
SUBJECT: LA UPDATE ON DFE/ESFA FUNDING
DATE: 22 November 2023
RECIPIENT: School's Forum

SUMMARY:

Update of DFE/ESFA funding to provide update on

1. Provisional NFF Funding announcement 2024/25 (amended)
2. Financial support for local authorities supporting maintained schools in financial difficulty (2023 to 2024)
3. Falling Rolls Funding

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 revised provisional allocations below are based on October 2022 pupil numbers and don't include provision for growth or falling rolls.

	2024/25 Provisional NFF (£)	Change to 2023/24 (£)	Change to 2023/24 (%)
Schools block	191,755,255	9,348,782	5.13%
Central school services block	1,593,048	-66,861	-4.03%
High needs block	46,004,259	2,106,031	4.80%
Early years block	n/a	n/a	n/a
	£239,352,562	£11,387,952	5.00%

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. The key features of the revised funding are:

BRIEFING PAPER

- a. 1.9% increase in funding per pupil (compared to 2.7% per pupil increase announced in the original, erroneous NFF allocations published in July.
 - b. The factor value increases in the 2024-25 schools NFF have also been amended:
 - i. The core NFF factor values are now increasing by 1.4% in 2024-25, compared to this financial year 2023-24 whereas, before this error was corrected, they were due to increase by 2.4%.
 - ii. The minimum per pupil funding levels are also increasing by 1.4%, as opposed to 2.4% previously published in July.
4. There is minimal change to the funding allocated through the premises factors compared to the announcement in July:
- a. National non-domestic rates unchanged, based on estimates for 2023-24 rates,
 - b. Private Finance Initiative (PFI) unchanged, funding still increased by Retail Prices Index excluding mortgage interest payments (RPIX) which is 10.4% for the year to April 2023,
 - c. Split sites funding, which has been formularised, has lower factor values for the basic eligibility and distance funding, than announced in July
5. 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%.
6. 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.
7. Initial modelling indicates that the National Funding Formula rate for all factors is affordable, with a £575k surplus.
8. The following table shows the revised 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	£3,614.43	5.00%
KS3 basic entitlement	£4,852.99	£4,839.79	£5,095.92	5.01%

BRIEFING PAPER

KS4 basic entitlement	£5,469.63	£5,456.43	£5,744.33	5.02%
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	£832.07	16.37%
Secondary FSM6	£1,044.64	£1,044.64	£1,217.66	16.56%
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	£451.55	1.19%
Primary IDACI C	£486.82	£486.82	£492.14	1.09%
Primary IDACI B	£517.25	£517.25	£522.58	1.03%
Primary IDACI A	£679.52	£679.52	£690.01	1.54%
Secondary IDACI F	£339.76	£339.76	£345.00	1.54%
Secondary IDACI E	£451.32	£451.32	£456.62	1.17%
Secondary IDACI D	£628.81	£628.81	£639.27	1.66%
Secondary IDACI C	£689.66	£689.66	£700.16	1.52%
Secondary IDACI B	£740.37	£740.37	£750.89	1.42%
Secondary IDACI A	£943.22	£943.22	£958.91	1.66%
Primary EAL	£588.24	£588.24	£598.68	1.78%
Secondary EAL	£1,587.24	£1,587.24	£1,608.33	1.33%
Primary LPA	£1,171.41	£1,171.41	£1,187.22	1.35%
Secondary LPA	£1,774.87	£1,774.87	£1,801.13	1.48%
Primary mobility	£958.43	£958.43	£974.13	1.64%
Secondary mobility	£1,379.33	£1,379.33	£1,400.31	1.52%
Primary lump sum	£129,818.88	£129,818.88	£136,378.37	5.05%
Secondary lump sum	£129,818.88	£129,818.88	£136,378.37	5.05%
Primary sparsity	£57,100.02	£57,100.02	£57,940.51	1.47%
Secondary sparsity	£83,063.80	£83,063.80	£84,221.76	1.39%
Middle-school sparsity	£83,063.80	£83,063.80	£84,221.76	1.39%
All-through sparsity	£83,063.80	£83,063.80	£84,221.76	1.39%
Split sites basic eligibility funding			£54,490.46	n/a
Split sites distance funding			£27,295.97	n/a
London fringe	1.0000	1.0000	1.0000	0.00%

9. The local authority has been allocated additional funding (£559,332) to support maintained schools which find themselves in financial difficulty. This is in addition to the teachers' pay additional grant (TPAG).
10. There is flexibility in the use of the grant; the DfE expects funding to be allocated on a case-by-case basis.
11. This funding can be used to support maintained primary, middle, secondary and all-through schools, maintained special schools, pupil referral units, and maintained nursery schools.

BRIEFING PAPER

12. The local authority will report back to the Schools Forum with expenditure plans for the grant.
13. If a local authority in receipt of this additional funding does not spend its full allocation within financial year 2023 to 2024, it can spend this funding as part of DSG and within the conditions attached to DSG and to this funding. For local authorities that do not overspend their total DSG in 2023 to 2024, this may include continuing to provide additional support to schools in financial difficulty in the financial year 2024 to 2025. Department for Levelling Up, Housing and Communities regulations do not allow DSG to be carried forward where there is an in-year deficit.
14. DfE: Falling rolls funding will be distributed on the basis of the reduction in pupil numbers that local authorities experience for each year. It is based on the observed differences between the primary and secondary number on roll in each local authority between the October 2022 and October 2023 school censuses. Falling rolls are measured at the MSOA within each local authority – these are areas used by the ONS based on population data, which allow us to capture falling rolls in small geographical areas within local authorities. The falling rolls allocation for each local authority will be £140,000 per MSOA which sees a 10% or greater reduction in the number of pupils on roll between the two census years. This allocation will be subject to an ACA.
[Growth and falling rolls fund guidance: 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/growth-and-falling-rolls-fund-guidance-2024-to-2025)
15. The Local Authority has undertaken an exercise to establish whether Southampton schools are eligible for falling rolls funding using the tool provided by the DfE. We have found that no falling rolls funding will be available to Southampton schools.
16. Preliminary census data

	October 22 Census	Prelim October 23 Census*	Difference
Primary	19,397	19,333	-64
Secondary	12,660	13,081	+421

*The figures for October 2023 are indicative and are subject to change.

Primary explanatory notes:

- Primary forecast (predicting less children in the area) has been offset to some extent by an increase in in-year applications.
- More SEND resource provisions in primary mainstream schools (above Published Admission Number).
- Improved Ofsted outcomes influencing parental preference.

Secondary explanatory notes:

- 180 pupils will be as a result of St Mark's All Through School taking an additional year group.
- Increase in net migration resulting in more in-year applications.
- Parental preference shifts (e.g. Hampshire schools RI inspection outcomes can influence).
- Lost school admissions appeals / In Year Fair Access allocations / Tribunal orders.

BRIEFING PAPER

17. The LA will requests a brief discussion on Growth Funding for the November Schools Forum, with a view to a full discussion and potential policy review including papers (with actual October 2023 census figures) at January Schools Forum.

Further Information Available From:	Name:	Steve Wade Clodagh Freeston
	E-mail:	Steve.Wade@Southampton.gov.uk Clodagh.Freeston@southampton.gov.uk