

Report to: Schools Forum

Date: 7th December 2023

Report of: Kirsty Lister, Schools Finance Business Partner

Title: Mainstream Schools 2024-25 Funding Formula Update

Status: For Information

Purpose

The purpose of this report is to inform Schools Forum of key National Funding Formula (NFF) changes for 2024-25

Background

Each year local authorities are required to detail their schools block funding formulae in accordance with the arrangements set out by the Secretary of State for Education. The Education and Skills Funding Agency (ESFA) has developed the authority proforma tool (APT) to assist local authorities to model, and then confirm how they plan to do this for the funding year.

Our current modelling and forecasts are based on the APT issued in October 2023 for the 2024-25 schools block funding formulae. The APT is populated with schools' block data primarily drawn from the October 2022 schools census, but with a forecast of pupil numbers for October 2023.

Final allocations of mainstream schools and central schools services funding for 2024-25 will be calculated in December 2023, based on the latest pupil data at that point (October 2023), and published to Local Authorities

The December DSG allocations will also include updated high needs funding allocations, based on the latest pupil data, but these are not final as there will be a further adjustment in 2024. As normal, local authorities will use the December allocations to finalise their schools' and high needs budgets

The final version of the APT will be released in December 2023 and must be returned to the ESFA by **19 January 2024**. The schools block data in the December version will be updated to use the October 2023 census.

2024/25 National Funding Formulae Update

- The overall structure of the formula is the same as in 2023-24. Most factors have increased by 1.9%, but with some exceptions.
- The ESFA have introduced a formulaic approach to allocating split sites funding in 2024-25. This ensures that split sites funding will be provided on a consistent basis across the country.
- Through the minimum per pupil funding levels, every primary school will receive at least £4,610 per pupil, and every secondary school at least £5,995
- The funding floor will ensure that every school will attract at least 0.5% more pupil-led funding per pupil, compared to its 2023-24 allocation.
- The core factors in the schools NFF (such as basic entitlement and the lump sum that all schools attract) will increase by 1.4%.
- The 2023-24 mainstream schools additional grant (MSAG) will be rolled into the schools NFF ensuring that this additional funding forms an on-going part of the schools' core budgets. Appropriate adjustments have been made to NFF factor values and baselines to reflect this.
- TPAG will be allocated outside of the NFF in 2024-25
- Local Authorities will be funded for falling rolls as well as growth.

Appendix 1 shows a list of NFF factors and rates set out in the NFF guidance.

Government National Funding Formula Expectations

Every school must receive a minimum of £4,610 per pupil for primary schools, and £5,995 per pupil funding for secondary schools (KS3: £5,503, KS4: £6,033). This has been reflected in the APT.

Primary	Secondary	Secondary (KS3 only)	Secondary (KS4 only)
£4,610.00	£5,995.00	£5,503.00	£6,033.00

Birmingham Methodologies

Apart from applying the rates specified in NFF Guidance, our forecast has increased the following factors in the APT:

- Split sites: increase by 1.9% in line with general NFF factor increase rate
- PFI top ups for PPP1 schools: increase by 10% - Provisional increase, to be confirmed then final allocation
- NNDR business rates: 3% increase applied
- The council has applied the NFF rates in the APT, with the maximum MFG 0.5% in line with NFF guidance. This is to be reviewed/discussed when final allocations have been received

This report is for information purposes only. A Technical Group meet will be set up in December where any required decisions needed from Forum, for budget setting purposes, can be made. A draft APT position will also be discussed at this meeting to ensure all factors have been discussed and agreed, where applicable, in order to set a balanced budget for 2024/25

Appendix 1: List of NFF Factors and Rates for 2024-25

Factor	Unit Values
Basic per pupil Funding	
Basic entitlement	
Primary basic entitlement	£3,562
KS3 basic entitlement	£5,022
KS4 basic entitlement	£5,661
Minimum per pupil	
Primary Minimum Per Pupil funding	£4,610
Secondary Minimum Per Pupil funding	£5,995
Additional Needs Funding	
Deprivation	
Primary FSM	£490
Secondary FSM	£490
Primary FSM6	£820
Secondary FSM6	£1,200
Primary IDACI F	£235
Primary IDACI E	£285
Primary IDACI D	£445
Primary IDACI C	£485
Primary IDACI B	£515
Primary IDACI A	£680
Secondary IDACI F	£340
Secondary IDACI E	£450
Secondary IDACI D	£630
Secondary IDACI C	£690
Secondary IDACI B	£740
Secondary IDACI A	£945
English as an Additional Language	
Primary EAL3	£590
Secondary EAL3	£1,585
Low Prior Attainment	
Primary LPA	£1,170
Secondary LPA	£1,775
Mobility	
Primary mobility	£960
Secondary mobility	£1,380
School Led Funding	
Lump Sum	
Primary lump sum	£134,400
Secondary lump sum	£134,400
Sparsity	
Primary sparsity	£57,100
Secondary sparsity	£83,000
Middle-school sparsity	£83,000
All-through sparsity	£83,000
Split Site Funding	
Split sites basic eligibility funding	£53,888
Split sites distance funding	£26,994

- **All factors are mandatory except** Split sites, Rates, Private finance initiative (PFI) contracts and Exceptional circumstances (with ESFA agreement)

Source:

The national funding formulae for schools and high needs 2024-25

Published by DFE @October 2023

