

PRESENT: GAVIN BOOTH (CHAIRMAN)

Kyna Adkins (Head Teacher, St Christopher's Special School), Alan Howe (Governor, Sutton on Sea County Primary School), Anthony Stevens (Governor, The Holt Primary School, Skellingthorpe), Callum Clay (Head Teacher, Church Lane Primary School, Sleaford), Michele Anderson (Head Teacher, Spalding High School), Professor Ken Durrands CBE (Governor, The King's School, Grantham), Andrew Everard (Chair of Governors, University Academy Long Sutton), Jo Slessor (Governor, Carres Grammar School, Sleaford), Steve Baragwanath (Executive Principal, University Academy Holbeach), Philip Dickinson (Principal, Louth Academy), Simon Pickett (Head Master, The King's School, Grantham), Chris Fitzpatrick (Head Teacher, Tall Oaks Academy Trust), Tristan Revell (Head Teacher, Malcolm Sargent Primary School), Josh Greaves (Deputy Chief Executive Officer, Wellspring Academy Trust) (Vice-Chairman) and Andrew Watts (NEU),

Officers in attendance:-

Elizabeth Bowes (Strategic Finance Manager, Schools Finance Team), Mark Popplewell (Head of Finance (Children's Services)), Martin Smith (Assistant Director for Children's Education), Emily Wilcox (Democratic Services Officer) and Geraldine Willders (Head of Service - School Strategy)

15 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence were received from Lea Mason, Amy Stancer, Heather Marks and Stephen Hopkins.

16 DECLARATIONS OF INTEREST

None were declared.

17 MINUTES OF THE PREVIOUS MEETING ON 29 JUNE 2023

RESOLVED:

That the minutes of the meeting held on 29 June 2023 be approved as a correct record.

18 NATIONAL FUNDING FORMULA FOR SCHOOLS - UPDATE FOR 2024/25

Consideration was given to a report by the Strategic Finance Manager – Schools' Finance team, which provided a summary of the updates from the Department for Education (DfE) relating to the National Funding Formula (NFF) for schools, central school services, high needs and early years for 2024/25.

Total core schools budgets would total £59.6bn in 2024/25, which included the mainstream schools additional grant funding to support pay and utility cost rises. All funding formula values would increase by 2.4%, except Free School Meals which would increase by 1.6%. Every school would attract an increase in their pupil-led funding of at least 0.5% per pupil compared to their 2023/24 baseline, if the NFF was adopted. The application of these values would be subject to affordability of the Schools block of the Dedicated Schools Grant (DSG).

The Local Authority (LA) was planning to adopt the schools NFF in 2024/25, which would include modest changes, as identified in the report. The LA had concluded it would not be required to consult with mainstream schools for 2024/25 having sought previous support from schools on the adoption of the NFF.

Central School Services Block ongoing responsibilities funding would increase by 4.52%, which included additional funding to cover the increased cost of copyright licenses. Historical funding would reduce by a further 20% in 2024/25. Officers were to work with the DfE Policy Team to have the required funding protected to support the fulfilment of the PFI contract until its end point.

High Needs block funding floor had been set at 3% per head of population. Compared to prior years funding increase, it was modest and would place significant pressure on Lincolnshire managing the cost demands within the 2024/25 allocation. Financial forecasting was indicating an in-year overspend in 2024/25 in light of the demand and price changes, which would need to be met by available reserves. Detailed budget setting, trajectory work and sector engagement would be undertaken in the autumn term.

The Spring budget announced additional funding for the Early Years sector. In July 2023 the Government confirmed an extra £204m through the Early Years Supplementary Grant and this additional funding was in response to the rising childcare sector costs to support financial sustainability of providers.

In July, the Government also announced additional funding through the Teachers' Pay Additional Grant to provide financial support for schools for the teachers' pay award. For Lincolnshire this equated to £5.638m.

Consideration was given to the report and during the discussion the following points were recorded:

- Concerns were raised that schools in other areas of the Country were funded significantly higher than Lincolnshire for SEND needs, with an average of £25,000 in

comparison to £18,000 in Lincolnshire. It was questioned whether action would be taken to bring Lincolnshire in line with other authorities in this regard. Officers explained that many authorities with a higher level of funding for SEND needs were operating at a deficit. The Forum was assured that a robust funding formula is in place that considered pupils SEND needs through banded funded arrangements. Officers explained that it was important that cost changes in delivering education were reflected in the formula. It was confirmed that the funding formula for 2024/25 was being reviewed and officers had been engaging with the sector on this.

- It was hoped that changes in the way that non-domestic rates bills were billed would simplify the payment process and ensure that schools funding was more timely. The decision to move to the new methodology fell to the seven billing authorities.
- Concerns were raised regarding the increase in funding compared to actual cost rises caused by inflation. It was discussed that the Mainstream School Additional Grant funding had been allocated to schools to contribute towards the increased costs for pay awards and utilities in 2023/24, and the Teachers' Pay Additional Grant funding had been provided to help with the teachers' pay award from September 2023. It was acknowledged that there were upcoming cost pressures, but it was hoped that the Government had accounted for this when setting the funding formula. The Forum was assured schools carry forwards overall remain in a strong financial position to respond to the future challenges.

RESOLVED:

That the report be noted, and consideration be given to the comments made, as recorded.

Note – On 6 October 2023, the DfE advised they had identified an error when publishing the indicative NFF for 2024/25. A supplementary report, as published as a supplement, provided an updated position on the NFF arrangements for 2024/25.

19 DE-DELEGATION OF MAINTAINED PRIMARY SCHOOL BUDGETS 2024/25 AND 2025/26

Consideration was given to a report by the Strategic Finance Lead – Children's Services, which sought approval from the maintained primary representatives of the Forum on the LAs proposals for the de-delegation of certain budgets in 2024/25 and 2025/26.

The cumulative underspend reported at 31 March 2023 was £1.396m, this included an in-year underspend of £0.518m, which was largely related to the termination of employment costs for maintained schools in financial difficulties. Last year, the primary maintained Forum members supported a number of measures to improve education standards in schools, which were progressing. The Council proposed to continue supporting improved education standards and had identified £0.500m from the cumulative underspend to facilitate this. Plans are being developed in how it can support leaders to monitor and assess the performance of children, along with key strategies to secure effective intervention strategies more effectively.

The remaining balance of £0.347m would be retained to ensure certainty in the de-delegation amounts for maintained primary schools where unexpected costs arise due to the delivery of services.

The de-delegation budget for 2023/24 was agreed by members of the Forum in the October 2022 meeting, which would finance; termination of employment costs, primary maintained Locality Lead support, Intervention Funding and the Ethnic Minority and Traveller Education Team.

For 2024/25 the Council proposes to continue operating a hybrid model with capacity provided by the School Improvement central team to maintained primary schools, including those in financial difficulties. It was proposed the current contingency rate of £29.23 per pupil will continue in 2024/25.

The remaining service budget of EMTET, which was made up of staffing costs and therefore requires a fixed budget.

It is proposed that the charges for 2025/26 would continue to be set at the baseline amounts per pupil for the de-delegation budget.

Details of the service provision funded through the de-delegation budgets were detailed in Appendix A.

Consideration was given to the report and during the discussion the following points were recorded:

- In relation to value for money for primary maintained schools, locality lead support and intervention funding had significant impact in the rapid improvement of schools where it otherwise would not have been possible due to financial constraints of school. The risk of withdrawing the funding offer from schools would be significant for schools in financial difficulty, given the impact it could make. Locality leads monitored the outcomes of any intervention very closely and evaluated the impact of money spent.
- The Forum commended the work of the locality leads and highlighted the impactful role they played in school transformations and in head teacher recruitment.
- The level of need and impact was highlighted by members of the Forum who had seen schools benefit from the intervention fund.
- The Forum were pleased to see evidence of successful intervention and on average a higher percentage of pupils achieving Reading, Writing and Maths above the expected standard and in comparison with Academies, and asked that learning be shared with Academy Schools. Data on academies the percentage of pupils achieving Reading, Writing and Maths above the standards for Academy Schools was agreed to be circulated.

- It was recognised that many vulnerable maintained schools in great difficulty often ended up as Academy Trusts, which could skew the data for Academy figures.
- The Forum highlighted the impact made by the fund and supported the proposals in the report.

The Maintained Primary School Representatives were invited to vote on the proposals and it was proposed, seconded and

RESOLVED:

1. That the proposals for the use of de-delegation reserve be approved.
2. That the de-delegation of the budgets for the period 2024/25 and 2025/26 (in principle), as set out in the report, be approved.

20 REVISED SCHOOLS BUDGETS 2023/24

Consideration was given to a report by the Strategic Finance Lead – Children's Services, on the Revised Schools Budgets for 2023/24 and the proposed use of cumulative underspending from 2022/23.

The Forum were reminded that the Dedicated Schools Grant (DSG) was a ring-fenced grant that could only be spent for the purposes as outlined in the Department for Education Schools and Early Years Finance (England) Regulations. Under these Regulations, underspends are automatically carried forward to the following financial year, and LAs must consult with its Schools' Forum over its planned use, or to address overspends.

The report provided context of the financial challenges facing LAs in managing its High Needs spending within the DSG. Page 42 provided details of the three programmes the Education Skills and Funding Agency are running to offer direct support regarding the effectiveness and sustainability of LAs high needs spending. To provide context, the total SEND deficits across Council's in England was estimated at £2.3bn at the end of 2022/23 by the Association of Directors of Children's Services. The DfE acknowledges the unsustainable SEND system, and the SEND and AP improvement plan is the mechanism for supporting change.

Page 43 of the agenda pack provided details of the carry forward for 2022/23. The Forum noted that the cumulative carry forward at 31 March 2023 was £13.823m, there are commitments of £4.341m (detailed in Appendix B), with an uncommitted sum of £9.482m. The cumulative underspend included the net underspend in 2022/23 of £3.285m, an explanation of this underspend is detailed in Appendix A.

The report recommended that the underspend of £9.482m remained uncommitted and held in reserves due to the current spending levels of SEND and the uncertainty in the financial environment going forward. The increase of 3% per head within the High Needs block of the DSG is modest and will place significant pressure in managing cost demands within 2024/25 allocation. Medium-term financial planning was indicating an in-year overspend for 2024/25 in light of demand and price changes, which would need to be met from available reserves

to provide a balanced budget. With the nature of the services that the High Needs block provides, which is driven by large, demand-led activities, it was difficult to change spending levels quickly, therefore having a sufficient level of reserves to draw on is important to secure a sustainable budget in the medium-term. Ensuring funding was directed to the right activities and cost-effective provision was vital. Lincolnshire did not want to be forced into retracting its comprehensive early help support packages, or to seek a transfer of up to 0.5% of the Schools block to the High Needs block to manage unfunded cost pressures.

The Assistant Director – Children’s (Education) highlighted the high level of demands for high needs support, which was to be supported within one budget. The Council sought to ensure that it embedded the inclusive ambitions for children to be respected, hopeful and optimistic about their futures. Work streams that were being developed included £100m investment into the special school estate to improve facilities and the lived experiences of children and young people. Whilst this would create many additional places, demand was likely to be much higher than availability of placements meaning a continued dependence on external placements. The Council continued to embed and strengthen its local offer, however challenges with capacity remained and difficult decisions would need to be made in future to meet the needs and demands of the services, as well as support, early intervention which was vital.

Consideration was given to the report and during the discussion the following points were recorded:

- The Forum acknowledged the challenges faced and questioned whether an increase in funding for special needs, in line with national figures, would give the schools a better capacity to support pupils. Officers noted that they are very mindful of the higher costs being seen in providing this support and the importance in providing fair funding, which will be considered through the detailed budget setting exercise.

RESOLVED:

1. That the report be noted;
2. That the Local Authorities proposed use of the uncommitted sum, as outlined in section 4 of the report be supported.

21 LINCOLNSHIRE SCHOOLS' FORUM WORK PROGRAMME

The Forum considered its future work programme.

RESOLVED:

That the work programme be noted.

The meeting closed at 2.05 pm