



County Offices
Newland
Lincoln
LN1 1YL

27 September 2023

In accordance with the powers granted by Regulation 8(1A) of the Schools Forum (England) Regulations this meeting will be held through remote means.

Lincolnshire Schools' Forum

A meeting of the Lincolnshire Schools' Forum will be held on **Thursday, 5 October 2023 at 1.00 pm as a Virtual - Online Meeting via Microsoft Teams** for the transaction of the business set out on the attached Agenda.

Access to the meeting is as follows:

Members of the Lincolnshire Schools' Forum and officers of the County Council supporting the meeting will access the meeting via Microsoft Teams.

Members of the public and the press may access the meeting via the following link: [Agenda for Lincolnshire Schools' Forum on Thursday, 5th October, 2023, 1.00 pm \(moderngov.co.uk\)](#) where a live feed will be made available on the day of the meeting.

Yours sincerely

A handwritten signature in black ink that reads 'DBarnes'.

Debbie Barnes OBE
Chief Executive

Membership of the Lincolnshire Schools' Forum

SCHOOLS' MEMBERS

Nursery (1)

Amy Stancer (Head Teacher, St Giles Nursery School, Lincoln)

Special (1)

Kyna Adkins (Head Teacher, St Christopher's School)

Primary Maintained (6)

Primary Maintained Head Teachers (3)

Callum Clay, (Head Teacher, Sleaford Church Lane Primary School)

2 vacancies

Primary Maintained Governors (3)

Alan Howe, (Governor, Sutton on Sea County Primary School)

Tony Stevens, (Governor, The Holt Primary School, Skellingthorpe)

1 vacancy

Secondary Maintained Head Teacher (1)

Michele Anderson (Head Teacher, Spalding High School)

Secondary Academies (7)

Secondary Academies Head Teachers (4)

Steven Baragwanath (Head Teacher, University Academy, Holbeach)

Philip Dickinson (Principal, Louth Academy)

Simon Pickett (Head Master, The King's School, Grantham)

1 vacancy

Secondary Academies Governors (3)

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)

Primary Academies (5)

Primary Academies Head Teachers (3)

Gavin Booth (Head Teacher, Boston St Thomas' C E Primary School) **CHAIRMAN**

Chris Fitzpatrick (Head Teacher, Tall Oaks Academy Trust Ltd)

Tristan Revell (Head Teacher, Malcolm Sargent Primary School, Stamford)

Primary Academies Governors (2)

2 vacancies

Special Academies (2)

Special Academies Head Teacher (1)

Leandra Mason (Executive Head Teacher, Lincolnshire Wolds Federation)

Special Academies Governor (1)

Dr Stephen Hopkins (Trust Chair of Communities Inclusive Trust)

Alternative Provision Academy (1)

Josh Greaves (Deputy Chief Executive Officer, Wellspring Academy Trust) **VICE-CHAIRMAN**

NON-SCHOOLS' MEMBERS

Faith Groups (1)

Peter Tomlinson (Diocese of Lincoln)

Providers of 16 to 19 Education (1)

Heather Marks (Vice-Principal, Boston College)

Staff Trade Unions (1)

Andrew Watts (NEU)

Early Years Providers (1)

Julia Merivale (Trinity Day Nursery, Gainsborough)

**LINCOLNSHIRE SCHOOLS' FORUM AGENDA
THURSDAY, 5 OCTOBER 2023**

Item	Title	Pages
1	Apologies for absence/Replacement Members	
2	Declarations of Interest	
3	Minutes of the previous meeting on 29 June 2023	7 - 16
4	National Funding Formula for Schools - Update for 2024/25 <i>(To receive a report by Elizabeth Bowes, Strategic Finance Manager – Schools Finance Team, which provides a summary of the updates from the Department for Education (DfE) relating to the national funding formula for schools, central schools' services, high needs and early years for 2024/25)</i>	17 - 28
5	De-delegation of maintained primary school budgets 2024/25 and 2025/26 <i>(To receive a report by Mark Popplewell, Strategic Finance Lead – Children's Services, which seeks approval from the maintained primary school representatives of the Forum to the Local Authority's (LA) proposals for the de-delegation of certain budgets in 2024/25 and 2025/26)</i>	29 - 40
6	Revised Schools Budgets 2023/24 <i>(To receive a report from Mark Popplewell, Strategic Finance Lead - Children's Services, which notifies the Schools' Forum of the revised Schools Budgets for 2023/24 and seeks support for the proposed use of cumulative underspending from 2022/23)</i>	41 - 54
7	Lincolnshire Schools' Forum Work Programme <i>(This item provides the Schools' Forum with an opportunity to discuss potential items for future meetings, which will be subsequently included in the Work Programme)</i>	55 - 58

Democratic Services Officer Contact Details

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Please note: for more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting

- Business of the meeting
- Any special arrangements

Contact details set out above.

All papers for council meetings are available on:

<https://www.lincolnshire.gov.uk/council-business/search-committee-records>



**LINCOLNSHIRE SCHOOLS' FORUM
29 JUNE 2023**

PRESENT: GAVIN BOOTH (CHAIRMAN)

Amy Stancer (Headteacher, St Giles Nursery School, Lincoln), 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), Michele Anderson (Head Teacher, Spalding High School), Professor Ken Durrands CBE (Governor, The King's School, Grantham), Jo Slesser (Governor, Carres Grammar School, Sleaford), Steve Baragwanath (Executive Principal, University Academy Holbeach), Katie Grivil (Head Teacher, Kirkby la Thorpe Church of England Primary Academy), Dr Stephen Hopkins (Trust Chair of Communities Inclusive Trust), Josh Greaves (Deputy Chief Executive Officer, Wellspring Academy Trust), Peter Tomlinson (Diocesan Business and Operations Manager, Diocese of Lincoln), Andrew Everard (Chair of Governors, University Academy Long Sutton) and Chris Fitzpatrick (Head Teacher, Tall Oaks Academy Trust)

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), Sara Gregory (Interim Commissioning Manager, Children's) and Geraldine O'Neill (Lead Consultant - Early Years Entitlement)

1 ELECTION OF CHAIRMAN

It was proposed, seconded and

RESOLVED:

That Gavin Booth be elected as the Chairman of the Lincolnshire Schools' Forum for 2023/24.

2 ELECTION OF VICE-CHAIRMAN

It was proposed, seconded and

RESOLVED:

That Josh Greaves be elected as the Vice-Chairman of the Lincolnshire Schools' Forum for 2023/24.

2
LINCOLNSHIRE SCHOOLS' FORUM
29 JUNE 2023

3 APOLOGIES FOR ABSENCE/REPLACEMENT MEMBERS

Apologies for absence were received from Callum Clay, Simon Pickett, Philip Dickinson, Lea Mason, Josh Greaves and Andrew Watts.

4 DECLARATIONS OF MEMBERS' INTEREST

None were declared.

5 MINUTES OF THE PREVIOUS MEETING HELD ON 20 APRIL 2023

RESOLVED:

That the minutes of the meeting held on 20th April 2023 be approved as a correct record.

6 LINCOLNSHIRE SCHOOLS' FORUM - CONSTITUTION AND MEMBERSHIP UPDATE

Consideration was given to a report by the Strategic Finance Lead – Children's Services, which provided an update on the Lincolnshire Schools' Forum Constitution and Membership Document, as set out at Appendix A.

No changes have been made to the Schools' Forum (England) Regulations 2012 or the Schools and Early Years Finance (England) Regulations (2023) that would require a change to the current operating framework to the Forum. The membership composition has been reviewed and updated to reflect the current position (1 June 2023) and a forward plan of proposed membership from October 2023 of maintained and academy schools based on the January 2023 census data, as set out at Appendix A. The school membership composition remains unchanged for 2023/24. Only two additional academy conversions have taken place in that time within the mainstream sector. The Terms of Reference document at Appendix A has been updated to reflect the annual review on the composition of membership, and the Executive Councillor for Children's Services will be briefed of this position.

The Forum was advised that specific Schools' Forum training guidance would be updated and available in Autumn 2023 and would be shared with members of the Forum when complete.

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

- The Chairman sought members views on the location of the meetings, and whether there was a preference for some in person meetings rather than all virtual meetings as currently operated. Following a discussion, it was agreed that the Democratic Services Officer engage with members of the Forum to seek their preferences on the

location, time and day of future meetings prior to agreeing plans for future meetings with the Chairman.

- It was suggested that presentations for noting and regular reports be kept as brief as possible to help time management. However, acknowledgement was made to differing levels of experience in this area, and the need for detailed presentation, such as with new areas of content or areas of high interest, or for decision making reports was recognised.

RESOLVED:

1. That the report be noted;
2. That the updated Constitution and Membership document, including the annual review of composition membership, be endorsed.

7 IMPLEMENTING THE DIRECT NATIONAL FUNDING FORMULA - GOVERNMENT CONSULTATION OUTCOMES

Consideration was given to a report by the Strategic Finance Lead – Children’s Services, which provided an update on the Government consultation response publication to Implementing the Direct National Funding Formula (NFF), detailing the questions and outcomes of the consultation from the Summer 2022 consultation.

The Forum was advised that the Government had introduced measures in 2023/24 to move more Local Authorities towards the ‘direct’ NFF. This did not impact Lincolnshire’s mainstream schools as the Council currently adopted the NFF. The Government would announce the 2024/25 NFF settlement for Schools and High Needs in July 2023, which would confirm the Governments requirements on Local Authorities to bring their local funding formula closer to the NFF in 2024/25. Local Authorities would continue, for now, to be responsible for agreeing and calculating schools funding allocations.

The key outcomes of the consultation focused on:

- Interaction between high needs and schools funding, and block transfers;
- Indicative SEND budgets;
- Schools Growth funding, and
- Implementing a national split site factor.

The Council would continue to engage with the Department for Education (DfE) on these proposals and any future developments including responding to Government consultations to ensure Lincolnshire schools were represented and protection against changes were in place. Officers emphasised the importance of retaining local flexibility and decision-making powers.

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

- Schools were always encouraged to review consultation questions and respond to them with their own views, which were counted in terms of the overall summary provided by the DfE.
- Officers welcomed the additional funding that could be gained through the NFF but highlighted a concern with the lack of local flexibility that had been removed from the formula. The Council would continue to engage with the DfE over coming years to ensure that the formula was fit for purpose for Lincolnshire.
- The question related to the next agenda item (Section 251), whereby 23% of High Needs block funding is not being devolved out to Lincolnshire schools with funding budgeted for meeting education costs of external specialist placements where needs could not be met within Lincolnshire mainstream or special schools; outreach arrangements and central support budgets.
- There was no specific funding allocation for special schools in financial difficulty within the Section 251 line. Support through for special schools in financial difficulty would be subject to exceptional arrangements. In Lincolnshire, maintained special schools would be considered through the Local Authority monitoring and intervention protocol, which provides assistance from key Local Authority departments to recover its financial deficit and address challenges. It was also noted in the discussion that it is good practice to review a funding formula periodically to ensure it remains fit for purpose and delivers fair funding to schools.
- The Forum acknowledged the uncertainty in terms of future cost rises and the importance of ensuring that financial funding was sufficient.

RESOLVED:

That the report be noted.

8 SECTION 251 BUDGET STATEMENT 2023/24

Consideration was given to a report by the Strategic Finance Manager – Schools Finance Team, which provided a copy of the Section 251 (s.251) budget statement for the 2023/24 financial year.

The budget allowed all maintained schools and academies to have an oversight of how budgets had been set for the financial year and the overall Dedicated Schools Grant (DSG) funding was considered in completing the annual detailed budget setting exercise.

The report referenced details of the funding blocks, noting that the only block transfer the Local Authority had made for 2023/24 related to a £0.495m movement from available monies in the Central Schools Services Block (CSSB) to the Schools Block to enable Lincolnshire to continue to adopt the Government's mainstream schools' national funding formula factors and monetary values (except for the Age Weighted Pupil Unit value). The

transfer to the Schools block was required to meet the additional cost from an increase in Free School Meal eligibility due to the pandemic and received support from the Forum in January 2023. The total DSG for 2023/24 was £725.869m and further details could be found within the report.

The Forum were further advised that 99.87% of the Schools block was devolved to schools in the original budget shares publication; 96.18% of the Early Years block is allocated to the sector through participation-led driven funding with the remainder supporting statutory duties, and the High Needs block is earmarked to devolve out to Lincolnshire schools with the remainder supporting external placements, outreach arrangements and central support services.

Officers would continue to review the Government's publications that implicated 2023/24 funding including updates to the DfE's School and Early Years Finance Regulations, to ensure full compliance was achieved in 2023/24 and in future years.

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

- SEND provision was recorded within the budget for 'Top up and other funding – non-maintained and independent providers'. Costs of independent school placements for 2022/23 were £16.779m and there were 221 young people in independent special schools and 87 with Education, Health and Care (EHC) plans in independent settings which were non-special schools.
- The Forum highlighted their concerns over continued rising costs and budgetary pressures within schools. Officers assured the Forum that they would continue to engage with the Education and Skills Funding Agency regarding overall funding levels and identifying those key areas of cost increases.

RESOLVED:

That the report be noted.

9 ANNUAL REPORT ON SPECIAL EDUCATIONAL NEEDS AND DISABILITIES (SEND)

Consideration was given to a report by the Assistant Director, Education, which invited the Forum to consider and comment on the annual report for SEND, which included an update on SEND both nationally and within Lincolnshire and an overview of the high needs costs illustrating increasing pressures on the High Needs Budget. Details of funding streams and allocations were provided within the report.

The Forum noted that overall number of EHC plans increased in Lincolnshire by 6.5% compared to a 9% increase nationally. Also, requests for assessment and the number of new EHC plans issued in 2022 had not grown in Lincolnshire, contrary to national trends. Nevertheless, the cost of support for young people with EHC plans continued to rise significantly. A supplementary report would be provided at the October 2023 Schools'

Forum, would provide a more detailed analysis of those who have EHC Plans, where they receive support, their experience in education and their outcomes.

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

- The work of the SEND transformational group included tasks and finish group and other projects. Transformational work had been ongoing for around three years, and it was hoped that it would be completed within the next three to four years to contribute to the development of a sustainable plan.
- Conversations between the Integrated Care Board (ICB) and the NHS on funding support for children were ongoing. The ICB were aware of the financial pressures faced and the need to fully integrate and support work in SEND systems. It was suggested that the Designated Clinical Officer for the ICB be invited to attend the next meeting of the Forum to provide an update on this area.
- Assurance was provided that the shortfall in places for SEND pupils is being addressed through the expansive SEND capital programme in creating new places, along with other such strategies of step down from Independent Non-Maintained Special INMS and special schools to mainstream schools. Officers were working with special schools to continue to ensure that they could meet the needs of children within special schools. Despite significant price rises in INMS places the Council duty remained to place. Consideration would be given to the best value placement and the most appropriate, and understanding was given to the complexity of cases and the need for confidence and understanding from all partners.
- A key part of the health work stream was to address large scale issues and recognise key needs for special schools as a matter of urgency, which would include addressing the clinical duties carried out by teaching assistants with general mainstream job descriptions.

RESOLVED:

1. That consideration be given to the report and the comments made be recorded.
2. That it be noted that a supplementary report would be shared with the Forum in Autumn 2023.

10 EARLY YEARS ANNUAL REPORT

Consideration was given to a report by the Sustainability and Development Manager, which provided an update on support provided to the early years and childcare sector during 2022/23 and outlined the priorities for the service for 2023/24.

The report updated the Forum on the progress against each of the key priorities in the Early Years and Childcare Support Service in 2022-23 and detail behind the following priorities identified for the Early Years and Childcare Support Service for 2023-24 were outlined:

1. Spring budget announcements, including the expansion of childcare support for working parents to include children from 9 months old up to school age, and changes to Universal Credit childcare payments.
2. Team structure to meet demands, with the introduction of the new Government entitlements, and developing new childcare to support the national expectations to introduce or expand childcare provision on either side of the school day from 8am – 6pm.
3. Start for Life Strategy. The existing Early Childhood Strategy will be reviewed and developed to ensure this strategy was developed in collaboration with all partners involved in the Family Hubs programme and Start for Life offer.
4. Continuing Professional Development around 0-2 years. There will be a need to invest in the development of the workforce to support the 1,001 critical days and Lincolnshire's Start for Life offer.
5. SEN & Communication – The need for a stronger qualified workforce to meet the needs of children with SEND and communication needs.
6. Consideration will be made on the use of the Early Years block underspend identified from 2022-23 (£0.800m), to support the sector to deliver better outcomes for children in Lincolnshire. Of this sum, £0.200m had been earmarked against the fluctuation contingency fund for 3- and 4-year-olds in 2023/24, as the Local Authority looked to maximise the hourly rate to providers. Consideration would be made in the October Schools' Forum Revised Budgets report on the use of the underspend.

Lincolnshire received Secretary of State approval for the Disapplication request to capitalise £0.780m of DSG revenue funding to support childcare place sufficiency.

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

- A DfE grant funded scheme for a family hubs programme had been agreed with a specific delivery plan and conditions. It was explained that the January 2023 Early Years report provides an in depth explanation of the Early Years block and decision made by the Forum on centrally-agreed budgets
- The Forum acknowledged the increased expectation on delivery of early years education and the amount of wraparound support provided, as well as capacity. The Government wanted to ensure sufficient, and sustainable childcare support could be provided by high qualified members of staff within early years. The Council would be looking to learn from the pathfinder scheme and would be exploring the current capacity and options for the recruitment and retention of staff. A scoping exercise had begun which would provide a high-level analysis of the number of children of working families that would require additional childcare places to assess need.
- The expansion of childcare support for working parents to include children from 9 months old up to school age would be rolled out in phases so it was felt it would be manageable.

RESOLVED:

1. That the report be noted;
2. That the priorities for 2023-24 be agreed.

11 PORTAGE SERVICE

Consideration was given to a report by the Commissioning Manager – Children’s Strategic Commissioning, which provided an overview of the findings from the review of the Portage Service and sought support from the Forum on the recommendation to re-commission a Portage Service and to continue its funding from the High Needs Block of the DSG.

Following a review of the Portage Service, it would be recommended to re-commission to one-provider led Portage Service via an expression of interest process to Lincolnshire special schools within the Lincolnshire SEND Alliance, which would ensure that special school expertise can continue to be utilised to provide Portage support for eligible children in their early years up to the age of five years, and their families. The recommended model will ensure staffing and funding resources were needs-led and will provide an equitable offer for all eligible families across the County. It would also provide the opportunity for more integrated working and seamless pathways between services in order to support eligible young children, and their parents/carers to access the right support, at the right time.

The Forum considered the report and were supportive of the continuation of a necessary service for children.

RESOLVED:

1. That the report be noted
2. That the recommendation to the Executive Councillor for Children’s Service, Community Safety, Procurement and Migration to continue to fund a Portage Service from the High Needs Block of the Designated Schools Grant be supported.

12 ACADEMIES AND TRUST UPDATE

Consideration was given to a report by the Strategic Finance Manager – Schools Finance Team, which provided an update on the latest position regarding the number of Maintained Schools and Academies and the pupils in academies, and academy trusts, as detailed within the report.

Since the last report, Wrangle Primary School had applied to become an academy and to join University of Lincoln Academy Trust.

Digby Church of England School, Willoughby St Helena's Church of England Primary School, Skegness The Richmond School and Cowbit St Mary's (Endowed) Church of England Primary School are the schools that are required to become academies, but no trusts had yet been allocated.

There had been no changes trust changes since the last report.

RESOLVED:

That the report be noted.

13 LINCOLNSHIRE SCHOOLS' FORUM WORK PROGRAMME

The Forum were invited to consider the current work programme.

It was noted that the work programme would be updated once meeting locations/dates had been agreed.

14 FUTURE MEETING DATES

Future meeting dates would be agreed with the Chairman and circulated to the Forum once feedback on location and time of meetings had been received.

The meeting closed at 2.37 pm

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Open Report on behalf of Heather Sandy, Executive Director - Children's Services

Report to:	Lincolnshire Schools' Forum
Date:	05 October 2023
Subject:	National Funding Formula for Schools - Update for 2024/25

Summary:

The purpose of this report is to provide a summary of the updates from the Department for Education (DfE) relating to the national funding formula for schools, central schools services, high heeds and early years for 2024/25.

Recommendation(s):

Schools' Forum is asked to note the content of the report, and to comment on the steps to ensure the national funding formula is affordable.

Background

The Government first introduced the national funding formula (NFF) in 2018/19 for mainstream schools, its purpose was to create consistency in funding across all schools nationally ensuring a fairer settlement for each school. Since its introduction, Local Authorities (LAs) have continued to be responsible for agreeing and calculating schools funding allocations however, LAs were strongly encouraged to move to the NFF arrangements so that schools' allocations were on a sensible trajectory towards the 'hard' formula, subject to floors and ceilings due to a re-distribution of funding nationally.

In 2020/21, the Government made available sufficient funding to LAs to replicate the NFF so that all schools would attract at least their full allocations under the formula. In 2021/22, the Government made further refinement to the NFF, which the LA consulted with the sector on to continue adopting the NFF (I021123). As part of the transition to the 'hard' formula all LAs were required to bring their own formula factor values 10% closer to the NFF in 2023/24. This has seen a further increase in LAs who are now mirroring the NFF, 106 out of 150 LAs mirrored¹ the NFF in 2023/24 (78 LAs mirrored the NFF in 2022/23). Lincolnshire is one of those LAs. Since the introduction of the NFF in 2018/19, Lincolnshire has adopted the Government's NFF due to the increased per pupil funding

¹ Formula Factor values within 2.5% of the respective NFF values are deemed to be 'mirroring' the NFF.

levels that have been received. It currently remains the LA decision on setting its schools funding formula within the DfE’s funding framework.

In 2023/24, Lincolnshire continued to adopt the monetary values of the NFF factors, however due to the significant increase in Free School Meals (FSMs) recorded on the October 2022² census resulting from the pandemic, as LAs are expected to finance this increase through their Schools block allocation, Lincolnshire undertook three steps in order to ensure the affordability of the NFF:

- Reduction of the Schools Growth funding budget by £1.934m whilst still ensuring the LA fulfils its statutory duty of providing school places for pupils in Lincolnshire.
- A budget transfer of £0.495m from available funding within the Central Schools Services block.
- A downward adjustment of 0.075% of the Key Stage Age Weighted Pupil Unit (AWPU) values from the Government’s NFF rates

These measures of addressing affordability of the NFF were formally approved (I028812).

School funding announcements

As part of the spending review the Government announced in 2021, the 2023/24 national school funding levels would rise by £1.5bn to £55.3bn or a 1.9% increase in per pupil funding, with a further rise of £1.5bn to £56.8bn in 2024/25. The Autumn 2022 statement announced a further £2bn increase in funding in each of 2023/24 and 2024/25 to respond directly to increasing costs faced by schools with the 2023/24 allocated through a separate grant outside of the NFF (Mainstream Schools Additional Funding Grant).

On 17 July 2023, the Government announced its funding intentions for 2024/25 including publication of the Schools Revenue Funding 2024/25 Operational Guidance and the provisional Dedicated Schools Grant (DSG) allocations for 2024/25.

The total core schools budget will total £59.6bn in 2024/25. This includes the additional funding for Teachers’ Pay Additional grant (TPAG) to fund the teachers’ pay award, providing an additional £482.5m in 2023/24 and £827.5m in 2024/25. Funding through the mainstream schools NFF is increasing by 2.7% per pupil in 2024/25 compared to 2023/24.

	£ Bn	2022/23	2022/23	2023/24	2024/25
Spending Review 2019		49.80	52.20	52.20	52.20
Spending Review Settlement for 2022/23			1.60	3.10	4.60
		49.80	53.80	55.30	56.80
Autumn Statement 2022 (pay and utilities)				2.00	2.00
TPAG - teachers' pay announcement				0.48	0.83
				57.78	59.63

² Comparing the FSMs recorded on the October 2019 schools census to the latest census, the primary sector eligibility has increased by 55% and secondary schools eligibility by 70%. The schools population has only grown by 2% in the same period

For 2024/25, the DSG will continue to comprise of four blocks – Schools block, Central School Services block, High Needs block, and Early Years block.

Provisional allocations for 2024/25 are detailed in the table below:

Block	Lincolnshire (£m)
Schools block	583.181 ³
Central School Services block	4.718
High Needs block	130.665
Total	718.564
Early Years block	TBC

Schools block

Schools block allocations are calculated by aggregating schools' notional allocations under the NFF. Schools block allocations are expressed as a separate per pupil primary and secondary rate for each LA. The primary and secondary ranked positions for Lincolnshire have remained fairly static from a national context for 2024/25, although the primary unit of funding has moved close to the England national average. The secondary unit of funding remains below the England national average, as a result of the indices being used:

2023/24	Lincolnshire's Unit of Funding	England National Average	Difference	Rank
Primary	£4,933	£5,014	-£81	103
Secondary	£6,216	£6,542	-£326	54
2024/25				
Primary	£5,327	£5,325	£2	104
Secondary	£6,611	£6,936	-£325	56
Difference				
Primary	£394	£311	£83	2
Secondary	£395	£394	£1	0

The Schools Revenue Funding 2024/25 Operational Guide is available on the below link:

[Schools operational guide: 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118122/schools_operational_guide_2024_to_2025.pdf)

Information within the guidance in relation to the Schools block confirms:

- LAs will continue to set the local schools funding formula for 2024/25.
- Following consultations on completing the reforms to the 'hard' NFF, for 2024/25 those LAs not mirroring the NFF must move their local formula factors 10% closer to the NFF. This will not impact Lincolnshire as the LA are already mirroring the NFF.
- Free School Meals factor will increase by 1.6%, in line with GDP deflator forecast for 2024/25
- All other formula factors in the NFF will increase by 2.4%.

³ Excludes Schools Growth funding. Includes £18.813m from the Mainstream Schools Supplementary Grant for 2022/23.

- The minimum per pupil funding levels will be set at £4,655 for primary (currently £4,405) and £6,050 for secondary schools (currently £5,715)⁴.
- Every school through the NFF will be allocated at least 0.5% more pupil-led funding per pupil compared to their 2023/24 NFF baseline, i.e. the Minimum Funding Floor. This means that every school will attract an increase in their pupil-led funding of at least 0.5% per pupil, if the NFF is replicated. The application of this will be subject to affordability.
- LAs will continue to set the Minimum Funding Guarantee (MFG) per pupil between +0.0% and +0.5%. Lincolnshire currently apply a +0.5% MFG rate.
- Mainstream Schools Additional Grant funding that schools received as a separate grant in 2023/24 has been rolled into the NFF for 2024/25. This will be achieved by adding an amount representing the funding schools received through their grant into their baseline for protection purposes and adding funding to the NFF lump sum, basic per pupil rates and FSM6 replicating the distribution of the grant.
- There will be no gains ceiling cap. All schools will attract at least their full allocations under the formula. LAs will still be able to use a cap in their local formula for affordability purposes.
- Following the second consultation on the transition to the 'hard' NFF, a national formulaic approach to split site funding will be introduced, replacing the previous LA-led approach. This will be a compulsory factor. The split sites factor targets extra funding to schools which operate across more than one site. The factor will be made up of two parts: basic eligibility entitlement (where schools will receive a lump sum for each of their additional eligible sites) and a distance funding entitlement (schools will receive this funding if the eligible sites are separated by more than 100 metres (by road distance) from the main site). From prior modelling undertaken by the LA, the previously determined split site secondary schools will incur a reduction in funding via this new methodology, however funding protection will be applied through the operation of the MFG. Officers will review the impact in the 2024/25 budget shares modelling work that is currently taking place.
- The Education Skills Funding Agency (ESFA) proposed changes to the methodology of paying rates bills in 2022/23. Under the new methodology the ESFA would pay rates bills directly to the billing authority on behalf of all maintained schools and academies. In order for the new methodology to be adopted all billing authorities in the LA would need to agree to the new payment method. The billing authorities in Lincolnshire opted not to adopt this change in 2023/24. However, the ESFA are strongly encouraging all billing authorities to adopt the new payment method in 2024/25. Officers are in dialogue with the billing authorities in Lincolnshire with the aim of transferring to the new payment method for 2024/25. Further details are to follow.
- Following the cancellation of progress assessments in the summer of 2020 and the summer of 2021 due to the pandemic, LAs will be required to use 2019 assessment data as a proxy in the low prior attainment factor within their local funding formulas' for the reception to year 6 cohort.
- Premise funding will continue to be allocated to LAs on the basis of prior year actual spend in the 2023/24 Authority Proforma Tool (APT). The Private Finance

⁴ The minimum per pupil values have been uplifted by the mainstream schools additional grant funding basic per-pupil values, and an additional amount which represents the average amount of funding schools received from the FSM6 and Lump Sum parts of the grants.

Initiative (PFI) factor will increase in line with the RPIX measure of inflation (10.4%) to reflect PFI contracts.

- Growth funding will continue to be allocated to LAs based on the formulaic approach introduced in 2020/21 based on the growth in pupil numbers between October 2022 and October 2023 census. The Government's growth funding applies a lagged approach rather than forecasting future growth expected. When allocating growth funding LAs must ensure funding allocated is at least the minimum funding level as set out in the NFF guidance, which the LA complies with.
- For the first time in 2024/25 LAs will receive funding based on falling rolls as well as growth. Falling Rolls Funding will be allocated to LAs on the basis of the reduction in pupil numbers that an LA experiences each year. Officers are currently reviewing whether a Falling Rolls factor is required in Lincolnshire.
- LAs have received updated guidance regarding their Notional SEN budget calculations within a schools delegated budget. Officers are currently reviewing this guidance and a further update will be provided at the January meeting.
- The Schools block continues to be ring-fenced, LAs can transfer up to 0.5% of their Schools block funding into another block, following consultation with all schools and academies and the approval of Schools' Forum.

Appendix A provides a funding comparison of the NFF factors from 2023/24 to 2024/25.

The sector and the Schools' Forum have supported Lincolnshire's decision to continue adopting the NFF due to the increased per pupil funding levels being seen in all mainstream schools. The LA still does however consider local flexibility and decision-making powers important to best respond to local needs and demands on a timely basis within reasonable DfE parameters, including LAs having a voice on nationally established arrangements.

The fundamental principles of the NFF are not changing for 2024/25. In accordance with the 20 January 2021 Executive Councillor decision and sector support through the consultation exercise, the LA plans to continue replicating the NFF in 2024/25, which will include the modest changes identified above. This will of course be subject to affordability of the Schools block due to the Government's application of lagged funding arrangements for LA Schools block funding. The latest October schools census information for determining schools budgets is typically shared with the LA Finance departments in mid-December, and at that point the LA completes the APT to determine schools budgets and the assessment of affordability, before being submitted to the ESFA for compliance by 22 January 2024. This therefore leaves limited time for engagement with the sector on the impact of specific measures to address affordability, if necessary. The LA consulted with the Schools' Forum on the proposed measures to address the affordability gap of the NFF in 2023/24, which has been outlined in the Background section of this report. The LA would favour adopting the same approach and principles, if affordability issues arose for 2024/25. The affordability position will be shared with the Forum in the January meeting including the mitigating measures to address this and the school impact.

In light of the LA plans to continue adopting the NFF in 2024/25; the support received from the sector for this decision from previous consultations (since 2018/19); the minor DfE refinements to the NFF for next year including incorporating mainstream grant

additional funding into the NFF, formula factor monetary value increases by defined percentages, and the time practicalities on consulting with schools on the impact of affordability changes and prior feedback from schools on solutions, the LA concludes at this point in time that a schools consultation will not be required for mainstream schools funding in 2024/25.

Central Schools Services block

The published information outlines that within the Central School Services block, funding will continue to be provided to LAs to carry out central functions on behalf of maintained schools and academies, comprising two distinct elements:

- Ongoing responsibilities
- Historic commitments

The ongoing rate per pupil for 2024/25 is £38.85 (compared to 2023/24 rate of £37.17), a 4.52%⁵ increase. This includes £5.5m nationally added to cover the increased cost of copyright licences (£0.97 per pupil for Lincolnshire). In summary, a £0.71 per pupil rise (or 1.9% increase). The final allocation will be subject to the October 2023 schools census, but the provisional allocation is £4.718m (2022/23: £4.781m). This will be considered when the detailed budget setting exercise is fulfilled.

The Government will continue to reduce historic commitments monetary values by 20% in 2024/25. For Lincolnshire this is a £0.228m reduction. This funding is required to support the remaining long-term contract in place, namely PFI school buildings. The LA will be seeking agreement from the DfE Policy Team for 2024/25 to have the contract value funding protected going forward to enable the LA to meet its contractual commitment.

High Needs block

The published information outlines that within the High Needs (HN) block the provisional allocation for 2024/25 has increased by £4.241m to £130.665m⁶.

Within the HN block the funding floor has been set at 3% so that each LA will see an increase of at least 3% per head of their 2 to 18 population in 2024/25. To ensure Lincolnshire receives its 3% per head funding uplift, in addition to the national high needs formula, it receives protection funding of £7.527m (or £51.20 per pupil) within the funding allocation. The protection funding in 2023/24 was £8.692m. Hospital funding has increased by c.3%.

Compared to prior year funding increases (2022/23: 9.8% per head), the funding increase of 3% per head is modest and will place significant pressure on Lincolnshire in managing the cost demands within its 2024/25 allocation. Financial planning is indicating an in-year overspend in 2024/25 in light of demand and price changes, with refinement of assumptions taking place over the coming months, as the position becomes clearer. This forecast in-year overspend would need to be met from available reserves to provide a balanced budget. A higher cost base includes increased demand and prices in alternative

⁵ CSSB ongoing responsibilities 90% distributed through basic per pupil factor, 10% through FSM Ever 6

⁶ Historic Funding £31,461,638, Proxy Funding £79,247,014, 3% growth funding £7,526,992, Hospital School funding £2,893,516, Basic Entitlement funding £11,011,580, Imports & Exports -£1,476,000

provision; an increasing number of Education Health Care plans being issued, and mainstream schools unable to meet need, therefore special school places are being exhausted, which is leading to more external placements being required (a 14% increase in SEND placements over the last 16 months), and unfavourable market conditions has seen placement costs increase by over 30%.

Detailed budget planning and trajectory work, and sector engagement will take place in the autumn to substantiate the requirements of high needs spending. Information will be shared in the January Forum meeting.

There continues to be a growing trend nationally, and this growth is being experienced in Lincolnshire with more young people requiring specialist support which is having a material financial impact on the HN block. This remains a financial challenge. In Lincolnshire, transformational work is still considered fundamental to securing further improved outcomes for young people with SEND through a truly integrated approach, whilst also securing an offer for Lincolnshire that is financially sustainable within the central Government allocation. The SEND Transformation Board is governing the transformational process and its key work streams, including monitoring of progress against our ambitions.

Early Years block

Following the consultation on reforms to the Early Years Funding Formula in July 2022, the 2023 Spring Budget announced additional funding for the existing early years entitlements for disadvantaged 2-year-old children, 3-and-4-year-old children, maintained nursery schools, disability access fund and Early Years Pupil Premium for 2023/24 and 2024/25.

In July 2023, the Government confirmed an extra £204m through the Early Years Supplementary Grant (EYSG) for September 2023 to March 2024. For 2024/25, this would rise to £288m however this would not be through a separate grant, but form part of the Early Years block of the DSG.

The additional funding from central Government was in response to the rising child sector costs to support the financial sustainability of providers. Lincolnshire will passport the participation hourly rate increases in full to the sector, which is in accordance with the grant conditions. For Lincolnshire, the indicative funding is £2.369m in 2023/24, which will support an hourly rate increase of £1.77 per pupil for disadvantaged 2-year-old children (current provider rate of £5.29 per hour), and an hourly rate increase of £0.33 per pupil for 3-and-4-year-old children (current provider rate of £4.42 per hour). The sector has received communications on the additional rates delivered through the EYSG.

From April 2024, eligible working parents of 2-year-olds will get a new offer of 15 hours of entitlement per week of free childcare. A new funding formula rate for 2-year-olds will be required to be introduced under a new DfE funding framework, which the DfE has completed a consultation on. From September 2024, eligible working parents will get 15 hours of entitlement per week of free childcare from nine months until their children start school, which will also require a new funding formula rate. From September 2025, this will rise to 30 hours entitlement for working families.

Pupil Premium

Pupil Premium will continue in the 2024/25 financial year. Rates will be published later in the year.

Teachers' Pay Additional Grant (TPAG)

On 13 July 2023 the Government announced additional funding of £525m in 2023/24, with a further £900m in 2024/25 for schools' teachers' pay costs, through the Teachers' Pay Additional Grant (TPAG). Although this funding is categorised as a separate grant for 2023/24 and 2024/25, the ESFA have indicated they intend to incorporate this funding into schools core funding from 2025/26 for primary and secondary schools.

The base funding rates for 5-16 schools will be as follows for 2023/24:

- Basic per-pupil rate of £36 for primary pupils, including pupils in reception
- Basic per-pupil rate of £50 for key stage 3 pupils
- Basic per-pupil rate of £57 for key stage 4 pupils
- Lump sum of £1,345 per school
- FSM6 per-pupil rate of £31 per eligible primary pupil
- FSM6 per-pupil rate of £45 per eligible secondary pupil

For special schools and alternative provision schools, it is the role of the LA to determine the distribution of this funding to the sector, in accordance with the specific grant conditions. The funding the LA has received is £260 per place. The LA is in the process of engaging with the sector.

In Lincolnshire, this will represent funding of £5.638m for the primary and secondary sector and £0.676m for special schools and alternative provision schools.

Conclusions

The funding announcements show an increase in per pupil funding for Lincolnshire mainstream schools. 2024/25 is the third and final year of the three-year funding settlement. It is hoped that this increase in funding combined with the TPAG will assist the financial position of schools at a time when costs are rising. The LA will continue to monitor the position for the county's schools.

The HN block will continue to require careful and prudent management going forward as a result of the reduction in the funding growth when compared to prior years and increasing cost base caused by demand and price changes, and the impact all these factors have on the financial sustainability of the HN block.

The introduction of the new early years funding is still under review by the DfE following its recent consultation with LAs. The LA will be required to establish a new funding formula and universal rate for 2-year-olds. The LA intends to engage with the sector on this to help shape the outcomes. Further information will be shared with the Forum in the January 2024 meeting.

Next Steps

The LA has received the draft version of the APT that includes October 2022 census data to enable officers to undertake financial modelling of school budgets to fully understand the impact of the funding announcements detailed in this paper. In addition, officers are modelling any further rises in FSMs and the impact this will have on affordability of the Schools block.

The sector and Schools' Forum have supported the decision for Lincolnshire to adopt the NFF due to the increased per pupil funding levels being seen in all mainstream schools. The LA plans to continue adopting the NFF in 2024/25. The fundamental principles of the NFF are not changing for 2024/25, and such refinements are increasing the formula factor monetary values. The LA concludes at this point in time that a schools consultation will not be required for mainstream schools funding in 2024/25, as the LA plans are to continue adopting the NFF.

A final version of the APT will be released in December 2023. This tool will include October 2023 census information and will be used to calculate school budget shares for 2024/25. The Schools' Forum will be updated on the affordability position of the NFF in the January 2024 meeting. The APT will be submitted to the ESFA by 22 January 2024 for compliance purposes.

School budget shares must be published by 29 February 2024.

The Government has conducted its latest consultation on how further reforms to the NFF will be implemented, with the intention of moving to a 'hard' formula. The Government expect to have moved all schools onto the NFF within the next four years, by the 2027/28 funding year. This would remove the LA responsibility in the setting of school budgets. The LA has responded to the latest consultation concluding the importance of retaining local flexibility and decision-making powers for aspects of schools funding, such as schools growth arrangements to support our statutory duty and premise-led factors. What the NFF has achieved is a move to greater consistency in how LAs are funded, which the LA considers to be extremely important in ensuring fair and equitable funding for the schools sector in each area.

Consultation

a) Risks and Impact Analysis

The affordability of the Schools block in adopting the NFF for 2024/25 will be considered through the financial modelling and completion of the December APT that contains the latest schools census information. The LA would favour adopting the same approach and principles, if affordability issues arose for the NFF in 2024/25.

CSSB Historical Commitment Funding will reduce by a further 20% per annum in 2024/25 in accordance with the ESFA expectations that contracts are starting to have reached their natural conclusion. The LA will be seeking agreement from the DfE Policy Team for 2024/25 to have the contract value funding protected going forward to enable the LA to

meet its contractual commitment (to the end point of August 2032).

High Needs Funding – there continues to be a significant growth in the demand for more specialist support for young people, which is having a material financial impact on those centrally-held budgets of the HN block. Service leads and the SEND Transformational Board remain focused on delivering a sustainable budget through effective service and financial planning, however this is at a time where 2024/25 funding growth is falling compared to prior years and an increasing cost base caused by demand and price changes. Prudent financial management is therefore important to avoid the LA falling into a DSG overspend position.

Appendices

These are listed below and attached at the back of the report	
Appendix A	NFF for Schools - Update for 2024/25

Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Implementing the Direct National Funding Formula – Government consultation outcomes	Report Reference: (moderngov.co.uk)
School Funding Arrangements 2023/24	Report Reference: (moderngov.co.uk)

This report was written by Elizabeth Bowes, who can be contacted on 01522 554905 or elizabeth.bowes@lincolnshire.gov.uk

Funding comparison of the NFF factors from 2023/24 to 2024/25

	Description	2023/24 Rates		2024/25 Rates *		Percentage Change	
		Amount Per Pupil	Amount Per Pupil	Amount Per Pupil	Amount Per Pupil	Primary	Secondary
1) AWPU	Primary (Years R-6)	£3,394		£3,597		2.4%	
	Key Stage 3 (Years 7-9)	£4,785		£5,072		2.4%	
	Key Stage 4 (Years 10 - 11)	£5,393		£5,717		2.4%	
	Description	Primary amount per pupil	Secondary amount per pupil	Primary amount per pupil	Secondary amount per pupil	Primary	Secondary
2) Deprivation	FSM	£480	£480	£490	£490	1.6%	1.6%
	FSM Ever 6	£705	£1,030	£830	£1,210	2.4%	2.4%
	IDACI Band F	£230	£335	£235	£345	2.4%	2.4%
	IDACI Band E	£280	£445	£285	£455	2.4%	2.4%
	IDACI Band D	£440	£620	£450	£635	2.4%	2.4%
	IDACI Band C	£480	£680	£490	£695	2.4%	2.4%
	IDACI Band B	£510	£730	£520	£750	2.4%	2.4%
IDACI Band A	£670	£930	£685	£950	2.4%	2.4%	
3) English as an Additional Language (EAL)	EAL 3 Primary	£580		£595		2.4%	
	EAL 3 Secondary		£1,565		£1,605		2.4%
4) Mobility	Pupils starting school outside of normal entry dates	£945	£1,360	£970	£1,395	2.4%	2.4%
5) Prior Attainment	Primary Low prior attainment	£1,155		£1,185		2.4%	
	Secondary pupils not achieving (KS2 English or Maths)		£1,750		£1,790		2.4%
6) Lump Sum		£128,000	£128,000	£135,700	£135,700	2.4%	2.4%
7) Sparsity		£56,300	£81,900	£57,700	£83,900	2.4%	2.4%
	Minimum Per Pupil Funding Level	£4,405	£5,715	£4,655	£6,050	2.4%	2.4%
	Minimum Funding Floor	0.5%	0.5%	0.5%	0.5%		
	Minimum Funding Guarantee	+0.0% - +0.5%		+0.0% - +0.5%			

* 2024/25 NFF monetary values include the 2023/24 mainstream schools additional funding allocations before the application of the percentage increase outlined above:

- Primary basic per-pupil £119
- Key stage 3 (KS3) basic per-pupil £168
- Key stage 4 (KS4) basic per-pupil £190
- Primary FSM6 per-pupil £104
- Secondary FSM6 per-pupil £152
- Lump sum £4,510
- £143, £186 and £208 to the minimum per pupil funding levels for primary, KS3 and KS4 respectively.

A schools baseline funding for 2023/24 will incorporate the mainstream schools additional funding grant funding allocations for Minimum Funding Guarantee purposes.



Open Report on behalf of Heather Sandy, Executive Director of Children's Services

Report to:	Lincolnshire Schools' Forum
Date:	05 October 2023
Subject:	De-delegation of maintained primary school budgets 2024/25 and 2025/26

Summary:

The purpose of the report is to seek approval from the maintained primary school representatives of the Forum to the Local Authority's (LA) proposals for the de-delegation of certain budgets in 2024/25 and 2025/26.

Recommendation(s):

That the maintained primary school representatives on the Schools' Forum are asked to:

1. Agree to the proposals for the use of de-delegation reserves.
2. Agree to the de-delegation of the budgets for the period 2024/25, and 2025/26 (in principle), as set out below.

Background

The Department for Education (DfE) previously introduced radical reforms to school funding arrangements in April 2013. Although LAs were required to delegate more budgets to schools as part of the reforms, they were permitted to seek de-delegation of some services for maintained schools. The Government's decision to implement the national funding formula still allows the de-delegation arrangement for maintained schools to continue¹.

Key features of these arrangements include:

- Only maintained primary and secondary mainstream schools can have funds de-delegated from their budget share. Academies are therefore unaffected, and for that reason, they are not permitted to vote on de-delegation matters.
- The decision to de-delegate funds for maintained schools should be considered and voted upon separately by each sector.

¹ DfE: Schools Revenue Funding 2024 to 2025 – Operational Guide.

- Where there are no maintained school representatives on the Schools' Forum for a particular sector, no decision can be made and de-delegation is therefore not possible.
- Should there be conversion of any more schools to academies, it will reduce the total sum de-delegated for a service, if the per pupil deduction remains unchanged.
- Any underspendings that arise on budgets de-delegated from maintained schools should, as a point of principle (i.e. fairness), be earmarked for the benefit of the maintained schools in that sector only.

De-delegations for 2022/23

For 2022/23 maintained primary schools agreed to de-delegate funding for:

- Contingency, i.e. termination of employment costs for schools in financial difficulty, and; exceptional unforeseen costs;
- School Improvement services; and
- Ethnic Minority and Traveller Education Team (EMTET).

No funds were de-delegated for maintained secondary schools.

The cumulative underspend reported at 31st March 2023 was £1.396m. This included an underspend on activities of £0.518m during 2022/23. This underspend was largely related to the termination of employment costs for maintained primary schools in financial difficulty to support their future financial sustainability (£0.179m). Although school balances have fallen slightly from the prior year, the maintained primary schools remain in a good financial position overall. The budget for termination of employment costs has been reduced to £0.150m from 2023/24. Other underspends included the natural conclusion of the interim headteachers service (£0.177m), which has been superseded with Locality lead support to leaders and improved partnership working between schools, and school intervention support (£0.141m). Further information of de-delegated services can be found in Appendix A.

The cumulative underspend includes the additional one-off school advisor support fund of £0.260m² from Council funding to support with the Council's statutory duties for school improvement services to maintained schools. The Council has been able to provide this function without drawing on this reserve, however from 2023/24 it is planned to be drawn on. The Council wish to earmark further school advisor support funding of £0.138m to support sustained improvements to 2026/27, therefore increasing the earmarked fund to £0.398m overall.

Maintained primary school members of the Forum supported the Council in launching last year a two-year programme to increase pupils' fluency in reading by Year 2, develop pedagogical approaches of practitioners in relation to communication and language and early reading and to provide a sustainable model to ensure the on-going development of

² The Council has funded the additional school advisor support since its introduction in 2018/19, however going forward it is anticipated that this funding will start to be utilised.

these approaches in Lincolnshire, including the development of reading and language frameworks and assessment approaches. Funding of £0.151m remains earmarked for this. This programme was in the context of Lincolnshire's children performing less well than the majority of their peers nationally, although the gap is narrowing in Reading and Maths against national and our more positive position against our neighbours. Lincolnshire's gaps in attainment to national, for English related subjects (reading, writing & grammar, punctuation, and spelling), has improved in 2023 - all narrowing by 1% or more.

The focus of the service is on intervening early and supporting schools in driving school improvement activity. Lincolnshire is now mid-way in the league table of our statistical neighbours, and we estimate (validated data is not available), that we are now in the bottom quartile – up from the bottom decile - compared to the national context. The percentage of pupils achieving Reading, Writing and Maths above the expected standard in Maintained schools is higher on average than those in Academies, Academy Converters, Academy Sponsored and MATs. The progress of Lincolnshire Children in Care in Reading Writing and mathematics is greater than Lincolnshire pupils average and National Children in Care in 2022 and 2023. Due to improvement in 2023, Lincolnshire Children Adopted from Care now outperform National Children Adopted from Care. Since September 2022, there are 25 maintained schools who were previously less than good, are good or better or have remained good after an ungraded inspection. The offer of support brokered with the Teaching School Hub is also available to academies as a paid service. The Education Team will continue to engage as much as possible with the academy sector to offer support and advice.

The Council proposes to continue supporting this journey of improving education standards for primary maintained schools and has identified £0.500m from the cumulative underspend to facilitate this. Following analysis of patterns of impact and intervention, the Council are in the process of developing plans in how it can support leaders to more effectively monitor and assess the performance of children through all key stages at primary phase, along with key strategies to secure effective intervention processes. This will be aimed at all pupils but emphasising the 'first 20%' (the lowest attainers) and disadvantaged pupils. It is envisaged that the Teaching School Hub would be a key partner in its delivery running with the project running over a five-year period and provide a universal framework for schools to use coupled with bespoke support for schools in the most challenging circumstances. The legacy of the project will be that schools are more effective in providing support for all pupils and attainment gaps are closing across the county, with a cadre of school-based colleagues on hand to offer support to their peers.

The remaining de-delegated reserves balance would be £0.347m. There are a number of variables to these de-delegation budgets: maintained schools to academy status can reduce the budgets in-year depending on their conversion date; the number of schools in financial difficulties or forecasting to be within two years, and financial support in accordance with policy to support schools with staffing changes to secure a sustainable budget going forward; supporting school leaders or providing leadership for vulnerable schools, which require a responsive solution, and interventions to make rapid, identified improvements where school finances would otherwise prevent this from happening. Even allowing for core schools spending increasing to £59.6bn nationally in 2024/25, which

includes funding for Teachers’ Pay Additional grant and a 2.7% per pupil increase in the national funding formula, the education sector continue to see rising costs putting pressure on school budgets. It is considered that a degree of prudence is required which is consistent with prior treatment; therefore, the Council propose to retain £0.347m provision within the available cumulative underspend to support the sector. This provision will ensure certainty in de-delegation amounts for primary maintained schools where unexpected costs arise due to the delivery of services, i.e. an increased demand from primary maintained schools.

De-delegations for 2023/24

The de-delegation budgets for 2023/24 were agreed by the maintained primary school representatives of the Schools’ Forum in October 2022. The final per pupil rates using the October 2022 census (26,066 primary maintained pupils) were set at:

Contingency	£29.23 per pupil
Ethnic Minority and Traveller Education Team (EMTET)	£ 7.16 per pupil ³

This financed the following:

Termination of employment costs	£0.150m
Primary maintained Locality Lead support and Intervention Funding	£0.522m
Additional Intervention Locality Lead	£0.090m
Ethnic Minority and Traveller Education Team (EMTET)	£0.187m

For 2023/24, the Council responded to the DfE’s ending of LAs School Improvement Monitoring and Brokering Grant for school improvement activities supporting maintained schools by reviewing existing de-delegation budgets and re-purposing to support the direct work with maintained primary schools. The Council continues to find that the most impact in schools is from additional expertise being deployed into vulnerable schools to work with leaders to add capacity and address immediate issues. In order to ensure that the most vulnerable primary maintained schools are supported effectively and in a timely fashion we have seen that the capability to deploy an additional school improvement professional into a school, for a limited period, is most effective. Our most vulnerable primary maintained schools are certainly those for which such an approach is beneficial. The Council consider the Education Locality Leads, support, monitoring, challenge and expertise to be a priority for maintained primary schools improvement, previously funded through the grant, therefore the reason the Council re-purposed the de-delegation funding towards this priority.

The existing Council funding continues to support the strategic system leadership for all schools and statutory responsibilities. The Council reviewed opportunities for general

³ The EMTET per pupil rate reflected the number of maintained schools and the budget requirement of £0.187m – this ensures the current staffing establishment is fully funded.

efficiencies and smarter working through both the strategic system leadership and our statutory responsibilities for maintained schools that are being implemented in 2023/24.

Proposals for 2024/25

The Council proposes to continue operating a hybrid model with capacity provided by the central team for universal maintained primary schools, including those schools in financial difficulties to be able to bid for additional specialist activity over and above this, which includes support from the primary maintained intervention fund. This would ensure that all schools requiring support to improve outcomes and be in a secure position for Ofsted inspection could receive support quickly.

It is proposed that the current contingency rate of £29.23 per pupil continues in 2024/25, which will support a hybrid model of maintaining the support to maintained primary schools from Education Locality Leads following the DfE decision to end the grant funding in 2022/23; the previously agreed additional school improvement capacity; primary maintained intervention funding, and termination of employment costs for maintained primary schools in financial difficulty.

The maintained primary schools de-delegation 'contingency termed' baseline funding will continue to be flexed to respond to changes in maintained primary schools and their pupil numbers.

The remaining service budget is EMTET, which is made up of staffing costs and therefore requires a fixed budget, albeit it should continue to be reviewed annually to reflect the number of maintained school pupils and the English as an Additional Language (EAL) pupils it supports. The EMTET per pupil rate will reflect the number of maintained schools and the budget requirement of £0.187m⁴ – this ensures the current staffing establishment is fully funded.

The per pupil rates will be set at:

Contingency (financial difficulties) and school improvement services	£29.23 per pupil
Ethnic Minority and Traveller Education Team (EMTET)	£ 7.16 per pupil

This would finance:

Termination of employment costs	£0.150m
Primary maintained Locality Lead support and Intervention Funding	£0.522m
Additional Intervention Locality Lead	£0.090m
Ethnic Minority and Traveller Education Team (EMTET)	£0.187m

⁴ The EMTET budget requirement is currently provisional.

These budget figures are indicative. They are based on the school census in October 2022 and 26,066 primary maintained pupils. The figures may change slightly due to the DfE's requirement for LAs to use the actual October 2023 census for the detailed calculations.

Proposals for 2025/26

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

The Schools' Forum maintained primary schools are required to agree de-delegations on an annual basis, however the LA will continue to seek agreement in principle from the Forum for 2025/26 also.

Conclusion

The outcomes from the decisions made by maintained primary representatives on the Schools' Forum will be reflected in maintained primary schools' future budgets from 2024/25.

The Council responded to the DfE decision to remove the School Improvement Monitoring and Brokering Grant for school improvement activities supporting maintained schools through its delivery of services in 2023/24. The 2024/25 core de-delegation proposals of primary maintained schools support remain the same as the current year. It is proposed that the current contingency rate of £29.23 per pupil will continue at the same monetary value in 2024/25, as applied in the current year.

The Council's funding to supporting the strategic priorities of the education sector will remain to enable all children to prosper across all Lincolnshire schools. The Council considers its investment in the education sector as a strategic priority to enable all children to prosper across all Lincolnshire schools and supports the continuation of the current approach of strategic system leadership and direct work with maintained schools, which is considered a lean school improvement support model.

Consultation

a) Risks and Impact Analysis

The DfE require annual decisions to take place for de-delegation services. The Council does however seek an agreement in principle for a further year to provide the service with operational and financial stability. A formal decision is still required for that year where an in principle agreement has been made.

Schools can at any point require extra support; therefore, the remaining de-delegated reserves balance will support such variable factors leading to costs rises, including changes to de-delegation income levels from a change to maintained primary school pupil numbers and schools converting to an academy.

In the event of a no decision by primary maintained Schools' Forum representatives, the Council will consider its 2024/25 proposals. The Council would be required to provide a further paper in the next Schools' Forum meeting (January 2024). The DfE can act as an adjudicator where maintained Schools' Forum representatives do not agree to the Councils proposal.

Appendices

These are listed below and attached at the back of the report	
Appendix A	Details of the current service provision funded through the de-delegation budgets.

Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
De-delegation of maintained primary schools budgets 2023/24 and 2024/25 (item 6).	Agenda for Lincolnshire Schools' Forum on Thursday, 6th October, 2022, 1.00 pm (moderngov.co.uk)

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Details of current service provision

Schools in financial difficulty and exceptional unforeseen costs

Schools in financial difficulty

The LA's Staffing Reduction panel with key disciplines represented continues to meet (virtually) to consider requests for redundancies and access to those funds. The LA's policy of charging schools for a share of redundancy costs, includes a potential contribution to be made from this budget for maintained schools that are likely to overspend within the next two financial years if no action is taken.

In 2022/23, redundancy expenditure was £0.030m for maintained primary schools against the budget of £0.209m – this supported two maintained primary schools.

At the end of March 2023, 15 primary maintained schools were in a financial deficit.

Intervention Support (schools in financial difficulties)

The DfE expects a de-delegated budget for exceptional unforeseen costs to finance those costs which it would be unreasonable to expect governing bodies to meet.

Further detail on the use of the following funds is set out below:

Primary Maintained Intervention Funding

The purpose

The Intervention Fund supports maintained primary schools to make rapid, identified improvements where school finances would otherwise prevent this from happening. The funding enables schools identified as vulnerable, to continue to be good schools or to rapidly improve to become a good school.

Amount of funding received and spent

For 2022/23, £0.112m funding was utilised against a budget of £0.253m. These needs were identified through a combination of locality leads or strategy meetings.

Schools bid for specific amounts and submit plans which detail the amount, the specific purpose and the expected impact of the additional funding. The school has to demonstrate that they do not have the funding in their own budget to enable them to make the necessary improvements or changes.

The following process exists:

- Specific school bids that meet threshold and address school improvement priorities.

- Supporting the commissioning of intervention and resources to improve outcomes for pupils.
- Ensure schools remain connected within the sector led system and support school improvement where action needs to be taken.

Locality Leads continue to target intervention bids where they are appropriate and support leaders' bid writing to ensure it is focused on appropriate priorities to have the most impact. Locality Leads monitor the impact of the intervention over time and maintain a view of the school moving forward to ensure that improvements are rapid and sustained so that the legacy of the funding can be seen.

How funding was spent

The Intervention Funding budget enabled maintained schools facing financial difficulty who needed access to school improvement support. Schools were required to show that bids would be sustainable and would improve outcomes for pupils. The School Intervention Funding policy was applied consistently and appropriately over the course of the financial year. The applications were reviewed by the Head of Education Strategy and Head of School Standards.

Individual bids were very specific to each school, but activity included:

- Targeted, high quality CPD for staff through LEAD Teaching School Hub and related curriculum Hubs.
- Provision for expert teaching and leadership support to improve quality of education, personal development, behaviour and attitudes and leadership and management.
- Support external partnership and networking activity to encourage collaborative working and connection with the broader sector
- Curriculum development to ensure schools are well placed to provide a broad balanced curriculum
- Governance training through the Strengthening Governance Offer via National Leaders of Governance and partners

School Improvement Services

The focus of the service is on intervening early and supporting schools in driving school improvement activity. The added capacity to the Locality Lead team has resulted in a greater number of visits to our maintained schools at higher risk. Sixty-one schools have received up to an additional 6 days of support per year and all of our schools now receive at least three visits every year. This means that compared with the previous year, 124 more schools are now receiving support from an education adviser. The positive impact of this additional capacity is already being seen. The percentage of pupils achieving Reading, Writing and Maths above the expected standard in Maintained schools is higher on average than those in Academies, Academy Converters, Academy Sponsored and MATs. Our maintained school Ofsted outcomes at Good or better are 6% higher than academies. Nine of our most vulnerable schools are receiving an additional 12 days of support each from an additional Locality Lead in order to deliver focussed and targeted intervention and challenge to ensure that the schools do not remain vulnerable to unfavourable Ofsted outcomes and pupil outcomes improve.

Support to underperforming ethnic groups and bilingual learners

Ethnic Minority and Traveller Education Team (EMTET)

The Service Area

The Ethnic Minority and Traveller Education Team support schools to accommodate the needs of ethnic minority and Traveller children. The officers support schools to work with families and ensure that they are able to access services available to their children, particularly education. They support the integration of specific children as well as help schools to develop and maintain systems that are needed to provide a fully inclusive and safe environment for these particular groups of young people. The team have been a valuable and necessary resource to ensure the settlement of children from our recent new communities from Afghanistan and Ukraine as well as supporting schools with the growing number of asylum seeker and refugee children. The service receives very positive feedback from schools, services and families.

Background to need

Approximately 10% of pupils in Lincolnshire schools have English as an Additional Language. A high number of these have been in the country for a relatively short period of time or have started reception as an EAL learner. A large number of these EAL learners are in maintained schools across the county. In some of the schools there are only a few pupils making it challenging for these schools to resource the need and grow the expertise within their setting. The unpredictability and unique needs of the asylum seeking families has seen an unprecedented demand on some of our maintained schools. EMTET have supported these schools to be as welcoming as possible.

EMTET work with those schools that lack knowledge or experience of good practice in supporting Ethnic Minority pupils, Travellers or pupils with EAL, or where the school has tried a number of strategies and seeks specialist support for further advice. There is a growing demand for support in relation to communication with parents, children with special needs and integration of Traveller children.

The Support consists of:

- Help with contacting vulnerable families whose first language is not English with the support of bilingual volunteers and professional interpreters.
- Acting as regularly contact with asylum seeking families to support communication with schools.
- Liaising with the Traveller community to ensure wellbeing and access to services.
- Supporting Traveller families with their understanding of elective home education, ensuring an education is being provided and supporting reintegration back into school if necessary.
- Information on key areas of attending school available to families in different languages.
- EAL specific resources and information created and made available to schools to provide to families.
- Work with the Early Years team to provide support around primary transition.
- Advice and guidance to schools and families on racist bullying and discrimination.
- Training for other LCC school services.

The purpose of the Service

The overall aim of the EMTET is to provide a service to schools and families that support the following objectives:

- Improving the safety and well-being of Ethnic Minority and Traveller children (supporting families to find a school place and settle into education).
- Improving access to learning particularly those with EAL (advising schools of good EAL practice through training and consultancy).
- Supporting transition (supporting family's knowledge of school admissions, school systems, transport, free school meals etc.).
- Improving conditions for learning that reflect culture and lifestyle, and value diversity - training and workshops to school staff and young people, working with parents to improve integration.

Budget received/ spent

The service is funded, in part, by a de-delegated contribution (from maintained primary schools) of £0.186m. This is a fixed budget with an annual consideration of number of maintained schools/pupils. The service has 1.6fte team leaders and 4.4fte officers all on 38 week contracts. The £0.186m funds approx. 80% of the total service cost. The remaining part of the service supports the emergency work required i.e. getting a child a school place, support around Traveller sites. Additional funding was provided from external sources in 2022/23 to support schools with Afghan and Ukrainian children.

Outcomes for the Service (September 2022 to August 2023)

- 126 referrals for support were received from maintained schools at a ratio of 80% EAL and 20% Travellers.
- 26% of the overall referrals were related to EAL and Special Educational Needs. 39% related to school admissions including children missing from education.
- Approx 90 asylum seeking children are supported in schools at any one time. This number can fluctuate weekly.
- 34 workshops were delivered.
- Training and consultancy advice for schools and school staff on supporting pupils with EAL and cultural awareness.

Future Developments

- Continue to support schools with asylum seeking children ensuring access to basic needs and receipt of an education.
- Continue to provide and develop appropriate workshops for schools to provide knowledge and information and raise awareness.
- Monitor the progress of Ukrainian and Afghan children in schools ensuring their needs re education are still being met.
- Produce policy and guidance on attendance of Traveller children and support for Refugee and Asylum Seekers.



Open Report on behalf of Heather Sandy, Executive Director - Children's Services

Report to:	Lincolnshire Schools' Forum
Date:	05 October 2023
Subject:	Revised Schools Budgets 2023/24

Summary:

The purpose of this report is to notify the Schools' Forum of the revised Schools Budgets for 2023/24 and to seek support for the proposed use of cumulative underspending from 2022/23.

Recommendation(s):

Schools' Forum is asked to:

- (1) note the contents of the report,
- (2) support the Local Authority's proposed use of the uncommitted sum, as outlined in section 4.

The views of the Schools' Forum will be reported to Children's Services Directorate Leadership Team and Executive Councillor for Children's Services, Community Safety, Procurement and migration before final decisions are made.

Background

1. The Dedicated Schools Grant (DSG) is a ring-fenced grant that can only be spent for the purposes outlined in the Department for Education's (DfE's) School's and Early Years Finance (England) Regulations.

A revision to the Schools Budget is necessary each year to reflect the under or overspending arising on the DSG in the previous financial year and adjustment to the DSG once the Early Years figures have been confirmed. Under DfE' regulations, underspendings are carried forward automatically to the following financial year and the Local Authority (LA) must consult with the Schools' Forum over its plans to utilise underspendings, or address overspendings.

Under Schedule 2 of the School and Early Years Finance (England) Regulations 2022, LAs are required to carry forward overspends to their DSG to be dealt with in the new year or future years. This would be subject to DfE oversight to ensure any overspends are recovered. LAs can apply to the Secretary of State to disregard this requirement, if it wishes to fund any part of the deficit from a source other than the DSG.

The Department for Levelling Up, Housing and Communities (DLUHC) amended the Local Authorities Capital Finance and Accounting (England) Regulations 2003 so that for financial years beginning April 2020 to 31 March 2026, any DSG deficit at the end of the financial year must be held in a separate reserve within the LAs accounts. The DLUHC regulations set statutory rules for how DSG deficits must be calculated, the calculation covers the whole of the DSG and where it is in deficit in entirety.

The Education Skills and Funding Agency (ESFA) are now running three programmes offering direct support in respect of the effectiveness and sustainability of LAs high needs systems: the safety valve intervention programme, the Deliver Better Value (DBV) in SEND programme and the ESFA support programme. The aim of all three programmes is to secure sustainable management of LAs High Needs blocks.

The safety valve intervention programme will continue to target the LAs with the highest DSG deficits. The programme requires the LA to develop a substantial plan for reform to rapidly place them on a sustainable footing. The primary goals are to appropriately manage demand for Education Health Care (EHC) plans and use appropriate and cost-effective provision. Under these agreements, these LAs are expected to agree to a plan of action to make them more sustainable in the long-term and stop deficits growing. Upon reaching an agreement, LAs will receive incremental funding to eliminate their historic deficits generally spread over five years. When the programme was launched in 2020/21 five LAs received financial support worth £97m. This expanded to a further nine LAs worth £300m in 2021/22. An additional twenty deals have been agreed in 2022/23 worth a further £585m. A link to these agreements are as follows: [Dedicated schools grant: very high deficit intervention - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/dedicated-schools-grant-very-high-deficit-intervention).

The DBV in SEND programme targets LAs with less severe but either substantial and/or growing deficit issues. The programme has similar aims to the safety valve intervention programme by providing dedicated support and funding (£85m) to help a further fifty-five LAs with substantial, but less severe, deficit issues to reform their high needs systems and spending.

For those LAs not on either of the above programmes the ESFA will continue to provide support through the development of appropriate DSG management plans.

There continues to be an increasing number of LAs who are incurring a deficit on their overall DSG, largely with the High Needs block being the contributing factor. The total SEND deficits across Councils in England was estimated to be £2.3bn at the end of 2022/23 by the Association of Directors of Children's Services. The DfE acknowledges the challenges the system is facing, and the SEND Green paper acknowledged the

unsustainable SEND system and considers ways to address this. The Special Educational Needs and Disabilities (SEND) and Alternative Provision (AP) Improvement Plan Right Support, Right Place, Right Time (published in March 2023) is the mechanism for implementing change.

LAs, such as Lincolnshire must ensure careful management of the DSG takes place to avoid overspending of the DSG. Section 151 officers and auditors have raised concerns where growing DSG deficits without a sustainable recovery plan are impacting the overall financial position of the LA, and its going concern status. This is in the context of financial pressures facing LA finances caused by increased demands and cost of services.

The carry forward for 2022/23

2. The cumulative underspend carried forward at 31/3/23 was £13.823m¹ before accounting for existing commitments of £4.341m. The uncommitted sum of £9.482m represents 1.31% of Lincolnshire's 2023/24 overall DSG (£725.181m). This position reflects the net underspends of £3.285m² on budgets in 2022/23 held centrally within the DSG. Details are set out per block in Appendix A.

Existing commitments

3. A review of existing commitments has taken place including updating for decisions made, and prudent financial estimates of those have been made. They total £4.341m. Details are set out in Appendix B. Some commitments continue to be earmarked and refined, however as work streams are finalised, spending will start to take place. In addition, other financial commitments may materialise, particularly due to the changing landscape of SEND.

Proposals for use of the uncommitted sum

4. The cumulative underspend (£13.823m) less existing commitments (£4.341m) leaves £9.482m. However, as stated in paragraph 3 above, there are likely to be other commitments that arise during the year within the DSG remit that the LA will be required to respond to.

The LA proposes that the remaining sum is not committed and held in reserves due to the current spending levels in the area of Special Educational Needs and Disabilities (SEND) and the uncertainty in the financial environment going forward. The following section provides an explanation of the LA position.

The report earlier outlines the national context of DSG deficits caused by unsustainable spending on the High Needs block with an estimated two thirds of LAs with DSG deficits, valued at over £2.3bn. The Government response to the 2023/24

¹ The cumulative underspend reflects the approval from Secretary of State decision to capitalise £0.780m for the sufficiency of school places in early years.

² The in-year underspend takes account of the early years 2022/23 adjustment.

DSG settlement was welcomed, however the funding increase of 3% per head is modest in 2024/25 and will place significant pressure on Lincolnshire in managing the cost demands within its 2024/25 allocation. Medium-term financial planning is indicating an in-year overspend for 2024/25 in light of demand and price changes. This forecast in-year overspend would need to be met from available reserves to provide a balanced budget. Refinement of assumptions will take place over the coming months, as the position becomes clearer. A higher cost base includes increased demand and prices in alternative provision; an increasing number of Education Health Care plans being issued, and mainstream schools unable to meet need, therefore special school places are being exhausted, which is leading to more external placements being required (a 14% increase in SEND placements over the last 16 months), and unfavourable market conditions has seen placement costs increase by over 30%. It is also important to ensure the LA delivers fair funding for Lincolnshire state schools in supporting children and young people with SEND by responding to the higher costs of education delivery with funding levels being considered for 2024/25.

With the nature of the services that the High Needs block provides, which is driven by large, demand-led activities, it is difficult to change spending levels quickly, as can be demonstrated with the number of LAs involved and the size of their deficit. Therefore, having a sufficient level of reserves to draw on is important to avoid going into a DSG deficit and provide the LA time to deliver change. The c.£9m reserves will support the LA over the short to medium-term where in-year overspends occur on the High Needs block.

As previously reported, there continues to be a growing trend nationally, and this growth is being experienced in Lincolnshire with more young people requiring specialist support which is having a material financial impact on the High Needs block. The annual SEND report to the Schools' Forum in June 2023 illustrated the impact of the concerted efforts being made across the SEND partnership to ensure that EHC plans are provided for the children who need higher levels of support. Lincolnshire is lower than the national trend in relation to the growth in the number of EHC plans, requests for assessment and the number of new EHC plans issued in 2022. Nevertheless, financial challenges remain, and difficult decisions will be required to ensure Lincolnshire avoids overspending its DSG. In Lincolnshire, transformational work is still considered fundamental to securing further improved outcomes for young people with SEND through a truly integrated approach, whilst also securing an offer for Lincolnshire that is financially sustainable. Lincolnshire's Inclusive Ambition which incorporates a system ambition aims to ensure that the majority of children with special educational needs can fulfil their potential in mainstream settings where practitioners are clear how to meet their needs and the right support is available to do so at an early stage. The SEND Transformation Board is governing the transformational process and its key work streams, including monitoring of progress against our ambitions.

Detailed budget planning and trajectory work, and sector engagement will take place in the autumn to substantiate the requirements of high needs spending, including

being able to quantify potential financial risks. Information will be shared in the January Forum meeting.

Prudent management of the DSG to avoid overspending is key. Lincolnshire underspent its High Needs block by £2.307m in 2022/23, however the Healthy Minds service was temporarily funded by another funding source (£0.860m) and a further temporary underspend on Alternative Provision free school places (£1.630m). Without this, the High Needs block would have been overspent.

The 2023/24 financial position on the DSG overall is currently forecasting to be broadly on target. The DSG, in particular the High Needs block has large, demand-led, and can be difficult to estimate budgets (e.g. SEND-related budgets, including out of county placements; top up funding for EHC plans for mainstream schools; special school placements; meeting the education needs for pupils through alternative provision arrangements, and added with the cost rises being seen).

Lincolnshire will continue to be funded through the funding floor (3% increase per head of population) and will be in receipt of £7.527m protection funding above the formulaic formula. The LA is therefore mindful of future changes to the SEND system and how this could impact the financial regime, but it is hoped the Government continue to manage funding changes in a planned and co-ordinated way through protection arrangements to avoid cliff-edge funding.

Although financial planning is indicating an in-year overspend in 2024/25 (2024/25 High Needs block funding versus 2024/25 forecast spending), in light of demand and price changes, Lincolnshire's desire still remains to achieve a balanced sustainable budget on its High Needs block ensuring funding is directed to the right activities and cost-effective provision to maximise the outcomes for young people with SEND. Lincolnshire does not want to be forced into a position of making difficult decisions of retracting its comprehensive early help support package to schools, or to seek a transfer of up to 0.5% of the Schools block (that funds schools delegated budgets) to the High Needs block to manage unfunded cost pressures. The reserves enable the block transfer discussion to be pushed back temporarily, however with increasing demand and cost rises, and a tighter financial environment, Lincolnshire is heading in this direction in the coming years, as things stand.

In Summary, the uncertainty of future High Needs block funding and the much tighter financial environment expected going forward; the growth still being experienced in EHC plans and the requirement for more specialist placements; cost rises, and the time to allow for the transformational work and change to be embedded into practices and its output including spending levels, the available DSG reserves is required to support the LA in securing a sustainable DSG budget in the short to medium-term.

Appendix A highlights the areas of financial variance in 2022/23.

Although there are financial risks within the other DSG funding blocks, the LA have steps and mitigations in place to manage those, such as the affordability of the schools

national funding formula, early years participation levels, and the Central Schools Services historic commitments.

Conclusion

The report provided an overview of the national context of DSG deficits caused by unsustainable spending on the High Needs block with an estimated two thirds of LAs with DSG deficits, valued at over £2.3bn.

Lincolnshire is in a good financial position from having a surplus DSG balance, however careful and prudent management is required going forward in light of the increasing demand and cost rises, and a tighter DfE financial environment, and early medium-term financial planning is indicating an in-year overspend in 2024/25, which would be offset by the available reserves. Detailed budget planning and trajectory work (including the impact of transformation), and sector engagement will take place in the autumn to substantiate the requirements of high needs spending, including being able to quantify potential financial risks.

The LA proposes that the remaining sum is not committed and held in reserves due to the challenging future outlook. This will provide Lincolnshire with the time to effectively respond to these challenges by meeting unfunded cost pressures temporarily. The LA is not proposing to move up to 0.5% of the Schools block funding in 2024/25.

The LA must act prudently and avoid overspending the DSG.

a) Risks and Impact Analysis

The greatest financial risk remains High Needs block funding and spending. High Needs funding continues to see growth in the demand for more specialist support for young people, which is having a material financial impact on those centrally held budgets of the High Needs block. The Government has responded positively to the financial demands placed upon the High Needs block in recent years, but 2024/25 is a more modest funding settlement. The SEND Transformation Board is governing the transformational process and its key work streams, including monitoring of progress against our ambitions. Lincolnshire remains in a good position financially to respond to the demands including the use of the reserves, and the High Needs Block will continue to require careful and prudent management going forward.

Central Schools Services Block (CSSB) historical commitment funding reductions will continue to be reviewed including dialog with the Department to secure a long-term solution for the PFI contract ending in August 2032.

Appendices

These are listed below and attached at the back of the report	
Appendix A	Central DSG Budgets 2022/23 - explanation of major under and overspendings
Appendix B	2022/23 DSG commitments

Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Revised School Budgets 2022/23 - October 2022	<u>Report Reference: (moderngov.co.uk)</u>

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Appendix A

DSG Central Budgets 2022/23 – Explanations for major underspendings and overspendings

The main underspendings and overspendings per funding block were:

Schools Block

Budget	(Underspend) / Overspend £m
Admissions and Exclusions The budget funds the LA's statutory duty to operate the admissions and exclusion arrangements for Lincolnshire schools in accordance with the School's and Early Years Finance (England) Regulations.	(0.048)
Other Underspends & Overspends	(0.017)
Total	(0.065)

High Needs Block

Budget	(Underspend) / Overspend £m
High Needs Top Up and Targeted Funding There are several demand-led and volatile areas within the High Needs Block which have overspent. A net overspend on top up funding for Lincolnshire pupils in mainstream schools with an EHC plan and targeted funding of £2.760m due to increased demand for Education and Health Care (EHC) plans. The SEND transformation programme continues to have a positive impact in supporting children and young people and is reducing the upward trajectory of EHC plans against the do-nothing line, however like the national picture there continues to be a growing trend both nationally and in Lincolnshire, with more children requiring specialist support from the level previously budgeted for.	2.760m
External SEND Specialist Placements External SEND specialist placements have overspent by £2.185m due to an increase in demand for those pupils with complex needs, along with insufficient places within Lincolnshire special schools. This is being managed through the Building Communities of Specialist Provision Strategy by delivering an increase in the number of places within Lincolnshire special schools to support the forecast trajectory of growth.	2.185
Alternative Provision The Alternative Provision free school place funding has underspent by (£1.630m). This is a temporary underspend following Department for Education confirmation that funding is only being recouped from the Local Authority for 89 single roll places for the 2022/23 financial year. This will	(1.630)

change going forward with the reduction of available intervention places due to the increase in permanent exclusions in Lincolnshire.	
Post-16 Learners with Learning Difficulties and Disabilities (LLDD) Post-16 Learners with Learning Difficulties and Disabilities has underspent by (£0.436m). This is due to colleges only claiming element 2 and 3 of funding for places purchased in accordance with the DfE guidance.	(0.436)
Services funded by Other Funding Sources The apportionment of costs for the Healthy Minds contract costs met by Outbreak Management grant (£0.860m) to support the utilisation of Council grants.	(0.860)
Uncommitted Funds within High Needs Block Local Authorities 2022/23 High Needs block funding was increased in recognition of the challenges facing Local Authorities within their High Needs block and inflationary increases. £1.202m of this additional funding was provided to Lincolnshire special schools.	(4.110)
Other Underspends and Overspends A number of smaller variances on High Needs budgets make up the remaining position, including overspends on Home Tuition £0.188m and Pilgrim Home Tutoring £0.146m, and an underspend on Social Emotional and Mental Health placements (SEMH) (£0.517m).	(0.216)
Total	(£2.307)

Early Years Block

Budget	(Underspend) / Overspend £m
3- & 4-Year-Old An underspend on the Early Years participation budgets of (£0.401m) (1.2% of budget). This is a volatile demand-led budget and has been significantly impacted by Covid-19 relating to participation numbers and hours. Funding by the Government to Local Authorities has now reverted to being based on January census data following a change in funding mechanisms during the pandemic.	(0.401)
2-Year-Old Funding An underspend in the 2-year-old provision of (£0.320m) has occurred due to a reduction in pupil participation levels after the termly census dates of LA funding.	(0.320)
Other Underspends and Overspends Other notable variances include an underspend on central staffing budgets of (£0.076m); a reduction in demand for allocations from the Disability Access Fund of (£0.081m) and other minor overspends of £0.084m	(0.073)
Total	(0.794)

Central School Services Block (CSSB)

Budget	(Underspend) / Overspend £m
Historic Commitments and ongoing responsibilities The underspend relates to modest under and overspends on historical commitments and ongoing responsibilities for all schools.	(0.119)
Total	(0.119)

Summary:

Budget	(Underspend) / Overspend £m
Schools Block	(0.065)
High Needs Block	(2.307)
Early Years Block	(0.794)
Central School Services Block	(0.119)
Total Underspend 2022/23	(3.285)

2023/24 DSG commitments

The commitments are:

Budget	Commitment £m
<p>Early Years Initiatives Funding previously earmarked from the former early years disadvantaged two-year-old funding and the Early Years block underspend in 2022/23 will support to deliver longer term outcomes for all early years' children through targeted programmes of support (such as learning and development of children; safeguarding toolkit for providers with a view of improving quality provision; strength-based partnership working; Dingley's Promise for young people with SEND; children's readiness for school), and encouraging early years participation levels.</p>	0.500
<p>Early Years Participation Fluctuation Fund At the Schools' Forum in January 2023, the early years paper set out the LAs intentions to utilise the DSG underspend from the previous years Early Years block to cover contingency costs for fluctuations in children's attendance across this 2023/24 financial year. This decision was taken to maximise the hour rate to providers to support financial sustainability due to rising childcare costs. The LA also intends to adopt the same approach for the Early Years Supplementary Grant distribution by earmarking funding from the DSG reserves to cover contingency costs for fluctuations in children's attendance. This has been funded through the Early Years block underspend in 2022/23.</p>	0.400
<p>Sector-led investment The remaining funding earmarked for sector-led school improvement to fulfil the ambition of making a positive contribution to the education system in Lincolnshire.</p> <p>At the November 2022, Lincolnshire Learning Partnership Board meeting, it was agreed to allocate funds to implement projects supporting all schools with a particular focus on leadership development, SEND and a locality project. This was reported in the Schools Sector Led update to the Schools' Forum at the January 2023 meeting.</p>	0.673
<p>School re-organisations, includes extending schools and closures This funding has been earmarked to support planned growth through permanent and temporary school expansions to enable the LA to meet its statutory duty.</p> <p>The LA continues to experience growth, focused particularly on mainstream secondary schools and special schools. The LA is funded on a lagged basis for growth in schools places. It is therefore of sound financial planning to prudently earmark funding to manage this financial risk.</p>	1.000

<p>This fund will support other planned re-organisations as they arise, and also significant revenue commitments, such as new schools funding (start-up and diseconomies of scale funding). New schools have been provisionally earmarked within the Council's 10-year capital programme.</p>	
<p>SEND Strategy</p> <p>Funding to support the implementation of the strategy in special schools to provide All Needs education to pupils with SEND in their local communities and increase the number of school places. A £2.000m commitment was approved by the Schools' Forum in October 2018.</p> <p>The £2.000m commitment was established to fund the fixtures and fittings for new classroom space in accordance with the special schools reorganisation policy, along with other new building space through the SEND capital programme (such as installation of new sensory and soft play rooms, medical intervention spaces and specialist teaching facilities); decant site costs and recruitment support. A further commitment agreed to support workforce development for the sector that is to be rolled out to mainstream schools also.</p> <p>The fund will also contribute towards the cost of the increase in new special school places through the LA special schools reorganisation policy over the coming years as special schools capital schemes are completed due to the Government's lagged funding arrangements.</p>	0.768
<p>Rates adjustment</p> <p>Within the current funding formula, schools receive initial rates funding based on their actual rates bill from the prior financial year. The LA consulted schools and through the Council's decision-making process it was agreed to continue funding the actual rates bill. The funding adjustment will be made in the following year for schools. The DfE will reimburse LAs for this local decision, however 2023/24 rates adjustments for schools reflected in their 2024/25 budgets will not be funded by the DfE until 2025/26.</p>	0.100
<p>Transitions from Special Schools to mainstream</p> <p>The transitions protocol includes a period of dual registration during which a £0.005m grant to the mainstream school allows provision to be made before the setting is named and the EHC plan funding is available. Half of the target transitions set were achieved in 2022/23. Learning continues to take place. Based on the target movement of at least 4 pupils per quarter, a budget of £0.080m per annum has been set for the next three years. This will need to be a re-occurring budget however financial capacity is currently limited in the short-term.</p>	0.280
<p>Medical Needs Strategy</p> <p>The new approach to medical needs for the LA to fulfil its statutory duty to 'make arrangement' for CYP who are unable to access school because of ill health was introduced in September 2021. Funding has been earmarked for a further two years, allowing a transition into the base budget. The new approach involves a stronger focus on early intervention for anxiety, impacting on school attendance, and a broader menu of resources to support CYP with this difficulty through the</p>	0.620

<p>introduction of an Emotional School Based Avoidance (EBSA) Pathway. As part of the Pathway, EBSA Caseworkers have been set up within the Pupil Reintegration Team (PRT). They provide school staff and Governors with support, training, advice and guidance to enable schools to meet this area of need and successfully support Children and Young People's improved attendance. A multi-disciplinary panel was also introduced. Schools can refer cases to the panel where specialist decision makers consider the range of options for each case and propose a package of support, which may in cases where all early and evidence-based interventions have been fully explored by the school, involve an intervention placement at Pilgrim Hospital School. The panel's run on a fortnightly basis throughout school term time. The impact of the EBSA pathway continues to be monitored and evaluated as it progresses.</p>	
<p>Total</p>	<p>4.341</p>

Agenda Item 7

5 October 2023 – virtual meeting

National Funding Formula for schools - update 2024/25	Elizabeth Bowes	To provide the Schools' Forum with an update on the mainstream school funding
De-delegation of Maintained Primary Schools Budgets (2024/25)	Mark Popplewell	To seek approval from the maintained primary school representatives approval to the Local authority's proposals
Revised Schools Budgets 2023/24	Mark Popplewell	To provide information on the revised Schools Budget for 2023/24 and to seek support
Lincolnshire Schools' Forum – Work Programme	Emily Wilcox	To provide the Schools' Forum with an opportunity to discuss potential items for future meetings, which will be subsequently, included on the Work Programme

18 January 2024

School Funding Arrangements 2024/25	Elizabeth Bowes	To update the Schools' Forum on the Local Authority's funding formula proposals for 2024/25
Early Years National Funding Formula	Geraldine O'Neill	To provide a summary on the early years national funding formulas for 2024/25, and to seek agreement relating to the allocation and distribution of the centrally retained budgets
Academies and Trust Update	John O'Connor	To provide the Schools' Forum with an update on the latest position regarding the number of Maintained Schools and Academies and the pupils in them
Alternative Provision Arrangements	Kate Capel	To provide an update on how alternative provision arrangements are working
Annual Report - Special Educational Needs (update)	Sheridan Dodsworth	To receive an annual report on Special Educational Needs
Lincolnshire Schools' Forum – Work Programme	Emily Wilcox	To provide the Schools' Forum with an opportunity to discuss potential items for future meetings, which will be subsequently, included on the Work Programme

18 April 2024

Building Communities of Specialist Provision: Update	Eileen McMorrow	To provide the Schools' Forum with an update on the SEND Strategy
Academies and Trust Update	John O'Connor	To provide the Schools' Forum with an update on the latest position regarding the number of Maintained Schools and Academies and the pupils in them
Lincolnshire Schools' Forum – Work Programme	Emily Wilcox	To provide the Schools' Forum with an opportunity to discuss potential items for future meetings, which will be subsequently, included on the Work Programme

13 June 2024

Election of Chairman		
Election of Vice-Chairman		
Review of LSF Constitution and Membership	Mark Popplewell	For the Schools Forum to consider and update its Rules of Operation
Section 251 Budget Statement 2024/25	Elizabeth Bowes	To provide an update to the Schools' Forum regarding the budget statement for 2024/25
Annual Report - Special Educational Needs	Sheridan Dodsworth	To receive an annual report on Special Educational Needs
Annual Report on Early Years	Geraldine O'Neill	To receive an annual report on Early Years' Service
Early Years National Funding Formula – update (rollout)	Geraldine O'Neill	To provide an update on the early years national funding formulas for 2024/25
Academies and Trust Update	John O'Connor	To provide the Schools' Forum with an update on the latest position regarding the number of Maintained Schools and Academies and the pupils in them
Lincolnshire Schools' Forum – Work Programme	Emily Wilcox	To provide the Schools' Forum with an opportunity to discuss potential items for future meetings, which will be subsequently, included on the Work Programme
Future Meeting Dates	Emily Wilcox	To provide the Schools' Forum with an opportunity to agree future meeting dates.

10 October 2024

National Funding Formula for schools - update 2025/26	Elizabeth Bowes	To provide the Schools' Forum with an update on the mainstream school funding
De-delegation of Maintained Primary Schools Budgets (2025/26)	Mark Popplewell	To seek approval from the maintained primary school representatives approval to the Local authority's proposals
Revised Schools Budgets 2024/25	Mark Popplewell	To provide information on the revised Schools Budget for 2024/25 and to seek support
Alternative Provision Arrangements	Kate Capel	To provide an update on how alternative provision arrangements are working
Academies and Trust Update	John O'Connor	To provide the Schools' Forum with an update on the latest position regarding the number of Maintained Schools and Academies and the pupils in them
Lincolnshire Schools' Forum – Work Programme	Emily Wilcox	To provide the Schools' Forum with an opportunity to discuss potential items for future meetings, which will be subsequently, included on the Work Programme

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