

To: Schools Forum
Date: 19 September 2024

**2025-26 initial Budget Preparations for the Schools Budget
and related matters
Executive Director: People**

1 Purpose of report

- 1.1 To provide an update to the Schools Forum in respect of the 2025-26 Schools Budget for mainstream schools together with other relevant finance related matters.
- 1.2 With the change in national government, the normal July release of core financial information has been paused with no meaningful information released to date. This delay will constrict the time available to set the 2025-26 budget which must be confirmed to the Department for Education (DfE) at individual school level in January 2025.

2 Recommendations

To agree:

- 2.1 **That subject to consideration of school responses to the annual financial consultation and general affordability, the approach to setting the 2025-26 budget should remain broadly the same as for 2024-25, and in particular:**
 - 1. **That there should be no change to the current budget strategy of:**
 - a. as far as possible, replicating the National Funding Formula;
 - b. setting minimum per pupil funding increases between financial years at the lowest amount permitted by the DfE;
 - c. meeting additional diseconomy and post opening costs at new and expanding schools in accordance with the approved policy;
 - d. maintaining a centrally managed Growth Fund for in-year allocation of funds to qualifying schools;
 - e. using the Central Schools Services Block to finance the permitted services.
- 2.2 **That in respect of the Safety Valve programme, the equivalent of 1% of Schools Block remains needed to help finance the High Needs Block deficit and that the planned Block transfer continues as follows:**
 - 1. a funding transfer from individual school budgets capped at 0.5%, estimated at 0.42% of Schools Block funding;
 - 2. the unallocated balance on the Schools Block DSG Growth Fund, estimated at 0.43% of Schools Block funding;
 - 3. a balancing transfer from the Central Schools Services Block estimated at 0.15% of Schools Block funding.

To comment on:

2.3 The proposed outline content of the autumn term financial consultation with schools.

3 Reasons for recommendations

- 3.1 To ensure initial preparations for 2025-26 school and education budgets are presented in the most timely manner to ensure appropriate consideration and agreement in advance of the requirement to submit summary details of individual school budgets to the DfE by January 2025.

4 Alternative options considered

- 4.1 None. The approach proposed is in line with previous consultations with schools and the Schools Forum.

5 Supporting information

Overview

- 5.1 Following the 4 July general election, DfE has indicated that “across government, budgets for 2025 to 2026 are still to be agreed; this includes the 2025 to 2026 schools’ budget, which, as usual, the department will need to agree across government. We will confirm the new timelines following decisions on the core schools budget settlement for 2025 to 2026.” At the time of publishing this report, neither the updated timetable nor key financial data had been released.
- 5.2 In previous years, DfE has announced provisional financial settlement information for each LA for the upcoming financial year by the end of July. This generally includes confirmed Dedicated School Grant¹ per pupil funding rates to be paid to each individual LA and details of how funding rates and any other elements of the Funding Framework have changed.
- 5.3 Whilst budget setting data at individual school level is not usually confirmed until the end of December, such as confirmed pupil numbers, those eligible to a free school meal etc. the general release of funding rates is an important first stage in budget planning for LAs and schools. Early planning is essential to ensure appropriate engagement with the Schools Forum and overall council governance arrangements which all need to be completed before the statutory deadline to publish individual school budgets which is expected to be set at around 22 January 2025.
- 5.4 The absence of national funding information adds further uncertainty to the budget setting process and will result in less time to consider options with the Forum and to make decisions. However, it remains important in terms of financial planning for both for the council and schools to make budget decisions as soon as possible. Therefore, some early matters are being presented now for a decision.

¹ The DSG is the ring-fenced grant allocated by the DfE through a formula to LAs to fund most of their expenditure on school and education related services. Annex 3 sets out more information.

National Funding Framework

5.5 The Forum is aware that the government is reducing local decision making and moving all LA funding arrangements onto the National Funding Formula (NFF)². This will take several years to complete with 2025-26 being the third year of transition to the “direct” schools NFF. In summary, this is expected to continue to require:

1. LAs to only use NFF factors in their local formulae, and must use all NFF factors other than the following optional factors: rates, PFI contracts and exceptional circumstances (requires DfE agreement)
2. LAs to move their local formula factors 10% closer to the NFF values, compared to where they were in 2024-25, unless their local formulae are already so close to the NFF that they are classed as mirroring the NFF. For this purpose, local factor values within +/- 2.5% of the respective NFF values are deemed to be “mirroring” the NFF. Note, as part of the tightening requirement, local authorities are not allowed to ‘overshoot’ the NFF value by more than the 2.5% mirroring threshold.

5.6 In accordance with the agreed budget strategy of the Forum, the BF Funding Formula for Schools is already fully compliant with these new requirements and no new specific actions are therefore required. The 2024-25 NFF policy document that sets out the requirements on LAs to move their formulae closer to the NFF can be found here:

[National funding formula for schools and high needs - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/national-funding-formula-for-schools-and-high-needs)

5.7 With the delay in releasing 2025-26 financial information, it is assumed that no significant changes will be made to the Funding Framework, but that has yet to be confirmed. Annex 1 sets out a summary of 2024-25 financial information.

Mainstreaming of specific school grants

5.8 Whilst there is no update on the 2025-26 NFF rates of funding, there are 3 current specific school grants that the DfE has already announced are intended to be mainstreamed into NFF funding rates in 2025-26, meaning they will cease as separate funding streams for schools next financial year, with the appropriate funding in future paid through the main school budget.

1. The Teachers’ Pay Addition Grant that was paid at £1.576m and is being made available to contribute to the costs arising from the September 2023 Teachers’ Pay Award.
2. The Teachers’ Pension Employer Contribution Grant that is being paid at £1.927m as a contribution to the 5% increase in employer contribution to the Teachers’ Pension Scheme.
3. Core Schools Budget Grant that was paid at £1.213m for 2024-25, with a 2025-26 full year equivalent allocation of £2.079m to contribute to the costs arising from the 5.5% September 2024 Teachers’ Pay award.

For each of these grants, the DfE has indicated it will ensure that the additional funding schools attract through the schools NFF is as close as possible to the funding they would have received if the funding was continuing as a separate grant, without adding

² The NFF distributes funding based on schools’ and pupils’ needs and characteristics and uses the same factor values for all schools across the country. The exception to this being an area cost adjustment (ACA) uplift which is paid to areas with high costs. BF receives a 5.7% ACA uplift.

significant complexity to the formula: Typically this will be through basic per-pupil factor, the FSM6 factor, the lump sum, and the minimum per pupil funding levels.

Areas for local decision making

5.9 A key feature of the budget setting process is the annual financial consultation with schools. This takes place each year for the Forum to consider the outcomes early in the autumn as budget planning develops. Despite the absence of the financial settlement from the DfE, it is considered important from a time availability perspective to seek views now from schools on the relevant areas of the budget that remain subject to local decision making.

5.10 There are usually 3 areas on the consultation.

1. De-delegation. To seek agreement from maintained schools to fund central management of a small range of services where there is a benefit of risk sharing, achieving economies of scale or benefit from an area wide service from doing this e.g. classroom staff maternity leave scheme. DfE do not allow de-delegation to apply to academy schools.

The original intention was to change from the current approach of asking one question seeking permission to de-delegate all requested services, to posing the question seeking permission to de-delegate each individual service.

Taking account of the current redesign of a number of related services in the HNB budget and the increasing number of schools converting to academies that then retain their de-delegation funds, the amount of funds received from de-delegation is diminishing each year and presents a financial challenge to the council. Therefore, the proposal is to continue with the single question for de-delegation of all services in 2025-26, and to complete a review of relevant services to establish a sustainable model going forward.

Annex 2 sets out a summary of de-delegated services and approximate amounts for 2024-25.

2. Contribution by maintained schools to LA statutory duties. To contribute £20 per pupil to LA education related statutory duties where the DfE has withdrawn £1.6m of grant funding but still requires LAs to meet all the duties.
3. Rate of the Minimum Funding Guarantee (MFG). To provide a degree of funding stability between financial years, each LA needs to set a minimum change in per pupil funding that a school can experience compared to 2024-25. For 2024-25, DfE permitted a range to the rate of between +0.0% and +0.5%. Reflecting the difficult financial settlement, the Forum agree the minimum +0.0% increase for 2024-25. It is proposed to continue with setting the change at the minimum amount permitted.

5.11 These questions are necessary as the Schools Forum is required to decide each year on some budget matters and therefore needs to be confident that these are taken in the light of current opinions.

5.12 Responses to the consultation are expected to be reported to the Forum at the next meeting on 14 November.

5.13 In addition to the annual financial consultation, there are 3 further local budget making decisions that are presented each year directly to the schools Forum.

1. Diseconomy and other funding allocations to new and expanding schools. These are proposed to continue unchanged from 2023-24 policy update with

top up funding applied for diseconomy and post opening costs. The full policy can be found here:

[2023-24 Funding Policy for New and Expanding Schools.pdf](#)

2. Maintaining a centrally managed growth fund³ to support schools experiencing significant in year increases in basic need pupils, agreed in advance with the council. The Forum agreed an updated policy in June and can be found here: [\(ITEM \) \(bracknell-forest.gov.uk\)](#)
3. Retention of a share of the Central Schools Services Block DSG allocation for management by the council on permitted, defined services. The agreed use for 2024-25 is set out in Annex 3.

Safety Valve / Block transfer / top slice

- 5.14 A separate agenda item presents the Forum with an update on the Safety Valve (SV) programme for which there are widespread financial implications, including on schools, particularly through the Block Transfer of funds to the HNB.
- 5.15 In setting the 2024-25 Schools Block budget, the Forum recognised the need to find a balanced approach to funding the current and future deficit which would continue to increase and reach a total of over £50m (representing 50% of the Council's annual budget) without further options being pursued. Bracknell Forest Council had considered not joining the Safety Valve programme, however participation would give the local authority more financial resources, including capital for investment, and support that would not be otherwise available.
- 5.16 The key factors affecting the financial pressure were recognised as:
1. Increasing numbers of pupils with a statement or Education Health Care Plan (EHCP)⁴.
 2. A shortage of local provision results in an over reliance on relatively expensive independent, non-maintained special schools (INMSS).
 3. Increases in grant income from the DfE have been insufficient to finance the increase in expenditure.
- 5.17 It was recognised that there was a need to find a balanced approach to funding the current and future deficit, particularly in the next few years before the planned new local schools will be available for placements. Agreement was therefore reached with schools to transfer the equivalent of 1% of the Schools Block Budget to the High Needs Block. 0.43% of this related to a maximum 0.5% top slice to individual school budgets, 0.42% from reduced allocations from the Growth Fund with the remaining 0.15% from a transfer from the Central Schools Service Block through reduced contributions to LA education related statutory duties.
- 5.18 Whilst the local authority projected the top slice to last for the duration of the Safety Valve programme, it has committed to reversing the top slice should the financial situation to improve sufficiently. At this stage of the programme, there is no change in

³ The Growth Fund comprises 3 elements: funding for significant in-year increases in pupil numbers at existing schools; allocations to schools requiring additional financial support to meet Key Stage 1 Infant Class Size Regulations; and pre-opening, diseconomy and post opening costs for new schools.

⁴ An EHCP is a legal document that describes a child or young person's special educational, health and social care needs. It explains the extra help that will be given to meet those needs and how that help will support the child or young person.

the key factors affecting the financial pressure and the top slice therefore needs to remain in place.

- 5.19 As the top slice contribution is already built into 2024-25 school budgets, from 2025-26, funding settlements for schools in Bracknell Forest are expected to be at the same level of increase as included in the financial settlement from the government

Issuing 2025-26 budgets to schools

- 5.20 Publication of 2025-26 individual school budgets will follow last year's timeline, with provisional budgets issued in early January 2025 and final budgets in March 2025. The expectation is that the January provisional budgets will reflect the schools funding settlement for 2025-26 and October 2024 verified census data (subject to this being provided by the DfE no later than mid-December) and the final budget decisions of the Schools Forum and will therefore be very close to final allocations.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 There are no legal issues arising from this report that requires specific legal comments.

Executive Director: Resources

- 6.2 Included within the supporting information.

Equalities Impact Assessment

- 6.3 A decision on the need for an EqIA will be taken when the final budget proposals are confirmed.

Climate Change Implications

- 6.4 The recommendations from this report are not expected to have an impact on emissions of carbon dioxide.

Strategic Risk Management Issues

- 6.5 Whilst the funding reforms and financial settlement in general result in schools receiving additional funds, a number of strategic risks exist, most significantly:
1. Absorbing the financial impact of the Block Transfer / top slice
 2. Insufficient funding to cover anticipated pay and price inflation and changes in contributions to the Pension Funds.
 3. The ability of schools with licensed deficits to manage their repayments.
 4. The ability of schools with falling rolls to balance their budgets
 5. Managing the additional revenue costs arising from increased number of high needs pupils.
 6. The ability of schools to achieve school improvement targets.
 7. Emerging, significant inflationary pressures.
- 6.6 These risks will be managed through support and assistance to schools in the budget setting process which is a well-established programme. It has ensured that schools

develop medium term solutions to budget shortfalls and draws on funding retained to support schools in financial difficulty or through the allocation of short to medium term loans. There remains a de-delegated budget of £0.152m (2024-25 amount after academy deduction) to support maintained schools in financial difficulties that meet qualifying criteria – subject to on-going agreement to the funding.

7 CONSULTATION

Principal Groups Consulted

- 7.1 People Directorate Management Team. Further consultation is planned with school governors, head teachers, Schools Forum and other interested parties throughout the budget setting process.

Method of Consultation

- 7.2 Written reports to People Directorate Management Team and Schools Forum; formal consultation with schools.

Representations Received

Included in body of the report.

Background Papers

None:

Contact for further information

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Doc. Ref: [https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools Forum/\(124\) 190924/2025-26 Schools Budget Initial Budget Preparations.docx](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools%20Forum/(124)%20190924/2025-26%20Schools%20Budget%20Initial%20Budget%20Preparations.docx)

**2024-25 Financial Settlement and national funding arrangements
(included for information in the absence of DfE confirming 2025-26 position)**

Schools Budget:

Overview

1. The key parts to the way school and education related funding are to be allocated next year are:
 - a. The DfE will be using the same separate formulae to allocate funding to LAs for SB, CSSB, High Needs (HN) pupils and Early Years (EY) provisions.
 - b. The DfE place a ring-fence on funding provided to LAs for schools and education. This means it can only be used for the purposes defined by the DfE and cannot be diverted to fund other costs.
 - c. In line with the DSG conditions of grant, LAs can transfer up to and including 0.5% of their SB funding into another block, with the approval of their schools forum. Without schools forum agreement, or where they wish to transfer more than 0.5% of their schools block funding into one or more other blocks, local authorities must submit a disapplication request to the Secretary of State.
 - d. The DfE will continue to use the NFF to calculate each school's individual budget with no changes in the factors used. The NFF distributes funding based on schools' and pupils' needs and characteristics and uses the same factor values for all schools across the country. The exception to this being an area cost adjustment uplift which is paid to areas with high costs, such as those paying London Weighting to staff salaries. BF receives a 5.8% uplift.
 - e. As set out above, there are some new minimum requirements on LAs to replicate the NFF, all of which BF currently achieves and no further action is required.
 - f. LAs will continue to receive funding based on the DfE running each school's data (mainly October 2022 census, so lagged) through the NFF at confirmed 2024-25 factor values and aggregating together every school's allocation to determine the amount to be paid to that area. This is then converted to an average primary and secondary per pupil funding value which with final October 2023 pupil numbers will be used to calculate each LAs 2024-25 funding for their schools. This approach aids financial planning as it allows for the early publication of each LAs confirmed per pupil funding rates.
 - g. DfE also allocate funds to LAs for premises related costs, most significantly for business rates. These are allocated on a lagged actual cost basis.
 - h. LAs can also receive funding through a growth factor, based on the observed increases between the primary and secondary number on roll in each LA within Middle Layer Output Areas (MSOA)⁵. between the October 2022 and October 2023 school censuses.

⁵ Middle Layer Super Output Areas are a geographic hierarchy designed to improve the reporting of small area statistics in England and Wales. They have a minimum size of 5,000 residents and 2,000 households with an average population size of 7,800. They fit within local authority boundaries.

- i. Whilst LAs have responsibilities to set funding allocations for their schools, they must work within parameters set by the DfE which very closely follow the NFF and other national priorities.
 - j. In allocating funds to schools, LAs must use pupil and other relevant data provided by the DfE which is generally made available at the very end of the autumn term.
2. There are a small number of changes to the national process to allocate funds.
- a. Introducing a new formulaic approach to allocating split sites funding in the NFF, replacing the previous locally determined split sites factor. Note, there are no qualifying schools in BF so this has no impact.
 - b. The new Mainstream Schools Additional Grant (MSAG) that was introduced in April 2023 to support schools to meet rising costs is being rolled into the schools NFF from 2024-25 and will no longer be paid separately. The aim of the approach for rolling the grant into the schools NFF is to ensure that the additional funding schools attract through the NFF is as close as possible to the funding they would have received if the funding was continuing as a separate grant in 2024-25, without adding significant additional complexity to the formula. This amounted to £3.0m in 2023-24.
 - c. In calculating low prior attainment proportions, following the cancellation or incompleteness of both EYFSP and KS2 assessments in summer 2020 and summer 2021 due to coronavirus (COVID-19), local authorities will not be able to use assessment data from these years in the low prior attainment factor in their local funding formulae. Instead, local authorities will use 2019 attainment data as a proxy for the missing assessments in 2020 and 2022 attainment data as a proxy for the missing assessments in 2021. This is a change from 2023-24 when 2019 attainment data was used as a proxy for the missing assessments in both 2020 and 2021 and has the potential to introduce some turbulence to the allocation of funds, which can be assessed once the DfE issue relevant data in December.
 - d. In respect of falling rolls, for the first time, funding will be allocated to LAs on the basis of falling rolls, as well as growth. LAs can use this funding to support schools which see a short-term fall in the number of pupils on roll.

National funding decisions for 2024-25

Note: all amounts quoted for BF in this section are provisional and subject to update as budget calculations progress and the final data is released by the DfE.

- 3. Overall, core schools funding (including funding for mainstream schools and high needs) is increasing by £1.8 billion in 2024-25 compared with the previous year. Funding for mainstream schools through the schools NFF is increasing by 2.7% per pupil compared with 2023-24. The estimated increase in BF is also 2.7%.
- 4. The main features of the settlement are:
 - a. The key factors in the NFF will increase by 2.4% i.e. basic per-pupil funding, low prior attainment (LPA), free school meals at any time in the last 6 years (Ever6), income deprivation affecting children index (IDACI), English as an additional language (EAL), high pupil mobility and the lump sum.

- b. Current free school meals will increase by 1.6%.
 - c. After reflecting the impact of mainstreaming the MSAG, the minimum per pupil funding levels (MPPFL)⁶ have been increased by 2.4% and will ensure that every primary school receives at least £4,655 per pupil (£4,405 in 2023-24), and every secondary school at least £6,050 per pupil (£5,715 in 2023-24).
 - d. Provisional data indicates that the same 6 BF primary schools will be funded at these MPPFLs as in 2023-24. All secondary schools are again provisionally above the MPPFL.
 - e. Where the normal operation of the NFF does not allocate a minimum level of increase in per pupil-led funding compared to its 2023-24 NFF baseline, top-up funding is added to meet this rate of increase i.e. the Minimum Funding Guarantee (MFG)⁷. LAs have discretion to set the amount of MFG in their area, but it must be between +0.0% and +0.5%.
 - f. Provisional data based on October 2022 Census point indicates that if MFG was agreed to be set at the maximum of +0.5%, then all schools would be above this level compared to 2023-24 when 2 schools receiving additional support totalling £0.004m.
5. Using this initial data indicates that average per pupil funding for BF primary schools – excluding new schools where funding rates are very volatile due to significant changes in pupil numbers between years - will increase by 2.8% to £4,856 and secondary schools by 2.5% to £6,552. Average per pupil funding is £5,561, up 2.6%.
6. In addition to the key elements of the funding settlement set out directly above, the DfE has also confirmed the arrangements to pass on additional funding to schools for additional costs arising from the September 2023 Teachers' Pay Award. There will be a new specific grant, the Teachers' Pay Additional Grant (TPAG), and this will be made available from September 2023 to March 2024 and for the whole of the 2024-25 financial year. The expectation is that TPAG will be mainstreamed into the NFF rates from 2025-26. LAs must pass on to individual maintained schools the amount specified by the DfE. DfE will directly fund academies.
7. The TPAG has no time limit for spending, but conditions specify it must be spent:
- for the purposes of the school; or
 - for the benefit of pupils registered at other maintained schools or academies, pupil referral units or hospital schools

The funding rates for the 7 months payable in financial year 2023-24 are subject to the area cost adjustment. This uplifts BF rates by 5.8% compared to the core national rates and are as follows:

- a basic per-pupil rate of £38.08 for primary pupils, including pupils in reception
- a basic per-pupil rate of £52.89 for key stage 3 pupils
- a basic per-pupil rate of £60.30 for key stage 4 pupils
- a lump sum of £1,422.87

⁶ The NFF includes MPPFLs that are applied equally to all primary and secondary schools (£4,655 and £6,050 respectively in 2024-25). LAs must also apply these minimum rates in their local funding formula. The only factors not included in per-pupil funding for the purpose of the MPPFL calculation are premises e.g. business rates, split site factor and growth funding.

⁷ The MFG compares per pupil funding allocations between years and where the change is below the minimum threshold, a funding top-up is added to meet the minimum per pupil change requirement. The MFG calculation required by the DfE excludes funding for business rates and fixed lump sum allocations. The cost of top-up funding is financed by scaling back increases to schools experiencing the highest proportional funding gains.

- an FSM6 per-pupil rate of £32.79 per eligible primary pupil
- an FSM6 per-pupil rate of £47.61 per eligible secondary pupil

The TPAG is expected to allocate £0.911m to BF schools in 2023-24. Schools have been notified of their provisional allocation. 2024-25 funding rates will be at twelve sevenths of the funding rates in 2023-24 and subject to changes in core data e.g. pupil numbers etc, the allocation to BF schools is estimated at around £1.6m, 1.7% per pupil.

CSSB:

8. The CSSB covers funding allocated to LAs to carry out central functions on behalf of pupils in maintained schools and academies. CSSB funding is split into funding for ongoing responsibilities and funding for historic commitments. For 2024-25, CSSB NFF funding is estimated at £0.542m, a decrease of £0.013m from 2023-24.
9. The ongoing responsibilities element of the CSSB is allocated to LAs using a pupil-led formula. The formula now uses three factors: a basic per-pupil factor, through which LAs receive the majority of funding (nationally 90% of funds are allocated through this factor), a deprivation per-pupil factor (10% of national funds), and the new copyright licences per pupil factor to fund the additional costs of copyright licences that LAs faced in 2023-24, which amounts to £5.5m of which BFC received £0.010m.
10. There is a protection to ensure no LA sees losses of greater than 2.5% of their per pupil I funding for ongoing responsibilities (excluding the additional funding for copyright licences). BF will receive a 2.9% increase in per pupil funding in 2024-25 which is below the national average increase of 3.5%. £0.709m is the provisional allocation.
11. The historic commitments element of the CSSB, which funds some LAs for commitments they made in prior years that support the most vulnerable pupils is being reduced by 20% per annum from LA funding. This commenced in 2020-21 and for 2024-25, equates to a £0.033m funding reduction with associated income falling to £0.133m from £0.166m. Funding has now reduced by £0.273m from the £0.406m received in 2019-20.
12. The Forum agreed to fund £0.125m of the funding shortfall and this is assumed to continue.
13. Annex 3 sets below out the services permitted to be charged to the CSSB and the 2024-25 budget amounts.

2024-25 de-delegated budgets

- As a result of previous consultations, schools will be aware that national funding arrangements require all LAs to delegate funding to mainstream schools for the same services and functions, with a general presumption of maximum delegation. However, where relevant school representatives on a Schools Forum agree that the whole budget for their phase e.g. primary or secondary should be returned to the Council for central management, this is allowed, but only in respect of a small number of services. This recognises that there are reasons of cost effectiveness, shared risk management and ease of organisation and management that a strategic approach can bring.
- The DfE term this approach 'de-delegation' **and it applies only to maintained primary and secondary schools**. Academy schools are responsible for providing these services and therefore receive their share of 'de-delegated' budgets direct, with some being available for purchase from the council. 'De-delegation' is not relevant to special schools or pupil referral units as these institutions are funded from separate High Needs budgets where the DfE requires different arrangements to apply.
- Overall, around £1.7m of Schools Block funding is involved in BF and covers contingencies (including schools in financial difficulties and exceptional costs in primary schools), support to underperforming ethnic groups and bilingual learners, CLEAPSS subscriptions, staff supply cover costs, premature retirement / dismissal cost, free school meal eligibility checking and Behaviour Support Services. In general, a per pupil deduction is made to maintain school budgets and passed back to the council to use to fund central management of the services.
- The relevant services affected are summarised below in Table 1. When asked, schools have always supported on-going 'de-delegation' of services, with 97% of respondents on average agreeing in each of the last 5 years.

Table 1: Services subject to de-delegation at April 2025 (April 2024 approx amounts)

Ref	Service area	Gross budget £k	Academy deduction £k	LA to manage £k
Items requested for-de-delegation				
1	Contingencies; support to schools in financial difficulty and exceptional costs (1)	370	-218	152
2	Support to underperforming ethnic minority and bi-lingual pupils	208	-81	127
3	CLEAPSS licence fees	1	-1	0
4	Staff supply for official absences (1, 2)	597	-313	284
5	Premature retirement / dismissal costs (1)	78	-41	37
6	Free school meals eligibility checking	28	-15	13
7	Behaviour and Education Support Team	374	-163	211
8	Anti-bullying co-ordinator	31	-16	15
	TOTAL	1,687	848	839

- Not available for buy-back by academy schools
- Includes maternity leave, trades union and suspensions.

2024-25 approved Central School Services Block Budgets

Budget Area	Central Schools Services Budget		
	2023-24 Final Budget	2024-25 Proposed Budget	Change
Combined Services Budgets:			
Family Intervention Project	£100,000	£100,000	£0
Educational Attainment for Looked After Children	£133,590	£133,590	£0
School Transport for Looked After Children	£42,740	£42,740	£0
Domestic Abuse	£2,000	£2,000	£0
SEN Contract Monitoring	£32,680	£32,680	£0
<i>Central School Services - historic commitments</i>	£311,010	£311,010	£0
<u>Other Permitted Central Spend</u>			
<u>Miscellaneous (up to 0.1% of Schools Budget):</u>			
Forestcare out of hours support service	£5,150	£5,150	£0
Borough wide Initiatives	£9,720	£0	-£9,720
Support to Schools Recruitment & Retention	£5,000	£0	-£5,000
<u>Statutory and regulatory duties:</u>			
'Retained' elements	£290,680	£15,690	-£274,990
<u>Other expenditure:</u>			
School Admissions	£202,025	£202,025	£0
Schools Forum	£20,935	£20,935	£0
Boarding Placements for Vulnerable Children	£50,000	£50,000	£0
Central copyright licensing	£85,560	£103,190	£17,630
<i>Central School Services - on-going responsibilities</i>	£669,070	£396,990	-£272,080
Total Central School Support Services	£980,080	£708,000	-£272,080
<u>Funding</u>			
Historic commitments	£166,170	£132,940	-£33,230
On-going responsibilities	£688,670	£715,060	£26,390
Total Funding	£854,840	£848,000	-£6,840
Transfer from Schools Budget	£125,240	£0	-£125,240
Transfer to High Needs Block Budget	£0	-£140,000	-£140,000
Central School Services Total Funding	£980,080	£708,000	-£272,080

Yellow shaded cells highlight the £0.265m cost transfer to BFC.

Summary of the Dedicated Schools Grant

The DSG is a ring-fenced specific grant and is the main source of income for schools' budgets. It is split into four sections:

1. Early Years Block
2. Schools Block
3. High Needs Block (HNB)
4. Central Schools Services Block (CSSB)

Early Years Block

- Free entitlement for 3- and 4-year-olds
- Extended entitlement for eligible 3- and 4-year-olds
- Free entitlement for some 2-year-olds

N.B. (From April 2024 there will be additional funding for 2-year-olds for working parents and from September 2024 from the term after the child turns 9 months there will be additional funding for working families).

Schools Block

- Main part of mainstream schools' budget
- Calculated on a locally determined formula using several funding factors
- Schools block also contains a Notional SEND amount which is calculated within the locally determined formula. This money supports pupils requiring SEND support
- The SEND funding for schools is based on the following considerations:
 - i. Basic entitlement
 - ii. Prior attainment (how the school has performed over the past years)
 - iii. Social deprivation
 - iv. Lump sum

How are academies funded?

Academies get the same level of funding for each pupil as a local authority school in the same area, and their SEND notional budget is also worked out in the same way. Academies do get extra funding, but this is not related to SEND, it is for services that academies have to buy for themselves.

High Needs Block (HNB)

Element 3 funding or 'top up' is provided by the Local Authority after a statutory assessment has been carried out and an Education, Health and Care Plan (EHCP) has been agreed.

However, not all the high needs funding is given to schools for individual pupils. Some is used for the following:

- State funded special schools
- Specialist Resource Provisions (SRPs) and Units
- Places in alternative provision, such as the PRU and Tuition Service
- Central services, for example speech and language service

Central Schools Services Block (CSSB)

The CSSB covers funding allocated to local authorities to carry out central functions on behalf of pupils in maintained schools and academies in England.

The CSSB is split into two elements:

- Funding for ongoing responsibilities
- Funding for historical commitments (20% reduction annually by the DfE)