



NOTICE OF MEETING

SCHOOLS FORUM

THURSDAY, 7 DECEMBER 2023 AT 4.30PM

VIRTUAL REMOTE MEETING

Telephone enquiries to Jane Di Dino 023 9283 4060

Email: jane.didino@portsmouthcc.gov.uk

Membership

Schools Members

Two head teacher representatives - primary phase

One head teacher representative - secondary phase

One head teacher representative - special phase

Four academy representatives - primary proprietor

Five academy representatives - secondary proprietor

One academy representative - special proprietor

One governor - primary phase

One governor - secondary phase

Non School Members

Four Councillors (one from each political groups)

One 16-19 Education Providers representative

One Early Years Providers representative

(NB This agenda should be retained for future reference with the minutes of this meeting).

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: www.portsmouth.gov.uk

AGENDA

- 1 **Apologies**
- 2 **Declarations of Interest**
- 3 **Minutes of the previous meeting held on 13 July. (Pages 5 - 8)**
RECOMMENDED that the minutes of the meeting held on 13 July 2023 be agreed as a correct record.
- 4 **Matters Arising.**

5 Membership Update.

6 School Funding Arrangements 2024-25 (Pages 9 - 38)

Purpose

The purpose of this report is to provide Schools Forum with an update on the latest developments in respect of the future schools revenue funding arrangements for the financial year 2024-25.

RECOMMENDATIONS

It is recommended that Schools Forum:

- 1. Notes the Department for Education's proposed changes to school revenue funding arrangements for 2024-25, as set out in this report.**
- 2. Endorse the proposals for implementing the local funding formula arrangements as set out in this report in particular to:**
 - Implement the National Funding Formula rates for both primary and secondary schools in 2024-25 as set out in Appendix 1**
 - Implement a minimum funding guarantee (MFG) of at least 0.0% and up to +0.5% subject to affordability, for 2024-25 as set out in paragraph 5.22.**
 - The methods of managing affordability as set out in paragraphs 5.23 to 5.27.**
- 3. Approve the proposal not to set up a Falling Rolls Fund for 2024-25.**
- 4. Approve the Growth Fund Criteria as set out in Appendix 2, with the primary and secondary values being brought to the January 2024 meeting for approval.**

It is recommended that maintained Primary Schools:

- 1. Approve the de-delegation of funding to support the Education Functions as set out in Section 7.**

It is recommended that maintained Secondary Schools:

- 2. Approve the de-delegation of funding to support the Education Functions as set out in paragraph Section 7.**

7 Dedicated Schools Grant 2023-24 quarter 2 Budget Monitoring and Revised budget. (Pages 39 - 48)

Purpose

The purpose of this report is to inform Schools Forum of the projected revenue expenditure of the Dedicated Schools Grant (DSG) for the current financial year 2023-24 as at the end of September 2023, along with proposed budget revisions.

RECOMMENDED that Schools Forum:

- 1. Notes the forecast year end budget position for the Dedicated Schools Grant as at 30 September 2023, together with the associated explanations contained within this report.**
- 2. Endorses the revisions to the 2023-24 budget as set out in Appendix 1 and section 8.**

Members of the public are now permitted to use both audio-visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting or records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the council's website and posters on the wall of the meeting's venue.

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Agenda Item 3

SCHOOLS FORUM

MINUTES OF THE MEETING of the Schools Forum held on Thursday, 13 July 2023 at 4.30pm at the Guildhall, Portsmouth

Present

Dave Jones	LA Maintained	Primary Phase
Jackie Collins	LA Maintained	Primary Phase
Jack Jones	Academies	Primary Phase
Sean Preston	Academies	Primary Phase
Ruth Worswick	Academies	Primary Phase
Nathan Waites	Academies	Secondary Phase
Sharon Burt	Academies	Special
Kara Jewell	Early Years	
Ryan Brent	Councillor	
Chris Dike	Councillor	
Suzy Horton	Councillor, Observer	
Sam Galloway	Observer	

70. Apologies

Apologies were received from Sally Hodgson, Nys Hardingham and Simon Graham.

71. Declarations of Interest

The following members' declarations are outstanding:

Ruth Worswick
Cllr Tom Coles
Cllr Leo Madden
Cllr R Brent
Cllr C Dike
Nathan Waites

72. Minutes of the Previous Meeting held on 24 May.

RESOLVED that the minutes of the meeting held on 24 May 2023 be agreed as a correct record.

73. Matters Arising.

There were no matters arising.

74. Membership Update.

At the previous meeting it was misreported that three tenures were due to finish after the July meeting. The tenures were in fact due to finish on 7 July.

These are:

Share D'All - primary maintained schools' governor.

Anne Hibbert - primary academies.

Dave Jones - primary maintained schools, head teacher.

Share and Anne have stood down and were formally thanked for their valued contribution.

Renewed tenures

Dave Jones - primary maintained head teacher.

Nathan Waites - secondary academies representative.

New members

The forum welcomed the new primary academy representatives:

Jack Jones

Ruth Worswick

Sally Hodgson

Current Vacancies.

Due to a change of role in the academy trust, Mike Garlick has resigned as a secondary academy representative.

There are five current vacancies.

- Three academy secondary representatives.
- One maintained secondary governor representative.
- One maintained primary governor representative.

There are no further tenures that are due to come to an end in 2023 calendar year.

75. Dedicated Schools Grant Outturn 2022-23

Angela Mann, Finance Manger introduced the report.

Mike Stoneman, Deputy Director of Education added that a working group is being set up and will have its first meeting in September. Its role is to review the high needs funding that is going into mainstream schools. in order to support schools particularly in terms of inclusion. The DSG uncommitted carry forward could be used to support revenue or capital projects. He confirmed that the council has had a very good response from headteachers wishing to participate in the working group. Sean Preston confirmed he would also be keen to be involved.

The Chair noted that it was great that the uncommitted DSG carry forward will be considered for supporting inclusion in our mainstream schools

DECISION

The Schools Forum noted the year end budget position for the Dedicated Schools Grant as at 31 March 2023, together with the associated explanations contained within this report.

76. Local Authority Maintained School Balances at 31 March 2023

Alison Egerton, Group Accountant introduced the report and added that since writing it, St Jude's school has responded, and the council is exploring how to support the school.

The Chair noted that schools appreciate the contact to help with some of the challenging issues they are going through with budgets. The funding and salaries information was be published today..

The meeting concluded at 4.50pm.

Dave Jones
Chair

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Agenda Item 6



Portsmouth
CITY COUNCIL

Title of meeting: Schools Forum

Date of meeting: 7 December 2023

Subject: School Funding Arrangements 2024-25

Report by: Sarah Daly, Director 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 provide Schools Forum with an update on the latest developments in respect of the future schools revenue funding arrangements for the financial year 2024-25.

2 Recommendations

2.1 It is recommended that Schools Forum:

2.1.1 Notes the Department for Education's proposed changes to school revenue funding arrangements for 2024-25, as set out in this report.

2.1.2 Endorse the proposals for implementing the local funding formula arrangements as set out in this report in particular to:

- Implement the National Funding Formula rates for both primary and secondary schools in 2024-25 as set out in Appendix 1
- Implement a minimum funding guarantee (MFG) of at least 0.0% and up to +0.5% subject to affordability, for 2024-25 as set out in paragraph 5.22.
- The methods of managing affordability as set out in paragraphs 5.23 to 5.27.

2.1.3 Approve the proposal not to set up a Falling Rolls Fund for 2024-25.

2.1.4 Approve the Growth Fund Criteria as set out in Appendix 2, with the primary and secondary values being brought to the January 2024 meeting for approval.

2.2 It is recommended that maintained Primary Schools approve the de-delegation of funding to support the Education Functions as set out in Section 7.



- 2.3 It is recommended that maintained Secondary Schools approve the delegation of funding to support the Education Functions as set out in paragraph Section 7.

3 Background

- 3.1 In July 2023 the Government published the Policy Document "The national funding formula for Schools and High Needs 2024-2025", followed by the "Schools operational guide 2024 to 2025" and "High Needs funding: 2024 to 2025 operational guidance along with local authority indicative funding allocations. In October 2023 the government published a correction to the Schools Block Funding Formula for local authorities and revised the National Fair Funding (NFF) Factor Values for schools.
- 3.2 The publications contain further detail regarding the final year of the three-year funding settlement announced in the 2021 Spending Review providing nationally £4.0bn in 2022-23, £1.5bn in 2023-24 and £1.7bn in 2024-25.
- 3.3 This report is intended to provide Schools Forum with an overview of the main changes to school funding highlighted in the Policy Document and Operational Guides and the progress being made towards agreeing the Schools Funding arrangements locally for the financial year 2024-25. As the Portsmouth Funding Formula has been using the NFF for all Primary and Secondary schools there has been no detailed consultation with schools in relation to 2024-25 formula factors, but the authority has asked schools for feedback on the proposed methods of managing overall affordability, the notional SEND budget and the Growth Fund. The results of the consultation are set out in the relevant sections of this report.

4 Dedicated School Grant (DGS) Funding

- 4.1 The DfE Policy Document and Operational Guides for 2024-25, set out how the authority will be funded through the National Funding Formula (NFF) and the changes for 2024-25 along with any changes to the Schools Block and funding for mainstream schools, Central Schools Services Block and High Needs Block.
- 4.2 The DfE has advised that whilst local authorities will continue to have flexibility to set a local formula in consultation with Schools Forum for 2024-25, they must either mirror the NFF (be within plus/minus 2.5%) or move 10% closer to the NFF. In 2023-24 Portsmouth mirrored the NFF factor values on all factors and is expecting to do so for 2024-25.
- 4.3 Revised indicative funding allocations for 2024-25 were published to local authorities in October 2023. Portsmouth's indicative allocations (inclusive of academies' funding) for 2024-25, together with current allocations for 2023-24 are shown in the table below.



Table 1 - DSG Indicative Funding 2024-25				
	2023-24 Allocation July 2023¹²	2024-25 Indicative Allocation October 2023	Change	Change
	£'000	£'000	£'000	%
Schools Block	151,584	154,936	3,352	2.21%
Central Schools Services Block	1,055	1,088	33	3.15%
High Needs Block	35,770	37,206	1,436	4.01%
Total	188,409	193,230	4,821	2.56%
Early Years Block	14,797	14,797	0	0.00%
Total	203,206	208,028	4,821	2.37%

4.4 Local authorities may again request a one-off transfer of the Schools Block funding to the High Needs Block to support pressures. Schools Forum can agree up to 0.5% of the Schools Block, and any transfer above this requires Secretary of State Approval. There are no restrictions for transferring funding from the Central Schools Support Block, the Early Years Block or the High Needs Block to other funding blocks. There are no proposals to transfer additional funding to the High Needs block for 2024-25.

4.5 The following sections provide an update on the main changes to the block funding and the impact on Portsmouth.

5 Schools Block

5.1 The Schools Block covers the mainstream (maintained and academy) schools individual budgets and the growth fund.

5.2 In 2023-24 the authority received a Mainstream Schools Additional Grant (MSAG) for mainstream schools in addition to the Schools Block Formula funding. This grant was passed directly to schools either from the local authority (Maintained schools) or via the Education and Skills Funding Agency (ESFA) (Academy schools). For 2024-25 the DfE are rolling the MSAG into the Schools Block by increasing certain factors by the value paid as part of the MSAG as set out in the table below.

¹ Includes the 2023-24 Mainstream Schools Additional Grant which was paid separately to schools in 2023-24 but forms part of the Schools Block in 2024-25

² Excludes Growth funding, this will be announced in December 2023.



NFF Factors	NFF values 2023-24 (excluding ACA)	Mainstream Schools Additional Grant	NFF 2024-25 values before inflation
	£	£	£
Basic Entitlement - Primary	3,394	119	3,513
Basic Entitlement - KS3	4,785	168	4,953
Basic Entitlement - KS4	5,393	190	5,583
Primary FSM6	705	104	809
Secondary FSM6	1,030	152	1,182
Primary Lump Sum	128,000	4,510	132,510
Secondary Lump sum	128,000	4,510	132,510
Primary MPPL	4,405	143	4,548
Secondary MPPL - KS3	5,503	186	5,689
Secondary MPPL - KS4	6,033	208	6,241
Secondary MPPL	5,715	195	5,910
All through MPPL	4,950	165	5,115

5.3 Additionally, both the minimum per pupil funding levels (see Table above) and the 2023-24 baseline funding will be increased to reflect the inclusion of the MSAG grant to the mainstream formula.

5.4 The 2024-25 policy document on the Schools Block funding to the local authority will allow for the increase in NFF formula values due to the MSAG grant and in addition will be increased by:

- 1.6% on the free school meals NFF funding factor
- 1.4% on other core funding factors such basic entitlement, Free School Meals Ever 6 (FSM6), Income Deprivation Affecting Children Index (IDACI), English as a second language, low prior attainment, mobility, sparsity, and lump sum.
- 1.4% will be added to the minimum per pupil funding levels as set out in Appendix 1
- An increase to the PFI factor in line with the retail price index³ (10.4%)
- Provides a minimum funding guarantee of between 0.0% and plus 0.5%.

5.5 As in 2024-25 the policy document also:

- Confirms that the underlying data sets for the low prior attainment factor, continue to be adjusted to allow for the unavailability of national assessment data due to Covid-19.

³ RPIX - Retail Price index for all items excluding mortgage interest.



- Formularised the split sites and sparsity funding factors and confirmed that they are now mandatory.
- Stipulated changes to the Growth Fund criteria and set a minimum funding level for schools.
- Requests local authorities to review the Notional SEND identified as part of the mainstream formula.
- consider implementing a Falling Rolls fund due to specific Falling Rolls funding being issued for the first time in 2024-25.

Funding for Schools

- 5.6 Since 2020-21 Portsmouth schools have been funded using the national funding formula factor values as published by the DfE with the addition of the Portsmouth area cost adjustment (ACA) of 1.47%⁴. Appendix 1 sets out the Portsmouth factor values used to calculate the 2023-24 school budgets and the 2024-25 NFF factor values published by the DfE in the revised Policy Document.
- 5.7 Following the national consultation in 2021 both the Policy Document and operational guidance reflect the move towards a Direct National Funding Formula for schools. The DfE continues to tighten the flexibilities around local authorities ability to pay outside of the national formula funding factor values. Whilst the changes for Portsmouth are minimal, a briefing has been sent to schools providing an update to the formula changes and an illustration as to how this will impact their funding based on the October 2022 census data.
- 5.8 This section sets out the changes that have been made in relation to the:
- Growth Fund
 - Falling Rolls Fund
 - Notional SEND
 - Minimum funding guarantee (MFG) and
 - Sets out proposals as to how the authority will manage affordability following receipt of the 2024-25 Allocation in December 2023.

Growth Fund

- 5.9 The methodology for funding local authorities for growth has not changed for 2024-25, but the DfE has issued two changes for the distribution:.
- 5.9.1 Set a minimum funding rate for Primary and Secondary schools based on the per pupil funding received by a local authority multiplied by the number of pupils. For both Primary and Secondary schools Portsmouth pays lump sums in excess of the minimum funding.
- 5.9.2 Widened the criteria to include the provision of Growth Funding where schools have agreed to provide an extra class to meet basic need (either

⁴ Area Cost Adjustment factor for 2024-25 of 1.01472 or 1.47%



as a bulge class or as an on-going commitments) regardless of whether the additional class is within or outside of the PAN.

- 5.10 Schools have been consulted on the Growth Fund criteria, and since the criteria have been updated. The criteria states that where schools meet the eligibility criteria and are admitting additional pupils under PAN, funding will be payable from beginning of the academic year 2024-25. The revised guidance is set out in Appendix 2.
- 5.11 The authority has reviewed the estimated growth funding it expects to receive for 2024-25 along with the funding requirements of the Schools Funding formula (based on October 2022 forecasted pupil numbers). For 2024-25 it is not proposed to increase the current funding values for 30 pupils of:
- Primary - £60,900
 - Secondary - £144,000.
- 5.12 Following the receipt of the December 2023 funding allocation and the October 2023 census data, the authority will review the available funding and consider increasing the allocation. Any proposals to change the allocation will be brought to the January 2024 Schools Forum.
- 5.13 All schools that responded to the consultation agreed with the proposals.

Falling Rolls Fund

- 5.14 For the first time in 2024-25 the DfE will be allocating falling roles funding to local authorities. It will be allocated based on a reduction in pupil numbers that local authorities experience year on year based on the difference between October 2022 and October 2023 census data measured at MSOA⁵ level.
- 5.15 To qualify for funding the authority must see a reduction in pupils per MSOA of 10% or greater, and authorities can only provide funding to schools where a school capacity survey (SCAP) shows that school places will be required in the following 3 to 5 years.
- 5.16 It remains a local authority decision to hold a Falling Rolls Fund. Financial modelling of the 2023 Admissions data and the 2022 SCAP have indicated that Portsmouth is not expected to meet the criteria and therefore will not receive any funding for falling rolls in 2024-25. Schools were consulted on the proposal not to set up a falling rolls fund and those that responded agreed with the proposal. It is therefore proposed that Portsmouth does not set up a Falling Rolls Fund.

Notional SEND

- 5.17 The regulations require local authorities to identify within each school's budget share an amount for the support of pupils with Education Health and Care Plans

⁵ Middle Layer Super Output Area (MSOA) used by the Office of National Statistics based on population data in small geographical areas within local authorities.



(EHCP) or in receipt of SEN support. Known as the Notional SEN Budget it forms part of the mainstream budget and is an indicative amount to guide school's spending decisions and is neither a target nor a constraint on how schools choose to spend their budget. It does not impact on the funding received by the local authority, or the funding received by schools through their individual budget shares.

- 5.18 The Notional SEN budget is calculated using percentages of specific funding formula factors. There is no requirement to use specific formula factors in the calculation of the notional SEND budget, but the DfE requested local authorities review their calculation to see if the funding identified within the mainstream budget to support pupils with SEND is realistic and how it compares with other local authorities.
- 5.19 A review of the Portsmouth notional SEND formula and estimated funding for 2024-25 has identified that the Portsmouth formula is in line with the majority of other local authorities.
- 5.20 Financial modelling of the notional SEND formula identifies that it provides an amount of funding as per the theoretical guidance identified by the DfE. However anecdotal evidence from schools is indicating that there are financial pressures being felt in some schools due to the numbers of pupils with SEN. Changing the notional SEN budget will not increase funding to schools as it is by its very nature an indicative budget and schools are free to spend it how they choose. The authority has set up a working group to look at the impact of pupils with SEND and identify options for supporting Inclusion in schools.
- 5.21 It is therefore proposed that the Notional SEND formula remains as set out in the table below.

Table 3 - 2024-25 Notional SEN Budget factors	
Funding Factor	Percentage of unit rate
Basic per pupil entitlement	6%
Deprivation – <i>(from the free school meal elements)</i>	20%
Deprivation – <i>(from the IDACI elements)</i>	20%
Prior attainment	100%

Minimum Funding Guarantee (MFG)

- 5.22 Local authorities will have the freedom to set a Minimum Funding Guarantee (MFG) in their local formula of between +0.0% to +0.5% per pupil, without application to the Secretary of State. The MFG is applied to the individual school funding formula after the minimum per pupil funding is applied.

Proposals for managing affordability.

- 5.23 The authority normally receives the initial funding allocation in mid to late December, which is too late to come back to Schools Forum and Cabinet Member to obtain any further formula approvals before presenting the final budget for approval in mid-January.
- 5.24 In the unexpected event that funding does not cover the cost of the funding formula to ensure that Officers are able to present an affordable budget to Schools Forum and the Cabinet Member it is proposed that the following factors would be adjusted:
- The area cost adjustment of 1.47% would either be reduced or not added to the NFF formula factor values.
 - The level of MFG would be reduced to a level lower than plus 0.5%, but not less than 0.0%.
 - Use part of the Growth Fund (as in 2023-24) and reduce the value of the carry forward in future years, whilst ensuring there is enough to meet future requirements.
- 5.25 In 2024-25 the authority is not expecting to have surplus funds as the administration of National Non Domestic Rates (NNDR) has been centralised removing the ability for the Schools Block to gain/or lose funding due to changes in rateable value. In addition, the DfE continue to tighten the restrictions on the flexibilities authorities have to vary the funding provided through the national funding formula factor values.
- 5.26 Following the receipt of the December 2023 allocation, the funding formula will be calculated, and should there be surplus funds, it is proposed that the authority will:
- Consider increases to the Growth Fund Primary and Secondary School allocations,
 - Add the remaining surplus to the Growth Fund.
- 5.27 All schools that responded to the consultation agreed with the proposals.

6 Disapplication requests

- 6.1 Each year, local authorities can submit disapplication requests to the ESFA, where strict adherence to the legislation as set out in the School and Early Years Finance (England) regulations (as amended each year), would generate perverse results for specific schools. No disapplication requests have been submitted to the DfE for the financial 2024-25.

7 De- Delegation of Education Functions

- 7.1 In January 2022 the DfE informed local authorities that the School Improvement Monitoring and Brokerage grant would be cease. The legislation changed to



enable de-delegation from maintained schools to fund the services previously covered by the grant. These services include fulfilling the statutory school improvement functions under Part 4 of the Education and Inspections Act 2006 and the additional school improvement expectations as set out in the Schools Causing Concern Guidance (collectively referred to as core school improvement services) for both primary and secondary maintained schools. In summary these activities require councils to monitor the performance of maintained schools, broker school improvement provision and intervene as appropriate. This includes the monitoring, moderation, and assessment for primary schools (Key Stage 1 and 2 including Year 1 phonics screening).

- 7.2 In 2023-24 Maintained Schools agreed to de-delegate funding to support the Education Functions⁶ of the local authority as set out in the Schools Forum report in December 2022⁷.
- 7.3 Funding was de-delegated at £10.42 per primary and secondary pupil in 2023-24.
- 7.4 It is proposed that for 2024-25 the total funding de-delegated remains at the same value as 2023-24 less any contribution made by schools that have since converted to academy.
- 7.5 Whilst the final per pupil rate will be dependent on the total number on roll as per the October 2023 census, the estimated per pupil rate is expected to be £10.42 per primary and secondary pupil.
- 7.6 Only one maintained primary school responded to the consultation and agreed with the proposal.

8 High Needs Block

- 8.1 Nationally the Government have increased High Needs funding by a further £440m (4.3%) between 20223-24 to 2024-25. The DfE has advised that each local authority should see an increase in their High Needs Block funding of 3% per head of population, using the 2022-23 high needs allocations⁸ as a baseline. The DfE has also set a gains cap of 5%.
- 8.2 Indicative funding published by the DfE in July 2023 provides Portsmouth with an increase in funding of 4.01%⁹ when compared to 2023-24 (see Table 1).

⁶ Previously covered by the School Improvement Monitoring and Brokering Grant.

⁷ [School improvement grant de-delegation.pdf \(portsmouth.gov.uk\)](https://www.portsmouth.gov.uk/school-improvement-grant-de-delegation.pdf)

⁸ December 2022 allocation including the Additional Grant and excluding basic entitlement, import/export adjustment and hospital education.

⁹ The funding floor and cap on gains calculation excludes funding for basic entitlement, import/export adjustment, hospital education and the AP settings TPG and TPECG funding. Portsmouth City Council receives the full 5% on the other formula factors.



- 8.3 The basic structure of the High Needs NFF for 2024-25 is not changing, however, there are some technical changes to the data for two individual proxy factors which are set out below:
- **Census data, on children on bad health**, the data set has been updated using the 2021 census, (previously the 2011 census).
 - **The historic spend factor**, this remains as the same cash value in 2024-25 as in 2023-24 and 2022-23. When combined with the increase in overall funding the proportion of total funding through this factor has reduced from 31% (2022-23) to 21% (2024-25). Even with this adjustment Portsmouth's indicative allocation exceeds the funding cap of 5% and therefore there is not a negative impact in 2024-25. The DfE have stated they will continue to look at reducing the significance of this factor in future years and replacing it with alternative proxies following consultation.
 - **Key Stage 2 and Key Stage 4 low attainment factors**, as with the mainstream formula, due to Covid-19 there is no appropriate attainment data for the low attainment factors, therefore for 2024-25 the DfE are using the 2019 and 2022 attainment data to calculate funding to local authorities.
- 8.4 The actual funding allocation for 2024-25 will not be known until December 2023 and will be adjusted for the latest pupil census information.

High Needs Funding for Schools

- 8.5 The DfE issued the High Needs Funding:2024 to 2025 operational guidance in July 2023, it was updated in October 2023. The operational guidance confirms that:
- Local authorities must allocate the historic teachers' pay and pension grants to Special Schools, Alternative Provision academies on a per place basis according to the agreed number of funded places in the financial year 2023-24. This funding will be excluded from the Special School MFG calculation.
 - That the MFG for Special schools must be set at a rate of at least 0% but must consider a range of between 0% to plus 0.5% of the combined place and pupil funding against the 2023-24 baseline.
 - The additional funding allocated to local authorities in 2023-24 (Additional Grant) must be allocated to schools in 2024-25 on the same amount per place paid in 2023-24 but reflect the number of agreed places for 2024-25 financial year. This funding will be excluded from the Special School MFG calculation.
- 8.6 Discussions regarding the number of High Needs places required in the academic year 2024-25 are in progress with Special Schools, Inclusion Centres, Colleges and Alternative Provision settings. The High Needs Place proposals and Element 3 Top-up values for Special Schools, Alternative Provision settings, Inclusion Centres and mainstream pupils with Education Health and Care plans (EHCP)



will be brought to future meetings as part of the Dedicated Schools Grant budget approval process.

9 Central Schools Services Block

9.1 The Central Schools Services Block (CSSB) supports the following budgets:

- Admissions
- Central licences provided by the DfE
- Schools Forum
- Education support grant retained duties for all schools
- Teachers pay and pensions grant centrally employed teachers.

9.2 The authority is expected to receive an increase of £33,000 due to an increase in the per pupil funding rate to £41.06, an increase of 3.15%. The authority will utilise the increase to fund an inflationary increase in central licences, to support the Admissions Service and the retained duties for all schools.

10 Early Years Block Funding

10.1 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.

Table 4 Extension of funded childcare hours		
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

10.2 In July 2023, the DfE consulted on proposed changes to the way local authorities are funded, in particular:

- to the two year old (and below) funding formula to bring it in line with the three and four years old funding formula
- the addition of an hourly rate for 9 month olds up to but not including two year olds.

10.3 To date the DfE has not issued any guidance on the outcomes to the consultation or detailed guidance in relation to the Early Years Block for 2024-25. It is expected that the authority will receive this guidance in December 2023. Once this has been published, an update will be brought to Schools Forum and the Cabinet Member for Children Families and Education.

11 Consultation with Schools

11.1 Schools were sent a briefing and Consultation on the 13 October 2023 providing an update on the funding arrangements for 2024-25 and proposed changes to



the Growth Fund. The document also set out the review and proposals relating to the Notional SEND budget and Falling Rolls Funding.

- 11.2 The consultation closed on 7 November 2023. Of 59 mainstream schools, four (7%) schools responded, and it is therefore assumed that most schools are accepting of the proposals. The table below provides a breakdown of the responses.

Table 5 break down of consultation respondents		
	Maintained	Academy
Primary	1	2
Secondary	0	1

- 11.3 A copy of the consultation and the responses can be found in Appendix 3.

12 Teachers Pay Additional Grant 2024-25

- 12.1 In July 2023 the government announced £525m of funding to support schools with the September 2023 teachers pay award. The grant was issued in October 2023 for the 2023-24 financial year and will continue as a separate grant for mainstream schools, Special Schools and alternative provision settings for 2024-25 before being incorporated into the Schools Block and High Needs Block in 2025-26.

13 Reasons for recommendations

- 13.1 The purpose of this report is to provide an update on the latest developments in respect of the future school revenue funding arrangements for 2024-25 onwards. The report also seeks endorsement to the proposals for implementing these arrangements locally, in order to ensure that they comply with the requirements of both the DfE's operational guidance and the School and Early Years Finance (England) Regulations.

14 Integrated impact assessment

- 14.1 An integrated impact assessment is not required as the recommendations do not have a positive or negative impact on communities and safety, regeneration and culture, environment and public space or equality and diversity.
- 14.2 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 2023.

14.3 The DfE has conducted a full Equality Impact Assessment which is attached to the Policy document and can be found on their website¹⁰. 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.

15 Legal implications

15.1 There are no legal implications arising directly from the recommendations in this report.

16 Director of Finance's comments

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

.....
Signed by: Sarah Daly, Director Children, Families and Education

Appendices:

- Appendix 1: Portsmouth Rates to National Funding Rates Comparison Table 2023-24 to 2024-25
- Appendix 2: Growth Fund 2024-25
- Appendix 3: Consultation responses mainstream funding.

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 (England) Regulations 2023	The School and Early Years Finance (England) Regulations 2023 (legislation.gov.uk)
The National Funding Formulae for Schools and High Needs 2024-25 (published 6 October 2023) - Policy Document	National funding formula for schools and high needs 2024 to 2025 (publishing.service.gov.uk)

¹⁰ [National funding formula for schools and high needs 2024 to 2025 \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk)

Schools revenue funding 2024 to 2025: Operational Guide (published October 2023)	Schools operational guide: 2024 to 2025 - GOV.UK (www.gov.uk)
High Needs Funding: 2024 to 2025 Operational Guidance (published July 2023)	High needs funding: 2024 to 2025 operational guide - GOV.UK (www.gov.uk)

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

.....

Signed by:

Sarah Daly
Director – Children, Families and Education (DCS)

Date: 16 11 23

Appendix 1 - Portsmouth Rates to National Funding Rates Comparison Table 2023-24 to 2024-25

Funding Factors	Payable for:	Unit rate 2023-24		Unit Rate 2024-25 ¹¹	
		Primary £	Secondary £	Primary £	Secondary £
Basic Entitlement					
Number on Roll (NOR)	Primary including reception	3,443		3,562	
NOR Key Stage 3	Key stage 3 pupils		4,853		5,022
NOR Key Stage 4	Key stage 4 pupils		5,470		5,661
Deprivation					
Free School Meals	Free School Meals (FSM)	487	487	490	490
Free School Meals Ever 6	Free School Meals Ever 6	716	1,045	820	1,200
IDACI A	Pupils ranked between 1 and 821	680	944	680	945
IDACI B	Pupils ranked between 822 and 2,463	518	741	515	740
IDACI C	Pupils ranked between 2,464 and 4,105	487	690	485	690
IDACI D	Pupils ranked between 4,106 and 5,747	447	629	445	630
IDACI E	Pupils ranked between 5,748 and 9,032	284	452	285	450
IDACI F	Pupils ranked between 9,033 and 12,316	234	340	235	340
Prior attainment					
Primary	Primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP)	1,172		1,170	
Secondary	Pupils not achieving the expected standard in Key Stage 2 at either reading, writing or maths		1,775		1,775
English as an additional Language	EAL eligible pupils who started school within the last 3 years	589	1,588	590	1,585
Mobility		959	1,380	960	1,380
Sparsity		57,101	83,064	57,100	83,000
Lump Sum	Flat rate per school	129,819	129,819	134,400	134,400

*Note: the 2023-24 rates represent the values for Portsmouth schools based on the national NFF rates plus the area cost adjustment of 1.01421.

¹¹ Excludes the Area Cost Adjustment

Appendix 1 - continued

Minimum per pupil funding level comparison table 2023-24 to 2024-25			
Phase	Per pupil funding level 2023-24	Per pupil funding level 2024-25*	Change
	£	£	£
Primary	4,405	4,612	207
Secondary	5,715	5,993	278
All Through	4,950	5,186	236
KS3 only schools	5,503	5,769	266
KS4 only schools	6,033	6,328	295

*Includes Mainstream Schools Additional Grant (MSAG) and inflation @1.4%.

Appendix 2 - 2024-25 Growth Fund.

See separate file.

Appendix 3 - Consultation responses mainstream funding

Consultation responses				
1. Growth Fund criteria changes 2024-25				
Do you agree with the proposed changes to Growth Fund eligibility criteria as set out in Appendix 3?	Yes	4	No	0
Please add any further comments				
No comments				
2. Increase in the Growth fund lump sum allocation from 1 April				
Do you agree with the proposed to retain the Growth fund allocations for Primary and Secondary Schools at current levels as set out in Table 1 in Section 4?	Yes	4	No	0
Please add any further comments				
No Comments				
3. Falling Rolls Fund 2024-25				
Do you agree that as the authority is unlikely to receive funding for Falling Rolls in 2024-25, that a Falling Rolls Fund is not established for 2024-25?	Yes	4	No	0
Please add any further comments				
Primary 1 - Although the papers states that rolls will rise again in 2026-27				
4. Notional SEN Budget 2024-25				
Do you agree with the formula factors used to calculate the notional SEN budget within the mainstream formula as set out in Section 6 and Table 3?	Yes	3	No	0
Please add any further comments				
Primary 1 - As SEND causes financial pressures on schools could we wait to hear the outcome of the working group before agreeing or disagreeing.				

5. Schools funding adjustments for affordability 2024-25 if school funding formula exceeds the Schools Block allocation				
<p>Do you agree with the affordability action proposed in Section 7 if the school formula funding exceeds the Schools Block allocation?</p> <ul style="list-style-type: none"> • Reduce the area cost adjustment of 1.47% or not add it to the NFF factor values. • Reduce the level of the MFG to a lower level than plus 0.5% but not less than 0% • Use the part of the Growth Fund (as in 2023-24) and reduce the value of the carry forward in future years, whilst ensuring there is enough to meet future requirements. <p>Yes, I agree with the above. No, I do not agree with the above.</p> <p>If you do not agree with the above, please advise how you would prefer the funding to be adjusted if the school formula funding exceeds than the Schools Block allocation?</p>	Yes	4	No	0
Please add any further comments				
Primary 1 - Use the excess of the Growth fund.				
6. Schools funding adjustments for affordability 2023-24 if school funding formula is less than the Schools Block allocation				
<p>Do you agree with the affordability action proposed in Section 7 if the school formula funding is less than the Schools Block allocation?</p> <ul style="list-style-type: none"> • Consider increases to the Growth Fund Primary and Secondary School, allocations. • Add the remaining surplus to the Growth Fund. <p>Yes, I agree with the above. No, I do not agree with the above.</p> <p>If you do not agree with the above, please advise how you would prefer the funding to be adjusted if the school formula funding is less than the Schools Block allocation?</p>	Yes	3	No	0
Please add any further comments				
Primary 1 - As long as the Growth fund can be used for other needs as above in the future.				



7. Maintained Schools only - Education Functions De-delegation 2024-25		
Do you agree with the proposed value of the de-delegation per pupil for Education functions (to be updated for the October 2023 census) as set out below and in Section 8. Please only respond for your school.	Yes	No
Primary per pupil - £10.42	1	0
Secondary Per pupil - £10.42	0	0
Please add any further comments		
Primary 1 - An increase in amount would need to be reflected in the services provided.		

Schools Funding Formula

**Budget Share Guidance Notes
For
The Growth Fund
and Schools Specific Contingency**

For

**Primary and Secondary
Schools**

2024-25



**Portsmouth
CITY COUNCIL**

Primary and Secondary Schools

Supplementary Budget Share Guidance Notes For The Growth Fund and Schools Specific Contingency

Contents

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1 Centrally held funds to support Primary and Secondary Schools in 2024-25

1.1 Exceptional Growth Fund

Applies to: Maintained schools and Academies

Increasing Published Admission Number

Funding additional to the budget share will be allocated to schools that experience a planned increase in the Published Admission Number (PAN). The criteria (see below) to determine whether a school is eligible for funding for growth was agreed at schools forum in January 2024 for implementation from April 2024. For 2024-25 funding for bulge classes that meet the criteria below and are below the agreed Pan will be applied from September 2024.

Criteria

Growth funding will be allocated to schools who meet the following criteria:

- *Funding will only be allocated when the growth (either permanently or as a bulge class) meets the basic need requirement of the local authority and its planned intake of pupils is in the current financial year (1 April to 31 March)¹.*
- *And - The Deputy Director of Education formally approves to increase the capacity of a school.*
- *²And - The planned growth in pupil numbers is a multiple of a complete half form entry, where a half form entry is equal to 15 pupils.*

1. Funding will be provided regardless of whether the additional class is within or outside of the PAN - New for 2024-25

2. It is acknowledged that some form entries may be below the full form number of 30 pupils e.g. 28 pupils. In these instances numbers will be rounded to the nearest eligible entry level.

What the growth fund covers

The additional pupils joining a school in September will be included in the October census. The census data is used to calculate the funding for the following financial year; which maintained schools receive from April. Therefore the growth fund finances the "gap" for maintained schools from September to March.

Academies are funded through the same local formula as maintained schools but receive their funding on an academic year basis, rather than the financial year basis of maintained schools.

Therefore academies will not receive their formula funding based on the October census until the following September. The growth fund for academies finances the "gap" from September up to the following August. The additional 5 months funding for academies is paid by the Local Authority and reimbursed by the Education and Skills Funding Agency.

Methodology

The allocation from the growth fund to schools who meet the above criteria will be as follows:

The annual payment for approved growth for a full form entry of 30 pupils will be equal to a lump sum of £60,900 for Primary Schools and Academies and £144,000 for Secondary Schools and Academies.

Where a growth payment has been approved for a maintained or academy school the amount paid will be as follows:

Period September to March - maintained schools and academies

Payments for the period September to March will equate to 7/12ths of the annual amount as follows:

- £35,525 - Primary schools and academies
- £84,000 - Secondary schools and academies

Period April to August - academies only

Payments to academies for the period April to August will equate to 5/12ths of the annual amount as follows:

- £25,375 - Primary academies
- £60,000 - Secondary academies

Funding will be pro-rated for part form or multiples of full form entry, for example:

- The total sum above will be multiplied by 0.5 for a part form entry of 15 pupils
- For an increase of one and a half form entry (45 pupils) the total sum will be multiplied by 1.5
- Entry numbers falling under the half form or full form levels will be rounded to the nearest eligible entry level. Where form entries are less than 50% of the half form entry numbers these entries will not be eligible for growth funding.

A payment will be made for each year that the school is growing until the earliest of the following:

- The school reaches full capacity attributable to the increase in PAN approved by the Deputy Director of Education
- The Growth Fund criteria changes due to affordability
- There is a change in the funding formula as directed from the Education and Skills Funding Agency.

No allocation will be made to a school or academy where the school or academy:

- *Admits over PAN at their own choice*
- *Admits extra pupils where those pupils have a reasonable alternative school place*
- *Increases the PAN of one year by reducing the PAN of another (e.g. increasing the PAN in year 7 by reducing the PAN in year 10)*
- *Is directed and/or requested to admit additional pupils as a result of errors, appeals, fair access protocol, SEN, LAC etc. as these numbers will be low on an individual school basis.*

Funding will not be allocated from this fund to a school which has received additional funding in the year, through its budget share as a result of an agreed variation in its pupil numbers.

***Example**

The maintained/academy primary school has been requested by the Local Authority to increase the PAN from a one and a half form entry (45 pupils) to a two-form entry (60 pupils) from September 2024; this was approved by the Deputy Director of Education in October 2023.

Whilst the increase was agreed in 2023-24, the payment will be made in financial year 2024-25 as this is the year that the changes will come into effect.

The Increase in PAN is for half a form entry of 15 pupils therefore the payment will be pro-rated by 0.5.

For example the calculation would be: 7/12ths of £60,900 lump sum ($£60,900/12*7$) = £35,525

$£35,525 \times 0.5 = \mathbf{£17,763}$ payment to the school.

For an academy school they will receive an additional payment to cover the period April 2025 to August 2025, which would be calculated.

5/12ths of £60,900 lump sum ($£60,900/12*5$) = £25,375

$£25,375 \times 0.5 = \mathbf{£12,687}$ payment to the school.

**Example calculated using primary school rate*

Payment method

Where a maintained or academy school meets the criteria and the growth is known at the point of setting the budget for the financial year, payment will be made within 30 days of the beginning of the financial year which runs 1 April to 31 March

Where growth is identified during the financial year funding will be paid within 30 days of the receipt of the following notification:

- Maintained and Academy schools - PAN increases
Written approval to change the Published Admissions Number (PAN), by the Deputy Director of Education
- Maintained and Academy - Bulge classes:
The receipt by the Children's Finance team of the written confirmation from Deputy Director of Education that the Bulge class has materialised.

Applies to: Maintained schools and Academies

1.2 Increasing Age Range

Where a school is amending its age range, funding may be allocated from the 'Growth Fund' up to a maximum of £280,000, with the specific approval of schools forum, where the following criteria are met:

- The increased school places are required in order to meet basic need within the area and have been agreed with the Local Authority.
- The increased places relate to pre-16 pupils.
- The new school places are not within the schools current phase.
- A business case has been submitted by the school which sets out the expected set-up costs to be incurred.
- Any funding allocated would be to support the following areas of expenditure:
 - additional leadership team capacity
 - additional secretarial support
 - publicity, promotion and advertising of the new school
 - consultancy
 - curriculum costs
 - recruitment costs
 - other revenue costs related to set-up of the new school

If the above criteria are met, the funding would be allocated from the 'growth fund' in full to the school in a single funding period. The funding allocation would be calculated as £445 multiplied by the total number of additional places anticipated to be created in the school as a result of the change in the schools age range up to the maximum permitted.

Where a school is eligible for an allocation from the growth fund based on both the 'Increasing Published Admission Number' and the 'increased age range' criteria, then the school will only be eligible for an allocation from one of these mechanisms within the financial year.

2 School Specific Contingency

Applies to: Maintained Primary and Secondary Schools only

Purpose of the fund

The School and Early Years Finance (England) Regulations, permit the creation of a 'schools specific contingency' via the de-delegation of funding through the schools revenue funding formula. The contingency fund supports only Primary and Secondary maintained schools.

The purpose of the fund is to support maintained Primary and Secondary schools that have incurred expenditure, which it would be unreasonable to expect them to meet from the schools' budget share. This may include:

- schools in financial difficulty
- new, amalgamating or closing schools
- the writing-off of deficits of schools which are discontinued, excluding any associated costs or overheads
- other expenditure where the circumstances were unforeseen when initially determining the schools budget share.

Section 4 of the Scheme for Financing Schools continues to apply in respect of schools that are or are likely to be facing a deficit balance.

Criteria for accessing the fund

The fund is only available to maintained Primary and Secondary Schools in Portsmouth

Where as a result of exceptional expenditure or loss of income a school is experiencing financial difficulty, or has incurred other expenditure which it would be unreasonable to expect the school to meet from its budget share, then financial support will be considered for eligible schools where the following criteria are met:

- The costs or loss of income **must** have had a disproportionate effect on the schools budget.
- The costs or loss of income:
 - arose as a consequence of decisions by bodies outside of the control of the school or its governing body;
 - are exceptional in nature;
 - could not have been foreseen by the school or governing body.
 - The governing body has taken steps to mitigate the impact, where possible.
 - Additional costs for new, amalgamating or closing schools.

Criteria for new maintained schools:

Funding of costs in respect of the initial set-up of new maintained schools will be considered where a business case has been submitted by the school which sets out the expected costs to be incurred; and the following conditions are met:

- The increased school places are required in order to meet basic need within the area and have been agreed with the Local Authority.
- The increased places relate to pre-16 pupils.
- Any funding allocated would be to support the following areas of expenditure:
 - Initial leadership team capacity
 - Initial secretarial support
 - publicity, promotion and advertising of the new school
 - consultancy
 - curriculum costs
 - recruitment costs
 - other revenue costs related to set-up of the new school

One-off funding will be allocated based on the business case submitted, up to a maximum funding allocation of £445 multiplied by the total number of additional places anticipated to be created in the school.

Criteria for amalgamating schools:

Where two or more schools amalgamate, an amount equivalent to the closing balances of the previously maintained schools will be allocated to the new school.

Criteria for closing schools:

In the case of closing maintained schools, which are not amalgamating or converting to academy status under the Academies Act 2010, the contingency may fund additional costs where the school has insufficient balances and the costs are eligible to be funded from the Dedicated Schools Grant.

Where a maintained school is discontinued, any remaining deficits balances may be charged against the contingency. Where it is necessary to use the contingency for this purpose it will be reported to the Schools Forum at the next scheduled meeting.

Decision Making Process

Where a school believes that their circumstances warrant support from the 'schools contingency fund', then the governing body should submit a request to the Finance Manager for Children, Families and Education.

The submission will be reviewed by the Deputy Director of Education and the Finance Manager for Children, Families and Education. The level of the schools revenue and capital balances will also be considered as part of the review of any submission.

Any application which the Deputy Director of Education and the Finance Manager for Children Families and Education assess as meeting the above criteria, will be presented to the Schools Forum at the October and February meetings to make the final decision as to whether to provide financial support from the fund.

Agenda Item 7



Portsmouth
CITY COUNCIL

Title of meeting: Schools Forum

Date of meeting: 7 December 2023

Subject: Dedicated Schools Grant 2023-24 Quarter 2 Budget
Monitoring and Revised Budget

Report by: Chris Ward Director of Finance

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 inform Schools Forum of the projected revenue expenditure of the Dedicated Schools Grant (DSG) for the current financial year 2023-24 as at the end of September 2023, along with proposed budget revisions.

2 Recommendations

2.1 It is recommended that Schools Forum:

2.1.1 Notes the forecast year end budget position for the Dedicated Schools Grant as at 30 September 2023, together with the associated explanations contained within this report.

2.1.2 Endorses the revisions to the 2023-24 budget as set out in Appendix 1 and section 8.

3 Background

3.1 The 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 In February 2023, the Cabinet Member for Children, Families and Education approved, and Schools Forum endorsed, the Original DSG budget for the 2023-24 financial year. This report provides Schools Forum with the latest forecast of the year end outturn as at 30 September 2023, which is set out in the table below.

Table 1 - Dedicated Schools Grant				
	Original budget 2023-24 £000	Adjusted Budget 2023-24 £000	Projected outturn 2023-24 £000	Projected over / (under) spend £000
Income				
DSG Brought forward 2022-23	0	(9,912)	(9,912)	0
DSG and other specific grants	<u>(83,102)</u>	<u>(83,170)</u>	<u>(83,170)</u>	<u>0</u>
Total Income	(83,102)	(93,082)	(93,082)	0
Expenditure				
Schools block				
Primary ISB	24,791	24,791	24,791	0
Secondary ISB	15,511	15,511	15,482	(28)
De-delegated and growth fund	<u>1,499</u>	<u>1,499</u>	<u>1,499</u>	<u>0</u>
Total Schools block	41,800	41,800	41,772	(28)
Central School Service	1,055	1,055	1,055	0
Early Years block				
Nursery ISB	11,617	11,799	12,053	253
Other Early Years	3,181	3,066	2,862	(204)
High Needs block				
High Needs ISB	614	614	614	0
Other High Needs cost	26,550	26,550	26,561	11
Total Expenditure	84,817	84,885	84,917	32
DSG Carried forward	(1,715)	8,197	8,165	(32)

3.3 Overall, the budget is forecast to overspend by £32,000, the details of which are set out in the sections below.

4 Schools Block

4.1 The underspend relates to a revaluation of the rateable value following the completion of the new building. The subsequent increase in the national non-domestic rates (NNDR) charge was backdated to previous financial years. Due to the timing of the notification, it was not possible to include the change in the 2022-23 budget share. The school were funded for the rates adjustments in 2022-23 to enable the NNDR to be paid which resulted in the overspend. For 2023-24 the budget share included the backdated NNDR and the school, who had already received this funding in 2022-23 paid the funding back into the DSG resulting in the underspend.



4.2 The process was complicated due to the centralisation of the funding and payment of NNDR for schools to the DfE, and this adjustment happening in the changeover year after the agreement of the budget shares. Now the new process is fully implemented it is not expected that this will happen again.

4.3 At the end of the second quarter, all notified Growth Fund allocations for 2023-24 have been paid. If no further payments are required, this will release £0.5m of funding to be carried forward to 2024-25 to support agreed commitments with schools.

5 Early Years Block

5.1 In July 2023 the authority received an adjustment to the Early Years DSG Block allocation to reflect the change in pupil numbers as at the January 2023 census. In line with the delegated responsibility, the Early Years budgets have been updated to reflect these changes and Section 8 and Appendix 1 set out those changes.

5.2 The forecast position reflects the payments made for the summer term and the initial payments to providers for the autumn term, future payments for the remainder of the autumn term and the 2024 spring term have been estimated based on previous years activity.

5.3 At the end of the second quarter, the Early Years Block is forecast to overspend by £49,000. There has been an increase in the number of three and four year old hours provided by early years settings, which has been partially offset using the contingencies and an underspend on both the Disability Access Fund and the two year old placements.

6 High Needs Block

6.1 The High Needs block is forecast to overspend by £11,000 due to the purchase of 5 AVI robots to support pupils to engage in classroom teaching whilst not physically able to attend school.

6.2 Due to delays in the receipt of the summer term class lists before the end of the second quarter, the forecast position remains on budget for Special Schools, Inclusion Centres and Alternative Provision settings. Class lists have now been received and the forecast will be updated for the third quarter monitoring.

6.3 The budgets for Element 3 Top-up for mainstream schools, independent and specialist providers, and Early Years SEND Inclusion Fund complex needs are all forecast on budget. With all these budget areas, autumn term changes to placements are notified after the end of September and will be reported in the third quarter monitoring report.



7 DSG Grant funding and carry forward balance

7.1 The authority has received adjustments to the 2023-24 DSG allocation in July 2023, which are included in Section 8 as part of the budget revision.

7.2 As at the end of September 2023, the carry forward balance is projected to be £8.2m. The table below provides a breakdown of the movement on the carry forward balance from 1 April and future commitments against the balance.

Table 2 - Forecast carry forward balance	
	£000
Brought forward balance as at 1 April 2023	(9,912)
Schools specific contingency	124
Growth fund	424
Relational Practice 2023-24 to 2025-26	169
Wymering Pre-opening grant	250
Wymering Places and Element 3 Top-up	747
Carry forward balance	(8,197)
Projected 2023/24 outturn	32
Forecast carry forward	(8,165)
Future commitments	
Early Years adjustment Sept 2023 to Mar 2024	(40)
Growth Fund budgeted carry forward to 2024-25	(503)
Revenue implications of High Needs places for future years	1,779
Contingency to manage in-year pressures	1,982
Uncommitted DSG carry forward	(4,947)

8 Budget Revision 2023-24

8.1 In July 2023, the authority received an adjustment to the DSG Allocation, which is summarised in the table below.

Table 3 DSG Funding Blocks	March 2023 allocation (excluding academies)	July 2023 allocation (excluding academies)	Revised DSG variation (excluding academies)
	£000	£000	£000
Schools Block	41,252	41,252	0
Central School Services Block	1,055	1,055	0
Early Years Block	14,797	14,865	68
High Needs Block	26,593	26,511	(82)
Total DSG	83,697	83,683	(14)

- 8.2 The movement in the Early Years Block reflects the increase in pupil numbers on the January 2023 census. This has allowed the corresponding Early Years expenditure budgets to be increased to reflect the increase in pupil numbers and are detailed in the table and in Appendix 1.
- 8.3 The High Needs Block decrease relates to the annual import/export adjustment partially off-set by a lagged adjustment relating to the recently opened Wymering School. The Authority has challenged the import/export pupil numbers but is still expecting the funding to decrease by a further £6,000. Whilst the funding adjustment will not be confirmed until November 2023, it is prudent to assume that the High Needs block will be reduced and plan accordingly.
- 8.4 The Table below sets out the DSG funding that the authority expects to receive for 2023-24.

Table 4 DSG Funding Blocks	July 2023 allocation (excluding academies)	November import export adjustment	Revised DSG allocation (excluding academies)
	£000	£000	£000
Schools Block	41,252	0	41,252
Central School Services Block	1,055	0	1,055
Early Years Block	14,865	0	14,865
High Needs Block	26,511	(6)	26,505
Total DSG	83,683	(6)	83,677

High Needs

- 8.5 The Element 3 Top-up budgets have been adjusted to reflect the net reduction in pupils being placed in other local authority and independent/specialist settings to reflect the import/export adjustment.
- 8.6 Since setting the budget in February 2023, there has been a budgeted reduction in 9 places in the Special School Individual School Budget (ISB).



- 8.7 The hourly rate paid for Early Years pupils with complex needs was increased by 6% from £9.60 per hour to £10.17 per hour, from September 2023 and the budget has been increased by £108,600 to reflect this change. The increase reflected the increases passed to mainstream schools, inclusion centres and special schools in April 2023 from the High Needs Block.
- 8.8 There have also been adjustments to the:
- Special Schools Teachers' pay and pension grant to reflect the grant due to The Wymering School from September 2023.
 - Pre-opening grant, following a business case from Arundel Court Inclusion centre regarding pre-opening costs.
- 8.9 The proposed budget adjustments lead to a net overspend of £17,600. It is proposed that the overspend is covered using the DSG balances. The table below sets out the impact on the balances.

Table 5 - Forecast carry forward balance	
	£000
Uncommitted DSG carry forward (from Table 2)	(4,947)
Revised budget adjustments	18
Uncommitted DSG carry forward	(4,929)

9 Teachers Pay Additional Grant 2023-24

- 9.1 In July 2023 the government announced £525m of funding to support schools with the September 2023 teachers pay award. The grant was issued in October 2023 for the 2023-24 financial year and will continue as a separate grant for mainstream schools, special schools and alternative provision settings for 2024-25 before being incorporated into the Schools Block and High Needs Block in 2025-26.

10 Reasons for recommendations

- 10.1 It is recommended that Schools Forum notes the contents of the report in respect of the financial forecast for 2023-24 as at the end of the second quarter, and endorses the amendments to the budget for 2023-24 for the reasons set out in section 8 and Appendix 1.

11 Integrated impact assessment

- 11.1 An integrated impact assessment is not required as the recommendations do not have a positive or negative impact on communities and safety, regeneration and culture, environment and public space or equality and diversity.

12 Legal implications

12.1 There are no legal implications arising directly from the recommendations in this report.

13 Director of Finance's comments

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

.....
Signed by: Chris Ward, Director of Finance and Resources

Appendices:

Appendix 1: Dedicated Schools Grant Revised Budget 2023-24

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 (England) Regulations 2023	The School and Early Years Finance (England) Regulations 2023 (legislation.gov.uk)
Budget monitoring working papers 2023-24	Children, Families and Education Finance Team.

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

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Signed by:

Appendix 1 Dedicated Schools Grant Revised Budget 2023-24

	Approved 2023-24 Budget (including Academies)	Proposed Budget Revisions	2023-24 Schools Budget Oct 2023 (Including Academies)	2023-24 Schools Budget Oct 2023 (Excluding Academies)
	£000	£000	£000	£000
Schools Block				
Individual Schools Budgets (ISB)				
Primary	75,555	0	75,555	24,791
Secondary	70,347	0	70,347	15,511
Total ISB	145,902	0	145,902	40,302
De-Delegated and Central Budgets				
Growth Fund	1,294	0	1,294	1,294
De-delegated Budgets	204	0	204	204
Academy Conversions	0	0	0	0
Other Schools Block Sub Total	1,499	0	1,499	1,499
Total Schools Block	147,401	0	147,401	41,800
Central School Services Block				
Schools Forum	16	0	16	16
Admissions	346	0	346	346
Licences (negotiated by DfE)	146	0	146	146
ESG retained duties	498	0	498	498
Central Teachers Pay /pensions grant	49	0	49	49
Central School Services Block Total	1,055	0	1,055	1,055
Early Years Block				
3 & 4 Year Old Provision ¹	12,057	180	12,237	12,237
2 Year Old Provision	2,026	(116)	1,910	1,910
Central Expenditure on under 5's	714	4	718	718
Early Years Block Total	14,797	68	14,865	14,865
High Needs Block				
Individual Schools Budgets				
Special School Place Funding	7,080	(90)	6,990	140
Resource Unit Place Funding	897	0	897	373
Alternative Provision Place Funding	1,337	0	1,337	87
Total ISB	9,314	(90)	9,224	599
Element 3 Top-up funding	16,226	(84)	16,142	16,142
Out of City Placements	5,062	(42)	5,020	5,020
SEN Support Service	1,098	0	1,098	1,098



	Approved 2023-24 Budget (including Academies)	Proposed Budget Revisions	2023-24 Schools Budget Oct 2023 (Including Academies)	2023-24 Schools Budget Oct 2023 (Excluding Academies)
	£000	£000	£000	£000
Medical Education	675	0	675	675
Outreach Services	196	0	196	196
Turnaround Project	100	0	100	100
Fair Access Protocol	60	0	60	60
Early Years Complex Needs Inclusion fund	1,115	109	1,224	1,224
Post-16 high needs places	1,072	0	1,072	0
Teachers Pay/Pension grants High Needs	578	25	603	603
Relational Practice	169	0	169	169
Special School Pre Opening Grant	250	10	260	260
Special Schools Additional Grant 2023/2024	672	0	672	672
High Needs supplementary funding	349	0	349	349
Other High Needs block sub total	27,622	18	27,640	26,568
Total High Needs block	36,936	(72)	36,864	27,167
Total Expenditure	200,189	(4)	200,185	84,888
Income				
Schools Block	(146,852)	0	(146,852)	(41,252)
Central Schools Services Block	(1,055)	0	(1,055)	(1,055)
Early Years Block	(14,797)	(68)	(14,865)	(14,865)
High Needs Block	(35,770)	90	(35,680)	(25,984)
DSG Income ^{2,3}	(198,474)	22	(198,453)	(83,156)
One-off use of Carry Forward	(1,715)	(18)	(1,732)	(1,732)
Total Income	(200,189)	4	(200,185)	(84,888)

¹Includes early years pupil premium

² 2023-24 per ESFA allocations July 2023

³ Includes reimbursement of Growth funding for Academy schools

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