

**CITY OF WESTMINSTER
SCHOOLS' FORUM – 13th JANUARY 2025**

**REPORT BY LEAD STRATEGIC FINANCE MANAGER – BI BOROUGH
CHILDREN'S**

**2025/26 DEDICATED SCHOOLS GRANT (DSG) AND SCHOOLS FUNDING
FORMULA ALLOCATIONS**

Purpose of the report

This report informs Schools' Forum of the 2025/26 DSG funding settlement including the schools block funding. There are decisions to be made regarding de-delegation for maintained schools.

FOR DECISION

1 INTRODUCTION

- 1.1 The ESFA provides pre-16 funding for schools to local authorities via the DSG. Funding is distributed to schools in the City of Westminster through a locally agreed funding formula.
- 1.2 On 28th November 2024 the Department for Education (DfE) published provisional school, central school services and high needs DSG allocations for 2025/26. The DSG settlement, allocation tables, technical notes and Authority Proforma Tools (APT) were issued to all Local Authorities (LAs) with their individual schools data sets on 18th December 2024. The LA is required to complete all school funding allocations via the ESFA's APT by 22nd January 2025 and this will be submitted on the basis of information within this report and to take account of decisions being made at this Schools' Forum and political ratification.
- 1.3 Overall, core schools funding (including funding for both mainstream schools and high needs) is increasing by £2.3bn in 2025-26 compared to the previous year. Within this £2.3bn, high needs funding is increasing by a £1 billion in 2025/26, over £90 million of which is to fund the full year effect of 2024/25 teaching and support staff pay awards. Local authorities (LAs) will receive at least a 7% increase per head of their population aged 2-18 in their high needs block.
- 1.4 Nationally funding for mainstream schools through the schools block of the DSG is increasing by 2.23% per pupil compared to 2024/25. This includes a 1.28% increase to ensure that the 2024 teachers and support staff pay awards continue to be fully funded at national level in 2025/26. The 2025/26 schools block of the DSG includes funding for pay and pensions costs that

was previously allocated through separate grants that are now being rolled into the DSG.

- 1.5 Schools' Forum (13th November 2023) considered two options over three years regarding the review of the schools block funding formula which is used to allocate funds to all schools. The option agreed moved a further 30% towards the NFF factor values with MFG at maximum +0.5% per pupil increase and Age Weighted Pupil Units (AWPU) values as the balancing figure in 2024/25 and a further 30% move towards the NFF factor values in 2025/26 and full NFF 2026/27. Schools Forum also agreed that the agreed model is reviewed annually to consider the changing school funding landscape.

2 DSG FUNDING ALLOCATIONS 2025/26

- 2.1 The DSG allocations for 2025/26 are comprised of the following four blocks:

DSG Block	Funding Basis
schools block	primary and secondary units of funding, primary and secondary October 2024 pupil numbers, premises funding and growth / falling rolls funding.
central school services block (CSSB)	units of funding, October 2024 pupil numbers and historic commitments updated in December 2024.
high needs	allocations announced in December 2024, with the basic entitlement element updated for the number of pupils in the October 2024 school census with further adjustments when more up to date information is available including for the import/export adjustment. The allocation is before the deduction for agreed high needs places in academies.
early years	based on the funding rates published in December 2024, and made up of funding for: universal 15 hour entitlement for all three and four-year-olds additional 15 hours for three and four-year old children of eligible working parents hours entitlement for disadvantaged two-year-olds hours entitlement for eligible working parents of children from 9 months to 2 years old (new entitlement from 1 September 2024) 15 hours entitlement for eligible working parents of 2-year-old children early years pupil premium (EYPP) disability access fund (DAF) supplementary funding for maintained nursery schools

2.2 Table 1 shows the published 2025/26 funding allocations of Schools block, High Needs block, Central Schools Services block, and Early Years block for WCC, which were published on 18th December 2024. The provisional 2025/26 DSG (before the deductions for payments to academies) has increased by £7.009m (3.59%) since 2024/25 to £202.405m.

Table 1 – Comparison of 2025/26 and 2024/25 DSG block allocations

Block	2025/26	2024/25	Change	Change
	£m	£m	£m	%
Schools - including pay and pension grants added to 2024/25 baseline (CSBG,TPAG and TPECG)*	137.595	137.020	0.575	0.42%
High Needs **	44.583	41.458	3.125	7.54%
Central School Services	0.954	0.948	0.006	0.63%
Early Years ***	19.272	15.969	3.303	20.68%
Total	202.405	195.395	7.009	3.59%

*Allocation before deduction for academies and including the core schools additional grant (CSBG), Teachers' Pay Additional Grant (TPAG) and Teachers' Pension Employer Contribution Grant (TPECG) in 2024/25, which are included in the Schools Block from 2025/26.

**Allocation before deduction for academies high needs places. The provisional High Needs allocation will be updated by March 2025.

***Early Years allocation is provisional at this time for both years and includes funding for new entitlements.

2.3 The high needs funding will be updated in Spring 2024 following the agreement of numbers on January 2025 census and agreements between providers, the ESFA and the LA that is responsible for the individual pupil (February Individual Learner records for 6th form). Deductions will then be made to fund academies, free school and college places directly before the high needs block allocations are finalised. High needs budgets are detailed in the separate high needs paper to this Forum.

2.4 The Central Schools Services Block (CSSB) provides funding for central services ongoing responsibilities, including a cash sum for historic commitments. The total amount is £0.954m which is an increase of £0.006m since 2024/25.

2.5 The early years initial funding allocation is based on the January 2024 census and will be updated for the January 2025 and 2026 census in July 2025 and 2026. The amount in the Early Years Single Funding Formula (EYSFF) is subject to passporting at 96% (previously 95%) and adjustments for deprivation and SEN inclusion fund payments. Other early years funding is

dependent on uptake of services and there is a separate report on early years funding to this Forum.

3 SCHOOLS BLOCK

- 3.1 School funding is increasing by 2.23% per pupil nationally, of which 1.28% is for the full year cost of the 2024 teachers and support staff pay awards.
- 3.2 LAs will continue to set local funding formula in 2025/26 and are required to move 10% closer to the National Funding Formula (NFF) factor values.
- 3.3 As part of the move towards hardening the National Funding Formula (NFF), the government continues the use of the national minimum per pupil funding levels, at the values in the school NFF (£4,955 for primary pupils and £6,465 for secondary pupils), compulsory for LAs to use in their own funding formulae. All Westminster schools will be funded above the minimum per pupil funding levels in 2025/26.
- 3.4 LAs continue to set a Minimum Funding Guarantee (MFG) in local formulae, which in 2025/26 must be between -0.5% and +0% per pupil compared to per pupil funding in 2024/25.
- 3.5 Schools' Forum can agree to transfer out of the schools block to a maximum of 0.5%.
- 3.6 The total funds to be delegated and allocated through the schools block funding formula is calculated as follows.

	2025/26	2024/25	
Schools Block Funding including pay and pension grants added to 2024/25 baseline (CSBG, TPAG and TPECG)	£137.595m	£137.020m	
Funds for schools with falling rolls	-£ 0m	-£ 0m	
NNDR adjustment to DSG allocation	- £0.008m	- £0m	Re Churchill Gardens
Fair Access Funding for Secondary Schools via central schools block	£0m	£0m	Proposed that as in 2024/25 £80,000 Fair Access funding is funded from the DSG balance
Total for distribution	£137.587m	£137.020m	£567,000 (0.4%) increase
Pupil Numbers	16,386 October 24	16,745 October 23	
Average per pupil funding	£8,397	£8,183	2.6% increase

3.7 The amount to be distributed to schools via the local formula is £137.587m. The comparable distribution for 2024/25 was £137.020m, an increase of 0.4% (per pupil increase of 2.6%).

4 **2025/26 PROVISIONAL SCHOOL BUDGETS**

4.7 Schools' Forum (13th November 2023) considered two options over three years regarding the review of the schools block funding formula which is used to allocate funds to all schools. The option agreed moved a further 30% towards the NFF factor values with MFG at maximum +0.5% per pupil increase and Age Weighted Pupil Units (AWPU) values as the balancing figure in 2024/25 and a further 30% move towards the NFF factor values in 2025/26 and full NFF 2026/27. The figures have been updated and are now based on information provided by the ESFA in December 2024 re October 2024 roll numbers and pupil characteristics for free school meals, low prior attainment etc.

4.8 Appendix A shows the provisional allocations for each school (before and after de-delegation for maintained schools referred to below) with comparisons to the 2024/25 final budgets. In total £0.567m more is allocated compared to 2024/25.

3.7 Appendix A also shows the roll for each school and overall there is a reduction of 359 pupils made up of reductions in primary schools of 232 pupils and 127 pupils in secondary schools. The pupil numbers on roll are taken account of in the per pupil MFG which exclude high needs places.

4.9 Local authorities are required to identify a notional SEN budget for their mainstream schools which helps them comply with their duty to use their 'best endeavours' to meet the special educational needs (SEN) of their pupils. The notional SEN budget is not a separate budget but is identified within a mainstream school's formula budget share and is calculated by local authorities using their local mainstream schools funding formula factors. The Notional SEN funding percentages remain unchanged for 2025/26 (AWPU 5%; Low Prior Attainment 100%) and the figures for each school are shown for information in Appendix A. The separate high needs budget paper covers the additional targeted funding provided via the high needs block where specific criteria are met.

4.10 Appendix B shows the provisional formula factors values.

4.11 The costs of fair access placements in secondary schools are currently charged to the Central Schools Services Block (CSSB) and are funded from the DSG reserve. The allocations are based on £1,250 per placement as agreed at the January 2023 Forum. It is proposed that the estimated 2025/26 cost of £92,500 (estimated 74 pupils x £1,250) is funded from the DSG reserve balance rather than a transfer from the schools block to the central schools services block (CSSB).

- 4.12 In accordance with the statutory funding regulations in order to fund cover for trade union duties, maintained schools on the schools forum have to agree to have funding deducted (de-delegated) from their budgets. The proposed de-delegation is for £81,579 to Essendine Primary School and is £12.55 per primary pupil and £18.45 per secondary pupil.
- 4.13 As advised at the January 2021 Schools Forum, the DfE consulted on removing the School Intervention and Brokering Grant, which is used to fund statutory school improvement support and intervention in LA-maintained schools. The grant was reduced by 50% from April 2022, which entailed a reduction for WCC of £85,000 with the remainder removed from April 2023. The DfE proposed that this funding is de-delegated from schools and it is therefore proposed to de-delegate £170,000 for statutory school improvement support and intervention in LA-maintained schools. This equates to £26.15 per primary pupil and £38.45 per secondary pupil which will be deducted from mainstream school budgets as shown in appendix A.
- 4.14 In addition, £350,000 has been funded from the DSG surplus balance in 2024/25 to cover the estimated cost of restructurings. It is proposed that rather than delegating any funds for 2025/26 that £450,000 is funded from the DSG surplus balance. Due to the trend in falling rolls the number and cost of restructurings will be kept under review and regularly reported to Schools Forum.
- 4.15 Although falling rolls funding has been included within the Schools Block, as detailed in the 19th June 2023 Schools Forum paper regarding the DfE NFF stage 2 consultation it is no longer possible to have a traditional falling rolls fund in Westminster as the revised DfE criteria that falling rolls funding can only be allocated to schools where SCAP data shows that school places will be required in the subsequent three to five years, is not met. The December 2024 ESFA funding guidance additionally includes that growth and falling rolls funding can also be used to help meet the revenue costs, for mainstream schools, of removing or repurposing surplus places. As the schools in financial difficulty fund and the DSG surplus are being used to cover these costs it is not proposed to deduct anything from the schools block for this purpose.

5 Pupil Premium

- 5.7 Pupil Premium rates for 2025/26 have not yet been announced. The per pupil figures for 2024/25 are £1,480 per primary school pupil and £1,050 per secondary school pupil, and service children £340. Schools will receive pupil premium funding for each child registered as eligible for free school meals at any point in the last six years.
- 5.8 Pupil Premium Plus rates for 2025/26 have not yet been announced and will apply to each pupil identified in the spring school census as being a looked after child or having left local authority care because of adoption, a special

guardianship order, a child arrangement order or a residence order, in 2024/25 schools receive £2,570 per eligible pupil.

6 RECOMMENDATIONS

6.1 Schools' Forum is recommended to:

6.1.1 agree the local funding formula distributes £137.587m funding.

6.1.2 agree the fair access placement increases agreed in January 2023 with a total estimated cost of £92,500 in 2025/26 is funded from the DSG reserve balance rather than a transfer from the Schools Block to the Central Schools Services Block (CSSB).

6.1.3 agree the de-delegation of £0.082m to fund cover for trade union support. This decision is for maintained schools only.

6.1.4 agree the use of the DSG surplus balance to fund £0.450m as the estimated cost to fund re-organisation costs in 2025/26, where maintained schools meet the related requirements in the Scheme for Financing Schools.

6.1.5 confirm the de-delegation of £0.170m to fund the loss of the School Intervention and Brokering Grant, which is used to fund statutory school improvement support and intervention in LA-maintained schools grant funding. This decision is for maintained schools only.

Appendices

Appendix A – School funding formula provisional allocations for 2025/26 (before and after de-delegation) compared to 2024/25

Appendix B – Provisional formula factor values for the funding formula compared to 2024/25

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Background Papers:

Government funding announcement December 2024
[Dedicated schools grant \(DSG\): 2025 to 2026 - GOV.UK](#)

ESFA – Operational Guidance 2025/26
[Schools operational guide: 2025 to 2026 - GOV.UK](#)

ESFA – APT2025-26