



Shropshire Council  
Legal and Democratic Services  
Shirehall  
Abbey Foregate  
Shrewsbury  
SY2 6ND

Date:

**Committee:  
Schools Forum**

**Date: Thursday, 14 September 2023**  
**Time: 8.30 am**  
**Venue: MS Teams**

You are requested to attend the above meeting.  
The Agenda is attached

Tim Collard  
Assistant Director - Legal and Governance

**Members of Schools Forum**

Bill Dowell (Chair)	Kerry Lynch
John Hitchings (Vice-Chair)	Stephen Matthews
Phil Adams	David O'Toole
Michael Barrett	Alan Parkhurst
Mark Cooper	John Parr
Alan Doust	Greg Portman
Sabrina Hobbs	Revell
Sandra Holloway	Darren Reynolds
Colin Hopkins	Mark Rogers
Marilyn Hunt	Andrew Smith
Shelley Hurdley	Charles Thomas
Samantha John	Guy Verling
Sian Lines	

Your Committee Officer is:

**Philip Wilson** Service Manager Business Support People  
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# AGENDA

**1 Apologies**

**2 Election of Chair**

**3 Minutes and Matters Arising - 15 June 2023 (Pages 1 - 14)**

Paper A attached.

**4 Updated Dedicated School Grant (DSG) 2023-24 (Jo Jones) (Pages 15 - 18)**

Paper B.

**5 Dedicated School Grant Monitoring 2023-24 (Stephen Waters) (Pages 19 - 26)**

Paper C attached.

**6 School Revenue Funding Update 2024-25 (Jo Jones) (Pages 27 - 32)**

Paper D attached.

**7 Early Years and Childcare Funding Update (Neville Ward) (Pages 33 - 34)**

Paper E attached.

**8 Communications**

**9 Future meeting dates**

Thursday 26 October 2023	8.30 – 10.30	Microsoft (MS) Teams
Thursday 30 November 2023	8.30 – 10.30	Microsoft (MS) Teams
Thursday 11 January 2023 (Provisional)	8.30 – 10.30	Microsoft (MS) Teams
Thursday 25 January 2024	8.30 – 10.30	Microsoft (MS) Teams
Thursday 14 March 2024	8.30 – 10.30	Microsoft (MS) Teams
Thursday 13 June 2024	8.30 – 10.30	Microsoft (MS) Teams



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**Schools Forum**

Date: 14 September 2023

Time: 8:30 a.m.

Venue: TEAMS Meeting

Paper

**A**

Public

## MINUTES OF SCHOOLS FORUM HELD ON 15 JUNE 2023 – HELD VIA MS TEAMS

**Present****School forum members**

Bill Dowell (Chair)  
Mark Cooper – Academy headteacher  
Sian Lines – Diocese of Hereford  
Sue Lovecy – Academy headteacher  
James Pearson – TMBSS  
Michael Revell – Academy governor  
Mark Rogers – Primary headteacher  
Andrew Smith – Independent Post 16  
Shelly Hurdley – Early Years

**Members**

Kirstie Hurst-Knight

**Officers**

David Shaw  
Jo Jones  
Neville Ward  
Stephen Waters  
Phil Wilson  
Sarah Jones

**Observers**

Roger Evans  
John Boken

**1. Apologies**

Apologies had been received from Stephen Matthews, Gwilym Butler, Carla Whelan, John Hitchings, James Staniforth, Sandra Holloway, Caroline Clode, Marilyn Hunt, Sonia Taylor and Nick Bardsley.

**2. Minutes and Matters Arising (not covered by agenda)**

Bill Dowell acknowledged that this is the first meeting without Helen Woodbridge as Clerk and thanked Helen publicly for all her hard work and support over the years, she will be greatly missed.

Phil Wilson introduced Sarah Jones who would be clerking this meeting.

Jo Jones went through the protocol for the online Schools Forum meeting.

The letter to the DfE and ESFA has been delayed due to the number of pending announcements. This is still ongoing and will be referred to during the course of the meeting, as we look at the changing landscape around schools funding.

**ACTION**

There has been some movement on the recruitment of academy representatives for Schools Forum, Sonia Taylor was unable to attend this meeting but is now a member going forward. Brian Thomas is the representative from the special school sector, but due to Brian leaving Severndale at the end of this term with a new colleague and a new Trust Executive lead starting in September, it's deemed appropriate to delay recruitment into that seat until the Autumn term. Shelly Hurdley has agreed to continue as Early Years representative.

High Needs Block Funding – Currently waiting for the statements to be released in July from which we will produce an updated 3 year forecast over the Summer. Will be able to provide a further update at the next meeting in the Autumn term.

### 3. Updated Dedicated Schools Grant 2023-24 (Jo Jones)

Jo Jones provided an update on the Dedicated Schools Grant (DSG) allocations for 2023/24.

Shropshire's 23/24 DSG allocation was updated in 2023 to include recoupment for academies and deductions for high needs places funded by the Education and Skills Funding Agency (ESFA).

	<b>Provisional DSG £m</b>	<b>Recoupment/Deductions for HN Places £m</b>	<b>Latest DSG £m</b>
<b>Schools Block</b>	200.087	136.500	63.587
<b>EY Block (provisional)</b>	18.280	0	18.280
<b>High Needs Block</b>	39.268	7.038	32.230
<b>Central Schools Services Block (CSSB)</b>	2.378	0	2.378
<b>Total DSG</b>	<b>260.013</b>	<b>143.538</b>	<b>116.475</b>

The Schools Block deduction relates to 63 mainstream academies who receive funding directly from the ESFA. The High Needs Block deduction relates to place funding in the pre and post 16 sector including special academies, mainstream academies, further education and independent learning providers directly funded by the ESFA. Shropshire's allocation for the Schools Mainstream Schools Additional Grant (MSAG) 23/24 is £6.77m, however this is currently separate to the DSG allocation. The Additional High Needs Grant 23/24 of £1.644m is reflected in the High Needs Block of the DSG allocation.



#### 4. **Early Years Funding Update – Spring Budget Announcement (Neville Ward)**

Neville Ward provided an update on the significant changes to Early Funding, following the Governments budget announcement back in March 2023.

Eligible working parents in England will be able to access 30 hours of free childcare per week, for 38 weeks of the year, from when their child is 9 months old through to when they start school. This will be rolled out in stages:

- From April 2024, eligible working parents of 2-year-olds can access 15 hours per week.
- From September 2024, eligible working parents of children 9 months up to 3-year-olds can access 15 hours per week.
- From September 2025, eligible working parents of children aged 9 months up to 3 years old can access 30 hours free childcare per week.
- The Government will also substantially uplift the hourly rate paid to providers to deliver existing free hour offers. This will provide £204m of additional funding this year, increasing to £288m by 2024/25.
- This is in addition to the £4.1bn that the Government will provide by 2027/28 for the expansion of the new free hours.

At the moment HMRC are defining eligible working families as any family where both parents are working in excess of 16 hours per week, or in a one parent family is working in excess of 16 hours per week. We're still waiting on confirmation that this eligibility criteria will be the same in respect of the new entitlements, but the expectation is that it will be.

The announcements were made on the back of the Governments Economic Policy around supporting people getting back into work and to reduce the cost of childcare enabling them to do that. Since the announcements the DfE have suggested that in future there may be more emphasis on the educational benefits of children starting earlier in a good quality early years provision and how it will support preparing school readiness, as well as supporting parents getting back into work.

The Government are trying to make childcare more affordable and by doing so they're going to:

- Increase the range of free entitlements.
- Support and encourage the further provision of wrap around care within our schools and school communities.

Change staff ratios for 2-year-old provision – The current ratios will change from 1:4 to 1:5 from September 2023 for children aged 2.



- Make grants available for potential people who are looking at childminding as a career, either £600 or £1,200 for new childminders. We have seen a significant reduction in the overall level of childminding provision over the last 3-4 years. The Government are certainly seeing childminders as being an important thread of this new development.
- Changing Universal Credit to enable parents to access more of their Universal Credit up front to help pay for childcare provision when they return to work.

All disadvantaged 2-year-olds and all 2-year-olds from eligible working families will get the same entitlements from April 2024 of 15 hours per week, for 38 weeks of the year, which unfortunately does mean that there will be a small but significant group of families that fall outside of both eligibility criteria's, which is disappointing. We are, along with many other local authorities pressing the DfE and HMRC on whether we could make the 2-year-old entitlement universal from April 24, so that there are no family's falling through the gap.

From September 2024, the 15 hour a week entitlement will extend to children from the age of 9 months. This will enable parents returning to work at the end of their maternity/parental leave, to access free childcare from that point.

One year later from September 2025, the 2-year-old and 9-month-old entitlement for working families will increase to 30 hours a week, to match what is currently available for 3 and 4 year olds. Eligible working parents will be able to access 30 hours a week for any children aged from 9 months upwards. The Government have promised uplifts to the funding rates to recognise the significant impact that this will have. We are awaiting a proposed increase in the hourly rates from this September, ahead of the new entitlements coming into place and then a further uplift from April 2024. At the moment the hourly rate increase will predominantly be in respect of the 2-year-old entitlement, we're not expecting a significant increase to the 3 and 4 year old entitlement.

The Government is also supporting parents of primary school aged children with wrap around care provision. Up to £290m is being invested over the next two academic years, to try to ensure that there is wrap around provision for all parents of primary school children between 8am and 6pm. This will present us with some significant challenges in Shropshire, a number of schools are already/have tried to offer this provision but haven't been able to make it sustainable. We have to be realistic in Shropshire that it's going to be extremely challenging to meet the individual needs of every single parent when it comes to wrap around provision.

The DfE have launched a pilot programme and we have asked to be involved in the pilot and should hear by the end of this week whether we will be. We think it's important to get rural, local authority representation as part of the pilot to try to





ensure that the DfE understand the challenges that the wrap around care initiative presents to large rural authorities like Shropshire.

In terms of flexibility, staff ratios are proposed to change from September 2023 from 1:4 to 1:5 for 2-year-olds. There's a consultation on the Early Years Foundation Stage changes, which is open now and we're encouraging all of our providers to respond to that consultation.

Significant changes and significant challenges ahead, certainly in respect of ensuring that there is sufficient provision to meet demand. One of the first challenges will be to try to gauge how much of this is likely to be new demand and how much is likely to be parents switching from existing paid for childcare to free childcare. Providers are obviously keen to understand what the new rates of funding will be and how they compare to what they are charging parents at the moment. More level of detail is expected between now and the end of term.

In terms of our providers, big challenges still remain in terms of recruitment and retention and one of the biggest challenges will be ensuring that there's enough staff to allow providers to meet demands for new parents coming forward. We're working together with colleagues at Telford College and Shrewsbury College, looking at apprenticeship programmes. Shelly Hurdley has been involved in attending school leavers events to promote childcare as a career. Apprenticeships are seen as being one of the most successful and is one of the roots into childcare that we're looking to promote and encourage at the moment.

Kirsty Hurst-Knight thanked Neville for being so proactive as soon as the Government announcements were made and for all the work that's been done behind the scenes to get to this point.

Mark Rogers raised the issue of wrap around childcare and how this will work in rural areas – For a group of small schools where it wouldn't be sustainable for them to have their own wrap around provision, would the sensible answer be to have a reasonably central location for the children to go to, but there would be an awful lot of work and financial risk with this if the provision is only half full. Heads and Governors will want to support this, but it will be a lot of work for the schools to co-ordinate. Neville confirmed that these were the exact points that are being raised at the moment and that the model of a group of schools working together to provide provision would work really well during school holiday periods, but not during term time.

Shelly Hurdley provided an insight from a childcare provider point of view and reiterated that the main difficulties they face are around recruitment. Trying to be proactive by visiting secondary schools to promote childcare, but the main issue is that people can't afford to live off minimum wage. Settings are full to capacity,



so having to turn people away which is really sad. Should we be using different language when we refer to free entitlement, as it's not free? Currently have a deputy job vacancy but have had nobody apply at all so far. Also, the volume of children with high level needs along with the extra pressure around staffing is a problem, as would love to cater for more!

Media Coverage – Reluctant to do this until we know more detail. Once the announcements come up between now and the end of term, we will put something together to roll out at the start of the Autumn term in terms of making sure that parents are fully aware of what their entitlements will be, but to also reassure them that the quality of our provision across the County is very good and not dissuade them from accessing childcare. The DfE have promised that there will be a national recruitment campaign, which has unfortunately been put back until January 2024 now.

Bill Dowell thanked Neville for the level of detail in his report.

## **5. School Balances as at March 2023 (Jo Jones)**

Jo Jones presented a paper on school balances as at March 2023. The report informed of actual school balances for the maintained sector only and is compared to the previous year's position.

Overall, the level of school balances held by maintained schools in Shropshire has increased over the last financial year by 12%, to a total balance of £6.958m.

There were no academy conversions during the financial year 22/23.

Primary school surplus balances increased by 13%, there are no secondary school surplus balances and special school surplus balances have increased by 17% over the year.

Deficit balances – Overall deficit balances have increased by 24%, deficit balances have increased in the primary sector and decreased in the secondary sector. Appropriate support and challenge are being taken with schools to ensure the unlicensed deficit positions are full addressed in 23/24 and deficit recovery plans put in place.

Jo Jones asked the group if it was necessary for this paper to be presented at future Forum meetings due to the fact that it's only reflecting the maintained sector and is not the whole picture. School balances are reported through Council accounts so producing this report for future Forum meetings may not be necessary.



Mark Rogers asked what the consequence would be if a maintained primary school accrued a large unauthorised deficit and then received an inadequate inspection result, what would happen to that deficit balance? Jo Jones advised that the deficit would sit against the DSG balance. When schools are in deficit, regular meetings are held between the LA and the school and we also keep an eye on schools that have inadequate inspection results to make sure that their budgets are balancing and not in deficit.

## 6. **Growth Fund Criteria & Allocations 2022-23 and 2023-24 (Phil Wilson)**

Phil Wilson reported on the Growth Fund which forms part of the DSG Schools Block.

2022/23 Growth Fund - A total of £246,000 was distributed to 6 schools and a further £37,053 has been drawn down for pre-opening costs by the academy trust operating the new Bowbrook Primary School, opening in September 2023. An allocation of £366,068 was set aside for distribution to schools requiring growth to meet basic need – not all of this was used - accumulated Growth Fund balances carried forward total £285,202.

2023/24 Growth Fund – Significant changes in the formula characteristics for 23/24 has seen a reduction in the ‘headroom’ in the Schools Block to support Growth Fund requirements – only £17,844 available. Current commitments total £423,088 to be distributed to 8 primary and secondary schools for basic need, plus further re-opening costs for Bowbrook Primary School to the end of August 2023. The brought forward Growth Fund and the funding available in 23/24 totals £303,046. The shortfall of £120,042 in 23/24 will be met from DSG balances.

There is more pressure on the Growth Fund than we’ve ever had. The primary driver for that is the particularly large transfer group from Year 6 to Year 7. The secondary 2023 transfer group is the largest group we have experienced.

Within the consultation on the direct NFF, one of the areas that they consulted on was the Growth Fund. Consistency is needed in the way people are dealing with issues around Growth Fund. There will be requirements and expectations in terms of how we manage the funding, i.e. it won’t be used to expand schools because they are popular, or where academies elect to take above their published admission number, the funding won’t be used for that.

The growth rate is a national issue and not just unique to Shropshire. It’s a national spike in the birth rate for secondary age pupils, but it does fall away and return to expected levels. Phil will be pushing some information out to schools about School Place Planning review. Going forward, the numbers will go down, we’re expecting in the next five years without housing, primary school numbers



will drop by 8%. Bringing housing into it they will drop by 2%, but we're expecting a decline in pupil numbers in primary over the next 5 years, which will then feed through to secondary schools as well.

Changes are proposed for Growth Funding – more details promised for July.

Bill Dowell thanked Phil for his detailed report and for all his hard work in taking this development forward.

## 7. **Implementing the Direct National Funding Formula – Government Consultation Response (Jo Jones)**

Jo Jones reported on the consultation response on 'Implementing the Direct National Funding Formula (NFF)'. The consultation was held between 7<sup>th</sup> June 2022 and 9<sup>th</sup> September 2022, with the consultation response published on 26<sup>th</sup> April 2023. The consultation was around several elements of the move to a direct NFF.

- **Continuing to have some flexibility within the funding system to move funding to the High Needs Block (HNB)** - Shropshire over the past few years, bar 23/24, has always been able to transfer over to the High Needs Block up to half a percent, which we've been able to do with just Schools Forum agreement. What the Government is suggesting now is that we will have the flexibility to transfer high needs budgets, but this will now be done via an application to the Secretary of State. This change looks like it's coming in for 24/25. LA's will consult on a proposed transfer in the Autumn after the publication of the NFF values in July – the application to the Secretary of State will need to be done in Autumn, with decisions made early in the New Year.
- **The determination of indicative notional SEND budgets for mainstream schools** - This is around identifying for each school an indicative SEND budget to reinforce the message that schools core budgets are expected to provide support for these pupils and provide assurance that the level of SEND in the school's pupil population is reflected in their funding allocation. LA's should review the calculation of SEND budget through local funding formula factors. The Government will look at whether to strengthen the guidance issued for 24/25 so that there is more consistency in the calculation adopted by LA's.
- **How the DfE should fund schools experiencing significant growth or falling rolls under the NFF** – The new requirements will apply in all circumstances where a school has agreed with the LA to host an additional class to meet basic need. LA's will not be required to provide funding where growth results from parental choice or an academy has admitted above their PAN by their own choice. Minimum requirements will be placed on funding



levels, final guidance will be published in the Schools Operational Guide in July 2023 and changes will be made to how growth funding is recorded in the annual proforma tool (APT).

- **Allocation of split site and exceptional circumstances funding, to move away from historic data and allocate funding on school led elements through the NFF** – Allocate split sites funding nationally based on a formula factor made up of a ‘basic eligibility’ element and a ‘distance eligibility’ element from 2024-25. This will replace the current LA approach. Basic eligibility criteria would require additional sites to be separated from the school’s main site by a public road or railway, to be used primarily for the education of 5-16-year-olds, to share a unique reference number (URN), to have a building on a site that is maintained by the school. Distance of 500 metres between sites is the right threshold to bring consistency to the system whilst not causing undue turbulence to schools. This will include a distance taper as a part of the formula, starting at 100 metres. Allocating two-thirds of the available funding through the basic element and one-third of the available funding through the distance element. The funding will be around 60% of the 2024-25 NFF lump sum amount (this is higher than we do locally). The value for 2024-25 split site factor will be published alongside the July 2023 NFF announcement.
- **How the minimum funding guarantee (MFG) will operate in the direct NFF** – A move to a simplified pupil-led funding protection under the direct NFF. This will simplify the funding floor significantly, which will help improve the transparency of the funding system and make it easier for schools to understand how their funding levels are calculated. Future funding rates will depend on several factors, including the outcome of future spending reviews. In every year, the MFG levels are set with the aim of striking a balance between fairness and stability.
- **The timescales for the collection of data to calculate allocations and confirm these allocations with schools and trusts to support their budget planning** – Develop a calculator tool for schools to estimate future funding. Continue to provide early information regarding the design of the subsequent year’s formula in July each year. No plans to change payment process for maintained schools, this will come via the LA and the LA will deduct the de-delegation amounts and pass funding to schools.

## 8. Dedicated School Grant Monitoring 2022-23 (Stephen Waters/Karen Level)

Stephen Waters reported on the DSG outturn position as at the end of the 22/23 financial year.

The 2022-23 outturn position for the DSG is a £1.979m in year surplus. The surplus needs to be added to the £0.717m DSG surplus carried forward from



2021-22 resulting in a cumulative DSG surplus of £2.695m to be carried forward into 2023-24.

The 2022-23 outturn by block shows that the High Needs Block accounts for the majority of the in-year surplus, with a £1.409m underspend on the centrally controlled or retained High Needs Block and a £0.429m underspend on the Additional High Needs Funding. There are also small underspends across a number of other blocks, i.e. the Early Years Block = £0.036m; the De-Delegated items from Schools Block = £0.042m and the Schools Growth Fund from Schools Block = £0.083m.

- **Early Years Block** – Underspend of £0.036m on a provisional budget of £17.368m. The final Early years DSG allocation for 2022-23 is published later in the year. The main reason for this is an underspend of £0.144m identified in relation to the Early Years allocations for 3- & 4-year-old nursery entitlement. This is due to a decreased level of take up of free entitlement places from eligible parents. £0.141m overspend on SEN Support. The demand experienced on this budget has grown in recent years, and particularly sharply in 2022-23. £0.0161m overspend on deprivation payments and sustainability payments. Sustainability funding is used to ‘top-up’ the amount of per pupil funding paid to providers in more rural areas to ensure that they have enough overall income to operate. The overspend can be attributed to pandemic recovery with a few settings taking time to get numbers back up to sustainable levels. Early Years budget position is provisional. It is anticipated that the small underspend could change to an overspend for 2022-23 once the final Early years DSG allocation is published.
- **High Needs Block** – An in-year surplus of £1.408m on centrally controlled High Needs Block budget of £26.359m. This budget excludes the Place funding element of the High Needs Block which totals £8.992m but does include the transfer of £0.949m from the Schools Block. Looking at the key areas within the High Needs Budget, the ‘**Top-up Mainstream Schools**’ has an underspend of £0.362m, the reason being that the budget was increased to £5.395m in anticipation of a higher level of growth than we have experienced. One of the larger underspends within the High Needs Block is on ‘**Recoupment**’ which has a £0.808m underspend, the main reason for this being that there were a couple of invoices raised in 22/23 that related to the 21/22 financial year. For ‘**Top-up Special Schools**’ the underspend is £0.118m, expenditure increased significantly compared to 21/22 when the total expenditure was £4.988m, important to recognise that a proportion of this increase represents top-up funding for the new special school, Keystone. There was also an overspend of £0.293m reported against the SEN Support budget, which offsets some of the underspends discussed. The overspend in this particular area relates to one-off staffing overspends where additional staff have been employed, sometimes as agency workers to support the wider



increase in demand in the SEN system. Items relating to **'Post 16 FE College Placements'** has resulted in a £1.108m underspend. This is due to a decrease in expenditure of £0.182m compared to 21/22. The budgeted level of £2.770m still reflects the significant growth built into the budget in 21/22 which didn't materialise. The number of EHC Plans is approximately 10% year on year so you would expect large expenditure growth in the budget area. Instead, we believe there is a higher proportion of post 16 pupils attending independent Special Schools or independent alternative providers. In the **'Independent Providers'** budget area we're reporting a £0.779m overspend. This has been an area of significant growth in 22/23. Expenditure reflects a large increase of 27% relative to last year's outturn figure, which is higher growth than expected. The overspend relates to the independent Special Schools budget which shows an overspend of £0.839m and this relates to 'Education' led placements rather than the contributions to complex, joint funded placements with social care and health. More frequent use of the independent alternative providers, particularly in relation to post 16 as well as an increase in numbers attending out of County, independent special schools.

- **Additional High Needs Funding** – Additional high needs allocation of £1.342m to be targeted towards Shropshire Special Schools, Pupil Referral Units and Alternative Provision settings. As at the end of 22/23, the Council had spent £0.913m of the allocation leaving an underspend of £0.429m which forms part of the £1.979m in-year surplus carried forward into 23/24. It's important to note that the Council is currently reviewing top-up funding levels to Special Schools. David Shaw commented on how the surplus balances to be carried forward are only 4% of the total High Needs Block allocation. Given what we're seeing this year around growth and demand, it's predicted that we will see a different picture by the time we get to the Autumn term Forum. Comparing back to the entire 2021 period, there were 261 requests for assessment across the entire year and in 2022 we had 487, with a really significant increase in the latter part of the year and we're already half-way up to that figure now. David shared a link to the SEND Accelerated Progress Plan (APP) [SEND Accelerated Progress Plan \(APP\) | Shropshire Council](#) which is the action plan following the SEND inspection last year and identifies a range of activity and investments that we need to do around rebalancing, refocusing, reprioritising and redesigning the census in Shropshire. Mark Rogers raised serious concerns over the number of children with complex needs coming into mainstream school. Concerns around the volume of children in Early Years who have been identified and many more that haven't. Staffing is a real issue as unable to recruit enough staff to meet the needs of the children. Frustration over the time it takes for EHCP's to be issued. Mark Cooper commented that he's not seeing this trend at secondary school level, with a very low percentage of children with EHCP's in school.
- **Central School Services Block** – An in-year overspend was incurred of £0.020m. £0.013m of this overspend relates to the Schools Admissions Team.



- **Schools Growth Fund** – Expenditure of £0.183m in 22/23 against the allocated Growth Fund of £0.366m resulting in a £0.083m in-year underspend. This underspend is effectively carried forward into 23/24 as part of the overall DSG surplus carried forward. The call on the Growth Fund in 23/24 requires that both the £0.083m underspend carried forward from 22/23 plus the 21/22 Growth Fund underspend of £0.282m are required to support anticipated Growth Fund expenditure in 23/24. It's therefore important to note that £0.285m of the overall DSG surplus of £2.695m is earmarked for this purpose in 23/24.
- **Overall position** – The Council's DSG financial position is healthy in reporting a cumulative surplus of £2.695m as at the end of the 22/23 financial year. £0.285m of this £2.695m surplus relates to the 21/22 and 22/23 surplus carried forward on the Schools Growth Fund. This value is earmarked for the Schools Growth Fund in 23/24 where the Council's Schools Growth Fund needs 'topping-up' to meet 23/24 expenditure requirements. The High Needs Block DSG 3 year forecasting exercise undertaken earlier in the year demonstrates that future expenditure growth is likely to outstrip future growth in High Needs Block DSG allocations, specifically from 24/25 and beyond, so although the position looks healthy now, this level of carry forward may well be required to support future year's spending as the increase in High Needs Block DSG funding nationally diminishes. It's also important to note that a small proportion of high-cost, low incident cases can disproportionately impact the High Needs Block DSG financial position. We know that many young people have been adversely impacted over the past 3 years and this is no different for SEND children and may well be even more pronounced. The impact over this period has the potential to see the number of vulnerable children and young people presenting with complex mental health.

Recommendation – Schools Forum members were asked to note the DSG monitoring report and approve that the £1.979m in-year surplus/underspend is added to last year's surplus carry forward of £0.716m, with the remaining balance of £2.695m to be carried forward into the 23/24 financial year. The recommendation was endorsed by Schools Forum members following a showing of hands.

### Communications

9.

There was no update for this agenda item.

10. **Future meeting dates:**

Thursday 14 September 2023  
Thursday 26 October 2023





Thursday 30 November 2023  
Thursday 11 January 2024 (Provisional)  
Thursday 25 January 2024  
Thursday 14 March 2024  
Thursday 13 June 2024

The meeting closed at 10:28am





**Schools Forum**

Date: 14 September 2023

Time: 8:30 a.m.

Venue: MS Teams  
Meeting

Paper

**B**

Public

## Updated Dedicated Schools Grant (DSG) 2023-24

**Responsible Officer** Jo Jonese-mail: [jo.jones@shropshire.gov.uk](mailto:jo.jones@shropshire.gov.uk)

Tel: 01743 254343

### Summary

The Department for Education (DfE) announced provisional 2023-24 local authority Dedicated Schools Grant (DSG) allocations in December 2022. In March 2023 the DfE announced an update to the DSG allocation for the 2023-24 financial year. A further update was received in July 2023.

This report provides a summary of Shropshire's latest updated 2023-24 DSG allocation comparing it with Shropshire's previous provisional DSG allocation as reported to Schools Forum in June 2023.

### Recommendation

This report is for information only.

### REPORT

1. In January 2023 Schools Forum members received a report summarising the funding blocks making up Shropshire's 2023-24 provisional DSG allocation and listing the key financial headlines for each of the blocks.
2. Shropshire's 2023-24 provisional DSG allocation was updated in March 2023 to include recoupment for academies and deductions for high needs places funded by the Education and Skills Funding Agency (ESFA) at that point.
3. A further update was received in July 2023 including adjustments to academy recoupment in relation to the early years' provisional allocation and the high needs import/export adjustment.



4. A summary of the provisional 2023-24 DSG (as presented to Schools Forum in June 2023), and the latest updated 2023-24 DSG announced in July 2023, is shown in the table below.

5.

	<b>Provisional DSG</b> (as at Dec 22) £m	<b>Recoupment / Deductions for HN places</b> (as at March 23) £m	<b>Provisional DSG</b> (as at March 23) £m	<b>Recoupment / Early Years Adjustment / HN Import/Export Adjustment</b> (as at July 23) £m	<b>Latest DSG</b> (as at July 23) £m
Schools Block	200.087	136.500	63.587	-0.841	62.746
Early Years Block (Provisional)	18.280	0	18.280	-0.412	17.868
High Needs Block	39.268	7.038	32.230	0.743	32.974
Central Schools Services Block (CSSB)	2.378	0	2.378	0	2.378
<b>Total DSG</b>	<b>260.13</b>	<b>143.538</b>	<b>116.475</b>	<b>-0.509</b>	<b>115.966</b>

6. The latest (July 2023) Schools Block allocation shows a deduction of £841k, this is due to the conversion of Much Wenlock Primary School to an academy in April 2023.

7. In line with the schools operational guidance, redetermination of school budget shares to enable the reallocation of funding for permanently excluded pupils will take place for both maintained schools and academies. The following maximum pupil level rates, for pupils without an EHCP, will apply for the academic year commencing 1<sup>st</sup> September 2023. Where additional top-up funding is provided through the EHCP this may be deducted, depending on the timing of the exclusion and payment of the top-up funding.



<b>School Budget Share formula factors 23-24</b>	<b>Primary (£)</b>	<b>Secondary KS3 (£)</b>	<b>Secondary KS4 (£)</b>
Basic Entitlement	3,394	4,785	5,393
FSM	480	480	480
FSM6	705	1,030	1,030
IDACI (Highest Band A)	670	930	930
EAL	580	1,565	1,565
Low Prior Attainment	1,155	1,750	1,750
Mobility	945	1,360	1,360
<b>Maximum Potential annual deduction</b>	<b>7,929</b>	<b>11,900</b>	<b>12,508</b>

8. To encourage and support the increased focus on early intervention and prevention promoted nationally, through the SEND and AP improvement plan, and locally, through the Shropshire Plan, exploration into different cost recovery models used by other Local Authorities for permanently excluded pupils will commence in the Autumn term 2023. Following this activity, and engagement with the sector, further recommendations will be provided to Schools Forum later in the year.
9. There is a decrease to the Early Years Block allocation due to the updated census data from January 2023. This is still provisional at this stage and will be further updated after the census data collected in January 2024.
10. The latest High Needs Block adjustment relates to the following elements:
- an update to our import/export adjustment. The import/export adjustment reflects the net place funding costs of other local authority pupils placed in our high needs settings and Shropshire high needs pupils placed in other local authority settings. Shropshire is a net exporter of high needs pupils, and our 2023-24 import/export adjustment has decreased by £195,000. The total deduction for our import/export adjustment is now £0.771m included within the High Needs Block funding.
  - Additional funding for Special Free Schools – an allocation of £615,334 that relates to Keystone Academy, this funding ensures new special free schools do not create an additional cost for the LA.
  - An increase in the deductions for high needs places of £66,999 relating to our SEND hubs within mainstream schools.



11. Shropshire's latest remaining DSG for 2023-24, after recoument for academies and deductions for direct funding of high needs places by ESFA, equates to £115.966m.
12. The Schools Supplementary grant for 2023-24 of £6.77m sits outside the DSG allocation, however the High Needs Additional Grant 23-24 £1.644m is reported within these figures, as reported to schools forum in June 2023.
13. In July 2023 the Teachers' pay additional grant was announced for 2023-24 to support schools with the September 2023 teachers' pay award.
  - The allocation for Shropshire mainstream schools is £2,030,297. This will be paid to the LA for maintained schools in October and directly to academies in November.
  - The allocation for Shropshire special schools is £193,180, this will be paid to the LA for passing onto schools within the guidelines provided.



**Schools Forum**

Date: 14 September 2023

Time: 8:30 am

Item

Paper

Public

**C****DEDICATED SCHOOLS GRANT MONITORING**

**Responsible Officer** Stephen Waters  
e-mail: Stephen.a.waters@shropshire.gov.uk Tel: (01743) 258952

**Summary**

This report outlines to Schools Forum members the centrally retained Dedicated Schools Grant (DSG) forecast outturn position at the end of August 2023.

**Recommendation**

This report is for information only.

**REPORT**

1. The overall 2023-24 outturn against centrally retained DSG is forecast to be £0.376m in deficit as at the end of August 2023. It should be noted that this figure is the in-year deficit and needs to be added to the £2.181m revised surplus carried forward from 2022-23 in order to give an overall cumulative DSG surplus position of £1.806m.
2. Please note that this cumulative DSG surplus carried forward of £2.181m from 2022-23 has decreased by £0.514m from the £2.695m reported in the 2022-23 DSG monitoring outturn paper presented to Schools Forum in June. One explanation for this is the publication of the final Early Years Block DSG allocation for 2022-23 in July. The final allocation was £0.229m less than the provisional Early Years Block DSG allocation. The second reason is the allocation in 2023-24 of £0.285m towards the 2023-24 Schools Growth Fund budget of £0.303m. This allocation was required since there was only £0.018m available for growth funding within the Schools Block of the DSG for 2023-24 so the balance brought forward on previous Schools Growth Fund has been required to meet the shortfall in Schools Growth Fund expenditure requirements in 2023-24.
3. In previous years, Schools Forum members approved a transfer of 0.5% from the Schools Block to the High Needs Block to support growth pressures within the High Needs Block. In 2023-24 no funding was available to transfer from the Schools Block to the High Needs Block DSG.



## **Centrally Controlled Early Years Budget**

4. In July 2023, the provisional Early Years Block DSG allocation was updated based on the number of part time equivalents (PTEs) taking up the entitlements as recorded on the January 2023 PTE census numbers. Shropshire's provisional Early Years Block DSG allocation for 2023-24 is £17.868m, an increase of £0.729m compared to the final allocation for 2022-23.
5. The forecast outturn position for the Early Years Block is showing zero variance against a provisional budget of £17.868m. There are no variances to budget forecast at this stage in the year relating to the large budgets for universal free entitlement for 3-4 year olds or 2 year olds entitlement. Once officers have processed the invoices for the Autumn Term funding for 2 year olds and 3-4 year olds a more precise forecast will be made and this position will be reported to Schools Forum in November.

## **Centrally Controlled High Needs Budget**

6. The centrally controlled High Needs Block for 2023-24 is £28.897m. This budget excludes the place funding element of the High Needs Block totalling £9.537m and the additional high needs funding allocation of £1.644m. The total High Needs Block DSG allocation (before deductions) is £40.078m. It is important to note that Shropshire's 2023-24 High Needs Block DSG has increased by £4.335m compared to the £35.743m allocation in 2022-23. In 2022-23, the total High Needs Budget was £36.693m following the transfer of £0.949m from the Schools Block to the High Needs Block. In 2023-24, as there is no 0.5% transfer, the 2023-24 total High Needs Budget is £3.385m higher than in 2022-23.
7. Overall, the forecast outturn position for the High Needs Block is an in-year deficit of £0.370m against a centrally controlled High Needs Budget of £28.897m.

## **Lines 1.2.1 & Line 1.2.2 - Top Up funding – Mainstream Schools**

8. On budget lines 1.2.1 and 1.2.2, shown in the Appendix, there is a forecast underspend of £0.419m.

## **Top Up funding - Mainstream Schools**

9. Within this £0.419m forecast underspend, an underspend of £0.098m relates to the top-up funding paid to mainstream schools. There is a small increase in forecasted expenditure compared to last year's outturn figure of £5.034m. This figure includes the Graduation Support Pathway payments as well as top-up funding.
10. This forecast is based on the level of top-up funding and GSP payments in the Summer Term with some growth anticipated for the Autumn Term and Spring Term. The forecast





position will be clearer once the first Autumn Term top-up payments have been processed.

11. There is currently no variance forecast against the net recoupment budget which represents recoupment of top-up funding between local authorities. This budget is difficult to forecast accurately as top-up funding is recouped, in some cases a year in arrears.

### **Lines 1.2.1 & Line 1.2.2 - Top Up funding – Special Schools**

12. In addition to the £0.098m forecast underspend on top-up funding to mainstream schools, there is a £0.321m underspend on top-up funding to special schools.
13. Total expenditure on top-up funding to special schools is forecast to increase significantly in 2023-24, partially explained by having a full year of top-up funding for the new Special School, Keystones but also explained by changes to top-up funding levels payable to 2 Shropshire Council special schools.
14. The reason for the forecast underspend is that the budget for 2023-24 anticipated growth for Keystones, however actual top-up funding incurred in the first few months of this financial year shows that the setting is not yet at full capacity so the underspend is more of a timing issue.
15. There has been a 25% increase in the number of special school places made available across the Council's special schools. This increase in capacity is in response to the increase in demand for special school places, particularly around SEMH.

### **Line 1.2.2 - Post 16 Further Education Colleges**

16. There is a budget of £2.159m allocated for Post 16 funding at further education colleges and sixth form colleges.
17. The 2022-23 outturn position reported actual expenditure of £1.662m and therefore an underspend of £1.108m against the 2022-23 budget of £2.770m.
18. For 2023-24, despite the overall increase in High Needs Block DSG allocation, a decision was made to decrease the budget for Post 16 Further Education Colleges to £2.159m to reflect the decrease in spend on this type of placement in the last 2 financial years.
19. There is a forecast increase in expenditure of £0.187m compared to 2022-23 outturn position, however despite this increase there is still a significant forecast underspend of £0.310m being reported.
20. Despite the large forecast underspend, it is important to note that significant growth in the expenditure on post 16 further education college placements is the national picture



and Shropshire has seen particularly significant growth in recent years in terms of the number of post 16 EHC Plans.

21. A review last financial year of the number of EHC Plans in the 16-25 age range, indicates that the % increase in EHC plans is approximately 10% year on year so you would expect large expenditure growth in this budget area. Instead, we believe there is a higher proportion of post 16 pupils attending Independent Special Schools or independent alternative providers and the expenditure for these young people is showing in the budget area relating to independent providers instead.

### **Lines 1.2.3 - Top Up funding - Non-Maintained and Independent Providers**

22. The 2023-24 budget of £9.813m for Independent Providers has been increased by £2.126m compared to the 2022-23 budget level of £7.687m. The large increase in budget reflects that Shropshire experienced a significant increase in expenditure in this budget area in 2022-23, highlighted by actual expenditure totalling £8.466m. Increasing the budget to £9.813m reflected anticipated growth of 16% compared to last year's outturn figure of £8.466m.
23. Forecast expenditure for 2023-24 is £10.954m, therefore reflecting a forecast increase of 29% relative to last year's outturn figure, resulting in a forecast overspend of £1.142m.
24. There are several explanations for the large increase in forecasted expenditure in 2023-24. Firstly, the Council has experienced a sharp increase in demand for Independent Special School placements as evidenced by the number of new placements, particularly at one SEMH provider where capacity has been increased. One of the trends that came to light in 2022-23 financial year, was the much more frequent use of independent alternative providers, particularly in relation to children who are post 16. This trend has continued in 2023-24 and partly explains the overspend as well as the underspend on the Post 16 Further Education College placements budget.
25. The average termly cost of a placement has increased in 2023-24 reflecting price inflationary pressures.
26. The other trend which explains the overspend is that the value of, and number of contributions to complex, joint funded placements with social care and the Shropshire Clinical Commissioning Group (CCG) has increased in 2023-24 relative to 2022-23 levels reflecting an increase in complexity.
27. In 2023-24, the Council has established a SEND Commissioning and Procurement Panel to review requests and make decisions on high needs funding for Independent Special Schools and Mainstream Special Schools. The panel also acts as a forum to ratify and respond to fee up-lifts from all settings in conjunction with and accounting for decisions



made at the West Midlands Price Review Panel on behalf of the 14 local authorities including Shropshire.

### **Lines 1.2.5 – SEN Support Services**

28. There is a forecast overspend of £0.161m against the SEN Support Service budget of £1.870m. This is similar to the 2022-23 outturn position when a £0.293m budget pressure was reported against this budget line. Similarly to 2022-23, the overspend in 2023-24 relates to one-off staffing overspends where additional staff have been employed, sometimes as agency workers to support the wider increase in demand. Some of these employees are working with the Educational Psychology Service to address increasing demand.

### **Overall position**

29. The Council's DSG financial position is relatively healthy in forecasting a cumulative surplus of £1.806m as at the end of the 2023-24 financial year. However, a forecasted in-year deficit against the High Needs Block DSG despite a £3.385m increase in total High Needs budget reflects that expenditure continues to increase sharply year on year.
30. The High Needs Block DSG 3 year forecasting exercise undertaken earlier in the year demonstrates that future expenditure growth is likely to outstrip future growth in High Needs Block DSG allocations, specifically from 2024-25 and beyond. While the position looks healthy now, this level of carry forward may well be required to support future year's spending as the increase in High Needs Block DSG funding nationally diminishes.
31. In the past several months, there have been a number of significant changes which will affect forecasted numbers and expenditure going forward. With this in mind, officers will present an updated High Needs Block DSG 3 year forecast in January 2024 to reflect these changes and update the forecast expenditure accordingly. Crucially, by January the 2024-25 provisional High Needs Block DSG allocation will be published to enable more accurate forecasting around income assumptions.



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APPENDIX

**CENTRALLY RETAINED DEDICATED SCHOOLS GRANT FUNDING PERIOD (2023-24)**

	2023-24 Budget £	2023-24 Spend £	2023-24 Variance £	
<b>DEDELEGATED ITEMS</b>				
1.1.1	Contingencies	35,000	35,000	-
1.1.2	Behaviour Support Services	-	-	-
1.1.3	Support to UPEG and bilingual learners	-	-	-
1.1.4	Free school meals eligibility	-	-	-
1.1.5	Insurance	-	-	-
1.1.6	Museum and Library Services	-	-	-
1.1.7	Licences/subscriptions	-	-	-
1.1.8	Staff costs Maternity supply cover	250,000	244,490	- 5,510
1.1.9	Staff costs Trade Union Duties	25,000	25,496	496
1.1.10	School Improvement	150,000	150,000	-
	<b>DEDELEGATED ITEMS SUB TOTAL</b>	<b>460,000</b>	<b>454,986</b>	<b>- 5,014</b>
<b>CENTRALLY CONTROLLED EARLY YEARS BUDGET</b>				
1.3.1	Central Expenditure on Children under 5	376,340	376,340	-
1.0.1	Individual Schools Budget - Early Years PVI's and Maintained Nursery Provision	17,491,390	17,491,390	-
	<b>CENTRALLY CONTROLLED EARLY YEARS SUB TOTAL</b>	<b>17,867,730</b>	<b>17,867,730</b>	<b>-</b>
<b>CENTRALLY CONTROLLED HIGH NEEDS BUDGET</b>				
1.2.1	Top Up funding - Maintained Providers	4,448,210	4,267,155	- 181,055
1.2.2	Top Up funding - Academies, Free Schools and Colleges - Excluding FE College Placements	8,634,980	8,396,731	- 238,249
1.2.2	Top Up funding - Academies, Free Schools and Colleges - FE College Placements	2,159,300	1,849,189	- 310,111
1.2.3	Top Up funding - Non-Maintained and Independent Providers	9,812,840	10,954,378	1,141,538
1.2.4	Additional High Needs Targeted Funding for Maintained Schools and Academies	400,000	277,073	- 122,927
1.2.5	SEN Support Services	1,869,710	2,030,467	160,757
1.2.6	Hospital Education Services	170,190	150,000	- 20,190
1.2.7	Other Alternative Provision Services	142,340	120,440	- 21,900
1.2.8	Support for Inclusion	1,259,900	1,221,641	- 38,259
1.2.9	Special Schools and PRUs in Financial Difficulty	-	-	-
1.2.10	PFI / BSF Costs at Special Schools and AP / PRUs	-	-	-
1.2.11	Direct Payments (SEN and Disability)	-	-	-
1.2.12	Carbon Reduction Commitment Allowances (PRUs)	-	-	-
	<b>CENTRALLY CONTROLLED HIGH NEEDS BUDGET SUB TOTAL</b>	<b>28,897,470</b>	<b>29,267,075</b>	<b>369,605</b>
<b>ADDITIONAL HIGH NEEDS BLOCK DSG ALLOCATION</b>				
		<b>1,643,730</b>	<b>1,643,730</b>	<b>-</b>
<b>CENTRAL SCHOOL SERVICES BLOCK</b>				
1.4.1	Contribution to combined budgets	-	-	-
1.4.2	Schools Admissions	266,860	277,906	11,046
1.4.3	Servicing of Schools Forums	10,000	10,000	-
1.4.4	Termination of employment costs	756,330	756,330	-
1.4.5	Falling Rolls Fund	-	-	-
1.4.6	Capital Expenditure from Revenue (CERA)	-	-	-
1.4.7	Prudential Borrowing Costs	295,350	295,350	-
1.4.8	Fees to independent schools without SEN	-	-	-
1.4.9	Equal Pay - Back Pay	-	-	-
1.4.10	Pupil growth / Infant Class sizes	-	-	-
1.4.11	SEN Transport	-	-	-
1.4.12	Exceptions agreed by Secretary of State (Deficit)	-	-	-
1.4.13	Other Items (Copyright Licensing Agency fee)	264,530	264,530	-
1.5.	Ongoing duties	785,320	785,320	-
	<b>CENTRAL SCHOOL SERVICES BLOCK BUDGET SUB TOTAL</b>	<b>2,378,390</b>	<b>2,389,436</b>	<b>11,046</b>
<b>TOTAL CENTRAL DSG</b>				
		<b>51,247,320</b>	<b>51,622,957</b>	<b>375,637</b>
<b>SCHOOLS BLOCK GROWTH FUNDING (PART OF ISB)</b>				
		303,050	303,050	-
<b>TOTAL CENTRAL DSG + SCHOOLS BLOCK GROWTH FUNDING</b>				
		<b>51,550,370</b>	<b>51,926,007</b>	<b>375,637</b>
<b>DSG SURPLUS CARRIED FORWARD FROM PREVIOUS YEARS</b>				
	£	2,695,417		
	2022-23 EARLY YEARS DSG ADJUSTMENT	- 228,845		
	2022-23 SURPLUS CARRIED FORWARD ALLOCATED FOR SCHOOLS GROWTH FUND	- 285,200		
	<b>REVISED DSG SURPLUS CARRIED FORWARD FROM 2022-23</b>	<b>2,181,372</b>		
	2023-24 IN YEAR DEFICIT	- 375,637		
	<b>CUMULATIVE CENTRAL DSG SURPLUS</b>	<b>1,805,735</b>		
<b>Breakdown of total DSG:</b>				
<b>TOTAL CENTRAL DSG</b>		<b>51,550,370</b>		
<b>High Needs Budget - Place Funding</b>				
	Post 16 FE Colleges	1,122,000		
	Pre and Post 16 SEN Places - Special Academies	4,970,000		
	Pre-16 Special Free Schools	733,334		
	Pre and Post 16 SEN Places - Resourced Provisions	279,000		
	<b>Total deduction to 2023-24 High Needs Block for direct funding of places by ESFA</b>	<b>7,104,334</b>		
	TMBSS	1,560,000		
	Maintained School SEND Hubs	294,333		
	Additional Commissioned Place Funding at Special Academies	250,000		
	Teachers Pay/Pension for Special Academies	328,020		
	<b>Total deduction to 2023-24 High Needs Block for central funding of places</b>	<b>2,432,353</b>		
	<b>HIGH NEEDS BUDGET - Place Funding</b>	<b>9,536,687</b>		
<b>INDIVIDUAL SCHOOLS BUDGET SHARES (Excluding De-delegated Items and Growth Fund)</b>		<b>200,087,049</b>		
<b>TOTAL DSG Allocation (Updated March 2023)</b>		<b>260,411,052</b>		

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**Schools Forum**

Date: 14 September 2023

Time: 8:30 a.m.

Venue: TEAMS Meeting

Paper

**D**

Public

**SCHOOLS REVENUE FUNDING 2024-25****Responsible Officer** Jo Jonese-mail: [jo.jones@shropshire.gov.uk](mailto:jo.jones@shropshire.gov.uk)

Tel: 01743 254343

**Summary**

In July 2023, the Education & Skills Funding Agency (ESFA) published schools revenue funding guidance for 2024-25 for local authorities and schools forums.

This report summaries the latest Government guidance for schools revenue funding for 2024-25. The full guidance document can be accessed at

[Schools operational guide: 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/1152222/schools_operational_guide_2024_to_2025_-_gov.uk.pdf)

Shropshire Council, with the agreement of Shropshire Schools Forum, agreed to replicate the national funding formula through Shropshire's local funding formula from 2018-19.

**Recommendation**

This report is for information only.

**REPORT****Background**

1. The Government introduced a national funding formula for allocating schools, high needs, and central school services funding through the Dedicated Schools Grant (DSG) to local authorities from April 2018.
2. Local authorities currently retain responsibility for determining local funding formulas for allocating funding to schools and academies in their area. Shropshire Council, with the agreement of Shropshire Schools Forum, agreed to replicate the national funding formula in Shropshire's local funding formula to schools from 2018-19.
3. The guidance on schools revenue funding arrangements for 2024-25 was published by the ESFA in July. The guidance includes details of updates to the national funding formula.



4. Along with the guidance, the Government has published provisional local authority level allocations for 2024-25 for the schools and high needs blocks within the DSG and notional 2024-25 national funding formula school level allocations.

### **School Revenue Funding Arrangements 2024-25**

5. The actual primary unit of funding (PUF) and secondary unit of funding (SUF) which will be used to calculate each local authority's schools block allocation has been published for 2024-25. For Shropshire these equate to £5,273 per pupil and £6,375 per pupil, respectively. As a comparison, in 2023-24 Shropshire's PUF was £4,960 and SUF was £5,971. In 2022-23 Shropshire's PUF was £4,747 and SUF was £5,687.
6. These units of funding will be applied to pupil numbers recorded in the October 2023 school census to determine final schools block allocations for 2024-25. These will be issued to local authorities as usual in mid-December.
7. In 2024 to 2025, each local authority will continue to set a local schools funding formula, in consultation with local schools. To ensure a smooth transition towards the direct NFF, local authorities will continue to be required to bring their own formulae closer to the schools NFF. As a reminder, Shropshire has mirrored the NFF in its local schools funding formula since 2018-19.
8. In 2024-25 the following changes will be implemented.
  - LA's must use the new national formulaic approach to split sites – for Shropshire, more funding will have to be allocated under this approach than in previous years with the local formula.
  - LA's must follow the new local formula requirements for growth funding, whereby additional classes (driven by basic need) must be funded by at least the minimum funding level set out in the funding calculation.
  - LA's will be funded for falling rolls as well as growth.
  - This will be a big change to Shropshire as previous years we have used the growth fund to cover other costs, including the transfer of 0.5% to High Needs block and funding schools in line with the NFF.
  - With these changes we may not be able to fund schools in line with the NFF for 2024-25 and some aspects may require adjustment.
9. The following key elements of the schools NFF have been confirmed by the Government in 2024-25:
  - The 2023-24 mainstream schools additional grant (MSAG) has been rolled into the NFF by
    - adding an amount representing what schools receive through the grant into their baselines.





- adding the value of the lump sum, basic per pupil rates and free school meals Ever 6 (FSM6) parts of the grant onto the respective factors in the NFF
  - uplifting the minimum per pupil values by the mainstream schools additional grant's basic per-pupil values and an additional amount which represents the average amount of funding schools receive from the FSM6 and lump sum parts of the grants.
  - The NFF values have increased for the following factors (on top of increase for MSAG) by 2.4% for basic entitlement, low prior attainment, FSM6, IDACI, EAL, mobility, sparsity and lump sum. FSM has increased by 1.6% and minimum per pupil levels have increased by 2.4%.
  - The minimum per pupil funding levels will be set at £4,655 for primary schools and £6,050, for secondary schools. These levels were £4,405 and £5,715 respectively in 2023-24. This represents the rolling in of the MSAG and at least a further 2.4% increase per pupil.
  - Local authorities will be able to set the minimum funding guarantee (MFG) also known as the funding floor, between 0.0% and 0.5%. The NFF factor is 0.5%. This means that every school will attract an increase in their pupil-led funding of at least 0.5% per pupil, compared to their baseline.
10. Local authorities will continue to be able to transfer up to 0.5% of their schools block to other blocks of the DSG, with schools forum approval. A disapplication will be required for transfers above 0.5%, or any amount without schools forum approval. In previous years Shropshire schools forum has agreed to transfer any remaining balance, up to 0.5% of the schools block, to the high needs block to support the increasing pressures on the high needs block, after fully allocating individual school budget shares in line with the NFF. In 2023-24 funding was not transferred due to existing DSG High Needs Block surplus being carried forward and there was no funding remaining in the Schools Block Growth fund, where previous transfers had been funded from.
  11. Local authorities are required to engage in open and transparent consultation with all maintained schools and academies in their area, as well as with their schools forums, about any proposed changes to the local funding formula including the principles adopted and any movement of funds between blocks.
  12. Local authorities are required to identify a notional budget for their mainstream schools which helps them comply with their duty to use their 'best endeavours' to meet the special educational needs (SEN) of their pupils. The notional SEN budget is not a separate budget but is identified within a maintained school's delegated budget share, or an academy's general annual grant and is calculated by local authorities using their local mainstream schools funding formula factors.



The guidance has been updated to help LA's review their notional SEN budget calculations and to help schools understand what the notional SEN budget is for. All LA's should review this calculation each year alongside their local formula to make sure that their schools' notional SEN budget is a realistic amount for meeting the costs of additional SEN support up to £6,000 per pupil, noting that any shortfall in this notional budget for particular schools where a standardised calculation does not work can be met from additional high needs targeted funding. High needs top-up funding should be allocated in addition to the notional SEN budget for SEN support costs in excess of £6,000 per pupil. [The notional SEN budget for mainstream schools: operational guide 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/the-notional-sen-budget-for-mainstream-schools-operational-guide-2024-to-2025)

## High Needs Funding Arrangements 2024-25

13. The latest guidance confirms the following aspects of the High Needs national funding formula for 2024-25:
  - The national increase in high needs funding, from 2023-24 to 2024-25, will be £440 million, or 4.3%.
  - The funding floor – this ensures that all local authorities' allocations per head of population will increase by a minimum percentage compared to the baseline. For 2024-25 the funding floor has been set at 3% (compared to 5% in 2023-24).
  - The gains cap – the limit on gains per head of the population compared to the baseline. For 2024-25 the gains cap will be set at 5% (compared to 7% in 2023-24) which means that local authorities can see an increase of up to 5% before their gains are capped.
  - The basic structure of the high needs NFF for 2024-25 has not changed from the 2023-24 NFF.
  - Any differential adjustments to the top-up funding bands or reorganisation of the top-up funding by local authorities will be subject to the special schools' MFG in the normal way. The MFG for maintained special schools and special academies to be operated by local authorities for 2024 to 2025 must be at least 0% and the local authority should consider setting the minimum increase within a range of 0% to 0.5%. This is equivalent to the MFG for mainstream schools.



## Central School Services Funding Arrangements 2024-25

14. The NFF for the central school services block (CSSB) of the DSG provides funding for local authorities to carry out central functions on behalf of compulsory school age pupils in maintained schools and academies.
15. The CSSB will continue to have two distinct elements:
  - Ongoing responsibilities, which funds all local authorities for central functions they must deliver for all pupils in maintained schools and academies, such as education welfare and asset management.
  - Historic commitments, which funds some local authorities for commitments they made prior to 2013-14 that are unwinding.
16. Funding for ongoing responsibilities in 2024-25: local authorities will continue to be protected so that the maximum per-pupil year-on-year reduction in funding for ongoing responsibilities is of 2.5%, while the year-on-year gains cap will be set at the highest affordable rate of 5.51%.
17. Funding for historic commitments continues to be reduced in 2024-25 by 20% from local authorities' 2023-24 allocations. As in 2023-24, historic commitments funding will be protected from dropping below the total value of ongoing prudential borrowing or termination of employment costs, based on evidence received by the department. This protection will be applied in the DSG, and so will not be shown in NFF allocations.



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<b>Schools Forum</b>	Paper
Date: 14 September 2023	<b>E</b>
Time: 8:30 a.m.	
Venue: TEAMS Meeting	
	Public

## EARLY YEARS FREE ENTITLEMENTS

### BUDGET ANNOUNCEMENT MARCH 2023 INCREASING THE FREE CHILDCARE OFFER

**Responsible Officer** Neville Ward

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#### Decision Required

None – Information and retrospective approval

#### Summary

1.1 This paper is to inform forum of the announcement in July of this year confirming additional funding to support the implementation of the enhanced free childcare offers which begin in April 2024

#### Background

2.1 The enhanced free early years entitlements were set out to forum in my paper presented at the June meeting.

2.2 This paper is to confirm the receipt of an additional funding allocation from September 2023 to support the roll out of the new offers and to clarify how this funding is being used.

#### Report

3.1 In July 2023 the DfE confirmed the following increases to the hourly funding rates paid to local authorities for the early years free entitlement:.

3.2 These increases were as follows:

- **Funding for the 3- and 4-year-old entitlement - an increase of 33p per hour per child from £4.87 to £5.20 phpc**



- **Funding for the 2-year-old entitlement – an increase of £1.56phpc from £5.63 to £7.19phpc**

3.3 Within the supporting documentation to the announcement was the following statement:

*Our intention is that local authorities must pass on the EYSG, in full, to early years providers for each of the funding streams. For the main entitlements, we expect this will be through additional payments to providers calculated on an hourly basis. To ensure that payments to providers can be made promptly, we will not require local authorities to consult their schools forum but encourage local authorities to engage appropriately with their early years providers about the funding amounts from September.*

3.4 We intend to conform to the above requirement and pass on the increased funding to providers through the following method:

- **An increase in the funding rate for the 3- and 4-year-old entitlement of 31phpc from £4.44phpc to £4.75phpc**
- **An increase in the funding rate for the 2-year-old entitlement of £1.51phpc from £5.29phpc to £6.90phpc**

3.5 The remaining increase will also be passed on to providers via an increase in the rate of funding used for 1:1 provision for those children with high level SEND. At the moment this funding is paid at an hourly rate of £10phpc over and above the free early years entitlement. We intend to increase the additional funding to rate of £11phpc to reflect the recent increases in minimum and living wage. The £10 rate has been in place for many years and it is accepted that it is no longer representative of the costs of staffing this provision.

3.6 The increases in funding set out above will commence on September 1<sup>st</sup> 2023 and will be reviewed again in April when we receive confirmation of the funding rates for the 2024/25 financial year

## **Conclusion**

4.1 Forum is asked to acknowledge and approve the increases. We understand that this is retrospective but funding announcements and forum meetings meant that it was not practical to carry out whole forum consultation on this prior to decisions being made.

