

Report to: Schools Forum

Date of meeting: 10 Jan 2025

Report By: Carolyn Fair

Title: DSG Budget 2025/26

Purpose: To provide an update on the DSG budget for 2025/26

RECOMMENDATIONS

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

1 Background

1.1 The Dedicated Schools Grant (DSG) for 2025/26 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.

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 2025/26 is based on the October 2024 pupil census data and equates to £392.6m.

3.2 The DfE have allocated £25.4m more to the Schools Block compared to 2024/25. There are two reasons for this:

- 1 £26.0m relates to the previously separate mainstream grants now being added into the Schools Block. These are the 'Teachers Pay Additional Grant' (TPAG), 'Teachers Pensions Employer Contribution Grant' (TPECG) and the 'Core Schools Budget Grant' (CSBG).
- 2 A reduction in overall NOR resulting in £3.7m less funding offset by additional funding of £3.1m due to increase in National Funding Formula rates. (Overall net reduction of £0.6m).

4. Central School Services Block (CSSB) Funding

4.1 The DfE have confirmed that £4.3m has been allocated to the local authority. (£1.6m to Historic Commitments and £2.7m to on-going responsibilities)

4.2 See Agenda Item 6 for more information on this block of funding and the LA's proposed use for this funding.

5. High Needs Block (HNB)

5.1 The total High Needs Block funding is calculated by the DfE and for 2025/26 is £94.1m which is an increase of £7.1m compared to 2024/25. The £7.1m increase equates to a 8% increase from 2024/25. Of the £7.1m increase, £700k relates to an increase in pupil numbers. The remaining £6.4m is linked to the broader formula indicators which are used to determine funding allocations.

5.2 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.

5.3 Special Schools and Alternative Providers will continue to receive separate additional grant funding in relation to the 'Teachers Pay Additional Grant', 'Teachers Pension Employer Contribution Grant' and the 'Core Schools Budget Grant'. To simplify the administration of the continuation of these grants, the DfE are combining them into a single grant It will be called the 'Core Schools Budget Grant' (CSBG).

- 5.4 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.)

6 Early Years Block

- 6.1 Appendix E is a summary of the funding allocations, for 2025/26. However, more detailed explanations are provided in Agenda Item 7.

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