

Schools Forum

18 January 2024

National Update

2024/25 National Update

- Schools Block DSG Allocation & APT published 19th Dec
- No detail on funding post 2024/25
- Schools Block:
 - Pupil numbers increase – £7.5M increase
 - NFF increases – £15.3M increase
 - Of which £9.8M relates to Mainstream Schools Additional Funding rolling into DSG
 - Growth Fund – £45K increase
 - Equates to a 4.6% increase in funding
- Central Services:
 - Historic: £166K reduction
 - Ongoing: £22K NFF reduction, £50k Pupil number increase.
 - Haven't had the copyright licence increase yet

2024/25 National Update

- High Needs DSG also updated – but further changes still expected
- High Needs
 - Commissioned pupil number increase - £152k increase
 - NFF Increase – £3.1M further adjustments to be applied
- No change to Early Years Allocation since the last meeting.

High Needs Budget Setting

- To be finalised at the next Schools Forum meeting including
 - Overall budget for High Needs including provision budgets for school and FE providers
- We have additional resource as a result of the NFF and the increase in baseline, BUT may not have enough to fund all provision requirements
- Significant pressures in this area
 - Increased demand
 - Increased costs
 - SEN Provision budget increased by £5.5m in 23/24
 - Makes it difficult to maintain the status quo by funding enough places, inflate top up rates etc. and plan for the future.

Early Years rate increase

- £0.25 increase in per pupil per hour funding received by the LA in 2024/25 for 3 & 4 YOs
- LA to receive £8.35 per child per hour for 2 YOs
- LA to receive £11.38 per child per hour for under 2 YOs

- LA must pass on at least 95% of EY funding to providers.

- Work to determine 2024/25 funding rates will take shortly
 - reliant on Jan-23 census data

Way Forward

- Central schools budget and most de-delegated services were approved at the last meeting
- Finalise Schools Block budget today to feed into APT, including:
 - School Funding Formula
 - Growth Fund
- Early Years & High Needs will finalise at March meeting, including
 - Early Years block – approval of central early years expenditure
 - Use of additional high needs resource – as part of overall budget setting

Schools National Funding Formula

DSG Funding update (Schools Block)

- School budgets including historic factors and the Growth Fund all form part of the ring-fenced Schools Block.
- For 2024/25 we have an affordability issue on the formula
 - This is not unexpected
 - Data changes and pupil number changes.
- In 2023/24 we had a £1.1M deficit on the formula
 - £0.9M was offset by the unallocated resource on the growth fund
 - £0.2M was funded from DSG reserves

Schools Funding Formula Deficit

- Data eligibility changes
 - Formula is funded based on October 22 data (FSM, EAL etc) but the LA sets school budgets based on October 23.
- Pupil number change also contribute to the deficit
 - Pupil numbers are funded at the October 23 level, however they are funded on an average cost basis.
 - The per pupil amount a schools receives varies from school to school depending on factors such as data eligibility and fixed costs such as rates.
 - We have gained pupils in the schools that cost less than the average

Schools Funding Formula Deficit (cont)

	Impact £000	Surplus/(Deficit) £000
23/24 pre December APT Deficit		-19
<u>Pupil Number Changes</u>		
DSG Income Increase	7,532	
Formula Cost Increase	-7,344	
	188	169
Data Changes Cost (Increase)/decrease		
FSM	-102	
FSM Ever 6	167	
IDACI	-31	
Low Prior Attainment (LPA)	-86	
English as an Additional Language (EAL)	-552	
Mobility	-165	
Final Shortfall	-769	-600

Schools Funding Formula Deficit (cont)

- Options
 - Reduce funding distributed through funding formula
 - Fund from other one-off resources
- Not appropriate to fund ongoing expenditure from one-off resources (Reserves)
 - CCC does have a DSG reserve, however, this is made up of High Needs Block & Early Years Block funding – not Schools Block.
- To make formula affordable, MFG would need to be 0.42%
 - Most schools affected proportionately
 - Schools receiving Minimum Per Pupil funding see no decrease
 - Average reduction is £3.5k for primary and £13k for secondary
 - Average reduction for schools on MFG (23) is £1k for primary & £5k for secondary
- For this year proposal is to fund shortfall by reducing the MFG

2024/25 DSG Allocation

Coventry City Council DSG PPR - 2024/25	Early Years Block (£000)	Schools Block & Growth (£000)	Central Sch.Serv Block (£000)	High Needs Block (£000)	Total (£000)	Movement since December (£000)
1 <u>23/24 Total resources (at budget setting)</u>	25,166	294,815	2,949	67,127	390,058	36
1.1 Removal of one-off reserve funding 23/24		(243)			(243)	0
1.2 Pupil number adjustment (Jan-24)					0	0
23/24 DSG (current)	25,166	294,572	2,949	67,127	389,815	36
2 <u>Changes to forecast DSG resource</u>						
2.1 Pupil number changes (Oct-23 & Jan-24)		7,720	50	152	7,921	234
2.2 National funding formula increase	14,195	5,905	(188)	3,112	23,025	14,195
2.3 MSAG Included in Schools Block		9,743			9,743	0
2.4 Formulaic growth fund allocation change		45			45	45
24/25 DSG (estimated)	39,361	317,985	2,811	70,392	430,549	14,510
3 <u>Additional non-DSG resource</u>						
3.1 24/25 Contribution from DSG reserves					0	0
24/25 Total resources (estimated)	39,361	317,985	2,811	70,392	430,549	14,510

Coventry City Council DSG PPR - 2024/25

	Early Years Block (£000)	Schools Block (£000)	Central Sch.Serv Block (£000)	High Needs Block (£000)	Total (£000)	Movement since December (£000)
Total increase in resources (estimated)	14,195	23,170	(138)	3,264	40,491	14,510
3 Adjustments to Base Budget/Technical Adjustments						
3.1 Remove 23/24 expenditure supported by reserves		(243)			(243)	0
3.2 Reduced expenditure - historic/ongoing commitments			(188)		(188)	0
3.3 Pay related central staff					0	0
3.4 National Funding Formula increase	14,195	15,212		20	29,427	14,195
3.5 Pupil number changes (Oct-23 & Jan-24)		7,720	50		7,769	81
3.6 Pupil data changes					0	0
3.7 Historic Factors (NNDR)		436			436	0
3.8 School Licences					0	0
3.9 Explicit Growth Fund increase		45			45	45
3.10 Full year effect of 23/24 HN commissioned places				267	267	0
3.11 High needs commissioned places from Sept 24 (7/12ths)					0	0
3.12 2023/24 High Needs holding pot				(2,615)	(2,615)	0
Remaining resources for Budget Proposals	0	(0)	(0)	5,593	5,593	152

Coventry City Council DSG PPR - 2024/25

	Early Years Block (£000)	Schools Block (£000)	Central Sch.Serv Block (£000)	High Needs Block (£000)	Total (£000)	Movement since December (£000)
4 Budget Proposals						
4.1 Remaining Resource				5,593	5,593	152
Resource Underallocated/(Overallocated)	0	(0)	(0)	0	(0)	(0)
5 DSG (Not Earmarked)						
5.1 (Headroom)/Efficiency Savings	0	0	0	0	0	0
6 (Under allocated)/Overallocated	0	0	0	0	0	(0)
	0	0	0	0	0	(0)

School Funding Formula: Approval / Ratification

- **The Schools Forum should ratify the proposed setting of the MFG to 0.42% to make the Schools Funding Formula affordable**

Voting: All Members

Growth Fund (report)

Growth Fund Operation

- Agreed at the December meetings that Growth Fund consists of several strands
 - Increasing form of entry – Key stage 1
 - Infant Class Size – Key stage 1
 - In-year admissions – pre-16
 - Secondary Growth – Year 7, Year 8 & Year 9
 - Implicit Growth – pre-16
 - Bulge Classes
 - Secondary Capacity – Year 7 & Year 8
- Schools Forum needs to approve Growth Fund methodology and resource allocated to growth.

24/25 Growth Fund from DFE

- Sub-Group met prior to the last Schools Forum meeting & made recommendations on the operation of the Growth Fund & what to do if the Growth Fund is unaffordable
- Formulaic Growth allocation for 2024/25 is slightly higher
 - £45k increase vs 2023/24
 - Smaller increase than previously anticipated
 - Children allocated a place not included on school census returns due to appeals or children not taking the place
- Received pupil number data so we have calculated growth fund allocations per decisions made in December meeting

Growth Fund Position

Growth Fund Strands	2023/24 Requirement £	2024/25 Requirement £	Variance £
Class Size	557,296	276,464	(280,833)
Increasing Form of Entry	-	-	-
In-year Admissions	711,071	677,261	(33,810)
Secondary Growth	497,036	326,601	(170,435)
Secondary Capacity	-	720,273	720,273
Bulge Classes	-	1,652,261	1,652,261
Total Cost	1,765,404	3,652,860	1,887,456

	2023/24 £	2024/25 £	Variance £
Growth Fund cost	1,765,404	3,652,860	1,887,456
DSG Growth Allocation	2,660,019	2,704,773	44,754
Funding (Gap)/Surplus	894,615	(948,087)	

Schools Forum Sub-Group met on 15th January to discuss this outcome and consider any actions that may improve this affordability position.

- Following previously agreed methodology, Growth Fund would overspend by £948k
- Previously agreed affordability ranking would mean
 - Class size funding for full form entry schools - gone
 - In year admissions funding – gone
 - Class size funding for half form entry schools - £6k

Potential Changes

1. Move away from using basic entitlement as the unit cost for Bulge Classes & Secondary Capacity
 - Use the cost of a teacher, a TA plus 25% overheads instead. Unit cost would be £3,515.28 per place
 - £105k for a bulge class (previously £107k for primary & £159k for secondary)

2. As well as reducing the unit cost for secondary capacity, could also only fund up to 30 places
 - Under current rules, schools fund 5 vacant places, growth fund covers all remaining vacant places
 - E.G. if a school has 36 vacant places in Yr 7, growth fund only pays for 30 places, not 31 as under previous methodology

- Sub-Group recommendation is to implement these two changes

Growth Fund Potential Position

- Reducing the unit cost for bulge classes and secondary capacity has the following impact
 - Bulge Class cost reduces by £167k
 - Secondary Capacity cost reduces by £242k
- Ensuring no more than 30 places are funding via Secondary Capacity reduces the cost by £35k
- These savings would mean
 - Class Size for half form of entry schools paid in full
 - 37% of Class Size for eligible full forum of entry schools paid
 - 37% of In-Year Admissions funding paid for all eligible schools

Affordability Adjustment

- In order to pay 37% of Class Size funding to full form of entry schools & 37% of in-year admissions funding, the following threshold changes are required:
- Class Size – full form of entry schools
 - Funded provided to schools where pupil numbers in Key Stage 1 exceed a multiple of 30 by 25.71 or fewer pupils (previously 28)
- In-Year Admissions
 - Funded distributed to schools where in-year admissions make up 23% of pupils on roll (previously 16.7%)

Growth Fund Potential Position

Growth Fund Strands	Original Methodology	Potential Methodology	Variance
Class Size	5,637	200,685	195,048
Increasing Form of Entry	-	-	-
In-year Admissions	-	249,353	249,353
Secondary Growth	326,601	326,601	-
Secondary Capacity	720,273	442,926	(277,347)
Bulge Classes	1,652,261	1,485,208	(167,053)
Total Cost	2,704,773	2,704,773	-

Growth Fund: Approval / Ratification

- **The Schools Forum should approve the proposed Criteria for the growth fund and the use of the resource allocated as set out in the report.**

Voting: All Members

Maternity De-Delegation (report)

De-Delegation Recap

- Maintained schools can opt to ‘pool’ resources for a number of services for the LA to manage on their behalf.
- At the December meeting, Schools Forum agreed the de-delegation arrangements for:
 - Free school meal eligibility
 - Trade Union facility
 - New Arrivals Fund
- More work was required before the maternity de-delegation arrangements could be presented.

Maternity De-Delegation

- Currently forecasting a £150k underspend on this budget for 2023/24
 - Reduction in the number of teachers going on maternity leave
 - Take up of the more expensive shared parental leave not as high as assumed in budget setting
- 2024/25 budget is being set on the basis of 2023/24 cost levels plus:
 - A 6.5% increase in staffing costs due to the September 2023 Teachers pay award
 - Statutory Maternity Pay increasing by 6.7% from April 2024
 - Pension contribution rates increasing by 5% from April 2024

Maternity De-Delegation

- Setting the de-delegation rate at £29.01 per pupil in 2024/25 will allow us to meet these costs.
 - Rate was £34.14 per pupil in 2023/24
- Assumed there will be no increase in take up of shared parental leave in 2024/25
 - Instead of assuming an increase & increasing the cost accordingly, the LA will use the 2023/24 underspend as a contingency if the maternity de-delegated fund overspends in 2024/25
 - The extent to which this underspend is needed to cover 2024/25 costs will factor into the rate setting process for 2025/26

Maternity De-Delegation: Approval / Ratification

- **The Schools Forum should agree the de-delegation proposal for Maternity Cover**

Voting: Maintained Members

Fair Funding Scheme of Delegation (report)

Fair Funding Scheme of Delegation

- FFSD is the contract between maintained schools and LA
- Maintained Schools Forum members need to formally approve proposed changes
- Writing off Debts (Section 2.1.17)
 - Amended to allow approval of writing of a debt of over £5,000 to be made by the Finance Manager for Children's Social Care & Education, rather than the Director of Finance & Corporate Services as was previously the case.

Fair Funding Scheme of Delegation

- Proportion of budget share payable at each instalment (section 3.2.1) & Bank & Building society accounts (section 3.5.2)
 - Rates & gas contracts are removed as examples of deductions that could be made from budget shares or costs that are managed by the centre due to changes in processes.
- School Responsibilities (section 12.1.3)
 - Wording has been updated to show that capital works over £20,000 are still the schools responsibility unless they form part of the City Council's condition capital programme of repairs. This is not a change to the policy, just a change to the wording to make the policy clearer.
- Consulted on as part of FFC
 - No comments against these changes

Fair Funding Scheme of Delegation: Approval / Ratification

- **The Schools Forum should agree the change to the FFSD as set out in the report.**

Voting: Maintained Members