfE consultation on early years funding which was subject to an earlier report.

## **Proposal**

13. It is proposed that Schools Forum notes the information in the report and that further information will be brought to Schools Forum when issued by the DfE.

## **Recommendation**

14. It is recommended that Schools Forum note the information in the report.

## **For the following reasons:**

To ensure Schools Forum is aware of the current school funding information.

---

**CONTACT: Carole Smith Ext. 2747**