

Item 10

Schools Forum Annual Report

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Brief Summary

Each year the Schools Forum publishes an annual report setting out items of business in which the Forum has been involved. In recent years this report has been streamlined to ensure it is a more manageable size for readers and incorporates the main headlines of the Forum's work throughout the year.

Recommendation

The Forum is asked to:

- a) Recommend the Annual Report 22/23 to be approved for publication

Detail

Since 2005/06, the Forum has produced an Annual Report, which is circulated to all schools via the Schools Portal and made available on the Forum website. The Annual Report for 2022/23 is now attached at Appendix A for consideration by the Forum.

Appendices

Appendix 'A' is attached to this report. For clarification it is summarised below and referenced at relevant points within this report

Appendix	Title
Appendix A	Schools Forum Annual Report 2022 23





Lancashire Schools Forum

Annual Report 2022/23

April 2022 – March 2023



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1. Introduction

The 2022/23 financial year brought further challenges to schools due to increased inflationary pressures on budgets. During this period, The Lancashire Schools Forum and its associated working groups considered a variety of reports and presentations on school funding and finance related matters.

This annual report sets out some of the significant issues dealt with by the Forum.

2. Chair of the Lancashire Schools Forum

Daniel Ballard, Headteacher at St Mary's and St Benedict's RC Primary School was elected as the Forum Chair. Stephen Booth, a governor at Ellet St John the Evangelist CE Primary School, remained as the Vice-Chair.

3. School Budgets 2023/24

Advising on the Schools Budget is a crucial responsibility of the Forum.

Lancashire's Gross 2023/24 Dedicated Schools Grant (DSG) allocation is £954m, including the academy recoupment. The 2023/24 figure is over £70m higher than the previous year. This growth in funding is mainly due to the Supplementary Grant from 2022/23 being incorporated within the Local Authorities DSG and increased funding nationally.

The key headlines from the 2023/24 budget setting process included;

3.1. Schools Block

Lancashire continues to use the National Funding Formular (NFF) methodology to calculate Schools Block budgets in 2023/24.

Allocations for Lancashire schools and academies, includes the additional Dedicated Schools Grant (DSG) funding announced by the Government, which equated to £30b nationally in 2023/24. The main changes to NFF formula factors arising from this additional funding are set out below.

- Schools Supplementary Grant 2022/23 incorporated into the NFF
- 4.3% to free school meals at any time in the last 6 years (FSM6) and income deprivation affecting children index (IDACI).
- 2.4% to the basic entitlement, low prior attainment (LPA), FSM, English as an additional language (EAL), mobility, and sparsity factors, and the lump sum.

Following a consultation with schools and academies in Lancashire, through available local discretion in 2023/24, the following was agreed by the Schools Forum and the LCC Cabinet:

- The Minimum Funding Guarantee (MFG) was set at a +0.5%



In addition, the Government announced a minimum pupil funding levels for primary and secondary schools, which incorporate the 3.37% uplift for 2023/24:

- For primary schools, the minimum pupil funding level will be £4,405 per pupil
- For secondary schools, the minimum pupil funding level will be £5,715 per pupil

3.2. High Needs Block

The extra funding made available for high needs funding from April 2023 allowed the following increases in expenditure to be agreed:

- To support the increases in HNB expenditure to broadly match or exceed uplifts within the mainstream sector, including: increasing the Weighted Pupil Numbers (WPN) rate across all school and FE settings by 3% with additional £626 (of WPN element of High Needs Block Supplementary Grant from 2022/23) to £5,330;
- increasing 'School Specific' allocations in special schools and PRUs by 2%; to match the Minimum Funding Guarantee (MFG) applicable in mainstream
- Inclusion Engagement Team cost of £294,042 in 2023/24 (for following 2 years with yearly review)

3.3. Early Years Block

The government announced an additional £180m in Early Years Funding nationally. This funding enabled increases across all early years funding areas, as indicated below.

3 and 4 year-old entitlement

Following the latest DfE guidance, the historic Teachers Pay Grant (TPG) and Teachers Pension Grant (TPEG) is incorporated into the early years funding formula and the 2023/24 base rate.

Initial modelling on the early years block suggests the full £0.23 hourly increase can be funded from within Early Years Block Budget

Given the financial pressures faced by the sector, School Forum agreed an additional £0.04 above the national increase for 3 and 4-year-old entitlements. This would provide a new rate of £4.75, an overall increase of £0.27 per hour.

The 2023/24 funding rate was calculated as follows:

2022/23 Base rate, which included £0.04 contribution from Lancashire Schools Block	£4.48 per hour
2023/24 Increase in base rate as per initial DSG allocation (now includes TPG & TPEG included in base rate)	£0.23 per hour

2023/24 £0.04 contribution from Lancashire Schools Block	£0.04 per hour
2023/24 Confirmed base rate paid by LCC to providers	£4.75 per hour

Supplementary funding hourly rate for maintained nursery schools

Lancashire received a £0.13 increase in the supplementary funding hourly rate for maintained nursery schools in 2022/23, which was passed to the maintained nursery schools providing £4.31 per hour from April 2023 for eligible universal 3 and 4-year-old hours.

2 year-old entitlement

Lancashire received an additional £0.06 per hour 2-year-old entitlement for 2023/24. This would result in a Lancashire funding rate of £5.43 per hour for 2-year-olds for 2023/24.

Early Years Pupil Premium

The national funding rate for EYPP will increase by 2 pence, from 60 pence to 62 pence per eligible child per hour.

Disability Access Fund

In line with DfE announcements, Disability Access Fund will increase by £28, from £800 to £828 per eligible child per year.

3.4. Central School Services Block

This Block is used to fund central functions that local authorities carry out on behalf of pupils in state-funded maintained schools and academies in England. The Central School Services Block (CSSB) is split into funding for historic commitments and funding for ongoing responsibilities.

In order to protect some combined budget contributions that help support valued services to schools, the Schools Forum agreed to transfer £0.350m historic commitments into the High Needs Block, so funding can continue to be provided for MASH and Emotional Health and Wellbeing Service, as the DfE have cut the 'historic commitments' element of the CSSB.

3.5. Issuing Individual School Budgets

Once Lancashire's proposals had been approved by the DfE, individual school budgets for 2023/24 were issued to schools on 20 February 2023.

3.6. Mainstream Schools Annual Grant 2023/24

The 2022 Autumn Statement announced the Mainstream Schools Additional Grant (MSAG). This grant is a £2bn increase to core schools' budget within the 2023 to 2024 financial year, which is additional the Spending Review 2021 totals.

Following the conditions of the grant, the funding is directed to mainstream schools and is additional to schools annual allocations through the National Funding Formula (NFF).

The MSAG will fund the following providers, for the 5 to 16-year-old age range:



- primary and secondary maintained schools
- primary and secondary academies and free schools
- all-through maintained schools
- all-through academies
- city technology colleges

School-level allocations of the MSAG for the 2023/24 financial year will be published in May 2023.

The funding rates for the MSAG 2023/24 consist of the following 3 elements, which are based on factors within the 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.

School-level allocations of the MSAG for the 2023/24 financial year will be published in May 2023.

3.7. Additional High Needs Funding 2023/24

The Local Authority has also received the Additional High Needs Supplementary Grant funding in High Needs Block. Following discussions with the Schools Forum, it was agreed that the High Needs Supplementary Grant would be calculated in two parts:

- A payment to all Special Schools and PRU's as per the DfE guidance and conditions of grant. Details of the allocations for Special's and PRU's have been shared in the budget letters.
- A WPN element for Primary, Secondary schools and FE Colleges, will follow a similar process as last year but with additional consideration for Early Years settings for pupils with EHCP plans. This is currently estimated at £493 and will be multiplied by the total WPN on the May 2022 SEN data. Based on 2022/23 figures this would be circa £2.2 million.

Following the funding methodology above, £2.5million remained unallocated. The Schools Forum appointed a task group to allocate the funding. In summary the task group agreed to fund the following;

- £600k to create two central Inclusion Engagement Support Teams to support children without an Educational Health Care Plans, funded for one year.
- £400k allocated to Y11/12 transition teams for Alternative Provision schools, administered through SEND central team.
- £150k Support for transition between EYFS/Reception to be funded through the inclusion hub banker schools.
- £300k Support for transition between Y6/7 to be to be funded through the inclusion hub banker schools.
- £1,050,000 to be transferred back to Reserves for High Needs Block.

Minutes from the meeting were published on the Schools Portal on 31 March 2023 and will be reported to the Schools Forum at the Summer cycle of meetings.



The additional High Needs Allocation for 2023/24 has been applied as a 4.6% increase to the funding floor and proxy factor in the High Needs NFF Allocations

Lancashire Additional funding allocations for 2023/24

Mainstream Schools Additional Grant Allocation	£31m
High Needs Additional Funding allocation	£8m
Total Additional Funding 23/24	£39m

4. Service De-Delegations 2023/24

Regulations require the Schools Forum to decide which services should be de-delegated each year. In October 2022 and November 2022, the Forum considered a number of de-delegation proposals. Primary and secondary members agreed by phase that a number of services would be de-delegated for the 2023/24 financial year. This means that for primary and secondary schools (but not academies) services will be provided centrally. A full list of de delegations agreed from April 2023 are:

- **Staff costs – Public Duties/Suspensions.** This de-delegation incorporates reimbursement to schools for staff costs associated with public duties and suspensions;
- **Heritage Learning Service - Primary Schools Only.** Provides funding for the work the Heritage Learning Service undertakes for primary schools to help meet the national curriculum and to support wider cultural learning;
- **Support for Schools in Financial Difficulty.** This funding allows support to be offered to schools in financial difficulty, which is managed by the School Improvement Challenge Board (SICB) against published eligibility criteria.
- **Primary Inclusion Hubs.** This de-delegation continues to support Inclusion activities of primary schools in each district to reduce exclusions and improve attendance for pupils at risk of exclusion, including providing high quality training for staff in schools and sharing share good practice and expertise.
- **School Improvement Function.** This de-delegation is to support vulnerable schools. The service is in the process of preparing a handbook that will provide details on its services. Primary phase is being de-delegated alone, with Secondary opting out of the de-delegation for 2023/24.

As always, the Forum is very grateful for the consultation responses and comments from colleagues in schools and academies that help to shape and steer the Forum's decisions and recommendations. 137 responses were received from schools in response to consultations about the school funding arrangements for 2023/24.



5. Support for Schools In Financial Difficulty (SIFD)

42 schools ended the 2022/23 financial year in deficit, compared to 21 schools a year earlier. A number of schools returned to surplus during the year through the delivery of budget recovery plans. The overall school balances have decreased from c£95m to c£73m, an overall reduction of £22m.

The Forum continues to work with the LA to support schools that are in, or may be heading towards, financial difficulty. This includes monitoring the financial outlook of schools on the Schools in Financial Difficulty category warning system for maintained schools, issuing early warning letters to offer a 'heads-up' that financial pressures may be mounting and using the agreed SIFD procedures to provide additional support to some schools.

6. Clawback of Excess Balances

In July 2022, the Schools Forum voted to reintroduce Clawback at 31 March 2023. Once the finalised Clawback figures for the 2022-2023 Financial Year are available, it will be reported to the Schools Forum.

Full details of all Schools Forum business are available from the Schools Forum [website](#).

For any queries, please email schoolsforum@lancashire.gov.uk

