



Haverling

L O N D O N B O R O U G H

SCHOOLS FUNDING FORUM AGENDA

8.00 am

Thursday
20 October 2022

CEME Rainham

Members 17: Quorum: 7

MEMBERSHIP:

Representative Groups

LA Maintained School Representatives:

Primary: Kirsten Cooper
Georgina Delmonte/David Denchfield
Hayley McClenaghan
Chris Speller
Garth Tucker
David Unwin-Bailey

Special: Emma Allen

Governors: Dave Waters, Primary

Academy Representatives:

Primary: Kate Ridley-Moy

Secondary: Denise Broom
Neil Frost
Scott McGuinness
David Turrell
Vacancy x2

AP Academy: Gary Haines

Schools Funding Forum, 20 October 2022

**Non-School
Representatives:**

Early Years PVI Sector: Emma Reynolds

Post 16: Vacancy

Diocesan Board: Vacancy

Trade Unions: John Delaney/John McGill, Teachers
Peter Liddle, Support Staff

**For information about the meeting please contact:
Nick Carter
Nick.carter@haverling.gov.uk**

AGENDA ITEMS

1 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

2 TO AGREE THE NOTES OF THE MEETING HELD ON 22ND SEPTEMBER 2022
(Pages 1 - 6)

To agree the minutes of the meeting held on 22nd September 2022 as a correct and accurate record.

3 MATTERS ARISING

4 HIGH NEEDS FUNDING YEAR END FORECAST 2022-23 (Pages 7 - 9)

Report attached

5 EARLY YEARS FUNDING 2022-23 REVIEW OF RATES (Pages 10 - 14)

Report attached

6 EARLY YEARS FUNDING FORMULA CONSULTATION (Pages 15 - 22)

Report attached

7 DE-DELEGATION OF FUNDING FOR CENTRAL SERVICES 2023-24 (Pages 23 - 37)

Report attached

8 SCHOOL FUNDING 2023-24 (Pages 38 - 46)

Report and exempt appendix attached

9 INDIVIDUAL SCHOOL FUNDING 2023-24 (Pages 47 - 48)

Exempt report attached

10 NEXT MEETINGS

The next meetings have been arranged as follows:

2013

May – Thursday 23rd

July – Thursday 11th

All meetings to be held at CEME at 8.30am.

11 ANY OTHER BUSINESS

Zena Smith
Democratic and Election Services Manager

Public Document Pack Agenda Item 2

MINUTES OF A MEETING OF THE SCHOOLS FUNDING FORUM

22 September 2022 (8.00 - 10.30 am)

Present:

Representative Groups

LA Maintained Primary Schools:

Head Teachers: Kirsten Cooper
Emma Allen
Georgina Delmonte
Hayley McClenaghan
Chris Speller
David Unwin-Bailey

Governors:

Academy Representatives:

Primary: Kate Ridley-Moy

Secondary: Denise Broom
Neil Frost
Scott McGuinness
David Turrell

Early Years PVI Representative:

Trade Unions: John Delaney

1 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

Apologies were received from Gary Haynes, Emma Reynolds and Garth Tucker

2 ELECTION OF CHAIR AND VICE-CHAIR

The Forum voted unanimously for Kirsten Cooper to take the Chair until the first meeting of the autumn term 2023.

The Forum voted unanimously for David Turrell to take the Vice-Chair until the first meeting of the autumn term 2023.

3 **TO AGREE THE NOTES OF THE MEETING HELD ON...**

The minutes of the previous meeting were agreed as a correct record.

4 **MATTERS ARISING**

There were no matters arising from the minutes of the previous meeting.

5 **SCHOOLS FUNDING 2023-24**

The Forum was presented with the Dedicated Schools Grant, Schools Block provisional allocation for 2023-24.

Members noted the increase in the allocation per pupil of 2.24% and the revised National Funding Formula rates for 2023-24. Members were advised that for 2023-24 the minimum funding guarantee (MFG) could be set between 0.0% and 0.5% meaning that those schools on the MFG would receive, at best, a small per pupil increase in funding.

Members noted that the figures provided were provisional, based on pupil data from October 2021. The DfE would release the final allocations, based on October 2022 data in December. The total number of pupils was likely to be higher, in part because there had been a significant increase in pupils moving into the Borough and joining schools during the school year.

The Forum

- **Noted** the announcements on schools funding for 2023-24
- **Agreed** to apply the national funding formula rates to schools data in calculating schools' funding

6 **HIGH NEEDS FUNDING 2023-24**

The provisional DSG High Needs Block allocation was presented to the Forum.

Members that although there was an overall increase in funding of 11.2% this was lower than the increase for the previous year. Members noted that the allocation was, in part, based on historic spend and that this element of the formula would not reflect changes in the numbers of pupils with high needs, or the increased complexity of need,

The Forum **noted** the report.

7 **CENTRAL SCHOOLS SERVICES BLOCK (CSSB) 2023-24**

The Forum was presented with the Central School Services Block (CSSB) 2023-24.

Members noted that funding for historical commitments had been reduced by 20%. Funding for ongoing responsibilities has increased by £34k.

Members were advised that the CSSB covered services provided to both schools and academies which was different to de-delegated funding which related to LA maintained schools only.

The Forum **agreed** the retention of funding for statutory services and the LA's proposed use of the funding.

8 **DE-DELEGATION OF FUNDING FOR CENTRAL SERVICES 2023-24**

The Forum was presented with the LA proposals for the de-delegation of funding for seven services provided centrally and for two core statutory services.

At the suggestion of the chair, the Forum **agreed** that all areas for de-delegation should be discussed in clusters before any decision was taken. The outcome of the discussions would be fed back at the next meeting.

9 **SCHOOL'S BUSINESS RATES 2022-23 & 2023-24**

The Forum received a report on Schools' Business Rates for 2022-23 and 2023-24.

Members noted that the proposal that the DfE would pay Business Rates direct to the Council had not been implemented in Havering for 2022-23 but may be implemented for 2023-24.

For the current year arrangements for academies would remain the same as in previous years. LA maintained schools has been advised not to budget or rates in 2022-23 on the basis that the proposed change would go ahead. The correction required, in light of the system remaining unchanged, would be made by accounting entry, rather than requiring schools to submit revised budgets.

The Forum **noted** the report.

10 **GOVERNMENT CONSULTATION - IMPLEMENTING THE DIRECT NATIONAL FUNDING FORMULA**

The Forum were presented with the summary of the Government Consultation 'Implementing the Direct National Funding Formula' launched in June 2022. This was a follow up to the earlier consultation 'Fair school funding for all: completing our reforms to the National Funding Formula'.

Members noted the LAs response to the follow up consultation. Members specifically noted a proposed change to the way local authorities are funded for growth and falling rolls, and a proposed change to the way in which LAs were able to allocate this funding to schools. This was the proposed reform likely to have the biggest impact in Havering.

The Forum **noted** the report and consultation response.

11 **DELIVERING BETTER VALUE IN SEND PROGRAMME**

The Forum was presented with the Delivering Better Value (DBV) in SEND programme.

Members noted the DBV was to be rolled out in 55 Local Authorities with DSG deficits including Havering. Trevor Cook gave details of a meeting that he had attended with the Director of Children's Services and the Council's Section 151 Officer. They had met representatives from Newton Europe, the company appointed by the DfE to help deliver the programme. The representatives from Newton Europe had agreed that Havering were already carrying out many of the activities that would be expected of an LA seeking to reduce the DSG deficit whilst continuing to improve the quality of high needs provision.

The Forum **noted** regular updates would be brought to future meetings.

The Forum **noted** the report.

12 **COST PRESSURES IN EDUCATION SETTING**

The Forum discussed cost pressures facing the education system. Schools had received funding via the Schools Supplementary Grant to cover the increase in National Insurance and 'other cost pressures'. Since then there had been a larger than anticipated recommended rise in teachers' pay and a larger than anticipated pay offer to support staff.

Pay for most teachers was expected to rise by 5% from 1 September 2022 with larger rises for those on the main scale points 1-5. Support staff had been offered an increase of £1,925 on all spinal points, which equated to a rise of 8.5% for most teaching assistants and midday supervisors. The support staff pay rise, when agreed, would be applicable backdated to 1 April 2022. In addition, schools and academies that were not on fixed rates had faced large increases in the cost of energy.

The cost increases would cause financial difficulty for many schools with more moving into deficit.

Nick Carter would issue advice to LA maintained schools regarding the financial position in which many may now find themselves.

The Forum **noted** the report.

13 **NEXT MEETINGS**

Members **noted** the dates of future meetings.

14 **ANY OTHER BUSINESS**

There were no other business.

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Schools Funding Forum 20th October 2022

ITEM 4

Subject Heading:

**High Needs Funding Year End Forecast
2022-23**

Report Author:

**Nick Carter – Principal Finance Officer
(Schools)**

Eligibility to vote:

All members

SUMMARY

This report provides a year end forecast of expenditure against the high needs budget for 2022-23.

RECOMMENDATIONS

That the Schools Funding Forum

- (i) notes the year forecast of expenditure for financial year 2022-23
- (ii) agrees to the re-establishment of a High Needs funding task and finish group

REPORT DETAIL

Appendix A shows the funding available for High Needs related expenditure in 2022-23 and the current forecast of expenditure across the range of provision within Havering.

The forecast for year end 2022-23 has been updated based on the current academic year (2022-23) cohort and with an update on the estimate on the number and level of support funded through EHC plans.

Projection

Expenditure

£m	
36.7	High Needs estimated expenditure 22-23
<u>36.7</u>	

Income

£m	
-33.2	High Needs funding allocation 22-23
-1.0	transfer from schools block
<u>-34.2</u>	

Balances

2.5	projected in-year deficit 22-23
4.7	deficit brought forward from 21-22
<u>7.2</u>	projected deficit carried forward to 23-24

Further details on the projected spend is shown at Appendix A.

In financial year 2021-22, the overspend of £5.0m was offset by £0.3m of underspends in other areas of the Dedicated Schools Budget (DSG). There remains a deficit carried forward into financial year 2022-23 of £4.7m.

This is the third year that the combined total of all year end balances of activities funded by the DSG has been in deficit. This is due to DSG underspends in other areas being insufficient to cover the overspend in the High Needs Block.

Any local authority that has an overall deficit on its DSG account at the end of the 2021-22 financial year, or whose DSG surplus has substantially reduced during the year, is required to complete the Dedicated School Grant Management Plan or to have an equivalent framework.

The DfE have setup a Delivering Better Value (DBV) in SEND Programme, which commenced in financial year 2022-23, and Havering are in the second tranche. Some preliminary meetings have taken place and updates will be given at future Forum meetings. The DfE prioritised the programme based on the size of the LAs DSG deficit.

The LA will continue to keep all areas of DSG spending under review to identify potential savings to meet the forecast overspend in the high needs block.

High Needs funding task and finish group

A task and finish group was established in autumn 2021 to examine high needs funding rates for schools for the 2022-23 financial year. The LA are of the view that, with the agreement of the Forum, the group should be re-established to examine funding rates for 2023-24.

Agenda Item 5



Schools Funding Forum 20th October 2022

ITEM 5

Subject Heading:

Early Years Funding 2022-23 review of rates

Report Author:

Nick Carter – Principal Finance Officer (Schools)

Eligibility to vote:

All members

SUMMARY

This report provides options for the use of brought forward balances in the Early Years Block of the Dedicated Schools Grant.

RECOMMENDATIONS

That the Schools Funding Forum agrees that options on the use of funding should be referred to members of the Early Years Provider Reference Group.

REPORT DETAIL

At the end of the 2021-22 financial year there were unspent sums allocated from the Early Years Block of the DSG as follows:

Provision for 2 year olds	<u>£65k</u>
Provision for 3&4 year olds	£100k
Provision for Early Inclusion Funding	<u>£53k</u>
Total for 3&4 year olds	£153k
Total 2, 3&4 year olds	£218k

In July 2022 the LA received notification from the DfE of the funding adjustment for 2021-22, which recalculated the allocation for autumn 2021 and spring 2022 using January 2022 census data. This year, unlike for 2020-21 there was an increase in funding as follows:

Funding for 2 year olds	£41k
Funding for 3&4 year olds	£299k
Total 2, 3&4 year olds	£340k

Taking the underspend and funding adjustments for 2021-22 there is £106k available for 2 year funding and £452k available for 3&4 year old funding.

Funding options

Appendices A and B shows figures for two options for the use of the funding available. In these calculations the estimated pupil numbers have been calculated based on the summer 2022 census data, using the typical change in numbers between the summer, autumn and spring terms. This means the funding figure used is one based on an estimate of numbers for the 2022-23 financial year, rather than the provisional allocation released by the DfE. In effect this means that the funding figure includes an estimate of the funding adjustment for 2022-23 that will be made by the DfE in July 2023.

In Option A, all the available funding, barring a sum held as a contingency for an increase in numbers, is distributed via an increase in the hourly base rate and the hourly inclusion rate. The hourly rate for 2 year olds would increase from £5.97 to £6.40. The hourly rate and inclusion funding rate for 3&4 year olds would increase from £5.19 to £5.35.

In the funding consultation with early years providers at the start of the year, one option involved the creation of a Sustainability Fund, the primary purpose of which would be to provide financial support during a temporary period of threatened business viability. The result of the consultation showed that a substantial majority of providers preferred the option of a higher hourly rate with no sustainability fund.

With additional funds now available, Option B revisits the creation of a Sustainability Fund. If a fund of £150k were created, the hourly base rate and inclusion rate for 3&4 year olds could be increased from £5.19 rate to £5.30, five pence less than without a fund. Five pence an hour equates to £28.50 a year for a 15 hour per week child.

The case for a Sustainability Fund, and the circumstances in which it which it would be used, will be included in the documentation for EYPRG members to consider.

In both Options A and B, the increase in the hourly rate would be backdated to 1 April 2022.

Timescale

Having sought the views of EYPRG, the LA would report back to the Schools Funding Forum at the next meeting on 1 December 2022 for ratification. Any

increase in funding, including that backdated, could then be included in December payments to providers.

Projected EY funding position 2022-23

Appendix A - Available funding released through base rate and inclusion funding

Two year old		Three/Four Year Old	
Original rate 22-23	£5.97		£5.19
Proposed Rate	£6.40		£5.35
Increase	£0.43		£0.16

Reference - 23-24 indicative rate	£6.48		£5.72 <-- 6p is TTPG transfer for mainstream schools
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2022-23 estimated funding from DfE

	Funding rate	Cohort	Weeks	Total LA funding	Funding rate	Cohort	Weeks	Total LA funding	Retention
Total estimated funding	6.03	533.34	38	1,666,694 *	5.59	6002.89	38	19,606,917 *	
Previous year (21-22) adj (Jul-22)				41,036				299,434	
Previous year cfwd (21-22)				65,364				152,901	
Central retention (funded from Estimated funding)								790,000	4.03%
Available to distribute				1,707,730				19,269,252	

2022-23 estimated funds distributed to providers

	Funding rate	Cohort	Weeks	Total to providers	Funding rate	Cohort	Weeks	Total to providers
Base rate funding								
Summer term	6.40	500.36	13	624,447	5.35	6956.77	13	7,257,646
Autumn term	6.40	358.59	14	481,945	5.35	4985.68	14	5,601,417
Spring term	6.40	450.32	11	475,540	5.35	6261.09	11	5,526,977
Total				1,581,931				18,386,040
Inclusion Fund					5.35	138	38	420,831
IDACI								401,227
Sustainability Fund								0
Total estimated payments				1,581,931				19,208,098
In year balance 2022-23				84,763				61,155

* These figures includes an estimate of the retrospective funding adjustment for 2022-23 that will be release by the DfE in July 2023

Projected EY funding position 2022-23

Appendix B - Available funding released through base rate and inclusion funding with the creation of a sustainability fund

Two year old		Three/Four Year Old	
Original rate 22-23	£5.97		£5.19
Proposed Rate	£6.40		£5.30
Increase	£0.43		£0.11

Reference - 23-24 indicative rate	£6.48	£5.72 <-- 6p is TTPG transfer for mainstream schools
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2022-23 estimated funding from DfE

	Funding rate	Cohort	Weeks	Total LA funding	Funding rate	Cohort	Weeks	Total LA funding	Retention
Total estimated funding	6.03	533.34	38	1,666,694 *	5.59	6002.89	38	19,606,917 *	
Previous year (21-22) adj (Jul-22)				41,036				299,434	
Previous year cfwd (21-22)				65,364				152,901	
Central retention (funded from Estimated funding)								790,000	4.03%
Available to distribute				1,707,730				19,269,252	

2022-23 estimated funds distributed to providers

	Funding rate	Cohort	Weeks	Total to providers	Funding rate	Cohort	Weeks	Total to providers
Base rate funding								
Summer term	6.40	500.36	13	624,447	5.30	6956.77	13	7,189,818
Autumn term	6.40	358.59	14	481,945	5.30	4985.68	14	5,549,067
Spring term	6.40	450.32	11	475,540	5.30	6261.09	11	5,475,323
Total				1,581,931				18,214,208
Inclusion Fund					5.30	138	38	416,898
IDACI								401,227
Sustainability Fund								150,000
Total estimated payments				1,581,931				19,182,333
In year balance 2022-23				84,763				86,920

* These figures includes an estimate of the retrospective funding adjustment for 2022-23 that will be release by the DfE in July 2023



Schools Funding Forum 20th October 2022

ITEM 6

Subject Heading:

**Early Years Funding formula
consultation**

Report Author:

**Nick Carter – Principal Finance Officer
(Schools)**

Eligibility to vote:

All members

SUMMARY

This report provides details of the Government consultation held on the Early Years funding formulae and the response submitted by the LA.

RECOMMENDATIONS

That the Schools Funding Forum notes the report.

REPORT DETAIL

The Government launched a consultation on the Early Years funding formulae on 4 July 2022 with a closing date of 16 September 2022. In his presentation at the Early Years Term Preparation Session, on 9 September 2022, Hany Moussa advised providers that there was still time for them to submit a response if they had not already done so.

The full consultation document is available at:

<https://consult.education.gov.uk/funding-policy-unit/early-years-funding-formulae-2022/>

The response submitted by the Local Authority is included at Appendix A. It should be stressed that this is a response on behalf of the LA, rather than on behalf of the Schools Funding Forum or EY providers in Havering.

The areas covered by the consultation

The consultation made a number of proposals regarding the early years funding formulae for 2023-24, particularly updating the data underpinning the formulae and adjustments to different factors within the formulae, to ensure funding was directed where it was most needed. These are the formulae determining the allocations to LAs rather than the local formula that determines distribution to providers.

The consultation was broken down into five sections looking at:

- Early years national funding formula (EYNFF) for universal and additional entitlements for 3&4 year olds
- EYNFF for 2 year olds
- Proposals for year on year protections to enable LAs to manage changes at a local level
- Impacts
- Reform of the Maintained Nursery School Supplement
- Equalities Impact Assessment

The DfE stress that the proposals do not affect the total funding for Early Years, which was set at the last spending review, rather the formula for distributing that funding.

1. EYNFF for 3&4 year olds

The LA hourly funding rate is made up of a base rate plus funding for additional needs, multiplied by an area cost adjustment.

Base rate

Since 2020-21 LAs have been provided with a fixed pence uplift to a formula figure that goes back to 2017. The DfE are proposing to go back to using a formula to calculate funding.

Additional needs factor

Three proxy measures are used to determine this, free school meals eligibility for KS1 and KS2 pupils, EAL for KS1 and KS2 pupils and Disability Living Allowance for 0-5 year olds. The DfE believe that FSM, EAL and DLA are still the correct measures to use. The datasets used, however, date back to 2015 and 2016. The DfE are looking to use the most recent available data. Additionally they wish to include part time pupils under 5 in the FSM data and use the DLA figure for 3-4 year olds only.

Question 1: Do you agree with our proposal to update the underlying data in the additional needs factor in the EYNFF?

Question 2: Do you agree with our proposal to move to using the free school meals headline measure?

Question 3: Do you agree with our proposal to update the way in which the Disability Living Allowance data is used?

The Area Cost Adjustment (ACA)

The DfE are proposing to update the data used in the calculation of the Area Cost Adjustment. The nursery rates adjustment within the ACA is currently calculated using private sector data only. The DfE intends to bring schools data into the equation, proportionate to the number of nursery pupils in the school.

Question 4: Do you agree with our proposal to update the underlying data used in the area cost adjustment in the EYNFF, in particular the rateable values data and the GLM data, when available?

Question 5: Do you agree with our proposed amendments to the proxy measure for premises related costs in the EYNFF, including introducing schools rateable values data?

Teachers Pay and Pension Grant

This continues to be paid as a separate grant for nursery aged pupils in schools. For 5-16 year olds the grant was rolled into the main NFF. The DfE is proposing that the grant is incorporated into the main body of early years funding, but that local authorities are then encouraged to distribute this via a more broadly defined quality supplement, to ensure the funding continues to be used for the original purpose.

Question 6: Do you agree with our proposed approach to mainstreaming the early years element of the teachers' pay and pensions grants

Question 7: Do you agree with our proposal to update the operational guide to encourage local authorities to take account of additional pressures that some providers might face using the existing quality supplement?

2. EYNFF for 2 year olds

The LA hourly funding rate is made up of a base rate multiplied by an area cost adjustment. The DfE are proposing the same change to the Area Cost Adjustment as for 3&4 year olds.

Question 8: Do you agree with our proposal to update the underlying data in the area cost adjustment in the 2-year-old formula?

Question 9: Do you agree with our proposal to introduce a proxy for premises related costs into the 2-year-old formula?

3. Protections

The DfE intend to introduce protections and gains caps to smooth the impact of the proposed changes above.

Question 10: Do you agree with our proposed approach to protections in the EYNFF for 2023-24?

Question 11: Do you agree with our proposed approach to protections in the 2-year-old formula for 2023-24?

Impacts

For 2023-24 the DfE propose to set the level of protection at +1%, meaning every local authority sees an increase in their hourly funding rate. There would be a gains cap of 4.5%.

The DfE formula modelling shows that the rate at which Havering is funded would increase as shown below:

Age	2022-23 rate (£)	2023-24 rate (£)	Change (£)	% change
2 yr olds	6.03	6.48	0.45	7.5
3&4 yr olds with pay and pension grant	5.59	5.72	0.13	2.3
3&4 yr olds without pay and pension grant	5.59	5.66	0.07	1.3

Maintained nursery schools

Questions 12 and 13 related to proposed changes in the funding of maintained nursery schools. There are no maintained nursery schools in Havering

Equalities Impact Assessment

Question 14: Do you have any comments about the potential impact, both positive and negative, of our proposals on individuals on the basis of their protected characteristics? Where any negative impacts have been identified, do you know how these might be mitigated?

Other

Question 15: Are there any other comments that you would like to make about our proposed reforms?

Response ID ANON-ESDE-RYPU-H

Submitted to Early years funding formulae
Submitted on 2022-09-16 19:18:18

Introduction

What is your name?

Name:
Hany Moussa

What is your email address?

Email:
hany.moussa@havering.gov.uk

Are you responding as an individual or on behalf of an organisation?

Organisation

What is the name of your organisation?

Organisation:
London Borough of Havering

What type of organisation is this?

Type of Organisation:
Local Authority

What local authority area are you or your organisation based in?

Local Authority area:
Havering

Would you like us to keep your responses confidential?

No

Reason for confidentiality (optional):

EYNFF additional needs factor

1 Do you agree with our proposal to update the underlying data in the additional needs factor in the EYNFF?

Yes

Do you agree with our proposal to update the underlying data in the additional needs factor in the EYNFF?:

Agree with the proposal to update the EYNFF dataset as per the suggested dataset, and for it to be subsequently updated annually to form a true reflection of the level of need each year.

2 Do you agree with our proposal to move to using the free school meals headline measure?

Yes

Do you agree with our proposal to move to using the free school meals headline measure?:

* How will all phase schools be factored into this, as the document only references data from "state-funded nursery and primary schools"?
* Additionally since the inception of UIFSM, FSM numbers have been adversely affected. This is due in part to parents/carers not registering for FSM at KS1 as their children get the meal as standard. It has been noted that parents/carers are engaging and only applying when they want to benefit from other schemes, e.g. HAF, School holiday meal vouchers, etc. As the data is suppressed for KS1 for the reasons mentioned, will the dataset have a multiplier incorporated in the formula to reduce the impact of the suppressed data.

3 Do you agree with our proposal to update the way in which the Disability Living Allowance data is used?

No

Do you agree with our proposal to update the way in which the Disability Living Allowance data is used?:

Limiting the dataset to the age range of 3-4 years will adversely affect the funding to LAs, which in turn will lead to a reduction in the overall allocations for 3/4 year olds.

A review of the use of the proxy factor of DLA may be worth exploring. For consistency with the High Needs NFF, the use of two proxy factors of Bad Health (Number of children in bad health resident in LA) and Disability Factor (Number of children entitled to DLA resident in LA) may be worth implementing in this or future updates. This will relate to children aged 0-5 as that will be the cohort that will be supported by the funding attributed to these factors.

Limiting the age range to be exclusively to 3-4 year olds may be interpreted as a sign that the Inclusion Fund that LAs adopt to support children with emerging and additional needs, can only support that age bracket.

EYNFF area cost adjustment

4 Do you agree with our proposal to update the underlying data used in the area cost adjustment in the EYNFF, in particular the rateable values data and the GLM data, when available?

Yes

Do you agree with our proposal to update the underlying data used in the area cost adjustment in the EYNFF, in particular the rateable values data and the GLM data, when available?:

Agree with the approach to update the dataset, should the data be available.

With the GLM, the current dataset will be ten years old and won't be reflective of the current pressures and multiplier that should be used. As stated on the consultation document, the GLM dataset may be updated for future funding years' calculation.

Could the DfE consider using a different proxy for the interim, in order for the formula to be updated and be more accurate, rather than be skewed based on historical data which may not be reflective of the current position.

5 Do you agree with our proposed amendments to the proxy measure for premises related costs in the EYNFF, including introducing schools rateable values data?

Unsure

Do you agree with our proposed amendments to the proxy measure for premises related costs in the EYNFF, including introducing schools rateable values data?:

Agree with the introduction of schools within the new NIPRCA, however it is not clear whether infant and primary schools with nurseries will be included or whether it is all infant and primary schools. If it is the latter, then the data for schools will be suppressed as there is a bigger cohort of children in other years which will deflate the schools part of the calculation. Would like to see that only schools with nurseries being used in the calculation.

Teachers' pay and pensions grants

6 Do you agree with our proposed approach to mainstreaming the early years element of the teachers' pay and pensions grants?

No

Do you agree with our proposed approach to mainstreaming the early years element of the teachers' pay and pensions grants?:

Strongly disagree with this transfer into the Early Years Block, as this will artificially inflate the Early Years block allocation for 3/4 year olds and also, the transfer will not reflect the current funding that would be attributable for the grants.

The proposal is not consistent with the approach that is being proposed for Maintained Nursery Schools (MNS) with those grants continuing to be separate from the overall Early Years allocation.

LAs have worked well with providers, whether it is PVI or mainstream schools, at bringing a universal approach and formula that applies uniformly across the sector, and for these grants to be included in the Early Years block and only apply to mainstream schools and MNS, then that would create tension between the types of provisions and undo the work that LAs have done since the EYNFF came into force. An update to the operational guidance will not alleviate the issues, and will provoke further adverse reaction from the PVI provisions.

7 Do you agree with our proposal to update the operational guide to encourage local authorities to take account of additional pressures that some providers might face using the existing quality supplement?

No

Do you agree with our proposal to update the operational guide to encourage local authorities to take account of additional pressures that some providers might face using the existing quality supplement?:

For the reasons outlined in question 6 response.

2-year-old funding formula

8 Do you agree with our proposal to update the underlying data in the area cost adjustment in the 2-year-old formula?

Yes

Do you agree with our proposal to update the underlying data in area cost adjustment in the 2-year-old formula?:

Same response as question 4.

Agree with the approach to update the dataset, should the data be available.

With the GLM, the current dataset will be ten years old and won't be reflective of the current pressures and multiplier that should be used. As stated on the consultation document, the GLM dataset may be updated for future funding years' calculation.

Could the DfE consider using a different proxy for the interim, in order for the formula to be updated and be more accurate, rather than be skewed based on historical data which may not be reflective of the current position.

9 Do you agree with our proposal to introduce a proxy for premises related costs into the 2-year-old formula?

No

Do you agree with our proposal to introduce a proxy for premises related costs into the 2-year-old formula?:

The proxy factor of FSM should be considered as that dataset will bring a consistent approach to those children who are being supported by the two year old funding, and that will form a better basis of allocating funding.

Premises may be considered after the introduction of the FSM proxy, however we need to see the impact of the FSM factor before commenting on the potential use of the premises related costs factor.

Protections

10 Do you agree with our proposed approach to protections in the EYNFF for 2023-24?

No

Do you agree with our proposed approach to protections in the EYNFF for 2023-24?:

The threshold for protection does not reflect and support the current and future increased costs. A minimum level of 2.5% is sought, although that level will not cover the increased costs, however it will be a sign that LAs and providers are being supported with adequate protection to deliver the entitlement.

11 Do you agree with our proposed approach to protections in the 2-year-old formula for 2023-24?

No

Do you agree with our proposed approach to protections in the 2-year-old formula for 2023-24?:

Same reasons as per question 10.

The threshold for protection does not reflect and support the current and future increased costs. A minimum level of 2.5% is sought, although that level will not cover the increased costs, however it will be a sign that LAs and providers are being supported with adequate protection to deliver the entitlement.

Reform of maintained nursery school supplementary funding

12 Do you agree with our proposal to introduce a minimum hourly funding rate and a cap on the hourly funding rate for MNS supplementary funding?

Not Answered

Do you agree with our proposal to introduce a minimum hourly funding rate and a cap on the hourly funding rate for MNS supplementary funding?:

Not answered.

We have no view on this question as there are no MNS in the LA.

13 Do you agree with our proposed approach to rolling the teachers' pay and pensions grants into MNS supplementary funding?

No

Do you agree with our proposed approach to rolling the teachers' pay and pensions grants into MNS supplementary funding?:

The TPPG for mainstream schools with nurseries and MNS needs to be identified separately and not rolled into the MNS supplementary funding.

This consistent approach is sought as the transfer to the 3/4 year old allocation of the TPPG for mainstream schools with nurseries artificially inflates the 3/4 year old allocation.

Please refer to question 6 and 7 responses for further details.

Equalities Impact Assessment

14 Do you have any comments about the potential impact, both positive and negative, of our proposals on individuals on the basis of their protected characteristics? Where any negative impacts have been identified, do you know how these might be mitigated?

Do you have any comments about the potential impact, both positive and negative, of our proposals on individuals on the basis of their protected characteristics? Where any negative impacts have been identified, do you know how these might be mitigated?:

Any other comments

15 Are there any other comments that you would like to make about our proposed reforms?

Are there any other comments that you would like to make about our proposed reforms?:

The proposed increases and update for current datasets is welcomed.

However when the allocations are reviewed, the increases in 3/4 year old is less than the 2 year old, even though the 3/4 year old allocations has the TPPG included.

Early Years provisions have provided childcare and education despite many issues that have occurred in the last few years, via the pandemic to the current cost of living crisis. In order to support them, we would like to see that funding and support is reflective of their position and their on-going commitment to support children.



Schools Funding Forum 20th October 2022

ITEM 7

Subject Heading:

De-delegation of funding for central services 2023-24

Report Author:

Nick Carter – Principal Finance Officer (Schools)

Eligibility to vote:

LA maintained school representatives

SUMMARY

This item revisits the de-delegation of funding, to maintain the provision of a range of services provided centrally and for statutory and regulatory duties.

RECOMMENDATIONS

1. For LA maintained primary school representatives to agree the de-delegation of funding for the following services:
 - (i) Contingency to support schools in financial difficulty
 - (ii) Insurance
 - (iii) Free school meals eligibility checking
 - (iv) Maternity leave insurance
 - (v) Trade Union Facility Time
 - (vi) EAL service
 - (vii) Behaviour support service

2. For LA maintained primary and special school representatives to agree the de-delegation of funding for the following:
 - (i) Statutory and regulatory duties
 - (ii) Core school improvement activities

REPORT DETAIL

The de-delegation of funding for central services was an agenda item at the meeting of the Schools funding Forum held on 22nd September 2022. Forum members expressed the wish to discuss all the areas proposed for de-delegation with schools in their clusters. Forum members are invited to provide feedback from those meetings so that a decision can be reached on which services are approved for de-delegation.

The following was included on the agenda for the meeting held on 22nd September 2022.

Funding for de-delegated services must be allocated to schools through the formula but can be passed back, or 'de-delegated', for maintained mainstream primary and secondary schools with schools forum approval. De-delegation for centrally provided services is not an option for academies, special schools, nursery schools and PRUs. De-delegation for education functions can be applied to special schools.

Where de-delegation has been agreed for maintained primary and secondary schools the local authority will offer the service on a buy-back basis to those schools and academies in their area which are not covered by the de-delegation.

Any decisions made to de-delegate in 2023-24 relate to that year only, so new decisions will be required for any service to be de-delegated in 2024-25.

Schools forum members decide separately for each phase whether the service should be provided centrally and the decision will apply to all maintained mainstream schools in that phase. Funding for these services will then be subtracted from the formula allocation before school budgets are issued.

The services which may be de-delegated are:

- contingencies (including schools in financial difficulties and deficits of closing schools)
- behaviour support services
- support to underperforming ethnic groups and bilingual learners (EAL)
- free school meals eligibility
- insurance
- museum and library services
- licences/subscriptions
- staff costs supply cover (for example, long-term sickness, maternity, trade union and public duties)

For each service de-delegated, local authorities will need to make a clear statement of how the funding is being taken out of the formula (for example, primary insurance £20 per pupil, FSM eligibility £9.50 per FSM pupil). There should be a clear statement of how contingencies and other resources will be allocated.

Where there has been agreement that a school is entitled to receive an allocation from a de-delegated contingency fund, that agreement should be honoured if the school

converts to an academy at any point in the year. Where a school converts to an academy in the period 2nd April to 1st September 2023, local authorities will have an opportunity to present an evidence based case to the EFA to request a recouplement adjustment for the period 2nd September 2023 to 31st March 2024.

Any unspent de-delegated funding remaining at the year-end should be reported to Schools Forum. Funding may be carried forward to the following funding year as with any other centrally retained budget, and local authorities can choose to use it specifically for de-delegated services.

Services for which de-delegation is requested – applicable to LA maintained primary schools only

1. Contingency for schools in financial difficulty

Each year a small budget is held centrally to support schools who are in financial difficulty. In the 2022-23 financial year, eight schools were supported through this fund receiving amounts that ranged from £13,289 to £36,618. The criteria for distributing funding for 2022-23 was agreed by the Schools Funding Forum at the meeting held on 16th June 2022.

The proposed funding through de-delegation from LA maintained primary schools is as follows:

2023-24	Primary
Formula factor	AWPU
Amount	£11.00
Total	£193,000

2022-23 rate	£11.00
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The allocations agreed for 2022-23 represented 18% of the budget deficit brought forward by each school qualifying for support. Increasing the funding available to distribute would require an increase in the amount per pupil de-delegated. An increase of £1.00 (9.1%) would yield an additional £17,600 for distribution to schools in financial difficulty.

2. Insurance

Insurance for maintained schools is arranged as part of the Borough’s main insurance contract and funded through de-delegation.

2022-23	Primary
Formula factor	AWPU
Amount	£20.00

Total	£351,000
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2021-22	£19.00
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It should be noted that the cost of participating in the Risk Protection Arrangement, managed by the Department for Education, has been set at £21.00 per pupil for 2023-24.

3. Free school meals eligibility checking

This service checks the eligibility of children for free school meals and pupil premium grant by accessing a central government hub. Without this service schools would need to make their own arrangements to determine eligibility.

The proposed funding through de-delegation from LA maintained primary schools is as follows:

2023-24	Primary
Formula factor	FSM eligible pupils
Amount	£9.50
Total	£30,305

2022-23 rate	£9.50
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4. Maternity leave insurance

The LA administers an insurance scheme that meets the costs of teachers and support staff who are on maternity leave. The benefit of de-delegating the budget, rather than operating a traded service, is that schools do not have to pay premiums or make claims.

If the funding is not de-delegated, schools would need to make individual choices to buy into the scheme which, if some schools decided not to, may make it unviable to run. This service is not offered to academies.

At the meeting held on 16th June 2022, members of the Forum were informed that in the 2021-22 financial year the total payments to schools exceeded the total de-delegated by £78k. The shortfall was caused by an increase in the number of staff taking maternity leave. The LA were able to offset this against a surplus in the de-delegated fund for insurance.

Projections for the current financial year indicate that the de-delegated maternity leave fund will overspend by around £140k. Assuming that maternity leave

continues at current levels in 2023-24 an increase of £8.07 per pupil, which equals 30%, is required to ensure that de-delegated funding matches the payments to schools

The proposed funding through de-delegation from LA maintained primary schools is as follows:

2023-24	Primary
Formula factor	AWPU
Amount	£34.87
Total	£612,000

2022-23	£26.80
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An alternative approach would be to increase the de-delegated sum by a lower amount and to reimburse a percentage of the maternity costs rather than the full cost. For example if the de-delegated sum was to increase by 5% to £28.14, then it would be possible to reimburse 80% of maternity costs.

To add some context, the total cost of maternity leave for a UPS1 teacher is around £12,600. The total sum de-delegated for a 420 pupil primary school at the proposed (full reimbursement) rate is £14,600.

5. Trade Union Facility Time

A working group of the Schools Funding Forum has previously considered issues raised in a DFE advice and guidance document and made comparisons of costs with other LAs. Decisions were made to reduce the amount of facility time and therefore the costs to schools and academies.

The pooled arrangements continue to benefit schools through the provision of support from locally based and accredited trade union officials.

The cost per pupil to schools has been £2.50 for four years having been reduced gradually each year from an original £5.70 in 2014-15. Shown below are the figures if the price remains at £2.50.

2023-24	Primary
Formula factor	AWPU
Amount	£2.50
Total	£43,900

2022-23	£2.50
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Shown below are the figures if the sum per pupil were increased by 5% in line with the proposed rise in teachers' pay. This would bring the per pupil sum to £2.63.

Funding required through de-delegation from LA maintained primary schools

2023-24	Primary
Formula factor	AWPU
Amount	£2.63
Total	£46,000

2022-23	£2.50
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6. EAL service

An explanation of the service offered through de-delegation is attached at Appendix A.

Funding required through de-delegation from LA maintained primary schools is as follows:

2023-24	Primary
Formula factor	EAL 3
Amount	£38.00
Total	£99,000

2022-23 rate	£38.00
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The range in sums de-delegated from each school is shown below. The majority of schools would benefit financially from de-delegation compared to the cost of buying a similar level of service.

	De-delegated from individual schools
Lowest	£350
Median	£2,263
Highest	£5,331

7. Behaviour support service

In previous years, the Schools Forum has been asked to approve the de-delegation of funding for the Behaviour and Attendance services. Schools sought greater clarity on what services were provided from sums de-delegated. In response to this, and following a re-alignment of the services, for 2023-24 the LA is seeking de-delegation for behaviour support services only. The service now forms part of CAD.

De-delegated funding will be used to pay for the work of the school support family practitioners, meaning that this will be provided to schools without an additional charge. This element of the service would, from April 2023, otherwise be chargeable.

Details of the service to be provided are attached at Appendix B.

The proposal is that for 2023-24 the sums de-delegated remain unaltered:

Funding required through de-delegation from LA maintained primary schools is as follows:

Formula factor	AWPU	FSM Ever 6	IDACI E	IDACI D	IDACI C	IDACI B	IDACI A	Low attainment	
Amount	£5.00	£2.00	£14.08	£22.08	£12.05	£7.71	£10.07	£5.00	
Total	£87,780	£6,836	£31,075	£26,082	£6,710	£4,671	£1,300	£24,859	£189,314
2022-23 rates	£5.00	£2.00	£14.08	£22.08	£12.05	£7.71	£10.07	£5.00	

Education functions – applicable to LA maintained primary and special schools only

1. Statutory and regulatory duties

The Schools Funding Forum has previously received reports on the withdrawal of the Education Services Grant (ESG) which was previously allocated to local authorities by the Government for the provision of statutory services in relation to schools. Academies had also been allocated ESG. This too has ceased.

The reports advised that from an original allocation of £2.3m, £589k had been transferred to the DSG leaving no funding source to meet the remaining costs. After reducing its operational costs by £590k this left a shortfall of £1.2m.

In reducing the funding to local authorities, the DFE introduced a provision within the School Funding Regulations for local authorities to agree a contribution from LA maintained schools towards the cost of statutory services and specific tasks that are carried out for them that are not for academies. This principle reflects the charge that most Multi Academy Trusts place on their partner academies for central services.

The contribution from LA maintained schools budgets' was introduced for the 2018-19 financial year and was set at £19.89 per pupil for primary schools and £44.00 per place for special schools. The primary school rate was reduced to £17.90 for 2019-20. For 2023-24 the rate was increased by 3% to £18.44 in line with the rise in NFF factor values.

For 2023-24 the LA is proposing that the rate for LA maintained primary schools is again increased in line with the rise in NFF factor values. This is a rise of 2.4%, bringing it to £18.88. Using the minimum per pupil funding level of £4,405 this equates to a central services charge of 0.4%. No increase is proposed for special schools.

The cost of providing the services supported by this funding is comprised largely of staff salaries which are likely to rise by more than 2.4%.

The new rate would produce a total contribution of £338,000.

2023-24	Primary	Special
Formula factor	AWPU	Place
Amount	£18.88	£44.00
Total	£331,000	£7,000

2022-23	£18.44	£44.00
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A list of LA responsibilities for maintained schools only is attached at Appendix C.

2 Core school improvement activities

In January 2022 the DfE announced that the School Improvement, Monitoring and Brokerage Grant paid to local authorities would be reduced by 50% for financial year 2022-23 and then removed completely from 2023-24.

At the same time, local authorities were given the power to fund all improvement activity, including core activity, via de-delegation with the agreement of schools forums or the Secretary of State.

Havering received £178k in the 2021-22 financial year. Making up the 50% shortfall for 2022-23 required £89k of de-delegated funds, which equated to £5.11 for each pupil Year R -11. At the February 2022 meeting of the Schools Funding Forum, the members representing LA maintained primary schools agreed the de-delegation of £5.11 per pupil for core school improvement activities for the financial year 2022-23.

However, schools had expressed concern at the late inclusion of this proposal in the annual funding cycle due to the DfE not confirming their intention to remove the School Improvement, Monitoring and Brokerage Grant until January 2022.

Forum members stressed the need for any funding raised through de-delegation to be equitably shared, and that it needed a clear demarcation of what is funded from de-delegation, with openness in the use of the funding.

During the Summer term, the LA worked with a group of school and academy leaders to refresh its Quality Assurance (QA) Framework. A key objective of the LA is that all children will attend a school this is judged to be Good or Outstanding by Ofsted. To support the maintenance of high standards, all LA maintained schools will be included in the QA cycle.

Schools which are stand-alone academies, or schools that are part of an academy trust are welcome to participate in all aspects of the cycle in the same way as maintained schools, however they are not required to participate in the way that LA schools are.

Following the pattern set by Ofsted of inspecting Good or Outstanding schools every five years, the LA proposes a five-year cycle of QA where schools retain a judgement of unreservedly Good or Outstanding.

If graded Requires Improvement following a Graded Inspection, or the evidence gathered during an Ungraded Inspection suggests that the grade may be lower than Good if a Graded Inspection was to be carried out, then the school will become subject to 'Additional Support and Intervention' by the LA in the case of maintained schools.

For maintained schools (and academies by election), where a school is considered vulnerable and 'Requiring Additional Intervention & Support', the school relevant LA officers will discuss the situation fully with the Headteacher/Executive Headteacher/Principal and the Chair of Governors.

Where a school is judged to be 'Requiring Additional Intervention & Support':

- Progress Review Meetings (PRMs) will be implemented following an Ofsted grading less than good, or suggestion that it will be less than good following an Ungraded inspection.
- If significant risk is identified, this will lead to a full school or area review, and the school will be subject to regular PRMs.

The purpose of PRMs is for the LA to:

- oversee the implementation of action plans to secure rapid and sustained improvements, so are likely to be 'front-loaded' with more frequent meetings at the outset.
- monitor progress of actions taken to ensure they have maximum impact
- commission additional resources when needed to support rapid improvement
- monitor the impact of brokered support, including partnership support
- where possible, gather direct evidence of progress for LA monitoring and reporting to Schools' Funding Forum' and for Ofsted

PRMs will be resourced for maintained schools by the LA as part of their statutory QA offer and funded from Core Council funding.

However, further in-school support such as a full school review, or review of an area of the school's practice, would be chargeable if deemed that the school is a vulnerable school, and it is proposed that this would be charged to the de-delegated 'School Improvement Monitoring and Brokering Grant' (subject to Schools' Funding Forum approval). If this proposal is approved, spend will be reported to Schools' Funding

Forum in the same way as the Schools Partnership and Schools Causing Concern Fund. Any underspends at year end can be carried forward, or re-distributed, subject to Funding Forum approval.

PRMs are not mandatory for academies but can be offered if requested, but would be chargeable to cover direct costs of LA officer resource, as would any in-school support, such as a full school review or review of an area of the school's practice.

For 2023-24 the LA is proposing that de-delegation remains at £5.11 per pupil as this will be the first year of the new QA framework. This means that the LAis seeking to de-delegate only 50% of the total grant funding removed for the year.

2023-24	Primary	Special
Formula factor	AWPU	Place
Amount	£5.11	£15.33
Total	£90,000	£2,400

2022-23	£5.11	£15.33
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An analysis of expenditure will be presented to the Schools Forum after the year end.

English as an Additional Language - Proposal to maintain a central EAL team

To retain a central EAL Team to maintain the high levels of support and response to Havering's maintained primary schools, it is proposed that £38 per EAL pupil be de-delegated in the financial year 2023-24. This would provide funding of £99,000 towards the costs of the team which would otherwise be put at risk should an insufficient number of schools decide not to buy into the service. The level of funding requested in 2022-23 remains unchanged from 2022-23 despite an increase in the numbers of pupils with EAL.

Through the national funding formula, primary schools receive £629.61 per EAL3 pupil so would retain 94% of their funding to provide support to their EAL pupils.

Rationale for maintaining a central team with EAL expertise in Havering

- Havering's demographic is continuing to change at an accelerated rate. The % EAL in primary schools has risen to 26.7%, resulting in the percentage EAL increase over the period 2019-2022 (4.1%) being higher than the increase over the period 2018 to 2021 (3.4%). Increasing numbers of vulnerable children, including those displaced from areas of conflict, continue to enter mid-phase with little or no English.
- The service continues to be well-used by schools. From April to March 2021-2022, 37 LA-maintained primaries accessed the service for consultancy support and/or CPD whilst 18 academies accessed the service.
- Unlike other service areas which generate a more consistent level of need, EAL needs fluctuate across schools making it more difficult for the EAL team to project a guaranteed income to fund salaries. Without collective buy-in from schools, EAL support could cease to exist within Havering and schools would have to source support from elsewhere.
- The central team plays a crucial role in managing school-to-school support networks and ensuring the sharing of best practice, both within and beyond Havering.
- The team also carries out important back office work, liaising with a range of LA services to ensure effective transitions, to facilitate SEND diagnoses and to safeguard children with EAL.
- Liaison with a number of commercial providers ensures that the EAL team is able to negotiate resources at a reduced rate for schools.

The offer for LA-maintained primaries:

- Termly consultancy visits (more available on request, depending on the needs of individual schools – may be virtual or face-to-face)
- Full-day EAL reviews, on request
- Twice-termly networks for EAL co-ordinators and EAL TAs (may be virtual or face-to-face)
- Unlimited access to centrally-held EAL CPD (may be virtual or face-to-face)
- Telephone, email support and resources

Impact of the EAL team:

The targeted work of the EAL team with EAL co-ordinators, class teachers and TAs helps schools tailor their provision to ensure EAL learners make rapid progress. As a result, pupils that start with limited English across all phases make accelerated progress in order to reach ARE or close the gap towards this. Many EAL learners are likely to have been disproportionately affected by the Covid-19 crisis due to lack of access to models of spoken English during lockdowns; central EAL funding will ensure ongoing support continues into the next financial year to help schools close these gaps.

The Behaviour Support service

Following a realignment, this service now operates as part of the CAD SEMH Team.

Introduction

For the 2023-24 financial year the LA is proposing that support provided by the School Support Family Practitioners is financed from de-delegated funds for LA maintained primary schools.

The allocation of practitioner time is determined by reference to the schools' Vulnerability Table. This is produced by statistical analysis of the volume of SEN, LAC, mobility and EAL in each school.

The work of the School Support Family Practitioners (SSFP)

SSFPs provide tailored support and interventions based on the identified needs of the family. This can include intensive work with those in care, on the cusp of care or stepping down from statutory services. In partnership with families and other agencies, specifically Education provisions, they carry out a comprehensive assessment, address identified needs and ensure sustainable long term change is achieved. They have a thorough understanding of local need and available resources enabling them to engage partner agencies effectively to ensure that families achieve optimum outcomes.

The work of the SSFPs includes:

- Managing a caseload with an emphasis on encouraging participation, effective and meaningful involvement from families with an aim to improving outcomes for families.
- Planning, delivering and reviewing individual and family Support Plans to assist families with proposed actions set to ensure desired changes are achieved.
- Coordinating the planning of services, taking account of the needs of families and issues they face when caring for their child / children.
- Identifying families who meet the troubled family criteria and informing the appropriate trouble families lead to ensure payment by results are applied for.
- Providing direct support to individuals as well as groups in order to raise awareness of difficulties faced by families.
- Providing comprehensive family assessments and analysis based on information gathered to agreed timescales.
- Putting in place suitable intervention, prevention and enforcement measures that seek to reduce negative behaviour effecting the ability to achieve positive family change.
- Negotiating and coordinating support for families through the development of effective outreach services, including one-to-one support and group work

At the end of the year, the Schools Funding Forum will be provided with an analysis of work undertaken under the de-delegated arrangement.

Responsibilities held for maintained schools only

Statutory and regulatory duties

- Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 59)
- Budgeting and accounting functions relating to maintained schools (Sch 2, 75)
- Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 60)
- Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 61)
- Internal audit and other tasks related to the local authority's chief finance officer's responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 2, 62)
- Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 63)
- Investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct management of the headteacher or governing body (Sch 2, 64)
- Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the headteacher or governing body (Sch 2, 65)
- Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 78)
- HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition or organisation of staff (Sch 2, 67); determination of conditions of service for non-teaching staff (Sch 2, 67); appointment or dismissal of employee functions (Sch 2, 67)
- Consultation costs relating to staffing (Sch 2, 69)
- Compliance with duties under Health and Safety at Work Act (Sch 2, 70)
- Provision of information to or at the request of the Crown relating to schools (Sch 2, 71)
- School companies (Sch 2, 72)
- Functions under the Equality Act 2010 (Sch 2, 73)
- Establish and maintaining computer systems, including data storage (Sch 2, 74)
- Appointment of governors and payment of governor expenses (Sch 2, 75)

Education welfare

- Inspection of attendance registers (Sch 2, 81)

Asset management

- General landlord duties for all maintained schools (Sch 2, 79a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:
- appropriate facilities for pupils and staff (including medical and accommodation)
- the ability to sustain appropriate loads
- reasonable weather resistance
- safe escape routes
- appropriate acoustic levels
- lighting, heating and ventilation which meets the required standards
- adequate water supplies and drainage
- playing fields of the appropriate standards
- general health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc. Act 1974)
- management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012)

Central support services

- Clothing grants (Sch 2, 55)
- Provision of tuition in music, or on other music-related activities (Sch 2, 56)
- Visual, creative and performing arts (Sch 2, 57)
- Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 58)

Premature retirement and redundancy

- Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 78)

Monitoring national curriculum assessment

- Monitoring of National Curriculum assessments (Sch 2, 77)

Therapies

- This is now covered in the high needs section of the regulations and does not require schools forum approval

Additional note on central services

Services set out above will also include administrative costs and overheads relating to these services (regulation 1(4)) for:

- expenditure related to functions imposed by or under chapter 4 of part 2 of the 1998 Act (financing of maintained schools), the administration of grants to the local authority (including preparation of applications) and, where it's the local

authority's duty to do so, ensuring payments are made in respect of taxation, national insurance and superannuation contributions

- expenditure on recruitment, training, continuing professional development, performance management and personnel management of staff who are funded by expenditure not met from schools' budget shares and who are paid for services
- expenditure in relation to the investigation and resolution of complaints
- expenditure on legal services

Agenda Item 8



Schools Funding Forum 20th October 2022

ITEM 8

Subject Heading:

Schools Funding 2023-24

Report Author:

**Nick Carter – Principal Finance Officer
(Schools)**

Eligibility to vote:

All school and academy members

SUMMARY

This report summarises the announcement of indicative DSG Schools Block funding for financial year 2023-24 and provides options on allocating funding to schools, including a transfer to the High Needs Block and to growth and falling rolls.

RECOMMENDATIONS

That the Schools Funding Forum:

- (i) considers the options presented on allocating funding to schools for 2023-24
- (ii) considers a transfer of funding from the Schools Block to the High Needs Block
- (iii) considers the funding of pupil growth and falling rolls
- (iv) agrees the options that will form the consultation with schools on the 2023-24 funding allocations

REPORT DETAIL

1. Background

In 2018-19 a “soft” National Funding Formula (NFF) was implemented. In that year, and in subsequent years, Havering has used the NFF rates in calculating funding for its schools. Following consultation last year, the DfE are now moving towards a direct NFF.

At the meeting held on 22nd September 2022, the Schools Funding Forum agreed that NFF funding rates should again be used in the calculation of schools’ funding allocations for 2023-24. This means that the changes to funding arrangements for 2023-24 announced as part of the move towards a direct NFF will not have any impact for Havering schools.

Since the introduction of the soft NFF the Schools Funding Forum has made decisions each year on whether funding should be transferred from the Schools Block to the High Needs Block of the Dedicated Schools Grant (DSG) and whether to supplement the funding received from the DfE for growth and falling rolls.

The Schools Funding Forum has then gone on to make decisions on the minimum funding guarantee (MFG) and a gains cap. For 2022-23, the MFG was set at +1.2% and there was a gains cap of 2.8% was applied, to limit the gains of schools that would otherwise have received more.

2. DSG Schools Block 2023-24

The DfE has announced indicative funding for 2023-24 through the DSG Schools Block. The figures were reported to the Schools Funding Forum at their last meeting but are shown again below.

The first table below shows indicative funding against the baseline data from 2022-23.

	Pupil Numbers	Schools Block allocation excluding pupil growth and premises factors £	Allocation through premises factors £	Schools Supplementary Grant £	Total allocation (excluding pupil growth) £	Allocation per pupil £
2023-24	38,061.5	212,548,940	2,440,293	0	214,989,233	5,648.47
2022-23	38,061.5	201,779,795	2,430,762	6,072,320	210,282,877	5,524.82
increase	0	10,769,145	9,531	-6,072,320	4,706,356	123.65
% increase					2.24%	2.24%

The Schools Block funding for 2023-24 shown above will be updated in December using pupil numbers from the October 2022 census and will also include Havering’s allocation of funding for pupil growth/falling rolls. Until then the LA models various options based on estimated pupil numbers and data.

The table above shows the comparison of indicative 2023-24 funding against the baseline figure for 2022-23. This is not the final allocation that the LA received in 2022-23 which is shown in the table below together with the indicative Schools Block funding for 2023-24.

	Actual primary unit of funding (PUF) £	Actual secondary unit of funding (SUF) £	Primary pupil numbers	Secondary pupil numbers	Pupil Funding £	Schools Supplementary Grant £	Rates (NNDR) £	Total Funding £
2023-24 (Jul-22)	4,912.04	6,626.62	23,137.0	14,924.5	212,548,940	0	2,440,293	214,989,233
2022-23 (Dec-21)	4,666.87	6,285.13	23,137.0	14,924.5	201,779,794	6,072,320	2,430,762	210,282,876
Diff	245.17	341.49	0.0	0.0	10,769,147	-6,072,320	9,531	4,706,357

The final Schools Block allocation for 2023-24 will also include funding for pupil growth. In recent years this has proved insufficient to meet the cost of funding growth and falling rolls on the current basis. The best estimate at present is that the sum required to protect funding for growth and falling rolls at current levels will be similar to last year at £700k.

3. NFF Funding Rates

The NFF Funding rates for 2023-24 are shown at Appendix A, together with the rates for 2022-23. The rates for 2023-24 include the consolidation of the Schools Supplementary Grant (SSG), allocated in 2022-23, into the NFF. Excluding the impact of the SSG, the Basic per pupil funding rate has increased by 2.4%. The Area Cost Adjustment (ACA), which recognises higher costs in London, has increased slightly from 1.08410 to 1.08553 for Havering. This means the Basic per pupil rate for Havering has risen by 2.55% for Key Stages 1 and 2 and by 2.53% for Key Stages 3 and 4.

4. Minimum Funding Guarantee and Gains Cap

The range for the minimum funding guarantee (MFG) percentage that local authorities can apply is between 0.0% and 0.5%. This means that where the per pupil funding for a school has risen by less than the MFG rate, the increase will be topped up to the level of the MFG.

Local Authorities can also apply a cap on the percentage gains per pupil that schools will receive, to ensure that the total amount allocated to schools does not exceed the Schools Block funding. The gains cap is applied to schools that would otherwise receive a higher per pupil increase. This will be determined by the level of affordability once the amount required for MFG is calculated.

In calculating funding to schools in 2022-23 an MFG of 1.2% was applied, together with a gains cap of 2.8%.

5. Minimum Per Pupil Funding Level

In allocating funding to schools LAs need to ensure that minimum pupil funding levels are met. For 2023-24 these are set at £4,405 for primary schools and £5,715 for secondary schools. The increase includes an adjustment to reflect the consolidation of the Schools Supplementary Grant into the NFF.

6. Transfers between DSG blocks and schools' High Needs funding

For 2023-24, with the agreement of the Schools' Funding Forum, LAs will continue to be able to transfer up to 0.5% of their Schools Block to other DSG blocks. Using the indicative figure for 2023-24, this equates to £1,074,946.

For 2022-23 the Schools' Funding Forum agreed to a transfer of 0.5%, a sum of £1,028,678. This was used, together with an additional £1,411,237 received in the High Needs Block in December 2022, to increase a number of the funding rates for schools' high needs allocations.

The LA, with the agreement of the Forum, intends to re-establish the High Needs Funding task and finish group in order to review high needs funding rates for 2023-24. When the high needs funding rates for 2022-23 were determined, the 0.5% transferred from the School Block was included in the calculations. Without a similar 0.5% transfer for 2023-24, the base rates forming the starting point for discussion of 2023-24 rates, would need to be reduced to reflect the absence of the funding transferred.

The transfer from the Schools Block to the High Needs Block for 2022-23 represented 42% of the increase in high needs funding allocated to schools. This enabled, for example, the hourly rate in support of pupils with an EHCP to be increased from £14 an hour after 11 hours, to £16 an after 9.6 hours. Without the 0.5% transfer the base figure would be £15.15 per hour after 10.2 hours.

7. School Funding Options

At this stage, all calculations are based on October 2021 data. These show the sums that each school would receive if there were no changes in pupil numbers or other data since October 2021 but using the 2023-24 funding rates.

Once the revised data is received in December, the LA will apply the NFF funding factors for each school to the data from the October 2022 census. Until the October 2022 data is received from the DfE it is not possible to calculate final figures for 2023-24. Minor changes may be needed to any decisions made by the Forum prior to the calculation of final funding figures.

Given that the LA is using the NFF factors and rates to allocate funding to schools, the options to considered are whether to transfer funding from the Schools Block to the High Needs Block, the level of the minimum funding guarantee and the level of any gains cap.

A summary of two possible options is shown below. The impact on individual schools, shown anonymously, will be circulated at the meeting.

The minimum funding guarantee can be set between 0.0% and 0.5%. Formula modelling shows that reducing the MFG from 0.5% to 0.0% reduces the sum allocated by only £43k, so in both the options considered the rate is left at 0.5%.

Based on current figures, if 0.5% is transferred from the School Block to the High Needs Block, a gains cap of 2.6% is required. An MFG of 0.5% together with a gains cap of 2.6% would enable a transfer of 0.5% from the Schools Block to the High Needs Block, and the allocation of additional funding for growth and falling rolls. This is shown as Option A.

Without a transfer to the High Needs Block it would be possible to increase the gains cap to 3.6%. This allows for the for the allocation of additional funding for growth and falling rolls. This is shown as Option B.

Option	MFG	Cap	DSG remaining £000s	No. of schools on MFG		No of schools capped		Cost of MFG £000s	Saving from cap £000s
				Prim.	Sec.	Prim.	Sec.		
A	0.5%	2.6%	71	1	1	51	16	262	1,494
B	0.5%	3.6%	52	1	1	27	7	262	399

Havering has 59 primary schools and 18 secondary schools

8. Pupil Growth and Falling Rolls Fund

In 2019-20 the DfE introduced a formula for the allocation of growth funding to LAs. This is based on multiplying the difference between the October data in one year and the previous year and multiplying that difference by £1,650 per primary pupil and £2,470 per secondary pupil, an increase of 2.5% from 2022-23. These arrangements, based on lagged data, do not support LAs with a growing number of pupils.

Havering's funding has reduced significantly since this funding mechanism was introduced

2018-19	£3.3m
2019-20	£2.5m
2020-21	£1.6m
2021-22	£1.6m
2022-23	£1.5m
2023-24	£1.5m*

* The figure for 2023-24 is an LA estimate.

Havering's formula for allocating growth funding is as follows:

Primary

Single form of entry expansion or bulge class

28 pupils x AWPU £3,487.55 x 7/12 (Sept – March) = £56,963

This is repeated as the cohort moves through the school to recognise the need to open an additional class and appoint additional staff until the school has reached its new PAN in every year group.

It is expected that bulge classes will fill and therefore funded the following year by the pupils on roll but if they do not fill the funding is protected up to 28 pupils.

Secondary

Expansion or bulge class

Smaller increases in numbers are expected to be absorbed into existing classes. This is reflected in the pupil numbers funded as follows, using an example of an increase in PAN from 180 to 210.

Increase = 30 less 1 pupil absorbed into each of the existing 6 classes = 24 to be funded

e.g. 24 pupils x AWPU £4,917.48 x 7/12 (Sept – March) = £68,845

This is repeated as the cohort moves through the school to recognise the need to open an additional class and appoint additional staff until the school has reached its new PAN in every year group.

Falling rolls

This budget must also fund schools with falling rolls

The DfE regulations require this to be good and outstanding schools only and when the capacity is likely to be filled in 3 years.

Havering's formula is as follows:

PAN x 90% minus NOR in YrR/Yr3/Yr7 x AWPU x 90%

Plus

PAN x 90% minus NOR in Yr1/Yr4/Yr8 x AWPU x 50%

Havering also has local arrangements that support primary schools that have significantly and consistently low numbers in some year groups.

Costs cannot be calculated accurately until the census data has been received from the DfE but are expected to be similar to last year, which would require £700k additional funding from the Schools Block.

NFF rates 2023/24

Area Cost Adjustment

1.08553

Factor

Primary

Secondary

Basic per pupil
<i>excl</i> SSG
Free School Meals
FSM Ever 6
<i>excl</i> SSG
IDACI A
IDACI B
IDACI C
IDACI D
IDACI E
IDACI F
Low Prior Attainment
EAL
Mobility
Lump sum
<i>excl</i> SSG
Minimum per pupil funding level (MPPL)
<i>excl</i> SSG
Minimum Funding Guarantee
Gains cap

2023/24		2022/23 % change	
NFF £	LBH £	LBH £	LBH
3,394.00	3,684.29	3,487.55	5.64
3,294.67	3,576.47	3,487.55	2.55
480.00	521.05	509.53	2.26
705.00	765.30	639.62	19.65
616.35	669.06	639.62	4.60
670.00	727.31	693.82	4.83
510.00	553.62	531.21	4.22
480.00	521.05	498.69	4.49
440.00	477.63	455.32	4.90
280.00	303.95	292.71	3.84
230.00	249.67	238.50	4.68
1,155.00	1,253.79	1,225.03	2.35
580.00	629.61	612.52	2.79
945.00	1,025.83	1,002.79	2.30
128,000.00	138,947.84	131,501.33	5.66
124,231.68	134,857.22	131,501.33	2.55
4,405.00	4,405.00	4,265.00	3.28
4,285.41	4,285.41	4,265.00	0.48
0.0%-0.5%	tba	1.2%	
		2.8%	

2023/24		2022/23 % change	
NFF £	LBH £	LBH £	LBH
KS3 4,785.00	5,194.26	4,917.48	5.63
KS4 5,393.00	5,854.26	5,541.92	5.64
KS3 4,644.71	5,041.97	4,917.48	2.53
KS4 5,234.28	5,681.97	5,541.92	2.53
480.00	521.05	509.53	2.26
1,030.00	1,118.10	937.75	19.23
900.67	977.70	937.75	4.26
930.00	1,009.54	964.85	4.63
730.00	792.44	758.87	4.42
680.00	738.16	704.67	4.75
620.00	673.03	645.04	4.34
445.00	483.06	460.74	4.84
335.00	363.65	346.91	4.83
1,750.00	1,899.68	1,853.81	2.47
1,565.00	1,698.85	1,658.67	2.42
1,360.00	1,476.32	1,441.85	2.39
128,000.00	138,947.84	131,501.33	5.66
124,231.68	134,857.22	131,501.33	2.55
5,715.00	5,715.00	5,525.00	3.44
5,551.99	5,551.99	5,525.00	0.49
0.0%-0.5%	tba	1.2%	
		2.8%	

Supplementary grant sums consolidated into NFF funding rates for 2023-24

	£	Adjustment to MPPL	£
Basic per pupil - Primary	97.00	Primary	119.00
Basic per pupil - KS3	137.00	KS3	155.00
Basic per pupil - KS4	155.00	KS4	173.00
Primary FSM6	85.00		
Secondary FSM6	124.00		
Lump sum	3,680.00		

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