

**NORTH LINCOLNSHIRE COUNCIL****SCHOOLS FORUM****DEDICATED SCHOOLS GRANT 2025/26****1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 On 18<sup>th</sup> December 2024 the EFA published the 2025-26 Dedicated Schools Grant (DSG) Allocations.
- 1.2 The allocation for North Lincolnshire is £198.286m 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 2025/26.

**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>2025/26 £m</b>	<b>2024/25 £m</b>
Schools Block	145.810	136.270
Central Services Schools Block (CSSB)	1.203	1.022
Early Years Block (provisional)	21.605	15.754
High Needs Block (provisional)	29.668	27.465
<b>Total DSG</b>	<b>198.286</b>	<b>180.511</b>

- 2.2 The Schools Block has been set based on the primary units of funding (PUF), secondary units of funding (SUF), premises funding based on historic spend and growth and falling rolls funding using the differences between the primary and secondary numbers on roll in the local authority in the October 2023 and October 2024 school censuses.

- 2.3 Deductions are then made for the central payments of national non-domestic rates (NNDR).

	(£000's)
Total primary school funding at £5,684.76 per unit of funding	71.207
Total secondary school funding at £7,236.26 per unit of funding	74.023
Premises factor	2.196
Growth and falling rolls	0.507
	<b>147.933</b>
Less deductions for ESFA payments to billing authorities for NNDR	-2.123
	<b>145.810</b>

- 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. A disapplication is required for any transfers above 0.5% or any amount without schools forum approval.

- 2.5 The CSSB Block enables LA's to carry out its statutory functions for all schools and comprises two distinct elements. It is set based on the units of funding multiplied by the number of pupils recorded in the October 2024 census and total historic commitments funding announced in November 2024.

2.5.1 Ongoing responsibilities £1.108m funding for local authorities to deliver their ongoing responsibilities for which they have a statutory duty for all pupils in maintained schools and academies.

2.5.2 Historic commitments £0.096m. Since 2020/21 the DfE have reduced the element of funding within the CSSB that LAs receive for historic commitments. Allocations have once again been reduced by 20%.

- 2.6 The high needs funding block is a single block for local authorities to spend on provision for pupils and students aged 0 to 25, with high needs. Before any deductions are made, the block includes funding for pre-16 and post-16 places in:

2.6.1 maintained mainstream schools (pre-16 places in special units and resourced provision and post-16 high needs places)

2.6.2 maintained special schools (pre-16 and post-16 places)

2.6.3 pupil referral units (PRUs)

2.6.4 mainstream academies and free schools (pre-16 places in special units and resourced provision and post-16 high needs places)

2.6.5 special academies (pre-16 and post-16 places)

2.6.6 special free schools (pre-16 and post-16 places)

2.6.7 non-maintained special schools (NMSS) (pre-16 and post-16 places – £6,000 of the £10,000 per place only)

2.6.8 alternative provision (AP) academies (pre-16 and post-16 places)

2.6.9 further education (FE) colleges (including sixth form colleges and 16 to 19 academies), independent learning providers (ILPs) and special post-16 institutions (SPIs) (post-16 places only)

2.6.10 AP free schools (pre-16 places, excluding those at schools opened during the 2024 to 2025, or 2025 to 2026 academic years)

2.7 In addition to the funding for places described above, the high needs block also includes top-up funding, independently allocated and administered by local authorities for pupils and students occupying the places in the settings listed above, to reflect the additional costs of supporting individual pupils' or students' needs.

2.8 It also includes:

2.8.1 funding for children and young people placed in independent schools, independent AP (unless the places are commissioned directly by schools) and hospital education (including independent hospital education provision funded by the local authority)

2.8.2 funding for central high needs services and budgets

2.9 The total high needs block before deductions is £30.628m made up as follows:

Total High Needs elements in the funding floor and gains calculation	£28.532
Basic entitlement at £4,660 per unit of funding	£2.353
Import/export adjustments	-£0.558
Additional funding for special free schools	£0.248
Alternative provision teachers pay/pensions	£0.053
<b>Total High Needs before deductions</b>	<b>£30.628</b>
<i>Less</i>	
Post 16 special educational needs – 40 places	-£0.400
Pre-16 alternative provision - 41 places	-£0.410
Further Education and Independent learning provider 25 places	-£0.150
<b>Total High Needs Block after Deductions</b>	<b>£29.668</b>

2.10 The provisional high needs allocation includes a deduction for import/export adjustments of £0.558m. 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 2024 to 2025 import/export adjustment data published in July 2024 has been used for the provisional 2025 to 2026 deduction. This will be updated in June 2025 with the January 2025 Census data and the February 2025 ILR data.

2.11 the early years block, based on the early years funding rates published in December 2024 and made up of items 1 to 8 below:

2.11.1 the 15 hours entitlement for eligible working parents of children from 9 months up to 2 years old (to be extended to 30 hours from 1 September 2025)

2.11.2 the 15 hours entitlement for eligible working parents of 2-year-old children (to be extended to 30 hours from 1 September 2025)

- 2.11.3 the 15 hours entitlement for families of 2-year-olds receiving additional support (formerly known as the 2-year-old disadvantaged entitlement)
- 2.11.4 the universal 15 hours entitlement for all 3 and 4-year-olds
- 2.11.5 the additional 15 hours entitlement for eligible working parents of 3 and 4-year-olds
- 2.11.6 funding for the early years pupil premium (EYPP) for 3 and 4-year-olds, 2-year-olds and under 2s
- 2.11.7 funding for the disability access fund (DAF) for 3 and 4-year-olds, 2-year-olds and under 2s

2.12 In the summer of 2023, consultation took place on increasing the minimum pass-through requirement. This outlined the intention to increase this from 95% to 97% once the new entitlements were sufficiently embedded. This change will be introduced and for 2025/26 the minimum pass-through rate will increase from 95% to 96%.

2.13 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.

	(£000's)	Pupil Premium (£000's)	Disability Access (£000's)
Indicative funding allocation for universal entitlement for 3 and 4 year olds	6.495	0.320	0.102
Indicative funding allocation for additional 15 hours entitlement for eligible working parents of 3 and 4 year olds	2.931		
Indicative funding allocation for 2-year-olds of families receiving additional support	1.460	0.130	0.027
Indicative funding allocation for 2 year old working parent entitlement	4.084		
Indicative funding allocation for under 2s entitlement	6.038	0.012	0.006
<b>Total</b>	<b>21.008</b>	<b>0.462</b>	<b>0.135</b>
<b>Total Early Years Block</b>	<b>21.605</b>		

### 3. OPTIONS FOR CONSIDERATION

3.1 The following options are the responsibility of the Schools Forum:

- Central spend on Early Years Provision £785k
- Historic Commitments (Combined Budgets) £96k
- Admissions. £118k
- Servicing of the Schools Forum £23k
- Contributions to responsibilities that local authorities hold for all schools (retained duties) £561k

#### 4. ANALYSIS OF OPTIONS

- 4.1 Central spend on Early Years Provision. The maximum central spend allocation for early years in 2025-26 is 4% of all funding streams. It is proposed to retain 4% from 3 and 4 year old funding and under 2's funding and 3% from two year old funding for central early years expenditure.
- 4.2 Historic Commitment funding has been reduced in line with the ongoing reductions to funding.
- 4.3 Ongoing responsibility budgets for the 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 and the early years funding formula.
- 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 2025 to 2026 Operational Guide  
DSG: Technical note 2025-26