



Permanent Secretary

Sanctuary Buildings 20 Great Smith Street Westminster London SW1P 3BT
tel: 0207 340 7414 permanent.secretary@education.gov.uk

Robin Walker MP
Chair, Education Select Committee
SENT VIA EMAIL

6 October 2023

Dear Robin,

National Funding Formula Update

I am writing to inform you that we will be updating the schools national funding formula (NFF) for 2024-25 later this afternoon.

We published the schools NFF for 2024-25 in July. However, we have uncovered an error made by DfE officials during the initial calculations of the NFF. Specifically, there was an error processing forecast pupil numbers, which means that the overall cost of the Core Schools Budget would be 0.62% greater than allocated. We will therefore be issuing new NFF allocations to correct that error while continuing to deliver, in full, the £59.6bn Core Schools Budget that has been promised.

I apologise for this error. The Secretary of State has asked me to conduct a formal review of the quality assurance process surrounding the calculation of the NFF, with independent scrutiny. Improvements have already been identified to ensure similar mistakes are not repeated in the future.

The recalculation of funding does not affect the total amount we plan to spend in the Core Schools Budget in 2024-25 - which includes funding for mainstream schools, and funding for high needs. It will remain at £59.6bn in 2024-25, the highest ever in real terms per pupil. This is a percentage increase from 2023-24 of 3.2%, and will properly fund the teacher pay increase agreed in 2023.

The recalculated funding is at record levels, at an average of £5,300 per primary school pupil and £6,830 per secondary school pupil in 2024-25, up from £5,200 and £6,720 respectively in 2023-24. The 2024-25 high needs NFF allocations (which fund provision for children with complex SEND) are unaffected, as are other funding streams outside the NFF, including the Teachers' Pay Additional Grant announced in the summer.

Schools have not yet received their 2024-25 funding – so the correction of this error does not mean adjusting any funding that schools have already received. Likewise, the error will not impact on the publication of the Dedicated Schools Grant (DSG) in December, or when schools will receive their final allocations for 2024-25.

Nevertheless, we recognise that the correction of this error will be difficult for local authorities and frustrating for some school leaders, which is why the Department has worked as quickly as possible to rectify the error. We will work closely with school stakeholders, including unions, to communicate this change and support schools and local authorities.


The documents which will be updated and replaced with new versions today are:

- The policy document for the 2024-25 NFF, which is available on: [National funding formula for schools and high needs - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/national-funding-formula-for-schools-and-high-needs)
- The “national funding formula: summary table”, and the “impact of the schools NFF” tables, published on: [National funding formula tables for schools and high needs: 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/tables/national-funding-formula-tables-for-schools-and-high-needs-2024-to-2025)

I expect you will have further questions on the re-publication of the NFF once it has been issued, and look forward to discussing them with you in due course.

Again, I would want to express my sincere apologies that this error has occurred, and reassure you that rigorous measures are being put in place to ensure that it will not be repeated.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S Acland-Hood', written in a cursive style.

**SUSAN ACLAND-HOOD
PERMANENT SECRETARY**