

BURY SCHOOLS' FORUM - AGENDA



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To: All Members of Bury Schools' Forum

Dear Member

Bury Schools' Forum

You are invited to attend a meeting of the Bury Schools' Forum which will be held as follows:-

Date:	Tuesday, 17 January 2023
Place:	Microsoft Teams
Time:	4.00 pm
Briefing Facilities:	If Opposition Members and Co-opted Members require briefing on any particular item on the Agenda, the appropriate Director/Senior Officer originating the related report should be contacted.
Notes:	

BURY SCHOOLS FORUM – AGENDA
Tuesday 17 January 2023 at 4.00pm
Location: Microsoft Teams

1 APOLOGIES FOR ABSENCE

2 MINUTES OF THE LAST MEETING *(Pages 3 - 10)*

The Minutes of the Meeting held on 15 November 2022 attached

The Minutes of the Meeting held on 5 January 2023 attached

3 MATTERS ARISING

4 CHAIR AND MEMBERSHIP *(Pages 11 - 12)*

An update will be given at the meeting.
Membership list attached

5 ANNUAL REPORT - SCHOOLS FUNDING FORMULA *(Pages 13 - 20)*

Report attached

6 HIGH NEEDS FUNDING ARRANGEMENTS AND SAFETY VALVE AGREEMENT *(Pages 21 - 24)*

Report attached

7 EARLY YEARS FUNDING *(Pages 25 - 26)*

Report attached

BURY SCHOOLS' FORUM

MINUTES

of the meeting of the Bury Schools' Forum on
Tuesday 15 November 2022
Microsoft Teams Meeting

In Attendance:

Early Years

Rachel O'Neil Headteacher – Hoyle Nursery

Maintained Primary

Richard Ainsworth Governor's Forum
Governor – Lowercroft Primary School
Simon Waddington Headteacher – Hollins Grundy Primary

Maintained Secondary

Tina Owen Headteacher – Philips High School

Academy

Martin Van Hecke Roch Valley Trust – St Thomas Primary

Special

Joanne Hurst Headteacher – Millwood Primary

Special Academy

Orienne Langley – Sadler Oak Learning Partnership

Pupil Referral Unit

None in attendance

Non-Schools Sector

Tony Durack NESUWT
Helena Thom NEU

Children's Services Department

Isobel Booler Director of Education & Skills
Yusuf Erol Interim Finance lead
Michael Kemp Inclusion Lead
Paul Turney Deputy Chief Finance Officer
Alison Vidler Principal Finance Officer

Observers

Katherine Ashworth School Business Manager – Millwood Primary
David Monger

1. Apologies for Absence.

Apologies for absence were received from:

Paul Cooke

Lisa Corrigan

Kames Franklin – Oak Learning Partnership

Paul Lord – Headteacher Heaton Park Primary School

Emma Moncado – Headteacher St Joseph’s RC Primary School

Susan Southworth – Governor, Derby High School

2. Introductions

3. Appointment of Chair and Vice Chair

Orienne Langley–Sadler agreed that she would take the Chair for this meeting.

Isobel Booler asked that the vacancies on the Forum be reported to BAPH and BASH to request membership and also the Headteachers’ Schools Conference and once all vacancies are filled the Chair and Vice Chair can then be nominated.

It was also suggested that membership be sought at the upcoming Head Teachers’ Schools Conference.

4. Minutes of the meeting 14 June 2022

The Minutes of the meeting held on 14 June 2022 were checked and agreed as a correct record of the meeting.

5. Matters arising from the Minutes (14/06/22)

There were no matters arising

6. Terms of Reference and Membership

The forum was presented with a paper outlining the Terms of Reference of the Forum and setting out the membership. Those present were asked for their comments/input.

It was suggested that the Terms of Reference should include a vision statement that explained that the Forum was about promoting excellent education across the borough and was child focussed.

The statement should be linked to the Children’s Strategic Development Plan in relation to independent and successful lives.

The number of representatives from each area was included but this was not further broken down into teacher representatives and governors and it was asked whether this should be identified. It was also suggested that the membership of the Forum is benchmarked against other local authorities’

groups and that a flow chart should be included to show the governance structure of the forum and show what feeds in and flows out of it.

7. Dedicated Schools Grant (DSG) 2022-23 and DSG Outturn 2021-22

Yusuf Errol submitted a report informing Schools' Forum of the final Dedicated Schools Grant position for 2022 – 2023 and the final DSG outturn position for 2021- 2022.

The contents of the report was noted.

8. High Needs Funding Block and PSV Progress Report

A report was presented to the Forum setting out the progress made in relation to the High Needs Funding Block and PSV.

It was explained that Bury was one of the original Local Authorities and had set ambitious targets of £3.3m to be achieved in 2022/2023.

The latest PSV finance profile showed that the overall financial position had worsened, and the LA were now facing a negative change of £5.25m from that reported to the DfE in June. This was mainly as a result of increasing demand for EHCPs which had exceeded forecasts.

The report set out demand pressures both nationally and locally and the fact that the Covid pandemic had considerably increased the level of special education needs in children and young people with most local authorities reporting significant increases in requests for assessment.

The DfE's survey of SEND in January 2022 reported that the percentage of children with an EHCP had increased by 9.2%.

In Bury, the number of EHCPs shows a modest rise of 6.8% between January 2021 and January 2022 which was misleading due to the SEND team ceasing to maintain EHCPs which were no longer required particularly in the 16 – 25 age group. This has led to 250 being removed from the system and artificially deflating the statistics.

A more detailed analysis by age group reveals a growth in the numbers of EHCPs in early years and across the primary and sector sectors with an increase of 306 across those age groups.

The requests for assessment have increased from an average 39 per month in 2021/2022 to 50 per month in 2022/2023.

The figures relating to Independent, non-maintained provision and alternative provision were set out at no 4 of the report with a variation of £3,475,133 from June to September. The majority of the increase comprised independent and non-maintained Special School placements.

It was explained that in order to meet the continued support of the PSV funding the short-term aim must be to cover the £1.87m shortfall to balance living within the pre-PSV High Needs Funding allocation. The effects of the

overspend for the whole programme was currently under evaluation. The LA have put to the DfE that the £3.47m increase in out of borough placements could not have been foreseen due to being a result of the pandemic and in line with the national picture of increased demand.

9 High Need Places

a

A high priority has been placed in the PSV programme on increasing specialist SEND both with new Special Schools and new Resourced Provisions.

For September 2022 an additional 14 RP places were available and the majority of the planned new provision will be in place for the start of the 2023/2024 academic year.

The growth in the numbers of reception and key stage 1 pupils with severe needs has meant placing a significant number on the I/NMSS sector. The budget was forecast on the basis of a small growth in numbers followed by a steady fall as places in the new Special Free School are available, however, the numbers of I/NMSS placements had increased.

School fee levels in the sector are also anticipated to rise to by 6%.

b

The increased need for independent AP was explained.

It was reported that the sufficiency model has been updated to reflect continued and significant increasing demand for places.

It was requested that benchmarking against other local authorities across Greater Manchester and the northwest be provided in relation to EHCP assessment requests.

The increase in SEMH needs in 5 – 6-year-olds was referred to and it was asked what was feeding the increase and how did Bury compare to other LAs.

It was explained that the effect of the Covid lockdowns, the lack of socialisation and the impact of the gaps in health provision had fed into the situation. There had also been changes to the social, emotional pathways and how this work.

It was explained that provision was provided differently across local authorities and different ways of working but the main priority was to have in-borough provision. Local authorities in the area had moved to the Northwest Framework which will hopefully reduce costs and bring process down.

It was suggested that a pool of training for PAs could be developed collaboratively across schools which will draw on resources across all provisions.

10 Future work of the Forum

The next scheduled meeting of the Forum is Tuesday 17 January 2023 at 4pm
The items to be considered were reported as:-

1. Dedicated Schools Grant (DSG)
2. Schools Block
 - a. Formula Unit Values
 - b. Additional DSG Grant
 - c. De-Delegation
 - d. 0.5% Schools Block Transfer
 - e. Indicative Headline Budgets 2022/23
3. Central School Services Block (CSSB)
4. High Needs Block (if data available in time)
5. Early Years Funding 2022/23 - Hourly Rates (2-, 3- & 4-year-olds)
6. Pupil Premium Grant (PPG)
7. DSG Deficit Recovery – Programme Safety Valve (PSV)

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**Bury Schools Forum
Thursday 5 January 2023
Microsoft Teams**

Attendance

Early Years

Rachel O'Neil Headteacher – Hoyle Nursery

Maintained Primary

Simon Waddington Headteacher – Hollins Grundy Primary
Richard Ainsworth Governor (Plus Governors Forum)

Maintained Secondary

Tina Owen Headteacher – Philips High
Susan Southworth Governor – Derby High

Academy Primary

None in Attendance

Academy Secondary

None in Attendance

Special

Kristie Bloomfield Oak Learning partnership

Pupil Referral Unit

None in Attendance

Non-Schools Sector

Tony Durack NASUWT
Helena Thom NEU

Children's Services Department

Isobel Booler Director of Education & Skills
Paul Cooke Head of Schools & Academies
Yusuf Erol
Paul Turney - Deputy Chief Finance Officer
Alison Vidler Principal Finance Officer (Schools & Systems Finance)
Observers: Katherine Ashworth Millwood Special School
Zena Shuttleworth
Elissa Reevel

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- 1 APOLOGIES FOR ABSENCE**
Apologies for absence were received from Lisa Corrigan, Emma Moncado, Orienne Langley Sadler and Paul Lord.
 - 2 SCHOOLS FUNDING FORMULA**

Yusuf Erol presented the Schools & Academies Funding update and explained that the focus of the Forum meeting was to consider and make recommendations on the 2023/24 funding factors that are required to be submitted to the DfE by the 21st January 2023 deadline. The recommendations will also be included in the Council budget setting requirements which go to full Council for approval on 22 February 2023.

The report set out the Dedicated Schools Grant 2023/24 for Bury the Schools Block including Formula Unit Value, Mainstream Schools additional grant, de-delegation, Schools Block Transfer to High Needs Block, Central Schools Services Block (CSSB), High Needs Block, Early Years Block, Business Rates and the Pupil Premium Grant.

It was asked that more narrative be provided within the report in relation to the de-delegation amount per pupil set out in the report and whether academies had been asked to make a contribution as the funding was only taken from maintained school budgets.

The Forum would reconvene on 17 January 2023 when the final recommendations would be made to allow for quoracy.

3 DATE AND TIME OF NEXT MEETING

The next meeting of the Forum was due to be held on Tuesday 17 January at 4.00pm.

Chaired by Paul Cooke in absence of Deputy Chair

(Note: The meeting started at 4.00 pm and ended at 5.30 pm)

Schools Forum Members 2022/2023**Maintained Schools**

Primary (5)

Nicola Carlile (headteacher)

Paul Lord (headteacher)

Vacancy

Rachel O'Neil (headteacher)

Simon Waddington (headteacher)

Secondary (2)

Tina Owen (headteacher)

Susan Southworth (gov)

Governor (1)

Richard Ainsworth (gov)

Special (1)

Joanne Hurst (headteacher)

Academy Schools

Primary (3)

Martin Van Hecke (headteacher)

Rachel Pars (headteacher)

Vacancy

Secondary (4)

Vacancy (headteacher)

Lisa Corrigan (headteacher)

Vacancy

Vacancy

Special (1)

Orienne Langley-Sadler (headteacher)

Pupil Referral Unit (1)

James Bradley (headteacher)

Non-School Members**16 – 19 Education Representative (1)**

Carina Vitti (Holy Cross Principal)

Teachers' Professional Associations (3)

Helen Chadwick (NAHT)

Tony Durack

Helena Thom (NEU)

PVI Early Years Providers (1)

Vacancy (gov)

Quoracy – 40% voting members (when no vacancies – 10 . Currently 18 filled – 7)

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Schools and Academies Funding 2023-24

1. Dedicated Schools Grant 2023-24

Following the publication of the Dedicated Schools Grant (DSG) allocations on 16 December 2022, which takes into account the fully validated October 2022 pupil census, the 2022-23 DSG for Bury is summarised in the table below.

* Please note that the 2022-23 baseline shown below includes the Supplementary Grant in the Schools Block and additional DSG in the High Needs Block. This is for the purpose of demonstrating the actual variance as these have been incorporated into the 2023-24 DSG.

2023 to 2024 DSG allocations, before recoupment and deductions for national non-domestic rates, and for direct funding of high needs places by Education and Skills Funding Agency (ESFA)						
Dedicated schools grant (DSG):		Schools block	Central school services block	High needs block	Early years block	Total DSG allocation
351	BURY	(£s)	(£s)	(£s)	(£s)	(£s)
	2022-23 including additional grant*	147,202,228	990,900	40,929,921	13,486,130	202,609,179
	2023-24	149,832,168	1,037,945	45,008,687	14,552,202	210,431,002
	Variance to 2022-23 £	2,629,940	47,045	4,078,766	1,066,072	7,821,823
	Variance to 2022-23 %	1.8%	4.7%	10.0%	7.9%	3.9%
Plus	Mainstream Schools Additional Grant (indicative)	5,118,450	0	0	0	5,118,450
	TOTAL 2023-24	154,950,618	1,037,945	45,008,687	14,552,202	215,549,452
	Variance to 2022-23 £	7,748,390	47,045	4,078,766	1,066,072	12,940,273
	Variance to 2022-23 %	5.3%	4.7%	10.0%	7.9%	6.4%

2 Schools Block

2a Formula Unit Values

Schools' Forum is required annually to recommend the formula unit values to be applied to all Mainstream Schools & Academies funding allocations.

The formula unit values applied to Bury Schools and Academies funding formula already directly mirror the DfE National Funding Formula (NFF) unit values. For information the Unit Values applicable to 2023-24 are as follows:

Factor	Sub-level	2022-23 NFF Values	2023-24 NFF Values	Variance £	Variance %
Basic Entitlement Age Weighted Pupil Unit (AWPU)	Primary	£3,217	£3,394	£177	5.5%
	Key Stage 3	£4,536	£4,785	£249	5.5%
	Key Stage 4	£5,112	£5,393	£281	5.5%
Deprivation Factors					
Free School Meals	Primary	£470	£480	£10	2.1%
	Secondary	£470	£480	£10	2.1%
Free School Meals - Ever 6	Primary	£590	£705	£115	19.5%
	Secondary	£865	£1,030	£165	19.1%
Income Deprivation Affecting Children Indices (IDACI) Primary	IDACI F	£220	£230	£10	4.5%
	IDACI E	£270	£280	£10	3.7%
	IDACI D	£420	£440	£20	4.8%
	IDACI C	£460	£480	£20	4.3%
	IDACI B	£490	£510	£20	4.1%
	IDACI A	£640	£670	£30	4.7%
Income Deprivation Affecting Children Indices (IDACI) Secondary	IDACI F	£320	£335	£15	4.7%
	IDACI E	£425	£445	£20	4.7%
	IDACI D	£595	£620	£25	4.2%
	IDACI C	£650	£680	£30	4.6%
	IDACI B	£700	£730	£30	4.3%
	IDACI A	£890	£930	£40	4.5%
Additional Educational Needs Factors					
English as an Additional Language (EAL)	Primary	£565	£580	£15	2.7%
	Secondary	£1,530	£1,565	£35	2.3%
Low Prior Attainment	Primary	£1,130	£1,155	£25	2.2%
	Secondary	£1,710	£1,750	£40	2.3%
Mobility	Primary	£925	£945	£20	2.2%
	Secondary	£1,330	£1,360	£30	2.3%
School Factors					
Lump Sum	Primary	£121,300	£128,000	£6,700	5.5%
	Secondary	£121,300	£128,000	£6,700	5.5%
Minimum per pupil funding levels	Primary	£4,265	£4,405	£140	3.3%
	Secondary	£5,525	£5,715	£190	3.4%

The application of the NFF unit values across the above factors results in the allocations shown in the table below. Increased allocations across the Deprivation Factors results in a reduction in the amount required to meet the Minimum Funding Level and the Minimum Funding Guarantee. The amount of funding distributed to schools, including the centralised Rates payments, equates to 99.65% of the Schools Block Funding. The effect of pupil number variances between the October funding census collections for 2021 and 2022 needs to be noted in respect to the impact on the figures included in the table below.

Primary schools have seen an overall net reduction of 125 pupils.
Secondary schools have seen an overall net increase of 7 pupils.

For both sectors Forum will be aware that there will be individual schools with reductions whereas others with gains to pupil numbers included in the overall net variances that they will all need to plan for financially in order to sustain their balanced budget positions.

Factor	Sub-level	2022-23	2023-24	Variance £	Variance %
Basic Entitlement Age Weighted Pupil Unit (AWPU)	Primary	£52,031,758	£54,473,700	£2,441,942	4.7%
	Key Stage 3	£31,126,032	£32,619,345	£1,493,313	4.8%
	Key Stage 4	£22,804,632	£24,338,609	£1,533,977	6.7%
Deprivation Factors					
Free School Meals	Primary	£1,657,187	£1,695,705	£38,518	2.3%
	Secondary	£1,140,220	£1,288,800	£148,580	13.0%
Free School Meals - Ever 6	Primary	£2,187,856	£2,552,705	£364,849	16.7%
	Secondary	£2,517,150	£3,100,300	£583,150	23.2%
Income Deprivation Affecting Children Indices (IDACI) Primary	IDACI F	£316,160	£328,298	£12,138	3.8%
	IDACI E	£729,712	£762,983	£33,271	4.6%
	IDACI D	£437,025	£440,552	£3,527	0.8%
	IDACI C	£805,309	£835,789	£30,479	3.8%
	IDACI B	£294,557	£311,831	£17,274	5.9%
	IDACI A	£316,611	£318,111	£1,500	0.5%
Income Deprivation Affecting Children Indices (IDACI) Secondary	IDACI F	£321,247	£334,363	£13,117	4.1%
	IDACI E	£815,111	£841,879	£26,768	3.3%
	IDACI D	£413,426	£438,646	£25,220	6.1%
	IDACI C	£780,729	£856,348	£75,620	9.7%
	IDACI B	£323,191	£347,208	£24,017	7.4%
IDACI A	£337,780	£349,188	£11,407	3.4%	
Additional Educational Needs Factors					
English as an Additional Language (EAL)	Primary	£906,745	£941,927	£35,182	3.9%
	Secondary	£397,737	£437,476	£39,739	10.0%
Low Prior Attainment	Primary	£5,343,280	£5,577,065	£233,785	4.4%
	Secondary	£4,296,116	£4,380,502	£84,386	2.0%
Mobility	Primary	£87,649	£89,607	£1,958	2.2%
	Secondary	£0	£22,767	£22,767	100.0%
School Factors					
Lump Sum	Primary	£7,763,200	£8,192,000	£428,800	5.5%
	Secondary	£1,576,900	£1,664,000	£87,100	5.5%
Total Allocated via NFF		£139,727,319	£147,539,704	£7,812,385	5.6%
Other Factors					
Rates adj 2021-22		£44,161	£0	£-44,161	-100.0%
Rates		£1,248,874	£1,188,224	£-60,650	-4.9%
Minimum Funding Level		£1,059,787	£488,365	£-571,422	-53.9%
Minimum Funding Guarantee		£173,793	£94,807	£-78,986	-45.4%
Growth fund		£72,181	£0	£-72,181	-100.0%
Available for transfer to High Needs Block		£715,200	£521,068	£-194,132	-27.1%
TOTAL		£143,041,316	£149,832,168	£6,790,852	4.7%

2b Mainstream Schools additional grant

The 2022 Autumn Statement announced that the core schools’ budget will increase by £2 billion in the 2023-24 financial year, over and above totals announced at the Spending Review 2021.

In the 2023-24 financial year, mainstream schools will be allocated this additional funding through the mainstream schools additional grant (MSAG) 2023-24. This is in addition to schools’ allocations through the schools national funding formula.

From 2024-25 onwards, the intention is that this funding will be incorporated into core budget allocations in the Schools Block of the DSG.

For Mainstream Schools and Academies, the 2023-24 indicative allocation for Bury is £5,118,450. School-level allocations will be published in May 2023.

The funding rates consist of the following 3 elements, which are based on factors already in the schools national funding formula:

- a basic per-pupil rate (with different rates for primary, key stage 3 and key stage 4)
- a lump sum paid to all schools, regardless of pupil numbers
- a per-pupil rate for pupils who are recorded as having been eligible for free school meals at any point in the last six years (FSM6), with different rates for primary and secondary pupils

Grant will be calculated by multiplying the relevant funding rates using data from the October 2022 census. The Area Cost Adjustment (ACA) will then be applied.

Factor	Unit Value
Per pupil Primary	£119
Per pupil Secondary KS3	£168
Per pupil Secondary KS4	£190
Lump Sum Primary & Secondary	£4,510
Per eligible FSM6 Primary	£104
Per eligible FSM6 Secondary	£152
Area Cost Adjustment	1.00547

2c De-Delegation

Schools’ Forum (Maintained Mainstream only) is required to recommend the De-delegated items each year.

In 2022, the outcomes of the DfE consultation on the funding of Local Authority School Improvement Functions were published. In summary, the conclusions were:

- *we (DfE) will proceed with reducing the local authority school improvement monitoring and brokering grant by 50% for financial year 2022 to 2023, prior to full removal in financial year 2023 to 2024*
- *provision will be included in the School and Early Years Finance Regulations 2022 (England) to instead allow local authorities to deduct funding for local authorities’ core school improvement activities from maintained school budgets*
- *We (DfE) will reserve the right to permit de-delegation against the wishes of a schools forum in order to ensure councils are in sufficient funds to deliver their core school improvement activities*

In 2022-23, the DfE grant was reduced by 50% and Forum agreed to de-delegate £7.50 per pupil.

In 2023-24, following removal of the remaining grant, the proposal is to increase the de-delegated rate to £15.00 per pupil. The remaining de-delegated values have remained at the same rate for a number of years, therefore a small inflationary increase is included in the proposed values for 2023-24.

Services directly funded by these de-delegated funds will be restricted to maintained schools only. Related services provided to other schools will be funded through alternative resources including the option for traded services.

	Schools of Concern	FSM Benefits checking	Trade Union Facilities Time	Local Authority School Improvement
	Per pupil	Per FSM6	Per pupil	Per pupil
2022-23	£6.00	£5.00	£4.00	£7.50
Proposed 2023-24	£6.30	£5.25	£4.20	£15.00

RECOMMENDATION 1:

Bury’s Schools’ Forum (Maintained School representatives) recommend the De-delegated values for 2023-24, summarised as follows:

- Schools of Concern @ £6.30 per pupil
- Free School Meals Eligibility Checking @ £5.25 per FSM6
- Trade Union Facilities Time @ £4.20 per pupil

- School Improvement Brokerage and Monitoring Grant @ £15.00 per-pupil

As detailed above this de-delegation will be ring fenced for maintained schools only and this will not be used in regard to Academies school improvement or school outcomes

2d Schools Block Transfer to High Needs Block

Following receipt of the DSG funding settlement, validated October 2022 census data, and after updating all Mainstream Schools & Academies 2023-24 funding formula in accordance with the recommended National Funding Formula (NFF) requirements, Schools' Forum are requested to consider and recommend a transfer of available funds from the Schools Block to the High Needs Block DSG.

This transfer effectively recognises an essential contribution from Schools and Academies towards helping with the overall cost pressures being faced by the High Needs Block which funds all Special Educational Needs and/or Disabilities (SEND) provision for all children and young people aged 0-25 whether with an Education Health and Care Plan (EHCP) or not in Early Years, Mainstream, Specialist, Maintained or Independent provisions in or out of Borough.

Schools' Forums are permitted, in accordance with the statutory funding regulations and Operational Guidance, to recommend a transfer up to 0.5% of the Schools Block without requiring the sanction of the Secretary of State.

As the distribution of funding to schools equates to 99.65% of the total, only 0.35% remains available for transfer to the High Needs Block. This equates to £521,068.

After completing all formula aspects and applying the recommendations of Schools' Forum as outlined in this paper, the Local Authority is proposing that a transfer of 0.35% is recommended by Bury's Schools' Forum on the basis of:

- The Mainstream funding formula and unit values have been applied 100% to all individual schools and academies in accordance with the 2023-24 National Funding Formula (NFF) unit values which has meant a £7.8m increase in funding.
- The 100% application of National Funding Formula unit values confirms the proposed transfer does not result in any funding reductions, or cuts, to any individual school or academy budget allocation for 2023-24;
- The transfer does not impact whatsoever on the Mainstream Schools Additional Grant provided for 2023-24;
- The transfer of £521,068 will significantly support the significant SEND transformation requirements and funding of all aspects within the High Needs block, it will not be designated to any one individual item. The priorities include revenue investment into new or expanded Resourced Provision within Mainstream school and academy settings which will contribute to the overall capacity and sufficiency of in-Borough provision and help deliver the strategy around reducing the requirement for Out of Borough placements.

- Without this support from Forum the deficit recovery faces significant increased risk of not being achieved as required by the DfE formal agreement which will result in the balance of the additional £20m Safety Valve DSG being withdrawn and further interventions imposed by the DfE.
- The Safety Valve DSG deficit reduction plan includes a 0.5% school block transfer within the projections. However to ensure that Bury schools receive the additional monies in line with the national funding formula and being cognizant of the pressures on schools budgets the proposal has been reduced from the maximum allowed, 0.5% to 0.35%.

RECOMMENDATION 2:

Bury's Schools' Forum recommend the permitted transfer of 0.35% of the Schools Block to the High Needs Block for 2023-24.

3. Central Schools Services Block (CSSB)

Schools' Forum is required to approve the allocation of budgets included under the CSSB, which was created several years ago in place of the former Education Services Grant (ESG) retained functions funding for Local Authorities. The former ESG funding was added to the DSG in April 2018 in order to help sustain the services that it is intended to support.

The amount of grant in 2034-24 has increased by 4.7%. However, the centralised National Copyright Licences costs will increase by 10.7%. The remaining funding has been allocated across all headings below as a percentage increase.

Central Schools Services Block (CSSB)	2022-23	2023-24	Variance £	Variance %
Section 251 – Central Provision				
1.4.1 Combined Budgets Historical Commitment – Safeguarding in Schools Officer	£48,000	£49,800	£1,800	3.8%
1.4.2 Admissions	£198,500	£205,800	£7,300	3.7%
1.4.3 Schools' Forum	£17,000	£17,600	£600	3.5%
1.4.14 National Copyright Licences	£152,500	£168,800	£16,300	10.7%
Section 251 - Former ESG Services				
1.5.1 Education Welfare	£268,700	£278,600	£9,900	3.7%
1.5.2 Asset Management	£92,700	£96,100	£3,400	3.7%
1.5.3 Statutory / Regulatory inc SACRE	£65,000	£67,400	£2,400	3.7%
Other				
Teachers Pay and Pension Grant	£148,500	£153,845	£5,345	3.6%
Total Central School Services Block (CSSB)	£990,900	£1,037,945	£47,045	4.7%

RECOMMENDATION 3:

Bury's Schools' Forum recommend the allocation of CSSB budgets as outlined to the applicable services for 2023-24.

4. High Needs Block

High needs funding is provided to local authorities through the high needs block of the DSG, enabling them to meet their statutory duties under the Children and Families Act 2014.

The actual overall increase to Bury’s High Needs Block funding for 2023-24 is £4,078,766 (10%).

Further updates on the High Needs position will be brought to future Schools’ Forum meetings, including detailed monitoring reports on the delivery of the Safety Valve agreement.

5. Early Years Block

Updates and recommendations for the 2023-24 Early Years funding rates will be brought to the next Schools’ Forum meeting.

6. Business Rates

For information, Bury has already adopted the new Central Payments system for School Business Rates. The 2023-24 formula budgets will include an estimated Rates figure for information purposes only and will not be directly allocated to schools delegated budgets.

Schools and academies will need to be aware that their budget notifications will include the Business Rates estimate plus a corresponding deduction.

7. Pupil Premium Grant (PPG)

School PPG allocations are now aligned to the annual October census used for main school funding purposes.

LAC PPG is still determined using the Local Authority Looked After Children return (SSDA903) as at 31 March each year. This element of the PPG is managed by the Virtual School.

This means that schools may see an in-year reduction in their 2023-24 FSM PPG allocation if a pupil is subsequently identified as LAC on the March 2023 data return.

Factor	2022-23 Unit Value	2023-24 Unit Value	Variance £	Variance %
Primary FSM	£1,385	£1,455	£70	5.1%
Secondary FSM	£985	£1,035	£50	5.1%
Looked After Children (LAC)	£2,410	£2,530	£120	5.0%
Post LAC	£2,410	£2,530	£120	5.0%
Service	£320	£335	£15	4.7%

Funding update prepared by
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Pressures on High Needs Block and the Safety Valve Agreement

1.Introduction

The DSG has four separate funding blocks, of which one is the high needs block (HNB), with a deficit of £21,214,351 at the end of financial year 2021/22. The HNB deficit has been subject to a Safety Valve Agreement with the DFE since March 2021.

The HNB collectively funds specialist education provision for children and young people up to 25 years old with Special Education Needs and Disabilities (SEND). The main areas of funding within the HNB are for:

- special school and further education (FE) college places including out of borough places
- top-up funding for nurseries, mainstream schools, special schools, FE colleges and independent schools linked to Education, Health and Care Plans (EHCPs)
- support for the provision of special services provided by schools and the local authority (LA), which include but are not limited to, the Sensory Service and resource provision in mainstream schools

The HNB pressure has been recognised on a national level, and forms part of the governments SEND review, including looking at how to better equip mainstream settings identify and support children and young people's needs, instead of being met by EHCPs or specialist provision

2.Progress in achieving savings targets

2.1 There was an ambitious target of £3.3m of savings to be achieved in 2022/23, as follows:

	FY 21/22	FY 22/23	Progress
Savings included in HNB expenditure profile	-868,000	-3,217,630	
Banded EHCP Model and thresholds		-644,758	Achieved
Banded Special School Model & Moderation review		-1,015,872	New model implemented. Moderation planned for Spring term. In the light of this, delay action has been taken to claw back excessive surpluses of £1,015,872
Review of Alternative Provision Placements		-282,000	Not achieved due to increasing levels of severity of need
Review of Non-Statutory Services	-694,000	-927,000	Achieved
In-Year Savings estimates / Forecast Budget reviews	-174,000	-348,000	Partially achieved- shortfall due to increasing demand

£2.9m of the planned savings have been achieved.

2.2 Top ups and banding

The previous two submissions from June 2022 and September 2022 highlighted the impact of the new banding system in mainstream schools. This has resulted in local schools meeting local demand in a more cost-effective way. However, the continued rise in the numbers of EHCPs has meant that expenditure will exceed the planned budget by £2.4m.

The abolition of the top band of top-up funding (Band D+) for special schools has been implemented with the agreement of the schools. This has achieved the £0.7m savings target for this aspect of the programme. However, the moderation programme has proven more difficult to achieve. The process of internal moderation did not achieve the re-balancing of bands to the levels of 2019/20 as hoped and we are therefore planning to introduce external moderation this term.

As a result of the delay in implementing the moderation process, we have initiated the process of clawing back £1.015m in excess balances from the maintained special schools and the PRU.

The top up funding bands for special schools have been benchmarked against other Local Authorities and after review it is proposed to bring the top up funding bands in line with GM and NW funding allocations.

2.3 Improved Financial Control through Panel Process

An improved and more robust panel process has been put in place, chaired by the Strategic Lead for SEND, to review all placements prior to agreement. As well as strengthening quality assurance, the revised panel provides more financial control and challenge to individual placements. This has given assurance that, although Bury has increased its Independent and Non-Maintained Special School placements by 24 since August 2022, these are all appropriate placements for children with complex needs that could not be met in mainstream or within the existing special school place numbers.

2.4 Revised PSV Finance Profile

However, the latest PSV finance profile shows that the overall financial position has worsened significantly. We are now facing a negative change from that reported to the DfE in September 2022 of £2.2m as a result of increased spending on Independent and Non-Maintained Special School placements (increased by £1.5m) and on mainstream school top-ups (£0.675m).

In light of this, we will need to bring forward plans to reduce costs substantially in those areas directly under the council's control and to look to bring the level of top-ups to levels commensurate with the Greater Manchester and north-west region norms which, given how far Bury has been traditionally generous, will be a significant challenge.

2.5 National Demand

There is clear evidence nationally that of the Covid pandemic has considerably increased the level of special educational needs in children and young people for the following reasons:

- The disruption to schooling has significantly widened the attainment gap
- The pandemic has adversely affected the mental health of children and young people
- The lack of opportunities for socialisation has adversely affected the development of many children
- All services dealing with children with SEND have had difficulty identifying such vulnerable children when they are not accessing education and other services, resulting in delays in identification of SEND, the implications of which are now feeding through the system.

This has been identified nationally. Most local authorities have reported very significant increases in requests for assessment and the proportion of children identified with SEND is likely to rise significantly. The DfE’s survey of SEND in January 2022 reported that the percentage of children with an EHCP had increased to 4% from 3.7% in 2021 and that the number of EHCPs had increased by 9.2%.

This picture will have progressively worsened since that survey as the full impact of the pandemic works its way through the system. This trend has continued and shows no sign of easing.

2.6 Demand in Bury

We have since seen a steady increase in the number of EHCPs each month in this school year. There has been an increase of +2.2% month on month from November 22 – December 22. Year on year we see an +8.1% increase from December 21 to December 22.

Since the last submission in August, we have seen a significant increase of +7.3% in total EHCPs maintained by Bury (2281 in December 22, up from 2125 in August 22). We predict that by 2025 we could have in the range of 2500 EHC Plans maintained by Bury If the figures follow similar trends over the next few years. This is a 22.7% increase on our current figure.

2.7 Impact on Capacity in the Bury SEND System

We recognise that Bury has historically been under-provided with its own specialist provision, with only two Special Schools, both of which have been expanded significantly in recent years. Therefore, we have placed a high priority in the PSV programme on increasing our specialist SEND capacity, both with new Special Schools and with new Resourced Provisions. However, these take time to implement. From September 2022, we have had an additional 14 RP places available, but the intention subject to building works in some cases is to bring a further 70 additional places at the start of the 2023/24 academic year.

Our initial plans did include a modest growth in the VNMSS sector, recognising this capacity gap. However, the massive growth in numbers and the higher levels of severity of need coming through, and the fact our internal provision is full, causes a significant strategic and financial problem.

2.8. Independent and Non-Maintained Special School Placements

The variation from June to September is very significant:

All OOB	
June 22 Report	9,966,416
Sept 22 Report	13,441,549
Jan 23 Report	14,911,651

Independent and Non-Maintained Special School placements comprise the majority of the increase.

The major issue is that our specialist provisions are full. However, the significant growth in the numbers of reception and Key Stage 1 pupils with severe needs has meant we have been forced to place significant numbers in the VNMSS sector. The budget was forecast on the basis of a small growth in numbers in this sector, followed by a steady fall from September 2023 as the places in the new Special Free School come online. In fact, from August 2022 to December 2022, the number of placements has increased by 24.

In addition, fee levels are rising as these schools look to pass on cost increases. The average fee levels have increased by approximately 10% over the past year and now exceed £50,000. This is despite the fact that we use the North-West framework.

3.0 Summary of financial position

These developments mean that our progress in reducing the DSG deficit is slower than anticipated and it will be very challenging against the increasing activity

	2022/23	2023/24
Total forecast expenditure	44,991,035	45,297,256
Items to be funded directly by ESFA	-3,314,000	-3,350,733
Costs to be funded by HNB held by the Council	41,677,035	41,946,523
HNB Cash Income	-36,552,920	-40,522,687
PSV Funding	-4,000,000	-3,000,000
Transfer from Schools Block	-715,200	-521,068
Surplus Balance Clawback	-1,015,872	
In-year surplus to reduce the deficit	-606,957	-2,097,232
DSG Deficit Brought Forward to 2022/23	21,214,351	20,607,394
Forecast DSG Deficit Carried Forward	20,607,394	18,510,162

3.1 Transfer from Schools Block

Schools Forum in the past has agreed to a 0.5% transfer to the High Needs Block (HNB) from the Schools Block. For 2023/24, the Council has not proposed a transfer at that level and is proposing a smaller transfer of 0.35% instead. This decision has not been made because of there being less need in Bury. It has been made for the following two reasons:

- I. To make sure that schools are in receipt of no less than the unit values attached to the National Funding Formula factors; and
- II. There is an acknowledgement across the Council, that whilst the HNB is under severe pressure, many school are also under significant financial pressures

This is a decision which can only be made annually and therefore whilst it is anticipated a further transfer will take place in future years this can not be included within the financial model at this time.

4.0 Conclusion

We recognise the financial forecast is disappointing, particularly given the efforts made to deliver the PSV project. As a result, all aspects of High Needs Funding are subject to ongoing review and there will be further difficult decisions required and a general commitment towards ensuring the graduated approach is used to meet needs earlier.

Schools and Academies Funding 2023-24

5. Early Years Block

Forum should note that the Early Years Block specifically will be adjusted in-year 2023-24 in respect to fluctuations in Early Years participation. The final funding allocation is based on two sets of January census data:

January 2023 accounts for April 2023 to August 2023 (5/12ths)
 January 2024 accounts for September 2023 to March 2024 (7/12ths)

Therefore the funding received from the DfE is based on take up of places as at the two census dates. Forum members should note that the Authority funds Early Years providers on actual take up of places, as notified by providers through the Early Years Portal.

The initial indicative funding for 2023-24 is:

DSG Early Years Block	2023-24 Indicative
3&4 YO Basic Entitlement	£8,073,865
3&4 YO Extended Entitlement	£4,159,587
2YO Funding	£1,863,735
Early Years Pupil Premium	£157,889
Disability Access Fund	£86,112
Maintained Nursery Supplementary Funding	£211,014
TOTAL	£14,552,202

Local authorities are required to pass-through at least 95% of their 3 and 4-year-old funding from the government to early years providers. This pass-through requirement ensures that most of the government funding reaches providers so that they can deliver the government's free entitlements.

The pass-through rate in Bury is 96.7%.

The percentage retained by Local Authorities is used to contribute to Early Years SEN Inclusion costs, central support services covering advisory support, sufficiency requirements, free entitlement eligibility checking, and management and administration of the complex Early Years Single Funding Formula determinations, allocations, systems, and statutory reporting requirements.

Following a consultation process, the DfE have made some changes to the formula applied to the Early Years block which impacts on the funding rates received by each Local Authority. This includes the former Teachers Pay and Pension Grant funding for

Early Years settings which has been incorporated into the unit funding values for 2023-24.

The DfE funding rates for Bury are:

Factor	2022-23 DSG Funding Hourly Rates	2023-24 DSG Funding Hourly Rates	Variance £	Variance %
3 & 4 Year Olds	£4.61	£4.90	£0.29	6.3%
2 Year Olds	£5.67	£5.73	£0.06	1.1%

In compliance with the minimum pass through and retention requirements, the hourly rates for 2023-24 that require to be approved by Schools' Forum are recommended as follows:

Factor	2022-23 Hourly Rate	2023-24 Hourly Rate	Variance £	Variance %
3 & 4 Year Olds	£4.46	£4.74	£0.28	6.3%
2 Year Olds	£5.56	£5.62	£0.06	1.1%

RECOMMENDATION 4:

Bury's Schools' Forum recommend the Early Years Hourly Rates specified for 2, 3 and 4 year olds.

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