

2024/25 Financial Year Dedicated Schools Grant Decisions and Recommendations List

This report lists the decisions and recommendations that the Schools Forum is asked to make in supporting the Local Authority to establish the Dedicated Schools Grant (DSG) planned budget and formula funding arrangements for the 2024/25 financial year. The Forum is asked to take decisions (as required by the Regulations), and to make its final formal recommendations, on the Authority's proposals.

1. Schools Block Centrally Managed Funds 2024/25 (DECISION)

Schools Block De-Delegated Funds 2024/25 (DECISION)

Please refer to Document QZ Appendices 1 – 3.

1.1 Schools Members representing maintained primary & secondary schools only are asked to **decide the values of de-delegated funds, and the contributions to be taken from the 2024/25 formula funding allocations of maintained primary & secondary schools**, as proposed in Document QZ and its appendices (VOTE BY PHASE).

- a) **School Re-Organisation Costs (Safeguarded Salaries) (Primary & Secondary)**: continue de-delegation from both the primary and secondary phases for the actual cost of continuing safeguarded salaries in maintained primary and secondary schools.
- b) **School Re-Organisation Costs (Sponsored academy conversions budget deficits) (Primary phase only)**: Continue to 'pause' de-delegation from the primary phase, meaning that no new contribution is taken in 2024/25. The Schools Forum will be provided with monitoring reports where this fund's brought forward balance is used in 2024/25 for this purpose.
- c) **Exceptional Costs & Schools in Financial Difficulty (Primary phase only)**: continue de-delegation from the primary phase at the 2023/24 per pupil value.
- d) **Costs of FSM Eligibility Assessments (Primary & Secondary)**: continue de-delegation from both the primary and secondary phases at the 2023/24 per FSM6 values increased by 6%, with contributions continuing to be taken using Free School Meals (FSM) Ever 6 data.
- e) **Fisher Family Trust (Primary phase only)**: please note that the Schools Members representing maintained primary schools decided on 11 October 2023 to cease de-delegation for the purposes of subscribing to FFT. This decision is repeated here only for reference and for completeness.
- f) **Trade Union Facilities Time – Negotiator Time (Primary & Secondary)**: continue de-delegation from primary and secondary phases at 95% of the 2023/24 per pupil value.
- g) **Trade Union Facilities Time – Health and Safety Time (Primary & Secondary)**: continue de-delegation from primary and secondary phases at 95% of the 2023/24 per pupil value.
- h) **School Maternity / Paternity 'insurance' fund (Primary phase only)**: continue de-delegation from the primary phase at a value forecasted to afford the scheme for a full year. The £app cost is shown in Document QZ Appendix 2 (£28.32 per pupil, which is + 7% on 2023/24). The £28.32 per pupil value includes the release, on a one-off basis, of £0.10m of balance brought forward within this fund and it is estimated that the scheme will cost £0.70m in total in 2024/25. 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.

- i) **School Staff Public Duties and Suspensions Fund (Primary phase only):** continue de-delegation from the primary phase on the same £app basis as 2023/24.
- j) **School Improvement (Replacement of the School Improvement Monitoring and Brokering Grant) (Primary & Secondary):** continue de-delegation from primary and secondary phases at the 2023/24 per pupil value.

1.2 Schools Members representing maintained primary & secondary schools only are asked to agree (to decide) **the principles** behind the management of the Schools Block de-delegated funds listed in paragraph 1.1:

- a) Any over or under spend within these funds will be written off from, or added back to, the DSG's de-delegated funds in 2025/26 on a phase specific, fund specific, basis i.e. if primary schools overspend in the maternity / paternity insurance scheme fund the value of the fund created through de-delegation in 2025/26, support by available surplus balances brought forward, will need to compensate for this.
- b) These decisions set the position for the 2024/25 financial year only.
- c) The funds will be managed and allocated according to their applicable criteria as set out in the autumn 2023 consultation document (where it was proposed to continue the same criteria as used in 2023/24).

1.3 The Schools Forum is asked to note that a total net surplus balance of de-delegated funds of £0.625m is forecasted to be carried forward within the Schools Block into 2024/25. As such, the Schools Forum is not asked to write off from the 2024/25 Schools Budget any deficit associated with de-delegated funds. Within the 2024/25 proposals, £0.100m of the £0.625m is specifically earmarked to support the cost of the school maternity / paternity insurance fund. On this basis, assuming no other over or under spends, it is estimated that the existing balance of de-delegated funds held within the Schools Block at the end of the 2024/25 financial will reduce to £0.525m. However, this is prior to the addition of a proportion of the additional £0.934m 'Schools in Financial Difficulty' DSG funding that the Local Authority has been allocated in respect of maintained schools in 2023/24. At this time, pending decisions about how a proportion of these funds are allocated to maintained schools before 31 March 2024, the Authority cannot confirm the value of this funding that will be carried forward. However, the intention is that any remaining funds that are carried forward will be added to the balance of the Exceptional Costs and Schools in Financial Difficulty de-delegated fund to be allocated to continue to support maintained schools from April 2024. A report setting out the spending of the funds in the 2023/24 financial year and the carry forward into 2024/25 will be presented to the Forum at the next meeting in March 2024.

Schools Block Growth Fund 2024/25 (DECISION)

Please refer to Document QZ Appendix 1 (full list of DSG centrally managed funds) and Document RC Appendix 1 (list of proposed allocations from the Growth Fund to existing expanding schools and academies for the Forum's approval).

1.4 The Schools Forum is asked to agree (to decide) the allocations from the 2024/25 Schools Block Growth Fund to **existing expansions and existing bulge classes** as proposed and as listed in Document RC Appendix 1. Members are asked to note:

- a) There are 19 allocations with a total gross value of £0.683m. 6 Primary schools / Primary academies; 3 all-through academies; 10 Secondary academies.
- b) The allocations to the all-through academies and to the secondary academies simply complete, for the full 2023/24 academic year, the growth fund allocations that are set out in Document QV (presented under agenda item 5), which cover the period up to 31 March 2024. Document RC Appendix 1 does not include allocations from the Growth Fund to the secondary phase for the 2024/25 academic year. Allocations for both continuing and new expansions and bulge classes in the secondary phase for the 2024/25 academic year will be funded from the provision explained in paragraph 1.5 below and will be presented to the Schools Forum for agreement in December 2024, following the collection of the October 2024 Census.

- c) The £0.513m for academies for the period April to August 2024 will be reimbursed back to the Schools Block via the ESFA's academy recoupment process. As such, the £0.513m does not represent a cost to our 2024/25 Schools Block. So, although the Forum is asked to approve allocations totalling £0.683m, as listed in Document RC Appendix 1, the actual net cost of these allocations to our 2024/25 Schools Block is £0.683m minus £0.513m = £0.170m.

1.5 The Schools Forum is asked to agree (to decide) that a further planned budget of £0.950m is taken from the 2024/25 Schools Block for the Growth Fund to cover **new allocations to be agreed during 2024/25**. This planned budget is only for growth in the secondary-phase i.e. no new budget provision is proposed to be taken from the 2024/25 Schools Block for primary-phase growth. All new in-year allocations from the Growth Fund will be agreed by the Schools Forum, prior to confirmation these with the receiving school or academy. Growth Fund allocations will continue as a standing Schools Forum agenda item to enable this.

- a) Recognising: that the pupil population in the primary-phase is reducing, as a consequence of demographic trends, and that a value of £1.149m of balance held within the Schools Block is forecasted to be carried forward into 2024/25, the Authority proposes not to take new budget from the 2024/25 Schools Block allocation for the purposes of funding growth in the primary-phase. A proportion of the £1.149m balance instead will be available to be used to meet any costs of new growth or bulge classes that may be agreed for the primary phase in 2024/25.
- b) £0.950m will fund 12 additional forms of entry or bulge classes in the secondary phase at September 2024 (for the period September 2024 to 31 March 2025). By comparison, the Authority has funded 11 forms of entry, in total, for the period September 2023 to March 2024.
- c) Regarding the £1.149m Growth Fund balance: new flexibilities (for the management of growth, falling rolls and 'surplus places') are still expected to be brought into Schools Block arrangements in the future, following the most recent National Funding Formula (NFF) consultation and the DfE's policy decision that local authorities should retain Growth Fund responsibilities under the NFF. Retaining a surplus balance into 2025/26 will help us to maximise the benefit of any new flexibilities that are introduced from April 2025. Falling rolls is also a significant issue for the primary phase, in particular, and we take the view that we would still wish to see how any new flexibilities could be used, before committing the Growth Fund balance (as well as the Falling Rolls Fund Balance – see below) elsewhere to more general formula spending.

1.6 The Schools Forum is asked to agree (to decide) to use the **criteria** for the allocation of the Schools Block Growth Fund in 2024/25 as set out in the autumn 2023 consultation document, which are the criteria used in 2023/24.

Schools Block Falling Rolls Fund 2024/25 (DECISION)

Please refer to Document QZ Appendix 1 (full list of DSG centrally managed funds).

1.7 The Schools Forum is asked to agree (to decide) to **continue the Falling Rolls Fund for the primary phase for the 2024/25 financial year**. Whilst we have concluded that the Falling Rolls Fund currently holds limited value, as it is not a mechanism that will support the vast majority of primary-phase schools and academies, it is a mechanism that was developed following close review. As such, the Authority does not wish to remove this mechanism entirely from our Schools Block funding approach.

1.8 The Schools Forum is asked to agree (to decide) to use the **criteria** for the allocation of the Schools Block Falling Roll Fund in 2024/25 as set out in the autumn 2023 consultation document. In this consultation, we proposed, following the example criteria that the DfE has given within its guidance, to take the opportunity to review the 2 key criteria that trigger eligibility. In its examples, the DfE uses triggers of 5% (for the % by which a school's number on roll must have reduced year on year) and 85% (the % a school's total number on roll must be lower than in relation to its full capacity). We currently use triggers of 3% and 90%. We proposed to amend our scheme to use the DfE's example triggers. We now recommend that this change is enacted.

1.9 The Schools Forum is asked to agree (to decide) that the **cost of the 2024/25 Falling Rolls Fund be met from the balance that will be brought forward from 2023/24**, rather than by taking new budget from the 2024/25 Schools Block. Forum Members are asked to note that actual proposed allocations from the

Falling Rolls Fund for this current financial year will be presented to the Schools Forum in March 2024. The final value of balance that will be carried into 2024/25, therefore, will be confirmed at this point. On current modelling, however, the Authority anticipates that there will not be any allocations from this fund for the 2023/24 financial year. Therefore, the balance carried forward is expected to be £0.500m.

1.10 The Schools Forum is asked to agree to the Authority's proposal to continue to **retain this balance in 2024/25**, to be available to support costs in 2024/25, but also to be available to support schools and academies via the new flexibilities (for the management of falling rolls) that are still expected to be brought into Schools Block arrangements in the future. Falling rolls is a significant issue for the primary phase, in particular, and we take the view that we would still wish to see how the expected new flexibilities could be used, before committing this balance (as well as the Growth Fund balance – see above) elsewhere to more general formula spending.

2. Early Years Block Centrally Retained Funds 2024/25 (DECISION)

Please refer to Document QZ Appendix 1 (full list of DSG centrally managed funds).

2.1 The Schools Forum is asked to support the Authority to establish the 2024/25 DSG planned budget by **deciding the retention of funds for central management within the Early Years Block** as proposed and as listed in Document QZ Appendix 1. It is highlighted for Forum Members that the DSG Conditions of Grant for 2024/25 require that a minimum 95% of the funding that is available in respect of each entitlement funding stream is delegated to providers for that entitlement. There are 4 entitlement fund streams and 4 separate calculations of the 95% (effectively there are now 4 'mini budgets' within the Early Years Block): Under 2s Working Parents, 2-year-olds Disadvantage, 2-year-olds Working Parents and 3&4-year-olds entitlements. This 95% restriction has the effect of limiting the % of funding for each stream that can be centrally retained (limited to 5%) and limiting the extent to which funding for one stream can be used to pay for another.

- a) £0.097m (continuation) for the Early Years Block's contribution to the **DfE Copyright Licences charge**. This charge is still to be confirmed by the DfE and so is based on an estimate at this time. This contribution is charged fully to the 3&4-year-olds entitlements funding stream and is included within the maximum 5% that the Authority is permitted to centrally retain from 3&4-year-olds entitlement funding.
- b) £0.123m (continuation) for access by maintained nursery schools to Schools Block **de-delegated funds** (Trade Union Facilities Time, Maternity / Paternity Insurance Scheme, Staff Public Duties and Suspensions). A breakdown of the £0.123m is given in Document QZ Appendix 2. This contribution is charged fully to the 3&4-year-olds entitlements funding stream and is included within the maximum 5% that the Authority is permitted to centrally retain from 3&-4-year-olds entitlement funding.
- c) £1.563m (continuation and increase) for the estimated cost of allocations to early years providers from the **Early Years SEND Inclusion Fund (EYIF)**. This budget is substantially increased on the £0.650m that was held in 2023/24, for two reasons: a) the extension of EYIF to the new Under 2s and 2-year-olds Working Parents entitlements (requiring new budget to be taken) and b) in response to the significant and expected continued growth in the number of EYIF claims from providers in respect of 3&4-year-olds entitlement children. EYIF spending in Bradford is estimated to increase by around 40% in 2023/24 and by the same % again in 2024/25, before we factor in the additional cost that will come from the extension of EYIF across all the entitlements. The £1.563m 2024/25 planned budget is split across the entitlements as follows, with each entitlement funding stream paying for its own EYIF budget. Please note that the split of the budget, especially relating to the new entitlements, is heavily estimated at this time:

Under 2s Working Parents	£83,000
2-year-olds Disadvantage	£200,000
2-year-olds Working Parents	£200,000
3&-4-year-olds entitlements	£1,080,000

The criteria that are proposed to be used to allocate the SEND Inclusion Fund are set out in our consultation on Early Years Single Funding Formula arrangements for 2024/25. Please see Document QW. These criteria are the same as currently used in 2023/24. The consultation is currently live and closes on 5 February. The outcomes of the consultation will be presented to the Schools Forum on 6 March. At this time, we are establishing the planned budget for the Early Years Block on the basis that the

Authority's proposals will be agreed and implemented. Whilst we continue our existing core approach to the allocation of EYIF in 2024/25, the Authority will pilot in 2024/25, with sample providers across all sectors, an amended approach, which seeks to explore further the options for reducing bureaucracy and reducing / removing the need for providers with consistent numbers of entitlement children in receipt of EYIF to claim funding. We will seek to explore further how we could allocate EYIF funding 'in advance' (rather than via application) based on predictive data, then review termly with an expectation that settings will evidence how they have used their funding and the impact this has had on the child. The outcomes of this pilot, together with the DfE's stated national review on EYIF approaches, will help inform the potential for wider changes and improvements in our EYIF from April 2025. Further information on the pilot will be published shortly.

Although the £1.563m budget is shown here as centrally retained, this is only the case at the start of the financial year. The full value of this budget is intended for allocation to providers during the year. As such, the £1.563m is treated as delegated funding for the purposes of calculating the minimum 95% of each entitlement funding stream that the Authority is required by the DSG Conditions to delegate.

- d) £0.298m (continuation and increase) for **the Area SENCOS function** that is managed by the Local Authority in respect of Private, Voluntary and Independent (PVI) early years providers. The proposed budget for 2024/25 includes an allowance for pay award / inflation, as well as £0.06m for new 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 establish and further extend (to 30 hours) in 2025/26. Therefore, this is a point of continued review and a proposal for a further increase in capacity is likely to be brought forward for the 2025/26 budget round. The £0.298m is included within the maximum 5% that the Authority is permitted to centrally retain, and this has been charged across the 4 entitlement funding streams on a pro-rata basis using estimated delivery numbers.
- e) £0.593m (continuation and increase) for the Early Years Block's contribution **to early years SEND support services**. The proposed budget for 2024/25 includes an allowance for pay award / inflation, as well as 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). The £0.593m is included within the maximum 5% that the Authority is permitted to centrally retain, and this has been charged across the 4 entitlement funding streams on a pro-rata basis using estimated delivery numbers.
- f) £0.562m (continuation) for the **Early Years Block's contribution to the cost of the Authority's early years entitlement funding and provider support services**. The proposed budget for 2024/25 includes an allowance for pay award / inflation. The £0.562m is included within the maximum 5% that the Authority is permitted to centrally retain, and this has been charged across the 4 entitlement funding streams on a pro-rata basis using estimated delivery numbers.

2.2 The Schools Forum is asked to note that a total value of £1.673m of the centrally retained budgets that are listed in paragraph 2.1 are included within the maximum 5% that the Authority is permitted to centrally retain. This calculation is broken down into the 4 separate entitlement funding streams as follows:

• Under 2s Working Parents entitlement	£154,891	95.5%
• 2-year-olds Disadvantage entitlement	£135,313	96.7%
• 2-year-olds Working Parents entitlement	£258,924	95.5%
• 3&4-year-olds entitlements	£1,123,834	97.4%

This confirms that our proposals comply with the DSG Conditions.

It is highlighted for Forum Members that the DfE has signalled that, once the new entitlements are fully established and embedded, the delegation % will be increased to 97% for all the entitlement streams. In this context, we would expect (and we have sought to achieve this) that our delegation %s for the existing 2-year-olds Disadvantage entitlement and for the existing 3&4-year-olds entitlements will already be close to 97%.

We would expect that the delegation %s for the new Under 2s and 2-year-olds Working Parents entitlements in 2024/25 would be lower as these are not yet fully established.

2.3 Finally, the Schools Forum is asked to note that it is not expected that the balance of Early Years Block centrally managed funds held at the end of the 2023/24 financial year will be a deficit. As such, the Schools Forum is not asked to write off from the 2024/25 Schools Budget any deficit associated with an Early Years Block fund.

3. The Central Schools Services Block 2024/25 (DECISION)

Please refer to Document QZ Appendix 1 (full list of DSG centrally managed funds).

3.1 The Schools Forum is asked to agree (to decide) the allocation of the **Central Schools Services Block (CSSB)** for 2024/25 as proposed and as listed in Document QZ Appendix 1:

- a) **Schools Forum Running Costs:** proposed to continue at £12,400, which is the 2023/24 value of £11,700 plus an allowance for pay award and inflation. This budget contributes to the costs of running the Schools Forum that are met by School Funding Team and by Committee Secretariat.
- b) **Pupil Admissions:** proposed to continue this budget at £1.066m, which is the 2023/24 value of £0.987m plus an allowance for pay award and inflation.
- c) **DfE Copyright Licences:** a value of £0.332m. The cost of copyright licences for primary and secondary schools and academies is met from the CSSB. This is not a matter for decision for the Schools Forum, as the DfE negotiates the price and top slices our DSG. The costs for early years and high needs providers are charged within our DSG model to the respective blocks. The DfE has not yet confirmed the 2024/25 costs. At this time, we have estimated an increase of 10% on 2023/24.
- d) **Education Services Grant (ESG) Statutory Duties:** proposed to continue this budget at £1.579m, which will continue to passport to the Local Authority's budget the 2023/24 committed cash budget plus an additional £0.02m, which is specifically to provide a contribution for the Authority's critical incidents support service for schools and academies. The £1.579m budget comes from the former ESG Centrally Retained Duties Grant that was transferred into the DSG at April 2017 and is now allocated in support of the statutory duties that are delivered by the Local Authority on behalf of all state funded schools and academies. A list of statutory activities was presented to the Forum on 6 December 2023 in Document QU Appendix 3.
- e) **Education Access Officers:** proposed to be continued and uplifted in 2024/25 to £0.540m (from £0.500m held in 2023/24) for pay award / inflation.
- f) **Education Services Planning:** proposed to continue at £0.157m, which is the 2023/24 value of £0.148m plus an allowance for pay award and inflation.

3.2 The Schools Forum is asked to note that, as a result of these proposals, there is no transfer of CSSB funding to any other DSG block. The full value of the 2024/25 CSSB settlement is allocated to spending within the CSSB. The Schools Forum is also asked to note that CSSB spending for 2024/25, as proposed, is funded without any reliance on any other DSG block. However, the total cost of the funds listed in 3.1 above is £3.687m, which exceeds the 2024/25 CSSB allocation by £0.059m. The £0.059m is proposed to be met from the surplus balance that is forecasted to be carried forward into 2024/25. Please see section 5.

4. The High Needs Block 2024/25 (RECOMMENDATION)

Please refer to:

- Document QX (the 2024/25 DSG summary, which summarises the planned High Needs Block budget).
- Document RB (the DSG Management Plan, which includes an updated view of the estimated High Needs Block future year trajectory and a list of planned commissioned specialist places).
- Document RA Appendix 3 (which shows in more detail how the High Needs Block planned budget for 2023/24 has been constructed at individual setting and budget heading level).

4.1 The Schools Forum is asked to support the Authority to establish the **2024/25 High Needs Block planned budget** by recommending that the formula approach (**the High Needs Funding Model**) that the Authority proposed in our consultation, and that was reported back to the Schools Forum on 6 December 2023 (Document QQ), is used to delegate High Needs Block funding to high needs providers, mainstream schools and academies and other settings in the 2024/25 financial year. This approach includes the following significant elements:

- a) The continuation, with uplift (ranging between 3.6% at Band 3L and 1.7% at Band 4H; 1.7% for the Day Rate Model), of our EHCP Banded Model and of our PRU / Alternative Provision Day Rate Model.
- b) The continuation of the existing setting-led need factors as are currently applied to the funding of specialist provisions.
- c) The continuation of the allocation to specialist provisions of the former Teacher Pay Grant and the former Teacher Pension Grant, separately from top-up funding, using the method and values we used in 2023/24.
- d) The continuation of the pass through to special schools, special school academies, PRUs and alternative provision academies, the additional “3.4% place-element” funding that was allocated in 2023/24, as required by the DfE and the 2024/25 DSG Conditions of Grant.
- e) The continuation for an additional year of the SEND Funding Floor mechanism in support of Element 2 funding for SEND and EHCPs in mainstream primary and secondary settings.
- f) The slight incremental amendment of our definition of Notional SEND budgets for mainstream schools and academies.

4.2 The Schools Forum is asked to note and **to give any feedback to the Authority** on the following significant elements, estimates and assumptions, which are incorporated into the construction of the 2024/25 High Needs Block (HNB) planned budget that is presented to this meeting:

- a) The 2024/25 High Needs Block planned budget is calculated without any transfers of funding in from other Blocks or out to other Blocks.
- b) As we have previously reported to the Forum, the DfE’s national SEND / EHCP / Alternative Provision system and funding reviews are very likely to have significant implications for our High Needs Block income and expenditure going forward. We are a pilot local authority. Whilst we have made some small adjustments in approach, which are aimed at supporting transition, for example, our incremental modest adjustment to our definition of Notional SEND budgets, we have not significantly adjusted our 2024/25 High Needs Block planned budget in anticipation of changes that may come. There are no changes in the national high needs funding system in 2024/25. In its messaging to local authorities, about High Needs Block management, the DfE has stressed that the SEND Green Paper represents a longer-term programme of change. However, it is quite possible that changes to the high needs funding system may be directed for the 2025/26 financial year. As such, we anticipate that, alongside review work that will be necessary in order to manage our forecasted deficit position, we will also need to review our funding arrangements for 2025/26 in the light of directed changes.
- c) Forum members are reminded that the Authority presented reports in May (Document OM) and July (Document OR) 2022, following discussions regarding the use and retention of the High Needs Block surplus balance that was carried forward from the 2021/22 financial year. The July 2022 report set out a plan for £920,000 of investment, in 3 areas, in support of inclusion. The initial investment period has been extended and will run to the end of the 2023/24 academic year. The outreach support budget element has also been extended to the PRU / AP Academy, at an additional cost of £60,000. Currently, for budget planning purposes, it is assumed that £0.980m will continue for a full financial year in 2024/25.
- d) The 2024/25 planned budget that is presented to this meeting includes £3.87m of revenue budget for the further development of specialist SEND provisions. This is made up of full year (from April: +100 places) and part year (from September: +100 places) budget provision. This provision aligns with the SEND Sufficiency Statement, which was presented to the Forum on 6 December (Document QT). A list of planned commissioned places is presented in Document RB Appendix 1.

- e) The 2024/25 planned budget is constructed to support the building of capacity for the longer term, by seeking to avoid under-estimating the full cost (when established and fully occupied) of new SEND places. The planned budget is constructed, therefore, on a 'full year full places occupancy' basis. This is done with the understanding that the filling of newly established or establishing capacity will be achieved in a managed way, and that there will be some degree of fluctuation in the occupancy of new and existing provisions during the year. Whilst the 2024/25 planned budget includes £3.87m of revenue provision for new SEND specialist places, therefore, it is expected that the actual spending on newly created places in 2024/25 will be lower than this, as places will be created and occupied at different points.
- f) The 2024/25 planned budget for Alternative Provision / PRU provision continues to be based on the principle that our PRU / AP provisions, where funded from the High Needs Block, deliver Local Authority-commissioned provision for pupils permanent excluded. In response to the significant increase in the number of permanent exclusions, the 2024/25 planned budget now makes provision for estimated 300 places on a full year basis, uplifted from 160 places within the 2023/24 planned budget. This represents a significant additional cost within the High Needs Block. The 2024/25 planned budget at this time going forward continues not to fund any additional school-commissioned alternative provision. The DfE's SEND Green Paper has proposed some substantial changes to the way Alternative Provision is funded, and the role of the PRUs / AP Academies. The possible financial implications of these changes are not yet built into our planned budget. This is an area we will need to review closely as further announcements are made and as pilot work develops.
- g) The Local Authority continues to take a prudent approach to the setting of the planned budget. The Forum is reminded that High Needs Block expenditure is more difficult to predict than that in other DSG blocks and is more subject to changes during the year. This difficulty is especially present currently due to the amount of structural change that continues to be delivered, and the scale of growth in the numbers of children and young people with EHCPs.
- h) The 2024/25 planned budget continues to be constructed incorporating the financial efficiencies that have come from the amalgamation of Bradford's hospital education, Tracks and medical home tuition provisions into a single Local Authority managed service. The DfE has not yet developed a national formula-based approach to the funding of these provisions, and continues to fund local authorities, through the High Needs Block, on historic information.
- i) How we propose to continue and to uplift our existing EHCP Banded Model means that separate additional arrangements are not required in order for us to comply with the DfE's Minimum Funding Guarantee for special schools and for special school academies.
- j) Provision for SEND mainstream teaching support services held within the planned continues to include a large proportion of the £0.980m inclusion investment. The total 2024/25 High Needs Block budget provision for these services is £6.546m. This compares with the 2023/24 High Needs Block planned budget value of £5.715m. In setting the 2024/25 planned budget, we have sought to anticipate the impact of significant salaries costs increases on these services, especially the 5% increase in the employer's contribution to teacher pensions at April 2024, which we do not expect to receive additional funding for.
- k) The 2024/25 planned budget is based on a general estimate that our spend on: a) pupils with EHCPs in mainstream settings, b) students in post-16 Further Education & SPI settings, and c) pupils placed in independent and non-maintained special school provisions and in out of authority-maintained provisions, will continue to grow in 2024/25 at broadly the same rates as in 2023/24 (with these 2023/24 rates having been estimated at December 2023). Simply put, we are estimating that our number of children and young people with EHCPs will continue to substantially grow over the next 12 months. Spending in these 3 areas has substantially increased during 2022/23 and 2023/24, and combined, these are major contributors to the forecasted overspending within the High Needs Block, in 2024/25. This is discussed further in the DSG Management Plan that is presented in Document RB.
- l) As we discuss in more detail in the DSG Management Plan at Document RB, we currently estimate we may overspend our 2024/25 High Needs Block allocation by £22m, meaning that the £22.7m High Needs Block surplus balance that is projected to be held at the end of the 2023/24 financial year may largely be spent by the end of the 2024/25 financial year. We further estimate at this time that our High Needs Block and then DSG account may post a cumulative deficit at the close of the 2025/26 financial year, with the

size of the deficit continuing to grow in the absence of new significant mitigating response, additional income from the DfE or a significant slowing in EHCP growth rates. Although this forecast is based on a series of estimates, which may change, the scale of deficit that is forecasted clearly indicates a structural budget issue. Strategic work is needed to continue to put forward options for new actions that will contribute to the resolution of the forecasted High Needs Block deficit. We are seeking to develop actions that will help to reduce the size of the overspending in 2024/25 and then to reduce the on-going overspending from April 2025. Actions from April 2025 include consideration of amendments to our formula funding models, as well as a Schools Block to High Needs Block transfer. These will ultimately be picked up within our 2025/26 DSG planned budget setting and consultation on formula funding arrangements but will need to be considered as early as possible for further discussion. Continuous review of EHCP growth rates is also important. The Local Authority proposes and intends to communicate with the DfE to signal our forecast and to ask for advice and support, as is appropriate.

- We have always sought to avoid setting a planned budget for the next financial year that is dependent on significant savings being made, which are still to be identified. This approach is especially important in circumstances where there isn't a sufficient value of brought forward surplus balance available to provide adequate cover, in the event that such savings are not realised. We wish to highlight for the Schools Forum that we are taking a different position in respect of the High Needs Block in 2024/25, as our planned budget currently indicates that £22m of brought forward balance may be required to be deployed and only £0.980m (the Local Authority's Inclusion Investment Plan) of this relating to specific targeted additional spending. This means that £21m effectively covers on-going expenditure, albeit that the £3.87m additional places budget is not expected to be fully spent in 2024/25. In order to bring the 2024/25 High Needs Block into balance, without using balances, we would need to implement very significant immediate reductions, including in delegated formula funding, at a scale which is not achievable. It is also not realistic (nor justifiable) to propose these reductions at a time of financial pressure on providers and given the size of the surplus balance that we currently hold. It is also the case that we have held the surplus in anticipation that 2024/25 will be a very challenging year. However, this approach does mean that the in-year spending pressure that is projected to be present in 2024/25 has not been corrected at the time the planned budget has been set and this pressure would carry forward into 2025/26. One of Authority's areas of work during 2024/25 will be to seek to make savings and efficiencies in-year in order to reduce the size of the pressure that will be carried forward. To provide assurances, however, this work will not include any in-year adjustment to the delegated funding models that will be applied (once agreed, the Authority will not reduce EHCP and other delegated funding models during the year). We also wish to highlight here that one of the new mitigating actions that we can now take in our management of our DSG account is to assert that general reserves that are held within the DSG at the end of the 2023/24 financial year are 'pooled' to offset / to support the management of the High Needs Block deficit. The Authority's general position also leans towards the retention of balances, meaning that we would not seek to allocate balances for the purposes of increasing levels of spending in 2024/25 above what they would 'naturally' be. The 2024/25 planned budget that is presented to today's meeting follows this approach. This is shown further in the next section.

[5. The Allocation & Retention of Balances forecasted to be Brought Forward from 2023/24 \(RECOMMENDATION\)](#)

Please refer to Document QY Appendix 2.

5.1 The Schools Forum is asked to support the Authority to establish the **2024/25 DSG planned budget** by recommending the treatment of the £29.975m of balances that are forecasted to be carried forward into 2024/25, as listed and as proposed in the paragraphs below. £29.975m is 4.1% of the estimated 2024/25 DSG allocation.

5.2 In doing so, the Forum is asked to note that the figure of £29.975m is an estimate. The confirmed values of brought forward balances by DSG block will be presented to the Forum initially in July 2024 and then finally in September 2024 (the latter update incorporating the final adjustment to Early Years Block and Early Years Supplementary Grant income).

5.3 It is forecasted that a balance of £0.179m will be carried forward from 2023/24 within the **Central Schools Services Block (CSSB)**. The Schools Forum is asked to support the Authority's proposals, that:

- a) £0.059m is allocated to the 2024/25 planned budget, to continue existing commitments uplifted for an allowance for pay award and inflation, and to meet the (currently estimated) cost of copyright licences for mainstream primary and secondary schools and academies, in combination with the 2024/25 CSSB allocation received from the DfE.
- b) £0.120m is retained in support of CSSB expenditure in future years and also pending further conversations about the pooling of reserves as a mitigating action in response to our forecasted High Needs Block deficit.

5.4 It is forecasted that a balance of £3.855m will be carried forward from 2023/24 within the **Early Years Block**. The Schools Forum is asked to support the Authority's proposals, that:

- a) A balance of £0.072m in de-delegated funds is ring-fenced and retained.
- b) An estimated balance of £0.545m in the Disability Access Fund (DAF) is retained, including pending further conversations about the pooling of reserves as a mitigating action in response to our forecasted High Needs Block deficit.
- c) £1.262m is allocated into the 2024/25 Early Years Block planned budget to support the estimated cost of our Early Years Single Funding Formula (EYSFF), as proposed in the consultation that is presented in Document QW. This £1.262m specifically relates to the issue of the funding of the new Under 2s Working Parents entitlement for the period September 2024 to March 2025, where we will fund 26 weeks of delivery but where the DfE so far has indicated that it will only fund for 22 weeks of delivery. We met with the DfE to discuss this issue on 6 December, and we await information on the DfE's position. It is now clear that other authorities are raising the same issue with the DfE, so we remain positive that this issue may be resolved. However, at this time for the purposes of setting the planned budget, we cannot guarantee this and so we should assume that the matter will not be resolved and that we will need to deploy reserve balances. If the matter is resolved in our favour, we will not deploy this value of reserves in 2024/25. An update on this matter will be provided to the Forum in the March meeting.
- d) The remaining value of balance, currently estimated at £1.976m, is retained to be used in support of the cost, including any unexpected or higher than expected cost, of the Early Years Funding Formula (EYSFF) in 2024/25 and going forward. £1.976m is 3% of the estimated value of our Early Years Block in 2024/25. A significant amount of change is being absorbed in 2024/25 and much of the planned budget is calculated on estimates of costs relating the new entitlements. In this context, we feel that it is prudent to hold reserve. We also highlight to the Schools Forum that the 26 weeks vs. 22 weeks funding issue will also be present in 2025/26 as the new entitlements extend to 30 hours from September 2025. We estimate that, if this is not properly funded, we will have a further £2.1m of unfunded cost in 2025/26. Subject to the DfE's resolution, this matter would need to be a first call on all Early Years Block reserves that will be carried forward into 2025/26. Again, in this context, we feel that it is essential to hold the estimated £1.976m in reserve at this time. This is also important pending further conversations about the pooling of reserves as a mitigating action in response to our forecasted High Needs Block deficit.

5.5 It is forecasted that a balance of £22.646m will be carried forward from 2023/24 within the **High Needs Block**. We currently estimate that we may overspend our 2024/25 High Needs Block allocation by £21.620m, meaning that the High Needs Block surplus balance that is projected to be held at the end of the 2023/24 financial year may largely be spent by the end of the 2024/25 financial year. For the purposes of the planned budget, based on estimates, only £1.026m of this reserve would be recorded as remaining to be carried forward in 2025/26. So the principal call on this balance will be meeting the cost of the 2024/25 planned High Needs Block as is currently estimated. The Authority does not plan any other use of the High Needs Block surplus balance at this time. As Forum Members are aware, the planned budget is constructed on a series of estimates and we try to take a prudent approach to these estimates, meaning that we would, alongside our work new mitigating activity, hope to see an improvement in the 2024/25 budget position and a lower call on reserves. However, the first call on the estimated £22.646m will be meeting in year the cost of any change, as well as supporting any unexpected costs that may arise across 2023 and 2024 after the planned budget for 2024/25 has been agreed.

5.6 It is forecasted that a balance of £3.295m will be carried forward from 2023/24 within the **Schools Block**. The Schools Forum is asked to support the Authority's proposals, that:

- a) £0.625m is retained as the ring-fenced balance of de-delegated funds. A breakdown of this balance is provided in the separate report (Document QZ Appendix 2). Within the 2024/25 planned budget proposals, £0.100m of the £0.625m is specifically earmarked for release to support the cost of the school maternity / paternity insurance fund. On this basis, £0.525m is retained and carried forward. However, this balance may also be used to support any costs arising from new deficits held by sponsored primary academy converters, as the Authority proposes that no new value of budget is de-delegated for this purpose in 2024/25. This balance is also prior to any addition to de-delegated fund balances that comes from the carry-over of the balance of the additional £0.934m 'Schools in Financial Difficulty' DSG funds that the Local Authority has been allocated for maintained schools in 2023/24, as discussed in paragraph 1.3. The rest of the balance is ring-fenced and is proposed to be held in support of the cost of continuing de-delegated funds, in line with the principles set out in paragraph 1.2.
- b) £1.149m is retained as the Growth Fund ring-fenced balance and will be used to support the cost of allocations in 2024/25 and on-going. Please see paragraph 1.5. This is also retained pending further conversations about the pooling of reserves as a mitigating action in response to our forecasted High Needs Block deficit.
- c) £0.500m is retained as the ring-fenced balance for the primary phase Falling Rolls Fund. Please see paragraphs 1.9 and 1.10. This is also retained pending further conversations about the pooling of reserves as a mitigating action in response to our forecasted High Needs Block deficit.
- d) £0.154m is allocated to cover the estimated change in the cost of NNDR (Business Rates) for maintained primary and secondary schools for the 2024/25 financial year. However, this is a 'holding position' only, as our Schools Block will be reimbursed for this sum in 2025/26, when we will have a choice about whether the £0.154m is returned to reserves or is allocated through our Schools Block planned budget. The £0.154m is based on an estimate of NNDR costs and is subject to confirmation.
- e) It is proposed that the remaining value of £0.867m be fully retained as a resilience reserve. £0.867m is 0.16% of the Schools Block. This is also retained pending further conversations about the pooling of reserves as a mitigating action in response to our forecasted High Needs Block deficit.

6. Early Years Single Funding Formula and Pro-Forma 2024/25 (RECOMMENDATION)

Please refer to:

- Document QW (EYSFF consultation proposals)
- Document RA Appendix 5 (Early Years Pro-forma, which summarises the proposed setting base rates, the mean Deprivation & SEND rates and maintained nursery school supplement funding).
- Document RA Appendices 2a, 2b and 2c (indicative provider funding rate modelling 2024/25).

6.1 The Schools Forum is asked to support the Authority to establish the **2024/25 Early Years Block planned budget** by giving its formal feedback on the Early Years Single Funding Formula (EYSFF) the Authority proposes to be used to fund all early years providers for their delivery of the early years entitlements. The Authority's proposals are set out in detail in Document QW and its Appendix 1 (EYSFF Technical Statement).

6.2 The Authority ideally would like the Schools Forum to give its formal support to these EYSFF proposals.

(BY VOTE – PRIMARY, NURSERY AND EARLY YEARS PVI REPRESENTATIVE).

6.3 In providing feedback now, the Forum is asked to note that, due to the timing of the DfE's announcements on Early Years Block funding arrangements, wider consultation with providers on our 2024/25 EYSFF has not yet begun but will begin immediately after this Forum meeting. Our consultation will run until 5 February 2024. Final proposals, incorporating any adjustments made in response to consultation feedback, will be presented to Executive on 20 February and then, subject to the Executive's resolution, to Council on 22 February for final decision. The Forum's next scheduled meeting is not until 6 March, so this means that final decisions will be taken before the Forum has had sight of any consultation feedback and any amendments from this. The

Authority will send an email to Forum Members as soon as possible after 5 February to inform them whether the final proposed EYSFF, to be presented to the Executive / Council, has changed from what was proposed in Document QW.

6.4 The Schools Forum is reminded and is asked to note:

- a) Local authorities are not permitted to alter their EYSFF arrangements in year without DfE approval.
- b) Under our proposals, the Under 2s Working Parents, the 2-year-olds Working Parents and the 3&4-year-olds entitlements formulae all contain a Deprivation and SEND Supplement, which are proposed to be calculated using the same Index of Multiple Deprivation (IMD) data, with a single IMD score being calculated for each provider and with that score then being used to calculate the Supplement funding in each of the applicable formulae. For 2024/25, we have used the existing 3 year rolling averages of Index of Multiple Deprivation data (taken from provider postcodes) that were used to fund providers that delivered the 3&4-year-olds entitlements in 2023/24. We would normally update these rolling averages annually. However, in the interests of confirming rates of funding for the delivery of the new entitlements for providers as soon as possible, we will not update these averages for the data that will be collected from the January 2024 census but that will not be available until late February. We have concluded that giving providers more certain information in January for their planning is a priority this year. This is a temporary position for 2024/25. We expect to update the IMD data as normal for 2025/26.
- c) A series of estimates have been used in the 2024/25 Early Years Block calculations relating to both income and to the cost of the entitlements (the number of hours to be delivered across the coming year). By necessity, this approach requires end of year reconciliation and may require carry-over of either an under or an overspend into 2025/26.
- d) As shown in the Pro-Forma (Document RA Appendix 5), our Early Years Block planned budget complies with the DSG Conditions of Grant concerning a) the minimum 95% pass-through and b) the maximum 12% spend on supplements. Our planned budget also complies with the DfE's expectation that the specific Maintained Nursery School Supplement is allocated to protect maintained nursery school funding at pre-national reform (2016/17) rates.

7. Primary and Secondary Formula Funding and Pro-Forma 2024/25 (RECOMMENDED)

Please refer to Document RA Appendix 4 (Primary & Secondary Pro-forma) and Document RA Appendices 1a, 1b and 1c (indicative modelling).

7.1 The Schools Forum is asked to support the Authority to establish the **2024/25 Schools Block planned budget** by recommending the formula approach that the Authority proposed in our consultation, and that was reported back to the Schools Forum on 6 December 2023 (Document QO), is used to calculate core formula funding allocations for mainstream primary and secondary maintained schools and academies for the 2024/25 financial year. This approach includes the following significant elements:

- a) No transfer of budget from the Schools Block to the High Needs Block.
- b) Continue to exactly mirror the DfE's National Funding Formula (NFF) at factor level.
- c) Set the Minimum Funding Guarantee (MFG) at positive 0.5%. Within the calculation of the MFG, we continue to exclude NNDR and PFI funding in the baselines for both 2023/24 and 2024/25, so that we can continue to closely mirror the way the MFG is calculated within the National Funding Formula. However, for 2024/25 we have not excluded the split sites factor so that the MFG can protect any losses from the introduction of the new mandatory National Funding Formula factor in 2024/25.
- d) Continue to use our existing local formula approach for the funding of PFI, as this is not yet covered by the National Funding Formula, meaning that we continue to pass through the specific PFI (BSF) DSG affordability gap values using our current method, continuing the adjustment to ensure that the amounts passed on to academies by the ESFA on an academic year basis are equivalent to the amounts that the Authority requires academies to pay back on a financial year basis. Please see 7.2 below.

- e) Continue to fund NNDR at actual cost, with the cost currently estimated within the planned budget.
- f) Slightly amend our definition of Notional SEND budgets for mainstream schools and academies.
- g) Retain the Growth Fund unchanged, with its existing criteria and methodology.
- h) Retain the Falling Rolls Fund with small amendments to the eligibility triggers.

7.2 The Schools Forum is asked to agree (to recommend) the value of the **DSG's total contribution to the Building Schools for the Future (BSF) Affordability Gap** for 2024/25, which is £9.584m; split £8.571m Schools Block and £1.013m High Needs Block. These figures incorporate an 10.4% increase on 2023/24 for the RPIX. This represents a net increase (allowing for adjustments relating to the apportionment for academies) of £0.664m in cash budget terms on the 2023/24 cost. This contribution will be split between relevant schools and academies on the same % basis as in 2023/24 (based on the school's unitary charge value). For Secondary schools and academies, this contribution is expressed as a formula factor. For Special schools and academies, this contribution is managed as a central item within the High Needs Block.

7.3 As shown in Document QX, the proposed total Schools Block planned budget under spends the 2024/25 DSG Schools Block settlement by £7,783. **It proposed to transfer this very small value of under spend to Schools Block reserves**, meaning that £7,783 will be unspent in 2024/25 and will be carried forward for spending from April 2025. Within this position, excluding the £0.154m additional cost of NNDR, the total cost of our formula funding arrangements is £0.162m lower than our 2024/25 Schools Block funding. There are a number of pressures and savings within this position.

In our discussions in recent years, we have alerted the Schools Forum and we have explained in our autumn Schools Block consultations, that the affordability of our proposal to continue to exactly mirror the DfE's National Funding Formula, depends upon how the dataset that is taken from the latest October Census (on which schools and academies are funded) varies from the October Census taken in the previous year (on which the Schools Block is funded). We have explained how there is an annual lag in pupil circumstances data, between school-level and DSG-level funding, meaning that, if there are significant changes, such as a significant increase in Free School Meals %s in schools and academies, we may not be able to fully afford our formula proposals. We have set out in our consultations how we might approach this situation, was it to be present. We have explained options, that range from using balances brought forward (where the value of over-spend was relatively small in the context of the size of the Schools Block) to pro-rata reducing all formula factors to bring the cost of the formula back in line with our available DSG Schools Block funding.

Document RA Appendix 1d now presents a summary of the changes in costs in 2024/25 by formula factor, when the October 2023 Census dataset is used (rather than the October 2022 Census dataset). This summary evidences that the October 2023 Census dataset has quite significantly increased the cost of our funding formula in 2024/25. Our cost has increased by £1.671m, with a greater value of cost change in the primary phase (£1.239m) than in the secondary phase (£0.432m). This will be additional funding that is allocated to mainstream primary and secondary schools and academies, in response to the changes in the pupil circumstances data that have been recorded for pupils on roll in October 2023.

We are able to absorb this £1.671m of additional cost within the 2024/25 Schools Block settlement because of savings elsewhere within the Schools Block. Most significantly, we have received £0.40m of NNDR reimbursement relating to 2023/24 spending (which we already covered using reserves) and we have received £0.80m of growth funding in respect of 2 now established new secondary free schools where we no longer have growth cost. These are one-off savings, however, that will not continue in 2025/26. So the risk that annual data lag presents to our proposal to exactly mirror the National Funding Formula will still be present going-forward and it is important that we continue to highlight and to model this and to discuss options for management. This is even more important as we move to discuss High Needs Block deficit mitigation actions, including a possible Schools Block to High Needs Block transfer from April 2025.

7.4 The Schools Forum is asked to give its final **approval to the Pro-Forma for the 2024/25 financial year**, using the draft pro-forma at Document RA Appendix 4 as a guide.

(RECOMMENDATION BY VOTE – PRIMARY AND ACADEMY; BY VOTE SECONDARY AND ACADEMY).

7.5 The Schools Forum is reminded and is asked to note:

- a) The cost of NNDR (business rates) shown in the Pro-forma is based on estimated figures. The Authority's initial cost estimate for 2024/25 will be subject to changes during the year (with a final reconciliation of actual costs taking place early in 2025).
- b) In moving to using the National Funding Formula at local individual primary and secondary school level, the Schools Forum wished to monitor the actual spending of the Schools Block more closely by phase against the funding received within the Schools Block by phase i.e. phase ring-fencing within the Schools Block. An updated calculation of the position for 2024/25 is shown in section X of Document QX. Forum Members are reminded that premises-related costs and Growth Fund and Falling Rolls Fund costs are funded on a cross-phase basis so are not included in this calculation.
- c) There is no unallocated contingency fund held within the 2024/25 Schools Block planned budget.
- d) On the basis of the modelling presented to this meeting, the formula funding landscape in Bradford in 2024/25 is as follows:
- Primary phase: 31 out of 156 schools (20%), including academies, are funded on the Minimum Funding Guarantee. 25 schools (16%), including academies, are funded at the £4,610 minimum per pupil level. All other schools and academies are funded above £4,610 per pupil.
 - Secondary phase: 5 out of 31 schools (16%), including academies, are funded on the Minimum Funding Guarantee. 1 academy (3%) is funded at the £5,995 minimum per pupil level. All other schools and academies are funded above £5,995 per pupil.
 - All through academies: None of the 4 academies are funded on the Minimum Funding Guarantee. All of these academies are also funded above their composite minimum per pupil funding levels.
 - In total, 36 out of 191 schools and academies (19%) are funded on the Minimum Funding Guarantee. This is reduced from 48 (25%) in 2023/24. In total, 26 out of 191 schools and academies (14%) are funded on the minimum per pupil funding levels. This is reduced from 31 (16%) in 2023/24.