

**CITY OF WESTMINSTER
SCHOOLS' FORUM – 17th JANUARY 2024**

**REPORT BY LEAD STRATEGIC FINANCE MANAGER – BI BOROUGH
CHILDREN'S**

**2024/25 DEDICATED SCHOOLS GRANT (DSG) UPDATE AND SCHOOLS
FUNDING FORMULA ALLOCATIONS**

Purpose of the report

This report informs Schools' Forum of the 2024/25 DSG funding settlement including the schools block funding, and the teachers' pay additional grant (TPAG) funding. There are decisions to be made regarding de-delegation for maintained schools (including restructuring costs).

FOR DECISION

1 INTRODUCTION

- 1.1 The ESFA provides pre-16 funding for schools to local authorities via the DSG. Funding is distributed to schools in the City of Westminster through a locally agreed funding formula.
- 1.2 On 17th July 2023 the Department for Education (DfE) published the key aspects of the 2024/25 schools, high needs and central schools services blocks of the DSG with provisional funding levels and the requirements regarding local funding formulae. The provisional figures were revised on 6th October 2023. The DSG settlement, allocation tables, technical notes and Authority Proforma Tools (APT) were issued to all Local Authorities (LAs) with their individual schools data sets on 19th December 2023. The LA is required to complete all school funding allocations via the ESFA's APT by 22nd January 2024 and this will be submitted on the basis of information within this report and to take account of decisions being made at this Schools' Forum and political ratification.
- 1.3 In addition to the DSG, schools will be allocated additional funding through the teachers' pay additional grant (TPAG) in 2024/25 totalling £900 million nationally. This grant will be paid as a separate grant in 2024/25. The DfE intend to incorporate this funding into core budget allocations for 2025/26. There will also be an additional grant for 2024/25 to reflect the additional costs of the increase to the employer contribution rates to the Teachers' Pensions Scheme from April 2024. Further details will be announced in due course.
- 1.4 Schools Forum (20th March 2023) agreed two options to be modelled over three years for the June 2023 Forum meeting and for consultation with

headteacher groups in September / October 2023. It was agreed that the decision regarding these options would be taken at the November 2023 Schools' Forum meeting. Schools Forum also agreed that whatever model is finally agreed is reviewed annually to consider the changing school funding landscape. The option agreed by Schools Forum on 13th November 2023 will move a further 30% towards the NFF factor values with MFG at maximum +0.5% per pupil increase and Age Weighted Pupil Units (AWPU) values as the balancing figure in year 2024/25 and a further 30% year 2 and full NFF year 3.

2 DSG FUNDING ALLOCATIONS 2024/25

2.1 The DSG allocations for 2024/25 are comprised of the following four blocks:

DSG Block	Funding Basis
schools block	primary units of funding (PUF), and secondary units of funding (SUF) and premises funding announced in July 2023 and growth / falling rolls funding.
central school services block (CSSB)	units of funding and historic commitments updated in December 2023.
high needs	allocations announced in December 2023, with the basic entitlement element updated for the number of pupils in the October 2023 school census with further adjustments in February 2024. The allocation is before the deduction for agreed high needs places in academies.
early years	based on the funding rates published in December 2023, and made up of funding for: universal 15 hour entitlement for all three and four-year-olds additional 15 hours for three and four-year old children of eligible working parents 15 hours entitlement for disadvantaged two-year-olds 15 hours entitlement for eligible working parents of children from 9 months to 2 years old (new entitlement from 1 September 2024) 15 hours entitlement for eligible working parents of 2-year-old children (new entitlement from 1 April 2024) early years pupil premium (EYPP) disability access fund (DAF) supplementary funding for maintained nursery schools

2.2 Table 1 shows the published 2024/25 funding allocations of Schools block, High Needs block, Central Schools Services block, and Early Years block for WCC,

which were published on 19th December 2023. The provisional 2024/25 DSG (before the deductions for payments to academies) and TPAG has increased by £5.045m (2.70%) since 2023/24 to £191.671m.

Table 1 – Comparison of 2024/25 and 2023/24 DSG block allocations

Block	2024/25	2023/24	Change	Change
	£m	£m	£m	%
Schools - including mainstream schools additional grant (MSAG) added to 2023/24 baseline *	129.279	129.782	-0.503	-0.39%
Estimated Teachers' Pay Additional Grant (TPAG)	2.251	1.320	0.931	70.53%
Sub total Mainstream Schools	131.530	131.102	0.428	0.33%
High Needs **	43.471	41.953	1.518	3.62%
Central School Services	0.943	0.954	-0.011	-1.15%
Early Years ***	15.727	12.617	3.110	24.65%
Total	191.671	186.626	5.045	2.70%
<p>*Allocation before deduction for academies and including the mainstream schools additional grant in 2023/24, which is included in the Schools Block from 2024/25. **Allocation before deduction for academies high needs places. The provisional High Needs allocation will be updated by March 2024. ***Early Years allocation is provisional at this time for both years and includes funding for new entitlements in 2024.</p>				

- 2.3 The high needs funding will be updated in Spring 2024 following the agreement of numbers on January 2024 census and agreements between providers, the ESFA and the LA that is responsible for the individual pupil (February Individual Learner records for 6th form). Deductions will then be made to fund academies, free school and college places directly before the high needs block allocations are finalised. High needs budgets are detailed in the separate high needs paper to this Forum.
- 2.4 The Central Schools Services Block (CSSB) provides funding for central services ongoing responsibilities, including a cash sum for historic commitments. The total amount is £0.943m which is a reduction of £0.011m since 2023/24.
- 2.5 The early years initial funding allocation is based on the January 2023 census, and will be updated for the January 2024 and 2025 census in July 2024 and 2025. The amount in the Early Years Single Funding Formula (EYSFF) is subject to passporting at 95% and adjustments for deprivation and SEN inclusion fund payments. Other early years funding is dependent on uptake of services and there is a separate report on early years funding to this Forum. The allocation for 2024/25 includes funding for the new entitlements in 2024/25.

3 SCHOOLS BLOCK

- 3.1 LAs will continue to set local funding formula in 2024/25 and are required to move 10% closer to the National Funding Formula (NFF) factor values.
- 3.2 As part of the move towards hardening the National Funding Formula (NFF), the government continues the use of the national minimum per pupil funding levels, at the values in the school NFF (£4,610 for primary pupils and £5,995 for secondary pupils), compulsory for LAs to use in their own funding formulae. All Westminster schools will be funded above the minimum per pupil funding levels in 2024/25.
- 3.3 LAs continue to set a Minimum Funding Guarantee (MFG) in local formulae, which in 2024/25 must be between +0% and +0.5% per pupil compared to per pupil funding in 2023/24.
- 3.4 Schools' Forum can agree to transfer out of the schools block to a maximum of 0.5%.
- 3.5 The total funds to be delegated and allocated through the schools block funding formula is calculated as follows.

	2024/25	2023/24	
Schools Block Funding including Mainstream Schools Additional Grant	£129.279m	£129.782m	
Funds for schools with falling rolls	-£ 0m	-£ 0m	DfE requirements not met in 2024/25. 23/24 £133k funded from DSG balance
Growth not allocated via APT	£0m	£0m	
NNDR adjustment to DSG allocation	- £0.011m	- £0.114m	Re Sir Simon Milton and St Stephen's
Fair Access Funding for Secondary Schools via central schools block	£0m	£0m	Proposed that as in 2023/24 £80,000 Fair Access funding is funded from the DSG balance
Total for distribution	£129.268m	£129.668m	-£400,000 (0.3%) decrease
Pupil Numbers	16,745 October 23	17,257.5 October 22	
Average per pupil funding	£7,720	£7,514	2.7% increase
Estimated Teachers' Pay Additional Grant (TPAG)	£2.251m	£1.320m	As per appendix C calculation

Total indicative funding for mainstream schools including estimated TPAG	£131.519m	£130.988m	0.4% increase
Average per pupil funding including TPAG	£7,854	£7,590	3.5% increase

3.6 The amount to be distributed to schools via the local formula is £129.268m. The comparable distribution for 2023/24 was £129.668m, a decrease of 0.3% (due to falling pupil numbers) and a per pupil increase of 2.7%. When the estimated teachers' pay additional grant (TPAG) allocation is taken account of, the overall increase in funding is £0.531m (0.4%) and 3.5% per pupil.

4 **UPDATED 2024/25 PROVISIONAL SCHOOL BUDGETS**

4.1 Schools' Forum (13th November 2023) considered two options modelled over three years regarding the review of the schools block funding formula which is used to allocate funds to all schools. The option agreed moved a further 30% towards the NFF factor values with MFG at maximum +0.5% per pupil increase and Age Weighted Pupil Units (AWPU) values as the balancing figure in year 2024/25 and a further 30% year 2 and full NFF year 3. The figures have been updated and are now based on information provided by the ESFA in December 2023 re October 2023 roll numbers and pupil characteristics for free school meals, low prior attainment etc.

4.2 Appendix A shows the provisional allocations for each school (before and after de-delegation for maintained schools referred to below) with comparisons to the 2023/24 final budgets including estimated TPAG. In total £0.531m more is allocated compared to 2023/24.

4.3 Appendix A also shows the roll for each school and overall there is a reduction of 512.5 pupils made up of reductions in primary schools of 434 pupils and 78.5 pupils in secondary schools. The pupil numbers on roll are taken account of in the per pupil MFG.

4.4 Although falling rolls funding has been included within the Schools Block, as detailed in the 19th June 2023 Schools Forum paper regarding the DfE NFF stage 2 consultation it is no longer possible to have a falling rolls fund in Westminster as the revised DfE criteria that falling rolls funding can only be allocated to schools where SCAP data shows that school places will be required in the subsequent three to five years, is not met. This has helped increase per pupil funding compared to 2023/24.

4.5 Local authorities are required to identify a notional SEN budget for their mainstream schools which helps them comply with their duty to use their 'best endeavours' to meet the special educational needs (SEN) of their pupils. The notional SEN budget is not a separate budget but is identified within a

mainstream school's formula budget share and is calculated by local authorities using their local mainstream schools funding formula factors. The Notional SEN funding percentages remain unchanged for 2024/25 (AWPU 5.%; Low Prior Attainment 100%) and the figures for each school are shown for information in Appendix A. The separate high needs budget paper covers the additional targeted funding provided via the high needs block where specific criteria are met.

- 4.6 Appendix B shows the provisional formula factors values.
- 4.7 The costs of fair access placements in secondary schools are currently charged to the Central Schools Services Block (CSSB) and are funded from the DSG reserve. The allocations are based on £1,250 per placement as agreed at the January 2023 Forum. It is proposed that the estimated 2024/25 cost of £80,000 (estimated 64 pupils x £1,250) is funded from the DSG reserve balance rather than a transfer from the schools block to the central schools services block (CSSB).
- 4.8 In accordance with the statutory funding regulations in order to fund cover for trade union duties, maintained schools on the schools forum have to agree to have funding deducted (de-delegated) from their budgets. The proposed de-delegation is for £81,800 to Essendine Primary School and is £12.46 per primary pupil and £18.38 per secondary pupil.
- 4.9 In addition, £350,000 (£450,000 in 2023/24) has been de-delegated to cover the estimated cost of restructurings, as there is no DSG reserve available to fund these costs. This would be deducted from maintained school budgets. Any overspend or underspend will be adjusted as part of the following year's school budget setting. This amounts to £52.45 per primary pupil and £78.65 per secondary pupil. Due to the trend in falling rolls the number and cost of restructurings will be kept under review and regularly reported to Schools Forum.
- 4.10 As advised at the January 2021 Schools Forum, the DfE consulted on removing the School Intervention and Brokering Grant, which is used to fund statutory school improvement support and intervention in LA-maintained schools. The grant was reduced by 50% from April 2022, which entailed a reduction for WCC of £85,000 with the remainder removed from April 2023. The DfE proposed that this funding is de-delegated from schools and it is therefore proposed to de-delegate £170,000 for statutory school improvement support and intervention in LA-maintained schools. This equates to £25.48 per primary pupil and £38.20 per secondary pupil which will be deducted from mainstream school budgets as shown in appendix A.

5 Teachers' Pay Additional Grant (TPAG)

- 5.1 In July 2023 the DfE announced additional funding to support schools with the September 2023 teachers' pay award which is allocated through the teachers'

pay additional grant (TPAG). The funding is being split between mainstream schools, special schools and alternative provision (AP), early years, and 16 to 19 provision.

- 5.2 In 2024/25 TPAG will cover the whole of the financial year. Therefore, allocations for 2024/25 have been estimated, as advised by the DfE, using twelve-sevenths of the funding rates in 2023/24. The provisional allocations for 2023/24 and estimated 2024/25 allocation for each school based on 2023/24 data are shown in [Appendix C](#) and total £2.251m in 2024/25.
- 5.3 Mainstream academies will be paid an additional allocation to cover April to August 2025 because their funding cycle follows the academic year – this will represent five-twelfths of academies' 2024/25 allocations.
- 5.4 TPAG will not continue as a separate grant in 2024/25 for early years since that funding has been rolled into the core early years funding instead.
- 5.5 Details for the post-16 TPAG for academic year 2024 to 2025 will be announced in due course.
- 5.6 The base funding rates for 2024/25 financial year provided below will be multiplied by the relevant area cost adjustment (ACA) to determine the school-level allocations.

The base funding rates will be:

- a basic per-pupil rate of £62 for primary pupils, including pupils in reception
 - a basic per-pupil rate of £86 for key stage 3 pupils
 - a basic per-pupil rate of £98 for key stage 4 pupils
 - a lump sum of £2,306
 - an FSM6 per-pupil rate of £53 per eligible primary pupil
 - an FSM6 per-pupil rate of £77 per eligible secondary pupil
- 5.7 The DfE will publish school level allocations showing the total funding allocated for 2024/25 in spring 2024.

6 Pupil Premium

- 6.1 Pupil Premium rates will increase by 1.6% on average in 2024/25. The per pupil figures are £1,480 per primary school pupil and £1,050 per secondary school pupil, and service children £340. Schools will receive pupil premium funding for each child registered as eligible for free school meals at any point in the last six years.
- 6.2 For Pupil Premium Plus, for each pupil identified in the spring school census as being a looked after child or having left local authority care because of adoption, a special guardianship order, a child arrangement order or a residence order, schools receive £2,570 per eligible pupil.

7 RECOMMENDATIONS

7.1 Schools' Forum is recommended to:

- 7.1.1 agree the local funding formula distributes £129.268m funding.
- 7.1.2 note the Teachers' Pay Additional Grant (TPAG) to be confirmed later this term.
- 7.1.3 agree the fair access placement increases agreed in January 2023 with a total estimated cost of £80,000 in 2024/25 is funded from the DSG reserve balance rather than a transfer from the Schools Block to the Central Schools Services Block (CSSB).
- 7.1.4 agree the de-delegation of £0.082m to fund cover for trade union support. This decision is for maintained schools only.
- 7.1.5 Agree the de-delegation of £0.350m as the estimated cost to fund re-organisation costs in 2024/25, where maintained schools meet the related requirements in the Scheme for Financing Schools. This decision is for maintained schools only.
- 7.1.6 confirm the de-delegation of £0.170m to fund the loss of the School Intervention and Brokering Grant, which is used to fund statutory school improvement support and intervention in LA-maintained schools grant funding. This decision is for maintained schools only.

Appendices

Appendix A – School funding formula provisional allocations for 2024/25 (before and after de-delegation) compared to 2023/24

Appendix B – Provisional formula factor values for the funding formula compared to 2023/24

Appendix C – Provisional / Estimated Teachers' Pay Additional Grant (TPAG) 2024/24 and 2024/25

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Background Papers:

Government Funding announcement December 2023

[Dedicated schools grant \(DSG\): 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/dedicated-schools-grant-dsg-2024-to-2025)

ESFA - National Funding Formula (NFF) for Schools and High Needs

[National funding formula for schools and high needs 2024 to 2025 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/123456/national-funding-formula-for-schools-and-high-needs-2024-to-2025)

ESFA – Updated Operational Guidance 2024/25

[Schools operational guide: 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/123456/schools-operational-guide-2024-to-2025)

ESFA – APT2024-25

Implementing the Direct National Funding Formula. Government consultation response

[Implementing the Direct National Funding Formula Government consultation response \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/123456/implementing-the-direct-national-funding-formula-government-consultation-response)