

Minutes of Schools Forum

**Monday 4 July 2022 at 2.30 pm
at Council Chamber - Sandwell Council House, Oldbury**

Present: N Toplass (Chair)
M Arnall, J Bailey, S Baker, E Benbow, D Broadbent, C Handy-Rivett, W Lawrence, S Mistry and J Topham.

Officers: R Kerr, M Tallents, A Timmins and F Hancock (A Asimolowo virtual).

25/22 Apologies for Absence (Chair / FH)

Apologies were received from J Barry, K Berdesha, D Irish and B Patel.

26/22 Members to declare any interests in matters to be discussed at the meeting (Chair)

There were no declarations of interest received.

27/22 To confirm the minutes of the meeting held on 14 March 2022 as a correct record (Chair)

Resolved that the minutes of the meeting held on 14th March 2022 be approved as a correct record.



Matters arising:

The Chair, in referring to Minute No. 17/22, referred to a meeting of the Special Head Teachers Group regarding the figures around students accessing the Primrose Centre, SCS and Albright. The Group held some concern in relation average occupancy rates, which were inaccurate. Whilst it was acknowledged that the figures presented were an average taken across the year from data supplied by the establishments (and cross referenced against the data held on SYNERGY), the Chair requested that in future if these figures could be corroborated directly with the Heads of these special schools.

M Tallents advised the info provided had come from these schools directly, but that this request could be accommodated in the future.

The Chair, furthermore, stated that the Special Heads Group were also concerned how this would impact upon budget allocations, in relation to SCS in particular.

M Tallents advised that with SCS, a funding document had been put in place to make it clear which pupils would receive commissioned places with the commission top-up and which would be prevented from going forward. The draft had been agreed by SCS and it would be put in place from September 2022 onwards. The same also applied to Primrose. Albright, however, was slightly different in view of the fact that their funding came from the High Needs Block.

Furthermore, also in relation to Minute No. 17/22, the Chair sought an update in relation to the following: 'M Tallents agreed to investigate further in relation to all PRUs and feedback to the next meeting on this very matter'.

M Tallents advised that she would bring a report back to the next meeting to address this matter.

28/22

To elect new Member(s) to fill vacant on the Forum for a 4-year term of office - Andrew Timmins to update at the meeting

A Timmins advised that appointments to vacant positions would come back to the next meeting, as the nomination process had not yet concluded in time for this meeting.

29/22

School Forum members Attendance Report 2021/22 (F Hancock)

The Forum received a report, for information, which provided details of Members' attendance at Forum meetings for the period 2021/22.

Agreed that the report be noted.

30/22

School Forum Forward Plan 2022/23 (R Kerr)

The Forum received a report, for information, which detailed the dates of future meetings during 2022/23, along with the forward plan of items for each meeting.

The Chair referred to High Needs Block Outturn 2022/23 item listed against the 19th June 2023 meeting and enquired if it was possible to also have a report on the High Needs Budget update detailing spend since the end of the financial year. In the absence of this report, such information would not be presented to the Forum until September when approx. a third of the financial year had already passed.

R Kerr advised that this could prove difficult because of it being during period 2 monitoring but a draft report could be possible, although it would be tight and may need to be tabled.

Agreed that dates of future meetings, as set out below, and the Forward Plan of items be noted.

- 26 September 2022
- 7 November 2022
- 12 December 2022
- 16 January 2023
- 20 March 2023
- 19 June 2023

31/22

DSG Outturn Report 2021/22 (R Kerr)

The Forum received a report for information which detailed the actual expenditure incurred for the Dedicated Schools Grant blocks of funding; Early Year Block Central School Services Block, centrally retained and the de-delegated budgets in financial year 2021/22.

The Early Years Block allocation for 2021/22 was £22.715m. The actual grant allocation income received was £22.156m because of an early adjustment; the net effect of which was £0.559m.

Table 1 detailed the actual expenditure incurred during 2021/22 regarding the use of the Early Years Block.

Table 1 – Early Years Block

Service Area	Budget 2021/22	Actual Expenditure	Variance
	£,000	£,000	£,000
Early Learning 2-year olds	4,025	4,128	103
Early Years - PVI	9,165	10,454	1,289
Early Years - Schools	7,749	6,941	(808)
EY – Pupil Premium	293	295	2
SEN Inclusion Fund	480	550	70
Disability Access Fund	88	11	(77)
Central Services	915	915	0
Early Years Adjustment	(559)	0	559
Total	22,156	23,294	1,138

Table 2 detailed the actual expenditure incurred regarding the use of the Central School Services Block.

Table 2 – Central School Services Block

Service Area	Budget 2021/22	Actual Expenditure	Variance
	£,000	£,000	£,000
School Forum	3	0	(3)

Pension Administration	182	182	0
Stat/Regulatory/Education Welfare/Asset Mgt	1,288	1288	0
Admissions & Appeals	453	453	0
Copyright Licenses*	323	323	0
Total	2,249	2,246	(3)

Pupil Number Growth Funding

The Pupil number growth allocation agreed by Schools forum was £1.091m. The DfE made a positive adjustment for pupil number growth funding paid to academies for the period April to August of the previous financial year. The academies adjustment for 2021/22 was £0.605m giving total in year funding available of £1.696m.

Table 3 – Pupil Number Growth Funding

Service Area/budget Description	Budget 2021/22	Actual Expenditure	Variance
	£,000	£,000	–
			£,000
Pupil number growth	1,696	2,477	781

A surplus balance of £1.117m was brought forward from 2020/21, this with the in-year overspend of £0.781m, the carry forward balance into 2022/23 was £0.336m.

De-delegated Budgets

Table 4 detailed the breakdown of the de-delegated budgets, expenditure, and variance.

Table 4 – De-delegated Budgets

Service Area	Adjusted Budget 2021/22 £,000	Actual Expenditure £,000	Variance – £,000
Health & Safety Licenses	28	5	(23)
Evolve Annual License	6	0	(6)
Union Facilities Time	199	194	(5)
School Improvement	100	100	0
Schools in financial difficulty	246	0	(246)
Total	579	549	(280)

Education Functions

Table 5 provided a breakdown of the Education Functions budgets, expenditure, and variance.

Table 5 – Education Functions

Service Area	Budget 2021/22 £,000	Actual Expenditure £,000	Variance – £,000
Education Benefits Team	175	175	0
Children's Clothing Allowance	33	33	0
Safeguarding & Attendance	264	264	0
Total	472	472	0

The Chair enquired if, in relation to schools facing financial difficulties, any school had requested additional support.

R Kerr advised that there were certain criteria a school would first have to meet to qualify, including posting a deficit in the close down of their previous years budget and there was only one school in this position in 2021/22. However, having worked with the school concerned, this had since been resolved and a balance budget had now been submitted.

Agreed that: -

- (1) the contents of the report be noted;
- (2) it be noted that a further report will be taken to the School Forum meeting on 26th September 2022 which will set out the impact of the de-delegated budget expenditure with recommendations on the use of any carry forwards.

32/22

High Needs Block Outturn 2022/23 (R Kerr/J Gill)

The Forum received a report for information in relation to the High Needs Block (HNB) 2021/22 Outturn position.

The Final HNB Grant settlement for 2021/22 was £53.555m after deductions for academies recoupment and direct funding of high needs places by Education Skills and Funding Agency.

The carry forward balance on the HNB as at 31st March 2021 was £0.597m surplus.

Table 1 provided a breakdown of the HNB budget of £53.555m; the gross expenditure as at 31st March 2022 was £52.075m; with HNB grant and other income of £55.409m, giving an in-year underspend of £3.333m.

Table 1 - HNB 2021/22 Outturn

Budget Heading	Budget 2021/22 £000	Gross Expenditure £000	Income £000	Net Expenditure £000
1) Out of Borough Placements	6,821	7,047	(7,300)	(253)
2) Pupil Top Up and Place Funding	32,430	33,680	(33,678)	2
3) Post 16 Colleges	3,079	2,550	(3,095)	(545)
4) Hospital PRU	1,298	1,300	(1,298)	2
5) SEN Support Services	1,380	1,315	(1,380)	(65)
6) Support for Inclusion	4,642	4,112	(4,674)	(561)
7) Alternative Provision	843	413	(922)	(509)
8) SEN Developments	1,139	220	(1,139)	(919)
9) Other SEN Funding	1,771	1,363	(1,771)	(407)
10) Exclusions & Reintegration	153	75	(153)	(78)
TOTAL	53,555	52,075	(55,409)	(3,333)

The main variances were as follows: -

- Out of Borough Placements – An underspend of £0.253m was due to a delay in pupils being placed in independents

educational establishments and pupils leaving during the spring term.

- Post 16 Colleges – When the budget had been prepared an allowance was made for new students and in year admittances. The underspend of £0.545m related to a reduction in the amount of Element 3 top up claimed by some mainstream colleges and a reduction in the request for funding to attend college.
- Support for Inclusion – the underspend of £0.561m was due to staff vacancies and part-year vacancies due to staff turnover as well as maternity leave. Also included monies for Secondary Preventing Exclusions team which would transfer from 1st April 2022 to the Fair Access + Exclusions and Secondary Reintegration Team.
- Alternative Provision – the underspend of £0.509m was due to the close monitoring and decisions made at the LA Alternative Provision Panel which had been instrumental in reducing expenditure during the year and controlling the number of pupils placed in alternative provision settings.
- SEN Developments – was showing an underspend of £0.919m. This budget head currently covered independent appeals and reports, and any funding agreed that did not clearly fit onto any other budget head. The variance was predominantly the HNB balancing figure of £440k, which was the difference between the calculated budgets as at 1 April 2021 and the HNB Grant initial settlement 2021/22 and a favourable amendment to the Grant of £315k
- Other SEN Funding – The underspend of £0.407m was due to resolution not to fund CWD and underspend in non-statutory services.

The cumulative carry forward balances for 2021/22 was £3.930m surplus after accounting for the £0.597m surplus from 2020/21.

M Arnall requested an update on the current status of the Alternative Provision / Fair Access Panel in view of the underspend, in terms of recruiting to vacant posts.

M Tallents advised that adverts for those posts had now gone out and interviews would be taking place in the near future.

D Broadbent, in referring to the underspend on children with Special Education Needs, enquired why there was underspend, as such funding was urgently required in schools.

M Tallents advised that the underspend related to vacant positions and recruitment was currently underway to employ an Educational Psychologist (EP). It was envisaged that one EP would be recruited this year and a further two next year. In addition, she confirmed that the underspend would be carried forward to next year for this reason and due to the fact that EHCPs and specialist places were increasing. However, M Tallents advised that there was a national shortage of EPs, so this may impact upon such plans.

The Chair referred to the modelling and that Government supported and funded the requirement for specialist places. Within the financial assumptions, the Chair enquired how the models predicted the increase in the number of children issued with EHCPs.

M Tallents advised that the models had looked at the increase in such matters over the last 5 years. In addition, the models also consider the increase in populations over time to predict the requirements going forward. The models suggested that by 2025 there would be approx. 3500 EHCPs. This model had not specifically looked at special placements, as the figure received for such matters tended to even out over time. However, within in the Specialist Placement Planning Strategy there had been an increase in order to model the budget accurately. In addition, the DfE had indicated as an increase next year for the HNB would be 0.5%. The LA had, therefore, within the latest modelling for Specialist Placement Planning Strategy, added a 0.5% increase year on year.

Agreed that the report be noted.

33/22

School Balances 2021/22 & Budget Plans 2022/23 (R Kerr)

The Forum received a report for information which detailed the balances held by schools at the end of 2021-22 and the projected balances for 2022-23.

Appendix 1 to the report showed the total school balances by phase as at the end of 2021-22. This was summarised below and compared to the position at the end of 2020-21.

	2020-21 £m	In Year Movement £m	2021-22 £m
Budget Share	30.323	0.081	30.404
Capital	0.704	(0.220)	0.484
Other Funds	0.682	(0.245)	0.437
Total	31.709	(0.385)	31.325

There was one school closing with a deficit budget share. There were four schools which had converted to an academy during the financial year 2021/22: Hateley Heath Primary school, Lightwoods Primary, St John Bosco Primary and Perryfields High School.

The conversion of these schools into academies and the transfer of balances to them was reflected in the reduction of balances held by the primary schools as detailed in Appendix 1 to the report. Although one secondary school had converted in year the secondary school balances had increased overall.

Budget Plans 2022-23

Appendix 2 to the report showed the RAG rating of the projected balances for 2022-23, as indicated by the Budget Plans received from schools. Percentages were highlighted according to the following criteria: -

	Primary/Special	Secondary
Red	Less than 1% or greater than 10% balance	Less than 1% or greater than 8% balance
Amber	1%-2% OR 8%-10% balance	1%-2% OR 5%-8% balance
Green	2%-8% balance	2%-5% balance

Thirty two primary schools had projected to hold balances above 10% and three primary schools were projecting to hold balances

below 1% at the end of 2022-23. This was a decrease of 3 schools projecting balances above 10% and a decrease of one school projecting balances below 1% based on their 2021-22 budget plans.

There was one secondary school projecting to hold balances above 8% and no secondary school was projecting holding balances below 1% at the end of 2022-23. There was no change in the number of schools projecting balances above 8% and a decrease of one school projecting balances below 1% based on their 2021-22 budget plans.

There was one special school projecting to hold a balance above 10% and no special school was projecting to hold a balance below 1%. There was no change in the number of schools projecting balances above 10% and there was no change in the number of schools projecting balances below 1% based on their 2021-22 budget plans.

There was one school projecting a deficit balance at the end 2022-23. The authority would be working with this school to review their budget plan and agree a licensed deficit plan where appropriate and it would also put plans in place to regularly review the financial position of the school going forward.

Agreed that the balances held by schools at the end of 2021-22 and the RAG ratings of the projected balances for 2022-23.

34/22

Scheme of Financing - Update

The Forum received a report for information which provided Members with the updates to be made to the Scheme for the Financing of Schools.

Local authorities were required by the Department for Education (DfE) to publish schemes of financing setting out the financial relationship between them and the schools they maintain.

The Fair Funding Scheme provided guidance to all maintained schools on the process to follow when undertaking the outsourcing of services with consequent TUPE transfer of staff.

That Schools Forum members noted the updates and changes to the Scheme for the Financing of Schools outlined in the report and Appendix 1 to the report.

A number of maintained schools had recently outsourced services and transferred staff. Appendix 2 to the report provided further clarity on the requirements that schools would need to follow to proceed with outsourcing.

Schools Forum Members had raised a question regarding the technicalities in changing provider once an original contract had come to an end. The LA response had now been added into section 11.12, as outlined in Appendix 2 to the report.

Agreed that the contents of the report be noted.

35/22

Government response - Completing Reforms to National Funding Formula (R Kerr)

The Forum received a report for information which provided Members with an outline of the government response to the consultation feedback on “Completing the reforms to the National Funding Formula”.

The government had held a consultation on proposed changes to school funding and moving to a “direct” schools national funding formula (NFF). The document entitled “Completing the reforms to the National Funding Formula” had been consulted on between 6th July 2021 to 30th September 2021.

The schools NFF was a single, national formula that allocated the core funding for all mainstream primary and secondary schools, both maintained and academies, in England. Since its introduction, the NFF had been a ‘local authority-level’ formula.

The proposals consulted on were:

- The aim should be that all NFF funding factors – pupil-led and school-led are included in the formula and that all funding distributed by the NFF should be allocated to schools on the basis of that formula, without further adjustments by LAs
- To amend the premises factors within the NFF in advance of the introduction of the direct formula, so that allocations were based on a consistent, objective assessment of current need

- To reform the approach to funding schools experiencing significant growth in pupil numbers
- From 2023-24, to progressively tighten rules governing LAs' flexibility over schools funding, so that schools' allocations through local formulae moved closer to the NFF distribution
- To reform the approach to funding for central school services delivered by LAs, to support LAs to deliver their remaining responsibilities and services and ensuring a greater voice for schools in receipt of these services.
- An open question on the potential value of moving to a consistent funding year across maintained schools and academies.

The Government had confirmed the following: -

The approach for 2023-24 would be to require all LAs to use each of the NFF factors, and no others, in their local formulae, and moving each LA's local formula factor values (at least) 10% closer to the NFF values.

LA's to use the NFF definition for the English as an Additional Language (EAL) factor.

The approach to transition in subsequent years would be dependent upon the impact in the first year.

The Government also seemed to suggest it would set a requirement that LA's cannot overshoot the NFF value. Sandwell already had several of its factor values which were above the NFF factor values and two NFF factors which it did not currently use; IDACI Band F and the mobility / pupils starting school outside of normal entry dates (as set out in Appendix 1 /to the report).

The full details and requirements for LAs would be provided alongside the July 2022 NFF announcement in the schools funding operational guide. This provision would be included in the relevant School and Early Years Finance (England) Regulations. The government had also stated it would maintain the protections within the funding system; e.g. the minimum funding guarantee to minimise disruption for schools.

The Government had intended to move to a formulaic basis for the allocation of funding through the premises factors; specifically split site, schools with PFI contracts and other exceptional circumstances.

The consultation also outlined proposals to reform growth funding to a national standardised system.

Over the coming year, the Government would:

- Consult on an approach to the split sites factor and to the PFI factor in the NFF.
- In the second stage consultation, include proposals for the revised growth and falling rolls factor to include some options which would allow a degree of local flexibility.
- In the second stage consultation, include proposals for an exceptional circumstances factor.

This report provided a high-level overview of the government response to the consultation and further insight into each proposal and the feedback received was set out in the response.

J Topham referred to last year's final transition formula where the primary and secondary ratio had been looked considered. Primary colleagues had wanted a 'stand-still' option. However, reading the current report, a stand-still option would no longer be available. J Topham, therefore, enquired if that meant it would be necessary to move closer to the National Funding Formula.

R Kerr advised that in July the Government would issue the National Funding Formula provisional allocation. Then in September it would also issue the Operational Guide for School Funding. In view of this, it would be required to move 10% closer to where it had been previously. How this would work in practice remained unclear at present, as the Guidance, when issued, should provide the necessary clarification.

S Baker, in referring to the stand-still option no longer being available, requested if this could be discussed at Primary Partnership soon so all who need to be were made aware of this matter.

R Kerr stated that this would not be a problem. A Timmins stated that he would take it through JEG and then the Partnerships.

Agreed that the contents of the report be noted.

Consultation - Direct National Funding Formula

The Forum received a report which informed Members of the Government's proposal on the detail of the implementation of the direct National Funding Formula (NFF).

In 2021 the government had held their first-stage consultation on the direct NFF for schools. Fair school funding for all: completing our reforms to the National Funding Formula.

The Government had confirmed that they would begin moving towards the direct NFF from the 2023-24 funding year.

This consultation had been issued on 7th June 2022 and closes on 9th September 2022. It set out proposals for the continuation of two current elements of funding for special educational needs (SEN), and for alternative provision, but considered how these would need to change in operation as the government moved to the direct NFF: first, continuing to have some flexibility within the funding system to move funding to local authorities' high needs allocations and second, the determination of notional budgets for mainstream schools' SEN and disability support, within their direct NFF allocations.

The consultation also set out proposals for how funding for schools experiencing significant growth in pupil numbers, or falling rolls, could operate under a direct NFF.

As the government moves to the direct NFF, it set out how the minimum funding guarantee (MFG) would operate. The MFG protected schools against excessive year-on-year changes in its per-pupil funding. In the current system, the "funding floor" in the NFF mirrored the operation of the minimum funding guarantee in the local formulae. When the direct NFF was introduced, the MFG and the NFF funding floor would merge into one single funding protection mechanism, which would continue to be referred to as the MFG.

Lastly, the government set out proposals on how the funding cycle should operate in the direct NFF; that was, the regular timescales for gathering data to calculate funding allocations, and then confirming these allocations to schools. The government was considering how it could support schools' budget planning, by giving them early indication of future funding levels.

The government had stated that whilst this consultation set out a detailed picture of how it proposed that the direct NFF would work in practice. They “were not setting a definitive final end date at which the direct NFF would be implemented, as it would be important to continue to be guided by the impact of the initial transition towards the direct NFF, before deciding on the further pace of change.”

The government had, however, tried to provide a sense of the likely timescales to inform schools’ and local authorities’ planning, and had also set out that it expected to have moved to the direct NFF within the next five years; which was by the 2027-28 funding year. The government further went on to say, “We hope that we may be able to move to the direct NFF sooner than this – but not later”.

Further consultations are also planned as follows:

- The additional reforms required to high needs funding arrangements which would be based on the outcomes and government response to the consultation on the SEND and alternative provision green paper.
- The funding for local authority services through the central school services block (CSSB), as government moved to the direct NFF, and in light of the future role for local authorities as set out in the Schools White Paper, Opportunity for all.

The interaction between the direct NFF and funding for high needs

The Government had published the SEND and alternative provision green paper, “Right support, right place, right time” on 29th March 2022. The consultation deadline was 22nd July 2022.

The government had stated in future consultations that it planned to cover the operation of funding bands and tariffs to support the development of a national framework for SEND provision. This would involve addressing a range of complex issues, and potentially making significant changes to the current system of place and top-up funding for specialist provision, as well as the current expectation that mainstream schools would provide for the first £6,000 of additional expenditure on pupils with SEND, before they became eligible for high needs top-up funding.

Flexibility to transfer funding to high needs

In the current funding system, local authorities had a degree of flexibility to transfer funding between the blocks of their Dedicated Schools Grant (DSG) allocations. Local authorities could transfer up to 0.5% of their schools block with the approval of the Schools Forum, but transfers above 0.5%, or where the Forum did not agree, must be decided by the Secretary of State.

In the Government response to the first stage of the direct NFF consultation, it committed to retaining the flexibility to transfer funding from mainstream schools to local authorities' high needs budgets in the direct NFF.

The government proposed that local authorities should continue to have responsibility for preparing and submitting any applications to the Secretary of State for funding to be transferred to their high needs budgets, via an adjustment to the NFF allocations for mainstream schools in their area.

Indicative SEND budget

The SEND and alternative provision green paper set out proposals for an inclusive system, starting with improved mainstream provision that was built on early and accurate identification of needs, high-quality teaching of a knowledge-rich curriculum, and prompt access to targeted support where it was required. The government believed there should be a national expectation on how much of the additional costs of supporting pupils with SEN mainstream schools should meet from their formula funding, so that schools and local authorities could plan their budgets appropriately.

The direct NFF would include a number of factors that acted as a proxy for the incidence of SEN in mainstream schools. The government were keeping under review whether the current factors would remain appropriate in future (for example, considering the disruption to the flow of usable attainment data as a result of the pandemic, and in the context of future changes to assessment).

The government had proposed to continue the concept of identifying for each school a budget for the costs of additional support for its pupils with SEND. This would be calculated by the Department under the direct NFF, rather than by local authorities.

Growth and Falling Rolls funding

In this section of the consultation, the government set out its proposals on how revenue funding for schools experiencing significant growth, or significant decline, in pupil numbers would operate under the direct NFF.

Local authorities had a statutory responsibility to ensure there were enough school places available in their area for every child aged 5 to 16.

Local authorities currently had discretion as to whether or not to operate a growth and / or falling rolls fund. If they did, it must be used only in specific circumstances. These were outlined in the consultation document.

The Education, Skills and funding Agency (ESFA) had also provided “popular growth” revenue funding where schools experience significant growth in pupil numbers due to increased popularity, to reflect their increased costs. At present, this funding was available for academies with significant forecast growth in pupil numbers, not for maintained schools, however. Agreements were made on a case-by-case basis, on application by academy trusts.

The ESFA allocated a notional growth funding element to local authorities each year using a formulaic approach, as part of the DSG. Growth funding was currently based on the actual pupil growth that local authorities experienced, at the level of Middle Layer Super Output Area (MSOA); these were smaller geographic areas within the local authority with an average population of 7,200.

Local authorities did not have to allocate all of the growth funding that they received and can spend more or less on growth funding than they received through the DSG for that purpose. Sandwell had traditionally set pupil number growth funding more or less equivalent to the growth funding received. However, in the last 2 years they have set funding at less than the funding received because of the balances that had accumulated.

Analysis of falling rolls funding

Only 24 authorities had set funding aside for a falling rolls fund in 2022-23, with half of these in London.

This consultation outlined two options for growth funding under the direct NFF: -

- The first option would allow some continuing local flexibility in how growth funding was distributed to schools, but with “significantly greater consistency than in the current system”.
 - The second option was a national, standardised system without local flexibility, where the ESFA allocated growth funding directly to schools as part of their allocations based on information provided by local authorities.
- The government’s favoured approach was the first option, which retained local control.

Popular Growth

Not all growth in schools was to meet demographic need. Growth could also occur where a school became more popular with parents and children locally. The ESFA currently made funding available for academies with significant forecast growth to reflect their increased costs. Academies that were entitled to this funding provided the ESFA with an estimate for their number of pupils in the coming year, which they provided funding for subject to an adjustment process based on the actual, in-year autumn census. Agreements were made on a case-by-case application basis at academy trust level.

The government had confirmed their intention to retain a system of popular growth for academies which had seen an increase in popularity, after being recently sponsored by a multi-academy trust which had improved the school’s performance.

The government had stated that they recognised that a number of respondents had raised concerns about “popular growth” being available only to academies, and not local authority-maintained schools. However, in order to address these concerns, it was consulting on whether maintained schools should also be able to access popular growth funding by basing their funding allocation on estimates. This would be through a case-by-case application process where local authorities could apply for this funding on behalf of particular maintained schools where there was clear evidence of expected significant popular growth, along with evidence of recent improvements in school performance through pupil assessment data.

Premises Funding

In the Government's first stage consultation, Fair school funding for all, it asked for views on reforming "premises" funding under a direct NFF. The premises factors in the NFF included additional revenue funding for PFI schools, schools with split sites, and schools which faced costs relating to exceptional circumstances (such as rental costs for their premises).

In the Government's response to the consultation, it recognised respondents' concerns about the complexity of PFI contracts and plan to work closely with the sector to develop an appropriate approach to PFI schools under a direct NFF, to be consulted on at a later date.

Premises: Split sites

The split sites factor was intended to account for the extra costs associated with a school operating, and needing to duplicate services, across a number of separate sites. Extra costs may be incurred from requiring additional reception facilities, travel time for teachers, and travel costs for pupils.

The government proposed to develop a split site factor which recognised costs through a basic eligibility criteria that attracted a lump-sum payment, and a distance eligibility criteria that attracted an additional lump-sum payment.

Basic eligibility: The proposal was that sites should be counted as 'split' where they were separated by a public road or railway as a clear marker of separateness. The site must have a building and would exclude "ancillary buildings" e.g. storage sheds, and would exclude playing fields.

Distance eligibility: To meet the distance eligibility criterion, the site would have to meet the basic criterion and meet a distance threshold of 500 metres (0.3 miles) by road. Further detail could be found in the consultation document.

Premises: Exceptional circumstances

The exceptional circumstances factor was intended to account for additional premises costs that the majority of schools did not face. Currently, local authorities could apply to the ESFA to use an exceptional circumstances factor in their local formulae.

The ESFA believed that some costs currently being funded through exceptional circumstances arrangements would be better funded through formula factors. Therefore, it was proposing changes to the following categories: -

- Building Schools for the Future (BSF) school: The BSF factors would be incorporated into a modified PFI factor.
- Amalgamating school: Local authorities could currently support schools with 85% of the combined lump sums of their predecessors as temporary support while cost structures adapted to the new arrangements. In its proposals, this would be automatically allocated through the lump sum factor. These schools may also become eligible for split site funding.
- Super-sparse school: Local authorities could also provide additional funding to very small, rural secondary schools, on top of existing sparsity funding to be viable. The government had proposed to automatically incorporate this into the sparsity factor.

There was a proposal to change the current criteria from that the cost is greater than 1% of the school's budget and affected fewer than 5% of schools in the area. Another proposal was to raise the exceptional circumstances funding threshold to account for at least 2.5% of a school's budget, up from the current 1%. The government wanted to significantly reduce the number of schools receiving exceptional circumstances funding "*so that we target funding only to schools where costs are exceptional and meaningful, and are not maintaining the significant differences in funding between local authorities which reflect historic decisions*".

The government had stated that to ensure that it was flexible to changing needs in future, it would accept new requests that met their criteria where a school had clear, newly arising needs, which had fallen within the proposed criteria; however, it would expect this to apply in very rare circumstances.

The minimum funding guarantee (MFG) under the direct NFF

Under the current funding arrangements, local authorities had set a minimum funding guarantee (MFG) which protected schools from excessive year-on-year losses in per-pupil funding. The NFF funding floor mirrors the MFG in the local formulae, and was important for ensuring the affordability of the MFG in the local formulae.

As government moved to a direct NFF, the NFF floor and the MFG in the local formulae would merge into one single protection mechanism, which would continue to be referred to as the MFG. The MFG in the direct NFF would continue to play a crucial role for ensuring sufficient stability for schools funded above their “core” formula allocations, so that they did not see sudden drops in their per pupil funding levels.

Moving to a simplified pupil-led funding protection under the direct NFF

The NFF had school-led and pupil-led factors. The school-led factors; the lump sum and sparsity funding were determined by the school’s characteristics, with one amount calculated per school through each factor. Whereas, the pupil-led factors; basic per pupil funding additional needs factors, such as FSM, FSM6 and low prior attainment, were allocated in respect of the number of pupils, and their characteristics, in a school.

The aim of the NFF’s funding floor, and the MFG, was to protect schools from sudden losses in their pupil-led funding, per pupil:

- It was a per pupil protection which allowed funding to go up and down with pupil numbers;
- It protected pupil-led funding only (not total funding per pupil) as school-led funding should not increase or decrease with pupil numbers.

There were complications in the way the floor and the MFG currently worked and so the government was proposing moving to a simple pupil-led protection to avoid “perverse results”. A worked example was included in the consultation document in Annex B.

The annual funding cycle

This section of the consultation asked questions on the proposed high level timeline for the annual funding cycle under the direct NFF; what early information would be most helpful for schools to aid them in their budget planning; and the timing and nature of information the ESFA would continue to collect from local authorities.

Data collected from local authorities

The ESFA had proposed to collect information in relation to: -

- PFI
- Exceptional circumstances
- Split Sites
- Growth Funding
- Transfers to the High Needs Block.

Further detail on the proposals could be found in the consultation document.

De-delegations

The ESFA had used information on de-delegation to make an adjustment to the funding academies received. The proposal sought preference on whether to undertake on single data collection in March or several smaller data collections for mid-year converters, as well as any other comments on the timing and nature of data collections to be carried out under a direct NFF.

Agreed that: -

- (1) the contents of the report be noted;
- (2) the following representative be elected to sit on a Working Group to respond to the consultation: -
 - C. Handy-Rivett;
 - D Broadbent; and
 - A representative from Great Bridge Primary (A Timmins / R Kerr to consult with the school to determine an appropriate representative).

DSG Allocation 2022/23 Update (R Kerr)

The Forum received a report for information which detailed the latest Dedicated schools Grant (DSG) allocation for 2022/23.

The table, below, set out the authority's latest DSG allocations for 2022/23. Two updates had been issued since December 2021. The first update was in March 2022 and the second in May 2022.

DSG Allocation 2022/23	Indicative DSG Allocation at December 2021 £m	Indicative Allocation at May 2022 £m	Change in Allocation since December 2021 £m
Schools Block	308.463	317.516	9.053
Central Schools Service Block	2.283	2.283	0
High Needs Block	61.267	63.568	2.301
Early Years Block	23.387	23.387	0
Total DSG	395.400	397.701	11.354

The 2022/23 initial Indicative DSG allocation which was presented to Schools Forum in March 2022 had changed as follows:

The schools block allocation of £308.463m included £157.827m for academies recoupment which was retained by the ESFA and funding paid direct to academies / Trusts; the remaining amount of £150.636m was for Sandwell maintained schools.

The mainstream schools had been allocated additional funding within the Schools Block of £9.053m via the schools supplementary grant (SSG).

There was also an increase to the High Needs Block (HNB) of £2.301m given as Special supplementary grant.

The December 2022 allocation detailed a HNB recoupment for place deductions amounting to £3.130m. The May 2022 HNB

recoupment was now set at £3.412m, which was an increase of £0.282m for ESFA directly funded places.

The changes in place deduction were broken down as follows:

- An increase of 12 Pre-16 Focus provision places funded at £6,000 amounting to £0.042m in Mainstream Academies from September 2022.
- A decrease of 2 Post 16 SEN places funded at £4,000 amounting to (£0.008m) in Mainstream Academies from September 2022.
- A decrease of 12 Pre–16 Focus provision places funded at £10,000 amounting to (£0.070m) in Mainstream Academies from September 2022.
- An increase of 36 places for Pre-16 SEN places in Special free schools amounting to £0.210m.
- An increase of 27 places from September 2021 in Further Education and Independent Learning Providers £0.108m.

38/22

AOB

Response to Special Schools and PRU

The Forum received a report which was tabled, for information, in relation to the information regarding a query which had been raised by Special Schools and PRUs with reference to finance.

In March 2022, Special Schools and PRUs had submitted a paper for discussion at Schools Forum around their budgets. This paper was submitted too late for discussion and it was agreed that it would be forwarded to the meeting in June 2021.

The Special Schools and PRUs felt that the consultation on the HNB held in December 2021 omitted a proposal to increase top up funding to Special schools and PRUs only by 2%.

The Special Schools and PRU had not had an increase in top-up funding for 5 years despite the HNB receiving significant increases. They felt that contextual information around their funding was not presented.

The Special Schools and PRUs would like to be consulted on how the Special School Supplementary Grant would be distributed and receive a 4% increase.

Local Authority Response

The proposals within the SEND and HNB consultation in December 2021 had been formulated through initial steering group meetings with Primary, Secondary and Special School / PRU / FP schools. These proposals were then further refined and ratified by a steering group from Schools Forum. The Schools Forum steering group consisted of Head Teachers from a mainstream Secondary School, a mainstream Primary School, a mainstream Secondary School with Focus Provision, a Special School and 2 PRUS. The steering group considered the inclusion of a proposal whereby the top-up funding for pupils in Special Schools and PRUs only would increase. This proposal was voted on by the group and had been discounted from the final consultation.

Although the total funding provided by the HNB had risen over the last 5 years, the additional funding had been used on supporting the increasing numbers of C/YP with EHC Plans, increasing specialist places and increasing access to SEN Support. Surplus monies would be used to further support the increase in Specialist Places going forward and prevent the HNB from going into deficit.

An independent review of HNB funding in May 2022 had used a benchmarking exercise to measure Special School funding in Sandwell against similar special schools nationally. It found that Sandwell special schools had a comparatively high spend per head compared to national. This suggested that Special Schools still received adequate funding to provide for their students.

Moving forward the LA would await the results of the DfE SEND and AP Green paper consultation before reviewing the banding structure for Special School top-up funding. The SEND and AP Green Paper was consulting on introducing a new national framework of banding and price tariffs for funding, matched to levels of need and types of education provision set out in the new national standards. This would impact on all additional funding received by all Special Schools including academies and independent schools.

Schools supplementary grant was awarded to Special Schools and PRUS through an increase in the HNB funding (2.3 million). Unlike mainstream schools, there was not a formula to base distribution on. Local authorities could choose how they allocated funding. In Sandwell, this was done through consultation with Special Schools and PRU. The schools were provided with different models to

base the funding allocation (FTE staff, NOR etc) and they had voted on a final model.

Each Special school and PRU received more than a 4% increase to their total budget through the supplementary grant.

Further methods of distribution would be reviewed and agreed during the next financial year.

M Arnull referred to paragraph 3.6 of the report where it stated that the proposal has been voted down. In paragraph 3.9 it stated that a model was awaited. In paragraph 3.11 it stated the special schools had received money through the supplementary grant in any case. In view of this, he enquired why a vote had been taken, as referred to in 3.6, when the schools received the money in any case, via a different means.

M Tallents advised that at the point when the vote referred to in 3.6 had taken place, the supplementary grant had not yet been released. The LA had not realised that this grant would be coming through at that point in time. The supplementary grant, when received, had indicated that special schools would be dealt with differently to maintained mainstream schools.

Agreed that the contents of the Report be noted.

Further AOB

D Broadbent enquired if there was any additional funding for PE grants.

R Kerr advised that an email on this subject had recently arrived and that she would include the detail in the next Head Teachers' letter.

The dates of future Forum meetings were noted, as set out below:-

- 26 September 2022
- 7 November 2022
- 12 December 2022
- 16 January 2023
- 20 March 2023
- 19 June 2023

The Next Meeting of Schools Forum: 26th September 2022 @
2.30pm.

Location: TBC.

Meeting ended at 4.09pm

Contact: democratic_services@sandwell.gov.uk