



# SCHOOLS' FORUM

1<sup>st</sup> February 2024

## FINANCE UPDATE

Report from Andrew Merry, Head of Finance (ds151 Officer)

### DECISION RECOMMENDATIONS

That the Schools' Forum:

1. Notes the financial update
2. Noted the proposed rates for Early Years for 2024/25
3. Agrees the Membership of the Finance Sub-Group

### 1 DEDICATED SCHOOLS GRANT (DSG)

- 1.1 The table below shows the current position on the DSG, the deficit brought forward, the funding allocation for 2023/24 and a revised position to be carried forward into future financial years.

	Schools £000	High Needs £000	Early Years £000	Central Schools £000	Total £000
<b>Surplus/(Deficit) Carry Forwards from 2022/23</b>	<b>(4)</b>	<b>(1,515)</b>	<b>108</b>	<b>86</b>	<b>(1,325)</b>
DSG Allocations prior to recoupment	30,294	5,656	1,609	198	<b>37,757</b>
Transfer between blocks	(151)	151			<b>0</b>
Academy Recoupment	(29,158)	(310)			<b>(29,468)</b>
<b>Expenditure in Year</b>					
Schools' allocations	(985)				<b>(985)</b>
Nationally Agreed School Licences				(41)	<b>(41)</b>
Admissions Service- staffing costs				(63)	<b>(63)</b>
Statutory & Retained Duties				(94)	<b>(94)</b>
Education for under 5's			(21)		<b>(21)</b>
Early Years Pathway Development			(48)		<b>(48)</b>
3 & 4 Year Old Funding			(1,490)		<b>(1,490)</b>
2 Year Old Funding			(152)		<b>(152)</b>
SEN Funding Maintained Schools and Academies		(3,295)			<b>(3,295)</b>
SEN Funding Post 16		(110)			<b>(110)</b>
SEN Recovery Plan Expenditure		(200)			<b>(200)</b>
SEN Funding - Independent Special Schools		(1,510)			<b>(1,510)</b>
SEN Funding EOTAS & Tuition		(1,054)			<b>(1,054)</b>
SEN RCC Recharge		(197)			<b>(197)</b>
Early Years Inclusion (SENIF)		(45)			<b>(45)</b>
<b>Under/(Over) spends in 2023/24</b>	<b>0</b>	<b>(914)</b>	<b>(102)</b>	<b>0</b>	<b>(1,016)</b>
<b>Surplus/(Deficit) Carried Forward to 2024/25</b>	<b>(4)</b>	<b>(2,429)</b>	<b>6</b>	<b>86</b>	<b>(2,341)</b>

SEN – Special Educational Needs

EOTAS – Education Other Than at School

- 1.2 For 2023/24 the High Needs Block is operating in a challenging environment with new demand being experienced and inflationary pressures resulting in an increase in price.
- 1.3 The Council is currently working on two national workstreams to mitigate this pressure
- the East Midlands Change Programme Partnership (CPP) alongside Leicester City and Leicestershire. The CPP will be testing the key system-level reforms set out in the Special Educational Needs and Disabilities & Alternative Provision (SEND AP) Improvement Plan that is expected to deliver the system and culture changes needed to improve outcomes and experiences for children and young people with SEND or in AP and their families. This work is funded via grant funding of £5.9m for the region. The financial impact of this improvement plan is to be modelled as the programme progresses from the current set-up phase.
  - Delivering Better Value Programme – This is a £1.0m programme that aims to deliver interventions quicker to reduce the deficit on the DSG. The outcomes of this programme are that:
    - a) children are assisted to grow and succeed in mainstream school and to get practical help at the right time in the right way which avoids exclusions
    - b) children's needs are identified and assessed quickly and the graduated response followed
    - c) settings having a greater understanding of unmet needs and the known links to behaviour and learning and therefore are better able to meet most needs within a mainstream environment. This will in turn mean that;
    - d) EHCP's are seldom needed except to support the most complex of needs in mainstream, and only in exceptional cases will a child need an alternative setting other than mainstream.
    - e) Therefore, through better understanding, training and experience of supporting complex needs, Rutland's mainstream setting will become specialist in their own right. This will lead to fewer children with SEND being excluded from mainstream, because these settings are confident that they can meet needs and in cases of behaviours that challenge they are able to de-escalate situations by providing the appropriate support.
- 1.4 As part of this scheme the Council is required to provide a model of a possible deficit position. This showed that the deficit on the DSG could reach £15.8m by 2029/30 if no further mitigations were undertaken. Therefore, without meaningful intervention by the Council to address this deficit now the Council, under accounting convention, would be required to use a significant proportion of its General Fund to fund SEND expenditure once the statutory override deadline is reached. Funding the deficit at this rate would jeopardise the financial resilience and sustainability of the Council. Even at the current forecast deficit of £2.4m this restricts investment decisions that the Council could make in future service provision.
- 1.5 The Council **draft 2024/25 budget** goes into further details on the DSG position.

## 2 EARLY YEARS FUNDING

- 2.1 The proposed 2024/25 Early Years Funding rate is shown in the table below.

Group	DfE Rate	RCC Rate to Providers 24/25	RCC Rate to Providers 23/24
Under 2s	£9.45	£9.45	-
2 Year Olds	£6.98	£6.65	£5.63
3 & 4 Year Olds	£5.47	£5.20	£4.64

2.2 The budget has been set in line with the Operational Guide issued by the DfE, which can be found on this [link](#)

2.3 The table overleaf shows the funding position for 2023/24. As the table shows the Council is distributing all the funding that it has been allocated. The Council is able to do this as there is currently an estimated surplus of c£100k (forecasted) at the end of 2022/23. This surplus is being held to act as the contingency as the current funding levels did not allow for a contingency to be set from the core funding. The number of hours is based on January 2022 census data as the January 2023 Census data is not available until July.

Funding Type	Pupil Numbers	Total Hours	DfE Rate	Total Funding
<b>3 &amp; 4 Year Olds</b>				
Initial 15 Hours	352.19	200,748.30	£5.47	£1,098,093.20
Additional 15 Hours	188.84	107,638.80	£5.47	£588,784.24
<b>2 Year Olds</b>				
2 Year Olds – Working Families	115.33	65,738.10	£6.98	£458,851.94
2 Year Olds – Disadvantaged	29.86	17,020.20	£6.98	£118,801.00
<b>Under 2 Year Olds</b>				
Under 2s	58.44	33,310.80	£9.45	£314,787.06
<b>Other</b>				
Pupil Premium Plus				£1,740.32
Disability Access Funding				£17,290.00
<b>Total Funding</b>				<b>£2,598,347.76</b>
Centrally Retained Funding (3.4%)				£87,696.79
Contingency				£25,793.17
<b>Funding Available for Distribution to Providers</b>				<b>£2,484,857.79</b>
<b>Distribution</b>				
3 & 4 Year Olds (200,748.30hrs + 107,638.80hrs @£5.20/hr)				£1,602,533.57
2 Year Olds (65,738.10hrs + 17,020.20hrs @ £6.65/hr)				£550,340.70
Under 2 Year Olds (65,738.10hrs + 17,020.20hrs @ £6.65/hr)				£550,340.70
2 Year Olds (65,738.10hrs + 17,020.20hrs @ £6.65/hr)				£550,340.70
Deprivation supplement (£0.11 per hour)				£550.00
<b>Total Distribution</b>				<b>£2,487,243.64</b>
<b>Deficit</b>				<b>£2,385.86</b>

2.4 In addition to the hourly rates in para 1.5 there are additional funding supplements available (subject to children's eligibility).

2.4.1 **Deprivation supplement for 3 and 4 year-olds.** This is currently £0.11/hour as per para 10.1 of the provider agreement.

2.4.2 **Special educational needs inclusion fund (top ups)** is available for all 3 and 4 year-olds children with SEN who are taking up the free entitlements, regardless of the number of hours taken. This is to target children with lower level or emerging SEN.

<https://ris.rutland.gov.uk/kb5/rutland/directory/service.page?id=dXejgod6VEw>

- 2.4.3 **Early Years Pupil Premium** (£0.62 per child per hour) 3 and 4-year-olds will be eligible for EYPP if the child receives the universal 15 hours entitlement and they meet set criteria. Please follow this link for further information.

<https://www.rutland.gov.uk/my-services/schools-education-and-learning/early-education-and-childcare/funding/early-years-pupil-premium/early-education-and-childcare-providers/>

- 2.4.4 **Disability Access Fund**- Providers receive at least £828 per eligible child per year. The funds could be used, for example, to support providers in making reasonable adjustments to their settings and/or helping with building capacity. 3- and 4-year-olds will be eligible for the DAF if: the child is in receipt of Disability Living Allowance; the child receives the universal 15 hours entitlement.

[https://ris.rutland.gov.uk/kb5/rutland/directory/service.page?id=ZHfIYG1vu8s&newlocalofferchannel=8\\_1](https://ris.rutland.gov.uk/kb5/rutland/directory/service.page?id=ZHfIYG1vu8s&newlocalofferchannel=8_1)

- 2.5 These proposals have been discussed with the early years working group on the 11<sup>th</sup> January 2024.

### 3 FINANCE SUB-GROUP

- 3.1 At the Extraordinary Meeting, Schools' Forum on Thursday 30th November 2023 it was agreed that a finance sub-group was set up.

- 3.2 The Council has had the following expression of interest for being members of the group, which is cross representative of Primary/Secondary Schools and Finance/Non-Finance Staff.

Name	School	Role	Member of Schools Forum
Stuart Williams	Catmose College	Chair	Yes
Rob Gooding	Rutland Learning Trust	Member	Yes
Graham Kirby	Rutland Learning Trust	Member	No
Lucy Lewin	Early Years School Forum rep	Member	Yes
Kirstie Croote	Uppingham Community College	Member	No
Rachel Wheatley	St Mary & St John C.E.V.A. Primary School	Member	No
Andrew Merry		LA Rep	No