

Schools Forum

11 January 2024

Schools National Funding Formula 2024-25

This report relates to both academy and maintained mainstream schools and is for decision by all school and PVI members of Schools Forum.

Recommendations:

1. Schools Forum agree to recommend to Cabinet implementation of the National Funding Formula in 2024-25 in line with national guidelines as set out in paragraph 2.7. This assumes that the Local Authority's disapplication to the Secretary of State for a transfer of 0.5% from the Schools Block to the High Needs Block is not accepted.
2. Schools Forum agree to recommend to Cabinet implementation of the National Funding Formula in 2024-25 in line with national guidelines as set out in paragraphs 2.8. This assume that the Local Authority's disapplication to the Secretary of State for a transfer of 0.5% from the Schools Block to the High Needs Block is approved.

As per the DFE guidance the Local Authority's role is to construct a funding formula within the parameters of the National Funding Formula, taking account of all academies and maintained schools in the area.

Although Schools Forums do not decide on the formula, Schools Forum is asked to approve the recommendations to Cabinet to gain political approval in advance of the APT submission deadline on the 22nd January 2024. Without the relevant approvals the DFE will be unable to issue budgets to schools for the 1st April 2024.

1. Purpose of the Report

1.1. To inform Schools Forum of the Schools Block DSG Allocation for 2024-25 and how it will be allocated to schools using the National Funding Formula (NFF), ahead of the Council budget being set and approved by full Council in February 2024.

2. National Funding Formula 2024-25

2.1. In November 2023, Schools Forum were presented with the provisional DSG allocations, which were published in July 2023. The latest Schools Block allocation noted in this report is from the ESFA announcement on 19th December 2023.

2.2. The latest schools block DSG allocation (before deductions) for 2024-25 is £456.656m which is an increase of £31.019m (6.79%) from the 2023-24 allocation and is mainly due to increase in pupil numbers and increases in factor rates. A breakdown of the changes between 2023-24 and 2024-25 can be found in Appendix 2 of this report.

2.3. The total Number on Roll for 2024-25 has increased by 1,485 pupils (1.88%) above 2023-24 pupil numbers. Table 1 shows the Number on Roll changes by phase.

Phase	Number of pupils in schools 2024/25	Number of pupils in schools 2023/24	Variance
Primary	46,315	45,615	700
Secondary	34,290	33,506	784
Total	80,606	79,121	1,485

Table 1: Distribution of increased NOR 2024/25

2.4. The minimum pupil funding for 2024-25 has increased to £4,610 for Primary Schools and £5,995 for Secondary school compared to £4,405 in Primary Schools and £5,715 in Secondary Schools for 2023-24. This represents an increase of 4.65% and 4.90% respectively above 2023-24 funding levels.

2.5. A breakdown of how much each factor has increased or reduced is outlined in Appendix 1 and 2. Also, the Minimum Funding Guarantee has been set at +0.50%.

2.6. The DSG allocation for 2024-25 from the ESFA is not sufficient for the Local Authority to fully apply what is referred to as the ‘hard’ NFF in 2024-25. This is predominantly due to a larger than anticipated increase in pupil numbers. However, the conditions of the National Funding Formula allow Local Authorities to set local factors that are within 10% range so that the National Funding Formula can still be implemented.

2.7. For Recommendation 1: the majority of factors have been set in line with the 'hard' NFF as per the below:

- Allocate funding for English as an additional language for the maximum 3 eligible years in line with the 'hard' NFF.
- Prior attainment set at 100% in line with the 'hard' NFF.
- The new Split sites allocates a basic eligibility rate of £56,000 and a distance funding rate of £27,096 in line with the 'hard' NFF.
- Business Rates are fully funded, and this is mandatory.
- Funding to meet minimum per pupil funding (£4,610 for primary school pupils and £5,995 for secondary school pupils) in line with the 'hard' NFF.
- Set the Minimum Funding Guarantee at +0.50% in line with the 'hard' NFF.
- Allocate £3.6m to the Growth Fund which is the subject of a separate paper before today's schools' forum.

The factors that have been adjusted (within the NFF 10% threshold) are as follows:

- Set the Age Weighted Pupil Unit (AWPU) rate has been set 0.53% lower than the 'hard' NFF.
- All Deprivation rates (Free Schools Meals and Income Deprivation Affecting Children Index) have been set 2.56% lower than the 'hard' NFF.
- All schools are allocated a lump sum of £131,993, 2.56% lower than the 'hard' NFF.

2.8. For Recommendation 2 (this includes the transfer of 0.5% to the High Needs block): the only change to Recommendation 1 is in the rates for Age Weighted Pupil Unit (AWPU). This has been set at 1.45% lower than the 'hard' NFF for Primary and 1.52% lower than the 'hard' NFF for Secondary.

The factors that were adjusted in paragraphs 2.7 and 2.8 (within the NFF 10% threshold) were selected as they have a similar impact on all schools, rather than adversely impacting some schools over others.

2.9. Please note that the contents of this report are subject to the ESFA verifying our schools funding submission which needs to be submitted by Monday 22 January 2024. Schools Forum will therefore receive the final budget position at the March meeting.

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NFF Factors 2023-24 and 2024-25

Factor	2023-24	2024-25	Change	
	A	B	(B-A/A)	B-A
AWPU	£	£	%	£
Primary AWPU	3,395	3,569	5.12%	174
KS3 AWPU	4,780	5,032	5.27%	252
KS4 AWPU	5,380	5,672	5.43%	292
Minimum Per Pupil Funding				
Primary	4,405	4,610	4.65%	205
Secondary	5,715	5,995	4.90%	280
Deprivation				
FSM Primary	480	481.22	0.25%	1
FSM Secondary	480	481.22	0.25%	1
FSM6 Primary	695	805.31	15.87%	110
FSM6 Secondary	1015	1,179	16.11%	164
Primary IDACI A	660	667.82	1.18%	8
Primary IDACI B	510	505.78	-0.83%	-4
Primary IDACI C	475	476.31	0.28%	1
Primary IDACI D	435	437.03	0.47%	2
Primary IDACI E	280	279.9	-0.04%	0
Primary IDACI F	230	230.79	0.34%	1
Secondary IDACI A	915	928.07	1.43%	13
Secondary IDACI B	720	726.75	0.94%	7
Secondary IDACI C	670	677.64	1.14%	8
Secondary IDACI D	610	618.72	1.43%	9
Secondary IDACI E	441	441.94	0.21%	1
Secondary IDACI F	330	333.91	1.18%	4
Low Prior Attainment				
Primary LPA	1,160	1,179	1.60%	19
Secondary LPA	1,725	1,788	3.65%	63
English as an Additional Language				
Primary EAL	580	594.29	2.46%	14
Secondary EAL	1,570	1,597	1.69%	27
Mobility				
Primary Mobility	175	966.98	452.56%	792
Secondary Mobility	250	1390.03	456.01%	1,140
Lump Sum				
Primary LS	127,500	131,993	3.52%	4,493
Secondary LS	127,500	131,993	3.52%	4,493
Sparsity				
Primary Sparsity	56,000	57,515	2.71%	1,515
Secondary Sparsity	81,000	83,603	3.21%	2,603
Split Sites Funding				
Basic Eligibility Funding	0	54,090	New	54,090
Distance funding rate	0	27,096	New	27,096

Comparison of NFF allocations 2023-24 and 2024-25

Factor	2023-24 £m	2024-25 £m	Difference £m	Difference %	Reason for Change
Age Weighted Pupil Unit (AWPU)	324.23	346.31	22.08	6.8%	Pupil led factor and increase in rates.
Deprivation	29.59	33.49	3.91	13.2%	Pupil led factor and increase in rates.
English as an Additional Language	3.07	3.90	0.83	27.0%	Pupil led factor
Mobility	0.08	0.72	0.64	782.6%	As per NFF requirement
Prior Attainment	26.51	28.56	2.05	7.7%	Pupil led factor
Lump Sum	29.60	30.89	1.29	4.3%	Increased Lum Sum
Split Sites	0.15	0.37	0.22	140.3%	New formula factors
Sparsity	1.08	1.10	0.02	2.2%	Increased rate
Rates	3.72	4.35	0.63	17.0%	Actual costs of rate bills are fully funded
Minimum Pupil Funding	3.88	3.14	-0.74	-19.0%	As other factors increase there is less need to protect schools through this factor
Minimum Funding Guarantee	0.25	0.22	-0.03	-11.2%	As other factors increase there is less need to protect schools through this factor
Growth Fund	3.48	3.60	0.12	3.4%	Increase in pupil number for bulk classes (for details see separate paper for growth fund)
Total (impacted by roundings)	425.63	456.66	31.02		

Appendix 2 - relates to recommendation 2

NFF Factors 2023-24 and 2024-25 – with a 0.5% transfer to the High Needs Block

Factor	2023-24		2024-25		Change		Hard NFF	Change	
	A	B	(B-A/A)	B-A	(B-A/A)	B-A			
AWPU	£	£	%	£					
Primary AWPU	3,395	3,537	4.17%	142		3,588	1.45%	51	
KS3 AWPU	4,780	4,983	4.24%	203		5,059	1.52%	76	
KS4 AWPU	5,380	5,617	4.40%	237		5,702	1.52%	86	
Minimum Per Pupil Funding									
Primary	4,405	4,610	4.65%	205		4,610	0.00%	0	
Secondary	5,715	5,995	4.90%	280		5,995	0.00%	0	
Deprivation									
FSM Primary	480	481.22	0.25%	1		493.562	2.56%	12	
FSM Secondary	480	481.22	0.25%	1		493.562	2.56%	12	
FSM6 Primary	695	805.31	15.87%	110		825.961	2.56%	21	
FSM6 Secondary	1015	1,179	16.11%	164		1,209	2.56%	30	
Primary IDACI A	660	667.82	1.18%	8		684.944	2.56%	17	
Primary IDACI B	510	505.78	-0.83%	-4		518.744	2.56%	13	
Primary IDACI C	475	476.31	0.28%	1		488.526	2.56%	12	
Primary IDACI D	435	437.03	0.47%	2		448.235	2.56%	11	
Primary IDACI E	280	279.9	-0.04%	0		287.072	2.56%	7	
Primary IDACI F	230	230.79	0.34%	1		236.709	2.56%	6	
Secondary IDACI A	915	928.07	1.43%	13		951.87	2.56%	24	
Secondary IDACI B	720	726.75	0.94%	7		745.38	2.56%	19	
Secondary IDACI C	670	677.64	1.14%	8		695.016	2.56%	17	
Secondary IDACI D	610	618.72	1.43%	9		634.58	2.56%	16	
Secondary IDACI E	441	441.94	0.21%	1		453.272	2.56%	11	
Secondary IDACI F	330	333.91	1.18%	4		342.472	2.56%	9	
Low Prior Attainment									
Primary LPA	1,160	1,179	1.60%	19		1,179	0.00%	0	
Secondary LPA	1,725	1,788	3.65%	63		1,788	0.00%	0	
English as an Additional Language									
Primary EAL	580	594.29	2.46%	14		594.289	0.00%	0	
Secondary EAL	1,570	1,597	1.69%	27		1,597	0.00%	0	
Mobility									
Primary Mobility	175	966.98	452.56%	792		966.979	0.00%	0	
Secondary Mobility	250	1390.03	456.01%	1,140		1390.03	0.00%	0	
Lump Sum									
Primary LS	127,500	131,993	3.52%	4,493		135,377	2.56%	3,384	
Secondary LS	127,500	131,993	3.52%	4,493		135,377	2.56%	3,384	
Sparsity									
Primary Sparsity	56,000	57,515	2.71%	1,515		57,515	0.00%	0	
Secondary Sparsity	81,000	83,603	3.21%	2,603		83,603	0.00%	0	
Split Sites Funding									
Basic Eligibility Funding	0	54,090	New	54,090		54,090	0.00%	0	
Distance funding rate	0	27,096	New	27,096		27,096	0.00%	0	

Comparison of NFF allocations 2023-24 and 2024-25 (with a 0.5% transfer to the High Needs Block)

Factor	2023-24 £m	2024-25 £m	Difference £m	Difference %	Reason for Change
Age Weighted Pupil Unit (AWPU)	324.23	343.05	18.82	5.8%	Pupil led factor and increase in rates.
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Rates	3.72	4.35	0.63	17.0%	Actual costs of rate bills are fully funded
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