

## **School Block, High Needs Block and Central School Services Block Allocations for 2025/26**

### **Report to the Schools Forum 16 January 2025**

- 1.1 On 18 December 2024, the government announced Dedicated Schools Grant (DSG) funding allocations for 2025/26. These allocations are based on October 2024 census data and represent the final allocations for the schools and central school services blocks. High needs allocations may be slightly revised later in the year.
- 1.2 Early years block allocations are covered in a separate paper.

#### **2025/26 Schools Block Allocation**

- 1.3 The final allocation of schools block DSG was £178.9m, representing an increase of £14.8m compared to 2024/25. However, as discussed at the previous forum, the like-for-like increase is substantially less than this due to previously separate grants being brought into the DSG Schools Block. For 2025/26, we will continue to adopt the principle of mirroring the national funding formula as far as possible, in the context that the government is moving towards a national funding formula at school level.
- 1.4 This approach to the formula was agreed by T&W Council's cabinet on 6 January 2025.
- 1.5 The amount of funding distributed to schools via the formula will be dependent upon the Forum decision regarding the proposal to move 0.5% of schools block funding to high needs (see separate Forum paper regarding this).
- 1.6 The allocation for growth, paid as part of the school block, was £0.9m, a reduction from the £1.1m allocated in 2024/25.
- 1.7 The Schools block allocation includes the full amount of joint use funding (i.e. £0.648m, the same as 2024/25) although the DfE confirmed that all joint use funding, both swimming and non-swimming will cease in 2025/26. A DfE official has confirmed that for 2025/26 the joint use allocation will not be clawed back and therefore we will distribute it to all schools via the funding formula. It will however be removed (we assume) in the 2026/27 allocations.

#### **2025/26 High Needs Block Allocation**

- 1.8 The high needs allocation is £39.555m compared to £39.527m in the draft allocation, an increase of £28K.
- 1.9 Whilst welcome, the above increase still results in a 2025/26 high needs block amount that is less than projected 2024/25 expenditure. The financial pressure on high needs, being experienced in T&W as in most other local authorities shows little sign of easing.

#### **2025/26 Central School Services Block Allocation**

- 1.10 The amount allocated in the Central school services block is slightly higher since the draft figures, at £1.184m compared to £1.178m, an increase of £6K. However whilst the DfE have advised on a percentage increase to assume for the DfE's centrally purchased licence costs for schools, which are then charged to local authorities CSSB, we don't yet have the confirmed charge.

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January 2025