

**PROPOSED MAINSTREAM SURREY SCHOOLS FUNDING FORMULA FACTORS 2024/25 (update 21/1/24)**

**Decision required**  
To determine the final values of funding rates in Surrey's (mainstream) schools funding formula for 2024/25 in order to ensure that they are affordable within the final Dedicated Schools Grant allocation while spending the whole of the NFF schools block grant allocation, as required by anticipated regulations. These will then be submitted to DIE for approval and DIE may require amendments.

Decision delegated by Cabinet on 28 November 2023

**Decision maker**  
Director for Education and Lifelong Learning in consultation with Executive Director of Children, Families and Lifelong Learning and Cabinet Member for Education and Learning

**Decision required by 22 January 2024**

**Reason why decision is needed**

Local Authorities are obliged to submit proposed schools funding formula factors for 2024/25 with values to the Education and Skills Funding Agency by 22 January 2024 (6pm), based on updated pupil data published by the DIE in December 2023 and on the December 2023 DSG Announcement. The funding factors agreed by Cabinet on 28 November 2023 were based on provisional data and now require review to match the cost to the revised funding and pupil data. The decision is required in order to comply with the DIE deadline. The need for review is an annual process.

**Proposal**

The figures agreed by Cabinet on 28 November 2023 and the updated figures now proposed are set out below. These were based on the assumption of a transfer of 1% of schools budget funding to the high needs block, as set out in Surrey's safety value agreement with the DIE and we are proposing to submit on that basis. A further proposal is shown, for use in case the Secretary of State does not approve the proposed transfer of £8.367m to high needs block, and will only be used should that situation occur.

The cost of funding schools at the level of the government's National Funding Formula factors (NFF), less 1% block transfer, is now around £2.4m higher than estimated for the purposes of the Cabinet report (after allowing for the impact of increased pupil numbers, for which additional funding has been received). The increased cost (approx 0.3% of school funding) is single due to increased incidence of pupils with English as an additional language (EAL) and increases in incidence of low prior attainment (c 1m). Additionally £0.3m has been needed for the impact of business rates increases. Schools Forum discussed the issues on 3 January 2024 and recommended that the formula factor rates should be set at 98.44% of NFF, except for higher lump sums and balancing lower basic entitlement-per pupil- rate) compared to 98.5% as agreed by Schools Forum in October) and that the additional costs should be managed by use of £0.8m of surplus growth fund and by a ceiling on gains, now estimated at £.2m (which means that no school receives an average increase in delegated funding per pupil exceeding £.2%). Average DSG funding per pupil for mainstream schools has increased by around 1.3% per pupil. The ceiling level may need slight further changes as a result of minor adjustments. This is because the LA must demonstrate to DIE that the whole of the schools block DSG allocation has been allocated for permitted purposes, and the ceiling is the means used to make the final minor adjustments. Under these proposals 21 schools (5.88%) are subject to a ceiling, and are thus funded below current need, as defined for the purpose of the NFF.

Should the DIE reject the proposed block transfer, it is proposed that formula rates be set at 99.80% of full national funding formula rates (subject to small increases in lump sums, in order to protect small schools, as above).

Whether or not the block transfer is approved, part of the schools block would be set aside for growth, (ie additional classes being opened from Sept 2024). That allocation required the approval of Schools Forum, which approved officers' recommendations to set it at £2.266m (which meant using 10.6m of the DIE growth allocation to support the main funding formula) plus £140,000 to protect one school (Lakeside Primary and Nursery) against temporary falls in roll attributable to a site move supported by the council.

	Provisional figures for Cabinet 28 November 2023		Updated following DSG Settlement & Pupil Data - Jan 2024	
	Assuming transfer to high needs		With transfer to high needs	
	Primary	Secondary	Primary	Secondary
	£	£	£	£
<b>Basic entitlement (sum per pupil)</b>	3,716.84	5,238.15	3,709.29	5,226.03
		Key Stage 4		Key Stage 4
		5,905.48		5,891.79
<b>Social Deprivation</b>				
* per child on free school meals	511.72	511.72	510.53	510.53
* ever 6 FSM child	856.35	1,293.19	854.35	1,290.27
* per child in DfE IDACI band F	246.42	355.07	244.84	354.24
* per child in DfE IDACI band E	297.83	469.95	296.94	468.85
* per child in DfE IDACI band D	464.72	657.92	463.64	656.39
* per child in DfE IDACI band C	508.50	723.58	505.32	719.86
* per child in DfE IDACI band B	537.82	772.80	536.57	771.00
* per child in DfE IDACI band A	710.14	986.89	708.48	984.59
<b>Flat rate/ lump sum (must be same for all schools in a sector)</b>	143.145	148.965	142.811	148.965
<b>Low Attainment</b>	1221.86	1,853.67	1,219.01	1,849.35
<b>Per low attainer (high incidence SEN)</b>				
English as an Additional Language (EAL) Per pupil with EAL and in school system for longer than 3 years	616.15	1,655.25	614.71	1,651.38
<b>Pupil Mobility</b>				
mobile pupil (as per DIE definition)	Per 1,000.55	1,441.17	1,000.21	1,437.81
<b>Additional Classes</b>				
Funding for Budge Classes and schools increasing PNA from Sep2022				
Minimum Funding Guarantee (MFG) ie minimum percentage increase per pupil	0.50%	0.50%	0.50%	0.50%
<b>Ceiling (maximum increase per pupil). The higher the ceiling the slower the progress to NFF (at least below equal).</b>	n/a	n/a	6.38%	6.38%
<b>Minimum (Average) per pupil funding level</b> (where schools would otherwise receive less than this, in full)	4,610	5,995	4,610.00	5,995.00
<b>Split site-basic rate per site for additional sites.</b>	55,114.97	65,114.97	55,984.16	55,984.16
<b>Split site-additional distance rate per site for additional sites.</b>	28,057.49	28,057.49	27,992.08	27,992.08
<b>Sparsity-additional funding for very small schools in rural areas/ up to.</b>	59.631	86.679	59.492	86.477

**NON FORMULA FACTORS**

No reference to:  
Risks - These are funded at cost  
Risks cover 1% funded - funded at cost

Summary of available funding and funding used	E000s
DfE Schools Block NFF including growth (19 Dec 2023)	836,702
CSSE historic commitments funding historically allocated to schools	
Transfer to high needs	-8,367
<b>total available</b>	<b>828,335</b>
Formula allocations	825,831
Growth fund as per Schools Forum 9 Jan 2024	2,364
Falling rolls	140
<b>total allocated</b>	<b>828,335</b>