

# AGENDA



## SCHOOLS FORUM

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Date: Thursday 20<sup>th</sup> January 2022  
Time: 4.30pm  
Place: Microsoft Teams

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### Distribution

#### Members of the Committee

Sarah Lovell (Chair)	Dave Baker (Vice Chair)
Stuart Evans	Will Roberts
Kim Garland	Fr. Malcolm Strange
Clare Haughton	Bernice Webber
David Jenkins	David Williams
Nicola Jones	Louisa Wilson
Louise Leader	Julia Anwar (Sub)
Kirby Littlewood	Jo Dent
Steve Moir	
Pippa Osborne	
Diane Owen	
Lisa Parker	

#### **Appropriate Officers attending:**

Mustafa Salih  
Hilary Smith  
Caroline Warren  
Alison Davies

#### **Councillors attending:**

Erica Williams  
Trevor Jones

Director for Children, Adults and Health, Badminton Road Offices,  
Yate, South Gloucestershire, BS37 5AF  
Telephone: (01454) 863253

Enquiries to : Mustafa Salih, Head of Financial Management and  
Business Support, Telephone (01454) 862548 or E-mail  
[mustafa.salih@southglos.gov.uk](mailto:mustafa.salih@southglos.gov.uk)

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# AGENDA

- 1 WELCOME AND INTRODUCTIONS
- 2 APOLOGIES FOR ABSENCE (Sarah Lovell)
- 3 DECLARATIONS OF INTEREST (Sarah Lovell)
- 4 SCHOOLS FORUM MEMBERSHIP (Ali Davies)
- 5 ANY OTHER ITEMS THE CHAIR DECIDES ARE URGENT  
(Sarah Lovell)
- 6 MINUTES FROM 2<sup>nd</sup> DECEMBER 2021 (Sarah Lovell)
- 7 SCHOOL FUNDING 2022/23 UPDATE (Mustafa Salih)
- 8 EARLY YEARS FUNDING 2022/23 (Rachel Webb)
- 9 GROWTH FUNDING POLICY (Caroline Warren)
- 10 SCHOOL IMPROVEMENT GRANT DE-DELEGATION  
(Mustafa Salih)
- 11 Q2 UPDATE (Caroline Warren)
- 12 HNWG UPDATE (Verbal) (Pippa Osborne and Dave Baker)
- 13 SCHOOLS FORUM FORWARD PLAN
- 14 ANY OTHER BUSINESS

**South Gloucestershire Schools Forum**  
**Minutes of Meeting held on**  
**Thursday 2<sup>nd</sup> December 2021**  
**Microsoft Teams**

**PRESENT:**

Sarah Lovell (Chair)	Finance Director, Cabot Learning Federation
Dave Baker (Vice Chair)	CEO, Olympus Academy Trust
Julia Anwar	Head of Business Operations, Olympus Academy Trust
Stuart Evans	South Gloucestershire and Stroud College
Kim Garland	Headteacher, Brimsham Green School
Clare Haughton	Page Park Pre-School
David Jenkins	Governor, Crossways Schools
Tamsin Moreton (rep Nicola Jones)	Representative Special Academies
Louise Leader	Headteacher, Pathways Learning Centre
Kirby Littlewood	Headteacher, Stanbridge Primary School
Steve Moir	Headteacher, Bradley Stoke School
Ross Newman	Early Years Schools Forum Representative
Pippa Osborne	Headteacher Christ Church Junior School
Diane Owen	Chair, King's Oak Academy
Lisa Parker	Headteacher, Warmley Park School
Will Roberts	CEO, Castle School Education Trust (CSET)
Fr. Malcolm Strange	Diocese of Bristol Representative
Susie Weaver	Executive Headteacher, Cabot Learning Federation
Louisa Wilson	Headteacher, St. Stephens C of E Junior School
David Williams	Diocese of Gloucester

**Executive Members:**

Erica Williams, Cabinet Member - Schools, Skills & Employment

**Officers:**

Mustafa Salih, Head of Financial Management and Business Support  
Hilary Smith, Head of Education, Learning and Skills  
Caroline Warren, Finance Business Partner  
Michelle Palmer, Senior Finance Officer  
Deb Luter, Schools Finance Officer

**Others:**

Alison Cottam, School Business Manager, Warmley Park School and College  
(Observer)

**1. WELCOME AND INTRODUCTIONS**

Attendees were welcomed by the Chair.

**2. APOLOGIES FOR ABSENCE**

Trevor Jones, Chris Sivers, Alison Davies, Claire Hill, Bernice Webber

### **3. DECLARATIONS OF INTEREST - None**

### **4. SCHOOLS FORUM MEMBERSHIP (Mustafa Salih rep Ali Davies)**

1 self-nomination for maintained primary governor – Jo Dent. As there are 3 current vacancies we do not need to go to governors for election and schools forum can elect her as a member at the meeting this evening.

***The Forum approved that appointment and welcomed Jo to the next meeting.***

1 expression of interest for Governor – Paul Spencer is going to speak to David Jenkins about membership and observe the meeting in January.

The Chair offered thanks to David Jenkins for his offer to speak to any prospective candidates.

Alison Davies has spoken to Governor Services, and has agreed to go back out with a further letter to governors after Christmas looking for the vacant Governor Reps.

### **5. ANY OTHER ITEMS THE CHAIR DECIDES ARE URGENT (Sarah Lovell)**

None.

### **6. MINUTES FROM LAST MEETING – 4<sup>th</sup> November 2021**

#### **Schools Funding Arrangement 2022/23**

**Action: Mustafa to circulate amended Slide 8 following this meeting.**

Remainder of the Minutes recorded as accurate.

### **7. Setting the Schools Budget 2022/23 – Consultation and Technical Adjustments**

Mustafa Salih (MS) – updated the Forum regarding the meeting with the Department for Education (DfE) today regarding the safety valve process. This was a critical meeting as the next step would be for the Secretary of State to make a decision on the submission agreed with the DfE. In addition, the consultation with all schools regarding the Block Transfer options was now closed.

MS – shared the results of the consultation.

## Results of the consultation

63 schools responded and there was a high level of support for the continuation of the £2.2m transfer from the Schools Block to the High Needs Block. This is the same level of transfer that had been secured for 2020/21 and would allow the investments in Cluster Funding and Early Years SEND support and other measures to support the DSG Recovery Plan to continue.

### Comments from schools:

A general theme expressed was about seeking reassurance that the plan is going to work and whether the transfer will support the plan and deliver that in-year balance.

Some schools were concerned about the short timeline for the consultation. **MS:** we would always want longer but we are working to very unfavourable timelines dictated by the DfE.

The connection with the banding review work was also raised. **MS** explained this was a separate but related piece of work that will be coming to Schools Forum in January with further information.

***The Schools Forum approved the transfer of £2.2m from the 2022/23 Schools Block to the High Needs Block.***

### DSG Recovery Plan

MS explained that our agreed approach with the DfE was to deliver an in-year surplus in 2024-25 and, if achieved, the forecast peak cumulative deficit would reach £37m.

The Forum discussed the proposed principles relating to the DSG Recovery Plan and gave a view on each principle as follows:

### **Principle 1: Taking Manageable Steps:**

Top-Up reductions would be phased over 3 years and the target aimed for would be less than the England averages as follows:

Prim and Sec:	25% reduction rather than 40%/43%
Spec:	14% reduction rather than 20%
PRU:	17% reduction rather than 54%
Ind/Priv:	10% reduction rather than 21%

The changes will also be phased in over 3 years rather than 1 year. In technical terms the new banding rates will move straight to the correct long-term rates but transitional protection will be added back (and then phased out) to achieve the 3-year phasing

Transitional protection will operate in two ways:

(i). The target to achieve in top-up reductions is a much lower target than the data would suggest and we are doing it in a phased way over 3 years e.g. for primary and secondary:

2022/23 – 7%

2023/24 – 10%

2024/25 – 8%

(ii) Individual school level: for schools affected by a greater % than the percentages shown above. The exact threshold to be chosen will be worked up once the banding exercise has been finalised and consulted upon with the Schools Forum. The same approach will be applied for Special Schools and PRUs

***Principle 1 was approved pending further information on implementation in the new year.***

### **Principle 2: Fairness**

All sectors and areas of expenditure would take a proportional share of the reductions needed to meet the recovery plan – school top-ups would not be the only area to reduce expenditure.

***Principle 2 was approved.***

### **Principle 3: Affordable**

Overall funding for schools should be planned to continue to rise even with reductions in top-ups as annual increases in the NFF would continue to flow to schools. In addition, cluster funding and new Early Years SEND funding should continue as these would also increase funding flowing to schools.

***Principle 3 was approved.***

### **Principle 4: Flexible and Adaptable**

We do need to be adaptable and flexible and the plan could need adjusting as a result of the Safety Valve process with the DfE and, therefore, the plan should be flexible and updated as needed with regular reports to the Forum on any updates needed.

***Principle 4 was approved.***

### **Principle 5: Ensuring Delivery**

It is important that we instil credibility with the DfE that we will deliver the plan and an important element of that would be to cap the expenditure budgets in line with the plan. That would mean that if top-up expenditure continued to materially overspend, then the top-up rates would be adjusted down the following year to recover the overspend. There is only a fixed funding pot and without this assurance our work with the DfE for access to significant funding may be at risk.

SL – Principle 5 – Supported the approach to not overspend – but we would need to know how that process will impact on schools and pupils. Needs to be considered a bit further before the Forum can support it as it currently stands.

Louise Leader (LL) – Principle 5 – will top-ups continue to be reduced if we drop below the England Average? Also would the PRU target reduction be adjusted if the benchmarking data was proven to be materially inaccurate? **MS** explained that the plan was not based on that assumption at the moment. **MS** – If there were reasons why those England Averages were not accurate, we would look to see if we can adjust the target we have set.

MS – We are all hopeful we won't need to implement principle 5 but it is an important back-stop. We do think that the banding process is robust and the changes we are making will work.

***Principle 5 was not approved by the Forum at this stage and the Forum asked for further consideration of this principle in the future with the Forum being presented with assurance that all other reasonable measures had been taken before looking at applying this principle.***

#### High Incidence

There is a need to review the operation to ensure high needs funding is spent in the most effective way. Currently the threshold is 2.8% i.e. schools that have pupils with EHCPs that are higher than 2.8% of their total pupil numbers.

The normal process involves, from time to time, looking at that threshold and comparing it to the England Average and adjusting the threshold as needed. The England average is now 3.7% so we are now providing extra funding to schools whose EHCP numbers are below the national average. It was, therefore, proposed to change the threshold to 3.7% to align with the England Average.

Making the change from 2.8% to 3.7% would save £286,000, which is the recommended option. A second option (option B) was also presented which tries to phase that change over the next 2 years.

***Schools Forum approved the change to 3.7% but for it to be phased over the next 2 years as per option B.***

#### Breach funding

This current funding stream provides schools with additional funding when they breach or go above their normal numbers of pupils with SEND. When that happens, the schools receive an additional £10k place element of funding. We are proposing to change that current process where we automatically fund schools who breach their numbers from 10k to £6k to be in line with the DfE's Operational Guide. Under the recommended proposed changes, special schools and resource bases would get £6k and the top-up.

Julia Anwar (JA) – Some primary and secondary have resource bases – does this disproportionately affect those resource bases?

Lisa Parker (LP) – Has there been any consultation with schools about this?

MS – The plan was to engage with schools once we got support from the Schools Forum. The breach only affects schools where a breach occurs.

Sarah Lovell (SL) – We need a bit more analysis and consideration before we can decide.

Louise Leader (LL) – This needs further discussion before we can approve.

**Forum's view was for officers to do some more work and engagement with affected schools and then bring back proposals to the Forum.**

### **Disapplication of the MFG for all-through Schools**

Caroline Warren (CW) presented the proposed disapplication request.

Sarah Lovell, Dave Baker and Steve Moir declared an interest as they worked in/for all-through schools.

SL – asked if other LAs do this with all through schools? MS replied – Most LAs apply this.

### **Schools Forum approved the disapplication**

## **8. Q1 UPDATE**

CW went through the Q1 report that has been to Cabinet. The Dedicated Schools Grant (DSG) has an in-year overspend of £8.7m which bringing forward we were forecasting a cumulative deficit of £32.6m. When we initially set the budgets, we already had identified an £8.9m shortfall.

SL – this shows why it is so important to bring the deficit down and be able to manage within our means.

***Schools Forum noted the Q1 update position.***

## 9. HIGH NEEDS WORKING GROUP

Susie Weaver (SW) gave an update. Susie reported that officers were well prepared and made best use of the meetings.

A helpful communication had been drafted by David Jenkins.

Hilary Smith (HS) – was preparing a comms item to go out to all school leaders and stakeholders that include David's paper. This would be sent to school governors as well to explain the decisions being made by the Schools Forum.

**Action: HS to prepare a news item to go to all schools and include David's paper.**

## 10. FORWARD PLAN

Jan	20th			
		7	Growth Funding Policy	Caroline Warren
		8	Q2 update	Caroline Warren
		9	Deficit Recovery Plan	Mustafa Salih
		10	Early Years Funding	Hilary Smith
		11	NFF Funding rates for 2022/23	Mustafa Salih
		12	HNWG update	Susie Weaver

## 11. Any Other Business

None.

Meeting closed

**SCHOOLS FUNDING 2022/23 – FINAL UPDATE**

**Powerpoint Presentation attached as a separate document (Mustafa Salih)**

**EARLY YEARS FUNDING**

**Attached as a separate document (Rachel Webb)**

# South Gloucestershire Council

## SCHOOLS FORUM

20<sup>th</sup> January 2022

### **Growth Funding Policy Criteria and Schools Specific Contingency 2022/23**

#### **Purpose of Report**

1. To agree with the Forum the criteria on which growth funding is allocated to maintained and academy schools. The report provides a provisional list of schools identified to receive growth funding in 2022-23 and in addition requests the removal of the Schools Specific Contingency from 2022-23.

#### **Policy**

2. The Dedicated Schools Grant (DSG) is an Education and Skills Funding Agency (ESFA) grant which is used in its entirety to fund the Schools Budget which in turn supports school and pupil related expenditure. The grant is ring-fenced and must be used in accordance with criteria set by the ESFA.
3. Growth Funding is included within the Schools Block allocations of the DSG.
4. Criteria for allocating growth funding must be approved by Schools Forum.

#### **Background**

5. Primary and Secondary Maintained Schools and academies are eligible for Growth funding based on a policy agreed by Schools Forum.

#### **Growth Funding Policy**

6. The proposed criteria for agreeing and allocating growth funding in 2022-23 is:

##### **(i) Permanent and Temporary Increases**

7. Where schools increase their Published Admission Number (PAN) in agreement with the Local Authority (LA) and these are not captured in the October census until the following year or included in the estimated pupil numbers in the Authority Proforma Tool (AP Tool), funding will be allocated from the central growth fund.
8. PAN increases can be based on either one form of entry, or a part-time form of entry where there is a longer-term plan to increase the schools PAN up to one form of entry.

9. Increases can be based on a temporary or permanent change in the pupil admission numbers agreed with the LA.
10. Where a temporary change is agreed (i.e. a temporary bulge class is required for one year) growth funding will be calculated for the academic year. The school will receive 7/12<sup>ths</sup> in September and 5/12<sup>ths</sup> in April.
11. Where a permanent change is agreed (i.e. the schools PAN is increasing permanently, on a roll through basis) and this is not captured in the October census until the following year or included in the estimated pupil numbers in the AP Tool funding, schools will receive growth funding for the agreed roll through period (usually 7 years for Primary and 5 years for Secondary)
12. The growth funding allocation will be based on the Basic Entitlement rates for 2022-23 multiplied by the agreed pupil number increase and pro-rata based on the agreed date of change.
13. For example, where a school has agreed with the LA to increase by 30 pupils (a one form of entry) in September the growth funding calculation would be based on 30 pupils multiplied by the Basic Entitlement for the proportion of the financial year the class runs September to March.
14. However, if a school has a PAN of 20 and agrees an increase to 30 to create one form of entry in September, the allocation of growth funding will be based on 10 pupils multiplied by the Basic Entitlement for the portion of the financial year the class runs 7/12<sup>ths</sup> September to March.

## **(ii) Exceptional Circumstances**

15. Exceptional circumstances can arise where the LA may request /agree an increase above a school's current PAN number by any increment and mid-year, for example an unplanned closure of a local independent school as was the case in south Glos. recently. In these circumstances growth funding will be calculated on a pro-rata basis for the portion of the financial year the class runs.
16. On occasions (depending on the exceptional circumstance) the LA might agree to fund a guaranteed minimum number of pupils in a specific year group, in future years. Where this type of agreement is made the LA will calculate the difference between the October census numbers and the guaranteed minimum pupil numbers for the specific year group. The Basic Entitlement rate will be applied to the pupil number differential for the agreed number of years.

**(iii) New Schools**

17. New primary schools receive £42,000 for pre-opening setting up costs. They will also attract £50,000 for each of the first four academic years due to diseconomies of scale and setting structures while building up numbers.
18. New secondary schools receive £63,000 for pre-opening setting up costs. They will also attract £75,000 for each of the first four academic years due to diseconomies of scale and setting structures while building up numbers
19. New All Through Schools - New primary schools attached to an existing Secondary school to become an all through school receives £42,000 for pre-opening setting up costs plus the Primary school will attract £50,000 for each of the first four academic years due to diseconomies of scale and setting structures while building up numbers. In addition, the new all through school will receive an allocation of £50,000 per form of entry for the first academic year for the New Primary phase and £25,000 for the next three academic years (in line with previous Schools Forum agreement Sept 2015).

**(iv) Growth Funding Settlement**

20. The growth funding allocation for 2022-23 is £1,110,083 and included within the Schools Block Funding allocation. This is a decrease of £62,516 from the 2021-22 allocation.
21. The Growth Funding allocation is based on the following factors
- £1,485 for each primary 'growth' pupil,
  - £2,200 for each secondary 'growth' pupil, and
  - £70,800 for each new school that opened in the previous year (that is, any school not appearing on the October 2020 census but appearing on the October 2021 census).

The table below shows the data used to calculate the growth funding allocation for South Gloucestershire Schools.

Eligible primary growth [ A ]	Eligible secondary growth [ B ]	ACA (pupil weighted for fringe LAs) [ C ]	Allocation for primary growth [ D ] = [ A ] * £1,485 * [ C ]	Allocation for secondary growth [ E ] = [ B ] * £2,200 * [ C ]	Number of new schools [ H ]	ACA weighted number of new schools [ I ] = [ E ] x [ H ]	Allocation for new schools [ J ] = [ I ] * £70,800	Total growth allocation before the application of transitional protection [ K ] = [ F ] + [ G ] + [ J ]
277.5	310.0	1.015	£418,112.22	£691,970.84	0	0.000	£0.00	£1,110,083.06

22. It should be noted that the Department for Education do not expect local authorities to use these rates in their local arrangements for funding growth.

23. Below is a provisional list of schools identified as likely to be eligible for growth funding in 2022-23.

School/Academy	Change / Reason for Growth	New School Opening Date / Date of PAN increase /change	No of additional places @ Sept 22
Abbeywood	Increase PAN from 180 to 240 and roll through year groups	01-Sep-22	60
Charlton Wood	Post opening setting up costs and reception class breach (intake est at 60). Roll through.	01-Sep-19	30
Frenchay	Potential increase to 1FE throughout all year groups	01-Sep-22	70 (max)
John Cabot	Increase from 160 to 175 roll through year groups.	01-Sep-17	15
Lyde Green Primary	Increase reception from 60 to 90 roll through bulge	01-Sep-20	30
Lyde Green Secondary	New School Opening - Pre-Opening and Diseconomies of Scale payments funded from Growth	01-Sep-22	120 places (funded through APT (Authority Proforma Tool))
Patchway	Exceptional Circumstance - Hong Kong increase – Yr9 break-even 24 pupils for 3 years (roll through) & Yr10 30 pupils for 2 years (roll through)	01-Sep-21	54 (max)
Sir Bernard Lovell	Bulge increase final 5/12th payment	01-Sep-21	30
Stoke Lodge Primary	Potential temporary bulge class of 30 in Y5 for 2 years	01-Sep-22	30 (max)

### Schools Specific Contingency

24. In 2017/18, School Forum agreed to hold a school's specific contingency to support Schools in Financial difficulties (SIFD). The last request received and approved by the forum was back in May 2019, with no other requests being received since. This

can be attributed to the increase in funding to schools through the National Funding Formula during the past 3 years, as well as the implementation of other local authority support mechanisms such as additional Schools Finance Officer support for schools identified as SIFD and the implementation of the small school's strategy.

25. This report is seeking approval from school's forum to remove the Schools Specific contingency provision on the basis that this is no longer required and with the pending introduction of a hard funding formula this type of contingency might not be available to schools.

## **RECOMMENDATIONS**

- (1) The Schools Forum is asked to approve the criteria used for the Policy and the allocation of growth funding in 2022-23.**
- (2) The Schools Forum is asked to agree the removal of the schools specific funding in 2022-23.**

### **Author**

Mustafa Salih, Head of Financial Management and Business Support  
Tel: 01454 863197

Hilary Smith, Head of Education Learning and Skills  
Tel: 01454 863268

Caroline Warren, Finance Business Partner – CAH Children, Management Accounts  
Tel: 01454 863153

### **Departmental Contact**

Michelle Palmer, Senior Finance Officer, Management Accounts  
Tel: 01454 863207

# South Gloucestershire Council

## SCHOOLS FORUM

20 January 2022

### **De-delegation Options for Maintained Mainstream Schools as a result of the DfE's Decision to Cease the Local Authority School Improvement Monitoring and Brokering Grant**

#### **Purpose of Report**

1. To consult with the Forum's Maintained Mainstream Representatives and seek approval for De-delegation of funding for Statutory School Improvement Functions.

#### **Background**

2. In October 2021 the DfE launched a consultation seeking views on the intention to remove the School Improvement Monitoring & Brokering grant ('the grant'), currently allocated to local authorities to support school improvement activities and make provisions within the School and Early Years Finance (England) Regulations for the financial year (FY) 2022-23 to allow local authorities to fund all of their school improvement activity via de-delegation from schools' budget shares.

3. The DfE published their consultation on Tuesday 11 January 2022. Despite the significant concerns reflected throughout the consultation responses, particularly from councils and the maintained sector about removing this additional source of funding, the DfE have confirmed that they will:

- reduce the grant by 50% for the Financial Year 2022-23 and bring it to an end in the Financial Year 2023-24; and
- include provision in Part 7 of Schedule 2 to the School and Early Years Finance (England) Regulations for FY 2022-23 which would allow councils to de-delegate for all improvement expenditure, including all core improvement activities.

4. The consultation response can be read here: [Government response - Reforming how LA SI functions are funded.pdf](#)

5. In total there were 565 responses to the consultation including a response from South Gloucestershire Council.

6. South Gloucestershire now has 82 maintained schools in total and these schools will all be impacted by the reforms with the exception of the Special Schools who are funded differently. The makeup of the maintained sector in South Gloucestershire is as follows:

- 1 Secondary Maintained School
- 2 Special Maintained Schools (Excluding Pathways Learning Centre)
- 79 Maintained Primary Schools

7. The decisions taken by the DfE are:

- Remove the School Improvement Monitoring & Brokering Grant ('the Grant'), which is currently allocated to local authorities to support school improvement activities; and
- Make provisions within the School and Early Years Finance (England) Regulations for the financial year (FY) 2022-23 to allow local authorities to fund all of their school improvement activity (including all core school improvement activities) via de-delegation from schools' budget shares.

### **Impact of the Cessation of the Grant**

8. The types of activities which are undertaken due to this grant funding are not limited to the following, but this list provides an overview of the range of work that is currently supported by this funding:

- School Improvement coordination including the partial funding of strategic posts for School Improvement, Achievement, Standards and Inclusion
- Managing the recruitment process and operational management of challenge and support partners including 1:1s, meetings and training
- The annual Challenge and Support Partner visits for all maintained schools including the reports
- All Early Years Foundation Stage visits, guidance and support including SEND support
- Fully funded Safeguarding compliance reviews and safeguarding guidance in the context of school improvement
- All Local Authority reviews for Priority 1, 2 and 3 schools including additional officers (Approximately 40 per year)
- All Local Authority task groups for Priority 1, 2 and 3 schools including participation from Education leads, CSPs and additional officers (Approximately 60 per year)
- Programmes to support school improvement (Inspection/Ofsted readiness, #Challenge, Professional Growth, Meta-cognition and EYFS/Curriculum development and the Integrity Coaching programme to highlight a few). Programmes are either funded or partially funded to support school improvement across the sector.
- Officer support for schools during the Ofsted inspection process; preparation, the visit (meeting with the Inspector) and attending feedback

- Funding to support Priority 1, 2, 3 and 4 schools in terms of additional CSP support, brokered curriculum/inclusion support, governance and support with school finance. This has been significant in establishing capacity and securing improvement.
  - Funding to support brokered school to school support which puts money back into the self-sustaining system and enables high performing schools to support the system as a whole
  - All Heads and governors briefings and Heads conferences including officer input, advice and guidance and any external speakers
  - Local authority support and training for maintained school governors beyond subscription
  - Leadership coordination of forums such as SIPB, OPS Board, #SouthGlosConnect Partnership Board and Inclusion Board.
  - Support for school leaders and governors looking at developing partnerships, Federations or joining MATs
  - Funding for a sector led approach to New Heads and Executive Heads, including mentor funding and allocation of ongoing resource to support leadership growth
  - External reviews of governance and safeguarding where these are a priority for the Local Authority
  - Commissioned visits to out of Local Authority Schools to look at best practice (Peter Pan Nursery, Inspire Partnership etc...)
  - Trades Unions, Human Resources and professional association liaison in the context of school improvement
  - Advice and guidance in relation to curriculum, inclusion (Including SEND), FEX/PEX and social, emotional and mental health
  - Tools to support school improvement such as the SEND data toolkit and the Black Box data sets
  - Communications including Heads Bulletins
9. With the grant ceasing and without de-delegation to cover the lost grant, elements of the above would need to be ceased.

## Financial Impact

10. The size of the grant for 2022/23 is anticipated to have been £340k, with the DfE's decision to half it for 2022/23 and then cease it altogether in 2023/23 the amount of lost grant in 2022/23 will be £170k. School funding regulations require de-delegation decisions to be made by relevant School Forum reps and Local Authorities are required to provide School level modelling to show the impact on schools. Appendix A shows this modelling illustrating how much each school's budget share will be reduced if de-delegation is undertaken.

11. It is also important to set out this de-delegation issue within the context of other funding issues affecting the Council and all other local authorities. In addition to this specific grant reduction covered in this report a separate funding stream that local authorities receive to support their statutory responsibilities for schools is also reducing significantly next year. The Council also receives separately Central Services Block funding which is being reduced by £380k in 2022/23. The approach taken by the Council is to ensure this

reduced funding stream is not passed on to impact on statutory school services provided for schools in any way and in the work to build the Council's budget for next year the approach being looked at is to fund this reduction by identifying compensating savings across the whole department. The Department has, therefore, already done a great deal to find savings and safeguard its Central Services Block spending that provides statutory services relating to Schools; It would not be possible find further savings as an alternative to de-delegation to mitigate the impact of the School Improvement Grant reduction.

12. Another important element of background context is that School Budget Shares in South Gloucestershire are due to benefit from an additional £12m in 2022/23 in line with the Government's improved funding settlement for Schools and the DfE's stated view is that any de-delegation request from Local Authorities and its affordability by schools should be considered in light of this additional funding. The DfE have also stated that the Secretary of State will consider overriding any School Forum decisions not to de-delegate should local authorities set out a case for doing so.

### **Options for consideration by the Schools Forum:**

13. **Option 1:** do not de-delegate £170k for Maintained Mainstream School Budget Shares in 2022/23. The impact would be to reduce support for schools which would increase risks relating to declining standards, inspection outcomes and reputational standards for South Gloucestershire School system

14. **Option 2:** de-delegate £170k from Mainstream Maintained schools budget share to fund School Improvement services. The impact would be to safeguard support for Schools.  
De-delegation : Maintained Schools 'pay' into a central pot for the service to continue

### **Legal Implications**

15. School funding matters and the role of Schools Fora are set out in the Financing of Maintained Schools Regulations and the DfE's Operational Guide.

### **Author**

Mustafa Salih, Head of Financial Management and Business Support  
Tel: 01454 863197

# South Gloucestershire Council

## SCHOOLS FORUM

20th January 2022

### Dedicated Schools Grant 2021/22 Quarter 2

#### Purpose of Report

1. To update the School Forum on the Dedicated Schools Grant 2021/22 Quarter 2 position.

#### Dedicated Schools Grant (DSG) Funded budgets

2. The net current DSG budget, excluding academies and High Needs recoupment, is £146,606k. The DSG is forecasting an outturn overspend position of £32,837k an increase of £173k since Quarter 1. This arises from an in-year forecast outturn overspend of £8,935k and a brought forward deficit balance of £23,902k. Details of the key pressure areas are included in the block summaries below.

3. It should be noted that when the budgets for 2021/22 were prepared, a funding shortfall of £8,997k was identified.

DSG Budget	Net £'000
<b>Original Budget Allocation (December 2020)</b>	<b>239,333</b>
Adjustments and Recoupment	
• High Needs Block Direct Funding By EFA	-5,444
• Academy Recoupment	-86,684
• High Needs Block Adjustment for place change return	-398
• Import / Export adjustment	30
• High Needs Block Import/Export / Free schools / Recoupment funding adjustments	-231
<b>Total Revised DSG (July 2021)</b>	<b>146,606</b>

4. The forecast overspend position by funding block is provided in the table below.

Funding by Blocks	Gross Budget	EFA / Other Income Budget	Budget Reserve (Approved Q2)	Net Budget (DSG)	Gross Exp	EFA / Other Income	Forecast Outturn Reserve as at Q2	Net Exp	Over / (Under)
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Schools Block:</b>									
<b>Total Schools Block - Primary &amp; Secondary Schools (excluding Academies)</b>	<b>101,163</b>	<b>-10,793</b>	<b>11</b>	<b>90,381</b>	<b>101,105</b>	<b>-10,735</b>	<b>11</b>	<b>90,381</b>	<b>0</b>
<b>Central Schools Services Block:</b>									
<b>Total Central Schools Services Block</b>	<b>3,387</b>	<b>-124</b>	<b>-6</b>	<b>3,257</b>	<b>3,381</b>	<b>-130</b>	<b>6</b>	<b>3,257</b>	<b>0</b>
<b>High Needs Block:</b>									
Schools & Independent Providers (including Academies)	42,945	-659	-8,767	33,519	43,416	-987	-8,968	33,461	-58
Central Items	2,579	-350		2,229	2,715	-428	0	2,287	58
<b>Total High Needs Block</b>	<b>45,524</b>	<b>-1,009</b>	<b>-8,767</b>	<b>35,748</b>	<b>46,131</b>	<b>-1,415</b>	<b>-8,968</b>	<b>35,748</b>	<b>0</b>
<b>Early Years Block:</b>									
Private, Voluntary & Independent Providers	16,365	0	0	16,365	16,382	0	-17	16,365	0
Central Items	906	-51	0	855	850	-28	33	855	0
<b>Total Early Years Block</b>	<b>17,271</b>	<b>-51</b>	<b>0</b>	<b>17,220</b>	<b>17,232</b>	<b>-28</b>	<b>16</b>	<b>17,220</b>	<b>0</b>
<b>Total In-Year DSG &amp; EFA Funding</b>	<b>167,345</b>	<b>-11,977</b>	<b>-8,762</b>	<b>146,606</b>	<b>167,849</b>	<b>-12,308</b>	<b>-8,935</b>	<b>146,606</b>	<b>0</b>

<b>Total Forecast DSG In Year Overspend</b>	<b>-8,935</b>
<b>DSG Deficit Reserve B/F</b>	<b>-23,902</b>
<b>Total Forecast DSG Deficit Reserve</b>	<b>-32,837</b>

<b>DSG Unusable Reserve:</b>	£'000s
DSG Deficit Reserve B/F from previous years (Appendix 7 - Unusable Reserve)	<b>-23,902</b>
Approved Budget 2021/22	<b>-5,888</b>
Approved increase draw on DSG Unusable Reserve at Quarter 1 (£2,874k)	<b>-2,874</b>
Request increase draw on DSG Unusable Reserve at Quarter 2 (£173k)	<b>-173</b>
<b>Total DSG Deficit Reserve (Appendix 7 - Unusable Reserve)</b>	<b>-32,837</b>

<b>Total 2021/22 DSG Overspend Reserve</b>	<b>-32,837</b>
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## Funding Transfer between Blocks

5. The DSG is funded from four blocks: the Schools Block, the Central Schools Services Block, the High Needs Block and the Early Years Block.

6. There was a funding transfer of £2,200k approved by the Secretary of State from the Schools Block to the High Needs Block to support demand led pressures and the implementation of new ways of working in line with the DSG recovery plan. The forecast outturn Quarter 2 assumes the implementation costs will be incurred during 2020/21. An update on the implementation cost will be provided in the Quarter 3 monitor report.

## DSG Recovery Plan

7. As reported in Quarter 1 the Department has updated the Dedicated Schools Grant (DSG) recovery plan using the Department for Education's (DFE's) Management Tool Template. The recovery plan has been based on the budget pressures identified as part of

the budget build for 2021/22 to 2025/26 and the revised savings targets based on the High Needs Working Groups latest DSG recovery programme.

8. In 2020/21 a significant new development regarding DSG deficits emerged showing that the DfE had financially supported five local authorities with the highest DSG deficits. On 20<sup>th</sup> July 2021 South Gloucestershire Council received an invite from the Department for Education to take part in the next round of the Safety Valve Intervention work. An introductory meeting was held on 22<sup>nd</sup> September 2021, following this the department received a letter confirming the next steps and timeline for submitting proposals on how the department will get to an in year balanced budget and how quickly this can be achieved.

9. Work has taken place to review and update the latest recovery plan. The revised figures and proposal have been input to the latest version of the DFE Management Tool and submitted to the Department for Education on 7<sup>th</sup> December 2021.

### **Schools Block**

10. The Schools Block is forecasting an outturn underspend of £11k, no change since Quarter 1.

### **Central Schools Services Block**

11. The Central Schools Services Block is forecasting an outturn underspend of £6k, an improvement of (£12k) since Quarter 1.

### **High Needs Block**

12. The High Needs Block is forecasting an outturn overspend of £8,968k before applying the approved reserve transfer, an increase of £201k since Quarter 1. The approved reserve transfer of £8,762k is £173k less than the Quarter 2 outturn forecast. This is mostly due to the recoupment and import/export adjustments within the latest DSG funding announcement. The main pressures within high needs areas are provided below.

### Independent and Non-Maintained Special School Placements

13. Independent and Non-Maintained Special School Placements is forecasting an outturn overspend of £501k, a reduction of £178k since Quarter 1. This is due to 4 new placements (£226k), 14 leavers (£524k), an increase in the contingency provision for future placements (£77k) and price changes (£43k).

### Statemented Support (including Other Local Authority (OLA))

14. Statemented Support is forecasting an outturn overspend of £3,595k, a reduction of £118k since Quarter 1. This is mostly due to the contingency provision for September transfers being removed and replaced with actual activity and a review of the contingency provision held for new plans.

### Special Schools and Resource Bases - OLA

15. Special Schools and Resource Bases - OLA is forecasting an outturn overspend of £870k, a reduction of £68k since Quarter 1. This is mostly due to the September school transfers.

#### Post 16 Placements

16. Post 16 Placements is forecasting an outturn overspend of £1,007k, an increase of £169k since Quarter 1. This is mostly due to the budget on post 16 being adjusted to reflect the latest DSG funding announcement and changes relating to known September transfers.

#### Special Schools South Gloucestershire

17. Special Schools is forecasting an outturn overspend of £1,146k, an increase of £354k since Quarter 1. This is mostly due to changes relating to September school transfers, banding changes and breach payments. The budget required for 2021/22 was £10,322k based on 515 placements at an average weekly cost of £527, however based on the funding available the budget allocated was £9,375k resulting in an average weekly cost of £479. The forecast outturn is based on 494 current learners plus a contingency for 16 new placements giving a total of 510 learners at an average cost of £593 per week.

#### Resource Bases South Gloucestershire

18. Resource Bases is forecasting an outturn overspend of £518k, an increase of £6k since Quarter 1.

#### Pathways Learning Centre

19. Pathways Learning Centre (PLC) funding is forecasting an outturn overspend of £1,120k, no change since Quarter 1.

#### Other High Needs Areas

20. Other high needs areas are forecasting an outturn overspend of £212k, an increase of £36k since Quarter 1. This is mostly due to Early Years High Needs Support, SEN Support for Young people not in School or an educational setting, SEN disagreement resolution costs and staff turnover.

21. The table below shows the outturn spend position for the High Needs budget areas that are currently under pressure.

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	
High Needs Budget Pressure Areas Only	Outturn £'000	Number placed March 2021							
Independent and Non-Maintained Special Schools - Placements	3,904	4,264	5,463	5,419	5,976	6,737	6,945	6,792	110*
Statemented Support (including High Incidence Payments)	4,781	5,368	6,121	6,376	6,897	6,570	8,194	9,583	938**
Post 16 High Needs Placements (Gross of ESFA direct funding)	1,949	2,422	3,157	4,549	4,464	4,276	5,180	6,841	435***
South Gloucestershire Special Schools (Gross of ESFA recoupment for Academies and Post 16)	8,949	7,793	8,468	9,186	10,077	11,539	12,698	13,841	510****
South Gloucestershire Resource Bases (Gross of ESFA recoupment for Academies and Post 16)	3,022	3,323	3,467	3,670	3,037	3,216	3,444	3,684	144****
PLC	2,050	1,925	2,080	2,597	2,977	3,649	3,682	3,380	150*****
<b>Total</b>	<b>24,655</b>	<b>25,095</b>	<b>28,756</b>	<b>31,797</b>	<b>33,428</b>	<b>35,987</b>	<b>40,143</b>	<b>44,121</b>	<b>2,287</b>
Annual % Change		1.78%	14.59%	10.58%	5.13%	7.66%	11.55%	9.91%	

\* Includes Funding for Non-Maintained Special Schools 2014/15 and 2015/16, from 2016/17 directly funded by the ESFA

\*\* Transfer of £1,000k from Statemented Support in 2020/21 for the SEND Cluster Funding Initiative

\*\*\* Post 16 recoupment for FE colleges included from 2017/18, prior to 2017/18 directly funded via ESFA

\*\*\*\* Academy and Post 16 Recoupment included for all years and establishments

\*\*\*\*\* Based on approved planned places excluding breach

## Early Years Block

22. The Early Years Block is reporting a forecast outturn underspend of £16k, an increased underspend of £16k since Quarter 1.

**HNWG UPDATE (VERBAL) (Pippa Osborne and Dave Baker)**

**SCHOOLS FORUM FORWARD PLAN**

March	3rd		To be advised	

**ANY OTHER BUSINESS**