

Subject Heading:

**Schools Funding 2024-25 – Revision by
the Department for Education**

Report Author:

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Eligibility to vote:

All school and academy members

SUMMARY

This report provides details of revised provisional National Funding Formula allocations for 2024-25

RECOMMENDATIONS

That the Schools Funding Forum:

- (i) notes the revision to provisional allocations for on schools funding for 2024-25

REPORT DETAIL

Government Announcement on School Funding

On 6th October 2023 the Department for education (DfE) published revised provisional allocations for 2024-25 for the schools National Funding Formula (NFF).

The DfE published the schools NFF for 2024-25 in July and details were presented to the Forum at the meeting on 21st September 2023. The DfE has uncovered an error made by officials during the initial calculations of the NFF. Specifically, there was an error processing forecast pupil numbers, which means that the overall cost of the core schools budget would be 0.62% greater than the funds available.

The DfE has issued new NFF allocations to correct the error. This results in a fall of £2.1m in the provisional funding allocation for Havering. The £59.6 billion core schools budget promised to schools by Government would still be delivered.

The DfE has apologised for this error and the Secretary of State has asked the Permanent Secretary to conduct a formal review of the quality assurance process surrounding the calculation of the NFF, with independent scrutiny. Improvements have already been identified to ensure similar mistakes are not repeated in the future.

1. Operational Guidance

The Operational Guidance issued by the DfE to local authorities has been revised in light of the funding changes. LAs use the guidance with their Schools Forums to determine the funding arrangements for the year. The revised 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>

2. Revised DSG Schools Block 2024-25

The rolling into the National Funding Formula of the Mainstream Schools Additional Grant (MSAG) is unaffected by the funding change.

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

- 1.4% to basic entitlement, low prior attainment, FSM6, income deprivation affecting children index (IDACI), English as an additional language (EAL), mobility and the lump sum.

This was due to be a 2.4% rise. The Area Cost Adjustment (London Weighting) applied to factor values in Havering is slightly lower for 2024-25 than it was for 2023-24. The result is that the year on year increase in factor value in Havering is less than 1.4%. Appendix A shows a full list of factor values.

- 1.4% to the minimum per pupil levels (MPPL)

This was due to be a 2.4% rise.

- 1.6% to the free school meals (FSM) factor

This is unchanged from the figure released in July 2023

Funding for 2024-25

The table below shows the revised indicative funding allocation announced in October 2023 and shows a comparison with the original allocations announced in July 2023.

	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 revised	38,898	228,849,983	2,106,175	-	230,956,158	5,937.56
2024-25 original	38,898	230,968,295	2,106,175	-	233,074,470	5,991.94
Change	0	-2,118,312	0	-	-2,118,312	-54.38
% decrease					-0.91%	-0.91%

The table below compares the revised figures announced with the baseline figure for 2023-24.

	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 revised	38,898	228,849,983	2,106,175		230,956,158	5,937.56
2023-24	38,061.5	212,548,940	2,440,293	7,479,093	222,468,326	5,844.97
Change	836.5	16,301,043	-334,118	-7,479,093	8,487,832	92.59
% increase					3.82%	1.58%

The tables 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 (Oct-23)	5,170.75	6,980.96	23,584	15,314	228,849,983	0	2,106,175	230,956,158
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
Change	258.71	354.34	0	0	11,527,686	-7,479,093	-334,118	3,714,475

The Schools Block funding for 2024-25 shown above will be updated in December 2023 using the primary and secondary units of funding shown above but applied to pupil numbers from the October 2023 census. Until then the LA models various options using the previous year's pupil data.

The impact of the October 2023 funding revision on the primary and secondary units of funding is shown in the table below.

	Actual primary unit of funding (PUF) £	Actual secondary unit of funding (SUF) £
2024-25 (Oct-23)	5,170.75	6,980.96
2024-25 (Jul-23)	5,220.07	7,043.34
Change	-49.32	-62.38

This means that as a result of the revision to funding for 2024-25, Havering will receive £49.32 less for each primary pupil and £62.38 less for every secondary pupil in the Schools Block of the Dedicated Schools Grant.

3. NFF Funding rates

The revised NFF funding values to be used in the 2024-25 formula are shown in Appendix A together with the values originally notified for 2024-25. Also shown are the values for 2023-24.

The impact of the funding adjustment in October on individual primary schools in Havering ranges from £5k to £37k, with a median value of £19k. The reduction for secondary schools ranges from £20k to £80k with a median value of £58k

4. 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%. This is unchanged from the figure released in July 2023 and unchanged from 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%.

NFF rates 2024-25

2023-24 %	2024-25 %	Reduction %
1.08553	1.08352	0.00201

Area Cost Adjustment

NFF Factor

Primary

Secondary

2024-25 original £	2024-25 revised £	Reduction £	2023-24 £	Increase 2023-24 to 2024-25 revised %
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KS	2024-25 original £	2024-25 revised £	Reduction £	2023-24 £	Increase 2023-24 to 2024-25 revised %
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Basic per pupil	3,897.42	3,859.50	37.92	3,684.29	4.76
<i>excl MSAG</i>	3,768.48	3,730.56	37.92	3,684.29	1.26

KS3	5,495.61	5,441.44	54.17	5,194.26	4.76
KS4	6,194.48	6,133.81	60.67	5,854.26	4.78
KS3	5,313.58	5,259.41	54.17	5,194.26	1.25
KS4	5,988.62	5,927.94	60.68	5,854.26	1.26

Free School Meals	530.92	530.92	0.00	521.05	1.89
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	530.92	530.92	0.00	521.05	1.89
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FSM Ever 6	899.32	888.49	10.83	765.30	16.10
<i>excl MSAG</i>	786.63	775.80	10.83	765.30	1.37

	1,311.06	1,300.22	10.84	1,118.10	16.29
	1,146.36	1,135.52	10.84	1,118.10	1.56

IDACI A	742.21	736.79	5.42	727.31	1.30
IDACI B	563.43	558.01	5.42	553.62	0.79
IDACI C	530.92	525.51	5.41	521.05	0.86
IDACI D	487.58	482.17	5.41	477.63	0.95
IDACI E	308.80	308.80	0.00	303.95	1.60
IDACI F	254.63	254.63	0.00	249.67	1.99

	1,029.34	1,023.93	5.41	1,009.54	1.43
	812.64	801.80	10.84	792.44	1.18
	753.05	747.63	5.42	738.16	1.28
	688.04	682.62	5.42	673.03	1.43
	493.00	487.58	5.42	483.06	0.94
	373.81	368.40	5.41	363.65	1.31

Low Prior Attainment	1,283.97	1,267.72	16.25	1,253.79	1.11
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	1,939.50	1,923.25	16.25	1,899.68	1.24
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EAL	644.69	639.28	5.41	629.61	1.54
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	1,739.05	1,717.38	21.67	1,698.85	1.09
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Mobility	1,051.01	1,040.18	10.83	1,025.83	1.40
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	1,511.51	1,495.26	16.25	1,476.32	1.28
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Lump sum	147,033.66	145,625.09	1,408.57	138,947.84	4.81
<i>excl MSAG</i>	142,146.98	140,738.41	1,408.57	138,947.84	1.29

	147,033.66	145,625.09	1,408.57	138,947.84	4.81
	142,146.99	140,738.41	1,408.58	138,947.84	1.29

Sparsity	62,519.10	61,868.99	650.11	61,115.34	1.23
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	90,907.33	89,932.16	975.17	88,904.91	1.16
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Minimum per pupil funding level (MPPL)	4,655.00	4,610.00	45.00	4,405.00	4.65
<i>excl MSAG</i>	4,512.00	4,467.00	45.00	4,405.00	1.41

	6,050.00	5,995.00	55.00	5,715.00	4.90
	5,855.20	5,800.20	55.00	5,715.00	1.49

Minimum Funding Guarantee	0% - 0.5%	0% - 0.5%		0.5%	
Gains cap	tba	tba		3.15%	

	0% - 0.5%	0% - 0.5%		0.5%	
	tba	tba		3.15%	