

SCHOOLS FORUM AGENDA ITEM

For Action

For Information



Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

This report provides an update on a number of matters relating to the Dedicated Schools Grant.

Date (s) of any Previous Discussion at the Forum

The Schools Forum made its recommendations on the 2022/23 DSG on 12 January 2022.

Background / Context

See the details for consideration below.

Details of the Item for Consideration

Shorter updates on a number of DSG matters

The Executive proposed to Council, un-amended, the School Forum's recommendations on the allocation of the 2022/23 Schools Budget. These recommendations were ratified by full Council on 17 February. Detailed budget information was published for schools, academies and for early years providers, on 18 February. Initial place-element funding for high needs providers was also published on this day.

Members may wish to raise, for the Forum's attention, any significant feedback that they have received directly on the 2022/23 DSG recommendations and / or on the budget and funding information that has now been published.

The Education and Skills Funding Agency (ESFA) has formally confirmed, again un-amended, its approval of our Schools Block Pro-forma for 2022/23 (our primary and secondary mainstream funding formula and Growth Fund / Falling Rolls Fund criteria).

At the time of writing this report, we currently await publication of the outcomes of the DfE's national SEND, EHCP and Alternative Provision reviews. The DfE has previously stated that these outcomes will be published in the first quarter of 2022. We anticipate therefore, that consideration of the DfE's publication (and possible consultation) will be included on the agenda of the School Forum's meeting scheduled for the 18 May.

We currently await final confirmation of our 2022/23 High Needs Block allocation, taking account of changes in deductions for academy places. We have however, now received confirmation of the £3.85m supplementary funding.

A detailed forecast of the spending position of the High Needs Block, as part of our DSG Management Plan (re-presented on 12 January), will be provided for the Schools Forum in autumn, as usual. Also, as usual, the initial reconciliation of DSG balances held at 31 March 2022 will be presented to the Forum in July, following the 2021/22 year-end closedown, and then confirmed in September, following the DfE's final determination of Early Years Block funding for 2021/22.

Following the resolution that was made by the Schools Forum on 12 January, a working group of Forum members has been established to further consider the position of the surplus balance that is forecasted to be held within the High Needs Block at 31 March 2022. This group met for the first time on 2 March and, due to this timing, initial feedback will be presented to the Forum's meeting alongside this report.

Within the recommendations the Forum made for the 2022/23 financial year, the Falling Rolls Fund within the Schools Block is continued for the primary phase. A report on the application of this Fund for 2021/22 is presented to this meeting, under agenda item 6. Recognising the information that is required in order to finalise allocations, it is anticipated that any proposals for Falling Rolls funding for 2022/23 will be presented to the Forum in March 2023.

As usual, it is expected that new allocations from the established Schools Block Growth Fund will be presented to the Schools Forum in October (primary-phase) and in December (secondary-phase), subject to the timing of the release of the October 2022 census data.

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DSG 2022-23 Summary

The table below was included in the report, which presented the DSG recommendations to Council, and is a useful simple summary of the 2022/23 Schools Budget.

Description	Early Years Block £m	Schools Block £m	High Needs Block £m	Central Schools Services Block £m	Total DSG £m
Estimated DSG available 2022/23	£40.548	£484.375	£105.048	£3.531	£633.502
Estimated DSG B'fwd from 2021/22	£4.001	£6.375	£21.739	£0.000	£32.115
Total Estimated DSG (Schools Budget) 2022/23	£44.549	£490.750	£126.787	£3.531	£665.617
Delegated to Schools / Providers	£40.116	£482.579	£96.900	£0.000	£619.596
Non-Delegated Items	£0.432	£1.796	£7.829	£3.531	£13.588
Allocation of One Off	£0.735	£0.747	£0.000	£0.000	£1.482
Total Funding Allocated	£41.282	£485.122	£104.729	£3.531	£634.665
Difference (C'Fwd)	£3.267	£5.628	£22.058	£0.000	£30.952

Outcomes of the Early Years Block Consultation 2022/23

On 12 January, the Schools Forum gave its full support to the Authority's proposals for the approach to the funding of the early years entitlements (the Early Years Single Funding Formula) for the 2022/23 financial year. The Authority completed, on 24 January, a wider consultation on these proposals. 4 formal responses to this consultation were received; 3 from Private Voluntary and Independent (PVI) providers and 1 from a maintained nursery school. The 4 responses generally supported the Authority's proposals (either strongly or 'on balance'), whilst making comments in some areas about the insufficiency of funding (funding rates in the context of salaries costs and Early Years Inclusion Funding) and making some suggestions, which, unfortunately, are either not financially possible (limited by the value of Early Years Block funding Bradford receives from the DfE) or are not permitted by the national Regulations.

Following the completion of the consultation, and with the School Forum's support, the Authority recommended to Council that the Early Years Single Funding Formula (EYSFF) that was set out in the Authority's consultation be used to calculate budget shares for all providers delivering entitlement provision for 2 and 3 & 4 year olds in 2022/23. This was agreed by Council on 17 February.

The Authority expects to reconvene the EYWG soon to begin to discuss wider early years entitlement funding matters, leading into 2023/24 arrangements.

Incorporating the Supplementary Funding into our High Needs Block Funding Models 2022/23

We reported on 12 January that the DfE has further increased our High Needs Block funding in 2022/23 via the allocation of £3.85m of supplementary funding. Whilst, for primary, secondary and nursery schools, this supplementary funding is being allocated directly to individual settings via a national grant, the High Needs Block funding is a single sum, which is available to the Authority to use flexibly, including to:

- Increase the values of top-up funding allocated by our EHCP Banded Model and PRU Day Rate Funding Model, specifically to support providers with the additional cost of the 1.25% National Insurance Levy for Social Care / the NHS, from April 2022.
- Support the additional cost of placements in independent, non-maintained and out of authority provisions, where it is expected that placement charges will increase in response to the National Insurance Levy, from April 2022.
- Support the additional cost to post-16 providers of delivering the extra study hours (40 hours), included as part of the Government's COVID-19 education recovery plan, for post-16 students with high needs, across the 2022/23 academic year.

Whilst the proposed rates of funding for 2022/23, that we consulted on in the autumn term, did include some provision for the cost of the National Insurance Levy, it is appropriate that we demonstrate that we have

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specifically and clearly allocated an appropriate proportion of this additional supplementary funding directly to high needs providers. To this end, and now agreed by Council on 17 February, we have further increased our rates of top-up funding for 2022/23, as the table below shows.

	2021/22 Actual Rate	Autumn Term Consultation Proposed Rate for 2022/23	FINAL Rate for 2022/23, including supplementary funding
Band 3 Low (3L)	£1,900	£2,137	£2,236
Band 3 Medium (3M)	£3,626	£3,915	£4,036
Band 3 High (3H)	£5,302	£5,641	£5,783
Band 4 Low (4L)	£8,435	£8,989	£9,218
Band 4 Medium (4M)	£12,235	£12,967	£13,270
Band 4 High (4H)	£16,148	£17,017	£17,377
Protected 7	£26,534	£27,961	£28,553
PRU Day Rate	£72.29 pd (£14,096 pa)	£76.17 pd (£14,853 pa)	£77.78 pd (£15,167 pa)

To further uplift the top-up rates, we have applied existing guiding principles, as we set out in the autumn term consultation document. Although the actual cost of the Levy per staff member will be closer to (or lower than) 1%, when the National Insurance threshold is applied, to keep things simple, we have increased the cost assumptions that form the basis of the models by a further 1.25%. So, including the supplementary funding:

- Band 3 EHCP top-up rates, when the £6,000 school's contribution is added, are increasing by 4.25% in 2022/23 (compared with the 3.00% that was proposed in the autumn term consultation).
- Band 4 EHCP top-up rates, when the place-element figure of £10,000 is added, are increasing by a minimum 4.25% in 2022/23 (compared with the minimum 3.00% that was proposed in the autumn term consultation).
- The PRU Day rate, when the place-element figure of £10,000 is added, is increasing by 4.45% in 2022/23 (compared with the 3.14% that was proposed in the autumn term consultation).

Uncertainty, Review and Response to Future System Change and Tighter Financial Settlements

We are again in a period of significant uncertainty. Document OH discusses some of the main uncertainties as these affect school and academy budget planning across 2022-2025.

More immediately for the Schools Forum and for the Authority, in our DSG management, is the lack of informed insight we currently have into the shape and value of our DSG and of the National Funding Formula at April 2023. We normally begin to receive detailed information from Government on the following's years DSG arrangements in June / July, which enables us to formulate plans for consultation, which we can then discuss with schools, academies and providers early in the autumn term. We currently are not clear about the Government's timetable for announcements associated with the 2023/24 DSG. However, it is reasonable to assume that the normal timetable will be followed.

As stated in the section above, we currently await publication of the outcomes of the DfE's national SEND, EHCP and Alternative Provision reviews. We anticipate that these reviews will bring changes to funding systems, beginning April 2023. We are likely to need to respond to these changes within our 2023/24 DSG and formula funding decision making cycle.

We anticipate that the DfE will soon either make a confirmed announcement, or will initiate a further round of consultation, on the movement to the 'hard' National Funding Formula (NFF) within the Schools Block, from April 2023. Again, we anticipate that we will likely need to respond to these changes within our 2023/24 DSG and formula funding decision making cycle. This may deliver changes in the NFF, and in other grants (such as the Pupil Premium Grant), within the next 3-year budget period, that may impact both on the Authority's and the School Forum's responsibilities as well as on the levels of funding received by the District and by individual schools and academies. Changes are likely also have implications for centrally managed functions and budgets, as well as for other specific activities, such as de-delegation, Growth Funding and the funding of PFI (BSF).

We currently do not have any information on which to assess the position of the protection of maintained nursery school funding after 2022/23. The DfE has recently qualified the additional statements that were made shortly after the October 2021 Spending Review, which indicated significant increases in early years funding in 2023/24 and 2024/25. We currently therefore, are generally quite uncertain about rates of Early Years Block funding after 2022/23.

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The Spending Review 2021 gave an indication of the potential cash budget growth nationally in formula funding for schools and academies from April 2023. From this information, and on advice received from the DfE recently, we anticipate that increases in funding in 2023/24 and in 2024/25 may not be at the levels that have been seen over the last 3 years. This is potentially across the board – mainstream primary and secondary formula funding, early years entitlement funding, high needs funding and post-16 funding. In a recent email, the DfE has specifically advised local authorities that, for their High Needs Block planning, authorities should plan on the basis of receiving a 5% increase in funding per pupil in 2023/24 and 3% per pupil thereafter. Compare these increases with those we have received the last 3 years: 17% (2020/21); 14% (2021/22) and 13% (2022/23).

High Needs Block – Surplus Balance Working Group, Places Creation and Capital Funding

Following the resolution that was made by the Schools Forum on 12 January, a working group of Forum members has been established to further consider the position of the surplus balance that is forecasted to be held within the High Needs Block at 31 March 2022.

This group met for the first time on 2 March and, due to this timing, initial feedback will be presented to the Forum's meeting alongside this report.

This feedback will include the Authority's initial response to the Forum's request, that was recorded from the 8 December meeting, for a plan for how the projected 200-240 additional specialist places will be created across the 2022/23 and 2023/24 academic years. As we discussed on 8 December, and again on 12 January, sufficient capital funding is critical to the creation of these specialist places. At the time of writing this report, the DfE has not yet announced the distribution of the £2.6bn national SEND capital funding that was included in the Spending Review 2021 (October 2021). The DfE also has not yet published details relating to further special school free school application opportunities. These announcements are expected 'early spring' (and they may well be 'linked' to the announcement of the outcomes of the national reviews, which are expected by the end of March).

Schools Block – School Improvement Monitoring and Brokering Grant (SIMB)

Within the 2022/23 DSG recommendations, maintained schools members, representing both the primary and secondary phases, agreed to retain, via de-delegation, funds to replace the monies that the Authority has previously received via the DfE's School Improvement Monitoring and Brokering Grant (SIMB). De-delegation for this purpose equates to a new £4.29 per pupil contribution.

This new de-delegated fund comes directly from the DfE's decision to reduce the value of SIMB grant for local authorities by 50% for the period April 2022 to March 2023. Within the consultation that introduced this change, the DfE stated that local authorities will have the power in the Regulations (and will be expected) from April 2022 to fund all improvement activities, including the core improvement activities previously funded by the SIMB grant, via de-delegation of funds from maintained school budget shares.

In asking the Forum to take a decision on this, the Authority presented some information in December and in January, which outlined how the SIMB grant is used. The Authority explained that a large proportion of this funding enables school-led improvement support, where the SIMB grant reimburses Bradford-located schools and academies that provide agreed peer-to-peer support to maintained schools. The funding also provides funds for critical support for school governance. The Authority emphasised that the complete removal of the SIMB grant at April 2023 will be a larger issue that we will need to consider with the Schools Forum for the 2023/24 DSG budget cycle. The £4.29 per pupil contribution only replaces 50% of the existing SIMB grant funds.

The minutes of the 12 January meeting record that the Forum asked for some further information to be provided on the allocation of these monies, as well as on their impact. The further information that is given here is a first step in response to this, and will be built upon during the year as the 2021/22 academic year SIMB programme is delivered. For example, the Authority expects to provide further information and assessment of actual use and impact in the autumn term, in time for the critical review of funds to be available from April 2023 when the DfE's SIMB grant ceases.

The Authority's published Schools Causing Concern (intervention) guidance is at the base of the Authority's approach here. Further information on this is published on Bradford Schools Online and Forum members are recommended to review this:

<https://bso.bradford.gov.uk/Schools/CMSPage.aspx?mid=3527>

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In terms of allocation, the Authority's 2021/22 academic year SIMB programme estimates the following:

1. Induction of new headteachers – 5 days support for each new headteacher of a maintained school, from an experienced and successful headteacher partner. Estimated at 6 schools at £2,500 per school. Total of £15,000 per year.
2. Support for interim or acting headteachers – 5 days support for each interim or acting headteacher of a maintained school from an experienced and successful headteacher partner. Estimated at 3 schools at £2,500 per school. Total of £7,500 per year.
3. Support to bring about rapid improvements in maintained schools causing concern. The model for each school will be bespoke, but typically will include leadership support, teaching support and mentoring and support for governance, delivered by a partner school, and additional monitoring by an Authority advisor and support from other consultants (such as early years), with monitoring through school review days. Allocation is decided against a costed improvement plan, which is submitted to Authority's Schools Causing Concern Group and which is then monitored through the Authority's Scrutiny Group meetings that take place with the school's headteacher and chair of governors. Estimated at 10 schools at c. £15,000 per school. Total of £150,000 per year. This is the largest single area of use of funding.
4. Additional support:
 - a. Delivered by Leaders of Governance, to support schools where governance requires support, challenge and modelling of good practice. Estimated at up to 1 year's support (for 8 meetings) for 10 schools at £2,400 per school. Total of £24,000 per year.
 - b. Additional advice to governing bodies in difficulty. Estimated at £1,000 per school for 10 schools. Total of £10,000 per year.
 - c. Core governance support (proportion of governance officer salary to support the delivery of the School Improvement Support programme). Estimated at £25,000. Total of £25,000 per year.
 - d. Curriculum support for middle leaders in primary schools and for subject heads in secondary schools. Estimated at £25,000 for primary-phase and £25,000 for secondary-phase. Total of £50,000 per year.

To its fullest extent, this programme would cost c. £282,000. However, the programme is based on estimates of delivery. The SIMB Grant and de-delegated funds are estimated together to produce £240,000 for the period April 2022 to March 2023. This takes account of planned academy conversions during the year. Following academy conversions, especially in the secondary phase (where 3 out of 6 maintained secondary schools are expected to convert), we anticipate that the maximum cost of the SIMB programme will reduce in line with available resources for the 2022/23 academic year.

Implications for the Dedicated Schools Grant (DSG) (if any)

As set out in the report.

Recommendations

The Schools Forum is asked to consider and to note the information provided in the report.

List of Supporting Appendices / Papers (where applicable)

none

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