

## SCHOOLS FORUM

### 2024-25 National Funding Formula Update

21 November 2023

Content Applicable to:		School Phase:	
Maintained Primary and Secondary Schools	X	Pre School	
Academies	X	Foundation Stage	X
PVI Settings		Primary	X
Special Schools / Academies		Secondary	X
Local Authority		Post 16	
		High Needs	

#### Purpose of Report

Content Requires:		By:	
Noting	X	Maintained Primary School Members	
Decision		Maintained Special School Members	
		Academy Members	
		All Schools Forum	X

1. This report sets out the updated indicative National Funding Formula allocations for Leicestershire schools for 2024-25 as well as the reason for the update.

#### Recommendations:

2. That Schools Forum note the revised National Funding Formula for Leicestershire Schools.

#### Background:

3. The indicative National Funding Formula (NFF) allocations for 2024-25 were presented to Schools Forum at its meeting of 12 September 2023.
4. An unprecedented announcement from the DfE was released in October, which set out that the original indicative allocations had been recalculated because of an error in processing pupil numbers which had been underestimated and the NFF cost exceeded the national funding settlement. The DfE position, taken from the revised National Funding Formula for Schools and High Needs 2024-25, is set out below:

*“The Department first published the 2024-25 NFF in July 2023. Following the discovery of a technical error made by officials during the initial calculations, an update was made to the schools NFF in October 2023. This document reflects that update. The technical error was due to incorrect processing of pupil numbers in the initial calculations. This error meant that the overall cost of the schools NFF was underestimated, and incorrect factor values were published in July.*

*This update contains the new, correct, factor values. No other changes have been made to the structure of the NFF, or the rules governing the local formulae, since July. The total amount of funding in the core schools’ budget (which includes funding through the schools NFF, high needs NFF, and CSSB) will remain at £59.6 billion in 2024-25.*

*The high needs NFF and CSSB are unaffected by this update.”*

5. The impact of the changes is summarised below:
  - The increase to most formula factors has been reduced by 1% from +2.4% to +1.4%.
  - The minimum per pupil funding has been reduced from £4,665 per primary pupil and £6,050 per secondary pupil to £4,610 and £5,995 respectively.
  - The funding floor remains at +0.5% per pupil.
6. At school level this means that the indicative school level NFF allocations have reduced. The following table summarises the change:

	Primary		Secondary	
	October	July	October	July
<b>Number of Schools:</b>				
Funding Floor +0.5% per pupil	34	15	6	1
Gains up to 2% per pupil	110	26	32	8
Gains of up to 3% per pupil	32	92	4	28
Gains up to 5% per pupil	36	63	1	5
Gains over 5% per pupil	16	32	1	2
Total Gain £m	£3.270	£5.738	£6.665	£9.018
Overall Movement £m		£-2.468		£-2.353
Overall Movement %		-43.0%		-26.1%
% per Pupil Gain from 2023/24 Baseline	1.2%	2.2%	2.8%	3.8%

**Appendix A** sets out the changes at individual school level. Please note the DfE figures are taken from the Authority Pro-forma Tool (APT) issued to the local authority from the DfE and differ slightly to those published on the DfE website in October.

7. The DfE have stated that overall, the national funding available for the core school budget remains unchanged for 2024-25 from that set out within July announcement and

that the funding increase remains sufficient to meet the Teachers pay award. All adjustments as result of the error are a reduction because of the under estimation of pupil numbers by the DfE.

8. It should be noted that the figures published by the DfE remain indicative. These will be recalculated once the October 2023 census has been processed with the final settlement issued in December. Additionally funding outside the NFF such as exceptional funding for premises costs will be added to the final NFF calculations. As in previous years local authorities will be required to submit their formula to the Education, Skills and Funding Agency in late January 2024, with the issue of S251 budget allocations for maintained schools following in February 2024, and GAG allocations to academies in March 2024.
9. Whilst local authorities are further restricted in their ability to set their formula outside the NFF the Leicestershire formula will continue to be consistent with the NFF. As in previous years, and as documented in the September report, the local authority may be required to adjust through capping and scaling should the 2024-25 NFF be unaffordable within the Schools Block Dedicated Schools Grant allocation, in line with DfE guidance and requirements.
10. The DfE have instigated an inquiry over how this error occurred and have apologised for it. However, there is no indication of whether the inquiry funding will be made public, and if so when that may be.

#### **Resource Implications:**

11. The local authority has issued revised planning assumptions to schools to reflect the lower than anticipated NFF.

#### **Background Papers:**

[Leicestershire Schools' Forum Agenda & Minutes | Tuesday 12 September 2023](#)

[The National Funding Formulae for Schools & High Needs](#)

[BBC News | Education Enquiry](#)

#### **Officers to Contact:**

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