

Schools Forum

19 January 2023

National Update

2023/24 National Update

- Schools Block DSG Allocation published 16th December
- LA's APT published on 20th December
- No detail on funding post 2023/24
- Schools Block:
 - Pupil numbers increase – £7.5M increase
 - NFF increases – £12.9M increase
 - Of which £7.8M relates to Supplementary Fund rolling into DSG
 - Growth Fund – £781K increase
 - Equates to a 5.6% increase in funding
- Central Services:
 - Historic: £259K reduction
 - Ongoing: £1K reduction and unfunded £47k licenses price increase.

2023/24 National Update

- High Needs and Early Years DSG also updated – but further changes still expected
- High Needs
 - Commissioned pupil number increase - £370k increase
 - NFF Increase – £6.7M further adjustments to be applied
 - £2.6M relates to Additional High Needs Allocation

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 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
 - Increased costs
 - SEN Provision budget increased by £6.5m in 22/23
 - Makes it difficult to maintain the status quo by funding enough places, inflate top up rates etc. and plan for the future.
- 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:
 - £0.27 per pupil per hour for 2 year old funding
 - £0.35 per pupil per hour for 3 and 4 year old funding
 - Increases include Teachers Pay Grant
 - Previously a separate grant
- Current rates are:
 - 3/4 year olds base rate - £4.21
 - 3/4 year olds deprivation rate - £1.26
 - 2 year olds base rate - £5.29
- Work to determine 2023/24 funding rates will take place over next months
 - reliant on Jan-23 census data
 - Work to be done on how Teachers Pay Grant will be distributed

Way Forward

- Central schools budget and most 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

2023/24 National Update

- Mainstream Schools Additional Grant
 - £2bn announced as part of the 2022 Autumn Statement - £9.8m for Coventry
 - Calculation methodology now announced:
 - Basic per-pupil rate (different rates for primary, key stage 3 & key stage 4)
 - Lump sum
 - Per-pupil rate for pupils recorded as having been eligible for free school meals at any point in the last six years (different rates for primary & secondary)
 - The base funding rates will be
 - £119 for primary pupils
 - £168 for key stage 3 pupils
 - £190 for key stage 4 pupils
 - Lump sum of £4,510
 - FSM6 per-pupil rate of £104 per pupil eligible primary pupil
 - FSM6 per-pupil rate of £152 per eligible secondary pupil
 - These rates will be adjusted by an area cost adjustment to take account geographical variation in labour costs.
 - Average Coventry Primary school = £57k
 - Average Coventry Secondary school = £227k
 - Maintained schools will receive an email containing further information and outlining an estimate of their allocation using the above rates
 - Final allocations will be published in May 2023
 - Payments will be made in May 2023 & October 2023

2023/24 National Update

- Additional School Capital Funding for 22/23
 - Must be spent on capital projects, prioritising projects that improve school estate's energy efficiency
 - Where deemed not appropriate, can be spent on other capital projects
 - Expected to be spent in 22/23, however, normal terms of devolved formula capital apply:
 - Must be spent within 3 financial years, with year one being the year the payment was made.
 - Every school will receive at least £10,000 plus an additional amount based on weighted pupil numbers.

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 2023/24 we have an affordability issue on the formula
 - This is not unexpected
 - Data changes and pupil number changes.
- In 2022/23 we had a £520k deficit on the formula
 - This was offset by the unallocated resource on the growth fund

Schools Funding Formula Deficit

- Data eligibility changes
 - Formula is funded based on October 21 data (FSM, EAL etc) but the LA sets school budgets based on October 22.
- Pupil number change also contribute to the deficit
 - Pupil numbers are funded at the October 22 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 gained pupils in the schools that cost more than the average

Schools Funding Formula Deficit (cont)

	Impact (£000)	Surplus/(Deficit) £000
23/24 pre December APT Surplus		30
<u>Pupil Number Changes</u>		
DSG Income Increase	7,520	
Formula Cost Increase	-7,601	
	-80	-50
<u>Data Changes Cost (Increase)/decrease</u>		
FSM	-301	
FSM Ever 6	47	
IDACI	66	
Low Prior Attainment	-345	
EAL	-149	
Mobility	-405	
Final Shortfall	-1,087	-1,137

Schools Funding Formula Deficit (cont)

- Options
 - Reduce funding distributed through funding formula
 - Fund from other one-off resources
- To make formula affordable, MFG would need to be 0.38%
 - All schools affected proportionately
 - Max reduction is £38k for primary and £61k for secondary
- For this year only, proposing to fund shortfall from other one-off resources
 - Unallocated Growth Fund
 - DSG reserve. Was £5.9m at 01/04/22 and likely to increase in 22/23

Growth Fund (report)

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.

23/24 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 2023/24 is higher
 - £781k increase vs 2022/23 to £2.7M total
 - Primary eligible growth – 543
 - Secondary eligible growth - 802

Growth Fund

- During 2022/23 the DfE's NFF consultation indicated the growth fund could change from 2024/25
- Chose to use the unallocated growth fund to offset the funding formula deficit rather than make changes to the growth fund operation
 - To prevent making changes when additional changes would be required
- If distribution methodology remains unchanged, 2023/24 unallocated resource is £1.1m
- Still haven't had the DfE's response to the consultation
 - Therefore, proposing to not make any significant changes in 23/24

Secondary Growth

- One area of the growth fund that has been adjusted since 22/23
- Previously, Secondary Growth funding provided to schools who agree a planned increase in pupil numbers with the LA.
 - Funding was allocated as those planned increases passed through year 7 and year 8.
- In 2023/24 we are proposing to fund planned expansions through to year 9.
 - Increases cost by £173k
- Partly driven to reflect that secondary growth is driving the majority of the increase in allocation
- Also, as we believe funding planned expansions will continue to be a key part of future DfE guidance on Growth funding.

Growth Fund Demand

- In Year Admissions - £515k increase in cost
 - Driven by significant migration into Coventry
 - Still capacity in primary schools which drives in city movement
- Class Size Funding - £187k reduction in cost
 - Helps to fund vacant places in KS1. Increased pupil numbers means less vacant places to be funded.
- Secondary Growth - £163k increase in cost
 - Due to change in methodology

Growth Fund : Affordability

- Even with this change there is still unallocated resource on the Growth Fund of £901k.
- Due to the formulaic nature of the allocation, fluctuations are not unusual.
 - £577k surplus in 22/23 but a deficit in 21/22

2022/23 Growth Fund : Affordability

Growth Fund Strands	2022/23 Requirement £	2023/24 Requirement £	Variance £
Class Size	738,506	551,282	(187,223)
Increasing Form of Entry	-	-	-
In-year Admissions	196,082	711,071	514,989
Secondary Growth	333,413	497,036	163,623
Implicit Growth	-	-	-
50% Protection	-	-	-
Total Cost	1,268,000	1,759,390	491,389

	2022/23 £	2023/24 £	Variance £
Growth Fund cost	1,268,000	1,759,390	491,389
DSG Growth Allocation	1,879,244	2,660,019	780,775
Prior Year Overspend	(33,877)	-	33,877
Funding (Gap)/Surplus	577,367	900,629	323,262

Budget (cont)

Schools Block Summary

- Proposal is to fund the schools funding formula overspend by utilising the unallocated growth fund
- Doesn't cover the full deficit, as such a £237k contribution from the DSG reserve is required.

	£000
Schools Funding Formula	-1,137
Growth Fund	901
Net Overspend	-237

2023/24 DSG Allocation

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)	Movement since November (£000)
1 <u>22/23 Total resources (at budget setting)</u>	23,300	273,787	3,157	60,031	360,275	0
1.1 Removal of one-off reserve funding 22/23		(450)			(450)	0
1.2 Pupil number changes (Jan-23)					0	0
22/23 DSG (current)	23,300	273,337	3,157	60,031	359,825	0
2 <u>Changes to forecast DSG resource</u>						
2.1 Pupil number changes (Oct-22 & Jan-23)		7,520	52	370	7,942	702
2.2 National funding formula increase	1,654	5,153	(260)	6,733	13,279	4,265
2.3 Supplementary Fund Included in SB		7,781			7,781	0
2.4 Formulaic growth fund allocation change		781			781	781
23/24 DSG (estimated)	24,954	294,572	2,949	67,133	389,608	5,748
3 <u>Additional non-DSG resource</u>						
3.1 23/24 Contribution from DSG reserves					0	0
22/23 Total resources (estimated)	24,954	294,572	2,949	67,133	389,608	5,748

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)	Movement since November (£000)
Total increase in resources (estimated)	1,654	20,785	(208)	7,103	29,333	5,748
3 Adjustments to Base Budget/Technical Adjustments						
3.1 Adjustment for 22/23 expenditure supported by reserves		(540)			(540)	(0)
3.2 Reduced expenditure - historic/ongoing commitments			(260)		(260)	0
3.3 Pay related central staff					0	0
3.4 National Funding Formula increase	1,654	4,525		31	6,210	(6,678)
3.5 Pupil number changes (Oct-22 & Jan-23)		7,601	5		7,606	366
3.6 Pupil data changes		1,087			1,087	1,087
3.7 Historic Factors (NNDR)		77			77	0
3.8 School Licences			47		47	47
3.9 Explicit Growth Fund increase		491			491	491
3.10 Full year effect of 22/23 HN commissioned places				727	727	0
3.11 High needs commissioned places from Sept 23 (7/12ths)					0	0
3.12 Mainstream School Additional Grant		7,781			7,781	7,781
Remaining resources for Budget Proposals	0	(237)	0	6,344	6,107	10,435

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				6,344	6,344	2,981
4.2 Potential Contribution from DSG Reserve		(237)			(237)	(237)
Resource Underallocated/(Overallocated)	0	0	0	0	0	(90)
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)

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

School Funding Formula: Approval / Ratification

- **The Schools Forum should approve the proposed use of DSG reserve to fund the schools funding formula deficit**

Voting: All Members

Maternity De-Delegation (report)

De-Delegation Recap

- Maintained schools can opt to ‘pool’ resources for a number of services for the LA to manage on their behalf.
- At the November meeting, Schools Forum agreed the de-delegation arrangements for:
 - Free school meal eligibility
 - Trade Union facility
 - New Arrivals Fund
- More work was required before the maternity de-delegation arrangements could be presented.

Maternity De-Delegation

- Self-insurance fund for all maintained primary schools which covers the salary costs of a teacher who is on maternity.
- In 22/23, this budget is currently forecasting an overspend of £68k.
 - Increase in the number of teachers on maternity leave
 - Increase in teachers pay from September 2022
- There are other issues to consider when setting this budget for 23/24:
 - 10.1% increase to statutory maternity pay from April 2023
 - Reduction in pupil numbers due to academisation
 - Full year impact of 22/23 pay award
 - Shared parental leave

Shared Parental Leave

- Allows mothers to end maternity leave/pay early so that one or both parents can take leave in a more flexible way.
- However, it can also be used to split up the periods of maternity leave into several sections for the same parent.
- Teachers can take shared parental leave and receive full pay for three school holiday periods during their maternity period
 - Whilst not having to attend school.

Shared Parental Leave

- Before a teacher takes a full pay period, they receive maternity pay
 - This is covered by the existing de-delegation arrangement
- Once they return from a period of full pay, they receive shared parental pay
 - Neither this nor the full pay element is currently covered by the existing de-delegation arrangement
- Presenting two options for the maternity de-delegation for 23/24. Both options assume that shared parental pay made after the first full pay element would be included in this arrangement.

Maternity De-Delegation – Option 1

- Assumes the de-delegation maternity fund will operate as it currently does and will also cover all aspects of shared parental leave
- The de-delegated rate would need to be £34.13 per pupil.
 - Rise of 30.5% from the 22/23 rate of £26.16 per pupil
- This increase is made up of:

Causes of Increase	Impact
Pupil number reduction due to academisation	3.4%
September 2022 Teachers pay award	5.5%
Statutory Maternity Pay increase	8.5%
Increase in teachers on maternity leave	10.6%
Impact of shared parental leave	2.5%
Total Increase	30.5%

- This would result in a increase of between £1.1k - £6.7k depending on pupil numbers

Maternity De-Delegation – Option 2

- Same as option, except the de-delegation arrangement would not cover any periods of full pay for a teacher who is taking shared parental leave.
 - Individual schools would be responsible for paying the costs of these periods
- The de-delegated rate would need to be £29.28 per pupil.
 - If this option is chosen, de-delegation rates would reduce by £4.85 per pupil
 - Saving schools between £900 - £4.5k (depending on pupil numbers)

Impact of Option 2

- A mid impact scenario for shared parental leave is where a teacher is on leave from 06/06/22 & returns to work 19/02/23. During which they have the following full pay periods:
 - Summer holidays
 - October half term
 - Christmas
- Under option 2, in the above scenario, schools would need to pay the following full pay periods

Pay Grade	Full pay element to be paid by schools
Leadership 22	12,806
UPS 2	7,263
TMS 6	6,691
TMS 4	5,836

Maternity De-Delegation: Approval / Ratification

- **The Schools Forum agrees the maternity de-delegation rate set out in Option 1 (include all shared parental leave costs)**

Voting: Maintained Members

- **The Schools Forum agrees the maternity de-delegation rate set out in Option 2 (do not include full pay elements of shared parental leave)**

Voting: Maintained Members

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
 - Salix scheme no longer an example of borrowing that would be approved by the Secretary of State
- 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