SCHOOLS FORUM AGENDA ITEM

For Action ☐ For Information ■

Brief Description of Item *(including the purpose / reason for presenting this for consideration by the Forum)*

This report asks Forum members to further consider the Authority's proposals for retention of Schools, Central Schools Services and Early Years Block central and de-delegated items in the 2024/25 financial year, following the initial discussion had in the last Forum meeting and in advance of the 10 January meeting.

Date (s) of any Previous Discussion at the Forum

An initial report on the funds that are proposed to be held in 2024/25 was presented to the Schools Forum at the last meeting (11 October 2023, Document QL). From this report:

- Members representing maintained primary schools decided that de-delegation for the purposes of subscribing to Fischer Family Trust should cease in 2024/25.
- Members did not request the review of any of the centrally managed funds presented in Document QL.

The Authority has requested feedback from schools and academies, on centrally managed funds, within the autumn 2023 consultations, including on the criteria / methodology for the allocation of Growth Funding, Falling Rolls Funding and de-delegated funds for maintained schools. Feedback on these consultations is reported back to this meeting under separate agenda items.

Background / Context

Please refer to Document QL 11 October 2023, which was written to initiate consideration of centrally managed funds to be held in the 2024/25 financial year.

Details of the Item for Consideration

Appendices 1 - 4 attached to this report set out for the Forum's review the Authority's indicative proposals for centrally managed funds to be held within the Schools Block, Early Years Block and Central Schools Services Block in the 2024/25 financial year.

- Appendix 1 – presents line by line information by block of the funds that are proposed to be held, the Authority's recommendation on the values of these funds and how the 2024/25 proposed arrangements compare with 2023/24. This appendix also shows the balances that are currently forecasted to be held in each existing fund at the end of the 2023/24 financial year, where specific balances are held.
- Appendix 2 – presents more detailed information on the contributions (and changes vs. 2023/24) proposed for de-delegated funds held for maintained schools within the Schools Block for the 2024/25 financial year. This appendix also shows in more detail the balances that are currently forecasted to be held in each de-delegated fund at the end of the 2023/24 financial year.
- Appendix 3 – lists for clarity the purposes for which the Authority can retain Central Schools Services Block monies for the former Education Services Grant funded statutory responsibilities the Authority holds in respect of all state funded schools and academies.
- Appendix 4 – presents for the Forum's information a summary of spending on school improvement in support of maintained schools across the 2022/23 academic year.

Details of the Item for Consideration

We wish to highlight for the Forum's attention the following matters in relation to 2024/25 centrally managed funds within the Schools Block, Central Schools Services Block and Early Years Block, providing an update on the information that was presented to the Forum in Document QL on 11 October 2023.

Schools Block Maintained School De-Delegated Funds 2024/25 - Update

- We indicated in Document QL that, due to strong buy in, the contribution to the Authority's Trade Unions Facilities Time arrangements can be reduced in 2024/25 (by 5%). We propose now to take this reduction forward, meaning that the per pupil charge that is levied on maintained schools and academies that buy into the Authority's arrangements will reduce to 95% of the existing charge from April 2024, subject to final Forum agreement on 10 January. This reduced the total charge by £0.25 per pupil. This reduction is shown in Appendix 2.

- We set out in our mainstream formula funding consultation for 2024/25 how, due to the growth in salaries costs at the same time as the number of maintained primary schools continues to reduce year on year, our maternity / paternity insurance scheme is losing cost effectiveness and 'critical mass'. In our consultation we stated that we wish to signal now that we anticipate that this scheme will cease at the end of the 2024/25 academic year, meaning that reimbursements for all existing and new claims will stop at 31 August 2025. This message has been reinforced in the various presentations that have been made to business manager and headteacher / CEO groups during the consultation period.

- The Authority operates a de-delegated fund 'FSM Eligibility Assessments', which covers the work the Authority's Benefits Team does in relation to assessing Free School Meals (FSM) eligibility for pupils on behalf of maintained primary and secondary schools. Many academies also buy into this scheme. The charge is levied on an amount per FSM Ever 6 basis (the number of Ever 6 Free School Meals children each school or academy has on roll). This charge has not been increased (for the impact of pay awards or inflation) since the transfer of this scheme to a de-delegated fund back in 2016/17. Especially noting the impact of recent pay awards on the costs of delivery of the Authority's service, the Authority proposes to increase the charge per Ever6 FSM by 6% in 2024/25. We trust that this increase will be supported by the Forum.

- As we set out in Document QL on 13 October, since 2022/23, the Authority has retained, via de-delegation from both primary and secondary schools, funds to replace the monies that the Authority previously received via the DfE's now ceased School Improvement Monitoring and Brokering Grant (SIMB). De-delegation for this purpose equated to a £4.29 per pupil contribution in both 2022/23 and in 2023/24. We propose to continue de-delegation at £4.29 per pupil in 2024/25. Appendix 4 provides sight of the uses of this fund across the 2022/23 academic year in support of maintained schools. We continue to use the funds collected via de-delegation alongside the remaining balance of the SIMB grant funds that have been carried forward. We explained this position to the Schools Forum in Document PI Appendix 4a that was presented on 7 December 2022. On current estimates of school improvement spending, we anticipate that in the region of £312,000 of the SIMB grant funds balance will remain at the end of the 2023/24 financial year (meaning that we anticipate having spent c £90,000 of this balance in 2023/24 alongside 2023/24 sourced de-delegated funds and carry forward balance, which are fully spent.

Early Years Block Centrally Managed Funds 2024/25 - Update

- As we set out in Document QL, subject to the DfE's confirmation, we anticipate that the DSG condition, which restricts the retention of funds within the Early Years Block to 5% of total funding will remain in place for 2024/25 but will begin to move towards 3% as the roll out of the extended entitlements is completed. We expect that the 5% (then the final 3%) restriction will be in place for each of the 3 discrete early years entitlement funding streams (under 2s, 2-year-olds and 3&4-year-olds). We also stated that, in response to the extension of the entitlements, the Authority wishes to review the sufficiency of the capacities that are available, funded by the Early Years Block, to support delivery. This is in the light of the significant increase in the number of children that will access the entitlements for which providers will be funded, as well as other pressures, especially growth of SEND. The increase in the number of entitlement children, and the growth in SEND of these children, will have implications for the capacities that are required: to support SEND, sufficiency, sustainability, quality and compliance within the early years sector, to support the administration and calculation of entitlement funding, to support PVI providers with SEND (Area SENCOs) and to support the effective delivery of our Early Years SEND Inclusion Fund (EYIF).

Details of the Item for Consideration

- We are constructing a 2024/25 Early Years Block planned budget on the basis that significant additional funds must be earmarked for the Early Years Inclusion Fund (EYIF). These are funds that are retained at the start of the year but are allocated fully out to providers in support of identified eligible children. They do not count against the 5% restriction. We forecast that EYIF spending will increase by 40% this year and will continue to grow in 2024/25. On top of this, subject to confirmation by the DfE, it is expected that EYIF will be extended to all entitlements, meaning that the number of 2-year-old children that will be brought into EYIF will substantially increase and a new EYIF budget will need to be created for the under 2s entitlement. Given the already existing pressures on EYIF, and feedback from providers on EYIF processes, the Authority is currently looking at ways in which access to EYIF funding can be improved. We anticipate setting out proposals for consultation, which we will present to the Schools Forum on 10 January. These proposals may include a move to pilot a new EYIF approach in 2024/25 before deciding on more widescale changes in future years. In pulling together a budget and an approach, it is important to highlight that EYIF funding must be paid for (from the Early Years Block) and therefore, a substantial increase in EYIF funds must result in a reduction of funding that is allocated elsewhere, including a reduction in the values of the Universal Base Rates that providers receive for the delivery of the entitlements. We are very conscious therefore, that an appropriate balance must be achieved.

- Again, subject to DfE confirmation, it is expected that the Early Years Pupil Premium (EYPP) and the Disability Access Fund (DAF) streams will be extended across all the entitlements from April 2024. These streams currently are restricted to the 3&4-year-old entitlement. In the last couple of years, we have uplifted the DAF rate of funding to a level higher than the minimum that is prescribed and funded by the DfE, using Early Years Block reserves as a backstop for the funding of this. Going forward, such uplift may not be affordable, because reserves may not be available in the same way or to the same extent. This is currently a point of review, and we anticipate presenting proposals to the Schools Forum on 10 January. EYPP and DAF funds are retained at the start of the year but are allocated fully out to providers in support of identified eligible children. They do not count against the 5% restriction.

- Following review, we do not propose in 2024/25 to uplift the ‘Early Years Support Capacity’ centrally managed fund, other than by an allowance for pay award / inflation. However, we identify that the Authority’s capacity is likely to need to be enhanced as the roll out of the new and extended entitlements continues. This is so that the Authority can continue to provide effective support to the early years sector. Therefore, this is a point of continued review and a proposal for an increase in capacity is likely to be brought forward for the 2025/26 budget round.

- The ‘Early Years High Needs Support’ budget is proposed to be uplifted in 2024/25 in total by £0.309m. £0.054m of this provides uplift for pay award / inflation on existing budgets. The 2024/25 budget is then proposed to be increased by £0.255m in response to pressures, as follows:

    - An additional £0.06m for Area Inclusion (Area SENCOs) capacity that is required to support the PVI sector in response to the significant growth of SEND and growth in the number of EYIF claims, as well in response to the new entitlements (that will mostly be delivered in the PVI sector). It is anticipated that this capacity will need to be further enhanced as the new entitlements extend and establish in 2025/26. Therefore, this is a point of continued review and a proposal for further increase in capacity is likely to be brought forward for the 2025/26 budget round.

    - An additional £0.195m to meet existing spending pressures within early years SEND support services and in support of early years providers. This includes spending on early years portage, educational psychology support for early years providers, and early years SEND parental support workers. This additional contribution is also supporting the Council’s budget in the management of increased costs (ensuring that the Early Years Block continues to make legitimate and appropriate contribution to the cost of support services as the cost of these services increases).

Implications for the Dedicated Schools Grant (DSG) *(if any)*

Recommendations will have direct implications for the distribution of the Central Schools Services Block, Schools Block and Early Years Block.

Recommendations

(1) Members are asked to note the information provided in the report.

(2) Members are asked to consider whether any further information is needed to enable final recommendations and decisions to be taken / made on 10 January 2024 on the funding of centrally managed and de-delegated Early Years, Schools and Central School Services Block items in 2024/25.

List of Supporting Appendices / Papers *(where applicable)*

Appendix 1 – Detailed Summary of Schools, Early Years and Central Schools Services Block funds.
Appendix 2 – Analysis of Per Pupil Contributions to Schools Block De-Delegated Funds & Forecasted carry Forward Balances.
Appendix 3 – Description of Statutory Duties permitted by the funded by the transferred ESG Centrally Retained Duties grant.
Appendix 4 – School Improvement Fund Spend 2022-23 Academic Year.

Contact Officer *(name, telephone number and email address)*

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