

## REPORT FOR SCHOOLS FORUM

1.	Date of meeting:	21 <sup>st</sup> June 2024
2.	Title:	Schools Budgets 2024-25 – Latest Position
3.	Directorate:	Finance and Customer Services

### 1. PURPOSE OF REPORT

- 1.1 To provide an update on the school's budget for 2024/25 since the budget was reported to Schools Forum in January 2024 and initial budgets for Rotherham maintained schools have been submitted to the local authority in May 2024.

### 2. RECOMMENDATION(S)

- 2.1 It is recommended that the schools forum note the latest DSG funding for schools for the 2024/25 financial year.
- 2.2 That Schools Forum note financial positions of Rotherham's maintained schools and the identified financial risks against the schools DSG budgets for the year.

### 3. BACKGROUND INFORMATION & CONTEXT

- 3.1 Following the DfE notification of Rotherham's DSG funding in December 2023, a report was presented to Schools Forum outlining the overall funding envelope across all 4 of the DSG funding blocks (£333.5m in total, £243.7m in Schools Block funding). This informed the budget setting process for the 2024-25 financial year.
- 3.2 Individual school budget shares were issued in February 2024 in accordance with the statutory deadline; with a requirement for schools to submit approved detailed 3-year budgets to the Authority by the 17<sup>th</sup> of May 2024.

### 4. LATEST DEDICATED SCHOOLS GRANT 2024-25

- 4.1 The latest confirmed DSG funding allocation for Rotherham for 2025-25 is £109.3m, which includes a total of £30.4m in Schools Block funding.

2024-25 DSG Funding Blocks	Jan 2024 Allocation (£m)	Latest Position (£m)	Change (£m)
Schools Block	243.72	30.45	(213.27)
Central Block	1.57	1.57	-
Early Years Block	30.47	30.95	0.48
High Needs Block	57.87	46.37	(11.5)
<b>Total DSG</b>	<b>333.63</b>	<b>109.34</b>	<b>(224.29)</b>

- 4.2 The total Schools Block allocation for 2024-25 after deductions for academy recoupment and NNDR is **£30.45m**. There is no impact on the schools' budgets as a result of the funding recoupment for academies.
- 4.3 The revised High Needs Block allocation for 2024-25 stands at **£46.37m** after deductions of £11.5m for recoupment.
- 4.4 The increase in funding to the Early Years block is due to an increase in entitlement for Under 2's due to an increase in the estimated numbers from the DFE.
- 4.5 It should be noted that a funding transfer of £1.2m (0.5%) was made from the school's block to the high needs block in 2024-25 and reflects the confirmed DfE decision on the disapplication request made by the local authority. Consequently, the actual schools delegated budget for 2024-25 currently stands at **£29.23m**.

## 5 UPDATE ON MAINTAINED SCHOOLS BUDGETS 2024-25

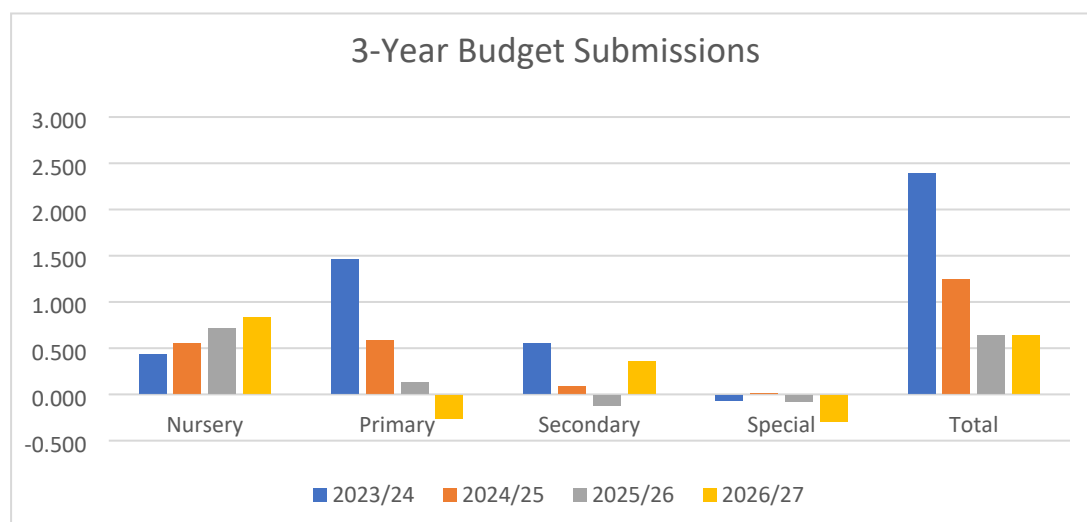
- 5.1 Approved detailed 3-year budget plans have been submitted to the local authority by maintained schools by the agreed deadline (17<sup>th</sup> May 2024). The following are the key highlights following a review of the 3-year submitted budgets:
- 5.2 The total net surplus balances as reported by 24 schools/nurseries in their submitted 3-year budget statements is shown below:

	2023/24 Outturn	2024/25 Estimated c/f to next year	2025/26 Estimated c/f to next year	2026/27 Estimated c/f to next year
Nursery	0.440	0.558	0.717	0.839
Primary	1.466	0.590	0.133	-0.265
Secondary	0.556	0.088	-0.128	0.365
Special	-0.070	0.016	-0.080	-0.299
	<b>2.391</b>	<b>1.252</b>	<b>0.642</b>	<b>0.640</b>

- 5.3 There are 3 schools in total with an agreed planned budget deficit position for 2024/25, which amount to £148.7k in total. Recovery and actions have been

put in place alongside some additional financial support (total £60k) to help schools return to a sustainable position within the agreed timeframe.

- 5.4 The additional funding provided is to create some in year relief whilst schools implement strategies to return to a balanced position in the long term and is contingent on schools continuing to manage cost pressures, and drive efficiencies going forwards.
- 5.5 In 2025/26 the number of schools projecting a planned deficit budget rises to 9 with a combined deficit total of £674k. Further reviews will be undertaken, and meetings planned to help understand basis and assumptions underpinning the budget plans for future years.
- 5.6 Schools in the borough continue to raise sustainability concerns associated with increasing cost pressures associated with the cost-of-living crisis (e.g. energy and pay costs) This is despite the additional Teachers Pay Additional Grant made available by the ESFA. This combined with a national drop in pupil numbers is affecting primary schools two-fold, putting them under significant budget pressure where they have limited scope to absorb such cost increases and continue to deliver a good quality of education.
- 5.7 Faced with these challenges some affected schools have been drawing down on surplus balances in recent years to manage the impact. As budgets continue to contract but the schools' costs do not behave in the same way schools overall balances are projected to decrease significantly over the next 3 years as schools lose the ability to absorb such pressures internally as shown in the graph below.



- 5.8 The Local Authority is able to support schools in financial difficulty in several different ways; for through example growth funding, falling rolls funding, and schools in financial difficulty (SIFD) support. Each of these has different eligibility criteria for and schools are encouraged to engage with the authority

early to help identify/mitigate risks and access support if required to help them remain financially stable in the current challenging environment.

## **6. NAMES & CONTACT DETAILS**

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