

**NORTH LINCOLNSHIRE COUNCIL****SCHOOLS FORUM****DEDICATED SCHOOLS GRANT 2024/25****1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 On 19<sup>th</sup> December 2023 the EFA published the 2024-25 Dedicated Schools Grant (DSG) Allocations.
- 1.2 The allocation for North Lincolnshire is £180.511m after deductions for national non-domestic rates (NNDR) and the direct funding of high needs places by the ESFA.
- 1.3 This report provides information on the planned use of the DSG for 2024/25.

**2. BACKGROUND INFORMATION**

- 2.1 The DSG allocations are presented in four blocks. Each block is determined by a separate national funding formula:

<b>DSG Allocations after recoupment and deductions for NNDR and direct funding of High Needs Place by ESFA</b>	<b>2024/25 £m</b>	<b>2023/24 £m</b>	<b>Variance £m</b>
Schools Block	136.270	129.981	+6.289
Central Services Schools Block (CSSB)	1.022	1.029	-0.007
Early Years Block (provisional)	15.754	9.892	+5.862
High Needs Block (provisional)	27.465	26.736	+0.729
<b>Total DSG</b>	<b>180.511</b>	<b>167.638</b>	<b>+12.873</b>

**N.B. NNDR and High Needs Place Funding Deductions for direct funding are as follows:**

Schools Block

Direct Funding of NNDR

£2.037m

High Needs Block

Pre16 Alternative Provision Academies &amp; Free Schools -

40 Places at £10k per place

£0.400m

16-19 Academies and Free Schools Post 16 SEN -

28 places at £6k per place

£0.168m

Further Education (FE) &amp; Independent Learning providers (ILP)

£0.120m

£2.725m

- 2.2 The **Schools Block** has been set at cash rate per pupil of £5,225.24 for primary schools and a cash rate per pupil of £6,667.30 for secondary schools, plus block amounts of £2.110m for premises and £0.637m for growth.
- 2.3 The DfE has confirmed its commitment to continue to move forward with its plans to implement a direct National Funding Formula, whereby funding will be allocated directly to schools based on a single, national formula. A gradual approach to transition is taking place. In 2024-25 local authorities will continue to set a local schools funding formula, in consultation with schools.
- 2.4 Schools Block funding is ring fenced. However, Local Authorities have the flexibility to transfer up to 0.5% of their schools block funding to another DSG block, with the approval of the schools forum.
- 2.5 The **CSSB Block** enables LA's to carry out its statutory functions for all schools and comprises two distinct elements: ongoing responsibilities and historic commitments.
- **Ongoing Responsibilities £902,928 (39.07 per pupil)** – Funding for local authorities to deliver their ongoing responsibilities for which they have a statutory duty for all pupils in maintained schools and academies. North Lincolnshire receives funding for ongoing responsibilities at a rate of £37.63 per pupil.
  - **Historic Commitments £119,604** – From 2020/21 the DfE began to reduce the element of funding within the CSSB that LAs receive for historic commitments. Allocations have once again been reduced by 20% which equates to a reduction of £29,900 for 2024/25. Local authorities are not able to increase spending on historic commitments, but can with the approval of the schools forum, maintain spending in this area using other funding sources if they wish to.
- 2.6 There are significant changes to the **Early Years Block** for 2024-25 ensuring that the funding system supports the delivery of the new working parent entitlements for children aged 9 months up to and including 2 years old from 2024 as announced in the Spring Budget in March 2023.
- 2.7 The main changes are:
- introduction of a new national funding formula (NFF) covering both the existing 2-year-old entitlement for disadvantaged children and new working parent entitlements to be introduced in 2024 to 2025 for 2-year-olds and children aged 9 months to 2 years
  - new methodology for funding allocations for the new working parent entitlements for 2-year-old children and children aged 9 months to 2 years old for 2024 to 2025
  - extending the 95% pass-through requirement to the disadvantaged 2-year-old entitlement and the new working parent entitlements
  - extending local funding rules to the disadvantaged 2-year-old entitlement and the new working parent entitlements
  - a requirement for local authorities to have a disadvantaged 2-year-old rate that is at least equal to their rate for 2-year-old children of working parents

- new deprivation supplement arrangements for the disadvantaged 2-year-old entitlement and the new working parent entitlements
  - confirming the expectation that local authorities have special educational needs inclusion funds (SENIFs) for all children with special educational needs (SEN) eligible for or taking up the new and existing entitlements, regardless of the number of hours taken
  - extending eligibility for EYPP and DAF to eligible children aged 2 years old and under accessing the entitlements from 2024 to 2025, and increases to the value of both funding streams
  - extending the facility to apply for a disapplication from the 95% pass through rule to the disadvantaged 2-year-old entitlement and the new working parent entitlements, and changes to the criteria against which a disapplication will be considered
- 2.8 All early years allocations are indicative. As in previous years, the mid-year adjustment will continue, based on the early years, school and alternative provision censuses.
- 2.9 The **High Needs Block** supports provision for children and young people with special educational needs and disabilities (SEND) from ages 0 to 25 and for alternative provision (AP) children of compulsory school age who, because of exclusion, illness or other reasons, cannot receive their education in mainstream schools.
- 2.10 The financial allocation from the high needs funding block provides local authorities with funding for place funding and top up funding for schools and colleges, funding for high needs services delivered directly by the local authority or under separate agreement with a school or college (including funding devolved to schools or colleges), as permitted by regulations.
- 2.11 The local authority decides how much funding to set aside for place and top up funding given to schools and colleges and for central high needs services, taking in to account the overall amount required to meet the continuing needs of children and young people with SEND and those who need AP. Further information on the planned use of the high needs block can be found in appendix 1.
- 2.12 The provisional high needs allocation includes a deduction for import/export adjustments. This is a net adjustment to the local authorities DSG reflecting the difference between high needs pupils and students living in one local authority and attending school or college in another. The 2023 to 2024 import/export adjustment data published in July 2023 has been used for the provisional 2024 to 2025 deduction (£624k), and this will be updated in June 2024 with the January 2024 Census data and the February 2024 ILR data.

### 3. **OPTIONS FOR CONSIDERATION**

- 3.1 The following options are the responsibility of the Schools Forum:
- Central spend on Early Years Provision £584k
  - Historic Commitments (Combined Budgets) £120k
  - Admissions. £118k
  - Servicing of the Schools Forum £22k

- Contributions to responsibilities that local authorities hold for all schools (retained duties) £542k

#### **4. ANALYSIS OF OPTIONS**

- 4.1 Central spend on Early Years Provision. The maximum central spend allocation for early years is 5% of all funding streams. The proposed central spend budget amounts 3.97%. The central budget last year amounted to 4.94% of 3 and 4 year old funding.
- 4.2 Historic Commitment funding has been reduced in line with the ongoing reductions to funding.
- 4.3 Ongoing responsibility budgets, including admissions, servicing of schools forum and retained duties have been increased for inflation and pay awards where appropriate.

#### **5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

- 5.1 The schools forum must be consulted on the school funding formula, arrangements for early year's provision, arrangements for pupils with special needs, arrangements for use of pupil referral units and the education of children otherwise than at school. There are separate reports providing further information on the school funding formula, early years and high needs funding.
- 5.2 No approval is required for the high needs block provision or central copyright licences negotiated nationally by the Secretary of State.
- 5.3 It is the responsibility of the Local Authorities Chief Financial Officer to ensure that DSG grant monies are spent in accordance with the DSG Conditions of Grant and the Schools and Early Years Finance Regulations.

#### **6. RECOMMENDATIONS**

- 6.1 That schools forum approve the centrally retained schools budget as detailed in the report:
- Central spend on the early years block provision.
  - Historic Commitments (Combined Budgets)
  - School Admissions
  - Servicing of Schools Forum
  - Contribution to the responsibilities that local authorities hold for all schools.

#### **STRATEGIC LEAD FINANCE**

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**Background Papers used in the preparation of this report –**

Schools Revenue Funding 2024 to 2025 Operational Guide  
The National Funding Formulae for Schools and High Needs 2024-2025