



Northumberland County Council

Wellbeing and Community Health

Agenda Item 6

SCHOOLS FORUM

14 February 2024

Setting the Dedicated Schools Grant (DSG) 2024/25

1. Purpose of the Report

To inform Schools Forum of the estimated overall DSG for 2024/25 as notified to Northumberland by the Education and Skills Funding Agency (ESFA) and the proposed allocation of funds within the 4 DSG Blocks.

2. Recommendations

It is recommended that Schools Forum notes:

- the proposal for the Schools Block formula values and the resulting 2024/25 School Budget Shares, in line with the Cabinet decision of 16 January 2024 including the delegation of the approval of the final formula values to the Executive Director of Children Services and the Lead Member for Children's Services and Deputy Leader of the Council in line with the principles agreed at Schools Forum on 22 November 2023
- the 2024/25 High Needs Block Budget including the final transfer from the Schools Block to the High Needs Block;
- the 2024/25 Early Years Block rates; and
- the 2024/25 Central Schools Services Budget.

3. Background

Schools Forum has previously received reports outlining developments in relation to the National Funding Formula (NFF). Information from the Department for Education (DfE) has confirmed their intention to move to a National Funding Formula (or "Hard" Formula) and the DfE has indicated an expectation that this will be achieved by 2027/28. For 2023/24 Northumberland was classed as an LA that "mirrors the NFF", following the full adoption of the mobility factor. This continues to be the position for 2024/25.

Once the NFF Hard Formula is fully implemented, local authorities will have no discretion in the values of the individual factors used to distribute funding to schools, as is the case at the moment, within the overall framework provided by the ESFA Revenue Funding Guide and the associated Authority Proforma Tool (APT) used to calculate individual school budget shares.

4 Schools Block

4.1 Transfer to High Needs Block

In line with the position agreed at November 2023 School Forum meeting, and subsequently agreed in the schools' consultation exercise agreeing a maximum transfer of 0.5%, a final transfer of £1,125,004 (0.49%) has been agreed. This enables the payment of the full NFF values across all factors after capping and scaling reductions.

Effectively the transfer is being funded by a combination of the local authority's growth funding combined with additional funding generated via capping and scaling.

4.2 Sparsity Funding

Sparsity funding has been increased marginally (2.2%) for 2024/25, compared to the additional investment seen for 2021/22 and 2022/23. Final funding for schools in relation to National Funding Formula sparsity payments has now been finalised as £2.735 million up by £61,000 on the current year's figures of £2.674 million.

4.3 Other Issues

Introduced in April 2022, whereas previously individual schools, (maintained and academies) were responsible for paying their own NNDR bills following a consultation exercise last year, funding will be deducted "at source in relation to NNDR by the ESFA and paid directly to the billing local authority. This is intended to simplify administrative processes for schools. To reflect this the NNDR element is subsequently deducted from Schools Budget Share statements.

In line with the above, adjustments will be made to the School Budget Share statements to show the deduction of the NNDR element from final figures. This includes all maintained schools and academies, although it should be remembered that academies are included for indicative purposes only, they will receive their final funding statements covering the period from September 2024 to August 2025 subsequently from the ESFA. This will be shared with all schools as soon as possible, ahead of the 29 February deadline.

No additional funding has been set aside from the Schools Block in relation to the existing Falling Rolls or Growth Funds.

At the time of writing, Final ESFA agreement has not yet been received in relation to the submitted Authority Pro forma Tool (APT). Subject to this agreement, the final 2024/25 Formula Funding values used are shown in Table 1 on the following page.

In line with the figures at Appendix A, the equivalent 2024/25 final figure for distribution for £229,709,652 although the actual funding to be received by schools in 2024/25 is reduced by £2,533,172 in respect of NNDR which is being paid directly to the Council as administering authority by the ESFA, as outlined above. This figure also needs to be reduced by £1,125,004 in respect of the transfer from the Schools Block to the High Needs Block. The final figure for distribution is therefore £226,051,476 prior to de-delegation. The estimated final de-delegated sum is £414,135, though this is subject to change as a result of any further academisation.

Schools Forum is requested to:

- **note the formula funding values reflected in Table 1 for the distribution of the Schools Block DSG for 2024/25**

Table 1

FINAL NFF and NCC FORMULA FUNDING VALUES FOR 2024/25

(all values £)

Factor (all figures £)	NFF Values	NCC Values	NFF Values	# Final NCC Values	Movement in NCC values
	2023/24	2023/24	2024/25	2024/25	23/24 to 23/24
col (a)	col (b)	col (c)	col (d)	col (e)	col (f)
# AWPU Primary	3,394	3,394	3,562	3,562	5.50%
KS3	4,785	4,785	5,022	5,022	5.49%
KS4	5,393	5,393	5,661	5,661	5.50%
# Lump Sum Primary / Secondary	128,000	128,000	134,400	134,400	5.52%
Deprivation - Free School Meals Primary	480	480	490	490	2.13%
Secondary	480	480	490	490	2.13%
# Deprivation – FSM6 Primary	705	705	820	820	19.49%
Secondary	1030	1030	1,200	1,200	19.08%
Deprivation – IDACI:					
Primary Band F	230	230	235	235	4.55%
Band E	280	280	285	285	3.70%
Band D	440	440	445	445	4.76%
Band C	480	480	485	485	4.35%
Band B	510	510	515	515	4.08%
Band A	670	670	680	680	4.69%
Secondary Band F	335	335	340	340	4.69%
Band E	445	445	450	450	4.71%
Band D	620	620	620	620	4.20%
Band C	680	680	690	690	4.62%
Band B	730	730	740	740	4.29%
Band A	930	930	945	945	4.49%
Low Attainment Primary	1,155	1,155	1,170	1,170	2.21%
Secondary	1,750	1,750	1,775	1,775	2.34%
EAL Primary	580	580	590	590	2.65%
Secondary	1,565	1,565	1,585	1,585	2.29%
MOBILITY : Primary	945	945	960	960	104.10%
Secondary	1,360	1,360	1,380	1,380	104.51%
SPARSITY (max): Primary	56,300	56,300	57,100	57,100	2.36%
Middle	81,900	81,900	83,000	83,000	2.38%
Secondary/All Through	81,900	81,900	83,000	83,000	2.38%
# subject to notification of final ESFA approval of rates					
Capping		-		2.13%	
Scaling		-		75%	
Minimum Funding Guarantee		0.5%		0.5%	
<i>(range of 0 to 0.5% dictated by ESFA for 2024/25)</i>					
# Increases in AWPU, Lump Sum and Deprivation - FSM6 influenced by MSAG element					
	<ul style="list-style-type: none"> £119, £168 and £190 have been added to the Primary, KS3 and KS4 AWPUs £104 and £152 to the Primary and Secondary FSM6 factors; and £4,510 to the Lump Sum 				

5 High Needs Block

5.1 2024/25 Allocation

At the last meeting on 17 January 2024 Schools Forum were informed that the indicative High Needs Block allocation for 2024/25 is £53,831,547 before any deductions by the ESFA for direct funding of places by the ESFA of Pre and Post 16 in Academies, Post 16 in maintained special schools and post 16 in Independent Learning Providers (ILP) and Further Education (FE) establishments, as outlined in Appendix 1.

As reported in section 4.1 the transfer from the Schools Block to the High Needs Block has been set at £414,135.

Further information on the 2024/25 High Needs Block is available at the link [HERE](#).

At the January meeting, it was agreed that the more detailed breakdown for services within that budget would be set at the February meeting. The proposed budget is attached at Appendix B. The continuing increase in the number of EHC plans, represents the biggest single challenge to balancing the High Needs Block budget. It is anticipated that there will be no High Needs Block reserve remaining by the end of 2023/24. This, together with increasing numbers, particularly in relation to Top Up payments, and other inflationary pressures means that, at this point in the year, a savings requirement of £4.045 million has been identified in order to balance income and expenditure within the High Needs Block. This requirement and how to meet it will be the subject of ongoing discussions with High Needs Committee, Schools Forum and the wider Education Committee.

The final budget set of £51,510,551 consists of :

• 2024/25 HN Block Grant	:	50,385,547
• Transfer from Schools Block	:	1,125,004
TOTAL INCOME		51,510,551
TOTAL EXPENDITURE		55,555,320
SAVING REQUIREMENT		4,044,769

Schools Forum are requested to note the 2024/25 High Needs Block budget of £51,510,551, including a savings requirement of £4,044,769, as set out at Appendix B.

6 Early Years Block

The 2024/25 Early Years funding block figures and proposed hourly rates were reported to the January meeting of the Schools Forum, to allow the new rates from April to be provided to providers at an earlier stage. These are shown again for information below:

	2023/24	2024/25	Increase
3 and 4-Year-Old Rate	£4.91	£5.20	£0.29
2-Year-Old Rate	£7.27	£7.27	£0
Under 2-Year-Old Rate	-	£9.87	-
Early Years Pupil Premium Rate (all age ranges)	£0.62	£0.68	£0.06
Northumberland Pupil Premium Plus Rate (3- and 4-year-olds only)	£0.76	£0.76	£0.00
Disability Access Fund (annually)	£828	£910	£82

It has been agreed with Corporate Finance that this can be funded from within the overall EY DSG budget.

Schools Forum are requested to note the rates for the Early Year Block as set out above and reported to School Forum in January 2024.

7 Central Schools Services Block

This block was newly created in 2018/19 and comprises of funding for ongoing statutory responsibilities of the Council and a cash sum for historic commitments. The 2024/25 allocation for this block is £2,157,405, a figure £111,585 (7.5%) lower than the 2023/24 allocation of £2,268,990. This reduction in the historic element was expected and has previously been reported.

Schools Forum are requested to note the budget for the Central Schools Services Block will be set at £2,157,405 as set out in Appendix C

DEDICATED SCHOOL GRANT (DSG) ALLOCATION 2024/25 - FINAL (as at 08 February 2024)

	Pupils	Unit Value		
Schools Block				
Main Primary	22,172.0	5,333.55	118,255,471	
Main Secondary	16,379.5	6,549.43	107,276,389	
Premises	38,803.5		3,116,897	
Growth			1,060,895	
			229,709,652	
NNDR Within the Premises Factor (Deducted and paid directly)			-2,533,172	
Total Schools Block after Deduction of NNDR			227,176,480	
Transfer to High Needs Block			-1,125,004	
			226,051,476	
Falling Rolls Fund			0	
			226,051,476	
Proposed De-delegation			-414,135	
Schools Block AFTER De-delegation			225,637,341	
Central School Services Block				
Pupil nos	38,551.5	38.63	1,489,245	
Historic Commitments (NB 20% Reduction)			668,160	
			2,157,405	
Early Years Block				
3/4 Year Olds	3,931.76	3,117.90	12,258,835	5.47 Per Eligible Child per Hour
3/4 Year Olds - Additional 15 hours	1,928.36	3,117.90	6,012,434	5.47 Per Eligible Child per Hour
2 Year Old Entitlement -WPs	1,177.67	4,275.00	5,034,540	7.50 Per Eligible Child per Hour
2 Year Old Entitlement - Disadvantaged	668.35	4,275.00	2,857,197	7.50 Per Eligible Child per Hour
Under 2s entitlement	596.68	5,814.00	3,469,098	10.20 Per Eligible Child per Hour
Initial Allocation EYPP - 3 & 4 year olds	674.44	387.6	261,413	
Disability Access Fund - 3 & 4 year olds	198.00	910	180,180	828 Per Eligible Child
Initial Allocation EYPP - under 2 year olds	17.82	387.6	6,908	0.68 Per Eligible Child per Hour
Initial Allocation EYPP - 2 year olds	356.37	387.6	138,130	0.68 Per Eligible Child per Hour
Disability Access Fund - 2 year olds	58.00	910	52,780	
Disability Access Fund - under 2s	24.00	910	21,840	
			30,293,355	
High Needs Block				
			53,831,547	
HN Place deductions				
Mainstream Academy Pre 16	0	6,000	0	
Mainstream Academy Post 16	31	6,000	-186,000	
Special Academy Pre 16	211	10,000	-2,110,000	
Special Academy Post 16	27	10,000	-270,000	
Special Free Schools Pre-16 SEN	40	10,000	-400,000	
Mainstream Post 16	0	6,000	0	
ILP and FE	80	6,000	-480,000	
Alternative Provision Academies and Free Schools	0	10,000	0	
Total Deductions to HN Block for Direct Funding of Places by ESFA			-3,446,000	
TOTAL HIGH NEEDS BLOCK AFTER DEDUCTIONS			50,385,547	
ADD: Transfer from Schools Block			1,125,004	
TOTAL HIGH NEEDS FUNDING AVAILABLE			51,510,551	
TOTAL 2024/25 DSG			315,991,959	
TOTAL 2024/25 DSG after NNDR & HN ESFA places			310,012,787	

2024/25 De-delegation Summary :

Contingency	291,860
Trade Union Facility time	47,427
EAL	53,394
FSM Eligibility	21,454
	414,135

**2024/25
HIGH NEEDS DSG BUDGET**

	Total Budget
2024/25 HN DSG grant (as at 13 Feb 2024)	£
Total Grant before deductions	53,831,547
Less Recoupment for ISB	-3,446,000
Total after recoupment	50,385,547
Transfer from Sb to HNB 0.5%	1,125,004
Revised Allocations	51,510,551
Planned expenditure	
Places and top-ups	
E_001004: Special Schools Default	10,787,000
E_001100: Pupil Referral Unit	600,000
E_014005: Independent Special Schools	7,344,340
E_014016: SEN top-ups	21,100,000
E_014019: SEN - additional funding - schools	3,748,240
E_014020: Primary Support Base Units	170,000
SEN Support	
E_015002: Pre School Special Education	335,440
E_015003: Sensory Support Service	1,047,790
E_015011: EC Education Package	89,460
E_014130: Education Psychology	343,430
E_014140: Speech and Language Support	607,350
E_014141: Specific Learning Difficulties Team (SpLD)	278,850
E_014142: Central Budget	536,330
E_014150: Autism Support	504,240
E_014151: HINT - Operational	254,390
E_014125: Emotional Wellbeing and Behaviour Support	563,810
Virtual School	
E_014000: Education Provided Other Than At School	1,294,580
E_017008: Education Welfare Service	350,750
Inclusion	
E_017009: Inclusion	2,631,750
E_022140: Inclusion Team	264,440
Other services	
E_010061: Equalities and Schools	147,530
E_014017: SEN Other	1,250,450
E_022101: SEN Home to School Transport DSG	1,146,720
Estimate of pay award 24-25	158,430
Total Cost	55,555,320
SAVINGS REQUIREMENT	- 4,044,769

2024/25 CENTRAL SCHOOL SERVICES BLOCK (CSSB) BUDGET

Expenditure	Revised Budget 2023/24	Proposed Budget 2024/25		
		Cash Limited/ (Historic Commitments)	Non Cash Limited/ (Ongoing Commitments)	Total
	£	£	£	£
Admissions and Supply of School places	214,870		214,550	214,550
Schools Forum	5,740		5,740	5,740
Prudential Borrowing Capital Financing Costs	250,000	118,160		118,160
Termination of Employment Pension Costs	550,000	550,000		550,000
Contribution to Residential School Placements	162,570		93,545	93,545
Administration costs of Academy conversions	69,000		69,000	69,000
Longridge Towers	60,570		72,780	72,780
Copyright Licensing Agency	304,110		304,110	304,110
ESG Statutory Retained Duties	722,520		722,520	722,520
SACRE	7,000		7,000	7,000
Transfer of funding from reserve	-77,390		-	0
TOTAL CENTRAL SCHOOLS SERVICES BLOCK	2,268,990	668,160	1,489,245	2,157,405
FUNDED BY :				
CSSB - Historic Commitments	835,200	668,160		668,160
CSSB - Ongoing Commitments	1,433,790		1,489,245	1,489,245
	2,268,990	668,160	1,489,245	2,157,405