

| | |
|---|---|
| Schools Forum 9 November 2023 | |
| Report from Executive Director of People - Children Services | |
| Schools Block Transfer 2024-25 | |
| Wards Affected: | All |
| Key or Non-Key Decision: | N/A |
| No. of Appendices: | 2 |
| Contact Officer(s): | <p>Neil Hoskinson Interim Director – Education & Inclusion Email: Neil.Hoskinson@slough.gov.uk</p> <p>Sarah Hockly Strategic Finance Manager – Children’s Email: Sarah.Hockly@slough.gov.uk</p> |

This report relates to all academies and mainstream schools’ representatives and is for decision by all Forum Members.

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 2024-25.

The consultation with Mainstream Schools and Academies ran between Wednesday 4 October 2023 and Wednesday 1 November 2023.

2. Recommendations

Schools Forum members are asked to:

- a) **Approve** the transfer of 0.5% (provisionally £0.857) million of the Schools Block to support pressures in the High Needs block.
- b) **Approve** using the Basic Entitlement for Pupils Factor to allocate surplus schools block funding to Mainstream Maintained Schools and Academies in 2023-24.

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) 2024-25

The provisional DSG 2024-25 for the schools block, based on October 2022 pupil census data, is £171.399 million but excludes Growth Funding which will be announced later in the autumn.

The Schools Block DSG for 2024-25 represents an increase of £4.169 million (2.49%) above 2023-24 funding, excluding Growth Funding. Approximately £4.400 million of the increase in 2024-25 schools block DSG will be automatically added to maintained school and academy budgets due to the increase in the NFF factors.

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

As the ESFA requires LAs to move nearer to the 'hard' NFF, local formulae need to continue to 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.

- 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 factors.
- 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

In July 2023 the DfE announced provisional schools funding and circulated a tool which allowed schools to estimate potential budgets for 2024-25 based on October 2022 pupil numbers.

On Friday 6 October 2023 the DfE announced that the number of pupils had been underestimated. The original estimate that funding for pupils would increase by 2.7% was revised down to 1.9%. The timing of this announcement was unfortunate as the LA had started its consultation with schools 2 days earlier.

While there is a reduction in the increase in pupil funding the actual overall provisional schools block DSG has not be revised down. This still stands at £171.399 million and was the figure included in the consultation paper.

The original financial modelling which took place over the summer estimated that the headroom in the Schools Block allocation could be £2.229 million. The consultation proposal was to transfer £0.857 million to the high needs block and £1.372 million allocated to maintained schools and academies through the Age Weighted Pupil Unit factor.

Based on revised funding factors subsequent financial modelling suggest that the headroom in the schools block allocation could be £3.537 million. This would mean that £2.680 million could be allocated to maintained schools and academies through the Age Weighted Pupil Unit factor with an increase of 2.50% to this factor. This would

leave £0.857 million to be transferred to the high needs block and a contingency of £0.275 million.

Alternatively, we could explore the viability of applying the NFF Factors which were originally notified in July 2023 once the final Schools Block DSG is announced in December 2023. This would then be shared with the Schools Forum 5-16 working group before the final allocations of any headroom would be brought back to Schools Forum in January 2024.

So, while the funding factors overall have been reduced the DSG allocation based on October 2022 pupils remains the same.

The published NFF factor values for July 2023 and the amendments published in October 2023, together with the changes in the factors, are included in Appendix 1.

7. Key Factors Behind Current High Needs Block Position

Key factors in the current positive position are the reduction in the average cost of a new EHC plan and the increase in the percentage of pupils being placed in mainstream settings.

The average cost of a newly issued plan has decreased from £11,086 in July-Sept 2020 to £8,478 in July-Sept 2022; this exceeds the savings figures set out in CR4 of the Management Plan. The proportion of newly issued plans designated mainstream as type had increased from 81% to 92% and settles at +/- 90% with some fluctuation at times e.g. mover ins and phase transfers.

This has been achieved by reviewing panel processes ensure and assuring that only pupils whose needs cannot be met at local Maintained Provisions are being placed in independent non maintained special schools [INMSS]. Consultation processes are being strengthened and INMSS schools are only being consulted with where appropriate.

Commissioning has been better informed and quality, appropriateness and value for money are the key considerations. Spend to save options must be produced on any expenditure or suggestion of an Out of Area placement.

8. High Needs Block and Safety Valve Monitoring Actions

A new High Needs Block and Safety Valve Monitoring Board has been formed which includes the Director of Childrens Services, the Section 151 Officer, the Education Finance Lead, the Associate Director of Education and Inclusion and the SEND Consultant leading on commissioning. The Board is in the process of agreeing a timetable for project management actions including an action plan, a risk log and a finance dashboard that includes panel decisions and corresponding future budget projections.

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.

This will include testing existing Safety Valve Agreement assumptions against future data trends for EHC plans, average costs and placement decisions. This will allow early identification of potential gaps and possible mitigations, including alternative savings.

One important area of work will be ensuring that there is a focus on mainstream school inclusion numbers, use of school SEND funding and the graduated approach available to all pupils. This should help to manage future requests for High Needs Block funding by reducing demand for EHC plans.

Work is underway on a joint commissioning strategy to be brought to the SEND Partnership Board by the end of December 2023 with a Commissioning and Transformation consultant appointed to lead on this work. Capacity analysis of current SRP provision has been conducted and detailed SLAs agreed for each setting will be issued. Another key workstream is a new joint commissioning approach for integrated health therapies.

Current placements are being reviewed for all young people placed in INMSS including post 16 college placements. The effectiveness of the setting is reviewed after taking into consideration the young person's outcomes, aspirations but also ensuring quality of placements and value for money.

A review of the process for permanent exclusions and preventative placements has been started and will be completed by April 2023. It is clear that the existing model is not sustainable and cost reductions have already been implemented around a more manageable costing to reflect the LA's Statutory responsibilities around exclusions. Further reductions have been proposed over a three-year period to mitigate impact and allow the schools to develop other models of delivery with schools.

This work will be supported by a refreshed Place Planning Board including a working party focusing on SEND sufficiency. Initial scoping meetings have taken place to identify opportunities for wider delivery with Arbour Vale School, Haybrook College and Littledown School to develop more alternative provision and special school places.

A Preparation for Adulthood [PfA] Lead officer has been appointed to assure annual reviews consider ceasing EHC plans as appropriate. An operational guide for ceasing EHC plans appropriately has already been agreed. PfA will now be starting before NCY 9 and will ensure that, at key transitions, consideration is given to whether placements are still the most appropriate placement for the child or young person.

Work has begun to co-produce a new Matrix for banded funding ready for implementation in March 2024. This will ensure that funding matches the needs of each young person accurately and are modelled both operationally and financially to

ensure that needs are met while keeping regard to sustainability and the existing financial envelope. Our matrix funding levels will be informed by the existing models used by statistical neighbours and other South-East authorities.

9. Consultation Outcome

Section 30 of the Schools Revenue Funding 2024-25 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 2.

A total of 9 (8 responses received last year) maintained academies and schools responded to the consultation by the 12:00 pm deadline on Wednesday 1 November 2022. The responses to the questions were as follows:

| Question | Yes | No |
|----------|-----|----|
| 1 | 5 | 4 |
| 2 | 8 | 1 |

The four schools voting against the transfer of funding to the high needs block stated that it was becoming more difficult to set a balanced budget. One primary school did not support the use of AWPU for allocating any DSG headroom preferring Deprivation of FSM to be used.

10. Financial Implications

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

11. Legal Implications

There are no legal implications for this report.

12. Equality Implications

Not applicable

13. Consultation with Ward Members and Stakeholders

Not applicable

14. Human Resources/Property Implications (if appropriate)

Not applicable

Appendix 1

July 2023 Factor Values

| Factor | 23-24 NFF including ACA | 23-24 APT | Difference between 23-24 APT and 23-24 NFF | 24-25 NFF including ACA | 24-25 APT minimum | 24-25 APT maximum |
|---------------------------------------|-------------------------|-------------|--|-------------------------|-------------------|-------------------|
| Primary basic entitlement | £3,590.51 | £3,641.00 | £50.49 | £3,807.06 | £3,711.89 | £3,902.24 |
| KS3 basic entitlement | £5,062.05 | £5,134.00 | £71.95 | £5,368.20 | £5,234.00 | £5,502.41 |
| KS4 basic entitlement | £5,705.25 | £5,786.00 | £80.75 | £6,050.87 | £5,899.60 | £6,202.14 |
| Primary FSM | £507.79 | £510.00 | £2.21 | £518.62 | £505.65 | £531.58 |
| Secondary FSM | £507.79 | £510.00 | £2.21 | £518.62 | £505.65 | £531.58 |
| Primary FSM6 | £745.82 | £750.00 | £4.18 | £878.47 | £856.51 | £900.43 |
| Secondary FSM6 | £1,089.64 | £1,090.00 | £0.36 | £1,280.66 | £1,248.65 | £1,312.68 |
| Primary IDACI F | £243.32 | £245.00 | £1.68 | £248.72 | £242.51 | £254.94 |
| Primary IDACI E | £296.21 | £300.00 | £3.79 | £301.64 | £294.10 | £309.19 |
| Primary IDACI D | £465.48 | £470.00 | £4.52 | £476.28 | £464.37 | £488.19 |
| Primary IDACI C | £507.79 | £510.00 | £2.21 | £518.62 | £505.65 | £531.58 |
| Primary IDACI B | £539.53 | £540.00 | £0.47 | £550.37 | £536.61 | £564.13 |
| Primary IDACI A | £708.79 | £710.00 | £1.21 | £725.00 | £706.88 | £743.13 |
| Secondary IDACI F | £354.40 | £355.00 | £0.60 | £365.15 | £356.02 | £374.28 |
| Secondary IDACI E | £470.77 | £475.00 | £4.23 | £481.57 | £469.53 | £493.61 |
| Secondary IDACI D | £655.90 | £660.00 | £4.10 | £672.08 | £655.28 | £688.89 |
| Secondary IDACI C | £719.37 | £720.00 | £0.63 | £735.59 | £717.20 | £753.98 |
| Secondary IDACI B | £772.27 | £775.00 | £2.73 | £793.80 | £773.96 | £813.65 |
| Secondary IDACI A | £983.85 | £985.00 | £1.15 | £1,005.48 | £980.34 | £1,030.62 |
| Primary EAL | £613.58 | £615.00 | £1.42 | £629.75 | £614.00 | £645.49 |
| Secondary EAL | £1,655.61 | £1,660.00 | £4.39 | £1,698.73 | £1,656.26 | £1,741.20 |
| Primary LPA | £1,221.87 | £1,225.00 | £3.13 | £1,254.20 | £1,222.85 | £1,285.56 |
| Secondary LPA | £1,851.33 | £1,855.00 | £3.68 | £1,894.54 | £1,847.17 | £1,941.90 |
| Primary mobility | £999.72 | £207.18 | -£792.54 | £1,026.65 | £313.37 | £1,052.31 |
| Secondary mobility | £1,438.74 | £298.81 | -£1,139.93 | £1,476.47 | £450.53 | £1,513.38 |
| Primary lump sum | £135,411.20 | £135,500.00 | £88.80 | £143,624.88 | £140,034.26 | £147,215.50 |
| Secondary lump sum | £135,411.20 | £135,500.00 | £88.80 | £143,624.88 | £140,034.26 | £147,215.50 |
| Primary sparsity | £59,559.77 | £56,300.00 | -£3,259.77 | £61,069.68 | £58,135.89 | £62,596.42 |
| Secondary sparsity | £86,642.01 | £81,900.00 | -£4,742.01 | £88,799.76 | £84,531.95 | £91,019.75 |
| Middle-school sparsity | £86,642.01 | £81,900.00 | -£4,742.01 | £88,799.76 | £84,531.95 | £91,019.75 |
| All-through sparsity | £86,642.01 | £81,900.00 | -£4,742.01 | £88,799.76 | £84,531.95 | £91,019.75 |
| Split sites basic eligibility funding | | | | £57,471.12 | £56,034.34 | £58,907.90 |
| Split sites distance funding | | | | £28,682.64 | £27,965.57 | £29,399.71 |

October 2023 Factor Values

| Factor | 23-24 NFF including ACA | 23-24 APT | Difference between 23-24 APT and 23-24 NFF | 24-25 NFF including ACA | 24-25 APT minimum | 24-25 APT maximum |
|---------------------------------------|-------------------------|-------------|--|-------------------------|-------------------|-------------------|
| Primary basic entitlement | £3,590.51 | £3,641.00 | £50.49 | £3,770.02 | £3,675.77 | £3,864.27 |
| KS3 basic entitlement | £5,062.05 | £5,134.00 | £71.95 | £5,315.28 | £5,182.40 | £5,448.17 |
| KS4 basic entitlement | £5,705.25 | £5,786.00 | £80.75 | £5,991.60 | £5,841.81 | £6,141.39 |
| Primary FSM | £507.79 | £510.00 | £2.21 | £518.62 | £505.65 | £531.58 |
| Secondary FSM | £507.79 | £510.00 | £2.21 | £518.62 | £505.65 | £531.58 |
| Primary FSM6 | £745.82 | £750.00 | £4.18 | £867.89 | £846.19 | £889.59 |
| Secondary FSM6 | £1,089.64 | £1,090.00 | £0.36 | £1,270.08 | £1,238.33 | £1,301.83 |
| Primary IDACI F | £243.32 | £245.00 | £1.68 | £248.72 | £242.51 | £254.94 |
| Primary IDACI E | £296.21 | £300.00 | £3.79 | £301.64 | £294.10 | £309.19 |
| Primary IDACI D | £465.48 | £470.00 | £4.52 | £470.99 | £459.21 | £482.76 |
| Primary IDACI C | £507.79 | £510.00 | £2.21 | £513.32 | £500.49 | £526.16 |
| Primary IDACI B | £539.53 | £540.00 | £0.47 | £545.08 | £531.45 | £558.70 |
| Primary IDACI A | £708.79 | £710.00 | £1.21 | £719.71 | £701.72 | £737.70 |
| Secondary IDACI F | £354.40 | £355.00 | £0.60 | £359.86 | £350.86 | £368.85 |
| Secondary IDACI E | £470.77 | £475.00 | £4.23 | £476.28 | £464.37 | £488.19 |
| Secondary IDACI D | £655.90 | £660.00 | £4.10 | £666.79 | £650.12 | £683.46 |
| Secondary IDACI C | £719.37 | £720.00 | £0.63 | £730.30 | £712.04 | £748.55 |
| Secondary IDACI B | £772.27 | £775.00 | £2.73 | £783.22 | £763.64 | £802.80 |
| Secondary IDACI A | £983.85 | £985.00 | £1.15 | £1,000.19 | £975.18 | £1,025.19 |
| Primary EAL | £613.58 | £615.00 | £1.42 | £624.46 | £608.84 | £640.07 |
| Secondary EAL | £1,655.61 | £1,660.00 | £4.39 | £1,677.56 | £1,635.62 | £1,719.50 |
| Primary LPA | £1,221.87 | £1,225.00 | £3.13 | £1,238.33 | £1,207.37 | £1,269.29 |
| Secondary LPA | £1,851.33 | £1,855.00 | £3.68 | £1,878.66 | £1,831.69 | £1,925.63 |
| Primary mobility | £999.72 | £207.18 | -£792.54 | £1,016.06 | £302.78 | £1,041.47 |
| Secondary mobility | £1,438.74 | £298.81 | -£1,139.93 | £1,460.59 | £434.65 | £1,497.11 |
| Primary lump sum | £135,411.20 | £135,500.00 | £88.80 | £142,248.96 | £138,692.74 | £145,805.18 |
| Secondary lump sum | £135,411.20 | £135,500.00 | £88.80 | £142,248.96 | £138,692.74 | £145,805.18 |
| Primary sparsity | £59,559.77 | £56,300.00 | -£3,259.77 | £60,434.64 | £57,500.85 | £61,945.51 |
| Secondary sparsity | £86,642.01 | £81,900.00 | -£4,742.01 | £87,847.20 | £83,579.39 | £90,043.38 |
| Middle-school sparsity | £86,642.01 | £81,900.00 | -£4,742.01 | £87,847.20 | £83,579.39 | £90,043.38 |
| All-through sparsity | £86,642.01 | £81,900.00 | -£4,742.01 | £87,847.20 | £83,579.39 | £90,043.38 |
| Split sites basic eligibility funding | | | | £56,836.08 | £55,415.18 | £58,256.98 |
| Split sites distance funding | | | | £28,470.96 | £27,759.19 | £29,182.73 |

Changes in Factors

| Factor | 24-25 NFF including ACA | 24-25 APT minimum | 24-25 APT maximum | 24-25 NFF including ACA2 | 24-25 APT minimum2 | 24-25 APT maximum2 |
|---------------------------------------|-------------------------|-------------------|-------------------|--------------------------|--------------------|--------------------|
| Primary basic entitlement | -£37.04 | -£36.12 | -£37.97 | -0.98% | -0.98% | -0.98% |
| KS3 basic entitlement | -£52.92 | -£51.60 | -£54.24 | -1.00% | -1.00% | -1.00% |
| KS4 basic entitlement | -£59.27 | -£57.79 | -£60.75 | -0.99% | -0.99% | -0.99% |
| Primary FSM | £0.00 | £0.00 | £0.00 | 0.00% | 0.00% | 0.00% |
| Secondary FSM | £0.00 | £0.00 | £0.00 | 0.00% | 0.00% | 0.00% |
| Primary FSM6 | -£10.58 | -£10.32 | -£10.84 | -1.22% | -1.22% | -1.22% |
| Secondary FSM6 | -£10.58 | -£10.32 | -£10.85 | -0.83% | -0.83% | -0.83% |
| Primary IDACI F | £0.00 | £0.00 | £0.00 | 0.00% | 0.00% | 0.00% |
| Primary IDACI E | £0.00 | £0.00 | £0.00 | 0.00% | 0.00% | 0.00% |
| Primary IDACI D | -£5.29 | -£5.16 | -£5.43 | -1.12% | -1.12% | -1.12% |
| Primary IDACI C | -£5.29 | -£5.16 | -£5.42 | -1.03% | -1.03% | -1.03% |
| Primary IDACI B | -£5.29 | -£5.16 | -£5.43 | -0.97% | -0.97% | -0.97% |
| Primary IDACI A | -£5.29 | -£5.16 | -£5.43 | -0.74% | -0.74% | -0.74% |
| Secondary IDACI F | -£5.29 | -£5.16 | -£5.43 | -1.47% | -1.47% | -1.47% |
| Secondary IDACI E | -£5.29 | -£5.16 | -£5.42 | -1.11% | -1.11% | -1.11% |
| Secondary IDACI D | -£5.29 | -£5.16 | -£5.43 | -0.79% | -0.79% | -0.79% |
| Secondary IDACI C | -£5.29 | -£5.16 | -£5.43 | -0.72% | -0.72% | -0.73% |
| Secondary IDACI B | -£10.58 | -£10.32 | -£10.85 | -1.35% | -1.35% | -1.35% |
| Secondary IDACI A | -£5.29 | -£5.16 | -£5.43 | -0.53% | -0.53% | -0.53% |
| Primary EAL | -£5.29 | -£5.16 | -£5.42 | -0.85% | -0.85% | -0.85% |
| Secondary EAL | -£21.17 | -£20.64 | -£21.70 | -1.26% | -1.26% | -1.26% |
| Primary LPA | -£15.88 | -£15.48 | -£16.27 | -1.28% | -1.28% | -1.28% |
| Secondary LPA | -£15.88 | -£15.48 | -£16.27 | -0.85% | -0.85% | -0.84% |
| Primary mobility | -£10.58 | -£10.59 | -£10.84 | -1.04% | -3.50% | -1.04% |
| Secondary mobility | -£15.88 | -£15.88 | -£16.27 | -1.09% | -3.65% | -1.09% |
| Primary lump sum | -£1,375.92 | -£1,341.52 | -£1,410.32 | -0.97% | -0.97% | -0.97% |
| Secondary lump sum | -£1,375.92 | -£1,341.52 | -£1,410.32 | -0.97% | -0.97% | -0.97% |
| Primary sparsity | -£635.04 | -£635.04 | -£650.91 | -1.05% | -1.10% | -1.05% |
| Secondary sparsity | -£952.56 | -£952.56 | -£976.37 | -1.08% | -1.14% | -1.08% |
| Middle-school sparsity | -£952.56 | -£952.56 | -£976.37 | -1.08% | -1.14% | -1.08% |
| All-through sparsity | -£952.56 | -£952.56 | -£976.37 | -1.08% | -1.14% | -1.08% |
| Split sites basic eligibility funding | -£635.04 | -£619.16 | -£650.92 | -1.12% | -1.12% | -1.12% |
| Split sites distance funding | -£211.68 | -£206.38 | -£216.98 | -0.74% | -0.74% | -0.74% |

Appendix 2 - Consultation Response Form

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

Q1 Do you support the transfer of 0.5% of the schools block to support pressures in the High Needs block?

Yes

No (If, no please give a reason)

| |
|--------|
| Reason |
|--------|

Q2 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 Wednesday 1 November 2023.