

Report to: Schools Forum

Date of meeting: 12 Jan 2024

Report By: Alison Jeffery

Title: DSG Budget 2024/25

Purpose: To provide an update on the DSG budget for 2024/25

RECOMMENDATIONS

1) Schools Forum are asked to note the DSG allocations for the Schools, Central School Services Block, High Needs and Early Years

1 Background

- 1.1 The Dedicated Schools Grant (DSG) for 2024/25 is, like last year, allocated by the DfE into four blocks. Each block is subject to separate regulations as to eligible expenditure and the use of the four blocks is outlined below:
- **The Schools Block** comprises the funding which must be delegated to schools and academies through the Funding Formula. Maintained schools can agree to de-delegate budgets and these are spent on their behalf by the local authority. Subject to Schools Forum approval, there are a limited number of exceptions, the Growth Fund and Falling Rolls Fund, which enable local authorities to hold this funding centrally. The funding for these funds goes to eligible schools and academies.
 - **The Central School Services Block (CSSB)** is a block of funding that provides funding for Local Authorities to carry out central functions on behalf of pupils in maintained schools and academies. LAs' CSSB is split into funding for historic commitments and funding for ongoing responsibilities.
 - **The High Needs Block** provides funding to support the provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25. This includes provision in maintained schools, academies, alternative provision, FE colleges and Independent providers, as well as supporting central spending on pupils with special educational needs and disabilities from their early years to age 25.
 - The **Early Years Block** funds payments to early years providers in settings and schools and supports central spending on early years pupils.
- 1.2 Please note that regulations stipulate that Schools Forum approval is required for the CSSB (Approved 17 Nov '23) and the Early Years Block only. The other blocks are presented for information.

2. Appendices

2.1 The appendices below provide a breakdown of the DSG allocations:

- Appendix A - DSG Summary
- Appendix B - Schools Block DSG
- Appendix C – Central School Services Block DSG
- Appendix D - High Needs Block DSG
- Appendix E – Early Years Block DSG

3. Schools Block Funding

3.1 The Schools Block for 2024/25 is based on the October 2023 pupil census data and equates to £367.2m.

3.2 The DfE have allocated £16.2m more to the Schools Block compared to 2023/24. There are two reasons for this:

- 1 £11.8m relates to the previously separate mainstream grant now being added into the Schools Block.
- 2 £4.4m additional funding (£6.6m due to increase in National Funding Formula (NFF) rates offset by reduction in NOR (-£2.2m)

3.3 Growth and Falling Rolls Fund proposals were presented to Schools Forum at the Nov '23 Schools Forum whereby a request was made for the continuation of support for maintained schools and academies in respect of Key Stage 1 top up, additional classes, pre-opening costs and dis-economies of scale costs for new schools. No additional funds were requested for the falling rolls fund as funds are to be brought forward from 2023/24.

4. Central School Services Block (CSSB) Funding

4.1 At the Nov '23 Schools Forum meeting, the CSSB funding of £4.4m was discussed and approval was obtained by Schools Forum for the Local Authority's planned use of funding, which was to use £2.4m (On-going responsibilities), and to transfer the remaining funds of £2.0m (Historic Commitments) to mainstream Schools/ Academies.

4.2 The DfE have confirmed that £4.4m has been allocated to the local authority. (£2.4m to Historic Commitments and £2.0m to on-going responsibilities)

4.3 The £2.4m, will be transferred to mainstream Schools/ Academies in April '24.

5. High Needs Block (HNB)

5.1 The High Needs Block must fund all provision for children with SEND that is above and beyond that which is delegated to schools and settings through other formulas (e.g. pupil numbers, notional SEND budgets etc.). When allocated from the DfE, there are no divisions within this budget for different sectors and, therefore, all costs must be met within the funding envelop, which is determined each year by formula. It is important to note that the formula does not reflect the comparatively large number of pupils that ES has in Independent and Non-Maintained Special (INMS) schools, whose annual costs equate to a quarter of the entire HNB allocation, nor the high proportion of children specifically within special schools.

- 5.2 The total High Needs Block funding is calculated by the DfE and for 2024/25 is £87.0m which is an increase of £4.0m compared to 2023/24. The £4.0m increase equates to a 4.6% increase from 2023/24, which is a much smaller increase when compared to what was received for 2023/24 (where ES received an increase of 10.8% - 8.1m more than 22/23). Of the £4.0m increase, £900k relates to an increase in pupil numbers. The remaining £3.1m is linked to the broader formula indicators which are used to determine funding allocations.
- 5.3 The DfE have stated that special schools/ academies and alternative providers will continue to receive place funding at £10,000 per agreed place. As in previous years, the Local Authority has realigned agreed places at some schools and academies to more effectively reflect need.
- 5.4 In addition to the £10,000 per agreed place, Local Authorities must continue to allocate additional funding, to Special Schools/Academies, in relation to both place and top up funding. The methodology must be the same as for 2023/24 and again equates to an additional 3.4% per place (Based on £10,000 place funding).

Example:

Place Funding

Annual Place Funding for School A	Additional Funding (For the year)
100 Places * £10,000 (£1,000,000)	£1,000,000 * 3.4% = £34,000

- 5.5 The figures above represent the minimum required enhancement to top-up and place funding for special schools. Further funding for 24/25 will be considered through the High Needs Block working group alongside uplift requests across all providers.
- 5.6 For specialist facilities attached to mainstream schools, as per DfE regulations, the place funding will continue to be £6,000 for every occupied place and £10,000 for an unoccupied place. (Funding for occupied places is £6,000 per place because these pupils are also funded via the school's budget share.)
- 5.7 The High Needs Block working group will need to consider how we meet requests for increases to HNB funding from all sectors (mainstream, special and FE) as any increases will need to be met within the overall funding allocation for the county. This will also need to take into account the increase in costs in the INMS sector which have increased by over 20% this financial year.

6 Early Years Block

- 6.1 There are a number of changes to the Early Years Block. Appendix E is a summary of the funding allocations, for 2024/25. However, more detailed explanations are to be provided in Agenda Item 5.

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Appendix A

DSG Summary 2024/25	Schools	Central School Services	High Needs	Early Years	Total
Total DSG including Academies	£367,230,200	£4,456,800	£86,976,600	£29,149,000	£487,812,600
2 Year Old / Under 2's Funding Entitlement	£0	£0	£0	£16,377,500	£16,377,500
Total Funding Available	£367,230,200	£4,456,800	£86,976,600	£45,526,500	£504,190,100

Appendix B

Schools Block 2024/25	£	£	Comments
Schools Block DfE notification		367,230,200	
Adjusted Schools Block Total 2024/25		367,230,200	
Distribution of Funding at LA Level			
Growth Fund			
Key Stage 1 top up	474,100		Approved by Schools Forum 17 Nov '23
Additional Classes	550,300		
New Schools - Dis-economies of scale funding	14,000		
		1,038,400	
Falling Rolls Fund		0	Unspent funds being carried forward from 2023/24. (As per 17 Nov '23 School
Funds allocated to Schools & Academies		366,191,800	
Total		367,230,200	

Schools Block 2023/24	£	£
Schools Block DfE notification		350,987,700
Adjusted Schools Block Total 2023/24		350,987,700
Distribution of Funding at LA Level		
Growth Fund		
Key Stage 1 top up	586,000	
Additional Classes	488,000	
New Schools - Dis-economies of scale funding	28,000	
Less c/fwd from 2022/23	-117,000	
		985,000
Falling Rolls Fund		0
Funds allocated to Schools & Academies		350,002,700
Total		350,987,700

Appendix C

Central School Services Block 2024/25	£	Comments
Central Schools Services Block notification	4,456,800	
Central School Services Block Total 2024/25	4,456,800	
Historic Commitments (HC)	0	
Funds to transfer to Schools & Academies (Apr)	2,016,900	Approved by Schools Forum 17 Nov '23
On-going Responsibilities	2,439,900	Approved by Schools Forum 17 Nov '23
Total	4,456,800	

Central School Services Block 2023/24	£
Central School Services Block notification	4,897,900
Central School Services Block Total 2023/24	4,897,900
Historic Commitments (HC)	0
Funds Transferred to Schools & Academies	2,521,100
On-going Responsibilities	2,376,800
	4,897,900

Appendix D

HIGH NEEDS BLOCK 2024/2025	<u>£</u>	<u>£</u>
Block total (From DfE)	86,976,600	
Distribution of Funding at LA Level		86,976,600
Funding for Commissioned Places		
Special Academy place funding (Pre 16)	11,769,200	
Maintained Special School place funding (Pre 16)	1,100,000	
Academy Special Facilities place funding (Pre 16)	723,100	
Maintained Special Facilities place funding (Pre 16)	666,000	
Maintained Special Schools place funding (Post 16)	210,000	
Special Academy place funding (Post 16)	650,000	
Post 16 FE Places	1,444,000	
Alternative Provision	1,400,000	17,962,300
Other High Needs Budgets		
Top up funding Pre 16	28,383,100	
Top up funding Post 16	2,753,000	
Fees for pupils at independent schools	21,500,000	
Education out of School	3,205,700	
SEN support	13,172,500	69,014,300
Total		86,976,600

HIGH NEEDS BLOCK 2023/2024	<u>£</u>	<u>£</u>
Block total (From DfE)	82,937,600	
Distribution of Funding at LA Level		82,937,600
Funding for Commissioned Places		
Special Academy place funding (Pre 16)	10,833,300	
Maintained Special School place funding (Pre 16)	1,020,000	
Academy Special Facilities place funding (Pre 16)	687,300	
Maintained Special Facilities place funding (Pre 16)	530,000	
Maintained Special Schools place funding (Post 16)	210,000	
Special Academy place funding (Post 16)	650,000	
Post 16 FE Places	1,242,000	
Alternative Provision	1,400,000	16,572,600
Other High Needs Budgets		
Top up funding Pre 16	26,733,800	
Top up funding Post 16	2,753,000	
Fees for pupils at independent schools	20,500,000	
Education out of School	3,205,700	
SEN support	13,172,500	66,365,000
Total		82,937,600

Appendix E

Early Years Block 2024/25	£	£
3/4 Year Old Entitlement	28,289,700	
2 Year old funding entitlement	11,617,600	
Under 2 Funding Entitlement	4,759,900	
Pupil Premium funding	564,400	
Disability Access Fund	294,900	
Early Years block total 2024/25		45,526,500
LA Central Budgets		
Early Years Formula Funding (Payments to PVI's and Schools)	44,591,200	
Early Years Team (Which includes training & moderation)	935,300	
Total		45,526,500

Early Years Block 2023/24	£	£
3/4 Year Old Entitlement	24,409,300	
2 Year old funding	3,863,800	
Under 2 Funding Entitlement	0	
Pupil Premium funding	303,600	
Disability Access Fund	162,300	
Early Years block total 2023/24		28,739,000
LA Central Budgets		
Early Years Formula Funding (Payments to PVI's and Schools)	27,803,700	
Early Years Team (Which includes training & moderation)	935,300	
Total		28,739,000