

Schools Forum

PLEASE NOTE TIME OF MEETING

Wednesday, 20th September,
2023
at 4.00 pm

Virtual Meeting via MS Teams

This meeting is open to the public

LEAD OFFICER

Derek Wiles

Email: SchoolsForum.Admin@southampton.gov.uk

CONTACT

Melanie Morley

Tel: 023 8083 2198

Email: melanie.morley@southampton.gov.uk

AGENDA

1 APOLOGIES AND CHANGES IN MEMBERSHIP (IF ANY)

2 ELECTION OF CHAIR AND VICE CHAIR

3 DECLARATIONS OF INTEREST (Pages 1 - 6)

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer.

4 MINUTES OF PREVIOUS MEETING (Pages 7 - 10)

Minutes of the meeting held on 12th July 2023, attached.

5 STANDING ITEM: LA UPDATE ON DFE/ESFA FUNDING ANNOUNCEMENTS
(Pages 11 - 14)

To consider an update on any DFE/ESFA funding announcements.

6 PFI (Pages 15 - 16)

To receive an update regarding the analysis of the PFI affordability gap.

7 GROWTH FUNDING

To discuss the issue of funding for schools with declining rolls or which are expanding.

8 HIGH NEEDS BLOCK

To receive an update regarding the High Needs Block.

9 POTENTIAL EFFECTS OF SOUTHAMPTON CITY COUNCIL BUDGET CONSTRAINTS ON SCHOOLS FUNDING

10 ANY OTHER BUSINESS AND CLOSING REMARKS AND DATE OF THE NEXT MEETING

To consider any additional items and note the date of forthcoming meetings:

Day and Date: Wednesday 22nd November 2023

Time: 4:00pm

Venue: Virtual

Tuesday, 12 September 2023

Service Lead, Education and Early Help,

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SOUTHAMPTON CITY COUNCIL

REGISTER OF MEMBERS INTERESTS – PLEASE COMPLETE AND RETURN TO MEMBER SERVICES WITHIN 14 DAYS

**Register of disclosures made in accordance with the Localism Act 2011, The
Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 and
the Constitution of Southampton City Council**

I.....[full name], as a Member or co-opted member of Southampton City Council, give notice that I have set out my interests in Appendix 1 and 2 below, and have put 'NONE' where I have no such interest in any area.

SIGNATURE:

DATE:

Appendix 1 of this form contains Disclosable Pecuniary Interests as prescribed by the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012. It is a criminal offence, without reasonable excuse, to:-

- (i) fail to register a Disclosable Pecuniary Interest that you are aware of within 28 days of your election or re-election;
- (ii) take part in any debate or vote at any meeting where you have a registered or unregistered Disclosable Pecuniary Interest:
- (iii) to fail to declare at a meeting and / or take part in a debate or vote if you are aware that you have a Disclosable Pecuniary Interest that is not yet registered or notified to the Monitoring Officer:
- (iv) fail to register a Disclosable Pecuniary Interest within 28 days of declaring an unregistered Disclosable Pecuniary Interest at a meeting:
- (v) provide false or misleading information in relation to your registration or to be reckless as to its accuracy:
- (vi) take any steps or further action on a matter in which you have a Disclosable Pecuniary Interest other than referring it elsewhere.

Upon conviction a Member or Co-optee may be fined up to a maximum of £5,000 per offence.

Appendix 2 of this form contains 'Other Interests' required to be disclosed in accordance with the Code of Conduct for Members as set out in the Constitution of Southampton City Council. It is a breach of the Code of Conduct to fail to disclose any interest that you know or ought to know that you have as soon as such an interest arises.

Forms should be completed and returned to: The Monitoring Officer, C/O Democratic Services, Civic Centre, Southampton, SO14 7LY

Please retain one copy of this form for your own records.

APPENDIX 1

DISCLOSABLE PECUNIARY INTERESTS

Please complete ALL parts of this form. If you do not have an interest under a particular section, please put 'None'. All of your interests must be disclosed, including those of your Spouse or Partner (as defined below).

DISCLOSABLE PECUNIARY INTEREST	YOU	YOUR SPOUSE OR PARTNER (Your spouse, partner, a person you are living with as husband or wife, or a person with whom you are living as if they were a civil partner)
Any employment, office, trade, profession or vocation carried on for profit or gain.		
Sponsorship: Any payment or provision of any other financial benefit (other than from Southampton City Council) made or provided within the relevant period in respect of any expense incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.		

Any contract which is made between you / your spouse etc (or a body in which the you / your spouse etc has a beneficial interest) and Southampton City Council under which goods or services are to be provided or works are to be executed, and which has not been fully discharged.		
Any beneficial interest in land which is within the area of Southampton.		
Any license (held alone or jointly with others) to occupy land in the area of Southampton for a month or longer.		
Any tenancy where (to your knowledge) the landlord is Southampton City Council and the tenant is a body in which you / your spouse etc has a beneficial interest.		
Any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of Southampton, and either: a) the total nominal value of the securities exceeds £25,000 or one		

<p>hundredth of the total issued share capital of that body, or</p> <p>b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.</p>		
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'Beneficial Interest' in relation to land means land or property that you own, or have a right to occupy (e.g. a tenancy) or receive an income from. This may include your home.

'Securities' means shares, debentures, debenture stock, loan stock, bonds, units of collective investment scheme within the meaning of the Finance Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

APPENDIX 2

OTHER INTERESTS

Please complete ALL parts of this form. If you do not have an interest under a particular section, please put 'None'. All of your interests must be disclosed, including those of your Spouse or Partner (as defined below).

Please provide details of your membership of, or your occupation of a position of general control or management in:

Any body to which you have been appointed or nominated by
Southampton City Council

Any public authority or body exercising functions of a public nature
(E.G. Primary Care Trust, Police Authority, Other Councils)

Any body directed to charitable purposes
(E.G Any charitable trusts such as a Freemason Lodge, Trust or
Academy School, Other charitable organisation).

Any body whose principal purpose includes the influence of public
opinion or policy

(includes any political party or trade union, single interest action
groups, National Trust, Friends of the Earth etc.)

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Public Document Pack Agenda Item 4

SCHOOLS FORUM

MINUTES OF THE MEETING HELD ON 12 July 2023

<u>In attendance</u>	
<u>Chair and Vice Chair</u>	
John Draper	Headteacher – Swaythling Primary
Harry Kutty	Headteacher – Cantell
<u>Primary Schools</u>	
Amanda Talbot-Jones	Headteacher – St Denys Primary
Mike Adams	Headteacher – Bitterne Manor Primary School
Peter Howard	Headteacher – Fairisle Junior
PK Macbride	Primary Governor – Bannister
<u>Secondary Schools</u>	
Jim Henderson	Headteacher Woodlands Community College
Roger Peplow	Governor St Georges
Martin Brown	Principal Oasis Sholing Academy
<u>Academy</u>	
James Rouse	St Anne's Catholic School
Sean Preston	Hamwic Trust
<u>Special Schools</u>	
Neil Revell	Headteacher – Cedar School
Debbie McKenzie	Headteacher – Compass School
<u>Nursery</u>	
Anna Wright	PVI for Early Years
<u>Non-Schools</u>	
Rob Sanders	Diocese of Winchester
<u>Observers</u>	
<u>SCC officers</u>	
Derek Wiles	Head of Education and Learning– Education
Steve Wade	Finance Business Partner
Clodagh Freeston	Service Manager - Education Strategy, Planning and Improvement
Tammy Marks	Service Manager - Special Educational Needs and Disability
Virginia Newsom	Finance Analyst
<u>Apologies</u>	

1. **MINUTES OF PREVIOUS MEETING**

Resolved: that the minutes of the Forum meeting on 18 January 2023 be approved as a correct record.

2. **STANDING ITEM: LA UPDATE ON DFE/ESFA FUNDING ANNOUNCEMENTS**

The Forum received and noted a verbal briefing regarding the recent publication of the Early Years Supplementary Grant applicable from September 2023 to March 2024 which indicated that there would be an increase in the amount of funding available. Consideration was being given regarding how the funding would be passed to early years settings.

3. **DSG AND SCHOOLS OUTTURN 2022-2023**

The Forum considered a briefing paper detailing the DSG and Schools Outturn 2022-23.

It was noted from the outturn statement that seven schools had increased deficit whereas three schools had reduced deficit and work was being undertaken with all the schools which were carrying forward a deficit to formulate deficit recovery plans. Plans were still awaited from five schools.

It was noted the Dedicated Schools Grant (DSG) had a reduced deficit of just under £1 million. The largest underspend had been on High Needs out of city placements.

In answer to a question it was noted that the budget for out of city placements had been based on past experience and this item of expenditure had not increased in line with forecasts and children were now being placed in local schools. Future trends in Early Years SEN settings should be monitored.

In answer to a question it was noted that trends in the outturn were different for primary and secondary schools which was not unique to Southampton. The bulge in pupil numbers was working its way through the education system. The Forum would need to consider this again at the next meeting.

In answer to a question it was noted that common themes giving rise to deficits or surpluses would help to inform other schools.

In answer to a question it was noted that Southampton City Council had a policy that generally schools should not exceed 10% budget surplus and would be asked to demonstrate how any excess surplus would be spent. Sometimes such surpluses were set aside for planned capital works and KPI's set by the Department for Education provided guidance on the percentage of budgets to be allocated to staff costs. Mutual support was being provided to schools.

4. **SOUTHAMPTON CITY COUNCIL SCHEME FOR FINANCING SCHOOLS**

The Forum were advised that the Southampton City Council Scheme for Financing Schools contained several minor amendments. It had been circulated to schools in February 2023 and no changes had been requested.

Upon being put to a vote by Forum representatives of maintained schools the Forum approved the Scheme.

5. **PFI UPDATE**

The Forum received a verbal briefing that future consideration would need to be given to the PFI affordability gap. It noted that three PFI contracts were due to terminate in 2032 with current costs of £738,000 annually from the schools block. There was a sinking fund to cover the costs but, as interest rates were historically low and the RPI was now much higher, the affordability gap had widened and modelling was being undertaken to inform the options that would be presented to the Forum at a later date. Funds were top sliced from the schools block annually and in answer to questions it was acknowledged that future decisions would be constrained by the national funding formula and the needs of children across Southampton.

6. **ANY OTHER BUSINESS AND CLOSING REMARKS AND DATE OF THE NEXT MEETING**

It was noted that this was the last meeting of the current academic year and the Chair thanked members of the Forum for their hard work.

The next Forum meeting will be held on Wednesday 20 September 2023.

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SUBJECT: LA UPDATE ON DFE/ESFA FUNDING
DATE: 20 September 2023
RECIPIENT: School's Forum

SUMMARY:

Update of DFE/ESFA funding to provide update on

1. Provisional NFF Funding announcement 2024/25
2. Teacher Pay Grant

BACKGROUND and BRIEFING DETAILS:

LA UPDATE ON DFE/ESFA FUNDING

1. The DFE/ESFA have published provisional NFF funding for 2024/25. Note the Early Years NFF is determined by a separate NFF which is not yet available. The provisional allocations below are based on October 2022 pupil numbers and don't include provision for growth or falling rolls.

	2024/25 Provisional NFF (£)	Change to 2023/24 (£)	Change to 2023/24 (%)
Schools block	193,444,658	11,038,185	6.05%
Central school services block	1,593,048	-66,861	-4.03%
High needs block	46,004,259	2,106,031	4.80%
Early years block	n/a	n/a	n/a
	£241,041,965	£13,077,355	5.74%

2. The comparison to 2023/24 includes the mainstream schools additional grant (MSAG) which will be incorporated into core budget allocations for 2024/25.

3. Key changes to the schools NFF in 2024/24 are:

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- a. new formulaic approach to allocating split sites funding,
 - b. rolling the 2023 to 2024 mainstream schools additional grant (MSAG) into the NFF,
 - c. increasing NFF factor values by
 - i. 2.4% to the following factors: basic entitlement, low prior attainment (LPA), FSM6, income deprivation affecting children index (IDACI), English as an additional language (EAL), mobility, sparsity and the lump sum,
 - ii. 2.4% to the minimum per pupil levels (MPPL)
 - iii. 0% on the premises factors, except for:
 1. Private Finance Initiative (PFI) which has increased by Retail Prices Index excluding mortgage interest payments (RPIX) which is 10.4% for the year to April 2023 and,
 2. split sites funding which has been formularised,
 - d. introducing, for the first time, a methodology for calculating and allocating funding for falling rolls.
4. 2024/25 continues with the transition to the direct schools NFF, local authorities will only be allowed to use NFF factors in their local formulae, and must use all NFF factors, except any locally determined premises factors. These factors are built into the Authority Proforma Tool (APT) and in Southampton we already “mirroring” the NFF.
5. Changes for 2024/25 include:
- a. local authorities must use the new national formulaic approach to split sites
 - b. local authorities must follow the new local formula requirements for growth funding, whereby additional classes (driven by basic need) must be funded by at least the minimum funding level set out in the funding calculation
 - c. local authorities with a falling rolls fund must also follow the new requirements for falling rolls funding, whereby local authorities can only provide falling rolls funding to schools where school capacity survey (SCAP) 2022 data shows that school places will be required in the subsequent 3 to 5 years.
6. Local authorities will continue to set a minimum funding guarantee in local formulae, which in 2024-25 must be between +0.0% and +0.5%.
7. Local authorities will again be able to transfer up to 0.5% of their total schools block allocations to other blocks of the Dedicated Schools Grant (DSG), with schools forum approval. A disapplication will continue to be required for transfers above 0.5%, or for any amount without schools forum approval.
8. The national increase in high needs funding, between 2022-23 and 2023-24, will be £570 million, or 4.8%.
9. Falling rolls funding will be allocated on the reduction in pupil numbers that medium super output areas (MSOA) within each local authorities experience for each year.
10. Local authorities will continue to have discretion over whether to operate a falling rolls fund. Where local authorities operate a fund, they will only be able to provide funding

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where the 2022 school capacity survey (SCAP) shows that school places will be required in the subsequent 3 to 5 years. This SCAP requirement replaces previous guidance that funding may only be used where local planning data shows that the surplus places will be needed within the next 3 financial years

11. The following table shows the compulsory funding factors in 2024/25 with the NFF values for 2023/24 and 2024/25. Local authorities which had factor values within +/- 2.5% of the NFF values in 2023 to 2024 will be allowed to set their 2024 to 2025 factor values anywhere within +/- 2.5% of the 2024 to 2025 NFF values.

Factor	23-24 NFF including ACA	23-24 APT	24-25 NFF including ACA	NFF Change (%)
Primary basic entitlement	£3,442.23	£3,437.23	£3,649.95	6.03%
KS3 basic entitlement	£4,852.99	£4,839.79	£5,146.66	6.05%
KS4 basic entitlement	£5,469.63	£5,456.43	£5,801.15	6.06%
Primary FSM	£486.82	£486.82	£497.21	2.13%
Secondary FSM	£486.82	£486.82	£497.21	2.13%
Primary FSM6	£715.02	£715.02	£842.22	17.79%
Secondary FSM6	£1,044.64	£1,044.64	£1,227.81	17.53%
Primary IDACI F	£233.27	£233.27	£238.46	2.23%
Primary IDACI E	£283.98	£283.98	£289.20	1.84%
Primary IDACI D	£446.25	£446.25	£456.62	2.32%
Primary IDACI C	£486.82	£486.82	£497.21	2.13%
Primary IDACI B	£517.25	£517.25	£527.65	2.01%
Primary IDACI A	£679.52	£679.52	£695.08	2.29%
Secondary IDACI F	£339.76	£339.76	£350.08	3.04%
Secondary IDACI E	£451.32	£451.32	£461.70	2.30%
Secondary IDACI D	£628.81	£628.81	£644.35	2.47%
Secondary IDACI C	£689.66	£689.66	£705.23	2.26%
Secondary IDACI B	£740.37	£740.37	£761.04	2.79%
Secondary IDACI A	£943.22	£943.22	£963.98	2.20%
Primary EAL	£588.24	£588.24	£603.76	2.64%
Secondary EAL	£1,587.24	£1,587.24	£1,628.63	2.61%
Primary LPA	£1,171.41	£1,171.41	£1,202.44	2.65%
Secondary LPA	£1,774.87	£1,774.87	£1,816.35	2.34%
Primary mobility	£958.43	£958.43	£984.28	2.70%
Secondary mobility	£1,379.33	£1,379.33	£1,415.53	2.63%
Primary lump sum	£129,818.88	£129,818.88	£137,697.50	6.07%
Secondary lump sum	£129,818.88	£129,818.88	£137,697.50	6.07%
Primary sparsity	£57,100.02	£57,100.02	£58,549.34	2.54%
Secondary sparsity	£83,063.80	£83,063.80	£85,135.01	2.49%
Middle-school sparsity	£83,063.80	£83,063.80	£85,135.01	2.49%
All-through sparsity	£83,063.80	£83,063.80	£85,135.01	2.49%
Split sites basic eligibility			£55,099.30	n/a

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funding				
Split sites distance funding			£27,498.91	n/a
London fringe	1.0000	1.0000	1.0000	0.00%

12. The Central school services block funding reduction represents the reduced funding for historic commitments and a reduction in funding per pupil for ongoing responsibilities.
13. The high needs funding increase is in line with the national increase for 2024/25. Special schools minimum funding guarantee (MFG) in 2024-25 must be between +0.0% and +0.5%.
14. Additional funding for special schools and APs is included in the funding, this is equivalent to the funding received in 2023/24. These allocations gave maintained special schools and special academies 3.4% of their total place and top-up funding income and gave PRUs and AP academies and free schools 3.4% of their total income. The additional funding must be excluded from the MFG calculation.
15. Teachers Pay Grant (TPAG) funding covers the 7-month period from September 2023 to March 2024. TPAG will continue for the whole of the financial year 2024 to 2025. Allocations for 2024 to 2025 will therefore be calculated using twelve sevenths of the funding rates in 2023 to 2024. The DFE intend to incorporate the grant funding into core budget allocations for 2025/26.

Further Information Available From:	Name:	Steve Wade
	E-mail:	Steve.Wade@Southampton.gov.uk

SUBJECT: PFI UPDATE
DATE: 20 September 2023
RECIPIENT: School's Forum

BACKGROUND and BRIEFING DETAILS:

PFI UPDATE

1. We have 3 PFI secondary schools with additional PFI premises costs of £738,000. In 2017/18 this increased from £450,000. This value has remained constant since then.
2. The latest modelling using projections of inflation from the Office of Budget Responsibility and the interest rates council's financial advisers forecasts a potential budget gap of £1.2M to £2.9M. This forecast gap does not include potential contractual exit costs.
3. Increasing the PFI Factor will be needed to cover this gap. The following options have been explored for the Schools Forum to consider
 - a. Increase PFI Factor by RPIX and then maintain at this level to the end of the contract
 - b. Increase PFI Factor by RPIX each year until the end of the contract
 - c. Increase PFI Factor by 4%
4. The following table outlines the PFI Factor for the 3 options

	With inflation % increase (RPIX)	With inflation % increase (RPIX)	Fixed Increase (4%)	RPIX
2023/24	£738,899.00	£738,900.00	£738,900.00	11.20%
2024/25	£815,744.50	£815,744.50	£768,456.00	10.40%
2025/26	£815,744.50	£827,870.67	£799,194.24	1.49%
2026/27	£815,744.50	£835,709.13	£831,162.01	0.95%
2027/28	£815,744.50	£843,851.31	£864,408.49	0.97%
2028/29	£815,744.50	£864,591.36	£898,984.83	2.46%
2029/30	£815,744.50	£891,685.15	£934,944.22	3.13%
2030/31	£815,744.50	£918,435.71	£972,341.99	3.00%
2031/32	£475,850.96	£551,826.79	£589,887.47	3.00%
	£6,924,961.43	£7,288,614.61	£7,398,279.26	

5. There are risks that the future rates of inflation and interest deviate from projections. Further consideration will need to be made regards the potential contractual exit costs.

Further Information Available From:	Name:	Steve Wade
	E-mail:	Steve.Wade@Southampton.gov.uk

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