

# **BIRMINGHAM CITY COUNCIL**

## **BIRMINGHAM SCHOOLS FORUM COMMITTEE**

**THURSDAY, 18 JANUARY 2024 AT 14:00 HOURS**  
**IN COMMITTEE ROOMS 3 & 4, COUNCIL HOUSE, VICTORIA**  
**SQUARE, BIRMINGHAM, B1 1BB**

### **A G E N D A**

#### **1 NOTICE OF RECORDING/WEBCAST**

The Chair to advise/meeting to note that this meeting will be webcast for live or subsequent broadcast via the Council's Public-I microsite ([please click this link](#)) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

#### **2 APOLOGIES**

To receive any apologies.

#### **3 DECLARATIONS OF INTERESTS**

Members are reminded they must declare all relevant pecuniary and other registerable interests arising from any business to be discussed at this meeting.

If a disclosable pecuniary interest is declared a Member must not participate in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

If other registerable interests are declared a Member may speak on the matter only if members of the public are allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

If it is a 'sensitive interest', Members do not have to disclose the nature of the interest, just that they have an interest.

Information on the Local Government Association's Model Councillor Code of Conduct is set out via <http://bit.ly/3WtGQnN>. This includes, at Appendix 1, an interests flowchart which provides a simple guide to declaring interests at meetings.

**5 - 12**

4 **MINUTES - BIRMINGHAM SCHOOLS FORUM 7 DECEMBER 2023**

To confirm and sign the minutes of the previous meeting of the Schools Forum held on 7 December 2023.

5 **MATTERS ARISING FROM THE MINUTES**

Verbal update.

6 **MEMBERSHIP AND TERM OF OFFICE**

Item Description

7 **LOCAL AUTHORITY UPDATE**

Report of the Strategic Director of Children and Families, the Director for SEND and Inclusion and the Strategic Lead for School Improvement Delivery.

**13 - 24**

8 **DEDICATED SCHOOLS GRANT (DSG)**

1. Dedicated Schools Grant (DSG) 2024/25 Allocations.
2. DSG Schools Block Budget and Authority Proforma Tool (APT) for 2024/25.
3. De-Delegations 2024/25 - Formal Vote.

**25 - 34**

9 **EARLY YEARS BLOCK 2024/25 - INCLUDING PER-PUPIL FUNDING AND CENTRAL COSTS**

Report of the Director for SEND and Inclusion – Directorate for Children and Families

**35 - 38**

10 **CENTRAL SCHOOLS SERVICES BLOCK (CSSB) BUDGET 2024/25**

Item Description

11 **DATE AND TIME OF NEXT MEETING**

The next meeting is scheduled to take place on Thursday, 11 April 2024 at 14:00 via MS Teams.

12 **OTHER URGENT BUSINESS**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chair are matters of urgency.



**BIRMINGHAM CITY COUNCIL**

**BIRMINGHAM  
SCHOOLS FORUM  
7 DECEMBER 2023**

**MINUTES OF A MEETING OF BIRMINGHAM SCHOOLS FORUM  
COMMITTEE HELD ON THURSDAY 7 DECEMBER 2023 AT 1400  
HOURS ONLINE VIA MS TEAMS**

**PRESENT:-**

James Hill – Chair  
Mashuq Ally - Bordesley Green Girls' School  
Pam Garrington - Moor Hall Primary School  
Mike Dunn - Swanshurst School  
Steve Howell - City of Birmingham School  
Sean Delaney - Birmingham Federation of Nursery Schools  
Gill Gregory - Lindsworth School  
David Room - National Education Union  
Maxine Charles – Hall Green Junior School  
Anne Pendleton – Rednal Hill Primary School  
Chris Wilson – Education Impact Academy Trust

Councillor Karen McCarthy - Non-school representative (Cabinet  
Member Children, Young People and Families)

Helen Ellis - Director for SEND And Inclusion  
Fiona Chamberlain - Schools Support Manager  
Sue Harrison - Strategic Director of Children & Families, Education &  
Skills  
Clare Sandland - Finance Business Partner – CYP  
Husham Khan - Interim Head of Schools Financial Services  
Chris Etheridge – School Relationship Manager  
Kirsty Lister – Finance Manager  
Kim Hayes – Unison  
Denise Fountain – Special School Maintained Rep  
Dave Worledge  
Clare Hennebury – Garretts Green  
Karen P Smith  
Charlotte Bailey  
Ella Drake  
K Tague  
Kirsty Lister – Finance Manager  
Leslie Oosthuizen – Interim Finance Manager  
Eunice Onyema - Finance

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**NOTICE OF RECORDING/WEBCAST**

- 42 The Chair advised that the meeting would be webcast for live or subsequent broadcast via the Council's Public-Information microsite and that members of the press/public could record and take photographs except where there were confidential or exempt items.

**The business of the meeting and all discussions in relation to individual reports were available for public inspection via the web-stream.**

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**APOLOGIES**

- 43 Apologies were received from Carol Garfield, Janet Dugmore, Colin Townsend and Rebecca Nash.
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**DECLARATIONS OF INTEREST**

- 44 No declarations of interests were made.
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The Chair confirmed that the meeting was quorate.

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**MINUTES – BIRMINGHAM SCHOOLS FORUM 26 OCTOBER 2023**

Denise Fountain and Claire Hennebury stated they were showing as not present, however they were in attendance.

Members noted that the rationale for representation from Academies should have been identified in the minutes.

- 45 **RESOLVED:-**

Subject to the above, the minutes of the previous meeting held on 26 October 2023 having been previously circulated were agreed by the School's Forum.

**The business of the meeting and all discussions in relation to individual reports were available for public inspection via the web-stream.**

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**MATTERS ARISING FROM THE MINUTES**

- 46 There were no matters arising from the minutes.

The Chair raised that the Central School Services block report was missing from the meeting and asked whether it would be shared at the

technical meeting. The Finance Manager stated that it was a discussion item and that it was too early to bring a draft budget and would therefore be presented in the technical meeting ready for the January meeting.

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### **MEMBERSHIP AND TERM OF OFFICE**

- 47 Fiona Chamberlain stated that membership was still being looked at. She proposed that she would present that to the Schools Forum at the January meeting. At the previous meeting, the School's Forum took a decision in relation to their representations between Academy and maintained schools. Once membership had been agreed and went through to the local authority, it would be presented by Fiona at the next meeting.

Applications had not been sent out to new members as Fiona stated there may be a change and did not want to send the applications out until membership had been agreed. Once membership had been agreed, the induction session for new members would take place.

The Finance Manager provided an update on the draft figures in the report. There were still discussions taking place with schools with regards to their balances and need to ensure all the funds from the other blocks had been accounted for properly. A technical meeting had been proposed before Christmas regarding the budget where the paper would be presented in December.

The Finance Manager stated that they did not want to bring figures that were still a moving target to the meeting - balances would be finalised by Christmas. The technical meeting would have agenda items which would link to the reports that would be presented and would be incorporated in there as well. The meeting was scheduled to be set up after today's meeting.

- 48 **RESOLVED:-**

That the Schools Forum supported the recommendations in the report and presentation.

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### **LOCAL AUTHORITY UPDATE**

The following report of the Strategic Director of Children and Families, the director for SEND and Inclusion and the Strategic Lead for School Improvement Delivery was submitted:-

(See document attached)

Helen Ellis presented the update to members.

Ella Drake made a presentation with the use of slides.

(See presentation document attached)

A report went out to Cabinet on Tuesday 14<sup>th</sup> November setting out a forecast budget gap. The gap was £164.8 million for 2023/25 and was rising to £17.1 million. For 2025/26 the figures were significant as the Council must find savings of £200million over the next two financial years which they were in the process of doing.

The Commissioners had stated that the Council must urgently identify vital savings for the next two years. Draft budget proposals were set to be published in December for formal consultation and public engagement. The directorate was committed to give reassurances to the schools forum to protect services for children and families. The Council remained committed to the SEND improvement journey and would continue to update schools on the financial position.

Sue Harrison would be presenting a webinar during the week beginning 18<sup>th</sup> December to schools which would be arranged soon.

David Room raised a question regarding the budget proposals being published in December and asked if there was an update. He further stated that they had attended unions and attended a meeting yesterday and it was made clear that there would be cuts to services such as youth services, career services, although this did not directly impact on school budgets it has an impact on what the Council can and should do for its young people which was of concern.

Helen Ellis replied and stated that there would be an opportunity for formal consultation on public engagement and there would be an opportunity for schools and professionals to articulate what the impact of that would be in terms of the question raised. The information would be released over the course of the next couple of weeks.

The Chair stated there was a fear that it would impact on school budgets as schools were required to back fill either the unintended or incidental impacts of the changes that were being proposed.

Helen stated that a grant application had been completed for £1,000,000 . Ella Drake confirmed that the grant application should be submitted by next week, she then went on to introduce the findings to members from the presentation for the Module 1 and Module 2 activities where they were doing deep dive activities.

Mike Dunn asked for clarification on the focus area for number 1 and asked what needs can and should be met in mainstream and if that was the available guidance. Ella Drake stated there was an element of that but ensuring there was a system so that special schools had a view of that as well as mainstream schools. The ordinarily available forms a key pillar so all views around the table were addressed and not just one section so it flows through the system over a longer period of time. Mike Dunn asked if the ordinarily available guidance was available on the local authority website, he stated it would be helpful there was a push notice to headteachers to ensure they can all go and audit in comparison to that



and look at how we best allocated resources and if it could be put on a notice board so all headteachers could see it clearly.

There was currently a 12-month limit on the timing around spending the grant application from the DfE so it would be used within the financial year ending 2025.

49

**RESOLVED:-**

That the Constitution of the Birmingham Schools Forum be agreed in principle with the understanding that there would be some membership changes.

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**FALLING PUPIL & GROWTH FUND**

The report of the Head of Service, Education and Skills was attached.

(See presentation document attached)

The main points covered were:-

Jaswinder Didi ally made a presentation with the use of slides.

The main points covered were:-

- Growth – To retain funding to support primary and secondary schools which includes academies and free schools who have significant in growth in pupil numbers from Reception to Year 11 which is the statutory age of 4 to 11.
- Criteria and amount have to be agreed by Schools Forum and is in line with the criteria set out by the Department for Education.
- Cannot use growth funding to support any schools in financial difficulty or use the growth funding for general popularity for school.
- Use growth funding to fund additional places.
- Birth rates have fallen, however, there has been a significant growth in the primary sector, therefore larger cohorts are moving into secondary creating additional pressure on the secondary within primary.
- Growth fund cannot be used for general increases in pupil numbers.
- If through a planned closure, those additional pupils are displaced, they have to be accommodated in other schools. There are however, no planned closures currently.
- The remaining school budget for the school that is closing is held within growth funding, then it is shared with other schools where pupils are placed through the growth funding, so it is not an added pressure.
- If a primary school is to expand by adding another phased into the school or a secondary school which is altered by adding primary which would change the age range would be met through growth funding.

- Proposing that growth funding rate to meet basic need.
- Funding requirements will be brought to the next the next forum meeting.
- Academies maintain schools and free schools are eligible to apply and submit a business case for this fund.
- Obtain growth fund allocation as part of overall DSG, after which, it is decided how much is set as a budget and how much is retained for contingency. At presented there has not been a retained budget.
- There will be a separate allocation for falling role fund from DfE and will not have to set own budget.
- October census data is used to obtain figures.
- Mandatory criteria cannot be changed.

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**RESOLVED:-**

That the Schools Forum agreed the criteria in the report.

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**CCSB PROVISIONAL BUDGET FOR 2024/25**

Kirsty Lister confirmed there was no paper circulated at the meeting. She confirmed that there will be a technical meeting in two weeks proposed to take place on 21<sup>st</sup> December 2023 to look at the 2024/2025 budget. The draft budget proposal will be presented at the technical meeting before Christmas.

The block is in two strands – Historical commitments and ongoing commitments. Historical commitments are reducing by 20% each year. For 2023/2024 reserves were being used and moving from the ongoing commitments.

APT is due to be submitted on 19<sup>th</sup> January 2024 whereby all school mainstream budgets must be submitted and ensure Schools Forum signs this off.

51

**RESOLVED:-**

That the Schools Forum agreed to hold a technical meeting to discuss the CCSB provisional budget in greater detail.

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**BIRMINGHAM SCHOOLS BUDGET PROPOSAL 2024/25**

The following report of the Schools Finance Business Partner was submitted:-

(See document attached)

Cabinet was happy with the budget setting, ESFI and DFA are to come back and confirm compliance by February. This will allow time to publish budgets to schools for the next meeting.

IPT will be based on the latest October 2023 pupil data which is being worked on.

Mainstream Schools annual grant is going to be rolled into the NFF and TPIG. There is a plan to pull together draft school budgets based on what we know from DFA and the Birmingham methodologies, including bringing in the gross and falling roles criteria.

Looking at 2023/2024 budgets, Schools block South set a shortfall of around 3,000,000 that was taken out of reserves to help balance. There is an issue of reduced funding but with the Central Schools block, a discussion needs to take place of balancing what funding is available at present and what is the long term plan if this is not feasible in 2024/2025.

For minimum funding guarantee 0.5% is always added in which is the maximum it may be depending on what you want as schools.

52

**RESOLVED:-**

A greater discussion is to take place in the technical meeting on 18 January 2024 regarding funding and publication of budgets to schools.

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**DE-DELEGATION PROPOSALS 2024-25**

The following report of the Schools Finance Business Partner was submitted:-

(See document attached)

Kirsty Lister presented the following points:

- Stated that in advance of setting the budget and submitting APT is what services were voted on to delegate back to the local authority.
- At present there are three services and there is no proposal for anymore for 2024/2025.
- Union representatives and behaviour support service is done through Cobbs. These services have been put out for consultation to all schools through a Google form.
- Consultation will not drive any of the voting. It provides schools forum a more informed choice to back up the decision they are making to represent their sector and ensure it is the right one.
- Schools will have an opportunity to see what services are going to be dedicated and give an opinion on what will be agreed.
- The decision will affect all individual school budgets.
- Staff costs, supply cover secondary should read facilities time.

53      **RESOLVED:-**

That the Dedicated Schools Grant Outturn be submitted to the meeting in December, 2023.

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**ATTENDANCE REVIEW**

Committee Services are to put this information together for the meeting that will take place in January.

54      **RESOLVED:-**

That Committee Services are to provide information on the Attendance Review for the next meeting held in January.

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**DATE AND TIME OF NEXT MEETING**

55      The next meeting is scheduled to take place on Thursday 18 January 2024 at 1400 hours in Committee Rooms 3 & 4, Council House, Victoria Square, Birmingham.

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**OTHER URGENT BUSINESS**

56      There was no other urgent business.

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The meeting ended at 1533 hours.

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CHAIR

**Report to:** Schools Forum

**Date:** 18<sup>th</sup> January 2024

**Report of:** Kirsty Lister, Schools Finance Business Partner

**Title:** Dedicated Schools Grant Settlement 2024/25

**Status:** For Information Purposes Only

### **Purpose**

The purpose of this report is to inform Schools Forum of the Dedicated Schools Grant settlement for 2024/25

### **Background**

Schools receive funding via a variety of different funding streams, the main ones being the four blocks of the Dedicated School Grant (DSG), Pupil Premium, Education & Skills Funding Agency (ESFA) Post 16 Funding and Universal Infant Free School Meals.

DSG is the main funding stream for schools and education services and is split into the following four blocks of funding:

<b>DSG Block</b>	<b>Purpose of funding</b>
Schools Block	To fund primary and secondary mainstream schools
Central Schools Services Block (CSSB)	To fund LA functions supporting schools & education
High Needs Block	To fund all special provisions and all associated High Needs costs
Early Years Block	To fund nurseries and early years providers

The allocation of DSG funding is governed and managed in conjunction with the Schools' Forum.

## Dedicated Schools Grant Allocation 2024/25

Block	Gross Allocation 24/25	Recoupment	Allocation after Recoupment 24/25	Comments	Increase Compared to 23/24
Schools Block	1,147,185,334	7,802,312	1,139,383,022	Does not include Academy Recoupments - 23/24 £694mil	5.66%
High Needs Block	283,571,566	34,988,739	248,582,827		4.99%
Early Years Block	135,744,519	0	135,744,519		48.66%
Central Schools Services Block	8,297,720	0	8,297,720		0.64%
<b>Total</b>	<b>1,574,799,139</b>	<b>42,791,051</b>	<b>1,532,008,088</b>		

## Provisional Funding Announcement Error

- Indicative allocations published in July 23, these were published with an error on the formula
- Revised Indicative allocations issued October 23. Reduction of £8million for Birmingham between the two allocations
- This was not a reduction in funding, just an amendment to incorrect 'Indicative' figures published
- [Susan Acland-Hood letter to Robin Walker, Chair ESC -NFF update \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

**Report to:** Schools Forum

**Date:** 18<sup>th</sup> January 2024

**Report of:** Kirsty Lister, Schools Finance Business Partner

**Title:** Mainstream Schools 2024-25 Funding Formula Update

**Status:** For Approval of APT Submission 24/25

### **Purpose**

The purpose of this report is to inform Schools Forum of key National Funding Formula (NFF) changes for 2024-25 and proposed Schools Block/APT Submission to ESFA for 2024/25 School Budgets

### **Background**

Each year local authorities are required to detail their schools block funding formulae in accordance with the arrangements set out by the Secretary of State for Education. The Education and Skills Funding Agency (ESFA) has developed the authority proforma tool (APT) to assist local authorities to model, and then confirm how they plan to do this for the funding year.

The total allocation as at 19th December 2023 for Birmingham is £1,147m including £7.8m National Non Domestic Rates (NNDR) within the premises factor, therefore Schools Block of £1,139million after Premises deductions

Final allocations of mainstream schools and central schools services funding for 2024-25 has been calculated based on the latest pupil data at that point (October 2023)

The final version of the APT was also released in December 2023 and must be returned to the ESFA by **19 January 2024**.

## 2024/25 National Funding Formulae Update - Recap

- The overall structure of the formula is the same as in 2023-24. Most factors have increased by 1.9%, but with some exceptions.
- The ESFA have introduced a formulaic approach to allocating split sites funding in 2024-25. This ensures that split sites funding will be provided on a consistent basis across the country.
- Through the minimum per pupil funding levels, every primary school will receive at least £4,610 per pupil, and every secondary school at least £5,995
- The funding floor will ensure that every school will attract at least 0.5% more pupil-led funding per pupil, compared to its 2023-24 allocation.
- The core factors in the schools NFF (such as basic entitlement and the lump sum that all schools attract) will increase by 1.4%.
- The mainstream schools additional grant (MSAG) will be rolled into the schools NFF for 2024/25 ensuring that this additional funding forms an on-going part of the schools' core budgets. Appropriate adjustments have been made to NFF factor values and baselines to reflect this.
- TPAG will be allocated outside of the NFF in 2024-25
- Local Authorities will be funded for falling rolls as well as growth.

## Government National Funding Formula Expectations

Every school must receive a minimum of £4,610 per pupil for primary schools, and £5,995 per pupil funding for secondary schools (KS3: £5,503, KS4: £6,033). This has been reflected in the APT.

Primary	Secondary	Secondary (KS3 only)	Secondary (KS4 only)
£4,610.00	£5,995.00	£5,503.00	£6,033.00



## **Birmingham APT 2024/25 Update**

- Final version was published on 19th December 2023
- Final Schools Block allocation £1,147,185,334
- Contains the published pupil Census data for October 2023
- Maximum Minimum Funding Guarantee (MFG) is 0.5%
- Middle values used for pupil led factors
- Maximum values used for Lumpsum factors
- For schools with roll forward growth: 5/12ths of Oct 2023 pupil numbers + 7/12ths of estimated Oct 2024 pupil numbers
- Oct 2023 census data used for all other pupil related factors

At the Technical Meeting on the 21<sup>st</sup> December, the APT draft was discussed and the above assumptions confirmed with members. By using the above assumptions this meant Birmingham were able to balance their Schools Budgets/Blocks without utilising any reserve funding. 2023/24 required approx. £3million from the DSG reserves in order to balance Schools Budgets

Discussions were held at the Technical Meeting regarding the use of the Middle/Maximum values for the Pupil Led Factors and the group requested further modelling take place by Finance to ensure Schools Forum are in agreement with the assumptions Finance have used

### **Recommendations/Discussions**

Appendix 1 shows the various modelling options to be discussed and to be agreed



## Summary of Options

2024-25

Option	Factor Value Range					MFG and Contingency Pots				Pupil Numbers vs 2023/24			Funding 2024/25 vs 2023/24		
	AWPU	IDACI	Lumpsum	Other Pupil Led	Split-sites	MFG	Growth	Falling Rolls	MFG Adjustment	Increase	Decrease	No Change	Increase	Decrease	No Change
						%	£	£	£				No. of Schools		
1	Middle	Middle	Maximum	Middle	Middle	0.5%	£3,306,489	£680,939	£6,347,028	183	168	31	350	32	0
2	Minimum	Maximum	Maximum	Maximum	Maximum	0.5%	£10,880,954	£680,939	£10,071,450	183	168	31	342	40	0
3	Middle	Maximum	Middle	Middle	Middle	0.5%	£528,626	£680,939	£5,712,163	183	168	31	354	28	0
4	Middle	Middle	Middle	Middle	Middle	0.5%	£4,191,027	£680,939	£6,694,508	183	168	31	350	32	0
Not Feasible	Maximum	Maximum	Maximum	Maximum	Maximum	0.5%	-£19,102,166	£680,939	£3,196,812	183	168	31	364	18	0

Option 1 is the preferred option

Factors used in 2023/24

2023-24

Option	Factor Value Range					MFG and Contingency Pots				Pupil Numbers vs 2022/23			Funding 2023/24 vs 2022/23		
	AWPU	IDACI	Lumpsum	Other Pupil Led	Split-sites	MFG	Growth	Falling Rolls	MFG Adjustment	Increase	Decrease	No Change	Increase	Decrease	No Change
						%	£	£	£				No. of Schools		
1	Middle	Middle	Middle	Middle	Middle	0.5%	£3,146,000	£1,527,000	£8,558,514	176	170	38	355	29	0

This model required an additional contribution of £2,897,022.31 from reserves



**Report to:** Schools Forum

**Date:** 18<sup>th</sup> January 2024

**Report of:** Kirsty Lister, Schools Finance Business Partner

**Title:** De-Delegated Budgets Proposal for 2024/25

**Status:** For Formal Vote

## **1. Purpose of the Report**

This report covers prescribed activities/commitments that are required to be delegated through the mainstream Reception to Year 11 formula, but for which the LA can propose de-delegation for LA maintained primary and secondary schools only.

### **De-delegation does not apply to special schools, nursery schools, or PRUs**

Schools forum members for primary maintained schools and secondary maintained schools must as set out in the Schools Forums (England) Regulations 2012 decide separately for each phase whether the service should be provided centrally; the decision will apply to all maintained mainstream schools in that phase

They must decide on fixed contributions for these services so that funding can then be removed from the formula before school budgets are issued

For 2024/25 the LA is to propose the continuation of three existing de-delegation areas of commitment

## **2. De-Delegation areas**

**The three existing areas are:**

- **Contingencies:** to fund residual costs arising from the opening/closing of schools, deficits of discontinued schools, schools in financial difficulties, and other expenditure where the circumstances were unforeseen.
- **Facilities Time:** this enables the costs of releasing city-wide union representatives to be shared between schools, so that they do not fall disproportionately on the staffing of a small number of schools with these representatives.
- **Behavioural Support Services:** this is part of helping to sustain inclusion. The budget will allow resourcing of short-term programmes and preventative type work via the City of Birmingham School to continue while alternative models are developed for future years.

We propose to increase the unit rate by 3% as per National Funding Formula increase per pupil based on the rate in 2023/24, however academisation and pupil number changes will effect the overall de-delegation amount per schools

The LA seeks response from Forum members representing maintained primary and secondary schools only, to agree to continue the above three areas for de-delegation for 2024/25 and the increase of 3% (see Appendix 1 table).

### **Other background**

De-delegation is not an option for Nursery Schools, Special Schools, PRUs or Academies. Their proportion of the budget is already delegated.

It is to be noted that for each proposed area for de-delegation, it is for the Schools Forum members in the relevant phase (primary or secondary) to decide whether that service should be provided centrally. The decision would apply to all maintained mainstream schools in that phase and result in the funding for these services being removed from the formula before school budgets are issued. There could be different decisions made for each phase.

Other possible items which can be de-delegated include:

- Free School Meals eligibility
- School Improvement
- Insurance
- Licences / Subscriptions
- Staff costs – supply cover excluding facility time
- Support to underperforming ethnic minority groups and bilingual learners
- Museum and library services

Schools' Forum representatives for the relevant phases have previously decided not to de - delegate these aspects, therefore figures have not been provided.

### **Recommendations/Discussions**

Schools Forum are asked to vote on each de-delegation proposal on behalf of each sector

## Appendix 1: De-Delegation Items Proposal for 2024/25

De-Delegation Item	NOR 2023/24	£ Unit Rate 2023/24	£ 2023/24 Amount	NOR 2024/25	£ Unit Rate 2024/25	£ 2024/25
Contingencies-Primary	56,077	15.23	854,053	54,162	15.69	849,802
Contingencies-Secondary	14,801	15.23	225,419	14,955	15.69	234,644
Staff costs supply cover - Primary	56,077	4.32	242,252	54,162	4.45	241,021
Staff costs supply cover - Secondary	14,801	3.55	52,543	14,955	3.66	54,735
Behaviour support services-Primary	56,077	4.79	268,608	54,162	4.93	267,019
<b>Total</b>			<b>1,642,875</b>			<b>1,647,221</b>

NOR – Number on roll





# Birmingham City Council

## Early Years Forum / Schools Forum

18 January 2024



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**Subject:** Early Years Rate Review 2024/25

**Report of:** Helen Ellis, Director for SEND and Inclusion – Directorate for Children and Families

**Report author:** Lindsey Trivett, Head of Early Years and Childcare – Directorate for Children and Families

**Decision to be made by:** Early Years and Primary Representatives

### 1 Purpose

- 1.1 This report details the findings of the Early Years Rates Review Focus Group and recommends the amendments to be made to the Early Years DSG Funding for the final year of the 3-year financial period 2022-2023; 23-24; and 24-25. The review and recommendations are to cover the 2024/25 period.

### 2 Recommendations

That Early Years/Schools Forum supports the recommendations to:-

- 2.1 Note the funding that will be retained centrally to support the Councils delivery of the Statutory Duties for early years, will be 3.7% rather than the maximum 5% the LA is able to retain (as set out in section 3.5).
- 2.2 Maintain the current level of Deprivation and FSM supplements and increase the entitlement to the wider age-groups as set out in section 3.6.
- 2.3 Agree the use of the former Teachers Pay & Pensions Grant funding following a task and finish co-design workgroup as set out in section 3.7.
- 2.4 Increase the amount allocated to ISEY by increasing to £2m in 24/25 as set out in section 3.8. To also note the request for the increase to be maintained from the High Needs Block and matched in subsequent years.
- 2.5 Agree the funding rates to be applied to providers as set out for the next year in section 3.11.

### 3 Background

- 3.1 Within the framework for the Early Years block of the DSG there are several requirements for LAs which are intended to ensure that funding is fairly distributed to providers. The Council has a commitment to undertake an annual early years rates review of the current formula, with the intention of linking any large-scale

changes to national changes usually agreed for a three-year period in line with the governments Comprehensive Spending Review (CSR) timetable.

3.2 Previously (in January 2022) Schools Forum have approved the local Birmingham Formula for each of the 3 years covered by the government spending review, subject to an annual review in years 2 and 3. The review for 2024-25 is the third year within the three-year settlement HM Treasury announced in the CSR of November 2021 for the period 2022 – 2025.

3.3 At the Spring Budget in March 2023 the Government set out large-scale childcare reforms to increase availability, reduce costs and increase the number of parents using it by helping working families with their childcare costs. The new entitlements will be introduced in phases from April 2024 as follows:-

- from April 2024, eligible working parents of 2-year-olds can access 15 hours per week;
- from September 2024, eligible working parents of children aged 9 months up to 3-years-old can access 15 hours per week;
- from September 2025, eligible working parents of children aged 9 months up to 3-years-old can access 30 hours free childcare per week.

#### 3.4 **Annual Review Process 2024/2025:**

3.4.1 There are 5 different aspects that make up the Early Years Block and all have been considered as part of the annual review. These are: -

- Centrally Retained Element – The DfE rules allow for a maximum of 5% to be retained and this does not require agreement/permission from Schools Forum. It is within what is allowable by the LA.
- Deprivation / FSM Supplements – These form part of the pass-through requirements and are capped at 12% of the overall allocation.
- Inclusion Funding (ISEY) – This is a required element of funding but is up to each LA to allocate the quantum in agreement with Schools Forum. This forms part of the pass-through calculation.
- Rates to providers for 2, 3- and 4-year-olds – The 2-year-old funding has always been required to be passed through at 100% and is therefore in/out. The 3- and 4-year-old rate has been calculated once the centrally retained and supplements amounts have been accounted for. This is also part of the pass-through calculation.
- Funding for specific purposes (Maintained Nursery School Supplementary funding, Early Years Pupil Premium, and Disability Access Fund) – These are based on a specific criterion which are set by the DfE and must be passported at 100%.

3.4.2 The budget announcements also needed to be considered as part of the rates review focus group work for 2024/25 and would have an impact on what was

previously agreed by Schools Forum as part of the 3-year funding from 2022 to 2025. The DfE have also changed some of the funding requirements as part of the reforms.

- 3.4.3 The main changes are concerned with the centrally retained element and pass-through requirements. From 2024/25 all age groups funding will be within the scope of the centrally retained/pass-through requirements (historically the 2-year-old funding was excluded) and the maximum that can be retained will be decreased from 2025/26 to 3%. Other changes requiring consideration are the expectation that Inclusion Funding (ISEY) should be available for all children with special educational needs (SEN) eligible for or taking up the new and existing entitlements, regardless of the number of hours taken, and EYPP and DAF will be extended to eligible children aged 2 years old and under accessing the entitlements from 2024 to 2025, with increases to the value of both funding streams within the LA allocation.
- 3.4.4 It is a requirement that funding is based on actual participation and all payments to schools and settings are adjusted to reflect this during the year.
- 3.4.5 The focus group met on 3 occasions and had representation from all sectors at each session (day nurseries; pre-school playgroups; childminders; maintained nursery schools; and primary schools). Altogether 124 people attended one of the three meetings, and 15 people attended all three.
- 3.4.6 The following requirements from the focus group have been modelled, calculated or identified and used in the preparation of this report:
- Quality supplement – Continue to passport via base rate. No clear method to offer a Quality supplement. Priority is to maximise the base rates to all providers.
  - Free School Meal Supplement – Model what this looks like particularly to include for the disadvantaged 2-year-old offer. Modelling included funding all eligible 2-,3- and 4-year-olds plus wider offer to see impact on base rate.
  - Deprivation Supplement – As the deprivation rates is linked to child's home postcode it is not always targeted to those most in need. The rate should be maintained at current level and prioritise widening access to include all offers. Model this for 2,3 and 4 year olds –split for both offers AND for wider age-groups.
  - ISEY – SEND is still a top priority. Preference was to look at the impact on the funding needed to widen the access to all children eligible to one of the early years or childcare entitlements (9mths to 4 year olds). Model what the increased numbers to identify if the ISEY pot needs a further increase than previously agreed.
  - Monthly Payments – As the offers are widened this may impact on the cashflow of some providers. Suggested a future focus group for Childminders to explore monthly payments.

- 3.4.7 There will continue to be a separate element of Protection Funding for Maintained Nursery Schools. This also now includes the additional element of funding for the maintained nursery school portion of the teachers' pay and pensions grant, which has been rolled in to MNS supplementary funding.
- 3.4.8 In addition to the rates review for the EY Formula, the focus group was also used to confirm the distribution of the Teachers Pay and Pensions Grant for 2023/24 and subsequent years. From the 2023/24 financial year the DfE have mainstreamed the early years elements of this funding, bringing early years in line with schools and high needs, and the funding has rolled into the overall quantum of the 3- and 4-year-old entitlements funding. The DfE encourage local authorities to continue to use this funding to support some of the costs for which the grants were originally introduced. The Maintained Nursery Schools element of this funding has been put into the MNS Supplementary Funding so are not impacted by this.
- 3.4.9 A specific focus group was held between March and May 2023 to consider how to use this funding. The recommended model was identified as:-
- A Fixed rate per Qualified Teacher working in a School Nursery Class of £3,598
  - Fund PVI if they have a Qualified Teacher being paid Teacher Terms and Conditions.
  - Funding rate determined by the number of teachers to use the whole pot.
- 3.4.10 This recommendation was not put forward to Schools Forum as planned due to the unexpected absence of the Head of Service, so has been picked up within the Rates Review report for 2024/25 and will seek retrospective agreement for 23/24 to allow for payments to be made before the end of March as a lump sum.

### 3.5 ***Centrally Retained Funding:***

- 3.5.1 The LA can retain a maximum of 5% of the Early Years block to support central functions. This may be reduced to 3% in future years (subject to confirmation from the DfE).
- 3.5.2 This funding covers the costs of the EYCC central team; Early Years Inclusion and Early Years Quality Improvement and Networks. ISEY funding that is paid out to settings is included in the pass-through 95% and NOT included in the 5% centrally retained as it is actually paid out to providers.
- 3.5.3 The DfE have changed the rules in 2024/25 and will now incorporate the funding for all age groups (i.e. a larger financial envelope). As a result the percentage to be retained will be reduced to 3.7% in 2024/25 as opposed to the 5% previously agreed. The larger envelope will still allow an increase of £1.15m to £4.55m to support the Council to deliver the increased Statutory Duties for Early Years and Childcare. This also supports transition to a maximum of 3% in future years.

### 3.5.4 Table 1: Maximum of Centrally Retained

	22/23 £m	23/24 £m	24/25 £m
Allocation	65.2	71.65	130.9
Central Team	2.7	3.15	4.3
ISEY - Central	0.25	0.25	0.25
Total	2.95	3.4	4.55
CR%	4.5%	4.75%	3.70%

### 3.6 ***Rates to Providers: Supplements – Deprivation and Free School Meals:***

- 3.6.1 Two supplements are offered within the formula and these relate to deprivation and free school meals (FSM).
- 3.6.2 The FSM and Deprivation supplements should be held at 23/24 rates. The current rate of FSM is £218 per child (Max 2/5 of £545) in 2023/24.
- 3.6.3 The FSM criteria should be widened to incorporate 2 year old children as it is currently only applied to 3 and 4 year olds. A commitment also to review the number of hours it is applied to for 2025 onwards so that 30 hour children can have 5 days rather than the current cap of 2 days when applied only to 15 hours.
- 3.6.4 The deprivation supplement is added to the base rate when a child lives within an identified postcode according to the Index of Multiple Deprivation as follows: -
- 0-5% SOA - £0.61
  - 5-10% SOA - £0.29
  - 10-20% SOA - £0.08
- 3.6.5 The deprivation rate will be applied to all funded children (currently applied only to 3 and 4 year olds).

### 3.7 ***Supplements – Use of the Teachers Pay and Pensions Grant contribution:***

- 3.7.1 A Fixed rate per Qualified Teacher working in a School Nursery Class of £3,598. PVI settings should also be funded if they have a Qualified Teacher being paid Teacher Terms and Conditions. Evidence will be requested to support the payment.
- 3.7.2 The final funding rate will be determined by the number of teachers to use the whole pot. The payment will be made as a lump sum at a single point in the year.
- 3.7.3 Maintained nursery schools will not be included as the TPPG has been included separately within the MNS supplementary funding.

### 3.8 ***Inclusion Funding – ISEY:***

- 3.8.1 The review this year has again confirmed that this area has a very high and increasing demand. The Schools Forum report last year set out the 3 year plan to increase the ISEY funding from the EY DSG block to £1.75m in 24/25. The

previously agreed increase of £0.25m from each of the EY DSG and HNB for an additional £0.5m of funding altogether to be upheld.

3.8.2 In addition, in recognition that the funding should be made available to all funded children (children from 9 months to 4-year-old) an additional £0.5m to be added from the EY DSG block with a desire for this to be matched from the High Needs Block if possible.

3.8.3 This will bring the overall total from the EY block to £2m plus £0.25m specifically within the centrally retained amount. Overall the ISEY funding will have a total fund of £3.75m in 2024/25 (including the £1.75m from the HNB) for payments to providers to support children with SEND.

Financial Year	EY Block ISEY (centrally retained) £	EY Block ISEY Allocation £	Increase £	HNB Contribution £	Total ISEY £
2022 - 2023	0.25m	0.75m	0	1.5m	2.5m
2023 - 2024	0.25m	1.25m	0.5m	1.5m	3.0m
2024 - 2025	0.25m	2m	0.75m	1.75m*	3.75m*

3.8.4 \*This is done on the basis that the 2023/24 level from the HNB will be maintained and the previously agreed increase of £0.25m will take place. It is hoped that the EY Block input will be matched by the HNB in subsequent years.

### 3.9 **Disability Access Fund (DAF):**

3.9.1 The DAF was introduced to support disabled children's access to the entitlements for 3 and 4-year-olds. The distribution of this funding is straight in/out and is defined by the DfE. This will be required to be widened to all eligible children within the widened age groups (9 months to 4 years).

3.9.2 Providers receive at least £910 per eligible child per year. The DAF is payable as a lump sum and is not pro-rated according to hours taken up. This will continue to be the case for 24/25.

### 3.10 **Early Years Pupil Premium (EYPP):**

3.10.1 The EYPP gives providers additional funding to support disadvantaged 3 and 4 year old pupils. Local authorities must fund all eligible early years providers in their area at the national rate of 68 pence per hour per eligible pupil up to a maximum of 570 hours (£388 per year). Where a child is also eligible for the additional 15 hours entitlement for working parents, EYPP is paid on the universal 15 hours only, up to a total of 570 hours in the year. The distribution of this funding is straight in/out and (as with the DAF) is defined by the DfE. This will continue to be the case for 24/25 and the EYPP will be extended to all 2-year-olds and under accessing the entitlements and meeting the eligibility criteria.

### 3.11 **Base Rates for Providers:**

3.11.1 The strong driver from all those engaged in the focus group was to maximise the base rates to providers for each age group. The rates are calculated once the

centrally retained amounts, supplements and inclusion funding have been taken into account. The remaining funding then drives the hourly rates.

3.11.2 The 95% pass through amount also must take account of the funding allocated to ISEY, deprivation and Free School Meals.

3.11.3 The DfE have already confirmed the allocations for the year 2024/25 to each Local Authority which means that we can confirm the rates for 24/25 to be as follows:-

Age of Child	Rate £	Change from 23/24
3 and 4 year olds	5.42	+37p or 7%
2 year olds	8.16	+46p or 6%
Under 2 year olds	11.44	New for 24/25

#### 4 Any Finance Implications

4.1 The Dedicated Schools Grant Allocations for 24/25 were published to Local Authorities on the 19 December 2023.

4.2 The Early Years Block 2024/25 Indicative Allocation was confirmed as £135,744,519, an increase of over £35million compared to 2023/24. The increase is due to the additional 2-year-old offer and Under 2s offer being phased in from April 2024 as well as inflationary increases on hourly rates.

4.3 The funding allocation for Birmingham's Early Years Block is broken down as per the below:-

Birmingham Early Years Allocation 2024/25			
Funding Type	Total Children Funded	Hourly Rate funded from DfE	Allocation 2024/25 (£)
2 Year Olds - Disadvantaged Entitlement	4,029	8.67	19,909,212
2 Year Olds - Working Parents Entitlement	3,267	8.67	16,148,844
3 and 4 Year Old Universal	18,000	5.95	61,046,899
3 and 4 Year Old Extended	5,351	5.95	18,147,058
Under 2S Offer	1,656	11.85	11,182,885
Pupil Premium	5,995	0.68	2,324,338
DAF - Annual	1,149	910.00	1,045,590
Supplementary Funding	2,246	4.64	5,939,692
<b>Total Early Years 24/25</b>	<b>41,692</b>		<b>135,744,519</b>

- 4.4 The above funding shows how the grant allocation is calculated that comes into the Local Authority and Local Authorities can retain up to 5% of certain funding streams to support central service costs.
- 4.5 Due to the changes in offers from April 2024, we are still waiting for further guidance on how our allocations will be updated in year to reflect actual activity rather than estimated take up. As a service, our termly payments are based on actual take up and not estimated numbers and therefore any adjustment to the allocation in year will not have a financial impact on our budgets.
- 4.6 As discussed at the provider forums it has been agreed to pay out the Early years funding as per the below table.

The proposed hourly rates ensure the Local Authority retains sufficient funding to cover all Central Support costs and enables the service to hold enough funds to provide budgets for all supplements including Free School Meals, ISEY and Deprivation Funding. The 2024/25 hourly rates proposed to be paid to providers still ensures a sufficient increase compared to the 2023/24 hourly rates.

Deprivation Funding. The 2024/25 hourly rates proposed to be paid to providers still ensures a sufficient increase compared to the 2023/24 hourly rates.

<b>Funding Type</b>	<b>Total Children Estimated to be Funded</b>	<b>Proposed Hourly Rate 2024/25 to be paid to Providers</b>	<b>Estimated Budget Required 2024/25 (£)</b>
2 Year Olds - Disadvantaged Entitlement	4,029	8.16	18,738,082
2 Year Olds - Working Parents Entitlement	3,267	8.16	15,195,470
3- and 4-Year-Old Universal	18,000	5.42	55,609,107
3- and 4-Year-Old Extended	5,351	5.42	16,530,582
Under 2S Offer	1,656	11.44	10,795,967
Pupil Premium	5,995	0.68	2,324,338
DAF - Annual	1,149	910.00	1,045,590
Supplementary Funding	2,246	4.64	5,939,692
Free School Meal Funding			483,149
Deprivation Funding			1,338,065
ISEY Funding			2,000,000
Teachers Pay and Pension Grant			1,064,792
Centrally Retained Funding			4,679,685
	<b>41,692</b>		<b>135,744,519</b>

## 5 Any Legal Implications

None



## **6 Any Equalities Implications**

- 6.1 The funding rates to providers are increasing so there should not be any adverse impacts. However, the introduction of the new entitlements will have an equalities impact assessment undertaken as part of the strategic planning.





**Report to:** Schools' Forum

**Date:** 18<sup>th</sup> January 2024

**Report of:** Kirsty lister, Finance Business Partner – Schools Funding

**Title:** Central School Services Block Allocations 2024/25

**Status:** For Decision

## 1. Purpose of the Report

The Central School Services block (CSSB) was established by the DFE in 2018/19 and created with the aim of funding LA's for statutory duties they hold for both maintained schools and academies. It brings together:

- Funding for ongoing responsibilities, such as admissions
- Funding previously allocated through the retained duties element of the education services grant (ESG)
- Residual agreed funding for historic commitments

The CSSB covers funding allocated to LAs to carry out central functions on behalf of pupils in maintained schools and academies in England. CSSB funding is split into two elements: funding for ongoing responsibilities and funding for historic commitments, and LAs' total CSSB NFF funding is the sum of these two values.

A breakdown for the budget for CSSB for 2023/24 and the proposals for 2024/25 is provided in Appendix 1.

Please note the CSSB does not include funding for any central front-line budgets and commitments held in the Early Years and High Needs blocks.

## 2. CSSB Budget 2024/25

- Central schools services funding in 2024-25 will increase by 3% for the ongoing responsibilities that local authorities continue to have for all schools
- As per previous years and guidance from the DFE, the historical commitments element has decreased by a further 20%. Reducing the budget for 24/25 down to £737k
- The total CSSB 2024.25 Allocation is confirmed as £8,297,720
- As the historical commitments allocation reduces year on year by 20%, further discussions need to take place within the Local Authority to identify proposals to balance this budget. The proposals will then be presented to Schools Forum for approval/agreement
- The CSSB 24/25 Budget has currently been set as per 2023/24 plus any relevant inflation until these further discussions have taken place

	Historical Commitments	Ongoing Commitments	Total CSSB
23/24	922,420	7,322,927	8,245,347
24/25	737,936	7,559,784	8,297,720
Variance	-184,484	236,857	52,373
Percentage Change	-20%	3%	1%

## 3. Recommendations / Discussion

- For Schools Forum to agree the proposed 2024/25 budget as set out in Appendix 1

## Appendix 1

Historical Commitments	23/24 (£)	24/25 Proposed (£)	Comments
<b>Contribution To Combined Budgets:</b>			
Contribution to Children Services re Equal Pay	660,000	660,000	
Early Help & Brokerage Service	262,000	262,000	
School Improvement	1,000,000	1,000,000	BEP contract
Nursery Redundancy	125,000	0	Is this still required?
Contribution from Ongoing Commitments	-1,124,580		Shortfall on Historic Commitments
<b>Total 24/25 Draft CSSB Budget for Historical Commitments</b>	<b>922,420</b>	<b>1,922,000</b>	
<b>DfE Allocation</b>	<b>922,420</b>	<b>737,936</b>	
<b>Over/(Under)</b>	<b>0</b>	<b>1,184,064</b>	<b>Shortfall on Historic Commitments</b>

Ongoing & Centrally Retained Duties	23/24 (£)	24/25 Proposed (£)	Comments
Copyright Licenses	1,098,000	1,130,940	Assumed as per 23/24 plus 3%
School Admissions – statutory service requirement.	1,893,000	1,949,790	3% Inflation Assumed
Schools Forum	89,000	89,000	No change - Based on 22/23 and 23/24 spend
<b>Strategic planning for the Education Service:</b>			
Corporate Director /AD's plus support	678,000	698,340	3% Inflation Assumed
School Places Planning	284,000	292,520	3% Inflation Assumed
Participation Team	316,000	316,000	No inflation applied
Finance Support	652,000	671,560	3% Inflation Assumed
Statutory Advice Council Religious Education	104,000	104,000	No inflation applied
Education Welfare	282,000	282,000	
Asset Management	751,000	751,000	
<b>Other spend agreed by School Forum (13th June 2019):</b>			
Schools Financial services - financial advice to schools	60,000	60,000	No inflation Applied
Schools Human Resources Services	115,000	115,000	No inflation Applied
Shortfall on Historical Commitments	1,124,580		
Reserve Funding	-123,653		
<b>Sub Total</b>	<b>7,322,927</b>	<b>6,460,150</b>	
<b>DfE Allocation</b>	<b>7,322,927</b>	<b>7,559,784</b>	
<b>Over/(Under)</b>	<b>0</b>	<b>-1,099,634</b>	
<b>Total CSSB 2024/25 Draft Budget</b>	<b>8,245,347</b>	<b>8,382,150</b>	
<b>Total CSSB Final Allocation 24/25</b>	<b>8,245,347</b>	<b>8,297,720</b>	
<b>OVER/(SURPLUS TO BE ALLOCATED)</b>	<b>0</b>	<b>84,430</b>	<b>Forecast Overspend on CSSB</b>

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