

Appendix E Formula factors used in setting the 2024/25 Budget.

The formula factors to be used for next year's funding are summarised here in Table 2.

Table 2. Formula factors used in Croydon 2024-25. Rule changes noted in green below.

Para No.	Formula factor	Approval type -2023/24
E.1	Minimum per pupil funding	To note (compulsory factor)
5.3	Age weighted pupil unit (Basic Entitlement)	To note (compulsory factor)
5.4	Deprivation - IDACI	BAND B to F - NFF was applied last year (NFF) BAND A – Above NFF rate was applied.
5.5	Deprivation – FSM & FSM6	NFF was applied last year.
5.6	Low prior attainment	NFF was applied last year
5.7	English as an additional language	NFF was applied last year
5.8	Lump Sum	To agree (local factor of £142,000 used last year) which is close to NFF)
5.9	Mobility	NFF was applied last year.
5.10	Private Finance Initiative – base rate increase	To agree but optional factor. The agreed amount paid for the last three years was £547k.
5.11	Minimum Funding Guarantee	To agree (compulsory) and part of the DfE Model
5.12	<i>Growth (Primary growth factor value* New DfE minimum funding level / value payable per pupil to schools)</i>	<i>Criteria for growth and no change expected on agreed rate for 2024/25. Primary growth factor value* (£1,550 × number of pupils × ACA)</i>
5.13	<i>Split Site</i>	<i>Now compulsory Factor (local factor last year) – The new factor is made of basic rate of £58,185 and additional rate of £29,147 per 100 metres based on distance up to maximum of 500 metres (Minimum, NFF, maximum to be selected)</i>
5.14	Sparsity and London Fringe	To agree (Sparsity is compulsory but none of Croydon schools falls within the eligibility criteria on distance and pupil numbers. Croydon is not London Fringe) but not applicable to Croydon)
5.15	Looked after children	The DfE has removed this factor. School Forum agreed to fund these services last year. LA distributed £167k through this factor in previous years.

Minimum per pupil level funding. Minimum per pupil funding level is set by the NFF to ensure that each pupil attracts a basic level of funding thus ensure that if no other factor is relevant that there is a minimum level each pupil at each school phase should be funded for. Reference Authority Proforma Tool.

Age weighted pupil unit (AWPU) The funding formulae will calculate our rate of AWPU after all the other factors amounts have been allocated. The AWPU rates applied last year as well as the new funding limits set by the DfE after completion of the model with agreed factors is as shown in table 3 below.

Table 3 AWPU rates with DfE recommendations

Factor	23-24 APT	Difference between 23-24 APT and 23-24 NFF	24-25 APT minimum	24-25 NFF including ACA	24-25 APT maximum
Primary basic entitlement	£3,850.00	£165.71	£3,763.01	£3,859.50	£4,008.64
KS3 basic entitlement	£5,088.00	-£106.26	£5,305.40	£5,441.44	£5,577.47
KS4 basic entitlement	£5,488.24	-£366.02	£5,804.39	£6,133.81	£6,287.15

Area Cost Adjustment - The Area Cost Adjustment (ACA) is a tool used to measure this variation in costs for local authorities in England.

Cabinet to note the final AWPU for 2023/24. The 2024/25 AWPU will be determined after the LA receives the final allocation from the DfE and after all other factors have been distributed.

Deprivation IDACI. Income Deprivation Affecting Children Index (IDACI) measures the proportion of all children aged 0-15 living within income-deprived families. It is a useful indicator of the level of deprivation in an area. IDACI funding is based on the IDACI 2019 area-based index measuring the relative deprivation of Lower-layer Super Output Areas (LSOAs). This is a compulsory factor and is made up of 3 elements: free school meals (FSM), free school meals 6 (FSM6) and the income deprivation affecting children index (IDACI). Schools Forum can choose to use free school meals (FSM and FSM6) and/or IDACI.

The DfE has set revised IDACI banding rate amounts. The intention is for this factor to be moved to a 'hard formula' to introduce nationally consistent factor values. See Appendix A for the definition of FSM6 and the IDACI amounts.

Table 4c highlights the cost /funding implications for each factor value selected. The total value for primary school and secondary IDACI last year were £6.065m and £5,944m respectively. Keeping the NFF factors used last year means the overall cost will increase to £6.147m and £6,016m for primary and secondary schools respectively.

Table 4a IDACI rates Primary Schools

Factor	23-24 APT	Difference between 23-24 APT and 23-24 NFF	24-25 APT minimum	24-25 NFF including ACA	24-25 APT maximum
Primary IDACI A	£748.16	£20.85	£718.37	£736.79	£755.56
Primary IDACI B	£553.62	£0.00	£544.06	£558.01	£571.96
Primary IDACI C	£521.05	£0.00	£512.37	£525.51	£538.64
Primary IDACI D	£477.63	£0.00	£470.11	£482.17	£494.22
Primary IDACI E	£303.95	£0.00	£301.08	£308.80	£316.52
Primary IDACI F	£249.67	£0.00	£248.26	£254.63	£260.99

Table 4b IDACI rates Secondary Schools

Factor	23-24 APT	Difference between 23-24 APT and 23-24 NFF	24-25 APT minimum	24-25 NFF including ACA	24-25 APT maximum
Secondary IDACI A	£1,054.68	£45.14	£998.33	£1,023.93	£1,064.55
Secondary IDACI B	£792.44	£0.00	£781.76	£801.80	£821.85
Secondary IDACI C	£738.16	£0.00	£728.94	£747.63	£766.32
Secondary IDACI D	£673.03	£0.00	£665.55	£682.62	£699.68
Secondary IDACI E	£483.06	£0.00	£475.39	£487.58	£499.77
Secondary IDACI F	£363.65	£0.00	£359.19	£368.40	£377.61

Table 4c – IDACI Options and cost.

Options	Cost implications	
	Primary Schools	Secondary Schools
Primary and Secondary school		
(a) Keeping to the last years NFF (band B TO F) and A on maximum.	£6,147m	£6,016m
(b) Moving all bandings to 2.5 % below the NFF rate.	£5,991m	£5,861m
(b) Moving all bandings to 2.5 % above the NFF rate.	£6,298m	£6,163m

IDACI as a method of calculating deprivation for Primary and Secondary:

- (a) Keeping to the NFF rates used last year highlighted in green in table 4b –
- (b) Move to 2.5 % below the average national NFF rate.
- (c) Moving to the 2.5% above NFF or maximum rate.

Deprivation Free School Meals (FSM) and (FSM6).

Schools receive funding for all FSM eligible pupils through this factor. In 2023/24 Croydon followed the NFF rates and distributed £23,590m. The rates per school phase vary for each of the two elements (FSM rates and FSM6).

Table 5a FSM rates

Factor	23-24 APT	Difference between 23-24 APT and 23-24 NFF	24-25 APT minimum	24-25 NFF including ACA	24-25 APT maximum
Primary FSM	£521.05	£0.00	£517.65	£530.92	£544.20
Secondary FSM	£521.05	£0.00	£517.65	£530.92	£544.20

Table 5b FSM6 rates

Factor	23-24 APT	Difference between 23-24 APT and 23-24 NFF	24-25 APT minimum	24-25 NFF including ACA	24-25 APT maximum
Primary FSM6	£765.30	£0.00	£866.27	£888.49	£910.70
Secondary FSM6	£1,118.10	£0.00	£1,267.72	£1300.22	£1,332.73

Table 5c – FSM & FSM6 Options and cost

Options	Cost implications FSM		Cost implications FSM6	
	Primary Schools	Secondary Schools	Primary Schools	Secondary Schools
Primary and Secondary school				
(a) Keeping to the last years or NFF	£4,894m	£3,259m	£8,482m	£9,632m
(b) Moving all bandings to 2.5 % below the NFF rate.	£4,771m	£3,177m	£8,270m	£9,391m
(b) Moving all bandings to 2.5 % above the NFF rate.	£5,016m	£3,340m	£8,694m	£9,872m

Use FSM & FSM6 as a method of calculating deprivation for Primary and secondary:

- 3.1.1 Keeping to the NFF rate used last year as highlighted in green in table 5a and 5b.
- 3.1.2 Moving to the minimum NFF rate per pupil or
- 3.1.3 Moving to the maximum rate above NFF

Low Prior Attainment Primary school pupils who have not achieved the expected level of development in the Early Years Foundation Stage Profile assessment (EYFSP) and

secondary pupils who have not achieved the expected standard in Key Stage 2 at either reading, writing or maths. LPA funding has been allocated to all pupils identified as not reaching the expected standard at the previous phase, regardless of their year group. It does not only apply to those pupils in their first year of schooling.

This is now a compulsory factor which Croydon will use again this year. It is a rate per pupil per school phase and is set locally. In the 2023/24 allocation Croydon distributed £18.330m through this factor. The APT tool automatically provides the number of pupils who are eligible (based on the prior year census data). See Appendix A for definition of Low Prior Attainment and the pupils in this category.

The DfE uses a weighting system to identify the number of pupils that qualify. The weightings will operate in the same way as in 2023: the number of pupils identified as having LPA in the data will be multiplied by the relevant weighting to determine the number of pupils eligible for the factor for funding purposes.

Table 6a Low Prior Attainment rates

School phase	23-24 APT	Difference between 23-24 APT and 23-24 NFF	24-25 APT minimum	24-25 NFF including ACA	24-25 APT maximum
Primary LPA	£1,253.79	£0.00	£1,236.03	£1,267.72	£1,299.41
Secondary LPA	£1,899.68	£0.00	£1,875.17	£1,923.25	£1,971.33

Table 6b Low Prior Attainment Options Appraisal & cost

Options	Cost implications LPA	
	Primary Schools	Secondary Schools
(a) Keeping to the last years or NFF	£10,378m	£8,256m
(b) Moving to 2.5 % below the NFF rate.	£10,119m	£8,049m
(b) Moving 2.5% above the NFF rate.	£10,637m	£8,463m

The Low Prior Attainment rates to be decided on are:

- (a) Keep to the NFF rate as selected last year and highlighted in green in table 6b,
- (b) Move to the minimum NFF rate per pupil,
- (c) Move above the NFF rate.

English as an additional language (EAL) This is a compulsory factor. According to the DfE methodology, pupils identified in the October census with a first language other than English attract funding for 3 years after they enter the statutory school system. The rate per pupil per phase has been set locally. In the 2023/24 allocation, Croydon distributed £4.829m through this factor.

Table 7a EAL rates

Factor	23-24 APT	Difference between 23-24 APT and 23-24 NFF	24-25 APT minimum	24-25 NFF including ACA	24-25 APT maximum
Primary EAL	£629.61	£0.00	£623.29	£639.28	£655.26
Secondary EAL	£1,698.85	£0.00	£1,674.44	£1,717.38	£1,760.31

Table 7b EAL Options Appraisal and Cost

Options	Cost implications EAL	
	Primary Schools	Secondary Schools
Primary and Secondary school		
(a) Keeping to the last years or NFF	£4,344m	£1,429m
(b) Moving to 2.5 % below the NFF rate.	£4,235m	£1,393m
(b) Moving 2.5% above the NFF rate.	£4,452m	£1,465m

The English as an additional language factor rate should:

- (a) Keeping to the NFF rate as highlighted in green in table 7a.
- (b) Moving to the minimum NFF rate per pupil* or
- (c) Move above the average national NFF rate.

Lump Sum. Each school receives a lump sum payment. All-through schools will receive the secondary lump sum value and middle schools (none in Croydon) will receive a weighted average lump sum value based on the number of primary and secondary year groups in the school. A different DfE payment methodology would be used for all-through schools. In 2023/24, the local lump sum per school was £142,000 and resulted in a distribution of £15.336m. The published NFF rate is £145,625.09 for Primary schools and Secondary schools. The cost implication of move towards the NFF is approximately (£3,625 x 108 schools) £391k.

Table 8 Lump sum rates

Factor	23-24 APT	Difference between 23-24 APT and 23-24 NFF	24-25 APT minimum	24-25 NFF including ACA	24-25 APT maximum
Primary lump sum	£142,000.00	£3,052.16	£141,984.46	£145,625.09	£149,265.72
Secondary lump sum	£142,000.00	£3,052.16	£141,984.46	£145,625.09	£149,265.72

The lump sum factor should:

- (a) Moving to the minimum NFF rate per school* or
- (b) Moving to the NFF (£145k). An additional cost is £391k overall.
- (c) Move above the NFF rate.

Mobility. The mobility factor allocates funding to schools with a high proportion of pupils who first join on a non-standard date. Mobility funding was previously allocated on the basis of historic spend. However, in 2020/21, the DfE developed a new methodology that enabled calculation of allocations of this funding on a formulaic basis. Rather than relying on a single census, the methodology involved tracking individual pupils using their unique pupil ID through censuses from the past 3 years. If the first census when the pupil was in the school was a spring or summer census, they are considered a 'mobile pupil'.

To be eligible for mobility funding, the proportion of mobile pupils a school has must be above the threshold of 6%. A per pupil amount will then be allocated to all mobile pupils above that threshold. See Appendix A for definition of Mobility and the schools and school phases impacted. The total amount paid last year on this factor was £624k. Whichever option is chosen is very insignificant on the overall impact of the budget as the average number attracting this funding is approximately 54 pupils. Choosing the maximum rate will add £24k extra budget to fund this growth.

Table 9 Mobility rates

Factor	23-24 APT	Difference between 23-24 APT and 23-24 NFF	24-25 APT minimum	24-25 NFF including ACA	24-25 APT maximum
Primary mobility	£1,025.83	£0.00	£1,014.17	£1,040.18	£1,066.18
Secondary mobility	£1,476.32	£0.00	£1,457.88	£1,495.26	£1,532.64

The Mobility factor should:

- (a) Move to the minimum NFF rate per pupil* or
- (b) Move to the national NFF rate as highlighted in green in table 10 or
- (c) Move above the average national NFF rate.

Private Finance Initiative (PFI). Croydon has one PFI school and therefore uses this factor. The purpose of the factor is to fund the additional costs to a school of being in a PFI contract. The agreed amount paid for the last two years was £547k per annum.

The PFI factor options are:

- a) Inflationary increase to be applied to last year's rate,
- b) Stay the same as last year's rate,
- c) Reduce last year's rate by £100k.

Minimum funding Guarantee (MFG). MFG protects schools' budgets from large changes in funding based on factor changes. It protects on £/per pupil basis but does not protect against a fall in pupil numbers. Local authorities have the freedom to set the MFG in their local formulae between +0.0% and +0.5% per pupil. All of Croydon schools have reached and exceeded these increases using the NFF rates. It is proposed to keep the limit of +0.5% in 2024/25.

Table 10 MFG rates

Year	MFG
2016/17	£11,425,730
2017/18	£3,861,329
2018/19	£2,362,522
2019/20	£1,143,179
2020/21	£670,987
2021/22	£87,337
2022/23	£101,196
2023/24	£146,450

Schools Forum agreed MFG at +0.5%

Growth. The criteria for growth funding for schools was reviewed and approved by Schools Forum on 5 October 2020. The rates for various parts of the growth fund will be applied to the schools that meet the growth criteria and have been confirmed by the schools Admissions Team. The new DfE required minimum funding payable to schools from 2024/25 is: (Primary growth factor value (£1,550 × number of pupils × ACA).

Table 11 Growth funding

Year	Growth
2019/20	£2,279,811
2020/21	£1,708,617
2021/22	£1,914,299
2022/23	£1,369,581
2023/24	£1,718,478

2024/25

Not supplied by DfE to date

The distribution of this factor will be considered in a future Schools' Forum once the 2024-25 funding is notified by DfE.

Split Site Factor

The DfE has introduced a National Funding formula (national approach) in criteria and amount payable. The total amount paid in 2023/24 was £200k. This new methodology now replaces the previous locally determined split sites factor. The new factor is made of basic rate of £55,700 and additional rate of £26,900 per 100 metres based on distance. Schools' forum had the choice to select one of the three options (a minimum rate, the national rate, or the maximum) presented in table 13 below. Schools' forum decided on the minimum rate.

Table 12(a) Split Site DfE national funding formula rates (Basic Rate)

Factor	23-24 APT	Difference between 23-24 APT and 23-24 NFF	24-25 APT minimum	24-25 NFF including ACA	24-25 APT maximum
Split sites basic eligibility funding			£57,364.26	£58,835.14	£60,306.01
Split sites distance funding			£28,629.31	£29,363.39	£30,097.48

Table 12(b) Split Site DfE national funding formula rates (Distance Rate)

Croydon Split Site Schools	DfE Recorded Distance (Metres)	24-25 APT minimum 2.5% lower	Total Amount Payable under NFF 2024/25	24-25 APT maximum 2.5% higher
School 1	1,421.42	£85,148.42	£87,331.71	£89,515.01
School 2	0	£56,730.40	£58,185.02	£59,639.65
School 3	883.76	£85,148.42	£87,331.71	£89,515.01
School 4 (two sites at 706m and 531m)	706.28	£170,296.84	£174,663.42	£179,030.02
Total		£397,324.08	£407,511.86	£417,699.69

The Split Site factor for lump sum and distance:

The new DfE methodology increases the monetary value of the factor due to lump sum and distance award.

Cost Implications and options are as follows:

- (a) Moving to the minimum NFF rate per school - additional cost of £197.3k
- (b) Moving to the NFF rate – additional cost of £207.5k
- (c) Move above the average national NFF rate - additional cost of £217.6k

Sparsity and London Fringe. These factors are not applicable to Croydon.

Looked After Children (LAC). This has been an optional factor for years where Local authorities apply a single unit value for any child who has been looked after for one day or more, as recorded on the LA SSDA903 returns. The DfE does not allow the LAC factor in the NFF model anymore and local authorities currently using this factor can no longer fund it though the factors. Schools Forum once again agreed to fund the £167k LAC funding from the growth budget which forms part of the schools' block.