

The Children and Young People's Service**Report to Haringey Schools Forum:
12th October 2023****Report Status****For information/note**
For decision
For consultation and views**Report Title: Dedicated Schools Budget Modelling for 2024/25****Authors:**

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Purpose:

1. To propose the process for Dedicated Schools Grant (DSG) School block to all Haringey schools on the funding formula for the next financial year 2024/25.

Recommendations:

- a. Note the changes to the Funding level for 2024/25
- b. In support of the Safety Valve Programme, to note the decision for a 0.5% Schools block transfer to the High Needs Block each year from 2023/24 to 2027/28
- c. Schools Forum to agree to delegate to the Schools Block working group the Local Authority formula models for 24/25 for consultation with schools in October/November 2023 as outlined in Section 3
- d. Schools Forum to note the requirements of the Schools Block Working group so they can provide potential models to consult with schools during November 2023 (Section 4)

1 Introduction

1.1 This paper sets out the strategy for Dedicated Schools Grant (DSG) formula for schools' budget share allocations from the schools' block for the financial year 2024/25.

1.2 The DfE policy document first published on 14th September 2017 and updated on 17th July 2023 which sets out the background and principles of the proposed National Funding Formula (NFF) for schools can be found:

[National funding formula for schools and high needs - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/national-funding-formula-for-schools-and-high-needs)

1.3 The DSG is currently divided into four notional blocks: Schools Block, High Needs Block, Early Years Block, and Central School Services Block.

1.4 The details of national funding formulae for schools and high needs for 2024/25 is published by the DfE in July 2023 and details via the following link:

[The national funding formulae for schools and high needs \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/policies/national-funding-formulae-for-schools-and-high-needs)

1.5 The shift to a 'hard' formula, without local input has not yet been implemented by the DfE and the DfE has announced that there will be minor changes for 2024/25.

2 Key changes for 2024-25

2.1 The basic structure of the schools National Funding Formula (NFF) is not changing in 2024/25. There are a small number of changes in existing factors of the formula listed in this section.

- introducing a new formulaic approach to allocating split sites funding in replacing the previous locally determined split sites factor.
- rolling the 2023 to 2024 mainstream schools additional grant (MSAG) (allocation of £7.1m) into the NFF
 - 2.4% to the minimum per pupil levels (MPPL)
 - 0.5% to the funding floor
 - 1.6% to the free school meals (FSM) factor value with the [gross domestic product \(GDP\) deflator forecast for 2024 to 2025](#)
 - 0% on the premises factors, except for:
split sites funding which has been formularised.
- Introducing a methodology for calculating and allocating funding for falling rolls

2.2 2024/25 Transition

Local authorities were required to bring their own formulae closer to the schools NFF In 2023/24 and this transition will continue in 2024 to 2025. In particular:

- local authorities must move their local formula factor values at least a further 10% closer to the NFF (building on the movement towards the NFF made in 2023 to 2024), except where local formulae are already mirroring the NFF.
- local authorities must use the new national formulaic approach to split sites.
- local authorities must follow the new local formula requirements for growth funding, whereby additional classes (driven by basic need) must be funded by at least the minimum funding level set out in the funding calculation.
- local authorities with a falling rolls fund must also follow the new requirements for falling rolls funding, whereby local authorities can only provide falling rolls funding to schools where school capacity survey (SCAP) 2022 data shows that school places will be required in the subsequent 3 to 5 years. The restriction, that schools were previously only eligible for falling rolls funding if they were judged 'good' or 'outstanding' by Ofsted, is also being removed from 2024 to 2025.
- Minimum funding guarantee (MFG) can be set between +0.0% and +0.5% per pupil.
- DSG block transfers up to 0.5% of schools block to other blocks with schools' forum approval.
- A disapplication is required for any transfers above 0.5%, or any amount without schools' forum approval; this applies to any transfers even if an amount was agreed in previous years. Local authorities with safety valve agreements will have this managed as part of safety valve monitoring.

2.3 Following consultation with Schools in November 2023, the outcome of the consultation will be shared at Schools Forum in January 2024 with a recommendation to Schools Forum for a decision.

2.4 Table 1 below reports the DSG budget allocations for 3 years and outside grants that have been rolled into the DSG School block the last 2 years. Financial year 2024/25 allocations are **indicative** and final publication will be after autumn census, usually in December.

Table 1 DSG BLOCK Allocations	Schools Block	High Needs Block	Central Schools Services Block	Early Years Block	Total DSG Allocation	Recoupment	TOTAL DSG Received by Haringey	* Outside GRANTS Rolled into School Block
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
2022-23	£212.52	£52.21	£2.79	£20.25	£287.76	(£79.11)	£208.65	£0.00
2023-24	*£219.47	£56.80	£2.71	£21.22	£300.20	(£84.78)	£215.42	£5.78
2024-25 (indicative)	*£228.03	£58.03	£2.66	**£21.22	£309.94	(£85.00)	£224.94	£7.12
								£12.90

* MSSG (23-24) and MSAG (24-25) grants rolled into School block

** Early years estimated and does not include EYRS Supplementary Grant

3 Approach to consultation with schools on 2024/25 Schools Funding

3.1 The proposed approach and timeline to agree the 2024/25 DSG schools' formulae is outlined below in table 2:

Table 2 - TIMELINE	
1. October 2023	
1.1	Decision to delegate to the Schools Block Working Group (SBWG) to agree the modelling for 2024/25 of the latest School Block funding and formulae to be consulted on with schools in November 2023.
1.2	Decision for Schools Forum to agree modelling of 0.5% Schools Block transfer to High Needs Block, as part of the Safety Valve Programme.
2. November 2023	
2.1	Schools Block working group meet to agree final model to be consulted on.
2.2	Schools Finance to issue consultation exercise.
2.3	Disapplication requests to be submitted to the DfE-disapplication team where appropriate.
3. December 2023	
3.1	Collate and evaluate consultation responses from schools.
3.2	Prepare School Forum report and recommendations for January 2024 meeting.
4. January 2024	
4.1	Presentation of the consultation and modelling with suggested model for 2024/25
4.2	Presentation of the Authority Proforma Tool (APT) for Schools' Forum approval
4.3	Decision for Schools Forum to agree de-delegation, each phase
4.4	Decision for Schools Forum to agree Central Schools Services Block
4.5	Seek Political approval
4.6	Submit APT by 22nd January 2024 to DfE/ESFA for final validation checks
5. February 2024	
5.1	Upon approval from DfE/ESFA of APT, issue School Budgets 2024/25 before 28 February 2024 in accordance with the LA's Statutory duties.

4 Schools Block DSG Funding formula 2024-25 proposed models

- 4.1 Due to the timing of this paper, the Schools Block Working Group (SBWG) met in September to discuss the Strategy of the government's announcement and published DSG allocations for 2024-25 with the NFF and pronouncement of schools' forum decision C. The working group discussed the possibility of a hard NFF model with the latest published rates and implications for Haringey schools.
- 4.3 The SBWG will review and expand on:
- Models to include options for moving closer to the hard NFF.
 - Mainstream School Additional Grant (MSAG) rolled into schools' baseline.
 - Different levels of Minimum Funding Guarantee
 - DSG transfers to other blocks
 - Falling rolls and Growth funding, now included within the formula.
 - Split site funding within the formula and published rates.
 - Education Welfare, Nursery Split Site Funding and Trade Union facility and de-delegation for schools.

5. Legal implications

- 5.1 The schools' forums (England) regulations 2012 govern the constitution and conduct of meetings of the forum. The schools finance (England) regulations 2012 determine those matters on which the local authority must or may consult the school's forum and those in respect of which the school's forum can make decisions. These regulations make provision for the financial arrangements of local authorities in relation to the funding of maintained schools and providers of prescribed Early Years provision in England.

6. Other implications

- a. **Risk management** – None
- b. **Contractual issues** – None
- c. **Staffing issues** – None
- d. **Customer impact** – None
- e. **Safeguarding children** – None
- f. **Health issues** – None
- g. **Crime and Disorder** - None
- h. **Property/Asset Issues** - None

Background papers used in the preparation of the report:

[National funding formula for schools and high needs - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

[The national funding formulae for schools and high needs \(publishing.service.gov.uk\)](http://publishing.service.gov.uk)

List of appendices

None