# **DSG 2024-25 – Funding Updates**

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| Report title: |  DSG 2024-25 – Funding Updates |
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## Purpose of Report

This report sets out a number of adjustments to the 2024-25 DSG Funding levels following some DfE clarifications. It asks for Forum members to note the funding rates for early year’s providers and the changes to the Schools Blocks top-slice.

## Recommended Actions for School Forum

The Schools Forum is asked to note:

1. The Funding Base Rates for Early Year providers in the “Final Rates” column in table 1.
2. The adjustments to the Falling Rolls and Growth Fund budgets for 2024-25 as set out in section 5.

## Background

On 18th December the DfE released the DSG allocations for Local Authorities and this information was used to build the Schools Block and Early Years Block formulae to determine the funding arrangements for the 2024/25 financial year. The results of this work were presented to the January forum.

Shortly after the January Forum the Schools Block budget was submitted to the DfE to be approved by the Secretary of State. An adjustment was required to include “spend” on NNDR for closed schools. The implications of this are discussed in section 5 of this report.

Shortly before the January Forum, the DfE announced a change to the funding arrangements for the Early Years block which meant that additional funding would be available for the new provision starting in 2024/25. The implications of the changes are set out in section 4 of this report.

The statutory deadline to inform schools of their funding for 2024-25 is the 28th February which has meant that we have had to notify Early Years providers of the hourly rates in advance of this forum meeting, and also finalise the schools block top-slice budgets.

## Early Years Funding Rates for 2024/25

Shortly before the January Forum, the DfE announced a change to the number of weeks being funded for expanded provision starting in September 2024. In the time available it wasn’t possible to finalise the impact of this additional money on funding rates.

We have now been able to assess what funding rates are affordable within the new funding levels and these can be seen in the table below which shows the final rates for providers for 2024/25 along with the provisional rates presented in the January Forum and the rates from 2023/24.

The tables below show the proposed hourly rates for under 2’s, 2, 3 and 4 year. Funding rates for all provider types are the same.

**Table 1: Early Years Single Funding Formula (EYSFF) - Base Rates**

|  |  |  |  |
| --- | --- | --- | --- |
| **Base Rates** | **24/25 Final Rates** | **24/25 Provisional Rates** | **23/24 Rates** |
| 3 & 4 yr olds |  £ 6.21  |  £ 6.15  |  £ 6.15  |
| 2 yo (Deprived) |  £ 9.02  |  £ 9.00  |  £ 6.80  |
| 2 yo (Working) |  £ 9.02  |  £ 9.00  |   |
| Under 2's |  £ 12.38  |  £ 12.28  |   |

Children will attract this amount of funding to their setting for each hour recorded on the termly census.

No other rates are affected by these changes.

## Schools Block Funding Changes

Following the submission of the Authority Pro Forma Tool (APT) containing the budgets presented to the January forum, the DfE requested we make an adjustment to include NNDR / Business Rates “spend” for two recently closed schools. This adjustment would mean increasing NNDR spend by £40k, thereby requiring a reduction of £40k elsewhere within the Schools Block budgets.

Due to the size of the adjustment and wanting to avoid additional challenges to the schools’ budget planning process, the funding reduction was made to the top-sliced centrally retained Falling Rolls fund. We have also adjusted up slightly the figure for the Growth Fund so the budget would match the cost of one full eligible class. The budgets for 2024-25 will now be:

- **Falling Rolls** £255,000

 - **Growth Fund** £55,179