

Agenda Item 5



Report Status

For information/note ☒
For decision ☒

Report to Haringey Schools Forum – 5th December 2024

Report Title: Dedicated Schools Budget Modelling for 2025/26

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Purpose:

1. To provide the results of the 2025-26 Haringey primary and secondary schools DSG funding formula consultation and recommendations to set the distribution of the 2025-26 Schools block DSG for devolved school budgets.

Recommendations:

- a. Schools Forum are asked to note the changes to the funding for 2025/26 in section 3.
- b. Note the results of the 2025-26 Haringey primary and secondary schools DSG funding formula consultation.
- c. In relation to the previous Safety Valve Programme paper, note the decision to implement a 0.5% transfer from the Schools Block to the High Needs Block.
- d. Note the proposed allocations in Table 1 for block transfers and delegations, which are presented for approval to be incorporated into the DSG funding formula, subject to the consultation responses.
- e. Approve the delegation of the Local Authority's funding formula model for 2025/26 to the Schools Block Working Group, as outlined in Section 3. This will allow the SBWG to review the indicative funding allocations prior to seeking approval at the January 2025 Schools Forum.

2 Introduction.

- 2.1 This paper outlines the strategy for the Dedicated Schools Grant (DSG) formula in relation to schools' budget share allocations for the financial year 2025/26.
- 2.2 The Department for Education's (DfE) Summary Policy Note for the schools and high needs notional funding formula for 2025-26, published/updated on 6th November 2024, provides the background and principles of the new National Funding Formula (NFF) for schools. The full document can be accessed at:

[Summary Policy Note for Schools and High Needs National Funding Formula 2025 to 2026 - GOV.UK.](#)

- 2.3 Currently, there are no major changes to the DSG funding blocks, which remain divided into four notional categories: Schools Block, High Needs Block, Early Years Block, and Central School Services Block.

3 Changes in funding level for 2025/26.

- 3.1 The basic structure of the schools National Funding Formula (NFF) is not changing in 2025/26. There are a small number of changes in existing factors of the formula in 2023/24, listed in this section.

3.2 National Changes:

- The DfE have stated that schools will receive additional funding for 2025/26 through the following separate grants in 2024/25 being 'rolled into' the Schools Block:
 - Teacher Pay Additional Grant (TPAG)
 - Teacher Pension Employer Contribution Grant (TPECG)
 - Core Schools Budget Grant (CSBG)
- The DfE is now in the process of calculating the schools NFF allocations for 2025 to 2026 for publication NFF allocations by the end of November 2024.
- Factor values have been increased to take account of the rolling in of these grants, and the remaining funding available for schools in 2025 to 2026.

It is important to note that the increase in funding factor values stated above refer to the national picture and may not be relevant to Haringey.

3.3 Key features to the local funding formulae

- Local authorities will be able to set a Minimum Funding Guarantee (MFG) in local formulas, which for 2025-26 must be between -0.5% and 0%.
- Local authorities can transfer up to 0.5% of their total Schools Block allocation to other blocks within the Dedicated Schools Grant (DSG), subject to Schools Forum approval. Transfers above 0.5% or any transfers without Schools Forum approval will still require a disapplication request to the Secretary of State (SoS).
- Schools with split sites will remain eligible for basic funding, including a lump sum for each site, and additional funding for sites more than 100 metres from the main site.
- Growth and Falling Rolls funding will continue to be incorporated into the formula, with the Authority Proforma Tool (APT) addressing these changes within the formula.

- 3.4 Following consultation with Schools in November 2024, the outcome of the consultation will be shared at Schools Forum in January 2025 with a recommendation to Schools Forum for the decision.

4 Approach to consultation with schools on 2025/26 Schools Funding

- 4.1 This year there has been a delay in the Department for Education (DfE) publishing their guidance with regard to the 2025/26 Dedicated Schools Grant, and the implications for Schools funding for 2025/26. This year the DfE has not yet released a draft Authority Proforma Tool (APT) for any LA to 'model' 2025/26 school budgets as they have done in previous years.
- 4.2 Due to the delay in receiving the provisional allocations for the 2025-26 financial year, our consultation with schools will be based on the principles established in last year's DSG allocation funding formula. Specifically, we will adopt 100% of the National Funding Formula (NFF) factor values (with Area Cost Adjustments) and the proposed amounts/percentages for block transfers and de-delegation, please see table 1.
- 4.3 The Schools Block working group will review any decisions made by the Schools Forum in December 2024.
- 4.4 The impact of adopting various levels of the Minimum Funding Guarantee (MFG) within the local flexible range of -0.5% to 0% will be evaluated.
- 4.5 The proposed consultation process to finalise the 2025/26 DSG formula is outlined below:
1. November 2024:
 - a. The School Finance Team issued the consultation to schools (Appendix A)
 2. December 2024:
 - a. Consultation responses from schools will be collated and evaluated.
 - b. The Schools Block Working Group will present the DSG funding model, incorporating proposed allocations as outlined in Table 1, for recommendations to the Schools Forum in January 2025.
 - c. Relevant disapplication requests submitted to the DfE, where appropriate
 3. January 2024:
 - a. The proposed recommendations and the Authority Proforma Tool (APT), following the consultation with schools, will be presented for approval by the Schools Forum.
 - b. Once approved by the Lead Member, the APT will be submitted to the ESFA.

5 Schools Block DSG Funding formula 2025/26 proposed models

- 5.1 Due to the timing of this paper, it is not possible to outline potential 2025/26 formula model that will be discussed by the school's block working group.
- 5.2 The Schools Forum will be consulted after gathering feedback from schools to finalise the 2025-26 funding formula, taking into account the consultation responses, during the Schools Forum meeting on 5th December 2024.
- 5.3 For 2025/26, Haringey adopted 100% of the National Funding Formula (NFF) values. Schools are being consulted on a single model that has to reflect the required alignment with NFF values, with the proposed allocations outlined in Table 1 below.
- 5.4 The indicative allocations will be shared with schools after the Schools Forum approval on 9th January 2025.
- 5.5 The **table 1** below includes allocations for 2025/26, showing centrally retained and de-delegation amounts

Allocation type	Schools Affected	Description	Proposed Amount
Block Transfer	All Schools	HNB transfer at 0.5%	*TBC
Top Slice	All Schools	Growth Fund/Falling Rolls Fund	£300,000
De-Delegation	Maintained only	Trade Union Facility	£210,147
Block Transfer	All Schools	CSSB for Education Welfare	*£122,000
Block Transfer	All Schools	EY for Nursery split site funding	**0
De-Delegation	Maintained only	Schools in Financial Difficulty Fund	£150,000

*Block transfers subject to disapplication request and Secretary of State approval

** The nursery school is currently operating on a single site.

- 5.6 As mentioned in section 3, the Schools Block working group will further develop the following:
- The initial DSG funding model, which involves adopting 100% of NFF factors, as was done in the previous year.
 - Various levels of Minimum Funding Guarantees.
 - Proposed allocations for the High Needs Block (HNB), Growth Funding, Education Welfare, Trade Union Facilities, and schools in financial difficulty, as outlined in Section 4.5.