



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

Date: 29 October 2021

**Committee:
Schools Forum**

Date: Thursday, 4 November 2021
Time: 8.30 am
Venue:

You are requested to attend the above virtual 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
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AGENDA

1 Apologies

2 Minutes and Matters Arising - 16 September 2021 (Pages 1 - 4)

3 Shire Services Finance Review (Tim Smith)

Report attached.

4 Spending Review 2021 - Education Headlines (Phil Wilson) (Pages 5 - 6)

Verbal update.

5 Central Retention of Dedicated Schools Grant from April 2022 (Phil Wilson) (Pages 7 - 22)

Report attached.

6 Dedicated Schools Grant Monitoring 2022-23 (Stephen Waters) (Pages 23 - 28)

Report attached.


7 Communications

8 Future meeting dates

Future meetings:

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 2

	Schools Forum Date: 4 November 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 16 SEPTEMBER 2021 – HELD VIA MS TEAMS

Present

School Forum Members

Bill Dowell (Chair)
John Hitchings – Academy governor
Sandra Holloway – Primary governor
Marilyn Hunt – Primary headteacher
Kerry Lynch – Primary academy headteacher
Stephen Matthews – Primary governor
Michael Revell – Primary governor
Mark Rogers – Primary headteacher
Andrew Smith – Post 16
James Staniforth – Post 16
Tracey Mullinder for Brian Thomas – Special academy headteacher
Carla Whelan – Primary academy headteacher (absent 9.10 – 9.23 due to activation of fire alarm)

Members

Gwilym Butler
Kirstie Hurst-Knight

Officers

Karen Bradshaw
Jo Jones
Neville Ward
Stephen Waters
Phil Wilson
Helen Woodbridge

Observers

Roger Evans
Charles Thomas

		ACTION
1.	<p>Apologies</p> <p>Apologies had been received from Alan Doust, Sian Lines, Sue Lovecy, David O'Toole, John Parr, Reuben Thorley.</p> <p>Late apologies were received from Caroline Clode and Alan Parkhurst.</p> <p>The chair welcomed all to the first meeting of the academic year.</p>	
2.	<p>Election of Chair and Vice Chair</p> <p>Karen Bradshaw advised that as there had only been one nomination for each post, Bill Dowell and John Hitchings had been confirmed as chair and vice chair respectively for the year 2021-22.</p>	
3.	<p>Minutes and Matters Arising</p> <p>The minutes of the meeting held on 17 June 2021 were agreed (by exception) as a true record. Phil Wilson went through the matters arising which had all been completed.</p>	

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

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, was shared by Jo Jones.

There was no update to the Schools Block as there had been no academy conversions.

There was no update to the Early Years Block as this had been pushed back to January 2022 due to changes in timing of headcount data.

High Needs Block - import/export adjustment reduced by £240k to £966k, adjustment for Woodlands conversion of £820,000 as they are now directly funded via the ESFA - overall reduction of £580k.

Latest 2021-22 DSG is £104.255m.

5. **School Revenue Funding Update 2022-23**

Jo Jones presented her report. She advised that in July 2021 the Education & Skills Funding Agency (ESFA) published schools revenue funding guidance for 2022-23 for local authorities and Schools Forums. 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 (NFF) school level allocations.

For 2022-23 in Shropshire the primary unit of funding (PUF) is £4,747 per pupil and the secondary unit of funding (SUF) is £5,687 per pupil. These will be used to calculate each local authority's Schools Block allocation for 2022-23 using the October 2021 census data. The key elements of the schools NFF were confirmed.

Mark Rogers was encouraged by the move to the multi-year settlement and changes to sparsity rules. However, he was confused by the 0% pay increase for teaching staff when there is record inflation. He noted that the multi-year settlement will be impacted by the NI rise and advised that it is becoming harder to fill posts with quality replacements.

It was confirmed that the final HR policy on pay is awaited before further discussions with headteachers can take place.

The chair suggested further discussion at the next meeting.

PW

Charles Thomas added further budget concerns regarding pay progression through thresholds and the difficulties retaining staff, especially TAs who can easily find better paid opportunities.

6. **Consultation on 'Fair School Funding For All'**

Phil Wilson presented his paper and advised that a response is required by the end of September.

The DfE is seeking views on the approach they are taking to 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. He felt it important to note that Shropshire's local formula already aligns to and mirrors the NFF and so the impact of the further transition will be marginal.

The chair pointed out that the course taken by Shropshire had been in consultation with all of the schools. If there was to be any change, then schools would need to be consulted again.

Mark Rogers recognised that it may be preferable for other LAs to try to maintain control of the formula. However, Shropshire has benefitted by sticking with the NFF, particularly as the schools in Shropshire are so diverse in character and size.

The chair surmised that there is a really strong case for sticking with the NFF and it was agreed that the draft response will be submitted. (Phil Wilson agreed to share the Coventry response for information.)

PW

7. **Dedicated Schools Grant Monitoring 2022-23**

Stephen Waters presented his paper.

Early Years Block - the final Early Years DSG allocation for 2020-21 is published later in the year.

The outturn position for the Early Years Block is still forecast to be at the provisional budgeted level of £17.028m.

High Needs Block - DSG allocation has increased by £3.751m from £28.016m in 2020-21 to £31.767m in 2021-22. In-year surplus forecast of £0.512m.

Given that £0.876m 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 alone is insufficient to meet needs.

The main variances were summarised.

Andrew Smith had a concern that one statement in the report referred to 'reducing expensive cost of specialist placements' and needed to be put into context as not all specialist places are very expensive. Karen Bradshaw agreed that correct specialist provision needed to be found whilst reducing expenditure from the high needs block. She thought the statement to be factually correct but it does not suggest that specialist provision is too expensive and won't be paid for.

The chair stressed that Schools Forum would not want to denigrate any providers.

Neville Ward provided some further detail explaining that because of the way early years funding is being calculated, the LA has not yet received the 2020-2021 final budget. By then, the LA will have already spent two terms worth of 2021/22 in the dark. So, there will be considerable changes.

Marilyn Hunt was pleased to receive the good news about the reducing deficit.

She asked if the DfE had called in the plan and was advised that they had not. Stephen Waters advised that the plan will need to be refreshed. Mark Rogers made a minor point around the cost of maternity and the birth rate during the pandemic. It was agreed that the LA would analyse this as usual.

SAW

Karen Bradshaw felt that it was positive that there is some headroom and that it may be possible to consider alternative use of budget for support services.

8. Communications

It was confirmed that work continues through f40 and MPs.

The chair thanked Karen Bradshaw for her work and support as this is her last Schools Forum meeting.

9. Future meeting dates:

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 9.30 am

Spending Review 2021 – Education Headlines

Core school budget

- Allocation of an additional £4.7 billion for the core school budget, over and above the spending commitments made in 2019
- Broadly equivalent to cash increase of over £1,500 per pupil by 2024-25 compared to 2019-20
- Core school budget will increase from £49.8 billion in 2021-22 to £56.8 billion in 2024-25, a real terms increase of 2.5%
- The Institute of Fiscal Studies indicates that this allows for a 4% increase in school spending per pupil in 2022-23 and 1% in 2023-24 and 2024-25
- Extra funding will go towards supporting the pledge to raise new teacher starting salaries to £30,000, though there is no indication of when this will become a requirement
- The end of the public sector pay freeze would suggest the new funding settlement will need to cover any future pay increases
- Settlement “includes public sector compensation for employer costs of Health and Social Care Levy”, i.e. the increase in national insurance contributions of 1.25% from next April

Education recovery

- Spending review includes an additional £1.8 billion for education recovery, on top of the £3.1 billion already announced [this compares with the £15 billion that the Government’s catch-up commissioner Sir Kevan Collins advised was required]
- Of this, £1.0 billion will fund the ‘recovery premium’ for the next two academic years “to help schools to deliver evidence-based approaches to support the most disadvantaged pupils”
- Primary schools will continue to receive an additional £145 per eligible pupil, while the amount for secondary schools will “nearly double”
- An average secondary school of 1,000 pupils will receive up to £70,000 per year, while an average primary school of 200 pupils will receive £6,000
- This appears to be an extension of the current school-led tutoring fund, but could also cover the costs of after-school provision and summer schools
- Balance of £0.8 billion will “ensure all 16-19 students will benefit from an additional 40 hours of education across the academic year – the equivalent of one additional hour per week in school or college”, to be used for extra teaching and learning depending on students’ individual needs

SEND places

- £2.6 billion capital funding over next three years to create 30,000 new school places for pupils with SEND in both mainstream and special schools - includes improvements in the suitability and accessibility of existing buildings as well as new special and alternative provision free schools

Holiday Activities and Food Programme

- Will continue to be funded at over £200 million a year covering Easter, summer and Christmas holiday periods in 2022 and future years

Early Years

- Reaffirmed plans to invest £150 million in the training of early years staff to “support children’s learning and development”

- An additional £160 million in 2022-23, £180 million in 2023-24 and £170 million in 2024-25 announced for the funding paid to nurseries and early years providers for state-backed nursery places “to increase the hourly rate paid to early years providers to deliver the Government’s free hours offers”
- Settlement confirmed plans to spend £18 million on a network of ‘family hubs’ and £20 million of parenting support

Consultation on Central Retention of Dedicated Schools Grant From April 2022

Introduction

On behalf of Shropshire Schools Forum, the views of maintained schools are being sought on the central retention of Dedicated Schools Grant (DSG) in the next financial year, 2022-23. Schools Forum is committed to consulting with maintained schools ahead of a Forum meeting on 2 December 2021, at which decisions on the de-delegation and top-slicing of DSG from April 2022 will be taken.

Background

Schools Forum is a legally constituted advisory and consultative group, made up of representatives from the maintained, academy and wider education sectors, who work with the local authority on issues related to school funding. One of their key areas of work is in relation to the school funding formula and the retention of a small part of the overall DSG to underwrite the costs of services, centrally managed by the local authority on behalf of maintained schools, given the economies of scale and value for money for schools this can realise.

The Government's school revenue budget settlement guidelines allow local authorities, following consultation with the maintained schools' community and with Schools Forum approval, to centrally retain DSG through de-delegation and top-slicing. These retention methods are as follows:

- De-delegation – centrally held budgets within the Schools Block of DSG can be de-delegated from maintained schools by the sector representatives on Schools Forum, with decisions taken on an annual basis.
- Top-slicing – in December 2016 the Government's school revenue settlement allowed local authorities to retain some of their Schools Block of DSG to carry out statutory duties for maintained schools, previously funded through general duties Education Services Grant (ESG), which was removed in September 2017.

The impact in 2021-22 of the decisions taken by Schools Forum in December 2020 are summarised in the table below:

Decision	Total	Primary Per Pupil	Secondary Per Pupil
De-delegation (maintained primary and secondary):			
Pupil growth contingency	£50,000	£4.39	-
Maternity cover	£228,947	£19.27	£19.27
Trade union duties	£25,000	£2.10	£2.10
School improvement (primary)	£94,393	£4.11 + £572.67/school	-
School improvement (secondary)	£477	-	£0.99
Top-slice (maintained primary and secondary):			
Redundancy fund	£200,000	£16.83	£16.83
Statutory school finance	£30,000	£2.53	£2.53
Statutory human resources and health and safety	£52,276	£4.40	£4.40
Education welfare and inclusion	£148,513	£12.50	£12.50

This consultation document will examine each of the areas for which delegated funds are taken from maintained schools and seek views on a number of options for how to proceed on each in 2022-23. A simple return has been produced for collecting feedback from schools, which will be collated and inform the report that will be produced for the decision-making meeting of Schools Forum on 2 December 2021. **The consultation will run until Friday 26 November 2021.**

It is important to understand that Schools Forum has the choice, for each budget area, between de-delegating/top-slicing or not. This means that **any decisions taken will impact on all maintained schools from April 2022.**

De-delegation

This section looks at each of the support areas for which funding can be de-delegated from maintained schools. Historically, reports have been taken to the late autumn term meetings of Schools Forum to secure formal decisions for the following financial year. The table below summarises these decisions since 2014-15.

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Pupil growth	£87,680	£160,000	£159,770	£320,230	£150,170	£100,000	£95,000	£50,000
Maternity cover	£429,190	£334,000	£321,570	£499,260	£410,000	£260,000	£236,713	£228,947
Insurance	£24,450	£24,450	£23,280	£22,760	£0	£0	£0	£0
Trade union duties	£60,160	£53,180	£50,400	£50,020	£43,600	£27,772	£24,241	£25,000

An important consideration when looking at whether a budget should be de-delegated, is the impact on schools resulting from delegation, because **with delegation comes responsibility**. This means that the responsibility for the delegated budget line – for example, paying for staff maternity cover – transfers to the school and any costs have to be met from the school's delegated budget. The de-delegated funds have therefore provided something of an insurance policy for schools against one-off hits to their budget, which can have a significant impact on schools with tight budgets and modest contingencies.

1. Pupil growth contingency – primary only

A contingencies budget de-delegated from maintained primary schools to allow additional funding to be targeted at schools where pupil numbers increase by at least 15% of their funded number on roll. Controls limit allocations to actual additional costs incurred by a school as a direct result of increased pupil numbers.

A key consideration is delegated responsibility. In this case, by not de-delegating, there would be no contingency for pupil growth from April 2022 and so schools would have to absorb cost pressures until the increased pupil numbers worked through from the school census in October 2022, which would result in an increased delegated budget from April 2023. In most cases, given the forecast data provided to schools each year by the local authority on pupil numbers, schools should be alert to such growth and be able to budget plan for the lagged funding. Such growth in pupil numbers will tend to impact from the beginning of an academic year, with the Reception intake, which means that the lagged funding generally follows two terms later.

Pupil growth contingency - options for 2022-23:

- a. De-delegate funding from primary maintained schools as in previous years, with per pupil sums determined by the outturn position in 2021-22 i.e. an overspend or underspend will affect the per pupil rate in 2022-23. It is currently anticipated that there will be an underspend and that per pupil contribution of £4.39 may reduce in 2022-23.
- b. Fully delegate funding and responsibility to maintained schools, meaning that schools would be liable for funding pupil growth from their individual delegated budgets from April 2022.

2. Maternity cover

Funds the salary costs of any member of school staff on maternity leave in the maintained primary and secondary sector, meaning the schools are only liable for the costs of the replacement employee.

A decision not to de-delegate this budget from April 2022, would mean that maintained schools would be responsible for meeting all maternity pay costs of school staff from their individual delegated budgets. Schools would be able to access commercially available products/policies, some combining maternity cover with sickness cover. The experience of academies is mixed – some are sourcing cover arrangements from the marketplace, while others are carrying the risk of meeting any maternity costs from their own budgets.

These options would be available to maintained schools if the decision is taken not to de-delegate funding for maternity cover. Schools would need to carefully consider the flexibility and 'headroom' within their budget (including reserves), as well as the age profile of their female staff. In financial planning terms this can be challenging, given the difficulty of predicting the need for maternity leave.

Current projections indicate that the de-delegated budget of £228,947 for maternity cover will be overspent on 2021-22. In order to recover the overspend, the per pupil rates in 2022-23 will need to increase above the current level of £19.27 in 2021-22. Based on a budget of £270,000 in 2022-23, the current per pupil rate may need to increase by an estimated £3.50.

Maternity cover - options for 2022-23:

- a. De-delegate funding from maintained schools as in previous years, with per pupil sums determined by outturn position in 2021-22 – as an overspend is forecast the per pupil rate in 2022-23 will need to increase from the current £19.27.
- b. Fully delegate funding and responsibility to maintained schools, meaning that schools would be liable for funding maternity cover from their individual delegated budgets from April 2022.

3. Trade union duties (referred to as facilities time)

This funding is de-delegated for the costs of trade union representatives supporting their members in maintained schools through what is commonly referred to as facilities time. The funding provides cover for, among other things: carrying out trade union duties, attending union training, undertaking health and safety functions, and accompanying members attending hearings, for example disciplinary or grievance. There is strong lobbying each year from the professional associations for these funds to be de-delegated.

Each union is required to attend a termly meeting with the local authority, called the Association Secretary Group. The membership of this group includes the local union representative from each recognised trade union and representatives from the Council's human resources advisory team. This meeting is the mechanism which allows collective consultation and negotiation between the local authority on behalf of schools and the trade unions on behalf of their members. All human resources policies and procedures are consulted and agreed at these meetings. Schools would be required to consult with trade unions and their own staff if this was removed. The group also discusses other employment relations issues and maintains a positive dialogue between schools and unions which in turn supports positive employee/employer relationships.

If local trade union representatives were not funded via the facilities time, maintained schools would be able to consider using their delegated funding to secure local arrangements with the trade unions, in particular by pooling funding with other maintained schools and academies. This could lead to a fragmentation of the current arrangements across the school sector. Alternatively, it would mean each school would have to allocate funding for facilities time for all unions represented in their school and may lead to schools dealing with regional trade union representatives with little or no local knowledge. It is the view of the local authority that this would not be as effective and efficient an arrangement as that which could be secured through continuation of de-delegation.

As in 2022-23 one of the options is to operate a fixed budget for facilities time support to maintained schools, as was introduced in 2021-22, in order to maintain and secure a baseline of funding to guarantee the required level of support to these schools from union representatives contracted to deliver this support. The budget will be set at a fixed de-delegated total of £25,000, with the per pupil cost determined by the number of maintained pupils at the time the budgets for 2022-23 are set.

At Schools Forum on 17 June 2021 trade union representatives put forward an alternative proposal that they wanted maintained schools to be consulted on. They are requesting an increase in per pupil funding, partly due to the increase in per pupil funding schools have received under the National Funding Formula, but also due to the decrease over the past 6 years in the size of the facilities time budget. They argue that this decrease has not led to a decrease in workload or casework and in fact, in the last 12 months, workload has increased dramatically due to COVID-19. Due to the prioritisation of casework by representatives, it has meant consulting on new and updated policies and procedures has been delayed.

The local trade union representatives would like maintained schools to be consulted on the primary per pupil facility time rate to be increased to £3.00 (the national average) and for the secondary per pupil facility time rate to be increased £4.00. Based on current pupil numbers they estimate this would provide a budget of £36,600. Academies would be subject to the same unit costs, which would mean buy-back income would increase to approximately £43,000 (subject to continued buy-back). This would provide an overall budget of nearly £80,000.

Based on the above, this would mean NEU and NASUWT representatives could increase by 1 day and the NAHT representative could increase to 1 day. This increase would ensure policy and procedures consultation would be much more rapid and would also extend to other non-HR policies and procedures which in the past have not been subject to trade union consultation.

Trade union duties - options for 2022-23:

- a. De-delegate funding of £25,000 from maintained schools, as in 2020-21 with the per pupil cost determined by the number of maintained pupils at the time the budgets for 2022-23 are set.
- b. De-delegate funding from maintained schools at a rate of £3.00 per primary aged pupil and £4.00 per secondary aged pupil.
- c. Fully delegate funding and responsibility to maintained schools, meaning that local arrangements for facilities time would need to be secured by individual schools and/or groups of schools in collaboration with trade unions.

4. School improvement

For 2021-22, Schools Forum agreed to de-delegate £94,393 from maintained primary schools and £477 from maintained secondary schools to secure ongoing statutory school improvement support for the year through the Education Improvement Service (EIS). This was necessary given the Government's removal of funding for school improvement from the two elements of ESG funding, for retained duties and general duties. The de-delegation is, in part, offset by the allocation of a school improvement monitoring and brokering grant for local authorities.

The de-delegation option for 2022-23, being presented to maintained schools for consultation, will secure the ongoing provision of school improvement services for maintained schools. For the last two years the de-delegation from primary maintained schools was done on a fixed/variable basis, with a fixed sum of £572.67 per site and a variable element of £4.11 per primary pupil. The impact of this option is that larger schools would retain more of their delegated funds, while more funding would be recovered from smaller schools, but is potentially more appropriate based on the support each maintained school receives. The number of maintained schools in April 2022 is currently forecast to be 83 maintained primary schools (only one primary school expected to convert since April 2021).

For secondary schools there will only be 1 maintained secondary school from 1 April 2022. It is therefore proposed to retain the same option for 2022-23 of a variable contribution of £0.99 per pupil.

This is an area of support in which it is difficult to present an option for schools to assume delegated responsibility, or to present an option for schools to secure the support on a buy-back basis, given the statutory nature of the support being provided. Therefore, the only option being presented is for the continued de-delegation of funding for this statutory support, but at a reduced unit cost.

School improvement - option for 2022-23:

De-delegate funding from primary maintained schools, holding the unit values at 2021-22 levels of a fixed element of £572.67 per site and a variable element of £4.11 per pupil. De-delegation for the remaining secondary maintained school will be based on a per pupil unit value of £0.99.

Top-slicing

This section looks at each of the support areas for which funding has been top-sliced from maintained schools in the financial year 2021-22. These support areas were previously funded from general duties ESG and so, in the knowledge that this grant funding was being removed by the Government in September 2017, Schools Forum determined that - for the last four financial years – funding would be centrally retained in order to provide continuity of provision for maintained schools. This was based on the understanding and commitment to fully consult with schools on what would happen in each subsequent year, hence this consultation on top-slicing from April 2022.

5. Redundancy fund

This fund underwrites the costs of premature retirement and redundancy of staff in maintained schools. Schools Forum supported the principle of retaining a central fund for redundancy costs in maintained schools in previous years. In 2021-22 the contribution was reduced to £16.83 per pupil in maintained schools.

A decision not to top-slice funding from April 2022 would mean that individual maintained schools would be liable for meeting any redundancy costs from their delegated budget. This would present a potential financial risk and significant challenge for schools struggling to manage their budgets in year and with low levels of school balances to draw upon. Schools in the academy sector already face these financial challenges and so have to plan carefully and in a timely manner to manage such costs.

The costs of redundancy can vary significantly dependent on the grade of staff and length of service. A review of the number and cost of redundancies in the 2020-21 financial year and the 2021-22 financial year to date indicates that the pandemic has impacted on the number of school redundancies with fewer redundancies and therefore less expenditure compared with previous years. It is still too early to conclude that this trend will continue for the 2021-22 academic year and therefore to accurately project that the total schools redundancy expenditure will continue at this lower level for the 2021-22 financial year.

Redundancy fund - options for 2022-23:

- a. Top-slice funding from maintained schools as in 2021-22, with per pupil sums determined by outturn position in 2021-22 i.e. an overspend or underspend in 2021-22 will affect the per pupil rate in 2022-23.
- b. Fully delegate funding and responsibility to maintained schools, meaning that schools would be liable for funding all redundancy costs from their delegated budget from April 2022.

6. Statutory school finance

This centrally retained funding underwrites the costs of officer support for statutory financial functions on behalf of maintained schools, including: the monitoring and control of school balances; advice and support to schools in financial difficulties; challenge to schools who are not exercising appropriate financial controls, and appraising and approving licensed budget deficits. With 84 maintained schools in Shropshire from April 2022, the workload in this area is significant.

This is an area in which it is difficult to present an option for schools to assume delegated responsibility, or to present an option for schools to secure the support on a buy-back basis,

given the statutory nature of the support being provided. Therefore, the only option being presented is for the continued de-delegation of funding for this statutory support.

Statutory school finance - option for 2022-23:

Top-slice funding of £30,000 from maintained schools, as in 2021-22, with the per pupil cost determined by the number of maintained pupils at the time the budgets for 2022-23 are set.

7. Statutory human resources and health and safety

A number of statutory and regulatory functions in the area of human resources and occupational health and safety were previously funded through general duties ESG. This is primarily because the local authority is the employer of staff in maintained schools, with the exception of voluntary aided schools, who directly employ their own staff. While maintained schools can secure advisory support through annual service level agreements, the costs of the functions previously funded through the general duties ESG are not costed into these agreements.

The areas of support covered by the £52,276 top-sliced in 2021-22 include health and safety, occupational health, recruitment, payroll and contracts, as well as HR advice.

A proportion of this centrally retained funding underwrites the costs of the statutory functions outlined in the Recruitment, Payroll and Contracts Service Level Agreement (SLA).

In addition, a significant proportion of this centrally retained funding underwrites the Health and Safety and Occupational Health SLAs. Such funding is required in order for the local authority to comply with its duties as the employer under the Health and Safety at Work etc. Act 1974 and the relevant statutory provisions. It is the view of the local authority that compliance with the above legislation cannot reasonably be achieved through tasks delegated to the governing bodies of schools. The centrally identified funding includes expenditure incurred by the local authority in monitoring the performance of such tasks by governing bodies and, where necessary, giving them advice.

It should be noted that the local authority has a statutory responsibility for approximately 4,000 school employees, including centrally employed supply teachers.

The local authority view is that the above areas are difficult to present as an option for schools to assume delegated responsibility, or to present an option for schools to secure the support on a buy-back basis, given the statutory nature of the support being provided. Therefore, the only option being presented is for the continued de-delegation of funding for this statutory support. However, the unit cost per pupil top-sliced in 2022-23 will be held at the same per pupil value as the last 5 years ie £4.40 per pupil.

Statutory human resources and health and safety - option for 2022-23:

Top-slice funding of £4.40 per pupil from maintained schools (no increase therefore on 2021-22 per pupil rate).

8. Education Access Service

The top-slice in 2021-22 is partly funding education welfare, delivered through the Education Access Service (EAS). The service also receives grant funding from retained duties ESG (which the local authority continues to receive and is separate from the general duties ESG, which ceased in September 2017), as well as income from trading with academies.

The top-slice provides maintained schools with access to all EAS support including education welfare, attendance and inclusion/exclusion officers, child employment services and performance licensing. It is intended to increase the unit cost to £13.00 in 2022-23 to reflect the increased costs of operating the service..

The main alternative to top-slicing maintained school budgets is to move to a fully traded service from April 2022. Extensive work has been undertaken to develop a traded offer to schools that will ensure the continuity of service and maintains effective working with schools on securing improved attendance, safeguarding pupils and raising attainment. The service offer is dynamic and has been adjusted as necessary to meet changing requirements due to the COVID-19 pandemic, and will be further adapted if necessary in order to meet future requirements.

The proposed EAS service delivery agreement model has been based on a daily rate built around the time required in maintained schools for strategic intervention and casework. For the separate service delivery agreement for inclusion services, a standard rate will be applied for maintained primary schools. A bespoke package can be offered to meet the individual requirements of the remaining maintained secondary and special schools. The two service delivery agreements will give maintained schools access to the full range of advice and support offered by EAS. The tables below outline the potential costs.

EAS Trading Services Costs	
Education Welfare Services	Inclusion Services
£30 per hour OR £660 to £8,600 annual charge	£300 to £1,200 annual charge for packages of between 5 and 20 sessions

There are risks to maintained schools of not opting into a traded arrangement. They would need to be confident that they have the skills and underpinning knowledge they require within their own setting, or where they can secure this support from elsewhere and at what cost.

Education Access Service - options for 2022-23:

- a. Top-slice from maintained schools to be increased by 50p to £13.00 per pupil.
- b. Fully delegate funding and responsibility to maintained schools, presenting buy-back arrangements through service delivery agreements from April 2022 for those seeking to secure ongoing education welfare and inclusion support for the statutory areas currently covered by the top-slice.

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Schools Forum
Date: 4 November 2021
Time: 8:30 a.m.
Venue: Virtual via MS Teams

Item

Public

Paper

C

CENTRAL RETENTION OF DSG FROM APRIL 2022 CONSULTATION

Responsible Officer Phil Wilson
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Tel: 01743 254344

Summary

This information paper is sharing the consultation documentation that is going out to all maintained mainstream schools on the central retention of Dedicated Schools Grant (DSG) from April 2022. The consultation is being launched on 5 November 2021 and will run until the close of business on Friday 26 November 2021.

The responses to the consultation will be presented to Schools Forum at their meeting on 2 December 2021, with Forum required to make decisions on de-delegation and top-slicing for centrally retained services for the financial year 2022-23.

Recommendation

This report is for information only.

REPORT

1. In 2013-14 school funding reforms required increased delegation to maintained schools and academies. Regulations were introduced to allow maintained mainstream primary and secondary schools the option to de-delegate certain delegated budgets to be held and managed centrally, subject to a Schools Forum decision by the representatives of each sector. De-delegation does not apply to academies, special schools or pupil referral units.
2. From 2017-18, Schools Forums have been able to agree to de-delegate further funding for additional school improvement provision for maintained schools.

3. In addition, maintained mainstream primary and secondary schools can agree to a top-slice to their delegated funding, to allow for the central retention of funding for statutory services for maintained schools provided by the local authority, previously funded from general duties Education Services Grant (ESG), which was removed in September 2017. Top-slicing is also subject to a Schools Forum decision by the representatives of each sector.
4. The consultation documentation, made up of a briefing paper and a response form, are appended to this report for information. The consultation is being launched on 5 November 2021. Response forms are required to be returned by Friday 26 November 2021, to inform a report that will be presented to Schools Forum at their meeting on Thursday 2 December 2021. Forum will be required to make decisions on de-delegation and top-slicing for individual centrally retained services for the financial year 2022-23 at this meeting.

Consultation With Shropshire Maintained Schools on Central Retention of Dedicated Schools Grant From April 2022

November 2021

Name of maintained school	
Name of person completing form	
Role in school	
Contact email address	
Date form completed	

Please scan and return the completed form to schoolfunding@shropshire.gov.uk , by no later than **Friday 26 November 2021**.

The full consultation document is available on the Shropshire Learning Gateway at <https://www.shropshirelg.net/> .

DE-DELEGATION

1. Pupil growth contingency – primary schools only

Options (please tick one preference):

<p>a. De-delegate funding from primary maintained schools as in previous years, with per pupil sums determined by the outturn position in 2021-22 i.e. an overspend or underspend will affect the per pupil rate in 2022-23. An underspend is currently forecast and so the per pupil rate of £4.39 may reduce in 2022-23.</p>	
<p>b. Fully delegate funding and responsibility to maintained schools, meaning that schools would be liable for funding pupil growth from their individual delegated budgets from April 2022.</p>	

Please add any comments in the box below:

2. Maternity cover

Options (please tick one preference):

a. De-delegate funding from maintained schools as in previous years, with per pupil sums determined by outturn position in 2021-22 – as an overspend is forecast in 2021-22 the per pupil rate in 2022-23 will need to increase from the current £19.27 – best estimate at this stage is a £3.50 per pupil increase.	
b. Fully delegate funding and responsibility to maintained schools, meaning that schools would be liable for funding maternity cover from their individual delegated budgets from April 2022.	

Please add any comments in the box below:

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3. Trade union duties (referred to as facilities time)

Options (please tick one preference):

a. De-delegate funding of £25,000 from maintained schools, as in 2021-22, with the per pupil cost determined by the number of maintained pupils at the time the budgets for 2022-23 are set. In 2021-22 the per pupil cost was £2.10 for primary and secondary maintained schools.	
b. De-delegate funding from maintained schools at an increased rate of £3.00 per primary aged pupil and £4.00 per secondary aged pupil. This option has been presented by the trade unions.	
c. Fully delegate funding and responsibility to maintained schools, meaning that local arrangements for facilities time would need to be secured by individual schools and/or groups of schools in collaboration with trade unions.	

Please add any comments in the box below:

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4. School improvement

Option (please tick if you support the proposal):

De-delegate funding from primary maintained schools, holding the unit values at 2021-22 levels of a fixed element of £572.67 per site and a variable element of £4.11 per pupil. De-delegation for secondary maintained schools will be based on a per pupil unit contribution of £0.99.	
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Please add any comments in the box below:

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TOP-SLICING

5. Redundancy fund

Options (please tick one preference):

a. Top-slice funding from maintained schools, with per pupil sums determined by outturn position in 2021-22 i.e. an overspend or underspend in 2021-22 will affect the per pupil rate in 2022-23.	
b. Fully delegate funding and responsibility to maintained schools, meaning that schools would be liable for funding all redundancy costs from their delegated budget from April 2022.	

Please add any comments in the box below:

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6. Statutory school finance

Option (please tick if you support the proposal):

Top-slice funding of £30,000 from maintained schools, as in 2021-22, with the per pupil cost determined by the number of maintained pupils at the time the budgets for 2022-23 are set.	
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Please add any comments in the box below:

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7. Statutory human resources and health and safety

Option (please tick if you support the proposal):

Top-slice funding of £4.40 per pupil from maintained schools (no increase on 2021-22 per pupil rate).	
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Please add any comments in the box below:

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8. Education Access Service

Options (please tick one preference):

a. Top-slice from maintained schools to be held at the 2021-22 level of £12.50 per pupil.	
b. Fully delegate funding and responsibility to maintained schools, presenting buy-back arrangements through service delivery agreements from April 2022 for those seeking to secure ongoing education welfare and inclusion support for the statutory areas currently covered by the top-slice.	

Please add any comments in the box below:

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Thank you for taking the time to complete this consultation form. The consultation forms received from Shropshire maintained schools by the deadline of Friday 26 November 2021, will be collated and will inform the report going to Schools Forum on Thursday 2 December 2021, at which the de-delegation and top-slicing decisions for April 2022 will be taken. Any queries relating to this consultation can be emailed to schoolfunding@shropshire.gov.uk.



Schools Forum

Date: 4 November 2021

Time: 8:30 am

Item

Public

Paper

D

DEDICATED SCHOOLS GRANT MONITORING

Responsible Officer Stephen Waters

e-mail: Stephen.a.waters@shropshire.gov.uk

Tel: (01743) 258952

Summary

This report outlines to Schools Forum members the centrally retained Dedicated Schools Grant (DSG) forecast outturn position at the end of September 2021.

Recommendation

This report is for information only.

REPORT

1. The overall 2021-22 outturn against centrally retained DSG is forecast to be £0.348m in surplus as at the end of September 2021. It should be noted that this figure is the in-year surplus and needs to be added to the £0.659m overspend carried forward from 2020-21 in order to give an overall cumulative DSG deficit position of £0.311m.
2. Please note that this cumulative DSG deficit is provisional at this point in time as the final Early Years Block DSG allocation for 2020-21 is not expected to be published until later in the year.
3. In December 2020, Schools Forum approved a transfer of 0.5% from the Schools Block to the High Needs Block to support growth pressures on the High Needs Block. Agreement was given to transfer the remaining schools block budget, up to 0.5% after fully funding schools with the National Funding Formula factors and values. In 2021-22, the Council has been able to fully fund schools in this way, while transferring across the full 0.5% of the Schools Block budget to the High Needs Block budget which has increased the High Needs Block budget in year by £0.876m from the published allocation of £31.767m to a budget of £32.644m.

Centrally Controlled Early Years Budget

4. The outturn position for the Early Years Block is still forecast to be at the provisional budgeted level of £17.028m.

Centrally Controlled High Needs Budget

5. The centrally controlled High Needs Block for 2021-22 is £24.141m. This budget excludes the place funding element of the High Needs Block totalling £8.503m but does include the transfer of £0.876m funding from the Schools Block to the High Needs Block as approved by Schools Forum.
6. It is important to note that Shropshire's High Needs Block DSG allocation has increased by £3.751m from £28.016m in 2020-21 to £31.767m in 2021-22. This is partly due to the funding floor factor in the high needs national funding formula for 2021-22 providing for every local authority to receive an underlying increase of at least 8% per head of 2 to 18 population. The other explanation for the increase is that the High Needs Block DSG now incorporates the Teachers Pay and Pension grant for both Special Schools and Alternative Provision settings.
7. Overall, the forecast outturn position for the High Needs Block is an in-year surplus of £0.362m. Given that £0.876m of high needs funding represents a one-off transfer of funding from the Schools Block, this indicates that the High Needs Block DSG allocation without the transfer of funding from the Schools Block to Shropshire is insufficient to meet expenditure requirements if current spending levels continue.

Lines 1.2.1 & Line 1.2.2 - Top Up funding – Mainstream Schools and Post 16 Further Education

8. On budget lines 1.2.1 and 1.2.2, shown in the Appendix, there is a forecast underspend of £0.325m. This accounts for the majority of the £0.362m projected in-year surplus on the High Needs Block DSG.

Post 16 Further Education Colleges

9. Within the "1.2.2 - Top Up funding - Academies, Free Schools and Colleges" budget heading there is a budget of £2.770m allocated for Post 16 funding at further education colleges and sixth form colleges. Of the overall increase in allocation against the High Needs Block DSG, £0.581m was allocated against this budget heading.
10. The reason for significant growth in the expenditure budget on post 16 further education college placements is that this reflects the national picture and Shropshire has seen particularly significant growth in recent years in terms of the number of post 16 FE college placements. In 2021-22, forecasted expenditure on Post 16 FE college placements is £2.440m so there is a forecast underspend of £0.331m against this budget heading but as with top-up funding to mainstream

settings it is important to note that while there is a forecast underspend against the budget set internally which anticipated significant growth, the recent trend of increasing expenditure does continue as evidenced by this year's forecast expenditure of £2.440m being £0.222m higher than last year's outturn.

11. The Council has and will continue to experience significant expenditure growth in this area as a direct result of changes in legislation which has seen local authorities having significant new statutory duties for students with special educational needs up to the age of 25 years under the Childrens and Families Act (September 2014). The local authority's SEN team work closely with local colleges to increase accessibility to education within mainstream colleges rather than more expensive independent specialist providers. Council officers have been successful in achieving this to date with a much lower proportion of Post 16 students in independent specialist provider settings when compared with several years ago.

Top Up funding - Mainstream Schools

12. Significant growth has been allocated to this budget for 2021-22 and while the expenditure continues to increase year on year, the forecasted spend is close to the budgeted level showing a £0.048m overspend.
13. The 2021-22 forecasted expenditure is £4.949m so an increase of £0.515m compared to the 2020-21 outturn figure of £4.434m.
14. There has been an increase in the value of Graduated Support Pathway (GSP) payments made since their introduction in 2017-18. In 2020-21, expenditure on GSP Payments paid to primary maintained schools specifically totalled £0.339m which represents an increase of 39% on the previous year's total of £0.243m. In the first quarter of 2021-22, the expenditure on GSP Payments paid to primary maintained schools was £0.105m indicating a forecasted level of expenditure of £0.418m for 2021-22. This indicates that as well as an increase in demand for top-up funding in mainstream schools reflecting the national picture, there is also an increase in demand for GSP payments.

Top Up funding – Special Schools

15. There is also an underspend of £0.042m on top-up funding paid to mainstream schools. The 2021-22 forecasted expenditure is £5.403m so an increase of £0.609m compared to the 2020-21 outturn figure of £4.794m. This increase does include an increase of £0.327m relating to the Teachers Pay and Pension grant that has been passported on to the Council's two Special Schools via the High Needs Block DSG allocation.

De-Delegated Items

16. It should be noted that there is a £0.039m forecasted overspend on de-delegated maternity pay for schools where forecast expenditure is £0.271m but the de-delegated value from schools based on £19.27 per pupil is £0.232m.

Accounting for the DSG Deficit

17. The DSG guidance states conditions relating to DSG deficits for those local authorities that have an overall deficit on their DSG as follows:
- Provide information as and when requested by the department about its plans for managing its DSG account in the 2020 to 2021 financial year and subsequently.
 - Provide information as and when requested by the department about pressures and potential savings on its high needs budget.
 - Meet with officials of the department as and when they request to discuss the local authority's plans and financial situation.
 - Keep the schools forum regularly updated about the local authority's DSG account and plans for handling it, including high needs pressures and potential savings
18. Given that the overall DSG deficit is forecast to reduce to £0.311m from a brought forward position of £0.659m this is positive in terms of the Council meeting the Department for Education's requirement to reduce or manage down the deficit. It is important to note that this projected reduction in deficit is as a result of forecast less growth in expenditure compared to growth in High Needs Block DSG allocation rather than any reductions to High Needs Block DSG expenditure itself.

APPENDIX

CENTRALLY RETAINED DEDICATED SCHOOLS GRANT FUNDING PERIOD (2021-22)

	2021-22 Budget £	2021-22 Spend £	2021-22 Variance £		
DEDELEGATED ITEMS					
1.1.1	Contingencies	50,000	43,658	-	6,342
1.1.2	Behaviour Support Services	-	-	-	-
1.1.3	Support to UPEG and bilingual learners	-	-	-	-
1.1.4	Free school meals eligibility	-	-	-	-
1.1.5	Insurance	-	-	-	-
1.1.6	Museum and Library Services	-	-	-	-
1.1.7	Licences/subscriptions	-	-	-	-
1.1.8	Staff costs Maternity supply cover	232,000	270,558	-	38,558
1.1.9	Staff costs Trade Union Duties	25,000	18,479	-	6,521
1.1.10	School Improvement	95,570	95,570	-	-
	DEDELEGATED ITEMS SUB TOTAL	402,570	428,264		25,694
CENTRALLY CONTROLLED EARLY YEARS BUDGET					
1.3.1	Central Expenditure on Children under 5	344,700	344,851		151
1.0.1	Individual Schools Budget - Early Years PVI's and Maintained Nursery Provision	16,683,450	16,683,450		0
	CENTRALLY CONTROLLED EARLY YEARS SUB TOTAL	17,028,150	17,028,301		151
CENTRALLY CONTROLLED HIGH NEEDS BUDGET					
1.2.1	Top Up funding - Maintained Providers	4,181,940	4,082,719		-99,221
1.2.2	Top Up funding - Academies, Free Schools and Colleges	9,972,530	9,746,993		-225,537
1.2.3	Top Up funding - Non-Maintained and Independent Providers	6,550,210	6,468,000		-82,210
1.2.4	Additional High Needs Targeted Funding for Maintained Schools and Academies	409,450	409,450		-
1.2.5	SEN Support Services	1,617,550	1,648,898		31,348
1.2.6	Hospital Education Services	170,190	150,000		-20,190
1.2.7	Other Alternative Provision Services	138,040	161,867		23,827
1.2.8	Support for Inclusion	1,100,910	1,111,040		10,130
1.2.9	Special Schools and PRUs in Financial Difficulty	-	-		-
1.2.10	PFI / BSF Costs at Special Schools and AP / PRUs	-	-		-
1.2.11	Direct Payments (SEN and Disability)	-	-		-
1.2.12	Carbon Reduction Commitment Allowances (PRUs)	-	-		-
	CENTRALLY CONTROLLED HIGH NEEDS BUDGET SUB TOTAL	24,140,820	23,778,967		-361,853
CENTRAL SCHOOL SERVICES BLOCK					
1.4.1	Contribution to combined budgets	112,110	108,498		-3,613
1.4.2	Schools Admissions	250,120	246,369		-3,751
1.4.3	Servicing of Schools Forums	10,000	10,000		-
1.4.4	Termination of employment costs	963,660	963,660		-
1.4.5	Falling Rolls Fund	-	-		-
1.4.6	Capital Expenditure from Revenue (CERA)	-	-		-
1.4.7	Prudential Borrowing Costs	295,350	295,350		-
1.4.8	Fees to independent schools without SEN	-	-		-
1.4.9	Equal Pay - Back Pay	-	-		-
1.4.10	Pupil growth / Infant Class sizes	-	-		-
1.4.11	SEN Transport	-	-		-
1.4.12	Exceptions agreed by Secretary of State (Deficit)	-	-		-
1.4.13	Other Items (Copyright Licensing Agency fee)	227,090	227,090		-
1.5.	Ongoing duties	741,250	736,750		-4,500
	CENTRAL SCHOOL SERVICES BLOCK BUDGET SUB TOTAL	2,599,580	2,587,717		-11,863
	TOTAL CENTRAL DSG	44,171,120	43,823,249		-347,871
	SCHOOLS BLOCK GROWTH FUNDING (PART OF ISB)	438,190	438,190		-
	TOTAL CENTRAL DSG + SCHOOLS BLOCK GROWTH FUNDING	44,609,310	44,261,439		-347,871

	£
DSG DEFICIT CARRIED FORWARD FROM PREVIOUS YEARS	659,423
PROJECTED 2021-22 IN YEAR DEFICIT	-347,871
CUMULATIVE CENTRAL DSG DEFICIT	311,552

Breakdown of total DSG:

TOTAL CENTRAL DSG	44,609,310
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High Needs Budget - Place Funding	
Post 16 FE Colleges	920,000
Pre and Post 16 SEN Places - Special Academies	4,949,170
Pre and Post 16 SEN Places - Resourced Provisions	227,170
Total deduction to 2021-22 High Needs Block for direct funding of places by ESFA	6,096,340

TMBSS	1,560,000
Maintained School SEND Hubs	339,830
Additional Commissioned Place Funding at Special Academies	180,000
Teachers Pay/Pension for Special Academies	326,650
Total deduction to 2021-22 High Needs Block for central funding of places	2,406,480

HIGH NEEDS BUDGET - Place Funding	8,502,820
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INDIVIDUAL SCHOOLS BUDGET SHARES (Excluding De-delegated Items)	181,665,740
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TOTAL DSG Allocation (Updated July 2021)	234,777,870
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