



**Nottinghamshire
County Council**

SCHOOLS FUNDING 2025-26

CONSULTATION ON THE LOCAL FUNDING FORMULA FOR SCHOOLS

NOVEMBER 2024

**Consultation period:
20th November to 4th December 2024**

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Appendix 1 School Funding Formula Factors
Appendix 2 Financial Model

1. Introduction

- 1.1. The purpose of this consultation exercise is to seek the views of maintained schools and academies on the formula changes the County Council and Schools Forum should consider for 2025-26. It is still the responsibility of the local authority to set the local funding formula for 2025-26.
- 1.2. The current formula for 2024-25 mirrors all factors in the national funding formula (NFF) i.e., minimum per pupil, formula factors, unit values and minimum funding guarantee.
- 1.3. Other grants e.g., Pupil Premium and funding from the High Needs block will continue to be distributed by the methods prescribed or agreed outside of the local funding formula (LFF) for 2025/26.
- 1.4. The consultation will be launched on Wednesday 20th November 2024 and be open until Wednesday 4th December 2024 and provides an opportunity for schools to express their views on the proposals. The responses will be considered by the Early Years and Schools Forum on 12th December 2024.
- 1.5. The financial models provided with the consultation are for illustrative purposes only and do not reflect the actual funding that will be received by a school in 2025-26. They are based on the data used to determine schools' 2024-25 budgets. The multipliers implied by the modelling cannot be guaranteed for 2025-26 at this stage.**
- 1.6. The local funding formula for 2025-26 will be finalised based on the 2025-26 Dedicated Schools Grant settlement and pupil data sets, issued in December 2024. Individual school budget (ISB) allocations will be confirmed to local authority maintained schools during February 2025.
- 1.7. The final formula will be submitted to the DfE by 22 January 2025.

2. Provisional Indicative 2025-26 Schools Block Funding Allocation

- 2.1 The indicative local authority (LA) funding allocations for the 2025-26 Schools Block of the Dedicated Schools Grant (DSG) and the notional allocations for individual schools have not yet been announced. In 2024-25 this information was communicated to LAs, by the Department of education (DfE), on 17 July 2023.
- 2.2 As part of the October 30th Budget Statement, there has been a commitment to increase schools funding by £2.3 billion, of which £1 billion is earmarked for high needs funding. However, detail of the impact on individual LAs' funding has not yet been communicated.
- 2.3 The schools block will continue to be allocated using the primary and secondary units of funding, which LAs are expecting to be published as soon as possible following the 30 October budget, multiplied by the number of pupils recorded on the October 2024 school census.
- 2.4 It has been confirmed by the DfE that the Teachers' Pay Additional Grant, Teachers Pension Employer Contribution Grant and the Core Schools Budget Grant will all be incorporated into core funding from April 2025 for Mainstream Schools. Mainstream academies will similarly see these grants incorporated into core funding from September 2025.
- 2.5 The ESFA have advised that, due to delays in funding announcements, they expect local consultations to be brief and agree principles rather than figures.
- 2.6 The deadline for Local Authorities to submit ISB allocations to the DfE, through the Authority Proforma Tool, is 22 January 2025, so there is no scope for the local consultation to be delayed while we await further information.

3. Implications for the Local Funding Formula (LFF)

- 3.1 The LA will continue to mirror the NFF as closely as is possible. For reference the 2024-25 local factor values are included at Appendix A-Table 1.
- 3.2 Initial financial modelling for 2025-26, based on 2024-25 data, has been completed for two scenarios of mitigation if mirroring the NFF fully is not affordable from within the Schools Block.
- 3.3 The illustrative allocations are based on October 2023 census data. Final allocations will be based on affordability once the actual funding settlement is received in December 2024 using October 2024 census numbers and updated pupil characteristics.

4. Approach to the Schools Block Funding Formula Consultation for 2025-26

- 4.1 A report was presented to the Early Years & Schools Forum on 14th November. The aim is to continue to mirror the NFF as far as possible.
- 4.2 Mainstream schools and academies should not receive less than their 2024-25 funding allocation unless their pupil numbers have reduced.

5 Schools Block Funding Formula Consultation Proposals

- 5.1 Appendix B shows financial modelling of two scenarios for mitigating against unaffordability of mirroring the NFF for 2025-26. Both models are based on 2024-25 data and take account of a Minimum per Pupil increase for The Minster School.
- 5.2 The illustrative allocation, shown in the models, are based on October 2023 census data. Final allocations will be based on affordability once the actual funding settlement is received in December 2024 using October 2024 census and changes to pupil characteristics.
- 5.3 NCC Officers have made an assumption that there will be 0% MFG and that the local formula factor values will be required to be at least 10% closer to the NFF, except where local formulae are already mirroring the NFF. These criteria do not apply to locally determined factors, for example premises factors. Nottinghamshire currently mirrors the NFF, therefore the criteria of moving 10% closer to the NFF does not apply. **We are expecting further announcements on the funding methodology for 2025/26 by the end of November 2024.**

Question 1

If it is not affordable to fund all schools and academies at National Funding Formula levels, how should mitigation be actioned. Please select one of the two models?

Model 1 - Illustrates a shortfall of £2m with 0% Minimum Funding Guarantee (MFG), with allowable decrease to both pupil factors and lump sum to make formula affordable.

Model 2 - Illustrates a shortfall of £2m with 0% Minimum Funding Guarantee (MFG), introducing a gains cap set at the required level to make formula affordable.

<i>Model</i>	<i>Preference</i>
<i>1 – Reduce formula factors</i>	
<i>2 – Introduce a gains cap</i>	

De-delegation

A requirement for any funding that was subject to de-delegation in 2024-25 to be re-approved by Early Years and Schools Forum if the de-delegation is to continue in 2025-26.

Question 2 (to be answered by maintained schools only)

Do you agree to the de-delegation of the following in 2025-26?

*Free school meals eligibility assessment? **Yes/No/Not sure***

*Support to underperforming ethnic minority groups and bilingual learners? **Yes/No/Not sure***

*Contingency for crisis communications? **Yes/No/Not sure***

*Trade Union Facilities? **Yes/No/Not sure***

*School Improvement? **Yes/No/Not sure***

	Primary per pupil de-delegation	Secondary per pupil de-delegation
Free school meal eligibility assessment	£TBC	£TBC
Support to underperforming ethnic minority groups and bilingual learners	£TBC	£TBC
Contingency for crisis communications	£0.92	Nil
Trade Union Facilities	£2.21	£2.21
School Improvement	£TBC	£TBC

Additional comments

Please add any additional comments you have regarding the consultation below: