



Shropshire Council  
Legal and Democratic Services  
Shirehall  
Abbey Foregate  
Shrewsbury  
SY2 6ND

Date:

**Committee:  
Schools Forum**

**Date:** Thursday, 23 January 2025  
**Time:** 8.30 am  
**Venue:**

You are requested to attend the above meeting.  
The Agenda is attached

Tim Collard  
Assistant Director - Legal and Governance

**Members of Schools Forum**

Mark Rogers  
Marilyn Hunt  
Stephen Matthews  
Reuben Thorley  
Sandra Holloway  
Alison Ashley  
Georgia Moss  
Mark Cooper  
Bill Dowell  
Carla Whelan  
Sue Lovecy  
Sarah North

Sarah Finch  
Lisa Henshall  
Rachel Williams  
Sarah Godden  
James Pearson  
James Staniforth  
John Hitchings  
Shelly Hurdley  
Sian Lines  
Charles Thomas  
Andrew Smith

Your Committee Officer is:

**Jo Jones** DSG Funding Co-Ordinator, Learning and Skills – People Directorate  
Tel: 01743 254343  
Email: [Jo.Jones@shropshire.gov.uk](mailto:Jo.Jones@shropshire.gov.uk)

# AGENDA

- 1      **Apologies** (Pages 1 - 38)
  
- 2      **Minutes and Matters Arising - 12 December 2024** (Pages 39 - 42)  
  
Paper A attached.
  
- 3      **Verbal Update on Shropshire Council Financial Sustainability (David Shaw)**
  
- 4      **Schools Funding Arrangements 2025-26 Update (Sam Bradley)** (Pages 43 - 48)  
  
Paper B attached.
  
- 5      **Dedicated Schools Grant Monitoring 2024-25 (Stephen Waters)** (Pages 49 - 56)  
  
Paper C attached.
  
- 6      **Early Years Funding 2025-26 (Andy Nicholls)** (Pages 57 - 66)  
  
Paper D, attached.
  
- 7      **GSP and Top-Up Funding Update Presentation**
  
- 8      **Schools Forum Work Programme 2025-26 (Sam Bradley)** (Pages 67 - 68)  
  
Paper E, attached.
  
- 9      **Communication**
  
- 10     **Future meeting dates**

Thursday 20 March 2025	8.30 – 10.30	Microsoft (MS) Teams
Thursday 19 June 2025	8.30 – 10.30	Microsoft (MS) Teams
Thursday 11 September 2025 (tbc)	8.30 – 10.30	Face to Face (tbc)
Thursday 13 November 2025 (tbc)	9.00 – 11.00	Microsoft (MS) Teams

Thursday 11 December 2025 (tbc)	9.00 – 11.00	Microsoft (MS) Teams
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# Schools Forum

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Thursday 23 January 2025

Via MS Teams

Agenda Item 1

# Schools Forum online meeting

- In order to facilitate the smooth operation of the meeting:
- Please mute your microphones when not speaking
- Officers will briefly present their reports, using a PowerPoint presentation to get across the key aspects
- Use the 'Raise your hand' facility if you would like to raise a question or comment
- Alternatively use 'Chat' to advise the Chair that you would like to speak
- Turn off your video if bandwidth becomes an issue
- Please note that this meeting is being recorded and will be posted on YouTube





**Paper A**  
**Minutes and Matters Arising**  
**12 December 2024**  
**(Bill Dowell)**

## Minutes and matters arising - 12 December 2024

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	Action	Name	Update
1.	Send out revised consultation on pupil growth contingency, including context and contact details for primary maintained representatives to all relevant schools	SB	Revised consultation issued and school forum representatives voted B non de-delegation of pupil growth contingency
2.	Organise training session for forum members to provide context and history on the ongoing responsibilities, de-delegation and top slicing and funding decisions to primary and secondary heads prior to decisions being required in Autumn term 2025-26	DS	To be arranged during the Autumn term 2025.





## **Verbal Update**

# **Shropshire Council Financial Sustainability (David Shaw)**



## **Paper B**

# **School Funding Arrangements 2025-26 (update)**

**(Sam Bradley)**

## School Funding Arrangements 2025-26

### Update to the schools NFF for 2025-2026

- Following the guidance of NFF and completion of APT, comparison below is based on the difference between 24-25 and 25-26 funding

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25-26 Post MFG Budget	24-25 Post MFG Budget	Increase to budget from 24-25 to 25-26	% Increase
£222,586,325	£209,066,275	£13,520,050	6.47%
<p><i>Notes:</i> Shropshire's allocation followed NFF factor values provided in the APT.</p> <p>Difference in budgets will also be due to a movement in the NOR, therefore you cannot compare budgets from year to year if the NOR has changed.</p>			

## School Funding Arrangements 2025-26

### Update to the schools NFF for 2025-2026

147 funded schools

20 secondary schools

127 primary schools

• Overall

Funding in the DSG Schools Block increased by 6.47%  
(£13,520,050) in Shropshire from 24-25 to 25-26

- 12 schools received an increase of 5.18% to 20.0%
- 91 schools received an increase of 0.02% to 3.74%
- 44 schools received a reduction of between -0.00% and -14.67% (5 of these had a reduction of -4.42% to -14.67%)

## School Funding Arrangements 2025-26

### Affordability of the Funding Formula

- The Schools Block of the DSG is allocated to local authorities based on a primary unit of funding (PUF) and a secondary unit of funding (SUF). Shropshire's 2025-26 PUF is £5,661 and SUF is £6,829. These units of funding will be multiplied by the total October 2024 school census numbers on roll in Shropshire and added to Shropshire's historic spend on premises factors to give a total Shropshire Schools Block allocation for distribution to schools through the local funding formula.
- Work completed to date on the APT is demonstrating that the NFF is affordable and we will be able to fund schools in line with the NFF.

### To Note

- Schools Forum are asked to note the School Funding arrangements outlined above to deliver the NFF.

## School Funding Arrangements 2025-26

### Transfer of Funding between Blocks

- The Schools Block remains ringfenced in 2025-26 but local authorities retain limited flexibility to transfer up to 0.5% of their Schools Block funding into another block with approval of Schools Forum. To transfer an amount above 0.5%, approval would need to be sought from the Secretary of State for Education.
- In previous financial years (apart from 2023-24 and 2024-25 due to affordability), Shropshire Schools Forum approved a transfer up to 0.5% of the Schools Block to the High Needs Block to support the growing pressures on the high needs budget. Agreement was given to transfer remaining Schools Block budget (up to 0.5%) after fully funding schools in line with the NFF each year, including transitional protections and caps. Balances of £784,000 (0.49%), £397,000 (0.25%), £842,000 (0.5%) and £876,218 (0.5%) and £949,077 were transferred to the High Needs Block in previous years.

## School Funding Arrangements 2025-26

### Transfer of Funding between Blocks

- Following from 2024-25 into 2025-26 and increased cost pressures within the High Needs funding, as agreed by Schools Forum on the 12th December 2024, it is our intention to transfer up to 0.5% of the Schools Block budget into the High Needs Block.
- Work completed to date on the APT demonstrates that it will be possible to transfer 0.24% (£547,218) of the Schools Block into the High Needs Block after fully funding schools in line with the NFF.
- Schools Forum is asked to agree the recommendation to transfer any remaining balance, up to 0.5% of the Schools Block, into the High Needs Block ***after fully funding individual schools in line with the NFF.***

### To Note

- Schools Forum are asked to note the transfer of the remaining balance to the High Needs Block.



## Paper C

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# **Dedicated Schools Grant Monitoring 2024-25 (Stephen Waters)**



## Dedicated Schools Grant Monitoring 2024-25

- The 2024-25 forecast outturn position for the DSG is a **£9.174m in-year deficit**
- This deficit needs to be added to the £2.304m DSG deficit carried forward from 2023-24 resulting in a forecast **cumulative DSG deficit of £11.479m**

	£ m'
DSG deficit carried forward from 2023-24	2.304
Forecast Outturn 2024-25	9.174
DSG deficit to be carried forward into 2025-26	11.479

# Dedicated Schools Grant Monitoring 2024-25

- 2024-25 Outturn by Block:**

	2024-25 DSG Allocation £ m'	2024-25 Forecast Expenditure £ m'	2024-25 Forecast Variance £ m'
Early Years Block	29.490	29.546	0.056
Centrally controlled or retained High Needs Block	32.415	41.448	9.033
Central Schools Services Block	2.423	2.456	0.033
De-Delegated Items from Schools Block	0.507	0.559	0.052
School Growth Fund from Schools Block	0.350	0.350	0
<b>Total</b>	<b>65.184</b>	<b>74.358</b>	<b>9.174</b>

# Dedicated Schools Grant Monitoring 2024-25

## High Needs Block

- The forecast outturn position for the High Needs Block is an in-year deficit of £9.033m against a centrally controlled High Needs Budget of £32.415m. This budget excludes the place funding element of the High Needs Block totalling £9.936m.
- Shropshire's 2024-25 High Needs Block DSG of £42.350m has increased by £2.194m compared to the £40.156m allocation in 2023-24. This 5.5% increase is a smaller percentage increase than the previous year's increase
- For the second consecutive financial year there was no transfer of funding from the Schools Block to the High Needs Block.

# Dedicated Schools Grant Monitoring 2024-25

## High Needs Block – Top-Up Funding to Mainstream Schools

- Overspend of £2.790m relates to the top-up funding paid to mainstream schools (including SEND Hubs).
- Large increase in top-up funding to mainstream schools reflecting increasing requests for EHC Needs Assessment and issuing of EHC plans.

	2022-23 Outturn (£)	2023-24 Outturn (£)	2024-25 Budget (£)	2024-25 Forecast Outturn (£)
Primary Mainstream	3,096,667	3,826,004	3,771,340	5,952,010
Secondary Mainstream	1,936,949	2,122,070	2,124,140	2,736,721
<b>Mainstream Top-Up Funding</b>	<b>5,033,616</b>	<b>5,948,074</b>	<b>5,895,480</b>	<b>8,688,731</b>
Primary Mainstream % Increase		24%		56%
Secondary Mainstream % Increase		10%		29%
<b>Mainstream % Increase</b>		<b>18%</b>		<b>46%</b>

# Dedicated Schools Grant Monitoring 2024-25

## High Needs Block – Top-Up Funding to Special Schools

- Overspend of £3.336m relates to the top-up funding paid to Special schools (including PRU).
- Total expenditure on top-up funding to special schools has increased significantly in 2024-25, due by changes to top-up funding levels payable to 2 Shropshire special schools
- With Severndale Specialist School, an annual review process was undertaken to review each pupil's needs and therefore the appropriate banding level. The banding levels were increased and pupils allocated to appropriate banding levels and the resulting changes backdated to the start of the 2023-24 academic year. As a result, a one-off payment of £2.274m was made to the school which accounts for much of the budget pressure on this budget line
- Planned increase in numbers at Keystone Special School, where up to 120 pupils are now able to be placed from September 2024.

	2022-23 Outturn (£)	2023-24 Outturn (£)	2024-25 Budget (£)	2024-25 Forecast Outturn (£)
<b>Special Schools</b>	<b>5,588,486</b>	<b>6,347,464</b>	<b>6,051,800</b>	<b>9,388,165</b>
<b>Special % Increase</b>		<b>14%</b>		<b>48%</b>

# Dedicated Schools Grant Monitoring 2024-25

## High Needs Block – Non-Maintained and Independent Providers

		2022-23 Outturn (£ m')	2023-24 Outturn (£ m')	2024-25 Outturn (£ m')	2024-25 Variance (£ m')
	Independent Providers	8.466	13.892	15.519	2.578
	% increase		64%	12%	

- **Independent Special Schools**
- Increase in demand shown by increase in numbers
- Increase in average termly cost per placement (both due to price inflation pressures and additional staffing support – increasing complexity). Typical placement cost at our most frequently used provider is £60,000 to £72,000 per annum which is over double the cost of a Shropshire Special School
- More frequent use of independent alternative providers, particularly in relation to children who are post 16

# Dedicated Schools Grant Monitoring 2024-25

## High Needs Block – SEN Support Services

- There is a forecast overspend of £0.970m against the SEN Support Service budget of £2.121m. Similarly to 2022-23 and 2023-24, the overspend in 2024-25 relates to staffing where additional staff have been employed, sometimes as agency workers to support the wider increase in demand. Some of these employees are working with the Educational Psychology Service to address increasing demand. There is also an increase in the use of external Speech and Language Therapists.

## Overall position

- The Council's DSG financial position of a forecast cumulative deficit of £11.479m as at the end of the 2024-25 financial year reflects a continuing pressure on the total High Needs budget as expenditure continues to increase sharply year on year. This increase has been particularly pronounced over the last 2 financial years; 2023-24 and 2024-25
- As it stands, there is a DSG Deficit statutory override in place until March 2026. This means that any deficit associated with the DSG is kept off the councils' balance sheet
- If the override is not extended, the High Needs deficit will have an impact on the council's overall financial position



## **Paper D**

# **Early Years Funding 2025-26 (Andy Nicholls)**



## Early Years Funding 2025-26

The early years block funds all factors relating to 3 and 4 year olds and disadvantaged 2 year olds as well as funding for children aged 2+ of working parents. From September 2025 this funding will increase to 30 hours of funding for working parents of children 9 months+. This has resulted in an increase in the budget as below:

	<b>25/26</b>	<b>24/25</b>	<b>Difference</b>
<b>Universal 3- and 4-year-old entitlement</b>	<b>£11,981,755</b>	<i>£11,724,988</i>	<b>+£256,767</b>
<b>Extended 3- and 4-year-old entitlement</b>	<b>£6,433,924</b>	<i>£6,203,593</i>	<b>+£230,331</b>
<b>2-year-old entitlements</b>	<b>£10,811,771</b>	<i>£7,810,978</i>	<b>+£3,000,793</b>
<b>9-month-old entitlement</b>	<b>£2,866,044</b>	<i>£3,456,511</i>	<b>-£590,467</b>
<b>Expanded 9-month-old entitlement</b>	<b>£10,065,237</b>	-	<b>+£10,065,237</b>
<b>Total</b>	<b>£42,158,731</b>	<i>£29,196,070</i>	<b>+£12,962,661</b>

## Early Years Funding 2025-26

### How is the Early Years Block Spent?

- Provision of the Early Years SEND fund – accessible to all providers
- Provision of a disadvantaged fund
- Provision of a Sustainability fund
- Centrally retained costs to support Early Years throughout the county – Maximum that can be retained is 4% - moving to 3%.
- Balance is distributed to providers

When calculating the overall spending of the EY block our aim is to ensure we can:

- Cover the required supplementary costs set out above
- Remain within the 4% ceiling for retained costs and;
- Ensure the hourly rates of funding to providers remain as reflective as possible of the costs of provision of high quality, affordable and accessible early learning and childcare.

## Proposed Supplementary Costs for 25/26

- Early Years SEND fund: **£1.25m** (10% increase on previous year)
- Disadvantaged supplement: **£300K** (no increase for past 5 years)
- Sustainability funding: **£300k** (no increase on previous year – it is hoped that by increasing main hourly rates this funding will reduce in future years)
- Centrally retained costs (maximum 4%): **£1.050m** (2.40% - well within guidelines) This is an increase on the previous year. Would like to recruit new EY SEND Advisory Teachers into the service. The role of these new posts will be to provide targeted information, advice and support to providers as well as working directly with children to support with meeting their needs - with the long term vision of reducing the pressure on the above SEND fund. Following discussions with providers, it is also the intention to enhance the centralised training function, offering greater 'free at point of delivery' high quality CPD available to all providers / settings. A small proportion of these retained costs will also be used to enhance and upskill centrally retained colleagues.

# Approval: Hourly Rates of Funding for 25/26

For the first time ever, it is proposed to include in the 3 & 4 year old funding a nominal SEND allowance (similar to school funding) for all children of 10pph - this equates to £114 additional funding per child accessing 30 hours of funding per year. For a setting such as a 26 place school nursery this will bring an additional £2,964 to support the setting in supporting children with SEND – hopefully reducing the pressure on the EY SEND allocation.

## **Proposed allocation of funds direct to providers for the Early Years Block 25/26:**

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Entitlement	23/24 Rates	Increase	24/25 Rates	25/26	Increase
3&4 YO – both universal and extended	£4.75	+20p	£4.95 (£5.03 EYTPG)	<b>£5.42</b>	<b>+39p (to include 10p nominal SEND allowance)</b>
2YO – both disadvantaged and expanded	£6.90	No Change	£6.90	<b>£7.15</b>	<b>+15p</b>
9 Month old	N/A	N/A	£9.15	<b>£9.25</b>	<b>+10p</b>

## **Approval**

**Schools Forum are asked to approve the proposed 2025/26 funding rates for Early Years settings.**

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**Schools Forum are asked to approve the allocation of funds from the Early Years Block 2025/26 as outlined in the paper.**



## **Presentation**

# **GSP and Top-Up Funding Update (Lisa Taylor and John Rowe)**

# Changes to Graduated Support Pathway (GSP)

- Support earlier intervention – right support at the right time
- Enable schools to access high needs top up funding faster
- Reduce unnecessary EHCNA requests and reduce demand on the EHCP team

# Changes to Graduated Support Pathway (GSP)

- Page 23
1. Requests will be presented by school staff at a panel
  2. Funding will be awarded for 12 months as standard – no ‘1, 2 or 3 term’ option on the application form.
  3. Schools will usually be unable to request GSP if an EHCNA request has been submitted or due to be submitted within the next 30-ish weeks.
  4. Exception to point 2 above: CYP who have highly complex needs and an EHCP is agreed to be appropriate, but the school have not had the opportunity to do a graduated response. These cases will need prior agreement from the EHCP team due to the school needing funding in the short term..
  5. There will limitations on using GSP to fund Alternative Provision.



# Use of GSP for Alternative Provision

## Registered provision

Schools cannot request funding to cover the costs associated with registered AP (TMBSS). This is because this offer is already subsidised by the LA.

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## Use of unregistered provision at secondary

Secondary schools will not be able to request funding to cover the costs of unregistered AP – this is because all secondary schools are already being supported to provide AP through the AP Development Fund.

## Use of unregistered provision at primary

Primary schools will be able to request funding to cover the cost of **short term** (up to 6 weeks) AP provided the following conditions are met:

- All other avenues of support and strategies have already been tried
- The need for AP is agreed by the panel (ideally it will have been recommended by an independent external professional)
- Intended outcomes are clearly identified
- The school has also undertaken a thorough QA process and evidence of this is provided with the application
- Parent carers agree to the use of unregistered AP

# Primary AP Development Fund

## Proposal for Group Requests – primary schools only

- Group requests as described below are **only for primary settings** – secondary settings already have access to this resource via the AP development fund.
- Where primary schools have a group of children with similar needs and wish to ‘pool’ GSP funding in order to provide a **shared internal resource** (*e.g. a nurture type provision*), then a group GSP request can be considered for up to 10 pupils. Schools should submit individual application forms for each child so that these can be recorded against their individual details and so that we have parental consent for each one. In addition, they should submit a fully costed proposal outlining what will be provided.

When considering a group request, schools should take account of the following:

- All children being put forward as part of the group requests should have high level needs and there should be a minimum of 2 cycles of APDR submitted for each child.
- Funding will be provided for a maximum of 3 terms – there is no guarantee that funding will be granted again after this.

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An EQA will visit the school at least termly to monitor the quality and impact of any provision delivered via a GSP group funding allocation.

- Schools cannot request individual GSP funding for any child receiving funding via a group request.
- If a child in receipt of a group funding allocation is granted a shared placement at TMBSS, the group funding payment will be reduced accordingly.
- If an EHCNA is granted while a child in receipt of a GSP group funding allocation, the group funding payment will be reduced accordingly.

Groups of schools could consider a joint request to develop a provision to be accessed by pupils from different settings.

# Next steps...

## Pilot panels – 1 x primary and 1 x secondary

- In person at The Guildhall, Thursday 13<sup>th</sup> February 9am-12pm
- 4 test cases at each panel
- Test cases to use new GSP request form
- March – make any changes to the process and paperwork

## April – panels commence

- 1<sup>st</sup> and 3<sup>rd</sup> Thursdays of the month (unless a school holiday).
- Primary panels: 3<sup>rd</sup> April, 1<sup>st</sup> May, 5<sup>th</sup> June, 3<sup>rd</sup> July
- Secondary panels: 10<sup>th</sup> April, 15<sup>th</sup> May, 19<sup>th</sup> June, 17<sup>th</sup> July

# Changes to costed provision maps for schools and funding for hubs

- At present, schools complete a costed provision map with out-of-date indicative costs (£12 p/h). This is unrealistic.
- It is proposed to immediately increase this figure to £16 p/h in the first instance. It is recognised that this figure is still less than it ought to be and will be reviewed at the end of the academic year.
- Work is underway to adjust bandings for all schools and hubs and there is a commitment to further adjust this figure in collaboration with colleagues.

# Changes to funding for state-funded specialist provision

- Individual conversations are taking place with respect to the funding arrangements for state-funded specialist provision (maintained and academies)
- In order to inform these discussions, schools will be asked to submit details of current balances, and current funding levels via MS Form and for schools to provide details where there are perceived to be gaps in funding.



## **Paper E**

# **Schools Forum Work Programme 2025-26 (Sam Bradley)**



Meeting	Report
23 January 2025	<ul style="list-style-type: none"> <li>School Funding Arrangements 2025-26 Update</li> <li>Dedicated Schools Grant Monitoring 2024-25</li> <li>Early Years Funding 2025-26</li> </ul>
20 March 2025	<ul style="list-style-type: none"> <li>Dedicated Schools Grant Monitoring 2025-26</li> <li>Shropshire Schools Forum Constitution and Membership</li> <li>Impact of the AP/Inclusion Development Fund (Jan 24 - Jan 25)</li> <li>Graduated Support Pathway (GSP) and EHCP Top Up Funding</li> </ul>
19 June 2025	<ul style="list-style-type: none"> <li>Updated Dedicated Schools Grant 2025-26</li> <li>School Balances as at March 2025</li> <li>Growth Fund Allocations 2024-25 and 2025-26</li> <li>Early Years Block Allocation 2025-26</li> <li>Dedicated Schools Grant Monitoring 2025-26</li> </ul>
11 September 2025 (TBC)	<ul style="list-style-type: none"> <li>Final Dedicated Schools Grant 2024-25</li> <li>Updated Dedicated Schools Grant 2025-26</li> <li>School Revenue Funding Update 2025-26</li> <li>Dedicated Schools Grant Monitoring 2025-26</li> </ul>
13 November 2025 (TBC)	<ul style="list-style-type: none"> <li>Central Retention of Dedicated Schools Grant from April 2025</li> <li>Dedicated Schools Grant Monitoring 2025-26</li> </ul>
11 December 2025 (TBC)	<ul style="list-style-type: none"> <li>School Funding Arrangements 2025-26</li> <li>Consultation on the Central Retention of Dedicated Schools Grant from April 2026</li> <li>Central School Services Block 2025-26</li> </ul>

# **Communications**

## **(Bill Dowell)**

<h1 style="text-align: right;">Agenda Item 2</h1> <h2>Schools Forum</h2> <p>Date: 23 January 2025</p> <p>Time: 08.30 to 10.30</p> <p>Venue: MS Teams</p>	<p>Paper</p> <h1 style="text-align: center;">A</h1> <p>Public</p>
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## MINUTES OF SCHOOLS FORUM HELD ON 12 DECEMBER 2024 – HELD VIA MS TEAMS

NOTES WERE PRODUCED USING AI VIA COPILOT AS AGREED BY FORUM AT THE BEGINNING OF THE MEETING

1	<b>Apologies</b>	
	Apologies had been received from Gwilym Butler, Stephen Matthews, Sarah North, Sarah Finch, John Hitchings, Shelly – explorers' childcare	
2	<b>Minutes and Matters Arising</b>	
	The minutes were accepted as a true record	
3	<b>School Funding Arrangements 2025-26 Update</b>	<b>SB</b>
	<p>SB provided an update on the funding arrangements, noting that primary and secondary school levels have increased. However, they are still awaiting the APT from the DfE to finalise the details. She expressed hope that the NFF should be affordable</p> <p>SB mentioned that they do not have additional data to share until they receive the APT and complete the process. She apologised for the brief update and asked if there were any questions</p> <p>WD highlighted the significance of the anticipated affordability of the NFF, emphasizing that the increases in values suggest it should be affordable</p> <p>DS asked the school forum colleagues to approve the school funding arrangements as outlined in the NFF paper. He highlighted that Shropshire has been following the national funding formula for many years.</p> <p>DS mentioned that if there is a significant issue with the affordability of the NFF, a meeting would be convened on January 9th to address it. <b>Schools forum colleagues then voted and approved the funding arrangements with no changes.</b></p> <p>DS explained the proposal to transfer any remaining balance up to 0.5% to the high needs block after fully funding individual schools in line with the NFF. He noted that this approach has been consistently taken in previous years</p>	

	<b>Schools forum colleagues agreed to the proposal, ensuring that any remaining balance would be transferred to the high needs block after funding individual schools inline with the NFF.</b>	
<b>4</b>	<p><b>Consultation on the Central Retention of DSG from April 2025</b></p> <p>SB presented the results of the consultation on central retention of DSG, which had 20 responses out of 76 maintained schools.</p> <p>The forum discussed the pupil growth contingency, with concerns raised about the number of schools sharing their views in the consultation and the significant rise in costs.</p> <p><u>Pupil Growth Contingency</u></p> <p>The forum discussed the pupil growth contingency, with concerns raised about the number of schools sharing their views in the consultation and the significant rise in costs. MR expressed discomfort with the voting results, suggesting that the numbers might be more like 9:9, leading to a tie.</p> <p>Concerns were raised about the accuracy of the voting, with some members questioning who was eligible to vote and whether the votes were correctly attributed. It was noted that some schools in the process of becoming academies had voted, which might affect the results.</p> <p>Due to the points raised, it was decided to go back for a second consultation on the pupil growth contingency item. <b>Schools forum agreed that more information and clarity were needed before making a final decision. SB to reissue the consultation information and include the names/contact details of mainstream primary Headteachers on Schools Forum so school leaders could make contact with these representatives for further information, if they wish. The decision on this item would then be taken in the new year.</b></p> <p><u>Maternity Budget</u></p> <p>The forum voted on whether the maternity budget should cover full pay elements of shared parental leave for 2025/26. <b>The majority voted in favor of de-delegating the budget.</b></p> <p><u>Trade Union Duties</u></p>	<b>SB</b>



	<p>The forum voted on the trade union duties budget for 2025/26. <b>The majority voted in favor of de-delegating the budget.</b></p> <p><u>School Improvement</u></p> <p>The forum voted on the school improvement budget for 2025/26. <b>The majority in favor of de-delegating the budget.</b></p> <p><u>Redundancy Funding</u></p> <p>The forum voted on the redundancy funding for 2025/26. <b>The majority voted in favor of top slicing the budget for this item.</b></p> <p><u>School Finance</u></p> <p>The forum discussed and voted on the statutory school finance budget for 2025/26.</p> <p>MR raised questions about the clarity of the role, questioning why the amount has stayed fixed despite the decline in the number of schools</p> <p>DS explained that the costs of the functions have remained the same, and even though the number of schools has declined, other costs have risen. He noted that the budget is a contribution, not the entire cost of the work</p> <p><b>The majority voted in favor of top slicing the budget for this item.</b></p> <p><u>Human Resource and Health and Safety</u></p> <p>The forum voted on the statutory human resources and health and safety budget for 2025/26. <b>The majority voted in favor of top slicing the budget for this item.</b></p> <p><u>Education Access Service</u></p> <p>The forum voted on the education access service budget for 2025/26.</p> <p>MR raised questions about whether maintained schools are making a similar level of contribution to academies for the education access service. DS assured that there is consistency between the traded elements and maintained schools.</p>	
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	<p>MR suggested moving the education access service to an SLA for transparency. DS agreed that this could be considered for the following year, 2026/27.</p> <p>The forum voted on the education access service budget for 2025/26. <b>The majority voted in favor of top slicing the budget for this item.</b></p>	
<b>5</b>	<p><b>Central School Services Block 2025-26</b></p> <p>SW presented the Central School Services Block (CSSB) for the 2025/26 financial year. The forum voted on various elements, including termination of employment costs, prudential borrowing costs, school admissions team, servicing of schools forum, copyright licenses, and ongoing responsibilities. <b>All items recommended for approval were approved by schools forum with no changes.</b></p>	<b>SW</b>
<b>6</b>	<p><b>Communication</b></p> <p>WD will be preparing and sending a detailed joint letter with the leader of the Council to MPs regarding the ongoing funding of Shropshire schools and early years</p>	
<b>7</b>	<p><b>Follow Up Tasks</b></p> <p>SB to send out a revised consultation on the pupil growth contingency, including context and contact details for primary maintained representatives, to all relevant schools.</p> <p>DS to organise a training session for forum members to provide context and history on the ongoing responsibilities, de-delegation and top slicing and funding decisions to primary and secondary heads prior to decisions being required in the Autumn term 2025/26.</p>	<p>SB</p> <p>DS</p>
<b>8</b>	<p><b>Future Meeting Dates</b></p> <p>Thursday 20 March 2025  Thursday 19 June 2025  Thursday 11 September 2025 (tbc)  Thursday 13 November 2025 (tbc)</p>	



## Update to School Funding Arrangements 2025-26

### Responsible Officer

Sam Bradley email: [Samantha.bradley@shropshire.gov.uk](mailto:Samantha.bradley@shropshire.gov.uk) Tel: 01743 256411

### Summary

Details of the Government's recent funding announcements for 2025-26 for schools, including high needs and early years, were provided to Schools Forum in December 2024.

This report details specific local funding arrangements from April 2025 for information and consideration by Schools Forum in relation to:

- the potential transfer of funding between blocks

### Recommendation

Schools Forum is recommended to note the specific funding arrangements from April 2025 as detailed within this report and that these will be recommended to the Shropshire Council Cabinet for approval at the meeting on the 12<sup>th</sup> February 2025.

## REPORT

### Background

1. In July 2017, the Government announced the introduction of a national funding formula (NFF) for allocating the Schools Block of the Dedicated Schools Grant (DSG) to local authorities from April 2018.
2. Local authorities, in consultation with their schools and Schools Forum, continue to have some local flexibility on the basis for distributing funding to schools through the National funding formula in 2025-26. It remains the Government's intention to fund all schools nationally via the NFF in the future.



- Following consultation with Shropshire schools and Schools Forum, Shropshire's local formula for distributing the Schools Block to individual schools and academies has mirrored the NFF since 2018-19.

### Update to the schools NFF for 2025-2026

- On 07 October 2024 the LA received a brief update on the Schools Funding Arrangements for 2025-26, which indicated that due to timing of the general election, the publication of the notional schools and high needs national funding formula (NFF) allocations for 2025-26 was delayed. On 28 November 2024 the LA received the NFF allocations.

Along with the guidance, the Government has published provisional local authority level allocations for 2025-26 for the schools and high needs blocks within the DSG and notional 2025-26 national funding formula school level allocations.

Comparison below is based on the difference between 24-25 and 25-26 funding.

25-26 Post MFG Budget	24-25 Post MFG Budget	Increase to budget from 24-25 to 25-26	% Increase
£222,586,325	£209,066,275	£13,520,050	6.47%
<p><b>Notes:</b> Shropshire's allocation followed NFF factor values provided in the APT.</p> <p>Difference in budgets will also be due to a movement in the NOR, therefore you cannot compare budgets from year to year if the NOR has changed.</p>			

147 funded schools  
20 secondary schools  
127 primary schools

#### Overall

- Funding in the DSG Schools Block increased by 6.47% (£13,520,050) in Shropshire from 24-25 to 25-26
- 12 schools received an increase of 5.18% to 20.0%
- 91 schools received an increase of 0.02% to 3.74%
- 44 schools received a reduction of between -0.00% and -14.67% (5 of these had a reduction of -4.42% to -14.67%)





## School Funding Arrangements for 2025-26

The latest guidance on schools revenue funding arrangements for 2025-26 was published by the ESFA in November 2024.

For 2025-26, the following key elements of the schools NFF will apply:

The minimum per pupil funding levels will be set at £5,661 for primary schools and £6,829 for secondary schools. These levels were £5,273 and £6,375 respectively in 2024-25. The increase includes an additional £388 for primary and £454 for secondary to cover the additional teachers' pay and pension costs that were previously funded through the separate grants. The minimum per pupil funding levels are not to be confused with the age weighted pupil units (AWPU) funding levels within the NFF.

2019 data from the Income Deprivation Affecting Children Index (IDACI) has been used in place of 2015 data. The basis on which pupils are assigned to the seven IDACI bands has changed - they are now assigned based on rank rather than score. For example, Band A now consists of pupils in the most deprived 2.5% of lower super output areas (LSOAs), instead of consisting of pupils in LSOAs with an IDACI score greater than 0.5.

Premises funding will continue to be allocated at local authority level based on actual spend in 2024-25, with an RPI increase to the PFI factor only.

Growth funding will be based on the same methodology as last year and will have the same transitional protection ensuring that no authority whose growth fund is reducing will lose more than 0.5% of its 2024-25 growth fund allocation.

Each year the local authority ask the ESFA to mitigate the reduction for historic commitments funding as part of their Central Schools Services Block DSG allocation. We are awaiting confirmation of this request of ££841,344.



Shropshire Schools Forum has a statutory consultative and advisory role in respect of school funding, while the responsibility for determining and approving the funding formula rests with the local authority.

As well as applying the NFF factor values and weightings, Schools Forum agreed the following:

To transfer any remaining balance, up to 0.5% of the Schools Block, into the High Needs Block after fully funding individual schools in line with the NFF.

Outcome – it has been possible to transfer 0.25% (£547,218) of the Schools Block into the High Needs Block after fully funding schools in line with the NFF.

Shropshire's allocation followed NFF factor values provided in the APT for 2025-26.

### **Affordability of the Funding Formula**

5. The Schools Block of the DSG is allocated to local authorities based on a primary unit of funding (PUF) and a secondary unit of funding (SUF). Shropshire's 2025-26 PUF is £5,661 and SUF is £6,829. These units of funding will be multiplied by the total October 2024 school census numbers on roll in Shropshire and added to Shropshire's historic spend on premises factors to give a total Shropshire Schools Block allocation for distribution to schools through the local funding formula.
6. Work completed to date on the APT is demonstrating that the NFF is affordable and we will be able to fund schools in line with the NFF.

### **Transfer of Funding between Blocks**

7. The Schools Block remains ringfenced in 2025-26 but local authorities retain limited flexibility to transfer up to 0.5% of their Schools Block funding into another block with



approval of Schools Forum. To transfer an amount above 0.5%, approval would need to be sought from the Secretary of State for Education.

8. In previous financial years (apart from 2023-24 and 2024-25 due to affordability), Shropshire Schools Forum approved a transfer up to 0.5% of the Schools Block to the High Needs Block to support the growing pressures on the high needs budget. Agreement was given to transfer remaining Schools Block budget (up to 0.5%) after fully funding schools in line with the NFF each year, including transitional protections and caps. Balances of £784,000 (0.49%), £397,000 (0.25%), £842,000 (0.5%) and £876,218 (0.5%) and £949,077 were transferred to the High Needs Block in previous years.
9. Following from 2024-25 into 2025-26 and increased cost pressures within the High Needs funding, as agreed by Schools Forum on the 12<sup>th</sup> December 2024, it is our intention to transfer up to 0.5% of the Schools Block budget into the High Needs Block.
10. Work completed to date on the APT demonstrates that it will be possible to transfer 0.24% (£547,218) of the Schools Block into the High Needs Block after fully funding schools in line with the NFF.

**Cabinet will be asked to recommend approval of the Shropshire schools funding formula for 2025-26 that delivers funding to Shropshire schools and academies through the application of the NFF formula factors and weightings on 12 February 2025.**

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## **Dedicated Schools Grant Monitoring 2024-25**

### **Responsible Officer**

Stephen Waters      email: [Stephen.a.waters@shropshire.gov.uk](mailto:Stephen.a.waters@shropshire.gov.uk)    I: 01743 258952

### **Summary**

This report outlines to Schools Forum members the centrally retained Dedicated Schools Grant (DSG) forecast outturn position at the end of December 2024.

### **Recommendation**

This report is for information only.

## **REPORT**

1. The overall 2024-25 outturn against centrally retained DSG is forecast to be £9.174m in deficit as at the end of December. It should be noted that this figure is the in-year deficit and needs to be added to the £2.304m deficit carried forward from 2023-24 in order to give an overall cumulative DSG surplus position of £11.479m.

### **Centrally Controlled Early Years Budget**

2. The forecast outturn position for the Early Years Block is showing a £0.056m overspend against a provisional budget of £29.490m. This variance relates to the £0.396m centrally retained budget relating to staffing. There are no variances to budget forecast relating to the large budgets for universal free entitlement for 3-4 year olds or 2 year olds entitlement. Officers will be working to ensure that the Council remains within the remaining budget for these entitlement allocations throughout the Spring Term.

### **Centrally Controlled High Needs Budget**

3. The centrally controlled High Needs Block for 2024-25 is £32.415m. This budget excludes the place funding element of the High Needs Block totalling £9.936m. The total High Needs Block DSG allocation (before deductions) is £42.350m. It is important to note that Shropshire's 2024-25 High Needs Block DSG has

increased by £2.194m compared to the £40.156m allocation in 2023-24. This 5.5% increase is a smaller percentage increase than the previous year's increase.

4. In January 2024, Schools Forum members confirmed that the National Funding Formula should be applied with minimal adjustment to funding factors. This meant that there was no further funding available to enable up to a 0.5% transfer from the schools block to the High Needs Block DSG. This is the second consecutive financial year where no transfer has been applied.
5. Overall, the forecast outturn position for the High Needs Block is an in-year deficit of £9.033m against a centrally controlled High Needs Budget of £32.415m.

#### **Lines 1.2.1 & Line 1.2.2 - Top Up funding – Mainstream Schools**

6. On budget lines 1.2.1 and 1.2.2, shown in the Appendix, there is a forecast overspend of £6.023m.

#### **Top Up funding - Mainstream Schools**

7. Within this £6.023m forecast underspend, an overspend of £2.790m relates to the top-up funding paid to mainstream schools. As anticipated, there has been a large increase in top-up funding to mainstream schools reflecting increasing requests for EHC Needs Assessment and issuing of EHC plans. The increase has been particularly pronounced since the start of the 2024-25 academic year, with the average monthly top-up paid to mainstream settings totalling £0.696m in the Summer Term, but increasing to £0.809m in the Autumn Term.
8. It is important to note that the top-up funding to SEND hubs attached to mainstream settings is coded to this budget so some of the increase will relate to an increase in capacity in SEND hubs.
9. There is currently a £0.121m underspend forecast against the net recoupment budget which represents recoupment of top-up funding between local authorities. This budget is difficult to forecast accurately as top-up funding is recouped, in some cases up to a year in arrears.

#### **Lines 1.2.1 & Line 1.2.2 - Top Up funding – Special Schools**

10. In addition to the figures mentioned in paragraphs 10 and 11, there is a £3.336m overspend on top-up funding to special schools.



11. Total expenditure on top-up funding to special schools has increased significantly in 2024-25, due by changes to top-up funding levels payable to 2 Shropshire Council special schools as reported to Schools Forum in the June meeting.
12. With Severndale Specialist School, an annual review process was undertaken over the Summer to review each pupil's needs and therefore the appropriate banding level. The banding levels were increased and pupils allocated to appropriate banding levels and the resulting changes backdated to the start of the 2023-24 academic year. As a result, a one-off payment of £2.274m was made to the school which accounts for much of the budget pressure on this budget line.
13. As well as the one-off payment, the revised banding levels have resulted in an increase in top-up funding paid to Severndale School in the Autumn Term (£0.509m per month) compared to £0.295m per month in the Summer Term.
14. This review of, and subsequent increase in, banding levels across the Council's special schools aligns with the strategy to build capacity in these settings where appropriate.
15. Another explanation for the increase in overspend in this budget line is the increase in capacity at Keystones Special School, where the average top-up funding per month has increased from £0.084m in the Summer Term to £0.146m in the Autumn Term.
16. These increases in funding have resulted in forecast expenditure of £9.389m in relation to top-up funding to state-funded, special schools. This accounts for 22% of expenditure within the High Needs Block DSG budget of £42.350m, and this aligns with the strategy to appropriately fund the Council's special schools.

#### **Line 1.2.2 - Post 16 Further Education Colleges**

17. There is a budget of £2.159m allocated for Post 16 funding at further education colleges and sixth form colleges.
18. The 2023-24 outturn position reported actual expenditure of £1.685m and therefore an underspend of £0.475m against the 2023-24 budget.
19. For 2024-25, despite the overall increase in High Needs Block DSG allocation, a decision was made to keep the budget for Post 16 Further Education Colleges at



the same level of £2.159m to reflect the decrease in spend on this type of placement in the last 3 financial years.

20. There is a forecast increase in expenditure of £0.043m compared to 2023-24 outturn position, however despite this increase there is still a significant forecast underspend of £0.431m being reported.
21. Despite the forecast underspend, it is important to note that significant growth in the expenditure on post 16 further education college placements is the national picture and Shropshire has seen particularly significant growth in recent years in terms of the number of post 16 EHC Plans.
22. We understand that there is a higher proportion of post 16 pupils attending Independent Special Schools or independent alternative providers and the expenditure for these young people is showing in the budget area relating to independent providers instead.

### **Lines 1.2.3 - Top Up funding - Non-Maintained and Independent Providers**

23. The 2024-25 budget of £12.941m for Independent Providers has been increased by £2.958m compared to the 2023-24 budget level of £9.983m. The large increase in budget reflects that Shropshire experienced a significant increase in expenditure in this budget area in 2022-23 and 2023-24, highlighted by actual expenditure totalling £13.892m in 2023-24, an overspend of £3.910m in that year. Increasing the budget to £12.941m, while increasing the budget by £2.958m still results in a budget that is £0.951m less than last year's outturn figure. This emphasises the need to bring down expenditure in this area and not only reduce the increase in expenditure.
24. Forecast expenditure for 2024-25 is £15.519m, resulting in a forecast overspend of £2.578m.
25. There are several explanations for the large increase in forecasted expenditure in 2024-25. Firstly, the Council has experienced a sharp increase in demand year on year for Independent Special School placements as evidenced by the number of new placements, particularly at one SEMH provider where capacity has been increased. There also continues to be a more frequent use of independent alternative providers, particularly in relation to children who are post 16. This trend has continued in 2024-25 and partly explains the overspend as well as the underspend on the Post 16 Further Education College placements budget.





26. A positive factor is that the £15.519m only represents a 12% increase in expenditure on Independent Special School placements relative to the 2023-24 financial year. This is much lower percentage increase than the previous year's increase and indicates that increasing funding to Council's special schools and SEND hubs has helped to decrease the acceleration of expenditure in this area.
27. The Council has established a SEND Commissioning and Procurement Panel to review requests and make decisions on high needs funding for Independent Special Schools and Mainstream Special Schools. The panel also **acts as a forum to ratify and respond to fee up-lifts from all settings in conjunction with and accounting for decisions made at the West Midlands Price Review Panel on behalf of the 14 local authorities including Shropshire.**

#### **Lines 1.2.5 – SEN Support Services**

28. There is a forecast overspend of £0.970m against the SEN Support Service budget of £2.121m. Similarly to 2022-23 and 2023-24, the overspend in 2024-25 relates to staffing overspends where additional staff have been employed, sometimes as agency workers to support the wider increase in demand. Some of these employees are working with the Educational Psychology Service to address increasing demand. There is also an increase in the use of external Speech and Language Therapists.

#### **Overall position**

29. The Council's DSG financial position of a forecast cumulative deficit of £11.479m as at the end of the 2024-25 financial year reflects a continuing pressure on the total High Needs budget as expenditure continues to increase sharply year on year. This increase has been particularly pronounced over the last 2 financial years; 2023-24 and 2024-25.
30. As it stands, there is a DSG Deficit statutory override in place until March 2026. This means that any deficit associated with the DSG is kept off the councils' balance sheet due to the statutory override set out in The Local Authorities Capital Finance and Accounting (England) Regulations. Nationally, there is concern that no announcement has been forthcoming on whether this override will be extended. If the override is not extended, the High Needs deficit will have an impact on the council's overall financial position and this risk will need to be addressed through the council's medium term financial strategy.



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APPENDIX

**CENTRALLY RETAINED DEDICATED SCHOOLS GRANT FUNDING PERIOD (2024-25)**

	2024-25 Budget £	2024-25 Forecast Spend £	2024-25 Variance £
<b>DEDELEGATED ITEMS</b>			
1.1.1 Contingencies	53,710	19,335	- 34,375
1.1.2 Behaviour Support Services	-	-	-
1.1.3 Support to UPEG and bilingual learners	-	-	-
1.1.4 Free school meals eligibility	-	-	-
1.1.5 Insurance	-	-	-
1.1.6 Museum and Library Services	-	-	-
1.1.7 Licences/subscriptions	-	-	-
1.1.8 Staff costs Maternity supply cover	266,950	353,085	86,135
1.1.9 Staff costs Trade Union Duties	27,800	28,234	434
1.1.10 School Improvement	158,430	158,430	-
<b>DEDELEGATED ITEMS SUB TOTAL</b>	<b>506,890</b>	<b>559,083</b>	<b>52,193</b>
<b>CENTRALLY CONTROLLED EARLY YEARS BUDGET</b>			
1.3.1 Central Expenditure on Children under 5	395,250	451,266	56,016
1.0.1 Individual Schools Budget - Early Years PVI's and Maintained Nursery Provision	29,094,380	29,094,380	-
<b>CENTRALLY CONTROLLED EARLY YEARS SUB TOTAL</b>	<b>29,489,630</b>	<b>29,545,646</b>	<b>56,016</b>
<b>CENTRALLY CONTROLLED HIGH NEEDS BUDGET</b>			
1.2.1 Top Up funding - Maintained Providers	3,703,720	4,309,379	605,659
1.2.2 Top Up funding - Academies, Free Schools and Colleges - Excluding FE College Placements	9,804,680	15,222,317	5,417,637
1.2.2 Top Up funding - Academies, Free Schools and Colleges - FE College Placements	2,159,300	1,728,442	- 430,858
1.2.3 Top Up funding - Non-Maintained and Independent Providers	12,940,970	15,519,165	2,578,195
1.2.4 Additional High Needs Targeted Funding for Maintained Schools and Academies	400,000	411,190	11,190
1.2.5 SEN Support Services	2,121,150	3,090,717	969,567
1.2.6 Hospital Education Services	170,190	130,956	- 39,234
1.2.7 Other Alternative Provision Services	143,500	165,740	22,240
1.2.8 Support for Inclusion	971,140	869,610	- 101,530
1.2.9 Special Schools and PRUs in Financial Difficulty	-	-	-
1.2.10 PFI / BSF Costs at Special Schools and AP / PRUs	-	-	-
1.2.11 Direct Payments (SEN and Disability)	-	-	-
1.2.12 Carbon Reduction Commitment Allowances (PRUs)	-	-	-
<b>CENTRALLY CONTROLLED HIGH NEEDS BUDGET SUB TOTAL</b>	<b>32,414,650</b>	<b>41,447,517</b>	<b>9,032,867</b>
<b>CENTRAL SCHOOL SERVICES BLOCK</b>			
1.4.1 Contribution to combined budgets	-	-	-
1.4.2 Schools Admissions	308,150	322,114	13,964
1.4.3 Servicing of Schools Forums	10,000	7,348	- 2,652
1.4.4 Termination of employment costs	756,330	756,330	-
1.4.5 Falling Rolls Fund	-	-	-
1.4.6 Capital Expenditure from Revenue (CERA)	-	-	-
1.4.7 Prudential Borrowing Costs	295,350	295,350	-
1.4.8 Fees to independent schools without SEN	-	-	-
1.4.9 Equal Pay - Back Pay	-	-	-
1.4.10 Pupil growth / Infant Class sizes	-	-	-
1.4.11 SEN Transport	-	-	-
1.4.12 Exceptions agreed by Secretary of State (Deficit)	-	-	-
1.4.13 Other Items (Copyright Licensing Agency fee)	276,700	276,700	-
1.5. Ongoing duties	776,230	798,280	22,050
<b>CENTRAL SCHOOL SERVICES BLOCK BUDGET SUB TOTAL</b>	<b>2,422,760</b>	<b>2,456,122</b>	<b>33,362</b>
<b>TOTAL CENTRAL DSG</b>	<b>64,833,930</b>	<b>74,008,369</b>	<b>9,174,439</b>
<b>SCHOOLS BLOCK GROWTH FUNDING (PART OF ISB)</b>	<b>350,000</b>	<b>350,000</b>	<b>-</b>
<b>TOTAL CENTRAL DSG + SCHOOLS BLOCK GROWTH FUNDING</b>	<b>65,183,930</b>	<b>74,358,369</b>	<b>9,174,439</b>
<div><div>£</div><div>DSG DEFICIT CARRIED FORWARD FROM PREVIOUS YEARS</div><div>2024-25 IN YEAR DEFICIT</div><div>CUMULATIVE CENTRAL DSG SURPLUS</div><div>2,304,440</div><div>9,174,439</div><div>11,478,879</div></div>			
<b>Breakdown of total DSG:</b>			
<b>TOTAL CENTRAL DSG</b>		<b>65,183,930</b>	
<b>High Needs Budget - Place Funding</b>			
Post 16 FE Colleges	1,080,000		
Pre and Post 16 SEN Places - Special Academies	4,967,500		
Pre-16 Special Free Schools	1,075,000		
Pre and Post 16 SEN Places - Resourced Provisions	464,500		
<b>Total deduction to 2024-25 High Needs Block for direct funding of places by ESFA</b>	<b>7,587,000</b>		
TMBS	1,560,000		
Maintained School SEND Hubs	382,000		
Additional Commissioned Place Funding at Special Academies	78,500		
Teachers Pay/Pension for Special Academies	328,020		
<b>Total deduction to 2024-25 High Needs Block for central funding of places</b>	<b>2,348,520</b>		
<b>HIGH NEEDS BUDGET - Place Funding</b>	<b>9,935,520</b>		
<b>INDIVIDUAL SCHOOLS BUDGET SHARES (Excluding De-delegated Items and transfer to Growth Fund)</b>			
		<b>208,578,834</b>	
<b>TOTAL DSG Allocation (Updated November 2024)</b>		<b>283,708,440</b>	

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Agenda Item 6	
<b>Schools Forum</b>	Paper
Date: Thursday 23 <sup>rd</sup> January 2025	<b>B</b>
Time: 8:30 a.m.	Public
Venue: Via Microsoft (MS) Teams	

## EY Block 2025/26

**Responsible Officer** Andy Nicholls  
email: Andy.Nicholls@shropshire.gov.uk

### Summary

This paper details the allocation of the Early Years block for the financial year 25/26.

### Recommendation

**Schools Forum are asked to consider, comment upon and approve the Local Authorities proposed plans for the use of the EY block in 2025/26 as set out below.**

## REPORT

### 1 Background

The early years block funds all factors relating to three and four year-olds and disadvantaged two-year-olds in nurseries, private, voluntary and independent settings, and maintained schools. Following the announcements in the Spring budget 2023 the block will also now include funding for the new free entitlement for children from working families aged 2 years from April 24 and aged 9 months from Sept 24 – expanding to 30 hours for all children of working parents from 9 months+ from September 2025.

### 2 Summary of the entitlements covered by this Funding:

The free entitlements (FE) covered by this funding are as follows:

1. The universal annual FE of 570 hours of early years education and childcare for all 3 and 4 year olds from the start of the term after their third birthday
2. The extended annual FE of an additional 570 hours of early years education and childcare for 3 and 4 year olds from 'working families' from the start of the term after their third birthday.
3. The FE of 570 hours of early years education and childcare for 2 year olds from 'disadvantaged families' from the start of the term after their second birthday.



4. The expanded annual FE of 570 hours of early years education and childcare for 2 year olds from 'working families' from the start of the term after their second birthday.
5. The expanded annual FE of 570 hours of early years education and childcare for 9 month olds from 'working families' from the start of the term after they turn 9 months old.
6. **NEW:** From Sept 2025 the expanded annual FE of 570 hours of early years education and childcare for 9 month olds from 'working families' from the start of the term after they turn 9 months old.

### 3 Eligibility criteria for the non-universal entitlements

#### 3.1 HMRC define the eligibility criteria for the disadvantaged 2-year-old entitlement as follows:

Your 2-year-old can get free childcare if you live in England and get any of the following benefits:

- Income Support
- income-based Jobseeker's Allowance (JSA)
- income-related Employment and Support Allowance (ESA)
- Universal Credit, and your household income is £15,400 a year or less after tax, not including benefit payments
- the guaranteed element of Pension Credit
- Child Tax Credit, Working Tax Credit (or both), and your household income is £16,190 a year or less before tax
- the Working Tax Credit 4-week run on (the payment you get when you stop qualifying for Working Tax Credit)

2-year-olds can also get free childcare if they:

- are looked after by a local authority
- have an education, health and care (EHC) plan
- get [Disability Living Allowance](#)
- have left care under an adoption order, special guardianship order or a child arrangements order



### 3.2 HMRC define ‘working families’ as follows:

#### If you are working

You can usually get 30 hours free childcare if you (and your partner, if you have one) are:

- in work
- on sick leave or annual leave
- on shared parental, maternity, paternity or adoption leave

If you’re on adoption leave for a child aged 3 to 4 years old, you must return to work within 31 days of the date you first apply for 30 hours free childcare for that child.

#### If you are not currently working

You may still be eligible if your partner is working, and you get Incapacity Benefit, Severe Disablement Allowance, Carer’s Allowance, Limited Capability for Work Benefit or contribution-based Employment and Support Allowance. You can apply if you’re starting or restarting work within the next 31 days.

#### Your income

Over the next 3 months you and your partner (if you have one) must each expect to earn at least:

- £2,539 if you’re aged 21 or over
- £2,080 if you’re aged 18 to 20
- £1,570 if you’re under 18 or an apprentice

This is the [National Minimum Wage or Living Wage](#) for 16 hours a week on average.

You can use an average of how much you expect to earn over the current tax year if:

- you work throughout the year but do not get paid regularly
- you’re self-employed and do not expect to earn enough in the next 3 months

If you’re self-employed and started your business less than 12 months ago, you can earn less and still be eligible for 30 hours free childcare. If you have more than one job, you can use your total earnings to work out if you meet the threshold. This includes:

- earnings from any employment
- earnings from any self-employment



If you're both employed and self-employed, you can use just your self-employment income if this would make you eligible. For example, if you expect your average self-employed earnings over the tax year to be more than you'll get over the next 3 months as an employee.

#### **4 Summary of the indicative Early Years block funding for 25/26**

Historically overall indicative allocation of the EY block has been determined by applying an hourly rate per hour per child and multiplying this by the number of children on roll within the LA at the time of the EY census in the previous January.

The level of funding is then adjusted using the data gathered in the EY census in the following January (A) and again based on census in the following January (B) with the final figure received being based 5/12ths on January A and 7/12ths on January B census.

e.g. EY block allocation for 2024/25:

- Indicative allocation received in January 2024 based on January 2023 EY census. □ Adjustment made based on January 2024 and January 2025 EY census □ Final allocation confirmed in July 2025.

The new financial year will see the introduction of the new expanded childcare entitlements. The DfE will continue to use the historic model for the allocation funding for the three existing offers. For the new offers they will use calculated figures of 'expected' take up and ask LAs to complete a termly census, using this information to adjust actual allocations based on the termly take up of places.

e.g EY block allocation for 2025/26:

- Indicative allocation based on January 2024 EY census and DfE expected take up calculations.
- Adjustment based on January 2025 EY census
- Adjustment based on Summer term 2025 actual take up data submission
- Adjustment based on Autumn term 2025 actual take up data submission
- Final adjustment based on January 2026 census





For 25/26 the following per hour per child funding rates have been announced:

Funding for the universal and extended three- and four-year-old entitlements:

	Hourly rate used to determine funding	Increase compared with 24/25 funding
<b>April 2025</b>	<b>£5.71 phpc</b>	<b>+24p phpc</b>

Funding for the disadvantaged and expanded two-year-old entitlements:

	Hourly rate used to determine funding	Increase compared with 24/25 funding
<b>April 2024</b>	<b>£7.55 phpc</b>	<b>+29p phpc</b>

Funding for the 9-month-old entitlement

	Hourly rate used to determine funding	Increase compared with 24/25 funding
<b>April 2024</b>	<b>£10.23 phpc</b>	<b>+38p</b>

Using the combination of January 24 known census data for the existing entitlements, and expected take up of the new entitlements, this will result in the following initial indicative overall funding within the Early Years block:

	<b>25/26</b>	<b>24/25</b>	<b>Difference</b>
<b>Universal 3- and 4-year-old entitlement</b>	<b>£11,981,755</b>	<b>£11,724,988</b>	<b>+£256,767</b>
<b>Extended 3- and 4-year-old entitlement</b>	<b>£6,433,924</b>	<b>£6,203,593</b>	<b>+£230,331</b>
<b>2-year-old entitlements</b>	<b>£10,811,771</b>	<b>£7,810,978</b>	<b>+£3,000,793</b>
<b>9-month-old entitlement</b>	<b>£2,866,044</b>	<b>£3,456,511</b>	<b>-£590,467</b>
<b>Expanded 9-month-old entitlement</b>	<b>£10,065,237</b>	<b>-</b>	<b>+£10,065,237</b>
<b>Total</b>	<b>£42,158,731</b>	<b>£29,196,070</b>	<b>+£12,962,661</b>

## 5 How the EY Block is spent

The EY block is used to fund the following factors:

1. Payment to providers to fund the provision of the free entitlements set out above and the following supplements. It also proposed this year (for the first time) to include a nominal SEND allowance in the funded entitlements for all 3 and 4 year olds.



2. Provision of the EY SEND fund to provide additional resources to support children accessing their free EY entitlements who have high levels of SEND. All LAs are required to allow for this element of funding although it is down to individual LAs to decide upon the nature of the support provided and the funding used to provide it.
3. Provision of a disadvantaged fund to provide additional resources to settings with high levels of children from disadvantaged backgrounds. The provision of this fund is a requirement set out by the DfE although it is down to individual LAs to determine the amount of funding used for this purpose and the basis on which it is allocated.
4. Provision of a sustainability fund to ensure we can continue to offer provision in those areas of the county where numbers of children alone will not generate sufficient funding to cover basic costs for providers. There is requirement for LAs to hold such a fund and, whilst many do, some do not. In a rural county such as ours this has always been considered a necessary element of EY expenditure.
5. Meeting the LA costs for the on-going requirement for the provision of information, support and guidance to EY providers. This element of the block is retained by the LA to cover the costs of employment for those staff supporting EY provision, administration of the funding system and associated core costs of the provision of our service. The DfE stipulate that no more than 4% (previously 5%) of the EY block can be retained by LAs – the remainder must all be passed to providers either through the hourly rate funding or the supplements set out above. The DfE have announced that they plan to reduce the 4% retention threshold to 3% although no deadline has been set for this as yet.

## 6. Calculating the proposed hourly rate of funding to providers

When calculating the overall spending of the EY block our aim is to ensure we can:

- cover the required supplementary costs set out above
- remain within the 4% ceiling for retained costs and;
- ensure the hourly rates of funding to providers remain as reflective as possible of the costs of provision of high quality, affordable and accessible early learning and childcare

### Proposed Supplementary Costs budget for 25/26

#### **A. EY SEND fund:**

**£1,250,000**

Spend in this area has been increasing year on year. This is reflective of the following factors:

- a. Increasing numbers of children presenting at settings with SEND
- b. Increasing complexity of need of those children
- c. Better and earlier identification of individual children's needs



- d. Growing waiting lists for referral into other professional services increasing the work which is required at setting level

For 25/26 we are budgeting for a 10% increase on our 24/25 anticipated spend

**B. Provision of the disadvantaged supplement: £300,000**

The overall spend on this element of the block has remained at £300k since it was introduced around five years ago. In order to ensure we can offer the highest possible hourly rate of funding to all providers it is proposed that we retain the funding at this level for 25/26

**C. Sustainability funding £300,000**

Overall spend in this area has increased in recent years mainly due to increases in employment costs. It is envisaged that the introduction of the new entitlements will lead to providers generating more income from the provision of new places as we go forward. We have therefore left the 25/26 budget figure at the same level as the 24/25 allocation.

**The overall EY block available for distribution to EY providers through the hourly rate will therefore be reduced by a total of £1,850,000 to cover the costs of the SEND, disadvantaged and sustainability supplements.**

**This amounts to 4.38% of the overall allocation**

**D. Central retained costs £1,175,000**

We are budgeting for an increase of our central retained costs for 25/26. Apart from the day to day management of the Early Years central team function, we also intend to recruit new EY SEND Advisory Teachers into the service. The role of these new posts will be to provide targeted information, advice and support to providers to support with meeting the needs of our SEND children. It is intended that these officers will work directly with children and providers offering expertise advice and support, with the long term vision of reducing the pressure on the above SEND fund (A). Following discussions with providers, it is also the intention to enhance the centralised training function, offering greater 'free at point of delivery' high quality CPD available to all providers / settings. A small proportion of these retained costs will also be used to enhance and upskill centrally retained colleagues.

**The overall EY block available for distribution to EY providers through the hourly rate will therefore be reduced by a total of £1,175,000 to cover the retained costs set out above.**

**This amounts to 2.78% of the overall allocation, well within the 4% ceiling set out by the DfE and satisfying the 3% target ceiling which will come into effect in the future.**



## **Hourly Rates of Funding for 25/26**

For the first time ever, it is proposed to include in the 3 & 4 year old funding a nominal SEND allowance for all children of 10pph - this equates to £114 additional funding per child accessing 30 hours of funding per year. For a setting such as a 26 place school nursery this will bring an additional £2,964 to support the setting in supporting children with SEND.

The following hourly rates of funding to providers is proposed to support the provision of the free entitlements, previous years' rates are included for comparison purposes:

<b>Entitlement</b>	<b>23/24 Rates</b>	<b>Increase</b>	<b>24/25 Rates</b>	<b>25/26</b>	<b>Increase</b>
<b>3&amp;4 YO – both universal and extended</b>	£4.75	+20p	£4.95 (£5.03 EYTPG*)	<b>£5.42</b>	<b>+39p (to include 10p nominal SEND allowance)</b>
<b>2YO – both disadvantaged and expanded</b>	£6.90	No Change	£6.90	<b>£7.15</b>	<b>+15p</b>
<b>9 Month old</b>	N/A	N/A	£9.05	<b>£9.15</b>	<b>+10p</b>

\*Early Years Teachers Pay Grant – a mid year additional grant was awarded of 8p per hour – this was passed on in full to providers of 3 / 4 year provision.

Based on the methodology used for the allocation of the indicative budget this will result in the following overall spend of the EY block:

<b>Entitlement</b>	<b>Hourly rate spend</b>	<b>% of indicative allocation</b>	<b>Total available</b>
<b>3&amp;4YO</b>	<b>£17,480,381</b>		<b>£18,415,679</b>
<b>2YO</b>	<b>£10,095,758</b>		<b>£10,811,771</b>
<b>9 Month old</b>	<b>£11,557,592</b>		<b>£12,931,281</b>
<b>Centrally held SEND</b>	<b>£1,250,000</b>		
<b>Sustainability</b>	<b>£300,000</b>		
<b>Disadvantaged</b>	<b>£300,000</b>		
<b>Total Allocation</b>	<b>£40,983,731</b>	<b>97.2%</b>	
<b>Central Retained Costs (Max 4%)</b>	<b>£1,175,000</b>	<b>2.8%</b>	
<b>Total</b>	<b>£42,158,731</b>	<b>100%</b>	<b>£42,158,731</b>



## 7. Other factors within the overall EY block

There are two other elements of the overall Early Years block. These are:

### A. Early Years Pupil Premium (EYPP)

EYPP is paid as an additional amount to any child accessing their free early years entitlements who also meets the eligibility for Free School meals. The hourly rate at which the LA is funded for EYPP will increase by 32p per hour per child to £1 phpc. The expectation is that this rate is passed on in full to eligible children based on a termly headcount. The overall funding allocated through this element of the block is **£287,435**

### B. Disability Access Fund (DAF)

DAF is paid to any child who accesses their free early years entitlements who are also eligible for Disability Living Allowance. The annual rate of funding for DAF will increase by £28 to £938 per child in 2025/26. The overall funding allocated through this element of the block is **£192,290**

## Approval

**Schools Forum are asked to approve the above allocation of funds for the Early Years Block 25/26**



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## Schools Forum

Date: 23 January 2025  
Time: 8.30 am to 10.30 am

Venue: MS Teams

Paper

# E

Public

## Schools Forum Work Programme 2025-26

Indicative programme. Other reports will be added on topical issues and/or commissioned by Schools Forum.

Meeting	Report
23 January 2025	<ul style="list-style-type: none"> <li>School Funding Arrangements 2025-26 Update</li> <li>Dedicated Schools Grant Monitoring 2024-25</li> <li>Early Years Funding 2025-26</li> </ul>
20 March 2025	<ul style="list-style-type: none"> <li>Dedicated Schools Grant Monitoring 2025-26</li> <li>Shropshire Schools Forum Constitution and Membership</li> <li>Impact of the AP/Inclusion Development Fund (Jan 24 - Jan 25)</li> <li>Graduated Support Pathway (GSP) and EHCP Top Up Funding</li> </ul>
19 June 2025	<ul style="list-style-type: none"> <li>Updated Dedicated Schools Grant 2025-26</li> <li>School Balances as at March 2025</li> <li>Growth Fund Allocations 2024-25 and 2025-26</li> <li>Early Years Block Allocation 2025-26</li> <li>Dedicated Schools Grant Monitoring 2025-26</li> </ul>
11 September 2025 (TBC)	<ul style="list-style-type: none"> <li>Final Dedicated Schools Grant 2024-25</li> <li>Updated Dedicated Schools Grant 2025-26</li> <li>School Revenue Funding Update 2025-26</li> <li>Dedicated Schools Grant Monitoring 2025-26</li> </ul>
13 November 2025 (TBC)	<ul style="list-style-type: none"> <li>Central Retention of Dedicated Schools Grant from April 2025</li> <li>Dedicated Schools Grant Monitoring 2025-26</li> </ul>
11 December 2025 (TBC)	<ul style="list-style-type: none"> <li>School Funding Arrangements 2025-26</li> <li>Consultation on the Central Retention of Dedicated Schools Grant from April 2026</li> <li>Central School Services Block 2025-26</li> </ul>

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