

Schools Forum

Date: 19 June 2025

Time: 8:30 a.m.

Venue: MS Teams
Meeting

Paper

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Public

Updated Dedicated Schools Grant (DSG) 2025-26

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Summary

The Department for Education (DfE) announced provisional 2025-26 local authority Dedicated Schools Grant (DSG) allocations in December 2024. In March 2025 the DfE announced an update to the DSG allocation for the 2025-26 financial year. A further update will be published in July 2025.

This report provides a summary of Shropshire's latest updated 2025-26 DSG allocation comparing it with Shropshire's previous provisional DSG allocation as reported to Schools Forum in Jan 2025.

Recommendation

This report is for information only.

REPORT

1. In January 2025 Schools Forum members received a report summarising the funding blocks making up Shropshire's 2025-26 provisional DSG allocation and listing the key financial headlines for each of the blocks.
2. Shropshire's 2025-26 provisional DSG allocation was updated in March 2025 to include recoupment academies and deductions for high needs places funded by the Education and Skills Funding Agency (ESFA) at that point.
3. A further update will be published in July 2025 including adjustments to academy recoupment in relation to the early years' provisional allocation and the high needs import/export adjustment.



4. A summary of the provisional 2025-26 DSG (as presented to Schools Forum in January 2025), is shown in the table below but excludes July 2025 update which will be reported in October Schools Forum.

5.

	Provisional DSG (as at Dec 24) £m	Recoupment / Deductions for HN places (as at March 25) £m	Provisional DSG (as at March 25) £m	Recoupment / Early Years Adjustment / HN Import/Export Adjustment (as at July 25) £m	Latest DSG (as at March 25) £m
Schools Block	224.161	169.840	54.321		54.321
Early Years Block (Provisional)	42.638	0	42.638		42.638
High Needs Block	46.113	8.029	38.084		38.084
Central Schools Services Block (CSSB)	2.358	0	2.568		2.568
Total DSG	315.269	177.868	137.611	0.000	137.611

6. The latest (March 2025) Central Schools Services Block (CSSB) allocation shows an increase of £210k, this is due to increase in funding for historic commitments.
7. In line with the schools operational guidance, redetermination of school budget shares to enable the reallocation of funding for permanently excluded pupils will take place for both maintained schools and academies. The following maximum pupil level rates, for pupils without an EHCP, will apply for the academic year commencing 1st September 2025. Where additional top-up funding is provided through the EHCP this may be deducted, depending on the timing of the exclusion and payment of the top-up funding.

School Budget Share formula factors 25-26	Primary (£)	Secondary KS3 (£)	Secondary KS4 (£)
Basic Entitlement	3,799	5,254	6,037
FSM	495	495	495
FSM6	1060	1,555	1,555
IDACI (Highest Band A)	685	950	950
EAL	595	1,595	1,595
Low Prior Attainment	1,175	1,785	1,785
Mobility	965	1,385	1,385
Maximum Potential annual deduction	8,774	13,019	13,802



8. The early intervention and prevention programme through AP/Inclusion Development Fund initiatives in Autumn 2023 has shown significant reduction of 43% of permanent exclusions, and a budget of £0.600m was allocated this year to consolidate the achievements made last year.
9. There is no change in the Early Years Block allocation from the updated census data from January 2024. This is still provisional at this stage and will be further updated after the census data collected in January 2025.
10. The latest High Needs Block adjustment relates to the following elements:
 - an update to our import/export adjustment is being reviewed. The import/export adjustment reflects the net place funding costs of other local authority pupils placed in our high needs settings and Shropshire high needs pupils placed in other local authority settings. Shropshire is a net exporter of high needs pupils, and our 2025-26 import/export adjustment shows an adjustment of £0.936m to be deducted from High Needs Block funding but this is subject to the outcome of the exercise in collaboration with other LAs.
 - An increase in the deductions for high needs places relating to our Special Schools, FE institutions, Specialist Post 16 and other Settings, but this will be finalised in July and full impact will be reported in the next School Forum.
11. Shropshire's latest remaining DSG for 2025-26, after recoupment for academies and deductions for direct funding of high needs places by ESFA, equates to £137.611m.
12. The National Insurance Contributions (NICs) grant for mainstream schools sits outside the DSG allocation and will be rolled into the schools block of the schools national funding formula (NFF) for 2026 to 2027. The NICs funding for Special schools including AP is being allocated through Core Schools Budget Grant in 2025-26.
13. The latest DfE update in May confirmed a further allocation will be paid to Schools in October for 2025 pay award.
 - The conditions of grant and allocations for mainstream schools will be published in the autumn.
 - The allocation for Shropshire special schools & AP is £0.265m, based on £339 per place this will be paid to the LA for passing onto schools within the guidelines provided.

