

REPORT TO: Schools' Forum
DATE: 16th October 2024
REPORTING OFFICER: Operational Director – Finance
PORTFOLIO: Children & Young People
SUBJECT: DSG Forecast Outturn for 2024-25
WARD(S) Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To report the Dedicated Schools Grant forecast outturn for 2024-25.

2.0 RECOMMENDATION: That

2.1 The report is noted.

3.0 SUPPORTING INFORMATION

3.1 Grant settlement

The Dedicated Schools Grant allocation for 2024-25 is £154,359,370 broken down as follows:

Schools Block	£111,188,230
CSSB	£746,822
Early Years Block	£15,327,108
High Needs Block	£27,097,210

Of this, £58,637.34 is recouped from the Schools Block and an estimated £3,305,167 recouped from the High Needs Block for academies and further education. These figures are based on latest July DSG settlement update provided by the DfE.

3.2 Schools Block

There was no block transfer in current years against the High Needs Block meaning the balance of £111,188,230 was fully devolved to mainstream primary and secondary schools and academies through the funding formula.

We are mirroring the National Funding Formula (NFF) factors and criteria as well as the NFF cash values for all formula components.

3.3 Central Schools Services Block (CSSB)

The CSSB of £746,822 is currently forecast to budget in respect to the central services supported by this block.

3.4 Early Years Block

The Early Years Block of £15,327,108 is currently forecast to budget and is subject to future variation based on termly headcount data.

In addition, the DfE have recently announced additional funding for 2024-25 namely the Early Years Budget Grant (EYBG). This will provide all Halton's Early Years providers a 0.0034% rate uplift for 3 and 4 year old funding resulting in an increase of £0.02 and an approximately 10.7% uplift to the Maintained Nursery hourly rate resulting in an increase of about £0.50 to support increases to teachers pay from September.

This funding is restricted to 3 & 4 year old unlike prior year Early Years Supplementary Grant whereby the funding rates increase was extended to 2YO, EYPP, and DAF. The EYBG would be paid from September 2024 to March 2025 and overall funding estimates will be known based on autumn adjustments.

3.5 High Needs Block

The High Needs block allocation of £27,097,210 is reduced by FE recoupment of £3,305,167 and the balance of £23,792,043 is insufficient to meet the total estimated expenditure required for 2024-25.

The recurring areas of pressure are as a result of increasing volumes of children referred for Education Health and Care Plans (EHCPs) and associated costs.

We are currently facing an in-year deficit of £2,532,825 within the High Needs Block. The areas that are overspending are:

	Budget	Forecast	Variance
Top-up funding	£10,455,348	£11,242,605	787,257
INMSS	£6,363,210	£8,108,778	1,745,568
Inter Authority	£603,990	£685,239	£81,249

3.6 DSG Balances

Taking into account the deficit brought forward from 2023-24 of £5,348,546 and anticipating the ongoing pressures specifically faced by the High Needs Block forecasting an in-year deficit of £2,532,825, the cumulative forecast deficit by the end of 2024-25 is £7,881,371.

The accumulating deficit has resulted in Halton being included in tranche 3 of the DfE intervention 'Delivering Better Value (DBV) in High Needs where work is currently in progress to develop a realistic and robust recovery plan that will require the approval of the DfE.

3.7 Core Schools Budget Grant

In July 2024, the government announced that an additional almost £1.1 billion would be provided in the 2024 to 2025 financial year for

mainstream schools, high needs settings, and local authorities with centrally employed teachers through the CSBG.

In the 2024 to 2025 financial year, mainstream schools will be allocated their portion of this additional funding through the 2024 to 2025 CSBG. This is in addition to schools' allocations through the schools national funding formula.

Funding for this grant will be allocated to the authority maintained and academies to cover the 2024-25 financial year from September to March to support the teacher pay award.

There is a calculator tool available for schools/authority to estimate their funding amount which is based on funding factors such as pupil numbers from Oct 2023 census and FMS 6 and a lump sum amount and uplifted by Halton Area Cost Adjustment (ACA).

The table below shows the funding rates for all the factors.

	Basic Per-Pupil for Primary Pupils	Basic Per-Pupil for KS3 Pupils	Basic Per-Pupil for KS4 Pupils	FSM 6 Per-Pupil for Primary Pupils	FSM 6 Per-Pupil for Secondary Pupils	Lump Sum	ACA
Funding Rates	£76	£108	£122	£70	£100	£2,900	1.00

Overall the estimated additional funding for Halton Schools using the 2024-25 APT pupil numbers is estimated at £2.4m

3.8 2025-26 Schools Funding Arrangements

We received an email from DfE on Thursday 3 October to confirm details of Schools funding arrangements for 2025-26, stating that the notional schools and high needs national funding formula (NFF) allocations for 2024-25 has been delayed due to the timing of the 2024 general election.

There are plans to publish notional NFF allocations for schools and operational guide and NFF technical note as soon as possible following the budget announcement on 30 October 2024 and the dedicated schools grant(DSG) allocations will be published in December 2024.

4.0 FINANCIAL IMPLICATIONS

4.1 Further savings and reducing overspends are essential to getting back to a balanced DSG position.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 **Improving Health, Promoting Wellbeing and supporting Greater Independence**

None.

5.2 Building a Strong, Sustainable Local Economy

None.

5.3 Supporting Childre, Young People and Families

It is essential that schools and education support services receive sufficient funding to allow them to support all children and young people.

5.4 Tackling Inequality and Helping Those Who Are Most In Need

None.

5.5 Working Towards a Greener Future

None.

5.6 Valuing and Appreciating Halton and Our Community

None.

6.0 RISK ANALYSIS

6.1 Continued overspending against DSG will impede plans to change and improve services and provision.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.