



North Tyneside  
Council

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Item 7

# Briefing Notes

**To:** Schools Forum

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Resources

**Date:** 17 January 2024

**Purpose of  
the Paper:**

Information	✓
Consultation	✓
Decision	✓

**Title of Briefing: Update on 2024/25 Dedicated Schools Grant Funding  
Distribution including Proposals re: High Needs and Early Years,  
request for approval of De-delegated and Centrally Retained  
items and the proposed growth policy, Budget Monitoring for  
Schools, Schools in Financial Difficulty Funding and School's  
Deficits**

## 1.0 Purpose of Paper

- 1.1 This paper provides an outline of the current information available relating to 2024/25 for each funding block of the Dedicated Schools Grant (DSG) following the initial allocations announced on 19 December 2023. It also summarises High Needs and Early Years block funding for 2024/25.
- 1.2 The paper requests approval from Forum for de-delegated and centrally retained items as well as approval of the falling rolls and growth funding allocations proposed by the Authority.
- 1.3 The report also contains updates on the 2023/24 budget monitoring position after the first set of monitoring visits to schools and use of the additional schools in financial difficulty funding.

## 2. Update on 2024/25 Funding Allocations after publication on 19 December 2023

- 2.1 On 19 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 2024/25 uses the October 2023 census and follows the 2023/24 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: Schools Block 2024/25 allocation compared with Prior Years**

	2020/21	2021/22	2022/23	2023/24	2024/25	2023/24 to 2024/25
	£m	£m	£m	£m	£m	£m
Schools	126.794	137.231	140.373	147.655*	157.670	10.015
Central School Services	2.051	1.877	1.724	1.621	1.563	-0.058
High Needs	22.319	26.709	29.784	33.306	34.970	1.664
Early Years Block	12.771	13.946	14.673	15.597	25.156	9.559**
<b>TOTAL</b>	<b>163.935</b>	<b>179.763</b>	<b>186.554</b>	<b>198.179</b>	<b>219.359</b>	<b>21.180</b>
Move from 17/18 Baseline £m	15.296	31.124	37.915	49.540	70.720	
Move from 17/18 Baseline %	10.29%	20.94%	25.51%	33.33%	47.58%	
Change per Year £m	8.334	15.828	6.791	11.625	21.180	
Change per Year %	5.36%	9.66%	3.78%	6.23%	10.69%	
PUF	£4,083	£4,425	£4,539	£4,771	£5,039	
SUF	£5,427	£5,841	£5,988	£6,277	£6,604	
MPPF: Primary	£3,750	£4,180	£4,265	£4,405	£4,610	
MPPF: Secondary	£5,000	£5,415	£5,525	£5,715	£5,995	

23/24 Updated to reflect final allocations following in-year adjustments

2021/22 onwards includes pay award and pension grants previously separate to DSG, now rolled into funding formula

\* Includes 22/23 Schools Supplementary Grant and 23/24 Maintained Schools Supplementary Grant (MSAG) now rolled into funding formula

\*\* See Section 5 – Expansion of Early Years Entitlement

### **3. Schools block**

- 3.1 In 2024/25, as in each year since 2018/19, the Authority will receive its DSG funding based on the DfE National Funding Formula (NFF). Following consultation with Schools which took place during October 2023 the Authority are proposing to continue to align the Local Funding Formulae (LFF) to the National Funding Formula factors, as in 2023/24. The proposed Schools block rates are shown in Appendix A.
- 3.2 Forum will recall, as discussed at the 9 November 2023 meeting, that the DfE have restricted the range of a Minimum Funding Guarantee (MFG) to between 0.0% and +0.5%. Calculations through the Authority Proforma Tool (APT), subject to final amendments, are showing MFG affordable at 0.5% with a slight shortfall. Capping will therefore be required but this will be minimal. This assumes no block funding transfer to High Needs. There would, therefore, be no residual funding to allocate but schools will all achieve increased rates where their pupil numbers have increased.
- 3.3 Forum should note that the Authority Proforma Tool (APT) will be finalised and submitted to the DfE for the 22 January 2024 deadline.
- 3.4 As in previous years the Authority is proposing to deduct £0.250m from the Schools block to fund falling rolls. In addition, the Authority is proposing to deduct £0.250m to support growth funding. The total funding therefore available to distribute to schools using the Local Funding Formula is £157.170m. Growth funding assessments for 2024/25 will be carried out once the September 2024 admissions data is available.
- 3.5 At its meeting on 9 November 2023 and following a consultation with all schools, Forum voted against a 0.48% 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.

- 3.6 The Authority continues to engage and work with the High Needs Sub-Group to consider alternatives if the disapplication request is not agreed. If the disapplication request is approved, the authority will work with Schools Forum Finance Sub-Group to agree how the reduction will be applied through the Authority Proforma Tool (APT).

#### 4. High Needs Block

- 4.1 The £34.970m figure outlined above for the 2024/25 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 2023/24. The £1.664m increase is therefore covering these costs going forward. It also includes a deduction of £0.448m made by the Education Skills and Funding Agency for direct funding of places.
- 4.3 The Authority submitted the 2023/24 third and final monitoring report against the DSG Management Plan on 15<sup>th</sup> December 2023 to the Department for Education (DfE) and reported that it now has a slight pressure of £0.016m 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 significant risk.
- 4.4 The latest position as at 30<sup>th</sup> November is shown in table 2 below.

**Table 2: Breakdown of High Needs Pressure at 30<sup>th</sup> November 2023**

Provision	2023/24 Budget £m	November 2023 Forecast £m	Forecast Variance £m
Special Schools and PRU	22.388	22.898	(0.510)
ARPS /Mainstream Top-ups	6.065	6.058	0.007
NMSS/ISP	4.305	4.115	0.190
Commissioned Services / Other EOTAS	3.160	3.084	0.076
<b>TOTAL</b>	<b>35.918</b>	<b>36.155</b>	<b>(0.237)</b>
DSG High Needs Funding	(33.606)	(33.307)	(0.299)
<b>In-Year Planned Deficit</b>	<b>2.311</b>	<b>2.848</b>	<b>(0.536)</b>
2022/23 Balance B/F	10.112	9.592	0.520
Safety Valve Funding 23/24	(1.950)	(1.950)	0.000
<b>Deficit C/F to 24/25</b>	<b>10.474</b>	<b>10.490</b>	<b>(0.016)</b>

#### 4.5 **Special Schools and the Pupil Referral Unit (PRU)**

There is an increased pressure of £0.510m relating to this area as the Authority continues to see high numbers of children and young people within the education system with significant needs requiring specialist provision. This is particularly relating to Autism Spectrum Disorder (ASD) and Social, Emotional and Mental Health needs (SEMH). The Authority has increased the numbers of places within special schools to cope with this additional demand.

- 4.6 Special schools are funded at £10,660 per place, plus a top-up based on a banding which is reflective of the needs of each individual child. Funding values for each banding is shown in Table 3 below. The majority of pupils attending special schools attract band 4 and band 5 top-up levels.

**Table 3: Special School Top Up Values by Banding**

Band	Top up value
Band 1	£0
Band 2	£3,341
Band 3	£6,682
Band 4	£9,507
Band 5	£19,221

### **5. Early Years Funding for 2024/25**

- 5.1 On 19 December 2023 the Department for Education released the 2024/25 early years entitlement funding rates for local authorities. Due to the late release of final funding figures and confirmation of changes to the Early Years Funding Formula, the Authority was unable to discuss modelled proposals for North Tyneside's early years funding formula 2024/25 at it's meeting with Early Years Sub-Group in November 2023.
- 5.2 The group did however discuss and agree the principles for allocation of any funding increases to be fully modelled once funding was confirmed. Now that the funding rates are confirmed, the proposed funding formula will be shared with the sector. The Local Authority recommended option, based on the Sub-Group's agreed principles is outlined in table 4 below, for Schools Forum consideration.

**Table 4: Proposed Early Years Funding Rates**

		<b>2023/24</b>	<b>2024/25</b>
9 Month to 2 Year Old Entitlement (Working Parents)		New in 24/25	From Sept 24 – Rate TBC
2 Year Old Receiving Additional Government Support		£5.60	£7.30
2 Year Old Entitlement (Working Parents)		New in 24/25	£6.90
3 & 4 Year Old Hourly Base Rate		£4.64	£4.88
3 & 4 Year Old Hourly Deprivation Supplement	Quartile 1	£0.18	£0.20
	Quartile 2	£0.06	£0.06
3 & 4 Year Old Hourly Quality Supplement – Teachers Pay and Pension Grant Supplement *		£0.22	£0.33
Early Years Pupil Premium		£0.62	£0.68
Additional Payment to Maintained Nursery School		100% pass through of Maintained Nursery School rate allocated by DfE.	100% pass through of Maintained Nursery School rate allocated by DfE.
SEN Inclusion Fund (all age groups)		£8.26 per hour	£8.26 per hour
Disability Access Fund		£828	£910

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

## **6. Central Schools Services Block Funding for 2024/25**

6.1 Funding for the Central Schools Services block has been reduced by DfE in relation to historical funding by £0.127m, which represents a 20% reduction in funding for the historic commitments. Ongoing functions have had an increase of 7.01% as shown in table 5 below.

**Table 5: Allocations for North Tyneside CSSB 2024/25**

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	Annual Change	
					£m	%
Historical Commitments	0.995	0.796	0.637	0.510	(0.127)	(20.00%)
Ongoing Functions	0.882	0.928	0.984	1.053	0.069	7.01%
<b>Total</b>	<b>1.877</b>	<b>1.724</b>	<b>1.621</b>	<b>1.563</b>	<b>(0.058)</b>	<b>(3.58%)</b>
Change from 2017/18 Baseline £m	(0.466)	(0.619)	(0.879)	(0.937)		
Change from 2017/18 Baseline %	(19.89%)	(26.42%)	(35.16%)	(37.48%)		
Change per Year £m	(0.174)	(0.153)	(0.103)	(0.058)		
Change per Year %	(8.48%)	(8.15%)	(5.97%)	(3.58%)		

6.2 The list of services provided via CSSB funding is listed in table 6. The net reduction in funding of £0.058m 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 will set the funding for these services as identified in table 6 below.

**Table 6: Illustrative allocations for North Tyneside CSSB for 2024/25**

<b>Budgets which now form part of the CSSB</b>	<b>CSSB 2023/24 £m</b>	<b>CSSB 2024/25 £m</b>
Budget to fund the Schools Support Service	<b>0.415</b>	<b>0.377</b>
Budget to support vulnerable schools.	<b>0.052</b>	<b>0.052</b>
Budget for the Education Improvement Partnership (secondary schools)	<b>0.040</b>	<b>0.020</b>
Budget to support the informational requests of the Schools Forum	<b>0.030</b>	<b>0.030</b>
Collective contribution to ongoing pension costs incurred when allowing teachers to leave schools prematurely	<b>0.525</b>	<b>0.525</b>
Schools admission service	<b>0.141</b>	<b>0.141</b>
Former Education Services Grant (Retained)	<b>0.244</b>	<b>0.244</b>
National Copyright Licences	<b>0.174</b>	<b>0.174</b>
<b>Total CSSB Funding</b>	<b>1.621</b>	<b>1.563</b>

- 6.4 The Authority will continue to work with Forum to identify solutions to manage the long-term funding gap for service provision via other means, 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 proposals for de-delegations for 2024/25 is included in table 7 below:

**Table 7: De-delegation proposals for 2024/25**

<b>Narrative</b>	<b>De-delegated 2023/24 £</b>	<b>De-delegated 2024/25 £</b>	<b>Rate per Pupil £</b>
Budget to support mainstream maintained schools in financial difficulty	121,611	111,332	5.62
Additional Head Teacher / School Support (People Management)	35,488	32,488	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	226,446	243,470	203.00
			547.75
Assessment of Free school meals eligibility	34,190	31,299	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	584,253	566,962	28.62
<b>Totals</b>	<b>1,001,988</b>	<b>985,551</b>	



## 8. 2023/24 Budget Monitoring for Schools

- 8.1 Forum will recall that the overall level of school balances at the end of March 2023 was a deficit of £0.382m compared to a surplus of £3.398m as at March 2022. This represented a decrease in balances of £3.780m. Initial school budget plans submitted in May 2023 projected that the overall balance would be £8.323m deficit by March 2024.
- 8.2 Schools have now completed the first set of monitoring for 2023/24 and the position is shown in table 8 below.

**Table 8: 2023/24 Schools Budget Monitoring 1**

<b>Phase</b>	<b>2022/23 Outturn £m</b>	<b>2023/24 Budget Plan £m</b>	<b>2023/24 Projected Year end £m</b>	<b>2023/24 Variance £m</b>
Nursery, First & Primary	5.529	2.656	2.042	(0.614)
Middle	1.655	0.488	0.776	0.288
Secondary	(6.822)	(9.638)	(9.283)	0.355
Special / PRU	(0.744)	(1.829)	(1.746)	0.083
	<b>(0.382)</b>	<b>(8.323)</b>	<b>(8.211)</b>	<b>0.112</b>
Schools in Financial Difficulty funding approved by Schools Forum	-	-	0.419	0.419
DfE funding – Supporting maintained schools in financial difficulty	-	-	1.868	1.868
<b>Total</b>	<b>(0.382)</b>	<b>(8.323)</b>	<b>(5.924)</b>	<b>2.399</b>

- 8.3 There is a slight improvement of £0.112m against 2023/24 budgeted deficit with schools now projecting year end balances of £8.211m deficit.
- 8.4 Schools Forum approved schools in financial difficulty funding of £0.419m at its meeting on 9<sup>th</sup> November 2023. This funding is not yet reflected in the individual schools' budget monitoring position.

- 8.5 As Forum are aware, the Authority has also been allocated £1.868m by the Department for Education (DfE) in 2023/24 to support maintained schools in financial difficulty. £20 million was targeted at the local authorities which have the most significant maintained school deficits and it is intended to be used towards the elimination of school deficit balances. It is to support schools facing substantial overall financial challenges which may be driven by factors other than teachers' pay.
- 8.6 As agreed, Schools Forum Finance Sub-group met on 21<sup>st</sup> November 2023 to discuss proposals to allocate this funding. It was agreed by the Sub-group, that as the intention of the funding is to reduce school deficit balances, that the allocation would be based on those balances as at 31<sup>st</sup> March 2024. The school-by-school detail won't be available until balances have been confirmed, but all of the £1.868m will be allocated against 2023/24 deficit schools.
- 8.7 The Sub-group had discussions around establishing criteria for the allocations e.g. setting a minimum % deficit level against budget allocations and schools providing evidence that they are working within their deficit approval. Options for the allocation will be modelled and shared with the Sub-group once 2023/24 year-end balances have been confirmed, but before the allocations are finalised. The balance of the remaining Schools in Financial Difficulty (Headroom) funding £0.159m should continue to be allocated to support as many schools out of deficit within the financial year as possible.
- 8.8 Once the two additional funding streams are applied to the schools' deficits, an adjusted year end deficit balance of £5.924m is projected.

## **9. School Deficits**

- 9.1 Forum will recall from the previous finance updates that some individual schools are expected to face significant financial challenges.
- 9.2 There are now 21 schools identified with expected deficits in 2023/24 following budget monitoring 1 submissions, with a total deficit value of £15.572m. The position of individual schools is outlined in Table 9 below:

**Table 9: Schools in an Expected Deficit Position 2023/24**

<b>School</b>	<b>2023/24 Budget Plan £m</b>	<b>2023/24 Budget Monitor 1 Projection £m</b>	<b>Budget Monitor 1 Projected Variance £m</b>	<b>2023/24 Deficit Comments</b>
Battle Hill Primary	0.015	(0.029)	(0.044)	Emerging
Burradon Primary	0.005	(0.046)	(0.051)	Emerging
Fordley Primary	0.004	(0.123)	(0.127)	Emerging
St Bartholomews Primary	0.008	(0.004)	(0.012)	Emerging
Wallsend Jubilee Primary	0.002	(0.024)	(0.026)	Emerging
Waterville Primary	0.718	(0.011)	(0.729)	Emerging
Southlands Special	0.021	(0.225)	(0.246)	Emerging
Benton Dene Primary	(0.022)	(0.093)	(0.071)	New 23/24
Forest Hall Primary	(0.052)	(0.041)	0.011	New 23/24
Greenfields Primary	(0.041)	(0.050)	(0.009)	New 23/24
Whitehouse Primary	(0.008)	(0.284)	(0.276)	New 23/24
Silverdale Special	(0.079)	(0.034)	0.045	New 23/24
Holystone Primary	(0.129)	(0.130)	(0.001)	Existing
Balliol Primary	(0.125)	(0.095)	0.030	Existing
Wallsend St Peter's Primary	(0.113)	(0.355)	(0.242)	Existing
Ivy Road Primary	(0.164)	(0.176)	(0.012)	Existing
Longbenton High	(1.510)	(1.353)	0.157	Existing
Norham High	(4.352)	(4.343)	0.009	Existing
Beacon Hill Special	(1.946)	(1.899)	0.047	Existing
Monkseaton High	(6.128)	(6.078)	0.050	Structural
Coquet Park First	(0.157)	(0.179)	(0.022)	Structural
<b>Total</b>	<b>(14.053)</b>	<b>(15.572)</b>	<b>(1.519)</b>	

## **10. Recommendations**

10.1 Having read this report and clearly understanding the information provided, Schools Forum is asked to.

1. Note update on the allocations for 2024/25 for each of the four funding blocks and the proposals for the distribution of funding;
2. Note the changes to the Schools block funding and the impact of the changes following 100% movement to the NFF;
3. Note the growing pressure on the Schools block;
4. Note the potential impact on the Schools block if the 0.48% transfer is required following the outcome of the disapplication request;
5. Note the pressure in the High Needs block, including the potential impact if the disapplication request to DfE is not approved
6. Note the changes to Early Years funding allocations proposed for 2024/25 and that the funding formula will be shared with the sector prior to implementation;
7. Approve the services funded under CSSB as outlined in table 6;
8. Approve the de-delegated items rate per pupil outlined in table 7; and
9. Note the proposal for the allocation of the additional 2023/24 Schools in Financial Difficulty Funding.

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

## Appendix A

### Proposed School Block Rates for 2024/25 (excluding any block transfer) (100% National Funding Formula)

FACTOR	23/24 NFF (Incl. TPPG & Supplementary)		24/25 NFF (Incl. TPPG & Supplementary)		Difference 23/24 to 24/25	
	Primary	Secondary	Primary	Secondary	Primary	Secondary
<b>Basic entitlement</b>						
Primary (Years R-6)	3,394		3,562		168	
Key Stage 3 (Years 7-9)		4,785		5,022		237
Key Stage 4 (Years 10-11)		5,393		5,661		268
<b>Deprivation</b>						
FSM	480	480	490	490	10	10
FSM6	705	1030	820	1200	115	170
IDACI Band F	230	335	235	340	5	5
IDACI Band E	280	445	285	450	5	5
IDACI Band D	440	620	445	630	5	10
IDACI Band C	480	680	485	690	5	10
IDACI Band B	510	730	515	740	5	10
IDACI Band A	670	930	680	945	10	15
<b>LAC (No longer used)</b>						
<b>EAL</b>	410	1106	590	1585	180	479
<b>Mobility</b>	945	1,360	960	1,380	15	20
<b>Prior Attainment</b>	1,155	1,750	1,170	1,775	15	25
<b>Lump Sum</b>	128,000	128,000	134,400	134,400	6,400	6,400
<b>Sparsity (N/A in NT)</b>	56,300	81,900	57,100	83,000	800	1,100

## 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