

DEPUTY MAYOR AND EXECUTIVE MEMBER - EDUCATION AND CULTURE

Date: Wednesday, 26 February 2025
Time: 9.00 a.m.
Venue: Spencer Room, Town Hall

AGENDA

1. Welcome and Evacuation Procedure

In the event the fire alarm sounds attendees will be advised to evacuate the building via the nearest fire exit and assemble at the Bottle of Notes opposite MIMA.

2. Schools' Budget

3 - 12

Charlotte Benjamin
Director of Legal and Governance Services

Town Hall
Middlesbrough
Tuesday, 18 February 2025

MEMBERSHIP

Councillor P Storey (Chair)

Assistance in accessing information

Should you have any queries on accessing the Agenda and associated information please contact Chris Lunn, 01642 729742, chris_lunn@middlesbrough.gov.uk

This page is intentionally left blank

MIDDLESBROUGH COUNCIL	
------------------------------	--

Report of:	Executive Director of Children's Services
Relevant Executive Member:	Deputy Mayor and Executive Member for Education and Culture
Submitted to:	Single Member Executive for Education and Culture
Date:	26 February 2025
Title:	Schools' Budget Report
Report for:	Decision
Status:	Public
Council Plan priority:	Safe and resilient communities
Key decision:	No
Why:	Not applicable
Subject to call in?:	No
Why:	Urgent

Executive summary

This report seeks approval for approval the final formula factors and rates for the Middlesbrough schools funding formula for 2025/2026. The LA is required to distribute the Schools Block element of the Dedicated Schools Grant to schools via the funding formula. Several options were presented to the SMF at their meeting on 15th January 2025. SMF considered these and their preferred option is the one the local authority proposes to implement. The LA is legally required to set the formula and subsequently issue local budgets to schools by 28th February 2025.

1. Purpose

1.1 The purpose of this report is to seek approval of the final formula factors and rates for the Middlesbrough schools formula for 2025/2026 as detailed in Appendix A of the report, following consultation with Middlesbrough Schools' Management Forum (SMF), on 15 January 2025

2. Recommendations

2.1 That the Deputy Mayor and Executive Member for Culture and Education:

- Approves the final formula factors and rates for the Middlesbrough schools funding formula for 2025/2026 as detailed in Appendix A of the report following consultation with Middlesbrough Schools' Management Forum (SMF), on 15 January 2025
- Notes that the SMF recommended the Schools Formula to members for approval
- Notes that the SMF approved the transfer of 0.5% (£0.751m) of the overall Schools Block to High Needs
- Notes that an additional £0.675m available for distribution after the SMF meeting has been added to primary school allocations to remain consistent with the SMF recommendation to maximise allocations to primary schools with the minimum required allocation provided to the secondary sector, and
- Notes the current value of the Dedicated Schools Grant (DSG) budget for 2025/2026 as at 18 December 2024, as detailed in section 6 of this report

3. Rationale for the recommended decision(s)

3.1 The local authority is required by the Schools Revenue Funding 2025 to 2026 Operational Guide to decide upon the formula which they will use to determine the budget shares for schools.

3.2 This decision is required to comply with the Education and Skills Funding Agency (ESFA) process.

4. Background and relevant information

4.1 The DSG is a ring-fenced specific grant and must be used in support of the Schools Budget as defined in the School and Early Years Finance (England) Regulations and in compliance with the Schools Revenue Funding 2025 to 2026 Operational guide.

4.2 There is a requirement, under these regulations, for the local authority to decide on the formula factors and rates for the Schools funding formula, to consult with schools on the proposals, and to issue School Budget Shares (SBS) to maintained schools by 28 February 2025. There is also a requirement to advise all schools and private, voluntary and independent settings of their allocation of funding from the Early Years Single Funding Formula (EYSFF) and place and top-up funding from the High Needs Block by 31 March 2025.

5. Other potential alternative(s) and why these have not been recommended

5.1 None considered – Setting the rates is required by the Schools Revenue Funding 2025 to 2026 Operational Guide. However, the SMF were presented with various different options for distributing the funding.

6. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including procurement and Social Value)	<ul style="list-style-type: none"> • School budgets are funded by ring-fenced Dedicated Schools Grant paid to the local authority by the Department for Education. • The DSG is presented to the LA in four spending blocks; a Schools Block, a Central School Services Block (CSSB), an Early Years Block and a High Needs Block. Each of the four blocks is determined by a separate national funding formula. The Schools Block is ringfenced, but Local Authorities can transfer up to 0.5% of their Schools Block funding out with the agreement of their Schools Forum. A summary of the settlement can be seen in Appendix B of this report. • The total DSG allocation for 2025/2026 issued by the ESFA on 18 December 2024 is £216.215 million split into the four blocks; Schools Block £150.778 million, CSSB £1.136 million, Early Years Block £22.647 million and High Needs Block £41.653 million. This is prior to any adjustments. • Confirmation of Academy recoupment from the Schools Block is expected in March 2025. Funding for National Non-Domestic Rates will also be retained by ESFA and paid directly to billing authorities on behalf of schools in 2025/2026. • The Schools Block allocation for 2025/2026 stands at £150.778 million, based on 22,317 pupils recorded on the October 2024 School Census (a decrease of 120 pupils compared to October 2023). • The DfE issued the final Authority Proforma Tool (APT) to Local Authorities on 18 December 2024.
Legal	<ul style="list-style-type: none"> • The DSG is a ring-fenced specific grant and must be used in support of the Schools Budget as defined in the School and Early Years Finance (England) Regulations and in compliance with the Schools revenue funding 2025 to 2026:

	<ul style="list-style-type: none"> Operational guide. There is a requirement, under these regulations, for the local authority to issue School Budget Shares (SBS) to maintained schools by 28 February 2025. There is also a requirement to advise all schools and private, voluntary and independent settings of their allocation of funding from the Early Years Single Funding Formula (EYSFF) and place and top-up funding from the High Needs Block by 31 March 2025. Local Authorities retain responsibility for setting the overall level of their Individual Schools Budget (ISB) and for determining Schools' budget shares. Where there is evidence that a Local Authority (LA) has used the grant for any purpose other than to support the Schools Budget or has failed to comply with any other condition of grant, the Secretary of State reserves the right to recover the grant. The setting of the Schools Formula is a function of the Local Authority. In order to submit the Schools Formula to the ESFA and issue school budgets by the deadline date of 28 February 2025, the decision will be taken by the Lead Member for Culture and Education.
Risk	<ul style="list-style-type: none"> The School Financial Regulations allow for any over or under spends within the DSG to be carried forward to the following year. Any balance of central expenditure remaining at 31 March 2025 will be added to the 2025/2026 schools budget for allocation through the Schools, Early Years, CSSB or High Needs Block. Any underspend of de-delegated expenditure from maintained schools will be carried forward to the same expenditure line for 2025/2026 and added to the de-delegated amount for 2026/2027. Any over/underspend on central expenditure at 31 March 2025 will be carried forward to 2025/2026 to be funded from the Schools budget. The High Needs expenditure budget is based on current commitments only. The assumptions of the overall DSG allocation for the LA will continue to be indicative until the ESFA confirm the final 2025/2026 DSG settlement in summer 2025
Human Rights, Public Sector Equality Duty and Community Cohesion	<ul style="list-style-type: none"> The report is exclusively a support or administrative process and has no direct relevance to the Council's duty to promote equality of opportunity, promote good relations and eliminate unlawful discrimination

Climate Change / Environmental	<ul style="list-style-type: none"> There is no environmental impact as a result of implementing the recommendations of this report.
Children and Young People Cared for by the Authority and Care Leavers	<ul style="list-style-type: none"> DSG supports many aspects of family life through expenditure on schools, early years and children and young people with high needs.
Data Protection	<ul style="list-style-type: none"> There are no data protection issues arising as a result of implementing the recommendations of this report.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Issue budget shares to schools	Executive Director of Children's Services	28 th February 2025

Appendices

1	Schools Formula Proforma
2	Dedicated Schools Grant Allocation Summary 2025/26
3	

Background papers

Body	Report title	Date
SMF meeting	Dedicated Schools Grant	15 th January 2025

Contact: Joe Tynan, Caroline Cannon, Craig Povey, Amar Barot,
Email: Craig.Povey@Middlesbrough.Gov.uk

This page is intentionally left blank

Appendix A

Local Authority Funding Reform Proforma											
LA Name:		Middlebrough									
LA Number:		806									
Primary minimum per pupil funding level	Secondary (KS3 only) minimum per pupil funding level	Secondary (KS4 only) minimum per pupil funding level	Secondary minimum per pupil funding level	Disappication number where alternative NFF values are used							
£4,955.00	£5,221.00	£6,831.00	£6,465.00								
Pupil Led Factors											
Reception uplift		No	Pupil Units		0.00						
Description	Amount per pupil	Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)				
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	£3,841.13	13,515.00		£51,912,881	£100,673,977	34.68%	10.00%				
Primary (Years 8-9)	£5,286.45	5,519.00		£29,175,944		19.49%	10.00%				
Key Stage 3 (Years 7-9)	£5,960.18	3,286.00		£19,585,151		13.08%	10.00%				
Key Stage 4 (Years 10-11)											
Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)		
2) Deprivation	£507.38	£482.63	6,067.54	4,256.00	£5,132,622	£28,864,191	19.28%	10.00%	10.00%		
FSM6	£1,086.50	£1,516.13	6,128.54	4,370.00	£13,284,147			10.00%	10.00%		
IDACI Band F	£240.88	£331.50	686.82	539.24	£344,200			10.00%	10.00%		
IDACI Band E	£292.13	£438.75	1,000.24	783.38	£635,905			10.00%	10.00%		
IDACI Band D	£456.13	£619.13	598.79	384.16	£510,976			10.00%	10.00%		
IDACI Band C	£502.25	£677.63	563.80	350.20	£520,478			10.00%	10.00%		
IDACI Band B	£533.00	£726.38	1,704.63	1,107.63	£1,713,128			10.00%	10.00%		
IDACI Band A	£702.13	£926.25	5,060.90	3,421.68	£6,722,757			10.00%	10.00%		
3) English as an Additional Language (EAL)	£609.88		1,930.77		£1,177,538			£2,171,613	1.19%		
EAL 3 Secondary		£1,555.13		391.82	£609,332						
4) Mobility	£989.13	£1,350.38	346.66	31.00	£384,743	£9,733,407	6.50%				
pupils starting school outside of normal entry dates											
5) Low prior attainment						£9,733,407	6.50%				
Primary low prior attainment		£1,204.38	38.21%	5,164.30	£6,219,776			100.00%			
Secondary low prior attainment (year 7)	57.71%		23.15%								
Secondary low prior attainment (year 8)	55.77%		22.90%								
Secondary low prior attainment (year 9)	54.47%	£1,740.38	23.13%	2,018.89	£3,513,631				100.00%		
Secondary low prior attainment (year 10)	54.47%		22.91%								
Secondary low prior attainment (year 11)	64.53%		22.39%								
Other Factors											
Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)				
6) Lump Sum	£48,727.50	£141,472.50			£7,229,608	4.83%					
7) Sparsity factor	£58,835.00	£81,315.00			£0	0.00%					
Rows 45 to 48 are populated with the NFF methodology, please leave this as is if you wish to follow the NFF. As per the Operational Guidance, the distance thresholds can be increased or the year group size thresholds decreased and the distance threshold taper is optional. An alternative method of allocation to the NFF average year group size taper can be chosen: the continuous taper (Tapered) or fixed sum (Fixed). Examples of each are provided in the Operational Guidance.											
Primary distance threshold (miles)	2.00	Primary pupil number average year group threshold	21.40	Apply primary distance taper	Yes	NFF, tapered or fixed sparsity primary lump sum?					
Secondary distance threshold (miles)	3.00	Secondary pupil number average year group threshold	120.00	Apply secondary distance taper	Yes	NFF, tapered or fixed sparsity secondary lump sum?			NFF		
Middle schools distance threshold (miles)	2.00	Middle school pupil number average year group threshold	69.20	Apply middle school distance taper	Yes	NFF, tapered or fixed sparsity middle school lump sum?			NFF		
All-through schools distance threshold (miles)	2.00	All-through pupil number average year group threshold	62.50	Apply all-through distance taper	Yes	NFF, tapered or fixed sparsity all through lump sum?			NFF		
8) Fringe Payments				Fringe multiplier	1.0555	£0	0.00%				
9) Split Sites		Basic eligibility funding	£54,000.00	Distance funding rate	£27,000.00	£0	0.00%				
10) Rates						£827,028	0.55%				
11) PFI funding						£0	0.00%				
12) Exceptional circumstances (can only be used with prior agreement of ESFA)											
Circumstance					Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)				
Additional lump sum for schools amalgamated during FY24-25					£0	0.00%	0.00%	0.00%			
Additional sparsity lump sum for small schools					£0	0.00%					
Exceptional Circumstance3					£0	0.00%					
Exceptional Circumstance4					£0	0.00%					
Exceptional Circumstance5					£0	0.00%					
Exceptional Circumstance6					£0	0.00%					
Exceptional Circumstance7					£0	0.00%					
Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total)					£149,499,824	99.86%					
13) Additional funding to meet minimum per pupil funding level					£210,043	0.14%					
Total Funding for Schools Block Formula (excluding MFG Funding Total)					£149,709,867	100.00%					
14) Minimum Funding Guarantee					-0.50%	£318,063					
Where a value less than -0.5% or greater than 0% has been entered please provide the disappication reference number authorising the value											
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)											
Capping Factor (%)	Scaling Factor (%)										
Total deduction if capping and scaling factors are applied											
					£0						
MFG Net Total Funding (MFG + deduction from capping and scaling)					£318,063	0.21%					
Total Funding for Schools Block Formula					£150,027,929		£22,687,224				
Notional SEN	Top-up - proportion of NOR	3.62%	SEN support plus EHCP minus Top-up - proportion of NOR	15.60%	Notional SEN funding per eligible pupil		£5,123				
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £5,000 has been approved)											
Additional funding from the High needs budget					£0.00						
Growth fund (if applicable)					£0.00						
Falling rolls fund (if applicable)					£0.00						
Other Adjustment to 24-25 Budget Shares											
Total Funding For Schools Block Formula (including growth and falling rolls funding)					£150,027,929						
% Distributed through Basic Entitlement					67.25%						
% Pupil Led Funding					94.48%						
Primary: Secondary Ratio					1 :	1.28					
25-26 NFF NNDR allocation, excluding prior year adjustments					£827,028						
Total Funding For Schools Block Formula (including growth and falling rolls funding) after deduction of 25-26 NFF NNDR allocation					£149,200,901						

This page is intentionally left blank

APPENDIX B

Dedicated schools grant: 2025 to 2026 allocations local authority summary		2025 to 2026 DSG allocations, before recoupment and deductions for national non-domestic rates, and for direct funding of high needs places by Education and Skills Funding Agency (ESFA)				
		Schools block (£s)	Central school services block (£s)	High needs block (£s)	Early years block (£s)	Total DSG allocation (£s)
		[A]	[B]	[C]	[D]	[E]
						= [A] + [B] + [C] + [D]
806	Middlesbrough	150,778,446	1,136,129	41,652,726	22,647,419	216,214,720

This page is intentionally left blank