

Meeting date: 23 May 2022
Report to: Solihull School Forum
Subject/report title: School Budgets 2022-23 - Update
Report from: Local Authority
Report author/lead contact officer: Steve Fenton Head of Commissioning for Learning



Schools affected:

All Schools

Type of Report For information
Forum Voting Not a voting matter - for information item
Public/private report: Public
Exempt by virtue of paragraph: Select an Exemption paragraph from the Quick Parts drop-down list

1. Purpose of Report

1.1 To update School Forum on school budget 2022-23 developments following your Forum meeting of 17 January 2022.

2. Decision(s) recommended

2.1 For information

3. What is the issue?

3.1 There have been 4 developments since Finance Group and Forum considered school budgets at their last meetings:

3.2 The LA asked all School Forum members to approve a £250,000 increase to the growth fund (from £350,000 to £600,000) to allow mitigation of the extreme pressure on primary and secondary school places arising from in-year pupil movements (Appendix 1).

3.3 The LA asked maintained school members of School Forum to agree to approve a £5.00 de-delegation (£12.50 special schools and PRUs) in respect of school improvement in-line with a government announcement made on 11 January 2022 to reduce the grant that funds this activity by 50% from 1 April 2022 (Appendix 2). The

£5.00/£12.50 is in addition to the £66.00/£165 for other LA duties for maintained schools that schools approved at the Forum meeting on 25 November 2021.

- 3.4 On 17 February 2022 the Cabinet Member approved school budgets, central budgets and de-delegations as recommended by Forum, with the addition of the increase in Growth Fund and school improvement grant de-delegation. The Cabinet Member approved all the recommendations of Forum, and specifically thanked the School Forum for their assistance.
- 3.5 School Forum recommended a 3.0% increase in special school top-up rates to reflect the general cost pressures affecting all schools. However, subsequent to Forum, the government announced a supplementary grant to the High Needs Block to reflect cost pressures, in particular the increase in NI rates to fund social care. To respond to this, I have increased top-up funding by a further 2%, so 5% increase in total (Note +2% is greater than the NI increase, but it is applied only to the top-up element not the place element). Funding for ARPs staffing has also been increased by 3% to reflect increased costs from April 2022.
- 3.6 In terms of formal approval for the growth fund request; the Forum administrator informed me that 20 approvals were received, there were zero non-approvals, and 6 who did not respond.
- 3.7 For the de-delegation of school improvement grant; there were 5 approvals, 1 “reluctant approval”, 4 who did not respond. There were no non-approvals.

4. List of appendices referred to

- 4.1 Appendix 1 – Growth fund case
- 4.2 Appendix 2 – de-delegation school improvement fund case

Solihull School Forum 19-01-22

Growth Fund variation approval

Author Steve Fenton Head of Commissioning for Learning

At School Forum meeting of 25 November 2021, Forum approved a centrally retained growth fund of £350,000 for 2022-23, which is commensurate with the level held in 2021-22.

The current 2021-22 spend stands at £347,000, with allocations made to Kingshurst, Greswold, Coleshill Heath, Widney, Olton, Yorkswood and Cheswick. All payments relate to funding to support the school through significant structural change resulting from school reorganisation, and/or admitting a “bulge” class.

For 2022-23 confirmed commitments total £200,000 (Kingshurst, Widney, Olton, and Cheswick).

However, we are now sure that we will need to fund bulge classes in at least 2 primary and 2 secondary settings. Discussions are on-going but the estimated cost is at least £400,000 (possibly £150k per secondary and £60k each primary). Funding for bulge classes is normally one-off – as when the additional pupils are counted in October census, then funding is normalised through the national funding factor. Depending on the flow of pupils to the bulge class, funding may be required over two years (pupils admitted that miss census count).

These bulge classes are required because of the unprecedented demand for in-year places outside of the normal admissions intake process, currently:

- An unprecedented high level of admissions applications, particularly in the south of Solihull, is causing extreme pressure on places across multiple year groups. Only year 7 has capacity in secondary schools, resulting in an increase of applications referred to the fair access panel.
- The total of Hong Kong applications from the beginning of the program to the end of December is now 548. These are made up of 374 primary applications and 174 secondary applications. This equates to 18 forms of entry.
- In the first term of this academic year, we have received 211 applications for Hong Kong residents. This equates to over 62% of the applications received in the 20/21 academic year.
- Solihull receives no additional financial support, capital or revenue, for this influx of new pupils. Officers in both Children’s Services and Economy and Infrastructure directorates are raising this issue with DfE and Government policy leads.
- The key thing is that applications are from Solihull residents without a school place – so we have a statutory duty to make an offer of a place.
- In primary schools in the south of the borough, years 5 and 6 are at capacity and school place planning are currently negotiating year one capacity to accommodate outstanding applications.
- As spaces are filling so quickly, adding capacity or negotiating with a school to take children in a full year group takes time, particularly with the staffing pressures schools are experiencing due to Covid. This means that applications are taking longer to reach an outcome resulting in more frequent contact from parents.
- Admissions team are receiving around 100 emails a day from parents. These are in addition to emails received from schools via our dedicated school / LA email addresses.

- A large percentage of the contact from applicants is not positive due to the processing times and the rise in alternative offers. As a large percentage of the applications are for the same schools, we are unable to meet parental preference. The admissions team are facing the impact of this negative contact.
- Based on the same period in 2020 (Sep to Dec) we have seen a 300% increase in the numbers of in-year appeals.

In order to meet these additional commitments, we are seeking an increase to the growth fund of £250,000 for 2022/23, increasing it to £600,000. The £250,000 would be funded from the £6,217,000 increase in Schools Block DSG received by the Council.

This is funding that would otherwise go to school budgets through the AWPU.

However, £250,000 is a very small proportion of the £179m schools block grant.

Even with this change, schools will receive a much greater proportion of the NFF in 2022-23 (99.4% of NFF AWPU value than in 2021-22 (98.8%). All other DfE requirements will be met – minimum pupil level and MFG of +2.00%, and perfect NFF emulation other than that 0.6% of AWPU.

The increase is a “one-off” and does not require a recurring contribution from the Schools Block DSG, because pupils are eventually counted on the October count and funding flows directly to schools through an increased overall DSG.

Therefore, approval is sought from Forum members for a £250,000 increase (£350,000 to £600,000) to the Growth Fund for 2022-23.

1. Purpose of Report

1.1 The purpose of this report is to ask maintained school members of School Forum to agree to a maintained school de-delegation in respect of a school improvement grant that the government are phasing out from 1 April 2022.

2. Decision(s) recommended

2.1 School Forum (maintained schools on Forum) are asked to agree to a £5.00 per pupil (£12.50 special and PRU) de-delegation from 1 April 2022. This would be in addition to the £66.00 per pupil de-delegation for Education Functions that Forum agreed at their last meeting in November.

2.2 The amount requested, (as for the £66.00) is just to replace the 50% loss in grant. Without this contribution Solihull will be unable to maintain a school improvement service

3. Matters for Consideration

3.1 On 11 January 2022 the government published their response to a 29th October consultation regarding "Reforming how local authority school improvement functions are funded". The full document is attached to this report.

3.2 Since 2017, the Local Authority School Improvement Monitoring and Brokering grant has been allocated to local authorities to support them in fulfilling their statutory school improvement functions under Part 4 of the Education and Inspections Act 2006 and their additional school improvement expectations as set out in the Schools Causing Concern (SCC) guidance (collectively referred to as core school improvement activities). In summary, these activities require councils to monitor performance of maintained schools, broker school improvement provision, and intervene as appropriate. The grant is currently ringfenced and must be spent solely on the school improvement activities for which it is provided.

3.3 Since 2017 councils have also been permitted, with the agreement of their local schools forum, to de-delegate funding from their schools' budget shares, to fund the provision of additional school improvement services. These are activities that go above and beyond their core school improvement activities, and may include, for example, providing or funding access to school improvement support. Many councils will also provide additional school improvement and other services to schools on a traded basis, where school leaders choose to buy in services provided by the council.

3.4 Solihull has chosen, by and large, not to offer traded services, but there are aspects of the overall school improvement services included in as an element in the central services – General duties grant that relates to services provided to all schools. These services relate to statutory moderation, Test arrangements, Complaints, and Governor Services. Where services are offered on a trading basis, these will continue unaffected by these government changes.

3.5 The government have decided to remove the grant over the course of 2022-23, and also include provision in the School and Early Years Finance (England) Regulations for financial year 2022-23 to allow councils to de-delegate for all school improvement expenditure, including all core school improvement activities, from maintained schools' budget shares.

The document states the de-delegation would be added to the Education Services element.

3.6 The grant will be reduced by 50% in 2022-23, and then reduced completely for 2023-24.

3.7 The government note that many consultee respondents felt there would not be sufficient time for local authorities and schools forums to agree de-delegation ahead of the next financial year, with a number highlighting it would be impossible to do so by the date of 21 January for making their Authority Proforma Tool (APT) submission to the Education & Skills Funding Agency (ESFA). The government say they recognise these timescales will be more challenging than in other years but want to clarify that whilst councils need to submit their APT by 21 January, they only need to confirm schools' budget shares before de-delegation by 28 February, and confirm schools' budget shares after de-delegation by 31 March. The government therefore feel it is not an obstacle to receiving permission to deduct this prior to the start of the financial year(!).

3.8 The government go on to state:

3.8.1 "Councils and local authority-maintained schools value the early support and challenge which councils provide to maintained schools as part of their core school improvement activities and want this to continue. We will enable councils to deduct funding from maintained school budgets to ensure this can remain the case going forwards".

3.8.2 There are concerns that these proposals will place a burden on maintained schools, and as a result schools forums may not de-delegate councils sufficient funds to deliver their core school improvement activities. *We will reserve the right to permit de-delegation against the wishes of a schools forum in order to ensure councils are in sufficient funds to deliver their core school improvement activities, if satisfied that the local authority had demonstrated such de-delegation was necessary to ensure they were adequately funded to exercise their core school improvement activities as set out in the Schools Causing Concern guidance.*

3.8.3 There are concerns that there may be insufficient time for councils to arrange de-delegation in advance of financial year 2022-23. We have clarified that while councils need to submit their APT by 21 January, they only need to confirm schools' budget shares before de-delegation by 28 February and confirm budget shares after de-delegation by 31 March. ESFA are therefore happy to talk to councils on a case-by-case basis if flexibility is required on timings for confirming de-delegation amounts and rates following the APT submission.

3.8.4 There were calls for greater clarity on what is considered core school improvement activity that councils are expected to deliver. We will update the Schools Causing Concern guidance to make this clear, in particular that (i) core school improvement activity goes beyond solely exercising of formal intervention powers, and (ii) that the grant is provided to support core school improvement in maintained schools only; and does not require councils to provide or fund school improvement services themselves".

3.9 The Solihull school improvement team will continue to perform a range of activities – listed in Appendix A.

4. What options have been considered and what is the evidence telling us about them?

4.1 When the grant ceases the local authority would no longer have a viable school

improvement team, exactly as the government state – all of the various school improvement activities are interwoven, and interact off each other, particularly in a relatively small authority such as Solihull. This would imperil our relationship with schools across the authority.

4.2 The school improvement team could, over time consider options to develop trading services for schools in Solihull and beyond to buy in, however there would need to be a core team initially to provide capacity; and we would also need to be clear about that “statutory element” for maintained schools which would still require a de-delegation, so that a school could opt out of buying the statutory element.

5. Reasons for recommending preferred option

5.1 The preferred option is to follow the government advice and request that maintained schools on Forum approve a de-delegation that is just designed to reflect the reduction in grant. This will provide stability over next year, whilst the service can engage with schools through SSSAB to review the service offering, if schools wish to do so.

6. Implications and Considerations

6.1 Consultation and Scrutiny:

6.1.1 In recent consultation with school leaders on the restructure of the education services, feedback was clear that the work of the school improvement team is valued and desired.

6.2 Financial implications:

6.2.1 For the period 1 April 2021 to August 2021 Solihull received £71,455 in grant, and £88,920 for September to March 2022, total £160,375. The grant is paid largely according to how many maintained schools there are in each local authority.

6.2.2 Using the same calculations for 2022-23 as in the September to March grant, we can calculate Solihull would receive £145,500 over the full year in respect of 42 maintained schools. To recover a 50% grant reduction would mean a de-delegation of £72,750 which is £5.00 per pupil (and 2.5 times = £12.50 for special schools and PRUs).

6.2.3 This would become £10.00 in the following year.

6.2.4 As more schools become academies, the de-delegation would reduce (with academies paying for school improvement services from their MAT); but as with the current £66 de-delegation, the local authority would not seek to just raise the cost to non-academy schools.

6.3 Legal implications:

6.3.1 Local authorities hold a statutory responsibility for school improvement for maintained schools, therefore a trading model is not necessarily sufficient; hence the government advice is to seek a de-delegation.

6.4 Risk implications:

6.4.1 Although the reduction in grant relates specifically to school improvement to maintained schools, the loss of grant would actually threaten the current range of school improvement team activities to all schools.