

| Schools Forum 10 November 2022 | |
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| Report from Executive Director of People - Children Services | |
| DSG Block Transfers 2023-24 | |
| Wards Affected: | All |
| Key or Non-Key Decision: | N/A |
| No. of Appendices: | None |
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This report relates to all mainstream academies and schools and is for decision.

1. Purpose of the report

The purpose of the report is to inform Schools Forum of the outcome of the consultation that took place with Maintained Schools and Academies on the National Funding Formula for 2023-24.

The consultation with Mainstream Schools and Academies ran between Monday 17 October 2022 and Monday 7 November 2022.

2. Recommendations

All Schools Forum members are asked to:

- a) Approve the transfer of £0.100 million of the Schools Block to support the Admissions Team.
- b) Approve the transfer of 0.699 million of the Schools Block to support pressures in the High Needs block.
- c) Approve using the Basic Entitlement for Pupils Factor to allocate surplus Schools Block funding to Mainstream Maintained Schools and Academies in 2023-24.

The Schools Forum 5-16 Task Group have considered the outcomes of the consultation and will make recommendations at the Schools Forum meeting.

3. Introduction

Each year the Education and Skills Funding Agency (ESFA) informs each Local Authority (LA) of the provisional allocations for the forthcoming financial year.

The LA then undertakes modelling of the available funding and the impact it has on each Mainstream Maintained School and Academy in their area.

Modelling usually results in there being a modest surplus and this consultation exercise seeks views from individual Mainstream Maintained Schools and Academies on a number of options to use the surplus to support children in our Mainstream Maintained Schools and Academies.

The role of Schools Forum is to take account of the views expressed through this consultation and to make **recommendations** to the LA on the local formula. Schools Forum must also **approve** any funding transfer between DSG blocks

4. Dedicated Schools Grant (DSG) 2023-24

The provisional DSG 2023-24 for the schools block, based on October 2021 pupil census data, is £153.952 million but excludes Growth Funding which will be announced later in the autumn.

The schools block DSG for 2023-24 represents an increase of 5.952 million (3.83%) above 2022-23 funding, excluding Growth Funding. Approximately £4.400 million of the increase in 2023-24 schools block DSG will be automatically added to school and academy budgets due to the increase in the NFF factors

5. ESFA Consultation on the National Funding Formula (NFF)

Over summer 2022 the ESFA consulted on further changes to NFF to bring local formulae more in line with the proposed 'hard' NFF. In particular LA's are require to ensure their local formula meet the following requirement:

- Local authorities will only be allowed to use NFF factors in their local formulae.
- Local authorities **must use all NFF factors** – except for the locally determined premises factors which remain optional. This means that local authorities will have to use all 3 deprivation factors (Free School Meals, Free School Meals 6 and Income Deprivation Affecting Children Index), as well as Low Prior Attainment (LPA), English as an Additional Language (EAL), Mobility and the Lump Sum
- Local authorities must **move their local formula factor values at least 10% closer to the NFF**, except where local formulae are already mirroring the NFF.

These criteria do not apply to locally determined factors – notably the premises factors. Details of how we calculate the 10% move are given below

- Local authorities can only increase the Basic Entitlement for Pupils Factor by a maximum of 3.8% above 2022-23 levels and by a maximum of 2.5% for all other NFF Factor.
- Local authorities must use **the NFF definition for the EAL factor** in 2023 to 2024
- Local authorities have the freedom to set the Minimum Funding Guarantee in their local formulae between +0.0% and +0.5% per pupil.
- Local authorities continue to be able to transfer up to 0.5% of their schools block to other blocks of the DSG, with Schools Forum approval.

Over the last few budget cycles the Slough local formula has moved progressively closer to the NFF. This has been a deliberate strategy by Schools Forum to avoid ‘cliff edges’ in funding.

Except for the Mobility Factor the LA mirrors the ‘hard’ NFF. Therefore, the Mobility Factor will need to be increased by 10% above the 2022-23 level to meet the ESFA requirements

6. Schools Funding Modelling 2023-24 and Options

Applying the NFF requirements for 2023-24, based on October 2021 pupil census data, it is estimated that there will a surplus in the schools block funding of approximately £1.574 million.

The LA is proposing to transfer 0.5% (£0.799 million) from the schools block, subject to Schools Forum approval. This will be allocated as follows:

- £0.100 million to the Central Schools Services Block to support the Schools and Academies Admissions Team.
- £0.699 million will be transferred to the High Needs Block to support our most vulnerable children in Slough.

This will leave a further £0.752 million to be allocated through the NFF.

Historically the LA has used either the Basic Entitlement for Pupils or Lump Sum Factors to allocate any addition funding. As already outlined the LA is limited to a maximum increase in the Lump Sum by 2.5%. This would see a maximum increase of £3,385 per school above the NFF Lump Sum of £135,411. This would only allocate an additional £8,847 across all Mainstream Maintained Schools and Academies due to the fact that only 2 settings do not have any protection through the Minimum Funding Guarantee.

Therefore, it is proposed that the Basic Entitlement for Pupils Factor will be used to allocate additional funding. This factor will increase by 1.83% and see an additional £0.775 million go to Mainstream Maintained Schools and Academies.

7. How the LA is spending the 2022-23 transfer and the 2023-24 transfer to high needs to support children in Mainstream Maintained Schools and Academies

The number of EHCPs for school age children has increased by 340 since 2018 and is expected to increase by a total of 455 by 2026. If we assume a median Matrix Band 6 £10,000 top up this equates to £4.5M per annum by 2024.

The block transfer for 2022-23 has primarily been used to ensure that the LA can continue to maintain top up levels for all schools age children with EHCPs. In 2023-24 the transfer would continue to contribute to maintaining these top up levels and providing statutory services to school age pupils. See chart below.

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2045 | 2025 | 2026 |
|-----------------|------|--------|---------|---------|---------|---------|---------|---------|---------|
| Age 5 to 10 | 505 | 521 | 543 | 643 | 655 | 676 | 686 | 686 | 686 |
| Age 11 to 15 | 386 | 430 | 492 | 570 | 576 | 590 | 605 | 615 | 615 |
| Age 16 to 19 | 265 | 242 | 257 | 260 | 265 | 280 | 310 | 310 | 310 |
| annual total | 1156 | 1193 | 1292 | 1473 | 1496 | 1546 | 1601 | 1611 | 1611 |
| cumulative diff | | 37 | 136 | 317 | 340 | 390 | 445 | 455 | 455 |
| £ xMB6 median | | 370000 | 1360000 | 3170000 | 3400000 | 3900000 | 4450000 | 4550000 | 4550000 |

While the number of plans in the 16-19 age group has been increasing these are not new plans but young people transitioning from Slough Schools either staying on in 6th Forms or moving into Local Colleges. There has been significant work with our colleges to ensure that needs can be met locally and colleges are delivering provision towards Preparing for Adulthood Outcomes identified in young peoples' EHCPs. SEND is working in partnership with Health and Adult Social Care to ensure that young people can transition into community services and Plans can be ceased when appropriate.

Compared to the national average and our statistical neighbours the number of young people in Slough placed in the Independent Non-Maintained Specialist Sector is below average and is continuing to fall. Work continues across all sectors to ensure wherever possible the needs of young people with EHCPs are met in the nearest appropriate local provision.

The consequence of the Block Transfer not being agreed would mean that spending would have to be reduced across all other areas of the High needs block to maintain top up levels to school age children with Plans. This is likely to be unattainable meaning that we would not be able to achieve an in year balance within 5 years which is the key requirement of the safety valve programme.

Finally, if we achieve a balance DSG budget by 2025-26 it is very likely that the DfE will write off most, if not all, our cumulative DSG deficit which has been built up over a number of years in supporting Slough children.

8. Consultation Outcome

Section 30 of the Schools Revenue Funding 2023-24 Operational Guide states:

“Local authorities wishing to make a transfer should also consult local maintained schools and academies, and the Schools Forum should take these views into account before making their decision.”

Consultation was undertaken with 43 maintained schools and academies and a copy of the response form is attached as an Appendix.

A total of 8 maintained academies and schools responded to the consultation by the 12:00 pm deadline on Monday 7 November 2022.

The responses to the questions were as follows:

| Question | Yes | No |
|----------|-----|----|
| 1 | 6 | 2 |
| 2 | 7 | 1 |
| 3 | 8 | 0 |

One primary school did not support the transfer of funding to the Admissions Team due to historical issues with the Admissions Team. One secondary academy did not support either of the transfers from the Schools Block, citing:

“Schools budgets are under extreme pressure and the cumulative effect of inflation, energy price increases and the unfunded pay award means schools need all funds allocated to them.”

9. Financial Implications

The financial implications have been detailed in the body of this paper.

10. Legal Implications

There are no legal implications for this report.

11. Equality Implications

Not applicable

12. Consultation with Ward Members and Stakeholders

Not applicable

13. Human Resources/Property Implications (if appropriate)

Not applicable

Appendix - Consultation Response Form

| | |
|---|--|
| Please complete the following details about your school | |
| School/Academy Name | |
| Full Name | |
| Position | |

Q1 Do you support the transfer of £0.100 million of the schools block to support the Admissions Team?

 Yes No (If, no please give a reason)

Reason

Q2 Do you support the transfer of 0.699 million of the schools block to support pressures in the High Needs block?

 Yes No (If, no please give a reason)

Reason

Q3 Do you support the proposal to use the Basic Entitlement for Pupils Factor to allocated surplus schools block funding to Mainstream Maintained Schools and Academies?

 Yes No (if no, please state which factor you would want to use and why?)

Factor and why?

Please return completed responses to: education.finance@slough.gov.uk

By 12:00 Noon on Monday 7 November 2022.