



# Northumberland County Council

## Wellbeing and Community Health

### Agenda Item 6

## **SCHOOLS FORUM**

**19 February 2025**

### **Setting the Dedicated Schools Grant (DSG) 2025/26**

#### **1. Purpose of the Report**

To inform Schools Forum of the estimated overall DSG for 2025/26 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 2025/26 School Budget Shares, in line with the Cabinet decision of 14 January 2025 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 27 November 2024;
- the 2025/26 High Needs Block Budget including the final transfer from the Schools Block to the High Needs Block;
- the 2025/26 Early Years Block rates; and
- the 2025/26 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 2025/26, despite Northumberland being unable to match NFF values, as the criteria for mirroring is to be within 2.5% of NFF values.

## 4 Schools Block

### 4.1 Transfer to High Needs Block

Following the November 2024 School Forum meeting, and the DSG allocations subsequently received in December, a final transfer of £1,224,081 (0.5%) was agreed.

### 4.2 Other Issues

The key issue highlighted at the 22 January 2025 meeting was an inability to meet NFF values in full for 2025/26. The prime reason for this was the fall in pupil numbers attending mainstream schools, as measured by the October 2024 school census.

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.

These values will be used for 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.

Growth Fund of £187,600 in respect of the 2 bulge classes required for Year 7 students attending the King Edward VI academy is also reflected in the figures, together with a residual £5,579.91 left from the Local Authority element of the Growth allocation, the balance of which has been used to contribute to the transfer to the High Needs Block.

In line with the figures at Appendix A, the equivalent 2024/25 final figure for distribution for £244,936,033 although the actual funding to be received by schools in 2024/25 is reduced by £2,851,455 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 £1,224,081 in respect of the transfer from the Schools Block to the High Needs Block. The final figure for distribution is therefore £240,667,317 prior to de-delegation. The estimated final de-delegated sum is £422,190, 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 2025/26**

Table 1

**FINAL NFF and NCC FORMULA FUNDING VALUES FOR 2024/25****(all values £)**

Factor (all figures £)	NFF Values 2024/25	NCC Values 2024/25	NFF Values 2025/26	Proposed NCC Values 2025/26	Movement in NCC values 24/25 to 25/26
col (a)	col (b)	col (c)	col (d)	col (e)	col (f)
#AWPU Primary	3,562	3,562	3,847	3,800	6.68%
KS3	5,022	5,022	5,422	5,360	6.73%
KS4	5,661	5,661	6,113	6,040	6.69%
# Lump Sum Primary / Secondary	134,400	134,400	145,100	143,300	6.62%
Deprivation - Free School Meals Primary	490	490	495	490	0.00%
Secondary	490	490	495	490	0.00%
# Deprivation – FSM6 Primary	820	820	1060	1,050	28.05%
Secondary	1,200	1,200	1,555	1,540	28.33%
Deprivation – IDACI:					
Primary Band F	235	235	235	235	0.00%
Band E	285	285	285	285	0.00%
Band D	445	445	445	445	0.00%
Band C	485	485	490	490	1.03%
Band B	515	515	520	515	0.00%
Band A	680	680	685	680	0.00%
Secondary Band F	340	340	340	340	0.00%
Band E	450	450	450	450	0.00%
Band D	620	620	635	635	2.42%
Band C	690	690	695	695	0.72%
Band B	740	740	745	740	0.00%
Band A	945	945	950	945	0.00%
Low Attainment Primary	1,170	1,170	1,175	1,170	0.00%
Secondary	1,775	1,775	1,785	1,775	0.00%
EAL Primary	590	590	595	590	0.00%
Secondary	1,585	1,585	1,595	1,585	0.00%
MOBILITY : Primary	960	960	965	960	0.00%
Secondary	1,380	1,380	1,385	1,380	0.00%
SPARSITY(max): Primary	57,100	57,100	57,400	57,100	0.00%
Middle	83,000	83,000	83,400	83,000	0.00%
Secondary/All Through	83,000	83,000	83,400	83,000	0.00%
<i>( subject to notification of final ESFA approval of rates)</i>					
Capping		2.13%		-	
Scaling		75%		-	
Minimum Funding Guarantee		0.5%		0.0%	
<i>(range of -0.5% to 0% dictated by ESFA for 2025/26)</i>					
# Increases in AWPU, Lump Sum and Deprivation (FSM6) influenced by TPAG, TPECG and CSBG rolled in elements,					
(See table on following page)					

## 5 High Needs Block

### 5.1 2025/26 Allocation

At the last meeting on 22 January 2025 Schools Forum were informed that the indicative High Needs Block allocation for 2024/25 is £58,749,453 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 £1,224,081.

Further information on the 2025/26 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 continues to represent the biggest single challenge to balancing the High Needs Block budget. For 2024/25 it was reported at this point last year that a savings requirement of £4.045 million was identified in order to balance income and expenditure within the High Needs Block. For 2025/26 the equivalent figure is £7.794 million. This requirement, and how to meet it, will be the subject of ongoing discussions with High Needs Committee, Schools Forum and Cabinet in light of any emerging information from the Government in light of the SEN Public Accounts Committee report noted at January's Forum meeting and discussed in more detail at the High Needs Committee meeting on 05 February 2025. the wider Education Committee.

The final budget set of £54,977,204 consists of:

• 2025/26 HN Block Grant	:	54,571,453
• Transfer from Schools Block	:	1,224,081
• <b>Adjustment re Additional HN places:</b>		<b>(818,330)</b>
<b>TOTAL INCOME AVAILABLE:</b>		<b>54,977,204</b>

<b>TOTAL EXPENDITURE:</b>	<b>62,771,313</b>
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<b>SAVINGS REQUIREMENT :</b>	<b>7,794,109</b>
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Schools Forum are requested to note the 2025/26 High Needs Block budget of £62,771,313, including a savings requirement of £7,794,109, as set out at Appendix B.

## 6 Early Years Block

The 2025/26 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 rates have now been shared with providers. These are shown again for information below:

Entitlement	Current 24/25	Proposed 25/26	£ increase	% increase
<b>3–4-year-olds**</b> Sept24-Apr25	£5.20 (£5.33 from sept 24)	£5.50	£0.30 (£0.17)	5.7% (3.2%)
<b>2-year-olds**</b>	£7.27	£7.55	£0.28	3.9%
<b>Under 2-year-olds**</b>	£9.87	£10.25	£0.38	3.9%
<b>EYPP – (first 15 hours all age ranges)</b>	68p	£1	£0.32	47%
<b>Deprivation Supplement (mandatory) - EYPP + – (first 15 hours 3- and 4-year-olds only)</b>	76p	76p	-	0%
<b>EYPP and EYPP +</b>	£1.44	£1.76	£0.32	22%
<b>DAF - all age ranges annually</b>	£910	£938	£28	3.1%

\*\* includes 6% notional SEND funding

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 2025.**

## 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 2025/26 allocation for this block is £2,202,970, a figure £45,564 (2.1%) higher than the 2024/25 allocation of £2,157,406. The increase in respect of the Ongoing responsibilities element includes elements in respect of increased Copyright Licences costs, and the rolling in of central grants. 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 £2,202,970 as set out in Appendix C**

## DEDICATED SCHOOL GRANT (DSG) ALLOCATION 2025/26 - FINAL (as at 17 February 2025)

## Appendix A

	Pupils	Unit Value		
<b>Schools Block</b>				
Main Primary	21,716.0	5,774.86	125,406,860	
Main Secondary	16,229.0	7,091.74	115,091,849	
Premises			3,442,429	
Growth & Falling Rolls			994,895	
			<b>244,936,033</b>	
NNDR Within the Premises Factor (Deducted and paid directly)			<b>-2,851,455</b>	
Total Schools Block after Deduction of NNDR			<b>242,084,578</b>	
Transfer to High Needs Block			<b>-1,224,081</b>	
			<b>240,860,497</b>	
Use of Growth Funding			<b>-193,180</b>	
			<b>240,667,317</b>	
Proposed De-delegation			<b>-422,190</b>	
Schools Block AFTER De-delegation			240,245,127	
<b>Central School Services Block</b>				
Pupil nos	37,945.0	43.97	1,668,442	
Historic Commitments (NB 20% Reduction)			534,528	
			<b>2,202,970</b>	
<b>Early Years Block</b>				
3/4 Year Olds	3,771.37	x rate x 15 hrs x 38 wks	12,274,678	5.71 Per Eligible Child per Hour
3/4 Year Olds - Additional 15 hours	1,960.96	x rate x 15 hrs x 38 wks	6,382,337	5.71 Per Eligible Child per Hour
2 Year Old Entitlement - WPs (Apr to Aug)	409.23	x rate x 15 hrs x 38 wks	1,800,776	7.72 Per Eligible Child per Hour
2 Year Old Entitlement - WPs (Sept to Mar)	1,433.24	x rate x 15 hrs x 38 wks	6,306,830	7.72 Per Eligible Child per Hour
2 Year Old Entitlement - Fams rec Add Support	671.38	x rate x 15 hrs x 38 wks	2,954,341	7.72 Per Eligible Child per Hour
Under 2s entitlement - (Apr - Aug)	444.80	x rate x 15 hrs x 38 wks	2,654,522	10.47 Per Eligible Child per Hour
Under 2s entitlement - (Sept - Mar)	1,562.10	x rate x 15 hrs x 38 wks	9,322,457	10.47 Per Eligible Child per Hour
Initial Allocation EYPP - 3 & 4 year olds	610.12	x rate x 15 hrs x 38 wks	347,769	1.00 Per Eligible Child per Hour
Disability Access Fund - 3 & 4 year olds	202.00	x rate x Nos Eligible	189,476	938 Per Eligible Child
Initial Allocation EYPP - under 2 year olds	32.24	x rate x 15 hrs x 38 wks	18,377	1.00 Per Eligible Child per Hour
Initial Allocation EYPP - 2 year olds	358.26	x rate x 15 hrs x 38 wks	204,209	1.00 Per Eligible Child per Hour
Disability Access Fund - 2 year olds	60.00	x rate x Nos Eligible	56,280	938 Per Eligible Child
Disability Access Fund - under 2s	21.00	x rate x Nos Eligible	19,698	938 Per Eligible Child
			<b>42,531,750</b>	
<b>High Needs Block</b>				
			58,749,453	
<b>HN Place deductions</b>				
Mainstream Academy Pre 16	0	6,000	0	
Mainstream Academy Post 16	18	6,000	-108,000	
Special Academy Pre 16	222	10,000	-2,220,000	
Special Academy Post 16	33	10,000	-330,000	
Special Free Schools Pre-16 SEN	80	10,000	-800,000	
Mainstream Post 16	0	6,000	0	
ILP and FE	120	6,000	-720,000	
Alternative Provision Academies and Free Schools	0	10,000	0	
Total Deductions to HN Block for Direct Funding of Places by ESFA			-4,178,000	
<b>TOTAL HIGH NEEDS BLOCK AFTER DEDUCTIONS</b>			<b>54,571,453</b>	
ADD: Transfer from Schools Block			1,224,081	
<b>TOTAL HIGH NEEDS FUNDING AVAILABLE</b>			<b>55,795,534</b>	
<b>TOTAL 2024/25 DSG</b>			<b>348,420,206</b>	
<b>TOTAL 2024/25 DSG after NNDR &amp; HN ESFA places</b>			<b>341,390,751</b>	

## 2025/26 De-delegation Summary :

Contingency	285,109
Trade Union Facility time	46,330
EAL	69,067
FSM Eligibility	21,684
	<b>422,190</b>

## 2025/26 HIGH NEEDS DSG BUDGET

2025-26	
2025-26 High Needs Block Grant Allocation	Total Budget
<b>Grant Allocations</b>	
Total Grant before deductions	58,749,453
Less Recoupment for ISB	(4,996,330)
Total after recoupment	53,753,123
Transfer from SB to HNB 0.5%	1,224,081
<b>Revised Allocations</b>	<b>54,977,204</b>

Planned expenditure	Final Budget
<b>Places and top-ups</b>	
E_001004: Special Schools Default	12,021,470
E_001100: Pupil Referral Unit	683,330
E_014005: Independent Special Schools	7,725,000
E_014016: SEN top-ups	23,888,906
E_014019: SEN - additional funding - schools	3,906,097
E_014021: Personal Budgets	392,000
E_014020: Primary Support Base Units	0
<b>SEN Support</b>	
E_015002: Pre School Special Education	397,240
E_015003: Sensory Support Service	1,083,620
E_015011: EC Education Package	92,700
E_014140: Speech and Language Support	638,250
E_014141: Specific Learning Difficulties Team (SpLD)	286,890
E_014142: Central Budget	781,650
E_014150: Autism Support	569,720
E_014151: HINT - Operational	215,080
E_014125: Emotional Wellbeing and Behaviour Support	605,320
<b>Virtual School</b>	
E_014000: Education Provided Other Than At School	1,234,600
<b>Inclusion</b>	
E_017009: Inclusion	3,300,370
E_022140: Inclusion Team	279,710
<b>Other services</b>	
E_010061: Equalities and Schools	153,770
E_014017: SEN Other	925,000
E_022101: SEN Home to School Transport DSG	1,146,720
<b>Additional Risks and Growth</b>	
Estimate of pay award	110,900
Mainstream Contingency/Growth	1,603,120
Special School Contingency/Growth	729,850
<b>Total Expenditure</b>	
	<b>62,771,313</b>
<b>SAVINGS REQUIREMENT FOR BALANCED IN YEAR BUDGET</b>	
	<b>7,794,109</b>

## Appendix C

**2025/26 CENTRAL SCHOOL SERVICES BLOCK (CSSB) BUDGET**

Expenditure	Revised Budget 2024/25	Proposed Budget 2025/26		
		Cash Limited/ (Historic Commitments)	Non Cash Limited/ (Ongoing Commitments)	Total
	£	£	£	£
Admissions and Supply of School places	214,550		189,975	189,975
Schools Forum	5,740		5,740	5,740
Prudential Borrowing Capital Financing Costs	118,160	0		0
Termination of Employment Pension Costs	550,000	534,528		534,528
Contribution to Residential School Placements	93,545		232,147	232,147
Administration costs of Academy conversions	69,000		47,920	47,920
Longridge Towers	72,780		94,590	94,590
Copyright Licensing Agency	304,110		347,470	347,470
ESG Statutory Retained Duties	722,520		743,600	743,600
SACRE	7,000		7,000	7,000
<b>TOTAL CENTRAL SCHOOLS SERVICES BLOCK</b>	<b>2,157,405</b>	<b>534,528</b>	<b>1,668,442</b>	<b>2,202,970</b>
FUNDED BY :				
CSSB - Historic Commitments	668,160	534,528		534,528
CSSB - Ongoing Commitments	1,489,245		1,668,442	1,668,442
	<b>2,157,405</b>	<b>534,528</b>	<b>1,668,442</b>	<b>2,202,970</b>