**Overview**

The consultation concerns proposed changes to the Essex Formula for Financing Schools (the Essex local formula) for the financial / academic year 2024/25.

The consultation is for all primary and secondary schools, both maintained and academies. The Essex local formula 2024/25 will calculate budget allocations for maintained schools between April 2024 and March 2025 and academies between September 2024 and August 2025.

Each individual schools’ allocation under the current formula and proposed changes is included in Annex A. Schools should note that the allocations are provisional. The final allocation will be based on October 2023 Census.

**Why We Are Consulting**

We are seeking views on two changes to the Essex local formula required in preparation for the proposed implementation of the Direct National Funding Formula by 2027/28 at the latest.

**Introduction**

The consultation is updated to reflect the changes announced by the DfE on 6th October 2023 with the republication of the Schools NFF which amended the original July publication. The core Schools Budget remains at **£59.6 billion** as announced in July.

The Schools Budget covers the Schools Block, High Needs Block, Early Years Block and Central School Services Block.

The revised Schools NFF has decreased the provisional 2024/25 allocation for Essex by **£10.5 million**. The majority of unit values of each factor within the NFF have been reduced. The revised minimum per pupil level increases to **£4,610** for primary schools in 2024/25, to **£5,995** for secondary schools, **£5,771** for KS3 only schools and **£6,331** for KS4 only schools.

It is proposed that the minimum funding guarantee will remain at 0.5%.

The funding schools received for the Mainstream Schools Additional Grant in 2023/24 is included in the Schools Block for 2024/25 and each school’s allocation will be protected through the minimum funding guarantee.

The revised indicative Schools Block allocation for Essex is **£1.15bn**, an increase of **£21.2m**. The indicative delegation to schools is **£1.14bn**. The reason that delegation is lower than the Schools Block allocation reflects the need to retain funding for the Growth Fund, which funds new and expanding schools.

Essex County Council is consulting on the changes it is proposing to make to the Essex Formula for Funding Schools (Essex local formula) for 2024/25.

**About the Proposed Changes**

The Department for Education has confirmed that it plans to implement a ‘direct’ national funding formula by 2027/28 at the latest, whereby schools will receive what they attract through the national funding formula, rather than through the Essex local formula.

To ensure every local authority is moving towards the NFF, each local authority has been set a minimum and maximum funding range for each factor for 2024/25 depending on how far away they are from NFF.

The first change is required to meet the minimum and maximum range allowed for London weighting and concerns **all schools currently in receipt of London weighting.**

The second change concerns the actual value of each formula factor for **all schools**.

**What Will Change**

London Weighting

To reflect the additional costs of schools in the London fringe area, London weighting is applied to all pupil-led factors, the lump sum, sparsity and the splits site factor.

In 2023/24, local authorities could choose between 2 different values for the London weighting multiplier, either 1.0156 or the ratio of the area cost adjustment of the London fringe and non-London fringe zones, which for Essex is 1.0345.

In 2023/24 Essex used 1.0156 as the multiplier for London fringe so must move the weighting to a minimum of 1.0173 in 2024/25.

The Authority originally proposed to move the weighting over 2 years, which is the same approach adopted when moving to NFF. Therefore it was proposed to use a multiplier of 1.0251 in 2024/25 and to use the value set by the DfE for 2025/26.

In light of the **£10.5 million** reduction to the provisional allocation for 2024/25 to mitigate the impact for schools, the revised proposal is to increase the London weighting multiplier to **1.0173**.

Essex Local Formula Funding Values

In calculating individual school budget allocations within the NFF, the DfE increases each school’s allocation by the local area cost adjustment to reflect local market conditions affecting each school. To ensure all Essex schools receive this adjustment the Authority will multiply each NFF formula value by the DfE non-fringe area cost adjustment for Essex. For example, the NFF value for FSM is £490 in 2024/25. The Authority will apply the Essex non-fringe multiplier of 1.00368 and fund FSM at £491.80 in 2024/25.

Schools within the London Fringe area will continue to receive an additional allocation for London weighting.

**Consultation Questions**

Question 1 – Do primary and secondary schools agree that the multiplier for London weighting should increase to 1.0173 in 2024/25?

Question 2 – Do primary and secondary schools agree that the Essex local formula should fund schools on the NFF funding values increased by the non-fringe area cost adjustment for 2024/25?

**Financial Model**

The financial model shows for each school their indicative allocations for 2024/25 based on the proposals in this consultation.

The indicative allocation is based on the October 2022 Census and the provisional Schools Block allocation for 2024/25.

The Finance Model shows for each school the following:

* 2023/24 budget allocation
* 2023/24 Mainstream Schools Additional Grant (MSAG) allocation
* Total funding received in 2023/24 from the school’s budget allocation plus MSAG allocation.
* Indicative 2024/25 allocation based on the proposed changes using October 2022 pupil data and the provisional funding for 2024/25.
* A comparison between the provisional 2024/25 allocation and the total funding received in 2023/24.

The final 2024/25 allocations will be dependent on pupil numbers and pupil characteristics from the October 2023 Census and any significant change in data could result in a decrease in funding. The final DSG settlement will be announced before Christmas and the final budget will be presented to Schools Forum in January 2024.

**Who is this consultation for:**

This consultation welcomes views from maintained schools and academies. The consultation is relevant to headteachers, finance staff and governors. Please note that only **one consultation response is allowed from each schoo**l.

**Responding to this consultation**

The consultation is online at <https://consultations.essex.gov.uk/ef/school-funding-consultation-2024-25>

**Enquiries**

For all enquiries, please contact [yannick.stupples-whyley@essex.gov.uk](mailto:yannick.stupples-whyley@essex.gov.uk) or by telephone 033 3013 8464.

**Deadline**

The consultation closes at 11.59pm on Sunday 5th November 2023.

**The Response**

We will publish the response to Schools Forum on 29th November 2023.