**Schools Forum Agenda**

Wednesday 28th September 2022, **Hamptons Sports & Leisure CM2 9FH**

From 8am for an **8.30am start**; breakfast **9.45am** finish by **10.45am**.

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

**Decision Papers**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2 | Early Years Funding 2021/22 and 2022/23. | Carolyn Terry | All schools | 3 |
| 3 | School and High Needs Funding 2023/24 | Yannick Stupples-Whyley | All school & PVI Member | 8 |
| 4 | Scheme for Financing Schools 2023/24 | Yannick Stupples-Whyley | Maintained Schools | 17 |

**Forum Business**

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| 5 | Any other business, feedback from schools through Associations and from Schools Forum representatives on other Bodies | Chair | All schools | 20 |
| 6 | Minutes of 13th July 2022 | Chair | All schools | 32 |
| 7 | Minutes Action Log | Yannick Stupples-Whyley | All schools | 45 |

**Information Papers for Discussion**

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| 8 | Implementing the Direct National Funding Formula Consultation Response | Yannick Stupples-Whyley | All schools | 46 |
| 9 | Early Years Funding Formulae Consultation Response | Yannick Stupples-Whyley | All schools | 53 |
| 10 | Half Year Schools Budget & Education Functions Update 2022/23 | Yannick Stupples-Whyley | All schools | 58 |
| 11 | Forward Plan | Yannick Stupples-Whyley | All schools | 63 |

**Closing Comments**

|  |  |  |  |  |
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| 12 | Closing Comments | Chair |  |  |

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| Schools Forum | **Agenda Item 1** |
| Date: 28 September 2022 |  |

Apologies for Absence

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.

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| Schools Forum | **Agenda Item 2** |
| Date: 28 September 2022 |  |

**REPORT TITLE:** Early Years Update

Report by: Early Years & Childcare Sufficiency & Sustainability

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

1. **Purpose of report**

1.1 To update the Forum on proposals to increase the FEEE funding hourly rates for 2022/2023

1.2 To update Forum on the proposals to allocate £5.1 million of the Early Years Block underspend

1. **Recommendations**

2.1 That Forum notes the revised funding for 2021/22 at 5.2 and 2022/23 at 5.5.

2.2 That Forum notes the revised surplus balance to be allocated to early years providers and options to allocate it will be brought to the November meeting, 5.6; and

2.3 To agree the increase in the hourly rates for 2022/23 at 5.6.

1. **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**

4.1 FEEE funding supports the statutory universal offer to all three- and four-year-olds and up to 40% of the least advantaged two-year-olds; these are children who meet predetermined eligibility criteria.

4.2 Across Essex, currently 24.8% of all two-year-olds are eligible to access the FEEE funding.

The take-up of the two-year-old FEEE during the Summer term 2022 was 3,209, which was 77.1% of the 4,164 eligible two-year-olds in the county. Although this take-up figure is down on the previous term of 82.7%, which is not unusual for the Summer term, but remains significantly higher than the national take up level for the Summer 2022 term of 61.8%.

4.3 The take up of the universal three- and four-year-old FEEE at the Summer term 2022 headcount was 26,070, which is 93.4% of the eligible three- and four-year-olds. This is slightly lower than the previous term take up of 94.9%.

1. **Financial Implications**

5.1 In July 2022 the DfE updated both the 2021/22 and 2022/23 Early Years Block allocations based on the January 2022 Census.

 **2021/22**

5.2 Table 2 shows the impact of the January 2022 Census on the 2021/22 allocation, where it can be seen that the allocation increases by **£2.7 million**.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | OriginalPTE Funded | Original Allocation£ | ActualPTEFunded | FinalAllocation£ | Difference£ |
| 3&4 Year Olds – Universal | 21,172.39 | 55,634,690 | 21,608.36 | 56,780,288 | 1,145,598 |
| 3 & 4 Year Olds – Additional 15 hours | 7,189.07 | 18,890,720 | 7,588.52 | 19,940,355 | 1,049,635 |
| 2 Year Olds | 2,746.27 | 8,672,172 | 2,893.01 | 9,135,547 | 463,375 |
| Early Years Pupil Premium |  | 484,442 |  | 485,847 | 1,405 |
| Disability Access Fund |  | 404,055 |  | 404,055 | 0 |
| Maintained Nursery Supplement |  | 263,111 |  | 256,091 | (7,020) |
| TOTAL |  | **84,349,190** |  | **87,002,183** | **2,652,993** |

* 1. Forum will recall at the July 2022 meeting the Authority reported a **£2.5 million** surplus within the Early Years Block. At the meeting it was agreed:
	+ **£1 million** of the Early Years Block underspend has been paid out to the early years sector as a one off additional payment based on the number of funded hours paid to each EYCC setting in the 2021/2022 financial year.
* **£1 million** is retained as a contingency due to the volatility of funding from one year to the next.

5.4 This left **£500,000** to be allocated with options to be brought to the September meeting. However, the additional funding results in **£3.2 million** being available to be allocated to the early years sector, so original plans are being rethought and will be brought to the November meeting.

**2022/23**

5.5 Table 3 shows the impact of the January 2022 Census upon the 2022/23 allocation, where it can be seen the allocation increases by **£4.7 million**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | OriginalPTE Funded | Original Allocation£ | UpdatedPTEFunded | UpdatedAllocation£ | Difference£ |
| 3&4 Year Olds – Universal | 21,172.39 | 57,686,294 | 21,919.76 | 59,722,579 | 2,036,285 |
| 3 & 4 Year Olds – Additional 15 hours | 7,189.07 | 19,587,341 | 7,873.85 | 21,453,092 | 1,865,751 |
| 2 Year Olds | 2,746.27 | 9,000,900 | 2,997.83 | 9,825,388 | 824,488 |
| Early Years Pupil Premium |  | 548,425 |  | 551,154 | 2,729 |
| Disability Access Fund |  | 527,200 |  | 527,200 | 0 |
| Maintained Nursery Supplement | 233.13 | 272,413 | 222.47 | 259,957 | (12,456) |
| TOTAL |  | **87,622,573** |  | **92,339,370** | **4,716,797** |

5.6 Table 4 shows the proposed increase in hourly rates for 2022/23 based on the available funding.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Hourly rate2021/22£ | Initial Increase£ | Initial Hourly Rate 2022/23\*£ | Proposed Additional Increase2022/23\*\*£ | Proposed Hourly Rate£ | Total Increase 2022/23£ |
| 2 year olds | 5.36 | 0.15 | 5.51 | 0.02 | 5.53 | 0.17 |
| 3 & 4 year olds | 4.38 | 0.12 | 4.50 | 0.03 | 4.53 | 0.15 |
| Maintained Nursery School Supplement | 1.97 | 0.00 | 1.97 | 0.00 | 1.97 | 0.00 |
| Early Years Pupil Premium | 0.53 | 0.00 | 0.53 | 0.00 | 0.53 | 0.00 |
| Disability Access Fund \*\*\* | 615.00 | 185.00 | 800.00 | 0.00 | 800.00 | 185.00 |

\*paid from start of the Summer 2022 term

\*\*proposed to back date to the start of the Summer 2022 term

\*\*\*DAF is rate paid per qualifying pupil

1. **Schools Forum Early Years and Childcare Reference Group**

6.1 The Schools Forum Early Years and Childcare Reference Group has continued to meet during 2022, with ongoing representation from all early years’ sector types and each district.

6.2 Key areas of discussion have continued to be around the following areas: -

Members remain concerned on the increasing 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. This is borne out by the significant increase in applications to access the Early Years Inclusion funding leading to further budget needing to be added, for the last financial year, in response to the demand, alongside the increased waiting times for assessment by Health, such as speech and language therapists and paediatricians is further adding to these concerns.

6.3 ECC will be concluding a review into the SEN offer for early years and childcare providers during the Autumn 2022 term.

6.4 Financial pressures on the economy such as increases to the national minimum wage, NI contributions, utility, and food costs, which are causing sustainability concerns for the early years sector.

6.5 Recruitment and retention of qualified staff is continuing to be an increasing issue for the early years sector.

6.6 These pressures are impacting in several ways: -

A small, expected increase of closures over the last few months, although it should also be noted that there has been a significant level of interest in recent lease opportunities advertised to run full day care provision in new nursery buildings across South, Mid and West Essex.

6.7 Childcare providers limiting the number of FEEE hours a child can access in a day to enable the providers to maximise their income due to the gap between the FEEE levels and the cost of providing the place.

6.8 Childcare providers introducing more consumable charges to be paid for by parents to help mitigate the shortfall of income.

6.9 Both of the two points above mean parents needing to pay for more for their childcare

6.10 Discussions on these points, and others as they become apparent, will continue to be had with the Schools Forum Early Years and Childcare Reference Group, to capture the pressures and work together to seek solutions to mitigate.

6.11 Future meetings have been scheduled to coincide with reporting to Schools Forum.

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| Schools Forum | **Agenda Item 3** |
| Date: 28 September 2022 |  |

**REPORT TITLE: PROVISIONAL SCHOOL FUNDING SETTLEMENT 2023/24**

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 of the provisional school funding settlement for 2023/24 including the implication for schools and the Authority.

**2. Recommendations**

2.1 To note the provisional school funding settlement for 2023/24 at 4.3;

2.2 To agree the recommendations of the Finance Review Group (FRG) for changes to the School Funding Formula for 2023/24 at 6.10; and

2.3 To agree the FRG approved consultation document for schools at Annex B.

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

3.1 Table 1 shows the relevant responsibilities in relation to formula change 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 |
| Proposes | Must be consulted. Voting is restricted to School members plus the Early Years PVI member. | Checks for compliance with regulations. |

###### 4. Background

4.1 The provisional school funding settlement was announced on 19th July 2022 comprising of provisional allocations for the Schools Block, High Needs Block and Central School Services Block. The Early Years Block provisional allocation will be announced in December 2022 but is included in Table 2 for completeness.

4.2 Funding has increased nationally by **£1.5 billion** in 2023/24 with the Schools Block increasing by **£930 million** and the High Needs Block increasing by **£570 million**.

4.3 Table 2 shows the provisional allocation for 2023/24. The 2022/23 allocation has been rebased for the Schools Supplementary Grant which has transferred to DSG for 2023/24.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Rebased2022/23£m | 2023/24£m | Increase / (Decrease)£m | Increase / (Decrease)% |
| Schools Block | 1,056.4 | 1,077.2 | 20.8 | 2.0 |
| High Needs Block | 202.9 | 215.7 | 12.8 | 6.3 |
| Central School Services Block | 11.2 | 11.3 | 0.1 | 0.9 |
| Early Years Block | 92.3 | 92.3 | 0.0 | 0.0 |
| Total | **1,362.8** | **1,396.5** | **33.7** | **2.5** |

 **Schools Block**

4.3 The increase to the Schools Block represents a national increase of 1.9% compared to 2022/23. The provisional allocation for Essex increases by **£20.8 million** (2%).

4.4 The rebasing of 2022/23 reflects adding the Schools Supplementary Grant (SSG) into DSG. Table 3 shows how the DfE have added SSG into the Schools Block

|  |  |  |  |
| --- | --- | --- | --- |
|  | 2022/23£ | Supplementary Grant£ | Rebased 2022/23£ |
| Basic EntitlementPrimaryKS3KS4 | 3,217.004,536.005,112.00 | 97.00137.00155.00 | 3,314.004,673.005,267.00 |
| Primary FSM6 | 590.00 | 85.00 | 675.00 |
| Secondary FSM6 | 865.00 | 124.00 | 989.00 |
| Lump Sum | 121,300 | 3,680 | 124,980 |

4.5 The **£20.8 million** increase represents the additional funding generated by the DfE inflating the values of the NFF factors. The primary unit of funding (PUF) increases from **£4,507.16** in 2022/23 to **£4,719.90** in 2023/24 and the secondary unit of funding (SUF) increases from **£5,797.24** in 2022/23 to **£6,115.81** in 2023/24. These values are final and will be multiplied by the total number of pupils on the 2022 October Census.

4.6 The final Schools Block allocation will comprise the total allocation from pupil numbers multiplied by the relevant units of funding plus the growth fund allocation and the premises allocation.

4.7 Table 4 shows the increase in the value of the minimum per pupil level for 2023/24. After adding in SSG there is a 0.5% uplift.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2022/23£ | SSG£ | Uplift£ | 2023/24£ |
| Primary | 4,265 | 119 | 21 | 4,405 |
| Secondary | 5,525 | 162 | 28 | 5,715 |
| KS3 Only | 5,321 | 155 | 27 | 5,503 |
| KS4 Only | 5,831 | 173 | 29 | 6,033 |

**Central School Services Block**

4.8 The Central School Services Block (CSSB) comprises two elements, ongoing responsibilities and historic commitments. Ongoing responsibilities include the former retained duties element of the Education Services Grant and is funded on a per pupil allocation and deprivation factor. Historic commitments were funded at the previous year’s allocation, but the DfE commenced a winding down process reducing in 2019/20 with an annual 20% reduction.

4.9 The provisional allocation for ongoing responsibilities is **£7.5 million**, which is an increase of **£75,000** due to an increase in the amount funded per pupil.

4.10 The historic commitments element was protected at **£3.8 million** in 2022/23 but has received a 20% reduction, reducing the allocation by **£761,000** to **£3 million**. The DfE has committed to protecting historic commitments for prudential borrowing and premature retirement costs. The Authority will apply to the DfE to request our allocation is protected at **£3.8 million** in 2023/24. The provisional allocation assuming the historic commitments allocation is protected is **£11.3 million**, however **£761,000** is at risk until the DfE approve the request to protect the funding.

 **High Needs Block**

4.11 The national increase for the High Needs Block is **£570 million** in 2023/24 compared to **£1.1 billion** in 2022/23. The funding floor decreases from 8% in 2022/23 to 5% in 2023/24 and the gains cap for 2023/24 is 7%, a decrease from the 11% cap in 2022/23.

4.12 The provisional allocation is **£215.7 million**, an increase of **£12.8 million** (6.3%) and reflects how the DfE has allocated the **£570 million** increase within the high needs NFF.

**5. Changes for 2023/24**

5.1 Local authorities will only be able to use the NFF funding factors in their local formulae.

5.2 Local authorities must use all NFF factors where previously the only mandatory factors were basic entitlement and deprivation funding.

5.3 Local authorities must move their local formula factor values at least 10% closer to NFF, except where local formulae are already mirroring the NFF. If the local formula factors are within 2.5% of the NFF factor values it is deemed to be mirroring the NFF.

5.4 Local authorities must use the NFF definition for the EAL factor.

5.5 The minimum funding guarantee must be set between 0.0% and 0.5%. Using 0.5% will match the funding floor in the NFF.

5.6 Due to the ongoing impact of COVID-19 2019 assessment data will be used as a proxy for the assessments which were cancelled in 2020 and 2021.

**6. Essex Funding Formula Changes 2023/24**

6.1 Table 5 shows the NFF values for 2023/24 for primary schools

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Primary | Rebased 2022/23£ | 2023/24£ | Increase£ | Increase% |
| Basic Entitlement | 3,314.00 | 3,394.00 | 80.00 | 2.4 |
| FSM | 470.00 | 480.00 | 10.00 | 2.1 |
| FSM6 | 675.00 | 705.00 | 30.00 | 4.4 |
| IDACI F | 220.00 | 230.00 | 10.00 | 4.5 |
| IDACI E | 270.00 | 280.00 | 10.00 | 3.7 |
| IDACI D | 420.00 | 440.00 | 20.00 | 4.8 |
| IDACI C | 460.00 | 480.00 | 20.00 | 4.3 |
| IDACI B | 490.00 | 510.00 | 20.00 | 4.1 |
| IDACI A | 640.00 | 670.00 | 30.00 | 4.7 |
| Prior Attainment | 1,130.00 | 1,155.00 | 25.00 | 2.2 |
| EAL | 565.00 | 580.00 | 15.00 | 2.7 |
| Mobility | 925.00 | 945.00 | 20.00 | 2.2 |
| Lump Sum | 124,980 | 128,000 | 3,020 | 2.4 |
| Sparsity | 55,000 | 56,300 | 1,300 | 2.4 |

6.2 Table 6 shows the NFF values for 2023/24 for secondary schools

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Secondary | Rebased 2022/23£ | 2023/24£ | Increase£ | Increase% |
| Basic EntitlementKS3KS4 | 4,673.005,267.00 | 4,785.005,393.00 | 112.00126.00 | 2.42.4 |
| FSM | 470.00 | 480.00 | 10.00 | 2.1 |
| FSM6 | 989.00 | 1,030.00 | 41.00 | 4.2 |
| IDACI F | 320.00 | 335.00 | 15.00 | 4.7 |
| IDACI E | 425.00 | 445.00 | 20.00 | 4.7 |
| IDACI D | 595.00 | 620.00 | 25.00 | 4.2 |
| IDACI C | 650.00 | 680.00 | 30.00 | 4.6 |
| IDACI B | 700.00 | 730.00 | 30.00 | 4.3 |
| IDACI A | 890.00 | 930.00 | 40.00 | 4.5 |
| Prior Attainment | 1,710.00 | 1,750.00 | 40.00 | 2.3 |
| EAL | 1,530.00 | 1,565.00 | 35.00 | 2.3 |
| Mobility | 1,330.00 | 1,360.00 | 30.00 | 2.3 |
| Lump Sum | 124,980 | 128,000 | 3,020 | 2.4 |
| Sparsity | 80,000 | 81,900 | 1,900 | 2.4 |

6.3 The one change agreed for 2023/24 in the autumn 2020 consultation with schools is that the primary lump sum will move to the NFF value in 2023/24.

6.4 Table 7 shows the calculation of the minimum and maximum values for primary schools in 2023/24.



6.5 Table 8 shows the calculation of the minimum and maximum values for secondary schools in 2023/24



6.6 The distance local authorities are judged to be away from the NFF is the distance between the 2022/23 values used by local authorities and the NFF 2023/24 values increased by the area cost adjustment. Essex is one of five local authorities that have schools within the London fringe and must use a London Weighting factor. In addition, a non-fringe area cost adjustment is calculated for schools outside of the London fringe and it is this value (1.00355) that is applied to the 2023/24 NFF values.

6.7 Modelling the 2023/24 NFF values without an area cost adjustment uplift resulted in all primary school values being within the permitted range. However, for secondary schools the KS3 value is below the minimum £4,681.94 allowed and the KS4 value is above the maximum £5,647.53 allowed. This can be remedied by changing the KS3 / KS4 weighting from 1:1.218 to 1:1.20. The KS3 / KS4 weighting in the NFF is 1:1.127.

6.8 A second model was run using the ACA uplifted NFF values for 2023/24 to ensure all schools receive an uplift to recognise the geographic cost differences.

6.9 Annex A shows the provisional financial impact on schools. There is one primary school that is **£1,992** worse off than 2022/23 in both models. This is due to a rates revaluation, so whilst funding decreases so will expenditure. It can be seen that model 2 slightly favours small schools, although it will not significantly increase funding. For primary, the largest increase is **£951** and the largest decrease is **£779**. For secondary the largest increase is **£5,276** and the largest decrease is **£2,076**.

6.10 FRG recommends the following changes to the Essex local Formula for 2023/24:

* to reduce the KS3 /KS4 weighting for secondary schools by no more than the amount required to achieve the minimum / maximum values requirement; and
* to fund all primary and secondary schools at the NFF values for 2023/24 increased by the Essex non-fringe area cost adjustment.

**7. Consultation with stakeholders**

7.1 Changes to the Essex Formula for Funding Schools requires consultation with all primary and secondary schools.

**8. Background / Supporting papers.**

8.1 The provisional settlement including technical notes can be found using the following link [National funding formula tables for schools and high needs: 2023 to 2024 - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2023-to-2024?utm_medium=email&utm_campaign=govuk-notifications-topic&utm_source=f1e46e5c-28e7-47f4-8197-bdc39cbc8501&utm_content=immediately)

8.2 Annex A – Finance Model

8.3 Annex B – Draft Consultation Document

**Agenda Item 3 – Annex A**

Please see attached excel spreadsheet.

**Agenda Item 3 – Annex B**

**Overview**

The consultation concerns proposed changes to the Essex Formula for Financing Schools (the Essex local formula) for the financial / academic year 2023/24.

The consultation is for all primary and secondary schools, both maintained and academies. The Essex local formula 2023/24 will calculate budget allocations for maintained schools between April 2023 and March 2024 and academies between September 2023 and August 2024.

Each individual schools’ allocation under the current formula and proposed changes is included in Annex A.

**Why We Are Consulting**

We are seeking views on two changes to the Essex local formula required in preparation for the proposed implementation of the Direct National Funding Formula by 2027/28 at the latest.

**Introduction**

Following the Spending Review 2019 announcement of a £7.1 billion increase to the Schools Budget between 2020/21 and 2022/23, the Spending Review 2021 announced a further £4.7 billion increase between 2022/23 and 2024/25.

* £4.0 billion in 2022/23 (£2.3bn SR2019 and £1.7bn SR2021)
* £1.5 billion in 2023/24
* £1.5 billion in 2024/25

The Schools Budget covers the Schools Block, High Needs Block, Early Years Block and Central School Services Block.

Primary schools will recall that in 2020 it was agreed to transition the primary lump sum to the NFF value over three years so will move to the NFF value in 2023/24.

The DfE has announced that the minimum per pupil level increases to £4,405 for primary schools in 2023/24, to £5,715 for secondary schools, £5,503 for KS3 only schools and £6,033 for KS4 only schools.

It is proposed that the minimum funding guarantee will remain at 0.5%.

The funding schools received for the School Supplementary Grant in 2022/23 is included in the Schools Block for 2023/24 and each school’s allocation will be protected through the minimum funding guarantee.

The indicative Schools Block allocation for Essex is £1.08bn, an increase of £20.8m. The indicative delegation to schools is £1.07bn. The reason that delegation is lower than the Schools Block allocation reflects the need to retain funding for the Growth Fund, which funds new and expanding schools.

Essex County Council is consulting on the changes it is proposing to make to the Essex Formula for Funding Schools (Essex local formula) for 2023/24.

**About the Proposed Changes**

The Department for Education has confirmed that it plans to implement a ‘direct’ national funding formula by 2027/28 at the latest, whereby schools will receive what they attract through the national funding formula, rather than through the Essex local formula.

To ensure every local authority is moving towards the NFF, each local authority has been set a minimum and maximum funding range for each factor for 2023/24 depending on how far away they are from NFF.

The first change is required to meet the minimum and maximum range allowed for the key stage 3 and key stage 4 basic entitlement, so concerns **secondary schools** only.

The second change concerns the actual value of each formula factor for **all schools**.

**What Will Change**

Key Stage 3 / Key Stage 4 Weighting

To reflect the additional costs of Key Stage 4 the basic entitlement (AWPU) is weighted compared to the key stage 3 basic entitlement. The current weighting in Essex is 1:1.218, whereas the weighting used in the NFF is 1:1.128.

To meet the DfE’s minimum and maximum funding value requirements for 2023/24 the Authority **must** reduce the Key Stage 3 / Key Stage 4 weighting. Whilst the change is necessary we are still required to consult with schools.

Initial modelling suggests the weighting needs to move 1:1.200, however this may change based on the October 2022 census, but will not move more than necessary to achieve the minimum / maximum requirement of the DfE, to minimise funding turbulance for schools.

The impact of this will increase the basic entitlement value for KS3 and decrease the basic entitlement for KS4.

Essex Local Formula Funding Values

In calculating individual school budget allocations within the NFF, the DfE increaseseach school’s allocation by the local area cost adjustment to reflect local market conditions affecting each school. To ensure all Essex schools receive this adjustment the Authority will increaseeach formula value by the DfE non-fringe area cost adjustment for Essex.

Schools within the London Fringe area will continue to receive an additional allocation for London weighting.

**Consultation Questions**

**Question 1** – Do secondary schools agree that the KS3 / KS4 basic entitlement weighting is adjusted as necessary for the Authority to meet the DfE’s minimum / maximum funding requirements?

**Question 2** – Do primary and secondary schools agree that the Essex local formula should fund schools on the NFF funding values increased by the non-fringe area cost adjustment for 2023/24?

**Financial Model**

The financial model shows for each school their indicative allocations for 2023/24 based on the proposals in this consultation.

* The indicative allocation is based on the October 2021 Census and the indicative Schools Block allocation for 2023/24.

The Finance Model shows for each school the following:

* 2022/23 budget allocation
* 2022/23 Supplementary Schools Grant (SSG) allocation
* Rebased 2022/23 budget allocation including SSG
* Indicative 2023/34 allocation based on the proposed changes using October 2021 pupil data and the indicative funding for 2023/24.
* A comparison between the indicative 2023/24 allocation and the rebased 2022/23 allocation.

The final 2023/24 allocations will be dependent on pupil numbers and pupil characteristics from the October 2022 Census and any significant change in data could result in a decrease in funding. The final DSG settlement will be announced before Christmas and the final budget will be presented to Schools Forum in January 2023.

**Who is this consultation for:**

This consultation welcomes views from maintained schools and academies. The consultation is relevant to headteachers, finance staff and governors. Please note that only **one consultation response is allowed from each schoo**l.

**Responding to this consultation**

The consultation is online at <https://consultations.essex.gov.uk/>

**Enquiries**

For all enquiries please contact yannick.stupples-whyley@essex.gov.uk or by telephone 033 3013 8464.

**Deadline**

The consultation closes at 11.59pm on Monday 31st October 2022.

**The Response**

We will publish the response to Schools Forum on 30th November 2022.

|  |  |
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| Schools Forum | **Agenda Item 4** |
| Date: 28 September 2022 |  |

**REPORT TITLE: SCHEME FOR FINANCING SCHOOLS 2023/24**

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 proposed changes to the Scheme for Financing Schools for 2023/24.

**2. Recommendations**

2.1 To agree the Finance Review Group’s recommended changes to the Scheme for Financing Schools for 2023/24 at 4.2, 4.3 and 4.8. If agreed, the proposed changes will be consulted with maintained schools.

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

3.1 Table 1 shows the relevant responsibilities in relation to de-delegation and education functions, which are taken from the Education and Skills Funding Agency’s **Schools forum powers and responsibilities** published in September 2018.

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| Function | Local Authority | Schools Forum | DfE |
| Scheme for Financing Schools | Proposes and Consults | Approves (maintained school members only) | Adjudicates where Schools Forum does not agree local authority proposal. |

###### 4. Background

 Section 3.6 – Borrowing by Schools

4.1 The Scheme for Financing Schools contains a clause permitting schools to borrow from any schemes that the Secretary of State has said is available to schools. Previously this included the Salix Scheme which is currently closed.

4.2 Section 3.6 will be updated to remove the Salix Scheme and states no schemes are currently available.

 Section 4.9 – Loan Schemes

4.3 Section 4.9 is updated to state where loans are used to fund deficit balances the Secretary of State will make a direction that such loans will not transfer to the new academy.

4.4 All deficit loans agreements contain the clause that they must be repaid in full before a school converts to an academy.

Annex C – Responsibility for Redundancy Costs

4.5 The Education Act 2002 sets out the responsibilities for redundancy costs.

4.6 Section 37 of the Act states costs incurred by the local authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school shall not be met from the school’s budget share for any financial year except in so far as the authority have good reason for deducting those costs, or any part of those costs, from that share.

4.7 The Scheme for Financing Schools currently has the following provisions where redundancy costs will be charged to schools

*Charge of dismissal/resignation costs to delegated school budget*

* If a school has decided to offer more generous terms than the authority’s policy, then it would be reasonable to charge the excess to the school
* If a school is otherwise acting outside the local authority’s policy
* Where the school is making staffing reductions which the local authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit
* Where staffing reductions arise from a deficit caused by factors within the school’s control
* Where the school has an excess surplus balance and no plans to use it.
* Where a school has refused to engage with the local authority’s redeployment policy
* Where a school is closing and staff cannot be redeployed, the costs of redundancy shall be met from that school’s closing balances.
* Where a multi academy trust is enforcing a school to restructure before it converts to an academy.
* Fixed Term Contracts – where a school has direct control over the circumstances leading to the redundancy requirement. For example, the decision to appoint an employee on a fixed term contract and the contract ends for reasons other than immediate financial deficit. Also, the school budget shall meet the cost of termination where the school has allowed the fixed term contract to become permanent.
* Where a school is merging or amalgamating and staff cannot be redeployed, the costs of redundancy shall be met from schools balances. Merging or amalgamating schools receive an additional lump sum for the year following merger in recognition that there are initial additional costs associated with reorganisation. This does not include federations or Trusts.

4.8 The Authority needs to make further savings between 2023/24 and 2026/27 and cannot afford to fund redundancies decisions made by schools. It is therefore proposed to change the fifth bullet point (highlighted in yellow) in 4.7 to

* Where the school has a surplus balance or can afford to fund the redundancy costs through a deficit loan over a maximum of 5 years, in accordance with the terms in section 4.9 of the Scheme for Financing Schools.

**5. Financial Implications**

5.1 The only financial implication concerns the final proposal for charging redundancy costs to schools which will minimise the charging of redundancy costs to the local authority.

**6. Other Resource Implications**

**7. Consultation with stakeholders**

7.1 Consultation will be held with all maintained schools.

**8. Background / Supporting papers.**

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| Schools Forum | **Agenda Item 5** |
| Date: 28 September 2022 |  |

Any Other Business and Feedback from Associations and Other Forum Members

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| Schools Forum | **Agenda Item 5a** |
| Date: 28 September 2022 |  |

**High Needs Review Group**

Wednesday 7th September 2022

Minutes

In attendance

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| Jeff Fair (Chair) | Rod Lane (RL) | Sue Bardetti (SB) |
| Harriet Phelps-Knights (HP-K) | Luke Bulpett (LB) | John Hunter (JH) |
| Pam Langmead (PL) | Ruth Bird (RB) | Carole Herman (CH) |
| Simon Wall (SW) | Emily Welton (EW) | Philomena Cozens (PC) |
| Jo Barak (JB) | Amanda Thurston (AT) | Ralph Holloway (RH) |
| Yannick Stupples-Whyley (YSW) |  |  |

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| **Item** | **Report** | **Author** |
| 1 | Welcome and Apologies | JF welcomed all to the meeting |
| 2 | HNB Investment Plan – Verbal Update | RH gave a verbal update. First training session for mainstream schools. A SEND specific communication about dates. Only about half of mainstream schools signed up, so may need a push. Raw topic is Notional SEND budget but we cannot touch upon. Video to explain high needs funding system.PL – I’m still aware people have not picked up on comms. Will it be helpful if I, Carole and Emily send out reminders?RH that will be very helpful.PL – It did not go into the weekly newsletter.HP-K – there was a reminder come out but another of the end of the week will work.RH – will give an update on numbers in a couple of weeks’ time.AT – the recordings of banding training were very helpful.RH – big piece of work is to complete banding exercise and then to complete the moderation. Will ask for as many volunteers from schools. Want a range of colleagues looking at each sector. Looking at a meeting per school / colleges. Might look at how theming special schools.EW – That will be really helpful and crossover of SLD on MLD etc.Next meeting of working group at end of September.JF – please can I encourage crossover to encourage openness.  |
| 3 | Roll out of Top-up Funding – Verbal Update | RH will work on quantum on funding the bands. HNB is healthier than most authorities and if we can move funding to schools the better. Will bring back options to this group and then to Schools Forum |
| 4 | High Needs Spending Plans | RH – how we are going to make best use of funding. Looking at IPRA and how we get funding to schools. We have the Inclusion Fund that will be short term funding. Where it is taking longer than 20 weeks due to shortage of education psychologists, have asked SEND Ops for details where it is taking longer so we can begin to target funding. Need to cost as a danger you incentivise more assessment or break the bank. PC – is there a disproportionate pattern across the county. RH – we need to see if there is a recruitment fix but it is not a local issue, it is an authority wide issue.LB – data from SEND Ops on pupils with EHCPs is not correct. Issues with being awarded the right banding to ensure the children have the right funding.RH – there are data issues from Capita. Has been raised with quadrant teams. Banding exercise will expose where problems are but will identify where fixes are required to address these issues.HP-K – we need to be sure we are not double funding.RH – I have more control over money so I am more confident we are not double funding.RH – how do we support outreach offer. Need schools to say what they need. EW – ESSET committed to outreach but needs to include in reach so mainstream have funding to send staff into special schools.RH – Dan Gee will do work on this. RH - Free schools update – Hawthorns will open in January in temporary accommodation. Next September should be in permanent accommodation. Following two years the remaining schools should open. Have submitted requests for two more new free schools for SLD, 100 pupils each.JF – by time they get round to doing it there will be a greater need.RH – everything mentioned will come back to this group. |
| 5 | Any Other Business | None |
| 6 | Closing Comments | JF thanked Ralph and thanked everyone for attending.Date of Next Meeting – 2nd November 2022 |

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| Schools Forum | **Agenda Item 5b** |
| Date: 28 September 2022 |  |

**Finance Review Group**

Wednesday 7th September

Minutes

In Attendance

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| Jeff Fair (JF) – Chair | Rod Lane (RL) | Sue Bardetti (SB) |
| Harriet Phelps-Knights (HP-K) | Richard Green (RG) | Nigel Hill (NH) |
| John Hunter (JH) | Pam Langmead (PL) | Ruth Bird (RB) |
| Carole Herman (CH) | Clare Kershaw (CK) | Yannick Stupples-Whyley ( YSW) |

**Agenda**

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| **Item** | **Report** |  |
| 1 | Welcome and Apologies | JF welcomed everyone to the meeting. Apologies have been received from Sean Moriarty. |
| 2 | Forum Response to Implementing the Direct NFF Consultation | YSW reminded FRG that the report had been discussed at the July Forum meeting. It was suggested the best approach may be to state where FRG disagreed with the Authority’s response.JF stated that will be the most efficient way. Does anyone have any comments? I know Sean has been through the response and is happy.NH stated he had read through it and it was very comprehensive, very detailed and very fair and if Sean has gone through it, he is happy to accept it.JF asked members to approve the response and confirmed agreement. |
| 3 | Forum response to the Early Years Funding Formulae Consultation | YSW ran through the consultation discussing the Authority’s proposed response.JF any questions, comments or queries?NH is very pleased with the proposals for more consistency between blocks and anything that creates certainty and is happy with the general theme of the answers.RL on the last question is it appropriate to mention some settings are having difficulty in retaining staff due to petrol costs and a comment regarding energy costs.YSW added that comments can be added into that question.CK added workforce retention should go in there but it was also a pre pandemic issue as early years practitioners could find get more pay in unskilled jobs. So, we can rephrase it the workforce issue and that the cost of living crisis is likely to worsen the position.JF stated the 1% protection will not help.JF asked does the 1% section need to be strengthened? It is more than woefully inadequate it does not address the historic position.NH how about the percentage increase should reflect the current position in the country and reviewable on an annual basis.JF yes but that does not address the historic funding problem, where Clare has had to find odd pennies to help the sector.CK is it something along the lines, we welcome the approach of bringing early years funding in line with the system but recognising that before the current economic crisis early years providers were struggling to operate financially and effectively on the national hourly rate and without proper protection will only be exacerbated. Remove the word diminished and strengthen the ECC response as well.JH stated on this morning’s news some LAs are shutting down their early years provisions, relying on private provision.CK, we need to strengthen question 10.JF asked if there were any other changes requested.JF asked members to approve the changes and reported it was agreed.YSW reminded FRG this one will also go to the Early Years Sub Group. |
| 4 | Provisional School Funding Settlement 2023/24 | JF stated this would be good news if inflation was not at the level it is currently at.YSW introduced the report.JF stated for what we are asking the consultation seems very complex.CK welcomes CH’s view. We have a legal duty to consult but also to change the value so Carole if you can smooth the message across ASHE as schools should not over ponder this or waste time on this given the other priorities they have.CH agrees that the consultation needs to clearly indicate that the LA is being made to consult on a change that must be implemented as this will be helpful.YSW stated that the consultation needs to allow the KS3 / KS4 weighting to move as necessary as the data from the October data may need it to move further.JF we will aim to take it the minimum ratio adjustment needed to minimise disruption.JF looking at the area cost adjustment (ACA) is there anything we can take out of the table to make it look easier.CK stated that rather than pondering it now are FRG happy for Jeff, Yannick and myself to rewrite it and maybe use Pam and Carole as first readers.NH it does need simplifying and the way you suggest is a good proposal.JF stated it was a good proposal to take this forward and agreed by members. |
| 5 | De-delegation 2023/24 | CK provided a verbal update. Normally we would bring de-delegation to the September meeting. We are wrestling with a number of things so that is why it is not here today.1 - with the current financial situation we are waiting to see if there is a Government response.2 – there has been a proposal outside of Education for an increase but I have not seen any business case and therefore I need to scrutinise it to keep de-delegation at a minimum.3 – we are still wrestling with the impact of the removal of the School Improvement, Monitoring and Brokering Grant and as you know de-delegation was sought for the 50% and we are now working on a 100% reduction. We have worked hard during the summer and it will have wider implications on how we work with schools. It will need to go through EPHA, ASHE and ESSET. It will be completed by the November meeting.JF stated it was a very clear explanation why the paper was not presented. I will be happy to support you at Schools Forum. |
| 6 | Scheme for Financing Schools | YSW introduced the report.JF clarified the mention of 4.9 in 4.8 as there is no 4.9 in the report. YSW responded it refers to 4.9 of the Scheme, so will ensure the report clarifies this.JF asked for any questions or comments.Are we happy to accept this? FRG supports the changes. |
| 7 | School and Academy Balances | YSW introduced the report.SB – looking at my own budget and the increase in energy costs, I am wondering if this is the right time as people are under a lot of stress.CK – we made the decision back in Spring for a deep dive but given we did not know about the unfunded pay awards and energy costs, I wonder if it is a mute exercise.JF stated this is where he has some difficulty, he does not disagree with what has been said but as high balances are detrimental to the sector. This is not the best way of doing this but a discussion on what should have happened with the balances but will not now.CK - if the Government expects balances are used as part of the problem it will prevent capital investment occurring.RL – it might be an idea to pause until after our next meeting as we should know more about the Government response. The intention is good but the timing is a little insensitive.JH – if reserves are used by the Government, they are balanced towards academies, will maintain schools suffer.CK – we need to know which schools have insufficient reserves and therefore financially unviable.NH – much of the conversation is about what we do not know and therefore we need to pause.JF – worry is that they will look at the global position.SB – I think in a year we will be thankful that some schools do have some money.CK – it will be helpful to understand what schools will no longer to be able to do. They were there for a use.HP-K – could EPHA, ASHE and ESSET do this in a meeting for example brain-storm the issues which can be done quickly.JF – that will be a good starting point.SB – lots of heads are feeling under pressure and need to consider do they need to lose staff, which is not a nice position to be in.JF – we will pause this but pick up on HP-K’s suggestion.FRG agreed the revised approach. |
| 8 | Any Other Business | None |
| 9 | Close | JF, I believe we should be seeing each other at the end of September. I look forward to seeing you then. Thank you for your comments.The date of the next meeting is 2 November 2022. |

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| Schools Forum | **Agenda Item 5c** |
| Date: 28 September 2022 |  |

**School Forum Early Years Sub-group**

**MINUTES**

**Thursday 8th September 2022**

**7.00pm to 8.30pm**

**Via TEAMS**

**Attended**

Carolyn Terry, Yannick Stupples-Whyley & Sandie Leader – ECC

Rod Lane –Schools Forum Chair

Tori Madeley - SEND Inclusion and Psychology Lead

15 providers – see list at end of minutes

**Apologies**

* Claire Macklin Christ Church Preschool
* Claire Wall Childminder (withdrawing)
* Zoe Orr Harwich Connexions Noahs Nursery
* Angie Craig Yellow Brick Rd Nursery
* Linda Reynolds Home from Home Childcarers
* Chanel Lassman Safari Childcare
* Catherine Hamilton Little Sunbeams Epping
* Katherine Waite Ramsden Preschool

**Review of minutes and action log**

Minutes agreed as accurate, actions completed with one carried forward due to list of mentors not currently available.

**Schools Forum meeting feedback**

EY underspend option to make second payment for 2021-22 hours claimed taken to Schools Forum and approved. Payment has been processed.

Pressures on EY sector re recruitment, cost of living etc shared

**Early Years items discussed**

* Regulatory Changes Government consultation – Essex have drafted a response. Subgroup would like to submit response.

**Action**: Helen & Chanel to draft and members to email their thoughts to them by Monday 12th September for response to be submitted by deadline date 16th September

* SEND discussion – Main issues discussed: training available for providers, support available especially for new SENCos, SENP & IF payment timeframes & paperwork & number of children now attending identifying with SEND needs.

Cluster Meetings - Timings not always good as cannot always release staff to attend. Could consider moving to twilight or evening sometimes. Tori explained would need uptake to be good as staff would not be working in core hours. Could record meetings and save on website.

Tori – IPs should be visiting settings this term to reconnect and consolidate information available.

Would be good to have practical workshops; completion of paperwork, one planning etc or could do u-tube clips

* Nursery milk reimbursement scheme The Nursery Milk Scheme

**Action** - Take forward to next meeting as changes not being implemented in September

**Early Years Updates**

* New Early Years and Childcare Strategy – presentation attached to minutes
* Draft SF response to the Early Years National Funding Formula (EYNF) consultation – Yannick went through ECC draft response, response attached to minutes

**Action** – Members to provide any feedback to Yannick by Tuesday 13th September

* Budget update – presentation attached to minutes. Proposal to Schools Forum to increase FEEE rates for 2022-23. If approved adjustment payment will be made for Summer term 22, Autumn adjustment made at Actual headcount as interim payment already made.

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

Increase in FEEE hourly rate for 2022-23

**AOB**

DfE Immersion Programme – Potential DfE visit to learn more about what it’s like ‘on the ground’ in different settings. Treetops, Whipper Snappers, Tiddlywinks, Tolleshunt D’Arcy, Woodcroft & Jennie Heath put name forward.

**Action** – Sandie to forward DfE email to members who have expressed an interest and email details to DfE

**Date of next meeting – Thursday 3rd November via TEAMS 7.00-8.30pm**

**Future dates – 8th December 22**

**Action Log**

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| Action | Action for | Date to be completed | Action completed |
| B/F from Sept meeting - Provide details of settings who are mentoring, and number of settings being mentored as part of Early Years COVID-19 recovery programme | Carolyn | By 3rd November |  |
| Regulatory Changes Government consultation - email thoughts to Chanel & HelenSubmit sub-group response | MembersChanel & Helen | By 12th SeptemberBy 16th September |  |
| Nursery milk reimbursement scheme The Nursery Milk Scheme – add to next meeting | Sandie | By 3rd November |  |
| Draft SF response to the Early Years National Funding Formula (EYNF) consultation – email feedback to Yannick | Members | By 13th September |  |
| DfE Immersion Programme forward email to members who have expressed an interestEmail settings details to DfE  | SandieSandie | By 14th SeptemberBy 26th September |  |
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**Attendees**

Samantha Cottrill The Colourwheel Montessori

Beverley Middleton Alec Hunter Preschool

Maggie Catmull Richmond Pre-school CIC

Mahila Lexden Lodge Kindergarten

Helen Taylor VC Tiddlywinks Preschool

Jennie Heath Childminder

Angie Owen Tolleshunt D'Arcy Pre-school

Vicki Wellen Tolleshunt D’Arcy Pre-school

Terri Ewer Treetops pre-school

Jo Gridley Childminder & CCNDP

Helen Hill Oakey Dokeys Pre-school

Tina Carnegie Whipper-snappers Daycare Nursery

Claire Owers Bright Stars Preschool

Sarah Lyne Suffolk CM Agency

Ferliene Willis Woodcroft Nursery

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| Schools Forum | **Agenda Item 6** |
| Date: 28 September 2022 |  |

**Schools Forum Meeting Minutes of Wednesday 13th July 2022**

**Via Microsoft Teams**

**08.30am – 10.19am**

*(subject to forum approval)*

In Attendance

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| --- | --- | --- |
| Jeff Fair (JF) – Chair | Jo Barak (JB) | Richard Green (RG) |
| Sean Moriarty (SM) | Ruth Bird (RB) | Luke Bulpett (LB) |
| John Hunter (JH) | Simon Thompson (STh) | Carole Herman (CH) |
| Claire Styles (CS) | Harriet Phelps-Knights (HP-K) | Marilyn Smith (MS) |
| Nigel Hill (NH) | Emily Welton (EW) | Chanel Lassman (CL) |
| Robin Taverner (RT) | Stuart Roberts (SR) | Philomena Cozens (PC) |
| **LA Officers** |  |  |
| Yannick Stupples-Whyley (YSW) | Cllr Tony Ball (TB) | Clare Kershaw (CK) |
| Andrew Page (AP) | Val Cleare (VC) - Minutes |  |
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| **1** | **Apologies for Absence and substitute notices**Jeff Fair informed that Rod Lane was not well. JF welcomed everyone to the Teams meeting. Apologies have been received from Rod Lane, Simon Wall, Debs Watson, Clare White and Pam Langmead.JF welcomed Chanel Lassman (PVI member), Robin Taverner (Primary Academy Governor) and Stuart Roberts (Secondary Academy Governor).Today is Simon Thompson’s last meeting. Simon joined Forum in December 2012. On behalf of School’s Forum, JF thanked Simon for his commitment and contribution to the Forum and wished him well for the future. STh commented he had enjoyed his 10 years on the Schools Forum. |
| **2** | **Early Years – Options for Allocating Surplus Balance – Yannick Stupples-Whyley**YSW presented on behalf of Carolyn Terry. The report was seeking for Forum approval to allocate **£1million** of the Early Years Block underspend. 4.2 showed some of the options being considered, i.e., a one-off payment to all Early Years childcare providers offering the Funded Early Education Entitlement funding. Other options were additional resource to support providers with the increasing needs of children; or a sufficiency grant to support any providers in areas where there is already a lack of sufficient childcare. Options were taken to the Early Years Sub Group in June and based on the feedback it was agreed £1million of the £1.5million we are looking to initially allocate and would be paid out on the number of hours funded in 2021/22 financial year. That comes to **£0.056** per funded hour for each child. Table 2 showed the calculation of the funding per hour. 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. Under 4.5 the proposals are 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 Schools Forum meeting for approval. **Questions**PC asked is that a special uplift for providers or parents and is there an additional Special Needs amount they can apply for?YSW confirmed there is separate funding for Special Needs. YSW explained there are two pots of funding within Early Years. There is SEND Funding at the moment and then they will be merged together and will advise in due course. There is intervention where some children are not quite ready for school. CK added it will be more CPD focused, and we will separate it as far as we can. SM enquired why was it decided not to go any further with the third option under 4.2.3 (sufficiency grant). The thought behind this is to address additional support in areas where there is a lack of care and providers may be closing.**Action**: YSW will ask Carolyn Terry and report back at the next Forum in September. CL said it was discussed but the general consensus was if money was given to providers with funding difficulties then it would only prolong the inevitable and the money would be better used elsewhere.**Recommendation:**The Forum noted the report and agreed the proposal at 4.4. **Voting**: All members were in agreement. |
| **3.** | **Implementing the Direct National Funding Formula – Yannick Stupples-Whyley**The latest consultation announced on 7/6/22 and concerns the DfE’s next stage to move to the Direct Funding Formula.YSW updated the Forum on the latest DfE consultation on implementing the Direct National Funding Formula. The White Paper was going to change the legislation, but this is on hold at the moment. The consultation covers: The interaction between the Schools NFF and funding for high needs; Growth and Falling Rolls Fund; Premises Funding; Minimum Funding Guarantee. The focus is on two elements of the High Needs Funding system, i.e. the flexibility to transfer funding to Local Authorities’ High Needs budgets and proposals on the continuation of notional SEN budgets in the direct NFF. 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 mainstreams schools in their area. Criteria for assessing funding transfer applications will be set out at a later stage. However, the DfE expect to continue to use the criteria as set out in 5.4.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. The options envisaged are set out in 5.5. Local Authorities will need to submit applications informed by the provision High Needs allocations that are published in July each year. Consultation with schools will still be required. The DfE will issue guidance to Local Authorities on how they can calculate their schools’ notional SEN budget for 2023-24. YSW added he imagined the DfE will narrow the number of factors which can be used. 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. The DfE 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. 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 as set out in 6.4. 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. These proposals could be implemented in 2024-25, in the second transitional year of the introduction of the direct NFF. Once this 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 Year and High Needs, with proposals on changes to the allocation methodology included in 6.8. Significant growth would be defined as increases in the number of pupils as mirrored under 6.18. 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. We 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.With regards to premises funding, this is based on historic spend which is funded in the next year. The only exception is PFI where they do add increase based on RPI to allow for contract increases. Split sites funding will be counted 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. The 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. The other area we are looking at is exceptional premises factors. 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. The proposal is to automatically allocate additional funding through the lump sum. 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%. 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. In terms of the third factor, there is no information on this and will request a response.With regards to Minimum Funding Local Authorities set a minimum funding Guarantee under the current funding arrangements, where the NFF uses as 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. 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. In the direct NFF there will no longer be differences in school-led factors, so it is proposed to only protect pupil-led funding. In terms of the funding cycle the Local Authorities will no longer operate a funding formulae. The DfE will still need to gather some data and the DSG allocation for the Schools Block will no longer be published. 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. 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.

De-delegation will continue under the Direct NFF and any transfers. Currently we would make the original application for joint use. It will be the responsibility for academies rather than Local Authorities to apply for it.Split sites factor changes are expected to be made in 2024/25. The move towards the direct NFF constitutes a major structural change to the school funding system. It is expected the direct NFF will be implemented within the next 5 years by 2027/28 funding year at the latest. 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. Essex currently has 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. Annex A showed 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 202/23. It can be seen 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. Annex A also showed only one secondary school currently qualifying 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.**Recommendations:**Forum noted the consultationIt was agreed that the Forum submits a response to the consultation.It was agreed that the Finance Review Group formulates and submits a response on the behalf of the Forum. |
| **4.** | **Early Years Funding Formulae Consultation – Yannick Stupples-Whyley**YSW updated the Forum on the DfE consultation to review the Early Years Funding Formulae for 2023/24. There has been no change in universal base rates since the formula was introduced in 2017. The additional needs factor accounts for 10.5% of funding and is made up of three proxy measures described 4.9. It is proposed to use the DLA from February 2021 and FSM and EAL data from January 2022. With regards to Area Cost Adjustment (ACA), the 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. 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.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 square metre by taking account of the floor area of each setting. The current nursery rates cost adjustment is calculated using private nursery sector data only. It is proposed to also include an infant primary rate cost adjustment to allow the formula to better recognise the overall cost of childcare across an Authority. 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. The proposal is to return to using the formula for 2023/24 which means that the base rate will be updated.It is proposed to introduce year-on-year protections in both formulae to mitigate the impact of the reforms. It is proposed to set this at +1% to ensure every Authority sees an increase in their hourly rate in 2023/24. To ensure the year-n-year protection is affordable within the funding available it is proposed to introduce a gains cap on the gains a Local Authority can receive. 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. With regards to Reform of the Maintained Nursery School Supplement, to facilitate this reform an additional **£10million** will be invested into the maintained nursery school supplement from 2023/24. It is proposed to introduce a minimum funding floor at £3.80 and also it is proposed to cap gains at £10 per hour. Consultation submission date is 16th September 2022.**Recommendations:**The Forum noted the consultation.The Forum agreed we submit a response to the consultation.It was agreed the Finance Review Group formulates and submits a response on the behalf of Forum, in consultation with the Early Years Sub-Group. |
| **5.** | **Any other business, feedback from schools through Associations and from Schools Forum representatives on other Bodies.****ASHE**This was STh’s last meeting and was very pleased to hand over the baton to Carole Herman and agreed CH would provide some feedback. STh said thank you to everyone on the Forum with whom he has worked over 10 years where very important decisions on how funding has been decided.CH responded we are still waiting for the STRB report on the Teacher’s Pay Award. Most schools are putting 3% in the budget to cover that. Recruitment issues – many schools have had difficulty in recruitment of support staff along with teaching assistants which will be on-going. It was noted recruitment to teacher training is considerably down. Energy costs for schools is an issue and will really affect school budgets particularly as move to the autumn term. ASHE discussed agreed data sharing protocol for examination results this summer. Also discussing in-register provision for young people who are struggling in mainstream and discussions in Local Authority across Essex. Looking closely at how to support young people. The onus is on schools to check on safeguarding in any registration is high. Inspections’ focus is on reading. With the task force and the Year of Reading, this focus will continue and there are a number of initiatives already started in that area. Covid is still affecting schools, attendance on staff in schools. Also, some schools are struggling with respect to Omicron variant and staff getting into work. **EPHA**HPK reported about Covid and managing parental expectations. Recruitment issues for primary schools are a challenge with quality teachers which is not available and lack of support staff applying for those jobs. Because it is a lower paid job, the prospective applicants do not want to apply for the jobs. We are not getting a pool of applicants. EPHA has set up a small group sharing good practice and Jinnie Nicholls is Chair of that group. This has been primarily to provide support, guidance and advice on fund raising.As a primary voice on the Task Force, the Year of Reading has had a positive impact on primary schools. We are currently looking at reading age assessment to be used across all schools and identify a programme which will work for everyone. The Task Force is putting in financial support for a wellbeing programme for small schools, a support programme for small schools’ short-term project, leadership support. It is about building capacity within the system we are able to offer. Thank you to Clare Kershaw and her team for support and information given at this year’s White Paper, strategy and the SEND update. **ESSET**EW informed that recruitment of support staff is challenging and recognition that some of the roles in special schools are more challenging because of behaviours and low pay. Energy is a huge problem which schools are concerned about and how it will increase beyond forecast. Covid is still an issue and also managing parental expectations. It is also spreading amongst staff as well. We have implemented a new banding matrix in phase one. We have established an Assistant Head and Deputy Head Group for future proofing in the sector and this is going well. It is good for networking. Information on the Task Force. ESSET is looking to jointly have the Essex Year of Reading looking at how young people with special needs have good stories around sensory. It is hoped to eventually roll-out across the county.**PRUs**JB reported on new funding model in September feedback – KS3 numbers are on the increase and also KS3’s with EHCP’s. JB echoed about recruitment and struggling with posts for support staff. Also, Covid with a significant number of staff off and this is on the rise. JB was excited with the new build project and move into the next one in September. PC agreed with the new arrangements in September for new funding and the Local Authority using AWPU as agreed through the Schools Forum. Concern regarding numbers – 17 young people permanently excluded. There are a number of young people sitting with us who are not moving on. It is difficult to get children to be moved on and will have to look at this with headteachers. We took a team view at Heybridge. If children are permanently excluded, they will get 1:1 tuition of the Local Authority but PRU’s cannot solve on our own. PC agreed everything about recruitment. PC has appointed two new headteachers, Jo Cookson and a new headteacher starting in September coming over from Eastleigh College and very pleased to have him. **Early Years – Nurseries**Nothing to report. **ESGA**RB stated we are still here to support all governors. Everyone has the same problems, i.e., recruitment, retention and the cost of living. We are still planning our conference for October.**Unions****Unison**MS noted issues raised about recruitment for support staff and Covid impact. People are living with Covid and not asking for help. JF was aware about teaching staff and also the recruitment and impact all round. Also, very aware of the increase in Covid.**Church Rep** There was no representation and no report. **High Needs Sub-Group** - Highlighted AOB communication of new capital funding round and going to possibly bid for two schools initially.RB asked for an amendment – the attendance should read RB, not RH.**Action**: YSW to amend.**Finance Review Group** – the FRG had met and is a main item on the agenda.**Early Years Sub-Group** – Early Years had met and information is on the agenda.PC added looking at the Green Paper we need to think how PRU’s can offer outreach support so that unregistered providers is not the only place they can come to.CK appreciated the increase in responsibilities of using unregistered providers. We need to note this. Ofsted is not against this as long as all the safeguard checks are in place. It is about framework roll-out in September.  |
| **6.** | **Minutes of 18th May 2022**Minutes were accepted as a true and accurate record of the discussion. |
| **7.** | **Minutes Action Log – Yannick Stupples-Whyley**Action: To bring proposals for allocating £1.5million of the surplus balance to the July/September meeting.YSW reported we have agreed £1million today and the remaining £½ million will discuss at next meeting. In progress. |
| **8.** | **School Balances Update – Yannick Stupples-Whyley**YSW reported on the level of school balances for maintained schools and academies.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 showed the total balances on 31st March 2022 for maintained schools and 31st August 2021 for academies. Table 2 showed a breakdown of the movement in balances for maintained schools between 2020/21 and 2021/22. 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 teachers’ pay grant and teachers’ pension employers contribution grant. Table 3 showed a breakdown in the movement of academy / free school balances between the 2019/20 and 2020/21 academic years. Balances for academies have increased by **£17.9 million**, which reflect the **£53.1 million** increase in funding for 202/21.Table 4 showed 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. There are 3 maintained primary schools with deficit balances (£31,3000) 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. Table 5 showed the same information as Table 4 for academies. 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.Chart 1 showed the movement of school balances over the last 5 years. Since 2017/18, school balances have increased by **£42.0 million**, which is a 33.9% increase. Chart 2 showed how maintained schools plan to use their carry forward balances in 2022/23 and beyond.Detailed Analysis. As reported in 4.1 academy balances now include Trust balances for central services. Table 6 showed Trust central services balances between 2016/17 and 2020/21. Trust central services balances significantly increased in 2017/18 when the DfE permitted budgets to be pooled.Table 7 showed balances for primary schools within the DfE’s rurality.Balances have decreased overall for schools in rural hamlets and isolatedDwellings and rural villages but have increased for the other 3classifications. Table 8 showed the same analysis for secondary schools.The analysis showed there are 6 schools with less than 600 pupils of which2 qualified for sparsity funding in 2021/22. Whilst there continues to be acorrelation between rural location and balances in primary schools, nocorrelation can be determined for secondary schools due to MATs poolingbalances. The Forum will recall that at the May 2022 meeting it wasapproved that the Finance Review Group undertake reviewing why someschools are holding balances of 30% or more. This review will commencein September and an update will be brought to the November meeting.Table 9 showed primary schools with the highest balance as a percentageof budget. Table 11 showed secondary schools, Table 13 special schoolsand Table 15 PRU’s.**Questions**SM asked YSW to confirm that the figures appearing in this report wherethose schools are academies, do not include central services in those. YSW confirmed no, it does not include central services.SM said the figures are potentially higher.YSW responded, potentially yes.SM enquired, given the fact some schools in the top 10 are academies,what powers has the Local Authority got to ask about the use of thosebalances?YSW replied we have not got that information relating to this.YSW indicated under special schools 5.1.3 Castledon school is happy tosay balances are a lot lower. Funding for a particular project has been usedand that will go down next time.CK suggested putting this into a more sophisticated debate than justheadline figures. It is really difficult to say to Cllr Ball that schools are infinancial difficulty. Looking at these figures shouts out that we are unable tocontrol this down. We understand the position going forward and hope withSchools Forum support has oversight of all the budget and funding. **£166 million** we have sitting in DSG.PC indicated what you see in the Heybridge budget as not changed. Muchof the money is held for refurbishment.MF stated a lot of information is available from the end of year academyTrusts reports. There is information on designated funds. Anything sitting inreserves they have to stipulate what it is being intended to be used for. Cllr Ball re-emphasised what CK had said about how schools are struggling.What is needed from Schools Forum is a clear narrative for all schools inEssex why the balances are in place and what they are being used for. CllrBall asked for a narrative to go to our finance people as to why thesebalances are seemingly so high. **Recommendations:**The Forum noted the report.The Forum noted that the Finance Review Group will use the updatedbalances data in conducting their review of schools with balances in excessof 30% of their funding. |
| **9.** | **Schools Budget and Education Functions Quarter 1 Budget Update – Yannick Stupples-Whyley**YSW updated the Forum on the outturn position for the year ended31st March 2023 for both the Schools Budget and Education Functions.The forecast outturn for 2022/23 at Quarter 1 (May 2022) was set out in Annex A. The total forecast DSG grant allocation for 2022/23 after academy recoupment is **£554.5 million**. There has only been one academy conversion since. At Quarter 1 (May 2022) the Schools Budget is forecast to underspend by **£9.2 million**. There is a top-up funding for maintained schools, academies and free schools are forecasting a **£2.2 million** overspend due to an additional 296 EHCPs.SEN Services is forecasting an underspend of **£12.4 million**. The Forum will recall the Authority is holding a High Needs Contingent budget due to the increased funding for 2022/23. This is earmarked for funding 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).Other alternative provision services are forecasting a £200,000 overspend due to an increase of 21 pupils above the budget pupil forecast. Support for inclusion is forecasting a £213,000 underspend due to staffing vacancies. Therapies and other health related services is forecasting an overspend of £142,000 due to an increase in the number of therapy hours than forecasted.Table 2 showed a number of risks and opportunities that are not included in the outturn forecast. YSW stated there is insufficient certainty to quantify the risks and opportunities at this early stage of the financial year. Table 3 showed the forecast DSG position on 31st March 2023.Education Functions. At the meeting of 6th October 2021, the Schools Forum approved the Authority’s proposals for services provided to all schools and this was shown in Table 4 with a total of **£3.08 million**.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 showed the total funding de-delegated from maintained schools in 2022/23.Table 6 showed the forecast outturn at Quarter 1 (May 2022) which is an underspend of **£113,000** due to vacant posts.JF was concerned about 4.10 Table 2 that the delay in opening of 2 special schools from January 2023 which would be a disappointment rather than an opportunity. **Recommendation:**The Forum noted the forecast outturn position for 2022/23. |
| **10.** | **Forward Plan – Yannick Stupples-Whyley**YSW read this out and confirmed the dates of future meetings.YSW mentioned with regards to the November meeting there would be an update on the 2023/24 decision to potentially change the Minimum Funding Guarantee – working with Finance Review Group on this.**Recommendations:**The Forum noted the dates of future meetings.That additional items as proposed by Schools Forum are included in the Forward Plan. |
| **11.** | **Chair’s Closing Comments** (Rod Lane)JF thanked everyone for attending and for their contributions. JF looked forward to the next meeting.**Date of next meeting – Wednesday, 28th September 2022 at 8.30 a.m.** **In person meeting – Hamptons Sports and Leisure, Tydemans, Beehive Lane, Great Baddow, Chelmsford CM2 9FH** |

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| Schools Forum | **Agenda Item 7** |
| Date: 28 September 2022 |  |

**REPORT TITLE: Minute Action Log**

Report by Yannick Stupples-Whyley

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

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| --- | --- | --- | --- | --- | --- |
| 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 November’s meeting. | In progress |
| FRG – 7th September | De-Delegation 2023/24 | Yannick Stupples-Whyley | Usually, the Authority brings the De-delegation paper to the September meeting.  | FRG has agreed to delay this to the November meeting given the uncertainty on Energy costs at this time |  |

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| Schools Forum | **Agenda Item 8** |
| Date: 28 September 2022 |  |

**REPORT TITLE: SCHOOL FORUM RESPONSE TO IMPLEMENTING THE DIRECT NFF 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 Schools Forum of the agreed Finance Review Group’s (FRG) response on behalf of Forum to the consultation on Implementing the Direct NFF.

**2. Recommendations**

2.1 To note the report.

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

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

###### 4. Background

4.1 The Authority presented an overview of the consultation at the July meeting, where Forum approved that FRG compose and submit a response on behalf of Schools Forum.

4.2 FRG met on 7th September where the Authority presented their response. FRG agreed that the Authority’s response was comprehensive and fair and agreed to submit the same response.

4.3 Annex A shows the response in full.

**5. Financial Implications**

5.1 The financial implications presented in July remain until the outcome to the consultation is known later this year.

**6. Other Resource Implications**

**7. Consultation with stakeholders**

**8. Background / Supporting papers.**

8.1 Annex A – Schools Forum Response to the Consultation.

**Annex A – Schools Forum 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

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| The ideal position is that there is sufficient high needs funding to enable local authorities to sufficiently fund their high needs provision.However, if this is not the case then yes there needs to be the ability to transfer funding from the Schools NFF to the High Needs Block.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

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| 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?

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| 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, the allocation needs to be sufficient to 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

**Question 5**

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

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| 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

**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

**Question 8**

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

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| 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

**Question 10**

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

Yes

**Question 11**

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

That is about the right distance

**Question 12**

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

The funding should be higher

**Question 13**

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

The distance eligibility should be given a higher weighting.

**Question 14**

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

Yes

**Question 15**

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

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

**Question 16**

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

Unsure

**Question 17**

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

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| --- |
| 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. The move from 1% to 2.5% is significant so should be introduced gradually moving from 1% to 1.5% then to 2% and finally to 2.5%.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, which the Department has provisionally agreed the exceptional factor can continue through to 2028-29. |

**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?

No

**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

**Question 20**

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

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

**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?

Calculator tool

**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?

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| --- |
| 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?

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| --- |
| 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?

One single data collection

**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?

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| --- |
| 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. |

Response ID ANON-VMYX-T5BB-1

Submitted to Implementing the direct national funding formula

Submitted on 2022-09-08 16:39:33

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| Schools Forum | **Agenda Item 9** |
| Date: 28 September 2022 |  |

**REPORT TITLE: SCHOOL FORUM RESPONSE TO 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 Schools Forum of the agreed Finance Review Group’s (FRG) response on behalf of Forum to the consultation on the Early Years Funding Formulae.

**2. Recommendations**

2.1 To note the report.

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

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

###### 4. Background

4.1 The Authority presented an overview of the consultation at the July meeting, where Forum approved that FRG compose and submit a response on behalf of Schools Forum.

4.2 FRG met on 7th September where the Authority presented their response. FRG agreed with the majority of the response but chose to strengthen the response in disagreeing the proposed approach to year-on-year protection. The Authority agreed to use the same response to questions 10 and 11.

4.3 The response agreed by FRG was presented to the Early Years Sub-Group on 8th September. Members were given the opportunity to suggest changes but none were received.

4.4 Annex A shows the response in full.

**5. Financial Implications**

5.1 The financial implications presented in July remain until the outcome to the consultation is known later this year.

**6. Other Resource Implications**

**7. Consultation with stakeholders**

**8. Background / Supporting papers.**

8.1 Annex A – Schools Forum Response to the Early Years Funding Formulae Consultation

**Annex A – Schools Forum Response**

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

Yes

This will ensure funding reflects the current needs of pupils.

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

Yes

It will ensure consistency with the high needs NFF and will ensure that part-time pupils under 5 are counted.

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

Yes

Yes, for the three and four year olds EYNFF but it should also be extended to two year olds and included as part of the two year old EYNFF.

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

Yes

Yes, the underlying data currently used is out of date and needs to be updated to reflect the current costs within the sector. However, as one of five local authorities that border London, we are concerned about the changes outlined for the Area Cost Adjustment for authorities bordering the Capital. We would like to see the evidence that this change is justified, and that Early Years staff in the Southeast are not travelling further than 1 district for their job. Schools and nurseries need to compete with other employers locally and we feel that the area considered an acceptable commutable distance is likely to be higher where there remain good transport links around London.

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

Unsure

We support the principle of accurately assessing the costs of the sector, however we are concerned there appears to be a negative impact for local authorities where the majority of provision is within the private sector, compared to authorities with a higher percentage of provision within school nursery classes. As an authority on the border of London we have an ACA considerably below our neighbouring authority where they have a significantly higher school nursery provision. As we both border London we will be negatively impacted as our ACA will not reflect the higher cost our early years providers face.

We support the principle of using three years data to smooth volatility.

**Question 6 – Do you agree with our proposed approach to mainstreaming the early years element of the teachers’ pay and pensions grant?**

Yes

This is consistent with the approach to the Schools Block.

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

Yes

The proposed change to the language of the quality supplement needs to ensure the funding can be paid to primary schools offering the free entitlement to ensure they continue to receive the funding they received through the supplementary grant.

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

Yes

Funding should be based on the latest available data, however if there is a significant increase in eligible pupils funding needs to reflect this, otherwise the funding will need to be spread thinner.

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

Yes

This ensures consistency with 3 and 4 year old funding.

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

No

We welcome the approach of bringing early years funding more in line with the remainder of the system, but recognising that before the current economic position of the country that early years providers were struggling to operate financially and effectively within the national hourly rate of funding. Without proper protections this situation will be exacerbated.

The DfE should consider linking protection to inflation and needs to secure additional funding to ensure Early Years services continue to operate to meet the statutory sufficiency demands that exists.

**Question 11 – Do you agree with our proposed approach to protections in the 2 year old formula?**

No

Protection needs to recognise that before the current economic position of the country early years providers were struggling to operate financially and effectively within the national hourly rate of funding. Without proper protection thus situation will be exacerbated.

The DfE should consider linking protection to inflation and needs to secure additional funding to ensure Early Years services continue to operate to meet the statutory sufficiency demands that exists.

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

Yes

This will give local authorities and maintained nursery schools more certainty in funding, however there is no evidence to suggest why there is such a wide variation in allocations.

**Question 13 – Do you agree with our proposed approach to rolling the teachers’ pay and pension grants into MNS supplementary funding?**

Yes

This will ensure maintained nursery schools continue to receive the supplementary funding.

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

To ensure a positive impact upon individuals, it is essential that additional needs factors use the latest data available to ensure current needs are provided for.

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

There are a growing number of 2 year olds who are eligible for disability living allowance but are not eligible for the Disability Access Fund. There should be additional needs funding for the disability living allowance. In addition, the Disability Access Fund should be extended to fund two year olds.

Early Years settings are struggling to retain their workforce due to high fuel costs. A pre-pandemic problem was retention of the workforce as skilled and experienced early years practitioners left the sector for unskilled jobs where the pay was higher. This is likely to worsen with the current cost of living crisis.

Funding for the sector needs to increase to reflect the increase in energy costs. Where previous funding such as the School Supplementary Grant has only funded the public sector element of the early years sector, funding for energy costs must support the whole early years sector.

Response ID ANON-ESDE-RYYU-T

Submitted to Early years funding formulae

Submitted on 2022-09-16 10:13:05

|  |  |
| --- | --- |
| Schools Forum | **Agenda Item 10** |
| Date: 28 September 2022 |  |

**REPORT TITLE: SCHOOLS BUDGET HALF YEAR MONITORING REPORT 2022/23**

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. Background

4.1 The forecast outturn for 2022/23 at Quarter 2 (August 2022) is set out at Annex A.

4.2 The total forecast DSG grant allocation for 2022/23 after academy recoupment is **£558.6 million**.

4.3 At Quarter 2 (August 2022) the Schools Budget is forecast to underspend by **£9.8 million**. The significant variations (above £100,000) contributing to the 2022/23 forecast outturn position are described below.

 **Central School Services Block - £121,000 overspend**

4.4 Forum will recall the Central School Services Block is under pressure due to the inability to reduce expenditure in line with academy conversions.

 **High Needs Block - £8.7 million underspend**

4.5 Top-up funding for maintained schools and academies are forecasting an overspend (**£988,000**) due to the continued increase in the number of Education, Health and Care Plans (EHCPs).

4.6 Independent special schools are forecast to overspend (**£463,000**) due to an increase in numbers and an increase in the complexity of pupils.

4.7 SEN Services is forecasting an underspend (**£10.7 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 for Education, Health and Care Plans (EHCPs) and early intervention projects. At the half-year point this is showing an underspend of **£12 million**. This is primarily offset by a **£1.1 million** overspend on Individual Pupil Resourcing Agreements due to increased medical needs (£241,000 overspend), an increase in volume (£212,000 overspend) and inclusion framework projects (£632,000 overspend). There is also a forecast overspend (**£300,000**) on specialist SEND equipment.

4.8 Other alternative provision services are forecasting a **£221,000** overspend due to an increase of 41 pupils above the budgeted pupil forecast.

4.9 Support for inclusion is forecasting a **£238,000** underspend due to staffing vacancies.

4.10 Therapies and other health related services is forecasting an overspend **£521,000** due to three new contracts exceeding the price of the old contract due to increased demand.

 **Early Years Block - £1.2 million underspend**

4.11 The underspend represents the additional funding for 2021/22 (**£2.7m**) offset by the **£1 million** funding agreed by Forum in July plus a commitment for a further **£500,000** of the underspend to be allocated to early years providers.

 **Risks and Opportunities**

4.12 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 – There is the potential for independent special schools fees to increase with the cost of living and energy crisis. |  | 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** |

 **Forecast DSG Balance**

4.13 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 | 0.0 | 0.1 | (8.7) | (1.2) | (9.8) |
| Closing Balance 2022/23 | **0.0** | **(1.1)** | **(11.8)** | **(3.7)** | **(16.5)** |

4.14 Plans on spending the contingent budget within the high needs block are being drawn up, however given the current energy crisis it will be prudent to maintain the surplus balance.

 **Education Functions**

4.15 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** |

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

4.17 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** |

4.18 The budgets in Table 5 are subject to recoupment each time a school converts to an academy. To date there have been two academy conversions, however only the first conversion is reflected in Table 6 as the second conversion occurs in Period 6 and this report is at Period 5.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Asset Management£ | Statutory & Regulatory£ | School Improvement£ |
| Original Budget | 280,968 | 2,114,621 | 439,669 |
| Recoupment | (210) | (1,585) | 0 |
| Revised Budget | **280,758** | **2,113,036** | **439,669** |

4.19 Table 7 shows the forecast outturn at Period 5 (August 2022) which is a **£21,000** overspend.

|  |  |  |  |
| --- | --- | --- | --- |
| Education Functions | Budget£’000 | ForecastOutturn£’000 | Variance£’000 |
| Education Welfare | 1,170 | 1,170 | 0 |
| Strategic Management | 1,577 | 1,623 | 46 |
| Asset Management – all schools | 333 | 333 | 0 |
| Asset Management – maintained schools | 281 | 281 | 0 |
| Statutory & Regulatory Duties | 2,113 | 2072 | (41) |
| School Improvement | 440 | 455 | 15 |
| Total | **5,913** | **5,934** | **21** |

**5. Other Resource Implications**

**6. Consultation with stakeholders**

**7. Background / Supporting papers.**

7.1 Annex A – Schools Budget Forecast Outturn 2022/23

**Agenda Item 10 – Annex A**



|  |  |
| --- | --- |
| Schools Forum | **Agenda Item 11** |
| Date: 28 September 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 30th November 2022 | Early Years and Childcare Update (D) |
|  | School Funding Consultation Final Proposal (D) |
|  | De-Delegation 2023/24 (D) |
|  | Scheme for Financing Schools (D) |
|  | Primary SEMH Provision (D) |
|  | Terms of Reference (D) |
|  | Energy Bill Update (I) |
|  | Inclusion Framework (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) |
|  | School Balances (I) |
|  | 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 (D / I) |
|  |  |
| Wednesday 27th September 2023 | Half Year Budget & Education Functions Update 2023/24 (I) |
|  | Scheme for Financing Schools (D) |
|  | High Needs Funding 2024/25 (D/I) |
|  | School Funding 2024/25 (D) |
|  | High Needs Funding Review (I) |
|  | De-Delegation 2024/25 (D) |