

West Northants Schools forum: 14 February 2024

Agenda Item 7

West Northamptonshire Council DSG Funding Update 2024-25 and High Needs Budget

1 Purpose of Report

- 1.1 The report is to update West Northamptonshire Schools forum of the Dedicated Schools Grant (DSG) funding settlement for 2024-25 and on the setting of the High Needs Budget for 2024-25.
- 1.2 There are no votes required in relation to this agenda item. Decisions relating to the schools, high needs and central schools services blocks were completed in December 2023 Schools Forum and the early years budget setting votes were in agenda item 5.

2 Background

- 2.1 The Education Skills and Funding Agency confirmed the DSG funding allocations for 2024-25 through the schools, high needs and central schools services national funding formulae (NFF) on 19 December 2024.
- 2.2 The table below shows the final allocation for West Northamptonshire Council from the December announcement.

2024-25 Final Settlement by DSG Block £k

DSG Block	Schools	Early Years Provision	High Needs	Central Schools Services Block	TOTAL
2023-24 (updated November 2023)	343,470	27,845	68,263	3,939	443,517
Provisional 2024-25 (updated October 2023)	350,385	27,845	69,091	3,670	450,991
Final 2024-25	355,414	45,213	70,695	3,698	475,020
Increase/ (decrease) from 2023-24	11,944	17,368	2,432	-241	31,503
% increase/ decrease	3.48%	62.37%	3.56%	-6.12%	7.10%

3 Financial Overview by DSG Block

- 3.1 This section of the report provides the key headlines on the 2024-25 DSG funding announcements on the funding received by the LA by funding block.

Schools Block National Funding Formula

- 3.2 The Government have changed a small number of existing features of the funding formula for 2024-25 school funding and full details can be found in the [Council's budget papers](#).
- 3.3 The minimum per pupil levels in 2024-25 will be set at £4,610 per pupil for primary schools and £5,995 per pupil for secondary schools.
- 3.4 Overall, school funding for mainstream schools and high needs is increasing by more than £1.8 billion in 2024-25 compared to 2023-24, taking the total funding to over £59.6 bn, as promised.
- 3.5 The increase however, whilst welcome, is still not in line with inflationary cost increases such as energy costs and rising teachers' wage costs due to cost of living increases and pressures for sector wide salary incentives to avoid serious recruitment and retention problems.

High Needs Block National Funding Formula

- 3.6 The increase in the high needs block for WNC is £2.4m which is a marginal improvement from the provisional settlement and remains close to the minimum uplift in percentage terms.
- 3.7 As discussed and agreed in the December 2023 Schools Forum, WNC will transfer 0.5% (£1.78m) from the schools block to high needs block to cover the SEND support service and general pressures. This is a £0.12m increase in funding, as compared to 2023-24 £1.66m (0.5%) transfer.
- 3.8 The high needs budget is shown in the table below.

High Needs Budget 2024-25 £k

	2023-24 Gross Budget	2024-25 Gross Budget	Movement
	£000	£000	£000
SEN Units and Resource Provision Top Ups	3,995	3,995	0
Special Schools	24,272	26,835	2,563
Post 16 Top Ups	5,260	5,260	0
High Needs Out County	16,028	17,028	1,000
Provision For Pupils With SEN	8,395	9,470	1,075
Hospital & Outreach	1,785	1,785	0
Alternative Provision	3,518	3,518	0
School attendance and support service	188	310	122
Transport contribution (shown in Schools block in monitoring)	59	59	0
Virtual School	255	265	10
Specialist Support Service (schools block funding)	969	1202	233

Sensory Impairment Provision (schools block funding)	1,128	1,173	45
Education Health Care team	713	745	32
IASS - NPPS (Northamptonshire Parent Partnership Service)	11	12	1
Prior year deficit repayment	1,550	0	-1,550
High Needs Projects	120	120	0
SEND improvement	0	180	180
Total High Needs Expenditure Budgets	68,246	71,957	3,711
Schools Block transfer Funding 0.5%	-1,664	-1,777	-113
High Needs Block Funding	-65,582	-69,330	-3,748
Additional high needs funding (not to be distributed directly to providers)	-1,000	-850	150
Total Funding	-68,246	-71,957	-3,711

- 3.9 The LA will closely monitor against the budget in 2024-25 with a high level forecast outturn against the budget to be presented to May Schools Forum with regular reports thereafter to Schools Forum.
- 3.10 Nationally, regionally and in WNC there is an inherent pressure within the High Needs Block relating to the growth in the demand for young people with special educational needs and disabilities (SEND).
- 3.11 The current year level of overspend within the WNC High Needs Block is forecast at £5.6m and therefore the Council is looking at cumulative, structural deficits continuing as demand outstrips funding increases.
- 3.12 The uplift in funding is not sufficient to meet even the current forecast structural deficit in the high needs block before the impact of demographic growth and inflationary rises are factored in, resulting in the need for significant efficiencies to be identified to prevent the deficit from escalating year on year.
- 3.13 The pressures which have resulted in the High Needs block overspend are expected to continue into future years and this presents risks around affordability of provision for pupils with high needs. Therefore, a range of actions are being proposed or taken as part of the SEND improvement programme and WNC capital programme to address the predicted financial pressures.

Central Schools Services Block National Funding Formula

- 3.14 The Central Services School Block (CSSB) provides funding to local authorities to carry out central functions on behalf of maintained schools and academies. The block comprises of two elements: ongoing responsibilities and historic commitments.
- 3.15 However, the historical funding part of the block is being unwound each year by a 20% reduction. The services funded by this have gradually had their costs "shunted" to the general fund and this had been built into the medium-term revenue plan, however due to increasing pressures on the general fund due to rising demand in

adults and children’s social care, temporary accommodation and the impact of inflation this will have to be reviewed against the uncommitted CSSB balances held for the 2024-25 financial year.

Early Years Block National Funding Formula

- 3.16 The increase in the early years block is predominantly due to the significant changes to the Early Years Funding Entitlements for 2024-25 and beyond, with an expansion of the entitlements extended to working families.
- 3.17 In July 2023 the DfE consulted on proposal to the funding systems to support the new working parent entitlements. The main changes include a new funding formula (EYNFF) covering both the 2-year-old disadvantaged entitlement and the new 2-year-old-working-parent entitlements to be introduced from 1 April 2024.
- 3.18 In addition, there is a new methodology for the funding formula for children aged between 9 months to 2-year-old-working-parent entitlements (referred to as under 2s) which will be rolled out from 1 September 2024.
- 3.19 The Council sought views from Early Years education providers’ on funding arrangements in West Northants as part a consultation throughout January 2024. The proposed rates for childcare funding hours and central expenditure as detailed in the consultation overview will be taken to the next schools forum on 14 February for approval.

4 Financial implications

- 4.1 Financial implications are set out in the paper above.

5 Legal implications

- 5.1 There are no legal implications arising from the information in this paper.

6 Recommendations for schools forum

- 6.1 That schools forum note the final funding settlement and high needs budgets for 2024-25.

7 Next Steps

- 7.1 Following the approval of the school individual formula budgets and the finalisation of the WNC early years formula, the individual school and provider budgets will be calculated and published.

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