

REPORT FOR SCHOOLS FORUM

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| 1. | Date of Meeting: | 28th March 2025 |
| 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 January 2025.
- 1.2 To provide an update on 2025-26 school budgets and additional funding announced by the DfE.

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 the 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. This position remains unchanged since last reported to Forum in January 2025.

| 2024-25 DSG Funding Blocks | Nov 2024 Allocation | Latest Jan Position (£m) | Change (£m) |
|----------------------------|---------------------|--------------------------|-------------|
| Schools Block | 30.45 | 30.45 | - |
| Central Block | 1.59 | 1.59 | - |
| Early Years Block | 30.91 | 30.91 | - |
| High Needs Block | 45.86 | 45.86 | - |
| Total DSG | 108.81 | 108.81 | - |

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 | Budget 2024-25 (£m) | Jan 25 Position (£m) | Forecast Variance (£m) |
|--|---------------------|----------------------|------------------------|
| Schools Block | 0.35 | 0.36 | 0.01 |
| Central Block | 1.59 | 1.58 | 0.00 |
| Early Years Block | 30.91 | 31.45 | 0.55 |
| High Needs Block | 47.07 | 50.84 | 3.76 |
| Total DSG | 79.92 | 84.23 | 4.32 |

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.

- **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 £3.76m is currently forecast for the High Needs block and mainly relates to SEND. This is an increase of £13k compared to the last reported position and mainly relates to an increase in EHCP pupils. The overall 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 December revised budget submissions are shown below.

| | 2023-24 | | 2024-25 | |
|-----------|--------------|------------------------------|-----------------------------|--------------|
| | Outturn | Previous Budget Return (Dec) | Latest Budget Outturn (Feb) | Variance |
| Nursery | 0.44 | 0.544 | 0.664 | 0.120 |
| Primary | 1.466 | 0.944 | 0.827 | -0.117 |
| Secondary | 0.556 | 0.095 | 0.138 | 0.043 |
| | 2.462 | 1.583 | 1.629 | 0.046 |

6.2 Main highlights from the above:

- When compared to the December monitoring position, the February position shows a net increase of £46k across all LA maintained nursery, primary and secondary schools. This is made up of positive changes of

£120k in nursery budgets and £43k in secondary, partially offset by a negative shift of £117k in primary school budgets. The reduction in primary school budget balances is largely driven by the conversion of two schools on 1st February 2025.

- The February budget monitoring submissions indicate a decrease in net surplus of £764k compared to the 2023/24 outturn position. This is reflective of the increased financial pressures faced by schools as well as the academy conversions in year.
- The latest position includes a total of 3 schools with deficit balances. In the original budget submission in May 2024, these 3 schools submitted a deficit budget and are now operating under a licensed deficit with budget recovery plans in place to return to a balanced position within an agreed timeframe.
- Between the May and December budget submissions one additional school was projecting a deficit by the end of the year but is now estimating a balanced position again.

| Schools with deficit | Prev Dec position | Latest Feb position | Comments |
|---------------------------|-------------------|---------------------|--|
| Aston Fence J&I | -£0.015 | -£0.030 | Unforeseen staffing costs. |
| Brinsworth Manor Infants | -£0.008 | -£0.009 | Significant changes in staffing during academisation. |
| Wales Primary | -£0.031 | -£0.046 | Significant damage caused by adverse weather mostly covered by insurance. |
| Rawmarsh Ryecroft Infants | -£0.015 | £0.014 | Now estimating a balanced position at year end – concerns regarding pupil numbers have stabilised and additional income has resulted in estimated balanced position. |

- 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.

7. UPDATE ON SCHOOL BUDGET SETTING 2025-26

- 7.1 The DfE approved the 2025/26 local schools funding formula for Rotherham on 18th February 2025.
- 7.2 Maintained schools in Rotherham received letters on 28th February 2025 detailing their individual budget allocations for 2025-26.

- 7.3 In accordance with the Scheme for Financing Schools, maintained schools are required to submit a balanced or in surplus budget plan covering the three-year period 2025-26 to 2027-28 to the Council by Friday 16th May 2025.
- 7.4 Schools that are unable to submit a balanced or in surplus position are encouraged to engage early with the Council to allow sufficient time for apply for and obtain approval to operate under a licensed deficit.

8. NATIONAL INSURANCE CONTRIBUTIONS SUPPORT PACKAGE

- 8.1 The ESFA have announced details of the National Insurance Contributions (NICs) grant for the 2025-26 financial year. The funding provided through this grant will be to support settings with NICs costs relating to both teachers and support staff affected by the by the increase to employers NICs.
- 8.2 The NICs grant will provide funding to mainstream schools (5-16 year olds), Special education resource provision units (SURPs), Early Years settings and Centrally Employed Teachers (CETs) and support staff for local authorities.
- 8.3 For 2026-27 the funding for mainstream primary and secondary schools will be incorporated into the schools national funding formula (NFF).
- 8.4 The NICs grant base funding rates for mainstream schools in 2025/26 are:
- a basic per-pupil rate of £78 for primary pupils, including pupils in reception
 - a basic per-pupil rate of £68 for key stage 3 pupils
 - a basic per-pupil rate of £77 for key stage 4 pupils
 - a lump sum of £2400
 - a FSM6 per-pupil rate of £75 per eligible primary pupil
 - a FSM6 per-pupil rate of £60 per eligible secondary pupil
- 8.5 For the Early Years NICs grant there will be a separate national base rate per PTE for each age group as follows:
- £58 for 3 to 4-year-olds
 - £81 for 2-year-olds
 - £106 for under 2s
- 8.6 The National Insurance Contributions (NICs) grant calculator tool for mainstream schools can be found at: [National Insurance contributions \(NICs\) grant and early years National Insurance contributions \(EY NICs\) grant for 2025 to 2026 - GOV.UK](#)
- ## **9. CORE SCHOOLS BUDGET GRANT (CSBG0 2025-26 FOR SPECIAL SCHOOLS, SPECIAL POST-16 INSTITUTIONS AND ALTERNATIVE PROVISION**
- 9.1 For 2025-26, the continuation of the 2024 to 2025 teachers' pay additional grant (TPAG), the 2024 to 2025 teachers' pension employer contribution grant

(TPECG) and the 2024 to 2025 core schools budget grant (CSBG), will be combined into a single CSBG for special schools and alternative provision (AP) schools and will also include funding to support high needs providers with increases to their NICs from April 2025.

10. PUPIL PREMIUM GRANT

10.1 The ESFA has announced pupil premium grant funding rates for 2026. These are as follows:

| Funding Criteria | Per pupil amount (primary) 2024/25 | Per pupil amount (primary) 2025/26 | Per pupil amount (secondary) 2024/25 | Per pupil amount (secondary) 2025/26 |
|------------------|------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|
| FSM6 | £1,480 | £1,515 | £1,050 | £1,075 |
| Post LAC | £2,570 | £2,630 | £2,570 | £2,630 |
| LAC | £2,570 | £2,630 | £2,570 | £2,630 |
| Service Children | £340 | £350 | £340 | £350 |

10.2 The provisional 2025-26 Pupil Premium Grant allocation for Rotherham is estimated at £18m, representing an increase of £57k from 2024-25.

| Qualifying Pupils | Eligible Pupils | 2024-25 allocation | 2025-26 allocation |
|-------------------|-----------------|--------------------|--------------------|
| FSM6 | 12,157 | £15.847m | £15.854m |
| LAC/Post LAC | 800 | £2.056m | £2.104m |
| Service Children | 189 | £0.064m | £0.066m |
| Total | | £17.967 | £18.024m |

11. NAMES & CONTACT DETAILS

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