

## **BIRMINGHAM CITY COUNCIL**

### **BIRMINGHAM SCHOOLS FORUM COMMITTEE**

**THURSDAY, 24 OCTOBER 2024 AT 14:00 HOURS**  
**IN ON-LINE MEETING, MICROSOFT TEAMS**

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

1 **ELECTION OF CHAIR FOR THE MUNICIPAL YEAR 2024/25**

To elect a Chair for the Municipal Year 2024-25.

2 **ELECTION OF VICE CHAIR FOR THE MUNICIPAL YEAR 2024-25**

To elect a Vice Chair for the Municipal Year 2024-25.

3 **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.

4 **APOLOGIES**

To receive any apologies.

5 **MINUTES - BIRMINGHAM SCHOOLS FORUM - 13 JUNE 2024**

To agree the Minutes of the Birmingham Schools Forum held on 13 June 2024.

6 **REVIEW OF SCHOOL AND ACADEMY REPRESENTATION ON THE FORUM**

Verbal Update.

**3 - 8**

- 9 - 18**
- 7 **BIRMINGHAM SCHOOLS FORUM CONSTITUTION**
- Item Description
- 8 **LOCAL AUTHORITY UPDATE**
- Verbal Update.
- 9 **INDUCTION FOR NEW MEMBERS**
- Verbal Update.
- 19 - 22**
- 10 **FINANCE UPDATE**
- Report of the Finance Business Partner - Schools
- 23 - 30**
- 11 **CRITERIA FOR GROWTH AND FALLING ROLL FUNDING**
- Report of the Head of Service, Children and Families.
- 31 - 32**
- 12 **WORK PROGRAMME**
- Item Description
- 13 **DATE AND TIME OF NEXT MEETING**
- To note the date of the next meeting will be 5 December 2024 at 2pm.
- 14 **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  
13 JUNE 2024**

**MINUTES OF A MEETING OF BIRMINGHAM SCHOOLS FORUM  
COMMITTEE HELD ON THURSDAY 13 JUNE 2024 AT 1400 HOURS  
HELD ONLINE VIA MICROSOFT TEAMS**

**PRESENT: -**

**James Hill, Chair, Director of School Improvement, DRB Ignite MAT  
(Mainstream Academy rep)**

Anna Pendleton – Head Teacher at Rednal Hill Infant School (Maintained Primary School HT rep)

Chris Wilson – Executive Head Teacher Queensbury School and Queensbury New Horizons (Special Academy rep)

Clare Henebury – Head Teacher Garretts Green Nursery School (Maintained Nursery School HT rep)

Colin Townsend – University of Birmingham School (Mainstream Academy rep)

David Room – National Education Union (Non-school rep)

Denise Fountain – Headteacher at The Dame Ellen Pinsent School (Maintained Special School HT rep)

Fiona Chamberlain – Strategic Lead for School Improvement, Birmingham City Council

Helen Ellis – Director of SEND and Inclusion, Birmingham City Council

Mashuq Ally – Chair of Governing Board of Bordesley Green Girls' School (Maintained Secondary School Governor rep)

Maxine Charles – Head Teacher of Hall Green Junior School (Maintained Primary School HT rep)

Mike Dunn – Headteacher of Swanshurst School (Maintained Secondary School HT rep)

Neil Butler – Interim Finance Business Partner for Schools and DSG, Birmingham City Council

Pam Garrington – Chair of Governors at Moor Hall Primary School (Maintained Primary School Governor rep)

**Birmingham Schools Forum Committee – 13 June 2024**

Paul Sansom – Headteacher of Chad Vale Primary School (Maintained Primary School HT rep)

Paulene Mckena – Observer

Sean Delaney – Governor on the Board of Birmingham Federation of Nursery Schools (Maintained Nursery School Governor Rep)

Sue Sehengera – Interim Finance Manager for Schools, DSG in the Central Block, Birmingham City Council

Zelpher Ferguson – Observer

Ben Patel-Sadler – Senior Committee Manager, Birmingham City Council

Johane Gandiwa – Committee Officer, Birmingham City Council.

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**NOTICE OF RECORDING/WEBCAST**

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

- 2 Apologies were received from Cllr Mike Brown, Reverend Alex French, Daniel Locke-Wheaton, and Gillian Gregory.
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**DECLARATIONS OF INTEREST**

- 3 No declarations of interests were made.
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**MINUTES – BIRMINGHAM SCHOOLS FORUM 19 JANUARY 2024**

- 4 **RESOLVED:** -

That the minutes of the meeting held on 18 January 2024 be approved and signed by the Chair of the School’s Forum.

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**MATTERS ARISING FROM THE MINUTES**

- 5 There were no matters arising from the minutes.
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**MEMBERSHIP AND TERM OF OFFICE**

- 7 The Strategic Lead for School Improvement, Birmingham City Council, advised the Forum of the changes that had occurred in respect of the membership of the Forum. The Forum would be fully constituted by the end of the academic year, and membership would have been updated in time for the October meeting.

New Forum members were announced as follows: Paul Sansom, Sean Delaney, Pam Garrington, Madaline Popa, Reverend Alex French, Mashuq Ally, and Gill Gregory.

The Forum was further advised that there were three vacancies as follows: Governor for Secondary Schools, Representative of Faith Groups Bodies; and a mainstream Academy Representative.

**RESOLVED: -**

That the verbal update on membership and term of office be noted.

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**LOCAL AUTHORITY UPDATE**

- 8 The Director of SEND and Inclusion, and the Strategic Lead for School Improvement apprised the Forum of the new Cabinet portfolios and members. An update was also provided on the appointment of the new Managing Director for Birmingham City Council. The Forum was informed that the Director for Schools and Employability had been appointed. A permanent Head of SEND had also been appointed.

The Forum was updated on the progress relating to Oracle Finance Payroll and HR System. The local authority was moving at pace to find solutions on Oracle. An Education Board is being established and it will look at the three priority areas of SEND and Inclusion, Attendance, and Achievement.

A Forward Plan of all Meetings would be published in due course. Slides on the Local Authority Update would be circulated to all members of the Forum together with the minutes.

**RESOLVED: -**

- 1) That the Local Authority Update be noted.
- 2) That details on the Education Board, its remit, and how it would function be circulated at the appropriate time.
- 3) That clarity be provided at the October meeting on how the new Director for Schools and Employability would work with the Director for Children and Families, particularly on their specific remits and where there might be some crossover.

**HIGH NEEDS BUDGET FOR 2024/25**

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The Interim Finance and Business Partner (Schools and DSG) presented a report on the High Needs Budget for 2024/25. Emphasis was placed on the DSG allocations for 2024/25 and the original allocations for 2023/24. It was highlighted that there was an increase in the high needs DSG of 4.39%. A proposal had been made to withhold a contingency of £4.2 million, which represented 1.5% of the allocation. Main movements in the budgets between the two years were explained in relation to the reports that had been circulated to all members of the Forum.

In response to questions and comments, the Finance and Business Partner (Schools and DSG) stated as follows: -

- Historic salary increases that had not been reflected in previous budgets were being realigned with the budgets within the High Needs block to reflect actual expenditure.
- The realignment was being done as part of delivering better value programme as budget lines were being reviewed.
- The High Needs block allocations would be done in consultation with schools.
- The recruitment was for funding in special academies, and mainstream academies. The £10 000 place funding would be recouped by the DfE.
- The increase of the £22.5 million compared to the previous municipal year was a result of the increase in places for children. It also included inflationary increases from the DSG block as most blocks had an inflationary increase between the two years.
- In respect of delivering value, a £1 million grant had been received by Birmingham City Council. £500,000 was for the current municipal year and the other £500,000 was for the next municipal year. The grant would fund the project particularly through project management.
- An update on Communication and Autism Team would be provided at the next meeting.
- Complex care provision was a new allocation, to ensure that all children in the High Needs breakdown were always funded.
- The discrepancy on the High Needs income which was projected at £283.5 million and recorded as an increase of 4.9% would be clarified at the next meeting of the Forum.
- The Director of SEND and Inclusion advised the Forum that a response on the request to review the 1.5% that was kept for contingency would be provided at a future meeting.
- The local authority was aware of the cost of non-teaching pay inflation in schools, and there was no specific grant to fund such increases both in pay and pensions for non-teaching staff. A proposal had been made to establish a High Needs Working Group to look at such issues and the local authority would take the issue forward with the support of Forum. The Forum offered its support to the proposal.

## **Birmingham Schools Forum Committee – 13 June 2024**

- Details on how the contingencies had been used would be provided at the October meeting.

### **RESOLVED:-**

That the Schools Forum notes the High Needs budget allocations for 2024/25.

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## **DEDICATED SCHOOLS GRANT – A QUICK GUIDE TO THE BLOCKS**

- 10 The Finance and Business Partner (Schools and DGS) presented a brief report that outlined the main differences in the 4 blocks within the Dedicated Schools Grant. The Forum noted that the DSG out turn report, or the reserves had not been availed for the June meeting. It was agreed that the information would be provided at the October meeting.

### **RESOLVED: -**

That the Quick Guide to the 4 blocks of the DSG be noted.

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## **DRAFT SCHOOLS FORUM WORK PROGRAMME 2024/25**

- 11 **RESOLVED: -**

That the Schools Forum: Notes the Work Programme.

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## **DATE AND TIME OF NEXT MEETING AND PROPOSED 2024/25 MEETING DATES 2024/25**

- 12 **RESOLVED: -**

That the Schools Forum approves the following meeting dates for the 2024/25 Municipal Year.

24 October 2024, 1400-1600 (MS Teams)

5 December 2024, 1400-1600 (MS Teams)

16 January 2025, 1400-1600 (In-person at BCC)

10 April 2025, 1400-1600 (MS Teams)

19 June 2025, 1400-1600 (MS Teams)

**OTHER URGENT BUSINESS**

13 There was no other urgent business.

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The meeting ended at 1449 hours.

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CHAIR



## CONSTITUTION OF THE BIRMINGHAM SCHOOLS FORUM

### 1. **Name**

- 1.1 The Body shall be called the Birmingham Schools Forum ('the Forum').
- 1.2 In this document "Local Authority" means Birmingham City Council.

### 2. **Functions**

- 2.1 The Forum shall provide a formal channel of communication between the Local Authority and schools and shall serve as a mechanism for consultation on such matters concerning the funding of schools as the Local Authority shall see fit and in particular the matters at 2.2 to 2.4 below.
- 2.2 The Forum shall be consulted on any proposed changes to the Local Authority school funding formula and the Local Authority shall consult the Forum in sufficient time to allow the views expressed to be taken into account in determination of the Local Authority's formula and in the initial determination of the schools budget share before the beginning of the financial year.
- 2.3 The Forum shall be consulted at least one month prior to the issue of invitations to tender on the terms of any proposed contract for supplies or services being a contract paid or to be paid out of the schools budget where the value of that contract is not less than the appropriate thresholds (currently specified in the Public Contracts Regulations 2015).
- 2.4 There shall be annual consultation in respect of the Local Authority's functions relating to the schools budget in connection with the following:

- (a) the arrangements to be made for the education of pupils with special educational needs;
- (b) arrangements for the use of pupil referral units and the education of children otherwise than at school;
- (c) arrangements for early years provision;
- (d) administrative arrangements for the allocation of central government grants paid to schools via the Local Authority.

2.5 The Forum shall as soon as reasonably possible inform governing bodies of maintained schools of all consultations carried out under the above provisions of this section 2.

2.6 The Forum shall only make decisions on the Local Authority's proposals where the law gives the Forum responsibility for making those decisions.

### 3. **Membership**

3.1 Membership of the Forum shall not exceed 27 and shall comprise of:

- (a) 1 maintained Nursery School Head Teacher representative
- (b) 3 maintained Primary School Head Teacher representatives
- (c) 1 maintained Secondary School Head Teacher representative
- (d) 1 maintained Special School Head Teacher representative
- (e) 1 maintained Nursery School governor representative
- (f) 3 maintained Primary governor representatives
- (g) 2 maintained Secondary governor representatives
- (h) 1 maintained Special School governor representative
- (i) 7 non-school representatives
- (j) 4 mainstream Academies representatives
- (k) 1 special Academies representative
- (l) 1 alternative provision Academies representative
- (m) 1 Pupil Referral Unit representative

- 3.2 The maintained Nursery School Head Teacher representative shall be elected by the Nursery Head Teachers Group.
- 3.3 Primary and Secondary Head Teacher representatives shall be elected by the Primary and Secondary Heads Forums respectively.
- 3.4 Governor representatives from Local Authority maintained schools shall be elected as follows:
- (a) Primary School governor representatives are elected by the governors of Primary schools
  - (b) Secondary School governor representatives are elected by the governors of Secondary schools
  - (c) Nursery School governor representatives are elected by the governors of Nursery schools
  - (d) Special School governor representatives are elected by the governors of Special schools
- 3.5 The Special School representative shall be elected by the Birmingham Special Schools Head Teacher Association.
- 3.6 1 non-school representative shall be nominated by the Teacher Associations.
- 3.7 1 non-school representative shall be nominated by the associations representing support staff working within schools.
- 3.8 1 non-school representative shall be nominated by the Cabinet Member who has primary responsibility for education.

- 3.9 1 non-school representative shall be elected by representatives of 16 to 19 providers.
- 3.10 2 non-school representatives shall be nominated by the PVI early years providers.
- 3.11 1 non-school representative shall be nominated by those bodies representing the appropriate faith groups in respect of schools or Academies with a religious character.
- 3.12 Academies representatives shall be elected by the proprietors of the Academies in the Local Authority's area and the Forum expects primary Academies and secondary Academies to be proportionately represented on the Forum having regard to the total number of pupils registered at them, and the Forum also expects balanced representation of Academy governors.
- 3.13 Academies members representing mainstream Academies shall be elected to the Forum by the proprietors of mainstream Academies; Academies members representing special Academies shall be elected by the proprietors of special academies; and Academies members representing alternative provision Academies shall be elected by the proprietors of alternative provision Academies.
- 3.14. 1 Pupil Referral Unit Representative shall be elected by the Pupil Referral Unit leadership team.
- 3.15 All Members once elected or nominated may identify a substitute who may attend meetings on their behalf and may vote in their absence save that no substitute may attend or vote until they have been nominated by the Member and written details of the nomination have been received by the Clerk to the Forum.

- 3.16 If, for any reason, an election for a schools member, Academies member, or person to represent 16 to 19 providers either does not take place by any date set by the Local Authority or any such election results in a tie between two or more candidates, the Local Authority shall appoint the schools member, Academies member, or person to represent 16 to 19 providers to the Forum instead.
- 3.17 Each Forum member shall be elected or appointed for a period not exceeding 2 years and a Forum member remains in office until the member's term of office expires or the member ceases to hold the office by virtue of which the member became eligible for election or appointment to the Forum, or the member resigns from the Forum, or in the case of a non-schools member, the member is replaced by the Local Authority, at the request of the body which the member represents, by another person nominated by that body, and that where the term of office of a Forum member ends so shall the term of office of their Substitute.
- 3.18 Within one month of the appointment of any non-schools member the Local Authority shall inform schools and Academies of the name of the Member and the appointing body.

#### 4. **Meetings of the Forum**

- 4.1 The Forum shall meet at least four times during each year. The meetings of the Forum can be held remotely.
- 4.2 All meetings of the Forum shall be public meetings. This includes a meeting of the Forum that the public can access through remote means.
- 4.3 At least 14 days notice of a meeting of the Forum shall be given in writing addressed to Members and their Substitutes.

- 4.4 The agenda of a meeting of the Forum shall be circulated to Members and their Substitutes at least 7 days prior to the date of a meeting of the Forum.
- 4.5 The quorum of the Forum shall be 40% of Members or their Substitutes. Being quorate at the meeting includes members being present through remote means.
- 4.6 The following persons may speak at meetings of the Forum, even though they are not members of the Forum:
- (i) the Director of Children’s Services or their representative;
  - (ii) the chief finance officer or their representative;
  - (iii) The Cabinet Members who have primary responsibility for children’s services or education;
  - (iv) Any elected Member of the Local Authority who has primary responsibility for the resources of the Local Authority;
  - (v) Any person who is invited by the Forum to attend in order to provide financial or technical advice to the Forum;
  - (vi) An observer appointed by the Secretary of State for Education;
  - (vii) Any person presenting a paper or other item to the Forum that is on the meeting’s agenda but that person’s right to speak shall be limited to matters related to the item that the person is presenting.

5. **Chairperson**

- 5.1 The business of the first meeting of the Forum shall include the election of a Chairperson and Vice-Chairperson to preside over meetings of the Forum.
- 5.2 The Chairperson and Vice-Chairperson shall be elected for a period of one year and elections for the posts shall be held at the next meeting of the Forum following the expiry of the term of office.

5.3 The Chairperson shall decide upon an agenda for each meeting of the Forum following consultation with members of the Forum.

6. **Voting**

6.1 Decisions of the Forum shall be made by a simple majority of the Members or their Substitutes present and voting.

6.2 Non-schools members, other than those who represent early years providers, must not vote on matters relating to the formulae to be used by the Local Authority to determine the amounts to be allocated to schools and early years providers.

6.3 Only the schools members who are representatives of primary schools may vote to decide whether or not to authorise de-delegation matters where they relate to primary schools.

6.4 Only the schools members who are representatives of secondary schools may vote to decide whether or not to authorise de-delegation matters where they relate to secondary schools.

6.5 Voting on retaining funding for statutory duties relating to maintained schools only is limited to maintained primary, secondary, special and Pupil Referral Unit members.

6.6 Subject to 6.2 to 6.4 in the event of an equality of votes the Chairperson shall have a casting vote.

6.7 Any amendment to this Constitution shall only be considered at a meeting for which at least 28 days notice has been given and shall be passed only on the approval of two thirds of the Members or their Substitutes present and voting.

## 7. **Declarations of Interest**

- 7.1 A Member or Substitute Member with a personal interest in a matter who attends a meeting of the Forum at which the matter is considered must disclose to the meeting the existence and nature of that interest at the commencement of the meeting or at such time as the interest becomes apparent.
- 7.2 A Member or Substitute Member should regard him or herself as having a personal interest in any matter if a decision upon it might reasonably be regarded as affecting the well-being or financial position of him or herself, a relative or a friend, or any employment or business carried on by such persons.

## 8. **Working Groups**

- 8.1 The Forum may appoint such Working Groups as it deems necessary for the consideration of specific matters and shall decide upon the terms of reference for such groups as appropriate.
- 8.2 The Forum may invite Members of the Forum and other persons as it deems necessary to take part in such Working Groups.
- 8.3 The Forum shall consider the work of such Working Groups and shall make recommendations to the Local Authority as appropriate.

## 9. **The Clerk to the Forum**

- 9.1 The minutes of the proceedings of a meeting of the Forum shall be drawn up and entered in to a book kept for the purpose by the Clerk.
- 9.2 The Clerk shall record the names of those persons present at any meeting of the Forum.



9.3 Notices of appointments, resignations or removals from the Forum shall be given in writing to the Clerk.

10. **Website**

10.1 The Local Authority shall promptly publish all papers considered by the Forum and the minutes of their meetings on their website.

11. **Expenses**

11.1 All expenses of the Forum shall be met by the Local Authority and charged to the schools budget.

11.2 Within the provisions of 11.1 above the Local Authority shall reimburse all reasonable expenses of members in connection with attendance at meetings of the Forum in accordance with the appropriate guidelines issued by the Local Authority from time to time.

12. **Review**

12.1 The Forum shall review the content of this Constitution in September each year.



**Birmingham City Council**  
**Birmingham Schools Forum**

24 October 2024



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<b>Title:</b>	<b>FINACE UPDATE</b>
<b>Lead Cabinet Portfolio:</b>	Councillor Mike Brown, Cabinet Member for Children, Young People and Families
<b>Relevant Overview and Scrutiny Committee:</b>	Not Applicable
<b>Report Author:</b>	Neill Butler, Finance Business Partner – Schools Finance and Governance Directorate Neill.butler@birmingham.gov.uk
<b>Authorised by:</b>	Sue Harrison, Strategic Director of Children & Families (DCS) Sue.m.harrison@birmingham.gov.uk Children and Families Directorate
<b>Is this a Key Decision?</b>	No
<b>If this is a Key Decision, is this decision listed on the Forward Plan?</b>	No
<b>Reason(s) why not included on the Forward Plan:</b>	Not Applicable
<b>Is this a Late Report?</b>	No
<b>Reason(s) why Late:</b>	Not Applicable
<b>Is this decision eligible for ‘call in?’</b>	Not Applicable
<b>If not eligible, please provide reason(s):</b>	Not Applicable

**Wards:** All

**Does this report contain exempt or confidential information?** No

**Has this decision been included on the Notification of Intention to consider Matters in Private?** Not Applicable

**Reasons why not included on the Notification:** Not Applicable

## **1 EXECUTIVE SUMMARY**

- 1.1 This report informs Birmingham Schools Forum on current finance issues and progress on current work programmes.
- 1.2 This report is for noting only.

## **2 RECOMMENDATIONS**

### **That Schools Forum:**

- 2.1 Note the guide to the 4 blocks of the Dedicated Schools Grant which is attached as an appendix.

## **3 SCHOOL REVENUE AND CAPITAL BALANCES**

- 3.1 In agreeing schools balances the Schools Finance team had to set an extremely tight deadline of 01/10/24. A closing position was communicated to schools in July 2024 and the team has worked hard since then to ensure queries were dealt with and final positions were agreed with school.
- 3.2 Of the 207 maintained schools, 107 raised queries. In agreeing the closing balances for 2023/24, in many cases, 2022/23 was also re-opened, however the deadline of 01/10/24 was met and schools' revenue and capital balances have been finalised for 2023/24.
- 3.3 Any further queries will be dealt with in 2024/25 and reflected in schools in-year position. It is anticipated that 2024/25 schools closing balance will incorporate any pending historical differences and we will have a clean financial position for all maintained schools from 2025/26.

## **4 DSG OUTTURN 2023-24**

- 4.1 DSG Outturn 2023-24 is being reported to Cabinet in November 2024 and will be reported to Schools Forum on Thursday 5 December 2024.

## **5 ORACLE IN SCHOOLS**

- 5.1 Schools Finance are leading on schools transitioning from Oracle as the system will not be available to schools from September 2025. Some schools have voluntarily decided to move to Chequebook Status (CBS) and the first school was successfully transitioned on 01/10/2024. A further 3 plus schools are in the pipeline to transition from 01/11/2024 and the remaining to go at regular intervals.
- 5.2 The deadline for transitioning all schools to CBS is September 2025.
- 5.3 One of the conditions of transitioning schools to CBS is that the LA must have an agreed cash position with schools on transition date.
- 5.4 One issue that still needs to be addressed is how we transition those schools in deficit and ensuring these schools have agreed deficit recovery plans in place before the 31 March 2025,

## **6 SCHOOLS FUNDING 2025-26**

- 6.1 In previous years provisional DSG settlements were announced in July each year for the next financial year. In July 2025 the DfE announced that due to the timing of the election schools provisional funding for 2025-26 would be delayed. The DfE confirmed on 2 October that provisional DSG funding would be announced after the budget on 30 October 2025.
- 6.2 This is going to give finance little to time to do any modelling before the mainstream school and academy return deadline which is expected to be Friday 17 January 2026.
- 6.3 A further update on schools funding for 2025-26 will be brought to the schools forum meeting scheduled for Thursday 5 December 2024.
- 6.4 All schools will receive their 2025-26 budget shares by 28 February 2025

## **7 SCHOOL FINANCE NETWORK GROUPS**

- 7.1 The first Finance Network Group is planned to take place for all maintained schools on Wednesday 6 November 2024 between 11:00 and 12:00.
- 7.2 It is proposed that with the agreement of schools that future Network Groups will be arranged for each school phase, Nursery, Mainstream and Special.

## **8 SCHOOLS IN DEFICIT**

- 8.1 Schools Finance and Schools Financial Services are working on the list of schools in deficit to identify what work has already been done and what further needs to be undertaken for each school identified as needing support.
- 8.2 This work should be concluded before half term and will be shared with Education colleagues once complete. Meetings will then be scheduled with schools agreement after the autumn half term.

## **Growth and Falling Rolls Criteria 2025/26**

### **1. Purpose of this Report**

- 1.1. This report consults schools forum on the proposals for a new criterion for Growth and Falling Rolls funding to be implemented from financial year 2025-26.

### **2. Recommendations**

- 2.1. Schools forum is asked to
  - Note and comment the Growth Fund criteria to be implemented from financial year 2025-26
  - Note and comment the Falling Rolls criteria to be implemented from financial year 2025-26

### **3. Introduction**

- 3.1. In January 2024, Birmingham City Council (BCC) agreed the Growth Fund and Fallings Rolls funding allocation within the schools block, of £1.389m and £0.681m respectively, through the National Funding Formula (NFF).
- 3.2. Schools forum are presented with the Growth Fund and Falling Rolls funding criteria annually, however the existing criteria is too wide and if applied to all schools that qualify, there will not be sufficient budget and therefore, will lead to an overspend in the schools block. This overspend will become irrecoverable unless a top slice to school budgets will need to be applied to all schools to make good this pressure.

### **4. Growth Fund**

- 4.1. Local authorities (LA's) are responsible for funding growth needs for all schools in their area, for new and existing maintained schools and academies, and all schools must be funded on the same criteria. Growth Funding is allocated through the NFF within the school block and is based on the October census.
- 4.2. For 2025-26, the methodology to calculate the Growth Fund will be based on the observed differences between the primary and secondary number on roll in the LA between the October 2023 and October 2024 school censuses.
- 4.3. The Growth Fund can only be used to:
  - support growth in pre-16 pupil numbers to meet basic need
  - support additional classes needed to meet the infant class size regulation
  - meet the revenue cost of new schools
  - meet revenue costs, for schools, of removing or repurposing surplus places

- 4.4. Where a school has agreed with the LA to provide an extra class to meet basic need in the area (either as a bulge class or as an ongoing commitment), this will need to be supported from the Growth Fund
- 4.5. The Growth Fund must not be used to support:
- schools in financial difficulty; any such support for maintained schools should be provided from a de-delegated contingency
  - general growth due to popularity; this is managed through lagged funding. This includes cases where schools have admitted above pupil admission numbers (PAN) by their own choice
- 4.6. The costs of new schools will include the lead-in costs, for example to fund the appointment of staff and the purchase of any goods or services necessary to admit pupils. They will also include post start-up and diseconomy of scale costs. These pre and post start-up costs should be provided for schools where they are created to meet basic need.
- 4.7. Growing schools are funded from the schools block by varying pupil numbers where there is a more permanent and significant change to numbers, and where it's appropriate for the change to be reflected in the funding formula.
- 4.8. The schools forum must also be consulted on the total size of the Growth Fund and criteria for use and should receive regular updates on the use of the funding. Any in-year reduction to the growth fund needs to be agreed with the schools forum. This size of the Growth Fund will be presented to schools forum in January 2025.
- 4.9. Criteria for allocating growth funds should contain clear objective trigger points for qualification, and a clear formula for calculating allocations with these criteria applying to all schools on the same basis.
- 4.10. Compliant criteria would generally contain some the features set out below:
- support where a school or academy has agreed with the local authority to provide an extra class to meet basic need in the area (either as a bulge class or as an ongoing commitment). This is a mandatory requirement. There is also a mandatory minimum funding calculation
  - additional support where a school has extended its age range (the majority of funding would be paid through the funding formula, where the local authority should seek a variation in pupil numbers)
  - support where a school has temporarily increased its PAN, by a minimum number of pupils, in agreement with the LA
  - support for KS1 classes where overall pupil numbers exceed a multiple of 30, by a minimum number of pupils
  - pre-opening costs, initial equipping allowance, or diseconomy of scale allowance, for new maintained schools and academies; including new academies where the school is opening in response to basic need



- 4.11. While LA's have flexibility on how they allocate funding, in cases of funding an additional class (as outlined above) funding must be compliant with the minimum funding requirement.
- 4.12. Methodologies for distributing funding include:
- a lump sum payment with clear parameters for calculation (usually based on the estimated cost of making additional provision for a new class, or the estimated start-up costs)
  - a per-pupil rate (usually based on the basic entitlement rate and reflecting the proportion of the year which is not funded within the school's budget share)
- 4.13. Where schools have agreed an expansion in pupil numbers with the local authority, the school should ensure that they understand the methodology for funding the increase and are content that the expansion is deliverable within the funding available.

## **5. Falling Rolls Funding**

- 5.1. For the first time in 2024-25 the DfE allocated funding based on falling rolls.
- 5.2. Falling rolls funding is distributed based on the reduction in pupil numbers that LA's experience for each year. For 2025-26, it will be based on the observed differences between the primary and secondary number on roll the LA between the October 2023 and October 2024 school censuses.
- 5.3. The LA has discretion over whether to operate a falling rolls fund. Where the LA operates a fund, it will only be able to provide funding where school capacity data 2023 (SCAP) shows that school places will be required in the subsequent three to five years. This SCAP requirement replaces previous guidance that funding may only be used where local planning data shows that the surplus places will be needed within the next 3 financial years.
- 5.4. The schools forum will agree both the value of the fund and the criteria for allocation, and the local authority will consult schools forum before expenditure is incurred. As with the Growth Fund, the Falling Rolls fund is within the NFF schools block.

## **6. Existing Criteria**

- 6.1. The existing criteria for both Growth Funding and Falling Rolls Funding was agreed by schools forum in December 2023.
- 6.2. Growth Funding 2024-25 supports
- Growth to meet Basic Need; increased births and in-year cohort growth from migration
  - Growth in pupil numbers at receiving schools following a local school closure
  - New schools or new school phases to meet Basic Need

- Overall recommendation of Growth Fund criteria to meet Basic Need (including new schools) and school or school phase closures
- 6.3. Falling Rolls Funding 2024/25 supports mainstream schools which meet the criteria below;
- Surplus capacity exceeds 15% and numbers on roll are at least 5% lower than October 2023 census. Surplus capacity is defined as the difference between number on roll versus operational capacity (this could be Published Admission Number (PAN) or Current Pupil Number (CPN), whereby a lower operational number is in practice).
  - Local planning data shows the places will be required within the next 2 academic years. Page 2 of 2
  - The school will need to make redundancies in order to contain spending within its formula budget. Schools will be funded for April-August allocation if required to meet staffing costs until end of academic year.
  - The Secondary School does not have a surplus balance in excess of 3% of its school budget share as at 31st March 2023 and 31st March 2024 (or the relevant academic years in the case of academies).
  - The Primary School does not have a surplus balance in excess of 3% of its school budget share as at 31st March 2023 and 31st March 2024 (or the relevant academic years in the case of academies).

## **Proposed Growth Fund Criteria 2025-26**

Where Schools have growth that is formally planned and agreed before the point of setting individual School budgets, as part of the budget submission process to DfE this growth will be built into their budget for that financial year. This ensures the school attracts all the funding factors attributable to those pupils for the relevant period. This funding would not lead to a call on the Growth Fund as would be considered as part of the initial budget allocation. For new Schools individual arrangements would be presented and agreed by Schools forum.

For example, if a school has been asked to open a new 30 pupil reception form of entry in the following September, they will receive an equivalent of 7 months of those pupils ( $7/12 \times 30 = 15.7$  pupils funding). This will mean that for the first year of opening a new class the school will be funded as if full in that year group.

Where a school is asked to open an additional form of entry in year, after the main budget has been set the extra form will be funded for the full number of pupils based on the DfE minimum average amount for pupil. They will receive  $7/12 \times$  number of additional pupils assuming the class opened in September.

Where one school has closed in the budget period and pupils from that closed school have been moved to an alternative Birmingham City Council school, the receiving schools will be funded for the remainder of the year at the current average per pupil rate off the closed school for all pupils above a minimum of 5 for the remainder of the financial year.

For example,

School X closes in August and 40 pupils move to school Y in September and 38 pupils move to school Z. the average funding per pupil for school X is £6,500.

School Y would receive an allocation from the Growth Fund of  $(40-5) \times £6,500 \times 7/12$  months = £132,708

School Z would receive an allocation from the Growth Fund of  $(38-5) \times £6,500 \times 7/12$  months = £125,125

### **Pre-opening Costs**

Pre-opening costs, initial equipping allowance, or diseconomy of scale allowance, for new maintained schools and academies will be set at a one-off allocation of £35,000 per class.

### **New Schools or New School Phase**

To enable the LA to fulfil its duty to secure sufficient primary and secondary school places in line with basic need, new schools or school phases may be proposed, for example a new school under the Free School presumption route, or a primary school becoming an all-through school.

Set-Up Allocations for New Schools or New School Phases It is proposed that the allocations agreed for new schools or new school phases for 2024/25, is as follows:

- For the new schools or school phases, they will be funded at PAN to reflect their agreed new intake. No free schools or school phases are planned for opening during 2024/25.

- Other capacity building costs and set up costs will be received directly through the DfE's central free school programme.

## **Proposed Falling Rolls Criteria 2025-26**

Falling Rolls funding should only be used to support schools where the places are forecast to be needed over the short term. The fund should enable a school to avoid detriment in the educational offer to pupils whilst undergoing a significant drop in roll due to external circumstances, beyond the schools control.

To qualify for Falling Rolls fund support schools must meet the following criteria:

- School Capacity Data (SCAP) shows that school places will be required in the subsequent three to five years (this is a mandatory requirement)
- Surplus capacity exceeds 20% of the published admission number
- Formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort
- The school will need to make redundancies to contain spending within its formula budget and it is expected (using SCAP data – detailed above) that these posts will need to be re-filled in the subsequent 3 to 5 years.
- The Secondary School does not have a surplus balance in excess of 3% of its school budget share as at 31st March 2023 and 31st March 2024 (or the relevant academic years in the case of academies)
- The Primary School does not have a surplus balance in excess of 3% of its school budget share as at 31st March 2023 and 31st March 2024 (or the relevant academic years in the case of academies)

The Number on roll (NOR) as at last October census will be deducted from the NOR of the previous October's census. The result will be multiplied by the current base rate appropriate to phase, pro rata April - August (5 months).

Funding will extend for a maximum of 2 years, reviewed at the beginning of each financial year.

The LA must report any Falling Rolls funds remaining at the end of the financial year to the Schools Forum. Funding may be carried forward to the following funding period, as with any other centrally retained budget as the local authority deems appropriate, which could include using it specifically for Falling Rolls.

The proposed criteria have been set to ensure that funding supports with Falling Rolls in planning areas where places are needed. The local authority cannot support reductions in PAN and does not support schools that have vacant places if they have increased their PAN for reasons other than addressing basic need.



**DRAFT SCHOOLS FORUM WORK PROGRAMME 2024-25**

<b>Date and times / venues of meetings</b>	<b>Proposed agenda items</b>
<p><b>Thurs 5<sup>th</sup> December 2024</b></p> <p><b>Online meetings: Pre-meet 1 – 2pm Main meeting 2 - 4pm</b></p>	<ol style="list-style-type: none"> <li>1. Membership and Term of Office</li> <li>2. LA update</li> <li>3. De-delegation consultation process and timelines</li> <li>4. DSG Outturn 2023-24</li> <li>5. CSSB Provisional budget for 2025/26</li> <li>6. De-delegation and Education management charges</li> <li>7. Birmingham schools budget proposal 2025/26: to receive proposals for consultation on the 2025/26 schools budget e.g De-delegation, Education Management charges</li> <li>8. To receive proposals for the CSSB budget to meet the 20% reduction Historic Cost funding</li> </ol>
<p><b>Thurs 16<sup>th</sup> January 2025</b></p> <p><b>In-person meetings @ BCC Council House: Pre-meet 1 – 2pm Main meeting 2 - 4pm</b></p>	<ol style="list-style-type: none"> <li>1. Membership and Term of Office</li> <li>2. LA update</li> <li>3. Dedicated Schools Grant (DSG) settlement and to approve the DSG Schools Block Budget / Authority Proforma Tool (APT) for 2025/26</li> <li>4. To agree the Early Years funding formula and central costs for 2024/25</li> <li>5. Finalise Central Schools Services Block (CSSB) budget 2025/26</li> </ol>
<p><b>Thurs 10<sup>th</sup> April 2025</b></p> <p><b>Online meetings: Pre-meet 1 – 2pm Main meeting 2 - 4pm</b></p>	<ol style="list-style-type: none"> <li>1. Membership and Term of Office</li> <li>2. LA update</li> <li>3. High needs budget proposals 2025/26</li> </ol>
<p><b>Thurs 19<sup>th</sup> June 2025</b></p> <p><b>Online meetings: Pre-meet 1 – 2pm Main meeting 2 - 4pm</b></p>	<ol style="list-style-type: none"> <li>1. Membership and Term of Office</li> <li>2. LA update</li> <li>3. DSG Outturn 2024-25</li> <li>4. DFE consultation papers</li> <li>5. Timetable for next 12 months</li> </ol>

