

# Schools National Funding Formula 2024-25

## Consultation

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# National Position

- ▶ Total core school's budget over £59.6bn for 2024-25
- ▶ Funding through the mainstream schools national funding formula (NFF) increasing by 1.9% per pupil in 2024-25, compared to 2023-24.
- ▶ Funding through NFF will be 7.6% higher per pupil in 2024-25, compared to 2022-23.
- ▶ High needs funding increasing 4.3%, in 2024-25 compared to 2023-24
- ▶ Revised 2024-25 NFF values published in October 2023 following a technical error . Updated NFF values included in Annex 1. The high needs NFF and CSSB are unaffected by this update

# Key Changes for NFF 2024-25

- ▶ Transition to full implement of the NFF continues, in 2024-25 all LA's must move at least 10% nearer. NELC have adopted all prescribed NFF values in the indicative funding calculations.
- ▶ All core formula elements values will increase by approximately 1.4%.
- ▶ Mainstream Schools Additional Grant (MSAG) has been rolled into the NFF basic entitlement, FMS6 and the lump sum in 2024-25
- ▶ Introduction of a new formulaic approach to allocating split sites funding in the NFF in 2024 to 2025, replacing the previous locally determined split sites factor
- ▶ For the first time, introduction of a methodology for calculating and allocating funding for falling rolls

# Key Changes for NFF 2024-25 (2)

- ▶ Minimum per pupil funding levels will remain a mandatory factor and have increased as follows:

	2024-25	2023-24
Primary	£4,610	£4,405
Secondary	£5,995	£5,715

- ▶ Separate Teachers Pay Grant to cover increases in 2023 to 2024 and 2024 to 2025.
- ▶ LA's have the flexibility to set a local Minimum Funding Guarantee (MFG) between +0.0% and +0.50%.

# Key Changes for High Needs NFF 2024-25

- ▶ 3% Funding floor so each local authority will see an increase of at least 3% per head of their 2 to 18 population ( ONS estimation)
- ▶ Gains limit set at 5%, allowing local authorities to see gains up to this percentage increase under the formula, again calculated on a per head basis of their 2 to 18 population

# Other Key Information

- ▶ Schools block remains ring fenced, up to 0.5% can be transferred to another block with agreement with Schools Forum.
- ▶ School Business Rates to be paid to billing authorities by ESFA direct.
- ▶ Redetermination of budget shares still not permitted.
- ▶ School Forum approval for centrally retained and delegated funding remains and needs to be voted on by the eligible members.
- ▶ DSG Account balances in deficit reporting requirements unchanged. The LA needs to prepare a report advising how it intends to bring the account back into balance. This report must be shared with the Schools Forum.
- ▶ The status of the DSG grant as a ringfenced grant exemption has been extended to March 2026, meaning there is no obligation for Council's general fund to meet deficits.

# 2023-24 Summary Position

- ▶ Adopted all NFF factor unit values (except: FSM Primary and Secondary £454, which was £26 below NFF and Primary Sparsity, £32,900 which was £23,400 below NFF)
- ▶ Had a MFG of +0.50%
- ▶ MFG cost £405k protecting 20 primary schools and 1 secondary school
- ▶ Had additional funding for 9 primary schools to meet the minimum funding levels.
- ▶ Put 72.36% of the funding through Basic pupil factors (AWPU)
- ▶ Put 93.29% of the funding through Pupil led Factors (AWPU, deprivation, prior attainment)
- ▶ Allocated 100% of the Schools Block through the APT
- ▶ Delivered a Primary : Secondary ratio of 1 : 1.31



# 2024-25 Proposed Approach

- ▶ Adopt all NFF values and factors, retaining existing approach to the sparsity factor.
- ▶ Assumes no NFF Growth Factor for 2024-25 currently.
- ▶ Review of NELC Growth Fund and Falling Roles Fund requirements with the established working party.
- ▶ MFG to be set at +0.5%. All schools will keep the gains the formula generates
- ▶ The Primary:Secondary ratio is anticipated to remain at 1:1.31
- ▶ No requested top slice from the Schools Block in respect of High Needs pressures, although this will be kept under review.
- ▶ The approach will lead to a fully allocated indicative schools block of £132m.
- ▶ Modelling based on October 2022 school census data so the financial position will change.



# Process and Next Steps

- ▶ Schools Forum meetings in October 2023 and November 2023 to discuss the proposed approach and initial modelling.
- ▶ Consultation with schools via email in the first instance.
- ▶ Establishment of working group to consider options and proposals, specifically the need for growth and falling role funds and any other issues that may arise.
- ▶ Continued review of the high needs block pressures.
- ▶ Work on the final model following the release of the October 2023 Census data and final DSG allocations in December 2023.
- ▶ Formal Schools Forum to be scheduled for January 2024 where an update will be provided to allow discussions prior to submission to the ESFA.

# Timetable

Date	Action
5 <sup>th</sup> October 2023	School Census Day
10 <sup>th</sup> October 2023	Disapplication from MFG requests
27 <sup>th</sup> October 2023	Evidence submission date for termination of employment costs protection
Mid November 2023	Closing date for High Needs PLACE Change workbooks
17 <sup>th</sup> November 2023	Disapplication from MFG requests
November 2023	School Census database closes
December 2023	Final APT issued to local authorities, containing October 2023 census-based pupil data and factors
December 2023	Publication of 2024 to 2025 DSG schools block (prior to academies recoupment), central school services block, initial early years block allocations and updated high needs block allocations for 2024 to 2025

# Timetable (2)

Date	Action
Mid January 2024	Schools Forum and political approval required for the final 2024/25 funding formula
22 <sup>nd</sup> January 2024	Deadline for submission of final 2024/25 APT to ESFA
2 <sup>nd</sup> February 2024	2 <sup>nd</sup> Deadline for evidence submission date for termination of employment costs protection
29 <sup>th</sup> February 2024	Deadline for confirmation of school's budget shares to mainstream maintained schools
31 <sup>st</sup> March 2024	Deadline for confirmation of school's budget shares by the ESFA to mainstream academy schools.
Summer 2024	EY Block updated for January 2024 EY pupil numbers

# High Needs Block and DSG

Financial Year	Outturn
2017-18	£0.6M overspend (first for NELC)
2018-19	£1.1M overspend
2019-20	£1.1M overspend
2020-21	£0.9M overspend
2021-22	£0.8M overspend
2022-23	£0.2M overspend

- ▶ Cumulative deficit as at 31<sup>st</sup> March 2023 was £1.5M
- ▶ Forecast in year deficit of £3M which would take the overall deficit to £4.5M

# Mitigating Actions

- ▶ Improved commissioning processes for Independent Non Maintained Special Schools
- ▶ Delivering Better Value in SEND
  - ▶ Improved data set helping with commissioning decisions
- ▶ Mainstream inclusion agenda
  - ▶ SEND evaluations happening during the autumn term
  - ▶ Using the expertise in special schools to support workforce development in mainstream settings
- ▶ Free special school project is progressing better than expected – due to open September 2026 all being well.
- ▶ High Needs capital grant monies to increase and improve range and type of places available in borough for children with EHCPs
  - ▶ LaunchPad
  - ▶ Base for children with Autism diagnosis
  - ▶ Increased provision for children with complex Autism and learning disabilities
  - ▶ Children who have experienced Early Childhood trauma
  - ▶ Speech, language and communication needs possibly linked to impact of COVID and may not be a SEND.

## HOWEVER

Unlikely this will deliver the savings quickly enough and demand and complexity of care increases are outstripping current cost reductions.

We will need to consider a top slice from the Schools Block going forward should ESFA provisions allow for this

# Next Steps

- ▶ Schools will be issued with individual statements detailing their indicative funding for 2024-25, along with a link to this presentation
- ▶ Schools are reminded that indicative allocations are based upon October 2022 census data and will change upon receipt of the ratified October 2023 data.
- ▶ Indicative allocations do not include any element of pupil growth funding should this be received through the national formula
- ▶ Consideration to both growth funds and falling roles funds will be made upon receipt of the 2023 census data

# Question?

- ▶ Do you agree with our proposed way forward on the Schools Funding Formula approach and methodology?
- ▶ If not, what alternative proposal would you make?





Annex 1

Revised NFF Values

# National Funding Formula Values & NELC Values 2023-24

NFF Factor	24-25 NFF Values	23-24 NFF Values	% Change	NELC value used 23-24
Primary basic entitlement (AWPU)	£3,562.00	£3,394.00	4.9%	£3,394.00
KS3 basic entitlement (AWPU)	£5,022.00	£4,785.00	5.0%	£4,785.00
KS4 basic entitlement (AWPU)	£5,661.00	£5,393.00	5.0%	£5,393.00
Primary FSM	£490.00	£480.00	2.1%	£454.00
Secondary FSM	£490.00	£480.00	2.1%	£454.00
Primary FSM6	£820.00	£705.00	16.3%	£705.00
Secondary FSM6	£1,200.00	£1,030.00	16.5%	£1,030.00
Primary IDACI F	£235.00	£230.00	2.2%	£230.00
Primary IDACI E	£285.00	£280.00	1.8%	£280.00
Primary IDACI D	£445.00	£440.00	1.1%	£440.00
Primary IDACI C	£485.00	£480.00	1.0%	£480.00
Primary IDACI B	£515.00	£510.00	1.0%	£510.00
Primary IDACI A	£680.00	£670.00	1.5%	£670.00
Secondary IDACI F	£340.00	£335.00	1.5%	£335.00
Secondary IDACI E	£450.00	£445.00	1.1%	£445.00
Secondary IDACI D	£630.00	£620.00	1.6%	£620.00
Secondary IDACI C	£690.00	£680.00	1.5%	£680.00
Secondary IDACI B	£740.00	£730.00	1.4%	£730.00
Secondary IDACI A	£945.00	£930.00	1.6%	£930.00

# National Funding Formula Values & NELC Values 2023-24

NFF Factor	24-25 NFF Values	23-24 NFF Values	% Change	NELC value used 23-24
Primary EAL	£590.00	£580.00	1.7%	£580.00
Secondary EAL	£1,585.00	£1,565.00	1.3%	£1,565.00
Primary LPA	£1,170.00	£1,155.00	1.3%	£1,155.00
Secondary LPA	£1,775.00	£1,750.00	1.4%	£1,750.00
Primary mobility	£960.00	£945.00	1.6%	£945.00
Secondary mobility	£1,380.00	£1,360.00	1.5%	£1,360.00
Primary lump sum	£134,400.00	£128,000.00	5.0%	£128,000.00
Secondary lump sum	£134,400.00	£128,000.00	5.0%	£128,000.00
Primary sparsity	£57,100.00	£56,300.00	1.4%	£32,900.00
Secondary sparsity	£83,000.00	£81,900.00	1.3%	£70,200.00

# NEL Minimum and Maximum Factor Values

NFF Factor	2024 to 2025 national funding formula (NFF) value including area cost adjustment (ACA)	2024 to 2025 authority proforma tool (APT) minimum value	2024 to 2025 authority proforma tool (APT) maximum value
Primary basic entitlement	£3,562.00	£3,472.95	£3,651.05
KS3 basic entitlement	£5,022.00	£4,896.45	£5,147.55
KS4 basic entitlement	£5,661.00	£5,519.48	£5,802.53
Primary FSM	£490.00	£466.60	£502.25
Secondary FSM	£490.00	£466.60	£502.25
Primary FSM6	£820.00	£799.50	£840.50
Secondary FSM6	£1,200.00	£1,170.00	£1,230.00
Primary IDACI F	£235.00	£229.13	£240.88
Primary IDACI E	£285.00	£277.88	£292.13
Primary IDACI D	£445.00	£433.88	£456.13
Primary IDACI C	£485.00	£472.88	£497.13
Primary IDACI B	£515.00	£502.13	£527.88
Primary IDACI A	£680.00	£663.00	£697.00
Secondary IDACI F	£340.00	£331.50	£348.50
Secondary IDACI E	£450.00	£438.75	£461.25
Secondary IDACI D	£630.00	£614.25	£645.75
Secondary IDACI C	£690.00	£672.75	£707.25
Secondary IDACI B	£740.00	£721.50	£758.50
Secondary IDACI A	£945.00	£921.38	£968.63

# NEL Minimum and Maximum Factor Values

Factor	2024 to 2025 national funding formula (NFF) value including area cost adjustment (ACA)	2024 to 2025 authority proforma tool (APT) minimum value	2024 to 2025 authority proforma tool (APT) maximum value
Primary EAL3	£590.00	£575.25	£604.75
Secondary EAL3	£1,585.00	£1,545.38	£1,624.63
Primary LPA	£1,170.00	£1,140.75	£1,199.25
Secondary LPA	£1,775.00	£1,730.63	£1,819.38
Primary mobility	£960.00	£936.00	£984.00
Secondary mobility	£1,380.00	£1,345.50	£1,414.50
Primary lump sum	£134,400.00	£131,040.00	£137,760.00
Secondary lump sum	£134,400.00	£131,040.00	£137,760.00
Primary sparsity	£57,100.00	£36,040.00	£58,527.50
Secondary sparsity	£83,000.00	£72,470.00	£85,075.00
Middle-school sparsity	£83,000.00	£18,200.00	£85,075.00
All-through sparsity	£83,000.00	£18,200.00	£85,075.00
Split sites basic eligibility funding	£53,700.00	£52,357.50	£55,042.50
Split sites distance funding	£26,900.00	£26,227.50	£27,572.50