

To: Head teachers of all Lincolnshire maintained Nursery, Primary, Secondary and Special schools. Academy schools for information.

29 February 2024

Dear Colleague

SCHOOL BUDGET INFORMATION 2024/25

This letter and the associated documents are intended to provide the information that schools need to produce their budgets for 2024/25.

School budget shares information for 2024/25 is held on Lincolnshire County Council's external website at [School finances – School budget shares - Lincolnshire County Council](#)

Further information is available for maintained schools on budget preparation material (including the Medium-Term Finance Plans (MTFP), and guidance on completing the MTFP, salary scales and buyback information). This information is available in Perspective Lite under HR and Employment Policy > Schools Finance (was Finance) > Budget Shares 2024-25.

Mainstream Schools Funding

Schools will be aware that the Government implemented the National Funding Formula (NFF) for mainstream schools in 2018/19, which planned to deliver a fairer and more equitable settlement for each school. Since its introduction, Local Authorities (LAs) have continued to be responsible for agreeing and calculating schools funding allocations, however LAs were strongly encouraged to move to the NFF arrangements.

As part of the transition to the 'hard' formula all LAs were required to bring their own formula factor values 10% closer to the NFF in 2023/24. This has seen a further increase in LAs who are now mirroring the NFF, 106 out of 150 LAs mirrored the NFF in 2023/24. Lincolnshire is one of those LAs. Since the introduction, Lincolnshire has adopted the Government's NFF due to the increased per pupil funding levels that have been received. It currently remains the LA decision on setting its schools funding formula within the Department for Education's (DfE's) funding framework.

The 2021 Spending Review announced a three-year funding settlement for schools. This included the 2024/25 national school funding levels rising by £1.5bn to £56.8bn or a 1.9% increase in per pupil funding. The Autumn 2022 statement announced a further £2bn increase in funding (equating to an additional 3.4% increase in per pupil funding) in each of 2023/24 and 2024/25 to respond to increasing costs faced by schools, particularly through staff pay awards and utilities. The 2023/24 allocation was made through a separate grant (Mainstream Schools Additional Funding Grant), however for 2024/25, this funding will go through the NFF. In addition, a separate grant has been made to mainstream schools through the Teachers' Pay Additional Grant starting from September 2023. This will continue as a separate grant in 2024/25 (£0.8bn). Overall, core school budgets will be £59.6bn in 2024/25.

Table 1: Schools Funding Settlement

£ Bn	2022/23	2022/23	2023/24	2024/25
Spending Review 2019	49.80	52.20	52.20	52.20
Spending Review Settlement for 2022/23		1.60	3.10	4.60
	49.80	53.80	55.30	56.80
Autumn Statement 2022 (pay and utilities)			2.00	2.00
TPAG – teachers’ pay announcement			0.48	0.83
			57.78	59.63

Lincolnshire schools will receive an additional grant for 2024/25 to reflect the additional costs schools will incur from an increase in employer contribution rates to the teachers’ pension scheme from April 2024 to 28.68%, a rise of 5%. It is anticipated that funding will follow a similar methodology to the teachers’ pay additional grant (TPAG).

The LA Primary and Secondary Units of pupil funding used to finance mainstream schools’ budgets continue to rise in monetary value. Table 2 below outlines Lincolnshire's schools overall funding level for 2024/25 through the notional NFF compared to other Local Authorities.

Table 2: LA aggregated schools' notional allocations under the NFF

2023/24	Lincolnshire's Unit of Funding	England National Average	Difference	Rank
Primary	£4,933	£5,014	-£81	103
Secondary	£6,216	£6,542	-£326	54
2024/25				
Primary	£5,278	£5,281	-£3	104
Secondary	£6,552	£6,879	-£327	56
Difference				
Primary	£345	£267	£78	1
Secondary	£336	£337	-£1	2

The primary and secondary ranked positions for Lincolnshire continue to remain fairly static from a national context for 2024/25. The primary unit of funding has moved closer to the England national average. The secondary unit of funding remains below the England national average, as a result of the indices being used.

The fundamental principles of the Government’s NFF are not changing for 2024/25. The Council continue to approve the continued application of the NFF, including the 2024/25 measures to address the affordability issue (I030814).

The main reason that causes Schools block affordability challenges relates to the Government’s application of lagged funding arrangements for LA Schools block funding for pupil-led factors (i.e. the DfE uses the October 2022 schools census). The LA is required to fund mainstream schools 2024/25 budgets using the latest schools census (October 2023).

The October 2023 schools census has continued to see growth in both Free School Meals (FSMs) and FSMs Ever 6 with the cost of living challenges being a contributing factor to this. The increase in the recorded FSMs eligibility is 2.73% and 11.47% for primary and secondary schools respectively when comparing to the October 2022 schools census.

The FSM growth has been a contributing factor to the affordability gap shortfall of £1.459m to adopt the NFF in its entirety including a 0.50% Minimum Funding Guarantee (MFG). The Council is unable to set an affordable formula therefore the following steps have been taken, which received Schools' Forum committee support on the 18 January 2024 and Executive Councillor decision approval on the 7 February 2024:

1. To reduce the Schools Growth funding budget within the Schools block from £2.674m (funded by central Government through a formulaic allocation using prior school level growth data) to £1.438m, which aligns to current commitments, and the remaining £1.236m supporting the NFF.
2. The remaining shortfall of £0.223m has been addressed through a downward adjustment of 0.072% of the Key Stage Age Weighted Pupil Unit (AWPU) values from the Government's NFF rates in 2024/25.

In summary, the Council plan to adopt the NFF factors and monetary values in 2023/24 except for a 0.072% downward adjustment to the AWPU NFF rates in the primary and secondary sectors. Local factor values within the +/- 2.5% of the respective NFF values are deemed to be mirroring the NFF.

The key updates of the NFF for 2024/25 are outlined within appendix 1: section Mainstream Schools National Funding Formula.

Dedicated School Grant funding

The Dedicated School Grant (DSG) comprises of four blocks: – Schools block; Central School Services block (CSSB); Early Years block, and High Needs block, each of these blocks have been determined by a separate NFF.

The DSG remains a ring-fenced grant that can only be used in accordance with the School's and Early Years Finance (England) Regulations. The Schools block that provides aggregated schools funding to Lincolnshire schools is ring-fenced to the sector and is distributed through the NFF. LAs are able to transfer up to 0.5% of their Schools block to an alternative block with the agreement of their Schools' Forum following consultation with all schools and academies. No proposals were put forward by the LA for 2024/25.

The Government is continually moving to a basis for distributing funding to LAs for children and young people with high needs, taking into account an up-to-date assessment of the level of need in each area as opposed to funding on the basis of historic spending. The High Needs block allocation is £131.047m for 2024/25, an increase of £4.623m. LAs will be protected under the formula by seeing a minimum increase of 3% per head in 2024/25 compared to their 2023/24 High Need block allocation. To ensure Lincolnshire receives its 3% per head funding uplift, in addition to the national high needs formula, it will receive protection funding of £7.527m (or £51.20 per pupil) within the funding allocation.

There continues to be an increasing number of LAs who are incurring a deficit on their overall DSG, largely with the High Needs block being the contributing factor. The total SEND deficits across Council's in England was estimated to be £2.3bn at the end of 2022/23 by the Association of Directors of Children's Services. The DfE acknowledges the challenges the system is facing, and the SEND Green paper acknowledged the unsustainable SEND system and considers ways to address this. The Special Educational Needs and Disabilities (SEND) and Alternative Provision (AP) Improvement Plan Right Support, Right Place, Right Time (published in March 2023) is the mechanism for implementing change.

The funding increase of 3% per head is modest in 2024/25 (compared to prior year settlements) and will place significant pressure on Lincolnshire in managing the cost demands within its 2024/25 allocation. Medium-term financial planning is indicating a material in-year overspend for 2024/25 in light of demand and price changes, which is the first year a budget deficit is being forecast. This forecast in-year overspend would need to be met from available reserves to provide a balanced budget. This, however, is not a sustainable solution. LAs, such as Lincolnshire must ensure careful management of the DSG takes place to avoid overspending of the DSG.

During 2023 Lincolnshire has seen the overall number of Education Health Care (EHC) plans increase by a further 7.8% (7,500); requests for an EHC plan assessment has increased by 32.5% from 2022, and Lincolnshire issued a further 1,073 new EHC plans in 2023, which is a 30% increase. This demand is unprecedented and current activity appears to show this trend continuing, which is an obvious concern from a financial perspective. Important and difficult decisions will be required to ensure Lincolnshire avoids overspending its DSG.

Early Years funding

The Government announced an expansion of funded childcare to support parents back to work with a child under 3 years. The introduction of a new national funding formula covering both the existing 2-year-old entitlement for disadvantaged children and new working parent entitlements is to be introduced in 2024/25 for 2-year-olds and children aged 9 months to 2 years.

By September 2025, working parents of all children over the age of nine months until they start school will be entitled to 30 hours childcare support. This will be rolled out in phases.

- From April 2024, eligible working parents of 2-year-olds will be able to access 15 hours of childcare support.
- From September 2024, 15 hours free childcare will be extended to eligible working parents from the age of nine months to 3-year-olds.
- From September 2025, eligible working parents with a child from nine months to school age will be entitled to 30 hours of free childcare per week.

Further information on the 2024/25 early years funding is outlined within appendix 1: section Early Years National Funding Formula.

Special Schools funding

The LA is confirming that the existing principles and formula for funding Lincolnshire special schools will continue in 2024/25. The LA considers the formula to be strong and fit for purpose and adaptable to the changing landscape of pupil needs. The formula will support inflationary cost rises facing the sector. Further information on the 2024/25 special schools funding formula is outlined within appendix 1: section Special Schools Funding Formula.

Summary

Budget information for nursery, primary, secondary, and special schools have been published today in line with the DfE regulations.

Appendix 1 to this letter highlights a number of key points for schools to consider.

I hope you find the contents helpful.

Yours sincerely

Mark Popplewell BSc (Hons) FCCA
Strategic Finance Lead - Children's Services

Mainstream Schools National Funding Formula (NFF)

Lincolnshire County Council is to continue adopting the National Funding Formula (NFF) factors and monetary values in 2024/25 except for a 0.072% downward adjustment to the Age Weighted Pupil Units (AWPU) NFF rates in the primary and secondary sectors.

The key updates to the NFF in 2024/25 are as follows:

- Free School Meals (FSMs) will increase by 1.6% in line with the GDP deflator forecast for 2024/25;
- AWPU values will increase by 1.37% in monetary value from the prior year value before the rolling in of the Mainstream Schools Additional Grant;
- All other key formula factors will increase by 1.4% in monetary value;
- A positive Minimum Funding Guarantee (MFG) of +0.50% per pupil protection. The MFG range is between +0.0% and +0.50% per pupil in 2024/25;
- No gains ceiling cap;
- The minimum per pupil funding levels will be set at £4,610 for primary schools and £5,995 for secondary schools;
- Mainstream Schools Additional Grant funding that schools received as a separate grant in 2023/24 will be rolled into the NFF in 2024/25 including the funding being added into the schools 2023/24 baseline funding for MFG purposes;
- Continuation of the 'prior' methodology for the payment of Non-Domestic rates, in that billing authorities will issue bills directly to schools who will receive funding within their budget. For the 'new' payment methodology to be implemented all billing authorities must be in agreement to adopt the new process which has not been the case in Lincolnshire;
- Following the second consultation on the transition to the 'direct' NFF, a national formulaic approach to split site funding will be introduced, replacing the previous LA-led approach. This will be a compulsory factor. The split site factor targets extra funding to schools which operate across more than one site. The factor will be made up of two parts: basic eligibility entitlement (where schools will receive a lump sum for each of their additional eligible sites) and a distance funding entitlement (schools will receive this funding if the eligible sites are separated by more than 100 metres (by road distance) from the main site). Funding changes from year to year will be considered within the MFG.

School funding for 2024/25 is based on the October 2023 pupil census for mainstream schools and academies. The key components of the NFF are as follows:

- To differentiate basic per-pupil funding between key stages by maintaining stepped rates between primary, key stage 3 and key stage 4, to reflect the higher costs as pupils progress.
- To maximise the proportion of funding allocated to pupil-led factors;
- Local Authorities must allocate at least 80% of the delegated schools block funding through pupil-led factors in 2024/25;
- The lump sum rate of £134,400 is applied for all schools. The Government has set the lump sum in the context of maximising pupil-led funding and encouraging efficiency;
- The minimum per pupil funding level for each sector are a mandatory factor.

The Council has provided reports to the Schools' Forum on the NFF developments since 2018/19, which can be found through the link below. It is important that schools read these reports to understand the background and direction of travel to enable schools to plan financially for the future.

[Lincolnshire's Schools Forum Agenda and Minutes](#)

Early Years National Funding Formula

Lincolnshire's universal 3- & 4-year-old hourly rate per pupil will be increased to a new rate of £5.03p (£0.03p being met from the DSG reserves) in 2024/25. The same hourly rate will be applied for the universal free entitlement (up to 15 hours) and the additional hours for working families up to 30 hours. Funding will continue to be based on participation. The funding formula continues to have the mandatory deprivation supplement and SEN inclusion fund to target resource to vulnerable groups. Lincolnshire meets the pass-through threshold established by the Government of ensuring that at least 95% of early years funding is passed onto providers. Lincolnshire is however one of 46 out of 151 LAs funded on the minimum funding rate.

On the 18 January 2024, a Schools' Forum report was presented on the early year's national funding formula, which can be found from the link below:

[Early Years Funding Formula 2024/25 - Schools' Forum Paper](#)

The new hourly rate for disadvantaged and working families 2-year-olds has been established at £7.08p in 2024/25. The 2-year-old offer provides childcare up to 570 hours per year for eligible children in 2024/25. A deprivation supplement is to be applied for the children accessing under the disadvantaged criteria of £0.18p per hour per child.

From September 2024, a new national funding formula for working parents for children aged 9 months up to and including 2 years will start. Lincolnshire's funding for under 2-year-olds will be £9.71 per pupil per hour.

A key decision (I030817) was taken by the Council to establish the new funding formula rates for early years entitlement.

Early years funding will continue to be allocated on a monthly basis using the number of eligible hours each child receives. The Early Years Provider Hub is the online system being utilised by all early year providers to ensure accurate and up to date claims are submitted to ensure payments are correctly made.

Lincolnshire is to be funded at the minimum hourly funding level for maintained nursery schools (MNS) supplementary funding for 2024/25. This funding is above the universal hourly rate for providers to recognise the additional costs incurred by a school setting. The MNS supplementary rate allocated through the formula to MNS will continue to be applied to both the 15 hours universal entitlement and the extended hours.

The MNS supplementary funding rate is £3.39p per pupil per hour for 3- & 4-year-old entitlement for 2024/25. The overall MNS funding rate is £8.42p (including the £5.03p universal rate) for 2024/25.

Special Schools Funding

Lincolnshire's special schools funding formula will remain in place for 2024/25. The current funding formula is underpinned by key cost drivers and their costs based on theoretical school models. The Council considers the formula to be strong and fit for purpose and adaptable to the changing landscape of pupil needs. The formula will continue to support inflationary cost rises facing the sector across the various formula factors (staffing block, non-staffing block, pupil band values). Budget sustainability is important for the sector including the formula supporting inflationary cost rises caused by energy prices and staff pay awards.

The formula determines overall indicative funding for the 2024/25 financial year before being presented through the DfE's place and top up arrangements.

The following updates for 2024/25 include:

- Revised place numbers for the new academic year (2024/25) and updated pupil moderations will be incorporated into the special schools budgets.
- Band monetary values will increase to reflect latest pay scales.
- School size thresholds will be revised upwards to reflect the percentage increase in pupil band monetary values in 2024/25. This is to ensure a like-for-like comparison can be applied, when determining a school size, which supports the fixed costs of a school through its staffing and non-staffing blocks.
- The staffing block will increase to reflect latest pay scales, and the non-staffing block will increase to reflect energy price assumptions and 1.4% increase for all other non-staffing costs.
- The DfE (DSG Condition) requirement to fund the same place amount as in 2023/24, determined through the 3.4% mechanism will continue outside the core special schools funding (place and top-up).
- The DfE MFG is +0% comparing 2023/24 funding levels to 2024/25. This is to be based on a like-for-like comparison with a special school's overall budget in 2023/24. Using the 2024/25 formula factor values and 2023/24 pupil data, the total budget is required to be +0% from the published 2023/24 funding levels. All special schools funding passed this test.

School Reorganisations

Primary, secondary, and special school policies are in place to provide a formalised approach to the funding of school reorganisations by sector to support the LAs statutory duty to provide sufficient school places for the children of Lincolnshire. The policy seeks to address situations when, as part of its strategic planning of school places, the LA asks a school / academy to take in additional pupils above the planned admission number (PAN) temporarily or expand permanently.

The school reorganisation policies can be found using the following link (handbooks and guidance section):

[School Reorganisation Policies](#)

Teachers' Pay Additional Grant (TPAG)

The DfE provided schools with additional funding to support September 2023 teachers' pay awards. The TPAG will continue as a separate grant for 2024/25. School level allocations will be notified in May 2024.

The base funding rates for 2024/25 will be:

- a basic per-pupil rate of £62 for primary pupils, including pupils in reception
- a basic per-pupil rate of £86 for key stage 3 pupils
- a basic per-pupil rate of £98 for key stage 4 pupils
- a lump sum of £2,306
- a FSM6 per-pupil rate of £53 per eligible primary pupil
- a FSM6 per-pupil rate of £77 per eligible secondary pupil

This funding will form part of the NFF from 2025/26. Further details are available at:

[Teachers' pay additional grant for 2023 to 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Special schools will continue to receive TPAG through the DfE methodology of £446 per place in 2024/25, as adopted in 2023/24 from September 2023 (£260). Designated nursery classes and maintained nursery schools have received an increase in their hourly rates to meet this additional cost.

Pupil Premium for 2024/25

Pupil Premium will continue for 2024/25 financial year. Funding rates will increase compared to the prior year:

1. £1,480 per primary pupil who is currently eligible for free school meals (FSM) or have been eligible for FSM in the past 6 years (except where the pupil is allocated the LAC or post-LAC premium).
2. £1,050 per secondary pupil who is currently eligible for free school meals (FSM) or have been eligible for FSM in the past 6 years (except where the pupil is allocated the LAC or post-LAC premium).
3. £2,570 for Looked-after Children. Eligibility criteria includes those pupils who are in the care of, or provided with accommodation by, an English LA defined in the Children's Act 1989, or; have left care under a special guardianship order, a residency order, a child arrangement order, or because of adoption.
4. £340 per pupil for Service Premium. Eligibility criteria includes one parent serving in the regular armed forces.
5. £0.68 per hour early years pupil premium for each eligible three and four-year-old up to the full 570 hours of free education entitlement. For 2024/25 EYPP will be extended to all 2-year-olds and under, accessing the entitlements and meeting the eligibility criteria.

The October census will continue to be used as the point upon which the allocations are based. Notification of allocations will be announced in the new year. Further details are available at:

[Pupil premium - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Other School Grants

At the point of publishing school budgets, the Government has not provided LAs with updates to a number of 2024/25 school grant allocations. When further information becomes available, updates will be provided to schools through the Schools Bulletin.

Primary PE and Sport Premium

The Primary PE and Sport premium is in place for the current academic year 2023/24. The Government will provide details on the academic year 2024/25 funding arrangements in due course. It is assumed funding will remain at the same rates as 2023/24. Any allocation unspent at the end of this academic year (31 July) will be recovered by the Education Skills Funding Agency (ESFA).

Government guidance for 2023/24 is available at:

[PE and sport premium for primary schools - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Universal Infant Free School Meals (UIFSM)

The grant for Universal Infant Free School Meals (UIFSM) funds a meal rate of £2.53 for the 2023/24 academic year. This allocation assumes that pupils will take 190 school meals over the academic year, providing £481 per eligible pupil. The Government will provide details on the academic year 2024/25 funding arrangements in due course.

Government guidance for 2023/24 is available at:

Universal infant free school meals (UIFSM): 2023 to 2024 - GOV.UK (www.gov.uk)

Recovery Premium

The Recovery Premium grant is part of the Government's package of funding to support pupils whose education has been impacted by coronavirus. Four payment instalments are being made across the 2023/24 academic year. The final payments will be made to schools in April and July 2024. It is a time-limited grant and is focused on pupil premium eligible pupils, so that schools can use it to deliver evidence-based approaches for supporting pupils based on an assessment of individual need. Any allocation unspent at the end of the academic year will be recovered by the ESFA.

Government guidance for 2023/24 is available at:

[Coronavirus \(COVID-19\) recovery premium 2023/24: conditions of grant for local authorities - GOV.UK \(\[www.gov.uk\]\(http://www.gov.uk\)\)](#)

School-Led Tutoring

School-Led Tutoring funding is part of the Government's education recovery plan. The grant allows schools to determine how to provide tutoring intervention to support catch-up for lost education due to the coronavirus pandemic. The 2023/24 academic year grant will provide 50% of the £18 unit cost. The final allocation of the grant will be paid in April / May 2024. Any allocation unspent at the end of the academic year will be recovered by the ESFA.

Government guidance for 2023/24 is available at:

[National Tutoring Programme \(NTP\) grant funding: conditions of grant for 2023 to 2024 academic year - GOV.UK \(\[www.gov.uk\]\(http://www.gov.uk\)\)](#)

Holiday Activities and Food Programme (HAF)

The HAF programme in Lincolnshire will continue until at least March 2025. The purpose of the programme is to provide holiday provision for children who receive benefits-related free school meals in the Easter, Summer, and Christmas.

Further details can be found using the following link:

[Holiday Activities and Food Programme – Lincolnshire County Council](#)

Public Sector Pay

Discussions with Unions are ongoing regarding the pay award for support staff for 2024/25. The LA recommends budgeting for a provisional 4% pay increase in 2024/25 for financial planning purposes.

It is recommended to budget pay awards for future years as follows:

- April 2025 – 3.5%
- April 2026 – 3%
- April 2027 and April 2028 – 2.5%

This is consistent with the approach the Local Authority has applied in setting their budgets.

Budget preparation guidance notes explain how to budget for this within the MTFP. Pay scales do not build in future pay offers.

National Living Wage Increase

The National Living Wage (NLW) will increase by 9.79% from £10.42 to £11.44 per hour from April 2024 for low-paid workers. The Low Pay Commission expects the £11.44 to meet the Government's target of two-thirds of median earnings for those aged 21 and over by 2024. The salary scales ensure the lowest scale point meets the NLW level.

Employer Pension Contribution Rates (Teaching staff)

The teachers' pension rate will increase from 23.68% to 28.68% in April 2024. This has been reflected in the MTFP. The DfE has announced that schools will receive an additional grant for 2024/25 to reflect the additional costs schools will incur from an increase in employer contribution rates to the teachers' pension scheme for April 2024 of 5% to 28.68%. Further details will be announced in due course; however, it is anticipated that funding will follow a similar methodology to the TPAG, both for mainstream schools and special schools.

Managing Change / School Redundancies

The maintained primary school representatives on the Schools' Forum have continued to vote to de-delegate a budget for 'schools in financial difficulty' for 2024/25.

No such budget was retained for maintained secondary schools as they did not have sufficient critical mass, or for nursery schools and special schools, therefore these schools will be required to finance the total cost of redundancy payments.

The Staffing Reduction Panel will therefore continue to meet to carefully consider maintained primary schools' applications to access the 'schools in financial difficulties' budget. Schools will need to demonstrate that without implementing its proposed staffing reductions it will fall into a deficit within two years. Only then will this budget contribute to the redundancy costs.

The financial contribution that maintained primary schools will be required to make towards redundancies (if they meet the 'schools in financial difficulties' criteria) will be the first £5,000 of the total cost of every redundancy; or 50% of the total cost of every redundancy, whichever is the greater, subject to a maximum of overall redundancy costs of 2.5% of the school's budget share for the financial year.

The Panel is happy to consider the proposals from other maintained school sectors; however, those redundancy costs will need to be met by the school.

It continues to remain important for schools to regularly monitor their spending against the budget (current and future years), to enable timely decisions to be made by the school. Scenario planning by the school is encouraged to support this process.

De-Delegation budgets for 2024/25

As detailed above, the maintained primary schools' representatives of the Schools' Forum have voted to continue to de-delegate a number of budgets in 2024/25.

The de-delegation rate for 2024/25 is £37.17 to support termination of employment costs for schools in financial difficulties; school improvement locality lead support and intervention funding, and the Ethnic Minority and Traveller Education Team (EMTET).

Devolved Formula Capital (DfC) for 2024/25

The Government has not published information on DfC for 2024/25. It is assumed that the same allocations methodology will be applied as the current financial year, which will provide funding to schools to maintain their buildings and fund small scale capital projects.

The 2023/24 DfC allocations to schools are based on pupil numbers using the latest January school census data multiplied by the pupil rate. A lump sum of £4,000 has been provided together with a per pupil sum of: £11.25 for nursery and primary schools; £16.88 for non-boarding secondary schools, and £33.75 for boarding schools, special schools / alternative provision schools.

Voluntary Aided (VA) schools are required by law to make a 10% contribution of their total DfC allocation therefore, only 90% of the allocation is provided for these schools by the DfE. However, as VA schools do not have access to any VAT refund scheme for their capital costs, the DfC allocation paid to these schools includes an element of funding for VAT (20% of 90%).

Further details on school capital funding are available at:

<https://www.gov.uk/government/publications/capital-allocations>

LA School Carry Forward policy

The LA's school carry forward policy states that primary and special schools may retain for any purpose, up to 8% of their budget shares, or £30,000 (whichever is greater). The corresponding figure for secondary schools is 5%, or £30,000 (whichever is the greater). The figure for nursery schools is 10%, or £30,000 (whichever is the greater). Additional sums can only be retained for specific, time limited, costed, capital projects that are consistent with the priorities set out in the school's Asset Management Plan.

Schools with excess balances at 31 March 2024 will be required to complete a template outlining their plans for the use of those funds (in line with the policy). A declaration form completed by the head teacher will be required confirming this has taken place each year, if applicable. The LA will adopt sample checking with schools on compliance with the policy going forward.

It is sensible for schools to retain a reasonable level of reserves (subject to the carry forward levels), and this should be considered as part of each school's budget setting, service planning and MTFP work.

Scheme for Financing Schools

The scheme sets out the financial relationship between the LA and the maintained schools that it funds. It contains requirements relating to financial management and associated matters, which are binding on both the LA and on schools. There are no scheme changes for 2024/25.

The scheme applies to all maintained schools and is available on the below link:

[Lincolnshire's Scheme for Financing Schools](#)

School's Medium Term Finance Plan (MTFP)

The LA will again ask schools to submit their MTFP by the 31 May 2024 to the Schools Finance Team. When submitting the document, the head teacher and Chair of Governors must be copied into the email. Approval of the budget should be minuted at the Full Governors Meeting. On the Summary tab of the MTFP there is a mandatory field to complete stating the date the MTFP has been approved by Governors. The Schools Finance Team will undertake a high-level review of the school returns and provide feedback to individual schools on its findings in the summer term. We believe this approach continues to assist schools with strengthening their financial management.

The MTFP continues to be enhanced and further refinement has taken place in the 2024/25 MTFP version, which makes it a very comprehensive and important document for schools to manage its financial arrangements and support decision-making over the next 5 years, particularly during these challenging times. There have however been no fundamental changes to the MTFP for 2024/25.

Schools are encouraged to undertake financial benchmarking regularly to identify areas of potential efficiencies. The DfE Schools Financial benchmarking tool helps with this process:

[Schools Financial Benchmarking - GOV.UK \(schools-financial-benchmarking.service.gov.uk\)](https://schools-financial-benchmarking.service.gov.uk)

Schools are not permitted to overspend without the prior approval of the LA; therefore, adopting the following practices will help schools reduce the risk of overspending:

- Setting a detailed, balanced, and realistic budget at the start of the financial year.
- Monitoring expenditure against the budget each month to identify material variances.
- Projecting the forecast spend for the year-end position (including for every member of staff) at least three times and entering the forecast on the finance system.
- Taking timely action to address potential overspendings.
- Considering the schools financial position beyond the next financial year, having regard to pupil number changes. Maintaining an up-to-date MTFP remains a vital activity.

It is important that schools are familiar with the LA Monitoring & Intervention Policy including the recommended best practice:

[Lincolnshire's Monitoring & Intervention Policy](#)

Schools Financial Value Standard (SFVS)

The SFVS is a mandatory annual return for schools to complete, which is designed to help schools manage their finances and to give assurance that they have secure financial management in place.

The checklist asks questions of governing bodies in 6 key areas of resource management:

- Governance
- School Strategy
- Setting the annual budget
- Staffing
- Value for Money
- Protecting public money

Schools can access the Dashboard through the schools Financial Benchmarking website.

To provide greater assurance to the LA regarding the responses provided to some questions, the LA will require evidence attaching to your SFVS.

Maintained schools are required to evidence that they have arrangements in place to manage related-party transactions. Schools are also required to submit a completed related-party transactions template which records any applicable contracts and agreements that are live in the year. The LA has a duty to oversee and advise on related party transactions.

The SFVS has not been published by the Government for 2024/25. The LA does not expect changes to the 2024/25 process. A LA communication will follow including timescales for submission of the 2024/25 SFVS.

[Schools financial value standard \(SFVS\) and assurance statement - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Sickness Insurance Scheme for 2024/25

The premium and reimbursement rates are currently being calculated and will be communicated to schools shortly.

The application form and employee template, like last year, will be included as part of the Sickness Insurance Scheme Template document. Schools will receive an email when the template is ready. Applications must be based on the staffing levels as at 16 April 2024, i.e. the first day of the summer term.

Lincolnshire's Finance Buyback charges for 2024/25

The LA is finalising the Finance Buyback charges for 2024/25, which will be shared with schools shortly. The service is a non-profit making service and is primarily a staffing-led model.

As in previous years', a schools' current level of service will rollover into 2024/25. Should schools wish to discuss upgrading to a higher level of service or wish to discuss the different levels of service please contact:

sbss@lincolnshire.gov.uk

Charges will be based on the October 2023 schools census.

Financial Training (Budget Preparation Courses for maintained schools)

The Schools Finance Team will be running its annual budget preparation courses through MS Teams. The sessions are taking place in March 2024. These are half day sessions with 2 sessions running per day.

Virtual sessions have availability on the following dates:

- 04/03/2024 AM/PM Monday
- 07/03/2024 AM/PM Friday
- 12/03/2024 AM/PM Tuesday
- 15/03/2024 AM/PM Friday
- 21/03/2024 AM/PM Thursday

To book onto one of the courses please email the following address:

Schools_Fin_Training@lincolnshire.gov.uk

Licences

The Government continue to purchase a single National Copyright Licence managed by the DfE for all state-funded schools (including nursery schools) in England. The cost continues to be met from the Central Schools Services Block of the DSG; therefore, schools no longer pay for them directly.

For 2024/25 the licences covered by the central arrangement are:

- print and digital copyright content in books, journals and magazines (Copyright Licensing Agency (CLA)),
- printed music (Schools Printed Music Licence (SPML)),
- copyright content in newspapers and magazines (the Newspaper Licensing Agency media access (NLA) licence),
- recording and use of copies of radio and television programmes, including from a number of catch-up services (the Educational Recording Agency (ERA) licence),
- the showing of films (the Public Video Screening Licence (PVSL) and Motion Picture Licensing Company (MPLC) licences),

- payments for musical performances of covered work (Performing Right Society for Music (PRS);
- playing recorded music (Phonographic Performance Ltd. (PPL)),
- rights to make CDs and DVDs containing copyright music (the Mechanical Copyright Protection Society (MCPS)), and
- hymns and other Christian music (Christian Copyright Licensing International (CCLI)).

Keeping up to date on developments

All schools are encouraged to keep up to date with further developments in school funding arrangements by reading reports that are presented to the Schools' Forum at its four meetings (in January, April, June, and October) each year. The reports are available in Committee Records on LCC's website by following the link below:

[Committee details - Lincolnshire Schools' Forum \(modern.gov.co.uk\)](http://modern.gov.co.uk)

Also, useful information is available to support schools in managing their finances at the following link:

[School finances – School budget shares - Lincolnshire County Council](#)

[Financial information and guidance are also available on Perspective Lite under HR and Employment Policy > Schools Finance.](#)

Contact details

Should you wish to discuss any particular aspect of this pack of information, please refer to the named contact officer(s) on the relevant letter, or contact colleagues in the Local Authorities Finance Team:

Overall Schools Funding

Mark Nunn, Senior Finance Technician: mark.nunn@lincolnshire.gov.uk
 Adam Emson, Senior Finance Technician: adam.emson@lincolnshire.gov.uk

Early Years Funding Formula

Patrick Heppenstall, Finance Team Manager: patrick.heppenstall@lincolnshire.gov.uk
 Will Hewing, Trainee Accountant: will.hewing@lincolnshire.gov.uk

Special Schools Funding Formula

David Leonard, Finance Team Manager: david.leonard@lincolnshire.gov.uk
 Sue Bainbridge, Senior Finance Technician: susan.bainbridge@lincolnshire.gov.uk

Alternatively, please contact the Schools Finance Helpdesk on: schools_finance@lincolnshire.gov.uk

For individual high needs pupil level detail queries, please contact the SEND team on 01522 554682 or SENFinanceproject@lincolnshire.gov.uk