

**Agenda Item**  
**8**



**Report Status**

For information/note   
For consultation & views   
For decision

**Report to Haringey Schools Forum – 11<sup>h</sup> January 2024**

**Report Title: Dedicated School Grant (DSG) 2024/25 and Schools Block Funding Model Strategy.**

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**Purpose:**

1. To update Schools Forum of latest DSG 2024/25 published allocations from 19<sup>th</sup> December 2023.
2. To provide the results of the 2024-25 Haringey primary and secondary schools DSG funding formula consultation and recommendations to set the distribution of the 2024-25 Schools block DSG for devolved school budgets.

**Recommendations:**

- 1) To note the latest DSG published allocations for 2024/25
- 2) To note the results of the 2024-25 Haringey primary and secondary schools DSG funding formula consultation.
- 3) For Schools Forum to decide on the preferred 2024-25 Schools block, DSG funding formula model, with recommendations listed below:

- a) To note Model 1 is the only option available given the funding settlement and regulations:
  - b) To note the transfer of 0.50% from the Schools Block allocation to the High Needs Block (HNB) as agreed in the October 2023 Schools Forum. At the October decision this was estimated at £1.051m and with the DSG 2024/25 published allocation this equates to £1.129m.
  - c) To agree the Growth fund to be set at £0.300m.
  - d) To agree the Minimum Funding Guarantee (MFG) is set +0.46% to +0.50% dependent on the block transfers agreed and any necessary consent from the DfE with regards to disapplication requests and APT data validation by ESFA.
  - e) To agree the block transfer of £0.122m from the Schools Block to the Central Schools Services Block (CSSB) for Education Welfare Services dependent on any necessary consent from the DfE and APT data validation by ESFA.
  - f) To agree the block transfer from the Schools block to the Early Years block of £0.060m to fund a Haringey Primary school with a Nursery School on a split site, dependent on any necessary consent from the DfE and APT data validation by ESFA.
  - g) To agree the de-delegation of £0.210m for Trade Union Representation (for maintained schools only).**
  - h) To note St Aidens Primary school census error of one pupil, pre MFG cost £5,860.82 to be supported from Growth Fund due to ESFA census error.
- 4) To note a disapplication request has been submitted to request from High Needs Block £412k (3.4%) to be retained for 2024/25 same as 2023/24 linked to special school top-ups and re-banding exercise.

## 1. Dedicated Schools Grant (DSG) allocations 2024/25

- 1.1 The Department for Education (DfE) published on 19<sup>th</sup> December 2023 the Dedicated Schools Grant (DSG) [allocations](#) for 2024/25. A comparison of current year and next year's allocations detailed in table A below:

| Table A - Haringey DSG Block Allocations | 2023/24        | 2024/25 Published Allocations | Movement Favourable / (Unfavourable) | % change    |
|--|----------------|-------------------------------|--------------------------------------|-------------|
|  | £'000s         | £'000s                        | £'000s                               |             |
| Schools block                            | 219,468        | 225,783                       | 6,316                                | 2.9%        |
| Central Schools Services block           | 2,710          | 2,630                         | - 79                                 | -2.9%       |
| High Needs block                         | 56,789         | 58,115                        | 1,326                                | 2.3%        |
| Early Years block                        | 21,218         | 31,400                        | 10,182                               | 48%         |
| Recoupment *                             | - 84,777       | - 83,889                      | 1016                                 | -1.2%       |
| <b>Total DSG</b>                         | <b>215,407</b> | <b>234,167</b>                | <b>18,760</b>                        | <b>8.6%</b> |
| Census                                   | 32,834         | 32,450                        | - 384                                |             |

\* recoupment currently being calculated as part of school formula for academies 24/25 (estimated)

## 2. Schools block

- 2.1. The Schools' block is based on the primary units of funding (PUF), and secondary units of funding (SUF), premises funding announced in October 2023 by DfE and growth funding. Table B details the analysis of the school block.

| Table B - SCHOOL BLOCK Allocations | 2023/24       | 2024/25       | Overall change in census | 2023/24        | 2024/25 Published Allocations | Movement Favourable / (Unfavourable) | % change    |
|------------------------------------|---------------|---------------|--------------------------|----------------|-------------------------------|--------------------------------------|-------------|
|                                    | Numbers       | Numbers       | Numbers                  | £'000s         | £'000s                        | £'000s                               |             |
| Primary Unit Funding (PUF)         | 19,397        | 19,141        | -256                     | 110,772        | 113,727                       | 2,955                                | 2.7%        |
| Secondary Unit Funding (SUF)       | 13,437        | 13,309        | -128                     | 105,677        | 108,950                       | 3,273                                | 3.1%        |
| Premises                           |               |               |                          | 2,376          | 2,369                         | - 7                                  | -0.3%       |
| Growth Fund                        |               |               |                          | 643            | 737                           | 94                                   | 14.7%       |
| <b>Total Schools Block</b>         | <b>32,834</b> | <b>32,450</b> | <b>-384</b>              | <b>219,468</b> | <b>225,783</b>                | <b>6,316</b>                         | <b>2.9%</b> |
| Less Safety Valve top slice        |               |               |                          | - 1,098        | - 1,129                       | 31                                   | -3%         |
| Less Education Welfare             |               |               |                          | -122           | -122                          | 0                                    | 0%          |
| Less Early Years                   |               |               |                          | -60            | -60                           | 0                                    | 0%          |

- 2.2 School block funding is driven by census from autumn 23 and Haringey have a decline in pupil numbers within the funding for 2024/25 of -384 (1.2%) pupils (primary 256 and secondary 128). However, due to the government 'rolling into the DSG' the Mainstream School Additional Grant (MSAG) £7.112m from 2023/24, the published 2024/25

allocation reports an increase of 2.9%, where in fact it is a loss to the local authority in funding to schools of £0.796m (MSAG £7.112m - £6.316m).

- 2.3 School budgets as directed within the 2024/25 National Funding Formula (NFF) will be protected within the 2024/25 formula due to the minimum funding guarantee (MFG) on a per pupil basis of +0.5% set on affordability.
- 2.4 As per recent consultation exercise School Forum will be agreeing the school budgets for 2024/25 and approval of top slicing from the school block, to be transferred to the high needs block of £1.129m (0.05% of school block). This is in support of year 2 of the Safety Valve program and SEN children within the borough. Also, from school block £0.122m transfer to Central Schools Services block (CSSB) in support of the Education Welfare services and historical £0.060m transfer to Early Years block in support of split site funding within a mainstream nursery provision.
- 2.5 A disapplication request has been submitted to the Education Skills Funding Agency (ESFA) in November 2023 due to exceeding the permissible transfer of 0.5% transfer from school block in support to other blocks.

### 3. Central Schools Services block (CSSB)

- 3.1 The CSSB supports the NFF for central school services providing funding for local authorities to carry out central functions on behalf of compulsory school age pupils in maintained schools and academies in England. The CSSB continues to have two elements of funding:
- Ongoing responsibilities, which funds all local authorities (LA) for central functions to deliver central functions to all pupils in maintained schools and academies.
  - Historic commitments, which funds LAs for commitments made prior to 2013-14 and should be unwinding (currently 2.5% year on year saving/reduction)
- 3.2 Haringey do not have any historical commitments, therefore have gained due to only receiving a reduction in funding since 2013-14 to support mainstream schools based upon census data. The reduction in 2024/25 is based upon a reduction in census and implications and savings will be reviewed as part of budget setting 2024/25. Table C details CSSB.

| Table C - CSSB BLOCK Allocations              | 2023/24       | 2024/25 Published Allocations | Movement Favourable / (Unfavourable) | % change     |
|---|---------------|-------------------------------|--------------------------------------|--------------|
|   | £'s           | £'s                           | £'s                                  |              |
| No historic allocations                       | -             | -                             | -                                    |              |
| UNIT of funding                               | 82.53         | 81.06                         | - 1.47                               | -1.8%        |
| <i>Pupil No's</i>                             | 32,834        | 32,450                        | - 384                                | -1.2%        |
| <b>Total CSSB (pupil no's x unit funding)</b> | <b>2,710m</b> | <b>2,630m</b>                 | <b>(0.079)m</b>                      | <b>-2.9%</b> |

### 4. High Needs block

- 4.1 The HNB increase for Haringey is £1.326m (2.3%) and additional recoupment £0.097m for Free school and Special School academy places including post16 provision, net £1.229m. Based upon published allocations, some other London LAs have only received 2.1% additional HNB funding for 2024/25.

4.2 The HNB supports LAs expenditure on provision for pupils and students aged 0 to 25 with high needs and primarily main DSG pressure for Haringey is within the HNB and future implications for the Safety Valve program based upon year on year increases as built into the 5-year modelling and DSG Management Plan. The calculation of the HNB within NFF is as table D.

| TABLE D – HIGH NEEDS BLOCK Allocations   | 2023/24            | 2024/25 Published Allocations | Movement Favourable / (Unfavourable) | % change    |
|--|--------------------|-------------------------------|--------------------------------------|-------------|
|  | £'s                | £'s                           | £'s                                  |             |
| HNB - NFF allocations within formula (historic spend, funding floor and proxy factors) at least 4.59% increase in baseline | £50,084,450        | £50,084,450                   | £0                                   | 0%          |
| At least 4.59% increase on NFF allocation (HNB)  | £2,299,551         | £3,535,924                    | £1,236,373                           | 53.8%       |
| Basic entitlement (ACA) UNIT OF Funding x number of special places   | £5,259.34 x 718 =  | £5,251.98 x 736 =             | £89,251                              | 2.4%        |
|  | £3,776,206.12      | £3,865,457.28                 |                                      |             |
| NUMBERS of Special Free School places  | 718                | 736                           | 18                                   | 2.5%        |
| Import/export adjustment as per ILR census and LA checking/approval  | (£345,000)         | (£345,000)                    | 0                                    |             |
| Additional funding for Special Free Schools (£6,000 per place)   | £36,000            | £24,000                       | -£12,000                             | -33%        |
| Hospital/ Teachers Pay and Pension Grant (TPPG)  | £937,388           | £950,213                      | £12,825                              | 1.4%        |
| <b>Total HNB funding (prior to recoupment)</b>   | <b>£56,788,595</b> | <b>£58,115,044</b>            | <b>£1,326,449</b>                    | <b>2.3%</b> |
| Recoupment   | -£2,312,834        | -£2,410,000                   | -£97,166                             | 4.2%        |
| <b>Total HNB funding (after recoupment)</b>  | <b>£54,475,761</b> | <b>£55,705,044</b>            | <b>£1,229,283</b>                    | <b>2.3%</b> |

## 5. Early Years block

5.1 The Early Years block indicative allocations for 2024/25 reports an increase of 48% £10.182m due to additional funding for 2-year-olds. This funding is earmarked for formula purposes (95% pass through rate) and must be allocated to settings and early years provision. The LA is allowed to retain c£1.445m (5%) for administration/central purposes from 2024/24 allocations.

5.2 The 2024/25 allocations published are **indicative** and the Education Skills and Funding Agency (ESFA) will update these based upon:

- July 2024 based on January 2024 PTE census numbers.
- July 2025 based on five-twelfths of the January 2024 PTE census numbers (to cover the April 2024 to August 2024 period), and seven-twelfths of the January 2025 PTE census numbers (to cover the September 2024 to March 2025 period).

This means that the final allocations for each of these funding streams will be based on (five-twelfths January 2024 PTE census numbers) + (seven-twelfths January 2025 PTE census numbers). The funding is based upon take-up. Table E details the Early Years indicative allocation.

| TABLE E - EARLY YEARS BLOCK Allocations                            | 2023/24        | 2024/25<br>Published<br>Allocations | Movement<br>Favourable /<br>(Unfavourable) | %<br>change |
|--|----------------|-------------------------------------|--|-------------|
|  | £000's         | £000's                              | £000's                                     |             |
| Universal 3- and 4-year-old  | £12,546        | £13,401                             | £855                                       | 7%          |
| Additional 15 hrs for 3- and 4-year-olds                           | £4,454         | £4,757                              | £304                                       | 7%          |
| 2-year-old entitlement   | £2,521         | £3,746                              | £1,224                                     | 49%         |
| 2-year-old entitlement for working<br>parents                      |                | £4,349                              | £4,349                                     |             |
| 2-year-old entitlement for under 2s                                |                | £3,009                              | £3,009                                     |             |
| Early years Pupil Premium (PP) for 3- and<br>4-year-olds           | £232           | £255                                | £179                                       | 77%         |
| Early years Pupil Premium (PP) for 2-year-<br>olds                 |                | £149                                |  |             |
| Early years Pupil Premium (PP) for under<br>2-year-olds            |                | £7                                  |  |             |
| Early years Disability Access Fund (DAF)<br>for 3- and 4-year-olds | £92            | £94                                 | £43  | 47%         |
| Early years Disability Access Fund (DAF)<br>for 2-year-olds        |                | £30                                 |  |             |
| Early years Disability Access Fund (DAF)<br>for under 2-year-olds  |                | £11                                 |  |             |
| Maintained Nursery school<br>supplementary funding                 | £1,373         | £1,591                              | £133                                       | 10%         |
| <b>Total Early Years block</b>                                     | <b>£21,218</b> | <b>£31,400</b>                      | <b>£10,182</b>                             | <b>48%</b>  |

### **Recommendation/decision**

**(1) School Forum to note the latest published DSG allocations for 2024/25**

## **6. Consultation School Formula 2024/25**

- 6.1 After the local consultation exercise with Haringey primary and secondary schools from 25th November 2023 to 9<sup>th</sup> December 2023 this paper sets out the school block budget formula 2024/25 in conjunction with receiving the recent DSG publication for 2024/25 and outcome from the consultation exercise.
- 6.2 While it remained the Government's intention that a school's budget should be set on the basis of a single national formula, or NFF in 2024-25, local authorities are still allowed to use either the NFF formula values or locally agreed values within the allowable NFF range to determine funding allocations for schools.
- 6.3 The update of NFF for schools and high needs for 2024/25 is published by the DfE in July 2023 and republication in October 2023 on the following [link](#) and the move to a 'hard' formula without local input has not been implemented by the DfE with minimal changes for 2024/25.

## **Key features to the local funding formulae**

- Local authorities will continue to set a Minimum Funding Guarantee (MFG) in local formulae, which in 2024-25 must be between +0% and +0.5%. A disapplication will be required for setting a MFG outside the +0% and + 0.5% range.
- Local authorities will again be able to transfer up to 0.5% of their total school's block allocations to other blocks of the DSG, with school's forum approval. A disapplication request to the Secretary of State (SoS) will continue to be required for transfers above 0.5%, or for any amount without school's forum approval.
- DfE will calculate the actual value of DSG funding allocation for all local authorities and the schools' block will be calculated using these factor values using October 2023 census data.
- Split site funding is now based upon a formulaic approach and continues only to be applicable to mainstream schools. This ensures that split site funding will be provided on a consistent and fair basis across the country in accordance with NFF.
- Growth and Falling rolls funding is now built into the formula, with calculations linked to the local authority's school capacity survey (SCAP) data. The Authority Proforma Tool (APT) will now address changes within the formula.

## **7. School Funding Formula 2024/25**

- 7.1. Following a decision by Schools Forum in October 2023, the model options for the 2024/25 DSG funding formula consultation with all schools was delegated to the Schools Block Working Group (SBWG). The allowable range for setting the MFG for 2023-24 is between +0% to +0.5%. With the final settlement figures the MFG can only be set between 0.46% and -3.8% (a minus MFG would require a disapplication request).
- 7.2. Now the final settlement has been announced at £225.783m and the NFF funding requirements applied to the APT the adoption of model 1 (NFF) is the only option available based upon affordability.
  - a. The maximum local block transfer is set at 0.5%. The October 2023 schools' forum agreed a block transfer of 0.5% to HNB. The adoption of the £0.122m Education Welfare Services and £0.060m split site will be contingent on DfE approval for block transfers above 0.5% and a disapplication request has been submitted 17<sup>th</sup> November 2023.
  - b. Two MFG models were selected for consultation and appendix 1 details reported questions and responses, table F below summarises models with model 2 being unaffordable with formula factors costing additional £3.5m, plus MFG requirement being set to -3.8% which would require a disapplication request to SoS.

| TABLE F - Consultation exercise and models   |   |
|--|---|
| CONSULTATION   | OUTCOME   |
| <b>Model 1</b>   | <b>Model 1</b>  |
| DSG formula factors 100% to NFF values   | DSG formula factors 100% to NFF values  |
| HNB transfer of 0.5%   | HNB transfer of 0.5%  |
| MFG set to 0.38%   | <b>MFG set to 0.46%</b>   |
| Capping set at 50%   | Capping set at 50%  |
|  |   |
| <b>Model 2</b>   | <b>Model 2</b>  |
| DSG mixture of formula factors 100% to NFF values (as per Model 1) except for AWPU (age weighted pupil unit) for primary factor set to maximum rate permissible (due to falling rolls/primary: secondary funding ratio difference) and minimum rate for AWPU secondary factor permissible. | <b>DSG mixture of formula factors <u>BUT unaffordable</u> additional cost £3.5m</b> |
| HNB transfer of 0.5%   | HNB transfer of 0.5%  |
| MFG set to 0.29%   | <b>MFG set to -3.8% (disapplication requirement)</b>                                |
| Capping set at 50%   | Capping set at 50%  |

Affordable

Unaffordable

7.3. Proposed allocations applicable to both models table G below.

| TABLE G         |                  |  |                     |
|-----------------|------------------|--|---------------------|
| Allocation type | Schools Affected | Description  | Proposed Amount (£) |
| Top Slice       | All Schools      | Growth Fund allocation   | 300,000             |
| De-Delegation   | Maintained       | Trade Union Facility   | 210,147             |
| Block Transfer  | All Schools      | Block transfer to CSSB for Education Welfare                       | *122,000            |
| Block Transfer  | All Schools      | Block Transfer to Early Years Block for Nursery split site funding | *60,000             |
| Block Transfer  | All Schools      | HNB transfer at 0.5%   | 1,129,000           |

\*Subject to disapplication approval by SoS

7.4. Further to the consultation responses and the DSG allocations (see Appendix 1 for the financial implication of each decision for all schools) the following proposals are recommended for school's forum approval, subject to financial and data validation by the ESFA formula validation checks.



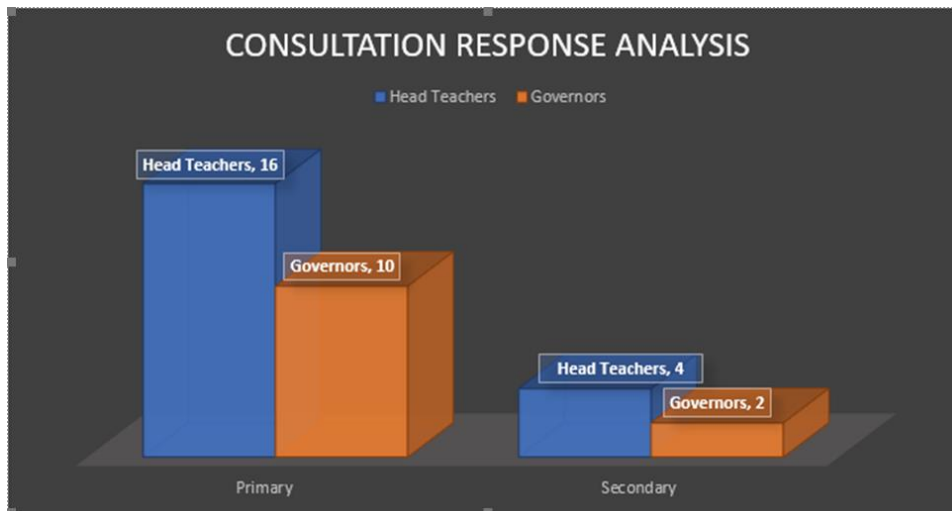
## **Recommendation/decision**

### **Schools Forum to:**

- (a) Adopt Model 1- due to affordability and ESFA formula validation.
- (b) To note the transfer of 0.50% from Schools Block allocation to the High Needs Block as agreed at October 2023 Schools Forum. At the October 2023 decision, this was estimated at £1.140m and with the proposed DSG allocation since published this equates to £1.129m
- (c) To agree the Growth fund to be set at £0.300m
- (d) To agree the Minimum Funding Guarantee (MFG) is set between +0.46% and +0.50% dependant on the block transfers agreed and any necessary consent from the DfE and APT validation by ESFA
- (e) To agree the Block transfer of £0.122m from the Schools Block to the Central Block for Education Welfare Services, dependent on any necessary consent from the DfE and APT validation by ESFA
- (f) To agree the block transfer from the Schools Block to the Early Years Block of £0.060m to fund a Haringey Primary school with a Nursery School on a split site, dependent on any necessary consent from the DfE and APT validation by ESFA
- (g) To agree the de-delegation of £0.210m for Trade Union Representation **(for maintained schools only)**
- (h) To note a disapplication request has been submitted to request block transfers above 0.5% to SoS from School Block to High Needs block.
- (i) To note St Aidens Primary school census of one pupil, pre MFG £5,860.82 to be supported from Growth Fund due to ESFA census error in autumn 2023.
- (4) To note a disapplication request has been submitted to request High Needs Block £0.412m (previous 3.4% increase in top ups/element 3) to be retained for 2024/25 same as 2023/24 due to Special School top-ups and re-banding exercise.

## **8. Consultation Response**

- 8.1 Schools in Haringey were consulted on the proposed changes for 2024/25 to the Schools Funding Formula. The consultation started on 25<sup>th</sup> November 2023, with a deadline of 8<sup>th</sup> December 2023 for responses from Head Teachers and Chairs of Governors.
- 8.2 Graph A details respondents and further details of consultation exercise attached as Appendix 1.



- 8.4 Question one of the consultation exercise asked schools' which model they preferred, either model 1 or model 2. 10 respondents preferred model 1 and 22 respondents preferred model 2.
- 8.5 After extensive modelling of both models and factors, based upon school block funding and updated autumn census, model 2 was unaffordable due to **MFG costing £3.5m** and requirement to set a **negative MFG of -3.8%** which would require a disapplication request. Therefore, **model 1** is recommended due to affordability and ESFA APT formula validation exercise.

### Recommendation/decision

**(5) School Forum to note and comment on the consultation response(s) for 2024/25.**

## 9. Next Steps

- 9.1 Following Schools Forum's decision on the recommendations, a Cabinet Member report "Haringey Council's Local Schools Funding Formula for 2024-25" will be ratified by Tuesday 23<sup>rd</sup> January 2024 and the set budgets communicated to the DfE by 22<sup>nd</sup> January 2024.
- 9.2 Once the budgets have been agreed and communicated to the DfE, Schools will be informed of their funding allocations via the approved Authority Proforma Tool (APT) once approved. Indicative school allocations are attached as appendix 2 for information.
- 9.3 Haringey Council will ensure that all procedures are in place to meet the requirement to publish maintained school budgets by 28<sup>th</sup> February 2024 in line with guidance set by The School and Early Years Finance (England) Regulations 2023.

## **Appendices**

Appendix 1 – School Consultation 2024/25

Appendix 2 – INDICATIVE School Budgets 2024/25