

# Agenda Schools Forum

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

**This agenda gives notice of items to be considered in private as required by Regulations 5 (4) and (5) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.**

- 1 **Apologies for Absence (Chair / FH)**  
To receive any apologies for absence.
- 2 **Members to declare any interests in matters to be discussed at the meeting (Chair)**
- 3 **To confirm the minutes of the meeting held on 14 March 2022 as a correct record (Chair)** 7 - 34  
To confirm the minutes of the 14 March as a correct record.
- 3.1 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
- 4 **School Forum members Attendance Report 2021/22 (F Hancock)** 35 - 38  
Members to note the attendance report 2021/2022.



5	<b>School Forum Forward Plan 2022/23 (R Kerr)</b>	39 - 40
	Members to note the Forward Plan.	
6	<b>DSG Outturn Report 2021/22 (R Kerr)</b>	41 - 44
	Members to note the Dedicated Schools Grant Outturn 2021/22.	
7	<b>High Needs Block Outturn 2022/23 (R Kerr/J Gill)</b>	45 - 48
	Members to note the 2021/22 High Needs Block Grant outturn.	
8	<b>School Balances 2021/22 &amp; Budget Plans 2022/23 (R Kerr)</b>	49 - 54
	Members to note the balances held by schools at the end of 2021-22 and the RAG ratings of the projected balances for 2022-23.	
9	<b>Scheme of Financing - Update</b>	55 - 60
	Members to receive an update on the Scheme of Financing.	
10	<b>Government response - Completing Reforms to National Funding Formula (R Kerr)</b>	61 - 64
	Members to note the reforms to the National Funding Formula – Government Consultation Response.	
11	<b>Consultation - Direct National Funding Formula</b>	65 - 74
	Members to note the contents of the report and nominate representatives for a working group to respond to the consultation.	



## Schools Forum Distribution to Members:

<b>Body / Number of positions on Forum</b>	<b>Nominated Member</b>	<b>Nominated Substitute</b>
<b>Head Teachers Advisory Forum – Maintained Primary Schools (5)</b>	Ms S Baker Mr J Barry Ms W Lawrence Vacancy Mrs S Mistry	L Paino A Connop Nomination awaited Nomination awaited Nomination awaited
<b>School Governors – Maintained Primary Schools (3)</b>	Ms L Howard – term of office expired on 31/05/22 Mrs E Benbow Mr B Patel	Nomination awaited Nomination awaited Nomination awaited
<b>Head Teachers Advisory Forum – Maintained Secondary Schools (1)</b>	Christina Handy- Rivett	Mike Smith
<b>School Governors – Maintained Secondary Schools (2)</b>	Mrs D Broadbent Vacancy	Nomination awaited Nomination awaited
<b>Academies (4)</b>	Ms L Bray Mr D Irish Mr M Arnull Mr J Topham	Nomination awaited Nomination awaited Nomination awaited Nomination awaited
<b>Head Teachers Advisory Forum – Special School (1)</b>	Mr N Toplass	Nomination awaited
<b>Trade Union (1)</b>	Mr. D Barton	Phil Jones
<b>Early Years Partnership (1)</b>	M E Pate	Nomination awaited
<b>14-19 Provider (1)</b>	Ms J Bailey	Nomination awaited
<b>Pupil Referral Unit (1)</b>	Ms K Berdesha	Ms K Hazelwood

## Schools Forum: Voting Blocks (Who can vote and on what?)

<b>Secondary Maintained Block</b>	<b>Voting</b>
	Can vote on all business except primary school de-delegation.
<b>Headteachers</b>	
J Christina Handy-Rivett	
<b>Governors</b>	
Mrs D Broadbent	
Vacant	

<b>Primary Maintained Block</b>	<b>Voting</b>
	Can vote on all business except secondary school de-delegation.
<b>Headteachers</b>	
Sally Baker	
Jamie Barry	
Vacancy	
Wendy Lawrence	
Seema Mistry	
<b>Governors</b>	
Ms L Howard	
Mrs E Benbow	
Mr B Patel	

<b>Special Block</b>	<b>Voting</b>
Neil Toplass	Can vote on all business except primary and secondary school de-delegation and education functions.

<b>Academies Block</b>	<b>Voting</b>
James Topham (Secondary)	Can vote on all business except primary and secondary school de-delegation and education functions.
Dave Irish (Secondary)	
Mark Arnall School Appeal Panel Member Training N(Secondary)	
Lucy Bray (Primary)	

## Schools Forum: Voting Blocks (Who can vote and on what?)

### Continued...

<b>Pupil Referral Unit</b>	<b>Voting</b>
Kuldip Berdesha	Can vote on all business except primary and secondary school de-delegation and education functions.

### **NON-SCHOOL MEMBERS**

<b>Early Years Partnership</b>	<b>Voting</b>
Emma Pate	Can vote on all business except primary and secondary school de-delegation and education functions.

<b>Trade Union</b>	<b>Voting</b>
Darren Barton NUT	Can vote on all business except primary and secondary school de-delegation and school funding formula.

<b>16-19 Provider</b>	<b>Voting</b>
Jane Bailey	Can vote on all business except primary and secondary school de-delegation and school funding formula.

## **Schools Forum: Quorum**

- (a) A meeting will only be quorate if 40% of the total active membership is present (Voting Members Only). Where a nominated substitute member is in attendance on behalf of a duly appointed member, he/she shall be included in the number of persons present for the purposes of determining if a quorum has been achieved.
- (b) If the meeting is inquorate, it will be able to proceed but cannot legally take decisions (E.g. Election of a Chairperson, or a decision relating to funding conferred by the funding regulations). An inquorate meeting can respond to authority consultation and give views to the authority. The authority can take account of such views

**Kim Bromley-Derry CBE DL**  
**Managing Director Commissioner**  
Sandwell Council House  
Freeth Street  
Oldbury  
West Midlands

**Distribution**

N Toplass (Chair)

J Barry, M Arnull, S Baker, J Bailey, D Barton, L Bray, E Benbow,  
K Berdesha, D Broadbent, C Handy, D Irish, W Lawrence, S Mistry, E Pate,  
B Patel, J Topham and Union

Contact: [democratic\\_services@sandwell.gov.uk](mailto:democratic_services@sandwell.gov.uk)



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## Minutes of Schools Forum

**Monday 14<sup>th</sup> March 2022 at 2.30pm**  
**On-line Virtual via Microsoft Teams**

**Present:** J Barry (Vice-Chair in the Chair)

J Bailey, S Baker, K Berdesha, L Bray, D Broadbent, D Irish, P Jones (substitute for D Barton), W Lawrence, S Mistry, B Patel and J Topham.

**Officers:** J Gill, R Kerr, M Tallents, A Timmins, S Baber and F Hancock

### **10/22 Apologies:**

Apologies were received from M Arnull, E Benbow, C Handy-Rivett, E Pate and N Topless.

### **11/22 Declarations of Interest**

None received.

### **12/22 Minutes**

**Agreed** that the minutes of the meeting held on 17<sup>th</sup> January 2022 be approved as a correct record.



**13/22 To confirm A Connop as the named Substitute Member for J Barry**

**Agreed** that A Connop be appointed as the named substitute Member for J Barry with their term of office reflecting J Barry's.

**14/22 Scheme for Financing of Schools: Updates**

The Forum received a report which sought approval to the updates to the scheme for the Financing of Schools, as set out at Appendix 1 to the report.

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 maintained.

The consultation had launched on Friday 11<sup>th</sup> February and remained open until Monday 28<sup>th</sup> February 2022 providing two weeks for any comments or responses to be sent to the Schools Financial Team.

The consultation period was extended to the 4<sup>th</sup> March 2022 as one week of the original consultation period had covered the February half term holidays.

No comments had been received within the consultation period.

The Vice-Chair sought clarification on whether or not if a school who had had a service outsourced would need to notify the Local Authority (LA) if they changed the outsourced service to another provider. Or would it be the case that it would only need to be notified if outsourcing a particular service for the first time. R Kerr advised that she would need to check if that was a requirement, or not, but stated it would be good practice to notify the LA in any case. She would confirm at the next meeting.

The Vice-Chair recommended that, whatever the response on the above issue, it would be useful to include this information in Appendix 1 for clarity.



**Agreed** (10 voting in favour and 1 abstention) that the updates to the Scheme for the Funding of Schools, as set out in Appendix 1 to the report, be approved, subject to the above recommendation.

## 15/22 School Budgets Information 2022/23

The Forum received a report for information which informed Members of the final school budget for the financial year 2022/23.

The Schools Block funding, which had been distributed through the main funding formula, was £304,201,538. This had been calculated as follows: -

Description	£
Schools Block DSG	308,463,025
Less 2022/23 NFF NNDR	(2,961,487)
<b>DSG Schools Block after NFF NNDR deduction</b>	<b>305,501,538</b>
Less Pupil Number Growth Contingency	(1,300,000)
<b>Schools Block DSG Available to Distribute</b>	<b>304,201,538</b>

The school funding model had finally been approved by the DfE in the second week of February 2022 and the Schools block element of funding was issued to schools on Thursday 17<sup>th</sup> February 2022. This included notification of the funding entitlement based on the agreed authority formula, minimum funding guarantee and adjustments for de-delegations and education functions for maintained schools.

The Schools Budget Information 2022/23, which included Early Years, Focus and non-focus Provision, and illustrative Pupil Premium Grants funding, had been released to schools on Monday 28<sup>th</sup> February 2022, as set out at Appendix 1 to the report.



The table, below, listed the factor rates for the local authority formula to be applied to school's budgets for 2022/23.

Item	Primary	Secondary
Primary : Secondary Ratio	1	1.29
Basic Entitlement (AWPU)	£3,512	£4,977
FSM	£176	£176
FSM Ever 6	£161	£372
IDACI Band E	£77	£350
IDACI Band D	£485	£676
IDACI Band C	£551	£771
IDACI Band B	£602	£855
IDACI Band A	£630	£900
Prior Attainment (Low Cost, High Incidence SEN)	£1,225	£1,776
EAL (2 years)	£846	£1,227
Lump Sum	£129,057	£129,057
Split Site	£129,057	£129,057
Rates	Actual	Actual



PFI	Actual	Actual
MFG	2.00%	2.00%
MFG Ceiling	No Ceiling	No Ceiling

The Vice-Chair enquired if school leaders could be sent more detailed information in the future to help schools plan their 3 year budgets whilst ensuring, as far as was practicable, that their reserves were set within the required parameters.

R Kerr advised that the LA only had the information made available to it by the DfE which was generally released on a phased basis. Most of the information was based on the estimated direction of travel. In view of this, the best the LA could do was to model various likely scenarios for information.

The Vice-Chair requested that Officers feedback to the DfE that providing more detailed information would enable schools to better prepare their 3 year budgets whilst managing their reserves more effectively and efficiently.

The Forum noted the contents of this report.

## 16/22 **Special Educational Needs High Block 2021/22 January 2022 Monitoring Report**

The Forum received a report for information in relation to the High Needs Block (HNB) monitoring position as at 31<sup>st</sup> January 2022, projected to 31<sup>st</sup> March 2022.

The HNB grant for 2021/22 reported to Schools Forum on 13<sup>th</sup> December 2021 was £53.555m.

The anticipated in year surplus previously reported to Forum in January 2022 was £1.735m. This had now been revised to an in-year surplus of £2.389m.



There had been a positive movement of £0.654m in the in-year surplus from the figures reported in January 2022 to those reported today. An explanation of the movement was shown in Table 1 below.

The balance brought forward as at 1<sup>st</sup> April 2021 was £0.597m surplus.

Appendix 1, to the report, showed the 2021/22 High Needs Block budget allocation, the actual expenditure as at 31<sup>st</sup> January 2022 and the variance from budget together with a short explanation of the variance.

Table 1, below, showed the movement in the in-year surplus.

Movement	£000s
1. Following phase transfer there has been an increase in funding for pupils in other, LA maintained and academy mainstream and special schools both pre and Post 16 of:	176
2. Following an increase in the assessments for EHCPs there has been an increase in funding for pupils in Sandwell schools over the original budget of:	212
3. There has been an increase in the recoupmnt for pupils in Sandwell schools that are the responsibility of other LAs of:	-628
4. Following Phase transfers, there is an element 3 Top up saving for students in mainstream colleges and independent specialist providers in post 16 of:	-278
5. Slippage in staff turnover and other related staff costs have increased the saving on these budget areas of:	-65
6. Other small cumulative movements including slippage in staff vacancies, mediation and hospital education have moved by:	-71
<b>TOTAL MOVEMENT</b>	<b>-654</b>





The in-year anticipated surplus would be added to the brought forward from 2020/21 to give an estimated amount to carry forward into 2022/2023 of £2.986m.

This does not indicate that the HNB going forward was in a stable position. It meant that the anticipated deficit in future years would slip back but not be eradicated.

More forecasting would be provided when the final budgets for 2022/2023 had been finalised and cash flows could be produced.

Appendix 2, to the report, showed the Focus Provision and Special School commissioned places for the period 1/4/21 - 31/3/22 together with the average occupancy for the period 1/4/21-31/1/22 together with the funding for additional places over the financial year based on an annual average. It also showed the number of other LAs using Sandwell provisions. A provision for the in-year adjustment for place was already built into the original budget figures so had not resulted in a pressure.

The delegation to schools for 2021/2022 had been closed mid-February 2022 to amendments. Any changes between then and the end of the financial year would be made in 2022/23. Three of the four Special schools went over initial funded commissioned places and had been funded for the additional pupil places.

The under occupancy as at 31<sup>st</sup> January 2022 was 3% in Focus Provisions. Primary Focus Provision were predominately full whilst Secondary Focus Provisions were running at 7%. The percentage discrepancy was due to some primary FPs being over commissioned places.

There was a separate report on the PRUs so data had not been covered in this part of the monitoring report. The separate report was requested by Schools Forum on 13<sup>th</sup> December 2021.

In relation to the information contained within Appendix 2 to the report, Members queried if the 78 out of Borough children within Sandwell Special Schools, but were the responsibility of other LA's, was a higher number than previous years.



M Tallents advised that the number was slightly higher than previous years which she believed was as a result of LA's competition to get specialist places. With Academy Schools, LA's could go direct to Academies to seek places due to Academies being their own Admission Authority.

Members understood the reasons for doing so, but raised their concerns when Sandwell children could not be allocated a place at one of Sandwell's special Schools for this very reason.

Members queried why the carry-forward of £2.986m had increased and if this in any way tied into the SEN consultation previously undertaken and if this issue was no longer of concern.

J Gill advised that the SEN consultation issue had not gone away. £0.5m of this carry-forward figure had been brought forward from 2021. This increase would be taken into account when the next forecast was due to be calculated.

Another Member queried if there was a process in place to try and ensure, as far as was practicable, that Sandwell referrals to Special School places were made ahead of referrals from outside of Sandwell. The result of not getting Sandwell's referrals made before external ones, being the effect on the High Needs Block if Sandwell children needed to be placed out of Borough.

M Tallents advised that all Special Schools in Sandwell should now have received the consultation on this matter, which was the process by which it was identified what places were required. This would be discussed and agreed upon in the near future. The other factor to be taken into account on this matter, was that a child's EHCP could be finalised at any point throughout the year and available places would have to be assessed at that point.

Another Member queried how many of the total available places at Sandwell Special schools had been allocated to out of Borough placements.

M Tallents advised that there were a total of 95 spaces available between Shenstone and Brades and that 33 places had been filled with out of Borough placements at Shenstone and 7 at Brades.



J Gill advised that other LA's did have the power to direct placements as well.

The Forum noted the contents of the report. In addition, the Forum also noted the increased surplus on future years and recognised that further forecasting would be produced in the future to help the Forum understand this matter in more detail.

## 17/22 Special Educational Needs High Needs Block 2021/22 Pupil Referral Unit Overview Report

The Forum received a report with information on commissioned places, occupancy and funding for Primrose, Sandwell Community School (SCS) and Albright. In addition, average occupancy figures were as up to date as possible, at the time of compiling the report.

### Primrose PRU

The Local Authority had commissions 25 places per year at £10K per place plus, Element 3 top up for 20 places at £11,920 per place for primary permanently excluded pupils. The additional 5 places were preventative places and top up was chargeable to schools who used the service.

Table 1, below, showed the funding for the Primrose Centre for 2021/22 funded through the HNB.

Primrose Centre Funding 2021/22	No of Places	Cost per place £	Total 2021/22 £
Commissioned places	25	10,000	250,000
Top up for Permanent Exclusion	20	11,920	238,400
Top up for Preventative Places	5	0	0
Teachers P & P G			26,400
<b>Total Funding for 2021/22 from the HNB</b>			<b>514,800</b>



Table 2, below, showed the average occupancy for the period summer term 21, autumn term 21 and spring term 22 to date.

	Commissioned Places 1/4/21-31/3/22	No of Pupils Foot Fall	Average No of Pupils on roll
Average Occupancy PX Places	20	8	4
Average Occupancy No School Place- SEN	0	3	2
Average Occupancy No School Place – No SEN	0	1	0
Average Occupancy Preventative Places	5	36	14
<b>Total</b>	<b>25</b>	<b>48</b>	<b>20</b>

The number of permanently excluded places funded through the HNB for element 3 top up was reducing and pupils on preventative places were filling the vacancies.

Primrose charged schools £95 per day for a preventative place. At the time of this report Primrose had 17 pupils on roll.

### **Sandwell Community School (SCS)**

The Local Authority had commissions 180 places per year at £10K per place plus Element 3 Top up for 80 places at £7,346 per place for Secondary permanently excluded pupils. The additional 100 places were preventative places and top up was chargeable to schools who used the service.

Table 3, below, showed the funding for Sandwell Community School for 2021/22 funded through the HNB.

Sandwell Community School funding 2021/22	No of Places	Cost per place £	Total 2021/22 £
Commissioned places	180	10,000	1,800,000
Top up for Permanent Exclusion	80	7,346	587,700
Top up for Preventative Places	100	0	0



Less Building Adjustment for Tipton Site			-78,200
Teachers P & P G			118,800
<b>Total Funding for 2021/22 from the HNB</b>			<b>2,428,300</b>

Table 4, below, showed the Average occupancy for the period, summer term 21, autumn term 21 and spring term 22 to date.

	Commissioned Places 1/4/21-31/3/22	No of Pupils Foot Fall	Average No of Pupils on roll
1 Average Occupancy PX Places Funded through the HNB	80	102	64
2 Average Occupancy No School Place - SEN Funded through the HNB	0	3	2
3 Average Occupancy Alternative Provision Panel funded through the HNB	0	2	1
4 Average Occupancy Preventative Places Funded by Schools	100	80	30
5 Average Occupancy Fair Access Panel funded through the FAP funding	0	9	6
6 No funding agreed (very short occupancy)	0	15	3
7 Queries	0	31	21
<b>Total</b>	<b>180</b>	<b>242</b>	<b>127</b>

The LA had provided element 3 top up for 80 places earmarked for permanently excluded pupils. Items 1, 2 and 3 in the above table had been funded from the HNB and would be counted against the 80 funded places. The average occupancy for these categories was 67.

Item 4 would be funded by the Schools who commissioned the preventative places. The average was 30.



SCS had charged schools between £50 - £125 per day depending on the age and needs of the student.

The Fair Access Panel had agreed to fund item 5 in the table.

Item 6 were those pupils that would not be funded. There were some pupils who appeared on the roll at SCS for a very short period of time that would not attract any additional top up and some where they were the responsibility of another LA.

Item 7 were the pupils on roll that the agreement to fund had not been reached. Discussions around this funding were continuing.

The majority of the pupils in query had come through the Fair Access Panel route.

Overall there would be an average of 53 unoccupied funded places at £10k per place in SCS during 2021/2022.

At the time of this report SCS had 127 pupils on roll.

### **Albright Education Centre**

Albright was Sandwell's hospital and home education provision in addition to educating pupils on site. It was funded differently from the other 2 PRUs.

As Albright Education Centre was a PRU, the DfE have stated they cannot be treated as a post 16 establishment and receive additional funding from the ESFA.

The Local Authority had originally commissioned 40 places per year. In 2020 / 2021 this had increased by 10 places to provide Albright Education Centre with 50 commissioned at £10K per place. They did not receive any element 3 top up per pupil, but received a lump sum, determined by the DFE in the funding formula designated for the home and hospital tuition.

Table 5, below, showed the funding for Albright Education Centre for 2021/22 funded through the HNB.



Albright Education Centre Funding 2021/22	No of Places	Cost per place £	Total 2021/22 £
Original Commissioned places	40	10,000	400,000
Additional Agreed Commissioned places	10	10,000	100,000
Lump Sum for Home and Hospital Tuition			759,200
Teacher P & P G			38,500
<b>Total Funding for 2021/22 from the HNB</b>			<b>1,297,700</b>

Table 6, below, showed the average occupancy for the period summer term 21, autumn term 21 and spring term 22 to date. The pupil numbers only included the hospital tuition data if they were actually on roll at the point of requesting the data. The length of time that pupils access hospital tuition varied but was usually short term.

The pupils accessing hospital education would include both Sandwell residents and non-Sandwell residents.

The funding for hospital education had changed with the introduction of the HNB and funding had been adjusted to eliminate the need for funding recoupment between Local Authorities.

	Commissioned Places 1/4/21- 31/3/22	No of Pupils Foot Fall	Average No of Pupils on roll
Average occupancy Full Time	50	62	22
Average occupancy Part time		30	9



Average Occupancy Post 16		5	2
Hospital Tuition		4	0
<b>TOTAL</b>	50	101	33

At the time of the report, Albright had 55 pupils on roll of which 3 were full time post 16 students and 15 were part time students

A Member referred to the funded places at Primrose where 20 places had been funded, but only had 8 children in for that allocated funding of 20 places.

J Gill advised that, in view of the fact that Primrose was such a small PRU, it had to be managed carefully. Whilst 20 places had been funded for permanently excluded pupils via top-up, only 8 permanent placements had been made within the current financial year.

The Member followed up by querying if the funding for these placements / capacity had been utilised for alternative placements and if additional charges had been made for such alternative placements.

J Gill advised that she could not comment on what income Primrose had charged as she only had access to the High Needs Block side of the ledger. She did, however, know that the charge was for £95 per day.

The Member requested clarification on this matter as he felt that it was of the utmost importance. He felt it was essential that the Forum were able to understand what was happening to the allocated funding which had been taken up by preventative placements rather than permanent exclusion placements, as commissioned placements should be available as / when required.

M Tallents agreed to investigate further in relation to all PRUs and feedback to the next meeting on this very matter.

A Member, in referring to SCS commissioned places, suggested that SCS should be informed by the LA of which placements were





to be made to help alleviate pressure from Fair Access (FAP) and the High Needs Block. At the moment, he had the impression that it was SCS who was deciding on placements rather than the LA. He felt that it should be up to the FAP and / or the Inclusion Support to dictate which children go into the spaces which had been commissioned and funded via Inclusion Support.

M Tallents advised that it should be FAP or Inclusion support who would determine how that allocated funding would be allocated / used. She would however, investigate further on this matter and report back to the next meeting with an update.

In relation to SCS, another Member queried if commissioned places were not being fully utilised at present and if commissioned places for the new financial year would remain the same or be reduced accordingly.

M Tallents advised that, at present, commissioned places for permanent exclusions would remain the same. However, the LA would most likely need to look at the funding allocated to PRUs to ensure that they could still operate efficiently and effectively whilst reviewing the commissioned places allocated. Whilst there weren't many permanent exclusions at primary level, and the number historically was low, the secondary exclusion rate had risen over recent years. Such places were monitored and could be recommissioned each year.

In relation to Albright, the Vice-Chair queried why an additional 10 places had been commissioned when the average number of pupils on roll was 33.

M Tallents advised that those places had been commissioned around 2 years ago to enable Albright to support children in Key Stage 2, taking into account the impact of the Pandemic and the anticipated impact upon mental health.

The Forum noted the contents of the report. Updates to the queries identified above would be provided at the next meeting.



The Forum received a report which informed Members of the outcome of the consultation on the increase to the hourly rates for two year olds; and three and four old for the financial year 2022/23.

On 27<sup>th</sup> October 2021, the Chancellor had announced that the Government would invest additional funding for the early years entitlements for two, three and four year olds worth £160m in 2022 2023, £180m in 2023 - 2024 and £170m in 2024 - 2025, compared to the current year. This was for local authorities to increase hourly rates paid to early years providers for the Government's free childcare entitlement offers and reflected cost pressures, as well as anticipated changes in the number of eligible children. On the 25<sup>th</sup> November 2021 individual local authority rates had been published by the DfE

The Education and Skills Agency (ESFA) issued in December 2021 the "Early years entitlements: local authority funding of providers – Operational guide 2022 to 2023"

The guide had been issued to help local authorities follow the rules and principles when funding providers to deliver the early years entitlements in the financial year 2022 to 2023 as well as describing the basis of funding to local authorities.

Local authorities were required to consult providers on annual changes to their local formula.

The early years national funding formula hourly rates had increased by £0.21 per hour for two year olds and £0.17 per hour for three and four year olds.

On 1<sup>st</sup> February 2022 the Quality Early Years and Child Care Team had sent out the following consultation via email to 90 Day Care Providers and 99 Child Minders as they were providers who delivered the Two Year Old funding and the Nursery Education Funding in Sandwell's Private Voluntary and Independent child care sector. The survey had also been sent to all Primary and Infant Schools.



On 27<sup>th</sup> October 2021, the Chancellor had announced that the Government would invest additional funding for the early years entitlements for two, three and four year olds worth £160m in 2022 - 2023, £180m in 2023 - 2024 and £170m in 2024 - 2025, compared to the current year. This was for local authorities to increase hourly rates paid to early years providers for the Government's free childcare entitlement offers and reflects cost pressures, as well as anticipated changes in the number of eligible children. On the 25<sup>th</sup> November 2021 individual local authority rates had been published by the DfE.

The Council was now consulting on the proposed funding increase for the financial year 2022 - 2023. To enable all providers who delivered on the early years entitlements to benefit from the increased funding, Sandwell MBC was proposing to use all of the additional funding to increase the basic hourly rate of pay for two-year olds and three and four-year olds and keep the additional payments of the single funding formula at the same rate as 2021 - 2022.

The proposed funding structure was as set out below: -

	Rate 2021/2022	Rate 2022/2023	Increase per hour
<b>Two Year Olds</b> Rate= per hour per child	£5.38	£5.59	£0.21
<b>Three and Four Year Olds</b> Rate= per hour per child	£4.06	£4.23	£0.17
<b>Flexibility</b> per hour per child	£0.30	£0.30	N/A
<b>Deprivation</b> Based on % of children and <u>their</u> postcode	Up to 10% = 0 11% to 30% =£0.05 31% to 70% = £0.10	Up to 10% = 0 11% to 30% =£0.05 31% to 70% = £0.10	N/A



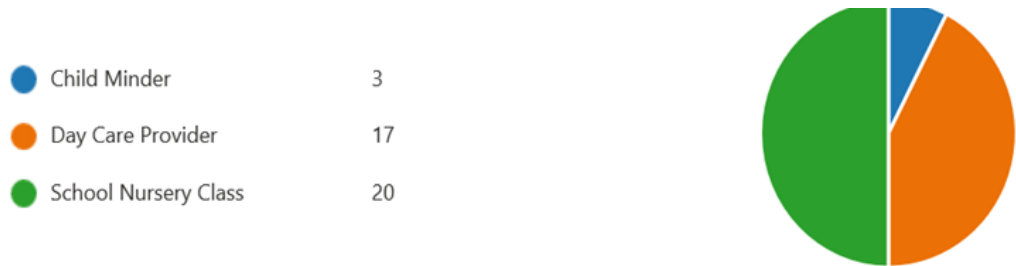
	70% to 90% = £0.20	70% to 90% = £0.20	
	90% plus = £0.25	90% plus = £0.25	

The following question was consulted on:

*“Do you agree that Sandwell Council should use the additional Early Years funding to increase the basic rate of funding for two-year olds and three and four year olds?”*

The results of the survey were as follows:

Total responses = 40.



The response to the 2 central questions:

5. Do you agree that Sandwell Council should use the additional Early Years funding to increase the basic rate of funding for Two Year Olds from £5.38 to £5.59

[More Details](#)

[Insights](#)



6. Do you agree that Sandwell MBC should increase the basic rate of funding for Three and Four Year olds by the full increase given by the DFE of 17p per hour? This will increase the basic rate of funding from £4.06 -£4.23 per hour

[More Details](#)

● Yes	40
● No	0



The 1 response of 'No' had come from:

- 1 Child Minder who had left no further comment.

The survey had also invited suggestions, comments or any questions providers might have with regards to the increase in Early Years funding. The following responses were from providers who had voted 'yes' in the consultation, but also commented;

- Hopefully more face to face training sessions – Day care Provider
- It is essential for our nursery's survival that the hourly rate for funded children increases. We are really struggling and with the living wage increasing each April we are not sure how much longer we will be able to continue. Since the introduction of ELT and 30 hours we hardly have any paid places so are relying on being provided with a realistic hourly rate in relation to inflation and living wage increases to survive. – Day Care Provider
- This increase in hourly rate will really help towards the rising costs of providing nursery education. Day Care Provider
- What would the additional money be spent on if it wasn't used to increase the basic rate? School. Response provided by email.
- Is this on top of the annual increase we would have received anyway? School. Response and clarification sent via email.
- "If there were any grants available for capital projects, we would be very interested in this. We would like to revamp the play areas for our nursery children but simply do not have the funds because we only really break even (at best) due to the cost of staffing. The increase to hourly rate will support with



this but at the same time, we are anticipating a big hike in cost of staffing due to NI increase and proposed increase to public sector pay.

- Further to this, we are under great pressure in terms of our 2 year old setting. Numbers are low and staffing costs are increasing. We really want to continue offering 2 year old places but any support (either financial or otherwise) in this area would be very welcome." School. Response provided by email.
- Welcomed! If we get it right at the start, less should be needed further down the line! School

**Agreed** (unanimously amongst School Members on the Forum) that: -

1. the increase of the Two-Year-old hourly rate from £5.38 to £5.59 be approved;
2. the increase of the Three and Four-year-old hourly rate from £4.06 to £4.23 be approved.

## 19/22 DSG Allocation Update 2021/22

The Forum received a report which provide Members with information on the latest Dedicated schools Grant (DSG) allocation for 2021/22.

The table, below, sets out the authority's latest indicative DSG allocations for 2021/22, as at January 2022.

DSG Allocation 2021/22	Indicative DSG Allocation at December 2020 £m	Indicative Allocation at January 2022 £m	Change in Allocation since December 2020 £m
Schools Block	297.545	297.545	0
Central Schools Service Block	2.249	2.249	0
High Needs Block	55.738	56.077	0.339



Early Years Block	24.877	22.715	(2.162)
<b>Total DSG</b>	<b>380.409</b>	<b>378.587</b>	<b>(1.822)</b>

The 2021/22 initial Indicative DSG allocation which had been presented to Schools Forum in January 2021 had changed as follows:

The deduction of academy recoupment by the Education Skills and Funding Agency (ESFA) £146.496m from the Schools Block.

The overall increase of £0.339m to the High Needs Block before recoupment was made up of the following:

- Change in the Import/Export Adjustment from -£0.204m in December 2020 to +£0.141m; a movement of +£0.345m
- Additional funding for Special Free Schools; a movement of -£0.006m

The December 2020 allocation notified of a recoupment amounting to £2.072m. A further increase of £0.450m resulting in a total recoupment of £2.522m for ESFA directly funded places notified in January 2022 was broken down as follows

- Decrease of 6 Pre-16 Focus provision places funded at £6,000 amounting to £0.021m in Mainstream Academies from September 2021.
- Increase of 6 Pre-16 Focus provision places funded at £10,000 amounting to £0.035m in Mainstream Academies from September 2021.
- Increase of 109 places from September 2021 in Further Education and Independent Learning Providers (£0.436m)

The overall decrease of £2.162m to the Early Years Block allocation; the change in funding consisted of the following:

- A reduction in the number funded 3 and 4-year-olds universal entitlement 614 PTE amounting to £1.601m
- A reduction of the number of funded 3 and 4-year-old additional 15 hours entitlement for eligible working parents; 95 PTE amounting to £0.248m
- A reduction in the number of funded 2-year-old entitlement 111 PTE amounting to £0.343m



- An increase in the indicative funding for early years pupil premium amounting to £0.030m

The Forum noted the contents of the report.

## 20/22 Special Educational Needs High Needs Block 2022/23 Budget

The Forum received a report which provided Members with the HNB 2022/23 Budget Information.

### HNB Budget 2022/23

The HNB Provisional Grant for 2022/23 was £61.267m. After deductions of £3.130m, the grant available for distribution equated to £58.137m

Table 1, below, showed the deductions of £3.130m which were made at source to the HNB and paid directly to the various educational establishments.

The deductions were revised during the year and notified to the LA if applicable. A further deduction was anticipated for High Point free school and would be met from the budgeted surplus.

	£000
Pre 16 Focus Provision Academy place deductions	480
Special school Academy and Free school Place deductions	1,330
Post 16 SEN mainstream maintained and academy deductions	66
Post 16 Further Education College Deductions	1,254
<b>Total Deductions</b>	<b>3,130</b>





## HNB 2022/23 Budget Allocations

Table 2, below, showed the analysis of the 2022/23 HNB Allocation.

<b>Budget Heading</b>	<b>Budget 2022/23  £000</b>	<b>%</b>
1) Independent Schools	5,977	10.3
2) Other LA maintained and Academy mainstream and Special Schools	1,823	3.1
3) Pupil Funding delegated to Schools, PRUS and Post 16	38,426	66.1
4) Other SEN AP Provision	280	0.5
5) Hospital PRU	1,593	2.7
6) SEN Support Services	1,461	2.5
7) Support for Inclusion	4,639	8.0
8) Alternative Provision	410	0.7
9) SEN Developments	1,756	3.0
10) Other High Needs Expenditure	1,616	2.8
11) Exclusions & Reintegration	156	0.3
<b>Total HNB Grant 2022/23</b>	<b>58,137</b>	

A more detailed breakdown could be found in Appendix 1 to the report. In addition, Appendix 2 to the report presented a more detailed breakdown of items 9 and 10 in Table 2.

### Budgeted Specialist places



The HNB had budgeted for 1267 WTE Specialist Places in Sandwell Provisions across Special Schools, Mainstream Focus Provisions and PRUs.

This was an increase of 109 additional places from the 2021/22 budget that was reported to Schools Forum in June 2021.

Table 3, below, showed the places commissioned for the financial year 2022/23. These were whole time equivalents (WTE) where places had been commissioned from 1 September 2022.

Discussions were still taking place for specialist SEMH places and a nominal figure had been built into the budget to be prudent.

<b>SPECIAL SCHOOLS</b>		<b>Places</b>
The Orchard		147
The Meadows		215
The Westminster School		241
Shenstone Lodge and Brades		95
High Point		50
Elm Tree from 1/9/22 WTE		21
Westminster SPI		12
Additional places budgeted for in year across all Special Schools for potential over occupancy from 1/9/21 WTE		20
Additional Places at SLS to be agreed		
<b>TOTAL</b>		<b>801</b>

<b>FOCUS PROVISIONS</b>		
Primary Schools	ASD	63



	PD	12
	MLD	10
	HI	12
	SEMH	25
	SLCN	2
New FP From 1/9/22 20 places	SLD	11
<b>Primary Total</b>		<b>135</b>

<b>Secondary Schools</b>	ASD	45
	PD	20
	HI	5
New FP from 1/9/22 10 places	SEMH	6
<b>Secondary Total</b>		<b>76</b>
<b>TOTAL FOCUS PROVISION PLACES</b>		<b>211</b>

<b>PRUs</b>		
Primrose PRU (Primary)		25
Sandwell Community School (Secondary)		180
Albright		50
<b>TOTAL PRU PLACES</b>		<b>255</b>

The Vice-Chair queried if the focussed provision being planned for September had already been allocated, or not, or if schools would be asked to bid for / express an interest in.



M Tallents advised that the SLD focussed provision had already been allocated. The SEMH allocation for secondary education was yet to be made. If any schools wished to express an interest in this, they should contact Officers.

The Forum noted the contents of the report.

## **21/22 Schools Forum Member Training Verbal Update**

The Clerk advised that Officers had now met and drawn up a training schedule / allocated who would be writing which element. Once drafted, the training material would be shared with the Chair and Vice-Chair in the first instance as a 'sense-check'.

Once finalised, a date, or dates, would be agreed outside of the Forum business meetings to hold the training. The training material would also serve as an induction for new Members.

## **22/22 Substitute Members on Schools Forum**

The Clerk advised that there were a number of outstanding positions as named Substitute Members on the Forum. The idea behind named Substitutes was that should a substantive Member need to submit their apology to a meeting, their named substitute would then be eligible to attend in their place and would hold the same voting rights. This would also reduce the likelihood of future meetings not being able to proceed where the quorum had not been achieved.

The Clerk advised that he would email all Members after the meeting with a briefing note on the process to get nominations for named Substitutes to be appointed to the Forum.

## **23/22 Nominations to Union Facilities Time Working Group**

A Timmins sought nominations from amongst the following groups to sit on a Working Group to look at Union Facilities Time: -



- 1 x nomination from Primary Academy;
- 1 x nomination from Secondary Academy;
- 1 x nomination from Primary Maintained;
- 1 x nomination from Secondary Maintained;

Meetings were yet to be arranged and A Timmins would consult the appointed Members and advise on the agreed dates / times in due course.

**Agreed** that the following Members be appointed to the Working Group: -

- 1) J Barry (Primary Maintained)
- 2) L Bray (Primary Academy)
- 3) That the Secondary Maintained and Academy Members be contacted by A Timmins to determine who will be appointed to the remaining vacancies.

## 24/22 AOB

The Clerk reported that the Terms of Office of both D Irish and M Arnall had been recommended by their respective Groups for another 4 year term. The Chair, therefore, sought authorisation from the Forum to approve the extension to the Terms of Office for both individuals.

**Agreed** (unanimously) that the Terms of Office of both D Irish and M Arnall be granted for a 4 year extension, effective from November 2021.

**N.B.** D Irish had left the meeting before this vote had occurred and therefore, did not take part in this vote.

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

4 July 2022



**The Next Meeting of Schools Forum: 20<sup>th</sup> June 2022 @ 2.30pm.**

**Location: TBC.**

**Meeting ended at 3.57pm**

Contact: [democratic\\_services@sandwell.gov.uk](mailto:democratic_services@sandwell.gov.uk)





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Forum Member / Category / Number of positions per group	School representing	Date Appointed	Date term of office expires	Substitute Member
<b>Primary Partnership (5)</b>				
Seema Mistry	Whitecrest	13/12/21	12/12/25	
Jamie Barry	Yew Tree	07/11/20	06/11/24	A Connop
Wendy Lawrence	Hanbury	02/11/20	01/11/24	
Sally Baker	Cape	07/11/20	06/11/24	
<b>Vacancy</b>				
<b>Secondary Partnership (1)</b>				
Christina Handy-Rivett	St Michael's	08/11/21	07/11/25	M Smith
<b>Special Schools (1)</b>				
Neil Toplass	Shenstone Lodge	16/09/21	15/09/25	
<b>Governors (5)</b>				
Dawn Broadbent	Holly Lodge High	27/09/21	26/09/25	
Elaine Benbow	Moorlands Primary	27/09/21	26/09/25	
Bob Patel	Great Bridge Primary	27/09/21	26/09/25	
Lynn Howard	Hamstead Junior	01/06/18	31/05/22	
<b>Vacancy</b>	<b>Secondary School</b>			
<b>Academy (4)</b>				
Lucy Bray	Mesty Croft (Primary)	07/11/20	06/11/24	
Dave Irish	Shirelands Collegiate	13/12/21	12/12/25	
Mark Arnull	Q3 Academy G. Barr	13/12/21	12/12/25	
James Topham	Wood Green Academy	03/11/20	02/11/24	

<b>PRU (1)</b>				
Kuldip Berdesha	Sandwell Community School	16/09/21	<b>15/09/25</b>	H Wood
<b>NON SCHOOL MEMBERS</b>				
<b>Early Years Partnership (1)</b>				
Emma Pate	The Day Patch Nursery (Old Park)	24/02/21	<b>23/02/25</b>	
<b>16 – 19 Provider (1)</b>				
Jane Bailey	N/A	01/09/19	<b>31/08/23</b>	
<b>Trade Union (1)</b>				
Darren Barton	N/A	27/06/21	<b>26/06/25</b>	P Jones

Meeting Date	Proposed Agenda Items (Core Business)	Reports to be sent to Finance for approval and Group Head for School Improvement section to be completed	Reports to be Sent to Democratic Services for Agenda Meetings	Publish Agenda & Reports on Virtual Office & CMIS & Circulate to Members	Publish Minutes on Virtual Office & CMIS	
26th September 2022	School Forum Constitution Review and Update Fair Funding Scheme Updates High Needs Block P3 Monitoring School Funding 2023/24 - Working Group De-delegated Budgets 2021/22 Outturn & Impact Analysis	7th September 2022	9th September / Agenda Meeting on 13th September	19th September 2022	3rd October 2022	Not SEN Not SEN Ok but may be a more up to date period
7th November 2022	SEND Review Arrangements for pupils with SEN Arrangements for use of PRUs and education of children otherwise than at school Arrangements for EY provision 2023/24 School Budget Consultation Proposals High Needs Block P6 Monitoring	14th October 2022	21st October / Agenda Meeting on 25th October	31st October 2022	14th November 2022	This was last year not sure it is required again What does this mean What does this mean Not SEN Not SEN Ok
12th December 2022	School Budget Consultation Responses and approval of disapplications Confirmation of 2022/23 DSG Allocation Fair Funding Scheme Consultation	18th November 2022	25th November / Agenda meeting on 29th November	5th December 2022	19th December 2022	Not SEN Not SEN Not SEN
16th January 2023	Recommendation of 2023/24 Schools Block Budgets (Jan Proforma) Pupil Number Growth Funding - October census Schools Closedown - Draft Timetable	3rd January 2023	4th January / Agenda Meeting on 5th January*	9th January 2023	23rd January 2023	Not SEN Not SEN Not SEN
20th March 2023	School Budgets 2023/24 (including Early Years & High Needs) HNB Budgets 2023/24 Fair Funding Scheme Updates High Needs Block P9 Monitoring Forward Plan 2023/24	1st March 2023	3rd March / Agenda Meeting on 7th March	13th March 2023	27th March 2023	Ok Ok Not SEN Ok but may be a more up to date period Not SEN
19th June 2023	Appointment of Chair & Vice Chair Attendance of Meetings School Balances 2022/23 & Budget Plans 2023/24 High Needs Block Outturn 2022/23 De-delegated Budgets 2022/23 Outturn & Impact Analysis Fair Funding Scheme Updates Membership Review based on May census S251 - Budgets	30th May 2023	2nd June / Agenda Meeting on 6th June	12th June 2023	26th June 2023	Not SEN Not SEN Would be good to collect Academy from online accounts if possible and should include PRUs OK But depends on release of ADI & Transaction reports I need them by 18/5/23 at the latest as 30/5/23-2/6/23 is half term Not SEN Not SEN Not SEN Not SEN

**Standing Items (on agenda for every meeting): -**

Membership Updates - Vacancies & Expiry of Office

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## Schools Forum

4 July 2022

### Dedicated Schools Grant Outturn 2021/22

This report is for information

#### **1. Recommendations:**

That Schools Forum members:

- 1.1 Note the contents of the report.
- 1.2 Be advised 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.

#### **2. Purpose**

- 2.1 To inform members on 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.

#### **3. Report Details**

- 3.1 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.
- 3.2 Table 1 below details the actual expenditure incurred during 2021/22 regarding the use of the Early Years Block.

**Table 1 – Early Years Block**

<b>Service Area</b>	<b>Budget 2021/22 £,000</b>	<b>Actual Expenditure £,000</b>	<b>Variance £,000</b>
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
<b>Total</b>	<b>22,156</b>	<b>23,294</b>	<b>1,138</b>

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

**Table 2 – Central School Services Block**

<b>Service Area</b>	<b>Budget 2021/22 £,000</b>	<b>Actual Expenditure £,000</b>	<b>Variance £,000</b>
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
<b>Total</b>	<b>2,249</b>	<b>2,246</b>	<b>(3)</b>

\*Copyright Licenses costs are paid for directly by the DfE and the DSG grant allocation paid to the authority is adjusted accordingly.

### Pupil Number Growth Funding

- 3.4 The Pupil number growth allocation agreed by Schools forum was £1.091m. The DfE make 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**

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

- 3.5 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

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

**Table 4 – De-delegated Budgets**

<b>Service Area</b>	<b>Adjusted Budget 2021/22</b>	<b>Actual Expenditure</b>	<b>Variance</b>
	<b>£,000</b>	<b>£,000</b>	<b>– £,000</b>
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)
<b>Total</b>	<b>579</b>	<b>549</b>	<b>(280)</b>

### Education Functions

- 3.7 Table 5 provides a breakdown of the Education Functions budgets, expenditure, and variance.

**Table 5 – Education Functions**

<b>Service Area</b>	<b>Budget 2021/22 £,000</b>	<b>Actual Expend iture £,000</b>	<b>Variance – £,000</b>
Education Benefits Team	175	175	0
Children’s Clothing Allowance	33	33	0
Safeguarding & Attendance	264	264	0
<b>Total</b>	<b>472</b>	<b>472</b>	<b>0</b>

**4. Recommendations**

That Schools Forum

- 4.1 Note the contents of the report.
- 4.2 Be advised 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.

Rosemarie Kerr, Principal Accountant – Schools

Date: 27/06/2022

Contact Officer: Rosemarie Kerr

Tel No: 0121 569 8318



## Schools Forum

4 July 2022

### SPECIAL EDUCATIONAL NEEDS HIGH NEEDS BLOCK 2021/22 OUTTURN

This report is for Information

**1. Recommendations:**

That Schools Forum members:

- 1.1 Note the contents of the report in relation to the 2021/22 High Needs Block Grant final outturn

**2. Purpose**

- 2.1 To provide schools forum with the High Needs Block (HNB) 2021/22 outturn position.

**3. HNB Budget 2021/22 Analysis**

- 3.1 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.
- 3.2 The carry forward balance on the HNB as at 31 March 2021 was £0.597m surplus.
- 3.3 Table 1 provides a breakdown of the HNB budget of £53.555m; the gross expenditure as at 31 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**

<b>Budget Heading</b>	<b>Budget 2021/22 £000</b>	<b>Gross Expend iture £000</b>	<b>Income £000</b>	<b>Net Expenditure £000</b>
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)
<b>TOTAL</b>	<b>53,555</b>	<b>52,075</b>	<b>(55,409)</b>	<b>(3,333)</b>

3.4 The main variances are as follows:

- Out of Borough Placements – An underspend of £0.253m is due to a delay in pupils being placed in independent educational establishments and pupils leaving during the spring term.
- Post 16 Colleges – When the budget is prepared an allowance is made for new students and in year admittances. The underspend

of £0.545m relates 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 is due to staff vacancies and part-year vacancies due to staff turnover as well as maternity leave. Also includes monies for Secondary Preventing Exclusions team which will transfer from 1<sup>st</sup> April 2022 to Fair Access + Exclusions and Secondary Reintegration Team.
- Alternative Provision – the underspend of £0.509m is due to the close monitoring and decisions made at the LA Alternative Provision Panel which has been instrumental in reducing expenditure during the year and controlling the number of pupils placed in alternative provision settings.
- SEN Developments – Is showing an underspend of the underspend of £0.919m This budget head currently covers independent appeals and reports, and any funding agreed that does not clearly fit onto any other budget head. The variance is predominantly the HNB balancing figure of £440k, which is 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 due to resolution not to fund CWD and underspend in non-statutory services.

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

### **Recommendations**

3.6 That Schools Forum note the contents of the report in relation to the HNB Grant Outturn for 2021/22.

Date: 19/06/2022 Contact Officer: Rose Kerr
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## Schools Forum

4 July 2022

### School Balances 2021/22 and Budget Plans 2022/23

This report is for information

#### 1. Recommendations:

That Schools Forum members:

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

#### 2. Purpose

- 2.1 That Schools Forum note the balances held by schools at the end of 2021-22 and the projected balances for 2022-23.

#### 3. Links to School Improvement Priorities

- 3.1 School governing bodies have a responsibility to set a balanced budget annually and to use available resources effectively to deliver high quality education to children. It is important that schools balance budget priorities well whilst planning for any foreseeable changes in coming years. Schools should take effective action to avoid deficit budgets or excessive balances above recommended limits.

#### 4. Report Details

##### 4.1 School Balances 2021-22

- 4.1.1 **Appendix 1** shows the total school balances by phase as at the end of 2021-22. This is summarised below and compared to the position at the end of 2020-21.

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

4.1.2 There was one school closing with a deficit budget share.

4.1.3 There were four schools that converted to an academy during the financial year 2021/22: Hateley Heath Primary school, Lightwoods Primary, St John Bosco Primary and Perryfields High School.

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

#### 4.2 **Budget Plans 2022-23**

4.2.1 **Appendix 2** shows the RAG rating of the projected balances for 2022-23 as indicated by the Budget Plans received from schools. Percentages are highlighted according to the following criteria: -

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

4.2.2 Thirty two primary schools are projecting to hold balances above 10% and three primary schools are projecting to hold balances

below 1% at the end of 2022-23. This is 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.

4.2.3 There is one secondary school projecting to hold balances above 8% and no secondary school is projecting holding balances below 1% at the end of 2022-23. There is 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.

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

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

## **5. Recommendations**

That Schools Forum:

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

Rosemarie Kerr, Principal Accountant – Schools

Date: 27/06/2022

Contact Officer: Rosemarie Kerr

SCHOOL BALANCES 2020-21 & 2021-22															
	2020-21					2021-22					MOVEMENT BETWEEN 20-21 & 21-22				
Schools	BUDGET SHARE	STDS FUND CAPITAL	COMMUNITY FUNDS	OTHER FUNDS	TOTAL	BUDGET SHARE	STDS FUND CAPITAL	COMMUNITY FUNDS	OTHER FUNDS	TOTAL	BUDGET SHARE	STDS FUND CAPITAL	COMMUNITY FUNDS	OTHER FUNDS	TOTAL
PRIMARY TOTAL	25,893,071.73	617,930.05	681,973.08	0.00	27,192,974.86	24,347,391.46	460,218.94	436,568.40	0.00	25,244,178.80	(1,545,680.27)	(157,711.11)	(245,404.68)	0.00	(1,948,796.06)
SECONDARY TOTAL	2,278,822.97	4,974.58	0.00	0.00	2,283,797.55	3,500,792.26	0.00	0.00	0.00	3,500,792.26	1,221,969.29	(4,974.58)	0.00	0.00	1,216,994.71
SPECIAL TOTAL	2,151,239.49	81,187.93	0.00	0.00	2,232,427.42	2,238,524.53	18,165.16	0.00	0.00	2,256,689.69	87,285.04	(63,022.77)	0.00	0.00	24,262.27
OTHER SCHOOLS TOTAL	0.00	0.00	0.00	0.00	0.00	317,498.53	5,468.12	0.00	0.00	322,966.65	317,498.53	5,468.12	0.00	0.00	322,966.65
SCHOOLS TOTAL	30,323,134.19	704,092.56	681,973.08	0.00	31,709,199.83	30,404,206.79	483,852.22	436,568.40	0.00	31,324,627.41	81,072.60	(220,240.34)	(245,404.68)	0.00	(384,572.42)



## Appendix 2

	Primary	Secondary	Special
<b>Red</b>	Less than 1% or greater than 10% balance	Less than 1% or greater than 8% balance	Less than 1% or greater than 10% balance
<b>No. of Schools</b>	35	1	1
<b>Amber</b>	1%-2% OR 8%-10% balance	1%-2% OR 5%-8% balance	1%-2% OR 8%-10% balance
<b>No. of Schools</b>	14	2	1
<b>Green</b>	2%-8% balance	2%-5% balance	2%-8% balance
<b>No. of Schools</b>	17	0	1

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## Schools Forum

4 July 2022

### Scheme for Financing of LA Maintained Schools: Updates

This report is for Information.

#### **1. Recommendations:**

That Schools Forum members:

- 1.1 Note the updates to the Scheme for the Financing of Schools outlined in the report and Appendix 1 and 2.

#### **2. Purpose**

- 2.1 This report is to note the updates to be made to the Scheme for the Financing of Schools.

#### **3. Links to School Improvement Priorities**

- 3.1 School leaders and the relevant committee of governing bodies should take note of the proposed changes and how they impact on management of school finances and budgets.

#### **4. Report Details**

- 4.1 Local authorities are required by the Department for Education (DfE) to publish schemes of financing setting out the financial relationship between them and the schools they maintain.
- 4.2 The Fair Funding Scheme provides guidance to all maintained schools on the process to follow when undertaking the outsourcing of services with consequent TUPE transfer of staff.
- 4.3 That Schools Forum members note the updates and changes to the Scheme for the Financing of Schools outlined in the report and Appendix 1.
- 4.4 A number of maintained schools have recently outsourced services and transferred staff. Appendix 2 provides further clarity on the requirements that schools would need to follow to proceed with outsourcing.

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

**5. Recommendations**

5.1 That Schools Forum note the contents of the report.

Rose Kerr, Principal Accountant

Date: 27/06/2022

Contact Officer: Rose Kerr

Tel No: 0121 569 8318

### 3.6 Borrowing by schools

Schools fall within the overall borrowing controls of the authority and are governed by the Local Government and Housing Act 1989. Governing bodies may borrow money only with the written permission of the Secretary of State. The Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes in order to meet broader policy objectives.

~~Schools are able to use any scheme that the Secretary of State has said is available to schools without specific approval, currently including the Salix scheme, which is designed to support energy saving. Schools should contact Phil Kingston on phil\_kingston@sandwell.gov.uk or 0121 569 4507 for further information on taking part in the Salix scheme. As part of this, schools will be required to provide a financial forecast which shows that the repayment of the Salix loan is affordable. The forecast should clearly show the assumed energy savings and loan repayments expected by the school.~~

The restrictions on borrowing do not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts. These debts may not be serviced directly from the delegated budgets, but schools are free to agree a charge for a service which the Trustees or Foundation are able to provide as a consequence of their own borrowing. Governing bodies do not act as agents of the authority when repaying loans.

## 11.12 Information for Maintained schools involved in outsourcing

The authority is aware that schools are examining different service delivery models, which could entail the outsourcing of services. Where the outsourcing of services involves the TUPE transfer of any council employees who are members of or are entitled to be members of the Local Government Pension Scheme (LGPS), there will be pension transfer implications which must be considered as part of the initial tender process.

There is a responsibility for schools to be fully aware of the pension transfer procedures and arrangements early in the tendering process. Schools considering outsourcing a service must contact the following bodies/teams at the start of the tendering process to ensure all pension implications are fully understood and considered.

- Schools Strategic Finance Unit (SSFU)  
schools\_financialservices@sandwell.gov.uk
- Local authority HR Team hr\_frontline@sandwell.gov.uk
- Local authority Legal team hr\_frontline@sandwell.gov.uk
- The West Midlands Pension Fund (WMPF) – Wolverhampton Council is the administering authority responsible for the administration of the Fund.

This will ensure that the proper processes are followed, and the school can factor in any pension issues and costs in their tender documents and potential contractors can price these costs accurately into their bids. This will avoid potential and unnecessary delays and complications at the latter stages of the tender process or after the contract has been awarded.

It is recognised that Schools do have the delegated powers to make such decisions without the need to seek formal Council approval. However, under pension fund regulations and in relation to any potential future pension liabilities/guarantees the Council (Not the School) is still regarded as the Scheme Employer. This means that the Council (Not the School) is a party to the Pension Admission Agreement which has to be signed and executed under deed of seal by Council Officers acting on behalf of the Council. The agreement also has to be signed and

executed by the West Midlands Pension Fund (The Administering Authority), and the new employer (The Admission Body). Once signed and sealed the Pension Admission Agreement will enable those transferred staff to continue to participate in the Local Government Pension Scheme as part of their employment with a new employer. If proper process is not followed, then this could result in those former Council employees no longer being eligible to participate in the West Midlands Pension Scheme. Those employees would suffer significant financial loss arising from the curtailment of their accrued future pension benefits.

## **FAQ**

If a school has already outsourced a service and presumably involved the parties as listed below. If they then change to another provider when the first contract finishes, do they have to contact the parties below again and go through the same process?

### **Local Authority Response**

The School would need to follow the same procedure because staff would be transferring to a new employer. The new employer would have to apply for admitted body status via WMPF and a new admission agreement/pension guarantee document would need to be drafted, signed and executed by deed of seal by all parties to the agreement. i.e.: SMBC as the Scheme Employer, The new employer as the Admitted Body and the WMPF as the Administering Authority.

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## Schools Forum

4 July 2022

### Completing the reforms to the National Funding Formula – Government Consultation Response

This report is for information.

#### 1. Recommendations:

That Schools Forum members:

- 1.1 Note the contents of the report.

#### 2. Purpose

- 2.1 To provide Forum members with an outline of the government response to the consultation feedback on “Completing the reforms to the National Funding Formula”

#### 3. Report Details

- 3.1 The government 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” was consulted on between 6 July 2021 to 30 September 2021.
- 3.2 The schools NFF is a single, national formula that allocates the core funding for all mainstream primary and secondary schools, both maintained and academies, in England. Since its introduction, the NFF has been a ‘local authority-level’ formula.
- 3.3 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 are 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 move 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.

3.4 The Government have confirmed the following:

3.5 The approach for 2023-24 will 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.

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

3.7 The approach to transition in subsequent years will depend on the impact in the first year.

3.8 The Government also seem to suggest they will set a requirement that LA's cannot overshoot the NFF value. Sandwell already has several of its factor values which are above the NFF factor values and two NFF factors which it does not currently use; IDACI Band F and the mobility/pupils starting school outside of normal entry dates. (refer to **Appendix 1** for a comparison of the NFF factor values and Sandwell factor values.)

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

3.10 The Government intend 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.

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

3.12 Over the coming year, the Government will:

- 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.

3.13 This report provides a high-level overview of the government response to the consultation and further insight into each proposal and the feedback received can be found in the response.

#### **4. Recommendations**

4.1 That Schools Forum

Rosemarie Kerr, Principal Accountant – Schools

Date: 27/06/2022

Contact Officer: Rosemarie Kerr

Tel No: 0121 569 8318

### Comparison of the National Funding Factor Values to Sandwell Funding Factor Values 2022/23

<u>Description</u>	<u>NATIONAL FUNDING FORMULA FACTOR VALUES -2022/23</u>		Sandwell Factor Values 2022/23		Difference in Factor Values (SMBC less NFF)	
Primary (Years R-6)	£3,217.00		£3,512.00		£295.00	
Key Stage 3 (Years 7-9)	£4,536.00		£4,977.00		£441.00	
Key Stage 4 (Years 10-11)	£5,112.00		£4,977.00		(£135.00)	
Primary Minimum Per Pupil funding	£4,265.00		£4,265.00		£0.00	
Secondary Minimum Per Pupil funding	£5,525.00		£5,525.00		£0.00	
<u>Description - Additional Needs Funding</u>	<u>Primary amount per pupil</u>	<u>Secondary amount per pupil</u>	<u>Primary amount per pupil</u>	<u>Secondary amount per pupil</u>	<u>Primary amount per pupil</u>	<u>Secondary amount per pupil</u>
FSM	£470.00	£470.00	£176.00	£176.00	(£294.00)	(£294.00)
FSM6	£590.00	£865.00	£161.00	£372.00	(£429.00)	(£493.00)
IDACI Band F	£220.00	£320.00	£0.00	£0.00	(£220.00)	(£320.00)
IDACI Band E	£270.00	£425.00	£77.00	£350.00	(£193.00)	(£75.00)
IDACI Band D	£420.00	£595.00	£485.00	£676.00	£65.00	£81.00
IDACI Band C	£460.00	£650.00	£551.00	£771.00	£91.00	£121.00
IDACI Band B	£490.00	£700.00	£602.00	£855.00	£112.00	£155.00
IDACI Band A	£640.00	£890.00	£630.00	£900.00	(£10.00)	£10.00
EAL Primary	£565.00		£846.00		£281.00	
EAL Secondary		£1,530.00		£1,227.00		(£303.00)
Pupils starting school outside of normal entry dates	£925.00	£1,330.00	£0.00	£0.00	(£925.00)	(£1,330.00)
Primary low prior attainment	£1,130.00		£1,225.00		£95.00	
Secondary low attainment		£1,710.00		£1,776.00		£66.00
Lump Sum	£121,300.00	£121,300.00	£129,057.00	£129,057.00	£7,757.00	£7,757.00
Split Site			£129,057.00	£129,057.00	£129,057.00	£129,057.00

ILO - UNCLASSIFIED

## Schools Forum

4 July 2022

### Implementing the Direct National Funding Formula – Government Consultation

**This report is for decision**

#### **1. Recommendations:**

That Schools Forum members:

- 1.1 Note the contents of the report.
- 1.2 Nominate representatives for a working group to respond to the consultation.

#### **2. Purpose**

- 2.1 To inform school forum members of the Government's proposal on the detail of the implementation of the direct National Funding Formula (NFF).

#### **3. Report Details**

- 3.1 In 2021 the government held their first-stage consultation on the direct NFF for schools. Fair school funding for all: completing our reforms to the National Funding Formula.
- 3.2 The Government have confirmed that they will begin moving towards the direct NFF from the 2023-24 funding year.
- 3.3 This consultation was issued on 7 June 2022 and closes on 9 September 2022. It sets out proposals for the continuation of two current elements of funding for special educational needs (SEN), and for alternative provision, but consider how these would need to change in operation as the government moves 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.

[ILO: UNCLASSIFIED]

- 3.4 The consultation also sets out proposals for how funding for schools experiencing significant growth in pupil numbers, or falling rolls, could operate under a direct NFF.
- 3.5 As the government moves to the direct NFF, they set out how the minimum funding guarantee (MFG) will operate. The MFG protects schools against excessive year-on-year changes in their per-pupil funding. In the current system, the "funding floor" in the NFF mirrors the operation of the minimum funding guarantee in the local formulae. When the direct NFF is introduced, the MFG and the NFF funding floor will merge into one single funding protection mechanism – which will continue to be referred to as the MFG.
- 3.6 Lastly; the government sets out proposals on how the funding cycle should operate in the direct NFF – that is, the regular timescales for gathering data to calculate funding allocations, and then confirming these allocations to schools. The government are considering how they can support schools' budget planning, by giving them early indication of future funding levels.
- 3.7 The government have stated that whilst this consultation sets out a detailed picture of how they propose that the direct NFF will work in practice. They "are not setting a definitive final end date at which the direct NFF will be implemented, as it will 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."
- 3.8 The government have however, tried to give a sense of the likely timescales to inform schools' and local authorities' planning, and have set out that they expect to have moved to the direct NFF within the next five years; which is by the 2027-28 funding year. The government further go on to say, "We hope that we may be able to move to the direct NFF sooner than this – but not later".
- 3.9 Further consultations are also planned as follows:
- The additional reforms required to high needs funding arrangements which will 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 moves 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**

- 3.10 The Government published the SEND and alternative provision green paper, “Right support, right place, right time” on 29 March 2022. The consultation deadline is 22nd July 2022.
- 3.11 The government have stated in future consultations they plan to cover the operation of funding bands and tariffs to support the development of a national framework for SEND provision. This will 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 will provide for the first £6,000 of additional expenditure on pupils with SEND, before they become eligible for high needs top-up funding.

### **Flexibility to transfer funding to high needs**

- 3.12 In the current funding system, local authorities have a degree of flexibility to transfer funding between the blocks of their Dedicated Schools Grant (DSG) allocations. Local authorities can transfer up to 0.5% of their schools block with the approval of the Schools Forum, but transfers above 0.5%, or where the schools forum does not agree, must be decided by the Secretary of State.
- 3.13 In the Government response to the first stage of the direct NFF consultation, they committed to retaining the flexibility to transfer funding from mainstream schools to local authorities’ high needs budgets in the direct NFF.
- 3.14 The government propose 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**

- 3.15 The SEND and alternative provision green paper sets out proposals for an inclusive system, starting with improved mainstream provision that is built on early and accurate identification of needs, high-quality teaching of a knowledge-rich curriculum, and prompt access to targeted support where it is needed. The government believe 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 can plan their budgets appropriately.

- 3.16 The direct NFF will include a number of factors that act as a proxy for the incidence of SEN in mainstream schools. The government are keeping under review whether the current factors will 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.
- 3.17 The government propose 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**

- 3.18 In this section of the consultation, the government set out their proposals on how revenue funding for schools experiencing significant growth, or significant decline, in pupil numbers would operate under the direct NFF.
- 3.19 Local authorities have a statutory responsibility to ensure there are enough school places available in their area for every child aged 5 to 16.
- 3.20 Local authorities currently have discretion as to whether or not to operate a growth and/or falling rolls fund. If they do, it must be used only in specific circumstances: These are outlined in the consultation document.
- 3.21 The ESFA also provides “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 is available for academies with significant forecast growth in pupil numbers – not maintained schools. Agreements are made on a case-by-case basis, on application by academy trusts.
- 3.22 The Education, Skills and funding Agency (ESFA) allocates a notional growth funding element to local authorities each year using a formulaic approach, as part of the DSG. Growth funding is currently based on the actual pupil growth that local authorities experience, at the level of Middle Layer Super Output Area



(MSOA) – these are smaller geographic areas within the local authority with an average population of 7,200.

- 3.23 Local authorities do not have to allocate all of the growth funding that they receive and can spend more or less on growth funding than they received through the DSG for that purpose. Sandwell has 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.**

- 3.24 Only 24 authorities have set funding aside for a falling rolls fund in 2022-23, with half of these in London.
- 3.25 This consultation outlines two options for growth funding under the direct NFF.
- The first option would allow some continuing local flexibility in how growth funding is distributed to schools, but with “significantly greater consistency than in the current system”.
  - The second option is a national, standardised system without local flexibility, where ESFA allocate growth funding directly to schools as part of their allocations based on information provided by local authorities.
- 3.26 The government’s favoured approach is the first option, which retains local control.

### **Popular Growth**

- 3.27 Not all growth in schools is to meet demographic need. Growth can also occur where a school becomes more popular with parents and children locally. The ESFA currently make funding available for academies with significant forecast growth to reflect their increased costs. Academies that are entitled to this funding provide the ESFA with an estimate for their number of pupils in the coming year, which they provide funding for subject to an adjustment process based on the actual, in-year autumn census. Agreements are made on a case-by-case application basis at academy trust level.
- 3.28 The government have confirmed their intention to retain a system of popular growth for academies which have seen an increase in

popularity, after being recently sponsored by a multi-academy trust which has improved the school's performance.

- 3.29 The government have stated that they recognise that a number of respondents raised concerns about “popular growth” being available only to academies, and not local authority-maintained schools. However, in order to address these concerns, they are 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 can apply for this funding on behalf of particular maintained schools where there is clear evidence of expected significant popular growth, along with evidence of recent improvements in school performance through pupil assessment data.

### **Premises Funding**

- 3.30 In the Government's first stage consultation, Fair school funding for all, they asked for views on reforming “premises” funding under a direct NFF. The premises factors in the NFF include additional revenue funding for PFI schools, schools with split sites, and schools which face costs relating to exceptional circumstances (such as rental costs for their premises).
- 3.31 In the Government's response to the consultation, they 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**

- 3.32 The split sites factor is 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.
- 3.33 The government propose to develop a split site factor which recognises costs through a basic eligibility criteria that attracts a lump-sum payment, and a distance eligibility criteria that attracts an additional lump-sum payment.

- 3.34 Basic eligibility – The proposal is that sites should be counted as ‘split’ where they are 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.
- 3.35 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.
- 3.36 Further detail can be found in the consultation document.

**Premises: Exceptional circumstances**

- 3.37 The exceptional circumstances factor is intended to account for additional premises costs that the majority of schools do not face. Currently, local authorities can apply to the ESFA to use an exceptional circumstances factor in their local formulae.
- 3.38 The ESFA think that some costs currently being funded through exceptional circumstances arrangements are better funded through formula factors. Therefore they are 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 can currently support schools with 85% of the combined lump sums of their predecessors as temporary support while cost structures adapt to the new arrangements. In their 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 can also provide additional funding to very small, rural secondary schools, on top of existing sparsity funding to be viable. The government propose to automatically incorporate this into the sparsity factor.
- 3.39 There is a proposal to change the current criteria from that the cost is greater than 1% of the school’s budget and affects fewer than 5% of schools in the area. propose 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 want 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”.

- 3.40 The government have stated that to ensure that they are flexible to changing needs in future, they would accept new requests that meet their criteria where a school has clear, newly arising needs, which fall within the proposed criteria; however they would expect this to apply in very rare circumstances.

### **The minimum funding guarantee (MFG) under the direct NFF**

- 3.41 Under the current funding arrangements, local authorities set a minimum funding guarantee (MFG) which protects schools from excessive year-on-year losses in per-pupil funding. The NFF funding floor mirrors the MFG in the local formulae, and is important for ensuring the affordability of the MFG in the local formulae.
- 3.42 As government moves to a direct NFF, the NFF floor and the MFG in the local formulae will merge into one single protection mechanism – which will continue to be referred to as the MFG. The MFG in the direct NFF will continue to play a crucial role for ensuring sufficient stability for schools funded above their “core” formula allocations, so that they do not see sudden drops in their per pupil funding levels.

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

- 3.43 The NFF has school-led and pupil-led factors. The school-led factors; the lump sum and sparsity funding are 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, are allocated in respect of the number of pupils, and their characteristics, in a school.
- 3.44 The aim of the NFF’s funding floor, and the MFG, is to protect schools from sudden losses in their pupil-led funding, per pupil.
- It is a per pupil protection which allows funding to go up and down with pupil numbers;

- It protects pupil-led funding only (not total funding per pupil) as school-led funding should not increase or decrease with pupil numbers.

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

### **The annual funding cycle**

3.46 This section of the consultation asks 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 will continue to collect from local authorities.

### **Data collected from local authorities**

3.47 The ESFA propose to collect information related to:

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

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

### **De-delegations**

3.48 The ESFA uses information on de-delegation to make an adjustment to the funding academies receive. The proposal seek 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.

## **4. Recommendations**

That Schools Forum:

- 4.1 Note the contents of the report.
- 4.2 Nominate representatives for a working group to respond to the consultation.

Rosemarie Kerr, Principal Accountant – Schools

Date: 27/06/2022

Contact Officer: Rosemarie Kerr

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## Schools Forum

4 July 2022

### DSG Allocation update 2022/23

This report is for information

#### 1. Recommendations:

That Schools Forum members:

- 1.1 To note the contents of the report

#### 2. Purpose

- 2.1 To provide information on the latest Dedicated schools Grant (DSG) allocation for 2022/23.

#### 3. Report Details

- 3.1 The table below sets out the authority's latest DSG allocations for 2022/23. Two updates have 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
<b>Total DSG</b>	<b>395.400</b>	<b>397.701</b>	<b>11.354</b>

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- 3.2 The 2022/23 initial Indicative DSG allocation which was presented to Schools Forum in March 2022 has changed as follows:
- 3.3 The schools block allocation of £308.463m includes £157.827m for academies recoupment which is retained by the ESFA and funding paid direct to academies/Trusts; the remaining amount of £150.636m is for Sandwell maintained schools.
- 3.4 The mainstream schools have been allocated additional funding within the Schools Block of £9.053m via the schools supplementary grant (SSG)
- 3.5 There is also an increase to the High Needs Block (HNB) of £2.301m given as Special supplementary grant.
- 3.6 The December 2022 allocation detailed a HNB recoupment for place deductions amounting to £3.130m. The May 2022 HNB recoupment is now set at £3.412m which is an increase of £0.282m for ESFA directly funded places. The changes in place deduction is 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.

#### **4. Recommendations**

That Schools Forum

- 4.1 Note the contents of the report



Prakash Patel, Senior Accountant – Schools

Date: 27/06/2022

Contact Officer: Prakash Patel

Tel No:

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