**Schools Forum Agenda**

Wednesday 13th July 2022, **Microsoft Teams Meeting**

8.20am for an **8.30am start**; finish by **10.30am**.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Author | Voting / Relevance | Page |
| 1 | Apologies for Absence (and substitute notices)  | Chair |  | 2 |

**Decision Papers**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2 | Early Years - Options for Allocating the Surplus Balance | Yannick Stupples-Whyley | All schools | 3 |
| 3 | Implementing the Direct National Funding Formula | Yannick Stupples-Whyley | All schools | 6 |
| 4 | Early Years Funding Formulae Consultation | Yannick Stupples-Whyley | All schools | 26 |

**Forum Business**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 5 | Any other business, feedback from schools through Associations and from Schools Forum representatives on other Bodies | Chair | All schools | 32 |
| 6 | Minutes of 18th May 2022 | Chair | All schools | 42 |
| 7 | Minutes Action Log | Yannick Stupples-Whyley | All schools | 55 |

**Information Papers for Discussion**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 8 | School Balances Update | Yannick Stupples-Whyley | All schools | 56 |
| 9 | Schools Budget and Education Functions Quarter 1 Budget Update | Yannick Stupples-Whyley | All schools | 62 |
| 10 | Forward Plan | Yannick Stupples-Whyley | All schools | 69 |

**Closing Comments**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 11 | Closing Comments | Chair |  |  |

|  |  |
| --- | --- |
| Schools Forum | **Agenda Item 1** |
| Date: 13 July 2022 |  |

Apologies for Absence

Please remember to mute your microphone when you are not speaking.

Anyone attending Schools Forum as an observer must stay silent throughout the meeting.

The professional headteacher representatives for EPHA, ASHE or ESSET are observers unless they are substituting for a headteacher or governor who cannot attend. Whilst observing they can only ask a question via a Forum member.

To ask a question or to comment on a paper please use the raise hand function. If you cannot use this function, please use the meeting chat.

The meeting chat will also be used for voting purposes. Please type:

* Yes, if you agree the recommendation,
* No, if you do not agree the recommendation
* Abstain, if you do not wish to vote

The agenda and papers will not be shared on screen.

|  |  |
| --- | --- |
| Schools Forum | **Agenda Item 2** |
| Date: 13 July 2022 |  |

**REPORT TITLE:** Early Years – Options for Allocating the Surplus Balance

Report by: Early Years & Childcare Sufficiency & Sustainability

Contact details: carolyn.terry@essex.gov.uk

1. **Purpose of report**
	1. To update Forum on the proposals to allocate **£1.5 million** of the Early Years Block underspend
2. **Recommendations**
	1. That Forum notes and agrees the Early Years Block underspend proposals.

###### Relevant Schools Forum Power and Responsibility

3.1 Table 1 shows the relevant responsibilities in relation to Early Years which is taken from the Education and Skills Funding Agency’s **Schools forum powers and responsibilities** published in September 2018.

|  |  |  |
| --- | --- | --- |
| **Local Authority** | **Schools Forum** | **DfE** |
| Early Years Funding Formula – Proposes and Decides | Must be consulted | Checks compliance with regulations. |
| Retained Expenditure - Proposes | Decides | Adjudicates where Schools Forum does not agree local authority proposal. |

1. **Background**
	1. The Early Years Block underspend has been reported regularly to SF, with the intention to produce proposals to allocate this underspend once the budget position was finalised by the DfE.
	2. The following suggestions have previously been included in reports to SF: -
		1. A one of payment to all early years and childcare providers offering the Funded Early Education Entitlement funding proportionate to the level of funded hours provided7
		2. Additional resource to support providers with the increasing needs of children
		3. A sufficiency grant to support any providers in areas where there is already a lack of sufficient childcare. Any grant will prioritise support to areas where there are concerns that providers closing will lead to a shortfall of early years and childcare places and will only be considered after all other options have been considered.
	3. As confirmed in the May SF Early Years paper, it is now possible to agree proposals to allocate **£1.5 million** of the Early Years Block underspend.
	4. In discussion with the SF Early Years Reference group, it is proposed that **£1 million** of the Early Years Block underspend would be allocated as a one-off payment to the sector, in line with the suggestion in 4.2.1 above.
		1. To ensure this is distributed in a fair and equitable way, the proposal is to provide a one-off payment based on the number of funded hours received by individual childcare settings or childminders that offer the funded entitlement for the full 2021 / 2022 financial year
		2. This calculation will include both the universal and extended entitlement for 3- and 4-year-old and for eligible two-year-olds and will equate to a payment of **£0.056** being made per funded hour. Please see the breakdown of this calculation in 5.2.
		3. This equates to the equivalent of a payment of **£31.92** for each 15-hour funded place, and payments will be made based on the actual number of hours claimed for each funded child
	5. Proposals are in the process of being developed for the remaining **£500,000** to provide intensive interventions to support children’s school readiness that will be targeted at both early years providers and parents, in line with 4.2.2. These proposals are in the process of being finalised and will be brought to the September 2022 SF meeting for approval.

**5. Financial Implications**

5.1 The Early Block surplus balance at 1st April 2022 is **£2.5 million**.

5.2 Table 2 below shows the calculation of the funding per hour

|  |  |
| --- | --- |
|  **2021/2022 Full Year Funded Hours** |  |
| FEEE3&4 funded hours |  16,143,108  |
| FEEE2 funded hours |  1,768,427  |
| Overall total funded hours |  17,911,535  |
|  |  |
| Budget allocated  |  1,000,000  |
| Divided by total funded hours |  17,911,535  |
| Pence to be paid per funded hour |  0.056  |
|  |  |
| **Total to be allocated** | **£1,003,046** |

5.3 The final early years block allocation for 2021/22 is expected to be announced this month. The Authority is forecasting an increase of **£1 million** based on the January 2022 census.

5.4 As reported to Forum is May 2022 the Authority will retain a surplus of **£1 million** due to the volatility of funding.

|  |  |
| --- | --- |
| Schools Forum | **Agenda Item 3** |
| Date: 13 July 2022 |  |

**REPORT TITLE: IMPLEMENTING THE SCHOOLS NATIONAL FUNDING FORMULA**

Report by Yannick Stupples-Whyley

Contact details: Telephone (03330 138464); e-mail: yannick.stupples-whyley@essex.gov.uk

**1. Purpose of report**

1.1 To update Forum on the latest DfE consultation on implementing the direct national funding formula (NFF).

**2. Recommendations**

2.1 To note the consultation.

2.2 To agree that Forum submits a response to the consultation.

2.3 To agree that the Finance Review Group formulates and submits a response on behalf of Forum.

###### 3. Relevant Schools Forum Power and Responsibility

3.1 There are no Schools Forum powers or responsibilities in relation to DfE consultations.

###### 4. Background

4.1 The consultation was announced on 7th June 2022 and forms the DfE’s next stage in moving to the direct NFF. The consultation closes on 9th September 2022.

4.2 Moving to a direct NFF requires a change in legislation in order to allow the Secretary of State to determine schools’ funding allocations directly. This forms part of the Schools Bill introduced in Parliament on 11 May 2022. The legislation proposed reflects the conclusions of the consultation undertaken last year.

4.3 The consultation follows on from the Fair Funding For All consultation in 2021 and covers:

* The interaction between the Schools NFF and funding for high needs
* Growth and Falling Rolls Fund
* Premises Funding
* Minimum Funding Guarantee

**5. The Interaction Between the Schools NFF and Funding for High Needs**

5.1 The consultation focuses on two elements of the high needs funding system, the flexibility to transfer funding to local authorities’ high needs budgets and proposals on the continuation of notional SEN budgets in the direct NFF.

5.2 Local authorities will continue to be able to submit applications to the Secretary of State for funding to be transferred to their high needs budgets via an adjustment to the NFF allocations for mainstream schools in their area. The applications would include the amount of transfer requested, the period over which the transfer is requested, the reason for the transfer request and how and which mainstream school allocations would be affected. The final decision is made by the Secretary of State to ensure that decisions are taken on a consistent basis.

5.3 The Secretary of State will have the discretion to modify the amount of funding requested. In some cases, it will be appropriate to agree a multi-year funding transfer, with an annual review, for example for local authorities in the Safety Valve programme.

5.4 Further detail on the criteria for assessing funding transfer applications will be set out at a later stage, however, the DfE expect to continue to use the following criteria.

* Strong evidence that a transfer is necessary to address significant cost pressures on high needs.
* Specific and detailed plans which demonstrate that the transferred funding would contribute to addressing cost pressures in a sustainable way.
* Strong evidence of a transfer of financial responsibility for children with high needs from mainstream schools’ NFF funding to the local authority’s high needs budget – such as a significant increase in the proportion of children with education, health, and care plans placed in specialist settings rather than mainstream schools, or an increase in the costs met by high needs top-up funding for pupils with EHCPs in mainstream schools.

5.5 To make the application more straightforward at a local level and to support consistency in decision making it is proposed to provide local authorities with a short “menu” of options on how the adjustment to mainstream school NFF allocations could be made. This flexibility will also allow the requests to address particular local issues. The DfE envisage the short list of options will include:

* A percentage reduction in all mainstream schools’ NFF allocation.
* A percentage reduction in the NFF funding that mainstream schools attract through the basic entitlement factor (rather than additional needs factors) – this would be of relative benefit to schools with high proportions of pupils with additional needs.
* A percentage reduction in the NFF funding that schools attract through additional needs factors.

5.6 Within these options, the Secretary of State would then also take into account local authorities’ views on whether to:

* Include primary or secondary schools, or both, in the adjustment of allocations.
* Include schools on minimum per-pupil funding levels (MPPLs) in the adjustment of allocations.
* Include schools on the minimum funding guarantee (MFG) in the adjustment of allocations.

5.7 Local authorities will need to submit applications informed by the provisional high needs allocations that are published in July each year. Consultation with schools will still be required.

5.8 As now, the direct NFF will include a number of factors that act as a proxy for the incidence of SEN in mainstream schools. Following the SEND and alternative provision green paper consultation, the DfE will also look at whether to use more than one threshold to capture pupils with low attainment in their previous phase of education (i.e., a further tier to reflect those with the lowest levels of attainment), and the feasibility of introducing new factors. The DfE will issue guidance to local authorities on how they can calculate their schools’ notional SEN budget for 2023-24 using local formula factors. This guidance will help to bring greater consistency and help with creating the right incentives across the current system.

5.9 Subject to the green paper consultation, the DfE will consult on the detailed calculation of an indicative budget for SEND support within the direct NFF, as part of the wider consideration of the funding changes that the green paper reforms will require. The DfE will also consider and consult on whether a different financial threshold or alternative approach would be more appropriate, consistent with the responsibilities that will sit with mainstream schools under the new national standards.

5.10 Prior to the development of those national standards, the DfE think it is important to maintain the clarity that the £6,000 high needs threshold offers in the system. This reflects that it remains appropriate for mainstream schools to contribute to the costs of supporting their pupils with SEND before seeking additional high needs funding.

5.11 The DfE will issue guidance to local authorities on how they can calculate their schools’ notional SEN budget for 2023-24 using local formula factors. This guidance will help to bring greater consistency and help with creating the right incentives across the current system.

**6. Growth and Falling Rolls Funding**

6.1 The consultation sets out the proposals on how revenue funding for schools experiencing significant growth or significant decline in pupils numbers would operate under the direct NFF.

6.2 Local authorities have a statutory responsibility to ensure there are enough school places available in their area for every child aged 5 to 16 needing one, as set out under section 14 of the 1996 Education Act. The DfE will also expect local authorities – in fulfilling their place planning function – to reduce or find alternative uses for school buildings where there are high levels of spare places, in order to avoid detriment to the educational offer or the financial position of schools.

6.3 The Department expects all schools and academy trusts to work collaboratively with local authorities, dioceses and other schools in the area, to ensure that there is a co-ordinated approach to place planning and delivery. The Department expects local partners to support local authorities to meet their sufficiency duty by providing additional places where they are needed and work with them to reduce the number of places offered where they are surplus to requirements.

6.4 Local authorities currently have discretion as to whether or not to operate a growth and/or falling rolls fund. If they do, it must be used only to:

* Meet the revenue costs associated with new and expanding schools. This funding is allocated to schools agreeing to expand in response to a proposal by the local authority and to fund the development of new schools. The costs of new schools will include lead-in costs, for example to fund the appointment of staff and the purchase of any goods or services necessary in advance of admitting pupils.
* Support growth in pre-16 pupil numbers to meet basic need. This can be necessary to help schools meet the additional costs that they incur as a result of growth in pupil numbers, for example in establishing an extra class (either as a bulge class or an ongoing commitment), before these additional pupils lead to schools receiving greater core allocations in the following year under the lagged revenue funding system.
* Support additional classes needed to meet the infant class size regulation. Local authorities can provide additional funding to schools where an infant class exceeds 30 pupils and therefore the school must cover the costs of opening another class or employing an additional teacher to meet this regulation.
* Support falling rolls where places will be needed in future. Local authorities can support good and outstanding schools with falling rolls, where local planning data shows that the currently surplus places will be needed within the next three to five financial years. This was introduced because a pupil-led funding system can cause difficulties where local authorities identify that the number of places required will increase in the near future and therefore want to ensure that the schools and places that will be needed remain viable in the short term.

6.5 The consultation outlines two options for growth funding under the direct NFF. The first option would allow some continuing local flexibility in how growth funding is distributed to schools, but with significantly greater consistency than in the current system. The second option is a national, standardised system without local flexibility, where we allocate growth funding directly to schools as part of their allocations based on information provided by local authorities.

Option 1 – Local Flexibility

6.6 This approach would retain some local flexibility for local authorities as they respond to the pupil place planning needs of their areas. Implementing this approach in the transition to the direct NFF would require the following:

* Restrictions will be placed in the School and Early Years Finance Regulations and/or in the DSG conditions of grant on how local authorities use growth and falling rolls funding.
* In particular, in order to meet the principles of the direct NFF the DfE will:

(a) place additional requirements on local authorities to increase the consistency and predictability of funding in relation to how local authorities operate growth funding;

(b) similarly, place additional requirement on how local authorities operate falling rolls funding;

(c) refine the allocation methodology of growth and falling rolls funding within the DSG; and

(d) explicitly allow local authorities to spend growth and falling rolls funding on repurposing and removing surplus places. These are considered in turn below.

* Local authorities would continue to be required to submit their local growth criteria for scrutiny by the ESFA. The DfE will also publish data on the growth criteria which local authorities were adopting in order to increase transparency of the approaches taken.

6.7 These proposals could be implemented in 2024-25, in the second transitional year of the introduction of the direct NFF. Once the direct NFF is in operation, growth and falling rolls funding would remain as part of local authorities’ funding allocations, alongside other elements of DSG, such as Early Years and High Needs, with proposals on changes to the allocation methodology included below.

6.8 The DfE will place a number of requirements on how local authorities could use and spend their growth funding in order to make the funding allocated more consistent. This will also bring about simpler and more transparent funding allocations, including:

* Requiring local authorities to use a standard formulation for their growth criteria, which is transparent to all schools/academy trusts in their area. This would ensure local authority growth criteria can easily be understood and compared, and the Department would publish data on the growth criteria. This formulation would allow local authorities to exercise some flexibility over the structure of growth funding (e.g., the use of per pupil values or a lump-sum, or both) and the factor values used, for a defined number of situations where growth funding may be applicable (e.g., a temporary bulge class). This would have the effect of simplifying the number of approaches which local authorities can take, although retaining some local discretion.
* Place minimum requirements on local authorities’ growth criteria to ensure schools can be assured of a basic level of funding as and when they agree to take on additional pupils. We could, for example, mirror the existing minima that apply to basic entitlement funding in local funding formula – £2,000 per primary school pupil and £3,000 for secondary pupil (or an equivalent lump sum).
* The Department could also place minimum expectations on the circumstances in which local authorities would be required to provide growth funding - for example that support would be provided for any school creating an additional class of 30 pupils. In the example above, this would mean all primary schools would have the security of being guaranteed to receive at least £60,000 for an additional bulge class of 30 pupils.
* Requiring local authorities to retain funding centrally for the use of growth and falling rolls funding. Under a direct NFF, local authorities would be unable to use this funding to top-up their local schools budget since these would be provided directly by the NFF. If local authorities did not spend their full allocation of funding on growth funding, this would either revert to form part of their DSG balance (as currently), or revert back to the Department.

6.9 Similarly, the DfE will place a number of requirements on how local authorities could use and spend funding for schools on falling rolls, in order to make the funding allocated more consistent. We propose to:

* Standardise the allowable eligibility criteria and funding methodology for local authorities using a falling rolls fund. This would include a minimum threshold for a school’s decline in pupil numbers, in order for it to be eligible for funding, and a standard calculation methodology for funding based on the expected future increases in pupil numbers. This would take account of the difference between the current number on roll and expected future capacity.
* Require local authorities to use their School Capacity Survey (SCAP) data to assess whether school places will be required in the next three to five years, replacing the current requirement to use local planning assessments. This will ensure that allocations of falling rolls funding are based on a consistent measure of forecasting future school places.

6.10 The DfE are considering whether or not to retain the restriction that only schools that are judged to be ‘good’ or ‘outstanding’ by Ofsted are eligible for falling rolls funding. Feedback to our first consultation was that the requirement can cause difficulties in some local authorities’ ability to ensure the viability of places that will be needed in future. Moreover, the use of SCAP data in allocating this funding should provide improved assurance that places will be required.

6.11 It is proposed to reform the allocation of growth and falling rolls funding in order to better suit the current needs of local authorities through:

* Re-baselining the total amount of growth funding, nationally, to better reflect current spending patterns. The current amount of funding is based on spend levels in 2018-19; we would re-set the national total on the basis of the 2023-24 spend.
* Allocating funding between local authorities on the basis of both growth and falling rolls by calculating local authorities’ allocation on the basis of areas (MSOAs, within local authority areas) which have either seen growth or (significant) declines in pupil numbers. This is a departure from the current system whereby only MSOA-level data on pupil growth, and not declines, is used to calculate authorities’ growth/falling rolls funding allocations.

6.12 There is a strong case to extend the scope of how growth and falling rolls funding may be used by local authorities. It is prudent for local authorities to retain some spare capacity in the system, in order to respond to and manage shifting demand including unexpected changes, provide for parental choice and support the effective management of the admissions system; but it is also important that local school estates are managed efficiently to ensure they remain financially viable.

6.13 The DfE believes it would be helpful if growth and falling rolls funding could be used to support local authorities to facilitate this process, which will become more common in future, as pupil numbers start to decline nationally. The DfE could permit local authorities to spend growth and falling rolls funding on the revenue costs associated with repurposing or reducing school places.

 Option 2 – National Standardised System

6.14 This section provides more detail on an alternative approach – for a fully standardised system to growth funding, without local flexibility. The DfE prefer Option 1 which would allow some continued local flexibility. However, more details are provided on how a fully standardised alternative approach, to allow respondents to this consultation to make an informed preference between the two options.

6.15 DfE would publish the national eligibility criteria which will be used to determine whether forecast growth (or decline) would be sufficiently “significant” to merit funding being allocated, and ask local authorities to submit the relevant data.

6.16 The DfE would also set standardised funding amounts for schools’ growth or falling rolls funding allocations. In order to be consistent with the wider NFF, it is proposed that funding provided for schools who see pupil growth is the basic entitlement rate for each additional pupil, adjusted by the area cost adjustment (ACA). This is consistent with the most common current approach taken by local authorities. This would also align with the funding provided by the NFF due to local authorities who amend a school’s pupil numbers as part of the new data collection.

6.17 In order to implement a national standardised system, the DfE would need to define the threshold for a “significant” growth in pupil numbers, such that growth above this threshold would attract additional funding. The suggested criterion for significant growth is broadly based on the idea of stepped costs, where the increase of costs is associated with the provision of additional classes and will affect schools differently depending on their size. This is based on analysis of local authority growth criteria where the most common threshold is around an additional class of 30.

6.18 Significant growth would be defined as increases in the number of pupils which mirror the following:

|  |  |
| --- | --- |
| School Size | Threshold for Significant Growth |
| Fewer than 300 pupils | 15 pupils |
| Between 300 and 600 pupils | 5% increase in NOR |
| Greater than 600 pupils | 30 pupils |

6.19 Not all growth in schools is to meet demographic need. Growth can also occur where a school becomes more popular with parents and children locally. The DfE currently make funding available for academies with significant forecast growth to reflect their increased costs. Academies that are entitled to this funding provide us with an estimate for their number of pupils in the coming year, which we provide funding for subject to an adjustment process based on the actual, in-year autumn census. Agreements are made on a case-by-case application basis at academy trust level.

6.20 As proposed in the first-stage consultation, and confirmed in the first stage consultation response, the DfE will retain a system of popular growth for academies which have seen an increase in popularity, after being recently sponsored by a multi-academy trust which has improved the school’s performance.

6.21 The DfE recognises that a number of respondents raised concerns about “popular growth” being available only to academies, and not local authority maintained schools. However, in order to address these concerns, they are consulting on whether maintained schools should also be able to access popular growth funding by basing their funding allocation on estimates.

**7. Premises Funding**

7.1 Currently, premises funding is based on historic spending at local authority level, rather than up-to-date data on costs and needs. Relying on historic spending leads to anomalies within the patterns of funding allocated to different local areas, and would become progressively less appropriate as a funding methodology in a direct NFF, given the underlying principles of fairness and consistency in funding between local areas.

 Split Sites Funding

7.2 The split sites factor is intended to account for the extra costs associated with a school operating, and needing to duplicate services, across a number of separate sites. Extra costs may be incurred from requiring additional reception facilities, travel time for teachers, and travel costs for pupils.

7.3 Sites will be counted as split where they are separated by a public road or railway as a clear marker of separateness. The sites must primarily be used for the education of 5-16 year-olds and must share the same URN. There must be a building on site but this will exclude playing fields. This will be known as Basic Eligibility.

7.4 The Distance Eligibility is that sites must be a minimum 500 metres apart by road.

7.5 Using school site address data, distance between sites will be measured:

* The start and end points would be the closest point on the road giving access to the site as recorded by Ordnance Survey.
* The shortest road distance between sites will be calculated to ensure consistent treatment for all schools.
* There will be no account for traffic restrictions such as one-way streets or no right turns, to ensure the distance between sites is consistent.
* Unsuitable road types such as farm tracks will be excluded.

7.6 Split site funding will be a lump sum payment with the maximum allocation set at 60% of the Lump Sum. The basic eligibility element will be set at 20% of the Lump Sum value and distance eligibility will be 40% of the Lump Sum value.

7.7 A national formula for split sites will lead to a reduction in funding for schools in local authorities with very generous splits site funding, whereas other schools will gain. Schools losing funding will be protected through the minimum funding guarantee.

 Exceptional Premises Factor

7.8 Currently there are a wide range of circumstances funded through the exceptional circumstances factor. Essex has three one for amalgamating infant and junior schools, one for recouping the cost of buying out the Tendring contract and one for joint use arrangements for secondary schools.

7.9 Local authorities can currently support amalgamating schools with additional lump sum funding as temporary support while cost structures adapt to the new arrangements. The proposal is to automatically allocate additional funding through the lump sum.

7.10 Joint use agreements are where schools share the use of a facility in order to deliver their curriculum due to inadequate facilities. This will be retained within the NFF, however, in a bid to reduce the number of qualifying schools the funding spent on joint use agreements must account for 2.5% of the total budget, which is an increase from the current 1%.

7.11 No new schools will qualify for an exceptional premises factor and existing schools will only be eligible if they meet the new 2.5% of total budget requirement.

**8. Minimum Funding Guarantee \(MFG)**

8.1 Local authorities set a minimum funding guarantee under the current funding arrangements, where the NFF uses a funding floor. In the move to a direct NFF, the funding floor and MFG will be merged into one single protection mechanism and will continue to be called MFG.

8.2 The NFF Floor and MFG both operate by guaranteeing a certain amount of funding. When the NFF was introduced in 2018-19 the baselines were calculated in reference to schools’ actual funding in 2017-18. With time NFF and local formulae baselines have drifted apart as the NFF baseline is based on the previous year’s NFF allocations, whereas MFG is based on the previous year’s local formulae allocation.

8.3 Under the current funding arrangements, MFG and the Funding Floor protect pupil-led and school-led funding as school-led factors can increase or decrease quite significantly year-on-year.

8.4 In the direct NFF there will no longer be differences in school-led factors so it is proposed is to only protect pupil-led funding.

**9. Forward Timeline**

9.1 Once the direct NFF is implemented the following changes to the funding cycle will occur:

* Local authorities will no longer operate local funding formulae.
* The Authority Proforma Tool will cease, however the DfE will still need to gather some data.
* DSG allocation for the Schools Block will no longer be published.

9.2 The proposal is to continue to publish the NFF in July each year. As this will apply directly to schools, they will have earlier knowledge of the final formulae which will apply to them.

9.3 In order to help schools, understand what the NFF will mean to them there are two options:

* Continuing to publish notional allocations showing what each school’s funding would look like the following year if their pupil numbers and pupil characteristics remain unchanged, and / or
* Publishing a calculator tool which allows schools to plug in their own pupil numbers and pupil characteristics to see what their funding will be.

9.4 The aim of the calculator will serve a similar function to the APT. It will be pre-populated with all the new factor values so schools can see how their funding will change with pupil numbers or pupil characteristics.

9.5 Other information not captured by notional allocations or a calculator tool are:

* Any de-delegation which would be determined at a local level and which local authorities will deduct from the amount maintained schools are allocated from the NFF.
* Any transfer to the high needs budget, where the Department will adjust mainstream school funding allocated from the schools NFF, subject to the outcome of the consultation on that question.
* Any exceptional circumstances funding which will be subject to an application process which local authorities and academy trusts will undertake.
* Any growth funding which would be provided separately later in the year. When and how growth funding will be provided depends on the outcome of this consultation.

9.6 The approach to be taken for PFI will be consulted on. The current expectation is that local authorities will need to submit similar information as they currently provide. The timing and exact content for submission will be subject to the outcome of the upcoming PFI consultation.

9.7 The expectation is that local authorities will submit requests for exceptional circumstances funding for maintained schools only. Academy Trusts will submit requests for their academies. It is proposed the deadline for these requests will be October.

9.8 Any changes for split sites will be submitted by local authorities for maintained schools and academy trusts for academies. The proposed deadline for submission is October.

9.9 Subject to the outcome of this consultation it is expected that local authorities will need to apply for transfers to the high needs block in the autumn.

9.10 As local authorities will continue to deliver their sufficiency duty, they will need to inform the ESFA of planned school reorganisations. This includes information on planned changes to the school estate (compared to the previous year’s October census) such as mergers or closures. It also includes planned changes to the size of existing schools.

9.11 Local authorities will also need to inform ESFA of expected pupil number changes related to school reorganisations as well as forecast pupil numbers for new and growing schools where funding does not fully rely on data collected from the October census.

9.12 In the current funding system, the above data is collected in the APT submitted in January. Under the direct NFF data will be required earlier. There are two options proposed to achieve this:

* A simplified form replacing the APT could be issued earlier than usual without the use of pre-populated day. This means local authorities will need to input data on planned pupil number changes without access to the October census.
* A pre-populated form with data from the October census could be issued in December for return in the first week of January.

9.13 ESFA uses information on de-delegation to make an adjustment to the general annual grant (GAG) funding academies receive for mid-year converters. This data is currently collected through the APT, but the DfE recognises under a direct NFF, local authorities may want to wait to confirm de-delegation budgets until after NFF allocations are known. There are two proposed options under the direct NFF for collecting information on de-delegation:

* To undertake a separate data collection in March to cover the amounts schools will pay for de-delegated services, or
* To only collect information when needed for mid-year conversions

9.14 The move towards the direct NFF constitutes a major structural change to the school funding system. The expectation is that the direct NFF will be implemented within the next 5 years by the 2027/28 funding year at the latest.

9.15 In transitioning to the direct NFF it is expected the following changes will occur:

* Split sites factor changes are expected to be made in 2024/25.
* Exceptional circumstances changes will be implemented at the time of the introduction of the direct NFF.
* Growth Fund changes are proposed to be implemented in 2024/25.
* The Area Cost Adjustment methodology will be updated in light of the updated GLM data with changes implemented in 2024/25.
* PFI options will be consulted on in advance of introduction in the direct NFF.

9.16 Further consultations will be held for:

* PFI options
* High needs funding arrangements including the operation of funding bands and tariffs.
* Funding for local authority services through the central school services block

**10. Financial Implications**

10.1 Primary schools will fully transition to being funded at NFF values in 2023/24 when the lump sum moves to the same value as NFF. Essex will be classified as mirroring NFF in 2023/24.

10.2 Essex currently have 3 primary schools and 4 secondary schools eligible for split site funding. The total funding allocated for the split sites factor in 2022/23 is £922,000.

10.3 Annex A shows the impact on the 7 split site schools of the proposed change to fund up to a maximum of 60% of the lump sum value, assuming the change was implemented in 2022/23. It can be seen that 3 schools are favoured by the proposal but 4 are disadvantaged. Two schools are significantly disadvantaged. The decrease in funding will be protected by MFG.

10.4 Annex A also shows only one secondary school currently qualifies for Joint Use funding under the 1% requirement, even though there are 6 schools with joint use facilities. Currently the cost of joint use facilities is 2% of the total budget, so under the proposed 2.5% the school would not qualify. The decrease in funding will be protected by MFG.

**11. Other Resource Implications**

**12. Consultation with stakeholders**

**13. Background / Supporting papers.**

13.1 Annex A – Financial Impact of Premises Proposals

13.2 Annex B – Draft ECC Response

13.3 DfE consultation [Implementing the direct national funding formula - Department for Education - Citizen Space](https://consult.education.gov.uk/funding-policy-unit/implementing-the-direct-national-funding-formula/)

 Agenda Item 3 – Annex A



 Agenda Item 3 – Annex B

**Implementing the Direct National Funding Formula – Draft Response**

**Question 1**

Do you agree that local authorities’ applications for transfers from mainstream schools to local education budgets should identify their preferred form of adjustment to NFF allocations, from a standard short menu of options? Do you have any other comments on the proposals for the operation of transfers of funding from mainstream schools to high needs?

|  |
| --- |
| Yes, it will be helpful for local authorities to identify their preferred form of adjustment to NFF allocations when applying for transfers to the high needs block. Local authorities will know the causes of the overspend on their high needs block and this flexibility to identify the preferred form of adjustment will allow local authorities to address local issues.In terms of specifying which schools should be affected by the reductions there should be an option to exclude small schools as they are often adversely impacted more than other schools as they do not have the economies of scale of larger schools to mitigate reductions in funding without impacting on standards. |

**Question 2**

Do you agree that the direct NFF should include an indicative SEND budget, set nationally rather than locally?

|  |
| --- |
| Yes, it will ensure consistency across all schools. The calculation of the indicative SEND budget should be restricted to pupil-led factors so that it is responsive to changes in pupil numbers and pupil characteristics.In determining the amount schools should contribute towards the cost of EHCPs any changes should not have a negative impact upon the high needs block. Should the current £6,000 reduce there should be an increase in funding for the High Needs Block to prevent a financial burden for local authorities. |

**Question 3**

Do you have any comments on the proposals to place further requirements on how local authorities can operate their growth and falling rolls funding?

|  |
| --- |
|  A standard set of criteria for allocating growth funding will ensure consistency but in determining the criteria the impact on schools currently receiving growth fund must be considered to ensure no schools are significantly impacted.In setting minimum expectations funding needs to be sufficient to enable local authorities to fund the thresholds set without causing a financial burden. In addition, there needs to be sufficient fund the expanded use of the growth fund in repurposing or removing surplus places.As local authorities will be required to hold funding for the growth fund and falling rolls fund, it would be more appropriate for the funding to be transferred to the CSSB. |

**Question 4**

Do you believe that the restriction that falling rolls funding can only be provided to schools judged “Good” or “Outstanding” by Ofsted should be removed?

|  |
| --- |
| Yes, it will ensure that all schools are treated equally in being allowed to apply for falling rolls funding. |

**Question 5**

Do you have any comments on how we propose to allocate growth and falling rolls funding to local authorities?

|  |
| --- |
| The current methodology of funding growth is fine but the funding allocated per pupil is insufficient for authorities that fund growth at the basic entitlement rate. The funding allocated needs to ensure there is enough to fund the thresholds set in terms of amount and number of pupils per class, but also needs to allow for in-year allocations plus the proposed increase in scope to manage surplus places.More information is needed on how funding will be generated for the falling rolls fund. What are the parameters for significant decreases?  |

**Question 6**

Do you agree that we should explicitly expand the use of growth and falling rolls funding to supporting local authorities in repurposing and removing space?

|  |
| --- |
| Yes, to ensure schools are not put under financial pressure by there being too many places in a local area. The growth fund and falling rolls allocations must be sufficient for repurposing and removing surplus places to ensure there is not a financial burden for local authorities. |

**Question 7**

Do you agree that the Government should favour a local, flexible approach over the national, standardised system for allocating growth and falling rolls funding; and that we should implement the changes for 2024-25?

|  |
| --- |
| Yes, a local flexible approach will align with local authorities role in pupil place planning. |

**Question 8**

Do you have any comments on the proposed approach to popular growth?

|  |
| --- |
| Some maintained schools are popular and grow as a result. If the schools NFF is to be equitable to all schools then maintained schools must be able to apply for popular growth. |

**Question 9**

Do you agree we should allocate funding on the basis both a schools’ basic eligibility and distance eligibility?

|  |
| --- |
| Yes, all split site schools will have additional costs. |

**Question 10**

Do you agree with our proposed criteria for split site basic eligibility?

|  |
| --- |
| Yes, it is in line with current local authority criteria. |

**Question 11**

Do you agree with our proposed approach split site distance criterion of 500m?

|  |
| --- |
| Yes, again this is in line with local authority criteria. |

**Question 12**

Do you agree with the total available split sites funding being 60% of the NFF lump sum factor?

|  |
| --- |
| No, the funding needs to reflect the size of school. For example, you could have a small school and large school qualify for the same funding, yet the large school is likely to have more costs as more staff or a greater number of pupils will move between sites. |

**Question 13**

Do you agree that the distance eligibility should be funded at twice the rate of basic eligibility?

|  |
| --- |
| Distance eligibility should weight higher than basic eligibility as the further two sites are apart, the cost of operating a split site school will increase. However, a lump sum approach is not appropriate. |

**Question 14**

Do you agree with our proposed approach to data collection on split sites?

|  |
| --- |
| Yes, requesting the data via the APT seems appropriate. |

**Question 15**

Do you have any comments on our proposed approach to split site funding?

|  |
| --- |
| To re-iterate a lump sum approach is not appropriate as large schools will have higher costs than small schools but could end up getting less funding. |

**Question 16**

Do you agree with our proposed approach to the exceptional circumstances factor?

|  |
| --- |
| It is not clear from the consultation the proposal for one of our exceptional circumstances for recovering the costs of buying out the Tendring PPP contract. Whilst there is disagreement between the Department and the Authority, the Department as a minimum has agreed the exceptional factor through to 2028-29. |

**Question 17**

Do you have any comments on the proposed approach to exceptional circumstances?

|  |
| --- |
| Increasing the threshold to 2.5% of total budget will result in the one academy that currently receives funding for joint use facilities not being eligible and it will lose £101,000. |

**Question 18**

Do you agree that we should use local formulae baselines (actual GAG allocations for academies) for the minimum funding guarantee (MFG) in the year we transition to NFF?

|  |
| --- |
| As academies are funded through local funding formulae, the APT baseline should be used for maintained schools and academies. |

**Question 19**

Do you agree that we should move to using a simplified pupil-led funding protection for the MFG under a direct NFF?

|  |
| --- |
| Yes, protecting pupil-led funding will protect significant changes in pupil numbers and pupil characteristics. |

**Question 20**

Do you have any comments on our proposals for the operation of MFG under the direct NFF?

|  |
| --- |
| The proposals for the operation of MFG appear appropriate. |

**Question 21**

What do you think would be most useful to schools to plan their budgets before they receive confirmation of their final allocations (i) notional allocations or (ii) a calculator tool?

|  |
| --- |
| It is more appropriate for schools to have a calculator tool so that they can input pupils numbers and pupil characteristics to see their likely funding. |

**Question 22**

Do you have any comments on our proposal for the funding cycle in the direct NFF including how we could provide early information to schools to help their budget planning?

|  |
| --- |
| Using a calculator tool, schools can input their October Census data to estimate their funding subject to de-delegation for maintained schools, transfers to the high needs block, exceptional circumstances and growth funding. We currently seek de-delegation decisions in September based on provisional data, so maintained schools in Essex will have earlier certainty on the amount to be de-delegated. |

**Question 23**

Do you have any comments on the two options presented for data collections in regard to school reorganisations and pupil numbers? When would this information be available to local authorities to submit to the DfE?

|  |
| --- |
| The second option is more favourable where the DfE will issue a pre-populated form in December for completion by early January. |

**Question 24**

Regarding de-delegation, would you prefer the Department to undertake one single data collection in March covering all local authorities or several smaller bespoke data collections for mid-year convertors?

|  |
| --- |
| De-delegation decisions are transparent as they are shown on local authority school forum websites. Therefore, you will only need to gain data from authorities where schools are converting to academies. This would only need to be one request as local authorities can provide the amount per pupil which you can retain for any further conversions in that authority. |

**Question 25**

Do you have any other comments on our proposals regarding the timing and nature of data collections to be carried out under a direct NFF?

|  |
| --- |
| No further comments. |

|  |  |
| --- | --- |
| Schools Forum | **Agenda Item 4** |
| Date: 13 July 2022 |  |

**REPORT TITLE: EARLY YEARS FUNDING FORMULAE CONSULTATION**

Report by Yannick Stupples-Whyley

Contact details: Telephone (03330 138464); e-mail: yannick.stupples-whyley@essex.gov.uk

**1. Purpose of report**

1.1 To update Forum on the consultation to review the Early Years Funding Formula for 2023/24.

**2. Recommendations**

2.1 To note the consultation.

2.2 To agree that Schools Forum submits a response to the consultation.

2.3 To agree that the Finance Review Group formulates and submits a response on behalf of Forum, in consultation with the Early Years Sub Group.

###### 3. Relevant Schools Forum Power and Responsibility

3.1 There are no Schools Forum powers or responsibilities in relation to DfE consultations.

###### 4. Background

4.1 In April 2017 the Early Years National Funding Formula was introduced to set the hourly funding rates that each local authority is paid to deliver the universal and additional entitlement for three and four year olds.

4.2 There is a separate formula that sets the hourly rates for two year olds.

4.3 The formulae have not been updated since their introduction resulting in the datasets underpinning the various factors not using the latest data available.

4.4 There will be no change to the funding announced at the Spending Review 2021. The proposals relate to how this funding is distributed.

 The Early Years National Funding Formula (EYNFF)

4.5 The EYNFF was designed to allocate funding to reflect the relative costs of providing childcare that meets the needs of children in a local area, and features:

* A universal base rate of funding for each child (89.5% of funding)
* An uplift for children with additional needs (10.5% of funding); and
* An area cost adjustment to reflect variations in costs across the country.



4.6 The consultation does not propose any major changes to the structure or composition of the formula itself. The proposed amendments concern the way in which some additional needs data is calculated, along with several adjustments to the way in which the area cost adjustment is calculated so that it better reflects the variation in costs across different areas.

Universal Base Rate

4.7 The universal base rate has not been updated since the formula was introduced in 2017. Between 2017/18 and 2019/20, local authorities protected by transitional protections saw those protections unwind, whilst rates remained the same for other local authorities.

4.8 Since 2020/21 local authorities have received fixed pence uplifts to their hourly rates, rather than using the formula to calculate an updated base rate. The proposal is to return to using the formula for 2023/24 which means that the universal base rate will be updated.

 Additional Needs Factors

4.9 The additional needs factor accounts for 10.5% of funding and is made up of three proxy measures:

* Free school meals (FSM) eligibility for KS1 and KS2 children, as a proxy measure for the additional costs of providing childcare for children with disadvantaged or low level special educational needs (weighted 8%)
* English as an additional language (EAL) for KS1 and KS2 children, as a proxy measure for the costs of additional support for children who do not have English as a first language (weighted 1.5%)
* Disability Living Allowance (DLA) for 0 to 5 year olds, as a proxy measure for children with more complex special educational needs and disabilities (weighted 1%).

4.10 The DLA data used is from August 2015 and FSM and EAL data is from January 2016. It is proposed to use DLA from February 2021 and FSM and EAL data from January 2022.

4.11 For FSM, it is proposed to move to the headline measure for FSM which is calculated using all pupils in state-funded nursery ad primary schools.

4.12 Currently DLA data is based on the number of claimants under 5 years old. It is proposed to use the number of 3 and 4 year olds who are entitled to DLA in line with the group being funded.

Area Cost Adjustment

4.13 The area cost adjustment (ACA) takes account of the relative difference in costs in different areas of the country. It accounts for variations in both staff and premises costs.

4.14 The ACA is made up of:

* General labour market measure to reflect staff costs (weighted 80%)
* Nursery rates cost adjustment to reflect premises costs (weighted 10%)
* The remaining 10% of costs are assumed not to vary from authority to authority.

4.15 It is proposed to update the underlying data with the nursery rates cost adjustment moving from 2015 data to an average of 2020, 2021 and 2022.

4.16 The general labour market measure will remain on 2013/14 data until updated data is available. This is expected to be available for 2024/25.

4.17 For 2023/24 it is proposed that a technical adjustment is applied to improve the way the general labour market data is calculated for London fringe authorities. A weighted average based on population will be used in the 5 local authorities that have fringe and non-fringe districts.

4.18 The nursery rates cost adjustment will continue to use rateable values but it is proposed to update the valuation data used from 2010. To smooth volatility it is proposed to take an average of March 2019, March 2020 and March 2021 data.

4.19 It is also proposed to amend the rateable value measure used from the current mean average rateable value for all settings within a local authority to an average per metre square by taking account of the floor area of each setting.

4.20 The current nursery rates cost adjustment is calculated using private nursery sector data only. It is proposed to also include an infant primary rates cost adjustment to allow the formula to better recognise the overall cost of childcare across an authority.

 Teachers’ Pay and Pension Grants

4.21 From 2023/24 it is proposed to move the funding that school based nurseries and maintained nursery schools have been receiving through the Teacher’s Pay and Pension Grants into the overall quantum of three and four year old funding.

4.22 It is proposed to include the indicative 2022/23 funding within the baseline against which protection will be applied in 2023/24.

4.23 Local authorities will be encouraged to continue to use this funding to support pay and pension cost .

The Two Year Old Funding Formula

4.24 The Government provides 15 hours of free childcare a week for 38 weeks of the year for disadvantaged two year olds. Funding is distributed as follows:



 Base Rate

4.25 The base rate has not been updated since 2015/16. Since 2020/21 local authorities have received fixed pence uplifts to their hourly rates, rather than using the formula to calculate an updated base rate. The proposal is to return to using the formula for 2023/24 which means that the base rate will be updated.

 Area Cost Adjustment

4.26 The area cost adjustment (ACA) takes account of the relative difference in costs in different areas of the country. It accounts for variations in both staff and premises costs.

4.27 The ACA is made up of:

* General labour market measure to reflect staff costs (weighted 83%)
* The remaining 17% of costs are assumed to be fixed across all local authorities.

4.28 It is proposed to update the general labour market data from 2011/12 to 2013/14. Going forward the data will be updated when new data is available.

4.29 It is also proposed to include a premises related proxy for the first time using the same approach as the three and four year olds formula.

4.30 It is proposed the ACA is made up as follows:

* General labour market measure to reflect staff costs (weighted 80%)
* Nursery rates cost adjustment to reflect premises costs (weighted 10%)
* The remaining 10% of costs are assumed not to vary from authority to authority.

 Loss Cap

4.31 The loss cap previously prevented local authorities losing more than 10% of their 2016/17 baseline.

4.32 It is proposed to remove the loss cap and to replace it with year-to-year protection.

 Minimum Funding Floor

4.33 When the EYNFF was introduced a minimum funding floor was introduced to ensure no authority received less than £4.30 per hour for three and four year old funding. In 2022/23 the minimum funding floor was increased to £4.61.

4.34 For 2023/34 it is proposed to increase the minimum funding floor by the national average rate increase.

4.35 There is currently no funding floor for the two year old formula and it is not proposed to introduce one.

 Year-on-Year Protections

4.36 It is proposed to introduce year-on-year protections in both formulae to mitigate the impact of the reforms.

4.37 It is proposed to set this at +1% to ensure every authority sees an increase in their hourly rate in 2023/24.

 Gains Cap

4.38 To ensure the year-on-year protection is affordable within the funding available it is proposed to introduce a gains cap on the gains a local authority can receive.

4.39 It is proposed to limit local authority gains to 4.5% for three and four year old funding and 8.6% for two year old funding.

Reform of the Maintained Nursery School Supplement

4.40 Since the introduction of the EYNFF, local authorities have received supplementary funding for maintained nursery schools.

4.41 To facilitate this reform an additional **£10 million** will be invested into the maintained nursery school supplement from 2023/24.

4.42 It is proposed to introduce a minimum funding floor at £3.80 per hour.

4.43 It is proposed to cap gains at £10 per hour.

4.44 The element of Teacher’s Pay and Pension grants for maintained nursery schools will be rolled into the supplement.

**5. Financial Implications**

5.1 For three and four year old funding, Essex is currently funded at **£4.78** per hour for 2022/23. Adjusting for the Teacher’s pay and pension grants the 2022/23 baseline is **£4.82** per hour. The proposed changes provisionally increase the hourly rate by 22 pence to **£5.04** per hour. Essex is also capped meaning a further increase should follow in 2024/25.

5.2 The two year old funding rate increases from **£5.75** per hour in 2022/23 to a provisional **£5.88** per hour in 2023/24. This is an increase of 2.3% which is above the guaranteed year-on-year increase but significantly below the funding cap.

5.3 The maintained nursery school supplement is **£2.05** per hour in 2022/23. Adding in the teacher’s pay and pension grants results in a baseline of **£2.44** per hour. Essex will therefore be protected by the funding floor of **£3.80** per hour in 2023/24, which is a **£1.36** per hour increase.

**6. Other Resource Implications**

**7. Consultation with stakeholders**

**8. Background / Supporting papers.**

8.1 Full consultation is located at [Early years funding formulae - Department for Education - Citizen Space](https://consult.education.gov.uk/funding-policy-unit/early-years-funding-formulae-2022/)

|  |  |
| --- | --- |
| Schools Forum | **Agenda Item 5** |
| Date: 13 July 2022 |  |

Any Other Business and Feedback from Associations and Other Forum Members

|  |  |
| --- | --- |
| Schools Forum | **Agenda Item 5a** |
| Date: 13 July 2022 |  |

**High Needs Review Group**

Tuesday 21st June 2022 9am

Microsoft Teams

**Minutes**

In attendance

|  |  |  |
| --- | --- | --- |
| Jeff Fair (JF) – Chair | Rod Lane (RL) | Sue Bardetti (SB) |
| John Hunter (JH) | Ruth Bird (RB) | Jo Barak (JB) |
| Luke Bulpett (LB) | Pam Langmead (PL) | Simon Thompson (ST) |
| Emily Welton (EW) | Ruth Sturdy (RS) | Ralph Holloway (RH) |
| Yannick Stupples-Whyley (YSW) |  |  |

|  |  |  |
| --- | --- | --- |
| **Item** | **Report** |  |
| 1 | Welcome and Introductions | JF welcomed everyone to the meeting. Apologies have been received from Harriet Phelps-Knights and Philomena Cozens. |
| 2 | SEN Funding Review – Verbal Update | RH provided a verbal update. The review has reached the training stage.Post 16 and special schools have been asked to band learners before the end of the current academic year.PL raised the concern of schools that bands will be over inflated. RH responded that both PL and RH had made it clear that descriptors will not have funding attached and therefore this should not be an issue.PL also said raised communication and stated schools rely on School Comms rather than Education Essex. PL also stated that IP/Eps are not aware and that the whole system needs to know.RH stated that they should know. Training for LA staff is well subscribed. IP/EPs will need to work with schools on moderation.SB stated the worry of heads is doing this blind and not knowing what funding will be. There are implications of still affording people to support pupils. Parents need to understand.RH stated the Essex Family Forum is engaged in the review.JF stated there needs to be direct communication with parents.PL stated that communication with parents should not happen too soon.RH responded that we do not need to communicate with pupils at this stage.JF stated a vague statement is needed. RH responded it is on the Local Offer website and the Essex Family Forum website.RS raised the concern of one school within SEAX Trust that needs further discussion. RH agreed to discuss this outside the meeting.RH stated he will need to come back to HNRG before the money is allocated to each band.JF concluded he was pleased to have a timeline for implementation. |
| 3 | Any Other Business | RB raised there will be 265 new homes in Bocking and queried whether this will affect special needs within the area.RH stated that there should not need to be any expansion for that number of homes.RH raised another special free school bidding round has been announced by the DfE. ECC is likely to bid for 2 new free schools.RL asked when will we discuss the Green Paper. RH responded that this will be brought to the next meeting. |
| 4 | Date of Next Meeting – 7th September 2022 | JF thanked everyone for their contribution and closed the meeting. |

|  |  |
| --- | --- |
| Schools Forum | **Agenda Item 5b** |
| Date: 13 July 2022 |  |

**Finance Review Group**

Tuesday 21st June 2022 11am

Microsoft Teams

**Minutes**

In attendance

|  |  |  |
| --- | --- | --- |
| Jeff Fair (JF) – Chair | Rod Lane (RL) | Ruth Bird (RB) |
| Sue Bardetti (SB) | Nigel Hill (NH) | John Hunter (JH) |
| Simon Thompson (ST) | Richard Green (RG) | Pam Langmead (PL) |
| Sean Moriarty (SM) | Yannick Stupples-Whyley (YSW) |  |

|  |  |  |
| --- | --- | --- |
| **Item** | **Report** |  |
| 1 | Welcome and Apologies | JF welcomed everyone to the meeting. Apologies were received from Harriet Phelps-Knights. |
| 2 | School and Academy Balances | YSW introduced the report and asked was the level of detail right for Schools Forum.JF responded it was the right level for Forum.JF commented that the level of school balances put CK in a difficult position politically within ECC.PL asked can we request data from academies and is there any intention of clawback. YSW responded that we can ask academies but we cannot make them respond. He also added that there is no intention of clawback.JF stated it will be better if the letter comes from Forum than the LA.SM queried Trusts and what can we achieve. YSW stated incorporating central services balances shows the true level of balances across Essex.PL added it informs Schools Forum.JF stated that the CK is under pressure and that the LA needs to understand why schools are holding balances.SB stated headteachers can provide reasons. It has been difficult to complete planned projects as it is hard to find contractors to do the work.JH responded it was difficult in getting contractors and supplies. |
| 3 | Minimum Funding Guarantee | YSW introduced the report. JF noted that this was work in progress and FRG will await the update in September. |
| 4 | Any Other Business | YSW updated FRG on the DfE’s consultation on Implementing the Direct NFF. |
| 5 | Date of Next Meeting – 7th September 2022 | JF thanked everyone for their contribution and closed the meeting. |

|  |  |
| --- | --- |
| Schools Forum | **Agenda Item 5c** |
| Date: 13 July 2022 |  |

**School Forum Early Years Sub-group**

**MINUTES**

**Thursday 16th June 2022**

**7.00pm to 8.30pm**

**Via TEAMS**

**Attended**

Carolyn Terry, & Sandie Leader - ECC

Rod Lane –Schools Forum Chair

21 providers – see list at end of minutes

**Apologies**

|  |  |
| --- | --- |
| Ashley Wilson/Ruth Edwards | The Treehouse Forestry Nursery and Out of School Club |
| Beverley Middleton | Alec Hunter Preschool |
| Emma Hudson  | Simon & Sarah Playgroup  |
| Angela McQuitty | Lexden Lodge Kindergarten |
| Linda Reynolds | Home from Home Childcarers |
| Mrs Laura Grant | Walton Pre School |
| Yannick Stupples-Whyley | ECC |

**Review of minutes and action log**

Minutes agreed as accurate, and actions completed & discussed.

Peer support – this could be achieved at EYEPs Managers meetings & SEND Cluster meetings.

**Action:** Carolyn to take back to Senior IP could SEND Cluster meetings be twilight & possible some face to face

**Schools Forum meeting feedback**

Updated on finance position and pressures the sector are under: recruitment & retention, impact COVID has had on children.

**Expression of interest for Vice-Chair**

Helen Taylor (Tiddlywinks Preschool) put herself forward, attendees agreed.

Regular meetings will be held; week before Sub-group meeting to discuss agenda and to discuss content of Schools Forum paper. Cover for Chair when absent

**Action:** Sandie to set up meeting for Chanel, Helen, Carolyn & Sandie week prior to Sub-group meeting

**Membership of group – non attendees & vacancies SL emailed non attendees 28/4**

Discussion had about membership and was decided that need to ensure have a cross section of sectors and districts. If a member does not attend for 3 meetings, then remove from group unless apology was received. Can look to promote membership at EYEPs Manager’s meetings and SEND Cluster meetings.

**Action:** Sandie to send out list of current vacancies after removing members who have not attended for last 3 as above.

**Transition – Passport**

In depth discussion on whether schools want the Essex Transition Passport or whether they use their own templates. Some schools send out the passport themselves or visit early years setting. Speed dating sessions are useful in Braintree. Some providers use their own assessment documents, some providers use the passport. Need to find out what schools would prefer. Rod suggested doing this through EPHA.

**Action:** Carolyn to request input from schools through EPHA meetings with Heads of Ed & EYs

**Early Years COVID-19 recovery programme Applying for support from the Early Years Experts and Mentors programme | Pen Green Children's Centre**

Maz Norman is County Lead for this piece of work. Expression of interest has been sent out in comms to settings. EYEPs are contacting settings who meet criteria.

**Action:** Carolyn to report back details of settings who are mentoring, and number of settings being mentored

**Feedback email EY Conference – Laura Grant**

*Thank you for providing the Early Years sector the opportunity to come together, network, gather ideas and listen to inspirational speakers.*

*The work that has gone on behind the scenes cannot be forgotten, your teams working tireless to bring this event together.*

*As an Early Years manager, I left feeling empowered, uplifted, valued and recognised for the hard work and dedication we have all given to the sector through a period in all our lives that was very scary and unknown.*

**Early Years Updates**

* New Early Years and Childcare Strategy – presentation attached to minutes
* Budget update regular slot at these meetings – presentation attached to minutes

Discussion about ideas for EY surplus. Option 1 one off payment to funded providers based on funded hours was seen as preference.

**Items to take to the Essex Schools Forum next meeting**

Letter & Sounds DfE no longer recognising as resource – is there any funding or training available

IAG being undertaken in Essex around Phonological Awareness, will be shared once finalised.

**AOB**

If a S23 is approved for child under 3 then FEEE2 funding can be claimed for children. Education do not talk to Health and visa versa. Work being carried out as part of Joint Area review & Ofsted CQS meetings. Inclusion Funding is there to bridge gap whilst S23 is being applied for and approved. FEEE2 children can access Inclusion Funding.

Michael Rosen session delivered today was recorded and link will be available

Essex Teaching Awards, details in next EY Newsletter, good to see a large number of EY providers celebrated.

**Action:** Comms to be sent out re FEEE2 funding for children with S23

**Date of next meeting – Thursday 8th September via TEAMS 7.00-8.30pm**

**Future dates – 3rd November 22 & 8th December 22**

**Action Log**

|  |  |  |  |
| --- | --- | --- | --- |
| Action | Action for | Date to be completed | Action completed |
| Take back to Senior IP could SEND Cluster meetings be twilight & possible some face to face | Carolyn | By 8th September |  |
| Set up meeting for Chanel, Helen, Carolyn & Sandie week prior to Sub-group meeting | Sandie | By 24th June | 20/6/22 |
| Send out list of current vacancies after removing members who have not attended for last 3 meetings | Sandie | By 24th June | 20/6/22 attached to email with minutes |
| Request input from schools through EPHA meetings about Transition Passport with Heads of Ed & EYs | Carolyn | By 8th September |  |
| Provide details of settings who are mentoring, and number of settings being mentored as part of Early Years COVID-19 recovery programme | Carolyn | By 8th September |  |
| Comms to be sent out re FEEE2 funding for children with S23 | Sandie | For July 22 newsletter | 20/6/22 |

**Attendees**

|  |  |  |  |
| --- | --- | --- | --- |
| Braintree | Preschool | Lisa Foyster | Christ Church Preschool |
| Castlepoint | Preschool | Maggie Catmull | Richmond Pre-school CIC |
| Chelmsford | Day Nursery | Jennie Gregory  | Jesters  |
| Chelmsford | Preschool | Katharine Waite/Jessica Carlyon  | Ramsden Preschool |
| Colchester | Day Nursery | Chanel Lassman  | Safari Childcare / Safari Childcare Preschool  |
| Colchester | Preschool | Helen Taylor - Vice-chair | Tiddlywinks Preschool |
| Epping | Childminder | Jennie Heath | Jennie Louise Heath - Childminder |
| Epping | Preschool | Catherine Hamilton | Little Sunbeams Epping cic |
| Epping | Preschool | Claire Owers | Bright Stars Preschool |
| Epping | Preschool | Annalei Smith/Lisa Rozee | Roydon Preschool CIC |
| Harlow | Childminder | Claire wall | Claire wall Childminder |
| Harlow | Childminder | Sharlin Paul | Sharlin Paul |
| Maldon | Preschool | Angie Owen | Tolleshunt D'Arcy Pre-school |
| Maldon | Preschool | Rhiannon Dyson & Terri Ewer | Treetops pre-school  |
| Rochford | Childminder | Jo Gridley | Jo Gridley |
| Rochford | Day Nursery | Sarah Drummond | Jelly Beans Montessori Day Nursery |
| Tendring | Day Nursery | Zoe Orr | Harwich Connexions Noahs Nursery ltd |
| Tendring | Preschool | Sharon Woodrow | The Woodrows Nursery |
| Uttlesford | Day Nursery | Tina Carnegie-Dielhenn | Whipper-snappers Daycare Nursery |
| Uttlesford | Preschool | Michelle Wisbey | Westwood Montessori |
| County - Chelmsford | Maintained Nursery School | Ferliene Willis  | Woodcroft Nursery |

|  |  |
| --- | --- |
| Schools Forum | **Agenda Item 6** |
| Date: 13 July 2022 |  |

**Schools Forum Meeting Minutes of Wednesday 18th May 2022**

**Via Microsoft Teams**

**08.30am – 10.09 am**

*(subject to forum approval)*

In Attendance

|  |  |  |
| --- | --- | --- |
| Rod Lane (RL) – Chair | Jo Barak (JB) | Simon Wall (SW) |
| Murray Sackwild (MS) | Ruth Bird (RB) | Luke Bulpett (LB) |
| Jo Santinelli (JS) | Simon Thompson (STh) | Carole Herman (CH) |
| Paul Banks (PB) | Harriet Phelps-Knights (HP-K) | Clare White (CW) |
| Philomena Cozens (PC) | Nigel Hill (NH) | Emily Welton (EW) |
| Lyn Wright (LW) | Claire Styles (CS) | Sue Bardetti (SB) |
| Sean Moriarty (SM) | Marilyn Smith (MS) | Mark Farmer (MF) |
| Debs Watson (DW) | Jinnie Nichols (JN) | John Hunter (JH) |
|  |  |  |
| **LA Officers** |  |  |
| Yannick Stupples-Whyley (YSW) | Cllr Tony Ball (TB) | Carolyn Terry (CT) |
| Andrew Page (AP) | Julie Keating (JK) | Val Cleare (VC) - Minutes |
| James Haughey (JHa) | Will Goodchild (WG) |  |
|  |  |  |
| **Observing** |  |  |
| Nina Chapman |  |  |

|  |  |
| --- | --- |
| **1** | **Apologies for Absence and substitute notices**Rod Lane welcomed everyone to the Teams meeting. Apologies have been received from Jeff Fair, John Revill, Pam Langmead, Ruth Sturdy, Suthan Santhaguru and Richard Green.Murray Sackwild is substituting for Jeff Fair. Emily Welton is substituting for Ruth Sturdy. Cllr Tony Ball informed there is a SEND Inspection taking place today and that is why Clare Kershaw has been called to address issues and was therefore unable to attend the meeting and sent her apologies.John Revill has resigned from Schools Forum as he is taking up a new principal post in South-West England. On behalf of Forum, I wish John well for the future and thank him for his commitment and contribution to Forum and the High Needs Review Group. John will be replaced by Clare White.Laura Grant has also resigned as the Early Years PVI member. Again, on behalf on Forum I wish Laura well for the future and thank her for her commitment and contribution to the Forum and the Early Years Sub Group. Laura will be replaced by Chanel Lassman.There are 3 observers expected at today’s meeting. Two are from the Authority and one is from Becket Keys Free School. |
| **2** | **Top-up Funding for pupils with EHCP’s that are dual registered at PRU’s –****Julie Keating**JK presented the report by Ralph Holloway which sought the approval of the Forum for the Authority to implement a policy that ceases Pupil Top-Up Funding to schools where a pupil attends a Pupil Referral Unit (including St Aubyns and Poplars Adolescent Units).For the majority of pupils with an EHCP, the Pupil Top-Up funding paid to theirschool is ceased when they are referred to a PRU. However, there are currently14 pupils where schools are being paid Pupil Top-Up funding for pupils attendingPRUs. This equates to **£83,500** in a full year. We want to make it policy that allPupil Top-Up funding ceases for schools when pupils attend a PRU.**Questions**SB stated we received a bill in mainstream. Can we apply? I have taken a childfrom another school who has been in the PRU. What about the AWPU?JK said it is about how we can support schools that are taking people back infrom the PRUs. If a child returns direct from a PRU, there is no funding thatfollows that pupil. We are looking at how we can support schools and recogniseit is a problem and hope we can give more positive outcomes soon.PC asked will there be any flexibility around this? A young person came to us ina primary school and during the time they were in the PRU the TA goes withthem. Be careful about the calling it double funding. It may well be we put insupport.JK to reassure PC. We have a similar situation in the county where banding is ata higher level and whether the higher level of funding can be considered. Willconsider on a case-by-case basis if funding is at a higher level.**Recommendations**:It was recommended that the first two recommendations go to the High Needs Review Group and then can see how that process works:1. That from 1st September 2022, the Pupil Top-Up Funding paid to a school for a pupil with an EHCP is ceased, where that pupil is dual registered with a Pupil Referral Unit.
2. That schools are sent a communication that explains the funding implications for pupils with EHCPs who are referred to a PRU.
3. That a future paper is presented to the High Needs Review Group to show the flow of funding following excluded pupils.

Members were asked if they were happy to accept the recommendations. All agreed. |
| **3.** | **Notional SEN Fund – Yannick Stupples-Whyley**YSW updated the Forum on the impact on the Notional SEN budget of moving to the National Funding Formula (NFF) and updates Forum of the benchmarking exercise undertaken. Local authorities, through agreement with Schools Forum, are required to specify within their funding formulae what percentage of fundingallocated through each formula factor contributes to their notional SEN budget. Itis called the ‘Notional SEN Budget’ because it is up to schools to decide how they spend their budgets.Table 2showed how the notional SEN budget is calculated for Essex schools.With the exception of Deprivation FSM which funds schools to provide freeschool meals, the total funding each school receives for the additional needsfactors form part of the notional SEN budget together with a proportion of thebasic entitlement.Table 3 showed the impact where the overall increase is higher than the Notionalbudget. The DfE funds high needs on a place plus approach, which formainstream schools is split into 3 elements:* Element 1 – Basic Entitlement per pupil
* Element 2 – Notional SEN budget
* Element 3 – Top-up funding from the High Needs Block

Elements 1 and 2 equate to the **£10,000** place funding for special schools andPRUs and the DfE set Element 1 as **£4,000** and Element 2 as **£6,000** formainstream schools. This therefore led to schools being required to fund **£6,000** for each EHCP from the Notional SEN budget.Should a school have insufficient funding in its notional SEN budget to fund the**6,000** contribution to each EHCP, the Authority will provide additional funding.Forexample, a school with 200 pupils has a Notional SEN budget of **£30,000** but has8 EHCPs. To ensure the school has sufficient funding the Authority will fund anadditional **£18,000**.The Authority also provides additional protection to ensure schools have aminimum **£105** per pupil in its notional SEN budget once the contribution toEHCPs has been deducted. This is not a requirement of local authorities. Usingthe above example there would be nothing left in the Notional SEN budget so theAuthority would fund an additional **£21,000** (200 x £105).Table 4 showed a comparison against other Local Authorities. In the formulafactors that the Authority uses to calculate the notional SEN budget we are belowaverage for the amount of basic entitlement used but above average for all of theadditional needs factors with the exception of Deprivation – FSM which is notused. Where Essex is ranked 1=, there are a number of other authorities at thesame value.Table 5 showed for secondary schools how Essex compares against other localauthorities. It was noted that Kent does not use basic entitlement in the calculation of thenotional SEN budget. It uses all of the additional needs factors except forDeprivation FSM and Mobility and where used, like Essex, 100% of the fundingallocated counts towards the calculation of notional SEN. Kent also uses thelump sum, exceptional premises, MPPL and MFG in calculating the notional SENbudget. Essex had a total school budget of **£980.8 million**, of which **£108.9** **million**(11.1%) is the notional SEN budget in 2021/22. The average across 150 localauthorities is 11%, so it appears that Essex is in line with other local authorities.The notional SEN budget has increased due to the transition to NFF. Overall, theformula used to calculate the notional SEN budget is in line with other localauthorities and therefore it is proposed that no changes are made. The paper hasbeen discussed at both the High Needs Review Group and the Finance ReviewGroup and both groups recommend that the Forum agree that no changes aremade.**Questions**JN indicated small schools have been disproportionately high for SEN and it isdifficult to provide SEN services as a large school. Small schools run on a 1/3rd ofthe SEN support. Any thoughts about that?YSW responded £105. It is a small number of pupils if you did have a lot ofEHCP’s. It is something YSW can talk to Ralph Holloway about.**Voting**: Majority were in agreement.**Recommendation**:The Forum agreed with the recommendation of both the High Needs ReviewGroup and Finance Review Group that no changes are required to the formulafor calculating the Notional SEN Budget at 4.21. |
| **4.** | **Analysis of School Balances – Yannick Stupples-Whyley**YSW updated Schools Forum of the review of school balances undertaken by the Finance Review Group (FRG) and sought the Forum’s approval for the next stage of review. The FRG had undertaken an analysis and presented to the Forum last October. Tables 1 – 7 the DfE are looking at which presented primary schools, secondary schools, special schools and PRU’s monetary value and the top percentage his held. Tables 2, 4 and 6 showed actual distribution of rebalances in each of the sectors. There are 44 primary schools with balances over 30% and there are only 10 secondary schools with balances between 0% and 5%. There are 8 special schools which have balances between 0% and 8% and the PRU’s have balances above 8%. Table 8 showed the correlation of the balances to deprivation rurality factors and found of the 21 schools in rural hamlets and isolated dwellings, 17 are in the lower half of primary school balances and 6 schools are in the fourth quartile. The remaining tables 10-23 looked at the highest and lowest balances. The FRG chart at the end of the report is what the DfE and Treasury will see. The Treasury will look at the level of school balances across the country which is increasing and the DfE will have a harder battle of asking for money for schools. **Questions**PC raised one of the issues has been the impact of Covid-19 and schools may not have spent the amount of money during Covid. It is not a picture of what has gone one. We should be wary of the current situation in Essex. When we tried to spend money on supply teachers, it is increasingly difficult. We have to use our own staff. PC quoted examples like Harwich where we are trying to manage and everything is out of our control for a building in the Clacton centre.SW was concerned about Lexden Springs School and felt the figures were a bit harsh when trying to sort things out.YSW offered to double check the numbers.For High Needs providers it should be the number of places funded. This is leading to the recommendation that the FRG want to understand why schools are holding balances. We are talking to schools with balances over 30% or more. JN had a query about Table 9 about rural versus funding. Is the FRG going to take this forward how potentially rural schools can be supported and not left behind? Rural schools have specific challenges and difficulties. Perhaps there needs to be a greater understanding of our situation. JN’s colleagues are also having finance difficulties. Deprivation has increased in support to external agencies. There is a black hole. Is there a plan to understand this and put a plan in place to support the rural schools? YSW responded currently we are analysing year on balances. Maintained schools are part of that analysis where we will look to see if there is still that correlation and if there is will discuss with FRG on how to take this forward.SM observed the table highlights pressures. There is concern from the FRG and understand in special schools there will be other factors. The main concern/focus has been mainstream, primary school and secondary school where there are balances in terms of the tables you have seen at the top level which is eye watering. Concern is that going to the table at the back of the paper YSW has got if the DfE were going to the Treasury for more funding for rural schools, they will say they are not spending the money.SM said going back to the recommendation on this paper, FRG wants to drill down a little more on those schools that are in the main sector holding a balance of 30%.SM asked YSW – at the last FRG meeting there was uncertainty how multi academy trusts fit into this. SM observed some of the schools appearing with the highest balances are members of multi academy trusts. At the last meeting there was a verbal update and a suggestion that some of the balances might be higher. YSW commented a number of trusts are pooling budgets and therefore not recording a balance against individual academies within the trusts. These balances are reported under Central Services so the Authority is collecting this information on each trust to show a correct position on school balances. **Recommendation:**The Forum approved for the FRG to undertake a more detailed review of the schools with balances of 30% or above when compared to the budget allocation. |
| **5.** | **Any other business, feedback from schools through Associations and from Schools Forum representatives on other Bodies.****ASHE**STh commented the focus this year is on the return of examinations in secondary schools and holding formal examinations. It was noted there has been coverage in the press about the shortage of invigilators and this has had an impact in Essex schools. Schools are still coping with Covid-19 absence of staff and students and its impact. There is a focus looking at the recently published White Paper and Green Paper in terms of funding. CH informed about the National Tutoring programme. Colleagues will be aware of the big focus on catch up in schools and money allocated for a small programme. Money has been passported to schools so that local tutors are more likely to be employed, but there has been a focus from the Secretary of State that we should all be using the National Tutoring Programme. There was a letter saying we would be named and shamed if not using this programme. Many of us have found it is not meeting needs which is why we asked for passporting. There is a concern about what this is going to mean. It is slightly contradictory It is very much focused on looking at gaps in learning and filling those gaps as best we can. It is not helpful having contradictory information and then you will be named and shamed if you do not use the National Tutoring Programme. SB commented we have the same worry. SB contacted Schools Communication who clarified we are not using the National Programme. SB was reassured by both the Schools Communication and Clare Kershaw that was not the case and we are doing the right thing. **EPHA**HPK reported the Spring term was very challenging for primary schools and we found this particularly at the beginning of the term, but has since been a little more settled, and there are still staff absences which have had some impact on schools and budget planning. A supplementary grant has helped schools meet the employer’s cost of the Health and Social Care levy but the sharp increase in fuel prices has put extreme pressure on the school’s budget with some between £80k and £100k increase so that has been a concern. There has been no recognition or support from the Government around this. The Government White Paper mentioned National changes but expected the increase to schools to come up to 32½ hours will be a challenge for some schools and again no associated funding. There are some major concerns around this. Schools welcomed an increase in the Pupil Funding allocation recovery premium, but this was not continued this year. Tutoring grants has caused some concern and has been seen as too little too late. Schools are frustrated by the complexity and inflexibility of the grant. Schools have not had time to organise additional tutoring. There is a lack of understanding of what schools are facing and needing to do. The Education Task Force continues to be supportive for primary schools and they have just agreed to provide additional funding to support primary school headteachers’ wellbeing, particularly those headteachers in small schools. Epha continues to offer regular meetings, briefings, webcast meetings and individual support for new and inexperienced teachers both in person and online. Examinations are back and had Year P6 SATS last week, KS1 SATS are being done, Y1 Phonics, and Y4 Times Tables and schools are working through that timetable as well. **ESSET**EW indicated there are issues for special schools as well as are pressures and stresses, whilst they are not being examined, there are concerns around national insurance and energy costs, a financial burden faced by all schools which we are all feeling restrained by all of this. There are pressures and stresses on special school headteachers. We have three new headteachers taking over special schools in September and that will be interesting and challenging times. The real focus as well as funding is around the new rebanding exercise and special schools are in the first cohort of the rebanding programme. There will be events next week with Ralph Holloway and the ISOS team. We are to start our staff training on that and this will be the big focus for the rest of the summer term and the start of the autumn term. SB reported about the school day, and it is going to have a huge impact on the school day where we have increased our teaching time by making our lunchtime shorter. Now the day has got to go from registration to the end of the day, and there has been absolutely no regard to how much teaching time is taking place and my teaching time will be longer. SB now has to increase her day by 15 minutes per day and does not understand where that has come from. RL enquired is this from the School Bill and SB confirmed this is the case.JN spoke about the tutoring grant with regards to the level of accountability and reporting by headteachers which is a very small amount of money and is disproportionate. For example, JN mentioned from the £1200 received she is spending a lot of time in reporting back what she has done with the money which she has used. There should be consideration and following up. Is there a level of cut off which is reasonable for headteachers to account for that money?**PRUs**PC reported we are under the same regime as everyone else. We are at 50% female in the PRUs which is unusual. We are just entering the examination season which is proving to be quite a challenge and the ability to get external invigilators that you normally have. We are struggling to get enough for the young people. There are children who have other issues where they need to have two invigilators at home. We are engaging with Julie Keating and her team in terms of referrals, finance and reintegration and colleagues who have read the Green Paper will have noted the direction of travel is that PRUs to more outreach support work, which headteachers want more of this work but if are full to capacity to offer that is difficult. It requires a change of behaviours in secondary schools. Lydia Sherbourne has been working from primary school to offer outreach support to change that behaviour. People need to take cognizance in light of the inclusion agenda how it can be put into place. JB indicated we are embracing our first new build and are in a really positive place. We are about to enter a second building phase. There will be some changes next year and it is about being prepared to face the changing demand and whether placements in the actual PRUs or support in schools, then there needs to be some time to adjust over the next year or so.**Early Years – Nurseries**DW stated Covid-19 hit us here, however, seems more settled now. All funding pressures seem and still are under review. We now wait to see what implications will be of the White Paper and Green Paper for our sector.**ESGA**RB reported we had to cancel our coffee and chat morning because Ofsted called to our presenter’s school. We are just planning the conference for the autumn term and waiting for guest speakers to reply to our invite. Generally, governors are supporting schools with everything mentioned so far. **Unions****Unison**MS responded we are aware of the cost of living on businesses and on staff and the impact it will have over the following year. With interest, we have noted the school day. We will have to keep an eye on this along with the impact it has on staff. **Church Rep** There was no representation and no report. **High Needs Sub-Group** - agenda items 2 and 3, minutes on agenda item 5a.**Finance Review Group** – agenda items 3 and 4, minutes on agenda item 5b.**Early Years Sub-Group** – agenda item 9, minutes on agenda item 5c.  |
| **6.** | **Minutes of 12th January 2022**Minutes were accepted as a true and accurate record of the discussion. |
| **7.** | **Minutes of 21st April 2022**Minutes were accepted as a true and accurate record of the discussion. |
| **8.** | **Minutes Action Log**All have been actioned by Yannick Stupples-WhyleyDSG budget 2022/23 meeting held with the maintained nursery heads to discuss funding concerns on 18/1/22 – completed.Amendment required to Agenda Item 2 comment made by SM of minutes of meeting held on 24/11/21 – completed. |
| **9.** | **Early Years and Childcare Update – Carolyn Terry**The report updated the Forum on the draft outturn position for 2021/22 and the impact of Covid-19 on the Funded Early Education Entitlement funding.The Early Years paper set out the forecast budget for the current financial year and updated on the impact of Covid-19. Section 4 updated on funding entitlement. There had been a high take-up of two-year olds accessing funded places of 87% which is still significantly higher than the national average. Section 4.3 updated on the take-up for universal three and four-year old funding which is 94.9% of those eligible.Section 5 updated on the funding implications. Section 5.1 showed a reduction of £2 million down to £84.3 million. In Section 5.2 the Local Authority retention was £3.4 million. Table 2 showed the breakdown of funding with an underspend on the two-year old take-up. It is hoped the census figures will catch up. The overall position is predicting a slight overspend on the budget document, but we do have surplus money and hope the census figures will bring in more funding to mitigate that. In section 5.5 the outturn position is reduced to £2.5 million because of adjustments the DfE made, but based on January 2022, there is a £3.5 million surplus. CT informed we are looking at proposals and will bring back to the next Forum to discuss. Section 6 showed the impact of Covid-19, and the childcare sector is fully operational offering the full range of FEEE places. CT explained take-up of two-year old is good. We are starting to see a few more providers having problems with sustainability. Where costs have gone up, there are still some pushes to be made and we are looking at what we can do. Section 6.4 showed a surplus balance has reduced to £2.5 million. Financing options will bring this back. We are looking at a one-off payment to all Early Years and childcare providers offering the Funded Early Education Entitlement funding proportionate to the level of funded hours provided. We are also looking at increasing the level of support childcare providers for children with SEND needs. We propose looking at a sufficiency grant for . any of those that we know have a shortfall. We will continue to share communications in the sector in ways to continue to support them.**Action – To bring back options for allocating the Early Years Block Surplus** Section 7 updated on the Childcare Reference Group where there has been an increase in number of Early Years children with emerging additional needs that need more support, alongside concerns over the level of support the sector is receiving for children with SEND from ECC. We are doing work on the descriptors on the level of need. We are also working with childcare providers to streamline the process and Early Years Panel process aligned to avoid duplication. This is a national issue across all areas of the economy and is having an impact on Early Years provision. Feedback generally, is very welcome but it has closed the deficit. Recruitment and retention of staff is a concern, and we need to manage. Parents are under pressure with disposable income. We are starting to see new providers coming to the market. We will continue to have discussions on points in this growth. **Questions**RL observed under 7.2.1 you talked about the increasing demand for things such as Speech and Language therapies and paediatricians. RL asked Cllr Ball, what are Council Members doing with Health to try and resolve the situation? It is an ongoing issue with regards to therapies. Cllr Ball stated there is a shortage of qualified speech and language therapists and Provide, our current provider, is struggling to recruit. Two Cabinet meetings ago Cllr Ball took a paper on the recommissioning of speech and language therapies. The Provide contract is running out. There are changes to move to the opportunity for providers to bid for quadrant contracts rather than countywide. Cllr Ball said he has a paper in his inbox to progress this further. There is an issue, and we are trying to find innovative solutions. Cllr Ball will keep you informed of an update.**Recommendations**:The Forum noted the Early Years Block draft outturn position for 2021/22 at 5.3. |
| **10.** | **Draft Schools Budget and Education Functions 2021/22 Outturn Report – Yannick Stupples-Whyley**The report updated the Forum on the draft outturn position for 2021/22. YSW described the financial implications and stated the total Dedicated Schools Grant (DSG) received in 2021/22 after academy recoupment was **£523.0 million**. The DSG in 2021/22 was under spent by **£5.5 million**. Table 2 showed the movement in the overall DSG balance between 1st April 2021 and 31st March 2022. We had in year adjustments to the Early Years Block in January 2021. Overspend on Early Years Block was covered in Item 9.At 31/3/21 all blocks are on line or in surplusThe High Needs Block (HNB) had an overspend for Maintained Providers of £553,000. The overspend is due an increase in the number of Education and Health Care Plans (EHCPs) within maintained schools. With regards to top-up funding for Academies, Free Schools and FE Colleges there was an overspend of **£281,000.** The overspend is due to an increase in the number of EHCPs in academies (**£1.3 million**). This is mostly offset by an underspend (**£1.0 million**) for Post 16 FE where there is a reduction in the number of learners than forecast.There was an overspend on top-up funding Independent Providers of **£974,000.**There was an underspend of £7.4 million for SEN Support Services which relatedto headroom due to the increase in funding for 2021/22 £6.3 million; Enhancedprovisions were also underspent £812,000 due to only 326 of the planned 431places being occupied by Essex pupils. There were an additional 160 individualpupil resourcing agreements compared to 2020/21 which resulted in anoverspend of £698,000. Vacancies across the quadrant SEND teams resulted ina £457,000 underspend. Due to the pandemic, there was a reduction in SENDsupport required in Early Years settings resulting in an underspend of £439,000.Table 4 showed Educational Functions for Maintained Schools. It was notedthere were no academy convertors during 2021/22 so no recoupment wasnecessary. Table 5 shows the provisional outturn which is an overspend of**£76,000**. This overspend is funded within the Education Non-DSG budget. The overspend for Strategic Management (**£80,000**) reflects the ongoing effectsof the pandemic and the need to provide additional resources to support theschool system. Annex A showed the Schools Budget Draft Outturn 2021/22. **Recommendation:**The Forum noted the draft outturn position for 2021/22. |
| **11.** | **Completing the Reforms to the NFF – DfE Consultation Responses – Yannick Stupples-Whyley**YSW updated the Schools Forum on the Government’s response to the consultation on ‘Completing the Reforms to the National Funding Formula’ last year.For 2023/24 the DfE will require:* Local authorities to use all, and only, NFF factors in their local formulae
* All local formulae factors to move at least 10% closer to the NFF, except where local formulae are already “mirroring” the NFF.
* Local authorities to use the NFF definition for the English as an Additional Language (EAL) factor.

Flexibility over the sparsity factor methodology will remain in 2023/24. Theapproach to transition in subsequent years will depend upon the impact in thefirst year. By mirroring the NFF means that each of a local authority’s localformula factor values are within 1% of the NFF’s value. The impact for Essex ofthe 2023/24 requirements is that the primary lump sum is the only factor notmirroring NFF. Based on the consultation with schools it will mirror the NFF valuein 2023/24.In order to develop the Schools NFF, the consultation included proposals for howspecific aspects of the current funding system would need to be changed anddeveloped to move to the direct NFF. This included developing the Schools NFFto allocate premises costs on a formulaic basis and a better approach to fundingschools seeing significant growth in pupil numbers or falling rolls.Over the coming year the DfE will be consulting on the approach to the split sitesfactor and to the PFI factor in the NFF. In the second stage consultation, includeproposals for the revised growth and falling rolls factor, including some optionswhich would allow a degree of local flexibility. In the second stage consultation,include proposals for an exceptional circumstances factor.The consultation proposed to review how the funding operated to ensure greatertransparency and to reflect the changing roles in a trust led system. The proposalincluded moving funding from the Central School Services Block (CSSB) to theLocal Government Funding System (LGFS). The common issued raised wasmoving funding from CSSB to LGFS with the highest response concerned overreduced transparency and the prospect of less funding being directed toeducation services as funding would likely be directed towards other pressureswithin local authorities.The DfE’s response was to review the services funded through the ongoingresponsibilities element of CSSB aligned to the Schools White Paper. Ongoingservices will continue to be funded through central Government funding. Forcentral services delivered on behalf of schools, local authorities will continue tohave flexibilities to de-delegate funding from maintained schools and MATswill have the ability to continue to top-slice academy funding. The DfE recognisethe concerns raised around the transparency of MAT top-slices and will examinechanges to improve and standardise this process. The second stageconsultation will include further details on how the DfE expect the process of de-delegation to continue.The approach to the funded year is to move from a financial year to an academic year but due to a mixed response that has been dropped. The full consultation is under 8.1.**Recommendation**:The Forum noted the report. |
| **12.** | **Constitution and Membership of Schools Forum – Yannick Stupples-Whyley**Based on the January census Table 2 requires no change in the number of primary school and secondary school members and no academy converters.Whilst we have at least one maintained secondary school we must always have a maintained secondary school member on the Schools Forum.Table 4 showed the members who are coming to the end of their term of office.HPK’s term of office has been extended to May 2026 through the agreement of EPHA. There was a primary and secondary academy governor vacancies which will be advertised in Education Essex. Carole Herman advised her term of office is ending at the end of August, so she will be resigning her position. **Recommendation**The Forum noted the report. |
| **13.** | **Forward Plan – Yannick Stupples-Whyley**YSW read this out and added paper on High Needs Funding Review.It was noted the September meeting will be an in-person meeting (details tbc) |
| **14.** | **Confidential Minutes of 12th January 2022**The Forum unanimously approved these minutes. |
| **15.** | **Chair’s Closing Comments** (Rod Lane)RL thanked everyone for attending and for their contributions. RL looked forward to the next meeting.**Date of next meeting – Wednesday, 13th July 2022 at 8.30 a.m.** **via Teams****Post meeting note:**Pam Langmead has given her apologies for 13th July 2022. |

|  |  |
| --- | --- |
| Schools Forum | **Agenda Item 7** |
| Date: 13 July 2022 |  |

**REPORT TITLE: Minute Action Log**

Report by Yannick Stupples-Whyley

Contact details: Telephone (03330 138464); e-mail: yannick.stupples-whyley@essex.gov.uk

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date of Meeting | Report | Action Owner | Action | Response | Status |
| 18 May 2022 | Agenda Item 9 – Early Years Update | Carolyn Terry | To bring proposals for allocating £1.5 million of the surplus balance to the July / September meeting. | Agenda Item 2 – proposal to allocate £1m. Proposal to allocate the remaining £500,000 will be brought to September’s meeting. | In progress |

|  |  |
| --- | --- |
| Schools Forum | **Agenda Item 8** |
| Date: 13 July 2022 |  |

**REPORT TITLE: SCHOOL and ACADEMY BALANCES**

Report by Yannick Stupples-Whyley

Contact details: Telephone (03330 138464); e-mail: yannick.stupples-whyley@essex.gov.uk

**1. Purpose of report**

1.1 To update Schools Forum on the level of school balances for maintained schools and academies.

**2. Recommendations**

2.1 To note the report.

2.2 To note that the Finance Review Group will use the updated balances data in conducting their review of schools with balances in excess of 30% of their funding.

###### 3. Relevant Schools Forum Power and Responsibility

3.1 There are no specific powers or responsibilities in relation to school balances.

###### 4. Background

4.1 There has been a change to how academy balances are recorded as a considerable number of trusts hold balances for central services. In addition, a number of trusts are now pooling budgets and do not show an individual balance per academy, instead recording a cumulated balance under central services. To ensure a like for like comparison balances for central services are reflected in all years shown in tables and annexes.

4.2 The combined balances for maintained schools and academies are **£166.0 million**, which is an increase of **£23.5 million** compared to last year. Table 1 shows the total balances on 31st March 2022 for maintained schools and 31st August 2021 for academies.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Phase | No. of Schools | Maintained School Balances31st March 2022£’000 | Academy Balances31st August 2021£’000 | TotalBalances£’000 |
| Nursery | 2 | 212 | 0 | 212 |
| Primary | 448 | 40,075 | 47,767 | 87,842 |
| Secondary | 78 | 2,907 | 56,456 | 59,363 |
| All-Through | 2 | 0 | 1,164 | 1,164 |
| Special | 19 | 4,226 | 7,880 | 12,106 |
| PRU | 6 | 1,664 | 3,699 | 5,363 |
| Total | **555** | **49,084** | **116,966** | **166,049** |

4.3 Table 2 shows a breakdown of the movement in balances for maintained schools between 2020/21 and 2021/22.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2020/21£’000 | 2021/22£’000 | Movement£’000 | %Change |
| Nursery | 135 | 212 | 77 | 56.8 |
| Primary | 36,320 | 40,075 | 3,755 | 10.3 |
| Secondary | 2,180 | 2,907 | 727 | 33.3 |
| Special | 3,356 | 4,226 | 870 | 25.9 |
| PRU | 1,389 | 1,664 | 275 | 19.8 |
| Total | **43,380** | **49,084** | **5,704** | **13.1** |

4.4 Balances for maintained schools have increased by **£5.7 million**, which coincides with the **£35.9 million** increase in the Schools Block for 2021/22, excluding the transfer of the teachers’ pay grant and teachers’ pension employers contribution grant.

4.5 Table 3 shows a breakdown in the movement of academy / free school balances between the 2019/20 and 2020/21 academic years.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2019/20£’000 | 2020/21£’000 | Movement£’000 | %Change |
| Primary | 40,888 | 47,767 | 6,879 | 16.8 |
| Secondary | 46,972 | 56,456 | 9,484 | 20.2 |
| All-Through | 580 | 1,164 | 584 | 100.7 |
| Special | 6,975 | 7,880 | 905 | 13.0 |
| PRU | 3,675 | 3,699 | 24 | 1.0 |
| Total | **99,090** | **116,966** | **17,876** | **18.0** |

4.6 Balances for academies have increased by **£17.9 million**, which reflect the **£53.1 million** increase in funding for 2020/21.

4.7 Table 4 shows for maintained schools the number of schools in surplus or deficit. For the schools in surplus the number of schools above the DfE thresholds is also shown.

|  |  |  |  |
| --- | --- | --- | --- |
| Phase | Surplus | Deficit | Surplus above DfE Threshold |
| Nursery | 2 | 0 | 1 |
| Primary | 219 | 3 | 147 |
| Secondary | 4 | 0 | 3 |
| Special | 7 | 0 | 5 |
| PRU | 3 | 0 | 3 |
| Total | **235** | **3** | **159** |

4.8 There are 3 maintained primary schools with deficit balances (**£31,000**) at 31st March 2022, which is a decrease of 1 school from the previous year. Of the 235 maintained schools with a surplus balance, 159 schools (67.7%) have balances in excess of the recommended DfE guidelines.

4.9 Table 5 shows the same information as Table 4 for academies.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Phase | Surplus | Deficit | Academies with no Balance | Surplus above DfE Threshold |
| Primary | 176 | 13 | 37 | 139 |
| Secondary | 55 | 3 | 16 | 45 |
| All-through | 2 | 0 | 0 | 1 |
| Special | 12 | 0 | 0 | 11 |
| PRU | 2 | 1 | 0 | 2 |
| Total | **247** | **17** | **53** | **198** |

4.10 There are 17 schools with deficit balances (**£2.8 million**) on 31st August 2021, which is a decrease of 26 schools from the previous year. Of the 247 schools with a surplus balance, 198 schools (79.2%) have balance in excess of the recommended DfE guidelines. Whilst academies are registered as charities, they have a guaranteed regular income and therefore do not need to hold large balances.

4.11 Chart 1 shows the movement of school balances over the last 5 years

 

4.12 Since 2017/18, school balances have increased by **£42.0 million**, which is a 33.9% increase.

4.13 Chart 2 shows how maintained schools plan to use their carry forward balances in 2022/23 and beyond.

 

4.14 In line with previous years the top three uses of balances remain to use in a future year, to balance the 2022/23 budget and general contingency.

**5. Detailed Analysis**

5.1 As reported in 4.1 academy balances now include trust balances for central services. Table 6 shows Trust central services balances between 2016/17 and 2020/21.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2016/17£m | 2017/18£m | 2018/19£m | 2019/20£m | 2020/21£m |
| All-through | 0 | 0 | 0 | 0.1 | 0.1 |
| Primary | 2.8 | 4.0 | 3.4 | 6.2 | 7.2 |
| PRU | 0 | 0.1 | 0 | 0.1 | (0.1) |
| Secondary | (0.4) | 5.1 | 3.5 | 3.0 | 2.5 |
| Special | 0.1 | 0.4 | 0.4 | 0.2 | 0.1 |
| Total | **2.5** | **9.5** | **7.3** | **9.4** | **9.9** |

5.2 Trust central services balances significantly increased in 2017/18 when the DfE permitted budgets to be pooled.

5.3 The analysis for 2020/21 shows some correlation between rurality and school balances where schools in more rural areas were in the 4th quartile with lower balances.

5.4 Table 7 shows balances for primary schools within the DfE’s rurality

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Location Classification | No. of Schools | Small Schools | Sparsity Schools | Balances£ |
| Rural Hamlet & Isolated Dwellings | 21 | 16 | 15 | 1,931,981 |
| Rural Village | 64 | 47 | 37 | 6,050,274 |
| Rural Town & Fringe | 73 | 5 | 2 | 12,003,499 |
| Urban City & Town | 276 | 9 | 0 | 57,299,499 |
| Urban Major Conurbation | 14 | 0 | 0 | 3,041,871 |

5.5 The analysis shows there are 77 schools with 150 pupils or less of which 54 qualified for sparsity funding in 2021/22. The majority of small schools (81.8%) are located in rural hamlets and rural villages. Balances have decreased overall for schools in rural hamlets and isolated dwellings and rural villages but have increased for the other 3 classifications.

5.6 Table 8 shows the same analysis for secondary schools

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Location Classification | No. of Schools | Small Schools | Sparsity Schools | Balances£ |
| Rural Hamlet & Isolated Dwellings | 3 | 1 | 1 | 298,835 |
| Rural Village | 1 | 0 | 0 | 0 |
| Rural Town & Fringe | 8 | 1 | 1 | 5,026,067 |
| Urban City & Town | 61 | 4 | 0 | 47,175,297 |
| Urban Major Conurbation | 5 | 0 | 0 | 4,373,000 |

5.7 The analysis shows there are 6 schools with less than 600 pupils of which 2 qualified for sparsity funding in 2021/22. Whilst there continues to be a correlation between rural location and balances in primary schools, no correlation can be determined for secondary schools due to MATs pooling balances.

5.8 Forum will recall that at the May 2022 meeting it was approved that the Finance Review Group undertake reviewing why some schools are holding balances of 30% or more. This review will commence in September and an update will be brought to the November meeting.

5.9 Table 9 shows schools the primary schools with the highest balance as a percentage of budget

|  |  |  |  |
| --- | --- | --- | --- |
| School | Balance£ | Budget£ | Balance as% of Budget |
| St Thomas More’s RC Primary, Colchester | 575,333 | 863,378 | 66.6% |
| Tolleshunt D’Arcy Primary | 289,567 | 478,366 | 60.5% |
| Latchingdon Primary | 336,603 | 560,416 | 60.1% |
| Noak Bridge Primary | 491,183 | 860,603 | 57.1% |
| Crays Hill Primary School | 287,885 | 522,366 | 55.1% |
| South Benfleet Primary | 813,516 | 1,561,969 | 52.1% |
| Mistley Norman Primary | 202,465 | 395,132 | 51.2% |
| Laindon Park Primary | 345,971 | 719,376 | 48.1% |
| St Oysth Primary School | 599,032 | 1,252,444 | 47.8% |
| Pemberley Academy | 422,000 | 891,269 | 47.3% |

5.10 Table 10 shows a breakdown of all primary schools, banding the percentage of balance held in intervals of 10%. It can be seen that only 140 schools have a balance between 0% and 8%.

|  |  |
| --- | --- |
| Balances | No. of Schools |
| 60% and above | 3 |
| Between 50% & 59.9% | 4 |
| Between 40% & 49.9% | 14 |
| Between 30% & 39.9% | 27 |
| Between 20% & 29.9% | 67 |
| Between 8.1% & 19.9% | 176 |
| Between 0% & 8.0% | 140 |
| Deficit | 16 |
| Total Schools | **447** |

5.11 Table 11 shows schools the secondary schools with the highest balance as a percentage of budget

|  |  |  |  |
| --- | --- | --- | --- |
| School | Balance£ | Budget£ | Balance as% of Budget |
| The King John School | 7,612,868 | 8,550,426 | 89.0% |
| Colchester Royal Grammar School | 2,615,703 | 3,050,242 | 85.8% |
| The James Hornsby School | 2,989,879 | 5,121,020 | 58.4% |
| Manningtree High School | 1,897,339 | 4,453,228 | 42.6% |
| The Basildon Upper Academy | 955,194 | 2,303,152 | 41.5% |
| Chelmer Valley High School | 1,858,611 | 5,168,018 | 36.0% |
| The Gilberd School | 2,780,268 | 8,081,233 | 34.4% |
| Roding Valley High School | 1,974,000 | 6,142,999 | 32.1% |
| Stewards Academy - Science Specialist, Harlow | 1,866,335 | 5,964,622 | 31.3% |
| Chelmsford County High School for Girls | 1,198,598 | 3,857,523 | 31.1% |

5.12 Table 12 shows a breakdown of all secondary schools, banding the percentage of balance held in intervals of 10%. It can be seen that 25 schools have a balance between 0% and 5%.

|  |  |
| --- | --- |
| Balances | No. of Schools |
| 60% and above | 2 |
| Between 50% & 59.9% | 1 |
| Between 40% & 49.9% | 2 |
| Between 30% & 39.9% | 5 |
| Between 20% & 29.9% | 5 |
| Between 10% & 19.9% | 25 |
| Between 5.1% & 9.9% | 10 |
| Between 0% & 5.0% | 25 |
| Deficit | 3 |
| Total Schools  | **78** |

5.13 Table 13 shows the top 10 special schools with the highest balance as a percentage of budget share.

|  |  |  |  |
| --- | --- | --- | --- |
| School | Balance£ | Budget£ | Balance as %% of Budget |
| The Pioneer School | 1,468,000 | 2,729,800 | 53.8% |
| Thriftwood School | 1,144,705 | 3,215,077 | 35.6% |
| Lexden Springs School | 2,055,243 | 6,608,568 | 31.1% |
| Market Field School | 1,489,148 | 4,863,527 | 30.6% |
| The Endeavour Co-Operative Academy | 358,667 | 1,595,500 | 22.5% |
| Grove House School | 402,176 | 1,790,000 | 22.5% |
| Ramsden Hall Academy | 526,000 | 2,643,454 | 19.9% |
| Columbus School and College | 934,000 | 4,737,500 | 19.7% |
| Langham Oaks | 308,449 | 1,808,155 | 17.1% |
| Castledon School | 503,471 | 2,971,500 | 16.9% |

5.14 Table 14 shows a breakdown of all special schools, banding the percentage of balances held in intervals of 10%. It can be seen that 8 special schools have a balance between 0% and 8%.

|  |  |
| --- | --- |
| Balances | No. of Schools |
| 60% and above | 0 |
| Between 50% & 59.9% | 1 |
| Between 40% & 49.9% | 0 |
| Between 30% & 39.9% | 3 |
| Between 20% & 29.9% | 2 |
| Between 8.1% & 19.9% | 10 |
| Between 0% & 8.0% | 3 |
| Deficit | 0 |
| Total Schools | **19** |

5.15 Table 15 shows the balances held by PRUs. It can be seen all PRUs, except for Beckmead Moundwood Academy have balances above 8%.

|  |  |  |  |
| --- | --- | --- | --- |
| School | Balance£ | Budget£ | Balance as %% of Budget |
| Heybridge Co-Operative Academy | 2,402,408 | 2,430,052 | 98.9% |
| North East Essex Co-operative Academy | 1,535,197 | 2,414,674 | 63.6% |
| Children's Support Service Langdon Hills Basildon | 1,396,835 | 4,870,379 | 28.7% |
| The St Aubyn Centre Education Department | 205,942 | 824,100 | 25.0% |
| Poplar Adolescent Unit | 61,304 | 428,034 | 14.3% |
| Beckmead Moundwood Academy | (170,201) | 447,692 | (38.0)% |

**6. Background Supporting Papers**

6.1 Annex A – Maintained School Balances

6.2 Annex B – Maintained School Use of Balances

6.3 Annex C – Academy Balances

|  |  |
| --- | --- |
| Schools Forum | **Agenda Item 9** |
| Date: 13 July 2022 |  |

**REPORT TITLE: SCHOOLS BUDGET and EDUCATION FUNCTIONS Q1 2022/23 FORECAST OUTTURN**

Report by Yannick Stupples-Whyley

Contact details: Telephone (03330 138464); e-mail: yannick.stupples-whyley@essex.gov.uk

**1. Purpose of report**

1.1 To update Schools Forum on the outturn position for the year-ended 31st March 2023 for both the Schools Budget and Education Functions.

**2. Recommendations**

2.1 That Forum notes the forecast outturn position for the year ended 31st March 2023.

###### 3. Relevant Schools Forum Power and Responsibility

3.1 Table 1 shows the relevant responsibilities that Forum has in relation to the Schools Budget, which are taken from the Education and Skills Funding Agency’s **Schools forum powers and responsibilities** published in September 2018.

|  |  |  |
| --- | --- | --- |
| Local Authority | Schools Forum | DfE |
| De-delegation – proposes | Decides | Adjudicates where Forum disagrees with the Authority’s proposals |
| General Duties for maintained schools – proposes | Decides | Adjudicates where Forum disagrees with the Authority’s proposals |
| Growth Fund and Falling Rolls Fund – proposes | Decides | Adjudicates where Forum disagrees with the Authority’s proposals |
| Central Spend on Early Years and Central School Services – proposes | Decides | Adjudicates where Forum disagrees with the Authority’s proposals |
| Central Spend on High Needs – Decides | None, but good practice to consult. | None |

###### 4. Financial Implications

4.1 The forecast outturn for 2022/23 at Quarter 1 (May 2022) is set out at Annex A.

4.2 The total forecast DSG grant allocation for 2022/23 after academy recoupment is **£554.5 million**.

4.3 At Quarter 1 (May 2022) the Schools Budget is forecast to underspend by **£9.2 million**. The significant variations (above £100,000) contributing to the 2022/23 forecast outturn position are described below.

 **High Needs Block - £9.1 million under spend**

4.4 Top-up funding for maintained schools, academies and free schools is forecasting a **£2.2 million** overspend due to an additional 296 EHCPs.

4.5 Funding for independent schools is forecast to overspend by **£971,000** due to an increase in placements and an increasing complexity of pupils.

4.6 SEN Services is forecasting an underspend of **£12.4 million**. Forum will recall the Authority is holding a High Needs Contingent budget due to the increased funding for 2022/23. This is earmarked for to fund the continued increase demand and price for Education, Health and Care Plans (EHCPs) and early intervention projects. At quarter 1 this is showing an underspend of **£13.6 million**. This is offset by a **£1 million** overspend on Individual Pupil Resourcing Agreements due to increased medical needs (£163,000 overspend), an increase in volume (£258,000 overspend) and inclusion framework projects (£588,000 overspend).

4.7 Other alternative provision services are forecasting a **£200,000** overspend due to an increase of 21 pupils above the budgeted pupil forecast.

4.8 Support for inclusion is forecasting a **£213,000** underspend due to staffing vacancies.

4.9 Therapies and other health related services is forecasting an overspend **£142,000** due to an increase in the number of therapy hours than forecasted.

4.10 Table 2 shows a number of risks and opportunities that are not included in the outturn forecast. There is insufficient certainty to quantify the risks and opportunities at this early stage of the financial year.

|  |  |  |
| --- | --- | --- |
|  | Opportunities£’000 | Risks£’000 |
| HNB – The forecast for top up funding in special schools is based on schools filling all of their places. If schools continue to take on more pupils than they are funded for, the forecast for top up funding will increase. . |  | Tbc |
| HNB – The number of pupils accessing Individual Packages of Education Support (IPES) is increasing |  | Tbc |
| HNB – The methodology for calculating the special equipment recharge has now changed for 22/23. Early indications are that this change will increase the outturn. |  | Tbc |
| HNB – Further costs could be incurred for the Inclusion Framework. |  | Tbc |
| HNB - The whole system review and redesign of Therapy services (Balance system) including Speech & Language Therapy, Occupational Therapy and Physiotherapy across Southend, Essex & Thurrock (SET), may cost more than budgeted. |  | Tbc |
| All Blocks – Inflationary pressures on third party spend. |  | Tbc |
| HNB - The outcomes of the Enhanced Provision review are yet to be agreed and implemented. Dependant on reviews in Sept/ Oct there is a possibility that any changes may not be implemented this year. | Tbc |  |
| HNB - There is a possibility that the opening dates for Hawthorn and Greenwell schools, expected to be January 23, will be delayed | Tbc |  |
| Total | **0** | **0** |

4.11 Table 3 shows the forecast DSG position on 31st March 2023.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | SchoolsBlock£m | CentralSchoolsBlock£m | HighNeedsBlock£m | EarlyYearsBlock£m | Total£m |
| Opening Balance 2022/23 | 0.0 | (1.2) | (3.1) | (2.5) | (6.7) |
| 2022/23 Forecast Outturn | (0.1) | 0.0 | (9.1) | 0.0 | (9.2) |
| Closing Balance 2022/23 | **(0.1)** | **(1.2)** | **(12.2)** | **(2.5)** | **(15.9)** |

Education Functions

4.12 At the meeting of 6th October 2021 Schools Forum approved the authority’s proposals for services provided to all schools, as shown in Table 4.

|  |  |
| --- | --- |
| Education Functions – All Schools | £’000 |
| Education Welfare | 1,170 |
| Strategic Management | 1,577 |
| Asset Management | 333 |
|  | **3,080** |

4.13 Also at the meeting of 6th October 2021, maintained members of Schools Forum agreed to de-delegate from maintained school £40.67.

4.14 The Secretary of State approved further de-delegation for School Improvement following the 50% reduction to the School Improvement, Monitoring and Brokering Grant for 2022/23. Table 5 shows the total funding de-delegated from maintained schools in 2022/23.

|  |  |
| --- | --- |
| Education Functions – Maintained Schools | £’000 |
| Asset Management | 281 |
| Statutory & Regulatory Duties | 2,115 |
| School Improvement | 440 |
|  | **2,835** |

4.15 The budgets in Table 5 are subject to recoupment each time a school converts to an academy.

4.17 Table 6 shows the forecast outturn at Quarter 1 (May 2022) which is an underspend of **£113,000** due to vacant posts.

|  |  |  |  |
| --- | --- | --- | --- |
| Education Functions | Budget£’000 | ForecastOutturn£’000 | Variance£’000 |
| Education Welfare | 1,170 | 1,142 | (28) |
| Strategic Management | 1,577 | 1,573 | (4) |
| Asset Management – all schools | 333 | 333 | 0 |
| Asset Management – maintained schools | 281 | 281 | 0 |
| Statutory & Regulatory Duties | 2,115 | 2,018 | (97) |
| School Improvement | 440 | 455 | 15 |
| Total | **5,915** | **5,802** | **(113)** |

**5. Other Resource Implications**

**6. Consultation with stakeholders**

**7. Background / Supporting papers.**

7.1 Annex A – Schools Budget Forecast Outturn 2022/23.

 Agenda Item 8 – Annex A



|  |  |
| --- | --- |
| Schools Forum | **Agenda Item 10** |
| Date: 13 July 2022 |  |

**REPORT TITLE: Forward Plan**

Report by Yannick Stupples-Whyley

Contact details: Telephone (03330 138464); e-mail: yannick.stupples-whyley@essex.gov.uk

**1. Purpose of report**

1.1 To bring the Schools Forum Forward Plan and confirm the dates of future meetings.

**2. Recommendations**

2.1That the Forum notes the dates of future meetings.

2.2 That additional items as proposed by Schools Forum are included in the Forward Plan

###### 3. Background

3.1Following a review of School Forum Agendas a Forward Plan has been created. The items included are as follows:

|  |
| --- |
| **Regular and Administrative items** |
| Apologies  |
| Any other business and feedback from schools through Associations |
| Feedback from Schools Forum representatives on other bodies |
| Minutes from previous meetings |
| Forward Plan and dates of next meetings  |
| Sub Group updates (SEN, Early Years, Formula Review) |

|  |  |
| --- | --- |
| **Date of Schools Forum** | **Agenda Items** |
| Wednesday 28th September 2022 | Half Year Budget & Education Functions Update 2022/23 (I) |
|  | Scheme for Financing Schools (D) |
|  | High Needs Funding 2023/24 (D/I) |
|  | School Funding 2023/24 (D) |
|  | Early Years Funding (D) |
|  | De-Delegation 2023/24 (D) |
|  | Implementing the Direct NFF – Forum response (I) |
|  | Early Years Funding Formulae – Forum Response (I) |
|  | SEMH Provision Funding (D) |
|  | SEND Green Paper (I) |
|  |  |
| Wednesday 30th November 2022 | Early Years and Childcare Update (I) |
|  | School Funding Consultation Final Proposal (D) |
|  | Scheme for Financing Schools (D/I) |
|  | Update on the Review of School Balances (I) |
|  | DfE Response to Implementing the Direct NFF Consultation (I) |
|  | High Needs Funding Review (D/I) |
|  | SEND and PRU Capital Investment Project (D/I) |
|  | Constitution and Membership of Schools Forum (D / I) |
|  |  |
| Wednesday 11th January 2023 | Third Quarter Budget & Education Functions 2022/23 Update (I) |
|  | 2023/24 DSG Budget (D) |
|  | Election Chair / Vice Chair (D) |
|  | High Needs Funding Review (D/I) |
|  | SEND and PRU Capital Investment Project (D/I) |
|  |  |
| Wednesday 17th May 2023 | Falling Rolls Fund (D/I) |
|  | Schools Budget & Education Functions Draft Outturn Report 2021/22 (I) |
|  | High Needs Funding Review (D/I) |
|  | SEND and PRU Capital Investment Project (D / I) |
|  | Constitution and Membership of Schools Forum (D /I) |
|  | Early Years and Childcare Update (I) |
|  |  |
| Wednesday 12th July 2023 | School and Academy Balances (I) |
|  | Schools Budget and Education Functions Q1 Update 2023/24 (I) |
|  | High Needs Funding Review (D/I) |
|  | SEND and PRU Capital Investment Project |