



Shropshire Council
Legal and Democratic Services
Shirehall
Abbey Foregate
Shrewsbury
SY2 6ND

Date: 9 September 2021

**Committee:
Schools Forum**

Date: Thursday, 16 September 2021
Time: 8.30 am
Venue: MS Teams

You are requested to attend the above meeting.
The Agenda is attached

Tim Collard
Interim Assistant Director - Legal and Democratic Services

Members of Schools Forum

Bill Dowell (Chair)	Kerry Lynch
John Hitchings (Vice-Chair)	Stephen Matthews
Phil Adams	David O'Toole
Michael Barrett	Alan Parkhurst
Mark Cooper	John Parr
Alan Doust	Greg Portman
Sabrina Hobbs	Revell
Sandra Holloway	Darren Reynolds
Colin Hopkins	Mark Rogers
Marilyn Hunt	Andrew Smith
Shelley Hurdley	Charles Thomas
Samantha John	Guy Verling
Sian Lines	

Your Committee Officer is:

Philip Wilson Service Manager Business Support People
Tel: 01743 254344
Email: phil.wilson@shropshire.gov.uk


AGENDA

- 1 **Apologies**
- 2 **Election of Chair (Karen Bradshaw)**
- 3 **Minutes and Matters Arising - 17 June 2021 (Pages 1 - 8)**
- 4 **Updated Dedicated Schools Grant (DSG) 2021-22 (Jo Jones) (Pages 9 - 10)**
- 5 **School Revenue Funding Update 2022-23 (Jo Jones) (Pages 11 - 16)**
- 6 **Consultation on 'Fair School Funding For All' (Phil Wilson) (Pages 17 - 24)**
- 7 **Dedicated Schools Grant Monitoring 2021-22 (Stephen Waters)**
Report to follow.
- 8 **Communications**
- 9 **Future meeting dates**

Future meetings:

Thursday 4 November 2021	8.30 am	Microsoft (MS) Teams
Thursday 2 December 2021	8.30 am	Microsoft (MS) Teams
Thursday 13 January 2022	8.30 am	Microsoft (MS) Teams
Thursday 27 January 2022 (provisional)	8.30 am	Microsoft (MS) Teams
Thursday 17 March 2022	8.30 am	Microsoft (MS) Teams
Thursday 16 June 2022	8.30 am	Microsoft (MS) Teams

Agenda Item 3

	Schools Forum Date: 16 September 2021 Time: 8.30 am Venue: Via MS Teams	<u>Item/Paper</u> A Public
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MINUTES OF SCHOOLS FORUM HELD ON 17 JUNE 2021 – HELD VIA MS TEAMS

Present

School Forum Members

Bill Dowell (Chair)
Alan Doust – Secondary academy headteacher (from 9.15)
John Hitchings – Academy governor
Sandra Holloway – Primary governor
Marilyn Hunt – Primary headteacher
Sue Lovecy – Secondary academy headteacher
Stephen Matthews – Primary governor
David O’Toole – Secondary academy headteacher
Alan Parkhurst – Primary headteacher
Michael Revell – Primary governor
Mark Rogers – Primary headteacher
Andrew Smith – Post 16
James Staniforth – Post 16
Charles Thomas – Professional association representative
Carla Whelan – Primary academy headteacher (left at 9.00)

Members

Kirstie Hurst-Knight (left at 9.25)
Nick Bardsley

Officers

Jo Jones
Neville Ward
Stephen Waters
Phil Wilson
Helen Woodbridge

Observers

Roger Evans
David Vasmer

	ACTION
<p>1. Apologies</p> <p>Apologies had been received from Karen Bradshaw, Sabrina Hobbs, Mark Cooper, Reuben Thorley and John Parr</p> <p>David O’Toole had advised that he may have to leave the meeting early and Alan Doust had advised that he may be late in arriving.</p> <p>The chair welcomed James Staniforth and Kirstie Hurst-Knight to their first Schools Forum meeting.</p>	
<p>2. Minutes and Matters Arising</p> <p>The minutes of the meeting held on 18 March 2021 were agreed as a true record.</p> <p>John Hitchings reminded officers to send a summary update of academy and LA schools.</p> <p>James Staniforth introduced himself. He advised that together with his role as principal of Shrewsbury Colleges Group, he is also a governor of a secondary</p>	<p>PW</p>

school.

Page 2 – catch up premium – Phil Wilson advised that he had picked this up with the DfE and will cover further at agenda item 4.

The F40 report and COVID related funding report had been circulated.

Neville Ward confirmed that he had thanked the providers at the last network meeting.

The DfE education recovery support document was shared via the chat. This makes reference to the recovery premium for 2021-22 - £302 million. Further guidance is to follow and allocations will be available in December. Another £218 million will be available for tutoring in schools.

The chair thanked the administrative clerk for her continued support.

3. **Updated Dedicated Schools Grant 2021-22**

Jo Jones presented her report which was as expected.

Shropshire's 2021-22 DSG allocation was updated in March 2021 to include recoupment for academies and deductions for high needs places funded by the Education and Skills Funding Agency (ESFA).

	Provisional DSG £m	Recoupment / Deductions for HN places £m	Latest DSG £m
Schools Block	183.383	124.426	58.956
Early Years Block (Provisional)	17.028	0	17.028
High Needs Block	31.527	5.276	26.251
Central Schools Services Block (CSSB)	2.599	0	2.599
Total DSG	234.537	129.702	104.834

Neville Ward advised of the changes to the Early Years Block calculations adding that there is now an additional summer term headcount which is underway. There is also a summer term census to determine final allocation for 2020-21 and to inform budget allocations for 2021-22.

Andrew Smith asked if point 5 was new. Jo Jones agreed to find out more about this.

JJ

4. School Balances as at March 2021

Jo Jones presented her report.

The report analyses the actual levels of individual local authority maintained schools' balances as at 31 March 2021 and compares these with the previous year's position.

It was reported that the overall level of school balances held by maintained schools in Shropshire has increased over the last financial year by £2.332m (78%) to a total balance of £5,332,962.

	March 2020	Balance	March 2021	Balance	Variance	
	Number of Schools	March 2020	Number of Schools	March 2021	£	%
		£		£		
Primary Schools						
In Deficit	4	-41,025	2	-10,203	30,822	-75%
In Surplus	81	3,509,888	82	5,567,677	2,057,789	59%
Net Total	85	3,468,863	84	5,557,474	2,088,611	60%
Secondary (inc All-Through) Schools						
In Deficit	1	-474,420	1	-437,621	36,800	-8%
In Surplus	0	0	0	0	0	0%
Net Total	1	-474,420	1	-437,621	36,800	-8%
Special Schools						
In Deficit	1	-202,304	1	--53,198	149,106	-74%
In Surplus	1	209,241	1	266,307	57,066	27%
Net Total	2	6,937	2	266,307	259,370	2972%
All Schools						
In Deficit	6	-717,749	4	-501,022	216,727	-30%
In Surplus	82	3,719,129	83	5,833,984	2,114,855	57%
Net Total	88	3,001,380	87	5,332,962	2,331,582	78%

Overall surplus balances have increased by £2.114m (57%) during the year, in contrast to reductions to overall surplus balances in previous years.

Overall deficit balances have decreased by £216,727 (-30%), in contrast to a 30% increase in deficit balances in the previous year. Deficit balances have decreased in all sectors: secondary, primary, and special.

Unfortunately there is no information regarding academy balances but it is hoped to have some data to report on in the Autumn meeting.

Schemes for financing local authority maintained schools

The Department for Education has updated the statutory guidance on Scheme for the Financing Schools. The changes include the requirement for maintained schools to submit a 3-year budget forecast each year, and the directive for schools which have a deficit of over 5% to submit a recovery plan to the local authority

An update of the Shropshire Scheme for the Financing of Schools will be presented for Schools Forum's consideration and comment in the Autumn term.

School Forum members were advised that they should contact Jo Jones for further information about school balances.

Mark Rogers suggested that schools are accruing more this year. Although they have spent more money on cleaning and lost some income, there is generally still a saving overall although this doesn't seem to be accepted nationally. He was concerned that information for academies is not readily available and was pleased that balances for LA schools have been anonymised.

Jo Jones will consider reporting methods for this next year.

JJ

Marilyn Hunt asked about deficits and asked if there is one in place on conversion, would the remaining schools still have to carry this. She was advised that if the school was sponsored, it would be the case. In the current case of a special school, there should not be any deficit. It will be reported at the next meeting if there is a residual deficit.

PW

The requirement for three year budget forecasts will be covered further at the next meeting. Phil Wilson advised that he is working with the schools finance team to support maintained schools with this. Mark Rogers did not think that this would be an issue as it was a requirement of the SFVS return so should already be in place. It was agreed that some quality assurance from the LA will be required.

James Staniforth confirmed that the requirement for a three year forecast had been in place for FE for some time.

5. **Growth Fund Allocations 2020-21 and 2021-22**

Phil Wilson presented his paper.

2020-21 Growth Fund

Allocation of £976,988, of which £667,055 was originally set aside for distribution to schools requiring growth to meet basic need – balance of £309,933 was earmarked to part fund transfer of 0.5% from the Schools Block to the High Needs Block to meet pressures on the latter.

Total of £377,000 as distributed to 8 schools in 2020-21 – balance of £290,055 was used to offset the overall overspend on the Dedicated Schools Grant at the year end.

2021-22 Growth Fund

Allocation of £959,993, of which School Forum agreed a sum of £521,993 to be earmarked to part fund transfer of 0.5% - £876,000 - from the Schools Block to the High Needs Block to meet pressures on the latter, leaving a balance of £438,000 for distribution to schools requiring funds in 2021-22

4 secondary academies will be receiving funding in the Summer term based on allocations from September 2020 through to the end of August 2021 at a committed cost of £140,000

Pre-opening costs for the new mainstream school in west Shrewsbury, planned to open in September 2022, will be charged to the Growth Fund – total estimate is £153,000 (£47,000 in 2021-22 and £106,000 in 2022-23).

6. **Provision of Trade Union Facility Time in Shropshire**

Charles Thomas presented his paper.

Trade union facility time is subject to de-delegation and approval by Schools Forum on an annual basis. The funding is already accounted for in the budget. The budget for facility time has significantly reduced over recent years. The decrease in the budget has led to 2 days per week for NEU and NASUWT and just a half day for NAHT.

The National Funding Formula has seen a steady year on year rise. Last year (2020-21) the rise was 3.67% going to 4.5 % this year (2021-22).

Phil Wilson explained that consultation on de-delegation will take place in October as usual including the provision of Trade Union Facility Time. This will be included as a third proposal. Schools Forum will then make a decision after the consultation. Schools Forum agreed that this could be included in the consultation papers.

The chair thanked Charles Thomas for his input.

7. Dedicated Schools Grant Monitoring

Stephen Waters presented the paper.

The 2020-21 outturn position for the DSG is a £0.478m in-year surplus, This surplus needs to be added to the £1.710 DSG deficit carried forward from 2019-20 resulting in a cumulative DSG deficit of £1.232m to be carried forward into 2021-22.

- 2020-21 outturn by block:

	2020-21 DSG Allocation £ m'	2020-21 Expenditure £ m'	2020-21 Variance £ m'
Early Years Block	16.796	16.592	- 0.204
Centrally controlled or retained High Needs Block	20.929	20.977	0.047
Central Schools Services Block	2.791	2.780	- 0.011
De-Delegated Items from Schools Block	0.354	0.334	- 0.020
School Growth Fund from Schools Block	0.667	0.377	- 0.290
Total	41.537	41.059	- 0.478

Early Years Block

£0.204m underspend reported against a provisional Early Years Block allocation of £16.796m. The final Early Years DSG allocation for 2020-21 is published later in the year. The underspend relates to reduced take up of places for 2 year olds (£0.151m) and 3-4 year olds (£0.093m) when compared to the number which Shropshire is funded for based on January 2020 census data. These underspends are after the double-funding of nursery places due to Covid-19 which led to additional costs of approximately £0.150m

The main area of growth is SEN support - £0.029m overspend.

Neville Ward confirmed that the underspend will be taken up with revised allocations.

High Needs Block

In-year deficit of £0.047m. Given that £0.842m of high needs funding represents a one-off transfer of funding from the Schools Block as approved by Schools Forum, this indicates that the High Needs Block DSG allocation to Shropshire is insufficient to meet needs

Main variances:

High Needs Budget Area	2020-21 Variance £ m'	Reason for Variance
Top-Up Mainstream Schools	0.204	Increase in demand for top-up funding in mainstream schools reflecting the national picture. Number of EHCPs in mainstream schools decreased from 2018 to 2020 but during this time Shropshire has introduced the Graduated Support Pathway payments which has increased spending in this area through SEN support and early intervention
Top-Up Special Schools	0.182	Increase in demand for top-up funding in special schools reflecting the national picture. Increasing at a similar rate to mainstream schools. There has been an increase in the number of mainstream special school pupils with an EHCP from 574 in 2018 to 613 in 2020
Post 16 FE College Placements	0.029	Significant growth as a direct result of changes in legislation under the Children and Families Act. Large increase in numbers at 2 lower cost, mainstream colleges in particular as a consequence of an increase in number of P16 students with an EHCP from 189 in 2018 to 313 in 2020. Important to note that while the overspend is relatively low (£0.029m), the increase in actual expenditure compared to 2019-20 is much higher (£0.409m)
Independent Special Schools	-0.137	Underspend reported due to investment in supporting children to access mainstream provision in specialist hubs within mainstream schools. National benchmarking data indicates that Shropshire has 0.49% of it's pupils in Independent Special School placements in 2019-20 compared with the national average of 0.22% so may be scope to reduce expenditure in this budget area. As with P16 College Placements important to note that while an underspend is reported the actual expenditure has increased by £0.208m compared to 2019-20
Support For Inclusion	-0.317	One-off underspends experienced in year resulting from less expenditure on 6th Day Provision (£0.130m underspend). Also, one-off backlog of AWPU funding transfers from schools to the High Needs Block where pupils have been excluded (£0.227m)

Growth Fund

Similarly to 2019-20 financial year - an underspend against the Growth Fund within the schools block totalling £0.290m. This had the effect of reducing the overall cumulative deficit carried forward by increasing the in-year surplus from £0.188m to £0.478m.

Alan Parkhurst suggested the need to raise issues around Graduated Support Pathway (GSP) with the new head of service when appointed. There is a need to check if there is evidence of a reduction in EHCPs, ie, is the system effective?

James Staniforth found this to be a very helpful paper. He advised that increased numbers of students attending college mean that the colleges can invest in specialist staff.

It was confirmed that the DSG recovery plan will be updated and shared with Schools Forum in September.

Schools Forum unanimously approved that the £0.478m in-year underspend is offset against last year's deficit carried forward of £1.710m and carried forward into 2021-22 financial year to give a cumulative deficit of £1.232m

The chair summarised that much work will be required to balance the high needs budget.

John Hitchings advised that this would have been Sabrina Hobbs last meeting. The chair agreed to send a letter of thanks and best wishes.

Chair

8. Communications

The need to keep up pressure re high needs funding was agreed.

9. Future meeting dates:

Thursday 16 September 2021
Thursday 4 November 2021
Thursday 2 December 2021
Thursday 13 January 2022
Thursday 27 January 2022 (provisional)
Thursday 17 March 2022
Thursday 16 June 2022

The meeting closed at 09.45



Schools Forum

Date: 16 September 2021

Time: 8:30 a.m.

Venue: MS Teams Meeting

Paper

B

Public

Updated Dedicated Schools Grant (DSG) 2021-22

Responsible Officer Jo Jones

e-mail: jo.jones@shropshire.gov.uk

Tel: 01743 254343

Summary

The Department for Education (DfE) announced provisional 2021-22 local authority Dedicated Schools Grant (DSG) allocations in December 2020. In March 2021 the DfE announced an update to the DSG allocation for the 2021-22 financial year. A further update was received in July 2021.

This report provides a summary of Shropshire's latest updated 2021-22 DSG allocation comparing it with Shropshire's previous provisional DSG allocation as reported to Schools Forum in June 2021.

Recommendation

This report is for information only.

REPORT

1. In January 2021 Schools Forum members received a report summarising the funding blocks making up Shropshire's 2021-22 provisional DSG allocation and listing the key financial headlines for each of the blocks.
2. Shropshire's 2021-22 provisional DSG allocation was updated in March 2021 to include recoupment for academies and deductions for high needs places funded by the Education and Skills Funding Agency (ESFA) at that point.
3. A further update was received in July 2021 including adjustments to academy recoupment in relation to recent convertors, the early years' provisional allocation and the high needs import/export adjustment.
4. A summary of the provisional 2021-22 DSG (as presented to Schools Forum in June 2021), and the latest updated 2021-22 DSG announced in July 2021, is shown in the table below.

5.

	Provisional DSG (as at Dec 20) £m	Recoupment / Deductions for HN places (as at March 21) £m	Provisional DSG (as at March 21) £m	Recoupment / Early Years Adjustment / HN Import/Export Adjustment (as at July 21) £m	Latest DSG (as at July 21) £m
Schools Block	183.383	-124.426	58.956	0	58.956
Early Years Block (Provisional)	17.028	0	17.028	0	17.028
High Needs Block	31.527	-5.276	26.251	-0.58	25.671
Central Schools Services Block (CSSB)	2.599	0	2.599	0	2.599
Total DSG	234.537	-129.702	104.834	-0.58	104.255

6. The latest (July 2021) Schools Block allocation shows no changes as there have been no academy conversions. The DSG recoupment will be updated throughout the financial year to reflect any further academy conversions.
7. There is no update to the Early Years Block allocation due to the changes in the way headcount data is collected. An update to 2021 summer and autumn term adjustments will be published in January 2022 and a final update will be made in July 2022.
8. The latest High Needs Block adjustment relates to the following elements:
- an update to our import/export adjustment. The import/export adjustment reflects the net place funding costs of other local authority pupils placed in our high needs settings and Shropshire high needs pupils placed in other local authority settings. Shropshire is a net exporter of high needs pupils and our 2021-22 import/export adjustment has decreased by £240,000. The total deduction for our import/export adjustment is now £0.966m included within the High Needs Block funding.
 - There is also an adjustment for the conversion of Woodlands to special academy. 82 commissioned places for 21-22 are being recouped from the High Needs Block as they will be funded directly from the ESFA. Therefore, there is an overall reduction to the High Needs block of £0.58m
9. Shropshire's latest remaining DSG for 2020-21, after recoupment for academies and deductions for direct funding of high needs places by ESFA, equates to £104.255m.



Schools Forum

Date: 16 September 2021

Time: 8:30 a.m.

Venue: TEAMS Meeting

Paper

C

Public

SCHOOLS REVENUE FUNDING 2022-23

Responsible Officer Jo Jones

e-mail: jo.jones@shropshire.gov.uk

Tel: 01743 254343

Summary

In July 2021 the Education & Skills Funding Agency (ESFA) published schools revenue funding guidance for 2022-23 for local authorities and schools forums. The guidance confirms the impact on the schools national funding formula (NFF) for 2022-23 as a result of the Government's £14.4bn pledge for education.

This report summaries the latest Government guidance for schools revenue funding for 2022-23. The full guidance document can be accessed at

<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2022-to-2023>

Shropshire Council, with the agreement of Shropshire Schools Forum, agreed to replicate the national funding formula through Shropshire's local funding formula from 2018-19.

Recommendation

This report is for information only

REPORT

Background

1. The Government introduced a national funding formula for allocating schools, high needs and central school services funding through the Dedicated Schools Grant (DSG) to local authorities from April 2018.
2. Local authorities currently retain responsibility for determining local funding formulas for allocating funding to schools and academies in their area. Shropshire Council, with the agreement of Shropshire Schools Forum, agreed to replicate the national funding formula in Shropshire's local funding formula to schools from 2018-19.

3. The guidance on schools revenue funding arrangements for 2022-23 was published by the ESFA in July. The guidance includes details of updates to the national funding formula.
4. Along with the guidance, the Government has published provisional local authority level allocations for 2022-23 for the schools and high needs blocks within the DSG and notional 2022-23 national funding formula school level allocations.

School Revenue Funding Arrangements 2022-23

5. The actual primary unit of funding (PUF) and secondary unit of funding (SUF) which will be used to calculate each local authority's schools block allocation has been published for 2022-23. For Shropshire these equate to £4,747 per pupil and £5,687 per pupil respectively. As a comparison, in 2021-22 Shropshire's PUF was £4,242 and SUF was £5,105.
6. These units of funding will be applied to pupil numbers recorded in the October 2021 school census to determine final schools block allocations for 2022-23. These will be issued to local authorities as usual in December.
7. Local authorities continue to have responsibility for determining their local funding formulas for allocating the schools block to their individual schools in 2022-23. As in the previous year 2021-22 it will be compulsory for local authorities to include the national minimum per pupil funding levels in their local formulas for 2022-23. As a reminder, Shropshire has mirrored the NFF (including the national minimum per pupil funding levels) in its local schools funding formula since 2018-19.
8. The following key elements of the schools NFF have been confirmed by the Government in 2022-23:
 - School funding is increasing by 3.2% overall. The national funding formula (NFF) continues to distribute this based on the needs of schools and their pupil cohorts. The NFF is increasing core factors of the formula by 3%, while ensuring that every school is allocated at least 2% more funding per pupil.
 - The maximum amount of sparsity funding schools can attract through the NFF is increasing by £10,000, to £55,000 for primary schools and £80,000 for all other schools. There is also a change to the way schools' remoteness is calculated, by using road distances instead of straight-line distances and introducing a new distance "taper". This will significantly increase the number of schools attracting sparsity funding. As a result, the total allocation to small, remote schools through the sparsity factor has more than doubled, from £42 million in 2021-22 to £95 million in 2022-23
 - The minimum per pupil funding levels will be set at £4,265 for primary schools and £5,525 for secondary schools, a 2% increase. These levels were £4,180 and £5,525 respectively in 2021-22. The minimum per pupil

funding levels are not to be confused with the age weighted pupil units (AWPU) funding levels within the NFF.

- The funding floor in the NFF will continue to be set at 2% to protect pupil-led per pupil funding in real terms. This minimum increase in 2022-23 will be based on the individual school's NFF allocation in 2021-22. Local authorities will have the freedom to set minimum funding guarantee (MFG) levels in their local schools funding formula between +0.5% and +2%
- The additional money invested in schools for 2022-23 means that there is an increase to the core factors in the NFF – the basic per pupil funding factor (AWPU), additional needs factors and the school lump sum – by 3%.
- The free school meals Ever 6 (FSM6) factor in the NFF provides additional funding for pupils who are, or have been, recorded as eligible for free school meals at any point in the last 6 years. From 2022-23, data on pupils who are eligible is taken from the most recent October census (October 2020) instead of from the preceding January census (January 2020). This brings the FSM6 factor in line with how other NFF factors are calculated and shortens the FSM6 funding lag in the NFF by 9 months. As FSM eligibility increased between January and October last year, this increases the amount of funding allocated through the FSM6 factor to £1,369 million in 2022-23.
- For the low prior attainment (LPA) factor in the NFF, data from the 2019 early years foundation stage profile (EYFSP) and key stage 2 (KS2) assessments have been used as a proxy for the 2020 assessments, following the cancellation of these assessments due to the pandemic. This is consistent with how the LPA factor was calculated in local formulae in 2021-22
- Eligibility for the mobility factor is usually determined based on the census in which pupils first appear at their current school. In light of the cancellation of the May 2020 census, pupils who joined a school between January and May 2020 attract funding for mobility on the basis of their entry date, rather than by virtue of the May school census being their first census at the current school.
- Further to the consultation on changes to the payment process of schools' business rates, the business rates payment system for schools will be centralised and ESFA will pay billing authorities directly on behalf of state funded schools from 2022-23 onwards.
- Growth funding will be based on the same methodology as last year and will have the same transitional protection ensuring that no authority whose growth fund is reducing will lose more than 0.5% of its 2021-22 growth fund allocation.

9. Local authorities will continue to be able to transfer up to 0.5% of their schools block to other blocks of the DSG, with schools forum approval. A disapplication will be required for transfers above 0.5%, or any amount without schools forum approval. In previous years Shropshire schools forum has agreed to transfer any remaining balance, up to 0.5% of the schools block, to the high needs block to support the increasing pressures on the high needs block, after fully allocating individual school budget shares in line with the NFF.
10. Local authorities are required to engage in open and transparent consultation with all maintained schools and academies in their area, as well as with their schools forums, about any proposed changes to the local funding formula including the principles adopted and any movement of funds between blocks.
11. As a reminder, the local authority is responsible for making final decisions on the formula.

High Needs Funding Arrangements 2022-23

12. The latest guidance confirms the following aspects of the High Needs national funding formula for 2022-23:
 - The national increase in high needs funding, from 2021-22 to 2022-23, will be £780 million, or 9.6%. This will ensure that all local authorities see increases in high needs funding in 2022-23, compared to 2021-22.
 - The funding floor will be set at 8% so each local authority can plan for an increase of at least that percentage, considering changes in their 2 to 18 population (as estimated by the ONS).
 - The gains cap will be set at 11%, compared to 12% in 2021-22.

Central School Services Funding Arrangements 2022-23

13. The NFF for the central school services block (CSSB) of the DSG provides funding for local authorities to carry out central functions on behalf of compulsory school age pupils in maintained schools and academies.
14. The CSSB will continue to have two distinct elements:
 - Ongoing responsibilities, which funds all local authorities for central functions they have to deliver for all pupils in maintained schools and academies, such as education welfare and asset management
 - Historic commitments, which funds some local authorities for commitments they made prior to 2013-14 that are unwinding.
15. Funding for ongoing responsibilities in 2022-23: local authorities will continue to be protected so that the maximum per-pupil year-on-year reduction in funding for ongoing responsibilities is of 2.5%, while the year-on-year gains cap will be set at the highest affordable rate of 5.6%.
16. Funding for historic commitments continues to be reduced in 2022-23 by 20% from local authorities' 2021-22 allocations. As in 2021-22, historic commitments

funding will be protected from dropping below the total value of ongoing prudential borrowing or termination of employment costs, based on evidence received by the department. This protection will be applied in the DSG, and so will not be shown in NFF allocations.

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Schools Forum

Date: 16 September 2021
Time: 8.30 am to 10.30 am

Venue: Virtual via Microsoft
MS Teams

Paper

D

Public

Consultation on 'Fair School Funding For All'

Responsible Officer Phil Wilson

e-mail: phil.wilson@shropshire.gov.uk

Tel: 01743 254344

Summary

On 8 July 2021 the Government launched a consultation seeking views on the approach they are taking in completing their reforms to the national funding formula (NFF) and how they most effectively transition away from local formulae to all schools' funding allocations being determined directly by the NFF in the years ahead.

This is the first stage of their consultation, with plans to publish a second stage consultation with more detailed proposals following feedback to this first consultation.

The consultation is for local authorities, schools and academy trusts, and any other interested organisations and individuals. Responses have to be submitted by 30 September 2021.

Recommendation

That Schools Forum consider and respond to the Government's 'Fair School Funding For All' consultation.

REPORT

Background

1. The Government launched a consultation on 8 July, in what is the first stage of a process of seeking views on the approach to completing the move to a direct or 'hard' NFF, completing the reform of school funding that was started with the introduction of the NFF in 2018-19. Following this consultation and the feedback from it, a second and more detailed and technical consultation will be held.
2. There are wider reviews currently underway on the SEND systems and alternative provision (AP) arrangements that will impact on the way high needs funding is allocated, with a separate consultation proposed shortly linked to these reviews. On the back of this later consultation, there will be a further consultation on the distribution of high needs funding, which will impact beyond 2022-23.

3. The consultation survey can be accessed at:
<https://consult.education.gov.uk/funding-policy-unit/completing-our-reforms-to-the-nff/> ,
while the full consultation document is available at:
https://consult.education.gov.uk/funding-policy-unit/completing-our-reforms-to-the-nff/supporting_documents/Fair%20Funding%20For%20All%20Consultation.pdf
4. The specific questions and initial draft responses prepared by Council officers are appended to this report. Schools Forum are invited to consider the draft response, with a view to informing the final version that will be submitted by the closing date of 30 September 2021.

Proposals

5. A summary of the proposals are:
 - that all NFF funding factors – pupil-led and school-led – are included in the hard formula and that all funding distributed through the NFF is allocated to schools on the basis of the hard formula, without further adjustment by local authorities
 - to improve premises factors within the NFF in advance of the introduction of the hard formula, meaning future allocations are based on a consistent, objective assessment of current need rather than previous years' local spending decisions
 - to reform the approach to funding for schools experiencing significant growth in pupil numbers, reflecting the overall principles of the hard NFF ie simplicity, transparency and fairness
 - to ensure a smooth transition for schools to the hard NFF, given that there will be a significant transition for schools in some areas, a careful and measured approach will be taken to its introduction, with changes likely to take effect from 2023-24 onwards (though there is no fixed target date for when it will be fully implemented)
 - to support a 'greater strategic role for trusts, recognising, in particular, their status as the key vehicles for school improvement', while 'supporting LAs to deliver their remaining responsibilities and services'
 - to allow multi-academy trusts to continue to be able to pool their funding
 - to reform the approach to funding for central school services delivered by local authorities
 - to support effective special educational needs and disabilities (SEND) provision
 - to change the role Schools Forums as the hard NFF is implemented and how this will impact on national consultations

- to consider the potential value of moving to a consistent funding year across maintained schools and academies, understanding the appetite for a change in the funding year for maintained schools.

Response

6. A draft response prepared by officers is appended to this report. This has largely been informed by the fact that, following consultation with Shropshire schools and Schools Forum back in 2017, Shropshire's local formula for distributing the Schools Block to individual schools and academies has been mirroring the NFF since 2018-19.
7. Schools Forum are asked to consider and comment on the draft response ahead of submission by the 30 September 2021.
8. If available at the time of the meeting, the draft response from the f40 group of local authorities will be shared with Schools Forum as well.

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Consultation on ‘Fair School Funding For All’

The scope of the end state NFF

Question 1: Do you agree that our aim should be that the directly applied NFF should include all pupil-led and school-led funding factors and that all funding distributed by the NFF should be allocated to schools on the basis of the hard formula, without further local adjustment through local formulae?

- Yes
- No
- Unsure

Developing the schools NFF to support the end state NFF

Question 2: Do you have any comments on how we could reform premises funding during the transition to the directly applied NFF?

Of the 3 elements of school-led ‘premises’ funding, additional funding for PFI and costs relating to ‘exceptional circumstances’ are not currently part of Shropshire’s formula. The split sites optional factor is being used, based on local objective criteria. The authority would be supportive in principle of the proposal for the Department to collect data of split site schools, assess the degree to which this generates additional costs for schools and to construct a formulaic factor based on this data. We will base our final view on the detailed proposals that come forward in the next stage of the consultation.

Growth and falling rolls funding

Question 3: Do you agree with our proposal to use national, standardised criteria to allocate all aspects of growth and falling rolls funding?

- Yes
- No
- Unsure

Question 4: Do you have any comments on our proposed approach to growth and falling rolls funding?

The opportunity offered to secure consistency across local authorities for schools faced with either growth or falling rolls is welcomed. It is essential that there is a transparent and consistent approach.

Next steps for the transition to the end state NFF for schools

Question 5: Do you agree that, in 2023-24, each LA should be required to use each of the NFF factors (with the exception of any significantly reformed factors) in its local formulae?

- Yes
- No
- Unsure

Question 6: Do you agree that all LA formulae, except those that already 'mirroring' the NFF, should be required to move closer to the NFF from 2023-24, in order to smooth the transition to the hard NFF for schools?

- Yes
- ~~- No~~
- ~~- Unsure~~

Question 7a: Do you agree that LA formulae factor values should move 10% closer to the NFF, compared with their distance from the NFF in 2022-23?

- Yes
- ~~- No~~
- ~~- Unsure~~

Question 7b: If you do not agree, can you please explain why below

Not applicable as proposal supported.

Question 8: As we would not require LAs to move closer to the NFF if their local formulae were already very close to the NFF, do you have any comments on the appropriate threshold level?

Without the dataset and understanding of the relative position of individual local authorities to the NFF, it is not possible to offer up an alternative view on the threshold as an alternative to the one proposed.

Question 9: Do you agree that the additional flexibility for LAs in the EAL factor, relating to how many years a pupil has been in the school system, should be removed from 2023-24?

- Yes
- ~~- No~~
- ~~- Unsure~~

Question 10: Do you agree that the additional flexibilities relating to the sparsity factor should remain in place for 2023-24?

- Yes
- ~~- No~~
- ~~- Unsure~~

Central school services

Question 11: Are there any comments you wish to make on the proposals we have made regarding ongoing central school services, including on whether in the future central school services funding could move to LGFS?

A review of the current arrangements in the context of moving towards the hard NFF is supported, particularly if it addresses any inconsistencies. Continued funding support for statutory duties, in particular school admissions, is essential as is the need to ensure that the funding covers the full costs of provision and that there is no reduction in funding by stealth. The concern of moving the funding into the LGFS is that, unless the funding is clearly identified as being for school support, it may not be fully passported into the services requiring it. By remaining within the DSG it is better protected. A more informed response will be possible once the review of current arrangements is completed and the technical detail is presented for consultation.

Question 12: Do you agree with the proposal for a legacy grant to replace funding for unavoidable termination of employment and prudential borrowing costs?

The move to a legacy grant is supported in principle subject to a full appraisal of the technical detail and assurance that the grant fully covers the unavoidable costs.

A consistent funding year

Question 13: How strongly do you feel that we should further investigate the possibility of moving maintained schools to being funded on an academic year basis?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Question 14: Are there any advantages or drawbacks to moving maintained schools to being funded on an academic year basis that you feel we should be aware of?

It is unclear from this first phase consultation how the issue of the financial reporting cycles of other funding streams for the local authority will be addressed. Unless this is overcome, it is difficult to see how the obvious advantages of budgeting by academic year can be achieved, if maintained schools have to effectively close down their accounts twice a year. None of the Shropshire maintained schools have their own back accounts which may be a barrier. We would not want this to be a pre-condition for these schools to moving to academic year funding. Again, more informed views can be provided once we have sight of the technical detail.

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