



NOTICE OF MEETING

CABINET MEMBER FOR CHILDREN, FAMILIES AND EDUCATION

THURSDAY, 18 JANUARY 2024 AT 5.00 PM

COUNCIL CHAMBER - THE GUILDHALL, PORTSMOUTH

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If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

CABINET MEMBER FOR CHILDREN, FAMILIES AND EDUCATION

Councillor Suzy Horton (Liberal Democrat)

Group Spokespersons

Councillor Ryan Brent, Conservative

Councillor Chris Dike, Portsmouth Independents Party

Councillor George Fielding, Labour

(NB This Agenda should be retained for future reference with the minutes of this meeting.)

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AGENDA

- 1 Apologies**
- 2 Declarations of Members' Interests**
- 3 School Funding Arrangements 2024/25 (Pages 5 - 30)**
Purpose of report

The purpose of this report is to:

- Seek endorsement of the final stage submission to the Education and Skills Funding Agency (ESFA) by 22 January 2024 of the 2024-25 mainstream school revenue funding pro-forma for the Primary and Secondary Phases.
- Inform the Cabinet Member of the progress towards the initial determination of the schools budget (including individual schools budgets for 2024-25) and to seek the necessary approvals and endorsements required.

RECOMMENDED that the Cabinet Member:

- 1) Approves the proposed changes to the mainstream schools revenue funding arrangements as set out in Section 5 and Appendix 2.**
- 2) Approves the school revenue funding pro-forma at Appendix 3 for submission to the ESFA on 22 January 2024.**
- 3) Approves the use of the carry forward on the Schools Specific Contingency for the same purpose in 2024-25 as set out in Section 6.**
- 4) Endorses the de-delegated unit values in relation to the School Improvement, Monitoring and Brokerage Grant of £10.42 for each Primary pupil.**
- 5) Approves the budget to be held centrally for the payment of central licences negotiated nationally for all schools by the Secretary of State.**
- 6) Endorses the use of the 2023-24 underspend on the Growth Fund for use for the same purpose in 2024-25.**
- 7) Endorses the Growth Fund and the proposed increase to the Lump Sum payments for primary and secondary schools, specifically:**
 - i) Primary - £138,300**
 - ii) Secondary - £173,130.**
- 8) Endorses the budgets to be held centrally specifically as set out in Appendix 1:**
 - i) Schools Forum**
 - ii) Admissions**
 - iii) Duties retained by the local authority for all schools**
 - iv) Centrally employed Teachers' pay and pensions grants.**
- 9) Approves the place numbers for Special Schools, Inclusion Centres and Alternative Provision Settings as set out in Section 9 and Appendix 4 of the report.**

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Agenda Item 3



Title of meeting: Cabinet Member for Children, Families and Education

Date of meeting: 18 January 2024

Subject: School Funding Arrangements 2024-25

Report by: Sarah Daly, Director of Children Families and Education

Cabinet Member: Councillor Suzy Horton, Cabinet Member for Children, Families and Education

Wards affected: All

Key decision: Yes/No

Full Council decision: Yes/No

1 Purpose of report

1.1 The purpose of this report is to:

- 1.1.1 Seek endorsement of the final stage submission to the Education and Skills Funding Agency (ESFA) by 22 January 2024 of the 2024-25 mainstream school revenue funding pro-forma for the Primary and Secondary Phases.
- 1.1.2 Inform the Cabinet Member of the progress towards the initial determination of the schools budget (including individual schools budgets for 2024-25) and to seek the necessary approvals and endorsements required.

2 Recommendations

2.1 It is recommended that the Cabinet Member:

- 2.1.1 Approves the proposed changes to the mainstream schools revenue funding arrangements as set out in Section 5 and Appendix 2.
- 2.1.2 Approves the school revenue funding pro-forma at Appendix 3 for submission to the ESFA on 22 January 2024.
- 2.1.3 Approve the use of the carry forward on the Schools Specific Contingency for the same purpose in 2024-25 as set out in Section 6.
- 2.1.4 Endorse the de-delegated unit values in relation to the School Improvement, Monitoring and Brokerage Grant of £10.42 for each Primary pupil.
- 2.1.5 Approve the budget to be held centrally for the payment of central licences negotiated nationally for all schools by the Secretary of State.

- 2.1.6 Endorse the use of the 2023-24 underspend on the Growth Fund for use for the same purpose in 2024-25.
- 2.1.7 Endorse the Growth Fund and the proposed increase to the Lump Sum payments for primary and secondary schools, specifically:
- Primary - £138,300
 - Secondary - £173,130.
- 2.1.8 Endorse the budgets to be held centrally specifically as set out in Appendix 1:
- Schools Forum
 - Admissions
 - Duties retained by the local authority for all schools
 - Centrally employed Teachers' pay and pensions grants.
- 2.1.9 Approve the place numbers for Special Schools, Inclusion Centres and Alternative Provision Settings as set out in Section 9 and Appendix 4.

3 Background

- 3.1 The Dedicated Schools Grant (DSG) is a ring-fenced grant for education and can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance (England) Regulations.
- 3.2 It is anticipated that the updated School and Early Years Finance (England) Regulations will require each local authority, by no later than 29 February 2024, to:
- 3.2.1 Make an initial determination of its schools budget; and
- 3.2.2 Give notice of that determination to the governing bodies of the schools which it maintains.
- 3.3 The Cabinet Member has already agreed, and Schools Forum has endorsed, the following principles in respect of the revenue funding arrangements for mainstream schools in 2024-25, which are summarised below:
- 3.3.1 To implement a Minimum Funding Guarantee of between 0% and plus 0.50%.
- 3.3.2 To retain the Schools Block at its given value i.e. no transfer to the High Needs Block.
- 3.3.3 To calculate initial funding allocations in accordance with National Fair Funding (NFF) unit values as published by the Department for Education (DfE) in October 2023.
- 3.3.4 Agreed the methodology to manage affordability.

4 Dedicated Schools Grant

- 4.1 The determination of the 2024-25 Dedicated Schools Grant for the Schools Block, and Central School Services Block is set out in Appendix 1.
- 4.2 On the 19 December 2023 the ESFA announced the initial Dedicated Schools Grant Allocation for Portsmouth for 2024-25. This includes the funding for both Maintained schools and Academies although Portsmouth City Council will only receive the funding for the Maintained schools as Academies receive this direct from the ESFA.
- 4.3 In October 2023 the DfE released the indicative funding for 2024-25 based on the National Funding Formula and the October 2022 census data. The funding allocation has been updated for the October 2023 census and reflects the growth in pupil numbers seen both in mainstream schools and high needs settings across the city. The table below sets out the funding allocation for 2023-24 and the provisional funding allocation for 2024-25.

Block funding	2023-24 Allocation Nov 2023	2024-25 Initial Allocation Dec 2023	Change	Change
	£,000	£,000	£,000	%
Schools Block	147,550	158,319	10,769	7.3%
Central Schools Services Block	1,055	1,102	47	4.5%
High Needs Block	35,680	37,393	1,713	4.8%
Early Years Block	14,865	24,769	9,904	66.6%
Total	199,151	221,583	22,433	11.3%

- 4.4 The Early Years Block funding increase contains the increase in entitlements for 2 year old pupils with working parents from April 2024 and the under 2s from September 2024.
- 4.5 The Schools Block contains £1.1m of growth funding.
- 4.6 Following changes to the process of payment of national non-domestic rates (NNDR) in April 2022, the Schools Block will be reduced by the NNDR value (£1.0m) that was included in the January 2023 Authority Proforma Tool (APT) and stated in the schools budgets for 2023-24. Further information regarding the treatment for NNDR is set out in section 5.
- 4.7 The 2024-25 High Needs Block includes the additional funding announced in the 2023 autumn statement, Portsmouth's allocation of the additional £440m funding equates to £1.7m when compared to 2023-24.
- 4.8 The amount expected to be received directly by Portsmouth City Council is £97m, excluding funding for academies. The funding received directly will continue to change during the year as schools convert to Academy status, since they will receive their funding directly from the ESFA rather than from the Council. Table 2 below sets out the DSG funding allocation for 2024-25.

DSG Funding	2024-25				
	Provisional funding Inc. Academies and NNDR	NNDR reduction	Provisional funding Inc. Academies and exc. NNDR	Academy impact	Provisional exc. Academies
	£,000	£,000	£,000	£,000	£,000
Schools Block*	158,319	(1,026)	157,294	(113,578)	43,716
Central School Services Block	1,102	0	1,102	0	1,102
High Needs Block**	37,393	0	37,393	(10,120)	27,273
Early Years Block***	24,769	0	24,769	0	24,769
TOTAL	221,583	(1,026)	220,557	(123,668)	96,860

*The December 2023 Allocation removes NNDR funding from the DSG to be paid centrally.

**This is a provisional allocation which will be updated later in the year for import/export.

*** This is a provisional allocation which will be updated later in the year; it reflects the January 2023 census.

5 Schools Block - Mainstream school revenue funding formula 2024-25

- 5.1 In accordance with previous decisions, both primary and secondary schools will be funded using the National Funding Formula for 2024-25. The National Funding Formula values published by the DfE¹ have been increased in line with Portsmouth's Area Cost Adjustment (ACA) value of 1.01472 and rounded up to the nearest whole pound. The formula factor values are set out in Appendix 2
- 5.2 The application of Minimum Per Pupil Funding level (MPPL) is now mandatory and the following national values have been applied to the school budgets for 2024-25.

Phase	MPPL 2024-25
	£
Primary	4,610
Secondary	5,995
All-through	5,187
KS3 only schools	5,771
KS4 only schools	6,331

- 5.3 A total of four schools will receive additional funding through the application of the MPPL at a total value of £188,055.

¹ [DfE external document template \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

Minimum Funding Guarantee (MFG)

- 5.4 In October 2023 the Secretary of State confirmed that the National Funding Formula would provide a plus 0.5% per pupil increase for each school when compared to the 2023-24 baseline. An allocation was included in the Schools Block funding to the council for 2024-25 to accommodate this protection. The DfE has confirmed that local authorities can set a positive MFG of between 0% and 0.5%.
- 5.5 The authority has applied a positive MFG of 0.5% per pupil when compared to the 2023-24 per pupil funding.

National Non-Domestic rates

- 5.6 From 2022-23 the national non-domestic rates (NNDR) have been paid by the ESFA directly to Portsmouth City Council. This has no financial impact on school budgets, but changes both the way NNDR is included in the schools budget and the payment process.
- 5.7 The authority will be funded for NNDR, based on the 2023-24 values within the January 2023 Proforma endorsed by Schools Forum and approved by the Cabinet Member. The value of these rates will be deducted from the 2024-25 Schools Block of the DSG and kept centrally by the ESFA (see Table 2). The ESFA will then use this funding to pay the 2024-25 NNDR bills for Maintained and Academy schools for the 2024-25 financial year.

Financial Cap on Gains

- 5.8 No financial cap on gains has been imposed, which continues to allow all gaining schools to benefit fully from the move to the NFF.
- 5.9 The final proposed funding pro-forma for 2024-25 is attached at Appendix 3.

Adjustments for affordability

- 5.10 The authority consulted with schools in October 2023 on how to manage affordability. After applying the National Fair Funding values, including the area cost adjustment, the minimum per pupil funding, and a positive MFG of 0.5%, there remained a surplus of approximately £0.3m on the Schools Block.
- 5.11 The surplus is due to three reasons:
- 5.11.1 The growth funding received by the local authority being higher than the cost of meeting the Growth Fund commitments for 2024-25. Using the current funding values of:
- Primary £60,900, and
 - Secondary £144,000.

5.11.2 The cost of premises funding factors (National Non Domestic Rates and Private Finance Initiative) being less than the funding provided through the Schools Block allocation.

5.11.3 A built in lag in the methodology used to calculate the units of funding for primary and secondary pupils which is based on the pupil characteristics in the October 2022 census then applied to the pupil numbers in the October 2023 census. The October 2023 census has seen a smaller proportion of pupils attracting funding through the Free School Meals and IDACI² factors when compared to October 2022.

5.12 Therefore, the Authority is going to use the surplus to increase the Growth Fund allocations to Schools and the Lump Sum.

Growth Fund

5.13 The Growth Fund criteria for 2024-25 was approved by Schools Forum at the Meeting in December 2023. This section sets out further information on the proposed increase in Primary and Secondary allocations from April 2024.

5.14 The 2024-25 Schools Block contains £1.1m of growth funding which reflects the growth in pupil numbers between October 2022 and October 2023. The funding for 2024-25 was £0.1m lower than estimated due to a 10% higher proportion of pupil growth in the primary sector than expected and the corresponding secondary growth being 10% lower. Primary pupils attract a lower funding rate of £1,550 compared to £2,230 for secondary pupils.

5.15 The 2023-24 funding allocations to schools are a primary and secondary lump sum pro-rated for class size and type of school (maintained or academy). The lump sums are based on the following calculations:

5.15.1 Primary - cost of a Full Time Equivalent (FTE) teacher, a 0.5 FTE classroom assistant plus £3,000 towards furniture and equipment.

5.15.2 Secondary - Key Stage 3 national minimum per pupil funding level (MPPL) as set by the DfE.

5.16 In October 2023 the authority modelled and consulted on three options for increasing the Growth Fund allocations to schools should the funding allow. Whilst the results of the consultation did not indicate a preference, as mentioned previously Schools Forum emphasised the need to review the Primary Growth funding allocation.

5.17 It is proposed that the Growth Fund for 2024-25 is paid to schools as a pro-rated lump sum based on Option 3, the minimum per pupil funding level, the reasons for which are:

5.17.1 The MPPL reflects the minimum per pupil funding that the DfE expect schools to receive, including basic entitlement and a reflection of other pupil characteristics that may attract funding.

² Income Deprivation Affecting Children Indices

5.17.2 It brings the Primary lump sum calculation on to the same basis as the secondary lump sum, providing consistency.

5.17.3 The increase is focussed on primary schools providing additional per annum funding of £77,400 for 30 pupils.

5.17.4 Updates the secondary schools lump sum to reflect the 2024-25 national MPPL.

5.18 Whilst Options 1 and 2 were considered, Option 3 provided stability for secondary schools and providing consistency by using the same funding methodology for primary and secondary schools.

5.19 The proposed Growth Fund lump Sums for 2024-25 are:

- Primary - £138,300
- Secondary - £173,130.

5.20 The table below sets out the cost of Growth Fund commitments (using the proposed lump sum values) for 2024-25 and for the following four years. Offset against the growth funding received from the DfE, reduction in academy recoupment and the Growth Fund carry forward from 2023-24. For 2024-25 this would provide a surplus value of £885,800, which would be carried forward to fund future Growth Fund commitments and provide capacity to manage future growth in pupil numbers within the current criteria.

Financial Year	2024-25	2025-26	2026-27	2027-28	2028-29
	£	£	£	£	£
Total costs	1,107,851	653,468	278,350	201,944	173,131
DfE Funding	(1,079,643)	0	0	0	0
5/12 Recoupment	(411,059)	(461,641)	(137,020)	(100,951)	(72,138)
In year (surplus)/deficit	(382,851)	191,827	141,331	100,993	100,993
Brought Forward from previous year	(502,919)	(885,770)	(693,943)	(552,612)	(451,619)
Carry forward (surplus)/deficit	(885,770)	(693,943)	(552,612)	(451,619)	(350,626)

5.21 As previously reported as part of the national consultation on the introduction of the National NFF, the DfE are considering changes to the method of funding growth, a further consultation is expected in the future and the Authority will work with Schools Forum on a response.

Lump Sum

5.22 After adjusting the Primary and Secondary Growth Fund allocations, a small surplus remained, rather than increasing the Growth Fund contingency to be carried forward to future years. The authority has increased the Lump Sum payment for primary and secondary schools by £2,007. This increase is within the allowable parameters set by the DfE of +/- 2.5% of the NFF value multiplied by the ACA.

6 De-delegated and other schools block funding

Falling Rolls

- 6.1 As reported at the Schools Forum and Cabinet Member meetings in December 2023, as expected, the authority did not receive any funding for falling rolls.

School Improvement Monitoring and Brokerage

- 6.2 Following a consultation with schools, at the Schools Forum meeting on 7 December 2023, Primary School Members voted to de-delegate from maintained schools for the School Improvement, Monitoring and Brokerage budget. Following the receipt of the October 2023 census the proposed de-delegation per pupil has been calculated at £10.42 for maintained primary pupils.
- 6.3 Maintained Secondary School Members of Schools Forum did not approve the delegation of per pupil funding to support the School Improvement, Monitoring and Brokerage Budget. Officers have considered the impact and are submitting a disapplication request to the Secretary of State to disapply the regulation and reverse the Schools Forum decision regarding maintained secondary schools. Should this be agreed, the de-delegation would be £10.42 per pupil. The schools impacted have been contacted and been made aware of the decision.

Schools specific contingency

- 6.4 As at the end of December 2023 this budget is forecast to be underspent by £124,300. The Cabinet Member is asked to endorse the carry forward of this balance for the same purpose in 2024-25.

7 Central Schools Services Block

- 7.1 The Central Schools Services Block (CSSB) has seen an increase on the per pupil funding of 4.5%, including £1.92 per pupil for the passporting of the Teachers' Pay and Pension grants for centrally employed teachers.
- 7.2 The EFSA has agreed with the following agencies to continue to purchase a single national licence managed by them for all state funded schools in England:
- Christian Copyright Licensing International (CCLI)
 - Copyright Licensing Agency (CLA)
 - Education Recording Agency (ERA)
 - Filmbank Distributions Ltd (for the PVSL)
 - Mechanical Copyright Protection Society (MCPS)
 - Motion Picture Licensing Company (MPLC)
 - Newspaper Licensing Authority (NLA)
 - Performing Rights Society (PRS)
 - Phonographic Performance Limited (PPL); and

- Schools Printed Music Licence (SPML).

7.3 These licences are funded centrally and for 2024-25 the budget provision has been set at £162,200, which reflects the expected increase in charges and pupil numbers for 2024-25, which is anticipated to meet the central charges from the DfE for the financial year.

7.4 The authority is proposing an increase of £11,900 for the duties retained on behalf of all schools that were formally part of the Education Support Grant reflecting the increase in the number of pupils in the city and increased cost of delivery.

7.5 The following 2024-25 budgets are proposed:

- Schools Forum to increase to £17,000,
- Admissions budget to increase to £362,100 reflecting the increase in pupil numbers and associated costs,
- The centrally employed Teachers' Pay and Pension grants, increased to £50,800.

7.6 The overall budgeted expenditure within the CSSB matches the 2024-25 funding allocation of £1,102,100.

8 Early Years

Extension of entitlements 2024-25

8.1 In March 2023 the Government announced the extension of early years entitlements starting in April 2024 and the roll out completing in September 2025. The Table below sets out the planned implementation.

Table 5: Extension of funded childcare hours		
Implementation date	Age group	No. of hours per week
April 2024	Working parents of 2 year olds	15
September 2024	Working parents of 9 months to 3 year olds	15
September 2025	Working parents of 9 months to 3 year olds	30

8.2 In July 2023, the DfE consulted on proposed changes to the way local authorities are funded, in particular:

- to the two year old (and below) funding formula to bring it in line with the three and four years old funding formula
- the addition of an hourly rate for 9 month olds up to but not including two year olds, known as the under 2s.

8.3 There were no proposed changes to the three and four year old funding formula for 2024-25.

- 8.4 On 29 November 2023 the DfE released the Early years entitlements: local authority funding operational guide 2024 to 2025³ along with the local authority hourly rates for 2024-25. Following the receipt of this information, Portsmouth City Council has undertaken a consultation with Early Years settings regarding the proposed funding formula and hourly paid to providers, see Appendix 5. This consultation closed on 5 January 2024, the results of the consultation and the proposed Early Years budget proposals will be brought to Schools Forum and Cabinet Member meetings in February 2024.

9 High Needs

- 9.1 In December 2023 the initial High Needs Block allocation is a £1.7m increase from 2023-24, with the final amount to be announced in July 2024 once the movement of pupils between authorities is known (called the import/export adjustment).

Place Funding

- 9.2 Appendix 4 sets out the Special School, Inclusion Centre and Alternative Provision places budgeted for the 2024-25 financial year, including any that are paid locally by the authority.

Special School places

- 9.3 Overall, there is a net increase of two additional places between the 2023-24 and the 2024-25 academic years, which includes:
- Increase of 7 places at Mary Rose Academy
 - Decrease of 5 places at Redwood Park Academy.
- 9.4 The budget includes the full financial year effect of 66 places at The Wymering School following the increase from 30 places to 66 places in September 2023.
- 9.5 The budget also reflects the movement of 16 places from being locally paid by the Authority to being commissioned through the Education and Skills Funding Agency and recouped from the authority's High Needs Block from September 2024.

Inclusion Centre places

- 9.6 The 2024-25 budget contains the full year impact of the increase in Inclusion Centre places from September 2023.
- 9.7 Additionally, there is an increase of 15 places for the 2024-25 academic year from September 2024. These include:
- A further seven places at The Portsmouth Academy
 - a further eight places at Arundel Court Inclusion Centre.

³ <https://www.gov.uk/government/publications/early-years-funding-2024-to-2025/early-years-entitlements-local-authority-funding-operational-guide-2024-to-2025>

Alternative Provision (AP) places

9.8 The 2024-25 budget includes the full year effect of the expansion of the Flying Bull Alternative Provision (AP) unit from September 2023, and the transfer of a further four places to be paid by the ESFA, leaving eight places paid locally from September 2024.

Other High Needs funding

9.9 Following the receipt of the High Needs Block allocation for 2024-25, the authority is reviewing the other High Needs funding requirements, including:

- the impact of the Special Schools MFG, which states that authorities must consider setting the MFG with a 0% to plus 0.5% range against 2023-24 baseline,
- the continuation of the payment of the Additional Grant provided in 2023-24 for High Needs and continuing into 2024-25,
- pressures due to increased levels of need across all Early Years settings, schools and post-16 colleges.

9.10 The proposed High Needs budgets will be brought to the February 2024 Schools Forum and Cabinet Member meetings for endorsement and approval.

10 Other school funding for 2024-25

10.1 The DfE have confirmed that the additional Teachers' Pay Grant for the increase from September 2023 will continue to be paid as a separate grant in 2024-25, before being included into the DSG funding allocation in 2025-26. The per pupil funding will be twelve sevenths of the 2023-24 values.

10.2 On the 19 December DfE confirmed they were providing a separate Teachers' pensions grant in 2024-25 to support the increase in employers national insurance contributions from April 2024. Details of the grant have not been released at the time of writing the report.

10.3 Finally, the DfE confirmation that the per pupil values of the Pupil Premium Grant are increasing in 2024-25. The table below sets out the changes.

Table 6: Pupil Premium per pupil values for 2024-25		
Grant	2023-24	2024-25
	£	£
Primary FSM ⁴	1,455	1,480
Secondary FSM6	1,035	1,050
Looked after children	2,530	2,570
Children who have ceased to be looked after	2,530	2,570
Service children	335	340

⁴ Free school meals Ever 6, pupil has been in receipt of free school meals during the previous 6 academic years.

11 Reasons for recommendations

11.1 The recommendations within this report seek to allocate DSG resources appropriately and fairly, and to provide the best possible outcomes for pupils in the city. They are consistent with the requirements that are anticipated to be contained within the updated School and Early Years Finance (England) Regulations. Local Authorities are expected to submit their determination of the mainstream school funding to the Department for Education by 22 January 2024. It is expected that Local Authorities will be required to make an initial determination of their schools' budget no later than 29 February 2024.

12 Integrated impact assessment

12.1 This report and the proposals within form part of, and are consistent with, the national implementation of the schools and high needs National Funding Formula as directed by the Department of Education and set out in the School and Early Years Finance (England) Regulations 2024.

12.2 The funding system does not seek to target funding by reference to particular protected characteristics under the Equality Act 2010, but instead targets funding to those groups which the evidence demonstrates face barriers to their educational achievement.

13 Legal implications

13.1 Although at the time of preparing this report these are yet to be published by central government, it is anticipated that updated School and Early Years Finance (England) Regulations will require local authorities to make an initial determination of their Schools Budget by the 29 February 2024. The recommendations in this report have regard to officers' understanding of the requirements to be contained in those updated regulations, based on operational guidance published by central government, and in particular identify elements of the proposals in respect of which Schools Forum's specific approval or endorsement is required.

14 Director of Finance's comments

14.1 Financial comments and implications are included in the body of this report.

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Signed by:

Appendices:

- Appendix 1: Dedicated Schools Grant Original budget 2024-25 (Schools Block, Central Schools Services Block and Early Years Block)
- Appendix 2: Portsmouth Rates to National Funding Rates Comparison Table 2023-24 to 2024-25
- Appendix 3: Local Authority Proforma 2024-25
- Appendix 4: High Needs Places 2024-25

Appendix 5: Early Years Provider Consultation 2024-25

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
School and Early Years Finance (England) Regulations 2023	The School and Early Years Finance (England) Regulations 2023 (legislation.gov.uk)
The National Funding Formulae for Schools and High Needs 2024-25 (published 6 October 2023) - Policy Document	National funding formula for schools and high needs 2024 to 2025 (publishing.service.gov.uk)
Schools revenue funding 2024 to 2025: Operational Guide (published October 2023)	Schools operational guide: 2024 to 2025 - GOV.UK (www.gov.uk)
High Needs Funding: 2024 to 2025 Operational Guidance (published July 2023)	High needs funding: 2024 to 2025 operational guide - GOV.UK (www.gov.uk)
Early Years Entitlements: local authority funding operational guide 2024 to 2025 (published 29 November 2023)	Early years entitlements: local authority funding operational guide 2024 to 2025 - GOV.UK (www.gov.uk)

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by Councillor Suzy Horton, Cabinet Member for Children, Families and Education:

**Appendix 1: Dedicated Schools Grant Original budget 2024-25
(Schools Block and Central Schools Services Block)**

	Approved 2023-24 Budget - Oct 2023 (inc. Academies)	Proposed Budget Revisions	2024-25 Schools Budget Jan 2024 (Inc. Academies)	2024-25 Schools Budget Jan 2024 (Ex. Academies)
	£000	£000	£000	£000
Schools Block				
Individual Schools Budgets (ISB)				
Primary	75,555	4,083	79,638	26,135
Secondary	70,347	6,149	76,496	16,421
Total ISB	145,902	10,232	156,134	42,556
De-Delegated and Central Budgets				
Growth Fund	1,294	699	1,994	1,994
De-delegated Budgets	204	0	205	205
Academy Conversions	0	0	0	0
Other Schools Block Sub Total	1,499	699	2,198	2,198
Total Schools Block	147,401	10,931	158,332	44,754
Central School Services Block				
Schools Forum	16	1	17	17
Admissions	346	16	362	362
Licences (negotiated by DfE)	146	17	162	162
ESG retained duties	498	12	510	510
Central Teachers Pay /Pensions grant	49	1	51	51
Central School Services Block Total	1,055	47	1,102	1,102
Total Expenditure	148,456	10,978	159,434	45,856
Income				
Schools Block ¹	(146,852)	(10,852)	(157,705)	(44,127)
Central Schools Services Block	(1,055)	(47)	(1,102)	(1,102)
DSG Income	(147,907)	(10,899)	(158,807)	(45,229)
One-off use of Carry Forward ²	(549)	(79)	(627)	(627)
Total Income	(148,456)	(10,978)	(159,434)	(45,856)
1. Includes reimbursement of Growth Funding for academy schools				
2. Includes carry forward of Schools Specific Contingency and Growth funding				

Appendix 2: Portsmouth Rates to National Funding Rates Comparison Table 2023-24 to 2024-25

Funding Factors	Payable for:	Unit rate 2023-24		Unit Rate 2024-25 ⁵	
		Primary £	Secondary £	Primary £	Secondary £
Basic Entitlement					
Number on Roll (NOR)	Primary including reception	3,443		3,614	
NOR Key Stage 3	Key stage 3 pupils		4,853		5,096
NOR Key Stage 4	Key stage 4 pupils		5,470		5,744
Deprivation					
Free School Meals	Free School Meals (FSM)	487	487	497	497
Free School Meals Ever 6	Free School Meals Ever 6	716	1,045	832	1,218
IDACI A	Pupils ranked between 1 and 821	680	944	690	959
IDACI B	Pupils ranked between 822 and 2,463	518	741	523	751
IDACI C	Pupils ranked between 2,464 and 4,105	487	690	492	700
IDACI D	Pupils ranked between 4,106 and 5,747	447	629	452	639
IDACI E	Pupils ranked between 5,748 and 9,032	284	452	289	457
IDACI F	Pupils ranked between 9,033 and 12,316	234	340	238	345
Prior attainment					
Primary	Primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP)	1,172		1,187	
Secondary	Pupils not achieving the expected standard in Key Stage 2 at either reading, writing or maths		1,775		1,801
English as an additional Language	EAL eligible pupils who started school within the last 3 years	589	1,588	599	1,608
Mobility		959	1,380	974	1,400
Sparsity		57,101	83,064	57,941	84,222
Lump Sum	Flat rate per school	129,819	129,819	138,385	138,385

*Note: the 2023-24 rates represent the values for Portsmouth schools based on the national NFF rates plus the area cost adjustment of 1.01421.

⁵ Includes the Area Cost Adjustment of 1.01472

Appendix 3: Local Authority Pro-forma (APT) 2024-25

See separate document.

Appendix 4 - Special School, Inclusion Centre, and Alternative Provision Places 2024-25

Special School Place 2024-25		
Special School	Apr 24 to Aug 24	Sept 24 to Mar 25
Mary Rose Academy	181	188
Cliffdale Primary Academy	200	216
Redwood Park Academy	165	160
Solent Academies Trust Total	546	564
The Harbour School	95	95
The Wymering School	66	66
Total Delta Education Trust Places	161	161
Total Special School Places	707	725
Additional places agreed and paid locally		
Mary Rose Academy	0	0
Cliffdale Primary Academy	16	0
Total additional places	16	0
Total Special school places	723	725

Inclusion Centre and Alternative Provision Places 2024-25		
Inclusion Centre	Apr 24 to Aug 24	Sept 24 to Mar 25
Devonshire Infant	10	10
Southsea Infant	8	8
St Edmunds	9	9
Total Maintained Schools	27	27
Victory Primary	23	23
Northern Parade Junior	2	2
Milton Park Primary	16	16
Trafalgar	15	15
Penbridge (Penhale Infant and Newbridge Junior)	24	24
The Portsmouth Academy	17	24
Arundel Court Primary	16	24
Total Academies	113	128
Total Inclusion Centre Places	140	155
Alternative Provision		
The Harbour School	105	105
Flying Bull Primary Academy	20	24
Flying Bull Primary Academy (inc. 4 Emergency Places) ⁶	12	8
Total Alternative Provision Places	137	137

⁶ Paid locally by the Authority.

Appendix 5: Early Years Provider Consultation 2024-25

Early Years Funding 2024-25 Consultation

1. Background

- 1.1. Over the summer 2023, the Department for Education (DfE) consulted on "Early Years funding and the extension of the entitlements" setting out proposals as to how local authorities will be funded for new pupils of working parents aged nine months up to and including two years old.
- 1.2. The Governments response to the consultation⁷ was published on the 29 November followed by the operational guide and the hourly rates that local authorities will receive for 2024-25.
- 1.3. The main changes for 2024-25 are:
 - a new funding formula for distributing funding to local authorities for:
 - two year olds covering both the existing entitlement for disadvantaged children and the new working parent entitlements, and
 - those from nine months to two years old (known as the under 2s) from 2024-25.
 - setting an expectation that local authorities have Special Education Inclusion Funds (SENDIF) for all pupils with low and emerging needs across all existing and new entitlements
 - extending eligibility for the Early Years Pupil Premium (EYPP) and the Disability Access fund (DAF) to eligible children aged two years and under accessing the entitlements from 2024-2025
 - extending the 95% pass through requirement to the existing two year olds and the new entitlements including the under 2s
 - bringing the existing two year olds, the new working parent and under 2s local funding formula in line with the three and four year old formula and providing local authorities the flexibility to include funding for deprivation, growth contingencies and supplements.
- 1.4. The funding received by the Local Authority includes the Early Years Supplementary Grant paid to providers from September 2023, which has been included within the early years block of the Dedicated School Grant and therefore the hourly rates received by local authorities.
- 1.5. There are no changes to the funding formula for universal three and four year olds or the additional hours for three and four year olds.
- 1.6. Portsmouth is consulting with providers on the proposals for the 2024-25 funding formula for Early Years settings, the responses will then inform the

⁷ [Early years funding - extension of the entitlements Consultation response \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

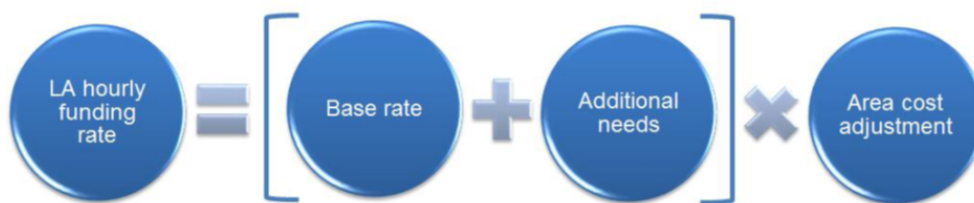
proposals that are taken to Schools Forum and Cabinet Member for endorsement and approval in early 2024.

2. Early Years funding 2024-25

- 2.1. From April 2024 the DfE are extending the early years entitlements to include:
- 15 hours entitlement for eligible working parents of two year old children (new entitlement from 1 April 2024)
 - the 15 hours entitlement for eligible working parents of children from nine months to two years old (new entitlement from 1 September 2024).
- 2.2. There are no changes to the current entitlements:
- universal 15 hours entitlement for all three and four year olds
 - additional 15 hours entitlement for eligible working parents of three and four year olds
 - 15 hours entitlement for disadvantaged two year olds.

3. Local Authority National Funding Formula for two year olds and children aged nine months up to two years old

- 3.1. For 2024 to 2025, the DfE are introducing a new National Funding Formula (NFF) for the existing entitlement for disadvantaged two year olds and for the new working parent entitlements for children aged nine months up to and including two year olds. The funding formula will reflect the existing NFF for the three and four year old entitlements and will include:
- a universal base rate of funding for each child (89.5% of funding)
 - an additional needs factor (10.5% of funding)
 - an area cost adjustment (ACA) to reflect variations in costs across England.



- 3.2. Although the structure of the two year old and the under 2s formula are the same, the rates themselves will vary by age with a higher rate for the under 2s to reflect the differences in costs.
- 3.3. The DfE recognises that the census data used to calculate the funding to local authorities for the new entitlements will not be available until the January 2025 census. To make the funding as accurate as possible for local authorities, the DfE will be funding local authorities as follows:
- indicative allocations in December 2023 based on estimated numbers
 - final allocations will be adjusted following two additional head counts in the summer and autumn terms 2024.

3.4. This will provide some reassurance to local authorities and ensure they are funded for actual take up.

4. Funding to Early Years settings 2024-25

4.1. Three and four year olds, universal and additional hours entitlements.

4.1.1. Portsmouth will receive £6.13 per hour for three and four year olds, it is proposed that the funding will be allocated as set out in the table below.

	2023-24 (£)	2023-24 Percentage split	2024-25 (£)	2024-25 Percentage split
Basic hourly rate paid to providers	4.69	89%	5.50	90%
Deprivation average hourly rate	0.20	4%	0.20	3%
SEN Inclusion fund	0.04	1%	0.04	1%
Growth contingency fund	0.06	1%	0.06	1%
Total funding passed to settings	4.97	95%	5.80	95%
Centrally retained	0.26	5%	0.30	5%
Total	5.23	100%	6.10	100%

4.1.2. This would provide an **hourly rate of £5.50** for three and four year olds.

Deprivation

4.1.3. Deprivation remains a mandatory supplement for three and four year olds. The Council is proposing to continue to use the current deprivation indices based on pupil IDACI⁸. Deprivation rates will remain at the same values as 2023-24, to enable the authority to maximise the amount paid through the basic hourly rate.

Deprivation Band	Funding per hour £
1	0.45
2	0.34
3	0.22
4	0.11
5	0.00

⁸ Income Deprivation Affecting Children Index.

SEND Inclusion funding for low and emerging needs

4.1.4. The three and four year old formula provides funding to early years settings to support pupils with low and emerging special educational needs. This fund will continue to operate as in previous years.

4.2. Teachers pay and Teacher Pension Employer Contributions Grants (TPPG)

4.2.1. In 2023-24 the DfE changed the methodology for paying the Teachers Pay and Teachers Pension Employer Contributions Grant (TPPG) to those mainstream school providers with a nursery unit. Eligible schools previously received this as a separate grant which is funded on an amount per pupil. In 2023-24 the DfE brought the grant into the Early Years block of the DSG and Portsmouth has been paying this as a supplement to the formula, to those schools that received the grant in 2022-23.

4.2.2. For 2024-25 it is proposed to retain £0.03 of the hourly rate received by the authority continue to pay the grant on the same basis as in 2023-24.

4.3. Two year old, current and new working parents' entitlements 204-25

4.3.1. Portsmouth will receive £8.98 per hour for two year olds. The proposed funding will be allocated as set out in the table below.

Table 3: Two year old funding formula				
	2023-2024 (£)	2023-24 Percentage split	2024-2025 (£)	2024-25 Percentage split
Basic hourly rate paid to providers	5.82	92%	8.49	94%
SEN Inclusion fund	0.04	1%	0.04	1%
Growth contingency fund	0.13	2%	0.00	0%
Total funding passed to settings	5.99	95%	8.53	95%
Central retained funding	0.31	5%	0.45	5%
Total	6.30	100%	8.98	100%

4.3.2. This provides an **hourly rate of £8.49** for all two year olds.

4.3.3. The Portsmouth formula includes:

- an 'inclusion fund' which will operate in-line with that for three and four year-olds by providing support to pupils with low and emerging special needs
- in line with the three and four-year old formula the authority is proposing to retain 5% centrally to support the provision of support and services to the early years sector.

4.4. Under 2s entitlements 2024-25

4.4.1. Portsmouth will receive £12.24 per hour for under 2s. The proposed funding will be allocated as set out in the table below.

Table 4: Under 2s funding formula		
	2024-2025 (£)	2024-25 Percentage split
Basic hourly rate paid to providers	11.59	94%
SEN Inclusion fund	0.04	1%
Growth contingency fund	0	0%
Total funding passed to settings	11.63	95%
Central retained funding	0.61	5%
Total	12.24	100%

4.4.2 This provides an hourly rate of £11.59 for under 2s.

4.4.3 In line with the two year old formula, the under 2s Portsmouth formula includes:

- an 'inclusion fund' providing support to pupils with low and emerging special needs.
- the retention of 5% centrally to support the provision of support and services to the early years sector.

5. Growth contingency

5.1. The DfE have confirmed that local authorities can hold contingency funds for in-year growth above the funded pupil numbers. This will be counted within the 95% pass-through rate because the money is eventually shared with providers.

5.2. The Early Years January 2023 census showed an increase in the number of hours for three and four year olds, this is expected to continue. For the financial year 2024-25 Portsmouth City Council will initially be funded on the January 2023 hours. There is a risk that as the year progresses that the actual hours will exceed the funding received by the authority. It is therefore necessary to hold a contingency within the three and four year old formula to fund suppliers for any hours delivered over and above the funding received by the authority.

5.3. For two year old and the under 2s, the change in the methodology for funding the local authority through a termly head count reduces the need for a growth

contingency as the funding the authority receives should more closely follow the numbers in Early Years settings in 2024-25.

- 5.4. The position on the Growth Contingency will be reviewed each year to consider any changes in methodology and actual attendance compared to the funding received.

6. Centrally retained

- 6.1. As set out in the regulations, the authority can retain up to 5% of the Early Years Block funding to support the early years functions. For 2024-25, the 95% pass-through requirement will apply separately to the entitlements for:
- nine months old children up to two year olds of working parents
 - two year old children of working parents
 - two year old children from disadvantaged families
 - three and four year olds (universal and additional hours).
- 6.2. The retention of the 5% will enable the authority to continue to support providers and undertake the eligibility checks required with the expansion of the entitlements and the early years pupil premium to include all two year olds and under 2s.
- 6.3. Therefore, it is proposed that the 5% retention will be applied to all funding formulas as set out in tables 1, 3 and 4.

7. Next steps

- 7.1. The feedback provided from this consultation will inform the report to Schools Forum and Cabinet Member early in 2024 to set the hourly rates for two year olds and under and three and four year olds for 2024-25.
- 7.2. When responding to the consultation please be aware that your response may be shared in the public domain, e.g., via a Freedom of Information request, therefore please don't share information that may be commercially sensitive, or you would not want shared more widely.
- 7.3. To respond to the consultation, please complete the attached document and return to EYfunding@portsmouthcc.gov.uk
- 7.4. Responses should be returned no later than close of play **Friday 5th January 2024**.

Early Years Consultation Response Form 2023

Provider Name:

<p>1. Do you agree with the proposed 2024-25 funding formula for three and four year olds, as set out in Table 1?</p>	<p>Yes</p>	<p>No</p>
<p>If not, what would you change?</p>		
<p>2. Do you agree with the proposed 2024-25 funding formula for two year olds, as set out in Table 3?</p>	<p>Yes</p>	<p>No</p>
<p>If not, what would you change?</p>		
<p>3. Do you agree with the proposed 2024-2025 funding formula for under 2's as set out in Table 4</p>	<p>Yes</p>	<p>No</p>
<p>If not, what would you change?</p>		

Local Authority Funding Reform Proforma

LA Name:	Portsmouth
LA Number:	851

Primary minimum per pupil funding level	Secondary (KS3 only) minimum per pupil funding level	Secondary (KS4 only) minimum per pupil funding level	Secondary minimum per pupil funding level	Disapplication number where alternative MPPL values are used
£4,610.00	£5,771.00	£6,331.00	£5,995.00	

Pupil Led Factors

Description	Reception uplift	Pupil Units				Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)							
	No	Amount per pupil	Pupil Units	0.00	Primary				Secondary							
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)																
Primary (Years R-6)		£3,614.00		15,865.00	£57,336,110	£114,009,446	36.51%	6.00%								
Key Stage 3 (Years 7-9)		£5,096.00		6,413.00	£32,680,648			6.00%								
Key Stage 4 (Years 10-11)		£5,744.00		4,177.00	£23,992,688			6.00%								
2) Deprivation						£20,170,422	12.84%									
FSM		£497.00	£497.00	5,151.00	3,762.00			£4,429,761	20.00%	20.00%						
FSM6		£832.00	£1,218.00	5,247.00	3,958.00			£9,186,348	20.00%	20.00%						
IDACI Band F		£238.00	£345.00	1,949.07	1,219.06			£884,457	20.00%	20.00%						
IDACI Band E		£289.00	£457.00	2,321.29	1,541.39			£1,375,267	20.00%	20.00%						
IDACI Band D		£452.00	£639.00	296.28	182.19			£250,336	20.00%	20.00%						
IDACI Band C		£492.00	£700.00	1,521.09	1,000.72			£1,448,879	20.00%	20.00%						
IDACI Band B		£523.00	£751.00	1,309.02	922.74			£1,377,593	20.00%	20.00%						
IDACI Band A		£690.00	£959.00	915.03	611.48	£1,217,781	20.00%	20.00%								
3) English as an Additional Language (EAL)						£2,342,495	1.27%									
EAL 3 Primary		£599.00		2,253.00				£1,349,546	0.00%							
EAL 3 Secondary			£1,608.00		403.41	£648,686		0.00%								
4) Mobility						£344,262	0.22%									
Pupils starting school outside of normal entry dates		£974.00	£1,400.00	198.97	107.47											
5) Low prior attainment						£11,220,798	7.15%									
Primary low prior attainment			£1,187.00	32.12%	5,095.35			£6,048,180	100.00%							
Secondary low prior attainment (year 7)		55.77%		28.06%				£5,172,618		100.00%						
Secondary low prior attainment (year 8)		54.47%		27.89%	2,872.08											
Secondary low prior attainment (year 9)		54.47%	£1,801.00	27.87%												
Secondary low prior attainment (year 10)		64.53%		25.79%												
Secondary low prior attainment (year 11)		64.53%		25.92%												

Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)
6) Lump Sum	£138,385.00	£138,385.00			£7,887,945	5.02%	
7) Sparsity factor	£57,941.00	£84,222.00	£84,222.00	£84,222.00	£0	0.00%	

Rows 45 to 48 are populated with the NFF methodology, please leave this as is if you wish to follow the NFF. As per the Operational Guidance, the distance thresholds can be increased or the year group size thresholds decreased and the distance threshold taper is optional. An alternative method of allocation to the NFF's average year group size taper can be chosen: the continuous taper (Tapered) or fixed sum (Fixed). Examples of each are provided in the Operational Guidance.

Primary distance threshold (miles)	2.00	Primary pupil number average year group threshold	21.40	Apply primary distance taper	Yes	NFF, tapered or fixed sparsity primary lump sum?	NFF
Secondary distance threshold (miles)	3.00	Secondary pupil number average year group threshold	120.00	Apply secondary distance taper	Yes	NFF, tapered or fixed sparsity secondary lump sum?	NFF
Middle schools distance threshold (miles)	2.00	Middle school pupil number average year group threshold	69.20	Apply middle school distance taper	Yes	NFF, tapered or fixed sparsity middle school lump sum?	NFF
All-through schools distance threshold (miles)	2.00	All-through pupil number average year group threshold	62.50	Apply all-through distance taper	Yes	NFF, tapered or fixed sparsity all-through lump sum?	NFF

8) Fringe Payments				Fringe multiplier	1.0000	£0	0.00%
9) Split Sites		Basic eligibility funding	£54,490.00	Distance funding rate	£27,296.00	£0	0.00%
10) Rates						£1,025,793	0.65%
11) PFI funding						£186,321	0.12%

Circumstance	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
Additional lump sum for schools amalgamated during FY23-24	£0	0.00%	0.00%	0.00%
Additional sparsity lump sum for small schools	£0	0.00%		
Exceptional Circumstance3	£0	0.00%		
Exceptional Circumstance4	£0	0.00%		
Exceptional Circumstance5	£0	0.00%		
Exceptional Circumstance6	£0	0.00%		
Exceptional Circumstance7	£0	0.00%		

Total Funding for Schools Block Formula (excluding minimum per pupil funding level and MFG Funding Total)	£156,843,219	99.88%
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13) Additional funding to meet minimum per pupil funding level	£188,055	0.12%
Total Funding for Schools Block Formula (excluding MFG Funding Total)	£157,031,274	100.00%

14) Minimum Funding Guarantee	0.50%	£208,460
Where a value less than 0% or greater than 0.5% has been entered please provide the disapplication reference number authorising the value		
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)		No
Capping Factor (%)	Scaling Factor (%)	

Total deduction if capping and scaling factors are applied				£0			TRUE
				Total (£)	Proportion of Total funding(%)	Notional SEN (%)	
MFG Net Total Funding (MFG + deduction from capping and scaling)				£208,460	0.13%		TRUE
Total Funding for Schools Block Formula				£157,239,734		£22,095,449	TRUE
Notional SEN	Top-up - proportion of NOR	2.37%	SEN support plus EHCP minus Top-up - proportion of NOR	15.18%	Notional SEN funding per eligible pupil		£4,564
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)							
Additional funding from the high needs budget							
Growth fund (if applicable)				£1,079,642.95			
Falling rolls fund (if applicable)							
Other Adjustment to 23-24 Budget Shares				£0			TRUE
Total Funding For Schools Block Formula (including growth and falling rolls funding)				£158,319,377			FALSE
% Distributed through Basic Entitlement				72.60%			
% Pupil Led Funding				94.09%			
Primary: Secondary Ratio				1 :		1.36	
24-25 NFF NDR allocation, excluding prior year adjustments				£1,025,793			
Total Funding For Schools Block Formula (including growth and falling rolls funding) after deduction of 24-25 NFF NDR allocation				£157,293,584			