

BRIEFING PAPER

SUBJECT: LA UPDATE ON DFE/ESFA FUNDING ANNOUNCEMENTS
DATE: 25 September 2024
RECIPIENT: School's Forum

SUMMARY:

1. Core schools budget grant (CSBG)
2. Central Services Block
3. High Needs Block
4. Use of surplus funds

BACKGROUND and BRIEFING DETAILS:

Core schools budget grant

1. In July the DFE announced additional funding through CSBG to support schools with costs in 2024/25 financial year, in particular following confirmation of the 2024 teacher pay award.
2. The funding through the CSBG covers the 7 month period from September 2024 to March 2025. The funding allocations are expected to be announced in September.
3. The DFE will pay the grant in November 2024 for local authorities and December 2024 for academies.

Central Services Block

4. Funding for the Central School Services Block (CSSB) for 2024/25 reduced by a further £0.050M. The cumulative reduction increasing from £0.186M to £0.236M. In January 2024 Schools Forum agreed to a block transfer of £0.220M to avoid a reduction in the level of provision of Education support services.
5. The revised funding for the central school services is summarised below

Description of Movement	Sum of Movement (£M)
Central school services allocation	1.610
Block Transfer from schools block	0.220
Central school services block funding	1.830

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6. The budget for the schools admissions and the schools copyright licences are held within the CSSB.

Service	£M
Admissions	0.422
Schools Copyright Licences	0.152
Central Schools Services Block	0.574

7. The Admissions service and Schools Copyright licences are directly allocated against the CSSB grant. In addition to this contributions from CSSB are made to the Early Help service within social care and the Education Service as summarised in the following table

Allocation of CSSB Resource	£M
Admissions	0.422
Schools Copyright Licences	0.152
Contribution to Early Help	0.504
Contribution to Education Services	0.752
Total allocation	1.830

8. The net budget for the Education Services are listed in the following table

Education Service Team	Net Budget £M
Virtual School	0.000
Standards & School Improvement	0.329
Music Service	0.001
Education Psychologists.	0.811
Statutory EWO's	0.484
Southampton Language Service	0.025
Inclusion Management	0.426
Young Carers Service	0.050
Post 16 Education	0.274
Total	2.400

9. A review of the Admissions budget shows a small pressure of £0.006M which is mostly due to the estimated impact of the pay award. It should be noted that this estimate is based on the latest offer but that is yet to be agreed. There is a pressure of £0.011M regarding the schools copyright licences (this pressure has reduced as a credit note was issued due to an overcharge)

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High Needs Block

10. The High Needs Block allocation, after deductions for academies recoupment is £40.355M. The planned spend is outlined in the table below with a contingent sum of £1.2M set aside to reduce the DSG deficit

Service	£M
Language Intervention Team	0.083
Early Years Teachers/SENCO	0.385
Portage.	0.301
Pupils with EHCP's	5.985
Early Years Sen Funding	1.116
OLA Special School Placements	0.655
Specialist Teacher Advisors	0.557
Payments to colleges re EHCPs	1.115
Education Placements	5.179
Special School Funding	20.597
Outreach Funding	0.376
Pupil Referral Unit	2.130
Newlands RBD	0.347
Hospital Outreach	0.250
Contingency / deficit reduction	1.279
Total Allocation	40.355

Unallocated Funds

11. The unallocated balance of £0.375M discussed briefly at the previous meeting.
12. Further advice has been sought from the DFE regarding this scenario. The only expenditure that could be incurred that complies with the DSG regulations would need to be related to the retained duties of the local authority (that apply to both maintained schools and academies). Value added strategic work would not therefore be compliant with the DSG regulations.
13. In-year reallocations to schools cannot be made as these do not comply with the annually made school finance regulations.
14. Any unused balance will be allocated to the reserve at the end of the financial year. The reserve depends on whether there is an in-year underspend or overspend on the DSG budget overall.
15. Given the value of the DSG deficit £7.105M and the risk that the current statutory override is not extended beyond March 2026 the strong recommendation is that the unallocated funds are used to reduce the deficit.

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Further Information Available From:	Name:	Steve Wade
	E-mail:	Steve.Wade@Southampton.gov. uk

