

Schools Forum 15 January 2025	
Report from Executive Director of People - Children Services	
DSG 2025/26 Schools Block - Budget proposal	
Wards Affected:	All
Key or Non-Key Decision:	N/A
No. of Appendices:	
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1 Purpose of the Report

- 1.1 To comply with regulations and to furnish Schools Forum with the relevant information regarding schools funding.
- 1.2 This report sets out the proposed DSG Schools Budget for 2025/26. Schools Forum are being consulted on the proposed formula values and are being asked to agree the proposed block transfers ahead of the budget being set and approved by full Council.

2 Recommendations

- 2.1 Schools Forum is asked to confirm its November 2024 provisional decision to transfer 0.5% from the Schools Block, £0.100m to the CSSB and the remainder to support the High Needs Block. Based on the December 2024 published allocations, this amounts to £0.925m. DfE regulations permit up to 0.5% of the Schools Block to be transferred with Schools Forum approval.
- 2.2 Schools Forum to agree to a Minimum Funding Guarantee of 0% for 2025/26.
- 2.3 Schools Forum is asked to support the proposed formula for 2025/26.

3 Summary- 2025/26 DSG Funding Announcements

- 3.1. The 2025/26 DSG block funding allocations were announced on 18 December 2024. This report gives an update of the final Schools Block allocations to include the growth funding allocation.

Table 1: Summary of DSG blocks 2025/26

DSG Block	2024/25	2025/26	Change	Change
	Funding	Funding	Change	Change
	£'000	£'000	£'000	%
Schools Block ¹	172,308	184,973	12,665	7.35%
High Needs Block ²	37,481	40,211	2,730	7.28%
Central Schools Services Block	840	921	81	9.64%
Early Year Block ³	21,810	26,164	4,354	19.96%
	232,517	252,269	19,830	8.53%

- 3.2. The majority of the increase of £12.665m in the Schools Block is the passporting of specific grants into the DSG (£12.147m). The growth funding allocation included in the Schools Block has changed from £0.863m in 2024/25 to £0.214m in 2025/26.
- 3.3. The High Needs Block allocation has been announced at £40.211m, an increase of £2.730m on the current allocation for 2024/25 and represents a funding increase of 7.28%.
- 3.4. The number of children with Education, Health and Care plans (EHCPs) is continuing to increase, therefore in addition to a number of measures outlined in the DSG management plan, Schools Forum is asked to approve a 0.5% transfer from the Schools Block to the CSSB and High Needs Block. A detailed breakdown of the high needs block budget will be presented to Schools Forum in March 2025.
- 3.5. The Early Years Block allocations were also published in December 2024, which included further funding for qualifying working parents of 2-year-olds and children over 9 months.
- 3.6. Early Years funding rate options for 2025/26 have been consulted on with sector providers and are the subject of a separate paper to be presented to this Schools Forum.
- 3.7. The Central School Services Block income was confirmed at £0.921m, an increase of £0.081m compared to 2024/25. This includes a small reduction of funding for historic commitments, and an increase in funding for ongoing commitments.

4 School Block Funding transfer 2025/26

- 4.1 At the November meeting of Schools Forum, it was provisionally agreed that the Authority would again transfer 0.5% of the Schools Block total to other blocks. Based on the DSG announcement in December 2024, this would amount to £0.100m to the Central School Services Block for Admissions and £0.825m to the High Needs Block to support the Safety Value recovery plan.
- 4.2 The LA consulted all affected schools on this proposal in recent weeks and there were 7 responses. Although all 7 supported the proposals, 1 school expressed concerns about the £0.1m transfer to the Admissions Team.
- 4.3 A summary of the responses is in **Appendix 1**. Question 1 is relevant to this matter.
- 4.4 The LA continues to face acute difficulties in managing the high needs budget and a cumulative deficit still exists in this area. The report elsewhere on the agenda describes the progress in delivering local places for local provision. The LA has a Safety Valve agreement with the DfE and the LA would want to deliver the required improvements to ensure that the DfE provided additional funding to address that historic deficit. Once the LA has got to a more stable position on the High Needs budget, a re-evaluation of the longer-term requirements would be made, with a view that an annual contribution from the Schools Block was no longer necessary. In the meantime, however, the circumstances point to the need to continue with the same approach as in 2024/25 to provide support from Schools Block to High Needs Block.
- 4.5 In the light of the provisional decision in November 2024, the updated information about the DSG for 2025/26 and the responses to the consultation, Schools Forum are invited to indicate their continued support for this proposed **£0.925m** transfer.

5 Schools Block Expenditure 2025/26 – Mainstream Funding Formula

- 5.1 The Schools Block total of **£184.973m** less **£0.925m** for 0.5% block transfers and less **£0.538m** for Growth (see separate paper on this agenda) leaves a total of **£183.510m** to be distributed through the mainstream schools funding formula.
- 5.2 Ultimately, all mainstream schools will be funded through the National Funding Formula. For 2025/26, however, the Local Authority is to set the funding formula locally, in consultation with schools and Schools Forum, all within the parameters set out in the school funding requirements.
- 5.3 Schools were consulted on the broad approach for allocating the funding formula in the November 2024 consultation. There were two questions, the responses to which are in **Appendix 1**.
- 5.4 The first question related to whether Slough should maintain the existing local approach, rather than move directly to the National Funding Formula values (which

would most notably impact on schools with high mobility data). All 7 respondents supported this proposal.

- 5.5 The second question asked about whether any headroom than might be available should be distributed on a flat per pupil basis. 6 respondents supported this, but 1 did not and asked for more illustrations of the impact before a decision being made.
- 5.6 Using the December 2024 DSG information and the outcomes from the consultation, it is proposed that the formula be calculated as follows for 2025/26:
- The formula factor values used in the funding formula for 2024/25 should be the starting point
 - Those values would then be supplemented by the full-year amounts of per pupil, per FSM6 and per school allocations used in the specific grants allocated in 2024/25, which are being absorbed into the DSG for 2025/26 (ie TPAG (teachers pay), TPECG (teachers pensions) and CSBG (core schools budget grant))
 - Where the resulting factor values are outside the permissible range (ie +/- 2.5% from the NFF value) (to comply with DfE NFF requirements) they either be raised to the minimum value or reduced to the maximum value.
 - National Non-Domestic Rate amounts for each school will be as per those advised by ESFA. (ie Slough participates in the national scheme whereby the DfE pays rates directly to the rating authority and advises LAs, schools and academies of how much to budget for now and, later in the year, of any adjustments to account for).
 - PFI allocations to be uplifted by Retail Price Index (RPIx) from those used in 2024/25.
 - Schools and academies to be entitled to minimum funding of £4,955 per primary school and £6,465 per secondary school).
 - Schools for be protected by the Minimum Funding Guarantee of 0% for 2025/26, which is the maximum permissible amount this year. (ie schools would be guaranteed at least the same per pupil funding for pupil-led funding in 2025/26 as in 2024/25).
 - Any modest, residual headroom be allocated on a flat per pupil rate, with any amount that cannot be allocated by a per pupil amount to two decimal places (ie roundings) be distributed by adjusting the lump sums.
- 5.7 **Appendix 2** sets out the calculations of the formula values on these principles.
- 5.8 The headroom was very small (c£0.3m or 0.15% of the total) and amounted to £12.23 per pupil and £3.50 uplift to the lump sums.. It indicates that most of the differences between Slough factor values and the National Funding Formula (NFF) are minor, apart from those for mobility. In future years, the Slough formula will move ever closer to alignment with the NFF whether through incremental uplifts required by the narrowing of the permissible range of factor values, by a policy decision locally to make the shift or from the introduction of a hard national funding formula.
- 5.9 In summary, the allocations for 2025/26, subject to detailed validation prior to despatch to the ESFA later this month, are set out in **Table 2**.

Table 2: Proposed use of Schools Block for 2025/26

Component	Proposed Allocation £'000
Pupil-led factors	£173,296
Lump sums	£6,568
Other premises factors	£3,228
Minimum School Funding	£42
Minimum Funding Guarantee	£375
Total distributed to schools	£183,510
To Growth Fund	£538
Total proposed budget for Schools Block 2025/26	£184,048
Block transfer	£925
GRAND TOTAL Schools Block Funding 2025/26	£184,973

- 5.10 **Appendix 3** provides the full detail of the formula on which this report has been based. **Appendix 4** provides a school-by-school summary of the same.
- 5.11 The notional SEND budget for pupils without Education, Health and Care Plans (EHCPs) or for the first £6,000 of costs incurred by schools incurred on pupils with EHCPs has been calculated using the same approach as for 2024/25. The notional SEND budget is not extra funding: it is integral to the formula allocations that mainstream schools receive. All of the low prior attainment and deprivation funding counts towards the notional SEND budget.
- 5.12 As in 2024/25, there are no proposed deductions for de-delegated services or Education Functions for maintained schools.
- 5.13 Subject to Schools Forum's views, budget decisions of Council and any issues that arise through detailed validation by officers and ESFA, the figures principles and figures outlined in this report will be used to populate the Authority Proforma Tool, later this month.

6 Financial Implications

- 6.1 The financial implications have been detailed in the body of this paper. Any additional funding received would go towards mitigating inflationary costs pressures faced by schools.

7 ALTERNATIVE OPTIONS CONSIDERED

No alternative options were considered.

8 SUPPORTING INFORMATION

Not applicable

9 Legal Implications

There are no legal implications for this report.

10 Equality Implications

Not applicable

APPENDIX 1

Summary of responses to mainstream school funding consultation 2025/26

Despatched to all schools in December 2024, with a deadline of 9th January 2025.

School Name	Claycots School	Haybrook College	Herschel Grammar School	Langley Grammar School	Penn Wood Primary and Nursery School	Phoenix Infant Academy.	Slough and Eton Church of England Business and Enterprise College
Q1 Do you support the transfer of 0.5% from the Schools Block to the High Needs Block to help support the continued pressures on high needs	YES. We have ticked yes to this but have concerns about supporting the admissions service with £100K as it is not clear what impact there is on schools for funding this. We were told that it was to support their salary costs but that doesn't feel sufficient information to make this decision. Our Head Teacher will raise this through her channels.	YES	YES	YES	YES. This is a necessary part of the DfE agreement and safety valve conditions and to be able to reduce the pressure on HNB	YES	YES. However, Schools must start to see improvements in service
Q2 In 2024/25, Slough mirrored the NFF factor values in its local formula, with the exception of the mobility factor. This resulted in just under 80% of funding being directed through the Basic Entitlement factor. Do you support maintaining the current position as far as possible in the 2025/26 local formula – ie maintaining the budget proportions for all factors?	YES	YES	YES	YES	YES. I would like to see how the modelling creates 'winners' and 'losers' with particular scrutiny on the benefits to the primary v secondary sector and also the smallest primaries who will be feeling the strain most.	YES	YES
Q3 The total school block funding may exceed that required to implement the National Funding Formula (NFF) factor values. If that were the case, do you support the proposal to use the Basic Entitlement for Pupils factor to allocate any surplus Schools Block funding (sometimes known as 'headroom') to mainstream maintained schools and academies?	YES	YES	YES	YES	NO I feel that schools are in enough financial strain to deliver excellent education and outcomes and that any excess should be distributed. If there were to be surplus there is a need for ultimate clarity of the amounts, the funds (per school) that this would benefit and a clear rationale for its use.	YES	YES

APPENDIX 2

Calculation of formula values 2025/26 and comparison to NFF values (and the permissible range)

Construction of 2025/26 factor values						Permissible range		Comparison with NFF values		
Factor	24-25 APT values	Plus 2024/25 grant impacts	Adjustment to stay within permissible range	Per pupil headroom	Proposed formula values for 2025/26	25-26 APT minimum	25-26 APT maximum	25-26 NFF including ACA	Slough Difference from full NFF £	Slough Difference from full NFF %
Primary basic entitlement	£3,794.51	£279.42	£0.00	£12.23	£4,086.16	£3,971.30	£4,174.95	£4,073.13	£13.03	0.32%
KS3 basic entitlement	£5,349.82	£392.67	£0.00	£12.23	£5,754.72	£5,597.19	£5,884.22	£5,740.71	£14.01	0.24%
KS4 basic entitlement	£6,030.53	£443.47	£0.00	£12.23	£6,486.23	£6,310.51	£6,634.13	£6,472.32	£13.91	0.21%
Primary FSM	£520.00		£0.00		£520.00	£510.99	£537.20	£524.10	£-4.10	-0.78%
Secondary FSM	£520.00		£0.00		£520.00	£510.99	£537.20	£524.10	£-4.10	-0.78%
Primary FSM6	£870.00	£246.61	£0.00		£1,116.61	£1,094.25	£1,150.36	£1,122.31	£-5.70	-0.51%
Secondary FSM6	£1,275.00	£365.15	£0.00		£1,640.15	£1,605.24	£1,687.56	£1,646.40	£-6.25	-0.38%
Primary IDACI F	£250.00		£0.00		£250.00	£242.59	£255.03	£248.81	£1.19	0.48%
Primary IDACI E	£305.00		£0.00		£305.00	£294.21	£309.30	£301.75	£3.25	1.08%
Primary IDACI D	£475.00		£0.00		£475.00	£459.38	£482.94	£471.16	£3.84	0.82%
Primary IDACI C	£515.00		£0.00		£515.00	£505.83	£531.77	£518.80	£-3.80	-0.73%
Primary IDACI B	£550.00		£0.00		£550.00	£536.80	£564.33	£550.57	£-0.57	-0.10%
Primary IDACI A	£720.00		£0.00		£720.00	£707.13	£743.40	£725.26	£-5.26	-0.73%
Secondary IDACI F	£360.00		£0.00		£360.00	£350.99	£368.98	£359.99	£0.01	0.00%
Secondary IDACI E	£480.00		£0.00		£480.00	£464.54	£488.36	£476.45	£3.55	0.74%
Secondary IDACI D	£670.00		£0.00		£670.00	£655.52	£689.13	£672.33	£-2.33	-0.35%
Secondary IDACI C	£735.00		£0.00		£735.00	£717.46	£754.25	£735.85	£-0.85	-0.12%
Secondary IDACI B	£785.00		£0.00		£785.00	£769.07	£808.51	£788.79	£-3.79	-0.48%
Secondary IDACI A	£1,005.00		£0.00		£1,005.00	£980.69	£1,030.99	£1,005.84	£-0.84	-0.08%
Primary EAL	£625.00		£0.00		£625.00	£614.22	£645.72	£629.97	£-4.97	-0.79%

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Factor	24-25 APT values	Plus 2024/25 grant impacts	Adjustment to stay within permissible range	Per pupil headroom	Proposed formula values for 2025/26	25-26 APT minimum	25-26 APT maximum	25-26 NFF including ACA	Slough Difference from full NFF £	Slough Difference from full NFF %
Secondary EAL	£1,680.00		£0.00		£1,680.00	£1,646.54	£1,730.97	£1,688.75	£-8.75	-0.52%
Primary LPA	£1,240.00		£0.00		£1,240.00	£1,212.96	£1,275.17	£1,244.07	£-4.07	-0.33%
Secondary LPA	£1,880.00		£0.00		£1,880.00	£1,842.67	£1,937.17	£1,889.92	£-9.92	-0.53%
Primary mobility	£302.78		£76.99		£379.77	£379.77	£1,047.27	£1,021.72	£-641.95	-62.83%
Secondary mobility	£434.65		£108.41		£543.06	£543.06	£1,503.07	£1,466.41	£-923.35	-62.97%
Primary lump sum	£142,250.00	£10,500.39	£0.00	£3.50	£152,753.89	£149,788.25	£157,469.70	£153,628.98	£-875.09	-0.57%
Secondary lump sum	£142,250.00	£10,500.39	£0.00	£3.50	£152,753.89	£149,788.25	£157,469.70	£153,628.98	£-875.09	-0.57%
Primary sparsity	£60,435.00		£0.00		£60,435.00	£59,254.62	£62,293.32	£60,773.97	£-338.97	-0.56%
Secondary sparsity	£87,850.00		£0.00		£87,850.00	£86,094.70	£90,509.81	£88,302.25	£-452.25	-0.51%
Middle-school sparsity	£87,850.00		£0.00		£87,850.00	£86,094.70	£90,509.81	£88,302.25	£-452.25	-0.51%
All-through sparsity	£87,850.00		£0.00		£87,850.00	£86,094.70	£90,509.81	£88,302.25	£-452.25	-0.51%
Split sites basic eligibility funding	£55,415.18		£329.59		£55,744.77	£55,744.77	£58,603.47	£57,174.12	£-1,429.35	-2.50%
Split sites distance funding	£27,759.19		£113.19		£27,872.38	£27,872.38	£29,301.74	£28,587.06	£-714.68	-2.50%
London fringe	1.0000				1.0000	1.0000	1.0000	1.0000	0.0000	0.00%