



Northumberland County Council

Wellbeing and Community Health

Agenda Item 6

SCHOOLS FORUM

17 January 2024

Setting the Dedicated Schools Grant (DSG) 2024/25

1. Purpose of the Report

To inform Schools Forum of the DSG settlement for 2024/25, as provided by the Education and Skills Funding Agency (ESFA) on 19 December 2023, and the proposed formula values for the allocation of funds to Schools for 2024/25.

2. Recommendations

2.1 Schools Forum is recommended to:

- note this report and the information provided in respect of the various elements of the 2024/25 Dedicated Schools Grant; and
- note, where appropriate, the various specific budgets within the individual elements of the DSG will be presented to the 14 February 2024 meeting.

2.2 Members of the Schools Forum representing maintained mainstream schools agree on a phase by phase basis to the de-delegation in respect of the services listed above for 2024/25 using the per unit values, and estimated overall values as set out below.

3. Background

Schools Forum has previously received reports outlining developments in relation to the National Funding Formula (NFF). The November 2023 report outlined the position to date, confirmed Northumberland's position as a local authority that now "mirrors the NFF in all factors".

A transfer of up to 0.5% from the School Block to the High Needs Block was agreed, and it was noted that final decisions were delegated to the Executive Director of Children's Services once the final figures were received in December.

The latest Schools Forum was held on 17 November 2023, the same date of the Chancellor's Autumn Statement but unlike in 2022, there was no additional funding being made available to schools. The Mainstream

Schools Additional Grant (MSAG) funding paid in 2023/24 has been consolidated into the DSG for 2024/25.

Subsequently to the last Schools Forum meeting, the 2024/25 DSG figures were received from the ESFA on 19 December 2023. Our 2024/25 basic Schools Block DSG Grant figure is £229,709,652, some £3,231,921 (1.43%) higher than the equivalent 2023/24 figure of £226,477,731.

Northumberland's total 2024/25 DSG allocation is £316,573,869, (£299,843,517 in 23/24) before any recoupment or deductions for academies, or any High Needs Adjustments.

It should be remembered that when making year on year comparisons, appropriate adjustments need to be made in relation to the Additional Grant received in 2023/24. Summary figures are shown in the table below, with details at **Annex 1**.

DSG Block	2023/24 Baseline	2024/25 Allocations	£	%
Schools Block	£226,477,731	£229,709,652	£3,231,921	1.43%
High Needs Block – (Pre Deductions)	51,939,682	54,413,457	£2,473,775	4.76%
Central School Services Block	£2,268,990	£2,157,405	-£111,585	-4.92%
Early Years Block	£19,157,114	£30,293,355	£11,136,241	58.13%
TOTAL	£299,843,517	£316,573,869	£16,730,352	5.58%

Other influences on the 2024/25 Schools Block allocated figures are:

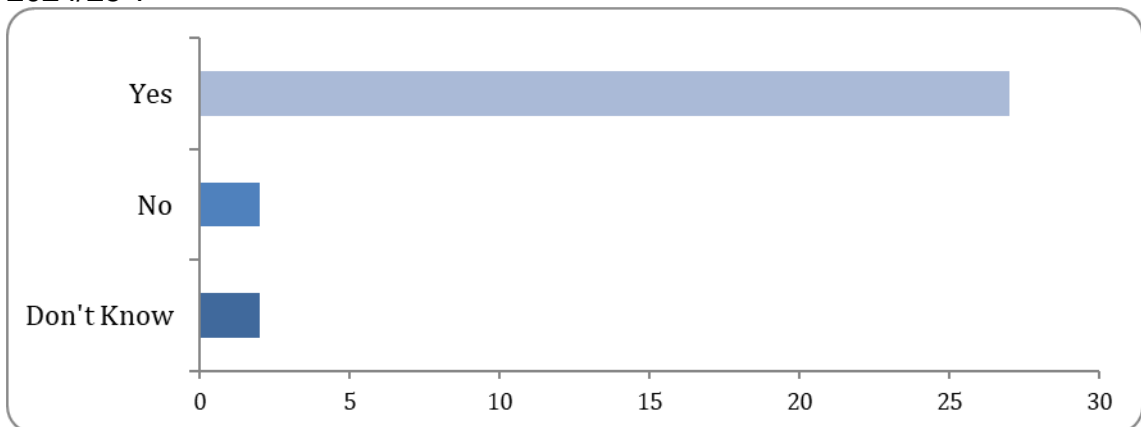
- A continuing fall in the overall number of pupils, down 253 (0.6%) from 38,808 to 38,555; Using the primary minimum per pupil level of £4,610 this equates to a loss of £1,166,330 in funding to Northumberland's schools.
- A continuing shift in pupils from primary (down 476) to secondary (up 223) where there are higher levels of basic "per pupil" funding; and
- Further increases in deprivation funding due primarily to a 3.9% increase in students attracting free school meal funding, broadly in line with the latest national figures available.

The DSG remains as a ring-fenced grant subject to formal grant conditions. As in 2023/24, the DSG is split into four blocks and each block will be determined by a separate national funding formula. Further information is provided on each element in the subsequent sections of the report below.

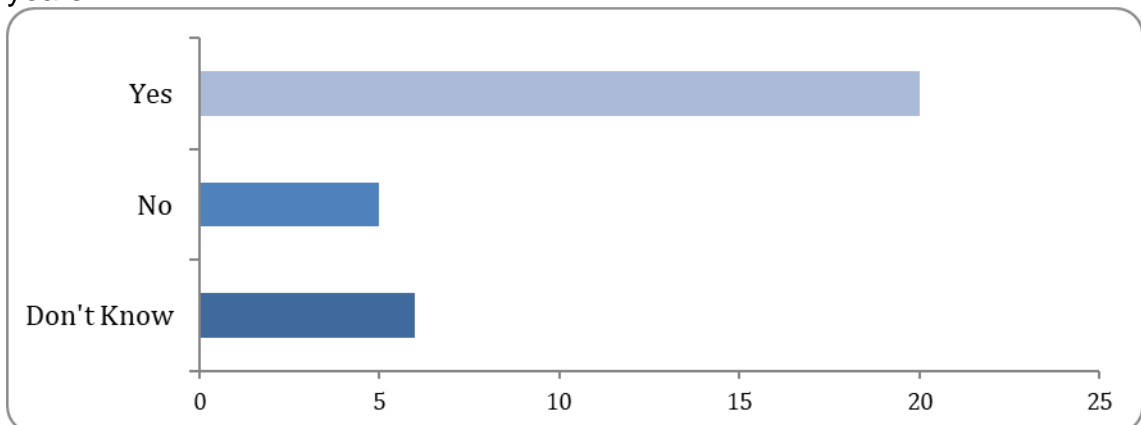
4. Consultation with Schools

4.1 Given the rising SEN pressures highlighted to Schools forum, this year's consultation with Schools focussed mainly on SEN. Schools were consulted on the Schools Forum decision to transfer up to 0.5% from the Schools Block to the High Needs Block. There was also 2 questions relating to the Schools Block relating to the distribution of funding to Schools for 2024/25, these related to the level of MFG and the potential use of capping and scaling. A total of 31 Schools responded, numbers far higher than previous funding consultations which have attracted 8-10 responses. The full consultation results are attached at Appendix A, but responses to the key questions specifically involving 2024/25 School Funding are shown below. Details of the responses to the other School Funding consultation questions will be provided to February's School Forum meeting :

4.2 Schools were asked :
Do you support the Schools Forum Decision to seek a 0.5% transfer (approx. £1.130million) from the Schools Block to the High Needs Block for the financial year 2024/25 ?



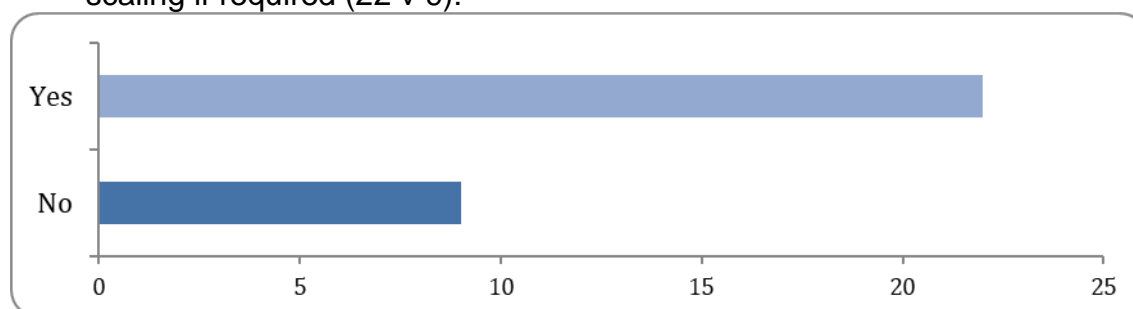
27 respondents were in support of the 0.5% transfer. A majority, albeit a smaller number also supported a potential larger transfer in subsequent years :



4.3 In relation to MFG level, 28 of the 31 responses were in favour of using 0.5%:

Option	Total	Percent
0.0% (using 21/22 data 6 schools would benefit sharing £120,412)	3	9.68%
0.25% (using 21/22 data 6 schools would benefit sharing £131,350)	0	0.00%
0.5% (using 21/22 data 13 schools would benefit sharing £152,794)	28	90.32%
Not Answered	0	0.00%

4.4 There was also a significant majority in favour of the use of capping and scaling if required (22 v 9):



This is particularly relevant in light of the lower levels of funding increases for 2024/25 and the agreement to support a higher level of transfer to the High Needs Block.

5. Early Years Block (Total 2024/25 EY Block funding £30,293,555)

Since April 2017 the Early Years Block has been subject to a National Funding Formula. Significant growth to funded entitlements will be introduced in 2024/25 as part of the Government support package for working parents. This will see an increase in the total Early Years Block of 58% compared to 2023/24, through the introduction of 15 hours funded childcare for working parents of children from 9 months by September 2024 increasing to 30 hours from September 2025.

Schools' forum will recall an in year (2023/24) uplift to all schemes from September 2024 via a supplementary grant that was passported directly to providers. This gave:

- a 6.8 % increase on the 3- and 4-year-old rate equating to an additional £0.33 per hour, meaning an hourly rate of £4.91 from September.
- a 29.1% increase on the two-year-olds rate equating to an additional £1.64 per hour, meaning an hourly rate of £7.27 from September.

The Northumberland Early Years National Funding Formula hourly rate for 3 and 4-year-olds, (i.e. the rate we are funded at as a County, including administration and management costs), has increased further to £5.47 for 2024/25. 13p of this reported

uplift includes the Teacher Pay and Pensions Grant (TPPG). This grant had historically gone directly to schools and not been a recorded part of the Early Years Block. It is proposed that for 2024/25 this is kept within the early years hourly rate and passported to all providers to support the whole sector with rising staffing and business costs.

The Northumberland Early Years National Funding Formula hourly funding rate for 2-year-olds has increased by 23p to £7.50 for 2024/25.

Historically, for 2-year-olds the rate received should be passed on directly to providers. However due to the introduction of the new entitlements for working parents of 2-year-olds this has changed and appropriate deductions can be made for supplements and central costs across the block excluding EYPP and DAF.

The Northumberland Early Years National Funding Formula hourly funding rate for under 2-year-olds is £10.20 for 2024/25.

The Disability Access Fund (DAF) annual rate has been increased from £828 (2023/24) to £910 (2024/25) and has been extended to meet all age ranges for the extended entitlement roll out.

The Early Years Pupil Premium hourly rate has been increased by 6p to 68p per hour for 2024/25 and will also be extended to all age ranges. Schools Forum will also recall that we agreed to significantly top up this rate through introducing further additional deprivation payments based on EY Pupil Premium eligibility with effect from April 2020. This will remain as a mandatory supplement for 3- and 4-year-olds only. The funding for the additional premium has not grown for 2024/25.

Early Years Block expenditure beyond the hourly rates, SEND and deprivation payments also includes the Early Years Team. They support around 400 providers and families with high quality training, assessment, guidance, Ofsted preparation, SEND, funding, sustainability and business management. The national minimum "pass through" level of funding (i.e. the % that must be paid directly to providers) is 95% of 3- and 4-year-old funding. Historically Northumberland settings have always received a pass through of above 95%. For 2024/25 this will be over 97%.

It is mandatory to have an Early Years Inclusion Fund this has historically been solely funded from the High Needs Block however due to the increasing need, we propose to retain 0.5% of the base rate of each stream to support this creating a budget of £142,515 which should be match funded from the High Needs block to meet predicted need.

The initial allocation for the Early Years Block for 2024/25 is £30,293,355 including the £406,451 allocation for the Early Years Pupil Premium (EYPP) and £254,800 for the Disability Access Fund (DAF). Both the EYPP and the DAF include allocations for 2 year olds and under 2s for 2024/25. It includes an initial allocation of £18,271,269 for 3 and 4-year-olds and an initial allocation of £2,857,197 for disadvantaged 2 - year-old children.

All these allocations are indicative and are based on the January 2023 census, they will be further revised in the light of the January 2024 and January 2025 census data. However, payments will continue to be made to schools and PVI settings

based on actual pupil numbers in each of the three terms, Summer 2024, Autumn 2024 and Spring 2025.

Considering the income and expenditure streams noted above, the proposed hourly payment rates for 2024/25 are shown below with 2023/24 figures for comparison:

	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

The proposal for 2024/25 rates are based on the principles of-

- Passing on the maximum funding possible to providers to support all equally
- Maintaining the two-year-old base rate
- Passing on the full DAF uplift to providers
- Maintaining the Northumberland Pupil Premium Plus rates

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

Note 1 : Schools Forum is requested to note the following:

The Early Years Block budget to be set at the DfE allocation of £30,293,355 as detailed in Annex 1;

The 3- and 4-year-old rate will increase with a 29p uplift from £4.91 (2023/24) to £5.20 per hour (2024/25);

The 2-year-old rate will be maintained at £7.27 per hour (2024/25).

The under 2-year-old rate will be introduced at £9.87 per hour (2024/25).

6. High Needs Block (Total 2024/25 HN Block funding £50,385,547)

The latest indicative High Needs Block (HNB) allocation for 2024/25 is £53,831,547, a 5.4% uplift on the 2023/24 figure of £51,072,682, these figures are as published by the ESFA AFTER the Import Export adjustment. These figures are before deductions of £3,446,000 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 Annex 1.

The current 2024/25 allocation after these deductions is £50,385,547. This figure includes a £582,000 reduction in respect of the net import export adjustments, this has been reduced from £867,000 last year as a result of reviews of the data in relation to Northumberland students attending educational settings in other local authority areas.

Work is continuing on the detail of the total requirements within the High Needs Block, and it is recommended that the total 2024/25 budget for the High Needs Block is set at this time, with the detailed breakdown of that funding into the various services being provided to the Schools Forum meeting on 14 February 2024, together with details of the School Funding consultation responses. Setting the overall total for the High Needs Block is necessary at this time as final decisions in relation to the Schools Block must be made before the deadline of 22 February 2024 for submitting the APT and final mainstream school formula values to the DfE.

Note 2:

The budget for the High Needs Block will be set at £50,385,547, after the deduction by the ESFA for the place funding outlined at Annex 1.

Recommendation 1:

To agree that the various budgets within the High Needs Block be set at the meeting on 14 February 2024.

7. Schools Block (Total 2024/25 Schools Block funding £226,051,476)

The 2024/25 Primary unit of funding (per pupil figure) is £5,333.55 (£5,059.28 in 2023/24) and the Secondary unit of funding is £6,549.43 (£6,222.64 in 2023/24), giving a per pupil allocation of £225,531,860 (£215,114,179 in 2023/24). The addition of a fixed amount in respect of Growth and Premises of £4,177,792 gives a total Schools Block of £229,709,652, before the deduction for rates of £2,533,172, as set out in **Annex 1**.

As agreed by Schools Forum at the meeting on 17 November 2023 and the subsequent consultation with schools, a maximum transfer of £ 1,148,548 (0.5%) of the Schools Block to the High Needs block is available, this would reduce the amount available to the Schools Block to £228,561,104, (or £226,027,932, after the rates transfer) a figure £10,056,857 (5.1%) higher than the equivalent 2023/24 figure of £215,971,074. (NB these figures do not include the Mainstream Schools Additional Grant paid in 2023/24). In practice a slightly lower amount of £1,125,004 (0.49%) is being transferred. This enables Northumberland to continue to fund all formula values at NFF levels, but this is only possible through the use of £1,060,895 funding allocated to NCC to fund any required growth on a year to year basis, and through the application of capping and scaling measures. Without these measures it would not be possible to fund at NFF levels.

MFG is the mechanism that prevents excessive changes in the per pupil values on a year to year basis, that could potentially arise from changes in the overall student profile affecting low prior attainment and deprivation. The lump sum, sparsity and rates formula factors are excluded from MFG calculations by the ESFA in order to avoid excessive or inappropriate protection. A 0.5% Minimum Funding Guarantee (MFG) is being proposed, together with the use of capping and scaling means that

full National Funding Formula factors can still be used for Northumberland, while also making the 0.5% transfer to the High Needs Block.

As reported to the November 2023 meeting, the only disapplication request made to the ESFA in respect of 2024/25 is in respect of the transfer of funds between Schools within the Coquet partnership, as a result of the first phase of the transition to a standard primary / secondary system. This has been approved by the ESFA.

No further contribution to the growth fund or the falling rolls fund is anticipated in 2024/25.

As agreed at the 17 November 2023 Schools Forum meeting, and in conjunction with the associated 17 January 2024 Cabinet report, the decision on the final formula values is delegated to the Executive Director of Children', Young People and Education & Cabinet Member for Inspiring Young People. This is required in case of any adjustments following the submission of information to the ESFA by their 22 January 2024 deadline and the deadline for the confirmation of schools' budget shares to mainstream maintained schools by 29 February 2024. No changes are anticipated at this stage. As in previous years, it is intended to provide maintained schools with their 2024/25 budget via the Schools E-courier bulletin by the ESFA deadline of 29 February 2023. This covers the period from April 2024 to March 2025. The equivalent figures for academies will be included for illustrative purposes only; the ESFA is responsible for the provision of the general annual grant statements to academies for the period from September 2024 to August 2025 by 31 March 2024.

Note 3:

The budget for the Schools Block to be set provisionally at £227,176,480, before the deduction of a proposed amount of £444,626 in respect of de-delegation. This figure is further reduced to £225,606,850 after the transfer of £1,125,004 to the High Needs Block.

Note 4:

School budget shares be provisionally constructed based on the formula values shown the final column of Table 1, including an MFG value of 0.5%, and capping and scaling values of 2.13% and 75% respectively subject to any adjustments required once the ESFA's decision is known.

Note 5:

Delegated powers to Executive Director of Children's Services to set the final formula values was agreed at the 17 November 2023 Schools Forum meeting.

Table 1

**COMPARISON OF FINAL 2023/24 AND PROPOSED 2024/25 FORMULA VALUES FOR
NFF AND NORTHUMBERLAND**

Factor (all figures £)	NFF Values	NCC Values	NFF Values	ProposedN CC Values	Movement in values 23/24 to 24/25	Movement in NCC values 22/23 to 23/24
	2023/24	2023/24	2024/25	2024/25		
col (a)	col (b)	col (c)	col (d)	col (e)	col (f)	col (g)
# AWPU Primary	3,394	3,394	3,562	3,562	4.95%	5.50%
KS3	4,785	4,785	5,022	5,022	4.95%	5.49%
KS4	5,393	5,393	5,661	5,661	4.97%	5.50%
# Lump Sum Primary / Secondary	128,000	128,000	134,400	134,400	5.00%	5.52%
Deprivation - Free School Meals Primary	480	480	490	490	2.08%	2.13%
Secondary	480	480	490	490	2.08%	2.13%
# Deprivation – FSM6 Primary	705	705	820	820	16.31%	19.49%
Secondary	1030	1030	1,200	1,200	16.50%	19.08%
Deprivation – IDACI:						
Primary Band F	230	230	235	235	2.17%	4.55%
Band E	280	280	285	285	1.79%	3.70%
Band D	440	440	445	445	1.14%	4.76%
Band C	480	480	485	485	1.04%	4.35%
Band B	510	510	515	515	0.98%	4.08%
Band A	670	670	680	680	1.49%	4.69%
Secondary Band F	335	335	340	340	1.49%	4.69%
Band E	445	445	450	450	1.12%	4.71%
Band D	620	620	620	620	0.00%	4.20%
Band C	680	680	690	690	1.47%	4.62%
Band B	730	730	740	740	1.37%	4.29%
Band A	930	930	945	945	1.61%	4.49%
Low Attainment Primary	1,155	1,155	1,170	1,170	1.30%	2.21%
Secondary	1,750	1,750	1,775	1,775	1.43%	2.34%
EAL Primary	580	580	590	590	1.72%	2.65%
Secondary	1,565	1,565	1,585	1,585	1.28%	2.29%
MOBILITY : Primary	945	945	960	960	1.59%	104.10%
Secondary	1,360	1,360	1,380	1,380	1.47%	104.51%
SPARSITY(max): Primary	56,300	56,300	57,100	57,100	1.42%	2.36%
Middle	81,900	81,900	83,000	83,000	1.34%	2.38%
Secondary/All Through	81,900	81,900	83,000	83,000	1.34%	2.38%
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 AWPU's £104 and £152 to the Primary and Secondary FSM6 factors; and £4,510 to the Lump Sum 					

8. De-Delegation

The School and Early Years Finance Regulations, last updated in February 2023 permit that certain services can have funding centrally retained by the de-delegation of funding from maintained schools (but not from academies) with the specific approval of the relevant members of the Schools Forum. Academies are free to purchase these services, either through a Service Level Agreement (SLA) or on a Pay As You Go basis. Special Schools and the PRU are not affected by the de-delegation but can also participate through the SLA or on a Pay As You Go basis.

De-delegated funding is therefore formally requested in respect of the remaining 4 services for maintained mainstream schools:

	2023/24 Estimate (£)	2024/25 Estimate (£)	Cost per eligible unit (unchanged)(£)
Contingency Fund for School Restructure and Re-organisation costs	328,212	315,200	20.00
Determination of FSM Eligibility	22,832	22,606	6.00
Trades Union Facility Time	53,334	51,220	3.25
English as an Additional Language (EAL) services	53,111	55,600	220.00
TOTAL:	457,489	444,626	-

De-delegation is an integral part of the way in which these services are funded, and any changes would require a significant change of the way of working with schools. Cash values have been held at the same level as 2020/21 for all de-delegated budgets.

Recommendation 2:

Schools Members of the Schools Forum representing maintained mainstream schools agree on a phase by phase basis to the de-delegation in respect of the four services listed above for 2024/25 using the per unit values, and estimated overall values as set out in the final column of Annex 1.

9. Central School Services Block (Total 2024/25 CSSB funding £2,157,405)

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 (4.9%) lower than the 2023/24 allocation of £2,268,990. This reduction in the historic element was expected and has previously been reported.

As with the High Needs Budget, the overall budget will be set at £2,157,405 in line with the allocation, with the details of the budget being provided to the February Schools Forum meeting.

Note 7:

The budget for the Central Schools Services Block will be set at £2,157,405 as set out in Annex 1

DEDICATED SCHOOL GRANT (DSG) ALLOCATION 2024/25 - FINAL (as at 22 December 2023)

Annex 1

	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			-444,626
Schools Block AFTER De-delegation			225,606,850
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
3/4 Year Olds - Additional 15 hours	1,928.36	3,117.90	6,012,434
2 Year Old Entitlement - WPs	1,177.67	4,275.00	5,034,540
2 Year Old Entitlement - Disadvantaged	668.35	4,275.00	2,857,197
Under 2s entitlement	596.68	5,814.00	3,469,098
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
Initial Allocation EYPP - under 2 year olds	17.82	387.6	6,908
Initial Allocation EYPP - 2 year olds	356.37	387.6	138,130
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
ADD: Transfer from Schools Block			
TOTAL HIGH NEEDS BLOCK AFTER DEDUCTIONS			50,385,547
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	315,200
Trade Union Facility time	51,220
EAL	55,600
FSM Eligibility	22,606
	444,626