

# Schools Forum Agenda

Tuesday 21 January 2025 at 2.00 pm

This meeting will be held remotely. If you'd like to observe the meeting please contact: [Tiffany.Yip@lbhf.gov.uk](mailto:Tiffany.Yip@lbhf.gov.uk)

<u>Item</u>	<u>Pages</u>
1. <b>APOLOGIES FOR ABSENCE</b>	
2. <b>MINUTES OF THE LAST MEETING</b> To agree the minutes of the previous meeting as a correct record.	2 - 5
3. <b>SCHOOLS BLOCK MAINSTREAM BUDGET 2025/26</b> This report sets out the final Schools Block allocation of the Dedicated Schools Grant for 2025/26 following the receipt of final funding allocations and the Authority Proforma Tool (APT) in December 2024.	6 - 16
4. <b>EARLY YEARS BUDGET 2025/26</b> This report updates forum on the initial allocation of Early Years Block funding for 2025/26 including the extended entitlements for working parents of two year old children and children from age 9 months.	17 - 26
5. <b>HIGH NEEDS BLOCK 2025/26 UPDATE</b> This report sets out the final High Needs Block allocation of the Dedicated Schools Grant for 2025/26 following the receipt of final funding in December 2024.	27 - 28

# Agenda Item 2

London Borough of Hammersmith & Fulham

## Schools Forum Minutes

Tuesday 12 November 2024

### PRESENT

<b>Voting members</b>	<b>Non-voting members</b>
<p><b>School Members</b> Anne-Marie (Thames Federation) Imogen Lavelle (The Good Shepherd) Dave Colins (Brackenbury School)</p> <p><b>Academies and Free Schools</b> Gary Kynaston, Hammersmith Academy (Chair) Daniel Cundy (Senior Principal, AP Academies) Ziah Raphael (Principal, Ormiston Bridge Academy)</p> <p><b>Non-Schools Members</b> Jane Gleasure (Little People, Early Years)</p>	<p><b>Observers</b> Aiden Smith (Governor, Jack Tizard School)</p>

### **Officers**

Jacqui McShannon (Director of Children's Services)  
Peter Haylock (Director of Education and SEND)  
Tony Burton (Head of Finance for Children's Services and Education)  
Tiffany Yip (Assistant Committee Coordinator)  
Tina Aryee (Fulham Cross)  
Daryle Mathurin (Head of Assets and Resources - Education and SEND)  
Ozioma Onwochei (Principal Accountant)

#### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Katie Beardsworth and Alex Parker.

#### **2. MINUTES OF THE LAST MEETING**

The minutes of the previous meeting were agreed as an accurate record.

#### **3. SCHOOLS BLOCK TO HIGH NEEDS BLOCK TRANSFER DISAPPLICATION REQUEST**

Minutes are subject to confirmation at the next meeting as a correct record of the proceedings and any amendments arising will be recorded in the minutes of that subsequent meeting.

Peter Haylock (Director of Education and SEND) introduced the disapplication request and outlined the five key drivers that had led to the request:

- To address budget pressure from cost inflation since the Safety Valve agreement
- Lower than originally forecast High Needs Block funding increases now assumed than originally modelled per Department for Education advice
- Special minimum funding guarantee at 3% and Special Provision Supplementary Grant from 2023/24 Financial Year
- Maintains the continued investment of High Needs into H&F mainstream provision
- Local area placement sufficiency

Tony Burton (Head of Finance for Children's Services and Education) added that high needs funding had become increasingly restrained over the last few years and inflation had been higher than 3%. It was noted that a 6% funding increase was to be expected from the 2025/26 funding, reverting to 3% increases from 2026/27 onwards.

Peter Haylock added that there was a number of schools wishing to join the high needs reference group the group would start meeting in January.

Dave Collins (Brackenbury School) was concerned with the funding challenges faced by schools in the borough with Hammersmith & Fulham receiving substantially lower funding than other local authorities. The Chair noted that this was the last year of the Safety Valve and this transfer was the last notional part of it, adding that there would be information about going forward in the June/July meetings.

Dave Collins further enquired whether the proposed move was sustainable and working. Peter Haylock noted that the High Needs Block would be in greater jeopardy if the move was not made. The additional half per cent to the High Needs Block could be used in schools where the national special education needs budget was not sufficient. Tony Burton explained that the upcoming Safety Valve funding of 1 million would reduce the retained deficit on Dedicated Schools Grant from 2 million to 1 million. It was noted that while a medium to long-term view of government funding would not come until the new year, work was being done to eliminate structural deficit and the Safety Valve funding was used to repay historic deficit. Daryle Mathurin (Head of Assets and Resources - Education and SEND) added that the disapplication also included systemic transformations that would help Hammersmith & Fulham achieve a balanced budget. The Chair noted that this would be the last major part of the Safety Valve and conversations about sustainability would continue.

#### **RESOLVED**

The Schools Forum approved the Schools Block to High Needs Block Transfer Disapplication Request.

#### **4. DATE OF NEXT MEETING**

- 10 December 2024
- 21 January 2025

## 5. **ANY OTHER BUSINESS**

Tony Burton (Head of Finance for Children's Services and Education) gave an overview of the Schools and Early Years Budget 2025/26 timeline as follows:

- **Late November/Early December (date TBC)**
  - Provisional Funding Allocations 2025/26 for Dedicated Schools Grant
  - Operational Guidance and National Funding Formula (NFF)
- **Late November/ Early December**
  - Consultation on principles with school
- **December Schools Forum**
  - Update on NFF (if available)
  - Feedback on consultation with schools budget setting principles
- **Late December**
  - Modelling Tool and final allocations released by the Education and Skills Funding Agency (ESFA) linked to October 2024 census
- **Christmas and New Year Period**
  - Modelling of funding according to the NFF
- **January workshop for Mainstream Schools**
  - To set out the NFF and modelling per school
- **January Schools Forum**
  - Propose moving 14 January Schools Forum to 21 January to allow more time for budget preparation and communication

The Chair enquired if additional funding for schools could be expected. Tony Burton replied that the School Block was unlikely to benefit from the increased funding. The Early Years Block increase was expected to be around 1% while the High Needs Block could possibly see a 6% increase. There would be increase in real terms, but it would not be enough to cover inflation. Peter Haylock (Director of Education and SEND) reassured that the team was working with schools where budgets were a key concern.

The Chair asked whether conversations were being conducted with schools that were facing difficulties without triggering the school resource management advisers (SRMA) process. Tony Burton responded that they were working with schools on deficit avoidance and deficit recovery and SRMA was used as a supportive option. The team was undergoing expansion and would work with the ESFA on a range of support programmes.

The Chair requested the timeline for the Spring and Autumn Terms and workshops in the Summer Term to be communicated at the next meeting.

**Action: Tony Burton/Peter Haylock**


Meeting started: 2.00 pm  
Meeting ended: 2.46 pm

Chair .....

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# Agenda Item 3

## Agenda Item 3

	<p style="text-align: center;"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p style="text-align: center;"><b>SCHOOLS FORUM</b></p> <p style="text-align: center;"><b>21st January 2025</b></p>
<b>Schools Block Mainstream Budget 2025/26</b>	
<b>Open</b>	
<b>Classification</b> - For scrutiny, review and comment	
<b>Key Decision:</b>	
<b>Wards Affected: (All Wards):</b> All	
<b>Accountable Director:</b> Jacqui McShannon, Executive Director of People	
<b>Report Authors:</b>	
Peter Haylock – Operational Director of Education and SEND	
Tony Burton – Head of Finance Children’s Services and Education	
<b>Purpose of the report</b>	
This report sets out the final Schools Block allocation of the Dedicated Schools Grant for 2025/26 following the receipt of final funding allocations and the Authority Proforma Tool (APT) in December 2024.	
Schools Forum are asked to review and agree the recommendations. This will determine the final budget allocation for the financial year 2025/26.	
The paper also details:	
<ul style="list-style-type: none"><li>• The proposed Central Services Schools Block funding allocations for 2025/26.</li></ul>	

### 1. Introduction

- 1.1. The final allocation of the Schools Block of the Dedicated Schools Grant for 2025/26 has been received from the Department for Education (DfE) at £124.352m based on October 2024 census numbers and includes funding for growth of £0.228m and falling rolls of £0.840m.
- 1.2. The Teachers Pay Additional Grant (TPAG), Teachers Pension Employer Contribution Grant (TPECG) and the Core Schools Budget Grants (CSBG) which are separate grants in the 2024/25 financial year have all been incorporated into the final 2025/26 Schools Block allocation. The DfE has made a baseline adjustment to the 2025/26 allocation to ensure schools are not disadvantaged. The value of the adjustment is £6.815m and has been allocated through the formula funding factors.

- 1.3. Table 1 below details the change in the final allocation for 2025/26 notified in December 2024 compared with the final 2024/25 Schools Block allocation adjusted for the separate grants as described in paragraph 1.2.

**Table 1 Schools Block Funding Allocation Year on Year**

	<b>2024/25</b>	<b>2025/26</b>	
Number of pupils (R to Y11)	16,050	15,625	
	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>Movement between years £m</b>
Schools Block Baseline (excludes growth funding)	116.349	121.859	
Additional Grants:			
TPAG	1.957		
TPECG	2.402		
CSBG	2.456		
Premises Factor	1.340	1.425	
<b>Sub-total before growth and falling rolls funding</b>	<b>124.504</b>	<b>123.284</b>	<b>(1.22)</b>
Growth funding	0.515	0.228	
Falling rolls funding	0.831	0.840	
<b>Total Schools Block Funding</b>	<b>125.850</b>	<b>124.352</b>	<b>(1.498)</b>
Per pupil funding before growth and falling rolls	7,757	7,890	1.72%

- 1.4. Funding allocations have decreased in cash terms year on year for Hammersmith and Fulham mainstream schools in 2025/26 versus 2024/25. This is primarily due to the fall in pupil numbers from October 2023 to October 2024.
- 1.5. Per pupil funding has increased by 1.72% for Hammersmith and Fulham mainstream schools. This compares to a 2.3% increase nationally.
- 1.6. The H&F per pupil unit of funding allocated through the national funding formula has increased by 7.9% for the Primary phase and 6.9% for the Secondary phase from 2024/25 to 2025/26. The unit of funding informs the overall schools

block allocation for H&F and doesn't represent the level of increase that individual schools see in their funding allocations.

	Primary unit of funding £	Secondary unit of funding £
2024/25	6,323	8,331
2025/26	6,827	8,910
Percentage increase	7.9%	6.9%

## 2. Schools Block 2025/26 Budget Consultation Feedback

- 2.1. The consultation was open for a two week period. Three schools responded, a maintained primary school and two secondary school academies. The responses supported the principles for allocating the 2025/26 schools block budget.
- 2.2. Each response supported the transfer of 1% of the schools block budget to the high needs block for the 2025/26 budget.

## 3. 2025 to 2026 Final Budget Modelling

- 3.1. The final modelling uses the ESFA's Authority Proforma Tool (APT) and operational guidance to update the agreed model shared and discussed throughout the Autumn term. Pupil numbers have been updated for the October 2024 census.
- 3.2. The final model has been produced consistent with the principles agreed by Schools Forum in November 2024. The model follows the principles used over recent years in Hammersmith and Fulham and as required by the National Funding Formula for the 2025/26 financial year.
  - National Funding Formula (NFF) factor rates set to the higher of:
    - NFF values after area cost adjustment for inner London
    - Factor rates uplifted by a percentage across all factor rates in so far as this is affordable within each model to ensure all funding is allocated.
  - Minimum Funding Guarantee (MFG) set within the required level by the NFF.
    - This is the minimum increase in funding through pupil led funding factors year on year.
    - MFG must be set between minus 0.5% and 0.0% increase for 2025/26.



- 3.3. The agreed principles modelled sets the MFG at 0.25% and mirrors the NFF factor rates allowing for a percentage uplift of 0% on the inner London NFF rates.
- 3.4. The agreed model assumes continuing support to the High Needs Block through a 1% transfer from the Schools Block.
- Continues the level of block transfer agreed by Schools Forum and the Minister of State for the 2024/25 budget.
  - The value of the block transfer is £1.23m based on the final allocations.
  - A disapplication of above 0.5% level requires Schools Forum approval and a disapplication to the Minister of State.
  - The continued disapplication is required for the short to medium term sustainability of the High Needs Block.
- 3.5. The outcome and decision from the DfE of the disapplication request is pending.
- 3.6. The final model has additionally been produced on the assumption of a 0.5% transfer from the Schools Block to support the High Needs Block. The Schools Forum held on the 12<sup>th</sup> November 2024 agreed to a disapplication of grant regulations application to be submitted to the DfE to request a 1% transfer from the Schools Block to support the High Needs Block. However, to avoid a delay in the political approval of the Schools Budget, we are required to complete the APT based on both a 0.5% and 1% transfer pending the DfE decision.
- 3.7. The key elements of the model applicable for maintained primary schools only:
- De-delegated budget provision of £0.555m of maintained schools' budgets – see Section 5 for details.
  - Education functions fund of £0.289m of maintained schools' budgets – see Section 5 for details.
- 3.8. Appendix 1 shows the factor rates for each model and appendix 2 shows how total funding is allocated across the factors in each model.
- 3.9. Appendix 3 shows the impact of the recommended model at school level, with a comparison to 2023 to 2024 final budget shares. The pupil numbers used for this modelling is from October 2024 pupil numbers on roll. Note:
- Per pupil funding rates given here are total funding divided by numbers on roll and not pupil led funding used for the minimum funding guarantee in the NFF
  - The final two columns show maintained de-delegation and education functions per section 5.

#### 4. Recommended Budget Model 2025 to 2026

- 4.1. It is recommended that the model with a MFG at minus 0.25% is adopted for the 2025 to 2026 schools budget shares. This was recommended at the November 2024 Schools Forum.
- 4.2. On the assumption that a 1% transfer to the High Needs Block is approved by the DfE, this model mirrors the NFF factor rates and allows for a 0.0% uplift on the inner London NFF rates.
- 4.3. If the model showing a 0.5% transfer to the High Needs Block must be used, the MFG remains at 0.0% with a 1.38% uplift on the inner London NFF rates.

#### 5. De-delegation and Statutory Education Functions for Mainstream Schools Only

- 5.1. Further inflation and local government pay settlements continue to put the budgets for de-delegated services and statutory education functions under significant pressure. However per pupil contribution rates have not increased versus 2024/25 contribution rates.

**Table 3 – Maintained Mainstream Schools De-delegated Budgets Proposed**

Area of Expenditure	2024/25 Maintained Mainstream Primary De-delegation £	2025/26 proposed Maintained Mainstream Primary De-delegation £	Change from 2024/25 £	Note
<b>De-delegation Total</b>	<b>622,400</b>	<b>554,900</b>	<b>(67,500)</b>	Per pupil rate per 2024/25
Schools in Financial Difficulty/Contingency	103,000	96,900	(6,100)	Academisation and roll impact
Maintained Schools Trade Union Facilities Cover	25,600	24,100	(1,500)	Academisation and roll impact
Maintained Schools Maternity Cover Fund	125,000	117,600	(7,400)	Academisation and roll impact
Maintained Schools Licence Fees	32,500	0	(32,500)	Removed as paid directly by schools
Behavioural Support to mainstream (SEND)	52,800	49,700	(3,100)	Academisation and roll impact
Free School Meals Eligibility	31,500	29,600	(1,900)	Academisation and roll impact
School Improvement	252,000	237,000	(15,000)	Academisation and roll impact

**Table 4 – Maintained Mainstream Education Function Budgets Proposed**

Area of Expenditure	2024/25 Maintained Mainstream Primary De- delegation £	2025/26 proposed Maintained Mainstream Primary De- delegation £	Change from 2024/25 £	Note
<b>Education Functions Total</b>	<b>306,900</b>	<b>288,600</b>	<b>(18,300)</b>	Per pupil rate per 2024/25
Finance	115,700	108,800	(6,900)	Local Authority statutory duties, advice and support for maintained schools
Asset Management	65,200	61,300	(3,900)	Local Authority statutory duties, advice and support for maintained schools
Asbestos Risk Management and Surveys	100,400	94,400	(6,000)	Risk management, surveys and re-inspections, advice and support for maintained schools.
Business Intelligence	25,600	24,100	(1,500)	To support Termly Census and workforce census

## 6. Falling Rolls Funding

- 6.1. An allocation of £0.84m has been included in the overall NFF funding for falling rolls. This has been allocated using the net impact within each Middle Layer Super Output area (MSOA) within the borough. MSOA's are a geographic hierarchy designed to improve the reporting of small area statistics in England and Wales.
- 6.2. The ESFA introduced new criteria for local authorities to allocate falling rolls funding to schools from 2024/25. They expect that funding should be based on clear objective trigger points for qualification and a clear formula for calculating allocations.
- 6.3. The ESFA suggests that compliant criteria for a falling rolls funding would contain some of the features set out below:
- the most recent SCAP data shows that school places will be required in 2025 to 2026 and/or the subsequent 2 years (this is a mandatory requirement).
  - surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number
  - formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort
  - the school will need to make redundancies to contain spending within its formula budget.

- 6.4. The SCAP requirement is mandatory. Data based on current H&F census and birthrate information does not indicate that school places will be required in 2025 to 2026 and/or the subsequent 2 years. H&F does not meet this mandatory requirement.
- 6.5. It is therefore proposed that H&F do not create a separate falling rolls fund and that the funding is included in the Schools Block allocation being distributed to schools using the funding factors. This is how the recommended model has been calculated.

## 7. Central Services Schools Block (CSSB) 2025/26

- 7.1. In 2025/26 there is no change to the arrangements for the CSSB. The CSSB allocation for 2025/26 provides funding for:
- The retained duties element of the Education Services Grant (ESG) for all schools
  - Ongoing central statutory functions – for example, Admissions – for maintained schools
  - Ongoing historic commitments

**Table 4 - Central Services Planned Expenditure 2025/26**

Area of Expenditure	2024/25 Agreed	2025/26 Proposed	Change
	£	£	£
Copyright Licensing (Estimated)	128,600	145,900	17,300
Asset Management, Place Planning and Strategic Operations	195,700	197,100	1,400
Management, Support, Finance/Business Intelligence and SACRE	595,700	654,200	58,500
Virtual School	106,000	106,000	0
Admissions and ACE	568,900	592,700	23,800
Time limited Support to High Needs Block Expenditure	510,900	243,400	(267,500)
<b>Total Spend/Funding</b>	<b>2,105,800</b>	<b>1,939,300</b>	<b>(166,500)</b>

- 7.2. For historic commitments there has been a further reduction to this element of funding for all local authorities receiving it. For Hammersmith and Fulham, this equates to a reduction in grant of £0.232m in 2025/26 versus 2024/25 (a circa £2.419m reduction since 2019/20).

## 8. Recommendations and Decisions required

- 8.1. Recommendation 1: It is recommended that the January 2025 APT for the recommended model is submitted to the ESFA for the 2025 to 2026 schools budget share. This is with the revised uplifted NFF rates detailed in paragraph 4 and in appendix 1 and an MFG value of minus 0.25% per pupil. There are

two versions of this model to be agreed pending the DfE decision on the 1% disapplication of grant regulations request.

- 8.2. Recommendation 2: It is recommended that the Schools Forum agree to the proposal to transfer 0.5% of the total Schools Block to the High Needs Block in 2025 to 2026 pending the outcome of the disapplication request to transfer 1% of the Schools Block to the High Needs Block. This equates to £0.615m. Should the DfE provide a positive response to the disapplication request, the 1% transfer is recommended to be approved at £1.23m.
- 8.3. Recommendation 3: It is recommended that maintained school representatives at Schools Forum agree to the proposed 2025 to 2026 de-delegation budget of £0.555m.
- 8.4. Recommendation 4: It is recommended that maintained school representatives at Schools Forum agree to the proposed 2025 to 2026 Education Functions budget of £0.289m.
- 8.5. Recommendation 5: It is recommended that Schools Forum agree to the Central Services School Block budget allocations proposed for 2025/26.

**9. Key dates**

<b>Date</b>	<b>Activity</b>
22nd January 2025	Deadline for submission of the final 2025 to 2026 APT to the ESFA
February to March 2025	Council approval of the 2025/26 Schools budget
28 February 2025	Deadline for confirmation of school budget shares to maintained schools.

**Report ends**

# Item 3, Appendix 1 - Factor Rates 2025/26 Final Allocation

Area Cost Adjustment

1.18442

2.31%

0.00%

1.38%

2024/25 Final

A

B

C

2024/25 Final factors

Recommended MFG Model 2025/26 with 1% SB to HNB transfer

Recommended MFG Model 2025/26 with 0.5% SB to HNB transfer

Rates pre ACA weighting


Basic/pupil funding	2024/25 NFF Weighted & Uplifted MAX MFG with Falling Rolls £	2025/26 NFF ACA Weighted (ACA 1.18442) £	24/25 H&F Unit vs 25/26	2025/26 NFF ACA Weighted (ACA 1.18442) £	24/25 H&F Unit vs 25/26	NFF Unit Values 25/26 from NFF for Schools and HN 25/26
<b>MFG</b>	<b>0.50%</b>	<b>-0.25%</b>		<b>0.00%</b>		
<b>AWPU</b>						
Primary AWPU	4,322.91	4,556.46	233.55	4,619.11	296.20	£3,847
KS3 AWPU	6,094.79	6,421.93	327.14	6,510.23	415.44	£5,422
KS4 AWPU	6,870.29	7,240.36	370.07	7,339.91	469.62	£6,113
<b>Additional Needs Funding</b>						
<b>Deprivation</b>						
Primary FSM	594.67	586.29	-8.38	594.35	-0.32	£495
Secondary FSM	594.67	586.29	-8.38	594.35	-0.32	£495
Primary FSM6	955.17	1,255.49	300.32	1,272.75	317.58	£1,060
Secondary FSM6	1,456.34	1,841.77	385.43	1,867.10	410.76	£1,555
Primary IDACI A	825.26	811.33	-13.93	822.48	-2.78	£685
Primary IDACI B	625.01	615.90	-9.11	624.37	-0.64	£520
Primary IDACI C	588.60	580.37	-8.23	588.35	-0.25	£490
Primary IDACI D	540.06	527.07	-12.99	534.31	-5.75	£445
Primary IDACI E	345.88	337.56	-8.32	342.20	-3.68	£285
Primary IDACI F	285.20	278.34	-6.86	282.17	-3.03	£235
Secondary IDACI A	1,146.87	1,125.20	-21.67	1,140.67	-6.20	£950
Secondary IDACI B	898.08	882.39	-15.69	894.53	-3.55	£745
Secondary IDACI C	837.40	823.17	-14.23	834.49	-2.91	£695
Secondary IDACI D	764.58	752.11	-12.47	762.45	-2.13	£635
Secondary IDACI E	546.13	532.99	-13.14	540.32	-5.81	£450
Secondary IDACI F	412.63	402.70	-9.93	408.24	-4.39	£340
<b>Low Prior Attainment</b>						
Primary LPA	1,419.93	1,391.69	-28.24	1,410.83	-9.10	£1,175
Secondary LPA	2,154.17	2,114.19	-39.98	2,143.26	-10.91	£1,785
<b>EAL</b>						
Primary EAL	716.03	704.73	-11.30	714.42	-1.61	£595
Secondary EAL	1,923.58	1,889.15	-34.43	1,915.13	-8.45	£1,595
<b>Mobility</b>						
Primary Mobility	1,165.07	1,142.97	-22.10	1,158.68	-6.39	£965
Secondary Mobility	1,674.79	1,640.42	-34.37	1,662.98	-11.81	£1,385
<b>Looked After Children</b>						£0
<b>School Led Funding</b>						
<b>Lump Sum</b>						
Primary lump sum	163,110.28	171,859.34	8,749.06	174,222.41	11,112.13	£145,100
Secondary lump sum	163,110.28	171,859.34	8,749.06	174,222.41	11,112.13	£145,100
<b>Sparsity</b>						
Primary sparsity	69,297.60	67,985.71	-1,311.89	68,920.51	-377.09	57,400
Secondary sparsity	100,730.31	98,780.63	-1,949.68	100,138.86	-591.45	83,400
Middle-school sparsity	100,730.31	98,780.63	-1,949.68	100,138.86	-591.45	83,400
All-through sparsity	100,730.31	98,780.63	-1,949.68	100,138.86	-591.45	83,400
<b>Premises</b>						
Split sites basic eligibility funding	63,723.64	63,958.68	235.04	64,838.11	1,114.47	81,000
Split sites distance funding	31,921.15	31,979.34	58.19	32,419.06	497.91	-
<b>Difference between funding allocated and the available funding post-HNB transfer</b>	<b>-£613</b>	<b>-£0</b>		<b>-£0</b>		
<b>Transfer to HNB - Value</b>	<b>£1,179,270</b>	<b>£1,230,510</b>		<b>£615,663</b>		
<b>Transfer to HNB - % of SB</b>	<b>1.00%</b>	<b>1.00%</b>		<b>0.50%</b>		

<b>Item 3, Appendix 2 - Total Funding across the Final APT Models 2025/26</b>				
<b>(before maintained schools de-delegation and education functions)</b>				
	<b>School Block Allocation</b>	<b>£115,508,117.00</b>	<b>£124,352,257.00</b>	<b>£124,352,257.00</b>
		<b>2024/25 Final Factors</b>	<b>Final Model 1% HNB 2025/26</b>	<b>Final Model 0.5% HNB 2025/26</b>
	<b>MFG</b>	<b>0.50%</b>	<b>-0.025%</b>	<b>0.00%</b>
<b>AWPU</b>	Primary (Years R-6)	£37,371,538	£37,959,868	£38,481,816
	Key Stage 3 (Years 7-9)	£26,682,992	£27,717,050	£28,098,159
	Key Stage 4 (Years 10-11)	£20,865,078	£21,583,513	£21,880,286
<b>Total AWPU</b>		<b>£84,919,609</b>	<b>£87,260,431</b>	<b>£88,460,262</b>
<b>Deprivation</b>	FSM	£2,800,671	£2,739,137	£2,776,800
	FSM6	£6,350,442	£8,025,979	£8,136,337
	IDACI Band F	£597,693	£588,033	£596,119
	IDACI Band E	£1,285,672	£1,226,024	£1,242,882
	IDACI Band D	£993,532	£934,663	£947,514
	IDACI Band C	£1,277,633	£1,214,328	£1,231,025
	IDACI Band B	£852,232	£796,194	£807,142
	IDACI Band A	£189,386	£180,341	£182,821
<b>Total Deprivation</b>		<b>£14,347,261</b>	<b>£15,704,700</b>	<b>£15,920,639</b>
<b>EAL 3 Primary</b>		£1,675,990	£1,560,469	£1,581,926
<b>EAL 3 Secondary</b>		£946,609	£844,702	£856,317
<b>Mobility</b>		£329,688	£320,740	£325,150
		<b>£2,952,287</b>	<b>£2,725,911</b>	<b>£2,763,392</b>
<b>LPA</b>	Primary	£3,617,715	£3,472,517	£3,520,264
	Secondary	£2,247,333	£2,163,014	£2,192,756
<b>Total Low Prior Attainment</b>		<b>£5,865,048</b>	<b>£5,635,531</b>	<b>£5,713,020</b>
<b>Lump sum</b>		<b>£7,666,183</b>	<b>£8,077,389</b>	<b>£8,188,453</b>
<b>Funding through MFG</b>		<b>£765,434.00</b>	<b>£2,292,808.82</b>	<b>£1,264,924.20</b>
<b>Other Items</b>				
	HNB Transfer	£1,179,270	£1,230,510	£615,663
	Falling Rolls	£0	£0	£0
	Split Sites	£67,145	£67,387	£68,313
	Rates	£1,272,647	£1,357,589	£1,357,589
	Sparsity	£0	£0	£0
<b>Grand Total</b>		<b>£119,034,883</b>	<b>£124,352,257</b>	<b>£124,352,257</b>





## Agenda Item 4

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>SCHOOLS FORUM</b></p> <p><b>Tuesday, 21<sup>st</sup> January 2025</b></p>
<p><b>EARLY YEARS FUNDING 2025/26</b></p>	
<p><b>Open</b></p>	
<p><b>Wards Affected: (All Wards); All</b></p>	
<p><b>Accountable Director:</b> Jacqui Mc Shannon, Executive Director People</p>	
<p>Report Authors: Peter Haylock Operational Director of Education and SEND</p> <p>Tony Burton Head of Finance for Children’s and Education</p>	<p>Contact Details: <b>E-mail:</b> <a href="mailto:Peter.Haylock@lbhf.gov.uk">Peter.Haylock@lbhf.gov.uk</a> <a href="mailto:Tony.burton@lbhf.gov.uk">Tony.burton@lbhf.gov.uk</a></p>
<p><b>Purpose of the report</b></p> <p>This report updates forum on the initial allocation of Early Years Block funding for 2025/26 including the extended entitlements for working parents of two year old children and children from age 9 months. The report covers:</p> <ul style="list-style-type: none"> <li>• An update on the National Funding Formula for Early Years 2025/26</li> <li>• Funding rates and draft budget for April 2025 to March 2026 for the following:             <ul style="list-style-type: none"> <li>○ 3 and 4-year-old universal entitlement and additional hours for working parents</li> <li>○ 2-year-old targeted support for families receiving additional support (previously known as the entitlements for disadvantaged families) and the entitlement for working parents</li> <li>○ Under 2s entitlements for children aged 9 months up to 2 years</li> </ul> </li> </ul>	

### 1. Introduction and Changes to Early Years Funding 2025/26

- 1.1. The government has extended the number of free childcare offers available to working parents (subject to eligibility) from September 2025 to a maximum of 30 hours per week for 38 weeks for all preschool children from the term after they turn 9 months old.
- 1.2. Local authorities are required to set a local formula for all government funded childcare entitlements for the 2025/26 financial year taking account of all grant conditions and operational guidance.

- 1.3. This report details the government funding and the corresponding budgets required for approval based on the 2024/25 hourly rates issued by DfE and the activity data from the January 2023 census and DfE estimates for the new offers.

## 2. Background to the Early Years National Funding Formula 2025/26

- 2.1. The 2025/26 Early Years Block funding allocation and operational guidance was received on 10<sup>th</sup> December 2024. The proposed budget for 2025/26 early years entitlements is based on the January 2024 early years census and estimates of expected take-up of the new entitlements in 2025/26. Table 1 below gives a high-level summary of the proposed budget which totals £21.415m across all funding elements.
- 2.2. Summary explanations of the funded childcare offer including funding rates applicable in 2025/26 are set out below:

**Table 1: Breakdown of Initial Early Years Funding Allocations 2025/26**  
(January 2024 headcount and DfE estimates)

<b>Childcare Entitlement</b>	<b>Amount £m</b>
<b>3 and 4-year-olds</b>	
Universal Offer - 15 hours	10.573
Extended Offer for Working Parents - Additional 15 hours	2.151
Disability Access Fund	0.076
EY Pupil Premium	0.12
<b>Sub-total 3 and 4-year-olds offer</b>	<b>12.920</b>
<b>Two-year-olds</b>	
Targeted Offer - Families Receiving Additional Support - 15 Hours	1.332
Working Parent offer - 15 hours rising to 30 September 2025	2.388
Disability Access Fund	0.014
EY Pupil Premium	0.047
<b>Sub-total 2-year-old Offer</b>	<b>3.781</b>
<b>9 Month up to 2 years</b>	
Working Parent offer - 15 hours rising to 30 September 2025	3.601
Disability Access Fund	0.006
EY Pupil Premium	0.004
<b>Sub-total 9 Months up to 2 years old offer</b>	<b>3.611</b>
<b>Maintained nursery school supplementary grant funding</b>	<b>1.103</b>
<b>TOTAL</b>	<b>21.415</b>

- 2.3. Universal entitlement for 3 and 4-year-olds – 15 hours free childcare for all 3 and 4-year-olds available from the term after their 3rd birthday for a maximum of 38 weeks per year. Funding will be received by LBHF at £8.87 per hour in 2025/26. This is a £0.16 per hour increase or 1.84% increase on the final 2024/25 funded rate at £8.61.

Note that of the £0.16 per hour increase, £0.12 per hour relates to mainstreaming of the Early Years Block Grant of £0.12 per hour for primary schools with Nursery provision. The Early Years Block Grant was introduced as a separate grant for schools from September 2024 to meet the national pay award for qualified teachers from September 2024.

- 2.4. Additional entitlement working parents 3 and 4-year-olds – additional 15 hours free childcare for eligible working parent from the term after their 3rd birthday for a maximum of 38 weeks per year. Parents are required to obtain a 30-hour code. Funding will be received by LBHF at £8.87 per hour in 2025/26 financial year.
- 2.5. Targeted offer for families receiving additional support (formerly known as the disadvantaged offer for 2-Year Olds) – 15 hours free childcare for eligible 2-year-old children from the term after their 2nd birthday for a maximum of 38 weeks per year. Funding received is £11.98 per hour in the 2025/26 financial year.
- 2.6. Working Parent entitlement for 2-year-olds – this is a new offer of 15 hours free childcare for eligible children following their 2nd birthday for a maximum of 38 weeks per year. 30 hours will be available to eligible parents from September 2025. Funding received is £11.98 per hour in the 2025/26 financial year.
- 2.7. Working Parent entitlement for 9 months up to 2 years old – this is a new offer of 15 hours free childcare for eligible children from the term after they are 9 months for a maximum of 38 weeks per year. 30 hours will be available to eligible parents from September 2025. Funding received is £16.58 per hour in the 2025/26 financial year.
- 2.8. Maintained Nursery School Supplementary Funding – this additional funding for maintained nurseries was initiated as part of the move to the National Funding Formula to provide funding protection with respect to historic duties to 3 and 4-year-olds. An estimated initial allocation of £1.103m in 2025/26 is based on the January 2024 census for 3 and 4-year-olds accessing the universal entitlement. This figure includes the allowance for MNS share of Teachers Pay and Pension Grant and the September 2024 Early Years Block Grant for Teachers pay. This allocation is subject to change depending on actual participation and will be adjusted accordingly in July 2026 as a result of the January 2026 census.
- 2.9. Early Years (EY) Pupil Premium – additional funding for disadvantaged children has been extended to all the Early Years offers detailed above. It will be paid as a top up of £1.00 per hour up in 2025/26 to a maximum of

£570 per year (38 weeks). This is a 50.5% increase on the 2024/25 rate. Eligibility relates to benefits received by the family and must be confirmed by the provider and recorded on the termly head count.

- 2.10. Disability Access Fund – additional per pupil funding for those receiving DLA to access all EY entitlements. This was previously for 3 and 4-year-olds only and has been extended to all Early Years offers from 1st April 2024. Funding has increased by £28 to £938 per eligible pupil per annum.

### 3. 2025/26 Proposed Budget Model – All Entitlements

- 3.1. The 2025/26 proposed budget model is based on the initial allocation detailed above and summarised in Table 2. The proposed breakdown of the use of the new hourly funding rates for each entitlement is shown in the Table 3.

**Table 2: Proposed 2025/26 Early Years Budget by entitlement**

	<b>25/26</b>	<b>25/26</b>	<b>25/26</b>
	<b>3 and 4 YO Entitlements (Universal &amp; Extended)</b>	<b>2 YO Entitlements (Working Parents &amp; Targeted Additional Support)</b>	<b>Under 2 YO Entitlements (Working Parents)</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
A. Base Rate - Participation based on estimated hours	9.640	3.121	3.125
B. Deprivation Supplement - Participation	1.033	0.270	0.167
C. Supplement for Quality	0.416	0.000	0.000
D. SEN Inclusion Fund	0.502	0.149	0.143
E. Lump Sum to MNS	0.574	0.000	0.000
F. Contingency	0.057	0.031	0.022
G. Central expenditure - 4%	0.502	0.149	0.143
<b>TOTAL Planned Expenditure</b>	<b>12.724</b>	<b>3.720</b>	<b>3.600</b>

- 3.2. The proposed breakdown of the use of the new hourly funding rates for each entitlement is shown in the Table 3.

**Table 3: Factors and Hourly Rates Proposed 2025/26**

	<b>25/26</b>	<b>25/26</b>	<b>25/26</b>
	<b>3 and 4 YO Entitlements (Universal &amp; Extended)</b>	<b>2 YO Entitlements (Working Parents &amp; Targeted Additional Support)</b>	<b>Under 2 YO Entitlements (Working Parents)</b>
	<b>£ per hour</b>	<b>£ per hour</b>	<b>£ per hour</b>
A. Base Rate - Participation based on estimated hours to all providers	6.72	10.05	14.39
B. Deprivation Supplement – Participation see Appendix IDACI sliding scale	0.72	0.87	0.77
C. Supplement for Quality	0.29	Nil	Nil
D. SEN Inclusion Fund	0.35	0.48	0.66
E. Lump Sum to MNS	0.40	Nil	Nil
F. Contingency	0.04	0.10	0.10
G. Central expenditure - 4%	0.35	0.48	0.66
<b>TOTAL Funded Hourly Rate</b>	<b>8.87</b>	<b>11.98</b>	<b>16.58</b>

**4. Key Elements of the Proposed Budget Models 2025/26**

- 4.1. All providers, both schools, private & voluntary nursery providers and childminders to be funded according to the DFE regulations. The value of supplements for each entitlement must not exceed 12% of the total amount of the payments made.
- 4.2. Factor A - Universal base rates paid for every hour under the governments early years Entitlements for the financial year starting April 2025.

#### 4.3. Factor B – Deprivation Supplement:

- This is a mandatory supplement for 3 and 4-year-old offer and in order to remain within the overall supplements limit of 12% (including Factor C Quality). Modelling of current payments indicates that the current IDACI banding hourly rates pay over this limit. The rates have been held at 2024/25 levels. Details are provided in Appendix A.
- A deprivation supplement has been included for both 2-year-old offers and under 2-year-old offer on the same basis as the 3 and 4-year-old offer.

#### 4.4. Factor C - Quality. This supplement is for 3 and 4-year-old offer only and relates solely to the Teachers Pay and Pension grants which was rolled into the EY funding in 2023/24 and continues to be applicable in 2025/26. This funding includes:

- Teachers Pay Additional Grant paid to schools in 2023/24 which was mainstreamed for 2024/25
- an allowance for the proposed Teachers Pension Employer contribution increase from April 2024.
- Early Years Block Grant paid separately to schools by government grant in 2024/25 and now mainstreamed into the Early Years Block from 2025/26
- This funding will be used for mainstream primaries with nurseries as suggested by the DfE guidance. Maintained Nursery Schools are not eligible for this funding as pay grants have been added to the Maintained Nursery School supplement.

#### 4.5. Factor D - SEN Inclusion Fund. All providers at some stage may require additional funding to help them support the needs of individual children with lower level or emerging SEN in their settings. The 2025/26 budget is proposed across all entitlements is based on 4% of the funded rate for each element. This will enable to budget to grow as the activity from new entitlements expands in 2025/26 and 2026/27 financial years.

- The Early Years Inclusion Fund has been expanded to include all children covered by the extended entitlements who have a low level or emerging SEN from April 2024 as required by regulation.
- The funding is for use in the setting and is allocated to the provider on an individual basis.

#### 4.6. Factor E – Lumps sum to maintained nursery schools to support the enhanced offer available to families and children requiring additional support. Increased in 2025/26 to include sector wide early intervention support which had been provided centrally by the Local Authority in 2024/25.

#### 4.7. Factor F – contingency funding. The contingency is available to manage volatility in funding versus activity between terms and also intended to manage the risk with respect to deprivation for the new entitlements where average IDACI is based on estimates of uptake.

#### 4.8. Factor G - Central Services Expenditure. The model assumes a budget for central services of £0.794m which is the maximum amount allowed across

the entitlements under regulations with the new requirement to pass through 96% of funding to providers.

- 4.9. The proposed allocation of the central items is detailed in Table 4 below. This represents a reduction in the central budget of circa £0.056m per annum for central spend versus the 2024/25 original budget.
- 4.10. A further reduction in central expenditure of circa £0.116m could be expected in 2026/27 financial year if passthrough requirement is further increased from 96% to 97%.
- 4.11. Early Intervention services and outreach are therefore proposed to be delivered via H&F maintained nursery schools via an increase in the lump sum budget provision within the 3 and 4-year-old budget model.

**Table 4: Proposed Central Services Budget 2025/26**

Item of Central Expenditure	25/26
	Total £m
i. Education Early Years Services	0.418
ii. Help and Support for Families in Need	0.237
iii. Finance	0.076
iv. Business Intelligence incl. census	0.063
<b>Total Central Spend</b>	<b>0.794</b>

## **5. Key Changes - Deployment of Hourly Funded Rate in the Proposed 2025/26 Budget**

- 5.1. The key principles for the **2025/26 budget of £12.920m for 3 and 4-year-olds** in line with grant conditions, including:
- The proposed increase in the hourly base rate paid to all early years providers by £0.04 per hour to £6.72 per funded hour from April 2025 (a year-on-year increase of 0.6%).
  - Increase in the quality supplement for 2025/26 to mainstream the Early Years Block Grant for schools with nurseries from April 2025 at £0.12 per funded hour.
  - An increase in the provision for Special Educational Needs Inclusion by £0.01 per funded hour to maintain 4% of entitlement funding for inclusion.
  - Following the increase in the passthrough requirement in the 2025/26 National Funding Formula, an increase in the lump sum for maintained nursery school's budget from £0.27 per funded hour to £0.40 is recommended to maintain early Intervention support services to the wider early years sector.

This would be funded by:

- The increase in the government funded rate of 0.16 per hour (an increase of 1.84%), including £0.12 per hour for mainstreamed school grants.
- A reduction in the contingency budget held from £0.10 per funded hour to £0.04.
- The required reduction in central budget from £0.43 to £0.35 per funded hour (5% to 4%) in 2025/26 as required by grant conditions.

5.2. The key principles for the **2025/26 budget of £3.781m for two-year-olds** in line with grant conditions, including:

- The proposed increase in the hourly base rate paid to all early years providers by £0.69 per funded hour to £10.05 per hour from April 2025 (a year-on-year increase of 7.37%). This would apply to both the entitlements for working parents and the targeted offer for families receiving additional support.
- An increase in the provision for Special Educational Needs Inclusion by £0.14 per funded hour to £0.48 to ensure 4% of entitlement funding for inclusion across all entitlements and to accommodate the expanded entitlement in 2025/26.

This would be funded by:

- The increase in the government funded rate of £0.68 per (an increase of 6.02%)
- The required reduction in central budget from £0.57 to £0.48 per funded hour (5% to 4%) in 2025/26 as required by grant conditions.
- A reduction in the contingency budget held from £0.14 per funded hour to £0.10.
- A reduction in the budget held for deprivation funding from £0.89 per funded hour to £0.87 to reflect average deprivation calculated on the Autumn 2024 cohort.

5.3. The key principles for the **2025/26 budget of £3.611m for children from 9 months up to two years old** in line with grant conditions, including:

- The proposed new hourly base rate paid to all early years providers by £0.94 per funded hour to £14.39 per funded hour from April 2025 (a year-on-year increase of 6.99%).
- An increase in the provision for Special Educational Needs Inclusion by £0.32 per funded hour to £0.66 to ensure 4% of entitlement funding for inclusion across all entitlements and to accommodate the expanded entitlement in 2025/26.

This would be funded by:

- The increase in the government funded rate of £1.17 per hour (an increase of 7.59%)
- The required reduction in central budget from £0.75 to £0.66 per funded hour (5% to 4%) in 2025/26 as required by grant conditions.



## **6. Recommendations and next steps**

- 6.1. Schools Forum to note the engagement and briefings were undertaken with schools and Early Years providers from 6th January 2025 ahead of Schools Forum.
- 6.2. Schools Forum are asked to approve the proposed deployment of central budget in Table 4 above and to note the impact of the impact of passthrough requirement on available central funds from 25/26.
- 6.3. Schools Forum to note the proposed 2025/26 Early Year budget across all entitlements including the revised base rates, deprivation and local formulas proposed.

**Report ends**


## Appendix A – IDACI Sliding Scale of Rates 2025/26 – Early Years Deprivation Participation Rate Proposed

IDACI Bandings used for Deprivation Supplement to universal hourly rate across all entitlements from April 2025.

IDACI banding	2025/26
	Hourly Rate Proposed (All Entitlements)
	£
1	1.33
2	1.23
3	1.12
4	1.02
5	0.92
6	0.40
7	0.20
8	0.05
9	0.00
10	0.00

DFE Regulations state that the total amount paid as supplements to the universal hourly rate must not exceed 12% of the total amount payable. For the 3 and 4 YO offer this includes both deprivation and quality. In order to remain within the limit modelling indicates the total amount paid as deprivation based on the 23/24 rates is in excess of this. The proposed rates are expected to bring spend on supplements back to within the 12% limit without affecting the hourly rate paid for children within the highest IDACI bands.

## Agenda Item 5

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>SCHOOLS FORUM</b></p> <p><b>21st January 2025</b></p>
<p><b>High Needs Block 2025/26 Update</b></p>	
<p><b>Open</b></p>	
<p><b>Classification</b> - For scrutiny, review and comment</p>	
<p><b>Key Decision:</b></p>	
<p><b>Wards Affected: (All Wards):</b> All</p>	
<p><b>Accountable Director:</b> Jacqui McShannon, Executive Director of People</p>	
<p><b>Report Authors:</b></p>	
<p>Peter Haylock – Operational Director of Education and SEND</p>	
<p>Tony Burton – Head of Finance Children’s Services and Education</p>	
<p><b>Purpose of the report</b></p>	
<p>This report sets out the final High Needs Block allocation of the Dedicated Schools Grant for 2025/26 following the receipt of final funding in December 2024.</p>	
<p>Schools Forum are asked to note the contents of the report.</p>	

### Introduction

1. The 2025/26 DSG High Needs Block (HNB) provisional allocation is £40.567m. This represents a 6.7% or £2.548m increase on the 2024/25 final allocation.
2. The provisional HNB allocation represents a 7% increase per head of population. Nationally the per head of population increase is being set at between 7% and capped at 10%.
3. The Department for Education (DfE) has set a Minimum Funding Guarantee for Special Schools of 0% in 2025/26 ensuring that no special school will see a reduction in its total budget on a per pupil basis to that in the financial year 2024/25. Due to continued pressure versus block funding, the intention is to apply 0%. However, special and alternative provision increases will be led by School Resource Management Advisors review work undertaken with schools around sustainability of funding linked to efficiencies and transformation work.

### 2024/25 and 2025/26 High Needs Block Budget and forecast

4. The budget and forecast include a 1% transfer from the Schools Block, the transfer for 2025/26 is estimated pending the final Schools Block allocation and the approval of the transfer from the Minister of State for Education.

<b>Category</b>	<b>2024/25 Budget £m</b>	<b>2024/25 Q3 Forecast £m</b>	<b>2025/26 Budget £m</b>
Placement costs	35.309	35.347	37.619
Alternative Provision	1.087	0.987	1.087
Commissioned Services	1.695	1.811	1.695
SEND Service	1.042	0.984	1.042
Other	0.557	0.557	0.557
Discretionary payments	0.040	0.040	0.040
<b>Total HNB including Schools Block contribution</b>	<b>39.730</b>	<b>39.726</b>	<b>42.040</b>
Schools block transfer	1.179	1.179	1.230
Contribution from CSSB	0.551	0.551	0.243
<b>Total DfE HNB allocation</b>	<b>38.000</b>	<b>37.996</b>	<b>40.567</b>

### **Recommendation**

5. The High Needs Block budget in Hammersmith & Fulham are significant in value at £40.567m. The application of the Dedicated Schools Grant is regulated by grant conditions and the requirements of the national funding formula funding guidance. Local authorities must work with Schools Forum and education leaders to agree effective, efficient and value for money budgets.

**END**