

AGENDA



SCHOOLS FORUM

Date: Thursday 2 November 2023
Time: 4.30pm
Place: Microsoft Teams

Distribution

Members of the Committee

Pippa Osborne (Chair)	Dave Baker (Vice Chair)
Julia Anwar	Ross Newman
Jo Dent	Diane Owen
Stuart Evans	Lisa Parker
Kim Garland	Will Roberts
Clare Haughton	Fr. Malcolm Strange
Aaron Jefferies	Katherine Marks
David Jenkins	Susie Weaver
Nicola Jones	Bernice Webber
Louise Leader	David Williams
Nicola Bailey	Kathryn Absalom

Appropriate Officers attending:

Mustafa Salih
Hilary Smith
Caroline Warren

Councillors attending:

Ian Boulton

Executive Director for the Department for People, Badminton Road
Offices, Yate, South Gloucestershire, BS37 5AF
Telephone: (01454) 863253

Enquiries to: Mustafa Salih, Service Director, Resources and
Business; Telephone (01454) 862548 or E-mail
mustafa.salih@southglos.gov.uk

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AGENDA

1. WELCOME AND INTRODUCTIONS
2. APOLOGIES FOR ABSENCE (Pippa Osborne)
3. DECLARATIONS OF INTEREST (Pippa Osborne)
4. ANY OTHER ITEMS THE CHAIR DECIDES ARE URGENT (Pippa Osborne)
5. MINUTES FROM 28TH SEPTEMBER 2023 MEETING (Pippa Osborne)
6. SETTING THE SCHOOLS BUDGET 2024-25 AND CONSULTATION ON £2.2M DSG BLOCK TRANSFER (Mustafa Salih)
7. SCHOOLS IN FINANCIAL DIFFICULTY UPDATE (Deb Luter)
8. Q1 FINANCIAL PERFORMANCE REPORT (Caroline Warren)
9. HIGH NEEDS WORKING GROUP (Verbal report) (Susie Weaver)
10. SCHOOLS FORUM FORWARD PLAN
11. ANY OTHER BUSINESS

**South Gloucestershire Schools Forum
Minutes of Meeting held on
Thursday 28 September 2023
Microsoft Teams**

PRESENT:

Pippa Osborne (Chair)	Headteacher Christ Church Junior School
Dave Baker (Vice Chair)	CEO, Olympus Academy Trust
Julia Anwar	Head of Business Operations, Olympus Academy Trust
Debbie Beazer	LEAF Trust Representative
Stuart Evans	South Gloucestershire and Stroud College
Kim Garland	Headteacher, Brimsham Green School
Aaron Jefferies	Primary Governor, Coniston Primary School
David Jenkins	Governor, Crossways Schools
Louise Leader	Headteacher, Pathways Learning Centre
Ross Newman	Early Years Schools Forum Representative
Diane Owen	Chair to Academy Council at King's Oak Academy
Susie Weaver	Executive Principal, Cabot Learning Federation
Bernice Webber	Headteacher, Old Sodbury CE Primary School
David Williams	Diocese of Gloucester

Executive Members:

Ian Boulton, Cabinet Member - Schools, Skills, Employment and Business

Officers:

Mustafa Salih, Service Director Resources and Business Support
Hilary Smith, Service Director, Education, Learning and Skills
Deb Luter, Schools Finance Team Leader
Caroline Warren, Finance Business Partner

Others:

Tamsin Moreton, Director of Finance & Operations, Enable Trust (representing Nicola Jones)

WELCOME AND INTRODUCTIONS

Attendees were welcomed by the Chair.

APOLOGIES FOR ABSENCE

Chris Sivers, Kim Garland, Lisa Parker, Fr. Malcolm Strange, Katherine Marks

1. DECLARATIONS OF INTEREST – None

2. ANY OTHER ITEMS THE CHAIR DECIDES ARE URGENT (Pippa Osborne)

For those new members as we have quite a large group can we ask that you raise any items in the 'chat' and 'raise hand' feature.

3. SCHOOLS FORUM MEMBERSHIP – Michelle Trigg

This report is the latest update of the Schools Forum membership following the academisation of 12 maintained primary schools. Secondary maintained schools remain the same.

An induction was held on 13th September for new members who were introduced to the Chair (Pippa Osborne), the Service Director for Resources and Business (Mustafa Salih) and Michelle Trigg who is the Clerk and Business Support Manager for the Council.

Items covered in the induction included the role of the Schools Forum, schools budget, schools representation, the constitution, forward plan, schools forum website and relevant links and previous minutes were circulated.

Members are asked to contact michelle.trigg@southglos.gov.uk with any changes to the membership list and a further update will be provided at the next forum meeting.

Allocation of the Schools Forum membership was approved.

4. MINUTES FROM LAST MEETING – 06th July 2023

Minutes recorded as accurate.

5. Dedicated Schools Grant 2022/23 Outturn (Caroline Warren)

This is an update on the Dedicated Schools Grant and Safety Valve Outturn position for 2022/23

There was a cumulative overspend of £22,459k which is an improvement of £3,448k compared with our Quarter 3. The cumulative deficit was made up of £7m with Safety Valve contribution relating to the DSG recovery plan of £3m, Advanced Safety Valve payment of £2.5m, council contribution of £334k and a brought forward deficit of £21,132k.

Following submission of our Q3 return, the Local Authority (LA) received an advanced Safety Valve payment from the Department for Education (DfE) of £2.5m

in recognition of our achievements to date. This is welcome news but we need to stress that we continue to see pressure with the number of Education, Health and Care Plans (EHCPs) and the costs of plans and high needs support which continue to be a high risk in reducing the Safety Valve target. SEND pressures continue to be a significant risk which will be reviewed and reported back to Schools Forum and to the DfE.

PO – A previous action was around creating a small working group from Schools Forum to work with some of the Council members to lobby the government on our behalf as we are one of the lowest funded authorities.

MS – There is a meeting of Council Members on the 19th October at 9.00am (via Teams) and a small number of Schools Forum representatives are invited to join that meeting. It would be helpful if those members are familiar with the challenges as a local authority and speak with knowledge of why South Gloucestershire actually needs additional funding. Hearing direct from schools around the kind of pressures and decisions to make to manage the budget is quite powerful.

An alternative date can be arranged if the 19th is not suitable.

PO – To have a range of representation from the Primary sector, Special and PRU sectors and Academies. Either email hilary.smith@southglos.gov.uk or Mustafa.salih@southglos.gov.uk or add to the 'chat' if you are available on the 19th.

Schools Forum members available on the 19th October are Dave Baker, Louise Leader, Ross Newman and Diane Owen.

Action: Appointment to be forwarded to the above members.

6. Falling Rolls Fund (Caroline Warren)

The purpose of this report is to implement a new policy for falling rolls and for Schools Forum to review the content of this report and agree to a policy being introduced and agree to a small working party of Schools Forum reps to support any exceptional funding requests.

The purpose is to provide financial support when there is a temporary fall in numbers deemed temporary for 3 years with the exception that numbers would go back up again. The school needs to be Ofsted rated good or outstanding, have a balance of 15% or more of delegated budget funding, a decrease of the greater 5% or 5 pupils for Primary schools and 5% for Secondary schools to be able to access funding. There appears to be funding available to cover that financial support and shouldn't cause a problem within the DSG. We have identified there might be 2 schools that would qualify for this funding. For those schools who do not fall within the category but have a strong case then we would ask a small working group from the Forum to review the case and make the decision. We have our standard

criteria and deal with all those requests and anyone if they feel they have a strong case they can put that to their Schools Forum rep.

Do Schools Forum agree to have a falling rolls policy implemented for this year and do you agree with the proposed criteria? This is a new policy so we may have to review the policy and come back to Schools Forum.

Decision: Majority of 14 Schools Forum members agreed to the proposed Falling Rolls Policy with the caveat of one year review and what funding would be coming from central government.

Agreed: In principle and proposed.

7. Current position on school places across schools system in South Gloucestershire (Hilary Smith)

This paper sets out the current position on our sufficient places in the primary and secondary sector phase and any actions to address any issues. We do currently have sufficient primary places but we do need to monitor the secondary phase closely.

Summary. The Primary phase. Declining birth rates over recent years. 3244 offers made where 3703 places currently available. There are fewer places in KS2 than KS1 and there isn't any indication this will change.

Thornbury and Alveston under pressure with a breach at Manorbrook School in Reception.

Bradley Stoke/Patchway/Stoke Gifford/Filton Yrs 2, 3 and 5. There is a shortage of places in Downend and Lyde Green this year and this is being managed by Barley Close taking in what would be Lyde Green pupils. Lyde Green school delayed and not planned to open until September 2026.

Secondary phase. 2016 upturn demand on secondary school places has increased to 91% on the 'stay on rate' in transitioning from Yr6 to Yr7. There has been additional demand for school places from overseas families moving into the Bradley Stoke area.

DB – To set out the information in terms whether we have got surplus numbers. To note that Bradley Stoke and Kings Oak are all through schools.

Action: Hilary to take away and look at the data.

8. Safety Valve Update (Mustafa Salih)

We had been asked to meet DfE officials regarding our Safety Valve plan and they had raised prior to the meeting the fact that we seem to be slipping against the target and challenge. We presented some of the progress that we had all been making together with the investment in cluster funds and the number of EHCPs where for the first time in the data we were below the England average. We did also make a case for extra funding against inflation and we also made a bid or asked for more capital funding and invest in more SEND places and an extension in our recovery plan.

They paid our next instalment and they seem to accept our ask to extend the period and asked us to bring that forward if we can and we are looking at that. They didn't offer to pay us anymore for the inflation. They did leave the door open for the bid for capital funding. This is a positive outcome and they may want to meet with us again towards the end of the year.

PO – So many schools are contributing and there are increased pressures in schools so it is important to work with the councillors.

DB - Our Trust schools are really struggling around supporting additional need and EHCPs. We met with Hilary to discuss this and SENCOs are really low because of the support situation. We have already made too many savings which is affecting provision.

PO – I think the schools are stretched massively and met the agreements of the Safety Valve. The council are not the ones with the extra money and this is where we can lobby centrally and level ourselves up.

SW – Agree and support and also we have to make the savings and the narrative around the lowest funded and helping the school leaders. There is a need to work in partnership and begin to be part of these conversations being felt right across the sector.

HS – The new draft SEND Strategy came out on 20th September and we had 88 responses, which is a reasonable number. There was overall positive support for the Strategy because of the high level of co-production with members of our community and partners with the key message about the level of funding. We will be finalising our Strategy showing the things they are telling us and reflecting on those with a final launch in November. It is good to see an ambitious Strategy where there is the concrete action that will follow in the Alternative Provision (AP) Improvement Plan which will come out in the Inclusion plan produced with partners early in the new year.

PO – Is there some scope for a joint letter from Mustafa, Hilary or Ian Boulton to work with the Council to lobby on our behalf and may be include those who represent the sectors currently and then approach their sectors rep.

9. Banding and Top-Up Funding Arrangements for Pupils with Education and Healthcare Plans (EHCPs) – Year 2 (Mustafa Salih)

At the moment we are not looking to introduce a further saving than what we have already planned and agreed and put in place.

This paper is about when we introduced a new top up and banding arrangement just over a year ago. We agreed new top up rates and banding process and agreed a 3-year transition period rate for Yr1. Yr2 starts this September and we said we would give an update to the Forum and assess our ability to move to the next phase of our transition.

We did quite a detailed piece of work involving a number of teams across our department, including finance, key parts of Hilary's EHCP and Educational Psychology teams and went through 48 EHCPs from a representative sample of schools. We did find that the surplus picture was greater at the lower bands than the higher bands.

There were some individual cases where the top ups were less than the costed amount in the EHCP and in those schools they have other EHCPs which balanced it out. There is the opportunity to have the bandings reassessed and look at those cases. To make sure we have got some level of assurance that schools can make that step down and from this September we will bring this analysis to the Schools Forum for their review as well.

JA – The way you have costed the provision it would be helpful to share the model and see if it is comparable.

LL - Mustafa, I agree with Julia that it would be useful to share the LA's analysis model, so we can compare with our own QA against provision and costs.

PO – If there was an opportunity for a couple of colleagues from schools to be part of that team and be part of that process next year.

Action: Mustafa to share the LA model used with any schools interested and happy to include 2 representatives from schools to be part of the costing process next year.

10. Action Tracker

Action No.	Date	Agenda item	Decision / Action Made	Owner	Due date	Latest update
1	28/09/2023	Item 7 - Dedicated Schools Grant 2022/23 Outturn	SF members available to join the meeting on 19th October are Pippa Osborne, Dave Baker, Louise Leader, Ross Newman and Diane Owen.	MT/CC	02/11/2023	Closed
2	28/09/2023	Item 9 Current Position on school places across schools system in South Gloucestershire	Hilary to take away and look at the data, especially around Bradley Stoke and Kings Oak as they are all through schools.	HS	02/11/2023	Closed Hilary confirmed 10-10-23 - it doesn't need to go back to the Forum before the update next year, for Hilary to note that we needed to show these two schools as all age
3		Item 10 Safey Valve Update	Is there some scope for a joint letter from Mustafa, Hilary or Ian Boulton to work with the Council to lobby on our behalf and may be include those who represent the sectors currently and then approach their sectors rep.	MS	TBC	Closed
4	28/09/2023	Item 11 Banding and Top-Up Funding arrangements for Pupils in Education and Healthcare Plans (EHCPs) - Year 2	Mustafa to invite a small group of school reps to next year's costing exercise (and to share a copy of the LA model to any schools interested)	MS	July - August 2024	Closed
5	28/09/2023	Item 12 Schools Forum Forward Plan	Remove membership update from Forward plan for November. Defer - Proposed Financial Amendments Breach Funding to December	MT MT	02/11/2023	Closed

11. Schools Forum Forward Plan

Nov 2023	02nd			
			School Budgets 2024-2025 (Report)	Mustafa Salih
			Schools in Financial Difficulty Update	Deb Lutter
			High Needs Working Group Update	Hilary Smith
			Q1 Financial Performance Report 2023-2024	Caroline Warren
			Schools Forum Membership, Constitution & Self-Assessment	Michelle Trigg

Dec 2023	07th			
			Schools Budget Announcement	Mustafa Salih
			Implementation of new banding and top up arrangement for special schools and alternative provision	Mustafa Salih
			Proposed Financial Amendments: Breach Funding	Caroline Warren

12. Any Other Business

None

Meeting closed.

South Gloucestershire Council

SCHOOLS FORUM

2 November 2023

Setting the Schools Budget 2024-25

Purpose of Report

1. To formally consult with the Schools Forum on options for setting the Schools Budget 2023-24. The Forum is being asked to give a formal view on a block transfer of £2.2m, which will be presented to Cabinet and Full Council for their consideration in setting the final Schools Budget for 2024-25.

Policy

2. The Financing of Maintained Schools Regulations 2023 requires local authorities (LAs) to set the Schools Budget each year. The Schools Budget is defined in regulations and broadly represents all the expenditure incurred by local authorities that relate to schools. The source of funding to support the Schools Budget is a ring-fenced grant received by local authorities known as the Dedicated Schools Grant (DSG). Local Authorities must distribute an element of the Schools Budget to their maintained schools using a formula which accords with the regulations made by the Secretary of State for Education and enables the calculation of a budget share for each maintained school. The financial controls within which delegation works are set out in the Scheme for the Financing of Schools.
3. The DSG is allocated to local authorities in 4 blocks as follows:
 - Schools Block: relates mainly to funding for mainstream school budget shares
 - High Needs Block: relates to funding to support children and young people with SEND
 - Early Years Block: relates to funding for supporting nursery education providers and other general early years education responsibilities
 - Central Services Block: relates to funding to support LA statutory responsibilities relating to schools
4. Requirements relating to each of the blocks and the DSG in totality are covered in the regulations previously mentioned.
5. The Schools Forum has a key responsibility to act as a consultative body with the local authority on the strategic financial management of the Schools Budget and the DSG. A key priority in this area is to take decisions that ensure sound financial management of the Schools Budget.

Background

6. This report sets out the latest information available and proposed options to consider in setting the 2024-25 Schools Budget including setting the formula for calculating school budget shares.
7. The DfE has announced funding arrangements for 2024-25 but has not yet announced final funding figures for schools..

The National Funding Formula (NFF) for Schools 2024-25

8. The DfE updated the schools national funding formula (NFF) for 2024-25 on 6 October 2023. They had published the schools NFF for 2024-25 previously in July, however, they then uncovered an error made by DfE officials during the initial calculations of the NFF. Specifically, there was an error processing forecast pupil numbers, which meant that the overall cost of the Core Schools Budget would be 0.62% greater than allocated. The DfE therefore issued new NFF allocations on 6 October 2023 to correct that error and stated that they would continue to deliver, in full, the £59.6bn Core Schools Budget that had been promised.
9. The DfE did apologise for the error and the Secretary of State has asked the Permanent Secretary to conduct a formal review of the quality assurance process surrounding the calculation of the NFF, with independent scrutiny.
10. The recalculation of funding does not affect the total amount we plan to spend in the Core Schools Budget in 2024-25 - which includes funding for mainstream schools, and funding for high needs. It will remain at £59.6bn in 2024-25, the highest ever in real terms per pupil. This is a percentage increase from 2023-24 of 3.2%, and will properly fund the teacher pay increase agreed in 2023.
11. The recalculated funding will result in an average of £5,300 per primary school pupil and £6,830 per secondary school pupil in 2024-25, up from £5,200 and £6,720 respectively in 2023-24. The 2024-25 high needs NFF allocations (which fund provision for children with complex SEND) are unaffected, as are other funding streams outside the NFF, including the Teachers' Pay Additional Grant announced in the summer.
12. As schools have not yet received their 2024-25 funding, fortunately the correction of this error does not mean adjusting any funding that schools have already received. Likewise, the error will not impact on the publication of the Dedicated Schools Grant (DSG) in December, or when schools will receive their final allocations for 2024-25.
13. Nevertheless, the DfE did recognise that the correction of this error will be difficult for local authorities and frustrating for some school leaders.
14. Funding through the mainstream schools national funding formula (NFF) is increasing by 1.9% per pupil in 2024-25, compared to 2023-24.1 Taken together with the funding increases seen

in 2023-24, this means that funding through the schools NFF will be 7.6% higher per pupil in 2024-25, compared to 2022-23.

15. The main features in 2024-25 are:

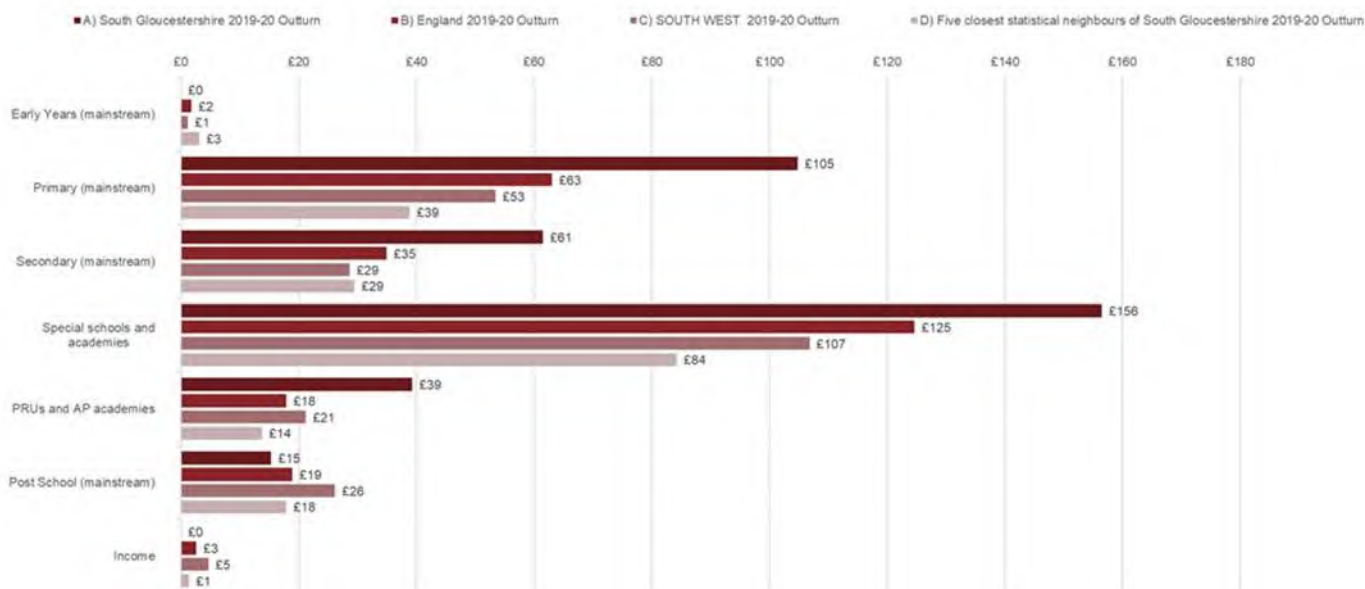
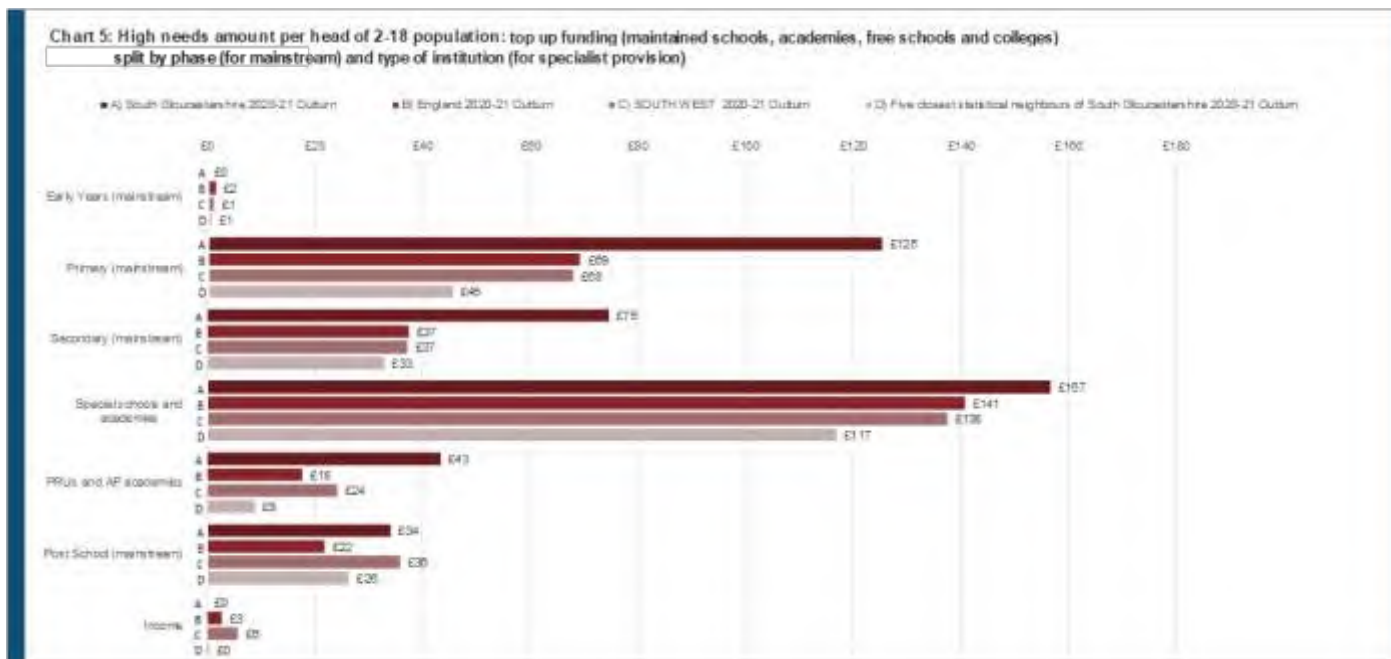
- a. The DfE is introducing a formulaic approach to allocating split sites funding. This ensures that split sites funding will be provided on a consistent basis across the country.
- b. The core factors in the schools NFF (such as the basic entitlement, and the lump sum that all schools attract) will increase by 1.4%.
- c. Through the minimum per pupil funding levels, every primary school will receive at least £4,610 per pupil, and every secondary school at least £5,995. The funding floor will ensure that every school will attract at least 0.5% more pupil-led funding per pupil, compared to its 2023-24 allocation.
- d. Rolling the 2023-24 mainstream schools additional grant (MSAG) into the schools NFF ensuring that this additional funding forms an on-going part of schools' core budgets. Appropriate adjustments have been made to NFF factor values and baselines to reflect this.
- e. 2023-24 was the first year of transition to the direct schools NFF. As in 2023-24, local authorities will only be allowed to use NFF factors in their local formulae, and must use all NFF factors, except any locally determined premises factors. Local authorities will also be required to move their local formulae factors 10% closer to the NFF values, compared to where they were in 2023-24, unless they are already mirroring the NFF (South Glos is).
- f. High needs funding is increasing by a further £440 million, or 4.3%, in 2024-25, following the £970 million increase in 2023-24 and £1 billion increase in 2022-23. This brings the total high needs budget to £10.54 billion – an increase of over 60% since 2019-20. The high needs NFF will ensure that every local authority receives at least a 3% increase per head of their 2-18 population, with the majority of authorities seeing gains of more than 3%.
- g. Central school services funding funds local authorities for the ongoing responsibilities they continue to have for all schools, and some historic commitments entered into before 2013-14. The total provisional funding for these responsibilities is £304 million in 2024-25. In line with the process introduced for 2020-21 to withdraw the funding for historic commitments over time, this element of funding will decrease by 20% and continues to be a challenge to the Council's central school services.

16. The DfE in announcing the corrected NFF figures has stated that on an overall basis that level of extra funding should allow schools to meet the impact of pay awards and general inflationary pressures that had been concerning most schools.

SEND Pressures and the DSG Recovery Plan

17. The Council’s successful engagement with the DfE’s Safety Valve process has resulted in significant funding to offset a large part of the historic DSG deficit that has built up over several years due to our expenditure exceeding our annual funding allocation.

18. The DfE’s national benchmarking tables have consistently shown that we pass on significantly more funding to schools through EHCP top-up levels than all our comparators as well as having a higher proportion of EHCPs than our comparators, as can be seen in the following two tables:



19. Since entering the Safety Valve Programme, the Council has received continued to receive regular instalments towards the £25.5m total Safety Valve funding agreed. It is important to note that this is dependent on us submitting a return to the DfE to update on our progress and each instalment of funding is dependent upon the DfE's assessment of our progress.

20. The Safety Valve Recovery Plan is shown in the following table which includes an assumed £2.2m transfer from the Schools Block each year up until 2026/27 and a £1m contribution from the Council's own reserves.

DSG Sustainability Plan	Outturn	Outturn	Outturn	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'001
High Needs Block Funding	27,225	27,711	30,134	33,548	38,036	39,937	41,135	42,369	43,641	44,950	46,298
<i>Annual Increase in Funding</i>		486	2,423	3,414	4,488	1,902	1,198	1,234	1,271	1,309	1,348
		1.80%	8.70%	11.30%	13.40%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Transfer from Schools Block	2,900	2,200	2,200	2,200							0
Total Funding	30,125	29,911	32,334	35,748	38,036	39,937	41,135	42,369	43,641	44,950	46,298
DfE Ask Proposal											
Transfer from Schools Block					2,200	2,200	2,200	2,200	2,200		
Safety Valve Ask					17,000	4,000	4,000				
Council contribution					334	333	333				
Total Proposed Funding	30,125	29,911	32,334	35,748	57,570	46,470	47,668	44,569	45,841	44,950	46,298
<i>Annual % Increase</i>		-0.70%	8.10%	10.60%	79.70%	-34.40%	2.80%	2.80%	2.90%	2.90%	2.90%
Total Spend (analysed below)	32,602	34,958	39,978	44,986	44,156	42,537	40,995	41,180	42,004	42,844	43,701
<i>Annual % Increase</i>		7.20%	14.40%	12.50%	-1.80%	-3.70%	-3.60%	0.50%	2.00%	2.00%	2.00%
In Year Over(+)/Under(-) spend High Needs Block	2,477	5,047	7,644	9,238	-13,414	-3,933	-6,673	-3,389	-3,837	-2,106	-2,597
In Year Over(+)/Under(-) spend (Other Blocks)		-347	-89								
Cumulative deficit	11,646	16,346	23,901	33,139	19,725	15,792	9,119	5,730	1,893	-213	-2,810

The Case for the £2.2m Transfer

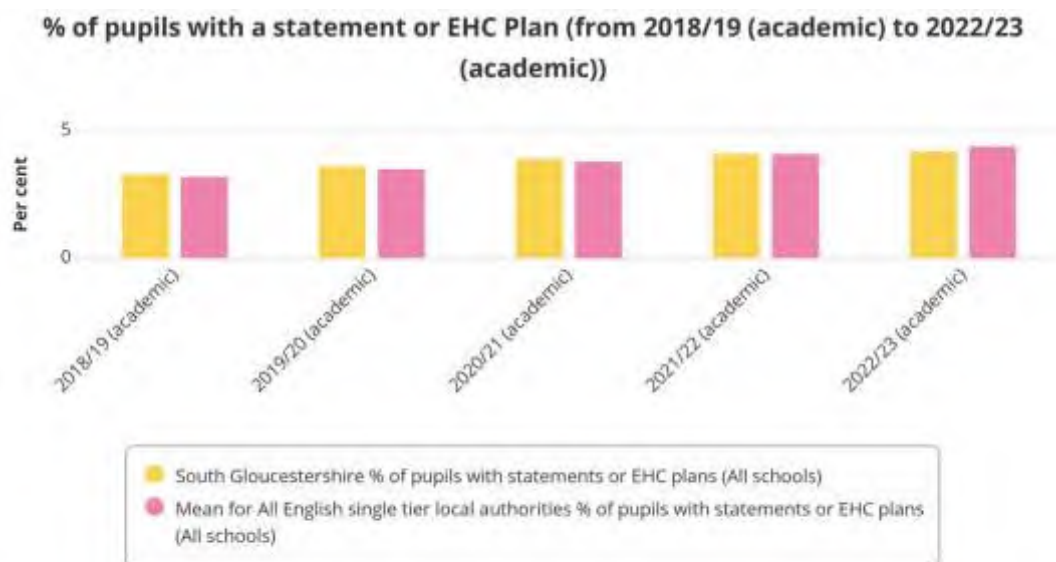
21. Appendix A (**attached as a separate document**) shows school by school analysis covering 2 options regarding next year's school budget shares. It shows that even with a transfer of £2.2m to the High Needs Block, school budget shares would still increase by £10.5m compared to 2023-24 resulting in extra funding to boost school budget shares.

22. Over recent years the Schools Forum has approved a transfer of £2.2m from each years Schools Block increase to invest in improvements to the local SEND system, improving support for schools and helping to reduce escalating costs in future years. The majority of the £2.2m flows back to schools but importantly to specifically support SEND pupils.

23. The planned use of the £2.2m in 2024-25 is as follows:

- **£1m for Cluster Boards** to invest in SEND support in their schools. Appendix A sets out the detail on the positive impact the Cluster Boards have achieved so far including supporting improved outcomes for SEND pupils, new services for pupils at SEND

support and improved identification of pupils at SEND support. Importantly it has also supported progress on one of the Safety Valve agreement's critical KPIs by helping to close the gap with our benchmarking comparators on the proportion of EHCPs. For the first time for at least a decade South Gloucestershire has a lower percentage of EHCPs than the England average. As seen in the following table:



Source:

Metric ID: 2213, Department for Education, Special Educational Needs in England, [Percentage of pupils with Special Educational Needs \(SEN\) statements or Education, Health and Care \(EHC\) Plans \(All schools\)](#), Data updated: 23 Jun 2023
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The impact of the Cluster funding and boards have now passed a threshold and are now a permanent feature of our local SEND system. Interestingly the DfE have now started promoting similar schemes for all local

- **£200k for investment in Early Years.**
- **£300k to invest in early help in our schools.** In gaining entry to the Safety Valve Programme, the DfE queried whether the plans proposed had sufficient focus on early help. It is the case that the risk of escalating need is high and we need to do more to support early intervention, for example many pupils and young people being referred to the High Risk Group may not have reached that stage had there been sufficient focus on early intervention. However, we recognise that this is a challenge for schools. Therefore, working with the clusters to identify and develop an effective centrally coordinated early help offer, we proposed to use an element of the transfer to develop that offer. This will supplement the commissioning of experts to provide an early help offer in the classroom for SEMH. This will also complement the new family link worker early help offer being developed through the use of council and health funding.
- **£700k investment in central capacity** to ensure schools, parents and pupils receive improved support and guidance on a timely basis as they navigate through the EHCP and new banding process. Increased demand for services has resulted in the need to boost capacity of the central teams, therefore this short term investment has been

necessary in EHC coordination, EP services and the associated support. This will be needed until we start to see a plateauing of demand for EHCPs.

24. All the above investment initiatives are critical to our continued progress on moving to a position where, as a system we can live within our means as well as improving our offer of support for SEND pupils. The Council has rightly developed these investment initiatives collaboratively with the High Needs Working Group which is a sub-group of the Schools Forum and has representatives from all sectors of schools. The intention is to continue managing the use of the funding and tracking its impact jointly with the HNWG and continue our process of providing regular updates to the Forum and thereby all schools as well.

School by School Modelling

25. Appendix A shows school by school modelling of school budget shares for 2024-25 utilising all funding announcements thus far. Two options are shown: option 1 with the £2.2m transfer and option 2 without the £2.2m transfer. As with all modelling figures the Council presents to schools, they are shown to give an indication of impact between different options and should not be taken as representing final budget share figures schools will receive for 2024-25. Final budget share figures will be shared with schools by the 28th February, which is the statutory deadline.

Recommendations

26. The Schools Forum is requested to approve:

Option 1: a £2.2m transfer from the Schools Block to the High Needs Block, which continues the same level of transfer that had been secured for 2023-24 and allows the investments in Cluster Funding Early Help, Early Years, and EHCP processes to support the DSG Recovery Plan to continue.

27. This consultation with the Schools Forum is of the highest importance and the Council is very mindful of continuing our progress on the Safety Valve Programme in full partnership with the Forum. The regulatory framework within which the Schools Forum operates does mean that the Council will need to consider the views expressed by the Forum, when setting the final schools Budget including the proposal to transfer £2.2m. The Council does also need to obtain the Secretary of State for Education's approval for the £2.2m transfer and with that regard it is also important to point out that the £2.2m transfer is assumed in our Safety valve agreement signed by the DfE.

Financial Implications

28. The School Finance Regulations set out the arrangements which Local Authorities must follow when allocating the DSG funding to schools.

29. As the support for schools and other pupil related services expenditure is funded by the DSG there is no charge to the Council Budget. Hence there is no charge to the Council Tax payer.
30. The DSG is forecast to overspend in 2023/24. Any overspend will need to be recovered from future year's DSG funding. The Council has successfully entered into the DfE's Safety Valve Programme which includes adhering to a challenging plan of reaching an in-year balance by 2027/28. The recommendations in this report form an important element of staying on track with the Safety Valve agreement and failure to maintain that progress could put at risk the £25.5m secured through the Safety Valve Programme. The historic nature of the deficit will mean that without this additional funding from the DfE greater savings from the local SEND system would be needed to achieve that statutorily required in-year balance.

Legal Implications

31. There is a legal requirement for the local authority to:
- submit the final school pro-formas and underlying data to the Education & Skills Funding Agency by the 21 January 2024.
 - confirm with schools their budget allocations for 2022/23 by 28 February 2024.
32. The Chief Financial Officer, after the end of the financial year, must confirm to the DfE that the grant conditions have been met.

Author

Mustafa Salih, Head of Financial Management and Business Support
Tel: 01454 863197

South Gloucestershire Council

SCHOOLS FORUM

2 November 2023

Schools in Financial Difficulty Update

Purpose of Report

Schools Strategic Finance Group (SSFG) financial report

1. Executive Summary

- No. of schools that can't balance over the next 3 years is likely to increase from 5 to 12.
- Significant planned reduction in balances from £8.9m in 22/23 to £4.9m in 23/24
- Forecast deficits range from £8k to £262k for 2023-24
- Recommended balances of 5% to 8% equate to £4.8m to £7.8m and planned balances for 2023-24 are at £4.9m.

2. 2022/23 'SiFD' school's outcomes at year end

(Black is surplus, Red is deficit)

Balance Year 1, deficit Years 2 & 3 – 4 schools

All 4 schools outturns were healthier than predicted at Revised Budget with 3 improving on original budget submission too. 1 school went from predicting a small surplus in their original budget submission to a deficit.

	Budget	Revised	Outturn	2023/24 Yr 1
1	£56,872	£14,304	£74,447	(£17,031)
2	£311	(£40,487)	(£28,814)	(£72,690)
3	£6,492	£16,404	£27,186	£5,915
4	£87,742	£8,149	£132,903	£32,737

Deficit all 3 years – 5 schools

4 of the 5 schools outturns were healthier than predicted at Revised Budget with 1 switching to a surplus. The 5th schools outturn was less than £1k variance.

	Budget	Revised	Outturn	2023/24 Yr 1
1	(£54,655)	(£125,070)	(£126,046)	(£159,793)

2	(£69,505)	(£35,065)	£22,390	£49,903
3	(£185,963)	(£321,806)	(£261,793)	(£303,516)
4	(£75,240)	(£109,094)	(£91,733)	(£74,121)
5	(£202,639)	(£230,638)	(£223,198)	(£244,497)

3. Budget submissions for 2023/24

Balance all 3 years	Balance year 1 & 2, deficit year 3	Deficit year 1, balance year 2 & 3	Deficit year 1 & 2, balance year 3	Balance year 1, deficit years 2 & 3	Deficit all 3 years
27 schools (20 have in-year deficit for year 1)	24 schools (20 have in-year deficits for year 1)	1 school	1 school	19 (15 have in-year deficit for year 1)	12 (2 have in-year surplus by year 3)
56 for 2022/23	15 for 2022/23	3 for 2022/23		4 for 2022/23	5 for 2022/23

Of the 84 schools, 67 have an in-year deficit figure and 60 of these, the in-year deficit is more than £20k for 2023/24.

4. Year on Year cumulative outturn

	18/19	19/20	20/21	21/22	22/23	23/24
Budget	£3,524,815	£3,792,466	£4,986,437	£7,281,355	£8,338,283	£4,857,046
Revised	£3,774,597	£3,780,752	£5,211,413	£7,953,702	£5,670,636	
Outturn	£5,872,247	£5,396,292	£9,284,790	£10,637,728	£8,953,931	

5. 2023/24 balance year 1, deficit years 2 & 3 – 19 schools

	2023/24	2024/25	2025/26	2023/24 in year figure
1	£101,526	-£55,442	-£292,194	-£132,924
2	£2,062	-£120,735	-£267,026	-£99,140
3	£252,095	-£28,399	-£312,889	-£92,764
4	£5,683	-£61,948	-£139,948	-£70,768
5	£87,169	-£8,826	-£138,194	-£67,342

6	£16,840	-£38,601	-£99,156	-£63,994
7	£369	-£57,516	-£122,282	-£60,717
8	£14,226	-£40,622	-£96,573	-£56,265
9	£12,193	-£96,540	-£245,231	-£31,301
10	£25,554	-£9,578	-£55,056	-£25,797
11	£15,064	-£24,998	-£65,541	-£25,709
12	£187	-£25,750	-£43,320	-£25,592
13	£5,915	-£52,196	-£156,208	-£21,271
14	£40,766	-£24,146	-£102,200	-£20,920
15	£12,336	-£25,626	-£59,122	-£20,458
16	£629	-£59,259	-£121,100	£1,756
17	£62,648	-£20,796	-£161,205	£8,262
18	£71,146	-£21,933	-£153,396	£8,373
19	£12,396	-£3,598	-£21,873	£20,824

6. 2023/24 deficit all 3 years – 12 schools

2 schools are no longer maintained by the LA and 1 has a licenced deficit / recovery plan

	2023/24	2024/25	2025/26	2023/24 in year figure
1	-£262,217	-£478,229	-£727,948	-£147,809
2	-£244,497	-£241,667	-£270,163	-£21,299
3	-£159,793	-£198,512	-£236,873	-£33,747
4	-£91,275	-£101,090	-£63,691	-£78,641
5	-£82,372	-£212,810	-£310,329	-£128,134
6	-£72,690	-£109,777	-£178,667	-£43,876
7	-£42,793	-£97,810	-£151,559	-£44,480
8	-£39,380	-£31,067	-£22,524	-£106,033

9	-£25,240	-£80,825	-£120,518	-£41,285
10	-£17,031	-£155,044	-£335,558	-£91,478
11	-£13,933	-£61,978	-£114,154	-£25,142
12	-£7,907	-£74,956	-£170,530	-£64,742

Author
Deb Luter
Schools Finance Team Leader

South Gloucestershire Council

SCHOOLS FORUM

2nd November 2023

Dedicated Schools Grant 2023/24 Quarter 1

Purpose of Report

- To update Schools Forum on the Dedicated Schools Grant and Safety Valve position as at Quarter 1 2023/24.

Dedicated Schools Grant (DSG) Funded budgets

- The net DSG budget excluding academies and High Needs recoupment, is £163,857k. The DSG is forecasting an outturn overspend position of £28,934k. This arises from a forecast in-year overspend of £8,808k, a forecast Safety Valve payment relating to the DSG recovery plan (£2,000k), a council contribution from the Financial Risks reserve relating the Safety Valve agreement (£333k) and a brought forward deficit balance of £22,459k.
- Details of the original DSG funding announcement (December 2022) including recoupment and Business Rates adjustments are provided in the table 1 below.

Table 1 – DSG Funding Announcement

DSG Budget	Net £'000
Original Budget Allocation (December 2022)	270,347
Adjustments and Recoupment	
• High needs Block Direct Funding By EFA	-6,722
• Academy Recoupment	-97,228
• Deduction for ESFA Payments relating to Business Rates	-2,540
Total Revised DSG (March 2023)	163,857

- The DSG funding comes from four funding block, the Schools Block, the Central Schools Services Block, the High Needs Block and the Early Years Block.
- The overspend position by each funding block is provided in table 2 below (see column highlighted green) and the key changes and risks in the subsequent paragraphs.

Table 2 – Funding position by Blocks

Funding by Blocks	Gross Budget	EFA / Other Income Budget	Budget Reserve (Usuable Approved Outturn)	Net Budget (DSG)	Gross Exp	EFA / Other Income	Q1 Unusable Reserve (In Year DSG)	Net Exp	Over / (Under)
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Schools Block:									
Total Schools Block - Primary & Secondary Schools (excluding Academies)	108,831	-13,254	0	95,577	108,831	-13,254	0	95,577	0
Central Schools Services Block:									
Total Central Schools Services Block	3,343	-73	0	3,270	3,389	-85	-34	3,270	0
High Needs Block:									
Schools & Independent Providers (including Academies)	51,493	-3,425	-4,823	43,245	53,046	-605	-9,196	43,245	0
Central Items	2,646	-567	0	2,079	2,718	-572	-67	2,079	0
Total High Needs Block	54,139	-3,992	-4,823	45,324	55,764	-1,177	-9,263	45,324	0
Early Years Block:									
Private, Voluntary & Independent Providers	18,753	-41	0	18,712	18,264	-41	489	18,712	0
Central Items	1,085	-111	0	974	1,065	-91	0	974	0
Total Early Years Block	19,838	-152	0	19,686	19,329	-132	489	19,686	0
Total In-Year DSG & EFA Funding	186,151	-17,471	-4,823	163,857	187,313	-14,648	-8,808	163,857	0
Total DSG In Year Overspend									-8,808
DSG Deficit Reserve B/F									-22,459
DSG Safety Valve Agreement 2023-2024 (£2,000k Included in table above)									2,000
DSG Safety Valve Council Contribution from Financial Risks Reserve									333
Total DSG Deficit Reserve									-28,934
DSG Reserve:									£'000s
DSG Deficit Reserve B/F from previous years (Appendix 7 - Unusable Reserve)									-22,459
Approved Budget 2023/24									-4,823
DSG Safety Valve Agreement 2023-2024 - Forecast									2,000
DSG Safety Valve Council Contribution from Financial Risks Reserve									333
Request increase draw on DSG Reserve at Quarter 1 (£3,985k)									-3,985
Total DSG Deficit Reserve (Appendix 7 - Unusable Reserve)									-28,934

Schools Block

6. The Schools Block is forecasting a breakeven position for Quarter 1.

Central Schools Services Block

7. The Central Schools Services Block is forecasting a £34k overspend position for Quarter 1.

High Needs Block and Safety Valve

8. The High Needs Block is forecasting a £9,263k overspend position for Quarter 1 before applying the £2,000k DSG safety valve payment and £333k council contribution. This represents an increase of £4,093k above the latest safety valve target for 2023/24.
9. There continues to be an increase in the number of requests for Education, Health and Care Plans (EHCPs). The cost of providing support to young people with an EHCP has also increased. There is currently insufficient local special specialist provision resulting in reliance on more expensive Independent and Non-Maintained Schools although plans are progressing to invest in the provision of more places at Pegasus and Warmley. The pressure for increased EHCPs is a national phenomenon and using the DfE's latest benchmarking data there is evidence that our programme of change is delivering improvements as we are now, for the first time, below the national average for the proportion of pupils having an EHCP. To mitigate the pressures, the People Department continues to work closely with School representatives in the High Needs Working Group looking at future options such as offering more targeted approach through early intervention and prevention support which should reduce the number of EHCP requests as well as increasing local provision Specialist Provision.
10. The main pressure areas compared to the latest Safety Valve submission to DfE relate to Independent Placements (£690k), Post 16 Education (£861k), High Needs Support in Primary and Secondary schools (£1,791k) and Alternative Provision (£480k). These pressures relate to demand and/or price increases as illustrated in Table 3 and detailed below.
11. Independent and Non-Maintained Special Schools is showing an additional pressure of £690k due to a forecast increase in demand of 19 placements compared to the safety valve. The increase has been partially offset by the average weekly price being £67 less than the safety valve target.
12. Post 16 Education is showing an additional pressure of £861k due to an increase the average price of £126 per week which has been partially offset against a reduction in demand of 93 placements compared to the safety valve.
13. Stated Support is showing an additional pressure of £1,791k, due to a forecast increase in demand of 291 EHCPs, which has been partially offset by the average weekly price being £17 less than the safety valve target.
14. Alternative Provision is showing an additional pressure of £480k, due to a forecast increase in demand and price compared to the safety valve submission.
15. It should be noted that the Quarter 1 figures include a contingency provision for new placements based on named placements and unknown placements as well as a provision for possible leavers. When the September transfers and leavers are confirmed, an update on the financial forecast based on the actual impact of the changes will be reported to Schools Forum.

Table 3 – High Needs Demand and Price

High Needs Pressure areas	Outturn 2020/21	Outturn 2021/22	Outturn 2022/23	Quarter 1 2023/24
Independent and Non-Maintained Special Schools - Placements No.s	111	107	122	146
Average Weekly Price (38 wks)	£1,647	£1,710	£1,614	£1,576
Stated Support Provision including SG Pupils in OLA Schools No.	840	888	963	1317
Average Weekly Price (38 wks)	£257	£273	£269	£391
Post 16 - FE Independent Specialist Placements	33	27	28	31
Average Weekly Price (38 wks)	£1,007	£1,184	£1,302	£1,357
Post 16 - FE Colleges	257	360	295	272
Average Weekly Price (38 wks)	£184	£167	£184	£228
Post 16 Alternative Provision	48	53	57	70
Average Weekly Price (38 wks)	£315	£378	£558	£599
Post 16 - Total Placements	338	440	380	373
Average Weekly Price (38 wks)	£282	£255	£322	£391
Education other than at School SENHN No.s	20	7	13	15
Average Weekly Price (38 wks)	£382	£681	£515	£634
Other Alternative Provision SENAP No.s		35	50	82
Average Weekly Price (38 wks)		£247	£366	£465
OLA Special Schools No.s	79	88	104	102
Average Weekly Price (38 wks)	£476	£563	£606	£633
Early Years High Needs Support No.s (EHCPs only)	36	35	23	8
Average Weekly Price (38 wks)	£133	£175	£201	£397
Special Schools No.s	483	492	517	560
Average Weekly Price (38 wks)	£521	£561	£577	£596
Resource Bases No.s	142	139	145	156
Average Weekly Price (38 wks)	£520	£570	£583	£491
PLC No.s	150	169	170	170
Average Weekly Price (38 wks)	£646	£600	£622	£623

* during 2021/22 Alternative provision costs for Children in School monitored separately.

Early Years Block

16. The Early Years Block is forecasting a £489k underspend position for Quarter 1. This is due to a forecast underspend within Support for Early Years Inclusion as a result of utilising external grant funding and the year-end provision made for the final 2022/23 Early Years Block adjustment being higher than needed.

Author

Caroline Warren, Finance Business Partner

Tel: 01454 863153

HIGH NEEDS WORKING GROUP (VERBAL UPDATE)

SCHOOLS FORUM FORWARD PLAN

Proposed dates for 2023/24 Academic Year:				
Nov 2023	02nd			
			Schools Budget update and request for DfE 2m transfer consultation (verbal update)	Mustafa Salih
			Schools in Financial Difficulty update	Deb Luter
			Q1 Financial Performance Report	Caroline Warren
			High Needs Working Group	Susie Weaver
Dec 2023	07th			
			Schools Budget Announcement	Mustafa Salih
			Implementation of new banding and top up arrangement for special schools and alternative provision	Mustafa Salih
			Proposed Financial Amendments: Breach Funding	Caroline Warren
Jan 2024	18th			
			School Budgets (Part 2)	Mustafa Salih
			Growth Funding Policy update	Caroline Warren
			Early Years Funding 2024-2025	Claire Perry
			Q2 Performance Report 2023-2024	Mustafa Salih
			Centralised School Arrangement Improvements & Future Academisation	Hilary Smith

March 2024	07th			
			Q3 Performance Report 2023-2024	Mustafa Salih
			Safety Valve update	Mustafa Salih
			High Needs Working Group	Hilary Smith

May 2024	09th		Provisional Forum Date – depending on need for any decision reports	

July 2023	4th			
			Membership of the Forum	Michelle Trigg
			Schools in Financial Difficulty Update (Report) (Maintained Schools & Academies update)	Mustafa Salih
			Funding Update (including School's supplementary grant)	Mustafa Salih
			Outturn Report 2023-2024 verbal update outturn report)	Mustafa Salih

ANY OTHER BUSINESS