



WESTMORLAND AND FURNESS SCHOOLS FORUM

20 September 2023, Microsoft Teams Meeting, 9.30am

AGENDA

PART 1: ITEMS LIKELY TO BE CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

Item	Item name	Papers
1.	Welcome from Director of Childrens' Services – Mil Vasic	
2.	Appointment of Chair	
3.	Appointment of Vice-Chair	
4.	Apologies for Absence	
5.	Exclusion of Press and Public To consider whether the press and public should be excluded from the meeting during consideration of any item on the agenda.	
6.	Declarations of Interest	
7.	Minutes of Previous Meeting (14 June 2023) and Matters Arising (Action Log)	Attached (pages 3-9)
8.	School Funding Formula 2024-25	Attached (pages 10-33)
9.	Early Years Funding Formula – DfE Consultation	Attached (pages 34-44)
10.	Homes for Ukraine Grant	Attached (pages 45-49)

Item	Item name	Papers
11.	Projected Maintained Schools Balances & Excess Surplus Balances Outcome	Attached (pages 50-53)
12.	Input to School Teachers Review Body visit to Cumberland (9-10 Nov 2023)	Verbal
13.	Delivering Better Value for SEND	Verbal
14.	Consideration of Forum Member vacancies	Attached (page 54)
15.	Working Groups	Verbal
16.	Dates of Future Meetings and Forward Plan	
	i. A training session on the Funding Formula will be held on Tuesday 17 October 2023. The training will start at 9.30am in South Lakeland House, Kendal. Please contact the clerk if you have not received the invitation.	
	ii. The next meeting of the Schools Forum will be held on Wednesday 1 November 2023. The meeting will begin at 9.30am and will be via Microsoft Teams. New invitations will be sent from Jonny Horn who will be taking over as clerk to the Forum.	
	iii. Westmorland and Furness Schools Forum Forward Plan 2023-24	Attached (pages 55)

PART 2: ITEMS LIKELY TO BE CONSIDERED IN THE ABSENCE OF THE PRESS AND PUBLIC

WESTMORLAND & FURNESS SCHOOLS FORUM

Draft MINUTES OF THE MEETING HELD ON

14 June 2023

via Microsoft Teams

PRESENT

Emma Aubrey (South Maintained Secondary)
Andy Brewerton (Teachers Professional Association)
Lisa Balderstone (PRU)
Huw Davies (Primary Academy)
Stephen Gilby (North Maintained Secondary)
Matthew Hardwick (South Maintained Secondary)
Jon Hayes (Secondary Academy)
Julie Jones (RC Diocese)
Simon Laheney (Secondary Academy)
David Nattrass (North Maintained Primary)
Rachel Slattery (Special Schools Academy)
Cathy Styles (South Maintained Primary)
Sue Sanderson (Cabinet Member – Schools and Learning)

Officers in Attendance:

John Readman	(Interim Director – Children’s Services)
Marie Barnes	(Senior Manager representing Trudy Pyatt)
Susan Milburn	(Group Accountant)
Amanda Chew	(Service Accountant)
Christina Summerfield	(Forum Support)
Nicola Shiels	(Forum Support observer)
Michelle Bram	(Forum Support observer)

Observers:

Apologies for Absence

Daniel Hinton (Special Schools)
Ian Nicol (South Maintained Primary)
Trudy Pyatt (AD – Education and Inclusion, represented by Marie Barnes)
Charlotte Tudway (CE Diocese)
Ruth Webster (South Maintained Primary)

PART 1: ITEMS LIKELY TO BE CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

This was the first meeting of the Westmorland & Furness Schools Forum following the Local Government Reorganisation. The final meeting of the Cumbria Schools Forum took place on 22 March 2023. John Readman opened the meeting and thanked all present for agreeing to be members of the new forum, and for their support during the transition.

1. Appointment of Chair

John Readman proposed following a formal process to seek nominations in order to have a forum chair appointed ready for the first meeting of the next academic year. All eligible members were encouraged to apply. John noted that some forums opt to appoint an independent chair, and suggested members consider the value of this option.

All present agreed with this proposal. The appointment process will be completed by the end of the term.

Steven Gilby agreed to chair the meeting today.

2. Appointment of Vice-Chair

Not discussed.

3. Apologies for Absence

Listed above.

4. Exclusion of Press and Public

It was agreed that all items would be considered in the public domain.

5. Declarations of Interest

There were no declarations of interest at this stage.

6. Schools Forum Constitution and Working Groups

Amanda Chew referred to the paper regarding whether or not the forum wished to establish working groups to look at specific issues in more detail and to offer advice and recommendations to the full forum. The Cumbria Schools Forum had two working groups, one for budgets and one for Special Educational Needs, which met three times a year. An alternative would be to use time for ad hoc task and finish work, or for training sessions.

Susan Milburn suggested training on roles and responsibilities, and more detailed training on the funding formula. She asked forum members to contact officers with requests for any additional topics.

It was discussed that the purpose of any working groups needs to be clearly defined. Former working group members felt was useful to have dates in place and reserve the power to have working groups in case needed, but suggested using dates for task and

finish groups if required. It was noted that task and finish groups allowed more flexibility to pull in additional expertise.

Action:

- **Christina to arrange and circulate potential dates to be used for working groups / training / task and finish work to start following the 20 September meeting.**

Agreed:

- **Dates to be held with the rights to determine the purpose of the meeting and identify appropriate membership, depending on the activities.**

7. LA Scheme for Financing Schools - Amendment

A report was presented to inform the Schools Forum of a minor amendment to the scheme resulting from an update in the guidance from DfE around what should be included. The amendment is a point of clarification only - there is no impact. It relates to the retention of funds from the sale of lands assets. It clarifies that if local authority land is sold, then the retention of those assets is subject to approval from the Secretary of State, and that the Secretary of State has a say in how the proceeds are spent.

The information will be published on the Schools Portal with a short covering note to schools explaining that it replaces the previous version.

Action:

- **Matt Hardwick will raise a query with Amanda Chew over whether this document covers long term leasing.**

The Schools Forum noted and accepted the small amendment to the scheme.

8. Provisional DSG Earmarked Reserves Outturn 2022-23

The paper is for information only. The provisional outturn for the Dedicated Schools Grant (DSG) was a cumulative deficit of £21.031m comprising of a surplus on the Central DSG of (£7.581m) and a deficit on the High Needs Block of 28.612m. Westmorland and Furness's provisional share of the DSG deficit will be £8.741m comprising of Central DSG surplus of (£3.276m) and High Needs deficit of £12.017m. The figures are provisional until the Cumbria year-end accounts are finalised.

Pressures on the High Needs Block (HNB) are a national issue and reflect a significant increase in the number of children with EHCPs and the complexity of their needs, and the fact that much of the funding is based on historic spend from 2017-18. Officers have been working with DfE to manage down the deficit.

The revised papers circulated show the correct provisional split figures of the DSG reserves (para 4.19).

The Schools Forum accepted the paper and noted that they will need to monitor the deficit versus income position in terms of the accepted threshold.

9. Provisional De-Delegated Contingency Fund Outturn 2022-23

The report is for information only. Papers were sent to the Cumbria Schools Forum earlier in the year. This is only relevant to local authority maintained schools as they de-delegate some of their budget back to the local authority to fund any unforeseen circumstances that might arise, or schools in financial difficulty.

The provisional outturn for the de-delegated contingency was a £0.262m underspend which has been transferred to the DSG reserves. The Contingency Fund budget for 2023-24 will be split between the two new authorities as previously agreed by the Cumbria Schools Forum.

It was noted that the fund may be impacted by situation at Sacred Heart in Barrow since the building had to be evacuated.

The Schools Forum noted the provisional contingency fund outturn for 2022-23.

10. Maintained Schools Balances Outturn 22-23

The report is for information only. The total net surplus balance was £3.182m which is a decrease of just over £1.5m. This was an improvement compared to schools' own predictions of £1.9m. The table at paragraph 4.4 table shows the breakdown of these figures.

The paper explains some of the changes in the number of schools in surplus and deficit. Some schools converted to academy status. Across the primary and secondary sectors, 50% of maintained schools are in deficit, including three secondary schools. The main reasons were large increases in staff costs due to the teachers and non-teachers' pay awards, the energy crisis, and high inflation on food and other services.

In line with the excess surplus balance policy, schools with an excess surplus balance have been asked to provide justification if it exceeds 8% of their budget if primary, or 5% if secondary. A summary report will come to the Schools Forum meeting in September.

Action:

- **Amanda to check revised papers carry correct percentages in para. 4.11: 8% (primary) and 5% (secondary).**

The Schools Forum noted the maintained schools balances outturn.

11. Delivering Better Value for SEND

Susan Milburn gave a verbal update. As discussed previously, the High Needs Block and deficits are a national issue. In 2021, a DfE Safety Valve Programme looked to work with authorities with the highest deficits provide funding in exchange for prescriptive activities which aimed to write down deficits.

A further 55 authorities were invited to join the Delivering Better Value in SEND programme; Cumbria was one. Applications for Cumberland and for Westmorland and Furness have been successful and each authority has been awarded £1m to implement activities that will initially bring the high needs block spend within budget, and longer term write down their deficit. Money will be provided this year and next year. Work is ongoing

within the service to develop some action plans. More detail on the plans for the money will be given at the next meeting.

The Chair noted that this was being led by the local authority and queried whether other colleagues were involved in the action planning, and whether input would be useful, perhaps from a working group.

Action:

- **Susan Milburn will discuss with Trudy whether input from the Schools Forum on DBV in SEND would be useful, and confirm.**

12. Dates of Future Meetings

The next meeting of the Schools Forum will be held on Wednesday 20 September 2023. The meeting will begin at 9.30am and is likely to be via Microsoft Teams. Final arrangements will be circulated prior to the meeting.

13. Any Other Business

The Chair extended huge thanks to Cathy Styles on behalf of forum members for her involvement, guidance and sharing of information during her time with the Schools Forum. Cathy has been a member of the forum since 2015 and is due to retire in the summer. *Best wishes for the future Cathy!*

The Chair also thanked Nicola Shiels who has supported the Cumbria Schools Forum for many years. Nicola has been allocated to Cumberland and will continue to support the Cumberland Schools Forum.

All members of the forum were urged to encourage others to become part of the forum. It was noted that forum members gain excellent insight into how the school finance system works.

There were no other items of business.

Children's Services/CS
June 2023

Schools Forum – Action Log

Meeting date	Agenda item	Ongoing Actions	Owner	Due date	Update for next meeting
14/06/23	6	Christina to arrange and circulate potential dates to be used for working groups / training / task and finish work to start following the 20 September meeting.	Christina Summerfield	20/09/23	Funding formula training scheduled for 17/10/23. Working groups on agenda for 20/09/23
14/06/23	7	Matt Hardwick will raise a query with Amanda Chew over whether this document [regarding land assets] covers long term leasing.	Matt Hardwick	20/09/23	
14/06/23	10	Amanda to check revised [Maintained Schools Balances Outturn 22-23] papers carry correct percentages in para. 4.11: 8% (primary) and 5% (secondary).	Amanda Chew	20/09/23	Corrected paper uploaded to webpage.
14/06/23	11	Susan Milburn will discuss with Trudy whether input from the Schools Forum on DBV in SEND would be useful, and confirm.	Susan Milburn	20/09/23	Update to be presented at next meeting.

(See table below for completed items)

Meeting date		Agenda item	Completed Action	Owner	Due date	Update for next meeting



WESTMORLAND & FURNESS COUNCIL SCHOOLS FORUM
Report Title: School Funding Formula 2024/25
Meeting date: 20 September 2023
Report of: Mil Vasic, Director Children's Services

1.0 Executive Summary

- 1.1 In July 2023 the Education & Skills Funding Agency (ESFA) announced details of the dedicated schools grant (DSG) funding for 2024/25 and this paper provides information on the provisional allocations.
- 1.2 For 2024/25 the Department for Education (DfE) has again placed further restrictions on local flexibility as it moves closer towards bringing in a direct national funding formula (NFF) whereby individual school and academy budgets will be set directly through one single NFF.
- 1.3 It is proposed that the Westmorland and Furness school funding formula mirrors the NFF in full in 2024/25 impacting maintained schools with effect from 1 April 2024 and academies from 1 September 2024. If there is a shortfall in Schools Block funding after allocating funding on this basis, and after taking into account the Growth Fund budget, then it is proposed that this be managed by reducing the basic per pupil funding factor in the formula.
- 1.4 If a balance remains within the Schools Block after applying the NFF in full and after taking into account the Growth Fund budget, it is proposed that up to a maximum of 0.5% is transferred to the High Needs (HN) block to support the ongoing budget pressures. Thereafter, any residual balance remaining to be allocated to schools through the school funding formula by increasing the basic per pupil funding factor.
- 1.5 The paper sets out the rationale behind this proposal and includes an example draft consultation document; if the proposal is supported by Schools Forum, three recommended questions to ask schools, together with the illustrative impact on school budget shares are presented. Once finalised the consultation will be launched on 27 September for a period of 3 weeks.
- 1.6 A report will be presented at the next Schools Forum meeting on 1 November to share the outcomes from the consultation; the Cabinet meeting on 12 December will make the final decision on the school funding formula for 2024/25.

2.0 Link to Council Plan Priorities

2.1 Ensuring that schools are appropriately funded is supportive of the Council Plan priorities that “People in Westmorland and Furness are healthy, happy, active and able to lead fulfilling independent lives, thriving in their communities” and the commitment to reduce inequality and “ensure that young people have enough opportunities to access the best education”.

3.0 Recommendation

3.1 The Schools Forum is asked to:

- note the provisional school funding settlement;
- support the recommendation to consult all schools on the proposal to apply the National Funding Formula in full in 2024/25;
- support the recommendations to
 - a) reduce the basic per pupil funding factor values in the formula if there is a shortfall, after applying the National Funding Formula in full and taking into account the Growth Fund budget
 - b) transfer any remaining balance up to 0.5% to the HN Block and allocate any leftover balance thereafter, to schools by increasing basic per pupil funding factor values in the formula.
- support the draft consultation documents at Appendix 2 and 3 which include three recommended questions.

4.0 Rationale and Evidence for the Recommendation

4.1 A national funding formula was introduced for schools from 2018/19 and since then local authorities have been able to decide, in consultation with schools and the Schools Forum whether to use the NFF to allocate funding to schools. Alternatively, there remained the option to apply a locally determined schools funding formula, within some restrictive parameters set by the ESFA. In 2023/24 the DfE began the first year of transition towards a direct NFF, whereby all schools (including academies) will be funded using a single NFF and in doing so placed further restrictions on local flexibility.

4.2 In 2023/24 the Cumbria County Council Cabinet Members decided the NFF would be used to allocate funding to schools and academies in Westmorland and Furness, as in previous years and since the introduction of the NFF in 2018/19. When the final DSG Schools Block allocation for Westmorland and Furness was published by the ESFA in December 2022, after applying the NFF in full and taking into account the Growth Fund budget of £0.221m, there was an affordability gap of £0.179m. This resulted in a small reduction in the basic per pupil funding factor of -0.21% when compared with the NFF value. As there was no balance remaining in the Schools Block after applying the

funding formula there was no transfer to the High Needs Block to support the budget pressures in 2023/24.

Provisional DSG Allocations 2024/25

- 4.3 On 17 July 2023, the Education Skills and Funding Agency (ESFA) announced details of the dedicated schools grant (DSG) funding arrangements which, at a national level, will increase by £1.8bn in 2024/25 compared to the current year. Of this, £440m is being directed to the High Needs Block.
- 4.4 The DSG funding is allocated in four blocks: Schools, High Needs, Early Years and Central Schools Services. As in previous years the ESFA has also published notional school-level allocations. Final allocations will be published in December 2023 and will include Early Years funding.
- 4.5 The table below compares the 2024/25 funding allocations to 2023/24. These figures are provisional, have been based on October 2022 census data and are before recoupment for academies and high needs places. Final allocations will be based on October 2023 census data and other later adjustments.

	23/24	24/25	Movement	Increase/ Decrease
	£m	£m	£m	%
Schools Block (excl Growth Fund)	154.789	164.845	10.056	6.50%
HN Block	27.793	28.468	0.675	2.43%
Central Services Block	1.698	1.609	-0.088	-5.21%
Total	184.279	194.921	10.642	

Schools Block

- 4.6 The Schools Block allocation consists of 3 elements as shown in the table below and compared to 2023/24:

	23/24	24/25	Movement
	£m	£m	£m
Core NFF	152.865	162.695	9.830
Premises factor	1.924	2.150	0.226
Growth Fund factor	0.720	tbc	tbc
Total	155.509	164.845	10.056

- 4.7 Core NFF funding is calculated by the ESFA by applying the NFF to each school using October 2022 pupil data. The total funding for each local authorities' primary and secondary schools is then aggregated separately and divided by the total primary and secondary pupil numbers to arrive at a single primary and secondary per pupil unit for each local authority. The table below shows a comparison between the 2023/24 and 2024/25 per pupil unit values:

	Primary (PUF)	Secondary (PUF)	Primary headcount	Secondary headcount	Primary funding	Secondary Funding	Total
2023/24	£5,266	£6,065	14,747	12,401	77,653,447	75,211,569	152,865,016
2024/25	£5,626	£6,430	14,747	12,401	82,957,679	79,737,095	162,694,774
increase	7%	6%			5,304,232	4,525,526	9,829,758

- 4.8 These unit amounts, as published in the provisional allocations for 2024/25 will be the actual unit values used for the final 2024/25 schools block allocation for Westmorland and Furness multiplied by the October 2023 pupil numbers.
- 4.9 The ESFA has published notional 2024/25 budgets for each school; it is important to note that these are not reflective of actual amounts receivable by schools in 2024/25, as local authorities continue to have flexibility to set a locally agreed funding formula in consultation with schools and Schools Forum, ensuring the available Schools Block funding is not exceeded. The notional school level budgets use the 2023/24 notional school level budgets baselines, which are not the same as the actual school budget baselines for 2023/24.
- 4.10 Premises Factor is based on the amount spent by local authorities on this factor in the 2023-24 school funding formula. As the funding through this factor is lagged and does not reflect the actual premises costs for 2024/25 this may create a pressure on the Schools Block.
- 4.11 Growth Fund Factor details for which have not yet been published will be based on observed differences between primary and secondary number on roll in each local authority between the October 2022 and October 2023 censuses and will be published at a later date. New for 2024/25 this will also include funding for falling rolls as well as growth.
- 4.12 The three elements that make up the School Block are not ring-fenced, and local authorities can set a Growth and/or Falling Rolls Fund budget transferring up to 0.5% of the total Schools Block to other Blocks with the approval of the Schools Forum. Any transfer above 0.5% requires approval from the Secretary of State. From 2024/25 local authorities will need to provide growth funding where a school or academy has agreed with the local authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an ongoing commitment) that is at least at the value calculated through using the following formula:
- $$\text{£1,550} \times \text{number of pupils} \times \text{Area Cost Adjustment}$$
- 4.13 Where local authorities operate a falling roll fund, they will only be able to provide funding if the 2022 school capacity data (SCAP) shows that school places will be required in the subsequent three to five years. Historically Cumbria did not operate a falling rolls fund.

National Funding Formula 2024-25

- 4.14 The increase in the Core NFF includes the Mainstream Schools Additional Grant (MSAG) of which £4,510 has been added to the lump sum factor, with the remainder allocated on a per pupil basis as follows:

	£
Primary AWPU	119
KS3 AWPU	168
KS4 AWPU	190
Primary Minimum Per Pupil Funding	143
Secondary Minimum Per Pupil Funding	195
Primary FSM6	104
Secondary FSM6	152

- 4.15 On top of these increases the basic per pupil funding factor, additional needs factors and the school lump sum have increased by 2.4%. The free school meals (FSM) factor will increase by 1.6%. The minimum per pupil funding levels have been set at £4,655 per primary and £6.050 per secondary pupil. A comparison between the formula factor values used in 2023/24 and the NFF factors for 2024/25 is at Appendix 1.
- 4.16 A new split sites factor, targeting extra funding to schools which operate across more than once site, has been introduced in the NFF as a requirement for local authorities in their local school funding formula. It comprises a lump sum of £54,300 and for those schools with sites separated by more than 100 meters, a distance funding on a sliding scale up to a maximum of £27,100 for sites which are at least 500 metres away from the main site.
- 4.17 The settlement also allows for an increase to the funding floor, so that all schools and academies will attract at least 0.5% per pupil gain against their 2023/24 per pupil baselines, adjusted to include the MSAG. Local authorities will continue to be allowed to set a minimum funding guarantee (MFG) in local formulae, which must be between +0% and +0.5%.
- 4.18 The DfE is committed to moving towards a 'hard' NFF whereby individual school budgets will be set directly by the ESFA rather than independently through a locally agreed funding formula. In 2023/24 local authorities were required to bring their own formulae at least 10% closer to the direct NFF. This restriction is being applied again in 2024/25.
- 4.19 For the purposes of tightening the criteria, local factor values that were within 2.5% of the respective NFF values in 2023/24 are deemed to be mirroring the NFF. This means that local authorities with factor values within +/-2.5% in 2023/24 will be allowed to set their 2024/25 factor values anywhere between +/-2.5%. Therefore, for Westmorland and Furness the +/-2.5% restriction will apply as the local school funding formula is deemed to mirror the NFF in 2023/24.
- 4.20 The recently announced new Teachers Pay Additional Grant introduced from September 2023 will not be included in the NFF in 2024/25 but will continue to be allocated to schools as a separate grant in 2024/25.

High Needs Block

4.21 Westmorland and Furness is estimated to gain £0.675m (2.43%) compared with 2023/24, as shown in the table below, subject to changes in pupil numbers and other later adjustments:

	2023/24	2024/25	Movement	Movement
	£m	£m	£m	%
Basic Factor	1.820	1.820	0.000	0.00%
Historic Factor	7.953	7.953	0.000	0.00%
Other Proxy Factor Funding	16.257	17.542	1.285	7.90%
Funding Floor	0.326	0.832	0.506	155.11%
AP Factor	0.425	0.436	0.011	2.60%
Import/export adjustment	-0.114	-0.114	0.000	0.00%
Additional HN funding	1.127		-1.127	-100.00%
Total	27.793	28.468	0.675	2.43%

4.22 The HN national funding formula used to allocate funding to local authorities is broadly unchanged. The additional HN funding of £1.127m received last year has been rolled into the baseline for the purposes of calculating the funding floor protection. This allows a minimum 3% increase per head of 2 to 18 population, capped at 5% against the 2023/24 baseline. For Westmorland and Furness, the per head gain is 3%, however the protection only applies to the proxy factors and the additional HN funding and excludes the basic, Alternative Provision (AP) factor and the import/export adjustment which is why the table above only shows an overall increase of 2.43%.

4.23 The historic spend factor within the formula is £7.953m which is the same amount allocated in 2023/24 and equates to 28% of the total funding estimated to be available in 2024/25.

Central Schools Services Block

4.24 Westmorland and Furness is estimated to lose £0.088m (5.21%) compared to last year. The formula used is broadly unchanged from 2023/24. The block consists of 2 elements: ongoing responsibilities and historic commitments. For 2024/25 maximum per-pupil reduction for ongoing responsibilities for each LA is -2.5% and gains are capped at 5.51%. The table below explains the reduction:

	Ongoing Responsibilities	Historic Commitments	Total
	£m	£m	£m
2023/24	0.971	0.727	1.698
2024/25	1.027	0.582	1.609
	0.057	-0.145	-0.088
%	5.86%	-20.00%	-5.21%

4.25 The funding for ongoing responsibilities is estimated to increase by £0.057m (5.86%) subject to changes in pupil numbers and other later adjustments. However, the historic commitments funding which the ESFA has been winding down since 2019/20 has reduced by (£0.145m) (20%). It is expected that the

historic commitments element will continue to reduce on this basis in future years as there is an expectation that these commitments will eventually unwind completely. However, the historic commitments funding will be protected from dropping below the total value of ongoing prudential borrowing costs which for Westmorland and Furness is £0.468m.

School Funding Formula 2024/25

4.26 It is a requirement that all maintained schools and academies are consulted on any changes to the local funding formula each year. Even if it is proposed to continue to follow the NFF, if the formula factors and/or the minimum funding guarantee (MFG) is different to that of the preceding year then we must consult with all schools on the changes. Following this consultation, Schools Forum is then asked to make a recommendation to Cabinet on a proposed approach. Cabinet will then decide on the final school funding formula for 2024/25 which will impact maintained schools from 1 April 2024 and academies from 1 September 2024.

4.27 A timeline for this process is set out below:

Date	Task
20 September 2023	Schools Forum consulted on the proposed basis for modelling the school funding formula for 2024/25 and the format of the consultation
27 September 2023	Launch consultation with schools on arrangements for 2024/25 (incorporating any changes following the Schools Forum meeting)
18 October 2023	Consultation ends
1 November 2023	Schools Forum members meeting to allow recommendation to Cabinet, and to meet Cabinet reporting deadlines
12 December 2023	Cabinet - report on School Funding 2024/25 presented and Cabinet decision to be made
Early January 2024	Following call-in period, notify schools of Cabinet decision on School Funding 2024/25
17 January 2024	Schools Forum Meeting to agree 2024/25 DSG budget
22 January 2024	Deadline for submitting School Funding 2024/25 Proforma to ESFA

4.28 Given that the DfE is moving forward with their plans to transition to a 'hard' formula and due to schools predicting a fall in their net balances in 2024/25 it is proposed that schools are consulted on adopting the NFF in 2024/25 in full, as in previous years. If after allocating the funding on this basis and taking into account the budget required for the Growth Fund, there is a shortfall in Schools Block funding it is proposed that this will be managed by reducing the basic per pupil funding factor (up to a maximum of -2.5% as detailed in para 4.19). It should be noted that if this situation were to arise, not all schools will see a reduction in their budget shares. This is because some schools receive

protection funding through the MPL and MFG factors to protect against losses through these factors.

- 4.29 If it arises that there is a balance remaining in the Schools Block after allocating the funding using the NFF, then it is proposed that up to a maximum of 0.5% is transferred to the High Needs Block to support the budget pressures. If any residual balance is remaining after that to allocate this to schools through increasing the basic per pupil funding factor (up to a maximum of +2.5%). It should be noted that if this situation were to arise not all schools would see an increase in their budget shares. This is because some schools receive protection funding through the MPL and MFG factors, therefore unless the increase in AWPU takes a school over these they will see no change to their budget share.
- 4.30 It is estimated that a 0.5% transfer will be a maximum of £0.828m for Westmorland and Furness. It is not possible to confirm the actual value of any potential transfer to the HN Block, if any, until the DfE publish the final data set to be used to calculate the school budget shares in December 2023. This takes into account the October 2023 census pupil data and characteristics. The cumulative High Needs Deficit at the end of 2022/23 was £12.017m and this is predicted to rise in 2023/24. Whilst the Council has successfully bid for a £1m grant through the DfE's Delivering Better Value SEND programme, the purpose of this grant is to support the LA in introducing changes to reach a balanced in-year position. Any new initiatives will take time to develop, implement and see desired impact. Therefore, any transfer from the Schools Block to High Needs Block will be used to support the current HN block budget pressures.
- 4.31 The alternative option is not to transfer any funding to the High Needs Block and allocate any surplus budget, after taking into account the Growth Fund budget, to schools through increasing the basis per pupil unit factor values. This will need to be within the +2.5% factor value threshold range as detailed in para 4.19 above. However, this option is not recommended as there is a risk that, due to the proposal requiring local authorities to move their local formula closer to the NFF, 'topping up' the NFF factor values by allocating additional funding through the formula will create greater turbulence for some schools in future years. It may also make applying the NFF in full unaffordable in future years as the additional funding would be built into the schools budget share baselines, but the funding for this is not reflected in the notional school budgets used by the ESFA to calculate local authority level core NFF funding.
- 4.32 A shortfall or balance remaining in the Schools Block after allocating the funding using the NFF can arise due to the way in which local authorities are funded detailed in paragraphs 4.7 and 4.10 above. The actual primary and secondary units of funding at local authority level are based on October 2022 pupil data and changes in pupil characteristics, such as eligibility for FSM or changes in attainment levels, are not reflected in the primary and secondary units of funding used to allocate the core NFF funding to local authorities in 2024/25. Only changes in pupil numbers are taken into account. It is anticipated that the number of children eligible for FSM will have increased between the October 2022 and 2023 census dates and therefore this could

mean that applying the NFF in full will be unaffordable in 2024/25 when the final Schools block allocation is confirmed in December.

- 4.33 The Premises factor at local authority level, which is based on the previous year's actual spend will also have an impact on affordability.
- 4.34 The Growth and new Falling Rolls factor within the Schools Block is not ring-fenced and local authorities can decide on the level of growth/falling rolls budgets needed locally in consultation with Schools Forum. This funding can be also used to fund the school funding formula if required, which can also impact on whether there is a shortfall or balance remaining to transfer to the High Needs Block.
- 4.35 In anticipation that the Schools Forum support the recommended proposal to allocate funding to schools on this basis, proposed in paras 4.28 and 4.29, a draft consultation document has been prepared at Appendix 2. The illustrative impact of the NFF on school budget shares is available at Appendix 3.
- 4.36 The draft consultation asks the following 3 questions:
- 1) Do you agree with your Schools Forum recommendation that the National Funding Formula continues to be used to allocate funding to schools in 2024/25?
 - 2) Do you agree that, if there is a shortfall in Schools Block funding after applying the National Funding Formula in full that this is managed by reducing the basic per pupil funding factor?
 - 3) Do you agree that, if there is any Schools Block funding remaining (up to a maximum of 0.5%) after allocating the school funding formula to schools using the NFF, it should be transferred to the High Needs Block?
- 4.37 Whilst Question 1 must be included in the consultation, Schools Forum can recommend alternative questions to include. Once the outcome of the consultation is known the Schools Forum will be asked to make a recommendation to Cabinet members on school funding formula for 2024/25.

5.0 Options

5.1 Schools Forum is asked to:

- note the announced changes to the 2024/25 school funding and the timeline for finalising and approving the funding formula for school budget shares
- support the recommendation in principle to adopt the National Funding Formula in full in 2024/25
- support the recommendation to apply the following principles if there is a shortfall or remaining balance after applying the National Funding Formula in full and after taking into account the growth fund budget:

- a) if there is shortfall to reduce the basic per pupil funding factor values in the formula;
 - b) if there is a remaining balance transfer up to 0.5% to the HN Block and allocate any leftover balance after that, if available, to schools by increasing the basic per pupil funding factor values in the formula.
- support the draft consultation documents at Appendix 2 and 3 and the three recommended questions to ask schools as set out in para 4.35 above;
- or
- recommend alternative questions to ask schools

6.0 Financial and Other Relevant Implications

6.1 Resource and value for money implications are considered throughout this report. No equality/legal/ implications have been identified at this stage.

6 September 2023

Appendices:

1. Comparison between actual 2023/24 Westmorland and Furness school funding formula factors and 2024/25 NFF factors
2. Draft Westmorland and Furness School Funding Formula Consultation Document
3. Illustrative Impact of 2024/25 National Funding Formula

REPORT AUTHOR

Contact:

Name Amanda Chew
Post title Service Accountant
Email: amanda.chew@westmorlandandfurness.gov.uk

Agenda item 8 - Appendix 1

SF 200923 School Funding Formula 2024-25 Paper - Appendix 1

Comparison between Westmorland & Furness School Funding Formula values for 2023/24 and the National Funding Formula Values for 2024/25

	2023-24	2024-25	Increase
	Unit Value	Unit Value	%
Basic per Pupil Funding			
Primary AWPU	£3,387	£3,597	6.20%
KS3 AWPU	£4,775	£5,072	6.22%
KS4 AWPU	£5,381	£5,717	6.24%
Primary Minimum Per Pupil Funding	£4,405	£4,655	5.68%
Secondary Minimum Per Pupil Funding	£5,715	£6,050	5.86%
Deprivation			
Primary FSM	£480	£490	2.08%
Secondary FSM	£480	£490	2.08%
Primary FSM6	£705	£830	17.73%
Secondary FSM6	£1,030	£1,210	17.48%
Primary IDACI A	£670	£685	2.24%
Primary IDACI B	£510	£520	1.96%
Primary IDACI C	£480	£490	2.08%
Primary IDACI D	£440	£450	2.27%
Primary IDACI E	£280	£285	1.79%
Primary IDACI F	£230	£235	2.17%
Secondary IDACI A	£930	£950	2.15%
Secondary IDACI B	£730	£750	2.74%
Secondary IDACI C	£680	£695	2.21%
Secondary IDACI D	£620	£635	2.42%
Secondary IDACI E	£445	£455	2.25%
Secondary IDACI F	£335	£345	2.99%
Low Prior Attainment			
Primary LPA	£1,155	£1,185	2.60%
Secondary LPA	£1,750	£1,790	2.29%
English as an Additional Language			
Primary EAL	£580	£595	2.59%
Secondary EAL	£1,565	£1,605	2.56%
Mobility			
Primary mobility	£945	£970	2.65%
Secondary mobility	£1,360	£1,395	2.57%
School Led Funding			
Lump Sum	£128,000	£135,700	6.02%
Primary Sparsity (Up to a maximum of)	£56,300	£57,700	2.49%
Secondary Sparsity (Up to a maximum of)	£81,900	£83,900	2.44%
New Split Site Lump Sum	n/a	£54,300	
New Split Site Distance (Up to a maximum of)	n/a	£27,100	
Rates & Rents	Actual cost	Actual cost	

**School Funding Formula
for 2024/25**

Consultation

**Consultation between Westmorland & Furness Schools Forum and
Maintained Schools & Academies within Westmorland & Furness**

Consultation Commences: Wednesday 27 September 2023

**Deadline for responding to the consultation at [TBC](#)
: Wednesday 18 October 2023**

Introduction

National Funding Formula

1. A national funding formula (NFF) was introduced for schools from 2018/19 and as in previous years, in 2024/25 local authorities will continue to decide, following consultation with their schools and Schools Forum, whether this formula is applied or a locally determined formula is used.
2. This document comprises a consultation with all Westmorland & Furness mainstream schools/academies and Schools Forum to seek views on the proposed changes to the schools funding formula in 2024/25. The consultation also considers some of the continuing challenges around high needs budget.
3. All schools are encouraged to respond to this consultation using the online survey at [TBC](#). The deadline for responding to the consultation is 18 October 2023. The outcome of the consultation will be reported to Schools Forum at their next meeting on 1 November who will, after taking into consideration the consultation results, make a recommendation to Cabinet members who will decide on the final shape of the school funding formula for 2024/25 in December 2023.
4. Schools can find further detailed information on the national funding formula at: [National funding formula for schools and high needs - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Shape of the National Funding Formula in 2024/25

5. In July 2023 the government announced that in 2024/25 the schools and high needs block funding would rise by £1.8bn nationally compared to 2023/24. Of this, £440m is being directed to the High Needs Block to support children and young people with special educational needs.
6. Local authorities will continue to have flexibility to set a local school funding formula in 2024/25 however the government continues to be committed to moving towards a 'hard' NFF whereby individual school budgets will be set directly by the ESFA rather than independently through a locally agreed funding formula. In 2023/24 local authorities were required to bring their own formulae at least 10% closer to the direct NFF. Local authorities whose factor values were within +/- 2.5% of the respective NFF values in 2023/24 are deemed to be mirroring the NFF and will only be allowed to set their 2024/25 local factor values between +/-2.5% of the NFF. This restriction is being applied again in 2024/25.
7. Changes in the 2024/25 NFF include the roll in of the Mainstream Schools Additional Grant (MSAG) of which £4,510 has been added to each school's lump sum factor and the remainder has been allocated on a per pupil basis as follows:

	£
Primary AWPU	119
KS3 AWPU	168
KS4 AWPU	190
Primary Minimum Per Pupil Funding	143
Secondary Minimum Per Pupil Funding	195
Primary FSM6	104
Secondary FSM6	152

8. On top of these increases, the basic per pupil funding factor, additional needs factors and the school lump sum have increased by 2.4%. The free school meals (FSM) factor will increase by 1.6%. The minimum per pupil funding levels (MPL) have been set at £4,655 per primary and £6.050 per secondary pupil.
9. A new split sites factor which targets extra funding to schools which operate across more than once site has been introduced into the NFF which must be used by local authorities in their local school funding formula. It comprises of a lump sum of £54,300 and for those schools whose sites are separated by more than 100 meters receive distance funding on a sliding scale up to a maximum of £27,100 for sites which are at least 500 metres away from the main site.
10. The settlement also allows for an increase to the funding floor so that all schools and academies will attract at least 0.5% per pupil gain against their 2023/24 per pupil baselines which have been adjusted to include the MSAG. Local authorities will continue to be allowed to set a minimum funding guarantee (MFG) in local formulae, which must be between +0% and +0.5%.
11. As in previous years, local authorities are allowed, with the agreement of their Schools Forum, to transfer up to 0.5% of the School Block funding to support the High Needs Block budget.
12. The below table shows a comparison between the formula factors applied in Westmorland & Furness in 2023/24 and the NFF in 2024/25:

	2023-24	2024-25	Increase
	Unit Value	Unit Value	%
Basic per Pupil Funding			
Primary AWPU	£3,387	£3,597	6.20%
KS3 AWPU	£4,775	£5,072	6.22%
KS4 AWPU	£5,381	£5,717	6.24%
Primary Minimum Per Pupil Funding	£4,405	£4,655	5.68%
Secondary Minimum Per Pupil Funding	£5,715	£6,050	5.86%
Deprivation			
Primary FSM	£480	£490	2.08%
Secondary FSM	£480	£490	2.08%
Primary FSM6	£705	£830	17.73%
Secondary FSM6	£1,030	£1,210	17.48%
Primary IDACI A	£670	£685	2.24%
Primary IDACI B	£510	£520	1.96%
Primary IDACI C	£480	£490	2.08%
Primary IDACI D	£440	£450	2.27%
Primary IDACI E	£280	£285	1.79%
Primary IDACI F	£230	£235	2.17%
Secondary IDACI A	£930	£950	2.15%
Secondary IDACI B	£730	£750	2.74%
Secondary IDACI C	£680	£695	2.21%
Secondary IDACI D	£620	£635	2.42%
Secondary IDACI E	£445	£455	2.25%
Secondary IDACI F	£335	£345	2.99%
Low Prior Attainment			
Primary LPA	£1,155	£1,185	2.60%
Secondary LPA	£1,750	£1,790	2.29%
English as an Additional Language			
Primary EAL	£580	£595	2.59%
Secondary EAL	£1,565	£1,605	2.56%
Mobility			
Primary mobility	£945	£970	2.65%
Secondary mobility	£1,360	£1,395	2.57%
School Led Funding			
Lump Sum	£128,000	£135,700	6.02%
Primary Sparsity (Up to a maximum of)	£56,300	£57,700	2.49%
Secondary Sparsity (Up to a maximum of)	£81,900	£83,900	2.44%
New Split Site Lump Sum	n/a	£54,300	
New Split Site Distance (Up to a maximum of)	n/a	£27,100	
Rates & Rents	Actual cost	Actual cost	

Westmorland & Furness Schools Funding Formula in 2023/24

13. Following consultation with schools and Cumbria Schools Forum the school budget shares were calculated using the NFF in 2023/24 and it was recommended by Schools Forum and agreed by Cabinet members that if there was a leftover balance remaining after allocating the school budgets on this basis that up to 0.5% would transfer to the High Needs Block. When the DfE confirmed the final Schools Block funding for 2023/24 in December 2022, the school funding formula was calculated on the basis agreed and there was an affordability gap of £0.179m resulting in a small reduction in the basic per pupil funding factor compared to the NFF of -0.21%. As there was no balance remaining in the Schools Block after applying the funding formula on this basis there was no transfer to the High Needs Block to support the budget pressures in 2023/24.

Westmorland & Furness Proposed School Funding Formula 2024/25

14. The DfE have published notional 2023/24 budgets for each school based on the NFF using 2023/24 pupil data and characteristics. The notional budgets are available at: [National funding formula tables for schools and high needs: 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/114114/nff_tables_2024_2025.pdf).
15. The notional budgets, which are based on October 2022 pupil numbers and pupil characteristics, are then used by the ESFA to determine the actual primary and secondary per pupil funding units used to calculate the local authority level allocations for 2024/25. The ESFA calculate these units of funding by separately dividing each local authority's total primary and secondary funding through the NFF by its total primary and secondary pupil numbers. These units of funding form the core NFF funding and together with funding for Premises which is based on 2023/24 costs and Growth funding which also now includes funding for falling rolls comprise the total Schools Block allocation for 2024/25. The DfE have published the provisional Schools Block allocation for Westmorland & Furness which is compared to 2023/24 in the table below:

	23/24	24/25	Movement
	£m	£m	£m
Core NFF	152.865	162.695	9.830
Premises factor	1.924	2.150	0.226
Growth Fund factor	0.720	tbc	tbc
Total	155.509	164.845	10.056

16. The actual 2024/25 school funding formula allocations will be based on October 2023 pupil numbers and pupil characteristics. The Westmorland & Furness Schools Forum recommends that the NFF is used as the basis for allocating funding to schools in 2024/25 and that if, after applying the formula on this basis and taking into account any budget required to support growth needs there is shortfall or balance remaining in the Schools Block funding then it is proposed that the following principles are applied:

- if there is shortfall reduce the basic per pupil funding factor values in the formula;
 - if there is a remaining balance transfer up to 0.5% to the HN Block and allocate any leftover balance after that, if available, to schools by increasing basic per pupil funding factor values in the formula.
17. This would continue be the most prudent method of allocating the school budget shares in 2024/25 given that it is known that the government are moving forward with their plans to transition to a 'hard' formula in future years and that the majority of local authorities have either adopted the NFF or moved their own local formulae closer towards the NFF in preparation for this change. It will also provide schools with the full funding due to them under the NFF, subject to affordability.
 18. A shortfall or balance remaining in the Schools Block funding can arise after allocating the funding to schools using the NFF due to the way local authorities are funded as detailed in paragraph 15. The actual primary and secondary units of funding at local authority level are based on October 2022 pupil data and changes in pupil characteristics such as eligibility for FSM or changes in attainment levels are not reflected in the primary and secondary units of funding used to allocate the core NFF funding to local authorities in 2024/25. It is anticipated that the number of children eligible for FSM will have increased between the October 2022 and 2023 census dates and therefore this could mean that applying the NFF in full will be unaffordable in 2024/25 as it was in 2023/24.
 19. The Premises factor at local authority level, which is based on the previous year's actual spend in their 2023/24 school funding formula will also have an impact on affordability as 2024/25 school funding formula will be based on estimated premises costs for 2024/25.
 20. The local authority level Growth Fund which, from 2024/25 also includes funding for falling rolls, is not ring-fenced and local authorities can decide on the level of growth/falling rolls budgets needed locally in consultation with Schools Forum. Historically, since the introduction of the NFF Cumbria has had Growth fund to support schools who have exceeded their PAN on the request of the local authority and this can also impact on the level of funding available to allocate through the school funding formula.
 21. The alternative option would be not to transfer any leftover Schools Block funding to the HN Block but to allocate it, after applying the NFF, to schools through the school funding formula by 'topping up' the AWPU factor values but due to the new restrictions being imposed by government from 2023/24 any increases would be limited to +2.5%. However, it is not yet known how much funding will be available (if any) after applying the NFF as the final Schools Block funding, which will be based on the October 2023 census data, will not be made available until December 2023. Therefore, it is not possible to model the impact of this on individual school budgets with any degree of accuracy.
 22. If any leftover Schools Block funding were to be allocated to schools through the schools funding formula by increasing the AWPU factor values above the level of

the NFF values, not all schools would see an increase in their budget shares. This is because some schools receive protection through the MPL and MFG factors and therefore, unless the increase in APWU takes them over these levels of protection then they will see no change to their budget shares.

23. There is also a risk that, due to the proposal requiring local authorities to move their local formula closer to the NFF from 2024/25 onwards, 'topping up' the NFF factor values by allocating additional funding through the formula would create turbulence for some schools, although they would receive protection against year-on-year reductions through the MFG.
24. Appendix 1 to this consultation presents a comparison between the actual Westmorland & Furness school funding formula in 2023/24 against the proposed school funding formula for 2024/25. This mirrors the national funding formula as applied by the DfE and includes the mandatory MPL of £4,655 per primary and £6,055 per secondary pupil and a MFG of +0.5% per pupil increase against 2023/24 baselines.
25. The school level allocations do not exactly replicate the notional school budget shares as published by the DfE for all schools because the DfE have used the notional NFF baselines for 2023/24 to calculate the MFG for 2024/25 rather than the actual baselines for 2023/24 as submitted to the DfE through the Authority Proforma Tool (APT).
26. It is also important to note that the notional budgets published by the DfE are not reflective of actual amounts receivable by schools in 2024/25 as the local authority continues to have flexibility to set a locally agreed funding formula through consultation with schools and Schools Forum and it must also ensure that the final formula is affordable and does not exceed the School Block funding available.
27. The proposed school funding formula for 2024/25 will impact on maintained schools with effect from 1 April 2024 and for academies from 1 September 2024.
28. To enable a like for like comparison the illustrative 2024/25 school funding formula has been based on the same pupil numbers and pupil characteristic data as that used to calculate the actual 2023/24 school funding formula. The 2023/24 baseline school budget shares used to calculate the MFG have been adjusted to include the MSAG.
29. Final allocations for 2024/25 will be based on the December 2023 dataset which will use October 2023 census pupil data.
30. It should be noted that the actual school funding formula figures for 2023/24 and illustrative school funding formula figures for 2024/25 in Appendix 1 are shown before de-delegation has been deducted from maintained schools budgets and include premises factors (rates and rents) which have been based on 2023/24 actual levels for both maintained and academy schools as applied in the APT submitted to the DfE.

Consultation Question 1:

Do you agree with your Schools Forum recommendation that the National Funding Formula continues to be used to allocate funding to schools in 2024/25?

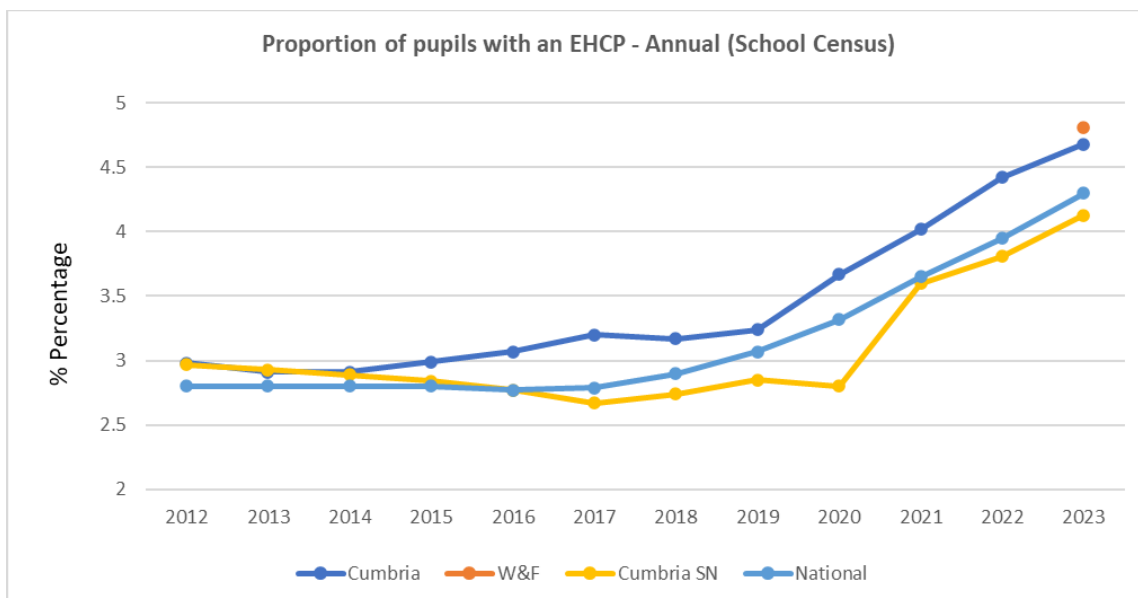
31. As recommended by your Schools Forum, if applying the national funding formula creates an affordability gap within the School Block it is proposed that the basic per pupil funding factor values are reduced down proportionately to a level that it is affordable. It should be noted that if this situation were to arise not all schools would see a reduction in their budget shares. This is because some schools receive protection funding through the MPL and MFG factors and are protected against losses through these factors.

Consultation Question 2:

Do you agree with your Schools Forum recommendation that if there is a shortfall in Schools Block funding after applying the National Funding Formula that this is managed by reducing the basic per pupil funding factor values in the formula?

High Needs Funding

32. As previously published in last year's school funding formula consultation, schools will be aware, like many other local authorities, that Westmorland & Furness is experiencing significant budget challenges in relation to funding high needs provision.
33. The DfE requires all local authorities with a cumulative Dedicated Schools Grant (DSG) deficit to set out their plans to bring the reserves back to a balanced position. Following disaggregation the opening balance on the DSG reserves as at 1 April 2023 for Westmorland & Furness was a net deficit of £8.741m. The main pressure on the DSG reserves was the deficit on the HN Block of £12.017m this was offset by a surplus on other DSG blocks of (£3.276m). This figure does not include school balances which are reported on separately.
34. The deficit on the High Needs budget continues to relate to specific pressures relating to the growth in demand for Education Health Care Plans (EHCPs) for pupils with SEN which is directly linked to the SEND reforms of 2014, since which there has been a steep increase in the cumulative numbers of pupils with EHCPs over the last 7 years, which reflects the national picture with many other local authorities also experiencing significant pressure against the High Needs budget.
35. The benchmarking chart below shows that Westmorland & Furness' percentage of pupils with EHCPs is higher compared to the national and Cumbria statistical neighbours rates although the rate of increase for Cumbria overall is largely matched by the rate of increase both nationally and against the Cumbria statistical neighbours.



36. In July 2023 the DfE announced the provisional HN block funding allocation for 2024/25. This included a minimum increase per head of 2 to 18 year old population of 3% capped at 5% however this protection only applies to specific factors in the funding formula. For Westmorland & Furness the overall provisional increase in HN Block funding is estimated to be £0.675m (2.43% increase) compared to 2023/24 subject to changes in pupil numbers and other later adjustments.
37. Regular budget monitoring reports on the High Needs Block budget and progress against the deficit recovery plan are discussed at Schools Forum meetings. The minutes and reports are available to download from the [Schools Forum](#) page on the Westmorland & Furness website. However, despite the impact of a number of invest to save initiatives including early intervention initiatives, school based alternative provision programmes and expansion of special school places all of which over time are expected to reduce reliance on expensive independent providers and improve outcomes for children and young people with SEND, there is still a significant gap between funding available and forecast expenditure in 2023/24.
38. Westmorland & Furness is being supported by the DfE's Delivering Better Value for SEND programme the aim of which is to achieve a balanced in-year position on the High Needs Block and has successfully bid and received a £1m grant to support its improvement plans the outcomes of which will be incorporated into a new Westmorland & Furness DSG management plan in due course, however, the impact will not be achieved in the first year of the programme.
39. The funding regulations for 2023/24 allow a transfer of a maximum of 0.5% from the Schools Block to the High Needs Block with Schools Forum approval. Your Schools Forum recommends that after applying the NFF to calculate school budget shares, if there is any balance leftover it is transferred to the High Needs Block to support the budget pressures, capped at 0.5%. Any residual balance after transferring up to 0.5% to the High Needs Block would be allocated through

the funding formula by increasing the basic per pupil unit factor value, subject to a maximum of +2.5% as detailed in paragraph 6 above.

40. It is not possible to confirm the actual value of the transfer to High Needs Block, if any, until the DfE publish the final data set to be used to calculate the school budget shares in December 2023 which takes into account the October 2023 census pupil data and characteristics. However it is estimated that up to 0.5% would equate to a maximum of £0.824m.

Consultation Question 3:

Do you agree that, if there is any School Block funding remaining (up to a maximum of 0.5%) after allocating the school funding formula to schools using the NFF, it should be transferred to the High Needs Block?

Areas not impacted by this Consultation

41. It should be noted that the following funding streams are not impacted by this consultation:
- Early Years Funding
 - Special School and Pupil Referral Units
 - Post 16 Education
 - Other government grants including Pupil Premium, Universal Infant Free School Meals, Primary Sport & PE grant.

Responding to the Consultation

24. Schools are invited to respond to the 3 questions in this consultation using the online survey at: [TBC](#) by **Wednesday 18 October 2023**. Returns submitted after this date will not be included.
25. We encourage every school to respond. We kindly ask that there is only one response per school.

Appendix:

- 1) Illustrative Impact of National Funding Formula 2024/25

9433381	Dent CofE Voluntary Aided Primary School	34	311,654	£9,076.00	£320,729.81	£328,700.36	£7,970.55	2.49%
9433450	Dean Gibson Catholic Primary School, Kendal	162	749,896	£25,556.00	£775,451.67	£795,248.35	£19,796.68	2.55%
9433451	Lowther Endowed School	55	400,927	£11,887.00	£412,814.13	£423,173.07	£10,358.94	2.51%
9433452	Dean Barwick Primary School	56	394,149	£11,902.00	£406,051.01	£416,265.84	£10,214.83	2.52%
9433453	St Cuthberts Catholic Primary School, Windermere	39	298,155	£10,191.00	£308,345.89	£313,746.47	£5,400.57	1.75%
9433550	Leven Valley CofE Primary School	65	431,170	£12,869.00	£444,038.87	£455,234.94	£11,196.07	2.52%
9433551	Our Lady of the Rosary Catholic Primary School	77	447,653	£15,233.00	£462,886.14	£474,560.92	£11,674.78	2.52%
9433552	St Mary's Catholic Primary School	119	578,344	£19,919.00	£598,263.20	£613,496.93	£15,233.73	2.55%
9433556	Penny Bridge CofE School	103	548,124	£17,079.00	£565,202.76	£579,551.48	£14,348.72	2.54%
9433557	Church Walk CofE Primary School	99	507,210	£17,331.00	£524,540.51	£537,876.09	£13,335.58	2.54%
9433601	St James' CofE Junior School	120	688,181	£24,926.00	£713,107.42	£730,994.55	£17,887.13	2.51%
9433602	Sacred Heart Catholic Primary School, Barrow	174	973,895	£32,912.00	£1,006,806.85	£1,029,845.93	£23,039.08	2.29%
9433603	St Columba's School	179	831,578	£27,371.00	£858,949.28	£880,879.13	£21,929.86	2.55%
9433606	St Pius X Catholic Primary School	194	1,023,706	£35,188.00	£1,058,893.65	£1,085,534.58	£26,640.93	2.52%
9433607	Holy Family Catholic Primary School	196	881,565	£28,978.00	£910,542.79	£933,730.14	£23,187.35	2.55%
9433656	Warcop CofE Primary School	83	505,320	£15,635.00	£520,954.72	£534,125.13	£13,170.41	2.53%
9434003	Walney School	488	3,073,512	£108,756.00	£3,182,268.41	£3,263,419.06	£81,150.64	2.55%
9434011	Samuel King's School	81	746,742	£21,906.00	£768,648.49	£771,371.33	£2,722.84	0.35%
9434013	Queen Elizabeth Studio School	281	1,914,593	£61,700.00	£1,976,292.55	£1,985,495.51	£9,202.96	0.47%
9434056	The Lakes School	409	2,561,132	£85,624.00	£2,646,755.53	£2,711,108.77	£64,353.24	2.43%
9434060	Settlebeck School	208	1,465,658	£45,668.00	£1,511,325.78	£1,517,743.71	£6,417.92	0.42%
9434150	Dowdales School	798	4,884,006	£167,190.00	£5,051,195.96	£5,177,828.72	£126,632.76	2.51%
9434151	John Ruskin School	244	1,740,294	£52,608.00	£1,792,902.18	£1,800,581.97	£7,679.79	0.43%
9434152	Ulverston Victoria High School	1,054	6,190,491	£210,992.00	£6,401,483.43	£6,542,788.00	£141,304.57	2.21%
9434310	Ullswater Community College	1,327	7,866,924	£273,108.00	£8,140,031.98	£8,348,550.37	£208,518.39	2.56%
9434634	St Bernards Catholic High School, Barrow	681	4,390,488	£154,652.00	£4,545,139.66	£4,660,897.88	£115,758.22	2.55%
9435204	St Paul's CofE Junior School	68	397,967	£13,434.00	£411,400.97	£421,743.47	£10,342.49	2.51%
9435206	Appleby Primary School	169	793,624	£27,949.00	£821,573.04	£842,514.07	£20,941.02	2.55%
9435207	Askam Village School	140	664,265	£22,418.00	£686,683.31	£704,178.13	£17,494.82	2.55%
9435208	Flookburgh CofE Primary School	57	400,668	£11,397.00	£412,065.35	£422,400.73	£10,335.38	2.51%
9435210	Dalton St Mary's CofE Primary School	202	898,742	£30,420.00	£929,162.04	£945,880.89	£16,718.85	1.80%
9435213	Ireleth St Peter's CofE Primary School	62	363,690	£12,616.00	£376,305.63	£385,794.35	£9,488.72	2.52%
9435217	Orton CofE School	53	384,936	£10,921.00	£395,856.92	£405,802.30	£9,945.38	2.51%
9435221	Beaconside CofE Primary School	439	1,941,830	£65,695.00	£2,007,525.20	£2,053,715.63	£46,190.43	2.30%
9435225	Penruddock Primary School	45	371,633	£10,177.00	£381,809.75	£391,151.02	£9,341.27	2.45%
9435400	Kirkbie Kendal School	900	5,190,992	£181,046.00	£5,372,037.97	£5,509,985.12	£137,947.15	2.57%
9435401	Queen Elizabeth Grammar School Penrith	801	4,602,163	£150,504.00	£4,752,667.00	£4,870,498.00	£117,831.00	2.48%
9435404	The Queen Katherine School	808	4,780,475	£171,248.00	£4,951,722.73	£5,078,617.45	£126,894.72	2.56%
9435405	Dallam School	907	5,579,011	£182,482.00	£5,761,493.16	£5,983,025.33	£221,532.18	3.85%
9435406	Kirkby Stephen Grammar School	294	1,885,723	£64,616.00	£1,950,339.08	£1,999,959.95	£49,620.88	2.54%
9435407	Appleby Grammar School	316	2,018,143	£67,886.00	£2,086,028.82	£2,139,184.20	£53,155.38	2.55%
9435410	Cartmel Priory CofE School	340	2,114,073	£71,872.00	£2,185,945.37	£2,241,778.85	£55,833.48	2.55%
9435411	Queen Elizabeth School	999	5,747,027	£189,432.00	£5,936,459.08	£6,135,992.08	£199,533.00	3.36%
9436025	Chetwynde School	479	2,609,834	£88,899.00	£2,698,732.65	£2,767,629.14	£68,896.49	2.55%
9436908	Furness Academy	1,177	7,590,469	£269,920.00	£7,860,389.36	£8,059,910.65	£199,521.29	2.54%

£195,021.40	£3,697.31	£3,931.73	6.34%
£138,464.80	£3,932.02	£4,054.22	3.11%
£195,074.00	£3,958.91	£4,147.26	4.76%
£194,008.16	£3,786.48	£3,968.89	4.82%
£138,132.00	£4,364.46	£4,502.94	3.17%
£194,430.00	£3,840.14	£4,012.38	4.49%
£137,850.40	£4,221.24	£4,372.86	3.59%
£137,773.60	£3,869.66	£3,997.68	3.31%
£174,056.87	£3,797.53	£3,936.84	3.67%
£137,270.60	£3,911.82	£4,046.52	3.44%
£138,574.53	£4,787.77	£4,936.83	3.11%
£137,824.80	£4,994.15	£5,126.56	2.65%
£138,043.60	£4,027.41	£4,149.92	3.04%
£139,207.20	£4,740.65	£4,879.98	2.90%
£139,357.20	£3,934.62	£4,052.92	3.01%
£188,937.48	£4,000.21	£4,158.89	3.97%
£173,580.07	£6,165.34	£6,331.64	2.70%
£224,081.40	£6,723.05	£6,756.67	0.50%
£135,700.00	£6,550.15	£6,582.90	0.50%
£267,575.08	£5,817.07	£5,974.41	2.70%
£227,740.80	£6,171.08	£6,201.94	0.50%
£270,901.00	£5,990.34	£6,149.03	2.65%
£256,944.00	£6,294.91	£6,326.39	0.50%
£301,788.00	£5,787.19	£5,921.25	2.32%
£164,030.00	£6,010.55	£6,167.69	2.61%
£158,758.29	£6,441.09	£6,611.07	2.64%
£137,889.00	£4,022.23	£4,174.33	3.78%
£139,924.40	£4,033.42	£4,157.34	3.07%
£139,228.20	£3,910.39	£4,035.36	3.20%
£193,982.10	£3,826.02	£4,007.34	4.74%
£138,997.40	£3,911.71	£3,994.47	2.12%
£136,648.08	£3,865.44	£4,018.49	3.96%
£194,688.00	£3,795.64	£3,983.29	4.94%
£143,735.20	£4,245.54	£4,350.75	2.48%
£199,422.00	£4,053.06	£4,260.64	5.12%
£156,896.80	£5,794.60	£5,947.88	2.65%
£160,148.00	£5,733.48	£5,880.59	2.57%
£164,884.00	£5,924.31	£6,081.35	2.65%
£173,388.32	£6,161.09	£6,405.33	3.96%
£231,888.00	£5,845.07	£6,013.85	2.89%
£226,491.73	£5,884.61	£6,052.82	2.86%
£218,448.53	£5,786.76	£5,950.97	2.84%
£173,442.08	£5,768.79	£5,968.52	3.46%
£152,391.20	£5,315.95	£5,459.79	2.71%
£188,948.00	£6,517.79	£6,687.31	2.60%

WESTMORLAND & FURNESS COUNCIL SCHOOLS FORUM
Report Title: Early Years Funding – DfE Extension of Entitlements Consultation
Meeting date: 20 September 2023
Report of: Mil Vasic, Director of Children’s Services

1.0 Executive Summary

- 1.1 In Spring 2023 the government announced that they will be extending the early years free entitlements meaning that all working parents in England will be able to access 30 hours of free childcare per week for 38 weeks of the year from the term after their child turns 9 months old to when they start school. The extension of free entitlement will be rolled out in stages starting from April 2024.
- 1.2 The DfE launched a consultation seeking views on their proposal to introduce a new funding formula from April 2024 for distributing funding to local authorities for 2-year olds and under free entitlements. They also propose to extend the eligibility for the early years pupil premium (EYPP) and the disability access fund (DAF) and introduce changes to the local funding rules.
- 1.3 The DfE has published illustrative modelling which indicates that the hourly funding rate for Westmorland & Furness is significantly below the average national rate. The final funding rates for 2024/25 will be published in the autumn. Appended to this paper is the LA response to the consultation which closed on 8 September.
- 1.4 The extension of the early years entitlements and the changes to the local funding rules means that consideration needs to be given to how early years providers are funded at a local level. From 1 April 2024 LAs must pass-through at least 95% of the new 2-year old and under funding its receives to early years providers. Children’s Directorate Leadership Team (DLT) recommend to Schools Forum that an element of this funding is centrally retained to support the delivery of the roll out of the new entitlements.
- 1.5 Modelling of the proposed new local funding formulae for 2-year olds and under and draft consultation with Westmorland & Furness early years providers and schools will brought to the next Schools Forum meeting in

November for consideration. The consultation outcome will be presented at the 17 January 2024 meeting when the Schools forum will be asked to make a recommendation to Cabinet who will decide on the final new funding formulae at its meeting on 13 February 2024.

2.0 Link to Council Plan Priorities

2.1 Ensuring that early years providers are appropriately funded is supportive of the Council Plan priorities that “People in Westmorland & Furness are healthy, happy, active and able to lead fulfilling independent lives, thriving in their communities” and the commitment to reduce inequality and “ensure that young people have enough opportunities to access the best education”.

3.0 Recommendation

3.1 The Schools Forum are asked to:

- note the extension of early years entitlements for 2-year olds and under and the changes to the local funding rules and the LA’s response to the DfE’s consultation;
- note the Children’s DLT recommendation that a portion of the new funding is centrally retained to support the rollout of the new free entitlements;
- note the requirement to consult early years providers and maintained schools on the new local funding formula and timeline for doing this.

4.0 Rationale & Evidence for the Recommendation

Background

4.1 Currently all parents of 3-4 year olds can access 15 hours of free early education for 38 weeks of the year and working parents can access an additional 15 hours of free entitlement. Parents of disadvantaged 2-year olds can access 15 hours of free entitlement. The extension of the free entitlement means that all working parents will be able to access 30 hours of free entitlement for 38 weeks of the year from the term after their child turns 9 months old. This will be rolled out in stages:

- From April 2024 all working parents of 2-year olds can access 15 hours per week
- From September 2024 all working parents of children aged 9 months up to 3-years old can access 15 hours per work extending to 30 hours from September 2025

4.2 Funding for free entitlement is allocated to local authorities through a separate funding formula for 2-year olds and 3-4 year olds through the Early Years Block of the Dedicated Schools Grant. The DfE is not proposing to make any changes to way funding is allocated to local authorities for 3-4 year olds or the maintained nursery school (MNS) supplementary funding. However, the

current funding formula for 2-year olds, which comprises of an hourly base rate multiplied by an area cost adjustment, is designed to fund disadvantaged 2-year olds only and the DfE is proposing new funding formulae that is suitable for a 2-year old and under cohort which includes working parent families.

Proposed New 2-Year Olds and Under Funding Formulae

- 4.3 The DfE's proposal is to allocate funding at local authority level using the same shape of their existing 3-4 year old funding formula for both the new 2-year olds and the under 2-year olds funding formulae which will comprise of:

(base rate + additional needs) x area cost adjustment (ACA) = LA hourly funding rate

- 4.4 The funding rates will vary by age, with higher rates for under 2-year olds reflecting the difference in costs due to higher staffing ratios. The proposed new additional needs factor is to reflect the relative differences in general levels of disadvantage between areas. This factor is weighted at 10.5% of the total funding available at a national level of which 8% is targeted to deprivation with the remaining 89.5% of funding through the base rate. However, in a difference to the 3-4 year old funding formula, which only uses FSM eligibility as measure of deprivation, it is proposed to use a combination of both FSM and IDACI in the new 2-year olds and under funding formulae as follows:

- 4% Free School Meals eligibility (FSM)*
- 4% Income Deprivation Affecting Children Index (IDACI)
- 1.5% English as an additional language (EAL)
- 1% Disability Living Allowance

*a proxy measure is used based on FSMs in nursery and primary schools

- 4.5 The DfE believes that the introduction IDACI, which measures the proportion of children in an area living in income-deprived families, would target more funding towards more densely deprived areas as it looks at smaller geographical areas. This means that areas with generally low levels of deprivation will still receive deprivation funding if they have 'pockets' of deprivation. They also believe that taking a 'basket of measures' approach more accurately reflects relative differences between local authority areas.

- 4.6 Although the DfE is not proposing to make changes to the current 3-4 year old funding formula at this stage they have committed to review the additional needs factor and consider whether to also introduce IDACI there.

- 4.7 As with the 3-4 year old funding formula the ACA cost adjustment will comprise of:

- 80% General Labour Market (GLM)
- 10% Nursery & Infant Primary Rates Cost Adjustment (premises costs)
- 10% Costs assumed not to vary from authority to authority

Early Years Pupil Premium (EYPP) % Disability Access Fund (DAF)

- 4.8 Currently only 3-4 year olds are eligible for EYPP and DAF funding. The proposal is to extend eligibility so that from 2024/25 children accessing any of the free entitlements who met the existing criteria for EYPP and DAF funding will be eligible.

Impact on Funding Rates

- 4.9 The current funding rate, for disadvantaged 2-year olds in Westmorland & Furness is £5.63. The DfE has published illustrative hourly funding rates at LA level for 2024/25 as summarised in the table below:

	Westmorland & Furness	National Average	National Range
Under 2-year olds	£9.61	£11.06	£9.33 - £16.17
2-year olds	£7.09	£8.17	£6.89 - £11.86

- 4.10 Westmorland & Furness has the third lowest funding rates out of 151 authorities. The following table shows the composition of the hourly rates for Westmorland & Furness:

	Under 2-year olds	2-year olds
Basic	£9.03	£6.68
FSM	£0.24	£0.17
IDACI	£0.23	£0.16
EAL	£0.03	£0.02
DLA	£0.08	£0.06
Total	£9.61	£7.09

- 4.11 Final rates will be published in autumn along with the rates for 3-4 year old funding. The illustrative figures demonstrate that the proposed introduction of the new IDACI measure into the 2-year olds and under funding formulae does not benefit Westmorland & Furness and the rates would have been £0.01 higher had the FSM measure alone been used. The illustrative rates for Westmorland & Furness are also significantly below the national average.

Proposed Changes to Rules for Local Funding Formulae

- 4.12 Currently the following rules apply to the 3-4 year old local funding formula:
- LAs must plan to pass-through at least 95% of the funding that it receives to early years providers.
 - LAs local authorities are required to establish a SEN Inclusion Fund to support children who are taking up the 3-4 year old free entitlements, targeted at children with lower level and emerging SEN.
 - LAs can use a restricted number of supplements in their 3-4 year old funding formula to channel additional funding (up to a cap of 12% of planned formula funding to providers) meeting criteria set by the LA.

- 4.13 The DfE is proposing to apply these same rules to the 2-year old and under funding formulae. The pass-through rate will continue to be 95% for 2024/25 but they intend to increase the pass-through rate to 97% as the quantum of funding into the early years block will increase when the fall roll out of the new entitlements has been reached. Local authorities can continue to apply for a disapplication within defined purposes to disapply the pass-through rate which will be considered by the DfE on a case-by-case basis.
- 4.14 This change in the local funding rules should not have an impact on Westmorland & Furness as currently 99.7% of the 3-4 year old funding is planned to be passed to 3-4 year old early providers in 2023/24 and historically, Westmorland & Furness (and previously Cumbria) has not retained any of the disadvantaged 2-year old funding centrally and the full hourly rate has been planned to be passed onto providers. Going forward, there will be central costs associated with the delivery of the new childcare offers and Children's DLT recommend to Schools Forum that a portion of the new entitlement funding is centrally retained. Further details will be available at the next Schools Forum meeting.
- 4.15 Westmorland & Furness currently only uses the mandatory supplementary Deprivation factor and a Quality factor to distribute the former teacher pay and pension grants to school-based providers in its 3-4 year old funding formula. Other allowable factors include:
- Flexibility: to support providers offering flexible provision for parents – e.g. out of hours / wraparound;
 - Rurality / Sparsity: to enable local authorities to support providers serving rural areas less likely to benefit from economies of scale;
 - English as an additional language: to recognise differences in attainment in the Early Years Foundation Stage between children whose first language is English, and those who have English as an additional language (EAL).

DfE Consultation

- 4.16 The DfE sought views on their proposed changes in how local authorities are funded for the new entitlements and launched a consultation on 21 July with a closing date for responses of 8 September. Appended to this paper is a copy of the Westmorland & Furness response to the consultation questions (in blue). The LA broadly agrees the proposals but the formula does not take into account rurality and this may impact on viability of early years providers as they will have fewer paying parents to subsidise free entitlement.

Local Consultation

- 4.17 The LA is obliged to consult with Schools Forum, schools and early years providers on any changes to the existing local funding formulae for 3-4 year olds, and the new 2-year olds and under 2-year olds local funding formulae.

4.18 Consideration will need to be given as to whether the same supplementary factors are introduced for the 2-year olds and under local funding formulae as for the current 3-4 year old funding formula or if new supplementary factors should be introduced. It is not yet known when the outcome of the DfE consultation will be published however the timescales for consulting and finalising the shape of the funding formula will be tight as the 2024/25 Dedicated Schools Grant budget, which will include the proposed centrally retained Early Years budget for which the authority must receive Schools Forum approval for, is due to be presented on 17 January 2024 to meet with DfE deadlines.

4.19 The timeline for this is as follows:

Date	Task
1 November 2023	Schools Forum consulted on the proposed new 2-year olds and under early years funding formulae for 2024/25 and the format of the consultation
8 November 2023	Launch consultation with early years providers and schools (incorporating any changes following the schools forum meeting)
29 November 2023	Consultation ends
17 January 2024	Schools Forum Meeting to agree 2024/25 DSG budget including Early Years centrally retained funding and make recommendation to Cabinet on new 2-year old and under funding formulae for 2024/25
13 February 2024	Cabinet – to decide on new 2-year old and under funding formulae for 2024/25
29 February 2024	Confirm school budget shares for maintained schools including early years funding
tbc April 2024	1 st funding payment to early years providers

5.0 Options

5.1 Schools forum are asked to:

- note the extension of early years entitlements for 2-year olds and under and the changes to the local funding rules and the LA;s response to the DfE’s consultation;
- note the Children’s DLT recommendation that a portion of the new funding is centrally retained to support the rollout of the new free entitlements;
- note the requirement to consult early years providers and maintained schools on the new local funding formula and timeline for doing this.

6.0 Financial & Other Relevant Implications

- 6.1 Resource and value for money implications are considered throughout this report. No equality or diversity implications have been identified.

6 September 2023

Appendices:

1. Westmorland & Furness Response to the DfE Early Years Funding – Extensions of Entitlements Consultation

REPORT AUTHOR

Contact:

Name Amanda Chew

Post title Service Accountant

Email: amanda.chew@westmorlandandfurness.gov.uk

Agenda item 9 - Appendix 1

Sf 200923 Early Years Funding Formula DfE Consultation – Appendix 1

Consultation Questions:

Section 1: National funding distribution for entitlements for children aged 2-years-old and under

Introduction:

These questions relate to proposals regarding the national funding formula that will be used to distribute funding to local authorities for 2-year-olds and under from April 2024 in light of the new entitlements. There are also questions in this section relating to proposals to extend eligibility for the disability access fund (DAF) and early years pupil premium (EYPP) to all children accessing the entitlements from April 2024.

Q1: Do you agree that we should introduce IDACI as a new proxy, and use it alongside FSM as a basket of measures for deprivation in the additional needs factor in the new national funding formula for 9-month-olds to 2-year-olds?

No, the illustrative modelling shows that in the main urban local authorities benefit from the introduction of IDACI whereas more rural local authorities would benefit if the FSM measure alone is used. Also, by using IDACI this will be inconsistent with the current 3-4 year old funding formula which only uses FSM.

If the DfE proposes to use the IDACI then the approach should be consistent across the 2-year olds, under 2-year olds and 3-4 year olds funding formula and local authorities negatively affected by the change should be protected.

Q2: Do you agree that we should continue to use EAL and DLA as proxies in the additional needs factor in the new funding formula?

Yes, in principle agree that the funding formula should be consistent with the existing 3-4 year old funding formula methodology.

Q3: Do you agree with our proposed approach to the area cost adjustment in the new national funding formula?

No.

In principle agree the use of an ACA in the new funding formula, consistent with existing 3-4 year olds funding formula.

GLM data used for calculating each local authority's ACA is proposed to be based on 2013 to 2014 data so doesn't reflect current geographical variations in costs.

ACA doesn't recognise additional cost pressures faced by providers in rurally sparse authorities who are unable to benefit from economies of scale available to urban providers, and where, as numbers are lower, small fluctuations in take up can result in closure and lack of access to local good quality provision. Consideration should be given to recognising this additional cost in the ACA.

As one of the lowest funded local authorities, minimum funding rates should apply and be nearer to the national average. Our early years providers struggle to recruit and retain skilled practitioners on the level of funding available for free entitlement resulting in staff leaving the sector, and many providers struggle to remain financially viable as they need high numbers to be sustainable.

The funding rates provided to LAs are too low and don't reflect the additional cost of providing discretionary rural or sparsity supplements in their local funding formula.

Q4: Overall, do you agree with our proposed approach of following the same structure and weightings for the new national funding formula as in the existing 3-and-4-year-old formula?

Yes, in principle agree that the funding methodology used should be consistent with the existing 3-4 year old funding formula.

Q5: Do you agree that we should extend DAF eligibility to all children accessing the entitlements from April 2024?

Yes

Q6: Do you agree that we should extend EYPP eligibility to all children accessing a free childcare entitlement from April 2024?

Yes, however EYPP eligibility excludes working parents on low incomes. The number of eligible children in this authority is declining due to the income threshold not being increased for a number years meaning that low income working families who are struggling with the cost of living are not eligible.

Section 2: Impact of proposals

Introduction:

Alongside the consultation document, we have published modelling which provides illustrative 2024-25 funding rates and allocations for the entitlements for 2-year-olds and under.

We propose to give each local authority rates in 2024-25 for the 2-year-old and 9-month-old up to 2-year-old entitlements calculated using the formula set out above. These funding rates are for a new working parent entitlement for under 2s, and for a new mixed cohort of the disadvantaged 2-year-old entitlement and the new working parent entitlement for 2-year-olds, and they will be calculated using a new funding formula. This means that there is no baseline against which they should be compared.

Year-to-year protections for these funding rates may be desirable in future years. We will keep this under review and consider whether any protections are appropriate when we are setting rates for 2025-26.

Q7: Do you agree with this approach?

No, in principle the approach is agreed however the baseline funding rate is too low and does not provide sufficient funds particularly to small providers in this authority who struggle to remain financially viable.

Year on year protections are absolutely essential.

Section 3: Local authority funding formulae for childcare entitlements

Introduction:

With the expansion of the entitlements, we are proposing to extend the current framework of rules for the distribution of entitlements funding by local authorities to the existing offer for disadvantaged 2-year-olds and to the new offers for working parents of children aged 2-years-old and under. The questions in this section focus on the key features of this framework as well as seek views on the current processes around SEND funding and options for change.

Q8: Do you agree a pass through rate of 95% should be applied to each funding stream in 2024-25: the 3-and-4-year-old universal and 30 hours offer; the two-year-old disadvantaged and working parent offers; and the 9 months to two-year-old offer?

Yes

Q9: Do you agree that the same list of allowable supplements should be applied to every entitlement funding stream, capped at a maximum 12 percent of planned funding for that entitlement?

Yes

Q10: Do you agree that the deprivation supplement should be mandatory for every entitlement funding stream?

Yes

Q11: Do you agree with our proposal that local authorities should establish a special educational needs inclusion fund for children aged 9 months to 2-years-old who are taking up the entitlements?

Yes, in principle however due to high incidence of SEN this will impact on the base rate we can pass onto providers. The introduction of a separate additional funding factor for SENIF at LA level is desirable.

Q12: What more can be done to support local authorities and providers to reduce bureaucracy and streamline SENIF processes whilst also ensuring the system remains fair and financially sustainable?

The introduction of a separate factor within the funding formula for SENIF like the DAF and EYPP so that base funding rates for providers are not impacted. The sharing of examples of best practice linked to evidence of improved outcomes would be helpful.

Q13: Would local authorities and providers find it helpful for the Department to be more prescriptive about the operation of local SENIFs?

No, the current guidance is sufficient.

Section 4: Equalities Impact Assessment

Introduction:

The Public Sector Equality Duty requires public authorities to have due regard to the need to:

- eliminate discrimination, harassment and victimisation;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it

Public authorities include the Department for Education, local authorities, governing bodies.

The protected characteristics are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual Orientation

Q14: Do you have any comments about the potential impact, both positive and negative, of our proposals on individuals on the basis of their protected characteristics? Where any negative impacts have been identified, do you know how these might be mitigated?

Early years providers rely on privately funded places as a significant proportion of their income. When parents of younger children access the funded places, this will result in a net decrease in income for providers. We feel this will also potentially risk sufficiency of provision in some of our rural areas in particular. This could make access to childcare for families with protected characteristics more challenging and impact on children's outcomes.

Any Other Comments

Q15: Are there any other comments that you would like to make about our proposals set out in this consultation?

A significant number of rural local authorities are on the minimum funding levels. The formula doesn't take into account additional challenges faced by rural counties: the need to provide EY provision in sparsely populated areas so that parents can access childcare locally; disproportionately higher running costs for small rural providers.

The proposed rates are too low. Free entitlement funding doesn't cover costs of provision with staffing accounting for up to 90% of costs. The rising costs of food and energy and a significant recruitment crisis in which providers can't compete with the pay rates of other sectors, which will be exacerbated due to higher staffing ratios required for the 9 month – 2 year old cohort, means settings will close resulting in placement sufficiency and educational outcomes issues.

Providers will prioritise working families to increase fee income therefore disadvantaging more vulnerable children.

The proposals don't address this underfunding issue. The hourly rate needs to be increased significantly to prevent a childcare sufficiency crisis.

Local authorities need revenue and capital funding, particularly for the 9 months to 2-years olds provision, to develop new places in areas where sufficiency has been identified as an issue due to the extension of the free entitlements.

WESTMORLAND & FURNESS COUNCIL SCHOOLS FORUM
Report Title: Homes for Ukraine Education & Childcare Grant
Meeting date: 20 September 2023
Report of: Mil Vasic, Director of Children's Services

1.0 Executive Summary

- 1.1 During financial 2022/23 local authorities were able to claim a government grant to help support the education of children that arrived into the UK via the Homes for Ukraine (HfU) visa scheme. Grant totalling £1.007m has been received relating to HfU children living in Westmorland & Furness. The funding must be spent by 31 March 2024.
- 1.2 This paper informs the Schools Forum of the actual spend to date against the grant of £0.759m relating to Westmorland & Furness and the Schools Forum are asked to support the proposal to allocate the remaining balance of £0.248m by increasing each school's/early years providers existing HfU grant allocation by 32.6%.

2.0 Link to Council Plan Priorities

- 2.1 Ensuring that schools are appropriately funded is supportive of the Council Plan priorities that "People in Westmorland & Furness are healthy, happy, active and able to lead fulfilling independent lives, thriving in their communities" and the commitment to reduce inequality and "ensure that young people have enough opportunities to access the best education".

3.0 Recommendation

- 3.1 The Schools Forum are asked to:
- note the balance remaining against the grant of £0.248m and;
 - support the proposed methodology for allocating the remaining balance to schools and early years providers by uplifting each school/early

years provider's allocation by 32.6% as shown in the modelling at Appendix 1.

4.0 Rationale & Evidence for the Recommendation

- 4.1 A new one-off grant to support the education and childcare costs of children arriving into the UK via the Homes for Ukraine (HfU) visa scheme between 1 March and 28 February 2023 was made available to local authorities.
- 4.2 The grant allocation is based on an amount per child per submitted claims by the local authority, the level of which depends on when the child arrived into the UK, as shown in the below table:

Phase (Age)	Q1 arrivals (between 1 Mar – 31 May 22) Funding Per Child	Q2 arrivals (between 1 Jun – 31 Aug 22) Funding Per Child	Q3 arrivals (between 1 Sep – 30 Nov 22) Funding Per Child	Q4 arrivals (between 1 Dec 22– 28 Feb 23) Funding Per Child
Early Years (2 - 4)	£3,000	£2,250	£1,500	£750
Primary (5 - 10)	£6,580	£4,935	£3,290	£1,645
Secondary (11 - 18)	£8,755	£6,566	£4,378	£2,189

- 4.3 The grant conditions, which are available [here](#), state that the grant must only be used for the provision of education and childcare for children ages 2 – 18 and for any funding passed onto the child's education or childcare setting the process should be as simple as possible.
- 4.4 For Westmorland & Furness the total amount of grant received was £1.007m of which £0.759m has been allocated to schools and early years providers based on the per pupil rates in the table at para 4.2 and when they were admitted to a school/early years provision. This leaves a balance remaining of £0.248m which must be spent by 31 March 2024.
- 4.5 The under allocation has arisen due to a number of reasons including not all children for which funding has been claimed for have attended school or early years provision during their stay in the UK either because they were not at compulsory school age or for other reasons; they did not start attending school as soon as they arrived into the UK and some children have returned to the Ukraine.
- 4.6 Given that the grant needs to be spent by 31 March 2024 and feedback from schools has indicated that the costs associated with supporting the education costs of HfU children has invariably been more than the grant allocation they have received it is proposed that the remaining grant allocation is distributed to those schools/early years providers that have already received HfU funding and uplift each school's total allocation by 32.6%. As the grant received is based on the guest home address where the child is living this will include payments to schools/early providers for HfU children living in Westmorland & Furness but attending schools/early years provision in Cumberland.

4.7 Appendix 1 shows the total grant funding paid to date to each school/early years provider relating to HfU children living in Westmorland & Furness and the proposed impact of the additional grant uplift of 32.6%.

4.8 Examples of the use of the grant include:

- to provide a place for 2, 3 and 4-year-olds accessing the 2-year-old, universal or 30 hours entitlements
- the provision of a suitable place for all other children up to the age of 18 (including time for staff resource and travel)
- funding placement of larger clusters of children into schools and registered early years settings, including the costs of additional and specialist teaching, non-teaching and administrative staff
- providing suitable travel arrangements, where necessary, to facilitate a child's attendance at school or suitable provision
- the provision of specialist and bespoke services, such as support for children with additional needs, and resources (this may include education materials for schools)
- free school meals and school uniform (including school bags, provisions for example, water bottles, etc.)
- to provide access to extra-curricular activities for example, sports
- on community services whose provision benefits the children
- any other reasonable costs associated with the provision of support for the children

4.9 Some schools/early providers may no longer have HfU children in attendance, however, the proposed additional grant can be used to offset costs already incurred. As with all other specific grants, schools must retain records of spend relating to the grant for audit purposes and evidence of compliance with the grant conditions.

5.0 Options

5.1 Schools Forum are asked to:

- note the balance remaining against the grant of £0.248m and;
- support the proposed methodology for allocating the remaining balance to schools and early years providers by uplifting each school/early years provider's allocation by 32.6% as shown in the modelling at Appendix 1.

or

- not support the proposed methodology and suggest an alternative methodology for allocating the remaining balance of £0.248m.

5.2 Any alternative methodology would need to be simple and straight forward so that the grant can be allocated to schools/early years providers in a timely

manner particularly as there is a requirement to spend the grant by 31 March 2024.

6.0 Financial & Other Relevant Implications

- 6.1 Resource and value for money implications are considered throughout this report. No equality or diversity implications have been identified.

6 September 2023

Appendices:

1. Summary of Westmorland & Furness Proposed Additional HfU Grant Allocations to Schools and Early Years Providers

REPORT AUTHOR

Contact:

Name Amanda Chew

Post title Service Accountant

Email: amanda.chew@westmorlandandfurness.gov.uk

Agenda item 10 - Appendix 1

SF 200923 Homes for Ukraine Grant - Appendix 1

Summary of Westmorland & Furness Proposed Additional HfU Grant Allocations to Schools and Early Years Providers

DfE	School	Number of HfU Children	Total Grant allocated to date	Additional to allocate (32.6%)
2000	St Martin & St Mary CofE Primary school	2	£7,935	£2,591
2045	Brunswick	1	£4,935	£1,611
2046	North Lakes	1	£4,935	£1,611
2058	Skelton	1	£6,580	£2,148
2308	Holme Community School	2	£8,225	£2,685
2310	Kirkby Stephen Primary School	2	£13,160	£4,296
2311	Kirkby Thore School	1	£4,935	£1,611
2315	Milnthorpe Primary School	1	£4,935	£1,611
2318	Ghyllside	1	£6,580	£2,148
2321	Heron Hill Primary	1	£4,935	£1,611
2322	Goodly Dale Community Primary School	3	£14,515	£4,739
2413	Croftlands Infant & Nursery School	2	£8,830	£2,883
2414	Croftlands Junior School	3	£6,580	£2,148
2521	Dane Ghyll	2	£13,160	£4,296
2627	Sir John Barrow School	2	£9,870	£3,222
2712	Newbarns Primary	2	£6,580	£2,148
3021	Langwathby CE School	1	£6,580	£2,148
3058	Storth	2	£5,685	£1,856
3122	Coniston CE School	1	£3,290	£1,074
3123	Grange CE School	5	£14,370	£4,691
3132	Broughton Cof E School	2	£9,870	£3,222
3310	Lazonby CE Primary School	1	£4,935	£1,611
3319	Stainton	2	£7,185	£2,346
3356	Crosby Ravensworth CE School	1	£750	£245
3360	Grasmere CE School	2	£9,870	£3,222
3365	St Thomas's CE School	1	£6,580	£2,148
3367	St Mary's (KL)	1	£6,580	£2,148
3370	St Mark's CE Primary School	6	£19,740	£6,445
3374	Shap CE School	3	£4,790	£1,564
3451	Lowther Endowed	3	£4,935	£1,611
3452	Dean Barwick	2	£6,580	£2,148
3552	St Mary's Catholic Primary	2	£9,870	£3,222
4056	The Lakes School	10	£59,097	£19,293
4151	John Ruskin School	2	£13,133	£4,288
4152	Ulverston Victoria High School	4	£24,076	£7,860
4310	Ullswater Community College	13	£76,606	£25,009
5206	Appleby Primary School	2	£8,225	£2,685
5221	Beaconside Primary School	6	£31,255	£10,204
5225	Penruddock Primary School	3	£13,160	£4,296
5407	Appleby Grammar School	2	£13,132	£4,287
5413	Caldew School	1	£6,566	£2,144
2319	Stramongate School	3	£16,450	£5,370
3352	Arnside National Cof E School	8	£32,005	£10,449
3453	St Cuthberts, Windermere	3	£16,160	£5,276
5400	Kirkbie Kendal School	10	£63,475	£20,723
5404	Queen Katherine School	3	£19,698	£6,431
5405	Dallam	4	£28,453	£9,289
5406	Kirkby Stephen Grammar School	1	£8,755	£2,858
5410	Cartmel CE Priory School	5	£28,454	£9,289
5411	Queen Elizabeth School	2	£17,510	£5,716
5414	Keswick School Academy	4	£28,453	£9,289
6906	Central	1	£2,189	£715
	Daisies Day Nursery	1	£750	£245
	Lynwood Ashtree Day Nursery	1	£750	£245
	Sunny Brow Daycare	1	£2,250	£735
Grand Total		152	£758,902	£247,757



WESTMORLAND & FURNESS COUNCIL SCHOOLS FORUM
Report Title: Projected Maintained School Balances and Excess Surplus Balances Outcome
Meeting date: 20 September 2023
Report of: Mil Vasic, Director of Children's Services

1.0 Executive Summary

- 1.1 This report presents the maintained schools projected net deficit balance position of £0.347m as at 31 March 2024.
- 1.2 It also presents the outcome of the excess surpluses balance policy which was applied against maintained school balances as at 31 March 2023.
- 1.3 The maintained schools representatives of the Schools Forum are asked to support the transfer of the partial claw back of £1,125 to the Schools Contingency Fund and consider whether the excess surplus balances policy should continue to be applied in future years.

2.0 Link to Council Plan Priorities

- 2.1 Managing the level of school balances is supportive of the Council Plan priorities that "People in Westmorland & Furness are healthy, happy, active and able to lead fulfilling independent lives, thriving in their communities" and the commitment to reduce inequality and "ensure that young people have enough opportunities to access the best education".

3.0 Recommendation

- 3.1 The maintained schools' Schools Forum representative members are asked to:
 - note the maintained schools' balances projected net deficit position for 2023/24 of £0.347m;
 - note the outcome of the excess surplus balances policy;and

- support the transfer of partial claw back of £1,125 to the Schools Contingency fund;
- decide if the excess surplus balances policy should continue to be applied in future years.

4.0 Rationale & Evidence for the Recommendation

Projected Maintained School Balances

- 4.1 As at 31 March 2023 the net surplus balances on maintained schools was (£3.182m). The net surplus balance position represented a decrease of £1.557m from the position as at 31 March 2022.
- 4.2 Based on school submitted May budget plans for 2023/24 a net deficit balance of £0.347m is projected as at 31 March 2024. The table below shows a breakdown of this projection separately by surpluses and deficits:

	2022/23 Actual		2023/24 Forecast		Change in value (£)
	Number of Schools	Total Value (£)	Number of Schools	Total Value (£)	
Schools with Surpluses	87	(£5.402m)	81	(£3.501m)	£1.901m
Schools with Deficits	23	£2.220m	27	£3.848m	£1.628m
Total	110	(£3.182m)	109	£0.347m	£3.529m

- 4.3 Since 31 March 2023 one school has converted to an academy and has been removed from the projection. Three further schools have provisional dates to convert in the Autumn term and one school has received an academy order to become a sponsored academy. The net surpluses for these schools at the end of 31 March 2023 was (£0.412m) and if they convert this will have a further negative impact on the overall net deficit position.
- 4.4 The 27 schools (25%) that have proposed deficit budgets for 2023/24 are required to submit a deficit recovery plan. Eight schools have complied with this mandatory requirement however 19 schools have not yet submitted their plans and have been requested to submit their recovery plans with their revised October budget plan submission.
- 4.5 Whilst maintained schools are predicting significant budget pressures, subsequent to the submission of their May budget plans the government have announced details of the new Teachers Pay Additional Grant to help schools meet the costs of the 2023/24 teacher pay award. The total expected grant for Westmorland & Furness mainstream and Special/PRUs schools is (£0.900m) therefore after taking this into account the revised projected net balance as at 31 March 2024 is a surplus balance of (£0.553m).

- 4.6 The DfE has also announced details of the schools funding settlement for 2024/25 which reflects inflationary increases for schools in the National Funding Formula of 2.4% and a minimum funding guarantee of 0.5% against their previous year's funding baselines, although the final school funding formula for Westmorland & Furness is subject to consultation and has not yet been confirmed. Despite this additional funding given the inflationary pressures that schools are faced with it is likely that school balances will continue to fall and this position is not sustainable.
- 4.7 Maintained schools are responsible for managing their own budgets and taking the necessary decisions to ensure that they maintain a healthy balance position although at times it is recognised that this can be extremely challenging. The school balances are being closely monitored by the finance team and support is available for those schools that are struggling to balance their budgets however the capacity to do this work is limited as the team is only small and currently supporting both Westmorland & Furness and Cumberland authorities. Schools are also encouraged to make use of the [schools resource management](#) webpages and tools.
- 4.8 The government have also recently announced that nationally £40m will be available to support maintained [schools in financial difficulty](#) although at time of writing this paper the details of how this funding will be targeted has not yet been published.

Outcome of Excess Surplus Balance Policy

- 4.9 As reported to Schools Forum in June, 25 schools that ended the financial year 2022/23 with an excess greater than 8% (primary, nursery, special schools) and 5% (secondary schools) of their total delegated budget shares were required to provide justifications and supporting evidence for the excess amount about these thresholds. The total value of the excess amount was £0.996m.
- 4.10 The returns have been reviewed by the finance team. The majority of justifications met the criteria in the policy with 37% of the total excess balance relating to funds set aside to manage change, 25% for schemes of repair, 16% for schemes of building works, 6% relating to unspent grants, 15% relating to expenditure planned for in 22/23 but occurring early in 23/24 and 2% for other reasons. The returns were reviewed by the interim Assistant Director for Education & Inclusion, 19 schools have received approval to retain their excess balance, there was one partial clawback of £1,125 and 5 schools have received conditional approval subject to providing further evidence by 30 September.
- 4.11 In previous years, any excess surplus balance clawback from schools has transferred to the de-delegated Schools Contingency Fund budget to support the costs of exceptional circumstances in schools. It is recommended that the partial clawback of £1,125 is transferred to this budget in 2023/24. Any under or overspend against the Schools Contingency Fund will transfer to the DSG earmarked reserves at the financial year end.

4.12 DfE considers the holding of small surplus balances by schools to be part of sensible financial planning but also that school budget shares should be spent for the benefit of pupils in school at that time. The surplus school balances policy puts appropriate challenge on to schools with excess surplus balances. However, given the amount of resource time taken up by schools in preparing and collating their evidence for their justifications and the finance team in reviewing each justification and preparing the report for the Assistant Director against the low value of the excess claw back amount the maintained schools representatives of the Schools Forum are asked to consider whether completing this exercise on an annual basis is still of benefit in terms of managing the levels of maintained schools surpluses balances.

5.0 Options

5.1 Maintained schools representatives of the Schools Forum are asked to:

- Support the transfer of partial claw back of £1,125 to the Schools Contingency Fund:

and decide whether to:

- continue to apply the excess surplus balances policy in future years;
or
- not apply the excess surplus balances policy in future years.

6.0 Financial & Other Relevant Implications

6.1 Resource and value for money implications are considered throughout this report. No equality or diversity implications have been identified.

6 September 2023

REPORT AUTHOR

Contact:

Name Amanda Chew

Post title Service Accountant

Email: amanda.chew@westmorlandandfurness.gov.uk

Membership of Westmorland & Furness Schools Forum

Membership category - Schools and Academies	Number of positions	Members
Maintained Primary Schools	5	<ol style="list-style-type: none"> 1. David Spruce, Appleby Primary School 2. Ruth Webster, St Paul's, Barrow 3. Cathy Styles, Croftlands Junior School 4. Ian Nichol, Leven Valley Primary 5. David Natrass
Maintained Secondary Schools	2	<ol style="list-style-type: none"> 1. Stephen Gilby, UCC 2. Mathew Hardwick, UVHS/Emma Aubrey, Dowdales School
Academy		
- Primary	1	<ol style="list-style-type: none"> 1. Huw Davies, Ghyllside School
- Secondary	4	<ol style="list-style-type: none"> 1. Jon Hayes, Queen Katherine School 2. Simon Laheney, Furness Academy 3. vacancy 4. vacancy
- Special	1	<ol style="list-style-type: none"> 1. Rachel Slattery, George Hastwell
Maintained Nursery	1	<ol style="list-style-type: none"> 1. vacancy
Special Schools	1	<ol style="list-style-type: none"> 1. Dan Hinton, Sandgate School
PRUs	1	<ol style="list-style-type: none"> 1. Lisa Balderstone, Newbridge House
Total	16	
Membership category - Non-School Members	Number of Members	Expression of Interest
CE Diocese	1	<ol style="list-style-type: none"> 1. Charlotte Tudway / Laura Watson
RC Diocese	1	<ol style="list-style-type: none"> 1. Michael Merrick / Julie Jones
16-19 Providers	1	<ol style="list-style-type: none"> 1. vacancy
EY/PVIs	1	<ol style="list-style-type: none"> 1. vacancy
Teaching Associations	1	<ol style="list-style-type: none"> 1. Andy Brewerton, NEU
Non-Teaching Associations	1	<ol style="list-style-type: none"> 1. Vacancy
Total	6	
Total Forum Members	22	

Agenda item 16.3

Westmorland & Furness Schools Forum Forward Plan

WORKING COPY. If additional agenda items are required, please contact the clerk at least 3 weeks in advance of the next meeting.

Meeting details	Item
17 October 2023, 9.30-11am TRAINING SESSION Scafell Pike, South Lakeland House, Kendal	Funding Formula
1 November 2023, 9.30-11.30am MS Teams Apologies from: Guests:	<ol style="list-style-type: none">1) School Funding Formula – consultation outcome2) Early Years Funding Formula3) Maintained Schools De-delegated budgets4) HN Budget Monitoring Q15) Schools De-delegated Contingency Budget Monitoring Q16) DBV update?
17 January 2023, 9.30-11.30am MS Teams Apologies from: Guests:	<ol style="list-style-type: none">1) DSG - School Budgets 2024-252) DSG – Other Blocks 2024-253) Growth Fund 2024-254) Maintained School Balances
Next meeting date TBC	

Items to be scheduled: