



North Tyneside  
Council

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Item 5b

# Briefing Notes

**To:** Schools Forum

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Resources

**Date:** 15 January 2025

**Purpose of  
the Paper:**

Information	✓
Consultation	✓
Decision	✓

**Title of Briefing: 2025/26 Dedicated Schools Grant Funding Distribution including  
Proposals re: High Needs and Early Years.  
Request for approval of De-delegated and Centrally Retained  
items.  
2024/25 Budget Monitoring for Schools and Deficit Schools**

## 1. Purpose of Paper

- 1.1 This paper provides an outline of the current information available relating to 2025/26 for each funding block of the Dedicated Schools Grant (DSG) following the initial allocations announced on 18 December 2024. It also summarises High Needs and Early Years block funding for 2025/26.
- 1.2 The paper requests approval from Forum for de-delegated and centrally retained items as well as noting the falling rolls and growth funding allocations proposed by the Authority, approved by Forum in November.
- 1.3 The report also contains updates on the 2024/25 budget monitoring position after the first set of monitoring visits to schools.

## 2. 2025/26 Funding Allocations

- 2.1 On 18 December, the Department for Education (DfE) published the initial allocations for each block of the DSG. The DSG will continue to be comprised of four blocks: Schools, High Needs, Early Years and Central Schools Services. Each of the four blocks has its own funding formula.

- 2.2 The North Tyneside allocation for the DSG in 2025/26 uses the October 2024 census and follows the 2024/25 allocation as it includes funding previously allocated as grants for pay awards and pension increases and the Schools Supplementary Grant as shown in table 1 below with prior year figures for comparison;

**Table 1: DSG 2025/26 allocation compared with Prior Years**

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26 Indicative</b>	<b>2025/26 Change</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Schools	140.373	147.654	157.669	168.102	10.433
Central School Services	1.724	1.621	1.579	1.507	-0.072
High Needs	30.092	33.306	34.778	37.486	2.708
Early Years Block	14.844	14.956	24.278	34.297**	10.019**
<b>TOTAL</b>	<b>187.034</b>	<b>197.537</b>	<b>218.304</b>	<b>241.392</b>	<b>23.088</b>
Change per Year £m	7.099	10.503	20.767	23.088	
Change per Year %	3.95%	5.62%	10.51%	10.58%	
PUF	£4,539	£4,771	£5,039	£5,452	
SUF	£5,988	£6,277	£6,604	£7,176	
MPPF: Primary	£4,265	£4,405	£4,610	£4,955	
MPPF: Secondary	£5,525	£5,715	£5,995	£6,465	

\*\* Expansion of Early Years Entitlement

- 2.3 All pay award and pension grants, the 2022/23 Schools Supplementary Grant (SSG), the 2023/24 Maintained Schools Additional Grant (MSAG), 2024/25 Core Schools Budget Grant (CSBG) and the Early Years Budget Grant (EYBG) have now all been rolled into the funding formula, with the exception of special schools who will continue to receive Core Schools Budget Grant in 2025/26 as a separate grant.

### **3. 2025/26 Schools Block Funding**

- 3.1 In 2025/26, as in previous years, the Authority will receive its DSG funding based on the DfE National Funding Formula (NFF). Following

consultation with Schools which took place during October 2024 and subsequent Schools Forum approval, the Authority is proposing to continue to align the Local Funding Formula (LFF) to the National Funding Formula factors, as in 2024/25. The proposed Schools block rates are shown in Appendix A.

### 3.2 The key changes to the schools NFF in 2025 to 2026 are:

- Rolling the 2024 to 2025 teachers' pay additional grant (TPAG), the teachers' pensions employer contribution grant (TPECG) 2024, and the core schools budget grant (CSBG) into the NFF.

For TPAG and TPECG this is done by:

- adding amounts representing what schools receive through the grants into their baselines
- adding the value of the lump sums, basic per pupil rates and free school meals Ever6 (FSM6) parts of the grants onto the respective factors in the NFF
- uplifting the minimum per pupil values by the TPAG and TPECG basic per-pupil values and an additional amount which represents the average amount of funding schools receive from the FSM6 and lump sum parts of the grants

The methodology for rolling in the CSBG into the NFF is the same as for TPAG and TPECG, except that the CSBG 2024 to 2025 grant rates are uplifted to make them annualised before they are rolled in to the NFF. (This is not necessary for TPAG and TPECG, as they were already provided on a full year basis in 2024 to 2025)

- All NFF factor and Minimum per Pupil Funding (MPPF) values have also been increased in addition to the amounts added to reflect roll-in of grants
- The minimum per pupil funding levels will be set at Primary £4,955, Key Stage 3 £6,221 and Key Stage 4 £6,831
- **Split Sites** – Transitional floor protection has been removed on split sites which was only required in 2024/25 when a new formulaic approach was introduced
- **Funding Floor** – 0.5% funding floor has been applied to the Schools Block NFF, with a restricted local formula range to be set between -0.5% and 0.00%
- **Private Finance Initiative** – Amended to reflect the following:

- the lower of the local authority's 2024 to 2025 PFI premises factor (as given on the 2024 to 2025 authority proforma tool (APT)) and the school's PFI funding from the 2024 to 2025 NFF will now be taken as the baseline for calculating the 2025 to 2026 PFI factor
- where PFI contracts expire part way through the financial year, the 2025 to 2026 PFI factor value is pro-rated accordingly
- exceptions to the above are made for local authorities that have provided the department with an affordability model which demonstrate that a different amount is required

3.3 Forum will recall, as discussed at the 13 November 2024 meeting, that the DfE have restricted the range of a Minimum Funding Guarantee (MFG) to between -0.50% and 0.00%. Calculations through the Authority Proforma Tool (APT) are still in early stages due to timing of the funding allocation and release of the APT Tool and we therefore are not yet in a position to confirm affordability in terms of setting the local MFG.

3.4 Forum should note that the Authority Proforma Tool (APT) will be finalised and submitted to the DfE for the 22 January 2025 deadline.

3.5 Schools Forum agreed on 13 November 2024 that growth and falling rolls funding should both be set based on historic averages, growth funding of £0.200m and falling rolls funding of £0.100m. Therefore the total funding available to distribute to schools using the Local Funding Formula is £167.802m. Growth funding assessments for 2025/26 will be carried out once the September 2025 admissions data is available.

3.6 Also at the meeting on 13 November 2024 and following a consultation with all schools, Forum voted against a 0.5% block transfer from the Schools block to the High Needs block. The Authority, in line with the DSG Management plan, have since submitted a disapplication request to the DfE to request the transfer. The impact of the transfer was included in the DSG Management plan for 4 years, from 2024/25.

3.7 The Authority continues to work to consider alternatives if the disapplication request is not agreed. If the disapplication request is approved, Forum agreed that the allocation should impact on all schools by adjusting the MFG and MPPF through the Authority Proforma Tool (APT), in line with statutory guidance, this request was included within the disapplication request.

#### 4. 2025/26 High Needs Block

- 4.1 The £37.486m figure outlined above for the 2025/26 High Needs block reflects the increased DSG funding announced by the DfE and includes funding previously included as separate grants for pay award and pension increases, as in 2024/25. The £2.708m increase is therefore covering these costs going forward. It also includes a deduction of £0.498m made by the Education Skills and Funding Agency for direct funding of places.
- 4.2 The Authority submitted the 2024/25 third and final monitoring report against the DSG Management Plan on 27 November 2024 to the Department for Education (DfE) and reported an in-year projected pressure of £0.759m against the original budget, however the Authority is still confident that the High Needs block will reach a positive in year balance by the year end 2027/28, although the risk around the schools block transfer not being approved by Schools Forum was flagged as a risk.
- 4.3 The latest position as at 30 November is shown in table 2.

**Table 2: Breakdown of High Needs Pressure at 30 November 2024**

	<b>2024/25 Budget £m</b>	<b>November 2024 Forecast £m</b>	<b>Forecast Variance £m</b>
Special Schools and PRU	22.962	23.020	0.058
ARPS and SEN Units	1.676	1.754	0.078
Mainstream Top-ups/Alt Provision/FE Colleges	4.506	5.231	0.724
NMSS/ISP	4.169	5.237	1.068
Commissioned Services / Other EOTAS	2.751	1.746	(1.005)
<b>TOTAL</b>	<b>36.064</b>	<b>36.986</b>	<b>0.923</b>
DSG High Needs Funding	(35.562)	(35.917)	(0.355)
Import/Export LA High Needs Adjustment	0.948	1.140	0.192
School Block Transfer	(0.753)	(0.753)	0.000
<b>24/25 Projected In-Year Deficit</b>	<b>0.697</b>	<b>1.456</b>	<b>0.759</b>
23/24 Deficit Balance B/fwd	10.473	10.494	0.021
<b>Deficit C/F to 25/26</b>	<b>10.474</b>	<b>10.490</b>	<b>0.779</b>

## 5. 2025/26 Early Years Block Funding

- 5.1 On 19 December 2024 the Department for Education released the 2025/26 early years entitlement funding rates for local authorities. Due to the delay in the final funding figures and confirmation of changes to the Early Years Funding Formula, the Authority previously circulated a questionnaire to funded providers asking them to identify the priorities for the local funding formula. The proposed local funding formula has been developed in accordance with the priorities identified in the survey, which were maintaining the base rate and the deprivation rate for 3&4 year olds. The Local Authority recommended option is outlined in the Table 3 below, for Schools Forum consideration.

**Table 3: Proposed Early Years Funding Rates 2025/26**

		2024/25	2025/26
9 Month to 2 Year Old Entitlement (Working Parents)		£9.00	£9.35
2 Year Old Receiving Additional Financial Support (FRAS)		£7.30	£7.55
2 Year Old Entitlement (Working Parents)		£6.90	£7.10
3 & 4 Year Old Hourly Base Rate		£4.88	£5.17
3 & 4 Year Old Hourly Deprivation Supplement	Quartile 1	£0.20	£0.30
	Quartile 2	£0.06	£0.06
3 & 4 Year Old Hourly Quality Supplement – Teachers Pay and Pension Grant Supplement *		£0.33	£0.71
Early Years Pupil Premium		£0.68	£1.00
Additional Payment to Maintained Nursery School		100% pass through of Maintained Nursery School rate	100% pass through of Maintained Nursery School rate
SEN Inclusion Fund (all age groups)		£8.26 per hour	£8.26 per hour
Disability Access Fund		£910 per annum	£938 per annum

\* Available to provision led by a qualified teacher, who is paid according to national teacher pay scales and is a member of the teachers' pension scheme.

## 6. 2025/26 Central Schools Services Block

- 6.1 Funding for the Central Schools Services block has been reduced by DfE in relation to historical funding by £0.102m, which represents a 20% reduction in funding for the historic commitments. Ongoing functions have had an increase of £0.030, representing a 2.81% increase. However the funding for ongoing functions is linked to pupil numbers, so the actual increase is lower, due to a reduction in pupil numbers. Changes in funding are shown in table 4 below.

**Table 4: Allocations for North Tyneside CSSB 2025/26**

	2022/23	2023/24	2024/25	2025/26	Annual Change	
	£m	£m	£m	£m	£m	%
Historical Commitments	0.796	0.637	0.510	0.408	(0.102)	(20.00%)
Ongoing Functions	0.928	0.984	1.069	1.099	0.030	2.81%
<b>Total</b>	<b>1.724</b>	<b>1.621</b>	<b>1.579</b>	<b>1.507</b>	<b>(0.072)</b>	<b>(4.55%)</b>
Change per Year £m	(0.153)	(0.103)	(0.043)	(0.072)		
Change per Year %	(8.15%)	(5.99%)	(2.63%)	(4.55%)		

- 6.2 The list of services provided via CSSB funding is listed in table 5. The net reduction in funding of £0.072m is identified in this table. Forum will recall that authorities can challenge the reasonableness of the reduction in funding by providing relevant evidence to the DfE.
- 6.3 Following consultation with School Forum, the Authority propose to set the funding for these services as identified in table 5 below.

**Table 5: Budgets which form part of the CSSB**

	<b>CSSB 2024/25 Revised £m</b>	<b>CSSB 2025/26 £m</b>
Budget to fund the Schools Support Service	0.397	0.397
Budget to support vulnerable schools.	0.052	0.052
Budget to support the informational requests of the Schools Forum	0.030	0.030
Collective contribution to ongoing pension costs incurred when allowing teachers to leave schools prematurely	0.525	0.525
Schools admission service	0.141	0.141
Former Education Services Grant (Retained)	0.244	0.244
National Copyright Licences	0.190	0.235
Savings to be Identified	-	(0.117)
<b>Total CSSB Funding</b>	<b>1.579</b>	<b>1.507</b>

- 6.4 Once final funding allocations are received the Authority will work with Forum to identify solutions to manage the funding gap for service provision, including but not limited to prioritising key outcomes and reviewing alternative funding such as under a service level agreement or similar.

## **7. De-delegated services**

- 7.1 De-delegated services are for maintained schools only; funding for de-delegated services must be allocated through the mainstream formula but can be passed back, or 'de-delegated', for maintained primary and secondary schools with Schools Forum approval.
- 7.2 The list of the proposed de-delegations for 2025/26 is included in table 6 below.



**Table 6: De-delegation proposals for 2025/26**

<b>Narrative</b>	<b>De-delegated 2024/25 £</b>	<b>De-delegated 2025/26 £</b>	<b>Rate per Pupil £</b>
Budget to support mainstream maintained schools in financial difficulty	111,332	113,597	5.62
Additional Head Teacher / School Support (People Management)	32,488	33,149	1.64
Support for minority ethnic pupils and under-achieving groups. (EMTAS) NB: rate per pupil only applies to pupils that meet the EAL Threshold	243,470	215,284	203.00
			547.75
Assessment of Free school meals eligibility	31,299	31,937	1.58
The current central scheme to cover staff costs – supply cover. E.g. the maternity/paternity/adoption cover scheme, including Union facility time costs and Jury Service	566,962	630,848	31.21
<b>Totals</b>	<b>985,551</b>	<b>1,024,815</b>	

## **8. 2024/25 Schools Budget Monitoring**

- 8.1 Forum will recall that the overall level of school balances at the end of March 2024 was a deficit of £2.930m compared to a deficit of £0.382m as at March 2023. This represented a decrease in balances of £2.548m. Initial school budget plans submitted in May 2024 projected that the overall balance would be £9.707m deficit by March 2025.
- 8.2 Schools have now completed the first set of monitoring for 2024/25 and the position is shown in table 7 below.

**Table 7: 2024/25 Schools Budget Monitoring 1**

<b>Phase</b>	<b>2023/24 Outturn £m</b>	<b>2024/25 Budget Plan £m</b>	<b>2024/25 Projected Year end £m</b>	<b>2024/25 Variance £m</b>
Nursery, First & Primary	4.284	2.333	1.596	(0.737)
Middle	1.267	0.272	0.405	0.133
Secondary	(7.004)	(9.390)	(9.247)	0.143
Special / PRU	(1.476)	(2.922)	(2.747)	0.175
<b>Total</b>	<b>(2.930)</b>	<b>(9.707)</b>	<b>(9.993)</b>	<b>(0.286)</b>

8.3 There is a slight worsening of £0.286m against 2024/25 budgeted deficit with schools now projecting year end balances of £9.993m deficit.

8.4 Schools Forum approved schools in financial difficulty funding of £0.185m at its meeting on 13<sup>th</sup> November 2024. This funding is reflected in the individual schools budget monitoring position.

## **9. 2024/25 Deficits Schools**

9.1 Schools are facing significant financial challenges. There are now 25 schools identified with expected deficits in 2024/25 following budget monitoring submissions, with a total deficit value of £15.650m. In 2023/24 there were 21 schools identified with projected deficits, with a total value of £15.572m. The position of individual schools is outlined in Table 8 below:

**Table 8: Schools in an Expected Deficit Position 2024/25**

<b>School</b>	<b>2024/25 Budget Plan  £m</b>	<b>2024/25 Budget Monitor Projection  £m</b>	<b>Budget Monitor Projected Variance  £m</b>	<b>2024/25 Deficit Comments</b>
Woodlawn	0.105	(0.067)	(0.172)	Emerging
Marden Bridge Middle	0.028	(0.002)	(0.030)	Emerging
Monkseaton Middle	0.028	(0.091)	(0.119)	Emerging
Riverside Primary	0.010	(0.057)	(0.067)	Emerging
Preston Grange Primary	0.002	(0.002)	(0.004)	Emerging
King Edward Primary	(0.003)	(0.040)	(0.037)	Emerging
Fordley Primary	(0.026)	(0.026)	0.000	New 24/25
Whitley Lodge First	(0.035)	(0.057)	(0.022)	New 24/25
Marden High	(0.099)	(0.158)	(0.059)	New 24/25
St Barts Primary	(0.117)	(0.068)	0.049	New 24/25
Wallsend Jubilee	(0.130)	(0.184)	(0.054)	New 24/25
Moorbridge	(0.274)	(0.245)	0.029	New 24/25
Southlands	(0.397)	(0.286)	0.111	New 24/25
Balliol Primary	0.121	(0.017)	(0.138)	Existing
Greenfields Primary	(0.002)	(0.016)	(0.014)	Existing
Forest Hall Primary	(0.105)	(0.115)	(0.010)	Existing
Ivy Road Primary	(0.179)	(0.187)	(0.008)	Existing
Holystone Primary	(0.208)	(0.219)	(0.011)	Existing
Wallsend St Peters	(0.430)	(0.571)	(0.141)	Existing
Silverdale	(0.543)	(0.454)	0.089	Existing
Longbenton Comm C	(0.826)	(0.761)	0.065	Existing
Beacon Hill	(2.003)	(1.907)	0.096	Existing
Norham Comm C	(4.201)	(3.988)	0.213	Existing
Coquet Park First	(0.332)	(0.391)	(0.059)	Structural
Monkseaton High	(5.838)	(5.739)	0.099	Structural
<b>Total</b>	<b>(15.454)</b>	<b>(15.648)</b>	<b>(0.194)</b>	

## **10. Recommendations**

10.1 Members are reminded of who is eligible to vote and the voting table is noted at Appendix B for Reference.

10.2 Schools Forum is asked to;

- Note the update on the allocations for 2025/26 for each of the four funding blocks and the proposals for the distribution of funding;
- Note the changes to the Schools block funding;
- Note the growing pressure on Schools and the increasing number of schools in deficit;
- Note the potential impact on the Schools block if the 0.5% transfer is required following the outcome of the disapplication request;
- Note the pressure on the High Needs block, including the potential impact if the disapplication request to DfE is not approved;
- Note the changes to Early Years funding allocations proposed for 2025/26, the proposed rates as outlined in table 3 and that the funding formula will be shared with the sector prior to implementation;
- Approve the services funded under CSSB as outlined in table 5;
- Approve the de-delegated items rate per pupil outlined in table 6;

## Appendix A

### Proposed School Block Rates for 2025/26 (excluding any block transfer) (100% National Funding Formula)

FACTOR	24/25 NFF (Incl. TPPG & Supplementary)		25/26 NFF (Incl. TPPG & Supplementary)		Difference 24/25 to 25/26	
	Primary	Secondary	Primary	Secondary	Primary	Secondary
<b>Basic entitlement</b>						
Primary (Years R-6)	3,562		3,847		285	
Key Stage 3 (Years 7-9)		5,022		5,422		400
Key Stage 4 (Years 10-11)		5,661		6,113		452
<b>Deprivation</b>						
FSM	490	490	495	495	5	5
FSM6	820	1200	1,060	1,555	240	355
IDACI Band F	235	340	235	340	0	0
IDACI Band E	285	450	285	450	0	0
IDACI Band D	445	630	445	630	0	0
IDACI Band C	485	690	490	695	5	5
IDACI Band B	515	740	520	745	5	5
IDACI Band A	680	945	685	950	5	5
<b>LAC (No longer used)</b>						
<b>EAL</b>	590	1585	595	1595	5	10
<b>Mobility</b>	960	1,380	965	1,385	5	5
<b>Prior Attainment</b>	1,170	1,775	1,175	1,785	5	10
<b>Lump Sum</b>	134,400	134,400	145,100	145,100	10,700	10,700
<b>Sparsity (N/A in NT)</b>	57,100	83,000	57,400	83,400	300	400

## Appendix B – Voting Table

North Tyneside Schools Forum Member Roles & Voting								
de-delegation Primary	de-delegation Secondary	scheme for financing schools	consultation on funding formula	General Duties	Retained Duties	all other matters	<i>last updated September 2019</i>	
1	2	3	4	5	6	7		
Voting							<b>Phase</b>	<b>Role</b>
<b>School Members</b>								
x		x	x	x	x	x	First	Head
x		x	x	x	x	x	Primary	Head
	x	x	x	x	x	x	High	Head
	x	x	x	x	x	x	Middle	Head
	x	x	x	x	x	x	Secondary	Head
<b>Other School Members Non Locality Based</b>								
x		x	x	x	x	x	Primary/ First	Governor
	x	x	x	x	x	x	Secondary/Middle	Governor
		x	x	x	x	x	Nursery	Head
		x	x	x	x	x	PRU	Head
		x	x	x	x	x	Special	Head
			x		x	x	Academy	Other
<b>Non Schools Members Non Locality Based</b>								
		x	x			x	16-19 Providers	Other
			x			x	EY PVI	Other
						x	C of E Diocese	Other
						x	RC Diocese	Other
						x	Trades Union	Other