



TO: ALL MEMBERS OF THE SCHOOLS' FORUM

October 19, 2023

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Notice of Meeting – Schools' Forum

A meeting of the Schools' Forum will be held on October **19 2023, 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 June 22, 2023, including matters arising <i>Chair</i> |
| 3. | Schools' Forum Membership Update <i>Chair</i> |
| 4. | DSG Budget 2023/24 <i>DSG Finance Business Partner</i> |
| 5. | DSG Budget Setting and Formula Proposals for 2024/25 <i>DSG Finance Business Partner</i> |
| 6. | SEND Update <i>Dr Roxanna Glennon</i> |
| 7. | Agenda items for next meeting <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 2024/25● Agree De-Delegations 2024/25● Budget Monitoring Summary 23/24 |
| 8. | Any other business |

Next Meeting: December 2023 (day to be confirmed), at 5pm – To be held virtually via Teams

Minutes of Schools' Forum Meeting

22 June 2023

Members Present

Nikki McVeigh – Head Teacher of Christ The King; Rebecca Brown – Head of Park Lane Infants; Dave Dymond – Governor at Alfred Sutton; Symon Cooke – Head Teacher of The Avenue; Jo Budge - Executive Head Teacher of Reading Early Years Schools Federation; Lee Smith – Head Teacher of The Holy Brook; Karen Edwards – Head Teacher of The Heights; Andy Johnson – Head of Maiden Erlegh; 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

Justine McMinn – Head Teacher of EP Collier; Dani Hall - Co-Chair of the Federation between Oxford Road Community School & Wilson School; Rachel Cave – Head Teacher of Highdown

In attendance

Brian Grady – Director of Education; Kit Lam – Executive Director of Finance & Resources; Ann McDonnell – Business Manager of Blessed Hugh Faringdon; Steph Heaps – DSG Business Partner; Clare Warren – School Support Lead; Steven Davies – Strategic Finance Business Partner; Roxanna Glennon – Strategic Lead - SEND; Siobhan Egan - Head of IT and Performance Data; Fiona Hostler – Interim Head of Education & Access Support; Hannah Laidley – Representative of Reading Cultural Education Partnership; Lara Manning – Accountancy Assistant; Vanessa Hurdle – minute taker.

| | Item | Notes |
|---|-------------------------------|---|
| 1 | Welcome and apologies - Chair | <p>As the Chair was unable to attend the meeting and because there is currently a vacancy for a Vice Chair, Brian Grady suggested that Dave Dymond should act as stand-in Chair for this meeting.</p> <p>Dave welcomed everyone to the meeting.</p> <p>Steph Heaps read out the protocol for the virtual meeting and confirmed that voting was required from all members for item 9 and all school members for item 10.</p> <p>Recording of the meeting commenced. The recording will be retained until the minutes have been approved.</p> |

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| 2 | Minutes of the meeting held on 9 March 2023 - Chair | <p>Minutes were agreed as an accurate record of the meeting from 9 March 2023.</p> <p>Actions – The Schools’ Forum still requires a Vice-Chair, which will be discussed in item 3.</p> <p>Data to show the impact of covid in schools & Interventions delivered by the School Improvement Team - BG confirmed that an annual Schools’ Standards Report is being produced through Reading’s Adult & Children’s Education Committee. The report will be considered by the Committee at the end of July. BG suggested that it should then be brought to the next Schools’ Forum meeting in October.</p> <p>School Place Planning Strategy Model – Item 8 on agenda</p> |
| 3 | Schools’ Forum Membership Update - Chair | <p>There is still a vacancy for an Academy member as well as for the position of Vice-Chair. DD explained that he has been asked to consider taking on the role of Vice-Chair.</p> <p>Suggestions are required for someone to take on the vacant Academy post.</p> <p>It was noted that no members will be up for re-election this year but that Richard’s three- year term as Chair will be up for renewal at the October 23 meeting.</p> |
| 4 | DSG Outturn 2022/23 – DSG Finance Business Partner | <p>Steph Heaps presented</p> <p>There is an overspend of almost £1.3m, which takes the DSG deficit to £3.464m. This is £40k less than was forecast at period 11, but is £948k more than was originally budgeted for at the start of 22/23. This variation is mainly due to the placement costs within the High Needs Block.</p> <p>The Schools’ Block has had an in-year surplus of £477k. This is from the Growth Fund allocation and will be carried forward to 23/24. The total to be used in 23/24 and future years is £1.546m. This will be used to fund both Growth Funding and Falling Rolls. Any new schools have already been factored into the budget going forward.</p> <p>There has been a slight underspend in the Central Block of around £1k. This will mean that £7k will be carried forward to 23/24. There is a gradual reduction in this block each year with regards to historical spend allocation.</p> <p>Early Years’ Block – This Block has had a £435k underspend in-year. This relates to payments made to providers based on termly census counts. The census numbers were slightly lower</p> |

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| | | <p>in 22/23 compared to 21/22. The budget had been based on Spring '22 numbers. The LA is also funded 5/12th of the January 2022 census and 7/12th of the January 2023 census. As numbers were lower in January 2023 compared to January 2022, it is predicted that £146k will be clawed back by the DfE as part of the final 22/23 allocation. This will be confirmed in July '23. The clawback has been accounted for and £289k will be carried forward to 23/24.</p> <p>High Needs' Block – This is the main area for concern. Although the overall DSG Block is £3.4m overspent, a lot of these are ring-fenced in the School and Early Years' Block, leaving the High Needs' Block in deficit by £5.3m at the end of 22/23. There has been an in-year variance of £1.5m more than was budgeted for.</p> <p>Table 2 – This shows the Summary of the HNB Overspend. The Top-up Funding is overspent by £1.6m, with the total overspend being £1.89m. The number of EHCPs at the end of 22/23 were 1,806, of which 1,584 were funded. This is an in-year increase of 184 EHCPs. This is a similar increase to 21/22.</p> <p>DD wondered why there are an increasing number of pupils now requiring EHCPs. Roxanna Glennon, the Strategic Lead for SEND, confirmed that the need for EHCPs is increasing nationally and is a complex picture. The LA is aware that there are increases in different age groups and for a variety of reasons. There is now a quite significant increase in the Early Years' Stage, with a high number of children having difficulties with interaction and communication. It is not yet clear whether this is due to the impact of covid and may taper off over time.</p> <p>Issues within older year groups could also be attributed to covid but there are also other potentially aggravating factors. In these older year groups, there are rises in SEMH (social, emotional and mental health), and increases in ASE (anomalous self-experiences) diagnosis are being seen.</p> |
| 5 | SEND Delivering Better Value (DBV) Update – Director of Education | <p>Brian Grady presented.</p> <p>In 2022 the DfE identified that the majority of LAs in England were going to be at risk of overspend in the High Needs' Block of the DSG. The DfE commissioned two programmes. The first programme was called the Safety Valve Programme and was intended for those LAs where there were concerns due to the size of the deficit.</p> |

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| | | <p>The second programme, the Delivering Better Value (DBV) programme, was intended for those LAs which were not under quite as much financial strain. The Programme is intended to help LAs understand the need, the drivers and the pressures in terms of the increasing use of EHCPs. The Programme also shows the pressures on schools and considers what provision needs to be provided for pupils. Reading will then be able to apply for a one-off grant of £1m to spend on improving the local system that is offered. The grant is intended to manage outcomes as well as the High Needs' Block deficits.</p> <p>Prior to 2017/18, Reading had a disproportionately higher number of EHCPs being issued. Work on Therapeutic Thinking in Schools between 2018/19 and 2020/21 saw schools being supported to be as inclusive as possible. This led to a decrease in the number of EHCPs, with a larger majority of pupils supported in mainstream settings. The current issue facing Reading for SEND is that there has not been a sufficient amount of investment in mainstream schools. This needs to be corrected to re-gain parental confidence in the mainstream options available</p> <p>The proposal for the £1m grant is currently being developed for a SEND and Advisory Support Service, which can offer support and guidance to the mainstream settings. This is something that Head Teachers have been requesting. The DBV programme and investment will run in conjunction with a revised High Needs' Block Deficit Management Plan. This will be submitted to the Autumn Schools' Forum and will cover some of the key elements that are needed. Besides investing in mainstream settings, resources need to be increased, particularly banding, and there should also be more specialist provision. RG has been working with schools, looking at additional resourced provision and satellite provision. There should be more investment in staff training and more staff. Reading aims to have commitment from every school leader to these proposals</p> |
| | <p>DSG Budget 2023/24 – DSG Finance Business Partner</p> | <p>Steph Heaps presented.</p> <p>£92.7m has been allocated to Reading for 23/24. This is a 6.8% increase across all the blocks from 22/23. It is anticipated that there will be a clawback in the Early Years' funding in July 23. Any other changes to the funding will be in the High Needs' Block. There will be an import/export adjustment due to the change in number of Reading pupils in LA settings outside of Reading and vice versa. A further adjustment in July to the</p> |

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| 6 | <p>High Needs' Block will be an adjustment for High Need places in Academies and will be deducted from the allocation.</p> <p>There has been a published update to Early Years in which it has been confirmed that there will be an increase in rates from September. However, there has not been an official announcement or any detailed allocation. It is suggested that there will be a 30% increase in two-year old funding and that the national rate for 3-4 year olds will increase in line with inflation. An average rate would be £5.29, rising to £5.50. Reading's rate is currently higher than the national average, so it is not clear what this will mean for Reading. There is no clarification on how Reading will be funded for the increase or how it will be transferred to settings. Further information should be available at the next Schools' Forum.</p> <p>Table 2 – This shows the breakdown of all the blocks and that there has been a transfer from the Schools' Block to the High Needs' Block to fund the Inclusion Funding. This was agreed at the January Schools' Forum. The budget is overset by £1.3m. It is predicted that the High Needs' Block will continue to be overspent. However, as part of the DBV Programme there is a new format to the DSG Management Plan that will have to be completed. The plan is very detailed and will consider the next five years. It will account for the different primary needs and provisions that are expected.</p> <p>Ita McGullion asked about the Early Years' funding. She wondered if the increases from September would be top-sliced or passed on to settings. SH confirmed that increases are always passed on where possible, but that Reading would need to look at the Affordability Calculator to ensure that the increased rate could still be afforded in 24/25. The May Census figures should be verified very shortly and will help to give a more accurate picture.</p> <p>Nikki McVeigh questioned the fact that there are a significant number of pupils moving from primary to secondary, taking their EHCPs with them which could then require specialist provision in the secondary schools. She wondered if this had been factored in as it would come from the High Needs' Block. RG confirmed that Reading is very much aware of this situation. The DBV data showed that a large number of mainstream primary pupils move into the independent sector. This is not usually a popular move with pupils as these settings are usually out of borough. Reading is, therefore, aiming to provide more specialist provision within borough at secondary level and is actively working with two Special Schools to look at running satellite provision in mainstream secondary</p> |
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| | | <p>schools. SH confirmed that these changes going forward will be included in the DSG Management Plan.</p> |
| <p>7</p> | <p>Maintained School Balances 2022/23 and budgets 2023/24 – Schools’ Finance Business Partner</p> | <p>Clare Warren presented</p> <p>Balances stood at £1,6m at the end of March 23 compared to £3m at the end of March 22. This is a reduction by 47%. There was an additional £3.7m staff costs, with an extra £1.5m spent on teachers and this also included an extra £0.6m on agency staff. There was also an additional £1.6m spent on Educational Support Staff. These figures reflect the higher than anticipated pay increase as well as the increase in staff to support SEN.</p> <p>An additional £1.8m was spent in other costs, with £0.5m spent on premises and an extra £0.8m spent on learning resources. Furthermore a number of building projects which were delayed due to covid have now taken place. Schools have now resumed their more regular programme of trips and activities</p> <p>Partially offsetting this expenditure was an additional £3.5m funding, of which £1.4m was the School Supplementary Grant. This was announced in addition to the agreed increases to the National Funding Formula. SEN and Pupil Premium funding both increased by £0.4m.</p> <p>At the end of 22/23 the number of schools with a deficit balance had increased to 12 and the deficit balance stood at £1.9m. For 23/24 it is forecast that there will be a deficit balance of £0.9m. This includes 14 schools that are in deficit by £2.7m. Reasons for this are:</p> <ul style="list-style-type: none"> • Additional staffing costs of £4.1m • The impact of inflation costs. Energy costs have increased by £0.5m • Increased funding levels of SEN of £0.5m • Reduction in Covid catch-up grants of £0.6m <p>The budgets were set before the changes were announced to the schools’ top-up funding. The original intention had been to reduce funding from 25% of the £18 per hour for school-led tutoring. This has now been changed and will continue at 50% from September.</p> <p>DD questioned how the deficit was being covered? Is money being borrowed for this? CW explained that the deficit is currently a prediction, but that the reality should be more</p> |

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| | | <p>favourable by the end of the financial year. The School Support Team will be working with schools to try to avoid these deficits and to look at their costs.</p> <p>BG offered his thanks and gratitude to those schools which have managed to create as positive a picture as possible. It is appreciated that School Leaders and Business Managers are working in very challenging circumstances and that there is very positive and proactive engagement with them.</p> <p>Referring to DD’s question, BG clarified that the DSG budget allocation is managed and administered by the LA. SH explained that if there are any negative balances, then these are then sat on a negative reserve under RBC’s balancesheet. These negative balances form part of the DSG as a whole and are, therefore, part of the Management Plan.</p> |
| 8 | Place Planning Update – Director of Education | <p>Brian Grady presented</p> <p>The Place Planning update will become a regular item to the Forum. The paper provides information on methodology, a summary of the situation in terms of demand and also plans for sufficiency of provision. The paper is summarised in 1.3 – the aim to secure a sustainable school system of sufficient places and meeting the rising challenge of sufficiency of SEND places.</p> <p>Reading has sufficiency within the primary area, particularly for the next 4-5 years. In the Secondary sector, River Academy will open in September 24</p> <p>BG drew attention to Section 3 of the paper – Ensuring a sustainable school system of sufficient places – and in particular to 3.3. Reading was able to provide a secondary place from September 23 for all secondary-aged pupils. This happened even with the decision to postpone the planning of River Academy by a further year. BG paid tribute to the Maiden Erlegh Trust which listened with sensitivity and thoughtfulness to the consideration that River Academy will be the most successful school that it can be. Support has also been given so that the opening of the Academy will have limited impact on other secondary schools.</p> <p>With regards to Reading’s methodology, BG clarified that Reading tracked the predicted number of places versus the actual numbers and this showed that there was very little difference. BG confirmed that planning is being made securely against valid projections.</p> |

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| | | <p>Andy Johnson, Head of Maiden Erlegh, agreed that the improvements in methodology have been very welcome as planning has been difficult for a number of years and has had a major impact on school decision-making.</p> <p>Draft Annual Schools’ Standard Report – BG clarified that the Forum is not there just to look at Finances or place planning based on the number of pupils. Financial intelligence and pressures are looked at together with sufficiency and demand and standards information. Section 3.14 identifies, mainly for the Primary sector, a combination of SEND, standards, capacity, sufficiency and finance data which forms the area-based methodology that is being used in each planning area. In each section the percentage of surplus place capacity has been referenced and calculated against the DfE-recommended surplus of 5%.</p> <p>Nikki McVeigh queried why deprivation had not been included as it is a very big factor in some areas. BG explained that there will be a three-pronged approach going forward to Stargeic Planning in Education. The five year School Place Planning Strategy will be refreshed annually. This will set out issues regarding standards, capacity and SEND. Alongside the Place Planning Report, the Annual Schools’ Standard Report will be circulated to all school leaders at the beginning of July. This report sets out the deprivation and complexity challenges.</p> <p>Thirdly, the Education Strategy will be developed through the established Education Partnership Board for Reading. This Board has existed since March 23 and includes school leader representatives from Primary, Secondary and Special Schools, as well as Governors. There will be a development of a coherent approach and understanding towards deprivation</p> <p>School Place Planning is not done in isolation and Reading is working together with its neighbours. BG also has a monthly meeting with the DfE’s Regional Directors Team. SEND provision is a key area as more Special School provision and finance is required and this is being advised at these meetings.</p> |
| 9 | <p>Review of the Schools’ Forum Constitution - DSG Finance Business Partner</p> | <p>Steph Heaps presented</p> <p>SH confirmed that all members were required to vote</p> <p>The paper sets out the proposed membership apportionment for 23/24 as well as the Constitution. The Constitution is reviewed annually to ensure that all Statutory requirements are met.</p> |

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| | | <p>There is no minimum or maximum membership required but all schools must have a representative. Based on the current numbers on roll that were taken in January 23, no change is proposed to the current apportionment of the 23 members.</p> <p>11 members voted. All agreed the Constitution and that the apportionment of members should remain as currently.</p> |
| 10 | Scheme for Financing for Schools' Update – Schools' Finance Business Partner | <p>Clare Warren presented</p> <p>CW confirmed that all school members were required to vote on the revisions to the Scheme for Financing for Schools</p> <p>The Scheme for Financing for Schools is a statutory document and all LAs are required to publish their Scheme, The Scheme sets out the financial relationship between the LA and the maintained schools.</p> <p>The DfE advises on the changes that it expects to see to the Scheme. There are very few changes for 23/24. The main change is additional wording relating to income from the sale of land assets, which is noted in Appendix 1.</p> <p>8 members voted. All agreed the revisions to the Scheme for Financing for Schools</p> |
| 11 | Update from Reading Cultural Education Partnership | <p>Hannah Laidley presented</p> <p>The Reading Cultural Education Partnership (CEP) is applying for charity funding to provide alternative provisions that are cultural and creative. As part of this, the CEP is applying for a School Liaison role that will be able to work directly with schools to find the provisions that they are looking for and to match schools with the cultural organisations that provide those provisions.</p> <p>With funding that has already been received, the CEP has been able to run three programmes: dance, theatre and a mixed arts programme, that was co-ordinated by Reading FC Community Trust. It is hoped that further funding will be available from October.</p> <p>Ita asked if the alternative provisions also include Early Years'. HL confirmed that they have not done so far, but it is intended that they will be included.</p> |
| 12 | Agenda Items for Next Meeting | <p>The next meeting will be held on 19 October 2023 at 5pm as a virtual meeting</p> |

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| | | <ul style="list-style-type: none"> • DSG budget setting strategy for 2024/25 • Initial proposals for school funding formula for 2024/25 • Budget monitoring 2023/24 month 6 • SEND update – outcomes from DBV and revised DSG Management plan |
| 13 | Any Other Business | <p>SH made the Forum aware that this was her last meeting as she will be leaving the post of DSG Finance Business Partner in August. DD thanked SH for all her hard work.</p> <p>Richard Rolfe sent his apologies for not being able to join the meeting.</p> <p>The meeting finished at 6.18pm.</p> |

Summary of Actions Outstanding

| SF Date & Item no. | Action Required | Responsible Person |
|--------------------|---|--------------------|
| 13/10/22 – Item 3 | Appointment of Vice-Chair | Richard Rolfe |
| 22/6/23 – Item 3 | Appointment of Academy Member | Richard Rolfe |
| 22/6/23 – Item 8 | Post 16 destinations beyond schools, including colleges | Brian Grady |



Reading Schools' Forum

October 19, 2023

Agenda Item

Dedicated Schools Grant (DSG)
Budget 2023/24

For decision

For discussion

For information

SUMMARY

This report sets out the DSG budget for 2023/24 and outlines the areas of pressure to be monitored throughout the year.

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VERSION

Version number 1

DATE

05/10/23

REVIEW DATE

None

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Recommendations

- NOTE: The latest budget position for 2023/24.
- NOTE: The potential pressures within each funding block.

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. Although separate allocations are received for each block, transfers are allowed between blocks but subject to certain restrictions.
3. Most of the grant is allocated to schools – the Individual School's Budget (ISB) or delegated budget – this is mainly formula driven; the remainder is the Centrally Retained School's Budget – the non-delegated budget.
4. 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.
5. 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.
6. 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

7. The current DSG allocation for 2023/24 is summarised in Table 1 below, with a more detailed breakdown of the calculations provided in Appendix 1. The DSG allocation received by the LA changes during the year and the table shows the updates from the July published allocations. The original budget was based on the LA's own estimate of these.
8. 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: BFFC's original DSG allocations for 2023/24 (March 2023)

| BLOCK | ORIGINAL ESTIMATED DSG ALLOCATION 2023/24 | | |
|-----------------------|---|--|-------------------------------|
| | Gross DSG Allocations (£m) | Less centrally deducted NNDR and Academy Recoupment (£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 | 13.620 | 0 | 13.620 |
| High Needs Block | 30.486 | -4.490 | 25.996 |
| Total | 163.000 | -70.295 | 92.705 |

| BLOCK | JULY ADJUSTED DSG ALLOCATION 2023/24 | | |
|-----------------------|--------------------------------------|--|-------------------------------|
| | Gross DSG Allocations (£m) | Less centrally deducted NNDR and Academy Recoupment (£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 | 25.874 |
| Total | 162.520 | -70.279 | 92.241 |

** Changed base allocation

9. The main changes that may occur and need to be monitored during the year are as follows:

- Reductions in the schools' block funding due to any academy conversions. This is because funding is paid direct to these schools by the ESFA, though this has minimal impact on the LA budget, as expenditure is reduced accordingly. Currently, there are no mainstream academy conversions in process.
- High needs block funding was adjusted in July due to the import/export adjustment. If there is a change to the number of Reading pupils placed in settings outside Reading or a change in the number of pupils from other LAs attending settings in Reading. This is because the LA where the setting is located is responsible for the place funding, so this adjustment ensures any changes in pupil numbers transferring between LAs are properly funded. Reading's position as a "Net" exporter worsened, with the position changed by a further 23 pupils. The High Needs allocation reduced by £122k. High needs funding is also adjusted for any changes in the number of high needs places in academies, which is deducted from our allocation.
- We were anticipating a reduction on the Early Year block due to lower than anticipated pupil uptake. The Early year block allocation reduced by £343k.

- The total overall reduction in the July DSG settlement was £465k.

DSG Budget 2023/24 Update

10. Appendix 2 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 3 contains brief notes on what is included in each line of the budget report.

Table 2 below summarises the original and current budget per block.

Table 2: Summary Original Budget 2023/24

| | ORIGINAL BUDGET (£m) | VIREMENTS £m | CURRENT BUDGET (£m) |
|---------------------------------------|----------------------|--------------|---------------------|
| Schools Block | 51.957 | (0.484) | 51.473 |
| Central Schools Block | 1.133 | 0 | 1.133 |
| Early Years Block | 13.114 | 0 | 13.114 |
| High Needs Block | 27.802 | 0.484 | 28.286 |
| Sub Total – Net Expenditure | 94.006 | | 94.006 |
| DSG Allocation - Income | (92.705) | | (92.705) |
| Balance Over/(Under) Allocated | 1.301 | 0 | 1.301 |

Adjusted for July notification.

| | March BUDGET (£m) | Movement (£m) | CURRENT BUDGET (£m) |
|---------------------------------------|-------------------|----------------|---------------------|
| Schools Block | 51.473 | | 51.473 |
| Central Schools Block | 1.133 | | 1.133 |
| Early Years Block | 13.114 | 0.352 | 12.762 |
| High Needs Block | 28.286 | (2.260) | 30.546 |
| Sub Total – Net Expenditure | 94.006 | (1,908) | 95.914 |
| DSG Allocation - Income | (92.705) | (0.464) | (92.241) |
| Balance Over/(Under) Allocated | 1.301 | (2,372) | 3.673 |

11. The high needs budget has increased by £2.260m from 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. Costs for Education Health and Care Plans have increased by £1.486m.

Commented [WC1]: The original from table above if 51.597 so should this column be called Current Budget (March) or something similar? Also not sure the signage is right or the total movement - doesn't add up

Current Risks/Emerging Issues

12. Schools Block (SB)

- There would only be a variance on maintained primary and secondary school delegated budget allocations due to business rate revaluations or where actual business rates bills vary from the initial school formula allocation (due to like for like funding). These are likely to be minimal.
- 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.
- 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 will be no variance on copyright licences, as this is a national contract agreed in advance. The small surplus brought forward from 2022/23 is likely to be required in 2023/24 as the DSG allocation for this block has reduced again for 2023/24. Any surplus at the end of the financial year will be carried forward. This will contribute towards the reduction in the central block allocation in which the historic cost allocation is reducing annually by 20%.

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.
- Government have announced supplementary funding rates for nurseries. This is 100% pass through, meaning the LA will need to delegate any funding received to nurseries. As separate funding stream and all funds will be delegated, this will have no impact on the DGS.
- 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.

- 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. The High Needs budget has increased, and more budget has been added to the placement/top-up expenditure, but this will be tested with the demand and inflation issues nationally. Top-up rates for Reading schools were increased by 5% in April 2023 and forms part of the increase to this budget. The budget has already exceeded its allocation.
- As top-up/placement fees represent 89% 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.
- Changes to this block in year are likely and are dependent on the outcomes of the DBV programme.

Maintained Schools Budget 2023/24 Update

16. In September schools submitted their latest forecasts to the end of the year 2023/24. Overall balances have improved by £843k from a budget deficit balance of £922k to a deficit of £79k. This is split as follows:

| 2023/24 £k | Budgeted c/f balance | Forecast c/f balance |
|--------------|----------------------|----------------------|
| Nursery | -641 | -791 |
| Primary | -885 | 228 |
| Secondary | 604 | 484 |
| Total | -922 | -79 |
| 2022/23 | 1,299 | 1,754 |

17. The movement is made up of:

| 2023/24 £k | Movement |
|--------------|-------------|
| Expenditure | -1,086 |
| Income | +1,929 |
| Total | +843 |

18. Expenditure reflects increases particularly in education support staff and brought-in professional services, mainly curriculum, which will be to support additional needs of pupils, in some cases expensive alternative provisions. Whilst the teacher pay increase was much

higher than budgeted, overall costs have only risen £33k as this would have been offset by cost savings during strike action. The pay increase for support staff has still not been agreed so remains at the budgeted level.

19. Funding has increased with DSG up £1.3m including £511k due to the Teacher Pay Additional Grant as well as a further increase in EY funding rates from September that was not budgeted, and additional funding for Alternative Resource Provisions following the DBV review. There is also an additional £128k Pupil Premium funding and £164k for the Coronavirus Job Retention Scheme funding that was not released before end of 2022/23.

20. 13 Schools are still forecasting to end the year with a deficit balance as follows:

| | Number of Schools | % |
|------------------|-------------------|-----|
| Deficit over 10% | 8 | 24% |
| Deficit 5-10% | 3 | 9% |
| Deficit 0-5% | 2 | 6% |
| Surplus 0-5% | 10 | 29% |
| Surplus over 5% | 11 | 32% |

21. An SRMA review has been arranged this Autumn for 3 schools, and we continue to provide ongoing support and monitoring.

Appendices

Appendix 1 – DSG Allocations 2023/24 – Update as of July 2023

Appendix 2 – Summary DSG Budget 2023/24

Appendix 3 – Additional Information per Service

Appendix 1 – DSG Allocations 2023/24 – July 2023

| | Jul-23 | LA Estimate |
|--|--------------------|--------------------|
| Schools Block | | |
| Pupil Numbers Primary | 13,289 | 13,289 |
| Rate | £4,881.54 | £4,881.54 |
| Allocation | £64,870,785 | £64,870,785 |
| Pupil Numbers Secondary | 7,824.00 | 7,824.00 |
| Rate | £6,427.55 | £6,427.55 |
| Allocation | £50,289,151 | £50,289,151 |
| Growth Funding | £1,301,798 | £1,301,798 |
| Premises Funding | £1,300,499 | £1,283,350 |
| Business Rates Adjustment | -£1,283,350 | -£1,283,350 |
| actual funding rounding adjustment | £2 | £2 |
| Gross Allocation | 116,478,885 | 116,461,736 |
| Academy Recoupment | -£64,521,503 | -£64,521,503 |
| Schools Block Net Total | £51,957,382 | £51,940,233 |
| Central School Services Block | | |
| Pupil Numbers | 21,113 | 21,113 |
| Rate | £40.45 | £40.45 |
| Allocation | £854,021 | £854,021 |
| Historic Commitments | £278,528 | £278,528 |
| Central School Services Block Net Total | £1,132,549 | £1,132,549 |
| High Needs Block | | |
| Formula | £29,121,762 | £29,121,762 |
| Hospital Funding | £307,798 | £307,798 |
| AP Teachers pay/pension grant | | |
| Pupil Numbers - Special Schools | 405.5 | 405.5 |
| Pupil Numbers - Alternative Provision | | |
| Rate (includes grants) | £4,915.12 | £4,915.12 |
| Allocation | £1,993,081 | £1,993,081 |
| Import/Export Adjustment | -402 | -379 |
| Rate | £6,000.00 | £6,000.00 |

| | | |
|--|--------------------|--------------------|
| Allocation | -£2,412,000 | -£2,274,000 |
| rounding | £1 | £1 |
| Allocation | £29,010,642 | £29,148,642 |
| Additional Funding | £1,337,081 | £1,337,081 |
| Gross Allocation | £30,347,723 | £30,485,723 |
| Recoupment - academy high needs places | -£4,473,334 | -£4,490,001 |
| High Needs Block Net Total | £25,874,389 | £25,995,722 |
| Early Years Block | (Jan '23 census) | (Jan '23 census) |
| 3 & 4-year-olds Universal - Schools | 2,490.94 | 2,481.61 |
| 3 & 4-year-olds Universal - PVI | | |
| 3 & 4-year-olds Extended - Schools | 891.04 | 843.64 |
| 3 & 4-year-olds Extended - PVI | | |
| Total | 3,981.98 | 3,325.26 |
| Rate | £5.80 | £5.80 |
| Allocation | £11,180,827 | £10,993,293 |
| 2-year-olds - schools | 305.50 | 311.57 |
| 2-year-olds - PVI | | |
| Total | 305.50 | 311.57 |
| Rate | £6.72 | £6.72 |
| Allocation | £1,170,188 | £1,193,429 |
| PPG - schools | 438.13 | |
| PPG - PVI | | |
| Total | 438.13 | 380.15 |
| Rate | £0.62 | £0.62 |
| Allocation | £145,612 | £134,344 |
| DAF - eligible pupils | 68.00 | 68.00 |
| Rate | £828.00 | £828.00 |
| Allocation | £56,304 | £56,304 |
| Maintained Nursery Grant | 334.40 | 335.00 |
| Rate | £3.80 | £3.80 |
| Allocation | £724,311 | £725,610 |

| | | |
|---|---------------------|---------------------|
| Early Years Block Net Total | £13,277,242 | £13,102,981 |
| SUMMARY GROSS IN YEAR ALLOCATION | | |
| Schools Block | 116,478,885 | 116,461,736 |
| Central School Services Block | 1,132,549 | 1,132,549 |
| High Needs Block | 30,347,723 | 25,995,722 |
| Early Years Block | 13,277,242 | 13,102,981 |
| TOTAL GROSS DSG ALLOCATION IN YEAR | £161,236,399 | £156,692,988 |
| SUMMARY NET IN YEAR ALLOCATION | | |
| Schools Block | £51,957,382 | £51,940,233 |
| Central School Services Block | £1,132,549 | £1,132,549 |
| High Needs Block | £25,874,389 | £25,995,722 |
| Early Years Block | £13,277,242 | £13,102,981 |
| TOTAL NET DSG ALLOCATION IN YEAR | £92,241,562 | £92,171,485 |
| (CHECK TO GRANT NOTIFICATION RECEIVED) | | |
| Grant Adjustments | | |
| Transfer from School Block | -484,000 | -484,000 |
| Transfer to HN Block | £484,000 | £484,000 |
| DSG AVAILABLE | | |
| Schools Block | £51,473,382 | £51,456,233 |
| Central School Services Block | £1,132,549 | £1,132,549 |
| High Needs Block | £26,358,389 | £26,479,722 |
| Early Years Block | £13,277,242 | £13,102,981 |
| TOTAL DSG AVAILABLE | £92,241,462 | £92,171,485 |

Appendix 2 – Summary DSG Budget 2023/24

| Line Ref. | Description | Original Budget £m | Change | Current Budget £m |
|---------------------------------------|--|--------------------|----------------|-------------------|
| Schools Block | | | | |
| 1 | Individual Schools Budget - Maintained Schools | 49.728 | | 49.728 |
| 2 | Growth Fund | 1.140 | | 1.140 |
| 3 | Behaviour Support Services (de-delegation) | 0.286 | | 0.286 |
| 4 | Staff costs supply cover (trade unions) (de-delegation) | 0.047 | | 0.047 |
| 5 | School Improvement (de-delegation) | 0.188 | | 0.188 |
| 6 | Statutory/regulatory Duties (ESG) (de-delegation) | 0.084 | | 0.084 |
| | 0.5% movement to the High Needs Block | 0.484 | (0.484) | 0.000 |
| 7 | Sub Total Schools Block Net Expenditure | 51.957 | (0.484) | 51.473 |
| Central Schools Services Block | | | | |
| 10 | Contribution to combined budgets | 0.253 | | 0.253 |
| 11 | School admissions | 0.289 | | 0.289 |
| 12 | Servicing of schools forum | 0.020 | | 0.020 |
| 13 | Prudential borrowing costs | 0.026 | | 0.026 |
| 14 | Other Items (copyright licences) | 0.128 | | 0.128 |
| 15 | Statutory/regulatory Duties (ESG) | 0.417 | | 0.417 |
| 16 | Sub Total Central School Services Block Net Expenditure | 1.133 | 0 | 1.133 |
| Early Years Block | | | | |
| 19 | Early Years Funding (free entitlement) | 12.396 | (0.352) | 12.044 |
| 20 | Support for inclusion | 0.050 | | 0.050 |
| 21 | SEN support services (Portage/Dingley) | 0.438 | | 0.438 |
| 22 | Central expenditure on early years entitlement | 0.230 | | 0.230 |
| 23 | Sub Total Early Years Block Net Expenditure | 13.114 | 0 | 12.762 |
| High Needs Block | | | | |
| 26 | SEN placements - Maintained Schools (first £10k/£6k place funding) | 1.574 | 0 | 1.574 |
| 27 | Top up funding - Special Schools inc PRU | 11.346 | 0.309 | 11.655 |
| 28 | Top up funding - Resource Units | 0.881 | -0.165 | 0.716 |
| 29 | Top up funding - Mainstream | 3.220 | 1.487 | 4.707 |
| 30 | Top up funding - Nursery | 0.066 | 0.064 | 0.13 |
| 31 | Top up funding - FE Colleges | 1.801 | -0.329 | 1.472 |
| 32 | Top up funding - Alternative Provision | 0.936 | 0.385 | 1.321 |
| 33 | Top up and other funding - non maintained & independent schools | 5.197 | 0.518 | 5.715 |
| 34 | Additional high needs targeted funding (Inclusion Fund) | 0.000 | 0 | 0.484 |
| 35 | SEN support services | 0.659 | 0 | 0.659 |
| 36 | Hospital education services | 0.196 | -0.008 | 0.188 |
| 37 | Support for Inclusion | 0.550 | 0 | 0.55 |
| 38 | Therapies and other health related services | 0.520 | 0 | 0.52 |
| 39 | Medical Tutoring (Children Missing Education) | 0.050 | 0 | 0.05 |
| 40 | Hard to Place Funding | 0.050 | 0 | 0.05 |
| 41 | Children Missing Education | 0.146 | 0 | 0.146 |
| 42 | SEN Transport | 0.100 | 0 | 0.1 |
| 43 | Teachers pay & pension grants to special schools/PRU | 0.296 | 0 | 0.296 |
| 44 | Central Services | 0.213 | 0 | 0.213 |
| 45 | Sub Total High Needs Block Net Expenditure | 27.802 | 2.261 | 30.546 |

| | | | | |
|----|--|---------------|--------------|---------------|
| 46 | Total All Blocks Net Expenditure | 94.006 | 1.777 | 95.914 |
| 47 | Total DSG Allocation Available | 92.705 | 0.464 | 92.241 |
| 48 | Balance - Deficit / (surplus) In Year | 1.300 | 0 | 3.673 |

Appendix 3 – Additional Information for Appendix 2 Table

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.

DE-DELEGATIONS – Maintained Primary or/and Secondary Schools Only:

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).

TOP UP FUNDING (EHCP top ups within any LA that Reading has a financial responsibility for):

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.

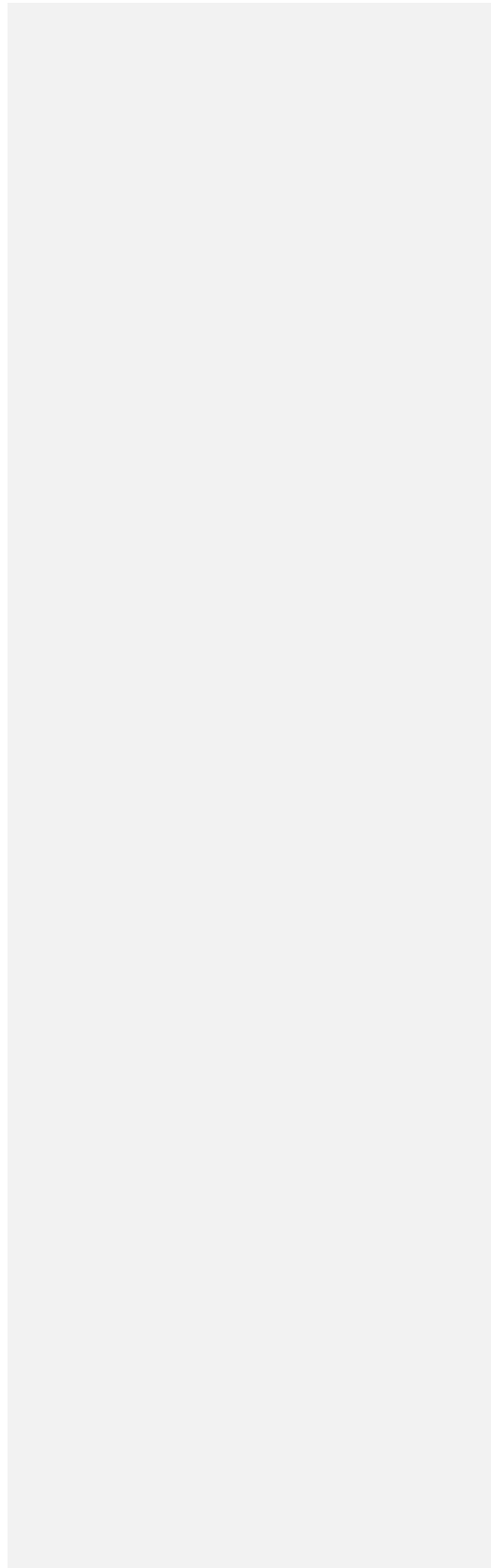
Line 40 - Hard to Place Funding (£50,000) – To create a fund to support children going through the fair access protocol or requiring intervention to prevent permanent exclusions.

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

October 19, 2023

Agenda Item

DSG Budget Setting for 2024/25 and Schools Funding Proposals.

For decision

For discussion

For information

SUMMARY

This report sets out the information we know so far about DSG funding for 2024/25, the strategy for setting the schools funding budget for 2024/25 and the timetable for setting the DSG budget.

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VERSION

Version number 1

DATE

05/10/2023

REVIEW DATE

None

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Recommendations

- NOTE: The funding announced so far for 2024/25.
- NOTE: The tasks and timetable for completing the 2024/25 budget (Appendix 1).
- NOTE: Updates for 2024-2025 National Schools Funding Formula and DSG.
- NOTE: The basis of the school funding formula for 2024/25.
- AGREE: The approach to setting the school formula for 2024/25

Background

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 centrally for all schools, such as the admissions service.
2. 2024/25 will be the seventh year of the National Funding Formula (NFF) within the Dedicated Schools Grant (DSG). Details from the DfE’s announcement of 2024/25 DSG arrangements made in July 2023 will be highlighted within this report. Arrangement for the Early Years block are expected later this year.
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).
4. This report sets out the funding expected for 2024/25, specific considerations, and the tasks required and timetable for setting the budget.

Schools Block operation Guide 2024/25

5. Within the Schools Block, the DfE records that progress continues to be required by some local authorities towards mirroring the NFF in their formula funding arrangements at local level. In 2024/25, authorities not already mirroring the NFF are ‘directed’ to move towards the fuller adoption of the NFF values within the Schools Block. For mainstream primary and secondary formula funding, all authorities must use all NFF factors (and only these factors), and authorities that do not currently mirror the NFF must move 10% closer. Authorities that currently mirror the NFF (Reading being one of them) must stay within 2.5% of the NFF formula factor variable values.
6. As Reading directly mirror the NFF, and have done since 2018/19, this new direction requires minimal response within our arrangements for 2024/25. We expect to continue to directly

mirror the NFF. We are now formally required however, to add the NFF Split Site factor into our local formula. This is funding is calculated in two parts, a basic element funded at £54,300 and a distance element, funded via a weighting to a maximum of £27,100. We only have one school currently eligible for split site funding which was paid at £17,149 in 2023/24.

7. Authorities continue to be permitted to adopt Targeted SEND (EHCP) support funding arrangements for mainstream schools and academies in 2024/25. The DfE has re-iterated the expectation that funding support of this kind be allocated only to a minority of schools that have exceptionally higher levels of SEND (no's of EHCPs). Only 31 authorities declared some form of SEND Funding Floor / Targeted Additional SEND funding arrangement in 2023/24. Reading is one of them through the Inclusion process.
8. The DfE has reiterated its intention to include the Growth and Falling Rolls Funds within the 'hard' NFF within the Schools Block. However, the positions of these factors outside the NFF for 2024/25 is unchanged. The DfE will however be funding Falling Rolls in 2024/25 for qualifying authorities. It is unlikely that we will qualify for falling rolls funding as the criteria requires a 10% fall in pupils with a predefined area. Until the result of the October 2023 schools census is published this cannot be confirmed. We expect to continue our current local arrangements for these factors and funds in 2024/25.
9. The Mainstream Schools Additional Grant, which was introduced in 2023/24, has been amalgamated into the Schools Block. This means that the NFF will allocate this grant and primary and secondary schools and academies should no longer budget for a separate allocation (otherwise they will double count this funding).
10. No changes for 2024/25 that appear to affect-
 - Consultation, approval processes and timescales.
 - Restrictions on cross-block movements.
 - School Forum role and statutory powers.
 - De-delegation from maintained schools
11. The DfE has indicated, in recent consultations, that changes will be made to the Central Block (including the possible merger of this Block into the main local government financial settlement), in response to the DfE's Schools White Paper and the changing roles of local authorities in the context of the movement to a full academy system. However, there are no technical changes implemented for 2024/25.
12. Central Block funding per pupil has increased by 5.9% in 2024/25. In terms of our overall cash budget however, this per pupil increase is offset against our funding for historic commitments, which has reduced by a further 20%. Our allocation through this factor has reduced by £55.706k to £222.822k. We expect this funding to continue to reduce in future years (at the same rate) until this allocation has ceased.
13. The Schools Block settlement (before growth and premises factors) for 2024/25 provides a 3.28% increase on 2023/24, before the Mainstream Schools Additional Grant is transferred into the NFF.

14. The national Schools Block NFF per pupil increase in 2024/25 of 2.7% is aggregated as follows:

- The core NFF factors (AWPU and lump sum) are increasing by 2.4%.
- The deprivation NFF factors (FSM6 and IDACI) are increasing by 2.4%.
- FSM increased by 1.6%.
- All other NFF factors are (excluding PFI) increase by 2.4%
- The mandatory Minimum Levels of Funding Per Pupil (MFLs) are increasing by 2.4%.
- The Minimum Funding Guarantee (MFG) can be set at a maximum 0.5%.
- The DfE has funded a 0.5% minimum floor increase for all schools and academies.

15. To highlight the following aspects of this 2024/25 NFF settlement:

- The general increase for NFF factors in 2024/25 was 2.4%. The exception being Free School Meals (FSM) which was increased by 1.6%, having been linked to the gross domestic product (GDP) deflator forecast for 2024/25.
- The Minimum Funding Guarantee can be set between 0% and positive 0.5%. The MFG range remains the same as for 2023/24. Schools and academies that are funded on the MFG will only receive a 0.5% increase in their funding per pupil in 2024/25.

Funding Announced for 2024/25

16. Table 1 sets out the DSG funding Reading receives for the schools, central, and high needs blocks for 2023/24 and compares to the current information on allocations known for 2024/25. The units of funding for these blocks have been confirmed for 2024/25, but the actual funding will be based mainly on the October 2023 census to be confirmed in December. The table therefore shows the funding allocations if there were the same number of pupils.

Table 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) | £4,882 | | £5,206 | | | | Now Includes Mainstream Schools Additional Grant (MSAG) |
| <i>Primary Pupil numbers & funding</i> | 13,289 | £64,871 | | £69,177 | +£4,307 | +6.6% | Will be based on Oct. 23 Census |
| Secondary Unit of Funding (SUF) | £6,428 | | | | | | Now Includes Mainstream Schools Additional Grant (MSAG) |
| <i>Secondary Pupil numbers & funding</i> | 7,824 | £50,289 | | £53,672 | +£3,383 | +6.7% | Will be based on Oct. 23 Census |

| | | | | | | | |
|--|--------|-----------------|--------|-----------------|----------------|--------------|-----------------------------------|
| Premises | | £1,300 | | £1,300 | | | |
| Mainstream Schools Additional Grant | | £3,917 | | £0 | -3,917 | -100% | Merged into formula |
| TOTAL Schools Block | | £120,378 | | £124,150 | +£3,772 | +3.1% | |
| Growth Funding Factor | | £1,302 | | ? | | | Not yet known |
| Central School Services Block (CSSB): | | | | | | | |
| Unit of Funding | £40.45 | | £42.82 | | | | |
| <i>Pupil Numbers</i> | 21,113 | £854 | | £904 | +£50 | +5.9% | Will be based on Oct 22 census |
| Historic Commitments | | £279 | | £223 | -£56 | -20.0% | Planned reduction by ESFA |
| TOTAL CSSB | | £1,133 | | £1,127 | -5 | -0.5% | |

Specific Considerations for 2024/25 Budget Setting

17. A key decision to be made is whether to make a transfer of funding from the Schools Block to the High Needs Block. As in previous years, this is subject to a maximum of 0.5% of the total schools block allocation with Schools' Forum approval and following a consultation with all schools. The maximum transfer permissible in 2023/24 totalled £484k, this specifically funds the inclusion fund – additional funding for schools with a disproportionate number of pupils with EHCPs.

Schools Formula for 2024/25

18. There will be no change to the National Funding Formula factors in 2024/25. These are detailed in Appendix 1.

19. 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 2024/25 each LA has to 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.

20. Local authorities remain responsible for setting the formula, by choosing values to apply as long as this complies with the guidelines (see Appendix 1). This must be done in consultation with the Schools' Forum.

21. The following strategy is therefore proposed in setting the school formula:

- Start with all factors and values mirroring the national factors and values.
- If a major shortfall in funding remains, reduce all the main formula factors (e.g Basic entitlement) by the same percentage.
- If necessary use lump sum as balancing figure.
- If a minor shortfall in funding remains, an adjustment will be made to the lump sum amount if this is required to balance the budget (this could be upwards or downwards).
- Assume a 0.5% MFG rate.


- Capping will not be used.
- Growth funding of £1.140m will be required.
- A targeted budget for inclusion will require a transfer of £0.484m.

Timetable for Setting 2024/25 Budget

Table 2 sets out the tasks and timetable for setting the 2024/25 DSG budget.

Table 2: DSG Budget Timetable

| TASK | DATE |
|---|---|
| BfFC inform all schools on proposals for 2024/25 school formula, de-delegation proposals and to consult with all schools on the transfer of funding from the schools block to high needs block. | Send to schools 20 October 2023. Comments due back by 17 November 2023 |
| BfFC complete High Needs Place Review | Submission due to ESFA 10 November 2023 |
| Confirm school formula for 2024/25, Agree growth and falling rolls funding for 2024/25 Agree transfer of funding from Schools Block to High Needs Block. Approve de-delegations | 7 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 | Early January 2024 |
| Schools' Forum informed on final school formula, Approval of 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 19 January 2024 |
| BfFC Inform mainstream maintained schools of their budget shares for 2024/25 | By 28 February 2024 (statutory date but in reality by end of January 2024) |



| | |
|---|------------------------------------|
| BfC work on final high needs and early years budgets This will include confirmation of Early Years Funding rates | January to end of February 2024 |
| Schools' Forum review/agree final budgets for high needs and early years | 8 March 2024 |
| ESFA confirm to academies their general annual grant (budget shares) for 2024/25 | 31 March 2024 |
| High Needs place numbers at institution level published by ESFA | 31 March 2022 |
| | |

Appendix 1 – Local Authority Allowable Funding Formula Factors for 2024/25

| Funding factor | Description and further information |
|---|--|
| <p>Basic entitlement A compulsory factor</p> | <p>This compulsory factor assigns funding based on individual pupils in reception to year 11 who are aged 4 and above at the start of the academic year. The number of pupils for each maintained school or academy is based on the October 2023 pupil census.</p> <p>Funding is allocated according to a basic per-pupil rate.</p> <ul style="list-style-type: none"> • There is a single rate for primary age pupils. • For KS3 and KS4, rates can be different. <p>The rates for primary, KS3 and KS4 pupils must be at least 10% closer to NFF values than their respective baseline values, subject to the 2.5% threshold for mirroring the NFF described above.</p> <p>Local authorities are expected to add the rolled-in basic entitlement element of the MSAG amounts to their basic per-pupil rates in 2024 to 2025, and the allowable values for each local authority are calculated on that basis.</p> |
| <p>Deprivation A compulsory factor</p> | <p>For Free School Meals, factor values must be at least 10% closer to NFF factor values than their baseline factor values, except where local formulae are already mirroring the NFF values.</p> <p>The department measures eligibility for current FSM using the previous October census.</p> <p>Free School Meals – Ever 6 factor values must be at least 10% closer to NFF factor values than their baseline factor values, except where local formulae are already mirroring the NFF values.</p> <p>Local authorities are expected to add the rolled-in FSM6 entitlement element of the MSAG amounts to their FSM6 rates in 2024 to 2025, and the allowable values for each local authority are calculated on that basis.</p> <p>The department measures eligibility for FSM6 using the previous October census.</p> <p>The IDACI measure uses 6 bands. Different values can be attached to each band and different unit values can be used for primary and secondary within each band. The per pupil value for each band must be at least 10% closer to the NFF than the baseline values, except where local formulae are already mirroring the NFF values.</p> |

| Funding factor | Description and further information | | | | | | | | | | | | | | | | | | | | | |
|--|--|------------|-------|------|---|----------|---|---|-------------|---|---|--------------|---|---|--------------|---|--|--------------|---|--|---------------|---|
| | <p>The 2024 to 2025 NFF, as in the previous year, uses IDACI 2019 ranks to group each lower super output area (LSOA), an area with typically about 1,500 residents) into one of 6 bands of decreasing deprivation.</p> <table border="1" data-bbox="512 421 1380 672"> <thead> <tr> <th>IDACI data</th> <th>Ranks</th> <th>Band</th> </tr> </thead> <tbody> <tr> <td>Pupils in the most deprived 2.5% of LSOAs</td> <td>1 to 821</td> <td>A</td> </tr> <tr> <td>Pupils in the next 5% most deprived LSOAs</td> <td>822 to 2463</td> <td>B</td> </tr> <tr> <td>Pupils in the next 5% most deprived LSOAs</td> <td>2464 to 4105</td> <td>C</td> </tr> <tr> <td>Pupils in the next 5% most deprived LSOAs</td> <td>4106 to 5747</td> <td>D</td> </tr> <tr> <td>Pupils in the next 10% most deprived LSOAs</td> <td>5748 to 9032</td> <td>E</td> </tr> <tr> <td>Pupils in the next 10% most deprived LSOAs</td> <td>9033 to 12316</td> <td>F</td> </tr> </tbody> </table> | IDACI data | Ranks | Band | Pupils in the most deprived 2.5% of LSOAs | 1 to 821 | A | Pupils in the next 5% most deprived LSOAs | 822 to 2463 | B | Pupils in the next 5% most deprived LSOAs | 2464 to 4105 | C | Pupils in the next 5% most deprived LSOAs | 4106 to 5747 | D | Pupils in the next 10% most deprived LSOAs | 5748 to 9032 | E | Pupils in the next 10% most deprived LSOAs | 9033 to 12316 | F |
| IDACI data | Ranks | Band | | | | | | | | | | | | | | | | | | | | |
| Pupils in the most deprived 2.5% of LSOAs | 1 to 821 | A | | | | | | | | | | | | | | | | | | | | |
| Pupils in the next 5% most deprived LSOAs | 822 to 2463 | B | | | | | | | | | | | | | | | | | | | | |
| Pupils in the next 5% most deprived LSOAs | 2464 to 4105 | C | | | | | | | | | | | | | | | | | | | | |
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| Pupils in the next 10% most deprived LSOAs | 9033 to 12316 | F | | | | | | | | | | | | | | | | | | | | |
| <p>Low Prior attainment A compulsory factor</p> | <p>Local authorities must apply this factor for:</p> <ul style="list-style-type: none"> • primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP) • secondary pupils not reaching the expected standard in KS2 at either reading or writing or maths <p>Since 2017 to 2018, the department has weighted the LPA factor for some secondary year groups so that year-on-year fluctuations in pass-rates, following the introduction of the more challenging KS2 tests in the 2015 to 2016 academic year, do not disproportionately affect the distribution of funding through the LPA factor in the mainstream formula.</p> <p>In 2024 to 2025, the department has carried forward the weightings it used in 2023 to 2024 for the year 7 to year 10 cohorts, so they will apply to the year 8 to year 11 cohorts respectively.</p> <p>For the financial year 2024 to 2025, the weightings are:</p> <ul style="list-style-type: none"> • pupils in year 7 in October 2023: [will be calculated in autumn 2023] • pupils in years 8 to 10 in October 2023: 65% • pupils in year 11 in October 2023: 64% <p>The weightings will operate in the same way as in 2023-2024: the number of pupils identified as having LPA in the data will be multiplied by the relevant weighting to determine the number of pupils eligible for the factor for funding purposes.</p> <p>This is included under schedule 3, paragraph 4 of the school funding regulations.</p> <p>Following the cancellation or incompleteness of both EYFSP and KS2 assessments in summer 2020 and summer 2021 due to coronavirus (COVID-19), local authorities will not be able to use assessment data from these years in the low prior attainment factor in their local funding formulae. Instead, local authorities will use 2019 assessment data as a</p> | | | | | | | | | | | | | | | | | | | | | |

| Funding factor | Description and further information |
|---|---|
| | <p>proxy for assessments which would have taken place in 2020 to 2021. This will be reflected in the APT for both primary and secondary. The same national weighting of 65% for pupils in year 10 should therefore also be used for those who are years 8 and 9 in the academic year 2023 to 2024.</p> <p>For schools which no longer have a cohort which sat the assessments in 2019, the department will use the data from the final 2023 to 2024 APT. This means that any amendments made by local authorities in 2023 to 2024 will be kept in for the 2024 to 2025 APT. Local authorities will be allowed to make amendments to this data where it is not deemed appropriate. For example, local authorities can choose to use local authority average ratios or 2023 assessment data as a proxy for the missing cohort data for these schools instead.</p> <p>LPA funding has been allocated to all pupils identified as not reaching the expected standard at the previous phase, regardless of their year group. It does not only apply to those pupils in their first year of schooling.</p> <p>As with current funding arrangements, pupils who have not undertaken the assessment are given the overall average attainment score of their year group, so are taken into account when calculating a school's LPA rate. For primary LPA the ratio of eligible pupils is calculated from pupils in years 1 to 6. This ratio is then applied to all pupils in years reception to year 6. This ensures that reception pupils also attract LPA funding.</p> |
| <p>English as an additional language (EAL) A compulsory factor</p> | <p>Pupils identified in the October census with a first language other than English attract funding for 3 years after they enter the statutory school system. Local authorities must now use 3 years as an indicator for providing funding to these pupils, in line with the department's methodology.</p> |
| <p>Pupil mobility A compulsory factor</p> | <p>The mobility factor allocates funding to schools with a high proportion of pupils who have an entry date in the last 3 years that is not typical. For year groups one to 11, 'typical' means that the first census on which a pupil is recorded as attending the school (or its predecessors) is the October census. 'Not typical' means that the first census a pupil is recorded as attending the school is a January or May census. For the reception year, 'typical' means the first census in October or January.</p> <p>This mobility methodology involves tracking individual pupils using their unique pupil ID through censuses from the past 3 years. If the first census when the pupil was in the school was a spring or summer census, they are a mobile pupil. This excludes reception pupils who start in January. This methodology also excludes pupils who joined in the summer term</p> |

| Funding factor | Description and further information |
|---|--|
| | <p>after the May census, or pupils who joined in autumn before the October census.</p> <p>To be eligible for mobility funding, the proportion of mobile pupils in a school must be above the threshold of 6%. The department has allocated a per pupil amount in respect of all mobile pupils above that threshold. The department has published the NFF factor values for mobility as part of the 2024 to 2025 NFF publication.</p> <p>In light of the cancellation of the May 2020 census, pupils who joined a school between January 2020 and May 2020 attract funding for mobility based on their entry date, rather than by virtue of the May 2020 school census being their first census at the current school. This will be reflected in the APT and ensures that the factor continues to operate in as similar a way as possible to what it would have done if the May 2020 census had not been cancelled.</p> |
| <p>Sparsity A compulsory factor</p> | <p>School is eligible for sparsity funding in the NFF if:</p> <ul style="list-style-type: none"> • Its sparsity distance is equal to or above the main distance threshold, or above the tapered distance threshold, and • The average year group size (calculated as the APT-adjusted pupil count divided by number of year groups present at the school) is below the relevant size threshold <p>The sparsity factor allocates funding to schools that are remote, measured by sparsity distances, and are small, based on average year group size.</p> <p>Readings Schools do not qualify for this factor.</p> <p>Further details and examples are provided in sparsity section of the Operational Guide.</p> |
| <p>Lump sum A compulsory factor</p> | <p>Local authorities can set a flat lump sum for all phases or differentiate the sums for primary and secondary.</p> <p>The lump sum may be different for primary and secondary schools.</p> |
| <p>Split sites A compulsory factor</p> | <p>The purpose of this factor is to support schools that have unavoidable extra costs because the school buildings are on separate sites.</p> <p>The split sites factor is made up of two parts:</p> <ol style="list-style-type: none"> i. Basic eligibility funding: Schools attract a lump sum payment for each of their additional eligible sites – up to a maximum of three additional sites. ii. Distance funding: Additional eligible sites that are separated from the school’s main site by more than 100 metres attract |

| Funding factor | Description and further information |
|--|---|
| | distance funding on top of the basic eligibility funding – up to a maximum of three additional sites. |
| <p>Rates An optional factor (used by all local authorities)</p> | All local authorities are required to enter the 2023 to 2024 NNDR estimate figure from their 2023 to 2024 APT in the 2024 to 2025 APT. |
| <p>Private finance initiative (PFI) contracts An optional factor</p> | <p>The purpose of this factor is to support schools that have unavoidable extra premises costs, because they are a PFI school, and to cover situations where the PFI ‘affordability gap’ is delegated and paid back to the local authority.</p> <p>Reading does not use this factor.</p> |
| <p>Exceptional circumstances An optional factor</p> | <p>Local authorities can apply to ESFA to use exceptional circumstances relating to school premises. These may be for rents, or joint-use sports facilities, for example.</p> <ul style="list-style-type: none"> • Exceptional circumstances must relate to premises costs. • Local authorities should only submit applications where the value of the factor is more than 1% of a school’s budget, and applies to fewer than 5% of the schools in the authority’s area. • Local authorities can use exceptional circumstances used in 2023 to 2024 (for pre-existing, and newly-qualifying schools) in 2024 to 2025, if the qualification criteria are still met. <p>Further information on the application process can be found in the operational guidance.</p> |
| <p>Minimum level of per pupil funding for primary and secondary schools A compulsory factor</p> | <p>The purpose of this factor is for local authorities to provide the NFF MPPLs to every school. All local authorities must implement the MPPLs by following the same methodology used in the NFF, summarised below and detailed in the NFF technical note.</p> <p>For all schools, the calculation for a school’s individual MPPL is:</p> <p>(number of primary year groups × £4,655) + (number of KS3 year groups × £5,824) + (number of KS4 year groups × £6,389) divided by total number of year groups</p> <p>This provides per-pupil funding of at least £4,655 for each primary school, and £5,824 for each secondary school with standard structures of 7 and 5 year groups respectively. For middle schools, all-through schools, and other schools with a non-standard year group structure,</p> |

| Funding factor | Description and further information |
|---|--|
| | <p>this will produce a specific minimum per-pupil value that relates to the number of year groups in each phase.</p> <p>When calculating the MPPLs for individual schools, local authorities should take the number of year groups from the APT, which is the approach taken in the NFF. When completing the APT, local authorities should only list the number of year groups in each key stage which have pupils in them at present or will do so in the upcoming year. Where a school will have empty year groups in the upcoming year, for example a school which has recently opened, these should not be included in the APT.</p> <p>The only factors not included in per-pupil funding for the purpose of the MPPL calculation are premises and growth funding. Any prior year adjustments local authorities have made should also be excluded from the calculation.</p> <p>Any capping and scaling cannot take a school's per-pupil funding, defined above, below the MPPLs. The only further calculation that local authorities can make once their formula has provided the minimum levels is, for maintained schools only, to deduct funding for de-delegated central services if the schools forum has agreed this can be taken from their budget shares in 2024 to 2025. It should also be noted the risk protection arrangement (RPA) is also exempt from the MPPLs.</p> <p>Local authorities have the option, as with other aspects of the school funding regulations, to request to disapply the use of the full NFF MPPL values. Such requests should be exceptional and only made on the grounds of affordability, including in relation to the circumstances set out in the final paragraph relating to the tightening of local formulae within methodology underpinning the 10% tightening requirement.</p> <p>Disapplication requests may also be submitted to alter the NFF methodology, for specific schools only, where the local authority can show that the relevant MPPL value for that school is skewed significantly by unusual year group sizes. For example, a local authority may want to provide a higher MPPL for an all-through school with significantly larger secondary than primary year group sizes.</p> <p>While the department will consider any individual request on its merits, it expects the commitment to MPPLs to be implemented in full, locally and both local authorities and schools should work on that basis. The department will scrutinise any disapplication requests in this context.</p> |
| <p>Minimum Funding Guarantee</p> | <p>Local authorities will continue to set a pre-16 MFG in their local formulae, to protect schools from excessive year-on-year changes.</p> |

| Funding factor | Description and further information |
|--|--|
| <p>A compulsory factor</p> | <p>Local authorities will be able to set an MFG between +0% and +0.5% per pupil. Any local authorities wanting to set an MFG outside of these parameters must apply for exceptional permission using the disapplication proforma. Applications to set a lower MFG than +0% will only be considered on the grounds of affordability where local authorities have already exhausted the flexibility available from the 2.5% threshold for mirroring the NFF as well as capping and scaling - see final paragraph within methodology underpinning the 10% tightening requirement.</p> <p>Local authorities must include funding representing the funding allocated through the 2023-2024 MSAG in respect of their reception to year 11 pupils into the baseline. This includes the grant's basic per-pupil, FSM6 and lump sum components. The required adjustment will be included in the APT when it is made available to each local authority. The funding added to the baseline is based on pupil numbers from the APT itself rather than the pupil numbers underpinning the actual SSG allocations. That is to ensure that changes in pupil numbers do not distort the funding protected through the floor in per pupil terms.</p> |
| <p>Capping and Scaling An optional factor</p> | <p>The department will again allow overall gains for individual schools to be capped as well as scaled back to ensure that local formulae are affordable.</p> <p>Local authorities can continue to choose to cap any gains schools receive through the 2024 to 2025 local formula, unlike the NFF where no gains cap is applied. Capping and scaling must be applied on the same basis to all schools.</p> <p>Local authorities and their schools forums will therefore need, as part of their formula modelling, to determine whether and how to limit gains. This remains a local decision.</p> <p>The department applies caps and scales to academy budgets on the same basis as for maintained schools, although the values may differ from those shown in the APT since the actual baseline position for the academy may not be the same as that shown in the dataset.</p> <p>Capping and scaling factors must not be applied to schools that have opened in the last 7 years and have not reached their full number of year groups. This definition of new and growing schools does not include existing schools that are extending to include a new phase and have empty year groups in the new phase.</p> <p>Capping and scaling cannot take a school below the MPPLs.</p> |

| Funding factor | Description and further information |
|----------------|---|
| | <p>Should local authorities elect to apply a gains cap in 2024 to 2025, the cap must be set at least as high as the MFG threshold. This ensures all schools retain any gains up to the MFG threshold even where a cap is applied. Local authorities and their schools forums will therefore need, as part of their formula modelling, to determine whether and how to limit gains. This remains a local decision.</p> <p>The department applies caps and scales to academy budgets on the same basis as for maintained schools, although the values may differ from those shown in the APT since the actual baseline position for the academy may not be the same as that shown in the dataset.</p> <p>Capping and scaling factors must not be applied to schools that have opened in the last seven years and have not reached their full number of year groups. This definition of new and growing schools does not include existing schools that are extending to include a new phase and have empty year groups in the new phase.</p> <p>Capping and scaling must not take a school below the minimum per-pupil funding levels.</p> <p>Should local authorities elect to apply a gains cap in 2024 to 2025, the cap must be set at least as high as the MFG threshold. This ensures all schools retain any gains up to the MFG threshold even where a cap is applied.</p> |



SEND Report, School's Forum

October 2023

For decision For discussion For information

Comments obtained

SUMMARY

A report updating School's Forum on developments in SEND in the 23/24 academic year

OWNER

Dr Roxanna Glennon, Head of Service and Strategic Lead for SEND

VERSION

V1.0

DATE

02 October 2023

REVIEW DATE

n/a

Introduction

The last six months have seen a number of significant changes within SEND in Reading. To date, these have included:

- BfFC/RBC making a successful bid for the £1m Delivering Better Value (DBV) grant. The money will be used to fund the new 'Reading Inclusion Support in Education' (RISE) service. This service will provide free support at a 'team around the town' and a 'team around the school' level to support services to better meet the needs of children and young people with SEND.
- Increasing the size of the SEND team by three case officers (from October 2023). This will reduce each case officer's caseload (currently circa 300 children) to enable them to dedicate more time to each case. Applications are currently in preparation to request a further increase from RBC to better support transitions and post-16 work.
- Piloting a new 'banding tool' to ensure a fair, consistent and transparent approach to funding EHCPs. Schools and families will be able to engage actively with the process that determines the amount of funding allocated to each child.
- Revising the funding model for additionally resourced provisions (ARPs) to make them more financially viable for schools to run effectively. This has resulted in a 179 increase in places for children with SEND within Reading in ARPs.
- Working with partners from both maintained and independent special schools to further increase capacity for children with SEND in Reading. This has resulted in the opening of Oak Tree school, Oaklands school and a satellite of TVS school at Ridgeway primary.

Whilst these changes have brought, and will continue to bring, improvements in the level of support available for schools, children with SEND and their families, there are further challenges ahead. These include (but are not restricted to) an increase in the level and complexity of need that we are identifying in our 0-5 cohort of children, falling school rolls places financial pressures on schools, political uncertainty regarding when the SEND and AP white paper may become law and the implications of this and ongoing capacity issues in terms of sufficiency of school places within Reading for some of our most complex children.

1. Delivering Better Value

Reading were successful in their application for the £1m funding available to participating Local Authorities (LAs). Feedback from colleagues at the DfE regarding Reading's application was universally positive, with particular focus on our long-term strategic commitment to data-driven change.

As part of the submission to the DfE, a commitment was made to deliver a refreshed High Needs Block Deficit Management Plan. Work is underway to refresh the plan previously considered by Schools Forum, and it will be presented at the next Schools Forum meeting.

Plans to develop and implement the new service, named 'Reading Inclusion Services in Education', or 'RISE' are well underway with recruitment for key posts in progress. Multi-agency working for the design and development of RISE has been established as the expected norm moving forwards to ensure closer integration between education, health and care colleagues. This integration will facilitate the creation of a service that is co-produced, high quality, data driven, holistic, and financially sustainable for children with SEND and their families in Reading.

RISE team structure:

CLASSIFICATION: ENTER HERE

The 'service provision' team structure is illustrated in Figure 1 (see below). This is the 'core' service costed at circa. £580k/annum. RISE will sit within 'SEND' at BfFC and thus will fall within the remit of both the Head of SEND and the Director of Education.

The 'service development and implementation' team structure is illustrated in Figure 2 (see below). This sub-team will focus on ensuring that the work of RISE is data driven and co-produced with key stakeholders.

The total monthly salary implications of RISE are £62,083 (including on-costs). If the service is fully staffed from January 2024, it is anticipated that £931,250 will be spent on salaries for the 15 months that RISE will operate as a pilot. As some staff (the project manager, the business administrator, the community engagement and research officer and the data and performance analyst) are anticipated to commence prior to January 2024, it is likely that BfFC will spend the entire £1m grant by the 31st March 2025, and not prior (though, of course, close and ongoing liaison with colleagues in finance will ensure the budget is successfully managed).

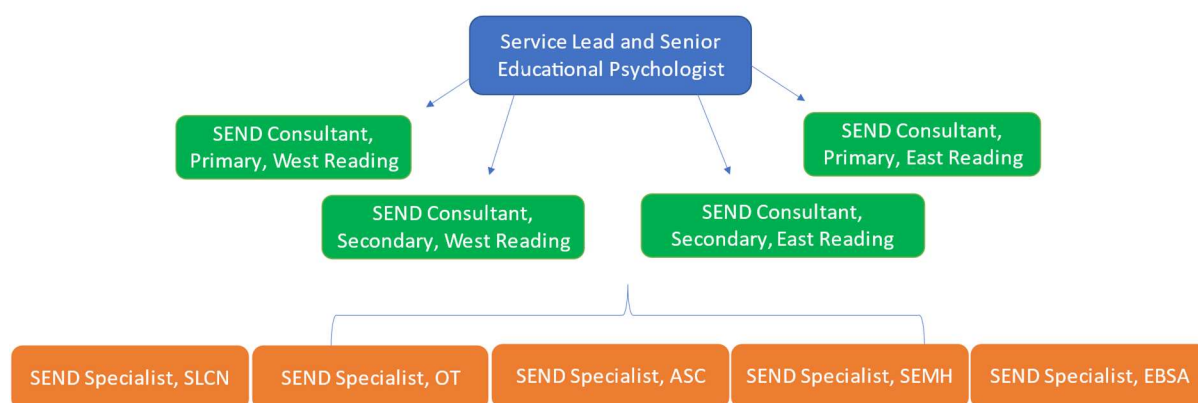


Figure 1 'RISE' core team structure – service provision

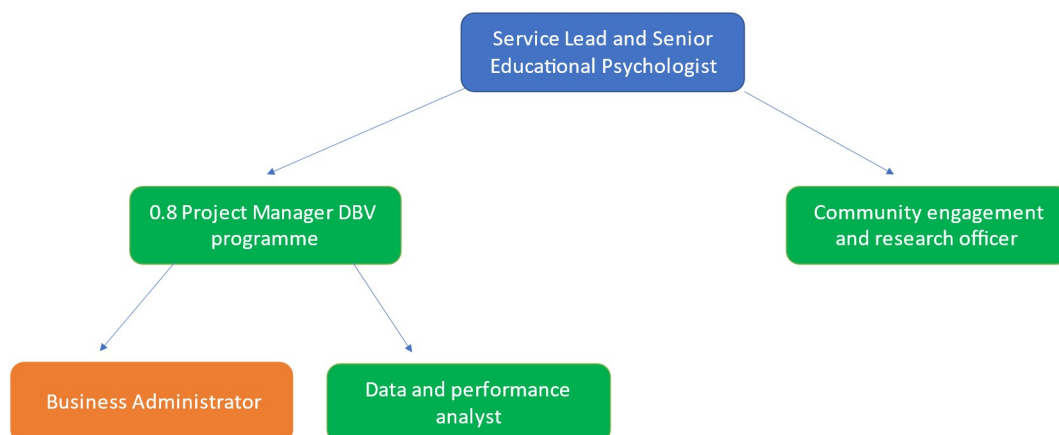


Figure 2 'RISE' core team structure – service development and implementation

Proposed KPIs for RISE:

The proposed Key Performance Indices (KPIs) for RISE are:

- Increase in the quality of 'Ordinarily Available Provision' and 'Graduated Response' across all Reading schools, to:
 - Increase school confidence and competence in supporting children with SEND through training and specialist support,
 - Increase parental confidence in the ability of mainstream schools to meet the needs of all children,
 - Improve the educational experience of children with SEND in mainstream schools in Reading (as evidenced by improved outcomes).

It must be emphasised that the above stated KPIs are *proposed KPIs*: whilst it is accepted that a working model is necessary at this stage to enable the design and initial implementation of a coherent service offer, ultimately what the KPIs for RISE are is a questions for all stakeholders to answer; not only The Company. Co-production with internal and external key stakeholders of the official KPIs for RISE, then, represents a priority for RISE employees once in post. That said, the above-listed proposed KPIs have been shared (appropriately caveated) with colleagues from health, schools and Reading Families Forum and have been universally well received (as has the service design and proposed offer).

It is proposed that RISE will work at a 'Team around the town' and 'Team around the school' level only. That is to say, it is not proposed that RISE will provide advice and support for individual children. Instead, in line with thinking associated with the social model of disability, if a school is struggling to meet the needs of a child, it is assumed that the issue is in the school – and not the child. It is the school's job – with the support of RISE, the child's family, the LA, care and health colleagues where appropriate – to understand what they need to do in order to ensure that they are capable of meeting the needs of all children. ¹

¹ This is not to say that a mainstream setting will be suitable for all children. As professionals, we know that some children cannot be safely accommodated within mainstream settings and these children have a right to safe and



2.0 Capacity within the SEND team

In January 2023, the SEND team at Brighter Futures for Children (BFFC) held 1,773 EHCPs. As the number of requests for EHCNAs continues to increase (DBV figures reveal an increase of 70% since 2019), a further increase in the number of EHCPs held by the SEND team was anticipated. The SEND team comprised 7FTE casework officers (COs), two senior case officers (SCOs), three assistant case officers (ACOs) and two, part-time business support officers (BSOs).

Concerns were raised regarding the number of cases held by each case officer and, following a successful bid to increase the SEND team, from October 2023 a further three case officers will join the SEND team meaning that no officer should hold more than 300 cases, enabling each officer to dedicate more time to supporting parents/carers, children and schools.

3.0 Banding tool pilot

In June 2023 a paper was presented to BFFC's executive committee proposing the trial of a 'banding tool'. A banding tool is a piece of bespoke software that uses a nationally and locally benchmarked algorithm to determine what level of funding should be attached to an EHCP. The calculation uses children's individual EHCPs to ensure the funding matches the child, and the whole process is entirely transparent with schools and parents (and young people where appropriate) able to participate in the benchmarking process. The table below lays out the case both for and against the use of a banding tool.

BFFC's executive committee approved a pilot of the banding tool, to run October 2023-March 2024. All SEND team case officers and senior case officers will receive training on the use of the tool in the w/c 9th October 2023. Once trained, case officers will be tasked with inputting cases to enable the software to generate a Reading specific algorithm (though one that is benchmarked nationally and locally). This process takes three months, followed by two months of data analysis and feedback from the software provider. If the pilot is deemed to be successful, and should all stakeholders be supportive of its roll-out, Reading would seek to start using the software on 'live' cases from April 2024.

| Advantages | Disadvantages |
|--|--|
| Do away with current complex and ill-defined banding system. | The cost of the software. This is projected to be £39,000 in the first year (including implementation costs and consultation exercises with key stakeholders) and £29,000/annum each year thereafter. For a full breakdown of costings see Appendix 1. |

appropriate educational provision. However, the number of children who require specialist settings should decrease as the quality and extent of what is ordinarily available increases, *ceteris paribus*.



| | |
|--|--|
| <p>Funding would be bespoke to the pupils presenting support needs. This would be predicated on the needs of each individual child which would be identified initially at the stage of EHC assessment and then revised as necessary when needs change through the annual review process.</p> | |
| <p>We are experiencing a higher demand for personal budgets as children with emotionally based school avoidance are becoming more prevalent in the area. A banding tool would ensure that these agreements were based on an accurate assessment of need rather than being led by the alternative provision market as they are currently.</p> | |
| <p>This way of allocating funding would support inclusion in mainstream school. The funding for a child being predicated on need means that wherever that child's needs are being met the funding is the same.</p> | |
| <p>Speed up the process of determining top-up funding. Once we are confident in the algorithm and that it is working well we could upload the output onto the finance system at the point the funding is agreed and not wait for a panel to determine funding. This means that we could consult schools earlier with the draft EHC Plan and they would know the element 3 funding at that time.</p> | |
| <p>Support the development of Resourced Bases as they will receive the same funding a special school would receive for that pupil.</p> <p>This follows on from the funding being predicated on need so when we have an accurate description of need the funding will always be sufficient and will follow the child wherever they are placed.</p> | |
| <p>A banding tool can be calibrated to the local labour market to ensure we are funding schools transparently and equitably.</p> <p>Again, once we are confident that the banding tool is giving us accurate outputs, we could transparently agree the banding at the outcomes meeting with parents and schools using the descriptors within the algorithm thus facilitating meaningful co-creation.</p> | |



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| <p>There is a potential for savings with in the Dedicated Schools Grant – High Needs Block as the allocation of funding would better reflect the level of support required for each pupil.</p> | |
| <p>The software provider runs consultation exercises with key stakeholders to ensure that all parties are aware of why the tool is being introduced, how it will work and expected impacts. This will also strengthen parental and school confidence.</p> | |
| <p>Introduce equality for pupils and schools in the level of top-up funding allocated. This is something that schools have been mentioning for some considerable time and there is evidence coming through the current decision-making system that resources are not being allocated equitably. This causes avoidable discontent in key stakeholders.</p> | |

4.0 Work ongoing to address capacity issues within SEND

As of October 2023, Reading has 534 places for children aged 5-19 within specialist provision. Of these, 355 are within maintained special schools and 179 are in Additionally Resourced Provisions (ARPs) or satellite provisions. As of October 2023, all these places are occupied/due to be occupied in the 23/24 academic year with many provisions operating substantial waiting lists. As the number of children with EHCPs in Reading continues to rise (current forecasting predicts an annual net increase of at least 100 EHCPs from the current figure of 1745 plans), the demand for places within specialist settings is anticipated to continue to outstrip supply.

Currently, 49% of statutory school aged children (age 5-16) with an EHCP are educated within a mainstream setting. This leaves 51%, or 609 children, requiring provision in specialist settings. As there are only 534 places available for children aged 5-16 within maintained specialist settings in Reading, this leaves a shortfall of 75 places. To make up for this shortfall, the LA is working to create still more spaces within ARPs and satellite schools whilst also utilising placements within the independent sector.

Rates of placements within independent settings have risen steadily since 2017 and now stand at 6% of children aged 5-16 with EHCPs (10 children or 2% of cohort at primary age and 58 children or 10% of cohort at secondary age). Anecdotally, it can be reported that this year will see a sharper rise in the number of placements at independent schools as a result of a) parental preference (often via the tribunal system), and b) local capacity constraints (as detailed above). For some of our most complex children, and those requiring a residential setting, sometimes the only offer that can meet need is within the independent sector. However, these cases are relatively few.

Assuming an increase of 100 EHCPs/annum moving forwards, of which 67 are projected to be for children of statutory school age, it can be inferred that 51% of these 67 (34) children may

require placement within a specialist setting. Therefore, the shortfall of places for children with EHCPs within maintained specialist settings is expected to increase at a rate of at least 34 places per year. Therefore, in 2024, Reading would need an additional 109 places, in 2025 it would need 143, in 2026 it would need 177 and in 2027, 211. 211 is roughly equivalent to the size of a special school.

It is difficult to say with any degree of certainty why the number of children with EHCPs continues to rise. Factor include:

- The tribunal threshold for granting an EHCNA may lead to more EHCNAs being granted which then impacts on the numbers of EHCPs.
- We see a very clear trend in the early years with children exhibiting significant social, communication and language needs as well as social, emotional and mental health needs – phenomena which may be partly attributable to the impact of the COVID-19 pandemic, the cost-of-living crisis etc.
- We also see clear trends in the older years for children struggling with their social, emotional and mental health needs, sometimes manifesting as emotionally based school avoidance (EBSA).
- As school's funding becomes more pressured, what is 'ordinarily available' can sometimes be reduced thus meaning it is harder to meet the needs of children with SEND within the standard offer.
- The Children and Family Act (2014) caused EHCPs to run until children were 25, meaning that the LA has statutory obligations towards each young person for more years.
- A perception amongst parents that getting an EHCP is the only way to ensure that, if their child has SEND, their needs will be met.

It should be noted that in terms of the number of EHCPs it holds, Reading is not a statistical outlier.

ASC remains our most common area of primary need across all age groups (14% of all EHCPs at primary and 12% of all EHCPs at secondary). Given this, we are seeking to increase the number of spaces within specialist ASC provision we have available for the 23/24 academic year and have worked with a specialist ASC school to establish a satellite provision at an existing site.

Our next highest category of need at secondary level is SEMH, accounting for 8% of the primary need on all secondary EHCPs. A proportion of these children struggle with EBSA, and we are looking to establish a dedicated provision for these children. We are also working with our local secondary specialist SEMH maintained school to increase their capacity and their offer for the 23/24 academic year.

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