

Date: Tuesday 21 January 2025 at 1.00 pm

Venue:

Susan Richardson (Chair)

Cllr Carol Clark

AGENDA

- 1 Apologies for Absence**
- 2 Declarations of Interest**
- 3 Minutes of the Last Meeting - 12th November & 18th December 2024** (Pages 7 - 16)
- 4 Matters Arising**
- 5 Budget Monitoring 2024/2025** (Pages 17 - 20)
- 6 Schools Budget 2025/2026** (Pages 21 - 38)
- 7 Any Other Business**
- 8 Date & Time of Next Meeting - Tuesday 11th February 2025 at 1:00Pm**

Members of the Public - Rights to Attend Meeting

With the exception of any item identified above as containing exempt or confidential information under the Local Government Act 1972 Section 100A(4), members of the public are entitled to attend this meeting and/or have access to the agenda papers.

Persons wishing to obtain any further information on this meeting, including the opportunities available for any member of the public to speak at the meeting; or for details of access to the meeting for disabled people, please

Contact: Elaine Barrett on email Elaine.Barrett@stockton.gov.uk

KEY - Declarable interests are:-

- Disclosable Pecuniary Interests (DPI's)
- Other Registerable Interests (ORI's)
- Non Registerable Interests (NRI's)

Members – Declaration of Interest Guidance

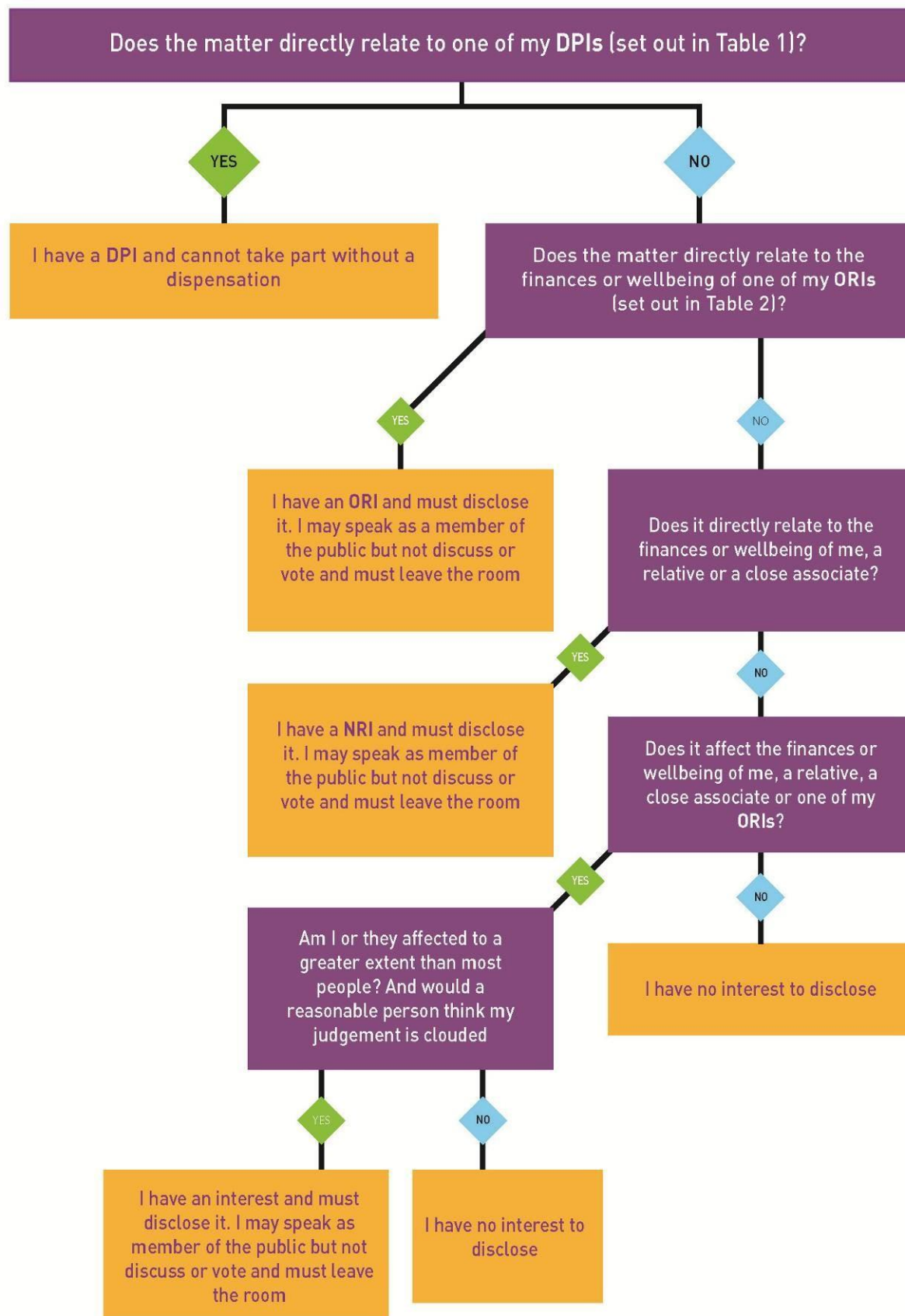


Table 1 - Disclosable Pecuniary Interests

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council — (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land and property	Any beneficial interest in land which is within the area of the council. 'Land' excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer.
Corporate tenancies	Any tenancy where (to the councillor's knowledge)— (a) the landlord is the council; and (b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body where— (a) that body (to the councillor's knowledge) has a place of business or land in the area of the council; and (b) either— (i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners have a beneficial interest exceeds one hundredth of the total issued share capital of that class.

* 'director' includes a member of the committee of management of an industrial and provident society.

* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2 – Other Registrable Interest

You must register as an Other Registrable Interest:

a) any unpaid directorships

b) any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority

c) any body

(i) exercising functions of a public nature

(ii) directed to charitable purposes or

(iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management

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SCHOOLS FORUM
VIRTUAL MEETING VIA MICROSOFT TEAMS
HELD ON 12 NOVEMBER 2024

PRESENT:

Primary Academy Headteacher Representative: Mrs J Armstrong and Ms S Richardson (Chair)

Primary School Governor Representative: Mr R Powner

Secondary School Governor Representatives: Mr C Wilkinson

Secondary Academy Headteacher Representatives: Mr R Parkinson and Mrs C Humble

Secondary School Headteacher Representative: Mr R Henderson

Special School Representative: Mrs C Thomas

Trade Union Representative: Mr L Russell

Pupil Referral Representative: Mrs G Warby

LA Representative: Councillor C Clark

OFFICIALS: Mr A Bryson – Chief Accountant
Mr G Waller – Senior Accountant
Mrs S Hewitson - Secretary to the Forum

OBSERVER: Mr D Leane - BHCET

1. **APOLOGIES FOR ABSENCE**

RESOLVED that the apologies for absence were received from Mrs A Swift, Mrs J Stanyard, Mr E Squire, Mr E Huntington, Mrs V Housley, Mrs M McCarthy, Mr J Faulkner, Mr A McClurg, Cllr. L Evans and Mrs L Spellman be accepted by the Forum.

2. **DECLARATION OF INTERESTS**

Members were invited to declare any personal or business interests they may have in any item included on the agenda.

No interests were declared.

3. **MINUTES OF THE LAST MEETING – 8 OCTOBER 2024**

RESOLVED that the minutes of the meeting held on 8 October 2024 be approved by members of Schools' Forum.

4. **MATTERS ARISING**

There were no matters arising from the minutes.

5. **CONSULTATION FEEDBACK RE DELEGATION / DE-DELEGATION 2025/26**

In the absence of Mr E Squire who had undertaken the consultation regarding delegation and de-delegation for 2025/26 for maintained primary schools had submitted his apologies for the meeting. Therefore Mrs H Gregory fed back to the Forum on the consultation and advised there was an overwhelming amount of responses to the poll

and the purpose was to retain the status quo.

Votes were unanimous on contingencies, staff costs and behaviour and were a majority of 10:1 on Support to School and School Improvement.

Mr R Henderson, the only maintained secondary representative agreed to use the de-delegated funds on the areas outlined in the report previously circulated for 2025/26.

RESOLVED that:

- That the primary maintained Headteachers agree to de-delegate funds as outlined within the report for 2025/26
- That the secondary maintained school Headteacher agrees to de-delegate the funds for 2025/26 as outlined within the report.

6. SCHOOLS FUNDING CONSULTATION

Following the last Schools' Forum meeting, the Schools National Funding Consultation document had been shared to all which seeks views from maintained schools, academies and free schools on the proposal in respect of Schools and High Needs Budgets for 2025/26. This deals specifically with the 0.5% transfer between the schools and high needs blocks (additional consultation questions would be sent out once the authority had received NFF details from the Government).

The council recently held a consultation on school funding arrangements for 2025/26. This took place between 9th October and 6th November. A copy of the consultation document issued to schools was attached at Appendix A to this report.

Of the 78 schools consulted with, 44 responses were received (compared to 28 in the previous year). The responses included a block of 11 votes from one Academy Trust and a block of 5 votes from another.

The breakdown of the 44 responses (which was a 56% response rate) was shown in the table below:

LA Primary	10
LA Secondary	1
Primary Academy	25
Secondary Academy	4
AP / Special Academy	4
TOTAL	44

Further detail on each of the proposals and consultation responses were provided. A log of consultation response comments were set out in Appendix B.

The council consulted on a 0.5% (0.5% or £900k whichever greater) transfer from the schools block to the High Needs block. Information was provided to schools on the background to the proposal as part of the consultation document attached at Appendix A.

Of the 44 responses received 23 (52%) supported the proposal, 20 (45%) did not and there was 1 response with no view. From the 23 that supported the proposal, 13 of the respondents were from Academy Trusts with the remaining 10 from maintained schools. From the 20 responses that did not support the proposal, 1 was from a maintained school and 19 were from Academy Trusts (including a group response of 11 replies from Bishops Hogarth and a group response of 5 from Prince Regent Street Trust).

It was highlighted that the response from Bishop Hogarth was provided after the 5pm deadline on the 6th November set for returns. Mr Bryson was asked to include Oxbridge

Primary as part of Prince Regent Street Trust response even though it had not yet converted.

	Yes	No	No Views	Total
Academy	13	19		32
Maintained	10	1	1	12
	23	20	1	44

As noted above, 11 of the responses were from the academy trust with the most schools under its umbrella within the borough. If this group response was excluded from the results above 23 (70%) of the respondents would have supported the proposal with 9 (27%) not supporting it.

Excluding Bishops Hogarth	Yes	No	No Views	Total
Academy	13	8		21
Maintained	10	1	1	12
	23	9	1	33

If the responses from academy trusts were only counted as 1 reply each then 23 (77%) of the respondents would have supported the proposal with 6 (20%) not supporting it.

Group Trusts 1 Reply	Yes	No	No Views	Total
Academy	13	5		18
Maintained	10	1	1	12
	23	6	1	30

The Chair observed there were a high amount of responses in comparison to last year which was positive.

In response to a question, Mr Bryson clarified that he detailed all the responses in the tables in the report and appendices and advised that Schools Forum had the overall vote despite the consultation process.

In response to a question, Mr Bryson explained that Academy Trusts can respond on behalf of all schools within the Trust.

Several members highlighted they felt that the votes received from Bishop Hogarth shouldn't be accounted for as it was received after the deadline time of 5pm.

Schools Forum was asked to consider and vote on a proposal to transfer 0.5% (0.5% or £900k whichever greater) from the schools block to the high needs block in 2025/26, therefore after a vote was undertaken, it was:

RESOLVED that the majority of Schools Forum were in favour of the proposal to transfer 0.5% or £900k (whichever greater) from the schools block to the high needs block in 2025/26. One member was not in favour.

7. SCHOOLS FUNDING ARRANGEMENTS 2025/26 (VERBAL UPDATE)

Schools funding arrangements had been delayed in July 2024 and Mr Bryson was still awaiting further information. Mr Bryson highlighted the following key points:

- Due to a delay in the schools funding arrangements, there was another part of the consultation which included the NFF which would need approval from Schools Forum. Another meeting was scheduled to take place on Wednesday 18th December 2024 at 1:00pm. The Clerk would issue an invite to all members.

- Prior to the meeting Mr Bryson had received additional details in relation the National Funding Formula. It was noted that overall funds are increasing by £2.3 billion, (£1 billion of this would be allocated to high needs), funding provided to mainstream schools through the teachers' pay additional grant (TPAG), the teachers' pension employer contribution grant (TPECG) 2024 and the core schools budget grant (CSBG) will be rolled into the schools NFF for 2025 to 2026.
- The National Insurance increase was due next year where there would be an additional grant provided to schools which would be outside of the schools funding formula.
- The 0.5% figure would be identified at the next meeting.

In response to a members question, the MFG applied to special schools will be the same as applied to mainstream schools.

RESOLVED that an additional Schools' Forum meeting would be held on Wednesday 18th December at 1pm.

8. BUDGET MONITORING

A copy of the budget monitoring report and appendix was circulated to members prior to the meeting. This paper provides members of the Forum with the current projected outturn position on the Schools Budget based on information to the end of September 2024.

The Dedicated Schools Grant (DSG) budget was set for 2024/25 assuming a small overall saving of £17k, intended to reduce the DSG deficit down to £3.78m at the end of 2024/25. This was in-line with Delivering Better Value (DBV) submission to DfE in January 2024.

However, based on a review of projected expenditure on High Needs at quarter 2 it was now expected that this target will not be met. Instead, an in-year overspend of £536k is now expected which will increase the cumulative deficit brought forward from 2023/24 of £3.8m up to £4.3m instead of the budgeted position of £3.78m. This revised position would be reflected in the medium term financial plan.

The projected overspend described above does not take account of any potential offsetting savings on other DSG blocks. For example, there was a significant increase in funding for the Early Years Block relating to the Governments childcare expansion programme. The funding rates that were set were based on estimated activity levels and once the data had been analysed for the summer and autumn terms 2024, quarter 3 should provide a more accurate picture

Mr R Powner and Mrs J Armstrong joined the meeting.

The Special School Representative had several queries regarding the figures displayed and the impact it would have on Special Schools. She asked if they were confident with the estimates provided. Mr Waller explained the figures take everything into account they were aware of so far however, the deficit may reduce later.

The Chair advised Stockton Council was normally ahead of the curve with most things however she still acknowledged there was something not working with the budget. She was hopeful after quarter one it would be at zero and not at an overspend.

9. ANY OTHER BUSINESS

There was no other business.

10. DATE AND TIME OF NEXT MEETING

RESOLVED that:

- a) An additional meeting is scheduled for Wednesday 18th December 2024 at 1.00.p.m
- b) The next meeting of Schools Forum would be held on 21st January 2025 at 1.00 p.m.

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SCHOOLS FORUM
VIRTUAL MEETING VIA MICROSOFT TEAMS
HELD ON 18 DECEMBER 2024

PRESENT:

Primary Headteacher Representative: Mr E Squire (Chair)

Secondary School Headteacher Representative: Mr R Henderson

Secondary School Academy Representative: Mrs L Spellman

Special School Representative: Mrs C Thomas

LA Representative: Councillor C Clark

OFFICIALS: Mr A Bryson – Chief Accountant
Mr G Waller – Senior Accountant
Mrs V Housley – Head of Service Education and Inclusion
Cllr. L Evans – Councillor at LA
Mrs M McCarthy - Director of Children's Services
Mrs S Hewitson - Secretary to the Forum

The meeting was no quorate.

1. APOLOGIES FOR ABSENCE

RESOLVED that the apologies for absence were received from Mrs A Swift, Mrs J Stanyard, Mr E Huntington, Mr J Faulkner, Mr R Powner, Mrs H Gregory, Mr L Russell, Mr C Wilkinson, Mr R Parkinson and Mrs J Armstrong be accepted by the Forum.

Mr R Henderson would be late to the meeting.

2. DECLARATION OF INTERESTS

Members were invited to declare any personal or business interests they may have in any item included on the agenda.

No interests were declared.

3. MINUTES OF THE LAST MEETING – 12 NOVEMBER 2024

RESOLVED that the minutes of the meeting held on 12 November 2024 be deferred to the next Schools Forum meeting.

Agenda

4. MATTERS ARISING

There were no matters arising from the minutes.

5. SCHOOLS NATIONAL FUNDING FORMULA 2025/26

Further information regarding the Schools National Funding Formula would be ready for the next Schools Forum meeting due to be held on Tuesday 21st January 2025.

Agenda

6. SCHOOLS FUNDING CONSULTATION 2025/26

The council recently held a consultation on school funding arrangements for 2025/26. This consultation closed on the 11th December. A copy of the consultation document issued to schools was attached at Appendix A to this report.

A Schools Forum meeting had been arranged for 21st January 2025, where the full final proposals would be confirmed prior to submission to ESFA on 22nd January 2025. Of the 78 schools consulted with, 23 responses were received. The responses include a block of 11 votes from one Academy Trust and a block of 5 votes from another.

Mr Bryson explained that in the document circulated, there was a slight error where there was 12 Primary Academy and 0 Special Academy displayed in the table however, this should be 11 Primary Academy 11 and 1 Special Academy. The breakdown of the 23 responses (which is a 29% response rate) is as shown in the table below and reflects this amendment:

LA Primary	6
LA Secondary	1
Primary Academy	11
Secondary Academy	4
AP / Special Academy	1
TOTAL	23

The three questions related to the Schools Funding formula and are considered together. With the exception of 1 return, which had no views all remaining responses fully supported the proposals in Questions 1 to 3.

- Q1 - 22 Responded Yes, 1 No Views
- Q2 - 23 Responded Yes,
- Q3 - 23 Responded Yes,

Schools Forum is asked to support the proposals for the schools funding formula for 2025/26 noting that:

- All Schools Forum members may vote on this proposal.
- The local authority is required to consult with Schools Forum on the funding formula, however the local authority retains the final decision on the formula to be used.

Due to the meeting not being quorate, Mr Bryson asked that all voting members submit their vote regarding the School Funding Consultation at the meeting and the remaining members who weren't present be asked to submit their vote via email which the Clerk would facilitate. Mr Bryson confirmed that voting via email was written in the constitution document for Schools Forum. Mrs L Spellman, Mr Edwin Squire and Miss C Thomas submitted their vote at the meeting.

Mr R Henderson joined the meeting.

Mr R Henderson was informed of what had been discussed previously in the meeting and submitted his vote accordingly.

RESOLVED that the Clerk would circulate an email to all voting members asking to vote on the Schools Funding Consultation for 2025/26.

Clerk

7. ANY OTHER BUSINESS

There was no other business.

Action

8. DATE AND TIME OF NEXT MEETING

RESOLVED that the next meeting of Schools Forum would be held on 21st January 2025 at 1.00 p.m.

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Schools Budget - Comparison of Planned and Projected Spend 2024-25 at Qtr 3

	2024-25 Revised Budget as at Q3 £	2024-25 Projected Outturn £	2024-25 Over / (Underspend) £
			(+/-)
1 SCHOOLS BUDGET			
1.0.1 Individual Schools Budget (before Academy Recoupment)	187,739,312	187,739,312	0
1.0.2 High needs place funding within Individual Schools Budget	10,897,333	10,897,333	0
1.1.1 Contingencies	48,700	33,700	(15,000)
1.1.2 Behaviour Support Services	72,975	72,975	0
1.1.3 Support to UPEG and bilingual learners	0	0	0
1.1.4 Free School Meals eligibility	3,985	3,985	0
1.1.5 Insurance	0	0	0
1.1.6 Museum and Library Services	0	0	0
1.1.7 Licences/subscriptions	0	0	0
1.1.9 Staff costs - supply cover	10,272	10,272	0
1.2.1 Top-up funding – maintained schools	1,709,009	1,700,009	(9,000)
1.2.2 Top-up funding – academies, free schools and colleges	13,375,889	14,684,889	1,309,000
1.2.3 Top-up and other funding – non-maintained and independent providers	11,623,116	11,770,116	147,000
1.2.5 SEN support services	2,005,606	2,034,606	29,000
1.2.6 Hospital education services	165,000	165,000	0
1.2.7 Other AP provision	965,725	1,415,725	450,000
1.2.8 Support for inclusion	644,993	644,993	0
1.2.11 Direct Payments (SEN and disability)	5,000	5,000	0
1.2.13 Therapies and other health related services	204,000	324,000	120,000
1.3.1 Central Expenditure on Children under 5	1,166,314	1,166,314	0
1.4.1 Contribution to combined budgets	138,748	138,748	0
1.4.2 School admissions	211,283	211,283	0
1.4.3 Servicing of schools forums	21,422	21,422	0
1.4.4 Termination of Employment Costs	11,141	8,141	(3,000)
1.4.5 Falling Rolls Fund	0	0	0
1.4.6 Capital Expenditure from Revenue (CERA)	0	0	0
1.4.7 Prudential borrowing costs	0	0	0
1.4.8 Fees to independent schools for pupils without SEN	0	0	0
1.4.9 Equal Pay - back pay	0	0	0
1.4.10 Pupil growth / Infant class sizes	530,000	257,000	(273,000)
1.4.11 SEN transport	0	0	0
1.4.12 Exceptions agreed by Secretary of State	0	0	0
1.4.14 Other Items (Copyright Licences)	202,447	202,447	0
CENTRAL PROVISION WITHIN SCHOOLS BUDGET (FORMER ESG RETAINED DUTIES)			
1.5.1 Education welfare service	76,000	76,000	0
1.5.2 Asset management	23,000	23,000	0
1.5.3 Statutory/ Regulatory duties	383,000	383,000	0
CENTRAL PROVISION FUNDED THROUGH MAINTAINED SCHOOLS BUDGET			
1.6.1 Central support services	0	0	0
1.6.2 Education welfare service	0	0	0
1.6.3 Asset management	0	0	0
1.6.4 Statutory/ Regulatory duties	0	0	0
1.6.5 Premature retirement cost/ Redundancy costs (new provisions)	0	0	0
1.6.6 Monitoring national curriculum assessment	0	0	0
1.6.7 School Improvement	43,500	43,500	0
1.6.1 TOTAL SCHOOLS BUDGET (before Academy recoupment)	232,277,770	234,032,770	1,755,000
1.7.1 Estimated Dedicated Schools Grant for 2024-25	(232,294,770)	(232,294,770)	0
1.7.2 Dedicated Schools Grant brought forward from 2023-24 (See below)	0	0	0
1.7.4 EFA Funding	0	0	0
1.7.5 Local Authority additional contribution	0	0	0
1.7.6 Total Funding Supporting the Schools Budget	(232,294,770)	(232,294,770)	0
In Year Deficit / (Surplus)	(17,000)	1,738,000	1,755,000

Cumulative Position**Forecast 2024/25 DSG overspend / (underspend) at 31/03/25 (as above)**

1,738,000

Add: DSG overspend b/fwd from 2023/24

3,797,620

Overall projected cumulative DSG overspend at 31/03/25**5,535,620**

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Schools Budget 2025/26

		Schools Block £'000	Central School Services Block £'000	Early Yrs Block £'000	High Needs Block £'000	25/26 Total £'000	24/25 Budget £'000	Change from 24/25 £'000
	<i>Sect 251 line</i>							
INCOME								
Dedicated School Grant Settlement from DfE		179,307	1,205	31,379	44,214	256,105	231,916	24,189
Transfers between blocks		(896)			896	0	0	0
Total DSG Block Allocations		178,411	1,205	31,379	45,110	256,105	231,916	24,189
Individual Schools Budget (before Academy recoupment)	1.0.1	177,971		30,046	0	208,017	187,475	20,542
High needs place funding within Individual Schools Budget	1.0.2				11,100	11,100	10,347	753
De-delegation: -								
Contingencies	1.1.1	41				41	49	(8)
Behaviour support services	1.1.2	64				64	73	(9)
Support to UPEG and bilingual learners	1.1.3	0				0	0	0
Free school meals eligibility	1.1.4	4				4	4	0
Insurance	1.1.5	0				0	0	0
Museum and Library services	1.1.6	0				0	0	0
Licences/subscriptions	1.1.7	0				0	0	0
Staff costs – supply cover for facility time	1.1.9	9				9	10	(1)
HIGH NEEDS BUDGET								
Top up funding - maintained schools (See note 1)	1.2.1				1,756	1,756	1,530	226
Top up funding - Academies, Free Schools and Colleges	1.2.2				13,961	13,961	13,995	(34)
Top up & other funding - non-maintained & independent	1.2.3				13,488	13,488	11,607	1,881
Addn'l HN targeted funding for mainstream & academies	1.2.4				0	0	0	0
SEN support services	1.2.5				2,220	2,220	2,166	54
Hospital education services	1.2.6				165	165	165	0
Other alternative provision services	1.2.7				1,450	1,450	932	518
Support for inclusion	1.2.8				645	645	645	0
Special schools and PRUs in financial difficulty	1.2.9				0	0	0	0
PFI/BSF costs at special schools and AP/PRUs	1.2.10				0	0	0	0
Direct payments (SEN and disability)	1.2.11				5	5	5	0
Carbon reduction commitment allowances (PRUs)	1.2.12				0	0	0	0
Therapies and other health related services	1.2.13				320	320	204	116
EARLY YEARS BUDGET								
Central expenditure on children under 5	1.3.1			1,093		1,093	842	251
Early Years SEN Inclusion Fund	1.0.1			240		240	210	30
CENTRAL PROVISION WITHIN SCHOOLS BUDGET								
Contribution to combined budgets	1.4.1		139	0		139	139	0
School admissions	1.4.2		212	0		212	211	1
Servicing of schools forums	1.4.3		22	0		22	21	1
Termination of employment costs	1.4.4		8	0		8	11	(3)
Falling Rolls Fund	1.4.5		0	0		0	0	0
Capital expenditure from revenue (CERA)	1.4.6		0	0		0	0	0
Prudential borrowing costs	1.4.7		0	0		0	0	0
Fees to independent schools without SEN	1.4.8		0	0		0	0	0
Equal pay - back pay	1.4.9		0	0		0	0	0
Pupil growth	1.4.10	300				300	530	(230)
SEN transport	1.4.11				0	0	0	0
Exceptions agreed by Secretary of State	1.4.12	0	0	0	0	0	0	0
Infant class sizes	1.4.13	0				0	0	0
Other Items (Copyright Licences/Pay and Pens for centrally employed teachers)	1.4.14		342			342	203	139
CENTRAL PROVISION WITHIN SCHOOLS BUDGET (FORMER ESG RETAINED DUTIES)								
Education welfare service	1.5.1		76			76	76	0
Asset management	1.5.2		23			23	23	0
Statutory/ Regulatory duties	1.5.3		383			383	383	0
CENTRAL PROVISION FUNDED THROUGH MAINTAINED SCHOOLS BUDGET								
Central support services	1.6.1		0			0	0	0
Education welfare service	1.6.2		0			0	0	0
Asset management	1.6.3		0			0	0	0
Statutory/ Regulatory duties	1.6.4		0			0	0	0
Premature retirement cost/ Redundancy costs (new provisions)	1.6.5		0			0	0	0
Monitoring national curriculum assessment	1.6.6		0			0	0	0
School Improvement	1.6.7	22				22	43	(21)
TOTAL SCHOOLS BUDGET (before Academy recoupment)	1.8.1	178,411	1,205	31,379	45,110	256,105	231,899	24,206
Contribution to reduction in DSG deficit					(0)	(0)	17	(17)
2024/25 DSG projected overspend at 31/03/25					(5,536)	(5,536)	(3,815)	(1,721)
Cumulative Deficit at 31st March 2026					(5,536)	(5,536)	(3,798)	(1,738)

Notes

1) Movements between years against line 1.2.1 includes the effect of school academisation, whereby funding transfers to line 1.2.2

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AGENDA ITEM 5

REPORT TO SCHOOLS FORUM

21st JANUARY 2025

SCHOOLS BUDGET MONITORING REPORT 2024/25

SUMMARY

1. This paper provides members of the Forum with the current projected outturn position on the Schools Budget based on information to the end of December 2024.
2. The Dedicated Schools Grant (DSG) budget was set for 2024/25 assuming a small overall saving of £17k, intended to reduce the DSG deficit down to £3.78m at the end of 2024/25. This was in-line with our Delivering Better Value (DBV) submission to DfE in January 2024.
3. At quarter 2 it was anticipated that continued increase in demand for High Needs support would result in a projected in-year deficit of £536k. However, based on a review of projected expenditure at quarter 3 (outlined below), this is now expected to increase to **£1.7m** which will increase the cumulative deficit b/fwd from 2023/24 of **£3.8m** up to **£5.5m** instead of the budgeted position of **£3.78m**. This revised position will be reflected in the medium term financial plan.
4. Please note however that the projected overspend described above still does not take account of any potential offsetting savings from the Early Years DSG block. We have seen a significant increase in funding for the Early Years Block relating to the Governments childcare expansion programme. The funding rates we have set are based on DfE requirements and estimated activity levels but there will be further DfE funding allocation adjustments in March and July 2025 based on the Autumn 2024 and Spring 2025 census data.

RECOMMENDATION

5. That the Schools Forum note the current financial position on the schools budget.

School Budget

6. **Appendix 1** shows the revised budget against the projected outturn for 2024/25 on the Schools Budget as at 31st December 2024, in the prescribed DfE Section 251 reporting format. The reasons for significant variances between planned and projected spend are: -
 - a. Line 1.1.1 Contingencies – **£15k underspend**
It is expected that the £15k de-delegated contingency budget for Schools Formula errors will not be required.

- b. Line 1.2.1 Top-up funding – maintained schools - **£9k underspend**
Currently 27 new SEND placements in out of area schools since the budget was set, with a number of these being in other LA maintained schools. This is expected to cost an additional **£91k**. However, this is offset by a **£100k** saving on the SBC maintained schools top-up contingency budget which reflects further academisation.
 - c. Line 1.2.2 Top-up funding – academies, free schools and colleges – Anticipated **£1.3m overspend** made up of:
 - **£800k overspend** resulting from a significant increase in the levels of funding requested by SBC Special Academies. This includes increases in the level of top-up requests and a large number of exceptional payments.
 - **£400k overspend** in 1:1 support costs and top-ups for additional placements for SEND pupils placed in other LA academies (27 new SEND placements since the budget was set).
 - **£100k overspend** expected relating to the purchase of specialist equipment for SBC maintained schools and academies.
 - d. Line 1.2.3 Top-up and other funding non-maintained and independent providers - **£147k overspend**
A further 11 new placements in Independent Special Schools since the last quarter. This will cost approximately £481k this year. However, this is offset by £334k budgeted growth provision (Leaving £30k growth funding to support any further placements identified this financial year).
 - e. Line 1.2.5 SEN support – **£29k overspend** on the Middlesbrough HI/VI service. Increased costs arising from a review of the joint arrangement charges which mainly resulted from increases in employer's teacher's pay and pension costs.
 - f. Line 1.2.7 Other AP provision - **£450k overspend** on tutoring costs and other support for excluded pupils including additional placement costs in Pathway Development Centres.
 - g. Line 1.2.13 Therapies and other health related - **£120k overspend** resulting from additional demand for therapeutic support.
 - h. Line 1.4.11 Pupil Growth - **£273k underspend**
For some Basic Need funded schemes, the actual September 2024 admission numbers in year 7 were lower than expected and therefore did not meet the criteria for growth funding.
7. Any surplus or deficit on the Schools Budget supported by Dedicated Schools Grant (DSG) is carried forward to the following financial year.

Contact Officer: Andy Bryson, Chief Accountant
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AGENDA ITEM xx

**REPORT TO
SCHOOLS FORUM**

21st JANUARY 2025

SCHOOLS BUDGET 2025/26

SUMMARY

1. The purpose of this paper is to provide information and recommendations on the local distribution of the Dedicated Schools Grant (DSG) for the next financial year. This report sets out the proposed Schools budget and confirms the final Stockton funding formula arrangements for 2025/26.
2. Local authorities will continue to use funding through the schools NFF to determine final allocations for all local mainstream schools. The Government will continue with the same approach to “tightening” local formulae as in previous years. Local authorities will be required to move their local formulae factors 10% closer to the NFF values, compared to where they were in 2024 to 2025, unless they are already mirroring the NFF.
3. The structure of the high needs NFF will remain largely unchanged. While the mainstream elements of the TPAG, TPECG and CSBG are rolled into the school NFF for 2025 to 2026, for high needs the Government will continue to pay local authorities the funding currently allocated through the separate TPAG, TPECG and CSBG for special schools and alternative provision outside of the high needs NFF in 2025 to 2026. These funding streams will be brought together and paid as a single 2025 to 2026 CSBG.
4. Also, in recognition of the funding cycle for academies, which follows the academic year (rather than the financial year used for local authority maintained schools), academies will receive an additional allocation of TPAG, TPECG and CSBG to cover April to August 2025. This is the period in advance of the funding being rolled into academies’ core budget allocations through the NFF.
5. In addition to the funding allocated through the NFFs, further funding in respect of the increase in employer’s National Insurance contributions will be provided in 2025 to 2026 by a grant outside the NFF.
6. To agree the local formula the authority consulted with all schools. This exercise was undertaken during November and December 2024 and the results were reported to the Schools Forum at its November meeting and in an additional meeting on the 18th December. The Forum subsequently agreed the proposals for the schools funding formula and a 0.5% transfer from the Schools to High Needs block for 2025/26 of £0.896m. The budget presented in this report for 2025/26 is based on the agreed decisions.

7. As previously announced, the distribution of the DSG to local authorities will be set out in four blocks for each authority: a schools block, a high needs block, an early years block, and the central school services block.
8. Within the overall budget setting process, there are a few central spend decisions that the Forum has responsibility for and these are presented for approval.

RECOMMENDATIONS

9. To support the approach and overall allocation of DSG for 2025/26, particularly:
 - a. To **note** the Dedicated School Grant settlement (para 12 and table in para 17)
 - b. **Support** the funding proposals for growth fund (para 27)
 - c. **Note** that the authority intends to set the following early years rates;
 - 3 and 4 year old early years rate to £5.40 (para 28).
 - Rate for 2 yr olds of families receiving additional support (Previously identified as Disadvantaged 2 year olds) will be set at £7.66 (para 30)
 - 2 year olds 15 hour working entitlement rate will be set at £7.53 (para 31)
 - 9 month to 2 year olds 15 hour working entitlement rate will be set at £10.20 (para 32)
 - d. **Note** that the authority intends to maintain the pass-through rate at 97% for 3 and 4 year olds, with all other eligible entitlements will at 96%. (paras 34 to 35).
 - e. **Agree** the Early Years central spend of £1.09m subject to final consultation responses. (para 37)
 - f. **Note** the position on high needs spend (paras 38 to 44)
 - g. **Agree** the proposed central spend block items and associated budget for 2025/26 as detailed in paragraphs 45 to 47.
 - h. **Note** the estimated deficit position on the DSG (para 51).
 - i. **Note** the position re Pupil Premium and other grants (paras 57-60).
 - j. **Note** that if for any reason there is a need to convene a further Schools Forum meeting, 11th February 2025 is arranged for this purpose.

Summary of Key Points

10. The paper discusses and requests decisions where appropriate, on the following for 2025/26:-

- i. Dedicated Schools Grant Allocations
- ii. Schools Block spend including Growth Fund
- iii. Early Years Block Spend
- iv. High Needs Block Spend
- v. Central Services Block Spend
- vi. Schools Budget 2025/26 and Projected Brought Forward School Budget Balance

11. There are significant continuing high needs pressures facing the Schools Budget which starts the financial year with a projected cumulative deficit of £5.54m at 31 March 2025. This is based on the current monitoring report which is also presented at today's meeting.

GOVERNMENT FUNDING ALLOCATIONS

Dedicated Schools Grant (DSG) Allocations

12. The 2025/26 DSG allocation for Stockton is £256.1m compared to £231.9m in 2024/25.
13. To improve opportunities for our children and young people, the government is investing in education with an additional £2.3 billion for mainstream schools and young people with high needs for 2025 to 2026. This means that overall core school funding will total almost £63.9 billion next year compared to £61.6 billion in 2024 to 2025.
14. £1 billion of the £2.3 billion increase is being allocated as high needs funding in 2025 to 2026. This will bring total high needs funding to £11.9 billion. The high needs NFF will ensure that every local authority receives at least a 7% increase per head of their projected aged 2-18 population, with the majority of authorities seeing higher gains. There is a limit on the gains of 10% per head
15. Funding through the mainstream schools national funding formula (NFF) is increasing by 2.23% per pupil on average in 2025 to 2026, compared to 2024 to 2025. This includes a 1.28% increase to ensure that the 2024 teachers and support staff pay awards continue to be fully funded at national level in 2025 to 2026.
16. DSG allocations are before recoupment and deductions for national non-domestic rates, and for direct funding of high needs places by Education and Skills Funding Agency (ESFA). The overall DSG funding for 2025/26 before deductions is £256.10m.
17. The distribution of the DSG to local authorities is set out in four blocks and includes the 0.5% transfer. The allocated funding under each block is shown below;

	2025/26 £m
Schools Block	£178.42
High Needs Block	£45.10
Central Services Block	£1.20
Early Years Block	£31.38
Total 2025/26 DSG	£256.10

18. Schools Block :-

- a. The schools block has been allocated based on the primary units of funding (PUF), and secondary units of funding (SUF), and premises funding announced in November 2024, and growth and falling rolls funding.
- b. The 2025/26 primary unit of funding for Stockton is £5,550.46 and the secondary unit of funding is £7,179.46 (compared to £5,131.13 and £6,610.60 respectively in 2024/25). Stockton's allocation for 2025/26 is £178.42m after the £0.896m transfer to High Needs (£0.837m in 2024/25). This will be the allocation before academy recoupment which will be taken by the ESFA (Education and Skills Funding Agency) for all Stockton's Academies and Free Schools from the DSG allocation.
- c. There is a total reduction of 282 pupils from 2024/25 down to 28,323 pupils (including those in the Free Schools) and this represents an overall decrease of 0.98%.
- d. In 2024 to 2025 DfE introduced a national formulaic approach to split sites funding and there are some technical changes for 2025/26. In particular, the transitional floor protection that was included in 2024 to 2025 has now been removed. That protection was only needed in 2024 to 2025 to ensure that any school losing out from the formularisation itself was protected through the NFF floor.

19. Early Years Block –

- a. Since its introduction in April 2017, the 3 and 4-year-old formula has set the hourly funding rates that each local authority is paid to deliver the universal and additional entitlements for 3 and 4-year-olds.
- b. In 2024 to 2025 the Government introduced a new national funding formula to determine the hourly rates for each of the new working parent entitlements, and for the entitlement for families of 2-year-olds receiving additional support. This new formula followed the same shape of the existing national funding formula for the 3 and 4-year-old entitlements, but took a slightly different approach in accounting for deprivation as part of the additional needs factor; rather than using FSM data only as a proxy for deprivation, the new formula used a 'basket of measures' approach, which used a combination of free school meals (FSM) data and a measure based on the income deprivation affecting children index (IDACI) as proxies for deprivation.

- c. For 2025 to 2026 the Government have made no changes to either the 3 and 4-year-old formula, or the formula for 2-year-old and under, other than updating for the latest available data for the formula factors and accounting for the expansion to 30-hours of the working parent entitlement from September 2025.
- d. Funding for 3 and 4-year-olds and families of 2-year-olds receiving additional support will be based on data from the annual early years, school, and alternative provision censuses, with mid-year adjustment to the early years block of the DSG.
- e. To ensure that local authorities are accurately funded for delivering the new entitlements, the Government will continue funding these entitlements using termly headcounts, and will fund on a revised allocation profile to better match how local authorities fund providers across the year in 2025 to 2026. Given the additional termly counts for the new entitlements in 2025 to 2026, the indicative allocations for these funding streams will be updated following the data collection each term.
- f. In the summer of 2023, the previous government consulted on the minimum pass-through requirement and outlined their intention to increase this from 95% to 97% once the new entitlements were sufficiently embedded. This change to the minimum pass-through requirement will be introduced, and the Government are taking an initial step in introducing that change this year by increasing the minimum pass-through requirement for local authorities from 95% to 96% for 2025 to 2026.
- g. This new 96% requirement will apply separately to the entitlements for:
 - 9-month-old children up to 2-year-olds of eligible working parents
 - 2-year-old children of eligible working parents
 - 2-year-old children from families receiving additional support
 - 3 and 4-year-olds (universal and additional hours)

Disability Access Fund (DAF)

- h. All early years providers delivering early years entitlements to children eligible for DAF are eligible to receive DAF payments.
- i. Local authorities must fund all settings providing a place for DAF-eligible children at the annual rate of at least £938 per child (£910 per child in 2024/25). These individual DAF payments will be distributed in their entirety to providers.

Early Years Pupil Premium (EYPP)

- j. For 2025 to 2026, EYPP covers all children who are accessing the entitlements and meeting the eligibility criteria.
- k. Local authorities must fund early years providers in their area at a rate of at least £1 per hour per eligible child up to a maximum of 570 hours (a maximum of at least £570 per year). Where a 3 and 4-year-old child, a 2-

year-old child, or a child aged from 9 months to 2-years-old is also eligible for the additional 15 hours entitlement for eligible working parents, EYPP is paid on the first 15 hours only, up to a total of 570 hours in the year. For children who are eligible for EYPP by virtue of being looked after by a local authority, the local authority must fund the early years provider at a flat rate of at least £1 multiplied by 570 hours (at least £570 per year).

Special Educational Needs Inclusion Fund (SENIF)

- I. All local authorities are required to have a SENIF for all children eligible for the entitlements and who have SEN, regardless of the number of hours taken. These funds are intended to support local authorities to work with providers to recognise and support the low-level and emerging needs of individual children with SEN who are taking up the entitlements. These funds also support local authorities to undertake their responsibilities to strategically commission SEN services as required under the Children and Families Act 2014.

20. High Needs Block :-

- a. The high needs block supports provision for pupils and students with special educational needs and disabilities (SEND), up to the age of 25, and alternative provision for pupils who cannot receive their education in schools.
- b. The high needs block is based on the allocations announced in November 2024 with the basic entitlement element of the national funding formula (NFF) updated for the number of pupils in the October 2024 school census. The basic structure of the high needs NFF for 2025 to 2026 has not changed from the 2024 to 2025 NFF.
- c. The national increase in high needs funding, between 2024 to 2025 and 2025 to 2026, will be almost £1 billion, and high needs funding will total £11.9 billion, including a continuation of the 2024 to 2025 teachers' pay and pensions grants (TPAG and TPECG) and the 2024 to 2025 core schools budget grant (CSBG).
- d. These separate grants will be paid as a single CSBG for special schools and alternative provision for 2025 to 2026, rather than (as they are for mainstream schools) being rolled into the NFF and paid through the DSG. This funding will help local authorities, schools and colleges with the increasing costs of supporting children and young people with SEND.
- e. For Stockton, high needs funding has increased by £3.4m over 2024/25 making the total £44.214m before recoupment. The allocation received is provisional as adjustments will be made in year for high needs places, including the import/export of places between authorities.
- f. Although Stockton's allocation for 2025/26 is £44.214m, this will be increased by the £0.896m transfer from Schools Block to £45.1m.

21. Central Schools Services Block (CSSB):-

- a. The total funding for ongoing responsibilities is £342 million in 2025 to 2026. This funds all local authorities for the functions they have a statutory duty to deliver for all pupils in maintained schools and academies. This includes £27 million of funding in respect of pay and pensions costs for centrally employed teachers, which was previously allocated to local authorities through TPECG and (the uplifted) CSBG. It also includes £4 million to cover the increased cost in copyright licences.
- b. The CSSB brings together funding previously allocated through the retained duties element of the ESG, funding for ongoing central functions such as admissions and residual funding for historic commitments. The 2025/26 allocation is £1.20m and includes a further 20% reduction for historic commitments.

22. Transfer Between Blocks

- a. The schools block is ring-fenced in 2025 to 2026 in line with the DSG conditions of grant, however local authorities can transfer up to and including 0.5% of their schools block funding into another block, with the approval of their schools forum.
- b. Following a consultation with all school and academies the Schools Forum agreed at its meeting on 12th November the transfer of 0.5% equivalent to £0.896m (£0.837m in 2024/25) from the Schools Block to the High Needs budget.
- c. The level of funding under each block is represented in the table below.

	2025/26	2024/25	Change
	£m	£m	£m
<u>Schools Block</u>			
DSG - Main Funding	£179.31	£167.38	£11.93
Transfer to High Needs	-£0.89	-£0.84	-£0.05
Total Schools Block*	£178.42	£166.54	£11.88
<u>Early Years Block</u>			
3/4 Year Old Universal funding	£9.47	£9.12	£0.35
3/4 Year Old Additional 15 Hours	£4.47	£4.29	£0.18
2 Year Old Universal funding	£5.77	£3.71	£2.06
Under 2 Universal Funding (wef Sept 2024)	£8.54	£2.56	£5.98
Early Years Pupil Premium (From 9 mths)	£0.35	£0.27	£0.08
Disability Access Fund (From 9 mths)	£0.22	£0.22	-£0.01
Disadvantaged 2 Year Olds	£2.56	£2.52	£0.04
Total Early Years Block	£31.38	£22.69	£8.69
<u>Central Services Block</u>			
Historic Spend	£0.04	£0.05	-£0.01

Pupil Numbers	£1.16	£1.02	£0.14
Total Central Service Block	£1.20	£1.07	£0.13
High Needs Block			
Transfer From School Block	£0.89	£0.84	£0.05
High Needs Main Funding	£44.21	£40.78	£3.43
Total High Needs Block	£45.10	£41.62	£3.48
Total DSG	£256.10	£231.92	£24.18

PROPOSED DISTRIBUTION

Schools Block Spend

23. In 2025/26 local authorities continue to have discretion over their schools funding formulae. The Authority consulted to increase the formula factors **where affordable** in line with the National Funding Formula except for the PFI factor which will increase in line with the RPIX measure of inflation to reflect the use of RPIX in PFI contracts.
24. The 2025/26 factors and associated values are shown in **Appendix 1** with 2024/25 figures included for comparison.
25. The minimum per pupil levels in 2025-26 will be set at £4,955 for primary schools and £6,221 for KS3 and £6,831 for KS4, ensuring that standard secondary schools with 5 year groups receive at least £6,465 per pupil. For the purpose of calculating whether and how much a school should be 'topped up' to the minimum level, its per pupil funding includes all funding it receives through the local schools formula, excluding premises and growth funding.
26. The minimum funding guarantee (MFG) will be set at 0% per pupil in 2025/26 as agreed following the consultation for all mainstream schools and academies during December 2024.
27. Growth Fund:-
 - a. The Council has an agreed investment strategy for Schools funded from Capital Basic Need allocations including expansions to address expected shortages in school places. To support the planned admission number increases the Forum has set up a Growth Fund and policy for access to enable schools to manage increases.
 - b. Based on current analysis, it is estimated that the Growth Fund requirements for 2025/26 will be £0.3m (2024-25 £0.530m) to accommodate requirement for the provision of secondary growth.
 - c. **Therefore, it is recommended that School Forum approve an allocation of £0.3m for 2025/26.**

Early Years Block Spend

3 & 4 Year Old's

28. Stockton is proposing to pass on the funding rate increase from central Government. Overall base rate funding allocated per hour to each child will be £5.40 for 2025/26 (£4.97 in 2024/25). For supplements:
- a. Sparsity will continue to be funded at £1.15 per hour.
 - b. Deprivation (mandatory) will now be calculated using the IDACI (income deprivation affecting children index) banding system.
 - c. Quality – Resulting from changes to schools and childcare providers inspection gradings, the funding previously allocated as a separate supplement has now been incorporated into the £5.40 base rate.
29. The LA will continue to pass on the EYPP funding on to all state-funded early years providers. This has been increased to £1 per hour per eligible pupil (68p in 2024/25). This means settings will receive a maximum of £570 for each eligible 3 or 4 year-old who takes up the full 570 hours of state-funded early education they are entitled to.

2 yr olds of families receiving additional support

30. It is proposed that the hourly rate for 2 yr olds of families receiving additional support for 2025/26 will be set at £7.66 (2024/25 £7.38).

2 yr olds 15 hour working parent entitlement

31. It is proposed that the 2 year old entitlement hourly rate for 2025/26 will be set at £7.53 (2024/25 £7.25).

9 months to 2 Year Old 15 hour working parent entitlement

32. It is proposed that the 9 month to 2 year old entitlement hourly rate for 2025/26 will be set at £10.20 (2024/25 £9.92).

SEN Inclusion Fund (SENIF)

33. All local authorities are required to establish an SEN inclusion fund which applies to all funded children from 9 months. Therefore, for 2025/26 Stockton proposes to set a total SEN Inclusion Fund of £240k (2024/25 £210k).

Pass through Requirement

34. For 2025 to 2026, a pass-through requirement will apply 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 yr olds of families receiving additional support**
 - 3 and 4-year-olds (universal and additional hours)

35. For 3 and 4-year-olds it is proposed to maintain the increased pass-through rate of 97% as per 2024-25. For all other eligible entitlements it is proposed to apply a 96% pass-through rate.
36. All of the proposed rates shown above, which are provided to the Schools Forum for information only, are subject to the final outcome of the recent SBC consultation with all Early Years settings which closes on 28th January 2025.
37. Based on the proposed pass-through rates above, in total the central allocation in 2025/26 will be £1.09m (£0.842m in 2024/25) to enable central staff to deliver on their statutory duty to support the expanded early years provision. **Therefore, it is recommended that School Forum approve an allocation of £1.09m for 2025/26.**

High Needs Block Spend

38. As Forum members are aware from regular updates that there are continuing significant pressures against the high needs areas which is also evident from the current year's Budget Monitoring Report on today's agenda. The budgets included within **Appendix 2** are based on historic trends, spend in the current financial year, projected growth and DBV interventions.
39. Previous reports presented on High Needs to the Forum have provided updates on the current issues, reasons, the scale of the challenges and the work being done to address the position. We will continue to report to Schools Forum as the work progresses.
40. The increase in government funding of £3.4m described in paragraph 20e above will be allocated to those specific budgets where we have seen pressures arising, which are predominantly agency, top ups and alternative provision and will support the additional costs arising from the review of Enhanced Mainstream Schools and implementation of ARP/SEN Units. The increase in budgets between 2024/25 and 2025/26 are detailed in **Appendix 2**.
41. The 2025/26 High Needs Operational Guide provides details of conditions on the MFG specifically for maintained special schools and special academies. In 2025 to 2026, the comparison for the MFG calculation will be schools 2024 to 2025 funding baselines.
42. The local authority, in deciding on top-up funding rates for the pupils to be placed in its maintained special schools, special academies it previously maintained, and special free schools located in its area, must comply with the minimum percentage by which the budget of any special school or special academy would change from the 2024 to 2025 financial year to the 2025 to 2026 financial year. The calculation must assume that all the pupils in the special school or special academy (or free school) were placed by the local authority and the number and type of places remained the same in the 2 financial years 2024 to 2025 and 2025 to 2026.

43. The rate for special schools MFG for 2025 to 2026, must be set at 0%. Finance will be working through the detailed calculations for special schools and will notify them of updated funding in due course.
44. Following the 2022 autumn statement Local Authorities are required to pass on high needs funding for the historic teachers' pay and pensions employer contributions and other legacy additional funding to maintained special schools, special academies (and free schools), pupil referral units and AP academies (and free schools), including maintained and academy hospital schools special and AP schools, using specific calculations and data described in **Annex 4 of the High Needs Operational Guide**.

Central Services Block Spend

45. As noted in paragraph 21 (b) the central services block is £1.205m comprising funding previously allocated through the retained element of DSG, central functions and historic commitments.
46. It is recommended that for 2025/26 the central items a. to c shown below remain unchanged and item d. (Termination of employment costs) is reduced to £8k reflecting a reduced requirement.
- a. Combined Budgets
 - i. Psychology and Intervention £3,748
 - ii. Virtual School Head £30,000
 - iii. First Contact Team £25,000
 - iv. Family Support £25,000
 - v. Local Safeguarding Board £25,000
 - vi. Public Health Team £30,000
 - b. School Admissions £212,000
 - c. Servicing of Schools Forum £22,000
 - d. Termination of employment costs £8,000 (2024/25 £11k) 380748

47. The remaining CSSB funding totaling £0.824m will be utilised to fund licences and statutory central services previously funded from the retained element of the old Education Services Grant.

Schools Budget 2025/26 and Projected Brought Forward School Budget Balance

48. The Schools' Budget is a ring-fenced account within the authority's books and this report sets out the budget and funding formula for 2025/26. Under Schedule 2 of the School and Early Years Finance (England) Regulations 2022, local authorities are required to carry forward overspends to their schools budget either in the immediately following year or the year after. They can apply to the Secretary of State to disregard this requirement. In the case of the Secretary of State giving such permission, this may be for all or part of the sum requested by a local authority, and permission may be given subject to conditions.
49. The impact of these statutory provisions means that an LA with a DSG deficit from the previous year must either: (1) carry the whole of the deficit

forward to be dealt with in the schools budget for the new financial year (2) carry part of it forward into the new financial year and the rest of it into the following financial year (3) carry all of it into the following financial year.

50. A deficit must be carried forward to be dealt with from future DSG income, unless the Secretary of State authorises the LA not to do this.
51. The current budgetary control is showing that there are continued increased pressures on high needs spending. The overall DSG will show an anticipated £5.54m cumulative deficit at 31st March 2025.
52. Any local authority that has an overall deficit on its DSG account at the end of the 2024 to 2025 financial year, or whose DSG surplus has substantially reduced during the year, must co-operate with the Department for Education in handling that situation. In particular, the authority must:
- provide information as and when requested by the department about its plans for managing its DSG account in the 2025 to 2026 financial year and subsequently
 - provide information as and when requested by the department about pressures and potential savings on its high needs budget
 - meet with officials of the department as and when they request to discuss the authority's plans and financial situation
 - keep the school's forum regularly updated about the authority's DSG account and plans for handling it, including high needs pressures and potential savings.
53. The Government is running 3 programmes offering direct support in respect of the effectiveness and sustainability of local authorities' high needs systems, which together will work with all local authorities: the Safety Valve Intervention programme, the Delivering Better Value in SEND (DBV) programme and ESFA support programme. The aim of all 3 programmes is to secure sustainable management of local authorities' high needs systems.
54. As noted in the previous reports on High Needs presented to the Forum, Stockton is part of the Delivering Better Value in SEND (DBV) programme which has targeted authorities with less severe but either substantial and/or growing deficit issues, helping them reform their high needs systems.
55. Based on the information earlier in this paper the proposed 2025/26 Schools Budget for each funding block is set out in **Appendix 2**. It shows the DfE block funding allocation against the spending plans for that area.
56. Updates will be provided throughout the year to the Forum on projected spend against budget.

Pupil Premium and Other Grants

57. The DfE have not yet advised the Authority of the pupil premium funding rates for 2025/26:

	2024/25	2025/26
	£	£
Free School Meals Ever 6 - Secondary	1,050	xx
- Primary	1,480	xx
- Service Child Ever 6	340	xx

58. The Looked After Children rate is £xx with £xx to schools and £xx retained for management by the Virtual Head. **Waiting for rates from DfE.**

59. For 2025/26 the October 2024 school census data will be used to allocate the pupil premium to local authorities. The total amount receivable for pupil premium in the Borough in 2024/25 was £13.326m (Dec 2024 allocation).

60. The below grants will continue for 2025/26 but the rates per pupil for the following grants have not yet been published:

- Universal Infant Free School Meals
- Primary PE and Sport Premium have not been announced for 2025/26 academic year.

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Appendix 1

Formula Factors	2024/25 Unit Value	2024/25 Amount Distributed £m	2025/26 Unit Value	2025/26 Proposed Amount Distributed £m	Incr. / (Decr.) in Amount Distributed £m
AWPU – Primary	£3,520	58.370	£3,796	61.952	3.582
AWPU - Key Stage 3	£4,963	36.802	£5,350	39.346	2.544
AWPU - Key Stage 4	£5,595	25.820	£6,031	28.046	2.226
Current FSM – Primary	£490	2.381	£495	2.369	(0.012)
Current FSM – Secondary	£490	1.666	£495	1.763	0.097
Free School Meals Ever 6 – Primary	£820	4.062	£1060	5.140	1.078
Free School Meals Ever 6 – Secondary	£1,200	4.580	£1,555	6.054	1.474
IDACI band F – Primary	£235	0.232	£235	0.228	(0.004)
IDACI band E – Primary	£285	0.457	£285	0.437	(0.020)
IDACI band D – Primary	£445	0.476	£445	0.466	(0.010)
IDACI band C – Primary	£485	0.694	£490	0.685	(0.009)
IDACI band B – Primary	£515	0.785	£520	0.760	(0.025)
IDACI band A – Primary	£680	1.236	£685	1.263	0.027
IDACI band F – Secondary	£340	0.242	£340	0.237	(0.005)
IDACI band E – Secondary	£450	0.541	£450	0.533	(0.008)
IDACI band D – Secondary	£630	0.465	£635	0.449	(0.016)
IDACI band C – Secondary	£690	0.635	£695	0.666	0.031
IDACI band B – Secondary	£740	0.796	£745	0.812	0.016
IDACI band A – Secondary	£945	1.157	£950	1.170	0.013
Low Prior Attainment – Primary	£1,170	5.502	£1,175	5.508	0.006
Low Prior Attainment – Secondary	£1,775	3.916	£1,785	3.942	0.026
English as an additional language – Primary	£590	0.468	£595	0.528	0.060
English as an additional language – Secondary	£1,585	0.300	£1,595	0.329	0.029
Mobility - primary	£960	0.176	£965	0.209	0.033
Mobility - secondary	£1,380	0.089	£1,385	0.088	(0.001)
Lump Sum	£134,400	9.811	£145,100	10.592	0.781
Sparcity	Prim: £0-£57.1k Sec £0-£83k	0.125	Prim: £0-£57.4k Sec £0-£83.4k	0.131	0.006
Split Site	Basic: £53.7k Dist.: £26.9k	0.054	Basic: £54k Dist.: £27k	0.054	0.000
Rates	Actual	1.515	Actual	1.624	0.109
PFI	Actual	0.505	Actual	0.505	0.000
Min per pupil funding adj	Actual	2.019	Actual	1.989	(0.030)
MFG / Limit on Gains	Actual	0.137	Actual	0.236	0.099
Add: Baselined Mainstream School grants	n/a	12.257	n/a	Incl. above	(12.257)
TOTAL for comparison purposes		178.271		178.111	(0.160)

Notes re above proposed distribution

MFG applied at +0% Max / Capping (limit on gains) applied at 3.88%.

The AWPU factor values have been scaled back from the 2025/26 NFF Factor values to ensure affordability.

The total figure for schools excludes the Growth Fund of £0.30m.

All other factor values are 2025-26 NFF factor values.

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