

Dudley Schools Forum – 27 February 2024

Report of the Director of Children's Services

Dedicated Schools Grant Stage 2 Budget Planning – Centrally Retained Service Approvals 2024/25

Purpose

1. For Schools Forum to consider and approve the local authority's requests in respect of the centrally retained expenditure to be met from the Dedicated Schools Grant for 2024/25.

Schools Forum Role and Responsibilities

2. The Forum is the 'guardian' of the local Schools Budget, and its distribution among schools and other bodies, and therefore must be closely involved throughout the development process.

3. Appendix 1 refers to the detailed roles and responsibilities of Schools Forum.

Recommendations

4. That Schools Forum:

- Approve the central expenditure budgets for 2024/25, as detailed in Table 1;
- Approve the cash limited central expenditure budgets for 2024/25, as detailed in Table 2;
- Note the central expenditure budgets for 2024/25, as detailed in Table 3, which were approved at the 14 November 2023 Schools Forum.

Background

5. Schools Forum approval is required each year to confirm the amounts on each line of the centrally retained expenditure budget. Appendix 1 sets out the level of approval required for each service, shown in two categories of this report.

a. Table 1 – Schools Forum approval is required on a line-by-line basis;

b. Table 2 – Schools Forum approval is required on a line-by-line basis: the budget cannot exceed the value agreed in the previous funding period and no new commitments can be entered into.

When using centrally held funding, local authorities must treat maintained schools and academies on an equivalent basis.

Central Expenditure Budgets 2024/25 – Schools Forum Approval

6. For 2024/25 the DfE have increased Dudley's Central School Services Block allocation by £6,000: the budget is now at £1.849m, with an increase of 2% for ongoing services to £1.737m and a 20% reduction to £0.112m for historic commitments. The 2023/24 allocation was in total £1.843m. This includes provision for teachers pay and pensions for centrally retained teachers.

For Table 1, Schools Forum must approve each item of expenditure, however there is no restriction placed by the Regulations on the value of the budget. There are however requirements for 2024/25 included in Table 1:

The Early Years Block centrally retained provision requirements have been revised for 2024-25 applying the 95% pass through rate separately to the entitlements for:

- 9-months-old children up to 2-year-olds of working parents
- 2-year-old children of working parents
- 2-year-old children from disadvantaged families
- 3 and 4-year-olds (universal and additional hours)

Based on the December 2023 provisional DSG allocation the funding to be set aside for early years nursery education is £29.794m. 5% therefore equates to central expenditure of no more than £1.490m. Dudley is proposing to set a centrally retained early years budget of £0.552m (Table 1) which is within the DfE threshold.

Table 1 – 2024/25 Central Expenditure Budgets For Schools Forum
Approval – No Restrictions on Value

Central Spend on	Value for 2023/24	Value for 2024/25	Comments
Early Years Central Expenditure:			Early years centrally retained spending: from the early years pro-forma on children under 5.
• Early Years Contingency nursery education funding	Nil	Nil	Will be part of the early years pass through budget and outside of 5% limit.
• Early Years Budgets in respect of delegated service items	8,900	8,900	
• Early Years Foundation Advice	313,000	437,400	To support additional administrative costs
• Early Years Funding Administration	97,200	105,600	
Total Early Years Expenditure	£419,100	£551,900	
Places in independent schools for non-SEN pupils	£195,800	£195,800	<p>In making any grant or other payment in respect of fees or expenses (of whatever nature) which are payable in connection with the attendance of pupils at a school which is not maintained by any local authority.</p> <p>Relates to non-SEN pupils some with residential accommodation. These placements relate to either looked after children (LAC) or children on the edge of care.</p>

Admissions	£249,600	£269,100	Expenditure incurred in connection with the Authority's functions. This includes the administration of the system of admissions of pupils to schools.
Servicing of Schools Forum	£5,000	£5,000	Expenditure incurred in connection with the authority's functions of running the establishment and maintenance of, and consultation with, Schools Forums.

7. For Table 2, Forum must approve each item of expenditure detailed and there is a restriction placed up to the value committed in 2023/24.

Table 2 – 2024/25 Central Expenditure Budgets For Schools Forum
Approval – Restricted to Cash Limit of 2024/25 Expenditure

Central spend on	Value for 2023/24	Value for 2024/25	Comments
<u>Capital expenditure funded from revenue</u> Projects must have been planned and decided on prior to April 2013 so no new projects can be charged.	Nil	Nil	Expenditure commonly known as CERA (capital expenditure which an authority expects to charge to a revenue account of the authority within the meaning of section 22 of the Local Government Act 2003).
<u>Contribution to combined budgets</u> This is where the Schools Forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources.	Nil	Nil	Expenditure under this heading should only reflect the contribution to a combined service approved by the Schools Forum. Contributions in respect of the following services ceased at the end of 2022/23 financial year:

			<ul style="list-style-type: none"> • Astley Burf • School Visits • Education Liaison • Place planning • Safeguarding • Statistical work
<u>Existing termination of employment costs</u> (costs for specific individuals must have been approved prior to April 2013 so no new redundancy costs can be charged)	£66,700	£66,700	Expenditure in respect of premature retirement costs, or for the purposes of securing the resignation of any person employed in a maintained school where there are consequential savings to the schools budget and such cost have been approved by the Schools Forum.
<u>Prudential borrowing costs</u> The commitment must have been approved prior to April 2013	Nil	Nil	

De-Delegations 2024/25

8. Schools Forum approved the de-delegations for 2024/25 at the 14 November 2023 meeting. These are now summarised in Table 3, for information.

The value of Table 3 is based on the number of maintained mainstream schools as at 31 January 2024. However, where any school converts to an academy after that date then the value of the funding de-delegated for 2024/25 will decrease during the financial year.

Table 3 –2024/25 De-delegations Approved By Schools Forum – Maintained Primary and Secondary Schools split

De-delegation Services for Mainstream Maintained Schools 2024/25	Budgets for De-delegation 2024/25	Budgets for De-delegation 2024/25	Budgets for De-delegation 2024/25
	Primary Sector	Secondary Sector	Total Funding
Union Facilities time	£61,560	£15,440	£77,000

Behavioural Pupil Referral Unit – Primary Outreach Service	£146,500	0	£146,500
Total Funding Approved for 2024/25 De-delegation	£208,060	£15,440	£223,500

Annual Consultation Process

9. The Regulations also state that the Local Authority must consult with the Schools Forum annually in respect of the following in order that Schools Forum can give a view.

- Arrangements for pupils with special educational needs and in particular:
 - the places to be commissioned by the local authority in different schools; and
 - other institutions, and the arrangements for paying top-up funding to schools and other institutions.
- Arrangements for use of pupil referral units and the education of children otherwise than at school and in particular:
 - the places to be commissioned by the authority and by schools in pupil referral units and other providers of alternative provision; and;
 - the arrangements for paying top-up funding to pupil referral units and other providers of alternative provision.
- Arrangements for early years provision.
- Administration arrangements for the allocation of central government grants.

Further detailed information will be provided at the 16 April 2024 meeting.

Budget Working Group Discussed – Yes: 20 February 2024.

Finance

10. From 1st April 2006, the Schools Budget has been funded by a direct grant; Dedicated School Grant (DSG). This report is financial in nature and relevant information is contained within the body of the report.

Law

11. The Schools Forum is a statutory decision making and consultative body constituted in line with the School Standards and Framework Act 1998, and its associated regulations, including the Schools Forum (England) Regulations 2012, to enable members of the local school community to work in partnership with Dudley Metropolitan Borough Council when making decisions about school funding and finances.

The funding of schools is prescribed by the Department for Education (DfE) through the School and Early Years Finance (England) Regulations 2023.

12. There are no material risks to the Council's Risk Management Framework resulting from the contents of this report.

Equality Impact

13. This report has no direct implications for the Council's commitment to equality and diversity.

Human Resources/Organisational Development

14. This report has no direct implications for human resources, organisational development or service transformation

Commercial and Procurement

15. There is no impact on the potential to commercially trade and no impact on our customer base.

Environment/Climate Change

16. This report has no direct implications on the environment or the Council's work in addressing Climate and achieving Net Zero target by 2030.

Council Priorities and Projects

17. The 2022/2025 Council Plan is clear in its ambitions for educational outcomes including raising skills, educational and work potential, increasing good or better schools and closing the gap for disadvantaged pupils. This report relates to the use of the Dedicated Schools Grant funding to support the educational outcomes of children and young people in the borough.



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Appendix 1

Centrally Retained Services – Approvals Required for 2024/25

Approval required	Services covered (and funding block)
Schools forum approval <u>is not</u> required (although they should be consulted)	<ul style="list-style-type: none">• high needs block provision;• central licences negotiated by the Secretary of State.
Schools forum approval <u>is</u> required on a line-by-line basis	<ul style="list-style-type: none">• funding to enable all schools to meet the infant class size requirement;• back-pay for equal pay claims;• remission of boarding fees at maintained schools and academies;• places in independent schools for non-SEN pupils;• admissions;• servicing of schools forum;• contribution to responsibilities that local authorities hold for all schools;• contribution to responsibilities that local authorities hold for maintained schools (voted on by relevant maintained school member of schools forum only);• de-delegated services from the schools block (voted on by the relevant maintained school members of schools forum only).
Schools forum approval is required	<ul style="list-style-type: none">• central early years block provision;• any movement of funding out of the schools block;• any deficit from the previous funding period that is being brought forward and is to be funded from the new financial year's schools budget (this should be specifically agreed at

	<p>the time the budget is set, using the latest estimated outturn position);</p> <ul style="list-style-type: none"> • any brought forward deficit on de-delegated services which is to be met by the overall schools budget.
<p>Schools forum approval is required on a line-by-line basis. The budget cannot exceed the value agreed in the previous funding period and no new commitments can be entered into.</p>	<ul style="list-style-type: none"> • capital expenditure funded from revenue – projects must have been planned and decided on prior to April 2013 so no new projects can be charged; • contribution to combined budgets – this is where the schools forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources; • existing termination of employment costs – this is for specific individuals must have been approved prior to April 2013 so no new redundancy costs can be charged); • prudential borrowing costs – the commitment must have been approved prior to April 2013; • SEN transport where the schools forum agreed prior to April 2013 a contribution from the schools budget (this is now treated as part of the high needs block but still requires schools forum approval as a historic commitment.
<p>Schools forum approval is required on a line-by-line basis, including approval of the criteria for allocating funds to schools.</p>	<ul style="list-style-type: none"> • funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy; • funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years.