


## Agenda Item 2

	<b>London Borough of Hammersmith &amp; Fulham</b> <b>SCHOOLS FORUM</b> <b>Tuesday 5<sup>th</sup> March 2024</b>
<b>DEDICATED SCHOOLS GRANT MONITORING QUARTER 2 2023/24</b>	
<b>Open</b>	
<b>Wards Affected: (All Wards); All</b>	
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<b>Purpose of the report</b> This report updates forum on:  The 2023/24 quarter 3 budget monitoring position after updates to the allocation received in July 2023 from the Education and Skills Funding Agency (ESFA).  It also includes the forecast accumulated Dedicated Schools Grant (DSG) carry forward deficit position with respect to the High Needs Block.	

### 1. Introduction

- 1.1. This paper sets out:
- Carry forward balances at 1<sup>st</sup> April 2023
  - Forecast variances in each of the blocks of the Dedicated Schools Grant in 2023/24.
  - Projected closing balances at 31<sup>st</sup> March 2024

### 2. Summary Position

- 2.1. Table 1 below shows the high-level position for 2023/24 financial year at quarter 1.

**Table 1 – Accumulated Adjusted DSG Carry Forward from 2022/23 (balances at 31/03/23 and forecast balances at 31/03/24)**

<b>Dedicated Schools Grant (DSG) Balances by Block</b>				
<b>Figures in red and brackets represent surplus</b>	<b>Balance 31/03/23</b>	<b>2023/24 Forecast Variance</b>	<b>Forecast Balance 31/03/24</b>	<b>Comments</b>
	£m	£m	£m	
Schools Block	(0.315)	0.315	0	22/23 maintained schools balance held for reimbursement for schools in financial difficulty
Central Services Schools Block	0	0	0	Nil variance after budgeted £0.908m transfer to support HNB expenditure
High Needs Block (including Safety Valve £4m)	4.749	(1.624)	3.193	Final 2022/23 retained deficit after £7m Safety Valve funding received in 2022/23 financial year. £1.5m Safety Valve funding expected in 2023/24.
Early Years Block	(0.575)	0.643	0.068	Retrospective clawback of £0.643m confirmed. Leaves final Early Years deficit 2022/23 of £0.068m versus funding received.
<b>TOTAL DSG</b>	<b>3.859</b>	<b>(0.666)</b>	<b>3.261</b>	

### **3. High Needs Block**

- 3.1. The High Needs Block is forecast to underspend by £0.124m versus the funding allocation in 2023/24. This represents a significant improvement versus overspend on High Needs over recent years. This is after the budgeted application of £0.908m transfer from Central Services Schools Block and £1.154m transfer from the Schools Block.
- 3.2. The retained HNB deficit at 31/03/22 was £4.749m after receipt of £17.55m of agreed Safety Valve funding since the commencement of the agreement. The retained deficit is forecast to reduce to £3.193m at 31/03/24 following the receipt of £1.5m further safety valve funding in 2023/24 financial year.

3.3. It should be noted that inflationary pressures in the wider economy since early 2022 may drive unbudgeted cost pressures over the medium term. Such pressures will be monitored closely.

#### 4. Schools Block and Maintained De-delegation 2023/24

4.1. The £0.315m Schools Block surplus carry forward at 31/03/23 relates to the underspend on the dedelegated contingency fund for schools in financial difficulty.

**Table 2 - Schools Block Forecast 2023/24**

	£m	£m	£m
	2023/24 Budget	2023/24 Forecast	2023/24 Variance
Schools Block delegated (after academy recoupment)	37.595	37.595	0
Falling Rolls Fund	0.200	0.200	0
Maintained schools de-delegated Budget	0.691	0.691	0
Maintained schools Education Functions	0.262	0.262	0
Transfer to High Needs Block	1.154	1.154	0
<b>Total Schools Block received by LBHF</b>	<b>39.902</b>	<b>39.902</b>	<b>0</b>

4.2. Underspends on the maintained schools dedelegated budgets and education functions will be confirmed to maintained primary schools in March 2024 prior to the financial year close.

#### **Falling Rolls Budget 2023/24 £200,000 for allocation:**

4.3. The falling rolls fund of £0.200m in the 2023/24 Schools Block budget can be allocated to schools in accordance with grant regulations and Schools Forum budget decisions.

4.4. The ESFA advise that the allocation of falling rolls funding should contain clear objective trigger points for qualification and a clear formula for calculating allocations.

4.5. The revised criteria proposed for the 2023/24 falling rolls funds available to all mainstream schools (maintained, Academy and Free Schools) are set out below.

- Key trigger point is reached for falling rolls support when the fall in roll is more than 2% between the October 2021 and October 2023 census points (2 years now that latest census data is available)
- Support is limited to a unit rate of funding across all schools for the reduction of the number of pupils over 2% between the census points. This is a reduction from the 3% level previously modelled
- An upper limit proposed of 10% roll reduction as the limited fund is not intended to provide replacement funding for the role reduction but support with respect to the purpose of funding in paragraph 4.6

- An Ofsted category of Good or Outstanding – applies to all schools (Mandatory per the regulations).

Note that the reduction of the trigger point to 2% and use of the roll change across 2 census points provides funding to a wider group of schools.

- 4.6. Eligible schools can use funds to mitigate the impact of the roll fall on the school and the actions taken to adjust to a lower role or clear plan to recover the roll based on clear planning data agreed by the LA. In Hammersmith and Fulham most funding is provided with respect to points c and d below.
- surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number
  - local planning data shows a requirement for a minimum percentage of the surplus places within the next three years
  - 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 in order to contain spending within its formula budget

- 4.7. The proposed allocations across 21 schools who reach the 2% trigger point are detailed below in Table 3.

**Table 3 Proposed Allocation from 2023/24 Falling Rolls Provision**

<b>Falling Rolls Funding Proposed - 2023/24 Budget</b>							
						Roll Fall Funded	Unit rate funded
	21					-379	£527.70
School	Census October 2021	Census October 2023	% Change over 2 years	% Change over 2% Threshold	% Change over 10% Threshold (with 10% cap)	Roll fall over 2% threshold up to 10% cap	Proposed Funding from 2023/24 Budget
Addison Primary School	244	208	-14.75%	-12.75%	-10.00%	-24	12,665
Avonmore Primary School	191	168	-12.04%	-10.04%	-10.00%	-19	10,026
Brackenbury Primary School	345	335	-2.90%	-0.90%	-0.90%	-3	1,583
Miles Coverdale Primary School	205	196	-4.39%	-2.39%	-2.39%	-5	2,639
Melcombe Primary School	214	156	-27.10%	-25.10%	-10.00%	-21	11,082
Old Oak Primary School	198	177	-10.61%	-8.61%	-8.61%	-17	8,971
Sir John Lillie Primary School	253	198	-21.74%	-19.74%	-10.00%	-25	13,193
Wormholt Park Primary School	317	282	-11.04%	-9.04%	-9.04%	-29	15,303
St Augustine's RC Primary School	208	203	-2.40%	-0.40%	-0.40%	-1	528
St Mary's Catholic Primary School	168	143	-14.88%	-12.88%	-10.00%	-17	8,971
St Paul's CofE Primary School	187	165	-11.76%	-9.76%	-9.76%	-18	9,499
St Thomas of Canterbury Catholic Primary School	149	103	-30.87%	-28.87%	-10.00%	-15	7,916
Normand Croft Community School	200	173	-13.50%	-11.50%	-10.00%	-20	10,554
Ark Conway Primary Academy	210	205	-2.38%	-0.38%	-0.38%	-1	528
Ark Bentworth Primary Academy	174	161	-7.47%	-5.47%	-5.47%	-10	5,277
Fulham Primary School	254	174	-31.50%	-29.50%	-10.00%	-25	13,193
Thomas's Academy	195	189	-3.08%	-1.08%	-1.08%	-2	1,055
Queen's Manor School and Special Needs Unit	180	175	-2.78%	-0.78%	-0.78%	-1	528
Sullivan Primary School	188	155	-17.55%	-15.55%	-10.00%	-19	10,026
Fulham Cross Girls' School and Language College	622	526	-15.43%	-13.43%	-10.00%	-62	32,718
Ark Burlington Danes Academy (Secondary roll only)	787	726	-7.75%	-5.75%	-5.75%	-45	23,747
<b>TOTAL</b>							<b>200,000</b>

4.8. No falling rolls fund was established in the 2024/25 Schools Block budget as grant conditions going forward require clear school place planning data that places will be required in the next 3 to 5 years. The proposed 2023/24 allocations represent the last falling rolls fund allocations until planning data demonstrates places will be needed over the medium term.

**5. Early Years Block 2023/24**

- 5.1. The £0.575m surplus carry forward at 31/03/2023 was held pending an expected retrospective clawback of grant by the ESFA following the January 2023 census count.
- 5.2. Clawback was confirmed by the Education Skills Funding Agency in July 2023 at £0.643m, resulting in an effective final deficit on the Early Years Block of £0.068m for 2023/24.
- 5.3. Once the January 2024 Early Years census can be evaluated for its impact on grant funding, Officers will be able to determine if the 2022/23 financial year retained deficit has been recovered through 2023/24 grant funding.
- 5.4. The Early Years block is currently forecast to spend to budget in 2023/24 based on current data available. Funding versus activity will be monitored closely when the January 2024 census count has been finalised.

**Table 3 Early Years Grant Funding 2023/24**

	£m
<b>Early Years Funding Element</b>	<b>2023/24 Budget</b>
3 and 4 YO universal & extended offer	13.358
2 YO Disadvantaged offer	1.153
EY Pupil Premium	0.095
Disability Access Fund	0.051
MNS supplementary funding	0.814
<b>Total 2023/24 Early Years</b>	<b>15.471</b>

5.5. Additional supplementary funding was announced in the Summer resulting in additional funding via the Early Years Supplementary Grant for existing entitlements from September 2023.

**Table 4 Existing and Additional EYSG rates as they will be paid by H&F**

Entitlement		Core Rate/Hr 23-24	Additional EYSG Rate/Hr
Disadvantaged	2 year olds	£7.56	<b>£3.24</b>
universal	3 and 4 year olds	£6.48	<b>£0.08</b>
extended hours	3 and 4 year olds	£6.48	<b>£0.08</b>

Early Years Pupil Premium (EYPP)	3 and 4 year olds only	£0.62	<b>£0.04</b>
Disability Access Fund (DAF)	3 and 4 year olds only	£828.00	<b>£30.92</b>
Maintained Nursery Schools	Supplement	£6.32	<b>£0.35</b>

5.6. The Additional EYSG rate will be passed through to providers in its entirety for government funded hours for the period September 2023 to March 2024.

## **6. Central Services Schools block 2023/24**

6.1. The CSSB block is forecast to outturn to budget at £2.421m, including the £0.908m budgeted contribution to the High Needs block.

**Report ends**