

REPORT FOR SCHOOLS FORUM

1.	Date of meeting:	13th December 2024
2.	Title:	Dedicated School Grant (DSG) and 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 and to outline the main funding changes announced by the DfE since the last School Forum in September 2024.

2. RECOMMENDATION(S)

- 2.1 It is recommended that the schools forum note the latest published 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 four 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 17th of May 2024 and revised budgets by the 17th October 2024.
- 3.3 Overall DSG allocations are amended by ESFA and changes communicated to Schools Forum through this report

4. LATEST DEDICATED SCHOOLS GRANT 2024-25

- 4.1 The latest confirmed DSG funding allocation for Rotherham for 2024-25 is £108.8m, which includes a total of £30.5m in Schools Block funding.

2024-25 DSG Funding Blocks	July 2024 Allocation	Latest Nov Position (£m)	Change (£m)
Schools Block	30.45	30.45	-
Central Block	1.57	1.59	0.02
Early Years Block	30.95	30.91	-0.04
High Needs Block	46.73	45.86	-0.87
Total DSG	109.70	108.81	0.89

- 4.2 There has been an increase in funding of £20k in the Central Block to compensate for the additional cost associated with copyright licenses in 2024-25.
- 4.3 There has been a decrease of £875k in the high needs block driven by the academy conversion of Newman Special school.
- 4.4 In the Early Years block, there has an overall reduction of £44k since the July allocation. This is made up of a decrease in estimated number for 2 year olds early years pupil premium funding of £121k, partially offset by an increase in estimated number for 2 year old entitlement for working parents.

5. UPDATE ON CENTRALLY RETAINED DSG BUDGETS

- 5.1 These relate to budgets for schools' expenditure that are retained and where it is cost effective to be managed by the council. It comprises elements of the schools' block, early years, and the high needs DSG blocks. The table below summarises the latest forecast position across all the centrally retained DSG budgets.

Centrally Retained DSG Budget Position October 2024	Latest Budget (£m)	Latest Forecast (October) (£m)	Forecast Variance (£m)
Schools Block	0.35	0.36	0.01
Central Block	1.59	1.59	0.00
Early Years Block	30.91	31.46	0.55
High Needs Block	47.07	50.07	3.00
Total DSG	79.92	83.48	3.56

The following is an explanation of the key variances:

- **Schools Block** – the actual delegated budget for 2024-25 currently stands at £29.25m, after adjusting for the school block funding transfer of 0.5% to the high needs budget. Of this amount, **£349k** was de-delegated

from the schools block and managed centrally and covers the following: growth fund; schools in financial difficulty; etc.

Overall, the de-delegated budgets are on track to spend to budget, with the exception of the Schools in Financial Difficulty (SIFD), where a minor over-commitment of £10k is currently forecast for the year. The LA has committed to supporting two schools using the SIFD funding for 2024-25 and it is still likely that additional commitments may be required following the next budget monitoring returns due in December.

- **Central Schools Services Block** – the DSG allocation for the CSSB is £1.59m for the year and is used to support ongoing commitments such as SACRE, Teachers Pensions costs, Schools forum admin costs, Schools Admissions and Copyright Licensing. There has been an increase of £20k to the allocation for the central block to cover the additional costs of the copyright licenses.
- **High Needs Block** – A cost pressure of £3m is currently forecast for the High Needs block and mainly relates to SEND. The increased deficit is mainly due to the following; inflationary costs; increase in EHCP pupils in mainstream schools and specialist provision; and continuing placements in out of authority independent settings. Work is ongoing through the SEND sufficiency programme to create more local places and provision aimed at reducing out of authority specialist placements
- **Early Years Block** – a cost pressure of £0.55m is currently anticipated across the early years block, and mainly relates to Inclusion Support Grant payments to providers for the year – which would be funded through the use of carry forward DSG reserve balances.

6. UPDATE ON DELEGATED SCHOOLS BUDGETS 2024-25

6.1 The total net balances as reported by 24 LA maintained primary, secondary and special schools and nurseries in their October revised budget submissions are shown below.

	2023/24 Outturn	2024/25 Original Budget	2024/25 Latest Budget Outturn	Variance
Nursery	0.440	0.558	0.507	-0.051
Primary	1.466	0.590	1.008	0.418
Secondary	0.556	0.088	0.104	0.016
	2.462	1.236	1.619	0.383

6.2 Main highlights from the above:

- When compared to the original budget, the October position shows a net improvement of £383k largely due to the Core Schools Budget Grant alleviating pressures on school budgets associated with the pay award.
- The October revised budget submissions indicate a decrease in net surplus of £843k compared to the 2023/24 outturn position. This is reflective of the increased financial pressures faced by schools.
- The latest position includes a total of 3 schools with deficit balances. In the original budget submission in May 2024, 3 schools submitted a deficit budget and 1 of those has now returned to projecting a balanced position. The other 2 schools remain are still operating under a licensed deficit and continue to work towards achieving a balanced position within the specified timeframes.
- Between the May and October budget submissions one additional is now projecting a deficit position at the end of the financial year.

Schools with deficit	Original budget	Latest Oct position	Comments
Aston Fence J&I	-£0.009	-£0.008	Unforeseen staffing costs.
Brinsworth Manor Infants	-£0.077	£0.010	Significant changes in staffing during academisation.
Wales Primary	-£0.052	-£0.031	No significant changes from original budget and deficit reduction plan.
Blackburn Primary	£0.002	-£0.007	Falling pupil numbers

- The three schools that submitted a deficit budget have had licensed deficits approved by the LA. Two of these schools will receive funding through the Schools in Financial Difficulty (DSG) fund in 2024/25.
- The next budget monitoring is due in December 2024. Information received since the revised budget submission in October suggests at least one other school not mentioned above will be projecting a deficit at the end of the financial year.

9. NAMES & CONTACT DETAILS

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