

SCHOOLS FORUM

2024/25 School Funding – Disapplication of the School and Early Years Finance (England) Regulations

21 November 2023

Content Applicable to:		School Phase:	
Maintained Primary and Secondary Schools	X	Pre School	
Academies	X	Foundation Stage	
PVI Settings		Primary	X
Special Schools / Academies		Secondary	X
Local Authority	X	Post 16	
		High Needs	

Purpose of Report

Content Requires:		By:	
Noting	X	Maintained Primary School Members	X
Decision		Maintained Special School Members	
		Academy Members	X
		All Schools Forum	

1. This report sets out for Schools Forum instances where it is necessary to seek disapplication of the School and Early Years Finance (England) Regulations for 2024-25 school formula budgets.

Recommendations

2. That Schools Forum note support the continuation of disapplication requests to be reflected in school formula budgets for 2024/25:
 - a) for the variation of pupil numbers and the Minimum Funding Guarantee for schools undertaking or affected by age range changes.
 - b) for the inclusion of exceptional property costs.

Introduction:

3. A disapplication request to reflect pupil number changes in schools undertaking or affected by age range changes has been submitted annually to the Department of Education (DfE) since 2014/15.
4. A further disapplication request was required by the DfE for 2023/24 to allow the continuation of an additional formula factor within the Leicestershire school funding formula to fund exceptional premises costs.
5. This report sets out for Schools Forum the proposed continuation, subject to DfE approval, of both local changes for 2024/25 school budgets.

Age Range Changes:

6. The first Leicestershire schools to undertake age range changes in 2013 did so with the full knowledge that the lagged funding system meant that the September pupil number changes would not generate funding until the 2024/15 budget. As a result, the DfE allocated funding to the expanding schools over and above their budget allocation. They also changed the funding guidance for local authorities to require them to respond to pupil number changes. If they failed to do so the DfE would recoup Dedicated Schools Grant to fund academies if they felt they were underfunded through the local authorities funding allocation.
7. Age range change redistributed pupils across schools, as such Leicestershire received no additional funding and was required to implement a cost neutral position which was achieved through varying pupil numbers. The pupil adjustment involves increasing the pupil numbers at a school with a new year group, and making a corresponding reduction in pupil numbers at the affected schools. Schools effectively losing a year group received 80% protection in the first year.
8. In addition, and associated with the pupil number change, a request is also submitted to adjust the Minimum Funding Guarantee (MFG). The change in age range results in a change in the pupil profile between Year 6, KS3 and KS4. This has an unintended effect in the MFG. For example, a school taking on KS4 pupils will appear to have an increase in the funding per pupil compared to the previous year's baseline, but this will be caused by the higher KS4 funding per pupil rate. Approval to amend the 2023/24 MFG baseline to allow for the new pupil profile in 2024/25 is requested. This is in line with mechanism requested by the ESFA (via the infrastructure Changes - MFG Exclusion Model).
9. These disapplications have been enacted every year since 2014/15 and approval is again sought from the DfE again for 2024/25 with secondary schools in Ashby and Coalville being in the third year of change.

Exceptional Circumstances:

10. The introduction of the National Funding Formula (NFF) has limited the formula factors available for use by local authorities. Leicestershire has historically allocated funding to a number of small school who incur additional rental costs largely village hall or playing

fields. The DfE required a retrospective disapplication to allow this to continue for 2023/24 which received Schools Forum support at its meeting on 14 February 2023.

11. The use of exceptional factors is restricted by the DfE and can only apply where the value of the factor is more than 1% of a school's budget and applies to fewer than 5% of the schools in the local authority's area. In 2023/24, 7 schools receive a total of £70,770. Whilst the value is not material to the totality of formula funding, it is highly material to the schools in question and the loss of funding would have a significant impact on the 7 individual schools.

Conclusions:

12. The continuation of the process to vary pupil numbers and the MFG baseline reflects Leicestershire approach to the DfE's requirement to vary pupil numbers where there are significant organisational changes in its schools. This approach has been applied to all secondary schools undertaking or affected by age range changes since 2014. Ashby and Coalville are the final areas to effect age range and are in the final stages of that change, it would be inequitable not to reflect that change for 2024/25.
13. The DfE are tightening their approach to local authorities using exceptional factors not within the NFF. Firstly, they have tightened the criteria which has further limited the schools that qualify. Secondly, the requirement to submit a disapplication. In addition, the DfE for 2023/24 have required a copy of each bill paid by the seven eligible schools and have stated that for 2024/25 they will require a copy of each lease agreement to grant approval. It is uncertain whether the DfE will agree the request, either fully or partially, should it not be possible for individual schools to provide this information. It is uncertain how long local authorities will be able to seek such exceptions and continue to meet these costs within its funding formula.

Background Papers:

[Cabinet Agenda & Minutes | 15 October 2013](#)

[Leicestershire Schools' Forum Agenda & Minutes | 18 September 2013](#)

[Leicestershire Schools' Forum Agenda & Minutes | 20 June 2013](#)

[Leicestershire Schools' Forum Agenda & Minutes | 14 February 2023](#)

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