

Report to Schools Forum

15 January 2024

Subject:	Dedicated Schools Grant Allocations and Draft Budgets 2024/25
Director:	Director of Childrens Services, Michael Jarratt
Contact Officer:	Finance Business Partner, Elaine Taylor elaine_taylor@sandwell.gov.uk

1 Recommendations


- 1.1 That Schools Forum members note the Dedicated Schools Grant Allocations and Draft Budgets 2024/25.
- 1.2 That schools Forum notes the use of the capping and scaling exercise that delivers an affordable Schools Block budget.

2 Reasons for Recommendations

- 2.1 The Schools Forum Regulations 2012 requires that the Schools' Forum meets regularly and is consulted by the local authority concerning the Dedicated Schools Grant (DSG). The Schools block is one of the four blocks of funding within the Dedicated Schools Grant.
- 2.2 The Schools' Forum is requested to define the funding setting processes for all schools and academies within the borough for the next financial year. Given national government announcements on future funding for schools, this process will assist schools in preparing strategic plans, ensuring schools are able to create viable budgets, staffing and curriculum plans. All decisions will affect the amount available to be delegated directly with schools and focus on what funding is centrally retained to protect services and schools.



3 How does this deliver objectives of the Corporate Plan?

	<p>Best start in life for children and young people Delegated grant funding in support of children and schools providing suitable provision within schools in the community and being able to support that readiness and long term promotion of becoming good citizens within the community.</p>
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4 Context and Key Issues

- 4.1 This report is to inform Schools Forum members of the funding allocations for the Dedicated Schools Grant (DSG) and the draft school budget information for 2024/25 in accordance with recommendations and decisions voted at the last schools forum meeting (11th December 2023). The budget information may change, subject to approval from the Department of Education (DfE) and/or decisions that will be taken at Cabinet on 7th February 2024.
- 4.2 Schools Forum members should note that the final funding model will be submitted to the Department for Education to meet the final deadline date of 22nd January 2024 and the authority should receive confirmation of the budgets shortly thereafter. At this point, the LA will be in a position to distribute budget to all schools.
- 4.3 This report allows school governing bodies and academy boards to start their financial planning for 2024/25 and to make appropriate structural and educational adjustments to meet the needs of young people within the constraints of their resource allocations.
- 4.4 The Department for Education (DfE) announced the DSG allocations for 2024/25 on 19th December 2023 and the table below details the allocations by block.



DSG Block	Allocation prior to Adjustments	Adjustments	Allocation after adjustments
	£m	£m	£m
Schools Block	349.852	(3.276)	346.576
Central School Services	2.381	0	2.381
High Needs	75.436	(4.490)	70.946
Early Years	38.535	0	38.535
Total	466.204	(7.766)	458.438

- 4.5 It should be noted that the Mainstream Schools Additional Grant - MSAG is included in the NFF for 2024/25. Therefore, this will not be paid as a separate grant to mainstream schools in 2024/25.
- 4.6 The increase in the Early Years Grant is due to the expansion of the Early Years Offer to include 15 hours funding for the working parents of 2 year olds from April 2024 and for children from 9 months old from September 2024. This offer will expand again to 30 hours funding for all children of working parents from September 2025. A consultation will take place on how this expansion will work in the coming months.
- 4.7 A comparison of the funding and the pupils from 2022/23 to 2024/25 is shown below:

DSG Block (After Adjustments)	2022/23	2023/24	2024/25
Schools Block allocation	£305.502m	£323.182m	£346.576m
Pupil Numbers	56,025	56,462	57,014
Central Schools Services Block	£2.249m	£2.306m	2.381m
High Needs Block allocation	£58.137m	£67.737	£70.946m



Pupil Numbers in special school	832	884	967
Early Years Block allocation	£23.387m	£25.823m	£38.535m
3 & 4 Year old Universal PTE	5,524	5,517	TBC
3 & 4 Year old – Additional 15 Hours PTE	1,592	1,667	TBC
2 Year old PTE	1,168	1,331	TBC
Early Years Pupil Premium (This funding is included within the “Early Years Allocation above”)	£0.308m	£0.339m	TBC

4.8 The DfE has agreements with the following agencies to purchase a single national licence managed by the DfE for all state funded schools in England. This is included in the Central Schools Services Block.

- Christian Copyright Licensing International (CCLI)
- Copyright Licensing Agency (CLA)
- Education Recording Agency (ERA)
- Public Video Screening Licence - Filmbank Distributors Ltd. (PVSL)
- Mechanical Copyright Protection Society (MCPS)
- Motion Picture Licensing Company (MPLC)
- Newspaper Licensing Authority (NLA)
- Performing Rights Society (PRS)
- Phonographic Performance Limited (PPL)
- Schools Printed Music Licence (SPML)

4.9 The arrangement covers academies as well as maintained schools and the ESFA deduct the charge from the DSG. We are still awaiting the figure for 2024/25 but the 2023/24 deduction for Sandwell is £0.381m (excluding VAT)

4.10 The 2024/25 Early Years Block allocations are indicative, and based on Schools, Early Years and Alternative Provision censuses data from January 2023. The final allocations for each of these funding streams will be based on five-twelfths of the January 2024 census numbers plus seven-twelfths of the January 2025 census numbers.



- 4.11 The High needs block allocations are provisional figures and will be updated in the new year. The import/export adjustment will be updated in the summer term 2024 to reflect the latest data from the January 2024 schools census and the RO6 of the 2023 to 2024 Individual Learner Record (ILR). The DfE will make further adjustments in April 2024 to the place funding deductions for the academic year 2024 to 2025 to reflect the outcome of the 2024 to 2025 place change notifications process and to reflect further academy conversions.
- 4.12 The Schools Block funding that has been distributed through the main funding formula is £343,810,026. This has been calculated as follows:

Description	2023/24 £m	2024/25 £m
Schools Block DSG	325.898	349.852
Less NNDR	(2.716)	(3.276)
Less Pupil Number Growth Contingency	(1.664)	(1.600)
Less Falling Rolls Fund Contingency	0	(0.654)
Less Transfer from Schools Block to Central Schools Services Block	(0.455)	(0.512)
Schools Block DSG Available to Distribute	321.063	343.810

- 4.13 The school funding model has to be submitted to meet the DfE deadline of 22nd January 2024 for review and final confirmation of the budgets.
- 4.14 The table below lists the factor rates for the local authority formula to be applied to school's budgets for 2024/25. Rates may change subject to decisions by the DfE and or the Cabinet meeting.

Falling Roll Funds

- 4.15 As recommended at the last Schools Forum meeting. Two secondary schools qualify for the falling roll fund. Therefore, an amount of £654,000 has been top-sliced from the school's block.



NFF Factor	2023/24 £	2024/25 £
Primary basic entitlement	3,661.82	3,803.04
KS3 basic entitlement	5,184.44	5,381.50
KS4 basic entitlement	5,274.34	5,557.05
Primary FSM	216.20	252.84
Secondary FSM	216.20	252.84
Primary FSM6	319.49	473.77
Secondary FSM6	587.35	802.69
Primary IDACI F	32.11	57.02
Primary IDACI E	106.43	128.94
Primary IDACI D	498.71	497.84
Primary IDACI C	562.12	558.91
Primary IDACI B	611.03	605.93
Primary IDACI A	661.32	672.19
Secondary IDACI F	47.16	81.12
Secondary IDACI E	377.71	389.66
Secondary IDACI D	693.19	695.87
Secondary IDACI C	789.22	788.30
Secondary IDACI B	869.84	865.86
Secondary IDACI A	939.44	953.50
Primary EAL3	579.34	589.41
Secondary EAL3	924.84	1009.66
Primary LPA	1,240.97	1247.37
Secondary LPA	1,810.11	1829.10
Primary mobility	112.88	211.59
Secondary mobility	163.55	303.9
Primary lump sum	135,044.95	140,740.46
Secondary lump sum	135,044.95	140,740.46



Split site factor

- 4.16 The movement to NFF has necessitated that only the NFF split site factor can be used in the APT. Sandwell's local split site factor is significantly higher than the NFF factor. This has resulted in significant reduction in the funding for one school in the formula for 2024/25.

Closed/merged School

- 4.17 An Infant and Junior school are proposing to merge into a primary school from 1st April 2024. The nature of the merger is that the Infant school will close, and the Junior school's status will change to a full primary school. The formula has been prepared based on the primary school starting on 1st April 2024. Should that not be the case, we will have to re-run the formula to include 2 separate schools. This will have impact on affordability and other factors in the formula.

Capping and Scaling (C&S)

- 4.18 The DfE allows overall gains for individual schools to be capped as well as scaled back to ensure that local formulae are affordable. This methodology was new to Sandwell in 2023/24 as we move closer to the NFF. It was found that our local formula had a small shortfall of £0.5m in 2024/25 and so 2.9% capping and 58.58% scaling has been applied.
- 4.19 The higher the level of capping, the more the number of schools that will gain but the more severe the level of scaling to ensure the Schools Block is affordable.
- 4.20 It is still possible that capping and scaling (C&S) will change after the review by the DfE as stated in 4.2 above. When that happens, and update will be provided to Schools Forum at its next meeting.

C&S Background - Reminder

- 4.21 Local authorities can cap any gains schools receive through the 2024 to 2025 local formula and will be applied on the same basis to all schools.
- 4.22 The DfE applies caps and scales to academy budgets on the same basis as for maintained schools, although the values may differ from those shown in the APT since the actual baseline position for the academy may not be the same as that shown in the APT dataset.



4.23 C&S factors must not be applied to schools that have opened in the last 7 years and have not reached their full number of year groups. This definition of new and growing schools does not include existing schools that are extending to include a new phase and have empty year groups in the new phase.

4.24 C&S cannot take a school below the Minimum Per Pupil Levels (MPPLs). Should local authorities elect to apply a gains cap in 2024/25, the cap must be set at least as high as the MFG threshold. This ensures all schools retain any gains up to the MFG threshold even where a cap is applied.

5 Implications

Resources:	As at 2023/24 the Sandwell's Schools Formula was substantially different to the National Funding Formula (NFF). By 2027/28 all schools will be funded in the same way and so there will be a period of change on the way resources are allocated to school as we move closer to the NFF.
Legal and Governance:	The School and Early Years Finance Regulations 2023 set out the funding arrangements for the 2024 to 2025 funding period. These regulations make provision for the financial arrangements of local authorities in relation to the funding of maintained schools and providers of prescribed Early Years provision in England. The schools' forums (England) regulations 2012 govern the constitution and conduct of meetings of the Schools Forum and determine those matters on which the local authority must or may consult the schools' forum and those in respect of which the schools' forum can make decisions.
Risk:	There is a risk that as we have to move closer to the NFF that schools may see a reduction in their funding. Schools and their Governing Bodies are responsible for setting an annual balanced budget, however they have another 3 years to incorporate these changes into their strategic plans.
Equality:	There are no Equality Implications
Health and Wellbeing:	There are no Health and Wellbeing Implications



Social Value:	There are no Social Value Implications
Climate Change:	There are no climate change implications
Corporate Parenting:	There are no Implications for Corporate Parenting responsibilities

6 Appendices

Appendix 1 – All schools - Draft Funding Allocations (New ISB tab from APT Model)

7. Background Papers

The Consultation Document was circulated at the previous meeting and communicated to schools on circular 124.

