**Primary School Budget Shares 2024/25**

**Explanatory Notes**

***These notes should be read in conjunction with your budget share pack for 2024/25 to ensure that you fully understand the funding information provided for your school.***

**Foreword**

This guidance is aimed at providing School Business Managers, Head Teachers and Governors with an understanding of 2024/25 school budget shares. It also includes additional information on funding changes and cost pressures that schools should be aware of when planning their budget for 2023/24.

Covered in this guidance note:

* [Schools funding formula approach in 2024/2](#_Schools_funding_formula)5
* [Key changes for 2024/2](#_Key_changes_for)5
* [Cost pressures: pay and price inflation](#_Cost_pressures:_pay_1)
* [The budget share pack – a sheet by sheet explanation](#_The_budget_share)
* [Early years funding](#_Early_years_funding)
* [The growth fund](#_The_growth_fund)
* [Top-up funding for pupils with high needs](#_Top-up_funding_for)
* [Pupil premium grant](#_Pupil_premium_grant)
* [Other grants paid by the LA](#_Other_grants_paid)
* [The fair funding scheme of delegation](#_The_fair_funding)

I would also like to draw your attention to the Fair Funding Scheme of Delegation[[1]](#footnote-1) to which all schools must adhere; it sets out the financial relationship between the Local Authority and the schools it maintains.

I hope this guidance provides all the information you need, but please contact our funding team if you have any further questions about your budget share or grant funding. You can also contact your School Finance Officer or the Schools Helpdesk on 024 7683 3500.

I would like to take this opportunity to wish you every success for the year ahead.

Yours faithfully

Paul Hammond

**Lead Accountant**

**Schools Finance Team**

# Schools funding formula approach in 2024/25

The National Funding Formula (NFF) is currently in a ‘soft’ phase, meaning that the Department for Education (DFE) will run the NFF for each school, and then the total of the Coventry schools’ allocations will become the Schools Block DSG allocation for Coventry to use in its own formula.

As set out in the 2024/25 Fair Funding Consultation[[2]](#footnote-2) and following dialogue with Head Teacher groups and the Schools Forum, the LA has taken the decision to continue to mirror the NFF allocation levels and protection arrangements as closely as possible.

The Local Authorities Dedication Schools Grant (DSG) allocation is based on October 2022 census data but the funding that the Local Authority passes out to schools is based on the October 2023 census data. This means that where the cost of census data has increased each year, the LA is required to distribute more funding than it is required if it mirrors the NFF exactly and passes out the full Minimum Funding Guarantee (MFG). The MFG is a mechanism that protects a schools funding (per pupil) against its previous year’s allocation and in 2024/25 it must be set between 0%-0.5%.

The movement between the census data of October 2022 & October 2023 has resulted in an affordability issue of £600k. This means that allocations to schools had to be reduced in order to make the funding formula affordable.

This is done by setting the MFG at 0.42% (0.5% in 2023/24). This means that some schools will see their funding increase by 0.42% on a per pupil basis. Schools on the national funding formula will see an increase bigger than this.

All schools will see a proportional reduction in the level of increase they will see, not just schools on the MFG.

There is a second protection mechanism in the funding formula, and this ensures that all primary schools receive at least £4,610 per pupil.

For some schools the level of protection built into 2023/24 budget shares remains very significant. We wish to highlight that a pure national funding formula (without protection) would deliver significantly less funding to Coventry schools than in previous years – we strongly encourage you to identify your school’s level of Minimum Funding Guarantee protection from the ‘Budget Share Statement’ sheet in order to understand the *potential* future impact on your school if the protection was to be reduced.

To be clear, there is no detail yet on the level of funding available for schools from 2025/26. This means that there is also no detail on the level of protection that will be applied to school budgets post 2024/25; as any decisions related to this are closely linked to how the DFE utilises the future funding awarded to schools.

There is no finalised timescale for when the ‘hard’ NFF will be implemented. However, in the most recent DFE communication on the ‘hard’ NFF, the DFE expect to have moved to the ‘hard’ NFF by the 2027/28 funding year.

We will of course update you as further information on this becomes available.

# Key changes for 2024/25

The main changes that will affect primary school funding for 2024/25 are:

**School funding formula**

There are a number of formula changes set out below, however it is important to understand that for schools on the funding floor, the overriding mechanism for determining their 2024/25 funding level is the Minimum Funding Guarantee. This is because their protection level is higher than their pure formula allocation, and so changes to the formula factors or unit rates are unlikely to alter their protected allocation level.

You can identify if your school is on the funding floor as you will have a positive value on ‘MFG Protection’ line on your Budget Share Statement sheet. Schools who are not on the funding floor will have seen per pupil funding increases in excess of MFG level.

Funding factor changes

* + - The Minimum Per Pupil funding level increased by £205 to £4,610
		- Core formula factor values increased by 1.4% against 2023/24 levels.
		- Minimum per pupil funding has risen by 1.4%.
		- The minimum funding guarantee (MFG) protection rate has been set at +0.42% per pupil (a decrease of 0.08% compared to 2023/24 levels)

**Mainstream Schools Additional Grant**

In 2023/24 schools received the mainstream schools additional grant as a separate grant. For 2024/25 this grant has been mainstreamed into the DSG and as such now forms part of schools budget shares for 2024/25.

**Fair Funding Scheme of Delegation (FFSD) changes**

The FFSD is a contract setting out the financial relationship between the Local Authority and the schools it maintains. Following consultation with all schools, the following updates/additions to the scheme were made for 2024/25:

1. **Writing off Debts (Section 2.1.17)**

Amended to allow approval of writing off a debt of over £5,000 to be made by the Finance Manager for Children’s Social Care & Education rather than the Director of Finance & Corporate Services as was previously the case

1. **Proportion of budget share payable at each instalment (section 3.2.1) and Bank & Building society accounts (section 3.5.2)**

Rates & gas contracts are removed as examples of deductions that could be made from budget shares or costs that are managed by the centre due to changes in processes.

1. **School Responsibilities (section 12.1.3)**

Wording has been updated to show that capital works over £20,000 are still the schools responsibility unless they form part of the City Council’s condition capital programme of repairs. This is not a change to the policy, just a change to the wording to make the policy clearer.

**Pay & price increases**

There are also further pay and price inflationary pressures on school costs for the 2024/25 financial year. Details are set out in the cost pressures section 3.

# Cost pressures: pay & price inflation

**Teachers’ Pay & Pensions**

The Local authority is assuming a 3% increase in teachers pay from September 2024.

The Teachers’ Pension Scheme employer contribution rate for 2024/25 will increase by 5% to 28.68%. This increase is being funded by central government grant.

**Officers’ Pay and Pensions**

The Local authority is assuming a 3% increase from April 2024

The Local Government Pension Scheme (LGPS) employer contribution rate will continue to be 21.2% in 2024/25.

**Non-pay inflation**

The largest part of a school’s expenditure is staffing, so changes within that area of expenditure are by far the most significant, however the general inflation level will also affect other areas of expenditure within schools. For your information please note that the Retail Price Index All Items Excluding Mortgage Interest (RPIX) is currently running at 3.8%.

Even though non-staffing costs represent a smaller proportion of school expenditure, the levels of inflation currently being seen are a pressure, especially when considered against potential income increases on a per pupil level of 0.42% (could be higher if the school is on the NFF).

# The budget share pack

The budget share pack aims to set out your school’s share of Coventry’s Dedicated Schools Grant allocation for the forthcoming 2024/25 year. The pack consists of several sheets that provide details about how your share is calculated, along with some funding information about other grant funding provided by the Local Authority.

It is important to note that some of the figures within the budget share pack are shown as ‘indicative’ because they are expected to change during the year, mainly as a result of activity (i.e. delivery of Early Years entitlements, High Needs Top-up etc). These figures will be updated during the year as new data is available – an email will be sent to schools to inform of any changes.

The Summary of Funding sheet

This sheet brings together all the funding information within the other sheets in the pack (see below) as well as including additional information about expected grant funding. Not all grant allocations can be included here, but you will find the most significant ones as well as some provided directly by the LA (i.e. Growth Fund).

Budget Share Statement sheet

This sheet is the representation of the Fair Funding Formula which the LA uses to generate your funding allocation. The formula consists of 15 factors (such as Free School Meal Eligibility, Prior Attainment, IDACI etc) which have a set £ unit rate for all Coventry Schools for the financial year.

Your school’s allocation for each factor is determined by multiplying the unit rate by the number of units your schools had at the previous October census. i.e. 197 pupils eligible for Free School Meals x £492. In the case of factors with no unit rate (such as Lump Sum, Rates etc) your school’s allocation will be shown. All of these elements are summed to give the school’s ‘total formula factor funding’.

Once this total formula factor funding is known, two protection mechanisms are applied; ‘minimum funding level’ and the ‘minimum funding guarantee’ and then ‘de-delegation’ is removed (see below). This gives the School’s ‘Budget Share’ funding allocation.

If you have chosen to join the DfE Risk Protection Arrangement, the value of your 23/24 charge has been deducted from your budget share. This will be updated to the 24/25 charge when it is known.

In addition, for 24/25 the Business Rates funding allocation is deducted from your budget share to reflect that the DfE will be paying the local authority rates department directly and no funding will be received in the DSG allocation.

Minimum Funding Level sheet

The ‘minimum per pupil (MPP) funding level factor’ ensures that the school’s total funding is at least £4,610 per pupil. Where it is calculated that the school’s formula factor funding is less than this, an additional level of funding is provided to the school to fund the minimum funding level MFL shortfall.

Minimum Funding Guarantee sheet

The Minimum Funding Guarantee (MFG) is a protection mechanism which ensures a school’s per pupil funding is protected (on a % basis) from one year to the next. As this protection is per pupil, schools with falling/rising pupil numbers may still see overall decreases/increases in funding level. The MFG can also act to reduce a school’s budget share where they have seen an increase in funding and some of this needs to be top-sliced to afford the MFG protection of other schools.

For the past few years the MFG% has been a positive figure, meaning that schools must see at least that set % increase in per pupil funding. Previous to this there have been negative MFG% rates, which meant schools did not see deceases in per pupil funding by more than a set %.

The MFG sheet sets out the calculation that is performed to identify whether the school’s per pupil funding has changed by less than the specified ‘minimum funding guarantee protection level’. Where the schools per pupil funding is too low the value of additional funding is shown on the MFG Protection line (a positive figure). If a school has seen their increase top-sliced to support other schools, this is also shown on the MFG Protection line (a negative figure – which is shown in brackets).

De-delegation sheet

All maintained schools have the ability to pass back some of their delegated budget share to the Local Authority in order for them to provide a service centrally on behalf of all maintained schools. This pooling of funds is called de-delegation, and the decision on whether to do this is made each year by maintained representatives of the Schools Forum who vote on this. This decision applies to all maintained schools.

This sheet shows the funding that your school is contributing to de-delegated budgets, and shows the service that the delegation is for, as well as the basis for the deduction (i.e. £4 per pupil).

Further delegation info sheet

This sheet shows the total value of the budgets originally delegated to schools from the LA’s central budget in 2013-14, as well as the current total value of the de-delegation decisions agreed for this financial year.

EYSFF statement sheet

Where applicable, this sheet estimates the total Early Years funding that your school may receive during the year. The statement is a representation of the Early Years Single Funding Formula which calculates funding based on universal funding rates and the number of children and hours provided.

As Early Years funding is based on actual delivery the budget can never be finalised until the end of the financial year. This sheet is updated continually throughout the year once new take-up data is available. Your School Finance Officer will support you in making provision for any estimated increase or decrease in funding as the year progresses.

# Early years funding

Your indicative Early Years budget has initially been calculated based on the census information for 2023/24. This will be updated in March to reflect the current January census data as well as the Funding rates for the new financial year.

Your actual early years funding level will be based on the census count in each of these terms and schools will be notified of their updated early years budget once each termly count is finalised. This means that for schools with nursery provision, your overall budget share is likely to change during the year and will not be finalised until the end of the financial year.

Your School Finance Officer will support you in making provision for any estimated increase or decrease in funding as the year progresses.

The split in the number of term weeks for each financial year is calculated in line with term dates.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Summer** | **Autumn** | **Spring** |
| **2023/24** | 12 | 15 | 11 |
| **2024/25** | 12 | 14 | 12 |

During 2024/25 the extended early years entitlements come into effect. This means that in addition to existing early years entitlements, 2 year olds of working parents will be eligible for 15 funded hours per week from April 2024 and 9-12 month olds of working parents will be eligible for 15 funded hours per week from September 2024.

The hourly funding rates for 2024/25 are as follows:

9–23-month-old base rate - £10.19

9–23-month-old deprivation rate - £3.05

2-year-old base rate - £7.44

2-year-old deprivation rate - £2.23

3- & 4-year-old base rate - £4.93

3- & 4-year-old deprivation rate - £1.48

# The growth fund

The Growth Fund is a portion of the Dedicated Schools Grant (DSG) Schools Block which enables local authorities (LAs) to support schools with significant pupil growth which is not otherwise immediately recognised by the lagged funding system.

In Coventry the Schools Forum have chosen to use the Growth Fund to support schools to:

* + - Provide additional classes needed to meet the infant class size regulation. (i.e. Class Size funding)
		- Provide additional classes in agreement with the LA to meet pre-16 basic need growth. (i.e. Increasing Forms of Entry, Secondary Growth, Bulge Classes, Secondary Capacity)
		- Take significant numbers of new pupils outside the usual admissions window process (i.e. In-year Admissions).

Statutorily the Growth Fund also funds any schools that are classed as ‘new & growing’ schools, whose funding allocations are then calculated based on estimated pupil numbers rather than actual pupil numbers on the previous October census.

There are three elements of Growth Fund that are relevant for primary schools:

1. **Increasing Form of Entry** funding is designed to support a school or academy that has agreed with the LA to provide an extra class from the next September to support basic need (either as a bulge class or as an on-going commitment). This funding is used in the primary sector to fund Reception & Key Stage 1 only, ensuring compliance with the Admissions (Infant Class Sizes) Regulations[[3]](#footnote-3).

Funding is allocated based on the costs of a Teacher and a Teaching Assistant from the point that the new class is required, until the school’s next budget share comes into effect.

1. **Class Size** funding is provided to a school or academy where overall pupil numbers in Reception and Key Stage 1 (as at the previous October Census) attract less funding through the budget share than is needed to notionally fund the number of classes required.

This is to ensure that schools can adhere to the Admissions (Infant Class Sizes) Regulations.

1. **In-year Admissions** funding is provided to a school or academy where it has received in-year admissions (admissions due to basic need pressure in the previous calendar year) in excess of 23% of its number of YR-Y11 pupils (as recorded on the most recent October census). Pupils admitted to schools through the intake of new year group classes in September shall not be classified as in-year admissions for the purposes of this fund

Funding will be provided for each in-year admission in excess of the 23% threshold as defined above. This allocation covers the whole financial year.

1. **Bulge Classes** funding is provided to a school or academy where it agrees with the LA to provide a bulge class. Funding is calculated based on the cost of a teacher, teaching assistant plus 25% for overheads.

It is important to note that the operation of the individual elements of the growth fund is not guaranteed from year to year. The LA receives an allocation of growth funding from the DFE based on a formulaic approach that looks at pupil number growth in the previous year. As a result, it is possible in any year that the allocation given will not be sufficient to meet the demand.

In this case an approach has been agreed to increase various elements of the growth fund, in a specific order, so that priority is given to those elements of growth that are statutory, or where that type of growth drives the LA’s growth allocation from the DFE.

The detailed operation of each element of the growth fund, including the affordability methodology, is set out in the Schools Forum – Growth Fund report and its appendix[[4]](#footnote-4).

# Top-up funding for pupils with high needs

High Needs pupils are funded on a “Place-Plus” methodology. Under this approach schools are expected to fund the first £10k of the costs for high needs pupils from their budget share allocations – this is classed as the “Place” funding.

The Local Authority is required to fund the amount above the £10k from a centrally retained budget – this is classed as the “Plus” funding; it is referred to as High Needs top-up funding on your ‘Summary of Funding' sheet.

We are currently working on the High Needs budget setting process for 2024/25 so cannot publish the new year funding rates until this has been completed.

The funding is currently delivered through 2 banded models and is shown below at the 2023/24 funding levels:

1. A simple banded model that reflects 2 levels of need. Pupils with an EHCP equivalent to a band 5 or 6 statement are used as a proxy to delegate top-up funding to schools. The top-up funding rate for band 5 is £3,500 and for band 6 is £7,000. This is in place for pupils who were assessed prior to the revised banded model
2. A revised more sophisticated banded model which has 5 levels. New assessments will be placed on to the new model in 2024/25 along with pupils moving across at the point of annual reviews.

|  |  |
| --- | --- |
| M1 | £2,567 |
| M2 | £4,454 |
| M3 | £6,969 |
| M4 | £8,856 |
| M5 | £15,082 |

Top-up funding must follow real time pupil movements therefore the school’s indicative allocations will change if these pupils join/leave a school during the financial year.

The school’s indicative high needs top-up allocation is included in the Summary of Funding sheet for your reference. This is based on the number of pupils on the banded frameworks at each school in during 2023/24. This budget will be updated at the end of each term during 2024/25 to reflect actual pupil movements during that term.

# Pupil premium grant

Pupil Premium Grant (PPG) is separate government grant funding and is not part of the Coventry’s Dedicated Schools Grant which provides the majority of your funding. PPG allocations are based on the national 2024/25 allocation rates set out below, and apply to pupils in years R to 11.

* + 1. £1,480 per primary pupil in year groups reception to year 6 recorded as Ever 6 FSM. (Increase from £1,455 in 2023/24.)
		2. £1050 per secondary pupil in years 7 to 11 recorded as Ever 6 FSM. (Increase from £1,035 in 2023/24.)
		3. £340 per pupil recorded in the in year groups reception to year 11 recorded as Ever 6 service child or in receipt of a child pension from the Ministry of Defence. (Increase from £3335 in 2023/24.)
		4. £2,570 per Looked after child (LAC) defined in the Children Act 1989 as one who is in the care of, or provided with accommodation by, an English local authority. (Increase from £2,530 in 2023/24.)
		5. £2,570 per child Children who have ceased to be looked after by a local authority in England and Wales because of adoption, a special guardianship order, a child arrangements order or a residence order. (Increase from £2,530 2023/24.)

The indicative Pupil Premium allocation on your ‘Summary of Funding’ sheet includes allocations for the FSM Ever 6, Service Child and Adopted from Care PPG elements at 2023/24 unit rates, using October 2022 data. This will be updated and circulated in March.

No funding information has been provided for the ‘looked after children’ element of the Pupil Premium (see point iv above) as this funding is provided directly to you by the Looked After Children’s Education Service (LACES).

Final allocations may be different from the indicative figure given in your budget share pack and will be based on 2024/25 data once it has been checked and finalised by the DfE.

We will update the PPG allocations as soon as these are communicated to us during 2024/25.

Further information can be found on the DFE’s PPG guidance webpage[[5]](#footnote-5).

# Other grants paid by the local authority

* **Early Years Pupil Premium Grant**
	+ The early year’s pupil premium (EYPP) is additional funding for early years providers to improve the education they provide for disadvantaged 3 and 4 year olds.
	+ Further information can be found on the [EYPP\_Guidance](https://www.gov.uk/government/publications/early-years-funding-2024-to-2025) .
* **Universal Infant Free School Meal Grant**
	+ The grant is designed to support schools in delivering the legal requirement to offer free school meals, meeting the school food standards, to all their pupils in year groups’ reception, year 1 and year 2.
	+ Further information can be found on the [UIFSM\_Guidance](https://www.gov.uk/government/publications/universal-infant-free-school-meals-uifsm-2023-to-2024) .
* **PE & Sports Funding**
	+ The grant funding is to fund additional and sustainable improvements to the provision of PE and sport, for the benefit of primary-aged pupils, to encourage the development of healthy, active lifestyles.
	+ Further information can be found on the [PE & Sport guidance page](https://www.gov.uk/guidance/pe-and-sport-premium-for-primary-schools).
* **Schools Direct**
	+ This funding is provided to schools by the National College of Teaching and Learning (NCTL) to contribute towards the costs of training teachers on Schools Direct (salaried) courses.
	+ Further information can be found on the [Schools Direct guidance page](https://www.gov.uk/guidance/school-direct-guidance-for-lead-schools).
* **National Tutoring Programme – School Led Tuition**
	+ This funding is designed to extend the catch-up opportunity to pupils whose education was impacted the most by the COVID-19 pandemic by providing access to subsidised tutoring provision to 5-16 year olds
	+ Further information can be found on the [School Led Tutoring page](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1031705/School-Led_Tutoring_Guidance.pdf).
* **Recovery Premium**
	+ This funding provides additional funding to help schools to deliver evidence-based approaches for supporting disadvantaged pupils
	+ Further information can be found on the [Recovery Premium page](https://www.gov.uk/government/publications/recovery-premium-funding/recovery-premium-funding).
* **Teachers Pay Additional Grant**
	+ This funding provides funding to cover 3% of the 6.5% September 2023 teachers pay award.
	+ Further information can be found on the [Teachers Pay Additional Grant page](https://www.gov.uk/government/publications/teachers-pay-additional-grant-2024-to-2025/teachers-pay-additional-grant-2024-to-2025-methodology).

# The fair funding scheme of delegation

The fair funding scheme of delegation (FFSD) is a contract document setting out the financial relationship between the Local Authority and the schools it maintains.

It sets out the financial management requirements and responsibilities of Governing Bodies and their powers to delegate some of these responsibilities to the Head Teacher or to a governors sub-committee. It also sets out rules and arrangements that schools must abide by i.e. when agreeing contracts; planning changes to the school buildings; operation of community facilities etc.

It is important that Governors and schools are aware of the contents and requirements set out in the fair funding scheme of delegation. Any proposed changes to the scheme will be set out in the annual fair funding consultation before being ratified at Schools Forum in early Spring.

A copy of the scheme can be found at <https://www.coventry.gov.uk/downloads/download/3436/fair_funding_scheme_of_delegation>

1. <https://www.coventry.gov.uk/downloads/download/3436/fair_funding_scheme_of_delegation> [↑](#footnote-ref-1)
2. <https://www.coventry.gov.uk/fairfundingconsultation> [↑](#footnote-ref-2)
3. <http://www.legislation.gov.uk/uksi/2012/10/pdfs/uksi_20120010_en.pdf> [↑](#footnote-ref-3)
4. <https://www.coventry.gov.uk/meetings/meeting/536/schools-forum> [↑](#footnote-ref-4)
5. <https://www.gov.uk/government/publications/pupil-premium/pupil-premium> [↑](#footnote-ref-5)