

## Appendix 1

**Budget Working Group  
4<sup>th</sup> October 2024 –  
National Funding  
Formula 25/26 update**

# Agenda

- 1. National Schools Funding Formula 2025/26 - Update (Finance)**

# Agenda Item 1

## National Schools Funding Formula 2025/26 - Update

### Purpose

- To provide an update to the Schools Forum in respect of the 2025/26 Schools Budget for mainstream schools together with other relevant finance related matters.
- With the change in national government (4<sup>th</sup> July), the normal July release of core financial information has been paused with no meaningful information released to date.

# Risk to budgeting process

- Whilst budget setting data at individual school level is not usually confirmed until the end of December, the general release of funding rates is an important first stage in budget planning.
- Following release of information consultation with schools usually takes place in Oct/Nov.
- All information needs to be completed before the government statutory deadline of January 2025 (which will not change!)

# Budget Working Group considerations:

1. In the absence of funding announcement BWG to consider the following principle:

***Herefordshire's approach to school funding for 2025/26 should be broadly in line with the approach used for 2024/25.***

This means:

- Seek to fund schools at the National Funding Formula values
- To fund schools at the maximum permitted Minimum Funding Guarantee (0.5% given in 2024/25)
- To use the school block transfer process (max 0.5%) towards the SEN Protection Scheme (in line with 2024/25)

# Budget Working Group considerations (continued):

- De-delegations in place as at 2024/25 to remain for 2025/26 (proposed annual increase can not be given at this stage due to funding announcement delays).
- Avoid DSG deficit escalating further – the high needs block strategy is under review in line with DSG Management Plan (see later slides).

# Budget Working Group considerations (continued):

## 2. Consultations with schools (Oct/Nov):

Key feature of the budget setting process is the annual financial consultation with schools. This takes place each year for the Forum to consider the outcomes early in the autumn as budget planning develops.

***But in view of no funding information announcement this will be difficult.***

# Budget timelines (not yet confirmed)

1. Consultation with schools Oct/Nov24? (final view to be taken from BWG).
2. Publication of 2025-26 individual school budgets may follow last year's timeline, with provisional budgets issued in early January 2025 and final budgets in March 2025.
3. The expectation is that the January provisional budgets will reflect the schools funding settlement for 2025-26 and October 2024 verified census data (subject to this being provided by the DfE no later than mid-December).
4. Final budget decisions will then need to be taken by Schools Forum which will in turn produce final allocations for release to schools in March.

**Question – Shall we use 2024/25 Budget Approach?**