

## **Cheshire West and Chester Schools Forum consultation with schools and academies on funding arrangements for 2024-25 financial year**

In consideration of funding arrangements for schools for the new financial year, Schools Forum representatives will be required to approve a number of items at the January Schools Forum meeting.

To inform those decisions, Schools Forum are seeking views on those decisions from schools and academies in the borough.

These decisions are:

- A. To confirm the continuation of the current year transfer of 0.5% of Schools Block funding to support the continuing pressures on high needs budgets.
- B. To confirm de-delegation arrangements for primary and secondary maintained schools only
- C. To confirm de-delegation from all maintained schools for school improvement activities

Further information on these decisions is set out in the sections below.

Schools Forum will consider the views of schools and academies submitted through a smart survey at the following link.

**Please respond by Tuesday 9 January 2024**

## **A. Transfer to the High Needs block**

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As in 2023-24, in view of ongoing increasing demand for support and provision for high needs pupils above the High Needs Block allocation, consideration will be given by Schools Forum to agreeing to the continuation of the current 2023-24 transfer of 0.5% of the Schools Block funding again in 2024-25. This decision would be to re-confirm the existing 2023-24 0.5% transfer for a further year, rather than an additional 0.5%. Schools would not therefore see any change to their current funding from this continuation.

The rationale for agreeing to continue the transfer in 2024-25 is set out below.

In the past, local authorities have had discretion on the movement of funding within the funding blocks of the Dedicated Schools Grant (DSG) in order to meet demands and pressures across the school system. To prepare for the future introduction of a hard formula, and to ensure the vast majority of funding allocated through the national formula reaches schools directly, 99.5% of the schools block allocation is ring-fenced to primary and secondary school allocations.

The DfE recognise that a degree of flexibility is needed however to ensure that local authorities are able to manage other budgets funded through the DSG i.e. the high needs budget. Therefore, with the agreement of the Schools Forum, up to 0.5% of the schools block can be transferred to the high needs block. This was agreed in 2023-24 for 0.5% (£1.25m) to be transferred. Based on the illustrative NFF Schools Block value for 2024-2025 of £253m, 0.5% equates to £1.27m.

In CW&C, as with a large number of other local authorities, the increasing demand for specialist provision and additional support in mainstream is creating a year on year pressure against the high needs funding allocation with a deficit of £2.7m on Dedicated Schools Grant reserves at the end of 2022-23. In spite of additional funding uplifts and the £1.25m transfer from schools block in 2023-24, expenditure on high needs provision and services is forecast to further increase this deficit to £4.4m by the end of 2023-24. This pressure is not expected to reduce in 2024-25 and the indicative increase in high needs allocation of £1.9m is less than in previous years at a 3% increase in funding. As such, the high needs block allocation will not be sufficient to meet existing demand and further growth within a balanced budget. In view of the cumulative deficit and continuing increase in demand, the Local Authority are seeking agreement from Schools Forum to continue the transfer up to the permitted 0.5% from the schools block to support unavoidable cost increases in high needs – all of which will be used to fund growth in demand for additional support within mainstream settings.

In 2023-24, the Local Authority are undertaking an extensive review of SEND provision. Demand for SEND support and provision represents a significant financial challenge for both the Local Authority and schools and it is anticipated that pressures will continue as the recommendations and investment cannot immediately address the current position. Whilst the project aims to establish a sustainable model for SEND demand and to recover the deficit position, the continuation of the transfer from the schools block remains part of the package of measures required to fund schools and services whilst costs remain above the funding available from the High Needs Block allocation.

Please refer to the consultation **Question 1**

## B. De-delegation of funding for Primary and Secondary maintained schools

The Department of Education permits the pooling of funding for maintained schools to meet expenditure collectively for a limited number of items of school expenditure. Schools in each phase will need to agree collectively, through the Schools Forum, whether to de-delegate the funding to the Local Authority to meet the expenditure centrally.

As in 2023-24, de-delegation will be an option for maintained primary and secondary schools for the following allocations.

- Contingencies to cover the cost of staff on suspension
- Free school meals eligibility assessments
- Covering the cost of staff on maternity/paternity/adoption leave
- Pooling of funding to cover the costs of trade union facilities time

Schools will need to consider whether the amount delegated to them on a per pupil basis allows them to meet the costs or buy in the services they need individually.

Schools should therefore consider whether they may find difficulty in securing services from providers other than the Local Authority on an individual basis with the funding that has been delegated.

Current 2023-24 de-delegation rates for primary and secondary are summarised in the tables below. Actual de-delegation for 2024-25 however will be amended to reflect inflation and underspends or overspends within each sector in 2023-24 so will vary from the current figures below.

	Primary per pupil delegation £	Primary lump sum delegation £	Secondary £
Contingencies	£2.18		£1.62
Free school meal eligibility assessment	£6.38 (per FSM pupil)		£6.38 (per FSM pupil)
Staff costs – maternity/paternity/adoption leave	£15.09	£2,224	
Staff costs – trade unions	£2.27		£4.23

A secondary request from the Trade Unions has been received for additional funding from schools to enhance capacity for representation by 0.1 FTE per week, as a result of increased membership numbers. Please see below for an indication of what the revised per pupil amount will be (based on 2023-24 figures) if the additional funding is agreed. Please note as with the above if agreed the figures will be amended to reflect inflation and underspends or overspends.

	Primary per pupil delegation	Secondary per pupil delegation
Additional Trade Union Funding	£2.42	£4.53

Please refer to the consultation **Question 2-3 (primary) / 4-5 (secondary)**

### **C. De-delegation of funding for all maintained schools for school improvement activities**

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In January 2022, the DfE confirmed that they would remove the School Improvement Monitoring and Brokering (SIMB) Grant currently payable to local authorities to support school improvement activities. School and Early Years Finance Regulations were amended to allow local authorities to agree de-delegated funds from maintained schools to replace the grant. The SIMB grant was removed entirely for 2023-24.

The current de delegated funding for the Cheshire West and Chester School Improvement budget for 2023-24 is £260k and is used flexibly to support improvement activities. There is a team structure of officers and school improvement advisors, both permanent staff and bought in services to respond flexibly to deliver school support and intervention.

Schools Forum and the Local Authority will need to agree the level of funding and associated budget for 2024-25 at the January Schools Forum meeting.

As with other de-delegation arrangements, where pooled funds are created schools will be able to access the service offer when needed. Whilst not all schools will necessarily require access to that service each year, schools should consider how the funding will enable the Local Authority to undertake the intervention activities and statutory responsibilities for the Borough's maintained schools collectively.

Option in 2023-24	Budget to fund school improvement activities	Indicative de-delegation per pupil
Option 2 Primary Schools	£190k	£9.74
Option 3 Secondary Schools and Special Schools	£64k	£6.49

Please refer to the consultation **Question 6 (primary) / 7 (secondary) / 8 special**