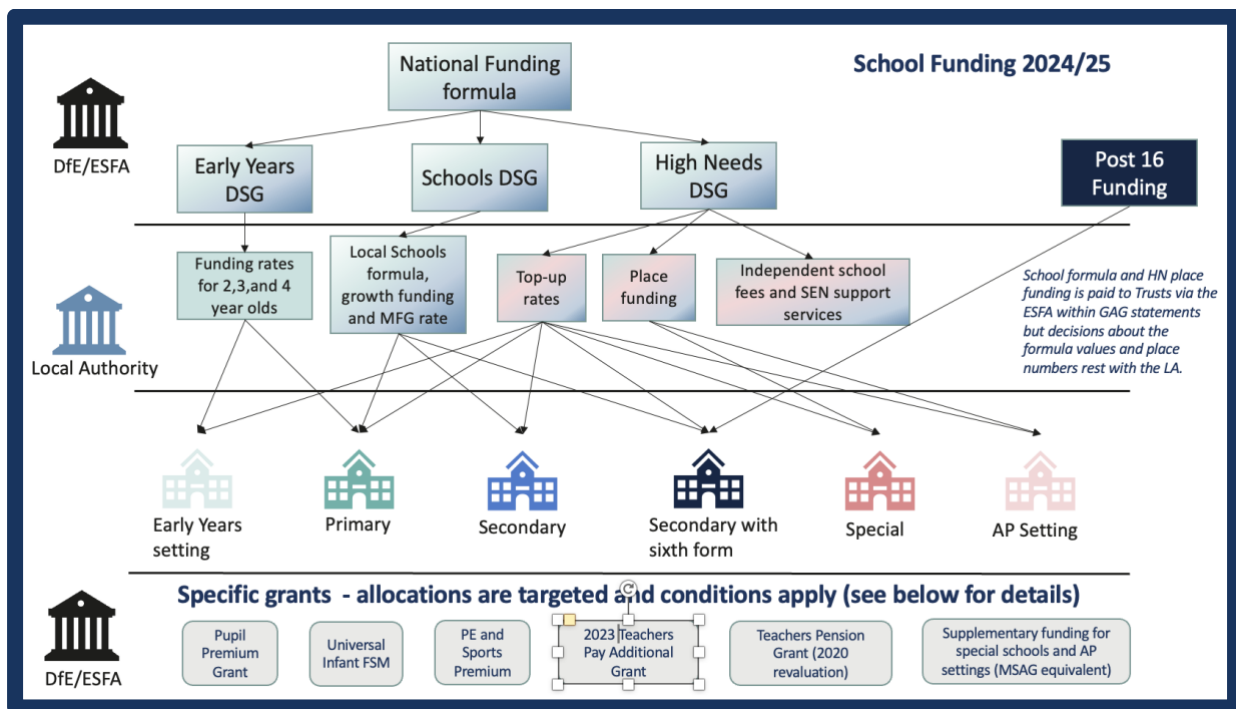


School Funding Landscape 2024/25



Core funding streams

Dedicated Schools Grant – Schools Block

The allocations of Dedicated Schools Grant (DSG) to local authorities are driven through the schools National Funding Formula (NFF). The policy document for the Schools NFF is [here](#). An indication of school level funding can be found [here](#) and information at a local authority level is [here](#). Overall, the schools NFF increase by 2.7% per pupil, over and above rolling in the Mainstream School Additional Grant (MSAG) funding. At a school level, the increase in funding will depend on local formulae and school characteristics, as not all elements of the NFF are increasing at the same rate. A detailed technical note can be found [here](#).

An online tool has been provided by the ESFA ([here](#)) that shows how much funding a school would receive if the national funding formula was followed locally.

In addition to incorporating the MSAG, the NFF has been increased as follows:

- Core NFF factors (basic per pupil funding, lump sum and additional needs factors) increased by 2.4%
- The factor for funding a free school meal for eligible pupils by 1.6% (GDP deflator forecast)
- NFF Minimum Per Pupil Funding Levels have also increased by 2.4% (primary £4,655, secondary £6,050)
- The funding floor has, once again, only increased by 0.5%, for those schools funded above the NFF (just under one in ten schools)
- PFI factors (funding to the local authority) increased in line with the RPIX inflation from April 2022 to April 2023 at 10.4%
- No increase to other premises factors, with the exception of the split site allocation, which has been formularised.

The Schools NFF factor values for 2024/25 are provided at the [end of this paper](#), before the area cost adjustment. Details for the area cost adjustment can be found [here](#). Uplifts are after adjusting the baseline to include the MSAG funding.

Low prior attainment data that was missing due to the pandemic has been based on the following proxy: 2022 data for 2021, 2019 data for 2020.

The local authority, in consultation with the Schools Forum, decides on the local formula, including the level at which the Minimum Funding Guarantee will be set, the amount to be held for the Growth Fund and any transfer from the Schools Block to High Needs. The rules relating to the local authority operation of the Schools Budget can be found [here](#), with additional information about the Notional SEN Budget [here](#). For mainstream schools, the MFG can be between 0% and +0.5% per pupil, compared to the 2023/24 baseline.

Further movement towards a Direct NFF for schools, as outlined in the response to the consultation held in 2022, includes changes to split site, exceptional circumstances, falling rolls and growth funding. Details regarding split site eligibility are [here](#), with a basic eligibility payment and additional funding according to the distance between sites.

Where a school has a falling roll but school capacity data shows that the places will be required within three to five years, the LA can provide additional funding. This has previously been limited to schools judged to be Good or Outstanding, but that requirement has been dropped. The falling rolls fund is discretionary, with the Schools Forum consulted over the value of the fund and criteria for its operation. Detailed information about this, and the growth fund, can be found [here](#).

General Annual Grant

Once the local authority has determined its schools formula and high needs places have been agreed in January for the coming financial year, the information for academy trusts is passed back to the ESFA, who recalculate the allocations for the September to August funding year. This is presented within GAG statements. For reference, a general GAG statement guide for 2023/24 can be found [here](#). For special and alternative provision academies, GAG statements only cover place funding and any start-up and post-opening grants. GAG allocation statements are sent out between the end of February and the end of March.

High Needs

The allocations of Dedicated Schools Grant (DSG) to local authorities for high needs provision are driven through the High Needs National Funding Formula (NFF). The policy document for the High Needs NFF is [here](#).

High Needs funding was increasing by 4.3% overall (£440m), with all local authorities receiving a minimum increase of 3% per head of population aged 2 to 18. The additional Autumn Statement funding (£400m) has been rolled into the baseline. Data used within the formula for funding local authorities for high needs has been updated, most significantly the data on children in bad health which comes from the general population census. Data from 2011 has been replaced with data from the 2021 census. Prior attainment data gaps as a result of the pandemic have been dealt with in the same way as for the Schools NFF (see above).

The DfE is now running 3 programmes with the aim of securing sustainable management of local authorities' high needs systems. There are now 34 local authorities with safety valve agreements (details [here](#)) and a further 55 local authorities are engaged with the department through the Delivering Better Value in Special Educational Needs and Disabilities (DBV in SEND) programme. CST represents educational institutions on the national steering group for the DBV programme.

The determination of High Needs places is through an annual process. For reference, the guidance on the process, the [outcomes for 2023/24](#) and guidance about hospital education funding is [here](#).

High Needs top-up funding rates are determined by the local authority with responsibility for the placement. Schools Forums should be consulted. Special Schools are protected through the Minimum Funding Guarantee, ensuring that without express approval, rates per pupil will not reduce. Historic Teachers Pay and Pension Grants have been incorporated into the LA High Needs DSG allocation (within the basic entitlement element), although some LAs will continue to highlight the allocations to schools separately.

For 2023/24 special schools and AP settings received an additional 3.4% through a separate allocation, equivalent to the funding that mainstream schools received by way of the MSAG funding. This funding to continue to be paid to special schools and AP settings in 2024/25 (see Specific Grant section below).

The operational guidance for local authorities includes details of the Minimum Funding Guarantee for special schools. The guidance is [here](#). The MFG percentage must be at least 0% (ensuring that schools do not lose funding) and the local authority should consider setting the MFG within a range of 0% and 0.5%, as for mainstream schools.

The operational guidance reminds local authorities that, in determining top-up funding rates, they should discuss with schools the funding that is necessary to make the provision that has been commissioned, taking into account expected levels of inflation and particular costs such as for energy and staff pay, and assessing the risks to financial viability.

Early Years DSG

The Early Years DSG allocation to local authorities is through the Early Years NFF, which includes a universal base rate and allocations based on Free School Meals, English as an additional language and the Disability Living Allowance. For two year olds the formula is a flat universal rate. The local authority then determines a local formula, following the operational guidance. **The operational guide and formula allocation data has not yet been published.**

The local authority determines the formula to be used for settings in its area, in line with the operational guide here. Local authorities are required to pass-through at least 95% of their 3 and 4-year-old funding from the government to early years providers. The guide sets out the conditions for holding a limited amount of funding centrally.

In his budget in March 2023 the Chancellor announced an increase to the funding rates for early years provision from September 2023. This funding is provided to local authorities through a supplementary grant ([here](#)), with the expectation that it is passed through to providers in full. This will be confirmed in grant conditions, due to be published in September.

The budget also included extension of provision to include children under 2 and an extension of the offer for those over 2 for 2024/25 and beyond. **Consultation on the details of this is expected but not yet published.**

Post 16 funding

Post 16 provision is funded through a national formula. For reference, details for 2023/24 can be found [here](#). **Details for 2024/25 have not yet been published.**

Clarity on the treatment of the separate grant to cover the increase in employers contributions to the Teachers' Pension Scheme as a result of the last revaluation is being sought.

Specific grants

Mainstream Schools Additional Grant (2023/24 only)

The additional funding allocated as part of the Autumn Statement 2022 has been incorporated into the National Funding Formula rates and will **not** be paid as a separate grant to mainstream schools in 2024/25.

Additional funding for special schools and alternative provision settings

The November 2022 Autumn Statement added a further £2bn to the Core Schools Budget in 2023/24, over and above the funding allocated in SR21. Of this, £400m was passed to local authorities in an increase to High Needs funding, with conditions that required the increase to be passed on to special schools and AP settings. This has now been rolled into the DSG baseline.

For special schools and AP settings, local authorities had to make an allocation that was equivalent to 3.4% of the estimated total grant funding for the school and should have consulted each school before finalising allocations. This funding will be continued into 2024/25 for special schools at the same amount per place, but with updated place numbers, and for AP settings at 3.4% of updated income levels. Full details of the calculations are provided in [Annex 2](#) of the High Needs Operational Guidance.

Pupil Premium Grant

Overall information about the Pupil Premium is [here](#), including details about funding rates for April 2023 to March 2024. The grant is paid in four instalments on a financial year (April to March) basis. Underlying data can be found on Get Information About Pupils for individual schools or, for Ever6FSM numbers, drawn from GAG statements.

On the basis of previous years, we expect the rates for the year from April 2024 to be published in December 2023.

Coronavirus recovery and tutoring funding

The 2021 Spending Review included a package of £1.8bn for recovery over the SR21 period (in schools and post 16 provision). **We do not expect the Recovery Premium and National Tutoring Grant to continue into 2024/25.**

Universal Infant Free School Meals Grant

Funding for universal infant meals is based on the average number of children taking a meal at the October and January census, excluding those who are eligible for a free meal through deprivation. The grant is paid in June, based on 7/12th provisional allocation for the coming year and the residual allocation for the current year. For 2023/24, the funding rate is £2.53 per meal, which across 190 school days equates to £480.70 per eligible child.

On the basis of previous years, we do not expect the rates for the year from September 2024 to be published before June 2024.

To note: the NFF formula value for a free meal for a disadvantaged pupil is £490 for 2024/25.

For schools in London, the additional funding to extend this free offer to Key Stage 2 is from the Mayor of London, via local authorities. General information about the scheme can be found [here](#).

PE and Sports Premium

This grant is usually confirmed very late in the year, with pupil numbers derived from the Spring census. The rates have remained at £16,000 plus £10 per pupil for many years. Schools with 16 or fewer pupils have received £1,000 per pupil.

As part of the [announcement](#) about sport for girls in early March, the government confirmed over £600m in funding for PE and sport over the next two years. The PE and Sports Premium is usually around £300m and so this appeared to be early confirmation of the grant for both 2023/24 and 2024/25.

Teachers Employer Pension Contribution Grants

We are seeking clarity over whether the TPECG in relation to the 2016 revaluation will continue to be paid to further education providers for the full academic year 2024/25.

The Teachers' Pension Scheme 2020 revaluation outcome has not yet been announced although a key component, the discount rate methodology has. At the time of the [announcement](#) the Government confirmed that, in recognition of the cost pressure that an increase to the employer contribution rate would bring to existing budgets, the Government has committed to providing funding for increases in employer contribution rates resulting from the 2020 valuations as a consequence of changes to the SCAPE discount rate. This applies to academy trusts as they are "centrally funded through departmental expenditure". The revaluation is expected to take effect from April 2024, with an announcement in September. We will update this briefing as soon as the contribution rate and grant methodology have been announced.

16-19 Bursary Fund

The 16 to 19 Bursary Fund provides financial support to help students overcome the specific financial barriers to participation they face so they can remain in education. There are 2 types of 16 to 19 bursaries: bursaries for defined vulnerable groups; discretionary bursaries which institutions award using policies they set, in line with the funding rules. We have not seen announcements about 2024/25 yet.

2023 Teacher pay

The Teachers Pay Additional Grant (TPAG) runs from September 2023 through to August 2025, after which it will be incorporated into the national funding arrangements. On the basis of the part-year rates announced in July 2023 [here](#), the equivalent full year rates for mainstream schools should be:

- Lump sum £2,306
- Primary pupils, including reception £62
- Key Stage 3 pupils £86
- Key Stage 4 pupils £98
- Primary FSM6 pupils £53
- Secondary FSM6 pupils £77

Pupil data as at October 2023 will be used for funding in 2024/25.

For special schools and AP settings, the funding allocated to local authorities is equivalent to £446 per place in a full year, with a requirement to distribute in full, determining the precise methodology locally.

Funding allocations for early years and sixth forms have not yet been published.

All funding rates are subject to the Area Cost Adjustment.

Capital funding

Devolved Formula Capital Grant (DFCG)

Schools receive an allocation of Devolved Formula Capital Grant for small capital projects. For reference, the details of the provisional allocations are for 2023/24 are [here](#) and the guidance for this, and other condition grants is [here](#). This spreadsheet also shows SCA allocations for relevant Trusts (see below). The funding methodology is explained [here](#).

On the basis of previous years, we do not expect the allocations for the year from April 2024 to be published before March.

School Condition Allocations (SCA)

For Trusts with 5 or more open schools with at least 3,000 pupils overall, an allocation of SCA is calculated using a formula based on pupil numbers and school condition. For special schools and AP settings the pupil count is multiplied by 4.5 to determine eligibility, to reflect the fact that these schools tend to have lower pupil numbers for their size and complexity compared to mainstream schools. For reference, details of the provisional allocations for 2023/24 are [here](#), within a spreadsheet that also provides DFC allocations for all schools. The formula for SCA changed for 2021/22 and Trusts were supported with full protection. This protection is expected to taper off by 2024/25. Details of funding methodology as published for 2023/24 can be found [here](#).

Condition Improvement Fund (CIF)

For Trusts not eligible for SCA, the condition improvement fund (CIF) provides access to capital grant funding. It is through a bidding round, with funds paid directly to single academy trusts, small multi-academy trusts (MATs), small voluntary aided (VA) bodies and sixth-form colleges. Details about CIF can be found [here](#). On the basis of previous years, we expect the deadline for applications for 2024/25 to be in December 2022, with outcomes announced the following May. Information for applicants is usually published in October.



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Additional information on the National Funding Formula

Factor values and total spend in 2024-25

	Unit Values	Total Funding (incl. ACA)	Proportion of core total
Basic per pupil Funding		£33,696m	75.7%
Basic entitlement		£33,505m	75.3%
Primary basic entitlement	£3,597	£16,419m	36.9%
KS3 basic entitlement	£5,072	£9,904m	22.2%
KS4 basic entitlement	£5,717	£7,183m	16.1%
Minimum per pupil		£191m	0.4%
Primary Minimum Per Pupil funding	£4,655	£150m	0.3%
Secondary Minimum Per Pupil funding	£6,050	£40m	0.1%
Additional Needs Funding		£7,917m	17.8%
Deprivation		£4,511m	10.1%
Primary FSM	£490	£540m	1.2%
Secondary FSM	£490	£376m	0.8%
Primary FSM6	£830	£951m	2.1%
Secondary FSM6	£1,210	£1,067m	2.4%
Primary IDACI A	£685	£104m	0.2%
Primary IDACI B	£520	£152m	0.3%
Primary IDACI C	£490	£140m	0.3%
Primary IDACI D	£450	£124m	0.3%
Primary IDACI E	£285	£147m	0.3%
Primary IDACI F	£235	£115m	0.3%
Secondary IDACI A	£950	£97m	0.2%
Secondary IDACI B	£750	£151m	0.3%
Secondary IDACI C	£695	£140m	0.3%
Secondary IDACI D	£635	£122m	0.3%
Secondary IDACI E	£455	£165m	0.4%
Secondary IDACI F	£345	£117m	0.3%
Low Prior Attainment		£2,857m	6.4%
Primary LPA	£1,185	£1,617m	3.6%
Secondary LPA	£1,790	£1,240m	2.8%
English as an Additional Language		£488m	1.1%
Primary EAL	£595	£346m	0.8%
Secondary EAL	£1,605	£142m	0.3%
Mobility		£61m	0.1%
Primary Mobility	£970	£48m	0.1%
Secondary Mobility	£1,395	£13m	0.0%
School-Led Funding		£2,900m	6.5%
Lump Sum		£2,801m	6.3%
Primary lump sum	£135,700	£2,339m	5.3%
Secondary lump sum	£135,700	£462m	1.0%
Sparsity		£99m	0.2%
Primary sparsity	£57,700	£94m	0.2%
Secondary sparsity	£83,900	£5m	0.0%
Area Cost Adjustment: Multiplier applied to basic entitlement, additional needs and school-led funding (It is included in the factor subtotals)		£1,123m	
Core total (excl. funding floor and premises)		£44,513m	
Floor		£223m	
Primary floor funding		£109m	
Secondary floor funding		£114m	
Premises		£595m	
Split sites	£81,400	£33m	
Total		£45,331m.	

Core Funding for Academies diagram

Core Funding for academies

