



Subject Heading:

Schools Funding 2024-25

Report Author:

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Eligibility to vote:

All school and academy members

SUMMARY

This report summarises the announcement of indicative DSG Schools Block funding for financial year 2024-25

RECOMMENDATIONS

That the Schools Funding Forum

- (i) notes the announcements on schools funding for 2024-25
- (ii) agrees to apply the national funding formula rates to schools data in calculating schools' funding

REPORT DETAIL

Government Announcement on School Funding

A written statement from the The Minister of State for School Standards to the House of Commons is attached at Appendix A providing an overview of the funding changes for 2024-25

This item considers the Dedicated Schools Grant (DSG) Schools Block funding. Other agenda items consider changes to Havering's High Needs and Central Schools Support DSG Blocks.

1. Operational Guidance

Every year the ESFA publishes Operational Guidance to local authorities to use with their Schools Forums to determine the funding arrangements for the year. The full Operational Guidance for 2024-25 can be found on the DfE website at:

<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2024-to-2025/schools-operational-guide-2024-to-2025>

2. Background

Financial year 2018-19 saw the implementation of a “soft” National Funding Formula and for that year and subsequently Havering has used the NFF rates in calculating funding for its schools. For each of those years decisions have been made by the Schools Funding Forum on the minimum funding guarantee (mfg) and the gains caps to be applied. For 2023-24, the mfg was set at +0.5% and there was a gains cap of 3.15%. This was after using £164,676 of the Schools Block to support the Pupil Growth/Falling Rolls Fund and after £1,108,900 was transferred to the High Needs Block.

For 2024-25 it is again recommended that Havering adopts the NFF funding rates and the Forum will again be asked to consider proposals for the level of the minimum funding guarantee, whether to apply a gains cap and if so at what rate. Consideration will again need to be given to any top up that is required to Havering's allocation of funding for pupil growth and falling rolls and to any transfer of funding to support high needs expenditure.

3. DSG Schools Block 2024-25

Key changes for 2024-25

The Mainstream Schools Additional Grant (MSAG) Schools Supplementary Grant will be rolled onto the National Funding formula by:

- Adding an amount representing what schools receive into the baseline budgets

- Adding the value of the lump sum, basic per pupil rates and FSM Ever 6 parts of the grant into the respective NFF factors. These amounts are shown on Appendix B

Increases in NFF factors (on top of additional sum for MSAG) will be:

- 2.4% to basic entitlement, low prior attainment, FSM6, income deprivation affecting children index (IDACI), English as an additional language (EAL), mobility and the lump sum
- 2.4% to the minimum per pupil levels (MPPL)
- 1.6% to the free school meals (FSM) factor

Local authorities not already using NFF funding rates will be required to bring their own formula closer to the schools NFF. Havering already uses NFF factors and rates.

Funding for 2024-25

Indicative funding for 2024-25, through the DSG Schools Block, has been announced by the DfE as shown in the table below. This compares 2024-25 indicative figures to the baseline data from 2023-24 (i.e. the figures received at the same point in the last funding cycle).

	Pupil Numbers	Schools Block allocation excluding pupil growth and premises factors £	Allocation through premises factors £	Mainstream Schools Additional Grant £	Total allocation (excluding pupil growth) £	Allocation per pupil £
2024-25	38,898	230,968,295	2,106,175	-	233,074,470	5,991.94
2023-24	38,061.5	212,548,940	2,440,293	7,479,093	222,468,326	5,844.97
increase	836.5	18,419,355	-334,118	-7,479,093	10,606,144	146.97
% increase					4.77%	2.51%

The Schools Block funding for 2024-25 shown above will be updated in December using pupil numbers from the October 2023 census and will also include Havering's allocation of funding for pupil growth/falling rolls. Until then the LA models various options based on estimated pupil numbers and data.

The table above shows the comparison of indicative 2024-25 funding against the baseline figure for 2023-24. This is not the final allocation that the LA received in 2023-24. This is shown in the table below together with the indicative Schools Block funding for 2024-25.

	Actual primary unit of funding (PUF) £	Actual secondary unit of funding (SUF) £	Primary pupil numbers	Secondary pupil numbers	Pupil Funding £	Mainstream Schools Additional Grant £	Rates (NDR) £	Total Funding £
2024-25 (Jul-23)	5,220.07	7,043.34	23,584	15,314	230,968,295	0	2,106,175	233,074,470
2023-24 (Dec-22)	4,912.04	6,626.62	23,584	15,314	217,322,297	7,479,093	2,440,293	227,241,683
Diff	308.03	416.72	0.0	0.0	13,645,999	-7,479,093	-334,118	5,832,788

As already stated, the final Schools Block allocation for 2024-25 will be provided by the DfE in December based on the October 2023 census.

4. NFF Funding rates

NFF funding rates to be used in 2024-25 formula and those used for 2023-24 are shown in Appendix C

5. Minimum Funding Guarantee and Gains Cap

For 2024-25 the range for the minimum funding guarantee (mfg) percentage that local authorities can apply is 0.0% - 0.5%, the same range as for 2023-24. Local Authorities can also apply a cap on the percentage gains per pupil that schools will receive, if required to ensure that the total amount allocated to schools does not exceed the total Schools Block funding. For 2023-24 in Havering an mfg of 0.5% was applied, with a gains cap set at 3.15%.

Nick Gibb – 2023 Statement on School Funding: Provisional 2024-25 Allocations

July 28, 2023admin2023, Nick Gibb, Speeches

The statement made by Nick Gibb, the Minister for Schools, in the House of Commons on 17 July 2023.

Today I am confirming provisional funding allocations for 2024-25 through the schools, high needs and central school services national funding formulae (NFFs). Core schools funding includes funding for both mainstream schools and high needs. This is increasing by over £1.8 billion in 2024-25—from over £57.7 billion in 2023-24 to over £59.6 billion in 2024-25. This is on top of the over £3.9 billion increase in the core schools budget in 2023-24.

The core schools funding increase for both this year and next year includes the additional funding for schools' teacher pay costs, through the teachers' pay additional grant (TPAG). On 13 July, we announced this funding to support schools with the September 2023 teachers' pay award. The funding is being split between mainstream schools, special schools and alternative provision (AP), early years, and 16 to 19 provision. The part of the additional funding that goes to mainstream schools, special schools and alternative provision is worth £482.5 million in 2023-24 and £827.5 million in 2024-25. This funding will be paid on top of NFF funding in both 2023-24 and 2024-25. Further information on the TPAG is published here:

<https://www.gov.uk/government/publications/teachers-pay-additional-grant-2023-to-2024>.

Funding for mainstream schools through the schools NFF is increasing by 2.7% per pupil compared to 2023-24. Taken together with the funding increases seen in 2023-24, this means that funding through the schools NFF will be 8.5% higher per pupil in 2024-25, compared to 2022-23.

The minimum per pupil funding levels (MPPLs) will increase by 2.4% compared to 2023-24. This will mean that, next year, every primary school will receive at least £4,655 per pupil, and every secondary school at least £6,050. Academy trusts continue to have flexibilities over how they allocate funding across academies in their trust. This means, in some cases, an individual academy could receive a lower or higher per-pupil funding amount than the MPPL value. This may reflect, for example, activities that are paid for by the trust centrally, rather than by individual academies.

The NFF will distribute this funding based on schools' and pupils' needs and characteristics. The main features in 2024-25 are:

We are introducing a formulaic approach to allocating split sites funding. This ensures that funding for schools which operate across more than one site will be provided on a consistent basis across the country.

The core factors in the schools NFF—such as basic per-pupil funding, and the lump sum that all schools attract—will increase by 2.4%.

The funding floor will ensure that every school attracts at least 0.5% more pupil-led funding per pupil compared to its 2023-24 allocation.

The 2023-24 mainstream schools additional grant (MSAG) has been rolled into the schools NFF for 2024-25. This is to ensure that the additional funding schools attract through the NFF is as close as possible to the funding they would have received if the funding was continuing as a separate grant in 2024-25, without adding significant complexity to the formula. Adding the grant funding to the NFF provides reassurance to schools that this funding forms part of schools' core budgets and will continue to be provided.

For the first time, in 2024-25 we will allocate funding to local authorities on the basis of falling rolls, as well as growth. Local authorities can use this funding to support schools which see a short-term fall in the number of pupils on roll.

The 2023-24 was the first year of transition to the direct schools NFF, with our end point being a system in which, to ensure full fairness and consistency in funding, every mainstream school in England is funded through a single national formula without adjustment through local funding formulae. Following a successful first year of transition, we will continue with the same approach to transition in 2024-25. As in 2023-24, local authorities will only be allowed to use NFF factors in their local formulae, and must use all NFF factors, except any locally determined premises factors. Local authorities will also be required to move their local formulae factors a further 10% closer to the NFF values, compared to where they were in 2023-24, unless they are classed as already "mirroring" the NFF.

Today we are also publishing local authority funding formula data for 2023-24. Following the first year of transition, the number of local authorities that mirror the schools NFF increased significantly from just over half in 2022-23, to just over two-thirds in 2023-24. Of the 72 local authorities that were not mirroring the NFF in 2022-23, 61 chose to move their local formula closer to the NFF than required.

In 2024-25, high needs funding through the NFF is increasing by a further £440 million, or 4.3%—following the £970 million increase in 2023-24 and £1 billion increase in 2022-23. This brings the total high needs budget to over £10.5 billion. All local authorities will receive at least a 3% increase per head of their age two to 18 population, compared to their 2023-24 allocations, with some authorities seeing gains of up to 5%.

The £10.5 billion funding includes the continuation of the £400 million high needs funding allocated to local authorities following the 2022 autumn statement, and the £440 million increase is provided on top of that. All special and alternative provision schools will continue to receive their share of that funding in 2024-25.

Central school services funding is provided to local authorities for the ongoing responsibilities they have for all schools. The total provisional funding for ongoing

responsibilities is £304 million in 2024-25. In line with the process introduced for 2020-21, to withdraw funding over time for the historic commitments local authorities entered into before 2013-14, funding for historic commitments will decrease by a further 20% in 2024-25.

Updated allocations of schools, high needs and central schools services funding for 2024-25 will be published in December, taking account of the latest pupil data at that point.

NFF rates 2024-25

Area Cost Adjustment

1.08352

Factor	Primary				Secondary			
	2024-25		2023-24 % change		2024-25		2023-24 % change	
	NFF £	LBH £	LBH £	LBH	NFF £	LBH £	LBH £	LBH
Basic per pupil	3,597.00	3,897.42	3,684.29	5.78	KS3 5,072.00	5,495.61	5,194.26	5.80
<i>excl MSAG</i>	<i>3,478.00</i>	<i>3,768.48</i>	<i>3,684.29</i>	<i>2.29</i>	KS4 5,717.00	6,194.48	5,854.26	5.81
Free School Meals	490.00	530.92	521.05	1.89	KS3 4,904.00	5,313.58	5,194.26	2.30
FSM Ever 6	830.00	899.32	765.30	17.51	KS4 5,527.00	5,988.62	5,854.26	2.30
<i>excl MSAG</i>	<i>726.00</i>	<i>786.64</i>	<i>765.30</i>	<i>2.79</i>				
IDACI A	685.00	742.21	727.31	2.05		490.00	521.05	1.89
IDACI B	520.00	563.43	553.62	1.77		1,210.00	1,311.06	17.26
IDACI C	490.00	530.92	521.05	1.89		<i>1,058.00</i>	<i>1,146.36</i>	<i>2.53</i>
IDACI D	450.00	487.58	477.63	2.08		950.00	1,029.34	1.96
IDACI E	285.00	308.80	303.95	1.60		750.00	812.64	2.55
IDACI F	235.00	254.63	249.67	1.99		695.00	753.05	2.02
Low Prior Attainment	1,185.00	1,283.97	1,253.79	2.41		635.00	688.04	2.23
EAL	595.00	644.69	629.61	2.40		455.00	493.00	2.06
Mobility	970.00	1,051.01	1,025.83	2.46		345.00	373.81	2.79
Lump sum	135,700.00	147,033.66	138,947.84	5.82		1,790.00	1,939.50	2.10
<i>excl MSAG</i>	<i>131,190.00</i>	<i>142,146.99</i>	<i>138,947.84</i>	<i>2.30</i>		1,605.00	1,739.05	2.37
Minimum per pupil funding level (MPPL)	4,655.00	4,655.00	4,405.00	5.68		1,395.00	1,511.51	2.38
<i>excl MSAG</i>	<i>4,512.00</i>	<i>4,512.00</i>	<i>4,405.00</i>	<i>2.43</i>		135,700.00	147,033.66	5.82
Minimum Funding Guarantee	0.0% - 0.5%	tba	0.5%			<i>131,190.00</i>	<i>142,146.99</i>	<i>2.30</i>
Gains cap		tba	3.15%			6,050.00	6,050.00	5.86
						<i>5,855.20</i>	<i>5,855.20</i>	<i>2.45</i>

MSAG sums consolidated into NFF funding rates for 2024-25

	£		£
Basic per pupil - Primary	119.00	Adjustment to MPPL	
Basic per pupil - KS3	168.00	Primary	143.00
Basic per pupil - KS4	190.00	KS3	186.00
Primary FSM6	104.00	KS4	208.00
Secondary FSM6	152.00		
Lump sum	4,510.00		