

Schools Forum

20 January 2022

National Update

2022/23 National Update

- Schools Block DSG Allocation published 16th December
- LA's APT published on 20th December
- No detail on funding post 2022/23
- Schools Block:
 - Pupil numbers increase – £2.9M increase
 - NFF increases – £6M increase
 - Growth Fund – £684K increase
- Central Services:
 - Historic: £259K reduction
 - Ongoing: £37K reduction and unfunded £8k licenses price increase.

2022/23 National Update

- High Needs and Early Years DSG also updated – but further changes still expected
- High Needs
 - Commissioned pupil number increase - £400k increase
 - NFF Increase – £4.4M further adjustments to be applied

High Needs Budget Setting

- To be finalised at the next Schools Forum meeting including
 - Overall budget for High Needs including provision budgets for school and FE providers
- We have significant additional resource as a result of the NFF and the increase in baseline, BUT will not have enough to fund all proposed development options
- Significant pressures in this area
 - Increased demand
 - Increase costs
 - SEN provision was forecast to overspend by £2m at Q2
 - Makes it difficult to maintain the status quo and fund enough places and inflate top up rates etc.
- SEND strategy is being developed which will focus on
 - future sustainability and
 - provision requirements

Early Years rate increase

- Increase in overall rate that LA receives:
 - £0.21 per pupil per hour for 2 year old funding
 - £0.17 per pupil per hour for 3 and 4 year old funding
- Current rates are:
 - 3/4 year olds base rate - £4.05
 - 3/4 year olds deprivation rate - £1.22
 - 2 year olds base rate - £5.09
- Work to determine 2022/23 funding rates will take place over next months - reliant on Jan-22 census data

Way Forward

- Central schools budget and de-delegated services were approved at the last meeting
- Finalise Schools Block budget today to feed into APT, including:
 - Reserves position
 - Growth Fund
- Early Years & High Needs will finalise at March meeting, including
 - Early Years block – approval of central early years expenditure
 - Use of additional high needs resource – as part of overall budget setting

2022/23 National Update

- **Schools Supplementary Grant**

- Supports cost of Health and Social Care Levy
- No exact timing – “from Spring 2022”
- Funding Rates:

	Basic per pupil Rate	Lump Sum	FSM6 per pupil rate
Primary Pupils	£97	£3,680	£85
Key Stage 3 Pupils	£137	£3,680	£124
Key Stage 4 Pupils	£155	£3,680	£124

- Schools & Maintained Nursery Schools will receive £24 per early years pupil
- Schools will receive £35 per student for pupils in 16-19 provision.
- The LA has received a 4.12% increase to its High Needs block to provide similar funding to special schools.

2022/23 National Update

- COVID-19 Workforce Fund
 - Extended to cover the period 22/11/2021 until the spring half term
 - Covers increase in costs as a result of significant staff absence
 - Significant absence above 20% on a given day or 10% for 15 or more consecutive days
 - Only eligible if a schools reserves at the end of the funding year are at a level of no more than 4% of annual income
 - Schools must incur the cost, then can claim in spring 2022. No details on claim process yet
 - <https://www.gov.uk/government/publications/coronavirus-covid-19-workforce-fund-for-schools/coronavirus-covid-19-workforce-fund-to-support-schools-with-costs-of-staff-absences-from-22-november-to-31-december-2021>

School Improvement Consultation Response

- Consultation originally published 29/10/2021
 - Proposing to reduce SIMB by 50% for 22/23 with full removal in 23/24
 - LA responded in strong terms disagreeing with this proposal
- DfE published their response 11/01/2022
 - Pressing on with original proposal
- Council vote this week to use core funding to continue to deliver this.
 - Service is seen as key to delivering improvement across the city

Budget

DSG Funding update (Schools Block)

- School budgets including historic factors and the Growth Fund all form part of the ring-fenced Schools Block.
- For 2022/23 we have an affordability issue on the formula
 - This is not unexpected
 - Data changes, pupil number changes and historic factors.
- In 2021/22 we had a £47k surplus on the formula
 - We will use part of the surplus to offset the 22/23 formula gap

Schools Funding Formula Deficit

- Data eligibility changes
 - Formula is funded based on October 20 data (FSM, EAL etc) but the LA sets school budgets based on October 21.
- Pupil number change also contribute to the deficit
 - Pupil numbers are funded at the October 21 level, however they are funded on an average cost basis.
 - The per pupil amount a schools receives varies from school to school depending on factors such as data eligibility and fixed costs such as rates.
 - We have lost pupils from schools that cost less than the average we receive and gained pupils in the schools that cost more than the average
- Historic Factors
 - NNDR & PFI

Schools Funding Formula Deficit (cont)

	Impact (£000)	Surplus/(Deficit) £000
22/23 pre December APT Surplus		67
<u>Pupil Number Changes</u>		
DSG Income Increase	2,888	
Formula Cost Increase	-3,047	
	-158	-91
<u>Data Changes Cost (Increase)/decrease</u>		
FSM	-324	
FSM Ever 6	-115	
IDACI	-35	
Low Prior Attainment	197	
EAL	-125	
Mobility	-118	
Rates	91	
Final Shortfall	-429	-521

Schools Funding Formula Deficit (cont)

- Modelling been carried out to calculate the 23/24 NFF position
 - October 21 data changes do catch up and are factored into the 23/24 baseline position
- Net affordable position in 23/24
 - Dependant on October 22 data and historic factors
- For this year only, proposing to fund shortfall from DSG reserve
 - DSG Reserve stood at £4m as at 01/04/2021
 - Likely to increase in 21/22
- If in the same position next year we will look at reducing formula allocations

Growth Fund

Growth Fund Operation: Refer to report

- Growth Fund consists of several strands
 - Increasing form of entry – Key stage 1
 - Infant Class Size – Key stage 1
 - In-year admissions – pre-16
 - Secondary Growth – Year 7 & Year 8
 - Implicit Growth – pre-16
- Schools Forum needs to approve Growth Fund methodology and resource allocated to growth.

22/23 Growth Fund from DFE

- Growth Fund is allocated on formulaic approach which increases likelihood of affordability issues
 - Significant sub-group review took place in 2019
 - Recommendations approved and accepted by Schools Forum
 - Methodology utilised last year due to affordability issues
- Formulaic Growth allocation for 2022/23 is higher
 - £684k increase vs 2021/22 to £1.9M total
 - Primary eligible growth – 159
 - Secondary eligible growth - 744

Growth Fund Demand

- Implicit Growth - £175k reduction in cost
 - Contributes to the funding of new and growing schools
 - No longer any new and growing schools
- In Year Admissions - £122k increase in cost
 - Due to COVID related school closures in 2020
 - More capacity in primary sector to move schools
- Class Size Funding - £57k increase in cost
 - As pupil numbers fall more schools become eligible
- Secondary Growth - £24k increase in cost
 - Further growth in secondary sector

Growth Fund : Affordability

- Due to the 21/22 affordability issues, the eligibility thresholds for In Year Admissions and Class Size funding were adjusted as follows:
 - **Class Size** - Reduced the eligibility threshold from 28.0 to 27.72
 - **In-year Admissions** - Increased eligibility threshold from 16.7% to 17%
- The increased allocation for 2022/23 has meant that these thresholds have been returned back to their 2020/21 levels.

Growth Fund : Affordability Continued

- Even with these changes there is still a surplus on the Growth Fund of £611k.
- This is an unusual position, the Growth Fund has been in an unaffordable position for two of the previous three years
 - Due to the formulaic nature of the allocation, fluctuations are not unusual
- Due to the significant level of surplus and the end of Coventry's Implicit Growth demands we are proposing to conduct an in year review of the growth fund with the Schools Forum sub-group during 2022/23
 - Looks at the medium term position
 - Determine if any changes are required to the operation or funding values

2022/23 Growth Fund : Affordability

Growth Fund Strands	2021/22 Requirement £	2022/23 Requirement £	Variance £
Class Size	681,294	738,506	57,212
Increasing Form of Entry	-	-	-
In-year Admissions	73,731	196,082	122,350
Secondary Growth	309,405	333,413	24,008
Implicit Growth	175,223	-	(175,223)
50% Protection	-	-	-
Total Cost	1,239,653	1,268,000	28,347

	2021/22 £	2022/23 £	Variance £
Growth Fund cost	1,205,777	1,268,000	62,224
DSG Growth Allocation	1,205,777	1,879,244	673,467
Funding (Gap)/Surplus	-	611,243	(66,689)

Growth Fund: Approval / Ratification

- **The Schools Forum should approve the proposed Criteria for the growth fund and the use of the resource allocated as set out in the report.**

Voting: All Members

Coventry Education Improvement Strategy Commissioning Pot

Current Approach

- Since 2021/22, the NFF position has removed ability to distribute one off funding in the same way
 - Double protection mechanism prevents some schools receiving any
 - De-delegation would take funding from schools that did not receive any
- The £450k funding contributed into budget shares
 - Not all schools will see an increased allocation
 - Any school that does see an increase will be asked to return that same amount of funding through an invoice process.
 - Maintained and academy process will be the same
- This will ensure:
 - The full £450k is able to be passed out and contributed back to the Education Improvement pot
 - Distribution and return of funding will have no net impact on any school's funding allocations.

MFG Disapplication

- To enable this approach to work the LA needs to apply to the DfE for a MFG disapplication
 - To ensure that one off funding is not locked into school's baseline position
 - Schools forum approved this application in November
 - DfE have approved for 2022/23 but indicated it is unlikely to be approved in 2023/24
- LA proposal is to continue with the same approach in 2022/23
- A review will be required to how this will operate thereafter

Approval / Ratification

- **Schools members should agree that all maintained schools and academies will contribute back to the Education Improvement commissioning pot at the level provided by the additional one-off reserve**

(School members only)

Budget (Continued)

2022/23 DSG Allocation

Coventry City Council DSG PPR - 2022/23

	Early Years Block (£000)	Schools Block & Growth (£000)	Central Sch.Serv Block (£000)	High Needs Block (£000)	Total (£000)	Movement since November (£000)
1 <u>21/22 Total resources (at budget setting)</u>	21,368	264,208	3,454	52,988	342,018	(0)
1.1 Removal of one-off reserve funding 21/22		(450)			(450)	0
1.2 Pupil number adjustment (Jan-21)	35			45	80	80
1.3 Pupil number changes (Jan-22)					0	0
21/22 DSG (current)	21,403	263,758	3,454	53,033	341,648	80
2 <u>Changes to forecast DSG resource</u>						
2.1 Pupil number changes (Oct-21 & Jan-22)		2,888	16	403	3,307	512
2.2 National funding formula increase	(294)	6,007	(313)	4,423	9,823	(344)
2.3 Formulaic growth fund allocation change		684			684	(38)
22/23 DSG (estimated)	21,110	273,337	3,157	57,859	355,463	209
3 <u>Additional non-DSG resource</u>						
3.1 22/23 Contribution from DSG reserves*					0	0
22/23 Total resources (estimated)	21,110	273,337	3,157	57,859	355,463	209

Coventry City Council DSG PPR - 2022/23

	Early Years Block (£000)	Schools Block (£000)	Central Sch.Serv Block (£000)	High Needs Block (£000)	Total (£000)	Movement since November (£000)
Total increase in resources (estimated)	(259)	9,129	(297)	4,870	13,445	209
3 Adjustments to Base Budget/Technical Adjustments						
3.1 Remove 21/22 expenditure supported by reserves		(450)			(450)	0
3.2 Reduced expenditure - historic commitments; Imp/exp			(313)		(313)	0
3.3 Pay related central staff					0	0
3.4 National Funding Formula increase	(294)	5,723		67	5,496	(556)
3.5 Pupil number changes	35	3,047	8	45	3,135	340
3.6 Pupil data changes		763			763	763
3.7 Historic Factors (PFI & NNDR)		(70)			(70)	(91)
3.8 School Licences			8		8	8
3.9 Explicit Growth Fund increase		684			684	(38)
3.10 Full year effect of 21/22 HN commissioned places				518	518	0
3.11 High needs commissioned places from Sept 22 (7/12ths)					0	0
3.12 Release unallocated DSG: 21/22 Forumla surplus		(47)			(47)	(47)
Remaining resources for Budget Proposals	0	(521)	0	4,241	3,720	(169)

Coventry City Council DSG PPR - 2022/23

	Early Years Block (£000)	Schools Block (£000)	Central Sch.Serv Block (£000)	High Needs Block (£000)	Total (£000)	Movement since November (£000)
4 Budget Proposals						
4.1 Remaining Resource				4,241	4,241	352
4.2 Coventry Education Improvement Commissioning Pot		450			450	450
4.3 Contribution from Reserves (Education Improvement)		(450)			(450)	(450)
4.4 Contribution from Reserves (School Funding Formula)		(521)			(521)	(521)
Resource Underallocated/(Overallocated)	0	0	0	0	0	0
5 DSG (Not Earmarked)						
5.1 (Headroom)/Efficiency Savings	0	0	0	0	0	0
6 (Under allocated)/Overallocated	0	0	0	0	0	0
	0	0	0	0	0	0

Fair Funding Scheme of Delegation (report)

Fair Funding Scheme of Delegation

- FFSD is the contract between maintained schools and LA
- Change made to the scheme of delegation
 - Where budget share advances are required to prevent being overdraw, this is to be treated as a cash advance, not a loan.
- Consulted on as part of FFC
 - No comments against these changes
- Maintained Schools Forum members need to formally approve proposed changes

Fair Funding Scheme of Delegation: Approval / Ratification

- **The Schools Forum should agree the change to the FFSD as set out in the report.**

Voting: Maintained Members