

Decision Maker: **SCHOOLS' FORUM**

Date: **Thursday 30 November 2023**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **2024/25 DEDICATED SCHOOLS GRANT PROVISIONAL ALLOCATION**

Contact Officer: Julie Crew, Education Funding Manager
Tel: 020 8603 3573 E-mail: Julie.Crew@liberata.com

Chief Officer: Executive Director of Children's Services

Ward: (All Wards);

1. Reason for report

This report provides an outline of the estimated DSG allocation for 2024/25 and an overview of how this will be spent,

2. **RECOMMENDATION(S)**

2.1 **The Schools Forum is asked to review the provisional DSG income and forecast expenditure for 2024/25 in preparation for the full budget setting process.**

3. COMMENTARY

3.1 The indicative Dedicated Schools Grant (DSG) funding for 2024/25 has now been provided to all LAs – this is currently based on October 2022 pupil numbers so will be uplifted in December to reflect the October 2023 census data. The DSG for 2024/25 is divided into four blocks – High Needs, Early Years, Schools and Schools Central. The expected income is detailed below:

2024/25 Dedicated Schools Grant					
	High Needs Block	Early Years Block	Schools Block	Schools Central Block	Total
Gross Grant Funding	76,587,926	26,173,183	268,829,762	2,020,016	373,610,887
Recoupment adjustment	-11,358,336		- 2,058,472		- 13,416,808
Net Grant Allocation	65,229,590	26,173,183	266,771,290	2,020,016	360,194,079

3.2 The LA has looked at each of these blocks and has forecast the related expenditure for 2024/25 based on information that is currently available at this time. Full details of the projected grant income and expenditure can be seen at Appendix 1 with detailed information regarding each block provided below.

3.3 Appendix 2 shows the allocation from DfE which excludes the Early Years Block.

3.4 The Early Years block grant has not been announced by Government as yet. A grant figure has been generated by using the latest usage figures and using the recently announced enhanced rates of payment.

3.5 The expenditure below is provisional at this point and will be subject to review once the announcements on funding have been made.

3.6 Schools Central Block

Grant 2024/25	£2,020,016
Expenditure 2024/25	£2,580,016
Contribution from Council	(£560,000)
Expected (Over)/ Underspend	£0

The Schools Central Block is shows a provisional overspend of £560k which is proposed will be met by a contribution of £560k from the Council to offset the statutory duties that sit within the service. Officers will continue to work towards bringing this expenditure in line with the grant.

3.7 Early Years Block

Grant 2024/25	£26,173,183
Expenditure 2024/25	£26,173,183
Expected (Over)/ Underspend	£0

The Early Years Block income has been estimated as part of the separate review carried out by the LA and the income has been estimated as the DfE has not yet released any funding information relating to 2024/25.

The funding calculation also allows for £500k to be transferred from the EY block to the HN Block to support EY pupils with SEND.

3.8 Schools Block

Grant 2024/25	£268,829,762
NNDR Recoupment	£2,058,472
Expenditure 2024/25	£266,771,290
Expected (Over)/ Underspend	£0

The Schools Block funding has been calculated using the October 2022 census pupil numbers and the per pupil units of funding which have been calculated for 2024/25. Based on the published figures the Primary unit of funding has increased from £4,846 to £5,064 which is an increase of around 4.5% and the Secondary unit of funding has increased from £6,410 to £6,757 which is an increase of around 5.4%. This includes the incorporation of the Mainstream Schools Additional Grant (MSAG) distributed to schools in 2023/24.

3.9 The funding that the LA is allocated for the schools' block is calculated by running the NFF for every school to give a total figure, which is then divided by the number of pupils in each sector to give a per pupil figure.

3.10 The key changes to the NFF for 2024/25 are as follows:

- a) Introducing a new formulaic approach to allocating split sites funding in the NFF, replacing the former locally determined factor.
- b) Funding previously received through the Maintained Schools Additional Grant will be rolled into the NFF to fund mainstream schools for pupils from Reception to year 11 by
 - adding an amount representing what schools receive through the grant into their baseline.
 - adding value of lump sum, basic per pupil rates and FSM6 parts of the grant onto the respective factors in the NFF
- c) Increasing NFF factor values by
 - 1.4% to the following factors: basic entitlement, LPA, FMS6, IDACI, EAL, mobility, sparsity and the lump sum
 - 1.4% to the minimum per pupil levels (MPPL)
 - 0.5% to the floor funding
 - 1.6% to the FSM factor value
 - 0% on the premises factors.
- d) Introduction of a methodology for calculating and allocating funding for falling rolls.

- e) Provisionally, the baseline for floor funding notional NFF allocations increased by 2.05% for Primary and secondary from 2023-24, as a result of rolling the MSAG into the NFF.
- f) Minimum per pupil funding levels are compulsory and have been set at £4,610 for primary schools and £5,995 for secondary schools
- g) The MFG level is required to be between 0.0% and 0.5%

The funding formula has been run for all Bromley schools taking into account these changes.

- 3.11 Bromley has used the minimum funding levels as part of the formula calculation as compulsory requirement. 12 primary schools eligible for MFG protection of £725k. This is a provisional figure which will change when the October 2023 census is released in December 2023
- 3.12 The MFG level that has been used by Bromley is 0.5% which is the highest of the Government's parameters.
- 3.13 There will be a separate grant for teachers' pay made to cover pay increases in 2023-2024 and 2024-2025.

3.14 High Needs Block

Grant 2024/25	£76,587,926
Recoupment	-£11,358,336
LA Expenditure 2024/25	£70,860,590
Expected (Over)/ Underspend	(£5,631,000)

The High Needs Grant has increased by £2.2m from 2023/24, this includes the £2.8m supplementary grant that has now been rolled up into the baseline and will not be shown as a separate element of the grant in 2024/25.

- 3.15 There continue to be significant pressures on the High Needs Block. Estimated expenditure is based on the pattern of new EHCPs (Education, Health and Care Plans) seen over recent years and on the average cost of a placement. The demand for placements of children and young people with SEN continues to increase, although there has been a marked reduction in the rate of increase over the past 12 months. Increased numbers of children and young people have been placed at mainstream schools, special schools and resourced provisions in line with their needs. Nevertheless, the sustained increase in demand results in the continued reliance on independent and out of borough settings for children with complex needs where there is insufficient specialist capacity within Bromley.
- 3.16 The LA felt it was important to share this information with the Schools Forum at the earliest opportunity. Schools Forum members are asked to review this information in advance of the full budget setting process in December 2023. All of the figures are subject to change as further data is received and grant levels are amended.