



TO: ALL MEMBERS OF THE SCHOOLS' FORUM

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Notice of Meeting – Schools' Forum (PROVISIONAL)

A meeting of the Schools' Forum will be held on **January 18, 2024, at 5pm. This will be held virtually using Microsoft Teams, the link will be sent via email.** The agenda for the meeting is set out below.

AGENDA	
1.	Welcome and apologies. <i>Chair</i>
2.	Minutes of the meeting held on 19 th October 2023, including matters arising. <i>Chair</i>
3.	Schools' Forum Membership Update <i>Chair</i>
4.	DSG Budget Monitoring 2023-24 (updated DSG Deficit Management Plan) <i>Strategic Finance Business Partner</i>
5.	Update on SEN strategy / Delivering Better Value <i>Service Lead for SEN</i>
6.	DSG Allocation update 2024-25 <i>DSG Finance Business Partner</i>
7.	De-Delegations 2024-25 <i>DSG Finance Business Partner</i>
8.	School Formula for 2024-25 (including Growth fund) <i>DSG Finance Business Partner</i>
9.	Central & Early Years retained budgets 2024-25 (including draft Early Years rates) <i>Strategic Finance Business Partner</i>
10.	Agenda items for next meeting <ul style="list-style-type: none"> • Agree High Needs Budget 2024/25 • update Early Years Budget 2024/25 • Falling Rolls Fund 2024/25 • Budget Monitoring Summary period 11 23/24 • Agree Schools' Forum meeting dates for 2024/25
11.	Any other business

Next Meeting: March 7, 2024, at 5pm – To be held virtually via Teams

Minutes of Schools' Forum Meeting

19 October 2023

Members Present

Richard Rolfe – Governor at Micklands (Chair); Dave Dymond – Governor at Alfred Sutton (Vice-Chair); Jo Budge - Executive Head Teacher of Reading Early Years Schools Federation; Rebecca Brown – Head of Park Lane Infants; Justine McMinn – Head Teacher of EP Collier; Dani Hall - Co-Chair of the Federation between Oxford Road Community School & Wilson School; Annal Nayyar – Finance Director of Baylis Trust (Reading Girls); Karen Edwards – Head Teacher of The Heights; Ceri Burns – Head Teacher of Cranbury; Julia Cottee – Governor at Reading Early Years Schools Federation; Isabelle Sandy – Business Manager of Kendrick; Dorothy Company – Business Manager of King’s Academy Prospect; Ita McGullion – Manager of Kennet Day Nursery; Cathy Woodcock – Finance Director of Reading School; Alison McNamara – NEU

Apologies

Brian Grady – Director of Education; Symon Cooke – Head Teacher of The Avenue; John Salberg – Principal of The Wren

In attendance

Kit Lam – Executive Director of Finance & Resources; Mal Fjord-Roberts – Director of Special Education – Maiden Erlegh Trust; Patrick Grant - DfE – Local Authority Policy Team; Sylvie De Groote – Director of Finance of Maiden Erlegh Trust; Ann McDonnell – Business Manager of Blessed Hugh Faringdon; Grahame Craig – Interim DSG Business Partner; Clare Warren – School Support Lead; Roxanna Glennon – Strategic Lead - SEND; Fiona Hostler – Interim Head of Education & Access Support; Vanessa Hurdle – minute taker.

	Item	Notes
1	Welcome and apologies - Chair	<p>The Chair welcomed everyone to the meeting.</p> <p>Grahame Craig read out the protocol for the virtual meeting and confirmed that voting was required for item 2 – the approval of the minutes – and for item 5 – DSG Budget Setting and formula proposals for 2024/25.</p> <p>Recording of the meeting commenced. The recording will be retained until the minutes have been approved.</p>
2	Minutes of the meeting held on 22 June 2023	Minutes were agreed as an accurate record of the meeting from 22 June 2023.

	and matters arising - Chair	<p>Actions – The appointment of a Vice-Chair will be discussed in item 3.</p> <p>The appointment of an Academy member will also be discussed in item 3.</p> <p>Post 16 Destinations – As Brian Grady was unable to attend the meeting, this item is deferred.</p>
3	Schools' Forum Membership Update - Chair	<p>There is still a vacancy for an Academy Secondary member.</p> <p>Richard confirmed that Dave Dymond has now been appointed as the Vice-Chair. Richard thanked him for taking on this role.</p> <p>Richard re-confirmed that no members will be up for re-election until 2024.</p>
4	DSG Budget 2023/24 – Interim DSG Finance Business Partner	<p>Grahame Craig presented</p> <p>There was an update in July to the DSG allocation from the DfE. The DSG allocation has now decreased in two areas. It has dropped by £343K in the Early Years' Block, a reduction that had already been anticipated. It has also fallen by £122k in the High Needs' Block. This reduction relates to imports and exports. The number of Reading pupils, who have been placed outside of the borough, has increased by 23 pupils. The allocation, therefore, decreases as the payment that Reading has received needs to be transferred to the out-of-borough schools.</p> <p>The spending on both the Schools' Block and Central Block has remained consistent with what was expected. The Early Years' Block still remains on target to spend 95%.</p> <p>The High Needs' Block has continued to overspend by £2.26m. The anticipated overspend on the DSG has now increased from £1.3m to £3.67m. The High Needs' Block will continue to require expenditure.</p> <p>With regards to any issues on the Blocks, for the Schools' Block the issues continue as previously. Recoupment by the ESFA would be required for any Academy conversions. The Falling Rolls Budget is currently on target, and if there is a claim on this, it will be taken from the growth fund. De-delegations which, were set at the beginning of the year, continue to fund and are static throughout the year.</p> <p>Central Schools' Block – There are no concerns for this area.</p>

		<p>High Needs' Block – Reading is now part of the Delivering Better Value (DBV) Scheme. The aim is to improve the situation in the long term. There will be continual monitoring and reporting on this area.</p> <p>Maintained Schools' Budget 23/24 Update – Schools submitted their latest forecasts in September 2023. Balances have now improved by £843k, with the deficit reducing from £922k to £79k</p>
5	<p>DSG Budget Setting and Formula Proposals for 2024/25 – Interim DSG Finance Business Partner</p>	<p>Grahame Craig presented.</p> <p>There are four items of note in the report:</p> <ul style="list-style-type: none"> • Funding announced for 24/25 • Tasks & timetable for completing 24/25 budget • Updates for 24/25 National Schools' Funding Formula (NFF) & DSG • Basis of school funding formula for 24/25 <p>The Schools' Forum will be required to give permission for GC to consult with schools on block transfers.</p> <p>The report was written pre-DfE announcements so the figures are slightly out-of-date. The Primary Unit of Funding (PUF) was quoted as £5,206. This has now decreased to £5,155, a drop of £49.87. A 6.6% increase had been anticipated for the PUF, but is actually a 5.6% increase.</p> <p>For the Secondary Unit of Funding (SUF), this has fallen by £65. The quoted figure of £6,860 will now be £6,794. Instead of a 6.7% increase, the increase will be 5.7%.</p> <p>There is a small reduction in Premises of around £700. Overall, there is a reduction of £1.73m than has been quoted in Table 1. It should be noted that this does not take into account the up-to-date pupil figures from the October '23 Census and that it only relates to the Schools' Block. The Early Years', Central and High Needs' Blocks have not been affected by the new announcements and remain as previously quoted.</p> <p>For 24/25, it is intended that the Funding Formula will continue as previously and will mirror the NFF as closely as possible and then adjust to balance if necessary. Paragraph 21 shows the criteria that will be used to try and achieve this.</p> <p>A Block transfer has occurred in previous financial years. Up to 0.5% can be transferred with Schools' Forum approval.</p>

		<p>Schools first need to be consulted as to whether they are happy for this transfer to occur.</p> <p>A vote occurred – 9 members agreed that schools could be consulted on the transfer of funds.</p> <p>Timetable for Setting 24/25 Budget – The timetable shows that the consultation will go out from 20 October, with half-term the following week. It is, therefore, understood that there may not be responses until the beginning of November.</p>
6	SEND Update – Strategic Lead - SEND	<p>Roxanna Glennon presented.</p> <p>Roxanna explained that there has been an 11.4% increase in the request for EHCPs since January 2023. Reading is currently in-line with its statistical neighbours, but these increases are putting significant pressure on the budget.</p> <p>Reading was successful in its bid for the £1m Delivering Better Value Grant. Confirmation of this was received from the DfE on 18 September 2023. This grant will be used in its entirety to support the Reading Inclusion Support in Education Service (RISE). This service will offer free support, with teams in the town and at school level to support schools to better meet the needs of children and young people with SEND. Specialists are currently being recruited to staff the team and it is hoped that they will be in post for January 2024.</p> <p>Figure 1 details the team structure that will be able to interact with schools for free. The team will be led by a Senior Education Psychologist and each school in Reading will have a named SEND Consultant, who will be able to hold whole school SEND audits, offer advice and specifically on statutory processes and to make referrals to the SEND specialists. The SEND specialists will be able to provide free training and will help to imbed this into the school.</p> <p>There will be a launch event for this new service for both schools and families so that everyone gets a better understanding of what is on offer.</p> <p>RISE will be supported by a Project Manager, who will report back to the DfE, by a Community Engagement & Research Officer and a Dedicated Data and Performance Analyst and Business Admin Team. It is intended that the impact of this service will be measured from its beginnings.</p>

		<p>The service has been designed by RG, but it is understood that the service will alter as it needs to adapt to the demands/needs of the service users themselves. It is a pilot, so will respond accordingly as to what is and is not working, and will develop as it progresses so that impact is maximised.</p> <p>The impact of RISE is meant to increase the quality of ordinarily available provision across the Reading area. Schools have already stated that they are not confident in supporting children with complex needs. The aim of RISE is to help schools achieve this confidence. This will also increase the confidence of parents in the ability of the mainstream sector to meet these complex needs.</p> <p>An additional Specialist school is also required to support those pupils for whom the mainstream sector is not appropriate. This is a strategic priority for Reading and there are plans to identify a strategic location for this Special school.</p> <p>The SEND Team is also being supported by BFFC to expand. Case Officers are currently carrying caseloads of in excess of 300 pupils. This means that it is not possible to offer schools the full support that they require due to the high caseloads. The Team is being increased by three full-time Case Officers, two of which are already in post. The third Case Officer will be in post from January 2024. A request will also be submitted for an additional five team members from 2024.</p> <p>A new banding tool is being piloted to ensure greater consistency and transparency for schools and families into how EHCPs are funded. It will take about eight months before the data is in place and the system can go-live. If the pilot is successful, it is hoped that the system will be live from April 2024.</p> <p>The number of additionally resourced provisions in Reading have been increased. To make them financially viable for schools to run effectively, the funding model has been altered so that funding is now per place and not per child. This is to ensure that schools get consistency in their level of financial support from Reading and that this funding is in-line with a specialist provision.</p> <p>Working is also being undertaken with partners from the Independent sector to increase capacity around the Reading area. This is not an ideal solution, but is being done until the additional maintained specialist school exists.</p>
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		Cathy Woodcock queried how everything will be funded once the initial £1m DBV grant has been exhausted and what the long-term plan is. RG clarified that the £1m grant has to be spent by March 2025, meaning that staff will be on contracts that end on 31 March 2025. It is hoped that RBC/BFFC will then continue to fund the service, which will cost approximately £580k per annum. If RISE can have the impact that it is aiming for then it will reduce costs and pay for itself from the High Needs budget. £580k relates to five children being placed in the Independent sector per annum.
7	Agenda Items for Next Meeting	<p>The next meeting will be held in December 2023 at 5pm as a virtual meeting. The exact date will be confirmed.</p> <ul style="list-style-type: none"> • Final proposals for school funding formula for 2024/25 • Agree growth fund for 2024/25 • Agree falling rolls fund for 2024/25 • Agree De-Delegations for 2024/25 • Budget Monitoring Summary 2023/24
8	Any Other Business	<p>There were no other items for discussion. RR thanked all attendees.</p> <p>The meeting finished at 5.35pm.</p>

Summary of Actions Outstanding

SF Date & Item no.	Action Required	Responsible Person
22/6/23 – Item 8	Post 16 destinations beyond schools, including colleges	Brian Grady



Reading Schools' Forum

January 18, 2024

Agenda Item 4

Dedicated Schools Grant (DSG) Budget Monitoring 2023/24

For decision

For discussion

For information

SUMMARY

This report sets out the DSG budget monitoring for 2023/24

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VERSION

Version number 1

DATE

11/1/24

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Recommendations

- NOTE: The latest budget position for 2023/24.
- NOTE: The Summary of the High Needs Management Plan

Background

1. The Dedicated Schools Grant (DSG) is a ring-fenced specific grant and can only be used in support of the schools' budget and spent on school/pupil activity as defined by the School and Early Years Finance (England) Regulations (2023).
2. The DSG is split between four different funding blocks - schools, central school services, early years, and high needs. Each Council's allocation is largely based upon actual pupil numbers from the October pupil count proceeding the actual financial year.
3. Overspends on the DSG are carried forward and are a first call on the new year's allocation of DSG. Underspends on the DSG are carried forward to support the future year's schools' budget.
4. The Authority must ensure that DSG is correctly spent and has to report the outturn position to inform the impact upon the following year's budget position. The budget monitoring of the Authority distinguishes between how services are funded, namely by DSG or by the Local Authority.
5. The LA receives its DSG allocation gross (including allocations relating to academies and post-16 provision), and then the Education & Skills Funding Agency (ESFA) recoups the actual budget for these settings to pay them direct, leaving a net or LA allocation.

DSG Allocation 2023/24

6. The current DSG allocation for 2023/24 is summarised in Table 1 below
7. The allocations shown in the table are prior to any transfers between blocks. For the 2023/24 budget the Schools' Forum has agreed a transfer of £484k from the school's block to the high needs block.

Table 1: Readings Current DSG allocations for 2023/24 (December 2023)

BLOCK	REVISED DSG ALLOCATION 2023/24		
	Gross DSG Allocations £m	Less Recoupment relating to Academies £m	Total LA DSG Allocations £m
Schools Block	117.762	(65.805)	51.957
Central Schools Block	1.133	0	1.133
Early Years Block	13.277	0	13.277
High Needs Block	30.348	(4.474)	26.340
Total	162.501	(70.279)	92.223

8. Allocations have not changed since July 2023 due to no academy conversions and this is expected to stay for the rest of the financial year. The total overall reduction in the July DSG settlement was £465k.

DSG Budget 2023/24 Budget Monitoring

9. Appendix 1 contains the original 2023/24 budget as agreed/notified at previous meetings of the Schools' Forum. This is split between the four funding blocks and broken down by the main reporting lines for the DSG. Appendix 4 contains brief notes on what is included in each line of the budget report.
10. The DSG is currently forecasting to be overspent by £5.571m, this includes an overspend of £6.711 on High Needs, which is part offset by underspends within the Schools and Early Years Blocks, as shown below.

Table 2: Summary Budget per Block 2023/24

	Current Budget (£m)	Forecast (£m)	In Year Variance (£m)
Schools Block	51.473	50.634	(0.840)
Central Schools Block	1.133	1.140	0.007
Early Years Block	13.277	12.969	(0.308)
High Needs Block	26.339	33.050	6.711
Sub Total – Net Expenditure	92.223	97.794	5.571
DSG Allocation - Income	(92.223)	(92.223)	0.000
Total	0.000	5.571	5.571

11. The High Needs budget deficit has increased from £2.119m reported at the start of the financial year due to increased costs arising from additional top-up expenses and increased pupils. Pupil numbers requiring high needs payments have increased by 218 to 1964, a 12% increase since budgets were set at the start of the year.
- 12. Schools Block (SB)**
 - There would only be a variance on maintained primary and secondary school delegated budget allocations from having a school convert to an academy.
 - Falling Rolls funding was re-introduced in June 2022 and a revised policy was agreed at Schools' Forum in March 2023. Any funding required in year will also be met from the Growth fund.
 - Any surplus from the Growth Fund at the end of the financial year will be required for future year requirements as set out in the plan brought to Schools' Forum in January 2023. Further details on Growth Funding will be shared at January 2024 Schools Forum. BFFC will propose to continue with Falling Roles funding within 2024-2025.
 - De-delegations are contributions to central services and unlikely to have any variance.
- 13. Central Schools Services Block (CSSB)**
 - Most of the central school services budgets are contributions and the majority will not therefore have a variance. There is a small variance on copyright licences, as this is a national contract agreed in advance. The small surplus brought forward from 2022/23 will offset this variance.

14. Early Years Block (EYB)

- Over 95% of Early Years Funding is relating to the free early year's entitlement for 2, 3 and 4 - year-olds. The budget for 2023/24 is based on the draft Spring 2023 census hours at the set hourly rates laid out in March 2023 Schools Forum paper. The DSG funding due to be received this year is based on an average of January 2023 and January 2024.
- It is impossible to make a reasonable forecast when both funding and expenditure is based on actual take up of places at a date in the future. If the budget was to overspend, this would then have an impact on the funding rate to providers in the following financial year.
- There is £289k contingency carried forward from 2022/23. Note that the contingency can only be used to fund providers through the Early Years' formula as already set and cannot be used to increase the hourly rates or to change the formula after these have been set for the year.
- Nationally, major changes are happening within the early years sector and the first part was relating to the increase in unit rates for current 2 to 4 year olds. The DfE did not increase the DSG block for this in year change but instead created a supplementary fund to all Local Authorities. This totalled £971k of additional funding onto of the DSG block. As these figures are not based on any current census data then we do not know if this will be reflected in any adjustment at a future date. This is the main reason why the Early Years Block is showing a health underspend (£0.308m)
- Other budgets that pay for central spend are mainly contributions as agreed at the budget setting and will not have a variance.

15. High Needs Block (HNB)

- Annual expenditure in the HNB is increasing the deficit due to the ever-expanding EHCP population and the increasing need of pupils.
- As top-up/placement fees represent 89.5% of the high needs budget this will be closely monitored throughout the year, including comparing actual number and average cost of placements by each type to the original budget set.
- The Inclusion Fund provides additional funding to mainstream schools with a high percentage of pupils with EHCPs compared to our statistical neighbour average. £484k has been transferred from the Schools Block to the High Needs block to fund this. This budget will not be overspent as the funding to schools ceases once the budget is spent. If a surplus, then for the Spring term we will increase funding to allocate 100% of the fund.
- Table 3 shows the High Needs budget compared to actuals per year. The government has increased the High Needs Budget by 44% since 2019-2020. The expenditure for the majority of LAs has increased quicker and for Reading has equated to 82% increase since 2019-2020. As previously stated, this is a national issue and the main reason why the DfE have implemented projects such as the Delivering Better Value.

Table 3: High Needs Block Allocations

Year	Spending Power (£m)	Actual (£m)	In year (£m)	High Needs Deficit (£m)
2019-2020	18.322	18.167	(0.155)	2.091
2020-2021	18.916	18.957	0.041	2.132
2021-2022	20.947	22.227	1.280	3.412
2022-2023	23.877	25.772	1.894	5.307
2023-2024*	26.340	33.050	6.710	12.017
Increase since 19-20	44%	82%		

*Forecast

- Table 4 below shows the numbers of EHCPs (with top-ups) and the cost associated from March 2022 to December 2023 (20 months). The increase in EHCPs with Top-ups has increased by 28.6% with the overall costs of Top-ups increasing by 55.9%.
- Current reasons on increases relate to Inflation, Average of Higher needs per EHCP that can be connected to the Pandemic.

Table 4: Compared spend and pupils with EHCPs from March 2022 to December 2023

Type	Mar-22 (£m)	Dec-23 (£m)	Variance (£m)	Mar-22	Dec-23	+/-
Mainstream	2.586	4.883	2.296	481	652	172
Special	9.221	11.772	2.552	462	506	44
Resources	0.961	0.867	-0.095	107	90	(17)
Nursery	0.063	0.140	0.078	6	19	13
Independent	2.388	6.000	3.612	52	104	52
Post 16	1.274	1.584	0.309	156	211	54
Alternative	0.491	1.231	0.740	21	70	49
TOTAL	16.984	26.477	9.493	1,284	1,652	367

- These significant increases are the core reason why the DSG deficit could increase its deficits to unsustainable levels.

Dedicated Schools Grant Deficit Management Plan

16. The approach being taken to manage the deficit has been informed by
 - Reading partnership SEND Strategy
 - June 2022 DfE research: High needs budgets: effective management in local authorities, by Peter Gray, Penny Richardson & Paul Tanton
 - July 2021 DfE published Sustainable high needs systems: case studies.
 - Delivering Better Value Project 2023
17. A review of Reading practice against the DfE published research and case studies identifies strong areas of current practice for us to build on in our High Needs Block Deficit Recovery Plan, and areas which will be monitored through our internal governance, throughout the year.
 - Understanding and engaging with parental expectations
 - Promoting more inclusive practice
 - Linking SEND and school improvement
 - Effective commissioning and monitoring of specialist provision and holding providers to account:
 - Improved quality of local specialist provision:

- Identification of additional needs in early years leading to reduced requirement for EHCPs:
 - Development of outreach and specialist staffing support for mainstream schools:
18. BfFC with Reading Borough Council will be updating a CIPFA controlled spreadsheet every quarter to reflect the current position of the DSG with emphasis on the High Needs Block. This will include actual and forecasted EHCP data, financial top-ups, and other associated costs with a full review on investing to build the SEN support within Reading Schools.
19. The management plan has many components detailing a lot of data. Within Appendix 2, you will see the financial executive summary that collates all information that shows what could happen if BfFC did not implement changes/investment and compare it to our current mitigations. Looking forward to financial year 2029-2030, the difference between an unmitigated pressure (£98m) compared to (£52m) shows a good foundation in reducing the pressure on High Needs.
20. Many factors through out the months and years will change the forecasts, this can include but not limit to:
- Changes in EHCPs numbers (less or more)
 - Changes in total EHCPs within Types of provisions (less independent, more resources units)
 - General inflation costs (payroll and other expenditure)
 - The level of need of each EHCP (e.g. the number of very high needs placements could increase/decrease but might have no affect over the number of EHCPs within Reading). Connected to Average costs of types of placements.
 - Resources from BfFC, Reading, Health and other organisations supporting schools.
 - Changes in top-up Bandings (nationally and/or locally)
 - Increased funding allocation from government (additional to forecast)
 - Changes to funding or SEND polices.

Appendices

Appendix 1 – Summary DSG Budget 2023/24

Appendix 2 - Summary of end of year positions (Un-Mitigated and Mitigated)

Appendix 3 - Key Mitigations from DSG Deficit Management Plan

Appendix 4 – Additional Information per Service

Appendix 1 – Summary DSG Budget 2023/24

Ref.	Description	Budget £m	Forecast £m	In year £m
	Schools Block			
1	Individual Schools Budget - Maintained Schools	49.728	49.728	0.000
2	Growth Fund	1.140	0.300	(0.840)
3	Behaviour Support Services (de-delegation)	0.286	0.286	0.000
4	Staff costs supply cover (trade unions) (de-delegation)	0.047	0.047	0.000
5	School Improvement (de-delegation)	0.188	0.188	0.000
6	Statutory/regulatory Duties (ESG) (de-delegation)	0.084	0.084	0.000
7	0.5% movement to the High Needs Block	0.000	0.000	0.000
	Sub Total Schools Block Net Expenditure	51.473	50.634	(0.840)
	Central Schools Services Block			
10	Contribution to combined budgets	0.253	0.253	0.000
11	School admissions	0.289	0.289	0.000
12	Servicing of schools' forum	0.020	0.020	0.000
13	Prudential borrowing costs	0.026	0.026	0.000
14	Other Items (copyright licences)	0.128	0.135	0.007
15	Statutory/regulatory Duties (ESG)	0.417	0.417	0.000
16	Sub Total Central School Services Block Net Expenditure	1.133	1.140	0.007
	Early Years Block			
19	Early Years Funding (free entitlement)	12.489	13.152	0.663
20	Support for inclusion	0.050	0.050	0.000
21	SEN support services (Portage/Dingley)	0.438	0.438	0.000
22	Central expenditure on early years entitlement	0.301	0.301	0.000
	Early Years In year supplementary Grant	0.000	(0.971)	(0.971)
23	Sub Total Early Years Block Net Expenditure	13.277	12.969	(0.308)
	High Needs Block			
26	SEN placements - Maintained Schools (place funding)	1.746	2.130	0.384
27	Top up funding - Special Schools inc PRU	11.346	12.428	1.082
28	Top up funding - Resource Units	0.881	0.867	(0.014)
29	Top up funding - Mainstream	3.220	4.883	1.662
30	Top up funding - Nursery	0.066	0.140	0.074
31	Top up funding - FE Colleges	1.801	1.584	(0.218)
32	Top up funding - Alternative Provision	0.936	1.231	0.295
33	Top up and other funding - independent schools	5.197	6.504	1.306
34	Additional high needs targeted funding (Inclusion)	0.484	0.484	0.000
35	SEN support services	0.659	0.696	0.038
36	Hospital education services	0.196	0.171	(0.025)
37	Support for Inclusion	0.550	0.550	0.000
38	Therapies and other health related services	0.520	0.520	0.000
39	Medical Tutoring (Children Missing Education)	0.050	0.050	0.000
40	Hard to Place Funding	0.050	0.050	0.000
41	Children Missing Education	0.146	0.146	0.000
42	SEN Transport	0.100	0.100	0.000
43	Teachers pay & pension grants to special schools/PRU	0.296	0.296	0.000
44	Central Services	0.213	0.221	0.008
	Budgeted Overspend as of April 2023	(2.119)	0.000	2.119
45	Sub Total High Needs Block Net Expenditure	26.339	33.050	6.711
46	Total All Blocks Net Expenditure	92.223	97.794	5.571

Appendix 2 Summary of end of year positions (Un-Mitigated and Mitigated)

Projections with Mitigations (Appendix 3)

All Figures are in £ms

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
DSG position (surplus)/deficit	1.768	1.356	2.164	3.463	10.173	18.204	25.585	32.411	39.476	45.680	52.074
In year net position deficit / (surplus)											
Schools block	0.817	(0.719)	(0.447)	(0.477)	0	0	0	0	0	0	0
Central schools services block	(0.039)	0.039	(0.006)	(0.001)	0	0	0	0	0	0	0
Early years block	(0.160)	0.226	(0.018)	(0.117)	0	0	0	0	0	0	0
High needs block	(0.455)	0.041	1.280	1.895	6.710	8.031	7.382	6.825	7.065	6.203	6.394
Total net	0.163	(0.412)	0.809	1.299	6.710	8.031	7.382	6.825	7.065	6.203	6.394
Add brought forward deficit / (surplus) (net)	1.605	1.768	1.356	2.164	3.463	10.173	18.203	25.585	32.411	39.476	45.680
Planned year end position (mitigated)	1.768	1.356	2.164	3.463	10.173	18.204	25.585	32.411	39.476	45.680	52.074
Planned year end position (un-mitigated)	1.768	1.356	2.164	3.463	10.173	18.892	29.885	43.168	59.090	77.450	98.110

Appendix 3 – Key Mitigations from DSG Deficit Management Plan.

All Figures are in £ms

Key Mitigations/Savings & Pressures	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Reducing Independent placements	0	(1.791)	(3.936)	(6.461)	(8.155)	(10.684)	(12.112)
Less top-up funding due to ARPs funding to replace.	0	(2.000)	(2.000)	(2.000)	(2.000)	(2.000)	(2.000)
Reduction in EHCPs due to improvement in inclusion and support	0	0	(0.700)	(0.700)	(0.700)	(0.700)	(0.700)
Ceasing EHCPs which are not needed (reduces potential forecasts)	0	(0.697)	(0.802)	(0.756)	(0.928)	(1.194)	(1.571)
Commissioning frameworkers/contracts/discounts on bulk placements	0	(0.050)	(0.100)	(0.150)	(0.200)	(0.250)	(0.300)
Reduction in use of ALT Provision (Mainstream) compared to current (less top-ups and reduced provisions)	0	(0.350)	(0.350)	(0.350)	(0.350)	(0.350)	(0.350)
Reduction in ALT Provision (Independent)	0	(0.200)	(0.400)	(0.600)	(0.800)	(1.000)	(1.000)
Health Funding Contribution	0	(0.100)	(0.250)	(0.300)	(0.300)	(0.300)	(0.300)
Total Key savings	0	(5.189)	(8.538)	(11.317)	(13.433)	(16.479)	(18.333)
Key Pressures/Investment							
25-26 RISE to be funded from High Needs Block	0	0	0.650	0.650	0.650	0.650	0.650
Creation of additional resource units (ARPS)	0.780	4.450	4.450	4.450	4.450	4.450	4.450
Total Key pressures	0.780	4.450	5.100	5.100	5.100	5.100	5.100

Appendix 4 – Additional Information for Appendix 1

SCHOOLS BLOCK

Line 1 - Individual School Budget – Schools formula budget for maintained Primary and Secondary.

Line 2 - Growth fund - The growth fund budget is for expanding schools or bulge classes in response to basic need and is allocated to schools from the autumn term based on the criteria set by Schools' Forum.

Line 3 - Behaviour Support Services – Passported to Cranbury College to supply this service.

Line 4 - Staff Costs to Supply Union Cover – Pays for Union support and supply cover for staff engaging in union duties.

Line 5 - School Improvement – To fund staff and projects within the service.

Line 6 – Statutory/regulatory duties - formally known as the Education Services Grant, for duties carried out by the LA on behalf of all maintained schools.

CENTRAL SCHOOLS SERVICES BLOCK

Line 10 - Combined Budgets - covers School Effectiveness Team, MASH (Multi Agency Safeguarding Hub), virtual school for looked after children, Early Help – children action teams that covers family workers, Welfare, CAMHs and Education Psychology.

Line 11 - School Admissions – contribution towards the Admissions service for all Reading Schools.

Line 12 - Servicing of Schools Forum – Preparation for Schools' Forum.

Line 13 - Prudential Borrowing costs – Borrowing costs for schools' capital programme has historically been and will be funded by borrowing over many years. This is a small contribution to the overall borrowing costs.

Line 14 – Other Items – Copyright licences – national contract, purchased on behalf of all schools.

Line 15 – Statutory/regulatory duties - formally known as the Education Services Grant, for duties carried out by the LA for all schools, including academies.

EARLY YEARS BLOCK

Line 19 - Early Years formula funding – 2, 3 & 4-year-old free entitlement funding including deprivation and Early Years pupil premium and other early years grants relating to maintained nurseries and disability.

Line 20 - Support for Inclusion – Early Years Cluster funding and central staffing in Education department. Supports inclusion of children in early year's settings, supporting inclusive practices and resources that enable young children with SEND to have their needs met in these settings. There is also a contribution from the high needs block (in line 36).

Line 21 - SEN Support Services – portage and contribution to Dingley.

Line 22 - Central Expenditure on Children under 5 – Early Years team including compliance, data, sufficiency and performance.

HIGH NEEDS BLOCK

Line 26 - SEN Placements – Place funding for maintained school Resource Units (first 6k) and maintained Special Schools (first 10k).

Line 27 - Top-up funding for Special schools and PRU - This also includes Pupils without EHCPs in Pupil Referral Units

Line 28 - Top-up funding for Resource Units - EHCP top-ups for pupils placed in Resource Units.

Line 29 - Top-up funding for Mainstream schools - EHCP top-ups for pupils in mainstream schools (not Resource Units).

Line 30 - Top-up funding Nursery providers - EHCP top-ups for children in both maintained and private settings.

Line 31 - Top-up funding for FE Colleges - EHCP top-ups for students placed in further education colleges.

Line 32 - Top-up funding Alternative Provision - EHCP top-ups for children in Alternative Provision. This is usually short-term placements which are not schools.

Line 33 - Top-up funding and other funding – non maintained and Independents - EHCP top-ups for Independent and non-maintained special schools.

Line 34 – Additional High Needs Targeted Funding (Inclusion Fund) – financial support to schools with a higher than average percentage of pupils with EHCPs.

Line 35 - SEN Support Services – This includes Sensory Consortium (joint arrangement with other Berkshire LAs), virtual school, and ASD Outreach commissioned to Christ the King.

Line 36 - Hospital Education Services – This includes Hospital Education unit at Royal Berkshire Hospital and Education for Pupils in Tier 4 CAMHS specialist independent mental health hospital provision which is commissioned by NHS England

Line 37 - Support for Inclusion – Funding for hard to place pupils (through Inclusion panel), and central staffing (2 posts) in Education department, one for statutory functions including monitoring exclusions and one for ASD advisory support.

Line 38 - Therapies and other Health Related services – Contribution towards Speech and Language, Occupational and Physiotherapy. Jointly funded with the Clinical Commissioning Group.

Line 39 - Medical Tutoring (Children Missing Education) (50,000) – To ensure the local authority are able to discharge their statutory duty in providing appropriate tuition to pupils who are medically unfit for school.

Line 40 - Hard to Place Funding (50,000) – To create a fund to support children going through the fair access protocol or requiring intervention to prevent permanent exclusions.

Line 41 - Children Missing Education (CME) (146,000) – To maintain the offer of service in regards to Children Missing Education and Elective Home Education where numbers have increased

Line 42 - SEN Transport – Contributions to SEN School Travel

Line 43 – Teachers Pay & Pension Grants – Allocation of grant for special schools/ PRU and nurseries paid outside of the funding formula.

Line 44 – Central Services – Contributions to SEN Commissioning Team and Central establishment charges



Reading Schools' Forum

January 18, 2024

Agenda Item 6

DSG Budget Settlement for 2024/25

For decision

For discussion

For information

SUMMARY

This report sets out the latest DSG funding allocations for 2024/25 and an update on the budget setting for each funding block.

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VERSION

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None

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1. Recommendations

- 1.1 NOTE: The DSG funding for 2024/25.
- 1.2 NOTE: The requirements for setting the 2024/25 overall DSG budget.

2. Background

- 2.1 School Funding is received through the Dedicated Schools Grant (DSG), and is split into four blocks, each with its own formula to calculate the funding to be distributed to each local authority.
 - Schools Block – funds mainstream primary and secondary schools through the school formula, and growth funding for new growing schools/bulge classes.
 - High Needs Block – funds places in special schools, resource units and alternative provision, and top up funding for pupils with EHCPs in all settings including non-maintained, independent, and further education colleges.
 - Early Years Block – funds nursery schools, nursery classes in mainstream schools, and early year’s settings in the private, voluntary and independent (PVI) sector through the free entitlement for 2, 3 & 4 year olds.
 - Central Schools Services Block – funds services provided by the local authority/Brighter Futures for Children centrally for all schools, such as the admissions service.
- 2.2 The allocations for 2024/25 were published by the Government on 19th December 2023. Most are now fixed for the year; part of the high needs block will be confirmed later in the year (July 2024), and the early years block will be based on data from future census’, although the funding rates are now confirmed.
- 2.3 The DSG must be deployed in accordance with the conditions of grant and the latest School and Early Years Finance (England) Regulations. Detailed guidance is contained within various operational guidance documents issued by the Education Funding & Skills Agency (EFSA).
- 2.4 Transfers of funding between blocks are allowed, but a transfer out of the schools’ block must be consulted with all schools and agreed by the Schools’ Forum.
- 2.5 This report sets out the 2024/25 funding for each block, and the work required to finalise the budgets for 2024/25.

3. Funding for 2024/25

- 3.1. Appendix 1 sets out the DSG funding for 2024/25 and compares to 2023/24. Overall, the DSG will increase by £11.4m (7%) from £163.0m to £174.4m. The majority of the funding increase occurring within the school block and, with the expanding nature of the early years sector, the early years block.
- 3.2. Note the published funding shown in appendix 1 for 24/25 Early years block is based on January 2022 and this will change during the year.
- 3.3. The Schools Block has increased by £8.3m to £126.1m, an increase of 7.1%. Of this increase, approximately £1.8m is due to overall increases in pupil numbers - an additional £2.1m in

secondary for an additional 311 pupils, and a reduction of £0.3m in primary as numbers in this sector have gone down by 53. The increase also includes the inclusion of £3.9m from the Mainstream Schools Additional Grant (MSAG) and a reduction in growth funding of £0.3m. The rest of the increase is additional funding on a per pupil level (2.2%), allocated through an increase to the funding values.

- 3.4. It was agreed at the October meeting of the Schools' Forum to retain the transfer for the schools block to the high needs block for the "Inclusion fund" to the 2023/24 level of £484k.
- 3.5. The central school services block has increased by £5k to £1,138k from £1,133m. This includes a reduction of 20% from the Historic element due to the phasing out of funding for historical commitments.
- 3.6. There is no change to the High Needs funding formula. Funding has increased by £831k from 2023/24 (2.7%). This includes an increase in the export recoupment made to Reading of £156k. The Area Cost Adjustment (ACA) figure for Reading High Needs has reduced from 1.05475 to 1.05433. This has reduced the Place Funding Unit Rate from £4,815.12 to £4,913.17. Funding for the High Needs Block is not static and is subject to variation within the year; import/exports will be confirmed in July 2024. Any changes to place funding will be confirmed in March 2024.
- 3.7. The formula used for calculating 3 and 4-year-old hourly rates in 2024 to 2025 remains the same as used for 2023 to 2024. The DfE has previously referred to this as the early years national funding formula (EYNFF) but going forward this will be referred to as the 3 and 4-year-old formula. The following changes were made to the formula for 2023 to 2024:
 - the hourly rates for each 3 and 4-year-old formula factor have been updated in addition to the increased funding secured for 2024 to 2025 in the Spring Budget, and additional funding to reflect teachers' pay and pensions and National Living Wage (NLW) increases.
 - year-to-year protections and funding floors have been updated for 2024 to 2025, a +1% year-to-year protection and +5.0% gains cap have been applied before rounding the hourly funding rates to the nearest penny.

The DfE are introducing a new national funding formula for children aged 9 months up to (and including) 2-year-olds because we do not think that the previous formula for the 2-year-old disadvantaged entitlement is suitable for the new working parent entitlements:

- this new formula includes an additional needs factor using the same proxy measures as the current 3 and 4-year-old formula, with the addition of an additional proxy measure derived from the income deprivation affecting children index (IDACI) which, along with free school meals (FSM) data, is used to reflect the different levels of deprivation across the country.

The DfE are also extending EYPP and DAF to cover eligible children aged 9 months up to (and including) 2-year-olds, regardless of which entitlement they are accessing.

4. Requirements for Setting the 2024/25 Budget

- 4.1. Appendix 2 sets out the timetable for setting the budget.



Schools Block

- 4.2. The report on the final schools' formula (agenda item 8) sets out the final budget proposals and the allocations to individual schools.
- 4.3. The Growth Fund budget is also elsewhere in this agenda (Item 8) and requires approval of the Schools' Forum.


Central School Services Block

- 4.4. A report elsewhere on this agenda (Item 9) proposes the 2024/25 budget for this block. A balanced budget is being set.

High Needs Block

- 4.5. The additional high needs funding will be £0.8m. The deficit is currently forecast at around £5.6m. There is the expectation from the ESFA that local authorities whose high needs block is in deficit will continue to work towards reducing the deficit. However, as the number of pupils with EHCPs and costs of their placements continue to increase, most of the additional funding will go towards these increases in costs.
- 4.6. Top up funding makes up the greatest proportion of expenditure in this block (at around 89.5%). The budget will be based on the current actual average cost of each type of placement (as at February 2023) with an average inflation rate added and an annual increase in number of placements according to current trends. The review of the top up banding system for Reading schools is on-going. Schools Forum will be kept updated with any progress.
- 4.7. The deficit recovery plan will also be refreshed, and a projection made using the same base data and assumptions. Further details will be made available in later papers to forum.
- 4.8. Note that the DSG regulations changed in 2020 and the deficit is now totally separate from local authority funding and reserves. This means that the deficit must not be funded by the local authority's general reserves and that DSG deficits will over time be recovered from DSG income.

Early Years Block

- 4.9. It is intended to pass on the full increase to providers by increasing the provider funding rates by at least 87p.
 - 4.10. The budgets for the early years block cannot be determined until the draft January 2024 census data is available. The government have confirmed that the funding allocations for 2024/25 will revert to the previous allocation basis and will use January 2023 (5/12) and January 2024 (7/12) census data. Details on the proposed early years budget will therefore be brought to the Schools' Forum in March.
- 

Appendices

Appendix 1 – DSG Allocations 2021/22 and 2022/23

Appendix 2 – Timetable for Setting the DSG Budget 2022/23



Appendix 1 – DSG Allocations 2023/24 and 2024/25

	2023/24 ACTUAL		2024/25 ESTIMATE		YEAR ON YEAR CHANGE		
		Funding £'000		Funding £'000	£'000	%	Notes
Schools Block (SB):							
Primary Unit of Funding (PUF)	£4,881.54		£5,155.75		+£274.21		Confirmed
<i>Primary Pupil numbers & funding</i>	<i>13,289.00</i>	64,871	<i>13,236.50</i>	68,244	+3,373	+5.2%	Confirmed
Secondary Unit of Funding (SUF)	£6,427.55		£6,794.86		+£367.31		Confirmed
<i>Secondary Pupil numbers & funding</i>	<i>7,824.00</i>	50,289	<i>8,135.00</i>	55,276	+4,987	+9.9%	Confirmed
Premises		1,300		1,576	+276	+21.2%	Confirmed
TOTAL SB excl. Growth		116,460		125,096	+8,636	+7.4%	
Growth Funding Factor		1,302		1,005	-297	-22.8%	Confirmed
TOTAL SB		117,762		126,102	+8,340	+7.1%	
Central School Services Block (CSSB):							
Unit of Funding	£40.45		£42.82		+£2.37		Confirmed
<i>Pupil Numbers</i>	<i>21,113.00</i>	854	<i>21,371.50</i>	915	+61	+7.1%	Confirmed
Historic Commitments		279		223	-56	-20.1%	Confirmed (Planned reduction by ESFA)
TOTAL CSSB		1,133		1,138	+5	+0.4%	
High Needs Block (HNB):							
Formula		29,122		31,267	+2,145	+7.4%	Confirmed
Hospital & AP pay grants		308		315	+7	+2.3%	Confirmed
Place Funding Unit of Funding	£4,915.12		£4,913.17		-£1.95		Confirmed
<i>Place Numbers</i>	<i>405.5</i>	1,993	<i>440.5</i>	2,164	+171	+8.6%	Confirmed
Import/Export Adjustment		-2,274		-2,430	+156	+6.6%	Based on Oct 22 census & Jan 23 ILR
Additional HN Funding		1,337		0			

Total HNB		30,486		31,317	+831	+2.7%	
Early Years Block (EYB):							
3 & 4 Year Old Funding Rate	£5.80		£6.70		+£0.90		Confirmed
<i>3 & 4 year olds numbers & funding</i>	3,401	11,245	3,382	12,916	+1,671	+14.9%	To be based on Jan 23 & Jan 24 census
2 Year Old Funding Rate	£6.72		£9.72		+£3.00		Confirmed
<i>2 Year old numbers & funding</i>	369	1,413	305.5	1,693	+280	+19.2%	To be based on Jan 23 & Jan 24 census
Pupil Premium		155		255	+100		To be based on Jan 23 & Jan 24 census
Disabled Access Fund		56		95	+39		
Maintained Nursey Grant		751		884	+133		To be based on Jan 23 census
Total EYB		13620		15,843	+2,223	+16.3%	
TOTAL ALL BLOCKS		163,001		174,400	+11,399	+7.0%	

Appendix 2 – Timetable for Setting the DSG Budget 2024/25

TASK	DATE
BFFC inform all schools on proposals for 2024/25 school formula, and to consult with all schools on the transfer of funding from the schools block to high needs block	Send to schools October 2023. Comments due back by November 2023
BFFC complete High Needs Place Review	Submission due to ESFA 17 November 2023
BFFC review of Top Up bandings	September – December 2023
Schools' Forum recommend school formula for 2024/25 and decide on transfer of funding from Schools Block to High Needs Block. Schools' Forum review top up funding proposals.	December 2023
BFFC work on high needs and central school services budgets	December 2023 – January 2024
Final funding allocations received from ESFA for schools, high needs (part), central services block and Early Years. Final data received from ESFA for school formula based on October 2023 census.	Due from ESFA mid December 2023
BFFC finalise the school formula based on final funding allocation	Late December 2023
Schools' Forum informed on final school formula, agree growth funding for 2024/25, decide de-delegations, and decide the central school services budget. Schools' Forum review first draft of high needs budget in light of funding available/deficit position.	18 January 2024
Local Authority agrees school formula for 2024/25 and BFFC submits APT to ESFA	Submission Due to ESFA by 22 January 2024
BFFC Inform mainstream maintained schools of their budget shares for 2024/25	By 28 February 2024 (statutory date but in reality by early February 2024)
BFFC work on final high needs and early years budgets	January to end of February 2024
Schools' Forum review/agree final budgets for high needs and early years	March 2024
ESFA confirm to academies their general annual grant (budget shares) for 2023/24	31 March 2022
High Needs place numbers at institution level published by ESFA	31 March 2022





Reading Schools' Forum

January 18, 2024

Agenda Item 7

De-Delegations 2024-25

For decision For discussion For information

SUMMARY

This report sets out information on the services to be offered to maintained schools for de-delegation in 2024/25.

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1. Recommendations

- 1.1 Primary maintained representatives to agree the de-delegation of Behaviour Services, School Improvement, Union Duties, and General Duties.
- 1.2 Secondary maintained representatives to agree the de-delegation of School Improvement and General Duties.
- 1.3 Final figures from services are still be collated. Representatives are asked to agree to the continuation of the service and an indicative allocation unchanged from 2023/24.

2. Background

- 2.1 There continues to be a limited number of central services that maintained mainstream primary and secondary schools can opt to de-delegate from their formula budget allocation. This decision is made by the relevant members on Schools Forum for their school phase. It is not the same as a buy back which is an individual school decision. Thus the decisions made will apply to all maintained mainstream schools in that phase. This is an annual decision, and decisions made for 2024/25 will be for that year only.
- 2.2 There is no change to the services being offered for de-delegation in 2024/25 which are as follows:
 - Behaviour Support Services.
 - School Improvement.
 - Union Duties.
 - General Duties.
- 2.3 This report sets out what each service covers, the cost, and how this will be de-delegated from each school's budget. This must be a fixed contribution for each service so that funding can be removed from the formula before school budgets are issued.

3. Behaviour Support Services

- 3.1. The Behaviour support service is run by Cranbury College. Although now academized and part of a Multi Academy Trust, this service will continue to be provided by Cranbury in 2024/25. Appendix 1 sets out the service offered to primary schools. Secondary schools and academies have the option to purchase support through an individual service level agreement.
- 3.2. The cost of the core service is £286k (as of 2023/24).
- 3.3. This will equate to a primary de-delegation of £140.89 per pupil eligible for free school meals.
- 3.4. The Director of Education will meet with Cranbury College three times a year to review the service and the outcomes for children being supported by this service as outlined in the service level agreement between BFfC and Maiden Erlegh Trust.

4. School Improvement

- 4.1. Due to significant cuts in previous years relating to The Education Services Grant (ESG), Schools Forum agreed to support School Improvement in raising standards in maintained schools requiring support.
- 4.2. The total amount to be met from maintained schools through de-delegation is £188k (as of 2023/24) the service requires an additional £47k in 2024/25. This will equate to a de-delegation of £23.26 per pupil for both primary and secondary.
- 4.3. The Director of Education will undertake regular monitoring of this service.

5. Union Duties

- 5.1. Successive governments have recognised the importance of good industrial relations and have legislated to provide a statutory basis for facilities time. These provisions are contained within the Employment Relations Act 1999, the Trade Union Labour Relations (Consolidation) Act 1992 and the Safety representatives and Safety Committees Regulations 1997.
- 5.2. Pooled funding is the most effective and efficient arrangement to help the local authority and all schools to meet their statutory obligations on trade union facilities time. It helps maintain a coherent industrial relations environment where issues and concerns, whether individual or collective, can be dealt with efficiently. It provides funding for union representatives to accompany workers to disciplinary or grievance hearings, attend union training, carry out union duties and relevant learning activities, and to carry out health and safety functions.
- 5.3. To cover each of these as the need arises, without the arrangements made possible through a central funding arrangement, would be considerably more costly for schools. This service is also available to academies and free schools via a service level agreement.
- 5.4. The cost of the service as of 2023/24 is £47k.
- 5.5. This will equate to a primary de-delegation of £5.12 per pupil.

6. General Duties

- 6.1. This funding goes towards paying for the statutory duties carried out on behalf of maintained schools that were previously funded by the Education Services Grant. This grant was removed in 2017/18 with the expectation that all maintained schools would now pay for these services from their delegated budgets. The grant was also removed from academy schools, so brings all schools onto the same financial basis.
- 6.2. The services this funding covers includes:
 - Central budgeting & accounting functions relating to maintained schools.
 - Financing of maintained schools.
 - Monitoring of compliance with the scheme for financing schools.
 - Functions in relation to schools who do not have financial delegation.

- Consistent financial reporting.
- Provision of statutory information to the DfE.
- Education welfare e.g. monitoring attendance.

6.3. This is not all of the statutory services previously funded by the grant, and some are now charged direct to schools through a traded service.

6.4. The de-delegation in 2023/24 was for £84.1k and this is proposed to continue into 2024/25. This equates to a de-delegation of £8.32 per pupil.

7. Overall De-Delegations for 2024/25

7.1. An overall summary of the de-delegations proposed for 2024/25 (alongside the equivalent amounts for 2023/24) are set out in Table 1.

Table 1: Actual De-delegations in 2023/24 and Proposal for 2024/25

Service	Primary 2023/24	Secondary 2023/24	Primary 2024/25	Secondary 2024/25
Behaviour Support	£286,000 £136.97 per FSM pupil	-	£286,000 £140.89 per FSM pupil	-
Union duties	£47,000 £5.06 per pupil	-	£47,000 £5.12 per pupil	-
School Improvement	£171,493 £18.46 per pupil	£16,540 £18.46 per pupil	£213,527 £23.26 per pupil	£21,516 £23.26 per pupil
General Duties formerly met by the Education Services Grant	£76,643 £8.25 per pupil	£7,392 £8.25 per pupil	£76,378 £8.32 per pupil	£7,696 £8.32 per pupil

7.2. Any unspent de-delegated funding remaining at year-end will be reported to the Schools' Forum as part of the year-end report. This funding can be carried forward and used specifically for de-delegated services. Schools' Forum are required to approve any overspend, which would be met from the following year's schools budget allocation.



Reading Schools' Forum

January 18, 2024

Agenda Item 8

Final School Formula for 2024/25

For decision For discussion For information

SUMMARY

This report presents the final 2024/25 school funding formula for Reading primary and secondary schools.

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None

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1. Recommendations

- 1.1 AGREE: The final school funding formula and primary and secondary school funding allocations for 2024/25
- 1.2 AGREE: Growth Fund Criteria.
- 1.3 AGREE: Falling Rolls Criteria.
- 1.4 AGREE: Final Transfer amount to High Needs for Inclusion Funding.

2. Introduction

- 2.1 The final version of “Schools revenue funding 2024 to 2025 operational guide” was published in December 2023. This details the funding formula and requirements for 2024/25. The policy document “The national funding formulae (NFF) for schools and high needs 2024 – 2025” published in July, details the actual formula factor values in the NFF.
- 2.2 This report sets out the final schools’ block funding allocation for 2024/25, and the final formula and allocations to schools for 2024/25 as proposed by the Council.

3. School Block Funding for 2024/25

- 3.1. Local authorities receive the Dedicated Schools Grant (DSG), which is split between four funding blocks. The schools block is specifically for primary and secondary mainstream formula allocations and for growth funding (for new and expanding schools and bulge classes). It is largely ring fenced; up to 0.5% of the allocation can be transferred to other funding blocks, but only with the agreement of Schools’ Forum.
- 3.2. The schools block allocation is based on Primary Units of Funding (PUFs) and Secondary Units of Funding (SUFs). These units are calculated for each local authority by adding together the total formula allocations for each school in each phase using the NFF but using the previous year’s data, and dividing by the previous year’s pupil numbers for each phase. These units are then fixed and are multiplied by the October 2023 census pupil numbers to give the final funding allocation for the following year.
- 3.3. The final schools block funding allocation for 2024/25 was confirmed by the Government on 19th December 2023, and totals £126.101m as set out in Table 1. Of this, £1.005m is for growth funding. Part of the growth funding allocation, £239k is proposed to be used in the school formula for new/expanding schools (Green Park), £300k to be allocated to “Falling Rolls” and a further £250k put aside for bulge classes, new opening schools and infant class size payments in 2024/25.
- 3.4. There is a reasonable amount of Growth fund underspend from 2023/24 which school's forum is asked to agree to being carried forward to 2024/25 as a contingency for a new secondary school opening in September 2024. At the time of writing, it is not possible to accurately calculate the LA liability for the new school but may be in the region of £1.2m.
- 3.5. For 2024/25 the DfE have stipulated that LA’s specify their Growth and Falling Rolls criteria. The criteria for both are provided in appendix 3. Appendix 4 show the potential eligible schools for falling rolls.
- 3.6. The Schools’ Forum at its October meeting 2023 agreed to continue to provide financial support to schools with a higher than average percentage of pupils with EHCPs. This budget remains unchanged from 2023/24 at £484k and has been included within the funding form for 2024/25.
- 3.7. After deducting the ring fenced growth funding and the transfer to the high needs block, there is £125.551m to allocate to primary and secondary schools through the school funding formula. This is £9.413m greater than in 2023/24, £3.917m is due to the incorporation of the mainstream schools additional grant (MSAG) in

the schools block, £1.843m is due to increases in overall pupil numbers to be funded, with the remainder £3.653m being real increases in funding on a per pupil level.

Table 1: Schools Block DSG Allocation

	2023/24 ACTUAL		2024/25 Actual	
		Funding £'000		Funding £'000
Primary Unit of Funding (PUF)	£4,881.54		£5,155.75	
<i>Primary Pupil Numbers</i>	<i>13,289</i>	64,871	<i>13,237</i>	68,244
Secondary Unit of Funding (SUF)	£6,427.55		£6,794.86	
<i>Secondary Pupil numbers</i>	<i>7,824</i>	50,289	<i>8,135</i>	55,276
Business Rates		1,283		1,497
Split sites/Rents		17		79
Mobility		0		0
Growth Funding Factor		1,302		1,005
TOTAL SCHOOLS BLOCK ALLOCATION		117,762		126,101
Less: to growth fund budget		-1140		-550
Less: transfer to high needs block		-484		-484
FUNDING AVAILABLE FOR SCHOOL FORMULA		116,138		125,551

4. Final School Funding Formula for 2024/25

- 4.1 There will be no change to the National Funding Formula factors in 2024/25.
- 4.2 The actual DSG funding received and available may not enable the NFF to be replicated in full due to there being a mismatch between the funding received and what would have been allocated to schools through a hard NFF:
- Differences in the pupil characteristics data from the previous year which is driving the DSG funding compared to the October 2023 census on which the formula funding allocations to schools is based (which may result in funding which is higher or lower than the actual requirement).
 - Increases in business rates bills and other premises costs compared to the historical figures on which the DSG funding is based.
 - Growth funding requirements not met by the allocation, and so a top slice is required.
 - Funding transfers to other blocks (namely high needs).
 - Overspends in the previous financial year which are a first call on resources in the following year. This will only happen for business rates and growth funding.
- 4.3 The main change shows many factors becoming compulsory rather than optional. This limits what each LA can do as the DfE are forcing LAs to get closer to the national funding formula. For 24-25 each LA must be at

least 10% closer to the NFF values than their baseline values. Reading have followed the NFF and made the changes in 2018-2020

- 4.4 Since receiving the DSG allocations, unfortunately it is not possible to mirror the NFF due to affordability. As a result we have retained the transfer from schools block to high needs block at the same rate as the current and previous year which is £484k.
- 4.5 All NFF rates with the area cost adjustment (ACA) have been applied. As we must move 10% closer to the NFF rates as a minimum the lump sum value is now no longer the balancing figure and will be set at the 2024/25 rate of £139,246.46. This is an increase from 2023/24 of £24.9k per school. The basic entitlement figures however has been reduced slightly by 1.0% to ensure affordability and to set a balanced budget.

5. Appendices

Appendix 1 – Proposed Formula Factors and Values for 2023/24 and 2024/25

Appendix 2 – School Formula allocations for Primary and Secondary Schools 2023/24 and 2024/25

Appendix 3 – Growth Funding and Falling Rolls Criteria for 2024/25

Appendix 4 – Schools potentially eligible for Falling Rolls 2024/25

Appendix 1 - Proposed Formula Factors and Values for 2022/23 to 2024/25

Formula Values	2022/23			2023/24			2024/25			Notes re 2024/25 Actual Values (Reading ACA is 1.03606)
	NFF	Reading NFF with ACA	Reading Final	NFF	Reading NFF with ACA	Reading Final	NFF	Reading NFF with ACA	Reading PROPOSED	
Basic Entitlement										
Primary	£3,217.00	£3,328.79	£3,328.00	£3,394.00	£3,512.11	£3,499.00	£3,562.00	£3,690.45	£3,653.48	NFF with ACA - reduced by 1%
Secondary - KS3	£4,536.00	£4,693.63	£4,693.00	£4,785.00	£4,951.52	£4,934.00	£5,022.00	£5,203.09	£5,150.97	NFF with ACA - reduced by 1%
Secondary - KS4	£5,112.00	£5,289.64	£5,289.00	£5,393.00	£5,580.68	£5,561.00	£5,661.00	£5,865.14	£5,806.39	NFF with ACA - reduced by 1%
Deprivation										
Free School Meals - Primary	£470.00	£486.33	£486.00	£480.00	£496.70	£496.00	£490.00	£507.67	£507.67	As per NFF with ACA
Free School Meals - Secondary	£470.00	£486.33	£486.00	£480.00	£496.70	£497.00	£490.00	£507.67	£507.67	As per NFF with ACA
Free School Meals Ever 6 - Primary	£590.00	£610.50	£610.00	£705.00	£729.53	£730.00	£820.00	£849.57	£849.57	As per NFF with ACA
Free School Meals Ever 6 - Secondary	£855.00	£884.71	£884.00	£1,030.00	£1,065.84	£1,066.00	£1,200.00	£1,243.27	£1,243.27	As per NFF with ACA
IDACI Band A (over 0.6) - Primary	£640.00	£662.24	£662.00	£670.00	£693.31	£693.00	£680.00	£704.52	£704.52	As per NFF with ACA
IDACI Band A (over 0.6) - Secondary	£890.00	£920.92	£920.00	£930.00	£962.36	£962.00	£945.00	£979.08	£979.08	As per NFF with ACA
IDACI Band B (0.5 - 0.6) - Primary	£490.00	£507.02	£507.00	£510.00	£527.74	£528.00	£515.00	£533.57	£533.57	As per NFF with ACA
IDACI Band B (0.5 - 0.6) - Secondary	£700.00	£724.32	£724.00	£730.00	£755.40	£755.00	£740.00	£766.68	£766.68	As per NFF with ACA
IDACI Band C (0.4 - 0.5) - Primary	£460.00	£475.98	£475.00	£480.00	£496.70	£497.00	£485.00	£502.49	£502.49	As per NFF with ACA
IDACI Band C (0.4 - 0.5) - Secondary	£650.00	£672.58	£672.00	£680.00	£703.66	£704.00	£690.00	£714.88	£714.88	As per NFF with ACA
IDACI Band D (0.3 - 0.4) - Primary	£420.00	£434.59	£434.00	£440.00	£455.31	£455.00	£445.00	£461.05	£461.05	As per NFF with ACA
IDACI Band D (0.3 - 0.4) - Secondary	£595.00	£615.67	£615.00	£620.00	£641.57	£642.00	£630.00	£652.72	£652.72	As per NFF with ACA
IDACI Band E (0.25 - 0.3) - Primary	£270.00	£279.38	£279.00	£280.00	£289.74	£290.00	£285.00	£295.28	£295.28	As per NFF with ACA
IDACI Band E (0.25 - 0.3) - Secondary	£425.00	£439.77	£439.00	£445.00	£460.48	£460.00	£450.00	£466.23	£466.23	As per NFF with ACA
IDACI Band F (0.2 - 0.25) - Primary	£220.00	£227.64	£227.00	£230.00	£238.00	£238.00	£235.00	£243.47	£243.47	As per NFF with ACA
IDACI Band F (0.2 - 0.25) - Secondary	£320.00	£331.12	£331.00	£335.00	£346.66	£347.00	£340.00	£352.26	£352.26	As per NFF with ACA
Prior Attainment										
Primary	£1,130.00	£1,169.26	£1,169.00	£1,155.00	£1,195.18	£1,195.00	£1,170.00	£1,212.19	£1,212.19	As per NFF with ACA
Secondary	£1,710.00	£1,769.41	£1,769.00	£1,750.00	£1,810.89	£1,811.00	£1,775.00	£1,839.01	£1,839.01	As per NFF with ACA
English as an Additional Language										
Primary	£565.00	£584.63	£584.00	£580.00	£600.18	£600.00	£590.00	£611.28	£611.28	As per NFF with ACA
Secondary	£1,530.00	£1,583.16	£1,583.00	£1,565.00	£1,619.45	£1,619.00	£1,585.00	£1,642.16	£1,642.16	As per NFF with ACA
Mobility										
Primary	£925.00	£957.14	£957.00	£945.00	£977.88	£978.00	£960.00	£994.62	£994.62	As per NFF with ACA
Secondary	£1,330.00	£1,376.21	£1,376.00	£1,360.00	£1,407.32	£1,407.00	£1,380.00	£1,429.76	£1,429.76	As per NFF with ACA
Lump Sum	£121,300.00	£125,514.53	£105,000.00	£128,000.00	£132,453.33	£114,300.00	£134,400.00	£139,246.46	£139,246.46	As per NFF with ACA
Business Rates (Actual - locally set)	£1,283,350.00		£1,283,350.00	£1,283,350.00		£1,283,350.00	£1,497,409.00		£1,497,409.00	
Split Site	£17,149.00		£17,149.00	£17,149.00		£17,149.00	£78,791.30		£78,791.30	Set Nationally (Maximum)
Minimum Per Pupil Level										
Primary	£4,265.00		£4,265.00	£4,405.00		£4,405.00	£4,610.00		£4,610.00	As per NFF
Secondary	£5,525.00		£5,525.00	£5,715.00		£5,715.00	£5,771.00		£5,771.00	As per NFF
(KS3 Only School)	£5,321.00		£5,321.00	£5,503.00		£5,503.00	£6,331.00		£6,331.00	As per NFF
(KS4 Only School)	£5,831.00		£5,831.00	£6,033.00		£6,033.00	£5,995.00		£5,995.00	As per NFF
Minimum Funding Guarantee	2.00%		1.75%	0.50%		0.50%	0.50%		0.50%	Local Decision between 0% & 0.5%

Appendix 3 – Growth Fund Criteria and Falling Rolls Criteria (2024/25)

2024/25 Growth Funding Criteria

Existing expanding schools:

Where a school (maintained or academy) has agreed with the local authority to increase its admission number and provide an extra class as an on-going commitment, or to provide a bulge class (additional class require as a result of the school agreeing to take additional pupils on behalf of the LA), both scenarios being in response to meeting basic need in the area, additional funding will be allocated. The increase in numbers must have been agreed by the LA as part of its place planning in order to meet shortfalls in overall places.

The additional funding will be paid in the Autumn following the October census when the additional numbers have been confirmed as requiring an additional class (to cover the period September to March). It is not paid for filling spaces in existing classes. Funding payable is at the national minimum per pupil funding (MPPF) rate x by the additional number of pupils as agreed by the LA x 7/12.

For 2024/25 the MPPF rate is £4,610 primary and £5,771 (KS3) secondary.

Academies will receive a further 5/12 in the following April to cover the remainder of the academic year April to August. 2)

New/growing schools:

New schools are funded through the school formula, by varying the pupil numbers, based 7/12 on the published admission number for the following September.

New schools opening in response to basic need, will be paid a one-off additional grant for pre- opening and set up costs. This grant will be £78,00 for schools due to open in the 2024/25 academic year.

2024/25 Falling Rolls

- **Judged Good or Outstanding at their last Ofsted inspection.**

This is a mandatory requirement by the DfE.

- **Falling roll greater than 4.5% in latest year, and below 80% of overall school PAN**

Removing the review of reception only and treating the falling rolls over the entire school year groups. Including that the school has to be under 80% of Total planned school roll number. (1 form entry primary totalling 210 places)

- **Schools must not have more than 8% of reserves as at 31 March of previous financial year**

It is within the best interest for Reading for schools to use their surplus reserves prior to requesting any share of the Falling Rolls Fund, to which there is a limited amount of agreed funding to which the Council and Schools' Forum have at their disposal. 8% has come from the previous removed mechanism of Primary school's surplus balances review.

- **Formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort without making teacher redundancies**

Additional funding is awarded to schools where without funding they would have to consider closing a classroom and as a result impact the education of the pupils within the school. The fund is not to pay for teacher redundancies.

- **Business Case required for funding request prior to coming academic year**

No school is automatically entitled to this funding. The Director of Education and School Effectiveness team along with School Finance will assess a business case on how the school plan to use the funding before any agreement has been put in place. This will involve conversations between the school and the School Finance and School Effectiveness teams . In some cases, this may also be accompanied by a Licensed Deficit application if the school is budgeting a deficit balance.

- **Minimum Per Pupil funding (2024/25 Rate £4,610 primary) fund up to 80% of PAN with a maximum pay-out of £100k**

We acknowledge that every school is unique and needs and circumstances can vary. Schools Funding guidance from the ESFA suggests that 80% of total PAN is on average the level that schools should be able to have the minimum required resources to educate the national curriculum. We do accept that the need can be very different in each school, but as a general limit we have proposed this rate. We have also limited the total pay-out for one school in one year to £100k due to the affordability. Schools' Forum and BFFC reserve the right to change levels due to business case discussions and the overall level of funding.

- **Funding awarded for maximum of 2 consecutive years**

This funding cannot be maintained for more than 2 years due to the funding coming out of uncommitted growth funding reserves. We believe this funding will support and provide time for the school and local authority to manage the situation.

- **Schools' Forum and Director of Education reserve the right to change levels of funding or supply discretionary funding based on in year applications (business cases) and regarding the overall level of funding.**

Appendix 4 – Indicative School eligibility for Falling Rolls (2024/25)

LAESTAB	School Name	Capacity	NOR 2023/24	NOR 2024/25	Change	Change % (fall of 4.5% or greater)	Space	Capacity % (80% or greater)
8702000	Alfred Sutton Primary School	630	624.00	618.00	-6.00	-1.0%	12.00	98.1%
8702003	Caversham Primary School	420	414.00	411.00	-3.00	-0.7%	9.00	97.9%
8702005	Coley Primary School	210	202.00	211.00	9.00	4.5%	-1.00	100.5%
8702006	E P Collier Primary School	420	365.00	379.00	14.00	3.8%	41.00	90.2%
8702007	Geoffrey Field Junior School	360	357.00	353.00	-4.00	-1.1%	7.00	98.1%
8702008	Geoffrey Field Infant School	270	264.00	261.00	-3.00	-1.1%	9.00	96.7%
8702016	Oxford Road Community School	210	210.00	204.00	-6.00	-2.9%	6.00	97.1%
8702018	Redlands Primary School	210	206.00	200.00	-6.00	-2.9%	10.00	95.2%
8702019	The Hill Primary School	420	387.00	396.00	9.00	2.3%	24.00	94.3%
8702020	The Ridgeway Primary School	420	398.00	396.00	-2.00	-0.5%	24.00	94.3%
8702021	Park Lane Primary School	420	410.00	397.00	-13.00	-3.2%	23.00	94.5%
8702024	Wilson Primary School	420	414.00	412.00	-2.00	-0.5%	8.00	98.1%
8702026	Emmer Green Primary School	420	413.00	415.00	2.00	0.5%	5.00	98.8%
8702027	Southcote Primary School	630	597.00	551.00	-46.00	-7.7%	79.00	87.5%
8702029	St Michael's Primary School	420	403.00	404.00	1.00	0.2%	16.00	96.2%
8702034	Moorlands Primary School	420	315.00	308.00	-7.00	-2.2%	112.00	73.3%
8702036	Thameside Primary School	420	380.00	373.00	-7.00	-1.8%	47.00	88.8%
8702226	Katesgrove Primary School	630	617.00	608.00	-9.00	-1.5%	22.00	96.5%
8702233	Caversham Park Primary School	210	131.00	125.00	-6.00	-4.6%	85.00	59.5%
8702234	Micklunds Primary School	420	350.00	341.00	-9.00	-2.6%	79.00	81.2%
8702253	Manor Primary School	315	256.00	269.00	13.00	5.1%	46.00	85.4%
8703000	All Saints Church of England Aided Infant School	60	60.00	60.00	0.00	0.0%	0.00	100.0%
8703302	St Anne's Catholic Primary School	210	180.00	159.00	-21.00	-11.7%	51.00	75.7%
8703304	English Martyrs' Catholic Primary School	420	396.00	405.00	9.00	2.3%	15.00	96.4%
8703305	Christ The King Catholic Primary School	315	294.00	301.00	7.00	2.4%	14.00	95.6%
8703360	St Martin's Catholic Primary School	210	131.00	123.00	-8.00	-6.1%	87.00	58.6%
8703361	Whitley Park Primary and Nursery School	630	516.00	500.00	-16.00	-3.1%	130.00	79.4%
8705411	Blessed Hugh Faringdon Catholic School	Secondary	896.00	925.00	29.00	3.2%		
8702002	All Saints Junior School	100	100.00	98.00	-2.00	-2.0%	2.00	98.0%
8702004	Meadow Park Academy	420	367.00	356.00	-11.00	-3.0%	64.00	84.8%
8702011	Battle Primary Academy	420	409.00	417.00	8.00	2.0%	3.00	99.3%
8702012	The Palmer Primary Academy	420	390.00	390.00	0.00	0.0%	30.00	92.9%
8702015	Civitas Academy	420	404.00	400.00	-4.00	-1.0%	20.00	95.2%
8702017	The Heights Primary School	350	352.00	352.00	0.00	0.0%	-2.00	100.6%
8702025	Ranikhet Academy	210	196.00	213.00	17.00	8.7%	-3.00	101.4%
8702028	New Town Primary School	420	366.00	368.00	2.00	0.5%	52.00	87.6%
8702031	Churchend Primary Academy	420	426.00	418.00	-8.00	-1.9%	2.00	99.5%
8702035	St Mary & All Saints Church of England Primary School	420	272.00	288.00	16.00	5.9%	132.00	68.6%
8702039	Green Park Village Primary Academy	New&Growing	154.00	204.00	50.00	32.5%		
8702254	New Christ Church Church of England Primary School	210	196.00	195.00	-1.00	-0.5%	15.00	92.9%
8703300	St John's Church of England Primary School	420	402.00	408.00	6.00	1.5%	12.00	97.1%
8704000	UTC Reading	Secondary	248.00	194.00	-54.00	-21.8%		
8704001	Maiden Erlegh School in Reading	Secondary	895.00	892.00	-3.00	-0.3%		
8704002	The WREN School	Secondary	850.00	848.00	-2.00	-0.2%		
8704003	Reading Girls' School	Secondary	792.00	865.00	73.00	9.2%		
8704020	Highdown School and Sixth Form Centre	Secondary	1,259.00	1,264.00	5.00	0.4%		
8705401	Reading School	Secondary	756.00	755.00	-1.00	-0.1%		
8705410	King's Academy Prospect	Secondary	896.00	1,053.00	157.00	17.5%		
8705413	Kendrick School	Secondary	584.00	610.00	26.00	4.5%		
8706905	John Madejski Academy	Secondary	655.00	733.00	78.00	11.9%		



Reading Schools' Forum

January 18, 2024

Agenda Item 9

Central and Early Years retained budgets for 2024-25

For decision

For discussion

For information

SUMMARY

This report sets out the proposed 2024/25 budget for the Central School Services funded from the DSG.

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VERSION

Version 1

DATE

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1. Recommendations

- 1.1 AGREE: The budget for the Central School Services Block 2024/25 as set out in Table 2.
- 1.2 AGREE: The centrally retained budgets for Early Years Block 2024/25 as set out in Table 3
- 1.3 NOTE: Updates to EYNFF within 23/24 and 24/25
- 1.4 NOTE: Updates to EYNFF rate for local authorities and proposed rates to providers for 2024/25 as set out in Table 4 and 5

2. Background

- 2.1 The Central Schools Services Block of the DSG funds services/functions provided by the local authority centrally for all their maintained and academy schools. The 'Schools revenue funding 2024 to 2025 operational guide'¹ sets out what services can be charged to this block and any restrictions. This budget must be agreed by the Schools' Forum on an annual basis.
- 2.2 This report sets out the 2024/25 funding for the block, and the proposed budget.

3. Funding for 2024/25

- 3.1. The funding for this block comprises of two elements:
 - Ongoing responsibilities – functions LAs have a statutory duty to deliver for all pupils in maintained schools and academies.
 - Historic commitments – funding that some LAs received prior to 2013/14.
- 3.2. In 2024/25 funding for the central school services block has increased by the maximum 5.86% for ongoing commitments however, including the phasing out of funding for historical commitments which has been set at 20% for another year the Increase is only £0.006m.
- 3.3. Table 1 summarises the funding for 2023/24 compared to 2024/25.

	2023/24		2024/25		Change		
	Value per Unit	Funding £000	Value per Unit	Funding £000	Difference	Funding £000	%
Unit of Funding	£40.45		£42.82		£2.37		5.86%
Pupil Numbers	21,113		21,371		258		1.22%
Central Schools Block		£854		£915		£61	7.14%
Historic Commitments		£278		£223		(£55)	(20%)
TOTAL CSSB		£1,132		£1,138		£6	0.005%

4. Proposals for the 2024/25 Budget

Table 2 sets out the services met from the central school services block, the budget for 2023/24 and the proposed budget for 2024/25. Further details on each service are set out in Appendix 1. In order to balance this block, some of the historical commitment budgets have been reduced in order to reflect the funding reduction; these budgets are contributions towards service costs, so will result in these services either having to fund the reduction from elsewhere or reduce the level of service. For each service, the table indicates which ones have to be agreed by the Schools' Forum.

Table 2: Central School Services Budget 2023/24 and 2024/25

SERVICE	2023/24 BUDGET (£'000)	2024/25 BUDGET (£'000)	Change £ From Apr-23 to Apr-24	APPROVAL REQ'D BY SCHOOLS FORUM	RESTRICTIONS
Admissions	289	272	(17)	Yes	None
Servicing of Schools' Forum	20	20	0	Yes	None
Copyright Licences	128	135	7	No	None
Statutory/Regulatory services e.g. finance	417	488	71	Yes	None
Prudential Borrowing	26	21	(5)	Yes	(Historic commitment) Cannot exceed previous budget & no new commitments
Contribution to School Effectiveness	53	42	(11)	Yes	
Contribution to Early Help Services	120	96	(24)	Yes	
Contribution to Children's Social Care	80	64	(16)	Yes	
TOTAL	1,133	1,138	5		

4.1. It is recommended that the Schools' Forum agree the 2024/25 budgets in this block, as set out in Table 2.

5. Centrally Retained Early Year's Budget Proposal

5.1. Schools' Forum is asked to agree the proposed amount to be centrally retained in 2024/25. It is proposed that this will be £947,300 this an increase of £158,700 from 2023-2024 financial year.

5.2. The increases in the Early Years Team are following the major changes within the Early Years sector. These changes include:

- From April 2024, working parents of two-year-olds will be able to access 15 hours of free childcare.
- From September 2024, 15 hours of free childcare will be extended to all children from the age of nine months.
- From September 2025, working parents of children under the age of five will be entitled to 30 hours free childcare per week.

Local authorities have a statutory to:

- Secure sufficient childcare, which is high quality, flexible, inclusive, and accessible to all children, with a focus on those families who are disadvantaged. Therefore, we must meet the growing demand for childcare places whilst ensuring quality standards.
- Ensure the availability of information, advice and training for childcare providers which promotes high-quality provision with regard to meeting the requirements of the Early

Years Foundation Stage including safeguarding and meeting the needs of all children. With a growing supply of childcare and expansion of quality assurance increased team capacity is required.

- Revenue budget preparation, preparation of information on income and expenditure relating to Early Years (paying out entitlement funding)
- Provide information and advice to parents and prospective parents which is up to date, easily accessible, online and which details available childcare early education and funded spaces available in the local area. The changes, opportunities, and new systems will need to be communicated effectively to providers to ensure ease of access for early years entitlements and wraparound provision.

5.3 Early Years Team £423,400 – this is the management and administrative costs involved in delivering the free entitlement. It includes the following posts and activities from 2023/2024:

- Early Years Team manager 1 FTE
- Childcare Compliance Manager 1.0 FTE
- Early years data, sufficiency, and performance officer 0.68 FTE
- Early Years Development Officer 1.0 FTE
- Extended Childcare Project Officer 1.0 FTE
- Early Years Operations and Support Officer 1.0 FTE

Three additional posts have been assessed to help the implementation of the changes and includes:

- Early Years & Childcare Advisor 1.0 FTE
- Sufficiency Project Officer 1.0 FTE
- Finance/Data Officer 1.0 FTE

The additional cost of these posts total £113,900 with £18,600 relating to payroll Inflation and increment drift. It is proposed pay increases will be automatically added to the budget in future years.

5.3. Early Years Portage Team £513,700 - Early intervention home visits. It includes the following posts and activities from 2023/2024:

- Early Years SEND Team manager - 0.8 FTE
- Senior Portage Worker - 1.0 FTE
- Portage Workers – 4.8 FTE
- Early Years SEND Support Advisor - 1.0 FTE
- SEND Support worker – 0.80 FTE

Two additional Portage Workers have been proposed for 2024/2025 after a review on current practices and demand led services increasing.

The additional cost of these posts total £82,800 with £10,000 relating to payroll Inflation and increment drift. It is proposed pay increases will be automatically added to the budget in future years.

The additional Portage Workers would:

- Increase in Portage children to receive Portage at home services.
- Increase capacity within group sessions to offer support to the waiting list.
- Reduce waiting list time for children waiting for Portage.
- Support for early years settings through termly visits for each child allocated.
- Stronger data analysis for school place planning
- Reduction in number of children requiring EHCP's due to receiving early interventions.
- Increase in sufficiency of SEND places in Early years due to increased staff confidence following training.

- 5.4 Central Establishment Charges £10,000 – contribution to central costs such as finance, office accommodation, ICT.
- 5.5 Early Years Inclusion fund to move to High Needs Block. £50,000 in 23/24 that contributed to a larger inclusion fund for Early Years settings within the High Needs Block. As the Early Years block has been requested to fund the increase in Portage then for ease the High needs block will fully fund the inclusion budget.
- 5.6 Dingley Contract to move to the High Needs Block. £16,800 (plus £25,000 from high needs block) will provide Family Support Programme, Providers Advisory Support Service (PASS). Dingley's Promise provide a suitable environment for further assessment and therapy from Social Care, Education and Health professionals to advance the children's prospects.
- 5.7 Table 3 below sets out the proposed budgets for 2023/24 along with the current budgets for 2024/25

Table 3: Centrally Retained Early Years Budget 2023/24 and 2024/25

SERVICE	2023/24 BUDGET	2024/25 BUDGET	Change £ From Apr-23 to Apr-24
Early Years Team	£290,900	£423,600	£132,700
Early Years support - Portage	£420,900	£513,700	£92,800
Central Costs recharged	£10,000	£10,000	£0
Early Years inclusion fund	£50,000	£0	(£50,000)
Dingley Contract	£16,800	£0	(£16,800)
Total	£788,600	£947,300	£158,700

5.8 Due to the increase in entitlements, Readings draft allocation totals £20.9m and Reading are allowed to have up to 5% of this funding for central services. If the above, gets approved by Schools forum then this equates to 4.5%. As the budget for 2024/2025 is based on (5/12th of January 2024 and 7/12th of January 2025) then all figures supplied are subject to change. This has been the same scenario for many years.

6 Early Year's Budget update

- 6.1 The Early Years arrangements for 2024/25 including funding rates for local authorities were published by the ESFA in December 2023 and can be found on the webpage: [Early years entitlements: local authority funding operational guide 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/early-years-entitlements-local-authority-funding-operational-guide-2024-to-2025)
- 6.2 As stated previously in paragraph 5.2, major expansion to the Early Years Universal/Working Parents entitlement are underway in April 2024 with Increases in unit values already implemented within September 2023.
- 6.3 Current funding rates and announced funding rates are set out in Table 4 below.

Table 4: Local Authority Funding rates 2023/24 and 2024/25

Entitlement	2023/24 (April 23)	2023/2024 (Sept 23)	2024/25 (April 2024)	Increase £ From Apr-23 to Apr-24	Increase %
2 year olds – Universal (15hrs)	£6.72	£9.44	£9.72	£3.00	44%
2 year olds – Extended (30hrs)	£6.72	N/A	£9.72	£3.00	44%
3 and 4 year old – Universal (15hrs)	£5.80	£6.39	£6.70	£0.90	16%
3 and 4 year old – Extended (30hrs)	£5.80	£6.39	£6.70	£0.90	16%
Under 2 olds - Universal (15hrs)	N/A	N/A	£13.24	N/A	N/A
Early Years Pupil Premium (all ages @ 15hrs only)	£0.62	£0.62	£0.68	£0.06	10%
Disability Access Fund (DAF)	£828	£828	£910	£82	10%
MNS supplementary funding	£3.80	£4.01	£4.64	£0.84	22%

- 6.4 **The budgets for the early years block cannot be determined until the draft January 2024 census** data is available however it is our intention to pass on the full increases to providers where feasible – Please see proposed rates in Table 5. Further and final details of the 2024/25 rates to providers will be brought to March 2024 schools forum. BFfC recommend using the below rates for forecasting/cashflow/budget building activities.

Table 5: Current and Proposed Local Rates for 2024/25

Entitlement	2023/24 (April 23)	2023/24 (Sept 23)	Proposed 2024/25 (Apr 24)	Increase £ From Apr-23 to Apr-24	Increase %
2 year olds (Universal & Extended)	£6.51	£9.23	£9.40	£2.89	44%
3 and 4 year olds (Universal & Extended)	£5.33	£5.92	£6.20	£0.87	16%
Under 2 olds - Universal (15hrs)	-	-	£13.00	-	-
Early Years Pupil Premium & Deprivation top-up (all ages @ 15hrs only)	£1.59	£1.59	£1.65	£0.06	4%
Disability Access Fund (DAF) – annual	£828	£828	£910	£82	10%
MNS supplementary funding	£3.80	£4.01	£4.64	£0.84	22%

Appendix 1 – Central School Services Budgets

A – Ongoing Duties

Admissions

This funds the staffing for the statutory admissions service for primary and secondary coordinated admissions and for all in year applications.

Servicing of Schools' Forum

This relates to Local Authority officer time to research and prepare reports, arrange and attend meetings, plus cost of room hire, contribution to the website for publishing papers etc. The total budget of £20,000 is a contribution towards this cost. This contribution has not increased for many years, but it will stay at current levels due to the forum being remote that brings its own efficiencies. Most other local authorities charge significantly more.

Copyright Licences

The DfE has agreed with various agencies to purchase a single national licence managed by the DfE, which means that local authorities and schools do not need to negotiate individual licences. The DfE recharges the cost to the local authority, who has the option to pay for it out of the central school services budget rather than charge individual schools from their delegated budget. The licences included in this agreement are as follows:

CLA (Copyright Licensing Agency)
SPML (School Printed Music Licence)
NLA (Newspaper Licensing Agency)
ERA (Education Recording Agency)
PVSL (Public Video Screening Licence – Filmbank Distribution Ltd.)
MPLC (Motion Picture Licensing Company)
PPL (Phonographic Performance Ltd.)
PRS (Performing Right Society Ltd.)
MCPS (Mechanical Copyright Protection Society Ltd.)
CCLI (Christian Copyright Licensing International)

Statutory/Regulatory Services

These services were previously funded through the Education Services Grant, and the funding for them is now included within this block, though based on the new formula (so not like for like). The main services covered are:

- Director of Children's Services and planning for the education service as a whole.
- Revenue budget preparation, monitoring, and year end accounts.
- School formula review and preparation.
- Administration of payments to schools, including SEN & early years.
- External audit relating to education/DSG.
- Provision of information to the DfE e.g. Section 251 returns.
- Standing Advisory Committees for Religious Education (SACREs)
- Education welfare service.

B - Historic Commitments

Prudential Borrowing

“Prudential borrowing” means borrowing money for the purpose of facilitating the modernisation and rationalisation of the school estate, where the revenue savings that will be achieved are equal to or more than the expenditure that will be incurred in borrowing the money.

Historically Reading has included a small ‘notional’ amount within the main schools block for prudential borrowing which reflects the fact that a significant element of the ongoing schools capital programme has historically been and will be funded by borrowing over many years, which represents a significant cost to the Authority. The cost included here will be more than matched by revenue savings and/or offset the opportunity costs accruing from these projects. The charge is very small compared to the annual costs of servicing the debt associated with borrowing costs on major schools capital projects.

School Improvement

This has been used to support schools with significant issues regarding standards to support additional staffing. It also supports additional staffing costs if schools require greater leadership capacity. This funding helps to support head teachers new to the post and those new to Reading. This fund is connected to the de-delegation element and a detailed schedule is provided as an appendix to the de-delegation report.

Early Help Services

This contribution goes towards a range of Early Help services (which includes, notably family support, mental health, youth, EWOs, EPs, Troubled Families, TP, YOS, drug & alcohol) which the vast majority of schools in the borough access.

Children’s Social Care & Children Looked After

This contribution goes toward children’s safeguarding more generally including the Multi Agency Safeguarding Hub (Together for Families teams).