

LEEDS SCHOOL FORUM

Meeting to be held in on
Thursday, 16th November, 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.	INTRODUCTIONS	Chair	16:35	For information
3.	MINUTES OF PREVIOUS MEETING <i>3 - 14</i>	Chair	16:40	For decision
4.	MATTERS ARISING	Chair	16:45	For information
5.	SCHOOL FUNDING PROPOSALS <i>15 - 24</i>	Lucie	16:50	For decision
6.	ANY OTHER BUSINESS	Chair	18:15	For information
7.	FORWARD PLAN <i>25 - 26</i>	Chair	18:25	For information
8.	CLOSE	Chair	18:30	For information

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:</p> <ul style="list-style-type: none"> 1 x Primary Governor 1 x PVI Nursery Provider vacancy 1 x Alternative Academy vacancy 1 x Primary Headteacher vacancy 4 x Academy Headteacher vacancy 1 x Academy Special Provision 1 x SILC Governor 1 x SILC Principle 1 x Non-school representatives <p>Action: Action John Rob and Mary are happy to continue. Kate will organise the elections. Peter is going to Primary Headteacher Forum on 17th October to promote Schools Forum membership.</p>	
3.0	Minutes of Previous Meeting	
3.1	The minutes were agreed.	
4.0	Matters Arising	
4.1	DC has drafted communications that will go on Leeds for Learning to promote membership of the School Forum.	
4.1.1	5.7.1 a proposal to refund the High Needs Block transfer is further on in the agenda.	
4.1.2	AOB: Would anyone like to chair the Schools Forum going forward? Peter is happy to continue chairing and John will step in in Peter's absence as vice chair.	
5.0	DSG MONITORING REPORT 23/24	
5.1	LM went through the Dedicated Schools Grant 23/24 Budget Monitoring Month 5 report.	
5.1.2	<p>Key highlights:</p> <ul style="list-style-type: none"> ● Report projects in year overspend of £924k, which represents 0.18% of the estimated funding. ● Projected to have an overall surplus by the end of the year. 	
5.1.3	<p><u>Schools Block</u> The majority of the Schools Block is allocated to primary and secondary schools. The De-delegated budget has an underspend £233K. Current projections on the Growth Fund shows an underspend of £339k compared to the budget set in January.</p>	
5.1.4	<p><u>Early Years Block</u> Still very early in year to project however it is anticipated that this block will be on budget. Hourly rate increased in 23/24 and in July the Government increased the rate again from September 2023 Even with increase on hourly rate, the block is still expected to be balanced.</p>	

<p>5.1.5</p> <p>5.1.6</p> <p>5.1.7</p> <p>5.1.8</p>	<p><u>High Needs Block</u></p> <p>There is a projected overspend of £1,304k on the High Needs Block. The projected overspend includes £3.3m transfer in from the Schools Block to the High Needs Block.</p> <p>There has been an increased growth in EHCPs with 60% more applications. Last year there was an underspend in Out Of Authority placements, and it is expected to be the same this year.</p> <p>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).</p> <p>The additional £6k blocks budget is projecting a pressure of £2.2m.</p> <p>In total, this means mainstream schools will receive £9.5m more than 22/23.</p> <p>Invest to Save is underspent. KJ advised that the original proposal included 2 rounds of recruitment for leadership, both internal and external and there were not enough candidates. This in turn contributes to underspend. £299K is projected to be spent from £1m budget. Some of the money been spent on consultancy costs and adverts.</p> <p><u>Central schools service</u></p> <p>Minimal underspend on Admissions.</p> <p><u>Reserves</u></p> <p>A refund totalling £1,250k has been made to all schools that contributed to the de-delegated surplus at the end of 2022/23.</p> <p>Forum asked to note the position included in the report.</p>	
<p>6.0</p>	<p>DSG MEDIUM TERM FINANCIAL STRATEGY 2024/25</p>	
<p>6.1</p> <p>6.1.2</p> <p>6.1.3</p> <p>6.1.4</p> <p>6.1.5</p> <p>6.1.6</p> <p>6.1.7</p>	<p>The Report outlines the projection.</p> <p>Overspend of between £14.4m and £50m if we don't change anything and most of that overspend is on the High Needs Block.</p> <p>The proposal in July was to reverse the transfer to the High Needs Block. In light of the revised projections, this is no longer recommended.</p> <p>The high needs cap is now called the Gains Limit Factor and Leeds is one of 32 Local Authorities to be subject to the factor and capped.</p> <p>It was noted by Forum member that this is a big change from the summer when we thought we had surplus money and is no longer the case.</p> <p>High Needs Block funding has increased on annual basis over recent years and the assumption for 24/25 is a 5% increase but this is expected to reduce to 3% in future years, based on the most recent information from DfE.</p> <p>The national picture is that there is increasing high needs demand and Leeds continues to see high demand in accordance with national trends.</p> <p>In tables 1 and 2 of the paper, the largest increase in expenditure in these projections is in High Needs funding to mainstream schools.</p>	

6.1.8	Schools Forum discussed the imbalance between anticipated DSG income and projected levels of expenditure. It was advised that the advice about the 3% increase has been there for about 18 months, and we can't assume what the increase will be going forward and that 3% is reasonable as we only get notified 1 year in advance.	
6.1.9	<p>There was a discussion on table 3 (HNB projected income and expenditure) of the paper and the movement of projections in the HNB.</p> <p>A question was asked around where the assumptions come from about the number of children to be funded in the future and what is the basis for this assumption?</p> <p>KJ advised that there has been a 118% increase in EHCP requests. Needs are increasing, so in turn the numbers are high. Schools Forum discussed EHCPs and FFI in relation to national understanding of the needs and the effect in Leeds.</p>	
6.1.10	<p>This will be under constant review and changes will be made as and when needed.</p> <p>The key query was how the projection of up to £50million of overspend in 26/27 was reached.</p>	
6.1.11	Action to provide further information as regards assumptions in HNB projections, particularly around SEN Top-Ups and £6k blocks.	SM/TP/ VB
6.1.12	<p>KJ explained that the DfE has established 9 Change Programme Partnerships (CPP) across England as part of the SEND and AP reforms. Leeds is one of four LAs working in the Yorkshire and Humber CPP. The programme will be trialling the proposed changes to the SEND and AP system with support from the DfE and partners from health and care.</p> <p>KJ will represent Leeds and we will implement changes. Those national changes will benefit Leeds.</p> <p>The steering group for this work requires representation from across the education sector and other stakeholders. The aim of the group is to steer the direction of the testing of the reforms and ensure it reflects the needs of the sector they are representing.</p>	
6.1.13	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.	
6.1.14	The 24/25 High Needs Block minimum funding guarantee has dropped to between 0 – 0.5% and the inflationary impact will affect schools and high needs settings.	
6.1.15	<p>It was noted that, since 2017/18 a total of £19.15m has been transferred to the High Needs Block from other funding blocks of the DSG, 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).</p> <p>It was noted that, with effect from the end of 2019/20, new provisions were added to the School and Early Years Finance Regulations that require 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. As Leeds does not currently have a DSG deficit, a DSG management plan is not currently needed.</p>	
Schools Forum noted the DSG medium term projections.		

7.0	SCHOOL FUNDING UPDATE 2024/25	
7.1	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.	
7.1.2	<p>It was noted that:</p> <ul style="list-style-type: none"> • Allocations are based on the October 2022 census. • DfE will move forward with plans for direct national funding formula. • £525m has been provided nationally to support teachers' pay award in 23/24 and in 24/25 this will increase to £900m. • There is a change to allocation for split sites funding. • For the first time this year, there is provision for a falling rolls fund. We already mirror national funding formula. • Looking at following the ESFA system for school business rates 	
7.1.3	The Schools Block funding formula is proposed by LA and will go to consultation.	
7.1.4	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.	
7.1.5	LA will have discretion on whether to have a falling rolls fund; the criteria is restrictive and Schools Forum will have to agree this. Work is ongoing with the Sufficiency and Participation Team to determine the merits of a falling rolls fund.	
7.1.6	JT asked how falling rolls affect schools when the population is decreasing. VB said that falling rolls is to support schools in staying open and solvent where there is an expectation of an upturn in numbers.	
7.1.7	<p>High Needs Block</p> <p>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.</p>	
7.1.8	Leeds will receive the maximum increase of 5%.	
7.1.9	<p>Central School Services Block</p> <p>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.</p>	
7.1.10	<p>Early Years Block</p> <p>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.</p>	
7.1.11	<p>De-delegation of services</p> <p>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.</p>	

7.1.12	24/25 funding consultation will begin on 9 th October and run to 1 st November 2023 and will cover: <ul style="list-style-type: none"> • The local schools funding formula • Any proposals to transfer funding between the blocks of the Dedicated Schools Grant • Maintained school contributions to severance costs. 	LM
7.1.13	Liz and Lucie will be attending a Head Teachers' briefing and encourage everyone to respond to the consultation.	
7.1.14	A proportion of schools do not contribute to the Schools Block transfer. LM to advise on numbers. It is anticipated that an increased number of schools would contribute in 24/25.	
8.0	Any Other Business	
8.1	It was reported that maternity pay and splitting of parental leave is having an impact on some school finances. SM said the number affected is small so far and it is unlikely to have a significant effect on de-delegated maternity budgets	
9.0	Meeting Dates for 2023-24 and Forward Plan	
9.1	The next meeting on 16 th November will consider the results of consultation on the formula and block transfers.	
9.1.2	Tuesday 16 th January Authority Proforma Tool deadline 22 nd February early years entitlement rates, budget monitoring.	
10.0	Close	
	The next meeting will take place via MS Teams on Thursday 16th November at 1630-1830.	

Main Assumptions on Medium Term Financial Strategy (MTFS) projections

Income

Funding is only announced 1 year at a time. For 2024/25 there is an increase of the maximum 5%. Previous advice from ESFA is to assume a 3% increase in funding in future years, which is consistent with the minimum increase in 2024/25. If the assumption is changed to assume the 2024/25 increase continues, this would result in additional income of £2.5m in 2025/26 and £5.2m in 2026/27.

There is no reason to assume that the supplementary funding received in 2022/23 and 2023/24 will continue.

Since the MTFS was produced, indications are that there will be an increase in places at Luminare (the group of colleges based at Leeds City College), which will reduce income available in 2024/25. Most of the increase is due to colleges in other local authority areas. Although this will be compensated for in the import / export adjustment, this adjustment is lagged and so won't take effect until 2025/26.

Expenditure

Special school places - assumptions on special school places available are based on known increases at existing schools plus the expansion of the new special free school. In September 2023, there was an increase in places available of 108 with a further increase of 86 from September 2024 and another 108 from September 2025.

Mainstream top-ups - despite the increase in places from September 2023, top ups to mainstream schools are still projected to be 33.45% higher in 2023/24 compared to 2022/23. There are no indications that the rate of increase is slowing, so it is reasonable to assume there will be a similar increase in future years.

Additional £6k blocks - the increased number of pupils in mainstream schools has resulted in significant increases on the additional £6k blocks budget. Projections are that the number of eligible Reception to Year 11 pupils receiving FFI will increase by 970 (33%) between April 2022 and March 2024. Although the increase in pupils is only 33%, the increase in costs over the same period is 91.44%. This is because the additional high needs pupils are more likely to attend schools that are already inclusive and so have a higher number of pupils already. The projected increase in future years has been set at 33%. Given previous years increases, without changes to the funding calculations, it is likely that the actual increase will be higher.

Other budgets - the High Needs Block funds a number of staff (e.g. the Sensory Service, SENIT, STARS), some of whom are teachers. All pay budgets have been assumed to increase by 4% in line with the Leeds City Council overall MTFS. However, given that the 2023 teachers pay award was 6.5%, there is a risk this may not be enough. In addition, it has recently been announced that teachers pension contributions will increase from April 2024 from 23.6% to 28.6%, which is an increase of 21%. This was not known about when the MTFS was completed and so will add further costs to future years.

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MORE SUPPORT FOR CHILDREN WITH SPECIAL EDUCATIONAL NEEDS

- Over a thousand new special school places confirmed, as additional seven special free schools to be built
- Local authorities in every region selected to be at the forefront of delivering transformational reform set out in the Special Educational Needs and Disabilities and Alternative Provision (SEND and AP) Improvement Plan
- Reforms backed by £70 million to test what works to ensure children and young people get the best possible services

Over a thousand more children and young people with SEND are set to benefit from access to high-quality specialised learning, with seven new special free schools in Cambridgeshire, Kent, Merton and Norfolk selected to be built alongside the existing 83 already committed to opening, located across England from Devon to Darlington.

Once complete, this investment will almost double the number of special free school places available across the country – from around 8,500 to 19,000 – ensuring all children receive a quality education, tailored to their needs.

Today, local authorities across the country have been selected to deliver a ground-breaking new programme to test and refine the reforms to services for young people and families.

Backed by £70 million, the local authorities will help inform the development of new national standards to improve the consistency of provision across the country.

Each area will also bring together education and health services, as well as parents and families to develop an inclusion plan that sets out how they will deliver local services in a co-ordinated way – for example making sure a child with special educational needs who is behind in reading is quickly assessed and given the right support. This addresses feedback from families that the current system is often fragmented with agencies not working together.

This follows recent confirmation that high needs funding is increasing by a further £440 million for 24/25, bringing total funding to £10.5 billion – an increase of over 60% since 2019-20.

Minister for Children, Families and Wellbeing, Claire Coutinho said:

“Making sure children with special educational needs and disabilities get a superb education is a priority.

“Earlier this year our Improvement Plan set out systemic reforms to make sure every child and young person gets consistently high-quality support, no matter where in the country they live.

“Today we’re making sure that those reforms are informed by the experiences of real families, up and down the country, and creating the thousands of new places at specialist schools and in staff training courses that are needed to make sure our plan is a success.”

The Government is also confirming today an expansion in training for early years staff, adding an extra 2,000 training places for early years special educational needs co-ordinators on top of the 5,000 already announced.

Measures confirmed in the Improvement Plan included:

- a new leadership level National Professional Qualification for Special Educational Needs Co-ordinators (NPQ for SENCOs), ensuring SENCOs have the training they need to provide the right support to children. The NPQ will replace the NASENCO from September 2024 and will start in Autumn 2024 and start in Autumn 2024. Further information on the transition to the new NPQ can be found here: [Transition to national professional qualification for special educational needs co-ordinators - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/transition-to-national-professional-qualification-for-special-educational-needs-co-ordinators)
- a new approach to AP will focus on preparing children to return to mainstream or prepare for adulthood. AP will act as an intervention within mainstream education, as well as high-quality standalone provision, in an approach that meets children's needs earlier and helps prevent escalation.
- an extension until March 2025 to the AP Specialist Taskforces, which work directly with young people in AP to offer intensive support from teams made up of experts, including mental health professionals, family workers, and speech and language therapists, backed by an additional £7 million investment.
- a doubling of the number of supported internship places by 2025, from around 2,500 to around 5,000, backed with £18 million of funding to help young people make the transition into adulthood.
- £30 million to go towards developing innovative approaches for [short breaks for children, young people and their families](#), providing crucial respite for families of children with complex needs - the programme funds local areas to test new services including play, sports, arts and independent living activities, allowing parents time to themselves, while their child enjoys learning new skills. 13 local authorities are taking part in the second year of the programme.

ENDS

For more information and to arrange an interview with the minister, email monica.wilson@education.gov.uk and adam.collins@education.gov.uk

Notes to editors:

- The seven new special free schools have been approved in Cambridgeshire, Kent, Merton and Norfolk local authorities. The full list of schools approved:
 - Merton, 120 place all-through in Morden
 - Norfolk, 170 place all-through in Great Yarmouth
 - Norfolk, 100 place all-through in Down Market
 - Kent, 250 place all-through in Swanley
 - Kent, 120 place all-through in Whitstable
 - Cambridgeshire, 210 place all-through in Fenland
 - Cambridgeshire, 60 place secondary in Gamlingay

- Added to the 33 announced in March 2023 and the Bury free school which was approved in May 2023 and is now in pre-opening, we have approved a total of 41 special free schools in this wave. The full list of the 33 special free schools including Bury.
 - Barnsley and Sheffield, 200 place secondary
 - Bath and North East Somerset, 120 place all-through
 - Birmingham, 400 place all-through
 - Birmingham, 120 place 14 to 19
 - Blackpool, 56 place secondary
 - Bracknell Forest , 100 place, all-through
 - Bristol, 164 place, all-through
 - Central Bedfordshire, 130 place all-through
 - Cheshire East, 60 place all-through
 - Cheshire East, 60 place all through
 - Darlington, 48 place secondary
 - Devon, 70 place, 9 to 16
 - East Riding of Yorkshire, 120 place all-through
 - Enfield, 96 place secondary
 - Hampshire, 125 place, secondary
 - Hillingdon, 180 place, all-through
 - Isle of Wight, 75 place 9 to 16
 - Leeds, 200 place, 7 to 16
 - Leicestershire, 90 place, 10 to 16
 - Middlesbrough, 100 place, all-through
 - North East Lincolnshire, 150 place, 8 to 19
 - North Yorkshire 120 place, 8 to 16
 - Salford, 150 place, primary
 - Somerset, 64 place, 9 to 16
 - South Tyneside, 56 place primary
 - Suffolk, 117 place primary
 - Surrey, 170 place secondary
 - West Sussex, 130 place all- through 4 to 18
 - Wiltshire, 130 place all-through
 - Windsor and Maidenhead, 100 place, secondary
 - Wokingham, 100 place, all-through
 - Wokingham, 100 place all-through
 - Worcestershire, 120 place all-through
 - Bury, 60 place secondary
- Today, we have also published on GOV.UK the free schools ‘How to Apply’ Guidance setting out the criteria for applicants wishing to apply to run one of the seven new schools.
- The LAs included in the Change Programme Partnerships are:
 - East Midlands: Leicester, Leicestershire, Rutland-
 - East of England: Bedford, Central Bedfordshire, Luton
 - London: Barnet, Camden, Enfield, Islington
 - North East: Durham, Gateshead, Hartlepool, Stockton on Tees
 - North West: Manchester, Oldham, Rochdale, Trafford
 - South East: Brighton, East Sussex, Portsmouth, West Sussex
 - South West: Gloucestershire, Swindon

- West Midlands: Herefordshire, Shropshire, Telford and Wrekin, Worcestershire
- Yorkshire and Humber: Bradford, Calderdale, Leeds, Wakefield

- Each partnership will work closely with parents, carers and children and young people to ensure they are involved in the testing, learning and development of the reforms.
- Partnerships will also receive extensive hands-on support and expertise from REACH (Reaching Excellence and Ambition for all Children), the Department's Delivery Partner. PA Consulting will lead the consortium, comprising of IMPOWER, Council for Disabled Children (CDC) and Olive Academies.



Report of the Director of Children and Families

Report to the Leeds Schools Forum

Date: 16 November 2023

Subject: 2024/25 School Funding Proposals

Report Author: Lucie McAulay / Rosie Harrison

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) continues to use 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 and to transfer funding between blocks, within the constraints set out by the ESFA.
2. 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.
3. This report presents the outcome of a recent consultation with mainstream schools on funding arrangements for 2024/25. 94.52% of respondents supported the council's proposal to transfer 0.5% schools block funding to the high needs block from the schools block (approx £3.49m). 77.27% of maintained schools responding to the consultation also supported a contribution by maintained schools towards severance costs (to be applied at a rate of £2.50 per pupil, approx. £150k in total). In relation to the school funding formula, option one was preferred by the majority that expressed a preference 61.64%).

Recommendations

4. Schools Forum is asked to consider and vote on a proposal to transfer 0.5% (approx. £3.49m) from the schools block to the high needs block in 2024/25.
 - All Schools Forum members may vote on this proposal.

- It is a Schools Forum decision on whether to accept this proposal. In the event that Schools Forum does not agree, the DfE are able to adjudicate if the local authority requests this.
5. Maintained school members of Schools Forum are asked to consider and vote on a proposal for a contribution in 2024/25 by maintained schools towards the severance costs of maintained school staff, to be applied as a per-pupil amount of £2.50.
- Voting on this proposal is limited to maintained primary and secondary school members.
 - It is a Schools Forum decision on whether to accept this proposal. In the event that Schools Forum does not agree, the DfE are able to adjudicate if the local authority requests this.
6. Schools Forum is asked to consider and provide their views on the schools funding formula for 2024/25.
- The local authority is required to consult with Schools Forum on the funding formula, however the local authority retains the final decision on the formula to be used.

1 Purpose of this report

- 1.1 This report updates Schools Forum on the outcome of the consultation with maintained schools and academies on school funding arrangements for 2024/25, and requests decisions and views on a number of matters from Schools Forum members. This is in those members' capacity as representatives of the group that has elected them, whilst taking a strategic view across the whole education estate.
- 1.2 A further report will be brought to Schools Forum in January 2024 to confirm the final school funding allocations for 2024/25.

2 Background information

- 2.1 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 continue to have some flexibility in how this funding is allocated to schools, within the constraints set out by the ESFA.
- 2.2 The ESFA has not confirmed the date that the NFF will be fully implemented so it is possible there could be further transitional years beyond 2024/25. However, the government has reaffirmed their intention to move as soon as possible to a hard NFF where school budgets are set on the basis of a single national formula and local authorities are no longer involved in this decision.
- 2.3 The council recently held a consultation on school funding arrangements for 2024/25, between 17th October and 8th November 2023. During the consultation period schools were provided with background information and figures to demonstrate the impact of the proposals, a briefing session was held, and any queries received from individual schools were responded to. A copy of the consultation documents issued to schools is attached as an appendix to this report.
- 2.4 It should be noted that the options and figures within the consultation and this report have been calculated based on October 2022 pupil data, which was the basis for the indicative funding published by the ESFA for consultation purposes. The final local authority allocations will be confirmed in December 2023 and will take into account October 2023 pupil data.
- 2.5 The proposals in this report are therefore subject to change prior to the deadline for confirming final funding allocations to the ESFA on 19th January 2024. A Schools Forum meeting has been arranged on 16th January ahead of this deadline, where the full final proposals will be confirmed.

3 Main issues

3.1 Summary of consultation

- 3.1.1 Of the 267 schools consulted with, 73 responses were received (compared to 63 the previous year). Comments and key themes from the responses have been summarised in the relevant sections below. The question regarding severance was applicable to maintained schools only.

3.1.2 The council consulted on the following proposals:

- a) A 0.5% transfer between from the schools block to the high needs block in 2024/25 estimated to be £3.49m.
- b) Two options for funding formula for 2024/25, taking into account the proposed transfer out of the schools block of approx. £3.49m.
 - Option 1: A cap on gains of 1.06%. All other factors are in line with the national funding formula, including the minimum funding guarantee of 0.5%.
 - Option 2: A reduced minimum funding guarantee of 0% and an increased cap on gains of 1.09%. All other factors are in line with the national funding formula.
- c) A contribution in 2024/25 by maintained schools to be applied as a per pupil amount of £2.50 estimated to be a total of £150k.

3.1.3 94.52% of respondents supported the transfer from the schools block to the high needs block. 77.27% supported the contribution by maintained schools towards severance costs in 2024/25. In relation to the funding formula, the majority (61.64%) voted for option one.

3.1.4 Further detail on each of the proposals and consultation responses are provided below.

3.2 Transfer from the schools block to the high needs block

Background

3.2.1 The council consulted on a 0.5% (approx £3.49m) transfer from the schools block to the high needs block. Detailed information was provided to schools on the background to our proposals as part of the consultation document and the briefing session. The full consultation document is attached as an appendix to this report, but in summary the key points were:

- The ESFA expects most movements from schools block will be due to pressures on high needs budgets.
- The high needs block in Leeds, in common with many around the country, is under considerable pressure due to increasing high needs demand and complexity of children's needs.
- The most recent projection for the high needs block is an overspend of £0.924m in 2023/24; this represents 0.18% of the total high needs budget. It's important to note that if the transfer from the schools block had not been done in 2023/24, the projection would be an overspend of £4.262m. In 2022/23 the high needs block had an underspend of £6.846m, this would have been £3.719m had the transfer not been done in 2022/23.
- Spending on the high needs block is currently forecast to be £14.4m more than the funding available for 2024/25, increasing to a £31.1m deficit projected by 31st March 2026.

- Although the provisional 2024/25 high needs block allocation for Leeds shows an increase in funding of £6.47m compared to 2023/24, there is still a cap on gains in place. If the cap on gains was not in place the council would gain an additional £2.92m.
- The local authority can transfer up to 0.5% (approximately £3.49m) from the schools block with Schools Forum approval, with the option to transfer more with approval from the DfE.
- The increase in the provisional 2024/25 schools block allocation for Leeds is expected to be approximately £12.97m (1.4%) compared to 2023/24 (before any pupil growth which will be confirmed in December). The transfer of 0.5% out of the schools block in 2024/25 will leave an increase in the schools formula of £9.48m.
- The transfer to the high needs block will not be used to fund other council services and will only be used to fund high needs costs.

3.2.2 Since the pandemic, Local Authorities across the UK have seen increases in demand for EHCPs and in the case of Leeds City Council that has reflected a 60% increase in applications for EHCPs, as well as an increase to the complexity of many cases. Despite council investment into the service, the service has struggled to meet this rising demand. An end-to-end review of the Council's approach to EHCPs is being undertaken, the review is engaging with children, families, schools and settings to gather their vital feedback to ensure that our processes are as efficient as possible and maximising the resources we do have. The review process will seek to deliver improvements to the Council's arrangements for the delivery of EHCPs which will ensure that Council processes support the fulfilment of its legal duty and are centred on the needs of children and young people within Leeds who need the most support

Consultation responses

3.2.3 73 responses were received to this proposal. 69 (94.52%) supported the proposal and 4 (5.48%) did not. Some respondents provided comments; in general those in favour of the proposal acknowledged the increasing and significant additional needs pressures across the city. A respondent opposing the proposal made reference to the high needs underspend in 2022/23 and as such deemed the previous years block transfer was unnecessary. Further concerns were raised over the future projections, lack of clarity on future budget assumptions and the respondent felt that schools had not received sufficient opportunity to offer a counter argument to the proposals within the consultation.

3.2.4 Proposal

3.2.5 The majority of respondents supported our original proposal, and therefore the local authority is still proposing to transfer 0.5% (approximately £3.49m) from the schools block to the high needs block.

3.2.6 The movement of up to 0.5% from the schools block is a Schools Forum decision. In the event that Schools Forum does not agree with our proposals, the DfE can adjudicate if the local authority wanted to request this.

3.2.7 The proposed transfer from the schools block to the high needs block only relates to proposals for 2024/25. In 2025/26 it is possible that a further request could also be

made to transfer funds from the schools block to the high needs block, providing this is still allowed by the DfE. This would depend on the savings that can be made through other means or if additional funding was forthcoming. If a further transfer was required, it would form part of a separate consultation during the next financial year.

3.2.8 The council is required by the DfE to present a range of evidence to support our proposal to transfer funding from the schools block to the high needs block.

3.3 Schools funding formula

Background to the proposal

3.3.1 The council is required to apply a funding formula in order to allocate schools block funding to schools. The ESFA sets a range of factors we are able to use in the formula. Within each of these factors there are also certain restrictions that can apply, for example the weightings that can be used for each factor, minimum funding levels and a cap on gains.

3.3.2 If the council implements the 0.5% transfer from the schools block, we cannot fully move to the national funding formula as not enough funding will remain. However as previously noted due to the increases in the council's provisional schools block allocation there would still be £9.48m additional funding available for schools in 2024/25 compared to 2023/24.

3.3.3 Given the complexity of the possible formula factors there are a significant number of formula options that it would have been possible to model and the council looked at a number of alternative options. Using the principles established in previous years for the formula we have modelled two options for 2024/25 which vary the minimum funding guarantee and cap on gains. These are:

- Option 1: A cap on gains of 1.06%. All other factors are in line with the National Funding Formula (see table below), including the minimum funding guarantee of 0.5%.
- Option 2: A reduced minimum funding guarantee of 0% and an increased cap on gains of 1.09%. All other factors are in line with the National Funding Formula (see table below).

3.3.4 The options are summarised in the table below, with school level information provided in the appendix.

Funding formula factor	2023/24 (for comparison)		2024/25		
	National Funding Formula	Leeds funding formula	National Funding Formula	Leeds option 1	Leeds option 2
Minimum funding guarantee ¹	0.5% per pupil	0.5% per pupil	0.5% per pupil	0.5% per pupil	0% per pupil
Cap on gains ^{1,2}	No cap	5.39% per pupil	No cap	1.06%	1.09%
Minimum per pupil funding level ^{1,2}	Secondary £5,715 Primary £4,405	Secondary £5,715 Primary £4,405	Secondary £5,995 Primary £4,610	Secondary £5,995 Primary £4,610	Secondary £5,995 Primary £4,610

¹ Excluding premises-based funding

² The minimum per pupil funding level cannot be subject to the cap on gains

3.3.5 Our final funding allocation for 2024/25 will be confirmed by the ESFA in mid to late December 2023. The funding increases built into our current proposal are based on the ESFA's indicative local authority allocations which use October 2022 pupil data. As a result, the affordability of our proposal could change once the final allocation is confirmed, if there is a significant change in pupil demographics.

Consultation responses

3.3.6 73 responses were received on the funding formula:

- 45 (61.64%) preferred option one
- 28 (38.36%) preferred option two

3.3.7 The schools benefiting most from each of the options are as follow:

- Option one is significantly better for 8 schools (3%)
- Option two is marginally best for 192 schools (72%)
- There is no difference between the options for 67 schools (25%)

3.3.8 Comments from schools generally supported option one on the basis that this option is as close to the NFF as possible

Proposal

3.3.9 The local authority is responsible for proposing the schools funding formula and for consulting on this with Schools Forum. This proposal is only for 2024/25, and the council will be required to consult again next year on the 2025/26 funding formula if the National Funding Formula will not be fully implemented at that time.

- 3.3.10 Schools Forum has previously expressed a preference to move as close as possible to the National Funding Formula, which is best represented by the first option (0.5% minimum funding guarantee and 1.06% cap on gains), this did receive the majority of support in the consultation (61.64%).
- 3.3.11 The final funding formula for 2024/25 will be approved in line with the council's decision-making framework and we will submit details of the funding allocations for schools to the ESFA by their deadline of 19th January 2024.
- 3.3.12 In addition to providing funding based on the October 2023 census, the ESFA provides an allocation for growth in the formula based on changes between the October 2022 and October 2023 census. This growth allocation is used to create a Growth Fund which provides support for costs incurred by schools that are being established or extended to meet basic need and where admission numbers are increased. The allocation is also used to fund estimated pupil numbers in the formula for new schools that have opened in the last seven years and are still adding year groups. The council's growth allocation for 2024/25 will not be confirmed until December. This is an area of risk as if the amount of growth funding allocated to Leeds is insufficient compared to projected demand then this may reduce funding available to be delivered to schools through the formula. If this was the case, then we will report details to Schools Forum at the meeting on 16th January 2024.
- 3.3.13 For the first time in 2024 to 2025 the ESFA will also provide an allocation for falling rolls. 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. 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.
- 3.3.14 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 the Schools Forum meeting in 16th January 2024 on any proposed falling rolls fund, the proposed amount and criteria for allocation to schools of the 2024/25 falling rolls fund.
- 3.3.15 In relation to PFI schools, the DfE provides additional PFI funding in the council's allocation to recognise the additional costs associated with these contracts, which the council then distributes to PFI schools through the funding formula. For 2024/25 we will again be requesting permission from the DfE to exclude any PFI funding delivered through the formula from the calculation of the minimum funding guarantee. This will ensure that the per-pupil funding for PFI schools is calculated on the same basis as non-PFI schools and that they receive the correct amount of PFI funding to support their contributions to contract costs.

3.4 Contribution towards severance costs for maintained schools

Background to the proposal

- 3.4.1 The council consulted on a proposal for maintained schools to contribute £2.50 per maintained school pupil which is an estimated total of £140k towards the severance costs of maintained school staff, which are charged to the council.
- 3.4.2 This is in line with 2023/24 when Schools Forum agreed that maintained schools would contribute £2.50 per maintained school pupil to severance costs, following support for this proposal by the majority of maintained schools that responded to the consultation.
- 3.4.3 Current legislation states that premature retirement costs are chargeable to the school's delegated budget while redundancy costs are charged to the local authority's budget.
- 3.4.4 For 2024/25 we are proposing that maintained schools contribute towards severance costs as they are driven by school decisions, although we appreciate that this may be as a result of financial pressures. However, this approach is equitable with the treatment of academies, who no longer receive funding for severance costs and are responsible for meeting this cost themselves.

Consultation responses

- 3.4.5 44 responses were received from maintained schools to this proposal; 34 (79.27%) supported the proposal and 10 (22.73%) did not.

Proposal

- 3.4.6 As the majority of maintained schools responding to the consultation supported our proposal, the council is requesting that maintained schools contribute £2.50 per pupil (approx £150k) towards severance costs for maintained schools.
- 3.4.7 Maintained school members of Schools Forum are able to decide on whether to accept this proposal. In the event that Schools Forum does not agree with our proposal, the DfE are able to adjudicate if the council wanted to request this.

4 Recommendations

- 4.1 Schools Forum is asked to consider and vote on a proposal to transfer 0.5% from the schools block to the high needs block in 2024/25.
- All Schools Forum members may vote on this proposal.
 - It is a Schools Forum decision on whether to accept this proposal. In the event that Schools Forum does not agree, the DfE are able to adjudicate if the local authority requests this.
- 4.2 Maintained school members of Schools Forum are asked to consider and vote on a proposal for a contribution in 2024/25 by maintained schools towards the severance costs of maintained school staff, to be applied as a per-pupil amount of £2.50.
- Voting on this proposal is limited to maintained primary and secondary school members.

- It is a Schools Forum decision on whether to accept this proposal. In the event that Schools Forum does not agree, the DfE are able to adjudicate if the local authority requests this.

4.3 Schools Forum is asked to consider and provide their views on the schools funding formula for 2024/25.

- The local authority is required to consult with Schools Forum on the funding formula, however the local authority retains the final decision on the formula to be used.

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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