



Schools Forum

Report title: Dedicated Schools Grant 2024/25

Date: 14th December 2023

Key decision: No

Item number: 6

Outline and recommendations

The purpose of this report is to agree the principle and approach for the 2024/25 schools funding – Authority Proforma Tool (APT) submission to the Department for Education (DfE).

- A. Schools Forum is asked to agree guiding principles including:-
- I. Continuation with the National Funding Formula in the deployment of the Schools Block.
 - Including changes previously advised and appropriate implementation - in particular relating to split sites.
 - Note that the exceptional factor usage for St Michaels and Bonus Pastor is pending – submission has been made to the DfE.
 - Note request for exceptional factors has been submitted to DfE in respect of Playing Field management and Service Charge costs. Previously DfE had approved the disapplication for several years, however as a move towards NFF, are revisiting previous approvals. This therefore remains a risk.
 - II. Agree to any growth funding to be included on the APT tool, to determine amount in the Growth Fund Budget to fund incremental support for bulge class and potentially any unplanned in-year growth/bulges. Any unused funds, to be held in the Growth Fund.
 - III. De-delegation to be in line with the current basis plus inflation (where appropriate).
 - IV. Minimum Funding Guarantee (MFG) – consider two options for MFG:-
 - **Option one-** MFG set at max 0.5% (estimate), with any residue to support pressures in HNB.
 - **Option two-** 0.5% transfer from Schools Block, followed by MFG set at affordability.
 - **Option three-** depending on the financial settlement, it may be necessary to provide a hybrid model of options one and two.
 - V. Review of the PFI factor:-
 - Note conclusion of the consultation -
 - 3-year Transition and 20% lump sum and 80% targeted funding- **schools forum to note and agree the outcomes of the consultation. - See Appendix A.**
- B. Schools' forum is also asked to note the continuation of financial risk associated with High Needs (demand led), Early Year (EY) (numbers accessing free entitlement), pressure on schools arising from economic challenges and national policy.
- C. Schools' forum is also asked to note and agree to receive further updates as more information is made available at the January meeting and the Summer meeting.

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Timeline of engagement and decision-making

At the time of writing, a partial Dedicated Schools Grant (DSG) settlement has been advised by the DfE, which was the main matter for discussion at the last schools forum meeting.

The final settlement is due just before the Christmas break, with a submission to the DfE due 22nd January 2024. This leaves a very small time frame for officers to undertake detailed work. **Schools forum to note that this will mean that the lead in time will be reduced from 5 working days to 3 (potentially).**

The December meeting is commonly used for discussion between the Local Authority and Schools forum to agree the approach to facilitate the finalisation of the APT submission.

January 18th - a further meeting of Schools forum to support the submission of the APT tool to the DfE.

Summary

1. Main focus of this report is requesting Schools Forum to consider and agree main components of the 2024/25 funding formula that will enable Lewisham Council to provide a draft funding formula (the Authority Proforma Tool or APT), to the Department for Education (DfE), in January. **There are no real changes to previous years.**
- 1.1. Please note we will provide further update on various risks including:-
 - High Needs Block
 - Early Years Funding
 - Central School Services Block (CSSB)

Background

2. Each Local Authority (LA) is required to submit their agreed Local Schools Funding Formula to the DfE by the 22nd January 2024 (primary and secondary).
- 2.1 The deadline for producing this information is very challenging as the financial settlement is unlikely to be known until around 20th December 2023. For this reason, there could potentially be a delay to the reports dispatch process - although every effort will be taken to meet the required timescales. **Schools' forum to note.**
- 2.3 The APT tool submission is mainly based on the Schools Block, however the LA is responsible for ensuring overall affordability across the whole Dedicated Schools Grant (DSG).
- 2.4 The APT modelling tool is provided by the DfE and is largely a pre-populated data modelling tool.
- 2.5 Using the APT tool, the LA determines each school's budget share and associated Minimum Funding Guarantee (MFG). The MFG is based on overall affordability and is now confirmed at 0 to 0.5% uplift per pupil (based on pupil-led characteristics e.g. Age Weighted Pupil Unit (AWPU), Free School Meals etc). **Subject to affordability we will aspire to achieve as close to 0.5% as possible (or the maximum advised by the DfE). Schools forum will also be aware that for 2024/25, the MSAG grant (Mainstream Schools Additional Grant), will be streamlined into the main funding delegated budget**

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share.

- 2.6 Once the APT is submitted it remains provisional until the DfE has undertaken validation and approved the submission for accuracy and compliance.
- 2.7 Special Schools are funded based on their operating model of places and top up. Funding for Special Schools is from the High Needs Block and is not part of the APT reconciliation. **Schools' forum to note that following the funding settlement, a paper will be presented to Schools Forum to confirm the 2024/25 DSG position for special provision, at the January meeting.**
- 2.8 Equally nursery schools, PVI's and the early years component for primary schools are funded from the Early Years Block and are not part of the APT tool process. We await clarity from DfE in the December funding settlement. **A report elsewhere on the agenda provides detailed update as we have been advised.**
- 2.9 There is a legal requirement for **all schools** to be advised of their budget share by the end of February 2024. It is at this point schools will be **formally** advised of their delegated budget share.
- 2.10 This report seeks to gain the necessary mandate to enable officers to provide schools forum with final funding information to enable both the above deadlines to be met.

DSG 2024/245

3. Schools forum was advised of the partial settlement for 2023/24 at their meeting in October 2023. We noted that the MSAG grant would now be incorporated in the Schools Block. We had initially been advised that our funding had increased in the region of 2.2% (at LA level), however, a fundamental error was realised by the DfE at a national level, which now means that our funding is likely to be more in the region of circa 1.7%ish. We will not know for sure until the final settlement is received including the Growth Fund calculation.

Proposed application of the Schools Block

4. Alignment to the National Funding Formula - Continue to progress with the principles of the National Funding Formula in full. This includes using all funding values as determined by the DfE. Schools Forum to agree (primary and secondary).
 - 4.1 Minimum Funding Guarantee (MFG) uplift – the DfE requirement is that all schools will receive an uplift of between 0 to 0.5%. Subject to affordability it is proposed that the formula will endeavour to deliver on or as close to the max allowed by the DfE. Schools Forum to agree (primary and secondary).
 - 4.2 Mindful of the pressure on the High Needs Block, Forum to agree to receive 2 (potentially 3) report versions of the APT:-
 - APT - NFF applied at max 0.5%, with any residue requested to support the high needs block to a max of 0.5% allowed transfer.
 - APT – NFF applied. 0.5% transfer to HNB, determine MFG uplift at affordability.if appropriate a 3rd option being a hybrid between option 1 and 2.

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- 4.3 **Exceptional Factors** - Note request for exceptional factors has been submitted to DfE in respect of Playing Field management and Service Charge costs. Previously DfE had approved the disapplication for several years, however as a move towards NFF are revisiting previous approvals. This therefore remains a risk. Schools Forum will be updated on the outcome of the application.

De-delegation

5. The DfE guidance enables Local Authorities to provide services centrally which are funded by a process known as de-delegation. This only applies to mainstream schools and not academies. As such, funding levels agreed will reduce should any school convert following finalisation of the budget process.
- 5.1 The de-delegation process must be agreed every year and supported (by means of voting), by the representative of each phase at Schools Forum.
- 5.2 It is proposed that de-delegation continues in line with current levels plus 3.88% uplift where indicated (referencing to mid-level pay awards), and supports the following:-
- Administration of Free School Meals (£61.3k plus 5%) = £64.4k
 - Trade union and non-sickness supply scheme (Maternity Fund) (£1.14m plus 5% = £1.2m) **Schools Forum to note, that we are currently gathering information on those establishments that need reimbursement which will form the basis of the recovery method).**
 - School Improvement – as agreed - 2 year support.
 - Schools Contingency – to support costs that should not be reasonably incurred by a governing body. (£557k Please note this includes the continuation of the Lewisham schools finance support at £136k).
- 5.3 It should be noted that the academy transfers will reduce the value of contingency held. Also, we will consider if the current rate remained, could the potential be to reduce the value of contingency held, instead of increasing the per pupil rate. **Schools Forum to agree (primary and secondary) de-delegation as proposed in table 1 below:-**

Table 1- Proposed de-delegation 2024/25

2023/24 De-delegation	Primary	Secondary	Total	2024/25		
	£	£	£			
Schools contingency	£401,724	£155,880	£557,604	£557,604	Remain at current value.	AWPU
Free school meals eligibility	£41,324	£23,392	£64,716	£67,227	Uplift by Inflation.	FSM6
Licences/ subscriptions	£147,347	£58,340	£205,687	£205,687	To be advised by DfE and will be amended accordingly.	AWPU
Staff costs supply cover	£812,304	£315,196	£1,127,500	£1,172,600	Increase by 4% to gain some inflation cover.	APWU
Lewisham Learning	£322,364	£127,636	£450,000	£450,000		AWPU
Totals	£1,725,063	£680,444	£2,405,507	£2,453,118		

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- Schools Contingency, this incorporates £130k in 2023/24 for Finance Support. Schools forum to agree the continuation of support for 2024/25, uplifted for pay award.
- Licences/subscription – 2023/24 figure shown for completeness. Schools forum to note this item will be updated as advised by DfE.

Notional SEN

6. Schools receive funding in line with the NFF. DfE requires LA to determine the Notional SEN. To be clear, this is not additional funding but a recognition of Notional SEN at LA level. Ultimately schools remain responsible for determining their local SEN budget.
- 6.1 Table below shows the SEN values based on 2023/24, which shows the proportion of each factor attributable to notional SEN – Schools forum, to note and agree the ongoing application of factor % for Notional SEN.

	Notional SEN shown as %	
	Primary	Secondary
Primary (Years R-6)	0.32%	
Key Stage 3 (Years 7-9)		0.27%
Key Stage 4 (Years 10-11)		0.27%
Description		
FSM	74.25%	78.66%
FSM6	74.25%	78.66%
IDACI Band F	100.00%	100.00%
IDACI Band E	100.00%	100.00%
IDACI Band D	100.00%	100.00%
IDACI Band C	100.00%	100.00%
IDACI Band B	100.00%	100.00%
IDACI Band A	100.00%	100.00%
Description		
EAL 3 Primary	100.00%	
EAL 3 Secondary		100.00%
Pupil Mobility	100.00%	100.00%
Primary low prior attainment	100.00%	
Secondary low prior attainment		100.00%
7) Lump Sum	0.00%	0.00%
10) Split Sites	0.00%	0.00%
11) Rates	0.00%	0.00%
12) PFI funding	0.00%	0.00%
MFG	0.00%	0.00%

Overall duty to ensure spending is within DSG

7. There is a requirement for the DSG to spend within the overall affordability. Schools forum will be aware from previous discussions on the pressure, in particular relating to the High Needs Block.
- 7.1 Schools forum to receive verbal update from the High needs Working group meeting.

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Transfer request of 0.5% to support the High Needs Block

8. Schools Forum is asked to consider a potential transfer of 0.5% from the Schools Block to the High Needs for 2024/25.
- 8.1 To enable this consideration it is proposed that two options are put to schools forum:-
Do we need modelling of the two options?
 - a. APT using full funding.
 - b. Impact of transfer of 0.5%.

Early Years Funding

9. At the time of writing we have yet to receive confirmation of the EY block. Depending on the final settlement position, Officers will provide recommendations for consideration by schools forum. This will include an overall uplift based on the current formula allocation.

Financial implications

10. There are no direct financial implications of this report.

Legal implications

11. There are no significant legal implications of this report.

Equalities implications

12. There are no direct EI implications arising from this report as it complies with the implementation of the NFF which itself would have been through the EI assessment.

Climate change and environmental implications

13. There are no climate change and environmental implications of this report.

Crime and disorder implications

14. There are no crime and disorder implications of this report.

Health and wellbeing implications

15. There are no direct health and wellbeing implications.

Report author and contact

Mala Dadlani Strategic Business Partner – CYP, mala.dadlani@lewisham.gov.uk

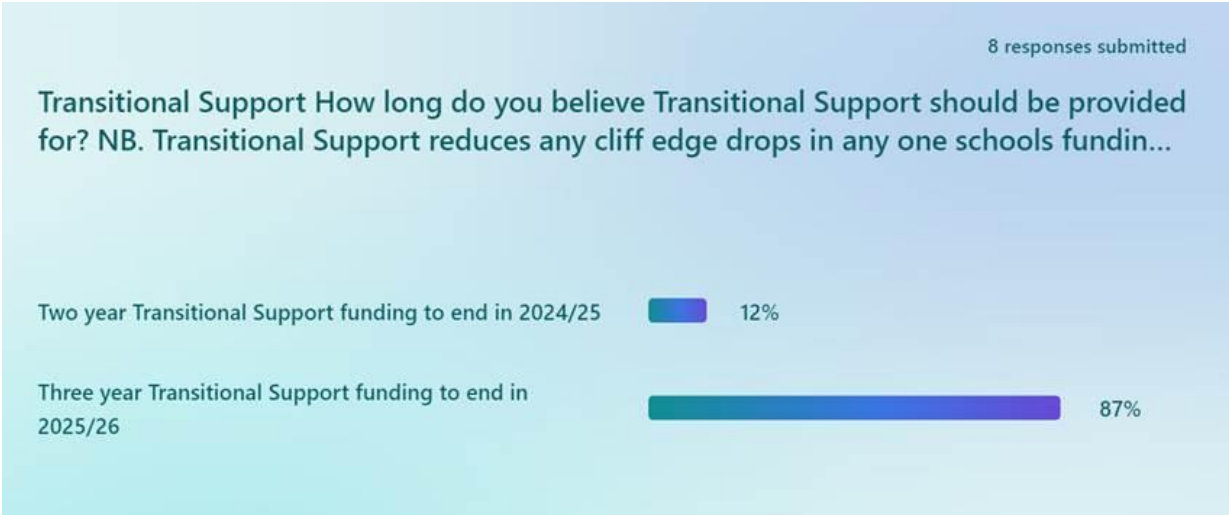
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Appendix A

PFI consultation outcome



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