

Report Title:	DSG Budget and School funding proposals
Contains Confidential or Exempt Information	No – Part I
Cabinet Member:	Councillor Amy Tisi
Meeting and Date:	Schools Forum 18 <sup>th</sup> January 2024
Responsible Officer(s):	Lin Ferguson – Executive Director of Children’s Services Tracey Anne Nevitt – Finance Business Partner
Wards affected:	All

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## REPORT SUMMARY

*The purpose of this report is to provide the Schools Forum with the Schools Funding update and impact on the Schools Authority toolkit allocations to RBWM schools.*

### 1. DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION:** That Schools Forum notes the report:

- Final Schools Block Dedicated Schools Grant (DSG) budget for the financial year 2024-25.
- Local formula – update from December report.
- Pupil Growth fund budget proposal.

### 2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

#### Options

**Table 1: Options arising from this report.**

Option	Comments
Schools Forum to note the contents of the report and comment and signify support for the school consultation proposals. To make comments on the draft school formula budget allocations 2024-25. <b>This is the recommended option.</b>	Compliance with ESFA Schools Operational Guidance and School Finance Regulations
Do nothing. This is not recommended.	The failure to use relevant financial information to understand the position of the Dedicated Schools Grant and support the 2024-25 schools formula consultation proposals.

## Background

- 1.1 The Schools Funding is received through the Dedicated Schools Grant (DSG) and is split into four blocks. Each with its own formula to calculate the funding to be distributed to each local authority:
  - Schools Block - funds mainstream primary and secondary schools through the school formula, and growth funding for new growing schools / bulge classes.
  - High Needs - funds places in special schools, resource units and alternative provision, and top up funding for pupils with Education & Health Care Plans (EHCPs) in all settings including non-maintained, independent and further education colleges.
  - Early years – funds nursery schools, nursery classes in mainstream schools, and early year’s settings in private, voluntary and independent (PVI) sector through the free entitlement for to 2, 3 and 4 year olds. New entitlements to be phased in from April 2024 to September 2024 for 9 months to 2 year olds.
  - Central Schools Services Block (CSSB) – funds services provided by the local authority centrally for all schools, such as the admissions service.
- 1.2 The information within this report reflects the most up to date information at the time of writing.
- 1.3 On the 19<sup>th</sup> December 2024 local authorities received the updated Dedicated Schools Grant allocations and the Schools Formula Authority Proforma toolkit (APT), to enable local authorities to start calculating the formula allocations for submission on the 22 January 2024.
- 1.4 The DSG must be deployed in accordance with the conditions of grant and the latest School and Early Years Finance (England) regulations. Detailed guidance is contained within the various operational guidance documents issued by the Education Funding and Skills Agency (ESFA). The latest operational guidance can be found at the following [link](#)
- 1.5 In 2024-24 as in previous years, each local authority is to continue to set a local schools funding formula, in consultation with local schools. RBWM consulted with all RBWM primary and secondary schools in November 2023 and reported back the outcome of the consultation to the forum at the meeting of 17<sup>th</sup> December 2023.

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## 2 Key Implications

**Table 3**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Schools Forum to note the contents of the report and comment on the schools block proposal.	No engagement by the Schools Forum..	Schools Forum engage in the process and support the proposed formula funding	School forum support the proposed formula funding and understand impact of the proposed movement in funding within the schools block DSG..	Schools Forum engage with the process providing insight into the impact on RBWM schools of the funding formula	18 January 2024

### 4. Schools Block Funding 2024-25.

- 4.1 The DSG notification sent out to Local Authorities on the 19th December 2024 updated local authority funding for the Schools block and early years funding. Table 4 details the Schools block elements of the 2024-25 DSG. The latest Early Years block funding allocations are detailed in a separate report to the Schools Forum, along with the consultation proposals for the changes to the free entitlement for 2024-25 onwards.
- 4.2 The Schools' Growth funding for 2024-25 is included in the Schools' block at £828,067. The total funding for the RBWMs Schools Growth fund has decreased by approximately 20% between 2023-24 to 2024-25. The movement is due to the reduction in pupil numbers recorded on the October 2023 Census when compared to the October 2022 Census. Although this is a significant decrease, the funding available is estimated to be more than sufficient to cover expected demand for the financial year 2024-25.
- 4.3 The provisional school's formula funding allocation had originally been based on the October 2022 Census data. Whilst the final 2024-25 schools' formula APT data have now been updated for the October 2023 pupil characteristics such as increases in free school meal eligibility for individual schools, the DSG Schools block allocation has not. As a result, and in line with previous years, the DSG schools block allocation is not sufficient to meet the costs of delivering the National Funding formula (NFF) in full. Individual school allocations will continue to be funded by a local formula and a step movement towards the National Funding Formula rates.

- 4.4 Table 4 below compares the provisional schools block funding to the DSG notification published on the 19<sup>th</sup> December 2023. The December notification reflects the updated pupil NOR in the Schools block (October 2023) and the growth fund. Increases in the October 2023 data sets for all factors have been reflected in the 2024-25 Schools formula APT, however the Unit of resource per pupil in the Schools block has not been retrospectively increased.
- 4.5 Table 5 details the movement in data sets between 2023-24 and the 2024-25 APT. The 2024-24 data is reflecting the October 2023 NOR, movements in eligibility such as Free school meals (FSM), numbers of pupils registered with English as an additional language (EAL) and in year mobility. In the last two years RBWM has seen a significant increase in pupils eligible for the additional pupil led elements of the funding, such as deprivation factors and low prior attainment.
- 4.6 The ESFA technical guide details how the eligibility data is reflected in the schools formula APT. [Link](#)

**Table 4: DSG Schools Block Funding 2024-25**

<b>Schools Block 2024-25</b>	Actual primary unit of funding (PUF)	Actual secondary unit of funding (SUF)	Primary Pupil Numbers	Secondary Pupil Numbers	Premises Factor/ NNDR	Schools Block excluding Growth Fund	Growth fund	Total Schools Block
	Unit £	Unit £	NOR	NOR	£	£	£	£
Provisional Schools Block	5,028	6,557	10,996	8,968	1,099,700	115,188,565	1,039,736	116,228,301
Final Settlement (Oct 23 NOR)	5,028	6,557	10,884	9,193	1,099,700	116,103,918	828,067	116,931,985
<b>Movement NOR/ £</b>			(112)	226	0	915,353	(211,669)	703,684
<b>Percentage %</b>			(1)	3	0	1	(20)	1

**Table 5 Data set changes 2023-24 to 2024-25 APT**

		APT 2023 / 2024		APT 2024 / 2025		% Difference	
1) Basic Entitlement Age Weighted Pupil Unit (AWPU) NOR	Description	Pupil Units		Pupil Units		Pupil Units	
	Primary (Years R-6)	10,998		10,884		(1.0%)	
	Key Stage 3 (Years 7-9)	5,435		5,567		2.4%	
	Key Stage 4 (Years 10-11)	3,536		3,630		2.7%	
		Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Eligible proportion of primary NOR	Eligible proportion of secondary NOR
2) Deprivation	FSM	1,462	1,235	1,512	1,414	3.4%	14.5%
	FSM6	1,551	1,410	1,580	1,538	1.9%	9.1%
	IDACI Band F	691	621	711	663	2.9%	6.8%
	IDACI Band E	47	46	43	52	(8.5%)	13.0%
	IDACI Band D	20	44	27	37	35.0%	(15.9%)
	IDACI Band C	1	1	1	1	0.0%	(0.0%)
	IDACI Band B	-	1	-	-	0.0%	(100.0%)
	IDACI Band A	-	-	-	-	0.0%	0.0%
3) English as an Additional Language (EAL)	EAL 3 Primary	1,130		1,271		12.5%	
	EAL 3 Secondary		251		301		19.7%
4) Mobility	Pupils starting school outside of normal entry dates	45	29	86	51	90.6%	79.0%
5) Low prior attainment	Primary low prior attainment		2,821		3,129	10.9%	
	Secondary low prior attainment (		2,011		2,059		2.4%
	Secondary low prior attainment						

## **Data set changes 2024-25**

- 4.7 In 2024 to 2025 as in previous years, each local authority is to continue to set a local schools funding formula, in consultation with local schools and fund from within the Schools block allocation. Table 4 details the total block funding available for 2024-25.
- 4.8 The School funding operational guidance states that local authorities are required to move closer to NFF each year and supply minimum rates per formula factor to each local authority. Appendix B lists the full 2024-25 NFF+ACA rates and the minimum rate allowable per factor, along with the 2023-24 local formula factor rates. Further details on the proposed 2024-25 RBWM local formula APT allocations can be found in sections 5 and 6 of this report.
- 4.9 Table 5 above details the movement in each of the formula factor data sets from October 22 Census to the October 2023 Census. The final column shows the percentage movement in eligible numbers per factor from 2023-24 to 2024-25.
- 4.10 The percentages listed reflect significant increases in a number of the formula factors, in particular the applications for Free School Meals (FSM), especially in the Secondary sector, which will further impact on FSM ever 6 funding in future years. In year pupil mobility has increased by over 90% in Primary and 79% in the Secondary sector in one year. All increases in sections 2 to 5 of the table have put pressure on the Schools block funding and restrict RBWM's ability to fund factors at National Formula Funding (NFF) + Area Cost Adjustment (ACA) level in 2024-25.

## **5. Pupil Growth Fund Budget**

- 5.1 Pupil Growth fund forms part of the Schools block funding allocation to each eligible local authority. The allocations are based on a national formula which compares data from the October School Census and allocates funding for a growth in NOR in Primary and Secondary numbers between the 2 annual counts. Further details can be found in the technical guide [link](#).
- 5.2 The 2024-25 DSG notification in December allocates £828,067 Pupil Growth funding to RBWM within the Schools block, as shown in table 4. RBWM are required to set a local Pupil Growth fund budget, which can either be the full sum allocated in the block or a locally determined estimate, which covers the expected demand for the financial year.

- 5.3 RBWM proposes to set a Pupil Growth fund at a lower sum than the DSG notification, allowing for funding within the Schools block to be allocated to individual schools via the formula. 50% of the allocated fund is to be retained as Pupil Growth Fund budget of £414,030 for the 2024-25 financial year. Current commitments and expected new demand are estimated to be within this sum.
- 5.4 Increasing the total funding within the local formula will help negate part of the impact of the October 2023 data set changes and enable RBWM to close the gap between the local formula rates and the NFF+ACA rates.
- 5.5 Appendix B lists the draft allocations based on holding the growth fund at the full sum allocated at £828,067 (column C) and an option to release funding of £414,037 into the Schools formula allocations (column E)
- 5.6 The Schools block funding transferred from the Growth fund has been targeted at school formula factors supported by the headroom consultation question shown below. 52% of schools responses supported option A

2024-25 Schools consultation extract :

*Question 4:*

*Do you support the proposal that positive or negative headroom resulting from Census data updates should be adjusted via school lump sum, Basic entitlement, EAL and Sparsity? All 4 formula factors are currently below the NFF rates in the 2023-24 formula.*

- a) Lump Sum, Basic Entitlement, EAL and mobility.(52%)*
- b) Lump Sum & Basic entitlement.(20%)*
- c) Other, please state with reasons.(28%)*

- 5.7 In addition to the basic funding per factor within the formula schools have two formula funding guarantees, protecting schools per pupil funding. The minimum funding guarantees are detailed below. Non domestic business rates estimate per school is included in the annual APT submissions.
- 5.8 Appendices B and C detail the impact of the proposed formula allocations.

### **Minimum Funding Guarantees**

- 5.9 In addition to the main factors listed in the formula for schools funding there are two school funding guarantees. All local authorities apply these guarantees unless a decision is made by the authority to consider and request disapplication from the DfE.
- 5.10 The Minimum Funding Guarantee (MFG) is a per pupil protection to ensure funding between years does not decrease below a certain percentage. A range

of 0.0% to 0.5% per pupil is set by the ESFA, the RBWM local formula is set at +0.5%.

The second guarantee is a Minimum per pupil funding level, known as MPPL. MPPL is added to an individual schools funding if the local formula does not generate sufficient per pupil funding.

**Table 6 Minimum Per pupil Funding Level**

Year Groups	MPPL
Primary	£4,655
KS3	£5,824
KS4	£6,389

## **6. FINANCIAL DETAILS / VALUE FOR MONEY**

- 6.1 The Dedicated Schools Grant (DSG) is an annual ringfenced grant. All proposals within this report are within the DSG grant funding and comply with the Schools Operational Guidance 2024-25.

## **7. LEGAL IMPLICATIONS**

- 7.1 There are no legal implications directly arising from this report.

## **8. RISK MANAGEMENT**

- 8.1 There are no potential risks directly arising from this report. The proposals are within the RBWM Dedicated Schools Grant ring fenced funding.

## **9. POTENTIAL IMPACTS**

- 9.1 Equalities. Equality Impact Assessment is shown below in Appendix A. The Equality Act 2010 places a statutory duty on the council to ensure that when considering any new or reviewed strategy, policy, plan, project, service or procedure the impacts on particular groups, including those within the workforce and customer/public groups, have been considered. It has been assessed that there are no Equality Impact risks arising from this report. Link to Equality Impact Assessments.
- 9.2 Climate change/sustainability. There are no climate change/ sustainability risks arising from this report.
- 9.3 Data Protection/GDPR. There are no data protection/ GDPR risks arising from this report.



## 10. CONSULTATION

- 10.1 The annual schools funding consultation was sent to all RBWM schools in November 2023. Summary outcome details were report to the Schools forum on the 17<sup>th</sup> December 2023.
- 10.2 Financial reporting including the Dedicated Schools Grant is regularly provided to the RBWM commissioners and the Achieving for Children Board.

## 11. TIMETABLE FOR IMPLEMENTATION

- 11.1 There is no timetable for implementation arising from this report. Annual schools' formula funding consultation process with the Schools Forum to comply with the School and Early Years Finance regulations.

## 12. BACKGROUND DOCUMENTS

- 12.1 This report is supported by the following background documents:

- Schools revenue funding operational guide 2024-25  
[:https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2024-to-2025/schools-operational-guide-2024-to-2025](https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2024-to-2025/schools-operational-guide-2024-to-2025)
- [Schools Forum Powers and Responsibilities.](#)
- [School Finance Regulations](#)

## 13. APPENDICES

- Appendix A – Equality Impact Assessment.
- Appendix B – School formula funding per factor.
- Appendix C – Draft ISB

## 14. Consultation

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory: Statutory Officers (or deputies)</i>			
Elizabeth Griffiths	Executive Director of Resources/S151 Officer	12.01.24	

Emma Browne	Director of Law, Strategy & Public Health/ Monitoring Officer	<b>12.01.24</b>	
<i>Deputies:</i>			
Andrew Vallance	Head of Finance (Deputy S151 Officer)	<b>12.01.24</b>	
Jane Cryer	Principal Lawyer & Deputy Monitoring Officer	<b>12.01.24</b>	
<i>Mandatory: Procurement Manager (or deputy) - if report requests approval to go to tender or award a contract</i>			
Lyn Hitchinson	Procurement Manager	<b>12.01.24</b>	
<i>Mandatory: Data Protection Officer (or deputy) - if decision will result in processing of personal data; to advise on DPIA</i>			
Samantha Wootton	Data Protection Officer	<b>12.01.24</b>	
<i>Mandatory: Equalities Officer – to advise on EQiA, or agree an EQiA is not required</i>			
Ellen McManus-Fry	Equalities & Engagement Officer	<b>12.01.24</b>	
<i>Other consultees:</i>			
<i>Directors (where relevant)</i>			
Stephen Evans	Chief Executive		
Andrew Durrant	Executive Director of Place		
Kevin McDaniel	Executive Director of Adult Services and Health (DASS)		
Lin Ferguson	Executive Director of Children's Services and Education (DCS)	<b>12.01.24</b>	

Confirmation relevant Cabinet Member(s) consulted	Cabinet Member for Children's Services & Education – Cllr Tisi	12.01.24
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## REPORT HISTORY

Decision type:	Urgency item?	To follow item?
For information	No	No
Report Author: Tracey Anne Nevitt, Finance Business Partner, AFC		

# Equality Impact Assessment

## Appendix A

For support in completing this EQIA, please consult the EQIA Guidance Document or contact [equality@rbwm.gov.uk](mailto:equality@rbwm.gov.uk)

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### 1. Background Information

Title of policy/strategy/plan:	Dedicated Schools Grant
Service area:	Schools
Directorate:	Children's Services

#### **Provide a brief explanation of the proposal:**

- What are its intended outcomes?
- Who will deliver it?
- Is it a new proposal or a change to an existing one?

The intended outcome of the proposal is to provide Schools Forum with an updated financial position in respect of the Dedicated Schools Grants provisional settlement and consult on changes to the Schools formula funding for 2024-25, as required by regulation and the Schools Operational guidance.

This is not a new proposal and is a requirement to inform Schools Forum of the financial position of the Dedicated Schools Grant and to consult on annual schools formula changes.

### 2. Relevance Check

#### **Is this proposal likely to directly impact people, communities or RBWM employees?**

- If No, please explain why not, including how you've considered equality issues.
- Will this proposal need a EQIA at a later stage? (for example, for a forthcoming action plan)

No.

The school's formula funding proposals do not directly impact on pupils and other stakeholders.

If 'No', proceed to 'Sign off'. If unsure, please contact [equality@rbwm.gov.uk](mailto:equality@rbwm.gov.uk)

### 3. Evidence Gathering and Stakeholder Engagement

<p><b>Who will be affected by this proposal?</b> For example, users of a particular service, residents of a geographical area, staff</p>
<p>Stakeholders will not directly be affected by the proposals included within this report.</p>
<p><b>Among those affected by the proposal, are protected characteristics (age, sex, disability, race, religion, sexual orientation, gender reassignment, pregnancy/maternity, marriage/civil partnership) disproportionately represented?</b> For example, compared to the general population do a higher proportion have disabilities?</p>
<p>There is nothing in the report which is considered to impact on this protected characteristic.</p>
<p><b>What engagement/consultation has been undertaken or planned?</b></p> <ul style="list-style-type: none"><li>• How has/will equality considerations be taken into account?</li><li>• Where known, what were the outcomes of this engagement?</li></ul>
<p>Schools Forum is actively engaged throughout the Schools Formula budget setting. Final schools' formula allocations are submitted to the ESFA for checking and validation.</p>
<p><b>What sources of data and evidence have been used in this assessment?</b> Please consult the Equalities Evidence Grid for relevant data. Examples of other possible sources of information are in the Guidance document.</p>
<p>Not Applicable</p>

## 4. Equality Analysis

Please detail, **using supporting evidence**:

- How the protected characteristics below might influence the needs and experiences of individuals, in relation to this proposal.
- How these characteristics might affect the impact of this proposal.

Tick positive/negative impact as appropriate. If there is no impact, or a neutral impact, state 'Not Applicable'

More information on each protected characteristic is provided in the Guidance document.

	Details and supporting evidence	Potential positive impact	Potential negative impact
Age	The reported grant does impact on pupils within this protected characteristic; however, as school funding is on a formula basis impact has already been considered within previous reports and decision-making processes	Yes	Not Applicable
Disability	There is nothing in the report which is considered to impact on this protected characteristic	Not applicable	Not Applicable
Sex	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Race, ethnicity and religion	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Sexual orientation and gender reassignment	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Pregnancy and maternity	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Marriage and civil partnership	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Armed forces community	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Socio-economic considerations e.g. low income, poverty	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Children in care/Care leavers	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable

## 5. Impact Assessment and Monitoring

*If you have not identified any disproportionate impacts and the questions below are not applicable, leave them blank and proceed to Sign Off.*

<b>What measures have been taken to ensure that groups with protected characteristics are able to benefit from this change, or are not disadvantaged by it?</b> For example, adjustments needed to accommodate the needs of a particular group
Not Applicable
<b>Where a potential negative impact cannot be avoided, what measures have been put in place to mitigate or minimise this?</b> <ul style="list-style-type: none"><li>For planned future actions, provide the name of the responsible individual and the target date for implementation.</li></ul>
Not Applicable
<b>How will the equality impacts identified here be monitored and reviewed in the future?</b> See guidance document for examples of appropriate stages to review an EQIA.
Not Applicable

## 6. Sign Off

<b>Completed by:</b> Tracey Anne Nevitt	<b>Date:</b> 11.01.24
<b>Approved by:</b> Louise Dutton	<b>Date:</b>

If this version of the EQIA has been reviewed and/or updated:

<b>Reviewed by:</b>	<b>Date:</b>
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