

[Home](#) ▾ [Education, training and skills](#) ▾ [School and academy funding](#)

▾ [Funding for different types of schools and settings](#) ▾ [Funding for 16 to 19 year olds in schools](#)

▾ [16 to 19 free school revenue funding](#)



[Department
for Education](#)

Guidance

A guide to new 16 to 19 free school revenue funding: 2024 to 2025

Updated 18 November 2024

Applies to England

[Contents](#)

[School resource management](#)

[Financial planning](#)

[Funding](#)

[2024 to 2025 national funding rates](#)

[Teachers' pay and pension employer contribution funding](#)

[Financial governance and accountability](#)

This guidance is for new 16 to 19 free schools opening in the 2024 to 2025 academic year.

It sets out:

- how we'll calculate revenue funding for new 16 to 19 free schools
- the funding rates for the 2024 to 2025 academic year

- the financial governance and accountability requirements for trusts

The [financial management and governance self-assessment](#) tool helps trusts to assess a free school's financial governance and compliance before opening.

This guidance does not cover:

- funding for:
 - [free schools with pupils aged 5 to 16](#)
 - [special free schools](#)
 - [alternative provision free schools](#)
- 16 to 19 free schools open before September 2024
- any initial funding to help free school proposers develop their projects before opening the school
- capital funding including annual costs of leasing premises
- Value Added Tax (VAT) – when open you can claim back any VAT paid on non-commercial activity, directly from HMRC via the VAT scheme for academies

School resource management

Effective schools make the best use of resources to have the maximum impact for their pupils. Schools that do this well tend to:

- plan their curriculum and finances together, known as [integrated curriculum and financial planning](#)
- have a strategic approach towards financial planning for the longer term (3 to 5 years)
- deploy their staff effectively and efficiently, linked to their long-term plan
- have robust challenge from financially skilled governors and head teachers
- have skilled staff responsible for managing finances and procurement
- have transparent financial systems and processes

The school resource management offer is a suite of [free tools, guidance and support](#), developed in partnership with the sector. It helps schools and academy trusts:

- build their resource management capability

- obtain best value from all their resources

A [self-assessment checklist](#) is also available. This will help academy trusts check that they are managing resources effectively and identify any adjustments they need to make.

You can access free and impartial procurement support, advice and guidance through [Get help buying for schools](#). This service also provides access to [approved Department for Education \(DfE\) frameworks](#) which can help you save time and money on regular purchases such as furniture, cleaning services, and ICT.

[School resource management advisers](#) provide free, independent and tailored advice and support on using your schools resources to maximise outcomes for pupils.

To receive regular updates about school resource management tools, support and guidance, [sign up for the school business professional newsletter](#).

Financial planning

Free schools should plan their expenditure using the most up to date financial template. This will make sure your school is affordable within the funding we provide.

Contact your Regions Group delivery officer for the latest version of the template which contains the 2024 to 2025 funding rates.

If you do not have a delivery officer [contact the regional office](#) for your area.

You should update your financial plan as you:

- develop your plan for the school
- appoint staff
- develop site plans
- establish your costs
- get confirmation of your funding arrangements

You should review your financial plans regularly to make sure they reflect the:

- likely number of pupils – based on the number of applications received

- funding arrangements for each new academic year

We need assurance that free schools are on-course to be financially viable on opening. For post-16 free schools to provide a sustained and viable curriculum, we advise a minimum of around 1,000 pupils (around 200 capacity across all years for a school sixth form).

Submitting your financial plans

We ask free schools in the pre-opening stage to submit their current financial plans before entering into a funding agreement. This should include a version modelled around the minimum number of pupils you need to be financially viable.

You'll need to resubmit your financial plans before your readiness to opening meeting. This should be based on the latest available number of accepted offers.

Submit your plans with evidence to underpin your pupil number assumptions which must be realistic and achievable. Your plans should reflect:

- your income which you base on your estimates of available grants
- your outgoings
- the likely number of pupils

Plans should show that you will not go into deficit at any point. We expect to see in-year surpluses of no more than between 3 and 5%, including any contingency.

You need to provide a final finance plan ahead of opening. This will be used to determine your initial funding. Your delivery officer will give you the date that you need to do this by.

The [financial benchmarking service](#) allows you to compare your spending patterns to schools in similar circumstances.

Funding

In 2024 to 2025, the following funding will be available once open:

- national 16 to 19 formula funding
- business rates grant
- teachers' pay additional grant
- teachers' pension employer contribution grant
- special educational needs or alternative provision commissioner top-up funding (where appropriate)
- post-opening grant

Payments

The Education and Skills Funding Agency (ESFA) usually calculate and pay the funding for each free school. ESFA pays 16 to 19 funding monthly in equal instalments.

This is usually on the first working day of the month. The only exception will be in your first month of opening when ESFA will pay you on the sixth working day of the month.

National 16 to 19 formula funding

We use a national funding formula to calculate [allocations for 16 to 19 institutions](#) each academic year.

More information on the funding rates and formula is available from:

- [Funding guidance for young people 2024 to 2025 rates and formula](#)
- [16 to 19 funding: information for 2024 to 2025](#)

New free schools planning to offer 16 to 19 provision in their first 2 years of opening will be able to submit a business case before they open. Your delivery officer will contact you if you're in scope to check if you want to submit a business case.

If we approve your business case, we'll use the approved factors instead of using averages. We'll use your data to calculate institution specific factors.

2024 to 2025 national funding rates

For new free schools, we'll assume that all pupils are full-time and under 18 unless you tell us otherwise. Pupils will attract the Band 5 national funding rate of £4,843 per student.

Retention

For new free schools, we'll use the national retention average of 0.98301 for the 2024 to 2025 academic year.

Programme cost weighting

For new free schools, we'll use the national programme cost weighting average of 1.05329 for the 2024 to 2025 academic year.

English and maths funding

For new free schools, we'll use the national average instances per student of 0.0744 for English and maths funding.

This is a new funding element for the 2024 to 2025 academic year. Find out more information about [16 to 19 funding: maths and English condition of funding](#).

Disadvantage funding

For new free schools, we'll use the local authority average for disadvantage block 1 and the national average of 0.13323 for disadvantage block 2.

Area cost uplift

You can find more information about the area cost uplift from the guidance on [16 to 19 funding: how it works](#).

High value courses premium

For new free schools, we'll use the national average of 0.32028 for the 2024 to 2025 academic year.

Find more information about [high value courses premium](#).

Discretionary bursary funding

You can find more information about discretionary bursary funding from the [16 to 19 Bursary Fund guide 2024 to 2025](#).

High needs funding

You'll receive £6,000 per student for each high needs place identified by local authority commissioning plans and decisions.

More information about [high needs funding](#) is available.

Other elements of the national 16 to 19 formula funding

Other elements of the funding formula are not applicable to new free schools. This includes:

- the large programme uplift
- advanced maths premium
- T levels
- core maths premium

Find out more from [funding for 16 to 19 year olds in schools](#).

Pupil number adjustment

We need robust and realistic estimates of pupil numbers to ensure that we fund the school accurately. In the first year of opening, an early pupil number adjustments exercise will happen. If the October census shows that the school has not admitted the predicted number of pupils, we'll recover any excess funding in the following academic year.

If a 16 to 19 free school has recruited more pupils than they got funding for, ESFA will carry out an in-year reconciliation. They will pay any additional funding in February of the current academic year. ESFA will initially base allocations on an estimated number of pupils and local authority average pupil characteristic data. Any positive or negative adjustment will use the actual pupil characteristics returned in the October census. They will replace the averages initially used if it produces a more favourable outcome for the school.

From the second year of opening, ESFA carries out the in-year reconciliation for the number of pupils. They will pay any additional funding in July of the current academic year. Any recoveries will start in the following academic year.

If academies have a positive pupil number adjustment and an outstanding pupil number adjustment, ESFA will:

- reduce the pupil number adjustment by the amount of the outstanding debt
- if there is a net negative adjustment, use the positive amount to offset the debt and confirm any agreed deferrals or repayment plans against the lower amount

More information is available in the guidance for [academies funded on estimated pupil numbers](#).

Teachers' pay and pension employer contribution funding

Teachers' pay

In 2023 to 2024, teachers and headteachers in maintained schools received a pay award of 6.5%.

DfE provided £525 million to schools in 2023 to 2024, and £900 million in 2024 to 2025, alongside this award.

Of the £900m of additional funding, £825m of this is going to mainstream schools and high needs in 2024 to 2025 through the [teachers' pay additional grant \(TPAG\)](#).

There is no longer a separate teacher pay grant (TPG) in relation to 16 to 19 pupils. The TPG was incorporated into mainstream 16 to 19 funding from academic year 2022 to 2023, so we no longer pay this as a separate grant for 16 to 19 provision.

Teachers' pensions

The teacher pension employer contribution grant (TPECG) is providing £1.1 billion in 2024 to 2025 to support with the increase to the teachers' pension employer contribution rate.

The additional funding will be distributed via the new [teachers' pension employer contribution grant \(TPECG\) 2024](#). Over £920 million will be distributed to mainstream schools via this grant.

Risk protection arrangement

[Risk protection arrangement \(RPA\)](#) is an alternative to commercial insurance, whereby government funds cover any losses that arise. The RPA will cover losses that are in scope of the [RPA membership rules](#).

The RPA membership year runs from 1 September to the following 31 August. You can join at any time. Free schools can join the RPA scheme and receive cover before opening. There is no cost or premium to join the RPA in pre-opening. Free schools in the pre-opening stage, should discuss joining the RPA scheme with their delivery officer.

Once a school is open, ESFA will deduct the per-pupil cost at source from the free school's general annual grant. The cost of RPA for the academic year 1 September 2024 to 31 August 2025, will be £25 per pupil.

Free schools do not have to join the RPA scheme and can make alternative insurance arrangements.

Business rates grant

Free schools pay business rates at the 80% discounted charitable rate. They get a grant to cover the actual costs paid.

You can [claim for national non-domestic rates](#). Your [billing authority](#) may submit a claim on your behalf.

Post-opening grant – central route projects only

We provide 16 to 19 free schools with a post-opening grant. Free schools set up through the local authority presumption route are not eligible for the post-opening grant.

The post-opening grant covers additional costs in establishing a new publicly funded school which are not covered by the general annual grant. It provides funding in 2 elements as the free school grows:

- non-staffing resources, paid on a per-pupil basis
- a leadership grant

We pay the resources element each year that the school builds up to capacity for each new pupil expected to be on roll. We do not revise it after opening to reflect actual pupil numbers. We take these numbers from the final finance plan you submit before opening.

We pay £500 for each new mainstream pupil in the 16 to 19 phases (years 12 to 13). We pay it over the first 3 months of the academic year. 50% paid in month 1, 25% in month 2 and 25% in month 3.

We pay the leadership element each year based on the number of year groups that

the school will ultimately have, that do not yet have pupils. The second element of leadership, is a fixed-rate payment of £135,000. This is 80% in the first year and 20% in the second.

Financial governance and accountability

Trusts will need to ensure that spending decisions are transparent, and in the school's best interests. Free schools will need:

- sound financial procedures
- the capacity to handle public money
- good governance arrangements

On opening, you will need to:

- have a robust framework to manage your funding
- make sure you maintain proper accountability and procedures

Academy Trust Handbook

You must comply with the [Academy Trust Handbook](#) throughout the pre-opening period and once open. It sets out the financial management and governance requirements for academy trusts.

Non-compliance with the handbook is a breach of contract.

The handbook includes requirements on:

- financial oversight
- financial planning
- internal control
- financial monitoring and management
- the proper and regular use of public funds
- auditing

The handbook sets out that the accounting officer is personally responsible to

Parliament, and to the accounting officer of ESFA, for the resources under their control. This personal responsibility extends to ensuring regularity, propriety and value for money. The accounting officer also has responsibilities for:

- keeping proper financial records and accounts
- the management of opportunities and risks

Financial statements

All academy trusts with a funding agreement must submit an audited annual report and financial statements to ESFA by 31 December. This includes trusts with free schools.

The [academies accounts direction](#) explains the requirements for preparing and auditing academy trusts' annual financial statements. Before signing your funding agreement, prepare your financial statements following company law.

Trusts must set their [accounting reference date](#) to 31 August at Companies House. This is the date you will use to produce your financial statements.

Trusts must file their accounts by 31 May with [Companies House](#).

Other financial returns

Once open, trusts must also submit the following financial returns to ESFA:

- an [academies budget forecast return](#) by the end of August
- [audited financial statements](#) for the year ending 31 August, by the following December
- [internal scrutiny summary report](#) for the year ending 31 August, by the following December
- [academies accounts return](#) for the year ending 31 August, by the following January
- the [land and buildings collection tool](#) as at 31 August, by the following November
- a [financial management and governance self-assessment](#) within 3 months of opening

- a [school resource management self-assessment checklist](#) by the specified annual deadline

You are responsible for keeping up to date with the latest deadlines and requirements. More information about [academies financial returns](#) is available.

Document exchange

[Document exchange](#) is a secure, online service accessible via DfE sign-in. It enables academies to receive and exchange documents with ESFA.

As soon as you open it, it will add you to the document exchange. It will use your information from [get information about schools](#).

Use the [Customer Help Portal](#) if you have any queries.

[↑ Back to top](#)

Help us improve GOV.UK

To help us improve GOV.UK, we'd like to know more about your visit today. [Please fill in this survey \(opens in a new tab\)](#).

Services and information

[Benefits](#)

[Births, death, marriages and care](#)

[Business and self-employed](#)

Government activity

[Departments](#)

[News](#)

[Guidance and regulation](#)

[Childcare and parenting](#)

[Citizenship and living in the UK](#)

[Crime, justice and the law](#)

[Disabled people](#)

[Driving and transport](#)

[Education and learning](#)

[Employing people](#)

[Environment and countryside](#)

[Housing and local services](#)

[Money and tax](#)

[Passports, travel and living abroad](#)

[Visas and immigration](#)

[Working, jobs and pensions](#)

[Research and statistics](#)

[Policy papers and consultations](#)

[Transparency](#)

[How government works](#)

[Get involved](#)

[Help](#) [Privacy](#) [Cookies](#) [Accessibility statement](#) [Contact](#)

[Terms and conditions](#) [Rhestr o Wasanaethau Cymraeg](#)

[Government Digital Service](#)

OGI

All content is available under the [Open Government Licence v3.0](#), except where otherwise stated



[© Crown copyright](#)

