

Funding year 2024/25 - updated October 2023

National Funding Formulae (NFF) for schools and high needs

Teachers' pay additional grant (TPAG)

This paper attempts to summarise the DfE policy documents and please note the following:

- For maintained schools this is the period 1 April 2024 to 31 March 2025.
- For academies this is the period 1 September 2024 to 31 August 2025.

This is an update of the paper published in September 2023 and following the discovery of a technical error made by The Department for Education (DfE) in their initial calculations for the schools NFF for 2024/25. The error only affects schools block calculations. No revisions have been made to the high needs block formula. Correction of this error has resulted in changes to some factor values. The full revised policy document is available [here](#) and includes revised actual factor values and details of structural changes to the formulae for schools and high needs.

Key features in the schools NFF for 2024 to 2025:

- The 2023 to 2024 mainstream schools additional grant (MSAG) has been rolled into the schools NFF for 2024 to 2025. This has been done in a way that means funding schools attract through the NFF is as close as possible to the funding they would have received if the MSAG was continuing as a separate grant in 2024 to 2025.
- The core factors in the schools NFF (such as basic per pupil funding, additional needs factors, and the lump sum that all schools attract) will increase by 1.4%. This is applied after the rolling in of MSAG.
- The free school meals factor will be increased by 1.6%. DfE methodology indicates that this is in line with the GDP deflator forecast for 2024/25. The government view is that the wider coverage of the GDP deflator makes it more appropriate for public sector expenditure. The DfE uses the GDP deflator in their assessment of costs across the sector.
- The minimum per pupil funding levels (MPPLs) will be increased by 1.4% (after rolling in MSAG) compared to 2023 to 2024. This will mean that, next year, every primary school will receive at least £4,610 per pupil, and every secondary school at least £5,995.
- The 2024/2025 NFF funding floor remains set at 0.5%. Under NFF calculations, every school will attract at least 0.5% more pupil-led funding per pupil compared to its 2023 to 2024 allocation. Funding floor baselines in 2024/25 take account of MSAG funding which was received as a separate grant in 2023/2024.
- A formulaic approach to allocating split sites funding ensures that funding for schools which operate across more than one site will be provided on a consistent basis across the country.
- Indicative NFF allocations (revised as at October 2023) at school level are available [here](#). To work this out, the DfE has used pupil and school characteristics data from 2023/24. Before final allocations at local authority (LA) level are confirmed, pupil numbers and characteristics will be updated using October 2023 census data when it is available.
- LAs will continue to set a local formula for determining individual schools' budgets in 2024-25 using local flexibilities.

Local flexibilities

In 2024/2025, LAs remain responsible for determining final allocations to schools, in consultation with the schools forum. The consultation process will begin in the autumn. The process of consulting on the local formula for 2024 to 2025 should be completed by mid-January.

- LAs will be able to set a minimum funding guarantee (MFG) between 0% and 0.5%.
- LAs can move up to 0.5% of their schools block into another block within the dedicated schools grant (DSG), with schools forum agreement. Without forum agreement, or for transfer requests greater than 0.5% of the schools block, LAs require approval from the Secretary of State.

More information on these flexibilities, including understanding MFG calculations is included in the **Schools operational guide 2024-2025**.

Calculating the schools' notional SEN budget

The notional SEN budget is not a separate budget but is identified within a maintained school's delegated budget share, or an academy's general annual grant and is calculated by LAs using their local mainstream schools funding formula factors.

All LAs should review this calculation each year alongside their local formula to make sure that their schools' notional SEN budget is a realistic amount for meeting the costs of additional SEN support up to £6,000 per pupil, noting that any shortfall in this notional budget for particular schools where a standardised calculation does not work can be met from additional high needs targeted funding.

Further guidance can be found in the **notional SEN budget for mainstream schools: operational guide**.

Progression towards a direct NFF continues in 2024/2025

- Where local formula factor values do not mirror the NFF, LAs must move at least 10% closer to them.
- LAs must use the formulaic approach to allocating split-site funding.
- LAs must follow the new NFF requirements for growth and falling rolls funding.

Updates to the high needs funding formula for 2024-2025

The high needs NFF allocates high needs funding to LAs. This funding supports provision for children and young people with special educational needs and disabilities (SEND) from ages 0-25 years. It includes the funding delegated to special schools and alternative provision (AP) schools.

- The funding floor for 2024/2025 is set at 3%. This means that all LAs will receive an increase of 3% on their allocation per head of population, compared to their baseline funding. Baselines have been adjusted to include the additional high needs funding allocated to LAs following the 2022 autumn statement.
- The gains cap for 2024/2025 is set at 5% per head of population. This means that LAs can see an increase of up to 5% compared to their baseline (adjusted to include additional funding following the 2022 autumn statement)
- Special schools and AP receive their funding via the LA. The commissioned place rate for 2024/2025 remains at £10,000 per place. Top-up funding is determined locally.

- In the current funding year (2023-2024), LAs are required to pass on a proportion of the additional high needs funding (granted to align with the MSAG) to: maintained special schools, special academies, pupil referral units, and AP academies including maintained and academy hospital schools. This additional funding was equal to around 3.4% of an individual provider's budget. In 2024/2025, conditions of grant will require LAs to pass on the same level of additional funding to these schools. Details of this methodology are included in the high needs operational guidance: 2024/2025 which is available in full [here](#).

Teachers' pay additional grant (TPAG) for 2024-25

IMPORTANT: the calculation error mentioned earlier in this paper has had no impact on the TPAG for 2024-25.

Pre-16

TPAG will continue as an additional grant for mainstream, special, and AP schools in the funding year 2024/2025. This grant will be separate to the respective NFF allocations.

At the time of writing, we understand that the rates for 2024/2025 will be based on the 2023/2024 rates. Details of the methodology and rates for 2023/2024 are available [here](#). Remember that the 2023/24 rates are for a seven-month period from September 2023 to March 2024. On that basis, we can expect the rates for 2024/25 to be twelve-sevenths of the 2023/24 rate values.

Current details of TPAG conditions of grant, including for special schools and AP are available [here](#). This is the best information we have at the moment and could be subject to change for 2024/25.

16 -19

The ESFA has confirmed that additional funding for 16-19 provision (including school sixth forms) has been included in an uplift to the national funding rate for students in 2023/2024. We anticipate that this funding will be locked into the national funding rate for 2024/25 but at the time of writing, this has not been confirmed.

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