


Agenda Item 3

	London Borough of Hammersmith & Fulham SCHOOLS FORUM 21st January 2025
Schools Block Mainstream Budget 2025/26	
Open	
Classification - For scrutiny, review and comment	
Key Decision:	
Wards Affected: (All Wards): All	
Accountable Director: Jacqui McShannon, Executive Director of People	
Report Authors:	
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Purpose of the report	
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">• The proposed Central Services Schools Block funding allocations for 2025/26.	

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

	2024/25	2025/26	
Number of pupils (R to Y11)	16,050	15,625	
	2024/25 £m	2025/26 £m	Movement between years £m
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	
Sub-total before growth and falling rolls funding	124.504	123.284	(1.22)
Growth funding	0.515	0.228	
Falling rolls funding	0.831	0.840	
Total Schools Block Funding	125.850	124.352	(1.498)
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 12th 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
De-delegation Total	622,400	554,900	(67,500)	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
Education Functions Total	306,900	288,600	(18,300)	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)
Total Spend/Funding	2,105,800	1,939,300	(166,500)

- 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

Date	Activity
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