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**SUBJECT:** LA UPDATE ON DFE/ESFA FUNDING  
**DATE:** 20 September 2023  
**RECIPIENT:** School's Forum

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**SUMMARY:**

Update of DFE/ESFA funding to provide update on

1. Provisional NFF Funding announcement 2024/25
2. Teacher Pay Grant

**BACKGROUND and BRIEFING DETAILS:**

LA UPDATE ON DFE/ESFA FUNDING

1. The DFE/ESFA have published provisional NFF funding for 2024/25. Note the Early Years NFF is determined by a separate NFF which is not yet available. The provisional allocations below are based on October 2022 pupil numbers and don't include provision for growth or falling rolls.

	<b>2024/25 Provisional NFF (£)</b>	<b>Change to 2023/24 (£)</b>	<b>Change to 2023/24 (%)</b>
<b>Schools block</b>	193,444,658	11,038,185	6.05%
<b>Central school services block</b>	1,593,048	-66,861	-4.03%
<b>High needs block</b>	46,004,259	2,106,031	4.80%
<b>Early years block</b>	n/a	n/a	n/a
	<b>£241,041,965</b>	<b>£13,077,355</b>	<b>5.74%</b>

2. The comparison to 2023/24 includes the mainstream schools additional grant (MSAG) which will be incorporated into core budget allocations for 2024/25.

3. Key changes to the schools NFF in 2024/24 are:

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- a. new formulaic approach to allocating split sites funding,
  - b. rolling the 2023 to 2024 mainstream schools additional grant (MSAG) into the NFF,
  - c. increasing NFF factor values by
    - i. 2.4% to the following factors: basic entitlement, low prior attainment (LPA), FSM6, income deprivation affecting children index (IDACI), English as an additional language (EAL), mobility, sparsity and the lump sum,
    - ii. 2.4% to the minimum per pupil levels (MPPL)
    - iii. 0% on the premises factors, except for:
      1. Private Finance Initiative (PFI) which has increased by Retail Prices Index excluding mortgage interest payments (RPIX) which is 10.4% for the year to April 2023 and,
      2. split sites funding which has been formularised,
  - d. introducing, for the first time, a methodology for calculating and allocating funding for falling rolls.
4. 2024/25 continues with the transition to the direct schools NFF, 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. These factors are built into the Authority Proforma Tool (APT) and in Southampton we already “mirroring” the NFF.
5. Changes for 2024/25 include:
- a. local authorities must use the new national formulaic approach to split sites
  - b. local authorities must follow the new local formula requirements for growth funding, whereby additional classes (driven by basic need) must be funded by at least the minimum funding level set out in the funding calculation
  - c. local authorities with a falling rolls fund must also follow the new requirements for falling rolls funding, whereby local authorities can only provide falling rolls funding to schools where school capacity survey (SCAP) 2022 data shows that school places will be required in the subsequent 3 to 5 years.
6. Local authorities will continue to set a minimum funding guarantee in local formulae, which in 2024-25 must be between +0.0% and +0.5%.
7. Local authorities will again be able to transfer up to 0.5% of their total schools block allocations to other blocks of the Dedicated Schools Grant (DSG), with schools forum approval. A disapplication will continue to be required for transfers above 0.5%, or for any amount without schools forum approval.
8. The national increase in high needs funding, between 2022-23 and 2023-24, will be £570 million, or 4.8%.
9. Falling rolls funding will be allocated on the reduction in pupil numbers that medium super output areas (MSOA) within each local authorities experience for each year.
10. Local authorities will continue to have discretion over whether to operate a falling rolls fund. Where local authorities operate a fund, they will only be able to provide funding

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where the 2022 school capacity survey (SCAP) shows that school places will be required in the subsequent 3 to 5 years. This SCAP requirement replaces previous guidance that funding may only be used where local planning data shows that the surplus places will be needed within the next 3 financial years

11. The following table shows the compulsory funding factors in 2024/25 with the NFF values for 2023/24 and 2024/25. Local authorities which had factor values within +/- 2.5% of the NFF values in 2023 to 2024 will be allowed to set their 2024 to 2025 factor values anywhere within +/- 2.5% of the 2024 to 2025 NFF values.

Factor	23-24 NFF including ACA	23-24 APT	24-25 NFF including ACA	NFF Change (%)
Primary basic entitlement	£3,442.23	£3,437.23	£3,649.95	6.03%
KS3 basic entitlement	£4,852.99	£4,839.79	£5,146.66	6.05%
KS4 basic entitlement	£5,469.63	£5,456.43	£5,801.15	6.06%
Primary FSM	£486.82	£486.82	£497.21	2.13%
Secondary FSM	£486.82	£486.82	£497.21	2.13%
Primary FSM6	£715.02	£715.02	£842.22	17.79%
Secondary FSM6	£1,044.64	£1,044.64	£1,227.81	17.53%
Primary IDACI F	£233.27	£233.27	£238.46	2.23%
Primary IDACI E	£283.98	£283.98	£289.20	1.84%
Primary IDACI D	£446.25	£446.25	£456.62	2.32%
Primary IDACI C	£486.82	£486.82	£497.21	2.13%
Primary IDACI B	£517.25	£517.25	£527.65	2.01%
Primary IDACI A	£679.52	£679.52	£695.08	2.29%
Secondary IDACI F	£339.76	£339.76	£350.08	3.04%
Secondary IDACI E	£451.32	£451.32	£461.70	2.30%
Secondary IDACI D	£628.81	£628.81	£644.35	2.47%
Secondary IDACI C	£689.66	£689.66	£705.23	2.26%
Secondary IDACI B	£740.37	£740.37	£761.04	2.79%
Secondary IDACI A	£943.22	£943.22	£963.98	2.20%
Primary EAL	£588.24	£588.24	£603.76	2.64%
Secondary EAL	£1,587.24	£1,587.24	£1,628.63	2.61%
Primary LPA	£1,171.41	£1,171.41	£1,202.44	2.65%
Secondary LPA	£1,774.87	£1,774.87	£1,816.35	2.34%
Primary mobility	£958.43	£958.43	£984.28	2.70%
Secondary mobility	£1,379.33	£1,379.33	£1,415.53	2.63%
Primary lump sum	£129,818.88	£129,818.88	£137,697.50	6.07%
Secondary lump sum	£129,818.88	£129,818.88	£137,697.50	6.07%
Primary sparsity	£57,100.02	£57,100.02	£58,549.34	2.54%
Secondary sparsity	£83,063.80	£83,063.80	£85,135.01	2.49%
Middle-school sparsity	£83,063.80	£83,063.80	£85,135.01	2.49%
All-through sparsity	£83,063.80	£83,063.80	£85,135.01	2.49%
Split sites basic eligibility			£55,099.30	n/a

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funding				
Split sites distance funding			£27,498.91	n/a
London fringe	1.0000	1.0000	1.0000	0.00%

12. The Central school services block funding reduction represents the reduced funding for historic commitments and a reduction in funding per pupil for ongoing responsibilities.
13. The high needs funding increase is in line with the national increase for 2024/25. Special schools minimum funding guarantee (MFG) in 2024-25 must be between +0.0% and +0.5%.
14. Additional funding for special schools and APs is included in the funding, this is equivalent to the funding received in 2023/24. These allocations gave maintained special schools and special academies 3.4% of their total place and top-up funding income and gave PRUs and AP academies and free schools 3.4% of their total income. The additional funding must be excluded from the MFG calculation.
15. Teachers Pay Grant (TPAG) funding covers the 7-month period from September 2023 to March 2024. TPAG will continue for the whole of the financial year 2024 to 2025. Allocations for 2024 to 2025 will therefore be calculated using twelve sevenths of the funding rates in 2023 to 2024. The DFE intend to incorporate the grant funding into core budget allocations for 2025/26.

<b>Further Information Available From:</b>	<b>Name:</b>	Steve Wade
	<b>E-mail:</b>	Steve.Wade@Southampton.gov.uk