24-25 DSG report

Dedicated Schools Budget (DSG) proposals 2024-25

17/01/2024

**Executive Summary**

This report sets out the Dedicated Schools Budget (DSG) announced in December for the financial year 2024-25

**Details of recommendations and timescales for decisions:**

Schools Forum are asked to note the report

1. **Background**
	1. The Dedicated schools Grant allocations for 3 blocks were announce on the 19 December 2023. The Schools and Central Schools Services blocks are now fixed for the year; the High Needs block will be updated for minor formula headings in 2024; and the Early Years block funding rates have been announced, but pupil numbers will be announced in 2024.

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| **DSG before academy recoupment** | 2023/24£s | 2024/25£s | variance | % |
| Schools block (SB) | 295,264,535 | 303,863,963 | 8,599,428 | 3% |
| Central school services block (CSSB) | 3,157,278 | 2,906,445 | -250,833 | -8% |
| High needs block (HNB) | 82,471,653 | 85,992,740 | 3,521,087 | 4% |
| Early years block (EYB) | 30,163,367 | 40,509,862 | 10,346,495 | 34% |
| **Total DSG allocation (£s)** | **411,056,833** | **433,273,010** | 22,216,177 | 5% |

1. **Main points for 2024-25**

**Schools Block**

* 1. The schools budget planning stage is coming to an end with the submission of the Authority Pro-Forma tool (APT) by the 22 January. This will be challenged and ultimately agreed by the Education Services Funding Agency (ESFA) before we can confirm the final schools block budget share for 2024-25. This budget will not alter in year.
	2. The mainstream school roll has reduced since last year, which will lead to potential reduction in budgets.
	3. Schools Finance Team have completed modelling of allocations for individual schools and schools will receive indicative budgets soon.
	4. The opening of the school at London Docks was delayed, with building taking place throughout 2023-24. The new pupils starting in September 2024 have been included in the APT, as well as part of the growth which is likely to use up all the budget allocated for the Growth Fund. Previously, any surplus in the growth fund was transferred to the High Needs block. The 2024-25 Schools block growth allocation reduced by -14%.
	5. The Mainstream School Additional Grant (£9.4 mill) from 2023-24 has been added to the schools budget baseline for 2024-25, leading to a 4% increase in the per-pupil unit of funding.

**High Needs Block**

* 1. The High Needs Block formula has increased by 9%, as have the number of pupils in special schools and academies.
	2. The HN deficit was reduced at the end of 2022-23, with a cumulative deficit of -£13 mill. Carried into 2023-24. Projections are to stay within budget for 2023-24.

**Early Years and Central Schools Services Blocks**

* 1. The Early Years Block (EYB) unit of funding for 3 and 4 year-olds has been inflated by 4%.
	2. The 2 year-old funding has been extended to mirror the 3 and 4 year old formula structure, and new funding added for under 2’s. As a result, the provisional allocation has increased by £10.3 mill or 34% overall using the 2023-24 pupil count data. Final allocations will be confirmed with the January census.

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| **Indicative 2024-25 Early years block allocations** | **3&4 YO****£000** | **2 YO****£000** | **Under 2 YO****£000** | **2024-25****£000** |
| Universal entitlement |  21,353  |  -  |  -  |  21,353  |
| Additional 15 hrs eligible wkg. parents |  5,173  |  4,095  |  -  |  9,268  |
| Disadvantaged funding |  -  |  5,536  |  2,840  |  8,376  |
| Early years pupil premium |  293  |  177  |  9  |  479  |
| Disability access fund |  179  |  49  |  27  |  256  |
| Maintained nursery schools |  779  |  -  |  -  |  779  |
| **Indicative EYB (24-25)** |  **27,778**  |  **9,856**  |  **2,876**  |  **40,510**  |
| EYB 23-24 |  26,483  |  3,681  |  0  |  30,163  |
| Indicative increase |  1,295  |  6,176  |  2,876  |  10,346  |

* 1. Proposals for Early Years Block and agreement of the Central Schools Services Block (CSSB) are elsewhere on this meeting agenda.