

LEEDS SCHOOL FORUM

Meeting to be held on
Thursday, 5th October, 2023 at 4.30 pm

MEMBERSHIP

Bradley Taylor, A. Primary Governors - Kirkstall Valley Primary
Kate Burton, E. Academy Reps – Alder Tree Primary
Rebecca White, B. Primary Heads, Sharp Lane Primary
Victoria McWalker, A. Primary Governors, St Margaret's Horsforth C of E
Stratis Koutsoukos, B. Primary Governors, St Nicholas Catholic Primary
Nick Tones, J. Non Schools, Schools JCC
Christopher Thornton, J. Non Schools 16-19 Providers
Simon Prinsep, E. Academy Reps, Abbey Grange CofE
Peter McQuillen Strong, J. Leeds Catholic Diocese
Gavin Hosford, E. Academy Reps - Green Meadows
Rachel Colbourn, E. Academy Reps - Bramhope Primary
Jatinder Ubhi, A. Primary Governor - Swarcliffe Primary
Dave Kagai, A. Primary Governors - St Nicholas Primary
Sarah Talbot, E. Academy Reps - East Ardsley Primary
John Garvani (LSF), A. Primary Governors - Broadgate Primary School
John Hutchinson, B. Primary Heads - St Theresa's Catholic Primary
Peter Harris, B. Primary Heads - Farsley Farfield Primary
Julie Harkness, B. Primary Heads - Carr Manor Community school - Primary Phase
Emma Wraight, B. Primary Heads - Fieldhead Carr Primary
David Webster, C. Secondary Governors - Pudsey Grammar
Delia Martin, D. Secondary Heads - Benton Park
David Gurney, E. Academy Reps - Cockburn School
Rob Dixon, E. Academy Rep, Pudsey Waterloo Primary
Neil Miley, E. Academy Reps - Dixons Academy
John Thorne, E. Academy Reps - St Mary's Academy Menston
Joe Barton, E. Academy Reps - Woodkirk Academy
Russell Trigg, F. Governor East SILC
Mary Ruggles, H. Academy Specialist Provision - Springwell Academy
Diane Reynard, I. Special School Principal - East / NW SILC - SILC Principals
Angela Hynes, J. Non School PVI - Nursery Provider
Dan Cohen (Leeds School Forum), J. Jewish Faith Schools

A G E N D A

Item No	Title	Lead	Time	Purpose
1.	APOLOGIES	Chair	16:30	For information
2.	SCHOOL FORUM MEMBERSHIP	Chair	16:35	For information
3.	MINUTES OF PREVIOUS MEETING <i>3 - 8</i>	Chair	16:40	For decision
4.	MATTERS ARISING	Chair	16:45	For information
5.	DSG MONITORING REPORT 23/24 <i>9 - 16</i>	Lucie McAulay	16:50	For information
6.	DSG MEDIUM TERM FINANCIAL STRATEGY 2024/25 <i>17 - 24</i>	Lucie McAulay	17:15	For information
7.	SCHOOL FUNDING UPDATE 2024/25 <i>25 - 32</i>	Lucie McAulay	17:45	For information
8.	ANY OTHER BUSINESS	Chair	18:15	For information
9.	MEETING DATES FOR 23/24 AND FORWARD PLAN <i>33 - 34</i>	Chair	18:25	For information
10.	CLOSE	Chair	18:30	For information

Leeds Schools Forum

Microsoft Teams Meeting
Tuesday 18 July 2023 at 16:30

Membership (Apologies in Italics)	
GOVERNORS	HEADTEACHERS
Primary (6 seats)	Primary (6 seats)
<i>David Kagai</i> <i>St Nicholas</i>	John Hutchinson <i>St Theresa's</i>
<i>John Garvani</i> <i>Broadgate</i>	Peter Harris <i>Farsley Farfield</i>
<i>Jatinder Ubhi</i> <i>Swarcliffe</i>	Julie Harkness <i>Carr Manor Community School</i>
<i>Victoria McWalker</i> <i>St Margaret's Horsforth</i>	<i>Emma Wraighte</i> <i>Fieldhead Carr</i>
<i>Stratis Koutsoukos</i> <i>St Nicholas</i>	<i>Rebecca White</i> <i>Sharp Lane</i>
<i>Bradley Taylor</i> <i>Kirkstall Valley</i>	<i>One vacancy</i>
Secondary (1 seat)	Secondary (1 seat)
<i>David Webster</i> <i>Pudsey Grammar</i>	Delia Martin <i>Benton Park</i>
Special (1 seat)	Special (1 seat)
Russell Trigg <i>East SILC, John Jamieson</i>	Diane Reynard <i>East SILC</i>
Non School	Academies – Mainstream (11 seats)
<i>Angela Hynes</i> <i>PVI Providers</i>	David Gurney <i>Cockburn School</i>
<i>Vacancy</i> <i>PVI Providers</i>	Neil Miley <i>Dixons Academy</i>
<i>Nick Tones</i> <i>Schools JCC</i>	John Thorne <i>St Mary's Academy Menston</i>
<i>Christopher Thornton</i> <i>16-19 Providers</i>	Joe Barton <i>Woodkirk Academy</i>
<i>Dan Cohen</i> <i>Jewish Faith Schools</i>	Rob Dixon <i>Cockburn School</i>
<i>Peter McQuillen-Strong</i> <i>Catholic Diocese</i>	<i>Gavin Hosford</i> <i>Green Meadow</i>
	<i>Rachel Colbourn</i> <i>Bramhope Primary</i>
	<i>Sarah Talbot</i> <i>East Ardsley</i>
	<i>Maria Williams</i> <i>Brigshaw High</i>
	Kate Burton <i>Alder Tree Primary</i>
	Simon Princep <i>Abbey Grange CofE</i>
Officers	
Tim Pouncey, Chief Officer Strategy & Resources	Academy – Special School (1 seat)
<i>Louise Hornsey, Head of Service, Finance</i>	Mary Ruggles <i>Springwell Leeds North</i>
<i>Shaheen Myers, Deputy Director Learning</i>	
Lucie McAulay, Head of Service, Finance	Academy – Alternative Provision (1 seat)
<i>Val Waite, Chief Officer Learning Inclusion</i>	Vacancy
Elizabeth Jackson, Finance	
Shirley Maidens, Finance	
<i>Chris Sutton, Admissions and Family Information Lead</i>	

Item	Title	Actions
1.0	Welcome and Apologies	
1.1	The Chair welcomed everyone to the meeting. Apologies were noted and introductions made.	
2.0	Schools Forum Membership	
2.1	<p>Vacancies remain for: 1 x PVI Nursery Provider vacancy. 2 x Alternative Academy vacancy. 1 x Primary Headteacher vacancy. 1 x Academy Headteacher vacancy</p> <p>Action: to re-advertise the Primary Headteacher vacancy. Action Piece of work required before summer to get more members.</p> <p>Chair recognised that this is Diane and John's last Forum, both Chair and panel thanked them for their service and wished them well. Peter has been consulting with Dave Clark regarding advertising the vacant posts on Leeds for Learning and within newsletters to schools.</p>	
3.0	Minutes of Previous Meeting	
3.1	The minutes were agreed.	
4.0	Matters Arising	
4.1	<p><u>5.3.5</u> RM advised the panel of the number of 2-year-olds within the city. 2021/22 there was 5% fall in 2-year-old population, in 22/23 is a fall of 3.7%.</p>	
4.2	<p><u>5.4.7</u> RM advised on the number of children attending OOA placements. In 2021/22 there were 189 children in out of area placements in 2022/23 this fell to 183.</p>	
4.3	TP advised that an OOA placement can cost around £50K.	
4.4	<p><u>6.12</u> Balances as a percentage of school budget, this is approximately 6.99%. DfE would class anything 5% and below as too low.</p>	
4.5	<p><u>6.2.2</u> All recommendations have been completed.</p>	
5.0	Dedicated Schools Grant 2022/23 - Reserves	
5.1	<p>TP presented the report.</p> <p>The total surplus balance on general DSG reserves is £7m and the biggest contributor to the underspend was the High Needs Block underspend of £6.8m.</p>	
5.1.2	It was noted that the Local Authority is not comfortable with the high balances and there needs to be an agreement on how the balances are dealt with. This underspend is unlikely to reoccur, so it needs factoring into any decisions that are made, as we do not want to overspend.	
5.1.3	<p>De-delegated reserves relates only to mainstream schools. Schools Forum agreed to the reimbursement of £1.25m back to maintained schools, pro rata to their original contributions. This constitutes a key decision and TP has set in motion an intention to take this decision.</p> <p>TP advised this is a one-off contribution from reserves.</p>	

5.2	<u>Section 3</u>
5.2.1	In November 2021 Schools Forum agreed to a Schools Block to High Needs Block transfer of £3.127M, the contributing schools were maintained and academies. An option to consider is a reversal of this transfer for 2022/23. The transfer was funded by 60% of the schools in Leeds and we would need to make sure the money went back to these contributing schools.
5.2.2	Conversations have been held with the EFSA and their view is to submit a disapplication request if this was required for 2023/24. Disapplication requests are difficult to get approved as there needs to be exceptional circumstances and it is uncertain whether it would be agreed that these are exceptional circumstance. The decision time frame is also lengthy and therefore a decision is unlikely to be made before the Autumn.
5.2.3	The other option is to put the £3.127M into the 2024/25 formula, this would take a little longer to reach school budgets, but there would not be the need for a disapplication request.
5.2.4	Questions were raised around the underspend though this information was covered in the DSG outturn position paper at June's Schools Forum.
5.2.5	TP said that one of underspends was as a result of OOA placements. This was a late change so unable to forecast. Some underspends occurred by the council due to difficulty recruiting and the delays in the Invest to Save proposals. However, special school places and FFI did overspend in 22/23.
5.2.6	Discussion was had around the proposed refund to schools and how this may affect their school balances. If the schools were to receive the refund in January, it could result in surplus excess balances. Agreed that it would be better for the schools to be informed of any, so that they are able to forward plan when it goes into their next budget 2024/25.
5.2.7	Further consideration was given to potentially applying to ESFA for a disapplication and if this did not work then look to incorporate into 2024/25 funding formula. LM explained that the complexities around disapplication mean that as we go out for consultation on the schools funding formula 2024/25 in October, it would be difficult to meet ESFA deadlines and be able to adapt the APT formula in time. Schools Forum did not raise any objections to incorporating this into the 2024/25 funding formula.
5.2.8	Further consideration will be given to this proposal following the completion of the DSG MTFS 2024/25 and the latest projected High Needs position 2023/24.
5.2.9	TP advised that we cannot guarantee we would not ask for a future inter-block transfer pending analysis of the recent funding announcements and the ongoing Medium Term Financial Strategy work.
5.3	<p><u>DfE announcements.</u></p> <p>SM explained that there have been six policy documents released by the DfE and work is ongoing to assess the implications of these. However, the main headlines are:</p> <ul style="list-style-type: none"> • Core school funding has increased. • Minimum per pupil funding levels are increasing. • Mainstream schools additional grant from 2023/24 is rolled into the base for 2024/25. • New funding to LA's for a falling roles fund 24/25, though LAs do not have to implement a falling rolls fund. • High needs 4.3% increased funding nationally

	<ul style="list-style-type: none"> • The reduction in grant as a result of the gains limit factor for Leeds 24/25 is £2.9m, this gains limit factor is part of formula and is likely to remain so. • EFSA will send out final figures in December. 	
5.4	<p><u>Section 4</u></p> <p>Changing the window of application for FFI is an acknowledgement of the work that stems from the FFI round tables. More time is required to be able to work through FFI round tables feedback, we can then come back to School Forum with revised proposals for FFI in the autumn. If there is a spike in applications due to the change in the application window, we will need some DSG reserves to see it through at the start. It is difficult to say how this will work yet.</p>	
5.5	<p><u>Section 5</u></p>	
5.5.1	<p>There have been some difficulties with recruitment and retention within STARS, SENIT and the Sensory services, this has contributed to the underspend on the High Needs Block. The underspend is not likely to occur next year.</p>	
5.5.2	<p>It is recognised that there is real issue with recruitment and retention, this is also a national issue, this contributes to services not having enough staff to undertake the workload.</p>	
5.5.3	<p>Discussion around schools being able to have the money to source their own services, such as educational psychologists. TP advised that EP and SENSAP services cannot be funded by DSG High Needs Block</p>	
5.5.4	<p>There were discussions on a Digital Platform geared around the Leeds local offer, this would need looking at and would be a one off spend, it is unlikely that this would be ready this year but would provide a model for the city that school SENCOs can use.</p>	
5.6	<p><u>Section 6 Early years block</u></p>	
5.6.1	<p>Early Years Block has consistently underspent. Over the years the Early Years Block has effectively subsidised the High Needs Block pressures.</p>	
5.6.2	<p>In 2022/23 the council took a calculated risk to increase the hourly rate without additional funding and whilst there was still a year end surplus 2022/23 this was not to the extent of previous years.</p>	
	<p>Since the last Schools Forum, the DfE has announced the following increase in funding which will form an Early Years Supplementary Grant to local authorities.</p>	
	<ul style="list-style-type: none"> • Increase of £1.91 on the hourly rate for 2-year-olds • Increase of 12p on the hourly rate for 3- and 4-year-olds 	
5.6.3	<p>There is still some work ongoing to look at the surplus and the best way to use it within the early years block and some proposals are being worked through. All proposals will come back to Schools Forum for consultation.</p>	
5.6.4	<p>A question was asked around whether the increase was expected. It was noted that although we were aware that the increase was coming, it was larger than expected on funding for 2 year olds.</p>	
5.6.5	<p>Communication has gone out to the sector to make them aware of the DfE funding announcement, and that it will be effective from September 2023.</p>	

5.6.6	TP confirmed that as a Local Authority we are responsible for Early Years planning sufficiency and there is not an area within the city where there are not childcare places needed.	
5.7	<u>Conclusion</u> TP summarised the report and discussions around the refunds and surplus.	
5.7.1	Proposal to refund high needs block transfer and included within the 2024/25 funding formula for academies and maintained schools pro rata to their original contribution.	
5.7.2	Balance of available DSG reserves around £4.4m this is a prudent level due to the increasing number of children with SEND needs and increasing complexities.	
6.0	Any Other Business	
6.1	PH asked if anyone would like to take on roll of chair. If so, a discussion can be held at the October meeting.	
6.1.2	As required by the ESFA LM informed Schools Forum of a proposed change to the schools funding APT 2023/24. Subsequent to the submission of the 2023/24 APT at the beginning of the year an adjustment has been identified that needs to be made in relation to just 5 Leeds PFI schools. To correct this issue and ensure these schools receive the correct funding allocations for the current year the ESFA has advised that we will need to resubmit the APT and reissue funding statements 2023/24.	
6.1.3	LM confirmed that this will just impact on 5 PFI schools and they will see additional funding. There will be no impact on any other schools / academies funding level or funding statements. Once confirmed by the ESFA we will be writing to the schools impacted to notify them of the change and revised funding allocations.	
6.1.4	Schools Forum did not raise any concerns or objections to the proposal.	
7.0	Meeting Dates for 2023-24 and Forward Plan	
7.1	The next meeting will take place via MS Teams on 5th October 2023 at 1630-1830.	

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Report of the Director of Children and Families Services

Report to the Leeds Schools Forum

Subject: Dedicated Schools Grant 2023/24 – Budget Monitoring Month 5

**Report authors: Lucie McAulay
(Head of Finance –Children and
Families)**

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**Shirley Maidens
Senior Financial Business Partner**

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1 Summary of main issues

- 1.1 This report is to inform members of Schools Forum of the latest 2023/24 budget monitoring position on the Dedicated Schools Grant (DSG) as at the end of August 2023.
- 1.2 This report projects an in year overspend of £924k, which represents 0.18% of the estimated funding. This is largely made up of overspends in the high needs block with minor variations in the other blocks.
- 1.3 Schools Forum agreed to a transfer of £3.338m from the schools block to the high needs block in 2022/23.
- 1.4 Overall, the variation on general DSG is analysed as follows:

	Estimated Funding £000	Projected Expenditure £000	Variance £000
Schools Block	(339,322)	338,975	(347)
Early Years Block	(61,989)	61,989	0
High Needs Block	(117,171)	118,475	1,304
Central Schools Services Block	(5,106)	5,073	(33)
Total In Year Overspend	(523,588)	524,512	924
Surplus b/fwd from 2022/23			(7,060)
Projected surplus at 31/3/24			(6,136)

2 Schools Block

- 2.1 The majority of the Schools Block is allocated to primary and secondary schools (ISB), with smaller amounts for de-delegated services and the growth fund. These budgets are subject to fluctuations in expenditure throughout the year. The projected costs and variances are summarised below:

	Budget £000	Projection £000	Variance £000
DSG Income Due	(340,471)	(338,072)	2,399
Funding From Reserves	(1,250)	(1,250)	0
Individual Schools Budget	335,047	332,640	(2,407)
Growth Fund	980	641	(339)
	<u>(5,694)</u>	<u>(6,041)</u>	<u>(347)</u>
De-delegated budgets	5,694	5,461	(233)

(note: a bracketed figure is an underspend and a positive figure an overspend)

- 2.2 When a school becomes an academy, funding payments are made directly by the Education and Skills Funding Agency (ESFA). For Leeds City Council this means that there is a reduction in grant income which is largely matched by reduced expenditure.
- 2.3 Overall, de-delegated services budgets are currently projected to be underspent by £233k. There is a projected underspend of £100k on contingency and additional de-delegated income due to the technical adjustments made when a school converts to an academy.
- 2.4 Current projections on growth fund show an underspend of £339k compared to the budget set in January.

3 Early Years Block

- 3.1 At this early stage in the year, there is a high degree of uncertainty on the Early Years block for 2023/24, with projected costs and variances within the block summarised below:

	Budget £000	Projection £000	Variance £000
DSG Income Due	(57,538)	(59,970)	(2,432)
Early Years Supplementary Grant		(2,019)	(2,019)
FEEE 3 & 4 Year Olds	47,038	50,390	3,352
FEEE 2 Year Olds	7,303	8,235	932
SEN Inclusion Fund	467	746	279
Early Years Pupil Premium	606	630	24

Disability Access Fund	292	156	(136)
Early Years Centrally Retained	1,832	1,832	0
	0	0	0

(note: a bracketed figure is an underspend and a positive figure an overspend)

- 3.2 The final funding adjustment in relation to 2022/23 has now been confirmed and has resulted in an additional £189k in 2023/24.
- 3.3 The hourly rate initially allocated in 2023/24 increased by 30p per hour for 2 year olds and 16p per hour for 3 and 4 year olds. The full increase for 2 year olds was passed onto providers. However for 3 and 4 year olds, the base rate has been increased to £4.92 per hour from £4.78 per hour in 2022/23. This means that £5.36 per hour is being utilised even though the funding received is only £5.28 per hour.
- 3.4 In July 2023, the government announced an increase in early years funding rates from September 2023. The increases for Leeds are as follows:

	Original Rate	Revised Rate	Increase
2 Year Olds	£5.87	£7.78	£1.91 per hour
3 and 4 Year Olds	£5.28	£5.40	£0.12 per hour
Early Years Pupil Premium	£0.62	£0.66	£0.04 per hour
Disability Access Fund	£828.00	£881.00	£53.00 per year

- 3.5 Local authorities will receive a supplementary grant to fund the increased rates. Indicative allocations have recently been received, though the final amount due to each local authority will be calculated on the same basis as the standard early years funding methodology, which is that it will be based on January 2024 early years census numbers. The total shown in paragraph 3.1 reflects the estimated pupil numbers in the January 2024 early years census.
- 3.6 This approach is likely to cause a financial pressure in 2023/24 as additional funding will be for 7/12ths of the year (58.33%). However, payments made to providers are based on the number of school weeks in each term. For 2023/24, the autumn and spring term count for 25 out of 38 weeks (65.79%). This means that higher payments will be made to providers for a greater percentage of the year than higher income is received for.
- 3.7 Based on activity in recent years, it is apparent that the way early years is funded creates a baseline underspend, part of this has been resolved by increasing the base rate for 3 and 4 year olds by 8p. Current projections on the impact of the supplementary funding suggest that the shortfall in 2023/24 will be similar to the remaining underspend. As a result, the early years block is currently projected to be on budget overall.

4 High Needs Block

4.1 The projected costs and variances within the High Needs Block are summarised in the table below:

	Budget £000	Projection £000	Variance £000
DSG Income Due	(117,035)	(117,171)	(136)
Funding Passported to Institutions			
- SILC and Resource Provision Places	14,610	14,893	283
- Out of Area and residential placements	14,821	12,442	(2,379)
- Alternative Provision (including AIP's)	5,228	5,228	0
- SEN Top-ups to Institutions	67,631	70,978	3,347
- Mainstream additional places (£6k blocks)	3,962	6,205	2,243
- Additional high needs places	1,263	0	(1,263)
- Education provision for mental health beds	100	100	0
Commissioned Services			
- Hospital & Home Tuition	2,604	2,574	(30)
- PD & Medical Service	97	97	0
Children's Services			
- Autism support (STARS)	482	523	41
- Children missing out on education	482	388	(94)
- Management of high needs services	234	234	0
- SEN adaptations	229	229	0
- SEN Inclusion Team	1,470	1,477	7
- Sensory Service	2,264	2,250	(14)
- Invest to Save budget	1,000	299	(701)
Other items			
- Prudential borrowing for SEMH provision	558	558	0
	0	1,304	1,304

(note: a bracketed figure is an underspend and a positive figure an overspend)

4.2 As detailed in the table above, there is a projected overspend of £1,304k on the High Needs Block. These projections are also following the transfer of £3,338k from the schools block to the high needs block. If this had not been agreed, the high needs block would have been £4,642k overspent. As detailed in paragraph 4.8, funding due to mainstream settings is projected to be £6,200k more than the block transfer.

4.3 DSG income due is £136k more than budgeted following a minor change in the import / export element of the funding calculation and changes to deductions for payments to academies. £121k of this increased income offsets part of the increase in resource provision places.

4.4 Previous reporting identified a significant rise in the requests for new assessments. The Leeds SEN2 return to the DFE reported a 60%+ increase in the number of requests for EHC Assessments. This is due to both the longer-term trend of growing need in the community, as well as a significant number of referrals which were thought to have been delayed until schools returned after the pandemic and identified unmet need. The number of EHC Plans in total

continues to increase, by over 15% in the last two years. This is a consistent long-term trend since 2013, mirrored by national comparators.

- 4.5 National statistics indicate that around 50% of learners with an EHCP then move into specialist provision. At the present time we are working to develop specialist resourced bases in mainstream schools for specific areas of identified need alongside the creation of a new generic special school. In addition, we have also increased the capacity in our existing SILCs across the city to meet this demand. It must also be noted that even though we have a planned programme of developing additional provision across the city there will still remain the need to commission out of authority places for those learners with highly complex and individual needs that require a bespoke package.
- 4.6 Out of area and residential placements is currently projected to be £2,379k underspent. Much of this is a result of the significant underspend on outside placements in 2022/23 continuing into 2023/24. This is partly offset by an increase in the number of high needs pupils in external residential placements. The education element of these placements is charged to the high needs block. However this may change significantly as the impact of the placements required for the new academic year becomes clearer.
- 4.7 SEN top-ups to institutions is projected to be overspent by £3,347k. Within this, the largest increase is in top-ups paid to mainstream schools (£3,255k). This is largely due to more high needs pupils in mainstream schools.
- 4.8 Another impact of the increase in SEN top-ups to mainstream schools is that the budget for the additional £6k blocks paid to schools who have a higher number of SEN pupils than their notional SEN budget covers, is expected to be £2,243k overspent due to an increased number of SEN pupils within schools meeting the criteria for additional £6k blocks. Overall, this means that mainstream schools are projected to receive £9,538k more than in 2022/23 which is £6,200k more than the block transfer.
- 4.9 There is expected to be a combined underspend in the services provided by Children and Families of £761k. The majority of this is due to the Invest to Save budget.
- 4.10 At the start of the year, it was expected that there would be a need for extra specialist placements from September 2023. These costs are now shown within the overspends above (particularly mainstream) and as a result there are no costs projected on this budget. It is therefore proposed to remove this budget in 2023/24 and reallocate it to the budgets where the expenditure is taking place.
- 4.11 The movement on the high needs block projections since reported to Schools Forum in June is an adverse change of £1,539k. The main reasons for this movement are:
 - An increase in high needs pupils and costs in external residential placements (£371k).
 - Increased number of pupils with personal budgets and an increase in the cost of some personal budgets (£600k).
 - Increase FFI top ups to mainstream schools (£539k).

- Increase in FFI top ups in relation to pupils in resources provision settings (£385k).
- Reduced cost of services provided by Children and Families (£-261k).

5 Central School Services Block

5.1 This block provides funding for LAs to carry out central functions on behalf of pupils in state-funded maintained schools and academies in England. CSSB is split into funding for historic commitments and funding for ongoing responsibilities.

5.2 The projected costs on this block are:

	Budget £000	Projection £000	Variance £000
DSG Income Due	(5,106)	(5,106)	0
Historic Commitments	515	515	0
Ongoing Responsibilities	4,591	4,558	(33)
	0	(33)	(33)

(note: a bracketed figure is an underspend and a positive figure an overspend)

5.3 The minor underspend is due to savings in the Admissions Service.

6 2023/24 Reserves

6.1 The table below shows the expected position as at 31st March 2024 as a result of all the variances detailed above.

	General £000	De-delegated £000	Total £000
Balance b/fwd from 2022/23	(7,060)	(1,950)	(9,010)
Use of reserves to fund contingency fund		500	500
Refund of de-delegated reserves		1,250	1,250
2023/24 Variances			
- Schools Block	(347)	(233)	(580)
- Early Years Block	0		0
- High Needs Block	1,304		1,304
- Central Schools Services Block	(33)		(33)
Balance c/fwd to 2023/24	(6,136)	(433)	(6,569)

- 6.2 As previously reported to Schools Forum, a refund totalling £1,250k has been made to all schools that contributed to the de-delegated surplus at the end of 2022/23.
- 6.3 The conditions of grant for the Dedicated Schools Grant requires that any local authority with an overall deficit on its DSG account at the end of 2023/24 financial year must be able to present a plan to the DfE for managing their future DSG spend. However as the DSG is currently projected to be in surplus, this is not currently required.

7 Recommendations

- 7.1 Schools Forum is requested to note the projected overspend on General DSG of £924k which will be taken off the surplus on General DSG brought forward from 2022/23. This will make the current projected cumulative surplus of £6,136k with projected de-delegated surplus balances standing at £433k.

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Report of the Director of Children and Families

Report to the Leeds Schools Forum

Date: 5th October 2023

Subject: Dedicated Schools Grant – Medium Term Financial Strategy 2024/25 – 2026/27

Report Author: Lucie McAulay

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Summary of main issues

1. The Dedicated Schools Grant (DSG) is allocated in four blocks: schools, high needs, early years and central schools services.
2. Over the three year period 2024/25 – 2026/27 the DSG is projected to overspend at a rate of between £14.4m and £50.9m per year if no action is taken. The majority of the overspend is on the high needs block and the council is currently reviewing the options available for managing this as required by the Department for Education.
3. The projected overspend in 2024/25 means that the proposed reversal of the 2022/23 transfer from the schools block to the high needs block is not now recommended. In addition the council intends to consult on a further block transfer for 2024/25.

Recommendations

4. Schools Forum is asked to note the medium term projections for the Dedicated Schools Grant and the work ongoing to identify and implement actions in order to achieve a balanced financial position.

1 Main issues

1.1 Background

- 1.1.1 The Dedicated Schools Grant (DSG) is allocated by the Education and Skills Funding Agency (ESFA) and is the main source of income for local authorities' schools' budgets. It consists of four funding blocks: schools, high needs (special educational needs), early years and central school services (provided by the Council). The Council is forecast to receive DSG Funding of £1,680m over the next 3 years and further details are provided in Table 1.
- 1.1.2 Along with many other local authorities, Leeds is currently not receiving the full allocation of DSG due under the national funding formula, as there is a gains limit factor on some of the funding increases and this has contributed to created pressures on the DSG account. If the gains limit factor had not been in place, Leeds would have been allocated an additional £34.06m of funding between 2018/19 and 2023/24 across the schools block (£9.5m) and high needs block (£24.56m). A further funding gains limit factor of £2.92m will apply in 2024/25 to the high needs block, based on provisional funding allocations released by the ESFA. Leeds is one of the 32 local authorities out of 150 that will continue to have their funding capped in 2024/25.
- 1.1.3 In accordance with the Education Act, some of the DSG can be retained by the Council to provide services for schools, though the majority is passed directly on to schools and other educational settings. There is some flexibility within the regulations in how funding is allocated out to schools and it is also currently possible to move a small proportion of funding between the different blocks of the DSG to offset overspends, although this is subject to strict regulations and requires annual consultation with schools and Schools Forum approval.

1.2 Projections

- 1.2.1 As shown in Table 1 below, the schools block and early years block budgets are expected to balance over the next three years, based on previous trends and forecast data. Table 1 shows the projected DSG deficit for each year. Table 2 shows the projected cumulative DSG deficit at the end of each year. Due to a high level of uncertainty with regards to future national changes in how support for pupils with SEND is delivered and funded the DSG medium term strategy covers the next three financial years. These projections will be subject to further review when certainty over the planning horizon improves and we anticipate we will have a full five year DSG projection by the time of the annual budget report for 2024/25.
- 1.2.2 In line with national trends, the key pressure anticipated in the MTFs for DSG relates to the high needs block, which provides funding in relation to pupils with special educational needs. Table 3 shows the projected High Needs position over the next three years. The assumptions and risks associated with the projections for this funding block and plans to address the overspend are set out in further detail in the sections that follow. There is also a small pressure on the central school services block largely due to the phased reduction in DSG for any historical council expenditure no longer deemed eligible for funding.

- 1.2.3 As a result of the projected overspend shown below, the proposed reversal of the 2022/23 transfer from the schools block to the high needs block reported to Schools Forum in July is not now recommended. In addition, the council intends to consult on a further block transfer for 2024/25.

Table 1 – Dedicated Schools Grant projected income and expenditure

	2024/25	2025/26	2026/27
	£m	£m	£m
Schools Block			
DSG Income	(362.3)	(368.9)	(375.2)
Individual Schools Budgets	355.2	361.6	367.8
De-delegated budgets	6.1	6.3	6.4
Growth Fund	1.0	1.0	1.0
	(0.0)	(0.0)	0.0
Central School Services Block			
DSG Income	(5.1)	(5.1)	(5.3)
CSSB Expenditure	5.3	5.4	5.6
	0.2	0.3	0.3
Early Years Block			
DSG Income	(63.8)	(62.4)	(61.1)
3 and 4 year old entitlement	49.9	48.5	47.1
2 year old entitlement	10.7	10.9	11.1
Other early years provision	3.2	3.0	2.9
	0.0	0.0	0.0
High Needs Block			
DSG Income	(120.3)	(123.4)	(127.0)
Funding passported to institutions	124.7	144.1	167.1
Commissioned services	2.8	2.9	3.0
Directly Managed by Children & Families	7.0	7.2	7.5
	14.2	30.8	50.6
Total DSG Income	(551.5)	(559.8)	(568.6)
Total Expenditure	565.9	590.9	619.5
Total Dedicated Schools Grant Projected Overspend	14.4	31.1	50.9

Table 2 – Dedicated Schools Grant projected cumulative deficit

2024/25	2025/26	2026/27
£m	£m	£m

DSG balance brought forward	(7.0)	7.4	38.5
In year deficit (from table above)	14.4	31.1	50.9
Total deficit on General DSG before further actions	7.4	38.5	89.4
Potential additional funding, if Schools Forum continued to agree a transfer of up to 0.5% of schools block funding to the high needs block	(3.5)	(3.6)	(3.6)
Potential revised cumulative deficit	3.9	31.4	78.7

Table 3 – High Needs Budget projected income and expenditure

	2024/25 £m	2025/26 £m	2026/27 £m
DSG Income Due			
- Full allocation	(134.9)	(138.9)	(143.0)
- Deductions for academy recoupment	14.6	15.5	16.0
- Transfer from Schools Block	0.0	0.0	0.0
Net grant due to LCC	(120.3)	(123.4)	(127.0)
Funding Passported to Institutions			
- SILC and Resource Provision Places	14.9	14.9	14.9
- Out of Area and residential placements	13.2	13.8	14.3
- Alternative Provision (including AIP's)	5.3	5.3	5.3
- SEN Top-ups to Institutions	83.0	98.9	117.8
- Mainstream additional places (£6k blocks)	8.3	11.1	14.8
- Education provision for mental health beds	0.1	0.1	0.1
Commissioned Services			
- Hospital & Home Tuition	2.7	2.8	2.8
- PD & Medical Service	0.1	0.1	0.1
Children's Services			
- Autism support (STARS)	0.5	0.5	0.5
- Children missing out on education	0.5	0.5	0.5
- Management of high needs services	0.2	0.3	0.3
- SEN adaptations	0.2	0.2	0.3
- SEN Inclusion Team	1.5	1.6	1.7
- Sensory Service	2.4	2.4	2.5
- Invest to Save budget	1.0	1.1	1.1
Other items			
- Prudential borrowing for SEMH provision	0.6	0.6	0.6
Total Expenditure	134.5	154.2	177.6
Total (under) / over spend	14.2	30.8	50.6

1.3 Assumptions and risks

SEND Green Paper

- 1.3.1 The Government released a SEND Green Paper for consultation in 2022, which could have significant implications for how support for pupils with SEND is delivered and funded. Drawing on the feedback of this consultation the government has now published the Special Educational Needs and Disabilities (SEND) and Alternative Provision (AP) Improvement Plan. The Improvement Plan sets out how the Department for Education intends to proceed with the proposed changes in the green paper which could have an impact on the projections for the high needs block, but this is too early to quantify.

Funding increases

- 1.3.2 Local authority allocations are currently released on an annual basis and it is not yet known what increases may be available beyond 2024/25. In 2022/23 and 2023/24 supplementary funding for schools and the high needs block was announced in December. Those allocations have been included in the base funding for 2024/25. There is no indication that there will be further supplementary allocations for 2024/25.
- 1.3.3 If increases were not as high as expected for the schools and early years blocks this would be matched by a reduction in funding allocated out to settings.
- 1.3.4 In relation to high needs, since 2018/19 the Government has implemented a national funding formula to address historical funding differences. In recent years Leeds received a funding increase of at least 8%, however this will reduce to 5% in 2024/25 and beyond this the DfE has advised local authorities should assume a 3% increase.
- 1.3.5 To provide some context for the potential impact of funding changes, every 1% change in the high needs allocation is equivalent to approximately £1.3m of funding.

Cap on gains

- 1.3.6 Although funding has increased since the national funding formula was introduced, some DSG funding increases have been subject to a funding floor and gains limit factor to ensure a minimum level of increase for every local authority and to reduce the impact of year-on-year changes to funding levels. Although this cap has been removed from the schools block from 2020/21 onwards, it is still in place for the high needs block.
- 1.3.7 Although Leeds has been receiving the maximum increases allowed under the gains limit factor, it is less than the national funding formula entitlement. If this had not been in place, Leeds would have been allocated an additional £34.06m of funding between 2018/19 and 2023/24 across the schools block (£9.5m) and high needs block (£24.56m). A further funding cap of £2.92m will apply in 2024/25 to the high needs block, based on provisional funding allocations released by the ESFA. Leeds is one of the 32 local authorities out of 150 that will continue to have their funding capped in 2024/25.

High needs demand and complexity

- 1.3.8 In line with the national picture, Leeds has experienced an increase in high needs demand and complexity in recent years, with this trend expected to continue

- 1.3.9 The projections in Tables 1 and 2 are based on the current data for forecast population changes in special educational needs in Leeds, combined with trend analysis over the past three years. The projected increases in demand exceed the 3% increase in funding forecast beyond 2024/25. However, there are risks that increases in demand and complexity could be higher than projected.
- 1.3.10 The largest increase in expenditure in these projections is in funding to mainstream schools. Top up funding increased by 24.33% between 2021/22 and 2022/23 and a further 33.45% between 2022/23 and 2023/24. On top of this, additional block funding increased by 80.76% and 91.44% over the same period. Assuming this trend continues, the funding paid to mainstream schools is projected to increase from £23.1m in 2022/23 to £43.0m in 2024/25.
- 1.3.11 A new special free school opened in September 2023 and there have been increases in places available in existing schools. Along with the funding increases required, top ups to special schools (maintained, academies and free schools) are projected to increase from £24.1m in 2022/23 to £31.2m in 2024/25.

Funding paid to high needs settings

- 1.3.12 For 2023/24 the ESFA introduced a requirement for local authorities to increase funding for high needs settings by a minimum of 3% per pupil compared to 2021/22 baselines and a requirement to pay additional funding equivalent to 3.4% per pupil compared to 2022/23 funding levels. For 2024/25, each local authority is required to set a minimum funding guarantee of between 0.0% and 0.5%
- 1.3.13 Places will need to be created to meet future high needs demand. As some future provision is still to be developed, the projections assume that funding rates for the increased demand will be in the middle cost band for existing settings. The modelling will be updated as work continues to develop capacity for future demand.

Inflationary pressures

- 1.3.14 Current inflationary pressures will have an impact on schools and other settings, as well as on the cost of council services funded by DSG, which may in turn place more pressure on DSG.

Funding transfers between DSG blocks

- 1.3.15 Since 2017/18 a total of £19.15m has been transferred to the high needs block from other funding blocks of the DSG, in order to redirect funding to settings to support special educational needs pressures (£17.50m from the schools block and £1.65m from the central school services block).
- 1.3.16 Beyond 2024/25 it is not known whether funding can continue to be moved between DSG blocks in this way, as the DfE has indicated the ability for local authorities to do this in future will become more limited.

- 1.3.17 If funding transfers are still allowed in future, any transfers from the schools block to the high needs block would require annual consultation with schools and approval by the Leeds Schools Forum.
- 1.3.18 Table 2 shows the estimated funding available if a transfer of 0.5% of schools block funding to the high needs block continued. The 0.5% transfer is in line with the current limit that Schools Forums can agree without further approval from the Secretary of State.

2 DSG savings plan

- 2.1.1 With effect from the end of 2019/20, new provisions were added to the School and Early Years Finance Regulations which required local authorities to carry forward any DSG overspends or deficit balances to the following year. Such deficits were ringfenced to be dealt with from future DSG income, rather than being funded by the Council, unless otherwise authorised by the Secretary of State. This provision for ringfencing DSG deficits was originally due to be withdrawn at the end of 2022/23. However it has now been extended to the end of the 2025/26 financial year. If the provision is not extended further the council would require sufficient funding available in other reserves to offset any DSG deficit.
- 2.1.2 Under the current regulations any local authority with a current overall deficit on its DSG account, or whose DSG surplus has substantially reduced during the year, must co-operate with the Department for Education (DfE) in managing that situation. This includes providing information on plans for managing the DSG account and meeting with officials from the DfE as and when requested. The Secretary of State may also impose more specific conditions of grant on individual local authorities that have an overall deficit on their DSG account, where they believe that they are not taking sufficient action to address the situation. As the council is not currently in deficit the DfE does not require Leeds to prepare a plan for financial sustainability, however as part of good financial management the council will still develop plans to mitigate expected future pressures.

3 Recommendations

- 3.1 Schools Forum is asked to note the medium term projections for the Dedicated Schools Grant and the work ongoing to identify and implement actions in order to achieve a balanced financial position.

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Report of the Director of Children and Families

Report to the Leeds Schools Forum

Date: 5th October 2023

Subject: School funding update 2024/25

Report Author: Lucie McAulay

Contact telephone number: 0113 3788766

Summary of main issues

1. The Dedicated Schools Grant (DSG) is allocated in four blocks: schools, high needs, early years and central schools services. The Education and Skills Funding Agency (ESFA) uses the national funding formula to calculate the blocks within the DSG that are allocated to local authorities. Local authorities currently have some flexibility in how this funding is allocated to schools, within the constraints set out by the ESFA.
2. The ESFA has published some of the indicative DSG funding allocations for 2024/25. These show an increase for Leeds of £18.9m for the Schools Block and £6.5m for the High Needs Block. The final allocations for 2024/25 will be confirmed later in the year using the latest pupil data. There has also been a decrease of £16k to the Central Schools Services Block. Funding for the Early Years Block has not yet been confirmed.
3. In July 2023 the government announced an additional £525m to support to schools with the September 2023 teachers pay award, with a further £900m in 2024/25.
4. Local authorities are required to consult with schools on proposals for funding arrangements and report back to their Schools Forum. Schools Forums are then responsible for either making decisions or providing views on the various proposals, in line with the powers set out by the DfE.
5. Financial modelling will be carried out for 2024/25 to establish options for consultation with schools. The consultation with schools on the 2024/25 funding arrangements will provisionally commence on the 9th October 2023 and end on the 1st November 2023. A briefing session will be provided for schools as part of the Head Teachers briefing on the 17th October during this period.

Recommendations

6. Schools Forum is asked to note the latest position on the 2024/25 school funding arrangements and the work planned to develop and consult on the allocation of this funding.

Background information

- 1.1 The Dedicated Schools Grant (DSG) is allocated in four blocks: schools, high needs, early years and central schools services. The ESFA uses the national funding formula (NFF) to calculate the blocks within the DSG that are allocated to local authorities. Local authorities currently have some flexibility in how this funding is allocated to schools, within the constraints set out by the ESFA.
- 1.2 The ESFA has published illustrative local authority level allocations for 2024/25 for schools, central school services, and high needs blocks, based on October 2022 pupil data. Details are provided in the relevant sections below and these figures will be used for consultation with schools in October 2023. The final local authority allocations will be confirmed in December 2023 and will take into account October 2023 pupil data.
- 1.3 For 2024/25 the basic structure of the schools NFF is not changing however the ESFA is changing some existing features of the formula, key details of which are included within the relevant sections of the report below.

Main issues

1.4 Dedicated Schools Grant balance

- 1.4.1 The ESFA require that any authority with a DSG deficit of any size, or that is likely to fall into a DSG deficit in the near future should have a plan for managing its DSG account going forward and must keep its schools forum regularly updated about its plan including high needs pressures and potential savings. It must also respond to enquiries from the DFE about the plan.
- 1.4.2 Following last year's consultation on implementing the direct national funding formula (NFF), the DFE has confirmed that it will continue to move forward with its plans to implement a direct NFF, whereby funding will be allocated directly to schools based on a single, national formula. As set out in the consultation response, they are taking a gradual approach to transition. In 2024 to 2025, each local authority will continue to set a local schools funding formula, in consultation with local schools.

1.5 Schools Block

Funding allocation

- 1.5.1 In 2024/25, the national funding formula will continue to set notional allocations for each school, which will be aggregated and used to calculate the total Schools Block funding received by each local authority.
- 1.5.2 In December 2022, the mainstream schools additional grant (MSAG) was announced for 2023/24 which totalled £22m. This has been added to the base allocation for 2024/25 to give a total of £703,580k (excluding the growth allocation).
- 1.5.3 The Schools Block indicative allocation (excluding growth) for Leeds in 2024/25 is £703,580k which is an increase of £18,819k (2.7%) compared to 2023/24 (based on October 2022 pupil data). The final Schools Block allocation for 2024/25 will be

received in December 2023 and will reflect the October 2023 pupil numbers in mainstream schools and academies.

1.5.4 Key changes to the Schools NFF for 2024-25 include:

- The introduction of a new formulaic approach to allocating split sites funding in the NFF in 2024 to 2025, replacing the previous locally determined split sites factor
- The 2023/24 mainstream schools additional grant (MSAG) has been rolled into the NFF
- For the first time, a methodology for calculating and allocating funding for falling rolls has been introduced.
- Local authorities are required to move their local formula factor values at least a further 10% closer to the NFF (building on the movement towards the NFF made in 2023 to 2024), except where local formulae are already mirroring the NFF.

Teachers Pay Additional Grant (TPAG)

1.5.5 In July 2023 the government announced an additional £525m to support to schools with the September 2023 teachers pay award which equates to a total of £6.6m for Leeds, with a further £900m announced for 2024/25. Local authority allocations for 2024/25 are still to be announced.

1.5.6 Indicative school TPAG allocations have been published for 2023/24 and payments will be made in the Autumn term. In 2023 to 2024 funding through TPAG will cover the period from September 2023 to March 2024. TPAG will continue for the whole of the financial year 2024to 2025.

1.5.7 This additional funding will continue to be paid as a separate grant for mainstream schools in 2024 to 2025. It will be incorporated into core budget allocations for 2025 to 2026 as part of the schools national funding formula.

School Business Rates

1.5.8 It was intended from 2022 to 2023 onwards, NNDR would be paid by the ESFA directly to billing authorities on behalf of all maintained schools and academies. However, primary legislation was not changed to allow this and due to a technical complication, this did not take place in 2023/24. At this stage for 2024/25 it is likely the Local Authority will opt to move to the new system, but further work is needed to establish that this this the correct course of action prior to the submission of the funding formula in January 2024.

Transfers out of the schools block

1.5.9 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. Based on the indicative 2024/25 funding this would be approximately £3.5m for Leeds.

- 1.5.10 If the council wishes to transfer more than 0.5%, or transfer any amount without Schools Forum approval, a request would need to be made to the DFE to disapply the regulations in this area.
- 1.5.11 As High Needs Block funding in future years may not be sufficient to cover costs in this area, we will be consulting with schools in October 2023 on an option to transfer funding in 2024/25 from the Schools Block to the High Needs Block. The amount to be consulted on will be decided following further consideration of the pressures on the High Needs Block.

Schools block funding formula

- 1.5.12 The minimum funding guarantee (MFG) for schools will continue, and local authorities continue to have the flexibility to set a local MFG between 0.0% and plus 0.5% per pupil. The MFG we seek to set will be determined by the modelling of the formula options, so that all schools will see an increase in per pupil funding.
- 1.5.13 The indicative allocations for Leeds have increased in 2024/25 due to changes to the key areas of the national funding formula as detailed below.
- The minimum per pupil funding levels will increase to £6,050 for secondary schools (compared to £5,715 in 2023/24) and £4,655 for primary schools (compared to £4,405 in 2023/24).
 - The MSAG funding announced for 2023/24 has been added to the schools block baseline.
- 1.5.14 As in previous years, we will be consulting with schools on the local funding formula to be used for 2024/25. We will be proposing to continue to move as close as possible to the national funding formula, as this was the approach taken for 2023/24. As we may propose to transfer some funding out of the Schools Block it will not be possible to move fully to the national funding formula and we are currently modelling options for adjusting the national funding formula to take account of this. Details of the proposed formula allocations will be provided to schools during the consultation in October 2023.

Formula factor increases

- 1.5.15 The majority of funding provided through the formula factors is related to pupil numbers and characteristics, plus some additional premises-based funding. The premises funding consists mainly of a flat rate lump sum for all schools plus additional funding for PFI schools to recognize increased costs. Pupil-led funding comprises basic entitlement rates for all pupils, plus targeted funding across areas such as deprivation (measured based on Free School Meal entitlement and a deprivation index), prior attainment and English as an additional language.
- 1.5.16 Factors in the NFF allocations to local authorities will be increased by 2.4% apart from the free school meals factor which will be increased by 1.6% compared to the 2023/24 values.

Minimum funding increases

- 1.5.17 A minimum increase of 0.5% will be guaranteed per pupil in local authority allocations compared to the 2023/24 NFF. As there is still some local discretion in the formula, local authorities will be able to set a minimum funding guarantee for schools of between 0.0% and +0.5% per pupil.

Growth fund

- 1.5.18 Growth funding will be allocated to local authorities as part of the Schools Block, based on growth in pupil numbers between the October 2022 and October 2023 censuses. Growth funding allocations for 2024/25 will not be confirmed by the ESFA until December 2023.
- 1.5.19 As in previous years, Schools Forum are responsible for agreeing the amount of growth funding to be top-sliced from the Schools Block (which does not have to be the same as the amount of growth funding allocated by the ESFA). Details will be brought to a future Schools Forum of the proposed amount and criteria for allocation to schools of the 2024/25 growth fund.

Falling Rolls Fund

- 1.5.20 For the first time in 2024 to 2025 funding will be allocated based on both growth and falling rolls.
- 1.5.21 Falling rolls funding will be distributed on the basis of the reduction in pupil numbers that local authorities experience for each year. It will be based on the observed differences between the primary and secondary numbers on roll in each local authority between the October 2022 and October 2023 school censuses.
- 1.5.22 Local authorities will continue to have discretion over whether to operate a falling rolls fund. Where local authorities operate a fund, they will only be able to provide funding where school capacity data 2022 (SCAP) shows that school places will be required in the subsequent three to five years.
- 1.5.23 If a Local authority decides to operate a falling rolls fund then the schools forum should agree both the value of the fund and the criteria for allocation, and the local authority should consult Schools Forum before expenditure is incurred. Details will be brought to a future Schools Forum on any proposed falling rolls fund, the proposed amount and criteria for allocation to schools of the 2024/25 falling rolls fund.

1.6 **High Needs Block**

- 1.6.1 The High Needs Block (HNB) indicative allocation for 2024/2025 is £133,934k. This is an increase of £6,474k compared to 2023/24 after taking into account the supplementary high needs funding received in 2023/24.
- 1.6.2 The high needs national funding formula ensures that every local authority receives an increase of at least 3% per head of population, with some authorities receiving up to 5% more this year. For Leeds the increase is the maximum 5% due to the gains limit

factor. Although Leeds has been receiving the maximum increases allowed under the gains limit factor, it is less than the national funding formula entitlement. If this had not been in place, Leeds would have been allocated an additional £34.06m of funding between 2018/19 and 2023/24 across the schools block (£9.5m) and high needs block (£24.56m). A further funding cap of £2.92m will apply in 2024/25 to the high needs block, based on the provisional funding allocations.

1.6.3 The high needs funding guidance has recently been published and for 2024 to 2025, local authorities can set the MFG within a 0% to 0.5% range.

1.7 **Central School Services Block**

1.7.1 The indicative allocation for the Central School Services Block (CSSB) in 2024/25 is £5,090k which is a decrease of £16k compared to 2023/24. Funding for this block is split between historic commitments and ongoing services.

1.7.2 Local authorities will continue to be protected so that the maximum per-pupil year on-year reduction in funding for ongoing responsibilities is -2.5%, while the year-on-year gains cap will be set at the highest affordable rate of 5.51%. This element of the CSSB is calculated using a simple per pupil formula which remains unchanged. The funding for ongoing responsibilities element of the CSSB has increased by 2.8% to £4,532k (£123k).

1.7.3 In line with reforms to move to a fairer funding system and avoid maintaining significant differences in funding between local authorities which reflect historic decision, the historic element of the CCSB funding began to be reduced from 2020/21. In 2024/25 the historic commitments funding will continue to reduce by 20% (£139k) of 2023/24 allocations.

1.7.4 The ESFA will provide further details in due course as to how they will continue to reduce this funding in future years however in 2024/25 they are not changing the requirement in regulations that authorities spend no more on these commitments than they did in the previous year.

1.8 **Early Years Block**

1.8.1 As in previous years, the Early Years Block allocation is based on pupil numbers in the January census and therefore allocations for 2024/25 have not yet been released.

1.9 **De-delegation of services**

1.9.1 Schools Forum can agree that some funding for maintained primary and secondary schools is retained centrally each year, so that the council can provide certain services to schools that they would otherwise have to pay directly from their budget (such as reimbursing schools for the cost of staff on maternity leave). This arrangement is known as de-delegation and we will be consulting with maintained mainstream schools later in the autumn on the proposals for their de-delegated contributions in 2024/25.

1.10 **Consultation with schools**

- 1.10.1 The 2024/25 consultation with schools will provisionally run from 9th October to 1st November 2023 and will cover:
- The local schools funding formula
 - Any proposals to transfer funding between the blocks of the Dedicated Schools Grant
 - Maintained school contributions to severance costs
- 1.10.2 At the start of the consultation period, we will send out detailed information including indicative school level figures, in addition to providing specific briefing sessions for schools.
- 1.10.3 We will report the outcome of the consultation to Schools Forum on 16th November 2023. A further update will also be provided at the meeting on 16th January 2024 once the final funding allocations have been confirmed by the ESFA.

Recommendations

- 1.11 Schools Forum is asked to note the latest position on the 2024/25 school funding arrangements and the ongoing work to develop and consult on the allocation of this funding.

Schools Forum forward plan 2023/24

Schools Forum date	Driver for date	Agenda items	Purpose	Responsible officer	Comments
Thursday 22/06/2023	No external requirements	School balances 2022/23 outturn	Information	Lucie McAulay/Liz Jackson	
		DSG 2022/23 outturn	Information	Lucie McAulay/Shirley Maidens	
Thursday 05/10/2023	Get views from SF before consultation	DSG budget monitoring 2023/24	Information	Lucie McAulay/Shirley Maidens	
		School funding update 2024/25, including consultation plans	Information	Lucie McAulay	
		DSG Medium Term Financial Strategy 2024/25 - 2028/29	Information	Lucie McAulay	
Thursday 16/11/2023	Assume consultation the week before and after half term then need time to clear reports before SF. Disapplication deadline usually 20th November, SF	School funding formula arrangements 2024/25, including any transfers of funding between the DSG blocks	Decision and consultation	Liz Jackson	
Tuesday 16/01/2024	APT deadline usually 21st Jan, SF needs to be before this. Final funding figures received from ESFA at end of Dec. Need as much time as possible at start of Jan to do modelling before SF meeting.	Final school funding arrangements 2024/25	Information	Lucie McAulay	
		De-delegation 2024/25 decision	Decision	Liz Jackson	
Thursday 22/02/2024	Approval of EY funding by SF before end of Feb. Can't hold SF meeting during half term.	Free Early Education Entitlement rates and centrally retained funding 2024/25	Decision and consultation	Chris Sutton	
		High Needs Budget 2024/25	Information	Lucie McAulay / Shirely Maidens	
		DSG budget monitoring 2023/24	Information	Lucie McAulay/Shirley Maidens	

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