

Schools Forum

PLEASE NOTE TIME OF MEETING

Wednesday, 22nd November,
2023
at 4.00 pm

Virtual meeting

This meeting is open to the public

LEAD OFFICER

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AGENDA

1 APOLOGIES AND CHANGES IN MEMBERSHIP (IF ANY)

2 MINUTES OF PREVIOUS MEETING (Pages 1 - 4)

Minutes of the meeting held on 20th September 2023, attached.

3 DECLARATIONS OF INTEREST

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 STANDING ITEM: LA UPDATE ON DFE/ESFA FUNDING ANNOUNCEMENTS
(Pages 5 - 10)

To consider an update on DFE/ESFA funding announcements.

5 PFI UPDATE

To receive an update regarding the analysis of the PFI affordability gap and to consider experiences of the PFI contracts.

6 GROWTH FUNDING

To consider initial indicators from census data on funding for schools with declining rolls, or which are expanding, and consider the need for a Falling Rolls Fund.

7 HIGH NEEDS BLOCK

To receive an update regarding the High Needs Block.

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

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

Date and Time: Wednesday 24th January 2024, 3:45pm for 4:00pm start

Venue: Virtual

Agenda Item 2

SCHOOLS FORUM

MINUTES OF THE MEETING HELD ON 20 September 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
<u>Academy</u>	
Sean Preston	Hamwic Trust
Julian Waterfield	St Anne’s Catholic School
<u>Special Schools</u>	
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>	
Matthew	
<u>SCC officers</u>	
Derek Wiles	Head of Education and Learning– Education
Steve Wade	Finance Business Partner

Apologies

Councillor Winning	Cabinet member
Lisa Needham	Springwell School
James Rouse	St Anne’s Catholic School
Tammy Marks	Service Manager - Special Educational Needs and Disability
Clodagh Freeston	Service Manager - Education Strategy, Planning and Improvement
Joanna Lawton	Regional Director Oasis Southampton
Roger Peplow	Governor St Georges
Darrin Hunter	Early Years Manager

1. **APOLOGIES AND CHANGES IN MEMBERSHIP (IF ANY)**

Apologies were noted.

The Forum noted that a review of membership and the constitution was now due and had been commenced.

2. **ELECTION OF CHAIR AND VICE CHAIR**

Mr John Draper was elected as Chair from September 2023 to September 2025.

Mr Harry Kutty was elected as Vice Chair from September 2023 to September 2025.

3. **DECLARATIONS OF INTEREST**

Members of the Forum were reminded to complete the declarations of interest form that was attached to the papers for the meeting.

4. **MINUTES OF PREVIOUS MEETING**

RESOLVED: that the Minutes of the meeting held on 12th July 2023 be approved and signed as a correct record.

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

The Forum considered the briefing paper giving an update on DFE/ESFA funding announcements.

The Forum was concerned that the rate of increase of funding for the High Needs Block had reduced whilst pressure on that service remained high and noted that further modelling would be undertaken.

6. **PFI**

The Forum considered a briefing paper which had been requested at the previous meeting in relation to the PFI affordability gap.

The Forum noted that additional funding was available for 2024/25 and the sinking fund could be increased by a PFI factor of either:

- RPIX then maintain that rate for the duration of the contract
- RPIX each year for the duration of the contract
- 4%.

Much would depend on whether rates of inflation increased and whether additional funding was available in subsequent years.

This matter would be reviewed annually by the Forum. If there were to be a risk that protecting PFI funding would have a negative impact upon funding for other schools then advanced notification would be expected to facilitate meaningful consideration by the Forum in a timely manner.

The Forum noted that a forecast budget gap of £2.9m was the worst case scenario for the period ending 2032 and that the figures in the first column of paragraph 4 of the briefing paper would cover the lower budget gap forecast of £1.2m. The sinking fund would be unlikely to run out of reserves for approximately seven years in any event.

The Forum noted the financial pressures that the Council is under and the importance of maintaining these contracts. The Forum indicated that it would strongly support efforts to re-negotiate contracts when possible and for the local authority to ensure that all obligations of providers under PFI contracts were being performed in order to obtain best value for money, whilst working collaboratively with the schools concerned which were seeking legal advice, before any increase was sought.

The Forum requested an update be provided to the next meeting by Council Officers and the three schools involved.

RESOLVED: in principle, as agreed in previous years, to agree to make a technical adjustment to the minimum funding guarantee formula for the three schools covered by the PFI contracts, subject to every other school receiving full national funding formula.

7. **GROWTH FUNDING**

The Forum noted that further modelling is being undertaken and that the impact of a new University Technical College (UTC) could not yet be calculated as the funding budget for that provision had not yet been set.

Schools Forum had previously agreed a growth fund formula and endorsed continuation of that approach.

The Forum noted that the Department for Education was monitoring falling rolls within medium super output areas. Local authorities can operate a falling rolls fund if they can demonstrate they are likely to need those school places in the subsequent five years. It was agreed that Southampton City Council would review data for five years and report to the next meeting about whether it would be likely to operate a falling rolls fund.

8. **HIGH NEEDS BLOCK**

The Forum noted that a review of the High Needs Block was in hand and that a report would be provided to the next meeting.

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

The Forum expressed concern that Southampton City Council's budget was under pressure and sought reassurance that schools would not be adversely impacted.

The Forum noted that schools provide statutory services. Many other services provided to schools are income generating or covered by the top slice. It was concerned that maintenance works in some schools are being delayed. The Forum wished to invite appropriate decision makers to the next meeting to be better informed about likely actions and enable open discussions.

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

The next meeting will take place on 22 November 2023.

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SUBJECT: LA UPDATE ON DFE/ESFA FUNDING
DATE: 22 November 2023
RECIPIENT: School's Forum

SUMMARY:

Update of DFE/ESFA funding to provide update on

1. Provisional NFF Funding announcement 2024/25 (amended)
2. Financial support for local authorities supporting maintained schools in financial difficulty (2023 to 2024)
3. Falling Rolls Funding

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 revised 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	191,755,255	9,348,782	5.13%
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
	£239,352,562	£11,387,952	5.00%

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. The key features of the revised funding are:

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- a. 1.9% increase in funding per pupil (compared to 2.7% per pupil increase announced in the original, erroneous NFF allocations published in July).
 - b. The factor value increases in the 2024-25 schools NFF have also been amended:
 - i. The core NFF factor values are now increasing by 1.4% in 2024-25, compared to this financial year 2023-24 whereas, before this error was corrected, they were due to increase by 2.4%.
 - ii. The minimum per pupil funding levels are also increasing by 1.4%, as opposed to 2.4% previously published in July.
4. There is minimal change to the funding allocated through the premises factors compared to the announcement in July:
- a. National non-domestic rates unchanged, based on estimates for 2023-24 rates,
 - b. Private Finance Initiative (PFI) unchanged, funding still increased by Retail Prices Index excluding mortgage interest payments (RPIX) which is 10.4% for the year to April 2023,
 - c. Split sites funding, which has been formularised, has lower factor values for the basic eligibility and distance funding, than announced in July
5. 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%.
6. 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.
7. Initial modelling indicates that the National Funding Formula rate for all factors is affordable, with a £575k surplus.
8. The following table shows the revised 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	£3,614.43	5.00%
KS3 basic entitlement	£4,852.99	£4,839.79	£5,095.92	5.01%

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KS4 basic entitlement	£5,469.63	£5,456.43	£5,744.33	5.02%
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	£832.07	16.37%
Secondary FSM6	£1,044.64	£1,044.64	£1,217.66	16.56%
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	£451.55	1.19%
Primary IDACI C	£486.82	£486.82	£492.14	1.09%
Primary IDACI B	£517.25	£517.25	£522.58	1.03%
Primary IDACI A	£679.52	£679.52	£690.01	1.54%
Secondary IDACI F	£339.76	£339.76	£345.00	1.54%
Secondary IDACI E	£451.32	£451.32	£456.62	1.17%
Secondary IDACI D	£628.81	£628.81	£639.27	1.66%
Secondary IDACI C	£689.66	£689.66	£700.16	1.52%
Secondary IDACI B	£740.37	£740.37	£750.89	1.42%
Secondary IDACI A	£943.22	£943.22	£958.91	1.66%
Primary EAL	£588.24	£588.24	£598.68	1.78%
Secondary EAL	£1,587.24	£1,587.24	£1,608.33	1.33%
Primary LPA	£1,171.41	£1,171.41	£1,187.22	1.35%
Secondary LPA	£1,774.87	£1,774.87	£1,801.13	1.48%
Primary mobility	£958.43	£958.43	£974.13	1.64%
Secondary mobility	£1,379.33	£1,379.33	£1,400.31	1.52%
Primary lump sum	£129,818.88	£129,818.88	£136,378.37	5.05%
Secondary lump sum	£129,818.88	£129,818.88	£136,378.37	5.05%
Primary sparsity	£57,100.02	£57,100.02	£57,940.51	1.47%
Secondary sparsity	£83,063.80	£83,063.80	£84,221.76	1.39%
Middle-school sparsity	£83,063.80	£83,063.80	£84,221.76	1.39%
All-through sparsity	£83,063.80	£83,063.80	£84,221.76	1.39%
Split sites basic eligibility funding			£54,490.46	n/a
Split sites distance funding			£27,295.97	n/a
London fringe	1.0000	1.0000	1.0000	0.00%

9. The local authority has been allocated additional funding (£559,332) to support maintained schools which find themselves in financial difficulty. This is in addition to the teachers' pay additional grant (TPAG).
10. There is flexibility in the use of the grant; the DfE expects funding to be allocated on a case-by-case basis.
11. This funding can be used to support maintained primary, middle, secondary and all-through schools, maintained special schools, pupil referral units, and maintained nursery schools.

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12. The local authority will report back to the Schools Forum with expenditure plans for the grant.
13. If a local authority in receipt of this additional funding does not spend its full allocation within financial year 2023 to 2024, it can spend this funding as part of DSG and within the conditions attached to DSG and to this funding. For local authorities that do not overspend their total DSG in 2023 to 2024, this may include continuing to provide additional support to schools in financial difficulty in the financial year 2024 to 2025. Department for Levelling Up, Housing and Communities regulations do not allow DSG to be carried forward where there is an in-year deficit.
14. DfE: Falling rolls funding will be distributed on the basis of the reduction in pupil numbers that local authorities experience for each year. It is based on the observed differences between the primary and secondary number on roll in each local authority between the October 2022 and October 2023 school censuses. Falling rolls are measured at the MSOA within each local authority – these are areas used by the ONS based on population data, which allow us to capture falling rolls in small geographical areas within local authorities. The falling rolls allocation for each local authority will be £140,000 per MSOA which sees a 10% or greater reduction in the number of pupils on roll between the two census years. This allocation will be subject to an ACA.
[Growth and falling rolls fund guidance: 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/growth-and-falling-rolls-fund-guidance-2024-to-2025)
15. The Local Authority has undertaken an exercise to establish whether Southampton schools are eligible for falling rolls funding using the tool provided by the DfE. We have found that no falling rolls funding will be available to Southampton schools.
16. Preliminary census data

	October 22 Census	Prelim October 23 Census*	Difference
Primary	19,397	19,333	-64
Secondary	12,660	13,081	+421

*The figures for October 2023 are indicative and are subject to change.

Primary explanatory notes:

- Primary forecast (predicting less children in the area) has been offset to some extent by an increase in in-year applications.
- More SEND resource provisions in primary mainstream schools (above Published Admission Number).
- Improved Ofsted outcomes influencing parental preference.

Secondary explanatory notes:

- 180 pupils will be as a result of St Mark's All Through School taking an additional year group.
- Increase in net migration resulting in more in-year applications.
- Parental preference shifts (e.g. Hampshire schools RI inspection outcomes can influence).
- Lost school admissions appeals / In Year Fair Access allocations / Tribunal orders.

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17. The LA will requests a brief discussion on Growth Funding for the November Schools Forum, with a view to a full discussion and potential policy review including papers (with actual October 2023 census figures) at January Schools Forum.

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