

ROTHERHAM SCHOOLS' FORUM

Date and Time:- Thursday 30 January 2025 at 8.30 a.m.

Venue:- Rockingham Professional Development Centre,
Roughwood Road, Rotherham. S61 4HY

The items which will be discussed are described on the agenda below and there are reports attached which give more details.

AGENDA

1. Welcome and Introductions

Welcome by the Chair and introductions by all Forum Members present.

2. Apologies for Absence

To receive apologies from any Forum Member who are unable to attend the meeting.

3. Declarations of Interest

To invite Forum Members to declare any interests they may have on agenda items to be considered at this meeting, to confirm the nature of those interests and whether they intend to leave the meeting for the consideration of the item.

4. Minutes of the Previous Meeting (Pages 5 - 14)

To receive and approve the minutes of the previous meeting held on Friday, 13th December 2024.

5. Matters Arising from Previous Minutes

To consider and report on any matters arising from the previous minutes.

6. Membership and Constitution of the Rotherham Schools Forum (Standing Item)

To consider any updates or amendments to the membership of the Schools Forum.

Based on the School Sector Breakdown to include:-

- Sacha Schofield, Special School Governor representative (filling a vacancy).

Recommendation:

To consider and approve the amendments/updates to the membership of the Rotherham Schools Forum.

7. Dedicated School Grant (DSG) and Schools Budgets 2024-25 Update (Pages 15 - 18)

Head of Finance (CYPS) and Principal Finance Officer (CYPS) to report.

Recommendations:

1. That Schools Forum note the latest published DSG funding for schools for the 2024/25 financial year.
2. That Schools Forum note the financial positions of Rotherham's maintained schools and the identified financial risks against the schools DSG budgets for the year.

8. Schools Funding Settlement 2025/26 (Pages 19 - 23)

Head of Finance (CYPS) and Principal Finance Officer (CYPS) to report.

Recommendation:

That Members of Schools Forum note the contents of this report.

9. Dedicated Schools Grant (DSG) Schools Block Funding 2025/26 (Pages 25 - 30)

Head of Finance (CYPS) and Principal Finance Officer (CYPS) to report.

Recommendations:

FOR INFORMATION

1. That Schools Forum note the Schools Block DSG allocation for 2025/26 and the implemented changes to the local schools funding formula as outlined in paragraphs 7 to 18 of this report;
2. That Schools Forum note that the proposed 2025/26 schools funding formula incorporates a funding transfer of 0.5% to the high needs block (as approved by the Forum on 13th December 2024).

FOR APPROVAL

3. That Schools Forum approve that the funding for maintained primary & secondary schools outlined in paragraph 22 to be de-delegated and retained by the Council to fund schools related expenditure.

10. Early Years Block Budget Report 2025/26 (Pages 31 - 36)

Head of Finance (CYPS) to report.

Recommendations:

1. That Schools Forum note the provisional DSG funding settlement for the early years block for 2025/26;
2. That Schools Forum note the proposed arrangements for allocating the early years funding to providers for 3 & 4 year olds, 2 year olds and under 2's, via Rotherham's funding formula.
3. That Schools Forum note the proposed Inclusion Support Grant funding and provider allocation methodology.

11. Central Services Schools Block (CSSB) Budget Report 2025/26 (Pages 37 - 41)

Head of Finance (CYPS) and Principal Finance Officer (CYPS) to report.

Recommendations:

1. That the Schools Forum approve the proposed 2025/26 budget allocation as outlined in the table in paragraph 18.
2. That the Schools Forum note the actions to address the net funding gap identified in paragraph 24.

12. Appointment of Vice-Chair

To appoint a new Vice-Chair of the Rotherham Schools Forum.

13. Schools Forum Forward Plan (Pages 43 - 45)

To consider the attached Forward Plan of agenda items and receive any updates.

14. Any Other Business

To receive any other items of urgent business.

15. Dates and Times of Future Meetings

Recommendations:

1. To consider and agree the date and time of the next meeting of the Rotherham Schools' Forum on 28th March 2024 at 8.30 a.m. at Rockingham Professional Development Centre.
2. To consider and amend where necessary the dates/times proposed for future meetings scheduled:-

Friday, 27th June, 2025

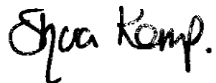
Friday, 12th September, 2025

Friday, 14th November, 2025

Friday, 16th January, 2026

Friday 27th March, 2026

**The next meeting of the Rotherham Schools Forum will
be held on Friday 28 March 2025
commencing at 8.30 a.m.
in Rockingham Professional Development Centre.**



SHARON KEMP OBE,
Chief Executive.

**ROTHERHAM SCHOOLS' FORUM
FRIDAY 13 DECEMBER 2024**

Mark Windle – Badsley Primary (Primary Maintained) (in the Chair)
 Carole Brookes – Wales High School
 Dr. Sipra Deb (PVI Nursery)
 Chris Eccles – Oakwood (Academy)
 Wayne Greenhough – Nexus MAT (Special Academy)
 Lindsey Hadfield – Executive Head, Arnold Nursery
 David Horrigan – Maltby Learning Trust (Primary Academy)
 Lee Morritt – Aspire
 Colin Price – NEU Representative
 Mark Ryan – RNN Group
 Steve Scott – Happy Kids (PVI Nursery)
 Sharon Stones – Head of Arnold Nursery and Children's Centre
 Nathan Williams – Roughwood Primary (Primary Academy)

Joshua Amahwe – Head of Finance, CYPS
 Aileen Chambers – Head of Service – Early Years
 Mark Cummins, SEND Project Lead, CYPS
 Niall Devlin – Assistant Director, Education and Inclusion
 Louise Keith – Principal Finance Officer, CYPS
 Sarah Whitby - Head of Service - Access to Education
 Angela Kemp – Secretary to the Rotherham Schools Forum

Apologies were received from:-

Councillor Victoria Cusworth – Cabinet Member for CYPS
 Amy Leech – HR Business Partner
 Lisa McCall – Wales High School
 Nevine Towers - Head of Business and Operations (Primary Academy)
 Alan Richards – Governor Representative
 Pam Ward – Head of Service, Education, CYPS

30. WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to today's meeting and introductions were made.

31. DECLARATIONS OF INTEREST

No declarations of interest were made.

32. APPOINTMENT OF CHAIR

Nominations were sought by the Clerk for the position of Chair of Rotherham Schools Forum for the next two years.

Mr. M. Windle was proposed by Mr. N. Williams and seconded by Mr. D. Horrigan and duly appointed to the position of Chair of Rotherham

Schools' Forum with immediate effect.

Resolved:

- That Mr. M. Windle be appointed Chair of the Rotherham Schools Forum for the next two years 2024/25 and 2025/26 academic years).

33. MINUTES OF THE PREVIOUS MEETING

Resolved:

- That the minutes of the meeting held on 13 September 2024 were agreed and approved as a correct record of the proceedings.

34. MATTERS ARISING FROM PREVIOUS MINUTES

No matters arising arose during the consideration of the previous meeting minutes.

35. MEMBERSHIP AND CONSTITUTION OF THE ROTHERHAM SCHOOLS FORUM (STANDING ITEM)

Consideration was given to the membership and constitution of the Schools' Forum and the suggested changes put forward for approval.

Resolved:

- That the resignation of Kirstey Peart representing Primary School Head Teachers be received.
- That the Schools Forum places on record their gratitude to Kirstey Peart for her services to the Forum.

36. SCHOOLS FORUM REVIEW FEEDBACK

Niall Devlin was invited by the Chair to provide feedback from the Schools Forum Governance Review meeting held on 22nd November 2024.

Discussions covered four key areas with particular focus noted on the following matters:-

- The completion of the of the ESFA's Schools Forum Self-Assessment Toolkit to assess the strengths and weaknesses of the Schools Forum.
- Clarification on Voting Requirements in conjunction with a review of the ESFA's Schools Forum Powers and Responsibilities document.
- A review of the Forums Terms of Reference and proposed amendments
- Strengthening membership arrangements.

Members of the Review Group would meet again in the New Year and a further update would be provided following that meeting.

Resolved:

- **That the Schools Forum notes the update**

37. SEND SUFFICIENCY UPDATE

Mark Cummins provided a verbal update on the progress of the current phase 4 and 5 elements of the SEND Sufficiency Programme together with information on the longer-term strategy plans with particular reference made to the following:-

- Phase 4 resource provision was either open or in the process of opening. Provision at Winterhill had been delayed and was now scheduled to open at Easter.
- 100 places would be phased in over the current and next academic year and schools would be supported whilst they moved towards capacity of their provision.
- 28 projects had been funded to date from the School's Accessibility Funding to support schools to create additional places some of these projects were now complete.
- The outcomes and impacts of Phase 4 would continue to be assessed.
- As part of Phase 5 implementation a Social, Emotional and Mental Health (SEMH) provision was due to open in January 2025 providing 30 places.
- A report was due to be presented to Cabinet on 16th December to seek approval to release capital funding to enhance capacity and support provision at Newman School.
- A formal SEND Sufficiency Update would be presented to Cabinet in February and approval would be sought to develop a longer term SEND Sufficiency Strategy.

Discussion ensued about the future approach of this standing agenda item. It was suggested that reporting reverted to twice yearly to include a mid-year update along with a detailed annual progress report. Reporting by exception would be undertaken regarding any pertinent matters that the Forum would need to be made aware of. Forum Members supported this approach.

Resolved:

- **That the Schools Forum notes the SEND Sufficiency update provided.**

38. DEDICATED SCHOOL GRANT (DSG) AND SCHOOLS BUDGETS 2024-25 - LATEST POSITION

Louise Keith and Joshua Amahwe presented a report on the latest position of the schools budget for 2024/25 and commented on the following:

- The main funding changes announced by the DfE since the last Forum meeting.
- The latest confirmed DSG funding allocation position which included no changes to the schools block, a small increase in funding to the central block and reductions in the high needs and early years block.
- The 24 local authority maintained delegated schools budget position, including balances and factors attributable for this.
- The latest position of those schools operating with licensed deficits which continued to be closely monitored.
- Centrally retained schools DSG budgets which comprised of elements relating to schools' block, early years, central and high needs block including the latest forecasted positions and the factors that were attributable to the key variances.

Discussion ensued in relation to the early years reduction and linkages to accessing pupil premium. Concerns were raised that it appeared that there were less disadvantaged families accessing early years pupil premium and more were claiming entitlement as working families. It was confirmed that the position had been based on the Summer term census and would be recalculated based on the Autumn term figures. Further analysis could be undertaken and reported back at the next meeting and assurance was provided that take up for this month remained high for disadvantaged families.

Resolved:

- **That the Schools Forum notes the latest published DSG funding for schools for the 2024/25 financial year.**
- **That the Forum also notes the financial positions of Rotherham's maintained schools and the identified risks against the schools DSG budgets for the year.**

39. SCHOOL FUNDING FORMULA CONSULTATION OUTCOME (PART A)

Louise Keith and Joshua Amahwe presented a report on the outcomes of Part A of the Schools Funding Formula consultation. The consultation, which was undertaken in November 2024, sought views on further changes to Rotherham's local funding formula as well as the proposals to transfer funding from the schools block to the high needs block which was

covered separately under Agenda Item 12.

The structure of the schools National Funding Formula (NFF) would remain largely unchanged in 2025-26, and a summary of the key changes as outlined in the report were provided.

A total of 62 academies and maintained schools responded to the consultation which equated to a 55% response rate which had improved in comparison to the previous year.

Details of the responses of the schools consultation was then summarised as follows:

Minimum Funding Guarantee (MFG)

Question 1 : Do you support the proposal to set the Minimum Funding Guarantee (MFG) within the local funding formula at 0% for 2025-26?

Consultation Response:

Of the total responses representing 62 schools 100% voted in favour of the proposal.

Pupil Growth

Question 2: Do you agree that in 2025/26 a growth fund of £150k is provided and will be funded from the DSG Allocation?

Consultation Response:

71% of the total 62 schools voted Yes and the remaining 29% voted No to the proposal.

Falling Rolls

Question 3: Do you agree that the Local Authority should continue to provide for a falling rolls fund of £50k? It is proposed that the fund will be provided from the DSG allocation.

Consultation Response:

93.5% of the total 62 responses voted Yes to the proposal and the remaining 6.5% voted No.

Next Steps

Rotherham MBC's responses to the outcomes of the consultation included the following proposed changes:-

- To set the MFG for its local school funding formula at 0% for 2025/26.
- To top slice the sum of £150k from the schools funding formula to be allocated to the relevant schools or academies that have agreed with the LA an increase in their numbers or PAN. Such allocation would be in accordance with the Growth Policy agreed by the Schools Forum. Actual payments would be reported to the Forum with any underspend maintained in the DSG reserve.
- To continue to maintain / operate a falling roll fund of £50k through top slicing of the 2025-26 Schools Block allocation.

The Forum heard that the future direction of travel nationally was to ensure all local schools funding formula had closer alignment with the National Funding Formula (NFF) for schools. The scope and flexibility to do things differently with the local funding formula had reduced drastically and was not expected to change.

Discussion arose on growth funding arrangements with Forum Members keen to understand last year's Growth Funding position and what consideration had been given to the level of spilt going forward.

Resolved:

- **That the School's Forum notes the contents of the report.**

40. SCHOOL FUNDING FORMULA CONSULTATION OUTCOME (PART B) - (SCHOOL FUNDING TRANSFER TO HIGH NEEDS)

Joshua Amahwe presented a report which focused on Part B of the Schools Funding Formula consultation outcome and specifically the proposed percentage transfer of funding from the schools block to the high needs block of the Dedicated Schools Grant for 2025/26.

It was noted that the pressures indicated on Rotherham's High Needs budget were reflective of the situation being experienced nationally and were being address primarily through Rotherham's SEND Sufficiency Strategy. The funding transfer would be used to mitigate costs pressures arising in the high needs block, meet demand challenges and to enable the Safety Valve programme to continue to work towards achieving a balanced position at the end of 2025/26.

The response to the schools consultation regarding the proposed transfer was detailed as follows:

Question 4: Considering the borough as a whole and to ensure support for the most vulnerable children and young people in the borough, do you support the LA's proposal to transfer 0.5% from the schools' block to the high needs block?

Consultation Response:

56.5% of the schools that responded to the consultation voted No to the proposal, with 43.5% responses in support of the transfer proposed.

The rationale for why the transfer of funding was needed was discussed with specific reference made to the following areas:

- Increased cost pressures
- Demand challenges
- Meeting the signed Safety Valve agreement with the DfE, and
- Increased funding by the Government would not address existing cost pressures nor keep pace with future demand within the SEND system.

It was recognised that previous reports to the Forum had highlighted the significant issues facing the high needs budget. There were significant demands within the Rotherham borough due to the increasing numbers of Education, Health and Care (EHC) plans within the system, Rotherham were already above average for EHC plans and were seeing an increase in pupil placements within specialist SEN provision.

It was highlighted that even with the increase in funding identified to support local authorities going forward Rotherham would still see a deficit position with its high needs projections as the additional funding would not cover the accumulated deficit and options to mitigate the deficit position were being considered.

It was noted that the modelling undertaken had indicated that the funding transfer proposals would not have a significant adverse impact on individual schools' core funding. The impact of managing inflationary pressures on school budgets were not expected to be considerably different next year and the government were looking to allocate additional funding to support NI increases. It was also noted that support to maintained schools in financial difficulty would continue to be implemented as planned.

Having considered the outcome of Part B of the consultation the Schools Forum were required to undertake a vote to establish whether the Forum supported the proposal to transfer 0.5% of schools block funding to the high needs budget.

Of the school members eligible to vote on this matter, nine voted in favour of the proposal, one voted against the proposal and there were no abstentions. Therefore, the proposal was agreed.

Resolved:

- **The Schools' Forum notes the outcome(s) of the recent consultation with schools on the proposal for a block funding transfer to the high needs budget and approves the council's proposal to transfer 0.5% of the schools block funding in 2025/26 to the high needs budget to address ongoing cost pressures.**

41. EARLY YEARS AND WRAPAROUND EXPANSION UPDATE

Aileen Chambers presented a report which provided an update on a range of developments currently taking place within the early years sector focusing on the following areas:-

- The DfE Early Years Expansion
- The DfE Wraparound Childcare Programme
- The Schools Based Nurseries Programme, and
- Breakfast Clubs Early Adopter Programme

Early Years Expansion

Details relating to the measures being taken to support the early years expansion was provided with particular reference made to the following:

- The delivery phases for the Early Years expansion and the significant expansion required within the sector to meet demand.
- Areas identified for potential expansion with Thurcroft and Swinton being highlighted as areas with the greatest pressures.
- The lack of opportunity within existing buildings or availability of new buildings which was restricting the progress of expansion plans together with the mitigating actions being taken to address this.
- The release of capital funding to support projects in Ravenfield, Swallownest and Kimberworth and other planned developments taking place at Waverley, Manvers and Dinnington.
- The early years recruitment campaign which was underway to support expansion.

School Based Nurseries Programme

Details relating to the measures being taken to support the School Based Nurseries Programme was provided with particular reference made to the following:

- The capital funding application process to support delivery of the

school based nursery expansion plans.

- The submission of an application from one school to create two-year-old provision and the ongoing activity involving a further 5 schools.
- The limited window of opportunity for applications to be made with the closing date for applications being 19th December 2024.

Wraparound Childcare Programme

Details relating to the measures being taken to support the Wraparound Childcare Programme was provided with particular reference made to the following:

- The aims of the expansion programme and the projected number of places required to meet demand.
- The engagement undertaken with schools and the number of successful applications made to date.

Information relating to the Breakfast Club Early Adopted Programme was also noted with expressions of interest due by 20th December.

It was also reported that the DfE had announced additional significant funding provision to support early years expansion and further information was expected to be provided in the new year.

Dr Deb extended her thanks to the Early Years Team for the ongoing support provided to the PVI sector. Concerns were shared about the sectors ability to meet the demands of the childcare expansion programme and the constraints within the sector due to recent budget announcements. It was also noted that the PVI sector had also been subjected to a re-evaluation of their business rates based on the numbers of children registered with providers and many providers were now seeing an increase in their business rates. Several other potential budgetary impacts were also flagged and noted for awareness.

Resolved:

That the Schools Forum notes and approves the content of the report.

42. SCHOOLS FORUM FORWARD PLAN

The Chair sought comments on the circulated Forward Plan and invited Forum Members to share any other items for inclusion.

The Clerk noted the following items for future discussion.

- Early Years Sufficiency

- Annual Update on Education, Health and Care Plans (EHCPs)

It was suggested further consideration be given to the forward programme of business items at the next Schools Forum Review Meeting.

Resolved:

- **That the updates be received, and the Forward Plan noted.**

43. ANY OTHER URGENT BUSINESS

There were no other urgent business items raised. The Chair of the Forum concluded business and thanked everyone for their attendance and contribution.

REPORT FOR SCHOOLS FORUM

1.	Date of meeting:	30th January 2024
2.	Title:	Dedicated School Grant (DSG) and Schools Budgets 2024-25 – Latest Position
3.	Directorate:	Finance and Customer Services

1. PURPOSE OF REPORT

- 1.1 To provide an update on the school's budget for 2024/25 and to outline the main funding changes announced by the DfE since the last School Forum in December 2024.

2. RECOMMENDATION(S)

- 2.1 **It is recommended that the Schools Forum note the latest published DSG funding for schools for the 2024/25 financial year.**
- 2.2 **That the Schools Forum note financial positions of Rotherham's maintained schools and the identified financial risks against the schools DSG budgets for the year.**

3. BACKGROUND INFORMATION & CONTEXT

- 3.1 Following the DfE notification of Rotherham's DSG funding in December 2023, a report was presented to Schools Forum outlining the overall funding envelope across all four of the DSG funding blocks (£333.5m in total, £243.7m in Schools Block funding). This informed the budget setting process for the 2024-25 financial year.
- 3.2 Individual school budget shares were issued in February 2024 in accordance with the statutory deadline; with a requirement for schools to submit approved detailed 3-year budgets to the Authority by the 17th of May 2024 and revised budgets by the 17th October 2024.
- 3.3 Overall DSG allocations are amended by ESFA and changes communicated to Schools Forum through this report

4. LATEST DEDICATED SCHOOLS GRANT 2024-25

- 4.1 The latest confirmed DSG funding allocation for Rotherham for 2024-25 is £108.8m, which includes a total of £30.5m in Schools Block funding. This position remains unchanged since last reported to Forum on 13th December 2024.

2024-25 DSG Funding Blocks	July 2024 Allocation	Latest Nov Position (£m)	Change (£m)
Schools Block	30.45	30.45	-
Central Block	1.57	1.59	0.02
Early Years Block	30.95	30.91	-0.04
High Needs Block	46.73	45.86	-0.87
Total DSG	109.70	108.81	0.89

5. UPDATE ON CENTRALLY RETAINED DSG BUDGETS

- 5.1 These relate to budgets for schools' expenditure that are retained and where it is cost effective to be managed by the council. It comprises elements of the schools' block, early years, and the high needs DSG blocks. The table below summarises the latest forecast position across all the centrally retained DSG budgets.

Centrally Retained DSG Budget Position	Budget 2024-25 (£m)	December 2024 Position (£m)	Forecast Variance (£m)
Schools Block	0.35	0.36	0.01
Central Block	1.59	1.58	0.00
Early Years Block	30.91	31.45	0.55
High Needs Block	47.07	50.70	3.63
Total DSG	79.92	84.10	4.18

The following is an explanation of the key variances:

- **Schools Block** – the actual delegated budget for 2024-25 currently stands at £29.25m, after adjusting for the school block funding transfer of 0.5% to the high needs budget. Of this amount, **£349k** was de-delegated from the schools block and managed centrally and covers the following: growth fund; schools in financial difficulty; etc.

Overall, the de-delegated budgets are on track to spend to budget, with the exception of the Schools in Financial Difficulty (SIFD), where a minor over-commitment of £10k is currently forecast for the year. The LA has committed to supporting two schools using the SIFD funding for 2024-25 and it is still likely that additional commitments may be required following the next budget monitoring returns due in February.

- **Central Schools Services Block** – the DSG allocation for the CSSB is £1.59m for the year and is used to support ongoing commitments such as SACRE, Teachers Pensions costs, Schools forum admin costs, Schools Admissions and Copyright Licensing. There has been an increase of £20k to the allocation for the central block to cover the additional costs of the copyright licenses.
- **High Needs Block** – A cost pressure of £3.63m is currently forecast for the High Needs block and mainly relates to SEND. This is an increase of £0.6m compared to the last reported position and mainly relates to increased EHCP pupils since Sept 2024. The overall deficit is mainly due to the following; inflationary costs; increase in EHCP pupils in mainstream schools and specialist provision; and continuing placements in out of authority independent settings. Work is ongoing through the SEND sufficiency programme to create more local places and provision aimed at reducing out of authority specialist placements
- **Early Years Block** – a cost pressure of £0.55m is currently anticipated across the early years block, and mainly relates to Inclusion Support Grant payments to providers for the year – which would be funded through the use of carry forward DSG reserve balances.

6. UPDATE ON DELEGATED SCHOOLS BUDGETS 2024-25

6.1 The total net balances as reported by 24 LA maintained primary, secondary and special schools and nurseries in their December revised budget submissions are shown below.

	2023-24		2024-25	
	Outturn	Previous Budget Return (Oct)	Latest Budget Outturn (Dec)	Variance
Nursery	0.44	0.507	0.544	0.037
Primary	1.466	1.008	0.944	-0.064
Secondary	0.556	0.104	0.095	-0.009
	2.462	1.619	1.583	-0.036

6.2 Main highlights from the above:

- When compared to the original budget, the December position shows a net decrease of £36k since the October monitoring position. This is made up of a negative change of £64k and £8k respectively on primary and secondary budgets, partially offset by an improvement of £37k on nursery budgets.
- The December revised budget submissions indicate a decrease in net surplus of £879k compared to the 2023/24 outturn position. This is reflective of the increased financial pressures faced by schools.
- The latest position includes a total of 4 schools with deficit balances. In the original budget submission in May 2024, 3 schools submitted a deficit budget and are now operating under a licensed deficit with budget recovery plans in place to return to a balanced position within an agreed timeframe.
- Between the May and December budget submissions one additional is now projecting a deficit position at the end of the financial year.

Schools with deficit	Original budget	Latest Dec position	Comments
Aston Fence J&I	-£0.009	-£0.015	Unforeseen staffing costs.
Brinsworth Manor Infants	-£0.077	-£0.008	Significant changes in staffing during academisation.
Wales Primary	-£0.052	-£0.031	Budget monitoring not submitted due to unforeseen circumstances
Rawmarsh Ryecroft Infants	£0.002	-£0.015	Falling pupil numbers

- The three schools that submitted a deficit budget have had licensed deficits approved by the LA. Two of these schools will receive funding through the Schools in Financial Difficulty (DSG) fund in 2024/25.
- The next budget monitoring is due in February 2025.

9. NAMES & CONTACT DETAILS

Louise Keith
Principal Finance Officer (Schools Finance)
Tel: 01709 822786
email louise.keith@rotherham.gov.uk

Joshua Amahwe
Head of Finance CYPS
Tel:(01709) 254508
email joshua.amahwe@rotherham.gov.uk

REPORT FOR SCHOOLS FORUM

1.	Date of meeting:	30th January 2025
2.	Title:	2025/26 Schools Funding Settlement
3.	Directorate:	Finance and Customer Services

1. PURPOSE OF THE REPORT

To provide an update to Schools Form members as to the 2025/26 schools funding settlement for Rotherham as announced by the Government in December 2024.

2. RECOMMENDATION(S)

That members of Schools Forum note the content of the report.

3. BACKGROUND

The Dedicated Schools Block (DSG) allocations to local authorities consist of four blocks:

- Schools Block
- High Needs Block
- Early Years Block
- Central School Services Block

In November 2024 the local authority sought consultation with schools, academies and Schools Forum on the local funding formula decisions as set out in the regulations and the consultation was based on estimated funding due to a delay in the publication of indicative allocations from the DfE.

5. SCHOOLS DSG FUNDING ALLOCATIONS

On 18th December 2024, the Department for Education published the DSG allocations for the 2025/26 financial year. The provisional allocations for Rotherham are;

DSG funding allocations	2024/25 £'000	2025/26 £'000	Change £'000
Schools block	243,724	260,995	17,271
Central schools services block	1,586	1,794	208
Early Years block	30,908	42,202	11,294
High Needs block	58,226	62,340	4,114
TOTAL	334,444	367,331	32,887

6. SCHOOLS BLOCK

The 2025/26 Schools Block funding allocation is £261m and is allocated to mainstream schools and academies in the Borough based on pupil numbers taken from the October 2024 census. The allocation is calculated by a national formula based on separate primary and secondary units of funding, plus an amount based on historical information for growth, premises, and mobility.

The October 2024 census count shows that there are a total number of pupils across the borough of 39,800; this is a decrease of 328 pupils from the October 2023 census count.

The table above shows that the overall school block funding allocation has increased from £243.7m in 2024/25 to £261.0m 2025/26.

The 2025/26 schools block includes funding for pay and pensions costs that were previously funded through specific grants but has now been rolled into DSG funding. This mainly explains the increase in the schools' block funding of £17m compared to 2024/25. This ensures that these additional funding forms part of schools' core budgets going forward.

The proposal to transfer 0.5% from the school block to the high needs block was approved by the Schools Forum meeting on the 13 December 2024.

7. HIGH NEEDS BLOCK

The High Needs Block allocation for 2025/26 is £62.3m and is used to fund education for pupils with special educational needs and disabilities (SEND) who require specialist education. This is an increase of £4.1m compared to 2024/25 and reflects the additional funding provided nationally to support local authorities in meeting the cost pressures in relation to SEND. The High Needs Block funding is calculated using a national funding formula based on the following:

- A basic entitlement factor, which allocates funding using data on the pupil and student numbers in specialist provision. The basic entitlement funding rate will remain at £4,660 per pupil or student for 2025/26.

- A historic spend factor, which was updated in 2022/23, to provide every local authority with a set percentage (50%) of their 2017/18 spending on high needs.
- Allocations using several proxy data indicators / factors such as population, free school meals, income deprivation index data (IDACI), disability factor, Key Stage 2 & 4 attainment data etc.

The requirement for specialist school provision for pupils with SEND has increased, creating further pressure on the system nationally. In Rotherham, the number of children and young people that are receiving additional support via an Education, Health and Care Plan (EHCP) has more than trebled since 2014 to 3,603 at December 2024. The increasing number of EHCP's has led to financial pressures on the High Needs Block in Rotherham. To address the cost pressures, the Council implemented a four-year DSG Management Plan covering the period 2022/23 to 2025/26.

8. EARLY YEARS BLOCK

The 2025/26 Early Years Block is £42.2m and represents an increase of £11.3m compared to 2024/25 (due to the expansion of the 2 years old and under 2's entitlements). The funding allocation includes funding for free childcare entitlement for eligible children and working parents of 3 & 4 years olds (£17.8m); 2-year-olds (£11.1m) and under 2's (£11.1m) in schools, private, voluntary, and independent early years settings.

The early years funding rate per pupil has increased to £5.71 for 3&4-year-olds, £8.15 for 2-year-olds and £11.12 for under 2. In addition, the Early Years Block includes and Maintained School Nursery Supplementary funding allocation of £1.28m, Early Years Pupil premium of £579k and Disability Access Fund (DAF) £238k to provide additional support to vulnerable pupils.

9. CENTRAL SERVICES SCHOOLS BLOCK (CSSB)

The Central Services Schools Block funding allocation for 2025/26 is £1.794m and comprises of funding for ongoing statutory responsibilities of the local authority in relation to schools. The funding allocation represents an increase of £0.2m compared to the current year.

10. OTHER SCHOOLS GRANT FUNDING

10.1 PUPIL PREMIUM FUNDING

The Schools Pupil Premium is additional funding provided to schools to improve educational outcomes for disadvantaged pupils. The funding is comprised of the following:

- Disadvantaged Pupil Premium is paid for all pupils who claim free school meals or have claimed free school meals in the last six years.
- The Pupil Premium Plus, which is paid for every pupil who has left Local Authority care through adoption, a special guardianship order or a child arrangement order.
- The Service Premium, for every pupil with a parent serving in the forces or who is retired on a Ministry of Defense pension.

The Pupil Premium amounts for 2025/26 are yet to be confirmed.

10.2 UNIVERSAL FREE SCHOOLS MEALS

The ESFA pays the UIFSM grant directly to academies and free schools open before 1 May 2024. Local authorities allocate the grant to its maintained schools.

New policies or funding rates could not be announced during the pre-election period in 2024. The allocations for the first 2024 to 2025 payments were therefore calculated using the 2023 to 2024 academic year UIFSM funding rate of £2.53.

It has now been confirmed that a further uplift to £2.58 will be implemented for the 2024 to 2025 academic year. This additional payment will be delivered alongside the final allocation for 2024 to 2025 in June/July 2025. This will be backdated to the start of the academic year.

Each meal taken by an eligible pupil now attracts £2.58. An allocation assumes that pupils will take 190 school meals over an academic year, providing £490.20 per eligible pupil.

10.3 PE and Sport Premium Grant

The PE & Sport premium grant is allocated to schools to make additional and sustainable improvements to the provision of PE and sport for the benefit of all primary aged pupils to encourage the development of healthy, active lifestyles.

Allocations for the academic year 2024-25 are calculated using the number of pupils in years 1 to 6 as recorded in their January 2024 census.

10.4 NATIONAL INSURANCE CONTRIBUTIONS GRANT

The DfE has announced that schools will be funded by way of a separate grant in 2025-26 to cope with the net effect of the rise in employer national insurance contributions (NICs). Full details and allocations are expected to be published by the DfE imminently.

Name and contact details

Louise Keith
Principal Finance Officer (Schools Finance)
Email: louise.keith@rotherham.gov.uk

Joshua Amahwe
Head of Finance (CYPS)
Email: Joshua.amahwe@rotherham.gov.uk

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REPORT FOR SCHOOLS FORUM

1.	Date of meeting:	30th January 2025
2.	Title:	2025/2026 DSG Schools Block Funding
3.	Directorate:	Finance and Customer Services

PURPOSE OF THE REPORT

1. To provide an update to Schools Form members as to the 2025/2026 Dedicated Schools Grant funding for Rotherham, and specifically to confirm the changes to the schools funding formula that will form the basis for determining individual schools budgets. The confirmed schools funding formula must be submitted to the DfE by 22 January 2025.
2. DSG funding for 2025/26 has been provided in 4 funding blocks, namely schools, early years, high needs and central schools services blocks. This report deals with the distribution of DSG funding within the schools' block.

RECOMMENDATION(S)

3. It is recommended that the Forum:

FOR INFORMATION

- **Note the Schools Block DSG allocation for 2025/26 and the implemented changes to the local schools funding formula as outlined in paragraphs 7 to 18 of this report;**
- **Note that the proposed 2025/26 schools funding formula incorporates a funding transfer of 0.5% to the high needs block (as approved by the Forum on 13th December 2024).**

FOR APPROVAL

- **Approve that the funding for maintained primary & secondary schools outlined in paragraph 22 to be de-delegated and retained by the Council to fund schools related expenditure.**

SCHOOLS BLOCK FUNDING 2025-26

4. Details of the Dedicated Schools Grant (DSG) were announced on 18th December 2024. The 2025/26 DSG allocation for Rotherham's schools' block as determined through the National Funding Formula (NFF) is **£260.995m**. This equates to an increase of £17.271m when compared to the current year, made up of the following:
 - Impact of the NFF (£2.0m);
 - Teachers Pay Additional Grant (£3.990m) Teachers Pension Employer Contribution Grant (£4.753m) Core School Budget Grant (£8.574m) rolled into baseline funding.
 - Decrease in pupil numbers (-£2.080);
5. The NFF schools block unit of funding (which reflects the pupil led funding element) for Rotherham for 2025/26 is **£4,995** (primary) and **£6,465** (secondary). The total level of schools block funding for Rotherham is in line with the announced schools funding settlement, although overall funding has decreased due to a drop in pupil numbers.
6. The schools block funding represents the totality of funding expected to be allocated directly to schools using *Rotherham's local schools funding formula*. The amount to be retained centrally by local authorities is allocated separately through the central schools services block.

CHANGES TO THE SCHOOLS FUNDING FORMULA 2025/26

7. Key changes to the school's 2025/26 National Funding Formula (NFF) are:
 - Rolling in the Teachers Pay Additional Grant (TPAG) Teachers Pay Employer Contribution Grant (TPECG) and Core School Budget Grant (CSBG). Appropriate adjustments have been made to NFF factor values and baselines to reflect this.
 - Some technical changes to the split sites factor in relation to schools mergers, amalgamations and de-amalgamations.
8. Although the NFF has been used to determine funding allocations to LAs, individual allocations to schools in 2025/26 will be determined by the local schools funding formula. The expectation is that LAs will align their local formulae closer to the schools NFF. In particular:
 - Local authorities will only be allowed to use NFF factors in their local formulae, and must use all NFF factors, except for any locally determined premises factors.
 - Local authorities will also be required to move their local formulae factors at least 10% closer to the NFF values, compared to where they were in 2024-25, unless they are already mirroring the NFF. For this purpose, local factor values within 2.5% of the respective NFF values are deemed to be "mirroring" the

NFF. As part of the tightening requirement, local authorities are not allowed to 'overshoot' the NFF value by more than the 2.5% mirroring threshold.

- For 2025-26, local authorities will no longer be allowed to increase the pupil number count for schools with higher reception pupil numbers in the January 2025 census.
- From 2025-26 split sites and PFI funding will be excluded from the calculation of the MFG.

9. A consultation exercise was undertaken in November 2024, which sought views on changes to Rotherham's local formula as well as the proposal to transfer funding from the schools' block to the high needs block. The outcome of the consultation was reported to the Schools Forum in December 2024 – the consensus view is a further alignment of the Rotherham formula to the NFF where possible.

10. The following outline the implemented changes to ***Rotherham's local schools funding formula*** for 2025/26, which reflects the outcome of the consultation with schools as well as DfE changes to the NFF.

Minimum Funding Factor

11. To ensure that schools continue to be funded at an appropriate level the mandatory 'minimum per pupil' funding factor rates will increase in line with the Government's recommended increase and funding rates set as follows: £4,995 for primary and £6,465 for secondary.

Basic entitlement factor

12. In line with the NFF, majority of funding (71.7%) will be allocated in the formula through the basic entitlement factor i.e. the Age Weighted Pupil Unit (AWPU). The implemented changes to the AWPU rates for 2025-26 are as follows:

- (1) Per pupil rates for secondary schools have been increased by 1.1% with the resultant rates for 2025/26 being **£5,398** for KS3 and **£6,080** for KS4.
- (2) The per pupil rate for primary schools has also been increased by 1.1% with the rate being set at **£3,830** for 2025/26.

Additional Education Needs Factors

13. The funding rates for the additional education needs factors, namely *Deprivation*; *Low Prior Attainment*; and *English as an Additional Language* (EAL) have been uplifted and aligned to the NFF where possible. Exceptions to this are the FSM6 proxy indicator which has been set to the minimum level allowed, but still represents an increase of 1.3% compared to 2024-25.

14. The primary IDACI bands A-C and Secondary IDACI bands A-D remain at the 2024-25 funding level which sits within the APT minimum and maximum amounts permitted. Increases will continue to be implemented in future years to ensure a phased approach to full NFF alignment.

Split Site Factor

15. A formulaic approach to allocating split sites funding has been introduced to ensure that funding for schools which operate across more than one site will be provided on a consistent basis. Only one school is impacted by the inclusion of this funding factor.

Lump Sum

16. The Lump Sum unit value has been increased by 2.5% from 2024/25 to £141,472 which is in line with the lower limit of the NFF values for 2025/26.

Minimum funding guarantee

17. For the 2025/26 budget, the current guidance allow Councils to set the MFG between 0% and -0.5%. The MFG for 2025/26 has been set at **0%**. This would ensure that no schools will see a decrease in funding on a per pupil basis. For 2025/26 the total MFG funding is £358,523. To make this affordable, overall gains for schools have been capped at 1.06% and scaled back by 85% to ensure the overall local formula works within the funding envelope.

Pupil Growth / Falling Rolls Fund

18. Growth funding is provided within local authorities' schools block DSG allocations. For 2025/26, it has been calculated using the same methodology as previous years, based on the growth in pupil numbers between the October 2023 and October 2024 censuses. The approach for 2025/26 is to allocate growth funding to schools outside the formula based on the Council's Pupil Growth criteria / policy.
19. The amount to be top sliced from the schools' block for 2025/26 for pupil growth / falling rolls is **£150k** – based on an assessment of existing commitments and planned growth.

TRANSFER FROM THE SCHOOLS BLOCK TO HIGH NEEDS BLOCK

20. Rotherham continues to face increased cost pressures in the SEND/High Needs block in 2025/26. Current regulations allows for the transfer of funding from schools to the high needs block, subject to Schools Forum approval (and DfE for transfers above 0.5%). The Council has consulted with schools and the schools forum on the proposal to transfer 0.5% funding (£1.3m) to the high needs block. The transfer proposal was approved by the Schools' Forum on 13 December 2024.

OUTLINE OF THE 2025-26 LOCAL SCHOOLS FUNDING FORMULA

21. The following table shows an outline of 2025/26 Rotherham's local schools funding formula and the level of funding to be allocated under each of the funding factors.

RMBC Local Schools Funding Formula	2024/25 Budget £'000	2025/26 Budget £'000	Change £'000
Schools block funding	243,724	260,995	17,271
NNDR adjustments	-1,425	-1,425	0
Transfer to high needs block	-1,219	-1,298	-79
Growth & Falling Rolls	0	-150	-150
Funding available for distribution	241,080	258,121	17,042
Schools formula funding factors:			
Age Weighted Pupil Unit	173,065	184,622	11,557
Deprivation	29,621	33,296	3,675
English as an Additional Language	1,575	1,852	276
Mobility	253	352	98
Prior Attainment	15,496	15,699	203
Lump Sum	14,806	15,845	1,039
Sparsity	11	10	-1
Split Site	0	54	54
Minimum Pupil led Funding	517	616	99
Minimum Funding Guarantee	78	15	-64
PFI factor	5,658	5,763	105
Total distributed funding to schools	241,080	258,121	17,042

De-delegated Funding

22. Under the schools funding framework, the authority can de-delegate, through the local funding formula, a funding amount to be retained centrally and managed by the LA. The DfE operational guidance outlines the relevant funding that is subject to de-delegation. The table below details the de-delegated items and the level of funding to be deducted from maintained schools' formula allocations:

De-delegation funding	2024-25 £'000	2025-26 £'000
Trade Union	19.5	19.8
Contingency	50	50
School Improvement	166	169
Total	235.5	238.8

23. For each de-delegated funding element for 2025-26, the basis of how the funding will be taken out of the formula is the same and consistent with that used in 2024-25, as follows:
- Trade Union - pupil number units for the relevant school phase;
 - Contingency (SIFD) – based on pupil number units for the relevant school phase
 - School Improvement – enhanced offer of £32 multiplied by number of pupils for relevant school phase
24. For each of the above budgets, it would be for the schools forum members for the relevant maintained schools phase (primary / secondary) to:
- (1) agree the delegated amount;** and
(2) decide whether that service should be provided centrally.
25. The decision(s) will apply to all maintained schools in that phase. Different decisions could be made for each phase of schools. Funding for these services will then be removed from the formula before school budgets are issued.

REPORT FOR SCHOOLS FORUM

1.	Date of meeting:	30th January 2025
2.	Title:	Early Education Funding Proposals 2025/26
3.	Directorate:	Finance and Customer Services

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to inform Forum of the proposed funding arrangements for Rotherham's early years block for 2025/26.
- 1.2 The report deals specifically with the distribution of Dedicated Schools Grant (DSG) funding within the early years block (3 & 4 year old, 2 year old and under 2's) and proposed changes to the Inclusion Support Grant.

2. RECOMMENDATION(S)

FOR INFORMATION

- 2.1 Note the provisional DSG funding settlement for the early years block for 2025/26;**
- 2.2 Note the proposed arrangements for allocating the early years funding to providers for 3 & 4 year olds, 2 year olds and under 2's, via Rotherham's funding formula.**
- 2.3 Note the proposed Inclusion Support Grant funding and provider allocation methodology.**

3. EARLY YEARS FUNDING SETTLEMENT 2025-26

- 3.1 The DSG settlement announced on 18th December 2024 confirmed the early years funding rates (see table below), and Rotherham's provisional settlement for the early years block of **£42.2m**. This represents an increase of £11.3m when compared to the 2024/25 early years DSG allocation. The increase in funding is attributable to the full year impact of the new and extended entitlements (i.e. 2 year olds and under 2s respectively).

Funding Rates per hour	2024/25	2025/26
Early Years 3&4 year old funding	£5.47	£5.71
Early Years 2-year-old funding – Additional Support (formally disadvantaged)	£7.91	£8.15
Early Years 2-year-old funding - working parents	£7.91	£8.15
Early Years under 2's	£10.78	£11.12
TOTAL EY FUNDING ALLOCATION	£30.908m	£42.202m

3.2 Details of the early years provisional settlement (**£42.2m**) are as follows:

- 3 & 4 year old funding (**£17.8m**): early years universal entitlement of the 15 hours per week for 3 & 4 year olds, plus funding for the extension to 30 hours for working parents.
- 2 year old funding (**£11.1m**): represents participation funding for delivering 15 hours of free childcare provision to eligible 2 year olds from disadvantaged backgrounds (£3.6M), and extended entitlement to working parents (£7.5M).
- Under 2's funding (**£11.1m**): early years universal entitlement of 15 hours per week for working parents of children 9 months to 2 years old, increasing to 30 hours from September 2025.
- Early years pupil premium funding (**£0.6m**): aimed at providing additional support for 3 & 4 year olds, 2 year olds and under 2's from disadvantaged backgrounds.
- Disability Access Fund (**£0.3m**): to improve access to early years provision for children with SEN or disability.
- Supplementary funding for maintained nursery schools (**£1.3m**): to ensure the sustainability of the maintained nursery schools.

3.3 As in previous years, early years funding allocations are provisional and will not be confirmed until July 2025 (weighted using the January 2024 and January 2025 census counts). The DfE have confirmed that the allocations for the new entitlements (2 year working parents / under 2's) will continue to be adjusted on a termly basis for 2025/26.

4 3&4 YR OLDS EARLY YEARS FUNDING FORMULA

4.1 The structure of Rotherham's local EYFF for 2025-26 remains unchanged and consists of the following:

- a) A basic core funding element – which is calculated by applying an average basic hourly rate to assumed participation hours.

- b) Additional deprivation supplement to support settings with pupils from deprived backgrounds.

Pass through requirement

- 4.2 There is a mandatory level of funding that the council must pass through to providers/settings (via the base rate and supplements). In 2024/25 Rotherham passported 95% of 3 & 4 year old funding. For 2025/26 it has been confirmed that the pass-through rate must not fall below **96%** for all entitlements. The balance (i.e.4%) is retained by the council to cover central Early Years Team cost of administering the free entitlement, including the provision of information, advice and guidance to providers / settings.
- 4.3 It is proposed to increase the pass through requirement for the 3 & 4 funding to 96%, in line with DfE guidance and requirements.

Pass through funding to providers	2024/25 £m	2025/26 £m
Total early years funding allocation	17.040	17.788
Less: Retained centrally retained funding by RMBC	-0.852 (5%)	-0.711 (4%)
EY Funding allocated to settings	16.188	17.076

Funding Supplements

- 4.4 Supplements are amounts of funding within the local EYFF which are given in addition to the base rate to reflect local needs or policy objectives. The only supplement used in Rotherham's EYFF is the mandatory deprivation factor. It is proposed that the 2024/25 supplement rate of £0.10 per hour, should remain the same for 2025/26. This equates to approx. 1% of total pass through funding.

Proposed Base Rate for 2025/26

- 4.5 Rotherham's current base hourly rate paid to settings is £5.14. It is proposed to increase the 2025/26 hourly base rate to £5.43. Consultation is ongoing with providers (closing deadline of 2 February 2025) around retaining a further proportion in order to cover special educational needs inclusion funding. Dependent upon the consultation outcome, the hourly rate would range between £5.35 - £5.37.

5. 2 YR OLDS & UNDER 2s EARLY YEARS FUNDING FORMULA

- 5.1 The structure of Rotherham's local formula for distributing 2 year old and Under 2s funding to providers and settings for 2025/26 remains unchanged from the previous year and consists of the following:

- a) A basic core funding rate – which is calculated by applying an average basic hourly rate to assumed participation hours.
- b) As in 2024/25, no deprivation supplement will be applied to this early years age cohort. DfE guidance states that it is not mandatory for local authorities to include a deprivation supplement in their local funding formula for 2-year-olds and under 2's.

Pass through requirement

5.2 There is a mandatory level of 2 year old and under 2s funding that the council must pass through to providers / settings. In 2024/25 Rotherham passported 97% and retained 3% of 2 year old and under 2's funding. The pass-through rate has been confirmed by the Government at a minimum of 96% for all entitlements for 2025/26. It is proposed that the pass through rate in 2025/26 remain at 97% for 2 year olds and under 2's (similar to 2024/25 level). The 3% balance of funding is retained by the Council to cover central cost of administering the free entitlement, including the provision of information, advice and guidance to providers / settings.

Pass through funding to providers	2 year olds -Additional Support £m	2 year olds – Working Parents	Under 2's	Total
Total early years funding allocation	3.676	7.469	11,100	22.245
Less: Retained funding (3%)	-0.110	-0.224	-0.333	-0.667
Amount allocated to settings (97%)	3.566	7.245	10.767	21.578

5.3 Local authorities have the flexibility to treat the two year old entitlements (for working parents and additional support) the same, with a single local 2 year old formula. This was the case in 2024/25 and we will continue with the same methodology in 2025/26.

Proposed 2 year old & under 2s base rates for 2025/26

- 5.4. Rotherham's current base hourly rate paid to settings for **2 year olds** is £7.67. It is proposed that the 2025/26 rate will increase to £7.91. Consultation is ongoing with providers (closing deadline of 2 February 2025) around retaining a further proportion in order to cover special educational needs inclusion funding. Dependent upon the consultation outcome, the hourly rate payable could be £7.78.
- 5.5. Rotherham's current base hourly rate paid to settings for **under 2's** is £10.46. It is proposed that the 2025/26 rate will increase to £10.79 – although we are consulting with providers around retaining a further proportion in order to cover special

educational needs inclusion funding. Dependent upon the consultation outcome, the hourly rate payable could be £10.68.

6. INCLUSION SUPPORT GRANT

6.1 There is a requirement for LAs to have a SEN Inclusion fund (SENIF) in their local funding systems in order to recognise and support the low level and emerging needs of individual children with SEN who are taking up entitlements. Rotherham currently operates a 3 tier model:

- a) Tier 1 – Advice & guidance from EY & CS.
- b) Tier 2 – Additional funding to contribute to 1:2 staffing levels. Applicable to children who have 2 areas of developmental delay and are working with 2 relevant outside agencies.
- c) Tier 3 – Additional funding to contribute to 1:1 staffing levels for children who are assessed as having high level medical / physical / complex needs, who require a higher level of enhanced staffing to ensure their needs are met. These are assessed through panel applications.

6.2 The current SENIF is funded through early years reserves for both tier 2 & tier 3. This method of funding isn't sustainable long term. Therefore it is proposed to fund tier 2 SENIF payments from the early years block funding, whilst continuing to fund tier 3 from early years reserves in 2025/26.

6.3 A consultation exercise has commenced to seek views of providers on a number of changes to tier 2 SENIF arrangements for 2025/26. The deadline for responses is 2 February 2025. Key changes been consulted upon include:

- Additional top up or supplement to EEF hours to enhance staffing ratios above minimum requirements;
- Additional SENIF support will only be provided for early education entitlement only, i.e. no longer available for fee paying hours;
- cease SENIF funding for before / after school provision, although a level of additional support for holiday provision would be maintained to enable settings to continue to offer places to children with complex needs with EHCP's whose parents require childcare to enable them to work.

KEY ACTIONS / NEXT STEPS

14 The following are the key actions in respect of determining the budget allocations to schools / settings for 2025/26:

- a) Local authorities are required to consult with providers around annual changes to their local formula. The Early Education Funding Formula consultation was sent to providers on 15th January, with the deadline to submit responses by 2nd February 2025.

- b) Outcome of the above as well as current consultation with providers on SENIF changes will inform the determination of the base hourly rates for 2025/26.
- b) Schools Forum must be consulted on changes to local early years funding formulas, including centrally retained amount.
- c) Early years settings and providers must be notified of the confirmed funding rates by 28 February 2025.

REPORT FOR SCHOOLS FORUM

1.	Date of meeting:	30th January 2025
2.	Title:	2025/26 Central Schools Services Block Funding
3.	Directorate:	Finance and Customer Services

PURPOSE OF THE REPORT

1. The purpose of this report is to outline the proposed central schools services block (CSSB) budgets for 2025-26 including the respective expenditure lines within the block funding.
2. DSG funding for 2025-26 is provided through 4 separate funding blocks, namely schools, early years, high needs and central schools services. This report deals with the distribution of DSG funding within the central schools services block.

RECOMMENDATION(S)

3. The required actions and approvals by the Schools Forum are
 - **Approve the proposed 2025/26 budget allocation as outlined in the table in paragraph 18.**
 - **Note the actions to address funding gap net funding gap identified in paragraph 24.**

BACKGROUND

4. As part of the implementation of the schools fairer funding, a central schools services block of DSG has been created to reflect the ongoing local authority role in education. This will ensure local authorities are appropriately resourced to continue to carry out their important role in supporting the provision of education to all pupils within their local area.
5. The central school services block (CSSB) includes retained functions / duties previously funded from elements of the defunct education services grant (ESG). These are duties which LAs undertake in respect of all schools / academies (e.g. asset management).
6. It should be noted that the central school services block excludes other DSG funding that are centrally retained and managed by the authority, namely:
 - Schools block: - growth funding and de-delegated budgets (for maintained schools);

- High Needs block: - budget held by the LA include SEN support services; Out of Authority SEN budgets; post schools funding; etc
- Early Years block: - 3&4 year old; 2 year old free entitlement funding; etc.

7. Consultation with the Schools Forum on the level of retention of the above funding by the Council will be determined through the various budget reports to the Forum.

CENTRAL SCHOOLS SERVICES FUNDING ALLOCATION 2025-26

8. Funding allocation for LAs central schools services responsibilities is determined through the CSSB national funding formula (NFF).

9. In 2024-25 LAs received additional funding through separate funding streams to support increased costs associated with centrally retained teachers, namely pay award and increased employer pension contribution rate to TPS.

- Core Schools Budget Grant (CSBG) £98k
- Teacher Pension Employer Contribution Grant (TPECG) £84k

10. These separate funding streams have been rolled into the baseline for ongoing responsibilities in 2025/26, CSBG increasing to £161k to include full year effect of pay award.

11. The table below compares the 2025/26 allocation for the central school services block to the current year (including additional in year funding).

	2024/25 £'000	2025/26 £'000	Change £'000
Ongoing responsibilities	1,586	1,794	208
Historic Commitments	0	0	0
CSBG & TPECG Additional Funding	182	0	-182
Total Central Services Funding	1,768	1,794	26

12. The CSSB NFF is designed to provide funding for 2 distinct elements, namely for ongoing responsibilities and historic commitments .

13. Funding for ongoing responsibilities is distributed using a simple formula based on a per-pupil factor (90%) and a deprivation factor (10%). The CSSB funding allocation for ongoing responsibilities has increased by £208k in 2025/26 due to

- the roll into the baseline of the CSBG & TPECG funding (+£245k)
- reduction in pupil numbers based on October 2024 Census (-£13k)
- reduced percentage rate for ongoing responsibilities (-1.33%) compared to 2024-25 (-£24k).

14. However, when comparing 2025/26 funding against 2024/25, the additional £208k funding within the CSSB is offset by removal of the separate funding streams (£182k) in 2024-25, resulting in an **overall Central Services funding increase of £26k in 2025-26.**
15. Funding for historic commitments is a fixed cash amount based on historic (baseline) spend by the LA. There are no remaining historic commitments and associated funding.
16. Funding changes are usually addressed through a review and realignment of funding / spend commitments across the CSSB. It is proposed that a similar approach is taken in 2025/26.
17. The expectation is that LAs consult with their schools forum on how to allocate their central services block funding in accordance with the published DfE operational guidance. The guidance sets out required approvals and restrictions on how LAs can allocate the funding.

BUDGET ALLOCATION 2025/26

18. The **ongoing responsibilities** of the Council that can be funded from the central school services block are outlined in regulations / issued guidance, including the respective approvals and spend limitations. The proposed respective budgets and the approval requirements for 2025/26 are outlined as follows

Budget Allocations 2025/26	2024/25 £'000	2025/26 £'000	Change £'000
Total Central Services Funding	1,768	1,794	26
Schools Forum approval <u>NOT</u> required for the following commitments			
National Copyright Licences	363	384	21
Centrally Employed Teachers Pay & Pensions	372	434	62
	735	818	83
Schools Forum <u>approval required</u> for the following commitments			
Admissions	207	207	0
Schools Forum Servicing	5	5	0
SACRE	6	6	0
School Improvement - Safeguarding	0	41	41
Retained Duties (Former ESG)	825	798	-27
	1,043	1,057	14
Total Commitment	1,778	1,875	97
Net Deficit	10	81	71

Annual allocations not subject to schools forum approval

19. The annual budgets for these ongoing responsibilities are not subject to Schools Forum approval, as they are pre-determined nationally by DfE. The proposed 2025-26 budgets in this category and detailed in the below:

- Copyright Licences (£384k): relating to all schools/academies are now managed nationally by the DfE on behalf of all local authorities. An adjustment is made annually to LAs funding allocation to recover the amount paid by the DfE. The amount for 2025-26 has not yet been confirmed by the DfE therefore a **£21k estimated increase** has been included based on the additional funding level provided by DfE for increased costs.
- Teachers Pay / Pension costs (£434k): relates to pension cost funding for centrally employed teachers' that was rolled into the ongoing responsibilities element of the CSSB in 2021/22 and additional grant in 2025/26 (CSBG & TPECG). The budget allocation has been **increased by £62k** to cover full year effect of the pay award in 2025/26.

Annual allocations subject to schools forum approval

20. This category of ongoing responsibilities requires Schools Forum approval on a line by line basis. These budget allocations **can be increased for new commitments or expenditure in 2025/26**.

21. It is proposed that the funding for existing 2024-25 commitments be maintained at the current level, with an **additional £41k commitment** for School Improvement (Safeguarding) proposed for 2025-26.

22. The ESG Retained Duties reflects responsibilities that were previously funded by the Education Services Grant (ESG) but have now been subsumed within the CSSB.. It should be noted that these **budgets cannot be increased and no new commitments can be entered into for 2025/26**. The breakdown of the ESG retained duties is outline below

Budget Allocations 2025/26	2024/25 £'000	2025/26 £'000	Change £'000
Education Welfare	73	73	0
Asset Management	71	71	0
Statutory/Regulatory Duties	661	634	-27
Total Retained Duties	825	798	-27

23. Issued guidance allows local authorities to continue to fund those statutory responsibilities or duties previously funded from the ESG. It is proposed that the costs of these services/responsibilities be are **reduced by £27k** to support mitigation of the identified funding gap.

REQUIRED ACTIONS TO ADDRESS FUNDING GAP

24. The proposed 2025/26 budget allocations have resulted in a £81k funding gap. It is proposed that this will be managed in 2025/26 by further assessing and reviewing current commitments. Options for consideration include the following

1. Review the costs associated with statutory/retained duties within the former ESG budget line. Work is ongoing within the council to review the methodology/basis of central establishment costs across the council.
2. Review how the teachers pay and pensions funding rolled into the CSSB baseline are allocated to services with centrally employed staff on teachers pay/pension conditions.
3. Assess the impact any changes in the copyright licence cost.

Name and contact details

Joshua Amahwe
Head of Finance (CYPS)
email joshua.amahwe@rotherham.gov.uk

Paul Jackson
Principal Finance Officer (Education & Inclusion)
email paul.jackson@rotherham.gov.uk

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Rotherham Schools Forum Forward Plan 2024/2025

Date of Meeting	Agenda & Reports Publication Date	Issues for Consideration	Lead Officer(s)
<p>Thursday 30th January 2025</p>	<p>Wednesday 22nd January 2025</p>	<p>(a) Dedicated School Grant (DSG) and Schools Budgets 2024-25 Update</p> <p>(b) Schools Funding Settlement 2025/26</p> <p>(c) Schools Block Budget Report 2025/26</p> <p>(d) Early Years Block Budget Report 2025/26</p> <p>(e) Central Services Schools Block (CSSB) Budget Report 2025/26</p> <p><i>(items' c, and e may require a vote and the meeting must be quorate)</i></p>	<p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Aileen Chambers</p> <p>Joshua Amahwe/ Louise Keith</p>
<p>Friday 28th March 2025</p>	<p>Thursday 20th March 2025</p>	<p>Dedicated School Grant (DSG) and Schools Budgets 2024-25 Outturn</p> <p>High Needs Block Budget Report 2025/26</p>	<p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Louise Keith</p>

Rotherham Schools Forum Forward Plan 2025/2026

Date of Meeting	Agenda & Reports Publication Date	Issues for Consideration	Lead Officer(s)
Friday 27th June 2025	Thursday 19 th June 2025	(a) Dedicated Schools Grant / Schools Budget Update 2025/26 (b) SEND Sufficiency Strategy Annual Update (c) Annual Update on Education, Health and Care Plans (EHCPs) (d) Education Safeguarding Annual Progress Report	Joshua Amahwe/ Louise Keith Mark Cummins Cary-Anne Sykes Pam Ward / Lindsay Wootton-Ashforth
Friday 12th September 2025	Thursday 4 th September 2025	(a) Dedicated Schools Grant / Schools Budget Update 2025/26 (b) Exclusion and Suspensions Annual Report (c) Reduced Timetables Annual Report	Joshua Amahwe/ Louise Keith Sarah Whitby Sarah Whitby
Friday 14th November 2025	Thursday 6 th November 2025	(a) Dedicated Schools Grant / Schools Budget Update 2025/26) (b) Local Schools Funding Formula Consultation (<i>this matter will require a vote and the meeting must be quorate</i>) (c) Early Years Annual Update	Joshua Amahwe/ Louise Keith Joshua Amahwe/ Louise Keith Aileen Chambers
Friday 16th January 2026	Thursday 8 th January 2026	(a) Dedicated Schools Grant / Schools Budget Update 2025/26	Joshua Amahwe/ Louise Keith

		<p>(b) Schools Funding Settlement (2026/27)</p> <p>(c) Schools Block Dedicated Budget (2026/27)</p> <p>(d) Early Years Block Dedicated Budget (2026/27)</p> <p>(e) Central School Services Budget Block (2026/27)</p> <p>(f) SEND Sufficiency Strategy Mid Year Update</p> <p><i>(items' c, and e may require a vote and the meeting must be quorate)</i></p>	<p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Louise Keith</p> <p>Mark Cummins</p>
Friday 27th March 2026	Thursday 19 th March 2026	<p>(a) Dedicated School Grant (DSG) and Schools Budgets 2025-26 Outturn</p> <p>(b) High Needs Budget Block (2026/27)</p>	<p>Joshua Amahwe/ Louise Keith</p> <p>Joshua Amahwe/ Aileen Chambers</p>

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