

# AGENDA



## SCHOOLS FORUM

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Date: Thursday 2<sup>nd</sup> December 2021  
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	
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

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(Sarah Lovell)
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TECHNICAL ADJUSTMENTS (Mustafa Salih/Caroline  
Warren)
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- 11 ANY OTHER BUSINESS

**South Gloucestershire Schools Forum  
Minutes of Meeting held on  
Thursday 4<sup>th</sup> November 2021  
Microsoft Teams**

**PRESENT:**

Sarah Lovell (Chair)	Finance Director, Cabot Learning Federation
Dave Baker (Vice Chair)	CEO, Olympus Academy Trust
Julia Anwar	Olympus Academy Trust Representative
Stuart Evans	South Gloucestershire and Stroud College
Kim Garland	Headteacher, Brimsham Green School
Clare Haughton	Page Park Pre-School
Claire Hill	Headteacher, Raysfield Primary School
David Jenkins	Governor, Crossways Schools
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
Bernice Webber	Headteacher, Old Sodbury CE Primary
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  
Michelle Palmer, Senior Finance Officer  
Deb Luter, Schools Finance Officer  
Alison Davies, Business Support Manager  
Alison Ford, Planning and Participations Officer, SEND

**Others:**

Tamsin Moreton, Enable Trust Representative (Observer)

**1. WELCOME AND INTRODUCTIONS**

Attendees were welcomed by the Chair.

2. **APOLOGIES FOR ABSENCE**

Trevor Jones, Chris Sivers, Louisa Wilson, Amber Ludlam, Education and Skills Funding Agency (ESFA)

3. **DECLARATIONS OF INTEREST - None**

4. **SCHOOLS FORUM MEMBERSHIP (Ali Davies)**

Claire Hill was welcomed to the meeting as a new member appointed through Headteachers' Executive. There are three governor vacancies going out to governors on a weekly basis.

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

None.

6. **MINUTES FROM LAST MEETING – 23 September 2021**

**Schools Funding 2022/23** - Outstanding action to be covered in Item 7 of this meeting.

**Update on out of area placements** – covered in Item 7 also.

Remainder of the minutes recorded as accurate.

7. **Schools Funding Arrangement 2022/23**

Mustafa Salih (MS) presented PowerPoint slides.

In summary:

Schools Block is set to grow by £7.3m and High Needs Block by £3.3m.

SEND expenditure – there are pressures from 3 areas: EHCP top ups; funding of special schools and resource bases and pupil referral units and what we pay for out of authority placements.

**Action:** MS to circulate Slide 8.

Focus now is on the £2.2m transfer and we are asking schools to support that transfer.

We will consult on 3 options; A transfer of £3m; £2.2m continues the current investment and £0.917m which is the most we can transfer without requiring Secretary of State approval. We are hoping to get approval at Schools Forum tonight and consult all schools and bring back to the next Schools Forum and Members to make the final decision.

The transfer becomes part of the Safety Valve Process with the Department of Education (DfE).

## Banding

Significant in-year overspend of about £8m and we need to close that gap. Each year the number and pressures grow. The cumulative deficit is around £32m and in the Safety Valve work with the DfE we will be seeking to obtain a significant amount of funding to cover the historic deficit. The £32m will grow to £36m by 2024/25. The DfE will expect us to reduce our spend by 2024/25 to balance in-year so that means eliminating that £8m deficit.

We will start working across schools with Schools Forum in reducing our expenditure of top ups and reducing independent placements etc and funding important investments such as the cluster funds.

We will not be aiming to get to the England average, and we are also phasing it over 3 years rather than one.

We currently have a funding stream called High Incident Funding which is additional funding for schools who have above the average EHCP numbers and each year we try and make the threshold as the England average. Now it is below that England average.

An update will be brought back to Schools Forum at the next meeting on 2<sup>nd</sup> December with proposals to amend the High Incidence threshold.

Schools Forum to approve consultation with all schools on the 3 options and to recommend Option 2. This was **Agreed**.

## 8. Deficit Recovery Plan – Support for proposals and methodology for Theme 2: changes to Top-Up Arrangements

£8m in-year overspend covered in previous item.

### SEND Banding Proposals

Outcome of Theme 2. Established a working group to look at our top up arrangements and representatives drawn from across all sectors and that group came up with a set of principles that was fair and transparent.

Clarity and transparency – proposal to give a single system and easily understood by parents. The methodology was developed by the working group which means it can operate across all schools and settings for existing EHCP children.

Risks - we get the message across the system in managing communication. We are in discussion with the DfE on the delivery of the Deficit Recovery Plan to achieve an in-year balance within an agreed timescale.

Schools Forum to endorse the draft and following the meeting on Monday, putting Early Years in a single budget.

Three recommendations:

- Endorse the guidance proposed
- Transition arrangements
- Support proposal around Early Years (SF will need the feedback from Early Years meeting to support)

This was **AGREED** with No objections.

## 9. **HNWG**

Susie Weaver gave an update on the work of the HNWG. The Terms of Reference is about meeting the needs of children with SEND and having that level of expertise and scrutiny.

Recommendation that David Jenkins and Hilary Smith would produce a communication from a governance perspective, but it hasn't been published yet. Need to make the communications in line with stakeholder engagement and to look at the whole remit of the communications. The initial action has happened but withheld for now and the members of the HNWG have offered to work in partnership with the LA.

High level of information from the LA is being provided and generally in time, and the HNWG is content with the quality of information and work going on with members of the group.

Hilary Smith (HS) – There is also communication with the Parent/Carer Forum, independent of the LA, that their messaging is aligned with the LA and agreed to have a position statement which focuses on improving outcomes, meeting needs of children and good quality financial arrangements to continue and improve.

## 10. **The Impact of SEND Clusters**

Ali Ford (AF) - there was a re-evaluation of the clusters during the summer which showed a 14% increase in need requests from last year. We need to drill down what is contributing to that and what the clusters did last year and planning to accelerate.

Priority areas:

Increase of requests coming through from parents with cluster leads taking this forward and a working group to have conversations with parents and SENCOs and point out the local offer available through schools and clusters.

Three key types of need – social and emotional, mental health and speech and language. Some gains to be made in early intervention of speech and language. High level of need in Autism.

Transition – an area leading to high number of needs assessment requests where we need to be thinking about primary, secondary and post-16, and dovetail with parents on the transition.

Cluster 2 – the Chair of Cluster has provided how to address the rates of EHCP requests.

Quality First Teaching – expansion work to the toolkit over the next year and expanding that support plan.

## 11. Forward Plan

18<sup>th</sup> November moved to the 2<sup>nd</sup> December 2021.

Dec	2nd		
		7	Schools Budget Consultation
		8	Q1 update
		9	HNWG Update

## 12. Any Other Business

Meetings to continue virtually for now.

Meeting closed

# South Gloucestershire Council

## SCHOOLS FORUM

02 December 2021

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

#### Purpose of Report

1. To consult with the Forum on options for setting the Schools Budget 2022-23.

#### Policy

2. The Financing of Maintained Schools Regulations 2011 requires local authorities (LAs) to set the Schools Budget each year. The Schools Budget is defined in regulations and broadly represents all the expenditure incurred by local authorities that relate to schools. The source of funding to support the Schools Budget is a ring-fenced grant received by local authorities known as the Dedicated Schools Grant (DSG). Local Authorities must distribute an element of the Schools Budget to their maintained schools using a formula which accords with the regulations made by the Secretary of State for Education and enables the calculation of a budget share for each maintained school. The financial controls within which delegation works are set out in the Scheme for the Financing of Schools.
3. The DSG is allocated to local authorities in 4 blocks as follows:
  - Schools Block: relates mainly to funding for mainstream school budget shares
  - High Needs Block: relates to funding to support children and young people with SEND
  - Early Years Block: relates to funding for supporting nursery education providers and other general early years education responsibilities
  - Central Services Block: relates to funding to support LA statutory responsibilities relating to schools
4. Requirements relating to each of the blocks and the DSG in totality are covered in the regulations previously mentioned.
5. The Schools Forum has a key responsibility to act as a consultative body with the local authority on the strategic financial management of the Schools Budget and the DSG. A key priority in this area is to take decisions that ensure sound financial management of the Schools Budget.

## Background

6. This report sets out the latest information available and proposed options to consider in setting the 2022-23 Schools Budget including setting the formula for calculating school budget shares.
7. From 2018-19 to 2021-22 a new schools National Funding Formula (NFF) was introduced by the Government which resulted in growth in South Gloucestershire's DSG allocation of £23.2. This was a very welcome development but contrasted to the position regarding the High Needs block which has seen a much smaller increase of £5.6m over that period despite local authorities experiencing significant spending pressures relating to supporting children and young people with SEND.
8. The DfE has announced funding arrangements for 2022-23. The announcement sets out the principles of how funding allocations will be made and so are provisional at this stage. Final figures are announced in December/January and are affected by updates in pupil numbers and pupil characteristics data.

## The National Funding Formula (NFF) for Schools

### Nationally

9. Core school funding increased by £2.6bn in 2020-21 and is increasing by £4.8bn and £7.1bn in 2021-22 and 2022-23 respectively, compared to 2019-20. 2022-23 is the final year of a three-year funding commitment.
10. Next year, school funding is increasing by 3.2% overall: increasing core factors of the formula by 3%, while ensuring that every school is allocated at least 2% more funding per pupil. (MFG: +0.5% to +2%). The minimum per pupil funding levels increase by 2% from £4,180 to £4,265 for primary schools and from £5,415 to £5,525 for secondary schools.
11. There will be an increase in the extra support, the NFF provides for small and remote schools. The maximum amount of sparsity funding schools can attract through the NFF is increasing by £10,000, to £55,000 for primary schools and £80,000 for all other schools. Also improving the accuracy with which we identify schools' remoteness by using road distances instead of straight line distances in the calculations and introducing a new distance "taper". This will significantly increase the number of schools attracting sparsity funding. As a result the total allocation to small, remote schools through the sparsity factor will more than double, from £42 million in 2021-22 to £95 million in 2022-23. Distance Taper: schools whose sparsity distance is between 1.6 and 2 miles (for primary schools) or 2.4 and 3 miles (for secondary schools) could now attract some additional funding through the sparsity factor if their cohort sizes are below 21.4 and 120 respectively. Previously funding was only awarded above 2 and 3 miles respectively.
12. An improvement in funding for schools by decreasing the funding lag for the "FSM6" deprivation funding factor by 9 months, by moving from using the previous year's January census to the 4 October census for measuring eligibility. This increases the amount of funding allocated for deprivation in the NFF through this factor to £1,369 million in 2022-23.

13. Centralising the business rates payment system for schools, so that ESFA will pay billing authorities directly on behalf of state funded schools. This will simplify the process and decrease administrative burdens for schools.
14. The amount of growth funding to be allocated to each authority is not specified as it will be based on differences between the October 2020 and the October 2021 census data.
15. High needs funding is increasing by £780m, or 9.6%, in 2022-23 – following the over £1.5 billion increase over the last two years. This brings the total high needs budget to £8.88 billion. The high needs NFF will ensure that every local authority receives at least an 8% increase per head of population, and up to 11%.
16. the government remains focused on completing the cross departmental review of the SEND system to ensure that it supports children and young people with SEND efficiently and effectively as possible.
17. the Government is in the process of consulting on how they complete their reforms of the NFF for mainstream schools to move to a hard formula but no implementation until after 2022-23.
18. LAs will again be able to transfer up to 0.5% of their total schools block allocations to other blocks of the Dedicated Schools Grant (DSG), with schools forum approval. A disapplication will continue to be required for transfers above 0.5%, or for any amount without schools forum approval.

### **Locally**

19. Schools funding in South Gloucestershire is set to increase by £7.3m in 2022-23, the High Needs Block will grow by £3.3m. Assuming there is support for a continuation of a £2.2m transfer, school budgets would still grow by £5.1m with more funding on top for schools for any growth in pupil Nos

### **Schools Block Consultation**

20. The Council has conducted a consultation with all schools regarding the proposal to continue a £2.2m block transfer and the results of that consultation will be presented to the Forum as the consultation was still ongoing when this report was written.
21. The proposed use of the £2.2m transfer is to continue the investment in the Cluster Funds, Early Years SEND support and supporting schools to help avoid out of authority placements.
22. School by School impact has been modelled and provided as Appendix A.
23. The Schools Forum is asked to consider the 3 options that have been consulted on and is asked to recommend option 2 from the following 3 options:

Option 1: A transfer of £3m, which is the maximum that can be transferred but still allows all schools to receive the minimum per pupil amounts or at least a 0.5% per pupil increase

Option 2: a £2.2m transfer that continues the same level of transfer that had been secured for 2020/21 and allows the initiatives identified in paragraph X to continue.

Option 3: a £0.917m transfer, which is the maximum that can be transferred that does not require approval from the Secretary of State.

### **SEND Pressures and the DSG Recovery Plan**

24. Our engagement with the DfE's Safety Valve process offers an opportunity to receive significant financial support to help clear a large element of our historic deficit. The plan being developed with the DfE at a summary level is as follows:

DSG Sustainability Plan	Outturn	Outturn	Outturn	Budget	Budget	Budget	Budget	Budget
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
High Needs Block Funding	27,225	27,711	30,134	33,548	38,036	39,937	41,135	42,369
<i>Annual Increase in Funding</i>		486	2,423	3,414	4,488	1,902	1,198	1,234
		1.8%	8.7%	11.3%	13.4%	5.0%	3.0%	3.0%
Transfer from Schools Block	2,900	2,200	2,200	2,200	2,200	2,200	0	0
Total Funding	30,125	29,911	32,334	35,748	40,236	42,137	41,135	42,369
<i>Annual % Increase</i>		-0.7%	8.1%	10.6%	12.6%	4.7%	-2.4%	3.0%
Total Spend (analysed below)	32,602	34,958	39,978	44,986	44,156	42,537	40,995	41,180
<i>Annual % Increase</i>		7.2%	14.4%	12.5%	-1.8%	-3.7%	-3.6%	0.5%
In Year Over(+)/Under(-) spend High Needs Block	2,477	5,047	7,644	9,238	3,921	400	-140	-1,189
In Year Over(+)/Under(-) spend (Other Blocks)		-347	-89					
Cumulative deficit	11,646	16,346	23,901	33,139	37,060	37,460	37,319	36,130

25. For our negotiations with the DfE to be successful we must demonstrate a robust plan to achieve an in year balance over the short to medium term. Our plan is to take manageable steps to achieve this in-year balance position by 2024/25.
26. Our plan is based on moving towards levels of efficiency most other LAs are currently achieving as well as investing in early help, early years and new provision. It must also involve moving towards levels of pupils supported through EHCPs and top-up levels that most other LAs are achieving. New funding being made available through cluster funds and Early Years SEND Fund offer the opportunity to reduce spend through top-ups and support pupils with SEND needs by a shift of funding to speedier and more efficient funding options through these other funding streams.
27. The Council has developed a number of principles to underpin this manageable path to a sustainable DSG and the Forum is asked to consider and approve these principles which are as follows:

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

28. Our aim is to move towards the England Averages for the proportion of pupils supported with EHCPS rather than to them as follows:

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

29. 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
30. 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 prim and secondary:

2022/23 - 7%  
 2023/24 – 10%  
 2024/25 – 8%

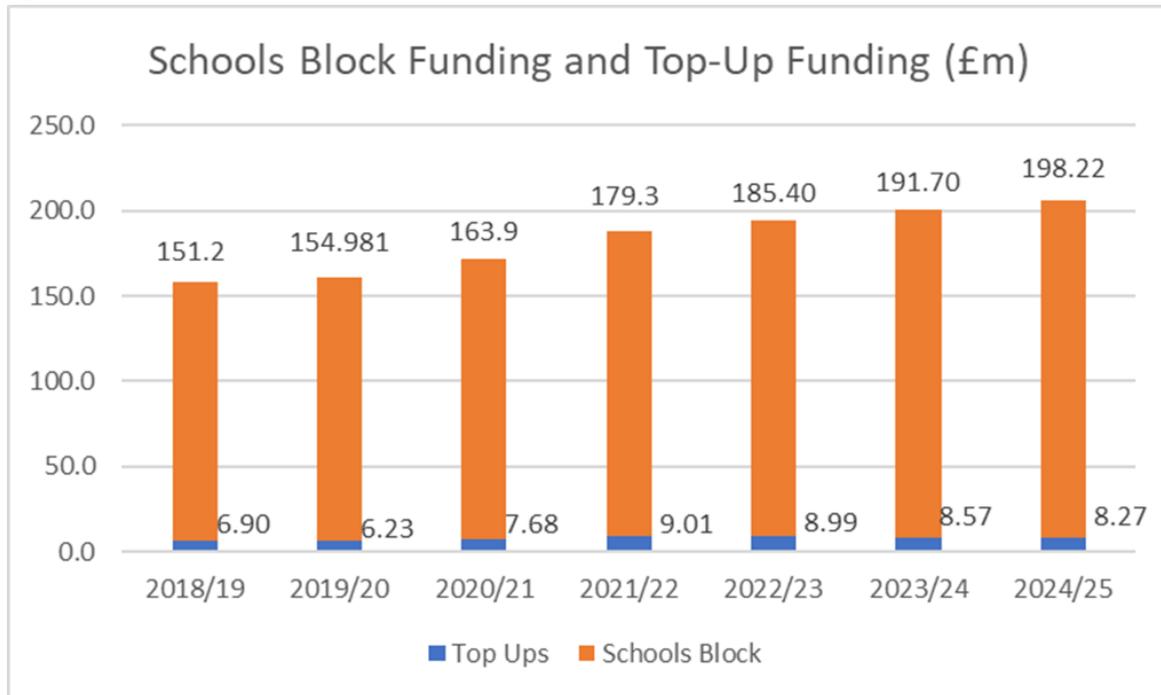
(ii) Individual school level: for schools affected by a greater % than the percentages shown above. The exact threshold to be chosen will be worked up once the banding exercise has been finalised and consulted upon with the Schools Forum. The Same approach will be applied for Special Schools and PRUs

### **Principle 2: Fairness:**

31. All areas of SEND expenditure will take a proportionate impact (as per paragraph 28 above).

### Principle 3: Affordable

32. Since the introduction of the NFF South Gloucestershire schools have received extra funding and so are in a more favourable position than they have been to support pupils with SEND. Even with the phased reductions in top-ups overall funding to schools will continue to grow as follows:



33. In addition, investment in Cluster Funding and new Early Years SEND Support will continue to grow overall funding while spending starts to switch from Top-Ups to direct schools funding and early intervention funding.

### Principle 4: Flexible and adaptable

34. The Plan is based on modelling using prudent assumptions and we will need to update the plan each year based on actual spend and actual funding outcomes.

### Principle 5: Ensuring Delivery:

35. To remain in the DfE's Safety Valve Programme we must ensure delivery and staying on target to achieve an in-year balance by the end of 2024-25 with a Cumulative Deficit of £37.3m. To provide the necessary robustness to the plan all key SEND budgets will be capped so that for example if the banding exercise or continued growth in the proportion of EHCPs creates an overspend, then Top-Up rates/protection will be adjusted in the next year to compensate for the overspend.
36. **Through this report the Schools Forum is being consulted on these six principles and is recommended to approve their adoption as part of the Council's recovery Plan.**

## Technical Adjustments to Consult On

### High Incidence

37. School Funding regulations allow LAs to implement additional funding for schools that have a disproportionately high number of pupils with SEND. This is an optional funding factor and many LAs choose not to adopt such a measure and allow the formula factors to target funding, based on the proxy factors within the NFF such as deprivation and prior attainment.
38. South Gloucestershire does adopt this measure and schools and academies with a high incidence of mainstream high needs pupils above a set % rate, currently 2.8% (HI%), using the NOR at the Autumn census may attract additional funding. Funding is paid in two instalments in a financial year April 5/12th payment based on previous Autumn data and Jan 7/12th from the current Autumn census data.
39. The principle adopted by the Council was to set the threshold percentage in line with the national average. As the national average has increased there is a need to adjust our threshold from its current value of 2.8% to the national average of 3.7%. The last adjustment made here was in 2019 when the threshold was moved to 2.8%. Savings achieved through adjusting this threshold are proposed to be used in the first instance for the individual transitional protection set out in paragraph 30(ii).
40. It is proposed to move the threshold percentage to the national average for 2022/23. The following table shows the impact along with a second option of a phased change over 2 years:

2021/22 DfE No	Establishment Name	Current (Total High Incidence @ 2.8% based on November 20 pupil numbers)	Option A: Move to Nat Av. In 1 Year. (Total High Incidence @ 3.7% based on November 20 pupil numbers)	Option B: Move to the Nat. Av. over 2 Years (Total High Incidence @ 3.3% and then 3.7% based on November 20 pupil numbers)	
		£	£	(3.3%) £	(3.7%) £
8032007	Emersons Green	8,232		2,202	
8032180	Cadbury Heath Primary	6,768		1,548	
8032181	Parkwall Primary School	10,512	4,248	7,032	4,248
8032186	Hambrook School	2,736		0	
8032187	North Road Community Pmy Sch	6,360	690	3,210	690
8032216	Barley Close Community Primary	3,936		0	
8032018	Raysfield Primary	36,144	14,976	24,384	14,976
8032306	Wellesley Primary School	13,056	1,824	6,816	1,824
8032317	Blackhorse Primary School	35,136	13,644	23,196	13,644
8032322	Gillingstool Primary School	26,448	17,592	21,528	17,592
8032331	Stanbridge Primary School	14,616		2,226	
8032339	Manorbrook Primary	1,560		0	
8032340	Bowsland Green	12,336		4,896	
8032341	Bailey's Court	38,448	16,092	26,028	16,092
8033042	Almondsbury C/E School	26,424	9,846	17,214	9,846
8033043	St Helen's CE Primary	7,392		1,212	
8033045	Frampton Cotterell Church of England Primary School	18,912	1,848	9,432	1,848
8033051	Christ Church C o E VC Infants	10,536		3,846	
8033057	Rangeworthy	6,072	2,238	3,942	2,238

8033059	ST BARNABAS CE PRIMARY SCHOOL	11,088	1,152	5,568	1,152
8033067	Frenchay C of E School	12,648	5,142	8,478	5,142
8033300	St Mary's Catholic Primary Sch	1,560		0	
8033431	Horton CE Primary	3,600	900	2,100	900
8033436	Christ the King R.C. School	28,416	18,264	22,776	18,264
8032009	Severn Beach C.P. School	3,168		0	
8033439	Stoke Lodge Primary	3,552		0	
8034004	Marlwood	7,392		0	
8034007	Digitech Studio School Bristol	46,944	17,676	30,684	17,676
8034120	The Castle School	2,976		0	
	<b>Total</b>	<b>406,968</b>	<b>126,132</b>	<b>228,318</b>	<b>126,132</b>
	Contingency projection of additional 10 pupils	43,200	37,800	40,200	37,800
	<b>Grand Total</b>	<b>450,168</b>	<b>163,932</b>	<b>268,518</b>	<b>163,932</b>
	Savings		286,236	181,650	286,236

## Breach Funding

41. Resource Base/Access Centres and Special Schools in South Gloucestershire are currently funded £10k breach if the establishment goes over their funded place numbers. Breach is calculated and paid on a monthly basis.
42. The high needs operational guidance was reviewed in 2018/19 which saw the new Import/export return (where we claim or are deducted for pupils crossing borders) and the introduction that saw resources bases and access centres being funded from the school block for the first £4k place funding and the remaining place funding from the high needs block for taken places. (Special schools continued to be solely funded by the high needs block). The high needs operational guide was also updated to include that LA's should not automatically be charged at the £10k rate where establishments breach their funded places. To date South Gloucestershire has continued to pay breach at the £10k.
43. Extract from high needs operational guide:
- Place funding is not withdrawn if an individual does not occupy a funded place. It provides institutions with a guaranteed budget for the year and gives them a degree of financial stability. A local authority may not seek to recover funding for places which it perceives as being unused from the previous or current academic year. Similarly, local authorities should not automatically be charged an extra £6,000 or £10,000 per head top[1]up funding for a pupil or student with high needs if an institution has filled all funded places (irrespective of which local authority has filled them).*
44. Currently the import/export returns only allows for a claim of £6k per place resulting in further overspends to an already overstretched high needs block. It is proposed that Resource bases, Access Centres and Special Schools breach funding will reduce to £6k from April 2022, with an exceptional circumstance option that will allow schools to put together a business case if they feel the £6k is not sufficient. **The Schools Forum is requested to approve this change to breach funding methodology.**

## Recommendations

45. The Schools Forum is requested to approve Option 2 regarding the Schools Block Transfer as follows:

**Option 2: a £2.2m transfer from the Schools Block to the High Needs Block is undertaken, which continues the same level of transfer that had been secured for 2020/21 and allows the investments in Cluster Funding and Early Years SEND support and other measures to support the DSG Recovery Plan to continue.**

46. The Schools Forum is requested to approve the High Incidence Threshold is amended for 2022/23 to 3.7% as set out in paragraphs 37 to 40 of this report.
47. The Schools Forum is requested to approve the breach methodology being amended to the proposal set out in paragraph 44.

### **Financial Implications**

48. The School Finance Regulations set out the arrangements which Local Authorities must follow when allocating the DSG funding to schools.
49. As the support for schools and other pupil related services expenditure is funded by the DSG there is no charge to the Council Budget. Hence there is no charge to the Council Tax payer.
50. The DSG is forecast to overspend in 2021/22. Any overspend will need to be recovered from future year DSG funding. Council officers have met with DfE officials on two occasions to review the Council's approach to the DSG deficit and the DfE have thus far approved the Council's approach. The historic nature of the deficit will mean that without additional funding from the DfE to recognise the historic shortfall in funding the recovery of the deficit will need to be over a number of years. The immediate priority is to achieve an in year balance over the next 3 years.

### **Legal Implications**

51. There is a legal requirement for the local authority to:
- submit the final school pro-formas and underlying data to the Education & Skills Funding Agency by the 21 January 2022.
  - confirm with schools their budget allocations for 2022/23 by 28 February 2022.
52. The Chief Financial Officer, after the end of the financial year, must confirm to the DfE that the grant conditions have been met.

### **Author**

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

# South Gloucestershire Council

## SCHOOLS FORUM

2<sup>nd</sup> December 2021

### Schools Funding 2022/23 – Consultation and Technical Adjustments

#### Technical Variation to 2022/23 School Formula Funding and future years

#### Purpose of Report

1. To seek approval from Schools Forum to continue to dis-apply the minimum per pupil funding calculation for all through schools.

#### Policy

2. In accordance with the school funding regulations the Council proposes to make a technical adjustment in 2022/23 and future years for the Minimum per pupil funding (MPPF) calculation for all through schools via a disapplication request.

#### Background

3. In accordance with the schools operational guidance the MPPF is calculated as follows:-

$$\frac{\text{Years Groups in Primary} \times \text{MPP Primary rate (22/23 } \pounds 4,265) + \text{Year Groups in KS3} \times \text{MPP KS3 rate (22/23 } \pounds 5,321) + \text{Year Groups in KS4} \times \text{MPP KS4 rate (22/23 } \pounds 5,831)}{\text{Total Number of Years Groups}}$$

This results in all through schools being funded on an average of all year groups instead of MPP Primary rate for Primary Phase and MPP Secondary Phase for Secondary Phase. Which is a disadvantage where pupil numbers in Primary phase is much lower than in Secondary phase.

#### Proposal for calculating the MPPF for all through schools

4. The Council believes the fairest way to calculate the MPPF for the all through schools is apply the MPP Primary rate (22/23 £4,265) to the primary phase pupils and the MPP Secondary rate (22/23 £5,525) to the secondary phase pupils as follows:

$$\frac{\text{Primary Phase Pupils} \times \text{MPP Primary rate} + \text{Secondary Phase Pupils} \times \text{MPP Secondary rate}}{\text{Total Number of pupils}}$$

#### Examples of the Minimum per pupil funding (MPPF) calculation

5. *Primary school example*

The calculation is 7 years groups x £4,265 = £29,855 / 7 = £4,265

6. *Secondary school example*

5 year groups (3 key stage 3 and 2 key stage 4)

The calculation is (3 x £5,321) + (2 x £5,831) = £27,625 / 5 = £5,525

7. *All through school example of current calculation*

Primary Phase 7 year groups and Secondary 5 year groups (3 – key stage 3 and 2 – key stage 4)

The calculation is (7 x £4,265) + (3 x £5,321) + (2 x £5,831) = £57,480 / 12 = £4,790.

8. *Proposal for all through school based on pupils numbers*

Based on a Primary phase 210 pupils and secondary 450 pupils

$(210 \times £4,265) + (450 \times £5,525) = £3,381,900 / 660 \text{ pupils} = £5,124.$

1. **Recommendation**

9. The Schools Forum is asked to note the proposal and agree for a disapplication request submission based on this report for funding in 22/23 and future years.

**Author**

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

**Departmental Contact**

2. Caroline Warren, Finance Business Partner Children's Services Tel: 01454 863153

# South Gloucestershire Council

## SCHOOLS FORUM

2<sup>nd</sup> December 2021

### Dedicated Schools Grant 2021/22 Quarter 1

#### Purpose of Report

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

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

2. The net current DSG budget, excluding academies and High Needs recoupment, is £146,837k. The DSG is forecasting an outturn overspend position of £32,664k. This arises from an in-year forecast outturn overspend of £8,762k 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
<b>Total Revised DSG (March 2021)</b>	<b>146,837</b>

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

Funding by Blocks	Gross Budget	EFA / Other Income Budget	Budget Reserve (Approved Q1)	Net Budget (DSG)	Gross Exp	EFA / Other Income	Q1 Reserve	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>-10,782</b>	<b>0</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>-130</b>	<b>0</b>	<b>3,257</b>	<b>3,394</b>	<b>-131</b>	<b>-6</b>	<b>3,257</b>	<b>0</b>
<b>High Needs Block:</b>									
Schools & Independent Providers (including Academies)	40,301	-663	-5,888	33,750	48,967	-6,552	-8,767	33,648	-102
Central Items	2,579	-350		2,229	2,742	-411	0	2,331	102
<b>Total High Needs Block</b>	<b>42,880</b>	<b>-1,013</b>	<b>-5,888</b>	<b>35,979</b>	<b>51,709</b>	<b>-6,963</b>	<b>-8,767</b>	<b>35,979</b>	<b>0</b>
<b>Early Years Block:</b>									
Private, Voluntary & Independent Providers	16,365	0	0	16,365	16,397	0	0	16,397	32
Central Items	906	-51	0	855	851	-28	0	823	-32
<b>Total Early Years Block</b>	<b>17,271</b>	<b>-51</b>	<b>0</b>	<b>17,220</b>	<b>17,248</b>	<b>-28</b>	<b>0</b>	<b>17,220</b>	<b>0</b>
<b>Total In-Year DSG &amp; EFA Funding</b>	<b>164,701</b>	<b>-11,976</b>	<b>-5,888</b>	<b>146,837</b>	<b>173,456</b>	<b>-17,857</b>	<b>-8,762</b>	<b>146,837</b>	<b>0</b>
<b>Total DSG In Year Overspend</b>									<b>-8,762</b>
<b>DSG Deficit Reserve B/F</b>									<b>-23,902</b>
<b>Total DSG Deficit Reserve</b>									<b>-32,664</b>
<b>DSG Reserve:</b>									<b>£'000s</b>
DSG Deficit Reserve B/F from previous years (Appendix 7 - Unusable Reserve)									<b>-23,902</b>
Approved Budget 2021/22									<b>-5,888</b>
Request increase draw on DSG Reserve at Quarter 1 (£3,313k)									<b>-2,874</b>
<b>Total DSG Deficit Reserve (Appendix 7 - Unusable Reserve)</b>									<b>-32,664</b>
<b>Total 2021/22 DSG Overspend Reserve</b>									<b>-32,664</b>

## 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 1 assumes the implementation costs will be incurred during 2020/21. Updates on the implementation costs will be provided in future monitor reports.

## DSG Recovery Plan

7. 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 2024/25 and the revised savings targets based on the High Needs Working Groups latest DSG recovery programme. The plan assumes future funding increases in line

with previous years and the continuation of the Schools Block Transfer of £2,200k being approved by the Secretary of State each year.

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 Value 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 is taking place to a review and update the latest recovery plan ready for submission to the Department for Education by 7<sup>th</sup> December 2021.

### **Schools Block**

10. The Schools Block is forecasting an outturn underspend of £11k.

### **Central Schools Services Block**

11. The Central Schools Services Block is forecasting an outturn overspend of £6k.

### **High Needs Block**

12. The High Needs Block is forecasting an outturn overspend of £8,767k. 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 £679k. The budget required for 2021/22 was £7,450k based on 127 placements at an average weekly cost of £1,544, however based on the funding available, the budget allocated was £6,291k resulting in an average weekly cost of £1,304. The forecast outturn is based on 111 current learners and a provision for 7 new placements from July to March 2021 at an average weekly cost of £1,554. There are 8 learners with expected end dates of July 2021 where costs have been forecast to the end of the financial year as there is currently no forecast in Post 16 or alternative provision for these learners. The additional 7/12s costs of the 8 learners is £442k. The 0-25 team are reviewing each learner and will update Schools Forum with the students' future provision at Quarter 2.

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

14. Statemented Support is forecasting an outturn overspend of £3,714k. The budget required for 2021/22 was £9,395k based on 954 placements at an average weekly cost of £259, however based on the funding available the budget allocated was £5,988k resulting in an average weekly cost of £165. The forecast outturn is based on 852 current learners and a provision for 174 new placements from July to March 2021, 35 transfers in from Early Years, 54 transfer to Post 16 and 50 transfer to Special Schools. The average weekly cost based on 957 placements is £267.

### Special Schools and Resource Bases - OLA

15. Special Schools and Resource Bases - OLA is forecasting an outturn overspend of £937k. The budget required for 2021/22 was £1,792k based on 88 placements at an average weekly cost of £536, however based on the funding available the budget allocated was £1,124k resulting in an average weekly cost of £336. The forecast outturn is based on 109 placements made up of 79 current placements and a provision for 30 new placements / transfers July to March 2021 at an average weekly cost of £498.

### Post 16 Placements

16. Post 16 Placements is forecasting an outturn overspend of £838k. The budget required for 2021/22 was £4,827k based on 456 placements at an average weekly cost of £279, however based on the funding available the budget allocated was £3,694k resulting in an average weekly cost of £213. The forecast outturn is based on 330 current learners and a provision for 106 new placements across Independent Specialist settings, FE College and Alternative Provision for July to March 2022. There are a number of learners with possible end dates of July 2021 where the costs have been forecast for an additional year. The cost for September to March is £1,313k. The 0-25 team are reviewing each learner and will update Schools Forum with the students' future provision at the 2<sup>nd</sup> Quarter revenue report.

### Special Schools South Gloucestershire

17. Special Schools is forecasting an outturn overspend of £792k. 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 481 current learners plus a contingency for 24 new placements giving a total of 505 learners at an average cost of £530 per week.

### Resource Bases South Gloucestershire

18. Resource Bases is forecasting an outturn overspend of £512k. The budget required for 2021/22 was £2,895k based on 139 placements at an average weekly cost of £548, however based on the funding available the budget allocated was £2,545k resulting in an average weekly cost of £482. The forecast outturn is based on 136 current learners plus contingency for 8 new placements giving a total of 144 learners at an average cost of £559 per week.

### Pathways Learning Centre

19. Pathways Learning Centre (PLC) funding is forecasting an outturn overspend of £1,120k. The budget required for 2021/22 was £3,217k based on 150 placements at an average weekly cost of £564, however based on the funding available the budget allocated was £2,231k resulting in an average weekly cost of £392. The forecast outturn is based on 150 learners at an average weekly cost of £588 and includes additional 1:1 support for a number of complex learners currently being supported by PLC.

## Other High Needs Areas

20. Other high needs areas are forecasting an outturn underspend of £176k. 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 2022							
Independent and Non-Maintained Special Schools - Placements	3,904	4,264	5,463	5,419	5,976	6,737	6,945	6,970	118*
Statemented Support (including High Incidence Payments)	4,781	5,368	6,121	6,376	6,897	6,570	8,194	9,702	957**
Post 16 High Needs Placements (Gross of ESFA direct funding)	1,949	2,422	3,157	4,549	4,464	4,276	5,180	6,433	436***
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	13,475	505****
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	3,679	144****
PLC	2,050	1,925	2,080	2,597	2,977	3,649	3,682	3,352	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>43,611</b>	<b>2,310</b>
Annual % Change		1.78%	14.59%	10.58%	5.13%	7.66%	11.55%	8.64%	

\* 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 breakeven position.

### **Author**

Caroline Warren, Finance Business Partner

Tel: 01454 863153

# South Gloucestershire council

## SCHOOLS FORUM

**2<sup>nd</sup> December 2021**

### High Needs Working Group (HNWG) Update

#### 1. Purpose of Report

1. The purpose of the report is to provide an update on the work of the HNWG.

#### 2. Background

##### 2.1

The Schools Forum has agreed to transfer £2.2 million of funding from the School Block to the High Needs Block to support investment which will enable improvements to be achieved and which involve more efficient use of resources. It is essential that accelerated progress in addressing the deficit can be demonstrated.

##### 2.2

A deficit recovery programme of work has been formulated with an agreed governance and reporting structure. There are five priority areas of focus, outlined as five themes (see fig.1) which are now providing the framework and opportunity to improve provision, outcomes, efficiency and reduce expenditure. These themes are now clearly feeding into the overall DfE deficit recovery plan underpinning the programme.

##### 2.3

The themes were identified after determining the main causes of the deficit using a cause-and-effect diagram and extensive data analysis on both nationally and locally available data.

#### 3. Programme governance structure and communication

##### 3.1

The governance structure, including communications routines is illustrated in Figure 2. The High Needs Working Group, taking their direction from the Schools Forum, provide consultation, direction and challenge to the HNWG officers where the programme themes are managed and the work is carried out. The new link governor has now worked alongside the HNWG Chair and LA officers to establish the role and has been involved in pre-meeting and two HNWG meetings. This is providing a further reinforcement of the links through Schools Forum and the impact of this is evident.

##### 3.2

Communication flows continue to be well-understood by the members and officers. The timelines for HNWG and Schools Forum are more closely aligned and there is a clear recognition of the need to regularly update the wider stakeholders on developments from

the HNWG. The Executive Summary is in the process of being developed, with the intention that this will support the shared understanding of the current position and future planning of a wider audience, including a specific focus on making the developments clear and accessible for those in governance roles across the Local Authority.

#### 4. DSG deficit recovery programme plan | Updates

##### 4.1

The deficit recovery programme plan continues to maintain the focus on the required improvements. Colleagues from the Local Authority are providing regular progress update reports and dashboards. Following discussion and sign off within the HNWG, the report will progress to Schools Forum in line with the governance and reporting arrangements.

The focus areas across each theme are explored in depth and in detail by the HNWG – as illustrated below in the **extract from the 2<sup>nd</sup> November meeting**.

#### Deficit Recovery programme update

*(It is assumed that board members have read the reports and theme leads will be available to answer any questions or discuss any issues members may have).*

- **DSG Programme Dashboard** (this provides a summary update on the programme and covers theme highlights; risks and issues; escalation if any decisions are required which are pulled from the one page summary documents);
- **Themes:**
- **1: Building Capacity in Mainstream Schools & FE** (Hugh Disley & Ali Ford)
- **2: Review of Top-Ups** (Karina Kulawik & Kate East)
- **3: Improved identification of need and access to support in Early Years** (Rachel Webb)
- **4: Improved Commissioning of independent placements** (Hugh Disley)
- **5: Effective planning and use of special schools and resource bases** (Hugh Disley)

The HNWG meeting on 2<sup>nd</sup> November saw a comprehensive update on:

**Theme 1 – Building Capacity in Mainstream Schools & FE**, a report on clusters including:

- Update on the analysis of 2020 / 2021 Education, Health and Care Plan needs assessment requests
- Share the salient factors identified in local needs assessment requests and the planned cluster activity for the academic year 2021/22 to address them

**Theme 2 – Review of Top-Ups**, including updates detailing the key areas below:

- Operational guidance shared as part of schools forum update
- FAQ document – shared for information and any feedback
- Moderation process and timetable – moderation panels are 29/30<sup>th</sup> November, schools and colleges will work in groups facilitated by the LA officers and supported by specialist teachers and EPs. The purpose of the moderation is to check the accuracy of the allocation of bands completed by individual educational settings. In cases where the moderating groups do not agree with the original band, they will be asked to provide reasons for their decisions.
- Transition arrangements – shared for information

Work is progressing to develop a comprehensive **DSG communications plan**, this will provide a general overview, context and aims of the programme, explain the DSG funding, and set out clear communication objectives as well as key messages. The HNWG are working closely to develop this plan.

**5. Next steps**

The Executive Summary is to be finalised and shared with a wide range of stakeholders, as led by South Gloucestershire LA Officer and Link Governor. Further focus on the outlined themes as part the HNWG cycle, identified through the termly meetings of HNWG.

Representatives from the HNWG to join Theme leads for the Banding moderation sessions on 29<sup>th</sup> and 30<sup>th</sup> November to support with the introduction and setting the developments in context.

HNWG Progress Update on DSG to be shared with Schools Forum on 20<sup>th</sup> January, following the next HNWG on 13<sup>th</sup> December.

**RECOMMENDATION**

Theme leads to pursue the scope of the work outlined in the updates provided to HNWG in November and report back to HNWG in the December meeting.

**Report Author** Susie Weaver/HNWG

Figure 1

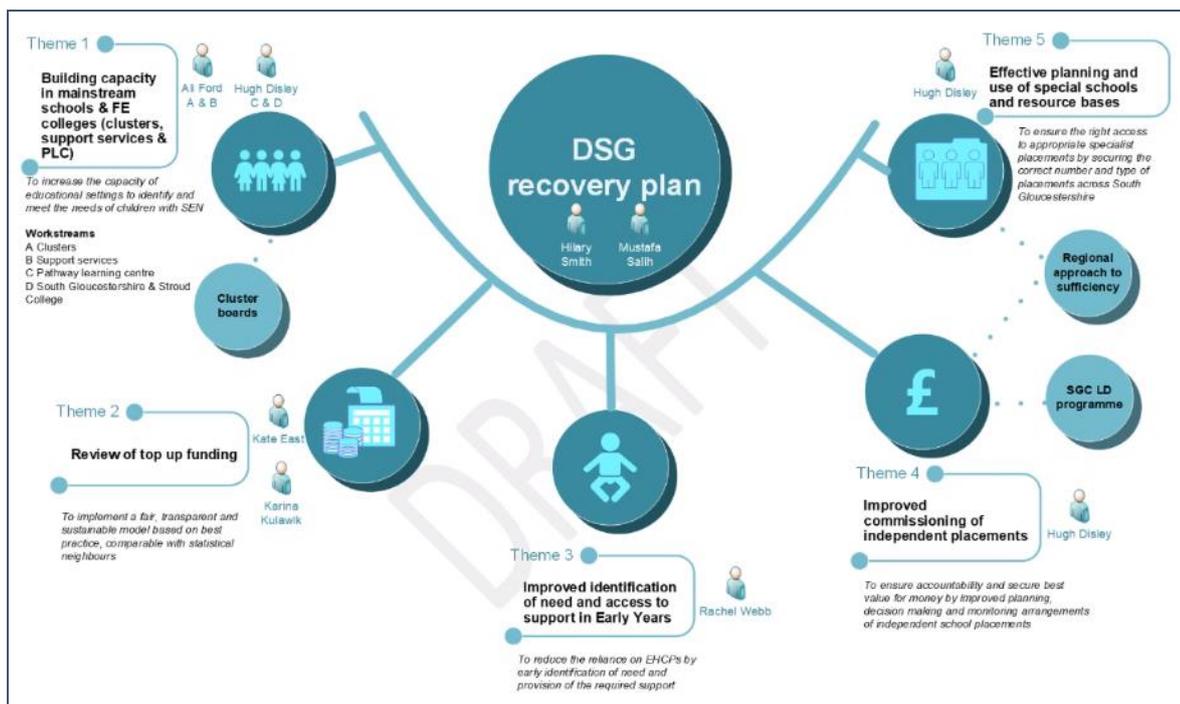
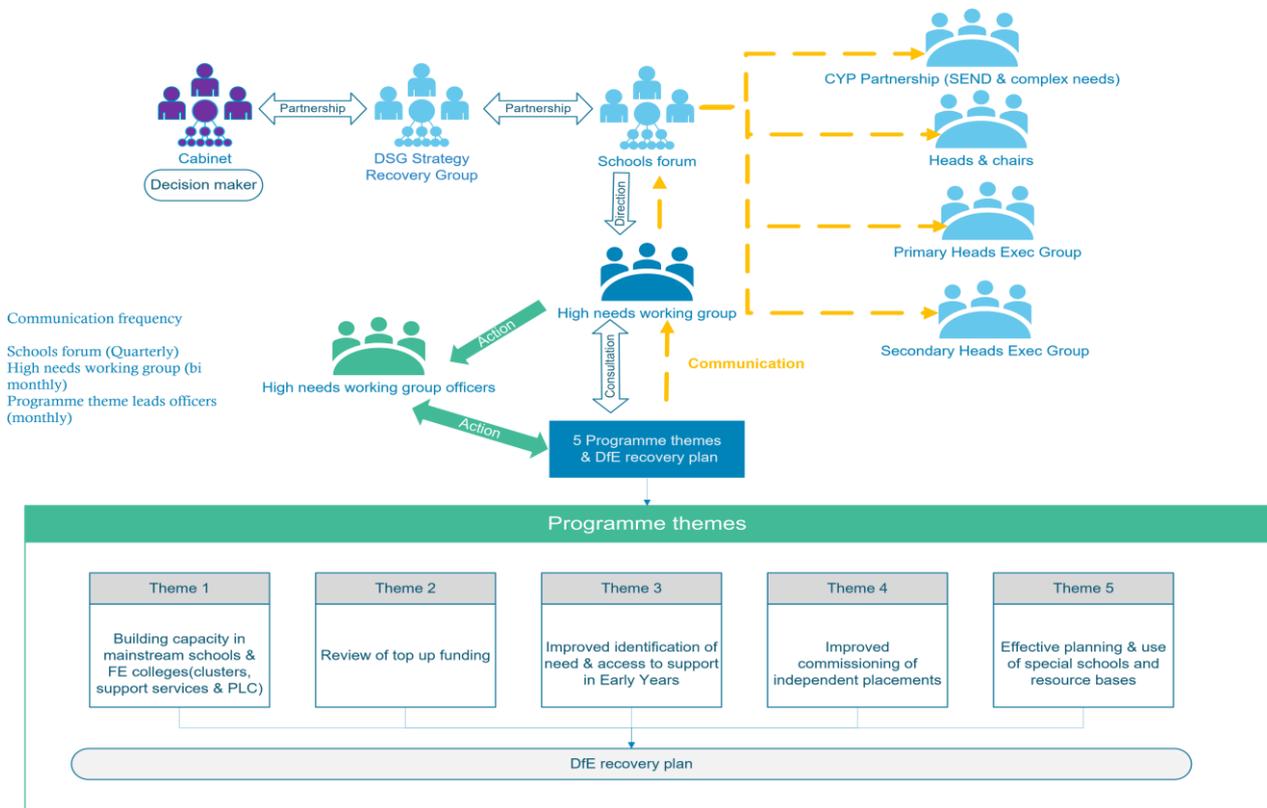


Figure 2



## Schools Forum Forward Plan

### 2022

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

## Any Other Business