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Dear Colleague

2024/25 School Funding & Budgets

DfE Revised 2024/25 Provisional National Funding Formula Allocations

On Friday, 6th October 2023, the Department for Education (DfE) provided notification that an error had been made by DfE officials in the school National Funding Formula (NFF) calculations for the 2024/25 financial year. The error related to forecast pupil numbers and results in the national average funding increase per pupil for the 2024/25 financial year being reduced from the DfE previously published figure of 2.7% to 1.9%. The DfE have provided revised 2024/25 provisional NFF funding allocations and operational guidance; this can be found at: [Pre-16 schools funding: local authority guidance for 2024 to 2025 - GOV.UK \(www.gov.uk\)](#)

Specifically for North Yorkshire, the resulting implications of the DfE error are a reduction of £3.87m in the provisional NFF funding allocation for the 2024/25 financial year. The provisional funding increase per pupil for the 2024/25 financial year has reduced from 2.76% to 1.86%. The final school funding allocation for the 2024/25 financial year for the local authority is expected to be provided by the DfE in December 2023 and will be based on the October 2023 school census data. Individual school budget allocations for the 2024/25 financial year will be issued in February 2024.

2024/25 North Yorkshire School Funding Consultation

The local authority is currently consulting schools and academies within North Yorkshire on funding arrangements for the 2024/25 financial year. The funding consultation questions are principle-based, and, in this respect, the local authority intends to continue with the consultation process. In recognition of the revised 2024/25 provisional funding allocation received from the DfE, the schedule providing indicative funding allocations at individual school level which was distributed through the local authority consultation has been updated to reflect the revised DfE figures (please see appendix 1). The consultation closing date will also be extended to Wednesday, 8th November 2023 (5pm). Any schools

and academies wishing to revise a consultation response that has already been submitted are requested to inform the Schools Finance to disregard their original response; this can be done by notifying: schoolsfinanceteam@northyorks.gov.uk.

The 2024/25 North Yorkshire School Funding Consultation can be found at:

<https://consult.northyorks.gov.uk/snapwebhost/s.asp?k=169519895788>

2024/25 School Budgets

The Local Authority requires schools to submit an updated three-year financial forecast for the period 2023/24 to 2025/26 by 31st December 2023. In respect of the forecast for the 2024/25 financial year, there is very limited information available, at this stage, in relation to pay awards and other cost increases. In this respect, the Local Authority recommends that schools consider using the following assumptions in their financial forecasts:

- Teaching Staff

Pay award cost provision of 3.5% is made from September 2024. This suggested cost provision assumes that 2024/25 school budgets will be expected to fund teaching staff pay award costs of up to 3.5% and that the DfE will provide additional separate grant funding for any teaching staff pay award costs in excess of 3.5%. Please note that whilst this has been the approach taken by the DfE for the 2023/24 financial year, at this stage, there is **no guarantee** of additional funding being provided by the DfE for this purpose for the September 2024 teachers pay award. Schools are recommended to note this risk in their financial forecasting considerations.

The employer contribution rates for the Teachers' Pension Scheme are subject to review from April 2024. At this stage, no information is available on the likely impact of any change. Again, schools are recommended to note this risk in their financial forecasting considerations.

- Non-Teaching Staff

Pay award provision of 6% is made from April 2024. This pay award assumption is being used by the Local Authority for budgeting purposes for the 2024/25 financial year. The final National Joint Council (NJC) 2024/25 pay award for non-teaching staff is subject to national negotiation and agreement and will not be confirmed until these processes have been completed. At this stage, the assumption is that no additional separate grant funding would be provided by the DfE in respect of non-teaching staff pay award costs for the 2024/25 financial year.

- Non- Staffing Costs

The NYC Energy Team have recently provided information on forecast energy prices for the 2024/25 financial year in the September 2023 NYES Energy Matters Newsletter. Schools are advised to consider this information in forecasting their 2024/25 budget.

Prices in respect of NYES traded services for the 2024/25 financial year will be published on 1st November 2023

In respect of other non-staffing costs for the 2024/25 financial year, schools need to consider their local context, resource requirements and general affordability. The Local Authority considers a general inflationary increase of 3% to be a reasonable assumption for these costs, at this stage, in the absence of any other local budgeting decision.

The updated 2024/25 funding rates and pay award assumptions have been loaded into the FMS Budget Planning System (BPS).

Please contact the Schools Finance Team – email: Schoolsfinanceteam@northyorks.gov.uk if you have any queries in relation to the content of this letter. The FMS Team are available to support schools in completing 2023/24 Revised Budget financial forecasts.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'H. Emmett', with a long horizontal flourish extending to the right.

Howard Emmett
Assistant Director – Resources