

Schools Forum

17th November 2022

Fair Funding Consultation

Summary

- Has been running since 4th Nov, closes Sun 25th Nov
- Contents of the consultation
 - Cost pressures and funding
 - Funding Formula options
 - De-delegation Options (agenda item)
 - Minimum Funding Guarantee
 - Fair Funding Scheme of Delegation
 - Results of the consultation go to Cabinet in January
- Can capture a Schools Forum response today?

FFC – Cost Pressures and Funding

- Officers Pay award - £1,925 from April 2022 & forecasting a further 4% from April 2023
- Teachers Pay award – Between 5%-8.9% from September 2022 & 3%-7.1% from September 2023
- Electricity price increase of 100% from October 2022 & a further 100% from October 2023
- Gas price increase of 70% in April 2022 and a further 400% increase from April 2023
- NFF factors increase between 2.4%-4.3%
- Minimum Funding Guarantee set to be between 0%-0.5% increase per pupil

Proposal 1 – Fair Funding Formula Option

- Despite moving towards to hard NFF, the LA does still have a certain amount of flexibility when setting the local funding formula
- However, since 2018/19 Coventry has taken the decision to mirror the NFF as closely as possible
 - Maximises the amount of funding able to be passed to schools by ensuring all schools receive the higher of the NFF funding floor or the NFF allocation
 - Reduces volatility when the hard NFF is introduced
- Proposed option: mirror the NFF protection levels as closely as possible (subject to affordability)
 - MFG of between 0%-0.5% increase per pupil
 - Should the full 0.5% increase not be affordable, we will reduce all school allocations on a equivalent % basis
- Please indicate whether you agree with this proposal

Proposal 3 – MFG Disapplications

- In 2022/23 the funding for Coventry Education and Improvement Strategy commissioning pot (network monies) was given to all Coventry schools in addition to their usual 2022/23 budget share funding
 - One off funding from DSG reserves
- Submitted an MFG disapplication from the 22/23 baseline to ensure schools are not over protected
 - Would make the formula unaffordable
- Please indicate whether you agree with the proposal to make this disapplication.

Proposal 4 – FFSD changes

- The Fair Funding Scheme of Delegation is the contract between maintained schools and the LA
- The LA must consult on any changes to the FFSD
- Borrowing by Schools (Section 3.6.4)
 - Amended to remove the Salix scheme from being used as an example of a borrowing scheme that would be allowed by the Secretary of State as the Salix scheme has now closed.
- Please feedback any general comments on the FFSD

Budget Update

Autumn Statement

- Previous spending review committed to £4bn increase in 22/23, £1.5bn in 23/24 & £1.5bn in 24/25
- Today's statement committed to a further £2.3bn increase in both 23/24 & 24/25
 - Totalling £4.6bn across 2 years.
 - Compares favourably to £1.5bn supplementary fund in 22/23
- But devil will be in the detail...
- Important that work still needs to continue to ensure schools are operating in a sustainable manner.

What's new?

- October 2022 census – *draft*
- Awaiting publication of *final* Schools Block allocation – expected December 2022
- Awaiting publication of *final* Central School Services Block allocation – expected December 2022
- Awaiting publication of *revised* High Needs Block allocation – expected December 2022
- Early Years – No update for 2023/24 yet
- High Needs – changes to commissioned places for FE and special academies deadline for submission 18th November

Pupil Numbers

- Draft Pupil Number Increase (Oct-22 Census)
 - Additional circa 1,234 pupils (+494 Primary +740 Secondary)
 - Additional ca. £7.2M to be offset against costs of funding additional pupils
- Birth rate still low, so increase coming from pupils coming to the city from elsewhere.
 - Results in increased funding for schools
 - Children are often presenting additional need

Historic Factors

- The historic factors are: NNDR, split site, PFI,
 - Previously included Mobility
- DfE to provide money for historic factors
 - £3.6m based on 22/23 spend (plus some inflation for PFI)
- Dependent on level of cost in 23/24 this may impact on what we can afford in terms of funding formula per pupil options
- From 23/24 a change to how business rates is paid
 - The LA will be paid directly by the ESFA
 - Previously, school would receive funding then pay it back to the LA

Growth Fund

- Growth Allocation calculated on a formulaic basis
 - Recognises net growth in areas only
- 2019/20: Significant piece of work undertaken to ensure the future affordability of the growth fund locally
 - Some elements to be scaled down according to rank if unaffordable
 - Implicit Growth > Sec. Growth > In-year Admissions > Class Size
- Have not been issued a calculator to give us an early indication of allocation
 - DFE will confirm actual position in Dec DSG settlement
 - Had a £577k surplus in 22/23 due to increase in allocation
- Will need to understand full affordability for Jan SF

2023/24 DSG Resources

Coventry City Council DSG PPR - 2023/24

	Early Years Block (£000)	Schools Block & Growth (£000)	Central Sch.Serv Block (£000)	High Needs Block (£000)	Total (£000)
1 <u>22/23 Total resources (at budget setting)</u>	23,300	273,787	3,157	59,929	360,173
1.1 Removal of one-off reserve funding 22/23		(450)			(450)
1.3 Pupil number changes (Jan-23)					0
22/23 DSG (current)	23,300	273,337	3,157	59,929	359,723
2 <u>Changes to forecast DSG resource</u>					
2.1 Pupil number changes (Oct-22 & Jan-23)		7,240			7,240
2.2 National funding formula increase		5,153	(260)	4,121	9,014
2.3 Supplementary Fund Included in SB		7,781			7,781
2.4 Formulaic growth fund allocation change					0
23/24 DSG (estimated)	23,300	293,511	2,897	64,050	383,759
3 <u>Additional non-DSG resource</u>					
3.1 23/24 Contribution from DSG reserves					0
22/23 Total resources (estimated)	23,300	293,511	2,897	64,050	383,759

Coventry City Council DSG PPR - 2023/24

	Early Years Block (£000)	Schools Block (£000)	Central Sch.Serv Block (£000)	High Needs Block (£000)	Total (£000)
Total increase in resources (estimated)	0	19,724	(260)	4,121	23,585
<u>3 Adjustments to Base Budget/Technical Adjustments</u>					
3.1 Remove 22/23 expenditure supported by reserves		(450)			(450)
3.2 Reduced expenditure - historic/ongoing commitments			(260)		(260)
3.3 Pay related central staff					0
3.4 National Funding Formula increase		12,857		31	12,888
3.5 Pupil number changes (Oct-21 & Jan-22)		7,240			7,240
3.6 Pupil data changes					0
3.7 Historic Factors (NNDR)		77			77
3.8 School Licences					0
3.9 Explicit Growth Fund increase					0
3.10 Full year effect of 22/23 HN commissioned places				727	727
3.11 High needs commissioned places from Sept 23 (7/12ths)					0
Remaining resources for Budget Proposals	0	0	0	3,363	3,363

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)
4 Budget Proposals					
4.1 Remaining Resource				3,363	3,363
Resource Underallocated/(Overallocated)	0	0	0	0	0
5 DSG (Not Earmarked)					
5.1 (Headroom)/Efficiency Savings	0	0	0	0	0
6 (Under allocated)/Overallocated					
	0	0	0	0	0
	0	0	0	0	0

Central Expenditure

Central Services Block

- How is CSSB allocation determined?
- Breaks down into 2 parts:
 - Ongoing Responsibilities – National formula driven (£ per pupil)
 - Historic Commitments – Historic allocation
- Historic element to reduce by a further 20% in 23/24
 - Further £207k impact (£259k in 22/23, £324k in 21/22, £404k in 20/21)
- Ongoing Responsibilities reduced by 2.5% (£53k) in 23/24 (£38k in 22/23)
 - Due to way DFE has baselined TPG allocation in CSSB
- Education Service working to see how this reduction will be managed:
 - Resource switching, service reduction, Core resource
 - Means we don't yet know the final split of DSG required for approval – what we have brought today is based on current year as we work to manage the reduction for 23/24.

Pressure: School Attendance Service

- New guidance by DfE which applies from September 22 but is not statutory until September 23
- **‘Working together to improve school attendance’** sets out responsibilities and expectations for all key stakeholders including schools, MATs, LAs and parents
 - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1099677/Working_together_to_improve_school_attendance.pdf
- Presents a significant change for Coventry and there will be no additional funding to support this
 - Phased approach to implementation to be taken, leading to full implementation from September 23

School Attendance Guidance

- Guidance sets out that all LAs are expected to:
 - Rigorously track local attendance data
 - Monitor and improve the attendance of children with a social worker through their Virtual School
 - Have a School Attendance Support Team which provides core functions free of charge to all schools:
 - Support access to multi-disciplinary support for families
 - Communication and advice
 - Termly targeted support meetings
 - Legal intervention
 - Parenting Contracts
 - Education Supervision Orders
 - School Attendance Orders
 - Parenting Orders
 - Fixed Penalty Notices

School Attendance Guidance - Cont

- This means current staff who are delivering a traded service to schools will instead need to deliver the statutory service
 - Result is a loss of traded income of approx. £130k
 - Loss needs to be considered alongside budget reductions
- Exploring with school stakeholders the possibility of delivering a traded service and what that may look like.

Central Expenditure Block

	Growth Fund (Schools Block)	Historic Commitments	Historic (HNB Central)	NFF - Ongoing Commitments	Total
	£000	£000	£000	£000	£000
Centrally Retained Services - requiring approval					
1.4.1 Contribution to combined budgets	0	531	0	0	531
1.4.2 School admissions	0	0	0	565	565
1.4.3 Servicing of schools forums	0	0	0	3	3
1.4.4 Termination of employment costs	0	323	0	0	323
1.4.5 Falling Rolls Fund	0	0	0	0	0
1.4.6 Capital expenditure from revenue (CERA)	0	0	0	0	0
1.4.7 Prudential borrowing costs	0	0	0	0	0
1.4.8 Fees to independent schools without SEN	0	0	0	0	0
1.4.9 Equal pay - back pay	0	182	0	0	182
1.4.10 Pupil Growth	620	0	0	0	620
1.4.11 SEN transport	0	0	310	0	310
1.4.13 Infant Class Size	739	0	0	0	739
1.5.1 Education welfare service	0	0	0	322	322
1.5.2 Asset management	0	0	0	235	235
1.5.3 Statutory/ Regulatory duties	0	0	0	319	319
Sub-Total	1,359	1,036	310	1,444	4,149

- Due to ongoing work by LA review to determine how the funding reductions and new pressures can be managed there is likely to be some budget realignment at an individual line level, but overall our ongoing commitments funding will reduce by £53K in 2023/24 and historic commitments funding will reduce by £207k.
- Growth Fund is not part of this central expenditure decision. Approval will be sought separately in January.

Breakdown: 1.4.1 contribution to combined

	£000
1.4.1 Breakdown contribution to combined budgets	
Ethnic Minority Achievement Service (EMAS)	103
Virtual School	262
Primary Education Capital Strategy	46
Education Standards	121
Total	531

Central Budget Approval

- The Schools Forum is required on an annual basis to approve the level of budget for centrally provided services
- Main services supported by central budgets:
 - Family Hubs
 - Admissions
 - Virtual School
 - Attendance
 - School Improvement
 - Capital Strategy
 - EMAS
 - SEN Transport
- **Reminder:**

A thorough Schools Forum Sub-group review of central budgets was undertaken for 2022/23. Due to this and also the review work being undertaken by the LA to meet the budget reduction & pressures highlighted, it was recommended that for 2023/24 a further detailed review would not be beneficial.

Approval / Ratification

- **The Schools Forum should approve the proposed 2023/24 central budgets**

Voting: All

De-delegated services

De-delegation

- Maintained schools can opt to 'pool' resources for a number of services for the LA to manage on their behalf:

2022/23 De-delegated Amounts	
	Primary (£)
Free school meal eligibility	13,751
Licences/subscriptions	0
Maternity	501,592
Trade Union facility	76,696
School Improvement	0
New arrivals fund	267,460
Behaviour support services	0
Total	859,499

Maternity Cover

- This de-delegated budget is currently forecasting an overspend in 22/23 due to an increase in the number of teachers taking maternity leave
- Behaviour in relation to Shared Parental Leave will also impact on cost of maternity cover arrangements in 23/24
- A further de-delegation report will be brought to the January School Forum to seek approval for the de-delegated maternity cover service in 2023/24.
 - This will set out the cost of de-delegation in 23/24
 - An option on whether shared parental leave should be included within the maternity cover arrangements

Approval / Ratification

- **The Schools Forum should agree the de-delegation areas (free school meal eligibility, trade union facility & new arrivals fund) for mainstream schools**

Voting: primary maintained representatives only