

Title of meeting:	Schools Forum
Date of meeting:	8 January 2024
Subject:	School Funding Arrangements 2025-26
Report by:	Sarah Daly, Director of Children Families and Education
Cabinet Member:	Councillor Suzy Horton, Cabinet Member for Children, Families and Education
Wards affected:	All
Key decision:	Yes/No
Full Council decision:	Yes/No

1 Purpose of report

1.1 The purpose of this report is to:

- 1.1.1 Seek endorsement of the final stage submission to the Department for Education (DfE) by 22 January 2025 of the 2025-26 mainstream school revenue funding pro-forma for the Primary and Secondary Phases.
- 1.1.2 Inform Schools Forum of the progress towards the initial determination of the schools budget (including individual schools budgets for 2025-26) and to seek the necessary approvals and endorsements required.

2 Recommendations

2.1 It is recommended that Schools Forum:

- 2.1.1 Endorse the proposed changes to the mainstream schools revenue funding arrangements as set out in Section 5 and Appendix 2.
- 2.1.2 Endorse the school revenue funding pro-forma at Appendix 3 for submission to the ESFA on 22 January 2025.
- 2.1.3 Endorse the use of the carry forward on the Schools Specific Contingency for the same purpose in 2025-26 as set out in Section 6.
- 2.1.4 Endorse the budget to be held centrally for the payment of central licences negotiated nationally for all schools by the Secretary of State.
- 2.1.5 Approve the use of the 2024-25 underspend on the Growth Fund for use for the same purpose in 2025-26.

- 2.1.6 Approve the budgets to be held centrally specifically as set out in Appendix 1:
- Schools Forum
 - Admissions
 - Duties retained by the local authority for all schools
 - Centrally employed Teachers' pay and pensions grants.
- 2.1.7 Endorse the place numbers for Special Schools, Inclusion Centres and Alternative Provision Settings as set out in Section 9 and Appendix 4.
- 2.1.8 Endorse the Early Years Funding formula for under twos, two, three and four years olds as set out in Section 8 and the budget as set out in Appendix 1
- 2.2 It is recommended that Maintained Schools Forum members:
- 2.2.1 Approve the de-delegated unit values in relation to the School Improvement, Monitoring and Brokerage Grant of £10.65 for each pupil.

3 Background

- 3.1 The Dedicated Schools Grant (DSG) is a ring-fenced grant for education and can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance (England) Regulations.
- 3.2 It is anticipated that the updated School and Early Years Finance (England) Regulations will require each local authority, by no later than 28 February 2025, to:
- 3.2.1 Make an initial determination of its schools budget; and
- 3.2.2 Give notice of that determination to the governing bodies of the schools which it maintains.
- 3.3 The Cabinet Member has already agreed, and Schools Forum has endorsed, the following principles in respect of the revenue funding arrangements for mainstream schools in 2025-26, which are summarised below:
- 3.3.1 To implement a Minimum Funding Guarantee at the value published by the DfE, which for 2025-26 is between minus 0.5% and plus 0.00%.
- 3.3.2 To calculate initial funding allocations in accordance with National Fair Funding (NFF) unit values as published by the Department for Education (DfE) in November 2024.
- 3.3.3 Agreed the methodology to manage affordability.

4 Dedicated Schools Grant

- 4.1 The determination of the 2025-26 Dedicated Schools Grant for the Schools Block, Central School Services Block and the Early Years Block is set out in Appendix 1.
- 4.2 On the 18 December 2024 the ESFA announced the initial Dedicated Schools Grant Allocation for Portsmouth for 2025-26. This includes the funding for both Maintained schools and Academies although Portsmouth City Council will only receive the funding for the Maintained schools as Academies receive this direct from the DfE.
- 4.3 In November 2024 the DfE released the indicative funding for 2025-26 based on the National Funding Formula and the October 2023 census data. The funding allocation has been updated for the October 2024 census and reflects the growth in pupil numbers seen both in mainstream schools and high needs settings across the city. The table below sets out the funding allocation for 2024-25 and the provisional funding allocation for 2025-26.

Table 1 Comparison between 2024-25 and 2025-26 DSG allocations						
	2024-25 Allocation (Nov 2024) (including Growth)	2024-25 Additional Grants incorporated into 2025-26	2024-25 Total	2025-26 Indicative Allocation (Dec 2024) (including Growth)	Funding Variance	Percentage Variance
Funding Block	£'000	£'000	£'000	£'000	£'000	%
Schools Block	158,319	9,354	167,674	172,392	4,718	2.81%
Central School Services Block	1,119	52	1,171	1,222	51	4.38%
High Needs Block	37,753	6	37,759	41,156	3,397	9.00%
Early Years	25,051	0	25,051	35,257	10,206	40.74%
Gross Total	222,242	9,413	231,655	250,027	18,372	7.93%

- 4.4 The Early Years Block funding contains the increase in entitlements to 30 hours for under 2 year olds and 2 year old pupils with working parents from September 2025. The increase in the hourly rate paid to the authority of each of the three age groups, under twos, two year olds and three and four year olds have increased by approximately 4.4%.
- 4.5 The Schools Block contains £1.053m of growth and falling rolls funding.
- 4.6 Following changes to the process of payment of national non-domestic rates (NNDR) in April 2022, the Schools Block will be reduced by the NNDR value (£1.4m) that was included in the January 2024 Authority Proforma Tool (APT) and stated in the schools budgets for 2024-25. Further information regarding the treatment for NNDR is set out in section 5.
- 4.7 The amount expected to be received directly by Portsmouth City Council is £103m, excluding funding for academies. The funding received directly will continue to change

during the year as schools convert to Academy status, since they will receive their funding directly from the ESFA rather than from the Council. Table 2 below sets out the DSG funding allocation for 2025-26.

Table 2: DSG indicative and actual funding allocation as at December 2024					
DSG Funding	2025-26				
	Provisional funding Inc. Academies and NNDR	NNDR reduction	Provisional funding Inc. Academies and exc. NNDR	Academy impact	Provisional exc. Academies
	£,000	£,000	£,000	£,000	£,000
Schools Block*	172,392	(1,408)	170,984	(134,406)	36,578
Central School Services Block	1,222		1,222		1,222
High Needs Block**	41,156		41,156	(10,783)	30,373
Early Years Block***	35,257		35,257		35,257
TOTAL	250,027	(1,408)	248,619	(145,189)	103,430

*The December 2024 Allocation removes NNDR funding from the DSG to be paid centrally.

**This is a provisional allocation which will be updated later in the year for import/export.

*** This is a provisional allocation which will be updated later in the year; it reflects the January 2024 census.

5 Schools Block - Mainstream school revenue funding formula 2025-26

- 5.1 In accordance with previous decisions, both primary and secondary schools will be funded using the National Funding Formula for 2025-26. The National Funding Formula values published by the DfE¹ have been increased in line with Portsmouth's Area Cost Adjustment (ACA) value of 1.01479 and rounded up to the nearest whole pound. The formula factor values are set out in Appendix 2
- 5.2 The application of Minimum Per Pupil Funding level (MPPL) is now mandatory and the following national values have been applied to the school budgets for 2025-26.

Table 3 - Minimum per pupil level funding 2025-26	
Phase	MPPL 2025-26
	£
Primary	4,955
Secondary	6,465
All-through	5,584
KS3 only schools	6,221
KS4 only schools	6,831

- 5.3 A total of five schools will receive additional funding through the application of the MPPL at a total value of £139,300.

¹ [National funding formula for schools and high needs: 2025 to 2026 - GOV.UK](https://www.gov.uk/government/news/national-funding-formula-for-schools-and-high-needs-2025-to-2026)

Minimum Funding Guarantee (MFG)

- 5.4 In November 2024 the Secretary of State confirmed that the National Funding Formula would provide a plus 0.0% per pupil increase for each school when compared to the 2024-25 baseline. An allocation was included in the Schools Block funding to the council for 2024-25 to accommodate this protection. The DfE has confirmed that local authorities can set an MFG of between minus 0.5% and 0.0%.
- 5.5 The authority has applied an MFG of 0.0% per pupil when compared to the 2024-25 per pupil funding.
- 5.6 The MFG has provided protection for 16 schools at a cost of £323,600.

National Non-Domestic Rates

- 5.7 From 2022-23 the national non-domestic rates (NNDR) have been paid by the ESFA directly to Portsmouth City Council. This has no financial impact on school budgets, but changes both the way NNDR is included in the schools budget and the payment process.
- 5.8 The authority will be funded for NNDR, based on the 2024-25 values within the January 2024 Proforma endorsed by Schools Forum and approved by the Cabinet Member. The value of these rates will be deducted from the 2025-26 Schools Block of the DSG and kept centrally by the ESFA (see Table 2). The ESFA will then use this funding to pay the 2025-26 NNDR bills for Maintained and Academy schools for the 2025-26 financial year.

Financial Cap on Gains

- 5.9 No financial cap on gains has been imposed, which continues to allow all gaining schools to benefit fully from the move to the NFF.
- 5.10 The final proposed funding pro-forma for 2025-26 is attached at Appendix 3.

Adjustments for affordability

- 5.11 The authority consulted with schools in November 2024 on how to manage affordability. After applying the National Fair Funding values, including the Area Cost Adjustment, the MPPL and an MFG of 0.0%, there remained a deficit of approximately £0.6m on the schools formula funding element of the Schools Block.
- 5.12 The deficit is due to the following reasons:
- 5.12.1 A change to the methodology for funding the Private Finance Initiative factor providing less funding than the calculated requirement through the Schools Block allocation. The authority is exploring if this change can be challenged.
- 5.12.2 A built in lag in funding through the methodology used to calculate the units of

funding for primary and secondary pupils which is based on the pupil characteristics in the October 2023 census then applied to the pupil numbers in the October 2024 census. The October 2024 census has seen a higher proportion of pupils attracting funding through the Low Prior Attainment, Free School Meals and IDACI² factors when compared to October 2023.

- 5.13 A review of the Growth Fund requirements for the five year period 2025-26 to 2029-30 confirmed that the planned use of the carry forward in previous years has almost provided sufficient funding to ensure current and known future growth fund obligations are met. The authority has therefore used the growth funding to fill the gap in the school funding formula, enabling the authority to retain the area cost adjustment increase and not apply a funding cap. Thus, maximising the funding to schools.
- 5.14 Of the remaining £405,800 of the growth funding, £110,000 has been used to support the Growth Fund (see Table 4 below) and the remaining £295,800 (0.17% of the Schools Block DSG) has been transferred to the High Needs Block to support the on-going pressures.

Growth Fund

- 5.15 The Growth Fund criteria and the Primary and Secondary Lump sum values for 2025-26 was approved by Schools Forum at the Meeting in December 2024. This section sets out further information Growth Fund budget for 2025-26.
- 5.16 The 2025-26 Schools Block contains £0.766m of growth funding which reflects the growth in pupil numbers between October 2023 and October 2024. The funding for 2025-26 was £0.315m lower than 2024-25 and reflects a 30% reduction in the pupil numbers that attract growth funding when compared to 2024-25. Primary pupils attract a lower funding rate of £1,570 compared to £2,250 for secondary pupils.
- 5.17 The table below sets out the cost of Growth Fund commitments for 2025-26 and for the following four years. Offset against the growth funding received from the DfE, reduction in academy recoupment and the Growth Fund carry forward from 2024-25. For 2025-26 this would provide a surplus value of £885,800, which would be carried forward to fund future Growth Fund commitments and provide capacity to manage future growth in pupil numbers within the current criteria.

² Income Deprivation Affecting Children Indices

Financial Year	2025-26	2026-27	2027-28	2028-29	2029-30
	£	£	£	£	£
Total costs	703,964	465,909	562,634	353,476	72,138
DfE Funding	(110,000)	0	0	0	0
5/12 Recoupment	(461,641)	(173,089)	(209,158)	(252,483)	(72,138)
In year (surplus)/deficit	132,324	292,820	353,477	100,993	0
Brought Forward from previous year	(885,800)	(753,477)	(460,657)	(107,180)	(6,187)
Carry forward (surplus)/deficit	(753,477)	(460,657)	(107,180)	(6,187)	(6,187)

5.18 The retention of previous years balances to support the on-going Growth Fund commitments has enabled the authority to support the 2025-26 formula funding through using the growth funding. As previously reported as part of the national consultation on the introduction of the National NFF, the DfE are considering changes to the method of funding growth, a further consultation is expected, and the Authority will work with Schools Forum on a response.

6 De-delegated and other schools block funding

Falling Rolls

- 6.1 Within the growth funding, the authority received £288,000 of Falling Rolls funding. Funding is provided when there is a 10% or greater reduction in the number of pupils on roll in each Middle Layer Super Output Area³ (MSOA) between the October 2023 and October 2024 census. Portsmouth saw a decrease of 107 primary pupils over two MSOA, which were just over the 10% threshold thus triggering the funding.
- 6.2 A local authority continues to have discretion as to whether to have a falling rolls fund. For schools to be eligible to receive funding under a falling rolls fund the local authority's School Capacity (SCAP) data return should show that the school places will be required in 2025-26 and/or either of the following two years.
- 6.3 Portsmouth's SCAP return did not show that these primary places are required over the next three academic years.
- 6.4 Following consultation in December 2023 Portsmouth Schools Forum agreed not to hold a falling rolls fund, as the SCAP data did not indicate the places would be required in the following three academic years. In December 2024 the data has not changed and therefore a falling rolls fund has not been proposed. The funding has been used to support the Growth Fund and the High Needs Block.

³ Middle layer super output area (MSOA) are areas used by the Office of National Statistics to capture population data within local authorities. They contain between 2,000 to 6,000 households and between 5,000 to 15,000 persons.

School Improvement Monitoring and Brokerage

- 6.5 Following a consultation with schools, at the Schools Forum meeting on 4 December 2024, Maintained School Members voted to de-delegate from Maintained schools for the School Improvement, Monitoring and Brokerage budget. Following the receipt of the October 2024 census the proposed de-delegation per pupil has been calculated at £10.65 for maintained primary and secondary pupils.

Schools specific contingency

- 6.6 As at the end of December 2024 this budget is forecast to be underspent by £124,300. Schools Forum is asked to approve the carry forward of this balance for the same purpose in 2025-26.

7 Central Schools Services Block

- 7.1 The Central Schools Services Block (CSSB) has seen an increase on the per pupil funding of 4.4%, including £1.30 per pupil for the passporting of the Core Schools Budget Grant for centrally employed teachers.

- 7.2 The EFSA has agreed with the following agencies to continue to purchase a single national licence managed by them for all state funded schools in England:

- Christian Copyright Licensing International (CCLI)
- Copyright Licensing Agency (CLA)
- Education Recording Agency (ERA)
- Filmbank Distributions Ltd (for the PVSL)
- Mechanical Copyright Protection Society (MCPS)
- Motion Picture Licensing Company (MPLC)
- Newspaper Licensing Authority (NLA)
- Performing Rights Society (PRS)
- Phonographic Performance Limited (PPL); and
- Printed Music Licence (PML).

- 7.3 These licences are funded centrally and for 2025-26 the budget provision has been set at £187,200, which reflects the expected increase in charges and pupil numbers for 2025-26, which is anticipated to meet the central charges from the DfE for the financial year.

- 7.4 The authority is proposing an increase of £16,900 for the duties retained on behalf of all schools that were formally part of the Education Support Grant reflecting the increase in the number of pupils in the city and increased cost of delivery.

- 7.5 The following 2024-25 budgets are proposed:

- Schools Forum to increase to £17,600,
- Admissions budget to increase to £405,100 reflecting the increase in pupil numbers and associated costs,

- The centrally employed Teachers' Pay and Pension budget, increased to £85,400, reflecting the roll in of the Core Schools Budget Grant.

7.6 The overall budgeted expenditure within the CSSB matches the 2025-26 funding allocation of £1,222,200.

8 Early Years

Extension of entitlements 2025-26

8.1 In March 2023 the Government announced the extension of early years entitlements starting in April 2024 and the roll out completing in September 2025. The Table below sets out the planned implementation.

Implementation date	Age group	No. of hours per week
April 2024	Working parents of 2 year olds	15
September 2024	Working parents of 9 months to 3 year olds	15
September 2025	Working parents of 9 months to 3 year olds	30

8.2 On 24 October 2024 the DfE confirmed there was only one change to the Early Years Funding formula for 2025-26, an increase to the pass through rate to providers from 95% to 96% from April 2025. To enable Early Years settings to receive notification of the 2025-26 hourly rates as early as possible in 2025, the authority consulted on the proposed formula changes before the hourly rates were released by the DfE. This consultation closed on 20 December 2024, the results of the consultation and the proposed Early Years budget proposals for 2025-26 are set out below and in Appendix 5.

Three and Four year old funding formula

8.3 The DfE have confirmed that the DSG hourly funding rate for Portsmouth City Council 2025-26 will increase by £0.27 to £6.40 for three and four year olds.

8.4 The three and four year old allocation includes funding for the Teacher's pay grant and the Teacher's employers contribution grant (Teacher's pay and pensions grant). This equates to £0.03 per hour, for clarity it has been included within the formula for 2025-26, paragraphs 8.10 and 8.11 set out how this supplement will be paid to eligible providers. There are no proposed changes to the funding formula factors consulted with providers in December 2024. The Table below sets out the proposed funding values for 2025-26.

	2024-25	2025-26
	£	£
Basic rate	5.50	5.78
Deprivation	0.20	0.20
SENDIF Emerging needs	0.04	0.09
Growth contingency	0.06	0.05
Teachers Pay and Pension grant	0.03	0.03
Total funding passed to settings	5.83	6.15
Centrally retained	0.30	0.25
Total funding per hour	6.13	6.40

Two year old funding formula (Deprivation and working parents)

- 8.5 The DfE have confirmed that the DSG hourly funding rate for 2025-26 will increase by £0.38 to £9.36 for two year olds. This includes the entitlement for two year olds with parents in receipt of certain benefits and the entitlement for two years with working parents from April 2024. The Table below sets out the proposed funding values for 2025-26.

	2024-25	2025-26
	£	£
Basic rate	8.49	8.89
SENDIF Emerging needs	0.04	0.09
Growth contingency	0.00	0.01
Total funding passed to settings	8.53	8.99
Centrally retained	0.45	0.37
Total funding per hour	8.98	9.36

Under 2s funding formula

- 8.6 The Under 2 year old formula covers the entitlement to funded childcare from September 2024 for pupils aged 9 months up to 2 years old of working parents. The DfE have confirmed that the DSG hourly funding rate for 2025-26 will increase by £0.52 to £12.76 for Under two year olds. The table below sets out the proposed funding values for 2025-26.

Table 8: Under two year old funding formula 2024-25 and 2025-26		
	2024-25	2025-26
	£	£
Basic rate	11.59	12.13
SENDIF Emerging needs	0.04	0.10
Growth contingency	0.00	0.02
Total funding passed to settings	11.63	12.25
Centrally retained	0.61	0.51
Total funding per hour	12.24	12.76

SENDIF Emerging needs

- 8.7 The authority is reviewing the offer to early years settings for those pupils with Special Educational Needs and Disabilities (SEND). As set out in the consultation the increased funding for pupils with low and emerging needs will enable financial support to be provided for a longer period than the current two terms. The support provided for pupils with more complex needs is being reviewed and will be consulted on.

Growth Contingency

- 8.8 The DfE have confirmed that as in 2024-25 they will continue to undertake termly census counts for the new entitlements in 2025-26 and adjust local authority funding allocations to more closely match activity. The impact of the summer 2024 termly count has been reviewed and whilst it has provided additional funding it is not sufficient to cover the forecast hours. The funding related to the autumn 2024 census will not be received by the local authority until March 2025, but initial estimates show that this is not expected to cover the full cost, and the authority will need to use the three and four year old growth contingency to cover any overspends across all age groups.
- 8.9 It is therefore proposed to spread the growth contingency across all age groups as set out in the Tables above.

Centrally Held

- 8.10 From April 2025 the local authority can hold up to 4% of the hourly rate to pay for central services for Early Years, the formula funding proposals above include the 4% retention rate. The Early Years Team within the local authority are funded from this retention rate and provide a range of services to Early Years providers. This support is expected to increase as the entitlements continue to be extended over the 2025-26 financial year. The retention rate is reviewed and consulted on annually as part of the formula consultation.
- 8.11 The retention of the 4% will enable the authority, through the early years team, to continue to support providers with quality assurance, business support, training, advice, signposting parents to find childcare places, inclusion outreach, funding issues, eligibility checks and synergy trouble shooting during open tasks. Additional

support will be required to administer the new entitlements both in terms of increasing sufficiency and administering the funding to providers.

Teachers pay and pensions

- 8.12 In 2023-24 the DfE moved the separate grant paid to mainstream school nursery unit providers for teachers pay and pension grant into the Early Years block funding. This was a national change which impacted mainstream school nursery units only. This has provided funding of £73,100 for 2025-26. It is proposed that this is distributed to schools through the "Quality" discretionary supplement for three and four year olds to those providers that are required to employ teachers.
- 8.13 It is proposed to distribute the grant at on the same basis as 2024-25 at £181 per pupil as per the number on roll for N1 and N2 in the October 2024 census.

Early Years Pupil Premium and Disability Access Fund

- 8.14 In addition to the funding formula providers will see an increase in the funding paid via the disability access fund which has increased from £910 to £938 per eligible child per year.
- 8.15 From April 2024 the Early Years pupil premium for eligible three and four year olds was extended to include disadvantaged two year olds and children aged two years of working parents, the eligibility extended to include the under twos from September 2024. From April 2025 the rate per hour has increased from £0.68 per hour to £1.00 per hour up to a maximum of 570 hours per year.

Consultation with providers

- 8.16 Portsmouth has undertaken a consultation with Early Years settings regarding the proposed funding formula and hourly rates paid to providers. The consultation closed on 20 December 2024, of 156 providers contacted, 22 responded (14%), The table below provides a summary of the responses. A copy of the consultation and the responses are set out in Appendix 5.

Table 9: Summary of Consultation responses				
Question	Yes	No	N/A	Total
Do you agree with the proposed 2025-26 funding formula for three and four year olds?	17	4	1	22
Do you agree with the proposed 2025-26 funding formula for two year olds?	17	4	1	22
Do you agree with the proposed 2025-26 funding formula for under 2 year olds?	17	3	2	22

- 8.17 There are no proposed changes to the formula as set out in the consultation. Several respondents provided comments as part of the response to the consultation, which highlighted the financial pressures in the Early Years Sector and questioned the retention of 4% by the local authority. Paragraphs 8.10 and 8.11 set

out the services the local authority provides to Early Years settings, which have increased due to extension of entitlements. The local authority is awaiting details of any grants related to the increase in national insurance contributions.

9 High Needs

- 9.1 In December 2024 the initial High Needs Block allocation is a £3.4m increase from 2024-25, with the final amount to be announced in July 2025 once the movement of pupils between authorities is known (called the import/export adjustment).

Place Funding

- 9.2 Appendix 4 sets out the Special School, Inclusion Centre and Alternative Provision places budgeted for the 2025-26 financial year, including any that are paid locally by the authority.

Special School places

- 9.3 There are no proposed changes to the Special School place numbers for the 2025-26 financial year.

Inclusion Centre places

- 9.4 The 2025-26 budget contains the full year impact of the increase in Inclusion Centre places from September 2024.

- 9.5 Additionally, there is an increase of 27 places for the 2025-26 academic year from September 2025. These include:

- A further eight places at The Portsmouth Academy
- A further five places at Trafalgar Academy
- The reduction of two places at Northern Parade Junior School
- Provision for a total of 16 places at two new Inclusion Centres.

Alternative Provision (AP) places

- 9.6 There are no changes to the overall places at the Harbour and Flying Bull Alternative Provision settings for 2025-26. However, the budget includes the transfer of a further four places at Flying Bull to be paid by the ESFA, leaving four places paid locally from September 2025.

Other High Needs funding

- 9.7 Following the receipt of the High Needs Block allocation for 2025-26, the authority is reviewing the other High Needs funding requirements. As previously reported the High Needs Block has been supported using £2.5m of the DSG balances in 2024-25. The additional funding provided in 2025-26 (£3.4m), will help to support the financial pressures, but there is still expected to be a shortfall which will need to be covered by DSG balances. These pressures include:

- the full year impact of the increased Inclusion Centre and Special School places from September 2024 and associated Element 3 Top-up,
- the full year impact of the Education Health and Care plan recovery programme,
- the continuation of the payment of the Additional Grant provided in 2023-24 for High Needs and continuing into 2025-26,
- pressures due to increased levels of need across all Early Years settings, schools and post-16 colleges.

9.8 The proposed High Needs budgets will be brought to the February 2024 Schools Forum and Cabinet Member meetings for endorsement and approval.

10 Other school funding for 2025-26

10.1 The DfE have confirmed the following additional funding will be provided during 2025-26 to schools and High Needs settings outside of the DSG.

- **Special Schools and Alternative Provision:** Core Schools Budget Grant, which will contain three grants:
 - Teachers pay additional grant (TPAG)
 - 2024 teachers' pension employer contribution grant (TPECG)
 - A full year allocation of the 2024-25 core schools budget grant to cover the additional costs associate with the April 2024 and September 2024 pay awards for non-teaching and teaching staff.
- **Mainstream and High Needs settings:** A grant to cover the additional costs associated with the increase in employers National Insurance contributions from April 2025. The DfE will provide further information in early 2025.

11 Reasons for recommendations

11.1 The recommendations within this report seek to allocate DSG resources appropriately and fairly, and to provide the best possible outcomes for pupils in the city. They are consistent with the requirements that are anticipated to be contained within the updated School and Early Years Finance (England) Regulations. Local Authorities are expected to submit their determination of the mainstream school funding to the Department for Education by 22 January 2025. It is expected that Local Authorities will be required to make an initial determination of their schools' budget no later than 28 February 2025.

12 Integrated impact assessment

12.1 This report and the proposals within form part of, and are consistent with, the national implementation of the schools and high needs National Funding Formula as directed by the Department of Education and set out in the School and Early Years Finance (England) Regulations 2025.

12.2 The funding system does not seek to target funding by reference to particular protected characteristics under the Equality Act 2010, but instead targets funding to those groups which the evidence demonstrates face barriers to their educational achievement.

13 Legal implications

13.1 Although at the time of preparing this report these are yet to be published by central government, it is anticipated that updated School and Early Years Finance (England) Regulations will require local authorities to make an initial determination of their Schools Budget by the 28 February 2025. The recommendations in this report have regard to officers' understanding of the requirements to be contained in those updated regulations, based on operational guidance published by central government, and in particular identify elements of the proposals in respect of which Schools Forum's specific approval or endorsement is required.

14 Director of Finance's comments

14.1 Financial comments and implications are included in the body of this report.

Signed by: Sarah Daly, Director of Children, Families & Education

Appendices:

- Appendix 1: Dedicated Schools Grant Original budget 2025-26 (Schools Block, Central Schools Services Block and Early Years Block)
- Appendix 2: Portsmouth Rates to National Funding Rates Comparison Table 2024-25 to 2025-26
- Appendix 3: Local Authority Proforma 2025-26
- Appendix 4: High Needs Places 2025-26
- Appendix 5: Early Years Provider Consultation and responses 2025-26

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
School and Early Years Finance and childcare (provision of Information about Young Children) (Amendment) (England) Regulations 2024	The School and Early Years Finance and Childcare (Provision of Information About Young Children) (Amendment) (England) Regulations 2024
The National Funding Formulae for Schools and High Needs 2025-26 (published November 2024) - Policy Document	The national funding formulae for schools and high needs - 2025 - 2026
Schools revenue funding 2025 to 2026: Operational Guide (published November 2024)	Schools operational guide: 2025 to 2026 - GOV.UK

High Needs Funding: 2025 to 2026 Operational Guidance (published November 2024)	High needs funding: 2025 to 2026 operational guide - GOV.UK
Early Years Entitlements: local authority funding operational guide 2025 to 2026 (published 10 December 2024)	Early years entitlements: local authority funding operational guide 2025 to 2026 - GOV.UK

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by Dave Jones, Chair of Schools Forum:

Appendix 1:
Dedicated Schools Grant Original budget 2025-26 (Schools Block, Central Schools Services Block and Early Years Block)⁴

	Approved 2024-25 Budget - Oct 2024 (inc. Academies)	Proposed Budget Revisions	2025-26 Schools Budget Jan 2025 (Including Academies)	2025-26 Schools Budget Jan 2025 (Excluding Academies)
	£000	£000	£000	£000
Schools Block				
Individual Schools Budgets (ISB)				
Primary	79,638	6,157	85,794	27,836
Secondary	76,496	8,222	84,718	8,402
Total ISB	156,134	14,379	170,512	36,238
De-Delegated and Central Budgets				
Growth Fund	1,994	(536)	1,458	1,458
De-delegated Budgets	205	(14)	190	190
Academy Conversions	0	0	0	0
Other Schools Block Sub Total	2,198	(549)	1,648	1,648
Total Schools Block	158,332	13,829	172,161	37,886
Central School Services Block				
Schools Forum	17	1	18	18
Admissions	362	43	405	405
Licences (negotiated by DfE)	162	25	187	187
ESG retained duties	510	17	527	527
Central Teachers Pay /pensions grant	51	35	85	85
Central School Services Block Total	1,102	120	1,222	1,222
Early Years Block				
3 & 4 Year Old Provision ⁵	14,659	902	15,561	15,561
2 Year Old Provision	5,988	2,751	8,739	8,739
Under 2s	3,124	6,443	9,567	9,567
Central Expenditure on under 5's	1,212	178	1,390	1,390
Early Years Block Total	24,983	10,274	35,257	35,257
Total Expenditure	184,417	24,223	208,640	74,366
Income				
Schools Block	(157,705)	(13,741)	(171,445)	(37,171)
Central Schools Services Block	(1,102)	(120)	(1,222)	(1,222)
Early Years Block	(24,983)	(10,274)	(35,257)	(35,257)
DSG Income¹	(183,790)	(24,135)	(207,925)	(73,651)
One-off use of Carry Forward ⁶	(627)	(384)	(1,011)	(1,011)
Transfer to High Needs Block	0	296	296	296
Total Income	(184,417)	(24,223)	(208,640)	(74,366)

⁴ Due to rounding to the nearest £1,000 the table may not add up exactly

⁵ Includes early years pupil premium.

⁶ Includes carry forward of Schools Specific Contingency and Growth Fund

Appendix 2: Portsmouth Rates to National Funding Rates Comparison Table 2024-25 to 2025-26

Funding Factors	Payable for:	Unit rate 2024-25		Unit Rate 2025-26 ⁷	
		Primary £	Secondary £	Primary £	Secondary £
Basic Entitlement					
Number on Roll (NOR)	Primary including reception	3,614		3,904	
NOR Key Stage 3	Key stage 3 pupils		5,096		5,502
NOR Key Stage 4	Key stage 4 pupils		5,744		6,203
Deprivation					
Free School Meals	Free School Meals (FSM)	497	497	502	502
Free School Meals Ever 6	Free School Meals Ever 6	832	1,218	1,076	1,578
IDACI A	Pupils ranked between 1 and 821	690	959	695	964
IDACI B	Pupils ranked between 822 and 2,463	523	751	528	756
IDACI C	Pupils ranked between 2,464 and 4,105	492	700	497	705
IDACI D	Pupils ranked between 4,106 and 5,747	452	639	452	644
IDACI E	Pupils ranked between 5,748 and 9,032	289	457	289	457
IDACI F	Pupils ranked between 9,033 and 12,316	238	345	238	345
Prior attainment					
Primary	Primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP)	1,187		1,192	
Secondary	Pupils not achieving the expected standard in Key Stage 2 at either reading, writing or maths		1,801		1,811
English as an additional Language	EAL eligible pupils who started school within the last 3 years	599	1,608	604	1,619
Mobility		974	1,400	979	1,405
Sparsity		57,941	84,222	58,249	84,633
Lump Sum	Flat rate per school	138,385	138,385	147,246	147,246

*Note: the 2024-25 rates represent the values for Portsmouth schools based on the national NFF rates plus the area cost adjustment of 1.01472.

⁷ Includes the Area Cost Adjustment of 1.01479

Appendix 3: Local Authority Pro-forma (APT) 2025-26