

## 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 asks Forum members to further consider the Authority's proposals for retention of Schools, Central Schools Services and Early Years Block central and de-delegated items in the 2023/24 financial year, following the initial discussion had in the last Forum meeting and in advance of the 11 January meeting.

**Date (s) of any Previous Discussion at the Forum**

An initial report on funds proposed to be held in 2023/24 was presented to the Schools Forum at the last meeting (12 October 2022, Document OZ). From this report:

- Members representing maintained primary schools decided that de-delegation for the purposes of subscribing to Fischer Family Trust should continue from the Schools Block in 2023/24.
- Members did not request the review of any of the centrally managed funds presented in Document OZ.

The Authority has requested feedback from schools and academies, on centrally managed funds, within the autumn 2022 consultations, including on the criteria / methodology for the allocation of Growth Funding, Falling Rolls Funding and de-delegated funds for maintained schools. Feedback on these consultations is reported back to this meeting under separate agenda items.

**Background / Context**

Please refer to Document OZ 12 October 2022, which was written to initiate consideration of centrally managed funds to be held in the 2023/24 financial year.

**Details of the Item for Consideration**

Appendices 1 - 4 attached to this report set out for the Forum's review the Authority's indicative proposals for centrally managed funds to be held within the Schools Block, Early Years Block and Central Schools Services Block in the 2023/24 financial year.

- Appendix 1 – presents line by line information by block of the funds proposed to be held, the Authority's recommendation on the values of these funds and how the 2023/24 proposed arrangements compare with 2022/23. This appendix also shows the balances that are currently forecasted to be held in each existing fund at the end of the 2022/23 financial year.
- Appendix 2 – presents more detailed information on the contributions (and changes vs. 2022/23) proposed for de-delegated funds held for maintained schools within the Schools Block for the 2023/24 financial year. This appendix also shows in more detail the balances that are currently forecasted to be held in each de-delegated fund at the end of the 2022/23 financial year.
- Appendix 3 – lists for clarity the purposes for which the Authority can retain Central Schools Services Block monies for the former Education Services Grant funded statutory responsibilities the Authority holds in respect of all state funded schools and academies.
- Appendix 4 (a and b) – presents further information on the de-delegation of funds from maintained primary and secondary schools for School Improvement, following the cessation of the School Improvement Monitoring and Brokering Grant (SIMB). The report includes information on the spending of the SIMB Grant in the 2020/21 and 2021/22 academic years, which has previously been requested by the Forum.

### **Details of the Item for Consideration**

We wish to highlight the following 4 recommendations for 2023/24, which represent proposals other than the simple continuation (with uplift and / or other adjustment, where appropriate) of existing funds for continuing commitments following previously agreed approaches:

1. **Schools Block** – The continuation of de-delegation for the purpose of replacing the School Improvement Monitoring and Brokering Grant (SIMB). Although we did de-delegate in 2022/23, our 2023/24 approach must now absorb the full cessation of the SIMB Grant. Our proposal is set out further in Appendix 4a.
2. **Early Years Block** – We propose to continue our Early Years SEND Inclusion Fund (EYIF), with this fully financed from the Early Years Block. The number of claims from providers for EYIF funding however, has significantly increased during 2022/23, and we see that it is necessary to increase the EYIF planned budget in 2023/24 by £0.150m to absorb this. Our spending on the Disability Access Fund (DAF) continues generally to be lower than the annual value of DAF funding that we receive through the Early Years Block, and we have accrued a sizeable surplus balance as a result (estimated at £0.741m at the end of 2022/23). This is despite us, at April 2021, increasing the value of DAF we allocate per eligible child per year to £1,000, which is higher than the £800 minimum that is currently required by the DfE. The DfE's expectation is that DAF funding is used for the purpose intended (which is to support children in early years with SEND), and there is clear over-lap between DAF and EYIF funding streams. In the context of the DAF surplus balance, and the growth in cost of EYIF, we propose to use the 2023/24 DAF allocation to support our EYIF cost, with the cost of DAF in 2023/24 funded from the surplus balance that will be carried forward; currently estimated at £0.100m. We will keep this position under review for future years. We will also continue to review how we can further support increasing the take up of DAF funding.
3. **Early Years Block** – Prior to April 2021, the cost of the Area SENCOs (who support Private, Voluntary and Independent providers), and a contribution to early years SEND support services (including portage), were charged to the Early Years Block. In seeking to protect the Early Years Block, during the COVID-19 pandemic, we transferred these costs to be met by the High Needs Block, with the intention to transfer the costs back at an appropriate time. Within the 2022/23 budget, we transferred back the cost of the Areas SENCOs, but the contribution to early SEND support services continued to be met by the High Needs Block. In now managing the financial pressure that is increasing within the High Needs Block, in the context of the current more secure position of the Early Years Block, we propose to return this contribution to the Early Years Block in 2023/24. We will keep this position under review for future years.
4. **Early Years Block** – We propose in 2023/24 to increase the Early Years Block's contribution to the cost of the Authority's early years entitlement funding and provider support services. The Authority delivers support services for provider sustainability, quality (including Ofsted support), as well as the delivery of the Early Years Single Funding Formula and related monitoring, compliance and intervention. The Forum agreed a new contribution to these services, of £0.100m in 2022/23, which we stated we wish to further review, as the full cost of these services is higher and as there is growing need to ensure that sufficient capacity is available in response to increasing demands and complexities. We propose to increase this contribution from £0.100m to £0.530m in 2023/24. This is intended to meet the staffing costs of the early years entitlement and quality support teams, inclusive of estimates of pay award / inflation in 2023/24. \*

We have previously presented benchmarking information to the Forum, which has evidenced that we are a very low central retainer of funds within the Early Years Block. In 2022/23, Bradford centrally retained a value equivalent to £0.03 per child per hour (3&4 year olds), which is significantly lower than all other median averages (national median of £0.21; Yorkshire & Humber median of £0.20; statistical neighbour median of £0.17, Metropolitan Districts median of £0.19). A number of local authorities also hold additional funds centrally in relation to 2-year-olds, whereas Bradford does not specifically retain anything. This low retention is to the benefit of the funding allocated to providers, but is to the detriment of the Council's budget, as Bradford Council's budget is currently meeting the costs of provider support functions that are charged to the Early Years Block in other authorities. In the context of the Council's budget position, which is very challenging, whilst being very aware of the need to continue to maximise the funding rates for entitlement providers, the Council is seeking to achieve an increased contribution from the Early Years Block to the cost of these provider support services and functions, on an on-going basis, so that these functions can be sustained. On current estimates, where we increase the contribution to £0.530m, our spend per child per hour on these centrally retained funds would be c. £0.10, increased from £0.03. This excludes the contributions to SEND support services, which are explained in paragraph 3 above. When we include these SEND contributions, our total centrally retained spend would be £0.18 per hour.

### **Details of the Item for Consideration**

This type of spend per hour comparison does have difficulties, and is affected by how authorities declare their spending. Another, perhaps more holistic, way of looking at this is with reference to the regulatory restriction within the Early Years Block, which currently requires that a minimum 95% of 3&4-year-old entitlement funding be delegated to providers, via the Early Years Single Funding Formula (EYSFF) and Early Years SEND Inclusion Fund (EYIF), meaning that, regardless of the value or type of spend (or where this is declared in public budget reporting), authorities can only spend a maximum of 5% of such funds otherwise, including on centrally managed services that support the delivery of the entitlements and providers, contributions to early years SEND functions, supporting rates of funding for the 2-year-old entitlement (which, although being delegated to providers is not being spent on the 3&4 year old entitlement), or on transfers to other DSG blocks.

As we reported to the Forum in January 2022, 97.2% of our estimated 2022/23 3&4-year-old entitlement funding (excluding the allocation of brought forward balances) is being passed-through to providers; meaning that we are currently well within the 95% requirement. The national average is 97.5% and the statistical neighbour median is 98.3%. From this, we could conclude that we currently pass through a lower than average %. However, this is not the result of higher central retention. Our 97.2% figure is lower as a result of our 'over-spending' on the 2-year-old entitlement, which we would not expect in the majority of other local authorities. In 2022/23, we are spending c. £0.45m more on delegated 2-year-old entitlement provider funding than the specific DSG funding we receive, meaning that our spending on the 3&4-year-old entitlement is £0.45m less than it otherwise could be. If we adjust for this, so that we try to only look at the impact of centrally retained funds, our 2022/23 % increases from 97.2% to 98.7%, which is above the national average and which accords with our overall understanding of our current lower central retention position. On estimates, our equivalent % in 2023/24, incorporating our indicative Early Years Block and Early Years Single Funding Formula models (which are still to be finalised), including increasing the contribution from £0.100m to £0.530m, excluding the use of brought forward balances, and adjusting for the 2-year-old entitlement overspend, our % would be c. 98.2%, which remains above the 2022/23 national median average.

\* The early years entitlement and quality support teams support the delivery of the District's early years entitlements, focusing, in particular, on communication, provider sustainability, quality of provision, compliance and on the processes that are required for the effective and timely delivery of the Early Years Single Funding Formula (EYSFF), in support of parents and providers. This includes:

Sustainability – Working to address issues relating to the sustainability of the PVI early years and childcare sector, including issues that have come from the impact of the COVID-19 pandemic on already present regional and national pressures relating to staff recruitment and retention.

Quality of childcare provision – Supporting the delivery of consistently high quality childcare, which supports the most vulnerable children in the District to receive the best possible early education and to improve their readiness for school.

Early Years Single Funding Formula (EYSFF) – Delivering the EYSFF, including the extended 30 hours entitlement, and developing new technology (such as the Provider Headcount Portal) and other tools to enable providers, as well as parents, to better understand their entitlements to provision and the funding mechanisms.

Funding compliance – Visits to providers, to check compliance in relation to the allocation of entitlement funding and to verify that providers are meeting the terms and conditions of the early years entitlement funding agreements. A rolling programme of funding compliance visits helps ensure consistent quality across the District and means that providers are appropriately challenged, with a reliable evidence base, should they fail to meet the terms and conditions of funding.

Communication - A new communication strategy is being developed across the early years and childcare sector to cover parents, the public, professionals and providers. This strategy, and better communication, focuses on increasing the take up of places, as well as improving the quality of information that is available.

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

Recommendations will have direct implications for the distribution of the Central Schools Services Block, Schools Block and Early Years Block.

**Recommendations**

- (1) Members are asked to note the information provided in the report.
- (2) Members are asked to consider whether any further information is needed to enable final recommendations and decisions to be taken / made on 11 January 2023 on the funding of centrally managed and de-delegated Early Years, Schools and Central School Services Block items in 2022/23.

**List of Supporting Appendices / Papers** (where applicable)

Appendix 1 – Detailed Summary of Schools, Early Years and Central Schools Services Block funds.  
Appendix 2 – Analysis of Per Pupil Contributions to Schools Block De-Delegated Funds & Forecasted carry Forward Balances.  
Appendix 3 – Description of Statutory Duties permitted by the funded by the transferred ESG Centrally Retained Duties grant.  
Appendix 4a & b – Further Information on De-delegation for Schools Improvement (SIMB).

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