

Bristol Schools Forum
Dedicated Schools Grant (DSG) 2024/25

Date of meeting:	16th January 2024
Time of meeting:	5.00 pm
Venue:	Virtual Meeting

1 Purpose of report

- 1.1 To give an overview on the DSG for 2024/25 and seek ratification of the Schools Forum on the block allocations which were agreed in principle at the last meeting.
- 1.2 To seek agreement on the Early Years National Funding Formula (EYNFF) proposals, following consultation with settings.
- 1.3 The Local Authority (LA) must seek Schools Forum approval for Central Services spend, except for the item relating to school licences which must be repaid to the Department for Education (DfE) on behalf of all maintained schools and academies.

2 Recommendation

- 2.1 **Schools Forum is invited to:**
 - a) **note 2024/25 funding levels.**
 - b) **approve final transfers between blocks.**
 - c) **approve the EYNFF.**
 - d) **agree Central School Services Block allocations**
 - LA Core Functions £1.223m (as per Appendix 1);
 - School Admissions £0.592m;
 - Schools Forum £0.023m;
 - Combined Services £0.382m (as per Appendix 2).
 - e) **provide feedback, as appropriate, to Cabinet and Council, for their consideration in making final decisions on the Schools Budget for 2024/25.**

3 Background

- 3.1 Schools Forum considered the emerging position on the DSG for 2024/25 at its meetings in September and November 2023 and agreed 0.5% could be transferred to the High Needs Block from the Schools Block. This 0.5%

will be used to increase the funding available to support High Needs in 2024/2025, rather than be earmarked to support the Education Transformation. These recommendations were made following consultation with schools.

- 3.2 The final data and allocations from the Education and Skills Funding Agency (ESFA) were released on 19th December 2023 and the results of both events have informed this report.

4 DSG 2024/25

- 4.1 The funding in the DSG is primarily generated by pupil numbers from the October 2023 census, which for mainstream schools recorded 34,671 primary age pupils. Decrease of 330 from October 2022 (0.94%, 35,001), continuing the decline in primary age (which fell by 359 (-1.01%) between October 2022 and October 2021).
- 4.2 Secondary age pupil numbers in mainstream schools continue to increase, with October 2023 counting 21,789 – an increase of 413 (1.93%) in October 2022. This also continues the trend (Oct 2022 was an increase of 797 (3.87%) in Oct 2021).
- 4.3 Funding per pupil in mainstream schools has also increased (by 5.13% for primary and 5.53% for secondary) over the 2023-24 levels. The overall increase in the DSG, is £28.750m giving a total DSG of £491.736m.
- 4.4 Table 1 shows the funding allocations in each block for 2024/25 compared to the current allocations for 2023/24.

Table 1 - DSG Allocations

DSG blocks	Current 2023/24 DSG allocation	DSG 2024/25 allocation	Increase	Change
	£m	£m	£m	%
Schools Block*	336.192	344.325	8.133	+2.42%
Central School Services Block	2.717	2.696	(0.021)	-0.77%
High Needs Block	86.645	89.535	2.890	+3.34%
Early Years Block**	37.432	55.180	17.748	47.41%
Total	462.986	491.736	28.750	6.21%

*£10.714m has been added to 23/24 allocation to include MSAG which is included in schools block for 2024/25

**Early years funding for 2024/25 includes new funding totaling £14.996m. More information can be found in point 4.12

- 4.5 **Central School Services Block.** This block is funded in two parts, for ongoing and for historic responsibilities. The funding for historic commitments has been reduced again by 20% (£0.095m) from £0.477m to £0.382m. It remains the aim of ESFA to withdraw this funding over time. The historic responsibilities' part previously supported two areas: contributions to Combined Services and Prudential Borrowing. The prudential borrowing element had not been required for that purpose for some time, so the LA has elected to maintain the contribution to combined services as far as possible and then transferred any remainder of the historic responsibilities portion to support High Needs.
- 4.6 The 2024-25 allocation for historic responsibilities is £0.382m, so the LA needs to trim the contribution to combined services by £0.095m with no spare element to transfer to high needs or elsewhere.
- 4.7 **High Needs Block.** The High Needs Block has received an increase in funding (of 3.34%) but this block continues to be under pressure. Current spending levels in 2023/24 indicate that the increased allocation will not cover spending at the same level as this year and does not provide any additional funding for growth, additional need or historic shortfalls.
- 4.8 Forecast in-year spend in 2023/24 is £17.605m over budget. Table 2 shows the forecast position for 2023/24 and 2024/25 highlighting the ongoing deficit position. Whilst the projection is £108.582m, there is a risk that this could change depending on the upward pressures of rising demand and rising costs against planned mitigations in this block.

Table 2 – High Needs Analysis

	2023/24	2024/25
	£m	£m
Block Allocation	86.675	89.535
Transfer from CSSB	0	0
Transfer from Schools Block	1.627	1.721
Total Block Funding	88.302	91.256
Forecast Spend	103.230	108.582
Education Transformation spend	2.677	
Total Spend	105.907	108.582
In year over/(under) spend	17.605	17.326
Opening Balance b/f - HNB	42.520	59.197
Opening Balance b/f - Transformation	(0.928)	
Closing Balance c/f	59.197	76.523

- 4.9 For the 2023/24 budget £1.6m was transferred from the Schools Block to the High Needs Block with agreement from forum, and this funding is being used to support the Education Transformation Programme. At the November meeting Forum agreed to the transfer of 0.5% of the schools' block into the high needs block. This funding will be used to support High Needs activities and reducing the deficit.
- 4.10 **Schools Block** Details on this block are covered in a separate paper on this agenda.
- 4.11 **Early Years Block.** The allocation is still indicative at this stage as the majority of the funding in this block is based on census data collected throughout the year. The indicative allocation is based on January census only, so the actual amount will be updated by ESFA once the Spring 2024 census figures are known.
- 4.12 The 2024/25 allocation includes £14.996m of new funding being:
- New 2-year old and under entitlement to 15 hours of free childcare for eligible parents
 - Extension of pupil premium and DAF to eligible 2 year olds and under
- Overall the change in early years funding is £17.748m increase when compared to 2023/24.
- 4.13 The release of the block allocations also included the first indication of the hourly rates for 2024/25. For 3 & 4 year old the rate will increase by 17p to £5.97 from £5.80 in 2023/24. The 2 year old rate will increase by £2.36 to £8.25. The under 2 year old rate will be £11.24 which is new for 2024/25. These are the rates used to calculate funding to the LA, the rates paid to providers are outlined in section 5 of this report.
- 4.14 The Maintained Nursery School (MNS) supplementary funding will increase to £4.64 per hour; this is equivalent to an indicative increase of £0.613m in funding based on part-time participation number of 1,177 for 15 hours per week, 38 weeks per year.
- 4.15 The Teachers Pay and Pensions Grant (TPPG) continues to reside in the Early Years Block as per 2023/24. The Early Years team confirm that no funding will be retained and payments to schools and academies with nursery classes will continue through the payment workbook at a provisional rate of £0.27 for 3 & 4 year old universal and extended hours. TPPG is already included in the MNS supplement (for rates, see 4.14).

4.16 **Overall position.** Table 3 shows the effect on the block funding position and outlines the 2024/25 Budget, it also shows the forecast carry forward amounts against each block.

Table 3: Forecast block budgets after movements between blocks and carry forward amounts.

DSG Blocks	Balance brought forward from 2023/24 (forecast) £m	2024/25 DSG allocation* £m	Movement between blocks £m	Final DSG budget 2024/25 £m	Estimated spend 2024/25 £m	Carry forward balance at end of 2024/25 £m
Schools block	(0.787)	(344.325)	1.721	(342.604)	342.604	(0.787)
De-delegation	(0.528)			(0)	0	(0.528)
Central Services Block	0	(2.696)	0	(2.696)	2.696	0
High Needs Block	59.197	(89.535)	(1.721)	(91.256)	108.582	76.523
Early Years	0.307	(55.180)		(55.180)	55.180	0.307
Total	58.189	(491.736)	0.000	(491.736)	509.062	75.515

*Figures are based on latest allocations published in December 23

5 Early Years National Funding Formula (EYNFF)

- 5.1 The rates outlined in section 4.10 are those which generate funding to the LA. There have been significant changes in the guidance regarding how local authorities must distribute funding, which culminated in the [publication of changes](#) here which outline the [expansion of free childcare to Under 2s and 2 year olds from working families](#), beginning in April 2024 (and fully rolling out by Sept 2025). There remains a requirement to consult with providers prior to setting rates, which ran for 6 weeks and concluded on 29th Dec 2023.
- 5.2 Providers were asked for their views on the base rate, payment frequencies, supplements and the rates for SEN. Here is the final outcome of the 24/25 EYNFF consultation. 122 providers (34% of market share) responded:

Table 4: EYNFF Consultation responses

Question	% Agree	% Disagree
Base rate – Under 2s from working families	88	12
Base rate – Eligible 2s and 2s from working families	79	21
Base rate – 3 and 4 year olds	34	66
6 additional places for Eligible 2s	84	16
Limiting eligible 2s to 1 provider at a time	89	11
1 calendar months' notice period for eligible 2s	94	6
Introduce monthly payments (CMs and PVIs only)	77	14 (9N/A)
Supplement – keep deprivation supplement as current	96	4
Supplement – use System Leadership for the quality supplement	98	2
EY SEN – maintain the current rate	83	17

- 5.3 The rates that the LA is proposing to pay to providers for 2024/25 are as follows:
- 3 and 4 year olds: £5.08
 - 2 year olds: £7.82
 - Under 2 year olds: £10.77
- 5.4 The small increase in the 3 & 4 year olds funding rate proved unappealing to the sector, however as much as was affordable was included and due to funding regulations and restrictions, no further increase is possible without reducing the supplements (which were overwhelmingly supported). The Early years team feel that the significantly higher rate for under 2s overshadowed the older age range rates.
- 5.5 Deprivation supplement will be applied to all ages (currently only 3 and 4 year olds) from April 2024.
- 5.6 For under 2s and 2 year olds, early years Pupil Premium (rising to £0.68 per universal hour) and Disability Access Fund (rising to £910 per year) will also be available from April 2024.
- 5.7 For 2024/25, the LA is allowed to retain central funding from the under 2 and 2 year olds funding. The maximum percentage allowed is 5% (which is the same as the current 3 and 4 year olds) but to keep the base rates high, the LA are only retaining 3% of each for both under 2 and 2 year olds. 3 and 4 year olds will remain at 5% for 2024/25.

6 Central School Services Block (CSSB)

6.1 The purpose of the CSSB is to provide funding for the statutory duties the LA hold for both maintained schools and academies. The CSSB brings together:

- funding previously allocated through the retained duties element of the Education Services Grant (ESG)
- funding for ongoing central functions, such as admissions, previously top-sliced from the schools block
- residual funding for historic commitments, previously top-sliced from the schools block

6.2 The LA must still seek Schools Forum approval for Central Services spend, apart from the item relating to school licences which must be repaid to the DfE on behalf of all maintained schools and academies.

6.3 **CSSB Budget proposals.** The CSSB allocation for 2024/25 is £2.696m. This total is composed of two distinct components: on-going functions (£2.314m) and historic commitments (£0.382m). The on-going functions element has increased by 3.3% from 2023/24, up from £2.240m. Of the historic commitments, this funding is insufficient to support the contribution to combined services at the previous level, and as such leaves no element to transfer to high needs or elsewhere. Table 5 shows the funding and proposed 2024/25 budgets.

Table 5: Composition of Central School Service Block Allocations

Type of funding	Component	DSG Allocation 2023/24 £'000	2023/24 budget £'000	DSG Allocation 2024/25 £'000	Proposed 2024/25 budget £'000
Formulaic	LA Core functions	1,175	1,179	1,223	1,223
Formulaic	School Admissions	575	575	592	592
Formulaic	School Licences	348	348	358	358
Formulaic	Schools Forum	23	23	23	23
Formulaic	Pay & Pension – Centrally employed teachers	119	115	118	118
Historic	Combined Services	477	477	382	382
Historic	Prudential Borrowing	0	0	0	0
Total		2,717	2,717	2,696	2,696

6.4 **LA Core Functions £1.223m.** Appendix 1 sets out the functions and services that may be included in the LA Core functions budget. The relevant

costs for Bristol have been included against these line items. For 2024/25 it is proposed to inflate each item by 4.4% to reflect inflationary pressure across all spending items.

- 6.5 **Admissions £0.592m.** The only change to this budget is that arising from the increase in CSSB generally, due to pupil number and rate increases. For 2024/25, it is proposed to inflate this budget by 3% to reflect the increase in funding for ongoing commitments.
- 6.6 **School Licences £0.358m.** The DfE requires the Authority to pay licences on behalf of all maintained schools, academies and free schools in Bristol, to avoid the administration of delegating funding to and recovering the money from each school. The amount for 2024/25 has been increased by 3% to reflect the increase in funding for ongoing commitments. However, this figure is provisional and could change once DfE provide 2024-25 costs. There is no requirement for Schools Forum to specifically approve this line of the budget.
- 6.7 **Schools Forum £23k.** This funding is used to support the administration, clerking and hosting the meetings. It is proposed that this allocation remain at the 2023/24 level.
- 6.8 **Pay and Pensions – Centrally Employed Teachers.** For 2024/25, it is proposed that the budget is increased by 3% to reflect the increase in the funding of ongoing commitments.
- 6.9 **Combined Budgets. Appendix 2** details the analysis of the £0.382m for Combined Services, which Schools Forum has agreed in the past and it is proposed for agreement again for 2024/25. However, many of these costs are increasing and 20% reduction in funding has been distributed equally across all functions.

Appendix 1 – CSSB LA Core Functions

Category	Component permitted to be funded from central DSG, subject to Schools Forum agreement	BCC proposal	Amount 2024/25 £'000	Amount 2023/24 £'000
Statutory & Regulatory	<ul style="list-style-type: none"> Director of children's services and personal staff for director (Sch 2, 15a) Planning for the education service as a whole (Sch 2, 15b) 	Central budgets for education planning that are not already charged to Combined Budgets or elsewhere in the DSG.	112	107
Statutory & Regulatory	<ul style="list-style-type: none"> Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22) Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 2, 15c) Formulation and review of local authority schools funding formula (Sch 2, 15d) 	Accounting and finance staff directly supporting education budget setting and funding for all schools.	281	269
Statutory & Regulatory	<ul style="list-style-type: none"> Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Sch 2, 15e) 	Estimated cost of internal audit time.	29	28
Statutory & Regulatory	<ul style="list-style-type: none"> Consultation costs relating to non-staffing issues (Sch 2, 19) Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f) 	Estimated cost of public consultation on service development (eg High Needs) and collaborative working.	92	88
Statutory & Regulatory	<ul style="list-style-type: none"> Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17) 	Current budget for SACRE.	14	13
Statutory & Regulatory	<ul style="list-style-type: none"> Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21) 	Legal Services staff support.	68	65
Education Welfare	<ul style="list-style-type: none"> Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20) School attendance (Sch 2, 16) Responsibilities regarding the employment of children (Sch 2, 18) 	Current budget for Education Welfare.	438	420
Asset Management	<ul style="list-style-type: none"> Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 2, 14a) General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b) 	Current budget for education property management and capital programme monitoring.	189	181
TOTAL STATUTORY / REGULATORY FUNCTIONS OF LA			1,223	1,171

Appendix 2 – CSSB Combined Services Budget

Service	Total 2024/25 £'000	Total 2023/24 £'000
Director of Education and Skills	77	96
Equalities	29	36
Governor Support	14	17
HR	16	20
Primary Services	114	142
Pupil Census	22	28
School Place Planning	57	72
Secondary Services	53	66
Grand Total	382	477