

<b>Date: 5 October 2023</b>	<b>Item 8 Type of report: Information</b>
<b>Report title</b>	<b>Dedicated Schools Grant Funding 2024/25</b>
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## 1. Executive Summary

This report sets out details of the provisional Dedicated Schools Grant allocations released by the Department for Education on July 17<sup>th</sup> 2023.

## 2. Schools Forum Actions

The Schools Forum is asked to:

- i. Note the provisional allocations and
- ii. Note the changes to Southwark's mainstream allocation formula required by the DfE.

## 3. Background

The Dedicated Schools Grant (DSG) provides funding for education provision and some administration costs.

The DSG is made up of four component blocks

- Schools Block
- High Needs Block
- Early Years Block
- Central School Services Block

In July of each year the DfE releases provisional allocations of the Schools, High Needs and Central School Services blocks for the next year, plus associated documents.

In December of each year updated allocations for these blocks plus an allocation for the Early Years Block are published. The December allocations for the Schools Block and the Central School Services Block are final, but further adjustments are made to the High Needs Block and the Early Years Block.

## 4. Provisional Schools Block Allocations for 2024/25

- 4.1 The DfE has run the National Funding Formula (NFF) for schools and using the results has generated the Primary Unit of Funding (PUF) and Secondary Unit of Funding (SUF) that it will use to fund Southwark in 2024/25. These are shown in the table below.

Table 1 – PUF and SUF Before MSAG

	2023/24	2024/25	Movement £	Movement %
Primary	£6,302	£6,567	£265	4.2%
Secondary	£8,792	£9,121	£329	3.7%

- 4.2 The PUF and SUF for 2024/25 reflect the addition of the Mainstream Schools Additional Grant (MSAG) into the NFF funding pot. The table below shows the adjusted 2023/24 PUF and SUF, incorporating the MSAG funding.

Table 2 – PUF and SUF After MSAG

	2023/24	2024/25	Movement £	Movement %
Primary	£6,490	£6,567	£77	1.2%
Secondary	£9,080	£9,121	£41	0.4%

- 4.3 In December 2023, the DfE will publish the Schools Block allocation. This will consist of the PUF and SUF multiplied by the relevant pupil numbers from the October 2023 census, plus funding for premises, growth and falling rolls. The growth and falling rolls elements of the allocation are also based on October 2023 census data.
- 4.4 Current modelling indicates that the PUF and SUF, along with changes to premises, growth and falling rolls funding, will result in an additional £2.375m, which is an increase of 0.8%. As the October 2023 census numbers are the main driver for the vast majority of the allocation, these modelling figures do not reflect the final position, but they do estimate the underlying position before the changes in pupil numbers take effect.
- 4.5 The DfE data release shows a 0.86% increase per pupil, compared to a national figure of 2.7%.
- 4.6 Analysis by London Councils shows that Schools Block allocations to London LA's have increase by a lower percentage than all other LA types; 2.1% compared to a national figure of 2.7%.
- 4.7 The DfE has made changes to its DSG allocation methodology for next year, with a formularised split site allocation within the premises element and with the addition of a falling rolls element.
- 4.8 Previously, the premises element has been based on the actual amounts distributed to schools in the previous year. From 2024/25, the split site element of the premises allocation will be based on a formula comprised of a lump sum amount for qualifying schools plus an amount based on the distance between sites. The DfE is also requiring that LA's use the same method to allocate funding to schools. No schools would lose funding from the implementation of this formula change and some will see an increase in funding levels.
- 4.9 The DfE is adding a falling rolls allocation to the DSG Schools Block from 2024/25. Southwark has been split into 34 geographical areas (Medium Super Output Areas – MSOA's). October census roll numbers from 2023 and 2022 in

each MSOA will be compared and where a fall of over 10% takes place, funding will be allocated. The 10% threshold is quite high, but there are a small number of MSOA's where it is possible that Southwark will qualify for funding.

- 4.10 LA's are still free to set the size of their Falling Rolls Fund – the new funding element is a reflection of costs that LA's with falling rolls are facing and not a determination of their Falling Rolls Fund size. There are however changes to the operation of the Falling Rolls Fund. Firstly, the restriction that only schools with 'good' or 'outstanding' Ofsted judgements are eligible is being removed from 2024 to 2025. Secondly, the eligibility requirement for increasing roll numbers in future years has been amended to specify the use of data from the School Capacity Survey 2022.
- 4.11 The Falling Rolls Fund for 2024/25 will be brought to the January 2024 Schools Forum meeting.
- 4.12 LA's will have to set the Minimum Funding Guarantee for 2023/24 at between 0% and 0.5%. The same range was the requirement in 2023/24. By setting a low MFG, the DfE creates headroom that it can use to fund LA's with lower levels of per pupil funding.
- 4.13 When allocating funding to schools for the 2023/24 financial year, LA's were required to set their funding rates within a prescribed range. This is part of the DfE's transition to the NFF and is designed to move all LA's closer to the NFF. This requirement persists in 2024/25 and LA's will again need to move their funding rates 10% closer to the NFF funding rates.
- 4.14 17 of Southwark's 27 formula factors will need to increase from their 2023/24 levels and 3 will need to decrease. All rates were set within the permissible range in 2023/24, but as the range narrows each year, further movements will be required. Further detail on these requirements will be brought to the December 2023 Schools Forum meeting.

## 5. High Needs Block 2024/25

- 5.1 The provisional High Needs Block allocation for 2024/25 is shown in the table below-

Table 3 – Provisional High Needs Block Allocation 2024/25

	2023/24	2024/25	Movement £	Movement %
High Needs Block	£71,850,697	£74,643,000	£2,792,303	3.9%

- 5.2 A 3.9% increase is higher than the London average of 2.9%, but lower than the national average of 4.3%.
- 5.3 A revised allocation will be published in December 2023, which will take account of the October 2023 census data.
- 5.4 As with mainstream schools, the special schools' MFG must be set between 0% and 0.5% for the 2024/25 financial year.

**6. Central School Services Block 2024/25**

- 6.1 The provisional Central School Services Block (CSSB) allocation for 2024/25 is shown in the table below-

Table 4 – Provisional Central School Services Block Allocation 2024/25

	2023/24	2024/25	Movement £	Movement %
High Needs Block	£1,882,070	£1,932,412	£50,342	2.67%

- 6.2 Nationally, the average increase is 3.47%.
- 6.3 The CSSB covers funding allocated to LAs to carry out central functions on behalf of pupils in maintained schools and academies in England. The allocation is based on pupil numbers, deprivation and copyright licence costs.
- 6.4 A revised allocation will be published in December 2023, taking account of the October 2023 schools census. Proposals for CSSB spend will be brought to the January Schools Forum meeting.