



NORTH YORKSHIRE SCHOOLS FORUM

Date of meeting:	Thursday 13 March 2025
Title of report:	Schools Block 2025-26 & Schools Block DSG Reserves
Type of report: Delete as required	For information and decision
Executive summary: Including reason for submission	This paper sets out the final position with regard to the planned expenditure on the Schools Block Budget in 2025-26 following the finalisation of school budget allocations. The report also provides details of the forecast position on the key reserves linked to the Schools Block DSG as at 31 March 2025.
Budget / Risk implications:	N/A
Recommendations:	That the North Yorkshire Schools Forum notes and approves this report
Voting requirements:	Schools Forum Voting Members
Appendices: To be attached	None
Report originator and contact details:	Sally Dunn, Head of Schools and Early Years Finance
Presenting officer: If not the originator	Howard Emmett, Assistant Director – Strategic Resources howard.emmett@northyorks.gov.uk 01609 532118

1.0 PURPOSE OF THE REPORT

1.1 This paper sets out the final position with regard to the planned expenditure on the Schools Block Budget in 2025-26 following the finalisation of school budget allocations. The paper also provides details of the current position on the reserves associated with the Schools Block DSG.

2.0 2025/26 PLANNED SCHOOLS BLOCK EXPENDITURE

2.1 At the time of the January 2025 meeting of the Schools' Forum, work was continuing to be undertaken in respect of the 2025-26 financial year on verifying the funding data and confirming the final position with regard to Exceptional Rents funding for the planned schools block DSG expenditure.

2.2 The following amendments have been made to the position reported to the Schools Forum in January in respect of finalising the 2025-26 planned expenditure on the Schools Block Budget:

- The funding (c£3k) for an additional pupil has been added in respect of the estimated pupil numbers for the new schools. This additional funding requirement will be funded from the Pupil Growth New Schools Reserve.
- The National Non-Domestic Rates (NNDR) figure for closed schools and the Closed School Pupil Growth funding provision has been updated to reflect the requirement for the DfE recovery of the Holy Family Catholic High School NNDR funding (£9k) for the period September 2025 to March 2026. The DfE recovery of the NNDR funding results in an associated reduction in the funding transfer to the Closed School Pupil Growth Fund.

2.3 At the January 2025 meeting, Schools Forum were informed that the DfE had confirmed approval for the provision of Exceptional Rents funding through the NFF for 2025-26 for 13 out of the 14 schools that received funding through this formula element in 2024-25. The local authority challenged the DfE decision in respect of the school where the exceptional rent application was not approved. The DfE have subsequently confirmed the decision was a ministerial decision with no right of appeal.

2.4 The Local Authority has notified the DfE regarding the Pupil Growth and Falling Rolls Fund funding allocations made to academies for the 2024-/25 financial year. Whilst there is no overall net funding impact on the 2025-26 School's Block planned expenditure, the funding recouped by the DfE will be at a reduced level. This results in a saving to the Pupil Growth and Falling Rolls Fund in respect of the funding awarded to academies related to the period April to August 2025.

2.5 A full summary of the final Schools Block expenditure for the 2025-26 financial year is detailed below:

NORTH YORKSHIRE SCHOOLS FORUM

13 March 2025 - Item 2.1

Schools Block 2025-26 & Schools Block DSG Reserves



Schools Block (£000s)	£'000	
<u>Individual School Budget (ISB)</u>		
Indicative ISB	465,375	
Additional Recoupment of NNDR related to closed schools by DfE	107	
Indicative Unadjusted ISB (School Delegated Budgets)	465,482	
Adjustment: Carlton Holy Family School Closure 31 August 2025 – Funding Transfer to Ring Fenced Pupil Growth – Closed School Reserve (September 2025 to March 2026)	-1,352	
Indicative Adjusted ISB (School Delegated Budgets)	464,130	
<u>Central Budgets</u>		
Pupil Growth – New School Provision Reserve	500	
Carlton Holy Family Catholic High School Closure 31 August 2025 – Funding Transfer to Ring Fenced Pupil Growth – Closed School Fund	1,352	
Indicative 2025/26 Central Budgets Funding Provision	1,852	
Total Indicative Schools Budget Funding Requirement	465,982	
Funded by:		
Schools Block Funding Available for 2025-26 School Budgets	464,011	
Schools Block DSG - Growth Funding Allocation to School Budgets	1,665	
Pupil Growth – New School Provision Reserve (Keeble, Cambrai & Oakbridge additional year groups)	206	
Schools Block DSG Reserve	100	
Total Indicative Schools Budget Funding Provision	465,982	
<u>De-delegated</u>		



Schools in Financial Difficulty – Schools Causing Concern element	213	
Trade Union Costs	114	
School Improvement – Core Service	642	
	969	

3.0 SCHOOLS BLOCK DSG RESERVES

3.1 Pupil Growth & Falling Rolls Fund

The forecast reserves position for the 2024-25 financial year for the three elements of the Pupil Growth and Falling Rolls Fund is detailed in the table below:

	Core Pupil Growth & Falling Rolls Fund	Pupil Growth Fund Associated with Closing Schools	New Schools Provision (pre-opening funding, post-opening diseconomies funding & pupil number funding)
Balance as at 31/03/2024	£1,273.0k	£0.0k	£4,364.4k
2024-25 Funding Allocation	£0.0k	£0.0k	£1,784.0k
2024-25 Estimated Funding Requirement:		£0.0k	-£370.3k
Pupil Growth	£244.3k		
Falling Rolls	£311.9K		
Forecast Reserve as at 31/03/2025	£716.8k	£0.0	£5,778.1k

- 3.3 Current forecasts indicate three primary schools (two LA Maintained & one Academy) and two secondary schools (one LA Maintained & one Academy) are eligible to receive Pupil Growth Funding in the 2024-25 financial year. The forecast funding requirement is reported net of any DfE recoupment funding adjustment, where applicable, for academies.
- 3.4 In respect of the Falling Rolls Fund, nine primary schools (eight LA Maintained & one Academy) and three secondary schools (three Academies) are forecast to be eligible to receive funding in the 2024-25 financial year. The forecast funding requirement is reported net of any DfE funding recoupment adjustment, where applicable, for academies.
- 3.5 The work undertaken in respect of identifying school eligibility for the 2024-25 Falling Rolls fund has reinforced the difficulties in respect of the use of the SCAP data within North Yorkshire for the purposes of the allocation of Falling Rolls funding. The pupil roll of seven out of the nine primary schools (£140k funding allocation) and the pupil



roll of all three of the secondary schools (£154k funding allocation) identified as being eligible for receipt of Falling Rolls are not forecast to increase within the next 3 years back to the October 2023 level based on the NYC Strategic Planning Team forecast pupil number data at individual school level. The identified eligibility is resulting from the SCAP data identifying an overall increase in pupil numbers for the planning area. However, this wide geographical planning area covers other schools with increasing rolls which the SCAP pupil number increase data is attributable to. At the September 2024 meeting, the Schools Forum elected to retain a local Falling Rolls Fund within North Yorkshire for 2025-26 but for additional eligibility criteria to be added in respect of: *“Pupil numbers at the school are forecast (as per NYC Strategic Services pupil forecast data) to return to the level of the previous census within 3 years of the current year.”* The additional criterion seeks to ensure that, in the future, individual schools are not eligible to receive Falling Rolls funding where the school is located in a SCAP planning area where the pupil roll is forecast to rise but the individual school has a reducing roll and no forecast of recovery in their pupil roll within the medium term.

- 3.6 In respect the New School Pupil Growth Funding element, it is estimated that the total funding allocation to be made over the 2024-25 financial year to be as follows:

2024/25: Funding Element	Estimated Amount (£'000)
Keeble & Cambrai – 2024-25 Additional Pupil Led Funding	142.3
Oakbridge – 2024-25 Pre-Opening Costs	50.0
Oakbridge – 2024-25 Resources	4.5
Oakbridge – 2024-25 Leadership Diseconomies of Scale	51.0
Oakbridge – 2024-25 Initial delegated budget provision	122.5
Total	370.3

3.7 De-Delegated Contingency Budget Reserves

The forecast position for the reserves on the De-Delegated Contingency budgets for the end of the 2024-25 financial year is as follows:

Schools in Financial Difficulty De-Delegated Funding – Contingency Elements	Forecast Reserve Fund as at 31 March 2025 £'000
Schools Causing Concern	87
Schools in Financial Difficulty	625*
School Redundancy Contributions	353
Unreasonable School Expenditure	97
Forecast De-Delegated Contingency Budget Reserves as at 31 March 2025	1,162

*There are currently 9 schools subject to a notice of financial concern requiring additional financial controls. A review of arrangements to support those schools who

have developed recovery plans will be undertaken in summer 2025 to ensure the fund actively assists with those schools in financial difficulty.

3.8 Schools Block DSG General Reserve

The forecast position for the Schools Block DSG General Reserve for the end of the 2024-25 financial year is £4.48m; this equates to 1.03% of the 2024-25 Schools Block DSG (£436.6m). In recent years, the cost of funding the national funding formula values alongside mandatory minimum funding levels has exceeded the in-year Dedicated Schools Grant. In the current national funding arrangements, this may potentially continue in 2026-27 and subsequent years. Additionally, the possibility of further funding reform, not least in relation to High Needs, may impact on mainstream school funding arrangements. In this regard, maintaining a reserve of 1% of Schools Block DSG is considered prudent financial management.

4.0 RECOMMENDATIONS

- 4.1 The North Yorkshire Schools Forum is asked to note and approve the contents of this report.

SIR STUART CARLTON

Corporate Director – Children and Young People’s Service