

Schools Forum

21 March 2024

Dedicated Schools Grant Budget 2024/25

This report relates to all education sectors where approval is required and is for approval by all schools forum members.

Recommendation(s)

The Schools Forum is recommended to:

1. Note the DSG budget for 2024/25 for the Schools, High Needs and Early Years blocks.
2. **Approve** the Central School Services block (CSSB) budget of the DSG budget for 2024/25, as presented in Table 6.

1. Introduction

- 1.1. The 2024/25 ESFA DSG Grant allocations are shown in Table 1 below as published in late December 2023.

Table 1: 2024/24 DSG Allocations	2024/25		2023/24	Change	
	£m	£m	£m	£m	
Schools Block	456.656		425.638	31.019	7.3%
Less: National Non-Domestic Rates	(4.351)		(3.719)	(0.632)	17.0%
		452.305	421.919	30.387	7.2%
High Needs Block	97.638		94.543	3.095	3.3%
Less: recoupment	(17.234)		(16.726)	(0.508)	3.0%
		80.404	77.817	2.587	3.3%
Early Years Block		63.795	38.617	25.178	65.2%
Central School Services Block		4.135	4.102	0.033	0.8%
Total DSG Allocation		600.639	542.455	58.185	8.7%

2. Schools Block

- 2.1. The 2024/25 Schools Block DSG allocation (£452.306m) has increased by 7.2% above the 2023/24 Schools Block DSG (£421.919m). This is represented by:

- An increase in the total Number on Roll for 2024-25 by 1,157 pupils (1.43%) above 2023-24 pupil numbers.
- An increase of 4.45% for primary and 4.67% for secondary in the minimum pupil funding above the 2023-24 levels
- Pupil led funding formula factors were increased by between 0.23% and 13.87% above 2023-24 funding levels.
- The Minimum Funding Guarantee has been set at +0.5% in line with the “hard” NFF, as set by the ESFA.

2.2. Schools Forum has already agreed to continue to apply the National Funding Formula in the allocation of Schools Block funding, and to continue to de-delegate funding for the following services in 2024/25:

Table 2: De-delegation 2023/24	
Primary Schools	Secondary Schools
Free school meals	Free school meals
Trade Union facility time	Trade union facility time
English as an Additional Language	English as an Additional Language
Gypsy and Romany Travellers	
School improvement	
Behaviour support services	
Medical Referrals for Employees	

2.3. The application of the National Schools Funding Formula to allocate the Schools Block budget, as approved by Schools Forum, has resulted in all of the 2024/25 Schools Block being allocated.

2.4. The allocation of the Schools Block (which takes account of the 0.5% transfer from the Schools Block to the High Needs Block, following Secretary of State approval for this) is as follows.

Table 3: Schools Block (excluding NNDR)	Budget 2024/25 £m	Budget 2023/24 £m	Change £m
Individual School Budgets	445.674	417.680	27.994
Growth Fund (exceptional pupil numbers)	3.599	3.471	0.128
Education Functions - Maintained Schools			
DBS checks	0.157	0.163	(0.006)
De-delegated budgets			
School Performance	0.169	0.189	(0.020)
STS SEND Support (Previously "EIS")	0.027	0.030	(0.003)
Ethnic Minority & Traveller Achievement Service	0.258	0.235	0.023
Free School Meals	0.017	0.019	(0.002)
Teaching Union Cover	0.058	0.064	(0.007)
Non-Teaching Union Cover	0.014	0.016	(0.002)
Occupational Health	0.011	0.013	(0.001)
Central Establishment Charges	0.039	0.039	0.000
Agreed Movements between blocks			
Contribution to the High Needs Block	2.283	0.000	2.283
Total Available Schools Budget	452.306	421.919	30.387
Funded by:			
Total Schools Allocations	452.306	421.919	30.387

3. High Needs Block

- 3.1. High Needs block funding in Table 4 has been set based on the principles and outcomes of the Delivering Better Value (DBV) programme and uses existing obligations in terms of top-ups, placements and staffing costs but also sets a balanced DSG HNB budget in order for managers to account and forecast against. Although the HNB allocations match the HNB grant there is an expectation that the funding will not be sufficient. The LA matches the expected in year deficit by contributing to an "offset reserve" in order to comply with External Auditors expectations. This expectation is set in the context that savings are to be achieved within the framework of the SEND & Inclusion Change Programme / DBV DSG recovery plan. For 2024/25 the authority has set aside £17.900m which equates to the forecast in year deficit for the High Needs Block after interventions and savings are achieved.
- 3.2. In light of the pressures on services and increasing demand as well as the expected in-year deficit the following allocations of the HNB have been made.

Table 4: High Needs Block	Budget 2024/25 £m	Budget 2023/24 £m	Change £m
SEN – Place Funding for Maintained Mainstream, Special and Resourced Provision	6.553	6.138	0.415
SEN Top up – Mainstream Schools & Academies	19.200	13.355	5.845
SEN Top up – WCC Special Schools & Academies	22.549	20.812	1.737
SEN Top up – Independent & OLA Special Schools	25.900	16.167	9.733
Tier 4 Hospital Education	0.276	0.400	(0.124)
Resourced Provision – SEN Support	2.954	1.411	1.544
Post 16 Funding	13.310	9.400	3.910
SEND Commissions	1.461	1.450	0.011
SEND Integrated Services (CPD & Curriculum)	0.167	0.928	(0.761)
SEND Integrated Services (Low incidence SEND)	1.013	0.167	0.847
SEND Integrated Services (Flexible Learning)	0.982	0.883	0.099
Area Behaviour Partnerships (Primary and Secondary Exclusions)	1.844	2.911	(1.067)
Contribution to Early Intervention Behaviour Panels	0.064	0.064	0.000
SENDAR Alternative Provision	0.502	0.904	(0.402)
SEND Integrated Services (Specialist Teaching Service)	1.158	1.055	0.103
Integrated Disability Service SEN Inclusion Grant (EY)	0.000	0.485	(0.485)
Central Establishment Charges	0.370	1.428	(1.058)
High Needs Allocations	98.304	77.956	18.064
High Needs Block Funding	80.404	77.817	
Forecast DBV High Needs Block Funding Shortfall	(17.900)		

3.3. There are increases and decreases to the budgets between the two financial years, as shown in the table above. These are reflective of the savings and interventions within the current SEND and Inclusion Change Programme, current and expected pressures as well as the first-year outcomes of the DBV mitigations.

4. Early Years Block

4.1. The Early Years Block allocation for 2024/25 was provisionally set in December 2023. However, the Early Years Block allocation for 2023/24 is subject to change once the January 2024 census data is confirmed (which happens after 31 March 2024). This is the only one of the four DSG blocks that changes retrospectively for this reason.

- 4.2. Based on the January 2024 School Forum paper and decisions at that meeting the following table illustrates the overall allocations to individual budget areas funded by the Early Years Block allocation for 2024/25 (as per Appendix 1 of the EY NFF report to Schools Forum).

Table 5: Early Years Block	Passported or Retained	Budget 2024/25 £m	Budget 2023/24 £m	Change £m
Maintained Nursery Supplement	Passported	1.046	0.857	0.189
Nursery Funding 3- & 4-year-olds	Passported	25.563	22.169	3.394
Nursery Funding 3- & 4-year Olds (Additional 15 hours)	Passported	12.095	10.515	1.580
DSG Pupil Premium (3- & 4-year-olds)	Passported	0.276	0.252	0.024
Disability Access Fund (3- & 4-year-olds)	Passported	0.307	0.200	0.107
Funded 2-year-olds (Disadvantaged Families)	Passported	3.758	2.965	0.793
Funded 2-year-olds (Working parents)	Passported	10.346	0.000	10.346
DSG Pupil Premium (2-year-olds)	Passported	0.152	0.000	0.152
Disability Access Fund (2-year-olds)	Passported	0.088	0.000	0.088
Funded Under 2s (Working parents)	Passported	7.120	0.000	7.120
DSG Pupil Premium (Under 2s)	Passported	0.008	0.000	0.008
Disability Access Fund (Under 2s)	Passported	0.023	0.000	0.023
IDS TL Early Years	Retained	1.396	0.967	0.430
EY Management (contribution)	Retained	0.050	0.000	0.050
SEN Inclusion Grant	Retained	0.735	0.000	0.735
Early Years - Sufficiency & Business Support	Retained	0.437	0.282	0.155
Early Years Development	Retained	0.249	0.097	0.153
EYB Central Establishment Charges	Retained	0.144	0.314	(0.170)
Early Years Allocations		63.795	37.760	24.989
Funded by:				
Total EYB Allocations		63.795	38.617	

5. Central School Services Block (CSSB)

Schools Forum are asked to approve the CSSB Budget as set out in Table 6.

- 5.1 Schools Forum is required to approve the budget allocations for the CSSB. The proposed allocations are set out in Table 6 below: It should be noted that the use of the CSSB is restricted to a small set of expenditure as confined by DSG regulations. This as well as the year-on-year decreases in £ per pupil CSSB funding restricts the options for the use of the CSSB, this is exacerbated as well by many of the items being of a fixed cost nature. Please note the Secretary of State has the power to approve the CSSB contrary to the decision of Schools Forum. This is to ensure

councils are adequately funded to exercise their core responsibilities and historic commitments. WCC would apply to the Secretary of State if Schools Forum did not approve the CSSB.

The CSSB funding is calculated in 2 elements.

- Funding for historic commitments, which total £1.003m.
- On-going funding of £38.96 per pupil, which is £3.133m, based on 80,402 pupils (primary & secondary).

5.2 The CSSB funding has seen a decrease in the funding per pupil element of £0.21 per pupil (£38.96 from £39.17 per pupil), This is a smaller reduction than in previous years (2022/23 to 2023/24 was £1 per pupil). For 2024/25, if pupil numbers had remained static this would have result in a £0.017m reduction in funding. However, as pupil numbers have increased by 1,282, the overall funding has increased by £0.033m. Nationally, the historic commitments element of funding has been subject to a 20% reduction each year for the past 2 years. Warwickshire County Council has successfully appealed against this reduction due to the long-term fixed nature of these costs.

5.3 Due to the fixed nature of Historic elements and the increase in ongoing funding this year (due to the increases in pupil numbers), it has become necessary to re-align some of these budgets and to hold some of the funding back for final confirmation of DfE costs as well as transformation changes. The major changes are:-

- Increase of £0.324m - The School Admissions service has experienced an increase in demand during the last 18 months. The In Year application rate has increased by 40% since pre-pandemic. Demand is further compounded by place availability particularly at Secondary level which is manifesting in an increase of appeals and use of Fair Access. Appeals have increased by 100% from pre-pandemic levels. Email traffic into the service has consequently increased with existing staff working overtime and temporary staff drafted in to support enquiries. To provide a quality service to parents and schools, additional capacity is required to manage this increasing demand. As part of our future roadmap for service development, we will be looking at ways to harness new technologies and create greater efficiencies in the future.
- Increase of £0.100m - The teachers' pension employer contribution grant allocation.
- Contingency will need to be used for the increase in the Copyright licences cost which has not yet been confirmed by Central Government as well as be any first call on future CSSB funding reductions.

- A review & reduction of central overhead costs in light of the pressures above as well as previous and probable future CSSB funding reductions.

5.4 Please note, that if the Government continue with their planned approach to reduce the CSSB further in future years, this will have an impact on these budgets, which Schools Forum will later be required to make decisions on (as part of budget setting).

Table 6: Central Schools Services Block	Historic or Ongoing	Budget 2024/25 £m	Budget 2023/24 £m	Change £m
DSG SF Allocation - Historic Pension Contribution	Historic	0.737	0.737	0.000
DSG SF Allocation - North Leamington School Borrowing	Historic	0.266	0.266	0.000
DSG SF Allocation - Copyright Licences	Historic	0.538	0.527	0.011
Admissions	Ongoing	1.123	0.799	0.324
Employers Liability Insurance	Ongoing	0.045	0.045	0.000
Teachers Pensions Employer Contribution Grant (TPECG)	Ongoing	0.524	0.424	0.100
Contingency	Ongoing	0.127	0.000	0.127
Central provision within schools budget (former ESG retained duties)	Ongoing	0.663	0.663	0.000
Cost of support services for Education Functions	Ongoing	0.113	0.727	(0.615)
Central Schools Services Allocations		4.135	4.188	(0.053)
Funded by:				
Total CSSB Allocations		4.135	4.102	0.033

2025/26 onwards). It is expected that Government will continue to reduce prior year's historic factors by 20%, (which the LA will continue to appeal against until the commitments are cleared), as well as possible further £ per pupil reductions.

Stephanie Phillips

Senior Accountant (Team Manager) – Education and Schools Funding

Email: stephaniephillips@warwickshire.gov.uk