

## SCHOOLS' FORUM

**Day:** Tuesday  
**Date:** 15 March 2022  
**Time:** 10.00 am  
**Place:** Zoom Meeting

Item No.	AGENDA	Page No
1.	<b>APOLOGIES FOR ABSENCE</b> To receive any apologies for the meeting from Members of Schools' Forum	
2.	<b>DECLARATIONS OF INTEREST</b> To receive any declarations of interest from Members of Schools' Forum	
3.	<b>MINUTES</b> To consider the minutes of the meeting of Schools' Forum held on 19 January 2022	1 - 10
4.	<b>EARLY YEARS FUNDING 2022-23</b> To consider the attached report of the Director, Education (Tameside and Stockport) and the Assistant Director, Finance	11 - 20
5.	<b>DATE OF NEXT MEETING</b> To note that the next meeting of Schools' Forum will be held on Tuesday 21 June 2022 at 10am	

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# Agenda Item 3

## SCHOOLS' FORUM

19 January 2022

Commenced: 10.00am

Terminated: 11.55am

<b>Present:</b>	Karen Burns (Chair)	Primary Schools – Academies
	Susan Marsh	Governor, Primary Schools – L/A Maintained
	Steve Marsland	Primary Schools – L/A Maintained
	Gemma Patterson	Primary Schools – L/A Maintained
	Kirsty Rimmer	Primary Schools – L/A Maintained
	Lisa Lockett	Primary Schools – L/A Maintained
	Lisa Gallaher	Primary Schools – L/A Maintained
	John Cooper	Primary Schools – L/A Maintained
	Simon Brereton	Primary Schools – L/A Maintained
	Richard O'Regan	Secondary Schools – L/A Maintained
	Heather Farrell	Primary Schools – Academies
	Simon Wright	Primary Schools – Academies
	Iain Linsdell	Primary Schools – Academies
	Andrew Foord	Headteacher, Special Schools – L/A Maintained
	Elizabeth Jones	Governor, Secondary Schools – L/A Maintained
	Donal Townson	Governor, Primary Schools – L/A Maintained
	Gill McFadden	Business Manager – Secondary Academies
	Anthony Benedict	Pupil Referral Service
	Anne Morgan	Tameside Teachers' Consultative Committee
	Elaine Horridge	Diocesan Representative
	Elaine Sagar	Early Years Private, Voluntary and Independent Sector
	Cllr Leanne Feeley	Executive Member
	Tim Bowman	Director, Education (Tameside and Stockport)
	Bernadette Wilde	Head of HR Operations and Workforce Strategy
	Christine Mullins	Finance Business Partner TMBC
	Louisa Siddall	Senior Accountant, TMBC
	Wendy Lees	Finance Manager
<b>Apologies for absence:</b>	Anton McGrath	14-19 Sector
	Mark Bidgood	Primary Schools - Academies
	Cllr Oliver Ryan	Executive Member

### 19 DECLARATIONS OF INTEREST

There were no declarations of interest from Members of Forum.

### 20 MINUTES

Consideration was given to the minutes of the meeting of the School's Forum, held on 28 September 2021.

#### RESOLVED

**That, with the agreed amendment, the minutes of the meeting of Schools' Forum held on 28 September 2021 be approved as a correct record.**

### 21 DEDICATED SCHOOLS GRANT BUDGET UPDATE 2021-22

Consideration was given to a report from the Assistant Director of Finance and Director of Education (Tameside and Stockport), which provided an update on the Dedicated Schools Grant (DSG)

position for the financial year 2021-22 and an update on the Early Years financial outturn for 2020-21.

An update was provided for Members in relation to the current DSG settlement for 2021-22 and projected distribution/spend. It was explained that there was an overall, in-year deficit of £2.032m forecast.

A forecast surplus of £0.178m on the Schools Block was highlighted and Members were informed that this related to actual rates being lower than estimated and unallocated growth. Members were reminded that, as previously agreed at Schools' Forum, this unallocated growth would be used to support the deficit on the Dedicated Schools Grant (DSG).

It was stated that the Central Schools Service Block was expected to be spent in full and that the projected in-year deficit on the High Needs Block was expected to be £3.179m, which would reduce to £2.301m following the transfer from the Schools Block. Members were also informed that a further £0.384m of estimated in-year growth for January-March 2022 had also been included in this figure and a detailed breakdown of expected growth across all sectors was provided.

In relation to the Early Years Block, Members were made aware that there would be an estimated surplus of £0.091m.

With regard to the High Needs Budget for 2021-22, a detailed breakdown of the budget position was provided and Members were informed that there had been an increase in the in-year deficit of £1.164m. It was explained that this was in line with expected growth in numbers of Education Health and Care Plans (EHCP), as previously reported. A detailed picture of this growth across all sectors was provided and Members were informed that this would continue to be monitored closely.

Details of the final Early Years settlement for 2020-21 were provided and it was stated that, for 2020-21, the overall settlement for Early Years had decreased by £0.287m. As previously reported, it was estimated that there would be a reduction of £0.293m in the final settlement, which had resulted in a surplus of £0.397m rather than the estimated £0.392m. It was confirmed that this additional surplus would be required to support the wider DSG deficit and that the variation against the actual settlement related to additional funding received from the Early Years Pupil Premium.

Members were also provided with a detailed breakdown of the Early Years forecast for 2021-22, which reflected the current settlement compared with the forecast distribution/spend. It was stated that there was a forecast surplus of around £0.091m. However, it was explained that this would be adjusted in line with data collections from the summer and autumn terms and an estimated clawback of £0.696m.

Members were made aware that there was an anticipated underspend on the centrally retained elements of Early Years funding in 2021-22 and that this would be required to support the deficit on the Special Educational Needs Inclusion Fund (SENIF). It was also acknowledged that it was extremely difficult to forecast the uptake of places, especially in light of the pandemic and it was noted that this complex area of funding would continue to be closely monitored.

Details on the closing position of the DSG reserve for 2020-21 and the estimated position of the DSG at 31 March 2022 were provided. Members were informed that, if the 2021-22 projections materialised, there would be a deficit of £3.712m on the DSG. It was noted that a Deficit Recovery Plan had been developed and submitted to the DfE and that discussions in relation to this were ongoing, with this position continuing to be closely monitored throughout the year.

It was noted that some information in relation to the centrally retained element of Early Years Funding had previously been provided and that this was hoped to address the relationship between PVI's and schools and associated school readiness amongst children. It was also noted that a working group was currently being developed in order to support this.

Discussion ensued in relation to the High Needs position. It was noted that the challenge in meeting sufficiency relied on the ability to expand specialist provision, whilst also effectively increasing inclusion within mainstream settings. It was suggested that this was an area, which would require close monitoring and Members highlighted the importance of effective collaboration between mainstream and special sectors, alongside the need for enhanced SENCO induction and support. Members were also informed that a copy of the SEND area inspection letter would be circulated following the meeting.

It was suggested that it would be useful to look in more detail at the growth of new EHCPs broken down further into primary and secondary sectors, and noted that this would be a useful piece of work, which could be undertaken in the near future. Alongside this, it was also suggested that work on how funding was being spent to provide effective support for SEND provision across mainstream settings could be undertaken in order to ensure value for money and to provide opportunities to identify and share best practice.

## **RESOLVED**

**That the contents of the report be noted and supported.**

## **22 DEDICATED SCHOOLS GRANT (DSG) FUNDING FORMULA 2022-23**

Consideration was given to a report of the Assistant Director of Finance and Director of Education (Tameside and Stockport), which outlined the arrangements concerning the Dedicated Schools Grant (DSG) funding for 2022-23 and details of the supplementary grant provided to address increased costs to schools.

Members were informed that a provisional DSG settlement for 2022-23 of £240.507m was received on 16 December 2021, with accompanying essential data released on 20 December 2021. A detailed breakdown of this settlement for the four blocks of DSG was provided, alongside details of supplementary funding.

It was noted that the Schools Block had seen an increase of £7.662m in relation to an increase in pupil numbers, uplift for RPIX on PFI and an increase in DfE rates. It was also explained that the increase of £3.421 on the High Needs Block was in relation to an increase in pupil numbers and per head gain as a result of the National Funding Formula.

With regard to Early Years funding, it was noted that there had been a reduction of £0.529m in this area due to reducing numbers offset by an increase in DfE funding rates, whilst the Central Services Schools Block had seen a small increase of £0.068m, relating to an increase in pupil numbers and DfE funding rate.

Details were provided on how the Schools Block funding, which totalled £190,743, had been calculated by DfE. It was highlighted that business rates were estimated and that, in contrast to previous years, this would be removed from Tameside's allocations and retained by the DfE, who would pay this to rating authorities on behalf of all Tameside's schools and academies. This would leave a total allocation within the Schools Block of £188,731.

In line with previous consultation, Members were informed that the Minimum Funding Guarantee (MFG) had been set at 0.5%, whilst the Gains Cap had been set at 4.61%. It was noted that, any gain above this, would be used to partly offset the MFG and allow a balanced Schools Block budget to be set.

Members were advised that the Growth Policy had been agreed by School's Forum in 2019 and this continued to be the method used for allocating explicit growth. It was explained that the estimated Growth Fund required in 2022-23 would be £1.3m and a detailed breakdown both implicit and explicit growth was provided for Members.

Members were requested to support safeguarding in the borough by agreeing to provide a contribution of £2.99 per pupil towards the cost of Tameside Safeguarding Children Partnership (TSCP) for 2022-23, which would equate to approximately £0.105m.

Members were made aware that, in addition to the Schools Block DSG settlement, DfE had announced a supplementary grant for mainstream school in order to support the cost of the Health and Social care Levy alongside wider costs. It was explained that this would be paid as a separate grant for 2022-23 and that it was the DfE's intention for this to be included in the DSG allocation from 2023-24. However, it was noted that the final figures would not be provided until spring 2022.

Outcomes of the Schools Funding Consultation were shared with Members as follows:

- a. Support was given for a 0.5% transfer from the Schools Block to the High Needs block. 67% (20 respondents) supported the transfer, 33% (10 respondents) did not.
- b. Support was not given for a 1% transfer. 74% (23 respondents) do not support this proposal, 26% (8 respondents) did support the transfer

In relation to these responses, it was noted that a number of schools had cited increasing cost pressures in schools arising from term time only costs and increased national insurance contributions. It was also noted that some schools did not believe, even if schools supported the 1%, that the Secretary of State would allow it.

In relation to the High Needs Block, it was stated that the provisional 2022-23 High Needs Block allocation of £31.617m (before academy recoupment) had been released and explained that this represented an increase in funding (12%) from the previous year. It was also stated that this included an additional £0.350m to cover the growth in pupil numbers.

In addition, Members were made aware that the Local Authority had also received supplementary funding of £1.300m. It was explained that this extra funding recognised the additional costs, which local authorities and schools would face during the coming year, including the Health and Social Care Levy, as previously stated.

Changes in the settlement compared to 2021-22 were outlined for Members and it was noted that the allocation was subject to further adjustments, including:

- The outcome of the Place change request in November 2021 which adjusts recoupment of academy places in September 2022, an expected adjustment to funding of £0.298m is included.
- Import and Export adjustments to reflect cross border movement of pupils living in one borough and accessing provision in another

A detailed breakdown of the number of current and commissioned places for special schools and resourced units was presented and Members were advised that there would be ongoing conversations with Tameside Pupil Referral Service (TPRS) with regard to the commissioned numbers for September 2022.

With regard to the projected position for the High Needs Deficit, a detailed forecast was provided, which outlined the budget forecast, after the 0.50% transfer from schools for 2022-23 and highlighted the potential impact of the expected growth up to 2025-26. Members were advised that an update on the recovery plan would be brought back to Schools Forum at a future meeting.

Members were provided with information in relation to the current funding settlement for Early Years 2021-22 and 2022-23. It was noted that confirmation of the basis of the settlement for the provisional 2022-23 information was being sought and that this would be updated based on January 2022 and January 2023 census data.

The reductions in funding for 3 and 4 Year Olds and 2 Year Olds was explained, along with the increases in funding for Early Years Pupil Premium (EYPP) and Disabled Access Fund (DAF). It was noted that consultation would need to be held with Early Years providers in relation to increased

rates and Members were made aware that an additional Schools Forum meeting had been arranged for 15 March 2022 in order to agree the rates of allocation for this element of funding.

Members were advised that, following this report, approval would be sought to centrally retain 5% (in line with national guidance) of 3 and 4 Year Old funding (£0.701m based on the current settlement) and £0.13 per hour (as a minimum) of 2 Year Old funding (£0.061m based on the current settlement). It was noted that this centrally retained funding would continue to support the following:

- Early Education Funding Team
- Family Information Services
- Early Years Quality Improvement Team
- SEN Team
- Social Emotional and Mental Health service
- Sensory Support
- Making it REAL (Raising Early Achievement in Literacy)

In relation to the Central School Services Block (CSSB), Members were informed that the total allocation for 2022-23 was £1.182m, which was based on a per pupil element of £33.83 for ongoing duties. It was noted that National Copyright School Licenses were also funded from this block and would equate to £0.189m.

In line with DSG operational guidance, the support of schools' Forum was sought for the central retention of funding in relation to: School Admissions; servicing of Schools Forum and; contribution to responsibilities that local authorities hold for all schools (formally the retained duties element of the ESG). It was noted that, whilst budgets for these areas were still being worked on, the costs were estimated to be in excess of £1.102m, with £0.993m currently available to support these costs, with the approval of Forum Members.

Discussion ensued in relation to the High Needs Block, including the implications of import/export and how these challenges could be addressed. It was acknowledged that work needed to continue in relation to ensuring improved standards of inclusion for SEND pupils within mainstream settings and the increase in specialist provision within borough.

Further clarification was sought in relation to the rates for Early Years funding and Members were advised that this would be discussed in more detail at the next meeting of Schools' Forum, which was scheduled for 15 March 2022.

#### **RESOLVED**

- (i) That the funding formula for mainstream schools as set out in Section 3 be approved.**
- (ii) That the growth fund, as outlined in Section 3, be approved.**
- (iii) That approval of 0.5% transfer from the Schools Block to High Needs Block, further to the outcome of consultation, be noted.**
- (iv) That continued contribution to Tameside Safeguarding Children's Partnership be approved.**
- (v) That the allocation of the Central Services Schools Block be approved.**
- (vi) That central retention of Early Years Funding be approved.**

#### **23 SCHOOL DE-DELEGATION 2022-23**

Consideration was given to a report of the Assistant Director of Finance, Assistant Director of People and Workforce development and Director of Education (Tameside and Stockport). The report provided information for Members on the de-delegation of services and Risk Protection Arrangement (RPA) for 2022-23.

Members were advised that, historically, the Council had offered Tameside schools access to the services of recognised local trade union and professional association officials, through the annual purchase of a Trade Union Support Service Level Agreement (SLA). It was explained that

maintained schools, initially, had access to this offer funded through de-delegation but that this offer was also available on a buy-back basis to all academies and special schools.

The trade unions presently recognised, which form part of this offer, were outlined, including:

**Teaching staff:**

- ASCL
- NAHT
- NASUWT
- NEU

**Support staff:**

- GMB
- UNISON
- UNITE

Members were advised that purchase of this trade union support would enable the delivery of statutory obligations and a number of benefits that could be achieved through effective collaboration between school leaders/governors and local trade union representatives were outlined. These included:

- achieving smooth, speedy and effective management of change;
- support with school reorganisation plans and implementation of employment related policies and procedures for school-based staff;
- support for staff wellbeing and;
- support and expertise in employment related matters at a local level.

It was stated that take up of this service in recent years had reduced and for 2020-21 there had been 37 of 98 Tameside schools. Concerns, which had been previously raised by school leaders in relation to this service were outlined as follows:

- its value for money, within the context of school leaders being aware of lower 'per pupil rates' across other Councils;
- the transparency of actual trade union duties being delivered directly to schools and staff;
- the difference of service provision from a local full time official versus a school based shop steward;
- how the SLA offer aligns to the DfE document 'Advice on trade union facility time', January 2014, more specifically the statement that 'All union representatives who receive facility time to represent members employed in schools should spend the majority of their working hours carrying out their main duties as school employees' and;
- whether the existing Facilities Agreements remain fit for purpose due to their longevity.

In response to these concerns, Members were informed that much discussion and work had been undertaken, throughout the year, with the aim of seeking a resolution and increasing support, value and buy-in from schools. A brief outline actions, which the Council had taken to try and alleviate these concerns was provided, which included:

- A review of the existing Facilities Agreements with regional trade unions officials, ensuring clearer transparency and accountability of facilities time and activities undertaken on behalf of schools. The revised agreements are to be implemented by the Council from January 2022.
- A change to the methodology of the charging regime for schools in relation to non-teaching staff local trade union representatives, resulting in a reduced 'per pupil' cost for schools.
- Commitment to introducing a different delivery model for the supply of teaching staff local trade union representatives and their facilities time, introduced on a transitional basis over the next two financial years. The Council will work with relevant stakeholders including school leader representatives on developing the new delivery model, with the revised model to be fully operational by April 2024.

This revised delivery model is in response to the request of school leaders to move towards



teaching staff local trade union representatives being employed within schools and allocated facility time as part of their normal teaching working week, to undertake trade union duties on a part time basis, funded through a pooled arrangement.

- The rationale for this preferred model of delivery is it fully supports the concept that teaching staff should remain active in the school setting and have current classroom practice so not losing their valuable teaching skills and experience. Regional teaching staff trade union representatives also endorse this preferred model of delivery.
- A presentation delivered to school leaders/governors to advise in greater detail the rationale behind actions taken to date by the Council and the future plans, in response to school leaders concerns and future plans.

Members were informed that, following feedback from school leaders and regional non-teaching trade union representatives, the Council had adapted its charging regime for this service and a new charging regime had enabled a significantly reduced 'per pupil' rate for the financial year 2022-23 of £4.80, as opposed to the previous 2021-22 charge rate of £6.13.

It was confirmed that this service would also remain available to purchase by academy and special schools and noted that the more schools that buy in, the greater the reduction in the 'per pupil' rate. This was illustrated with an example of a buy in from 98 schools, where the 'per pupil' cost would reduce to less than £3.50 for 2022-23.

It was emphasised that the vote to de-delegate was fully endorsed by the Council's Director of Education and national trade union representatives. In addition, written representations, which had previously been circulated to school leaders and Council representatives, were provided for Members.

Members were made aware that, should all of these actions and plans still not achieve the required level of buy-in to enable full cost recovery, then, due to the present financial position of the Council, a full review of this service offer to schools would need to be undertaken.

The purpose of the Contingency budget was outlined for Members, who were advised that this had been established to support those schools facing a deficit budget position or to support the Dedicated Schools Grant (DSG) against any future pressures, for example, where schools were closing or forced to convert to an academy, which would leave a deficit balance.

Members were advised that the de-delegation rate for Contingency for 2022-23 would remain at £5.81 per pupil and agreement was sought from both primary and secondary sectors to de-delegate. It was noted that, if both sectors chose to contribute, this would result in the following contribution to Contingency (based on October 2021 census data):

- Mainstream Primary Maintained Schools - £67k
- Mainstream Secondary Maintained Schools - £33k

Previous requests made the Contingency Fund during 2021-22 were outlined for Members and balances in Contingency contributions were provided, which totalled £166,020.42 and would be carried forwards. Members were also advised that a maximum level of the fund had previously been agreed and set at £424,000 (June 2021) for both sectors.

Members were informed that the DfE had proposed to remove the School Improvement and Brokeridge Grant, which the Local Authority currently receives from DfE of £231,000 to support statutory school improvement functions. It was stated that, in 2022-23, the Council would receive transitional funding of 50%. Therefore, it was advised that de-delegation of schools funding to support the remaining 50% of ongoing statutory functions activity cost was sought.

It was confirmed that DfE consultation had been undertaken and a link to this was provided. A formal response had been submitted to the DfE in response to this proposal, which highlighted the following

concerns:

- Although formal powers of intervention had not been used a great deal, the grant is used to meet needs before schools reach this critical point of failure and therefore monies are used to support schools to prevent them from failing children before being eligible for intervention.
- School improvement activity in Tameside is not limited to maintained schools only, support is provided to academy schools too. Removal of this grant and funding would remove the ability to support the whole sector and be detrimental to the whole Education offer in Tameside.
- De-delegation would present an uneven playing field between MAT's and maintained schools, MATs do not need to seek permission of schools to top slice school budgets to provide improvement support.
- Removal of this central government grant to fund school improvement functions is transferring the cost and applying more pressure to the schools block funding of the DSG.
- The timeline for the change makes decision making and informed consultation very difficult.

Members were informed that the outcome of this consultation had been released on 11 January and it had now been confirmed that the grant would be cut.

As previously explained, it was noted that DfE would provide a supplementary grant to schools, alongside the Dedicated Schools Grant (DSG), in order to support the new Health and Social Care Levy and wider costs. However, concerns were raised in relation to the Schools Improvement Service's ability to deliver its statutory functions without the grant and, therefore, the importance of these de-delegation contributions for 2022-23 was emphasised.

Members were made aware that the cost of Schools Improvement for 2022-23 would be £6.12 per pupil and it was explained that this would at least double in 2023-24, as the LA would receive 50% transitional grant in 2022-23. However, it was noted that the cost of the service would need to be de-delegated in full from schools in 2023-24.

With regard to the Risk Protection Arrangement (RPA), it was confirmed that, where schools had previously opted in to this arrangement (2021-22), membership would continue on an ongoing basis. Members were also advised that, should a school choose to opt out of this arrangement, they would need to make their own Risk protections arrangements going forwards. It was noted that the cost of RPA for 2022-23 was £21 per pupil.

In advance of the Schools Forum voting on de-delegation, some Members of Forum explained that there had been detailed discussion with regard to de-delegation of services amongst school leaders. It was noted that a great deal of information had been considered by headteachers and that a consultation had taken place amongst primary school colleagues to canvas views, with a high response rate of 88%.

With regard to the de-delegation of trade union support for primary headteachers, it was stated that the consultation found 67% of participants did not support the de-delegation of this service and 70% of participants did not support de-delegation for Contingency. The sectors requested the pots remained separate.

With regard to Schools Improvement, it was noted that a group discussion amongst headteachers had taken place and a letter had been shared to canvas views. Following this, it was noted that Schools Forum Members were satisfied that headteachers had been given an opportunity to provide responses and the view was that they would be in agreement to support School Improvement.

Academy schools also voice their support of the work done at Tameside and were supportive of a contribution from that sector too recognising the cohesive approach that was taken by Tameside School Improvement service to support all schools and Academies in the borough.

## **RESOLVED**

- (i) That the contents of the report and change in rate of the RPA scheme be noted.**
- (ii) That de-delegation of trade union support for Maintained Primary Schools be rejected.**

- (iii) That de-delegation to the Contingency Fund for Maintained Primary Schools be rejected.
- (iv) That de-delegation of Schools Improvement funding for Maintained Primary Schools be approved.
- (v) That de-delegation of trade union support for Maintained Secondary Schools be approved.
- (vi) That de-delegation to the Contingency Fund for Maintained Secondary Schools be approved.
- (vii) That de-delegation of Schools Improvement funding for Maintained Secondary Schools be approved.

## **24 SCHOOLS FORUM FORWARD PLAN 2022/23**

Consideration was given to a report of the Assistant Director of Finance and the Director of Education (Tameside and Stockport), which provided Members of Schools' Forum with a forward plan of reports and meeting dates for the financial year 2022-23.

Meeting dates were confirmed as follows:

<b>Date</b>	<b>Venue</b>
Tuesday 15 March 2022	Zoom
Tuesday 21 June 2022	Zoom
Tuesday 27 September 2022	Zoom
Tuesday 29 November 2022	Zoom
Thursday 19 January 2023	Zoom

### **RESOLVED**

**That the contents of the report be noted.**

## **25 DATE OF NEXT MEETING**



### **RESOLVED**

**That the next meeting of The Schools Forum be held on Tuesday 15 March 2022 at 10am.**

**CHAIR**

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# Agenda Item 4

<b>Report to:</b>	<b>SCHOOLS' FORUM</b>
<b>Date:</b>	15 March 2022
<b>Reporting Officer:</b>	Tim Bowman – Director, Education (Tameside and Stockport) Caroline Barlow – Assistant Director of Finance
<b>Subject:</b>	<b>EARLY YEARS FUNDING 2022-23</b>
<b>Report Summary:</b>	A report on the arrangements concerning the Dedicated Schools Grant Early Years funding for 2022-23.
<b>Recommendations:</b>	<ol style="list-style-type: none"><li>1. Members of the Schools' Forum are requested to note and support the contents of the report.</li><li>2. Members of the Schools' Forum are requested to support the preferred option for the allocation of deprivation.</li></ol>
<b>Corporate Plan:</b>	Education finances significantly support the Starting Well agenda to provide the very best start in life where children are ready to learn and encouraged to thrive and develop, and supports Aspiration and Hope through learning and moving with confidence from childhood to adulthood.
<b>Policy Implications:</b>	In line with financial and policy framework.
<b>Financial Implications:</b> <b>(Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	The Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure. This report sets out the allocation basis for all Tameside early years providers for 2022-23.
<b>Legal Implications:</b> <b>(Authorised by the Borough Solicitor)</b>	The grant is ring fenced and must be spent in accordance to the terms of the grant for school and pupil related expenditure.
<b>Risk Management:</b>	The correct accounting treatment of the Dedicated Schools Grant is a condition of the grant and procedures exist in budget monitoring and the closure of accounts to ensure that this is achieved. These will be subject to regular review.
<b>Access to Information:</b>	<b>NON-CONFIDENTIAL</b> <b>This report does not contain information which warrants its consideration in the absence of the Press or members of the public.</b>
<b>Background Information:</b>	The background papers relating to this report can be inspected by contacting Christine Mullins – Finance Business Partner, Financial Management, Childrens and Safeguarding Services  Telephone: 0161 342 3216  e-mail: <a href="mailto:christine.mullins@tameside.gov.uk">christine.mullins@tameside.gov.uk</a>

## 1. INTRODUCTION

- 1.1 This report sets out information on the allocation of the Early Years element of the Dedicated Schools Grant (DSG) for 2022-23 and the outcome of the recent consultation on the Early Years funding.

## 2. EARLY YEARS FUNDING 2022-23

- 2.1 Table 1 provides the current funding settlement for Early Years for 2021-22 and 2022-23.

**TABLE 1 – Early Years Funding**

Early Years Funding Streams	2021-22 Early Years Allocation as at January 2022	2022-23 Provisional Early Years Allocation announced December 2021	Change in Funding
	£	£	£
3 & 4 Year Old Universal Entitlement	9,257,879	9,712,142	454,263
3 & 4 Year Old Extended Entitlement	4,237,964	4,308,418	70,454
2 Year Old	2,824,976	2,670,423	(154,553)
Early Years Pupil Premium (EYPP)	176,871	179,390	2,519
Disability Access Fund (DAF)	73,185	94,400	21,215
<b>Total</b>	<b>16,570,875</b>	<b>16,964,773</b>	<b>393,898</b>

- 2.2 The 2021-22 settlement is currently based on the published allocations from DfE which uses census data collected in Summer 2021, Autumn 2021 and Spring 2021 (Spring 2021 will be updated to reflect Spring 2022 census and an adjustment to funding will be made in July 2022). The 2022-23 settlement is currently based on the Schools, Early Years and Alternative Provision census data from January 2021.
- 2.3 Consultation was launched for the period 2 February 2022 until 17 February 2022 to gather opinions on the proposals set out below. The response to the consultation is included at Section 5 of the report.

## 3. 3 AND 4 YEAR OLD FUNDING

- 3.1 The hourly rate of funding received by the LA has increased from £4.65 in 2021-22 to £4.82 in 2022-23 for both universal and extended entitlement.
- 3.2 The local funding scheme must include a base rate that applies to all children in all settings. There is a mandatory requirement to have a supplementary rate in relation to Deprivation and it is possible to have other supplements in relation to Rurality/Sparsity, Flexibility, Quality and English as an Additional Language. The total value of these supplements cannot exceed 10% of the overall funding within this block.
- 3.3 The funding scheme for 2021-22 contains one supplementary element, which is in relation to deprivation, and this will continue to be the only supplement in 2022-23. Consultation was undertaken regarding the method of allocation of deprivation funding.

### 3.4 **Deprivation**

It is hugely important to allocate Early Years (EY) deprivation funding as smoothly and directly as possible to children who are living in families on very low incomes. We know that deprivation has an impact on children's outcomes in early life, and we know that if children do not reach key thresholds at five, that they are very unlikely to meet the required standards at 11 and 16, leading to a continued cycle of low income and limited job opportunities. Now is an especially important time to be reviewing EY Deprivation funding as we also know that children living in low income households have been impacted the most by the pandemic. It is essential in our decision-making that we aim to ensure, as much as is possible, that funding reaches these children effectively and that the funding is used to provide additional support for the needs of eligible children.

3.5 The current method of allocation for deprivation is based on 3 bandings and a deprivation supplement is paid for all children. Consideration has been given to moving to a single rate for deprivation, to allow targeted allocation of deprivation funding. This ensures the supplement will be allocated to those children most in need of additional support. The options consulted on are set out below at 3.6 to 3.8. If moving to an updated model any change needs to be affordable within the financial allocation received by the Local Authority (LA). The deprivation supplement will be reviewed annually along with the other elements of the early years funding allocations. Targeting deprivation is important to ensure those children who are the most relatively deprived are receiving the support they need to develop which is what this supplement sets out to achieve. The Early Years Funding Group support the principle of this and therefore the modelling achieves a similar level of deprivation allocation but in a more targeted way.

### 3.6 **Option 1 – Continue with the existing model**

The allocation of deprivation could continue through the existing model where deprivation is allocated based on three bands and allocated for all children. Details of the allocation basis are included at **Appendix A**.

Pros:

- Applied for a full 12 months, assists with budgeting

Cons

- Does not target deprivation to the child
- Doesn't take account of changes during the 12 month period
- New providers or those with zero children in the spring term automatically get the lowest band meaning if they take more children from areas of deprivation during the year they will not be funded accordingly

### 3.7 **Option 2 – Model 1: Single rate of deprivation targeted to 30% of the most deprived children**

The allocation of £0.30 per hour deprivation supplement will be targeted at eligible children identified in the 30% most deprived areas (as identified through the indices of deprivation 2019) in Greater Manchester.

Pros

- Targets funding to the most relatively deprived children
- The supplement will be paid real-time based on termly child participation for those children identified in the highest areas of deprivation
- Takes account of termly changes providing fairer application throughout the year
- The deprivation supplement follows the child in real time if the child moves provision

Cons

- Removes some of the certainty around funding allocations
- Potential to create financial pressure through real-time updates and potential increases in deprivation

**3.8 Option 3 – Model 2: Single rate of deprivation targeted to Bands A to D of the School Funding Formula IDACI Bands**

The allocation of £0.21 per hour deprivation supplement will be targeted at eligible children identified in Bands A – D of the School Funding Formula IDACI Bands (as outlined in Section 2 of the report).

Pros

- Targets funding to the most relatively deprived children
- The supplement will be paid real-time based on termly child participation for those children identified in the highest areas of deprivation
- Takes account of termly changes providing fairer application throughout the year
- The deprivation supplement follows the child in real time if the child moves provision

Cons

- Removes some of the certainty around funding allocations
- Potential to create financial pressure through real-time updates and potential increases in deprivation

3.9 Under Model 1 and Model 2 the deprivation targets the most relatively deprived children. This ensures the supplement is being paid for those most in need. Although Model 1 provides a higher hourly rate for deprivation, Model 2 would target a higher proportion of children (approx. 36% more than Model 1).

3.10 The current and proposed rates of allocation to providers are included in Table 2.

**TABLE 2 – 3 & 4 Year Old Rates to Providers**

<b>Breakdown of Rates</b>	<b>2021-22 £ per hour</b>	<b>Proposal 1 2022-23 £ per hour</b>	<b>Proposal 2 2022-23 £ per hour</b>	<b>Proposal 3 2022-23 £ per hour</b>
Base	4.25	4.35	4.35	4.35
Deprivation – Band A	0.05	0.05		
Deprivation – Band B	0.10	0.10		
Deprivation – Band C	0.15	0.15		
Deprivation			0.30	0.21

**3.11 SEN Inclusion Fund (SENIF)**

There continues to be a mandatory requirement for a SEN Inclusion Fund for 3 and 4 year olds. A fund for 2 year olds was introduced in 2020-21. There is significant pressure on the fund in 2021-22 as shown in Table 3.

**TABLE 3 – SEN Inclusion for 2021-22 and Proposal for 2022-23**

<b>Early Years Funding Streams</b>	<b>2021-22 SEN Inclusion Fund £</b>	<b>2021-22 Forecast Distribution to Providers £</b>	<b>2021-22 Forecast Deficit £</b>	<b>2022-23 Proposed SEN Inclusion Fund £</b>
3 & 4 Year Olds	216,460	348,000	(131,540)	378,000
2 Year Olds	15,965	55,000	(39,035)	61,000
<b>Total</b>	<b>232,425</b>	<b>403,000</b>	<b>(170,575)</b>	<b>439,000</b>



- 3.12 We are proposing to increase this fund to approx. £378k for 3 and 4 year olds and approx. £61k for 2 year olds, to support the increased demand for support from providers. This is affordable through the increase in rates provided by the DfE. Work is ongoing with the Early Years working group to review the SENIF allocation and demand and ensure there is robust and clear criteria for the allocation of the funding.
- 3.13 The operational guidance has confirmed that LAs must ensure that at least 95% of the funding in relation to 3 and 4 year olds is passed through to providers in 2022-23. The proposed rates, together with the SEN Inclusion Fund means the LA will be compliant with the legislation and the retention of the funds has already been agreed at Schools Forum on 19 January 2022. Details of what this supports can be found in Schools Forum paper through the following link: [ITEM 5 - Dedicated Schools Grant DSG Funding Formula 2022-23 FINAL.pdf \(modern.gov.co.uk\)](#)

#### **4. 2 YEAR OLD FUNDING**

- 4.1 The hourly rate of funding received by the LA has increased from £5.46 in 2020-21 to £5.67 2022-23.
- 4.2 In 2021-22, the provider hourly rate is £5.30 and £0.13 per hour is retained centrally. It is proposed that the rate to providers is increased to £5.40, and £0.14 per hour be retained centrally. The amount of £0.13 per hour for central retention has already been agreed at Schools Forum as outline in paragraph 3.13.
- 4.3 In addition, as stated in paragraph 3.12 it is proposed to increase the SEN Inclusion Fund of £16k to approximately £61k due to demand on the fund. This will be funded through the remainder of the uplift in the rate from DfE.

#### **5. EARLY YEARS PUPIL PREMIUM (EYPP) AND DISABILITY ACCESS FUND (DAF)**

- 5.1 The allocation rate for EYPP has increased from £0.53 to £0.60 per hour per eligible pupil up to a maximum of 570 hours.
- 5.2 The allocation rate for DAF has increased from £615 to £800.
- 5.3 The allocation of both these funds is in line with the operation guidance, link included at paragraph 2.3.

#### **6. CONSULTATION RESPONSE**

- 6.1 Consultation took place with all Early Years Providers in Tameside between 2 February and 17 February. It was carried out via survey monkey and shared with all Early Years providers included on Tameside Directory of Providers.
- 6.2 A total of 80 responses were received out of a total of 261 providers.
- 6.3 The outcome of the consultation is as follows:
- a. Support is given for the proposals for 3 and 4 years olds. 50% (40 respondents) support the proposals, 45% (36 respondents) did not and 5% (4 respondents) did not provide a response.
  - b. Support is given for the proposals for 2 year olds. 60% (48 respondents) support the proposals, 36% (29 respondents) did not and 4% (3 respondents) did not provide a response.

- c. The preferred option for the distribution of deprivation is Option 1, to continue with the existing model. 64% (51 respondents) preferred Option 1, 19% (15 respondents) preferred Option 2, 16% (13 respondents) preferred Option 3 and 1% (1 respondent) did not provide a response.

6.4 A number of comments were received for each question asked and have been included at **Appendix B**. In relation to the proposals for the 3 and 4 year old funding and 2 year old funding, many providers raised concern that the uplift to the base rate did not cover the increased cost in national living wage and energy prices. It appears from some of the comments there may be a misunderstanding regarding the element the LA retains. For clarity, the increase in rate can be broken down as follows:

- 3 and 4 Year Olds: Of the £0.17 increase in hourly rate from DfE, its's proposed there is a £0.10 increase to the base rate, £0.06 to increase the SENIF and £0.01 into central retention. The LA do not retain £0.47 centrally. Around £0.24 is held centrally (in line with operational guidance) and the remaining £0.23 supports SENIF and Deprivation.
- 2 Year Olds: Of the £0.21 increase in hourly rate from DfE, it's proposed there is £0.10 increase to the base rate, £0.10 to increase the SENIF and £0.01 into central retention.

6.5 There were also comments raised regarding SENIF funding stating it is difficult to access and payments were not made timely. LA officers have shared proposals with the Early Years Working Group regarding an updated and clearer process around SENIF funding and further consultation will be taking place with providers imminently.

6.6 The comments received in relation to deprivation suggest providers did not have enough information on the proposed new models of funding deprivation to be able to make a move towards this. The Early Years Working Group did agree with the principle to moving towards a more targeted allocation of deprivation funding. However, the general consensus was to stay with Option 1 to continue with the existing method. Targeting this element of funding to those children most in need of it is extremely important and therefore further work will be undertaken to provide more information and clarity around proposed models.

## 7. SUMMARY

7.1 The hourly rate for 3 and 4 year olds will increase to £4.35, 5% will be retained centrally and there will be a budget of £378,000 for the SEN Inclusion Fund.

7.2 The hourly rate for 2 year olds will increase to £5.40, £0.14 will be retained centrally and there will be a budget of £61,000 for the SEN Inclusion Fund.

7.3 Further to consultation and the consensus of the response received, the allocation of deprivation will remain the same as 2021-22 in 2022-23. Further work will be undertaken to provide more information on moving to a targeted allocation of deprivation. This will then form part of the annual review of early years funding for 2023-24.

## 8. RECOMMENDATIONS

8.1 As set out at the front of the report.

**Methodology for the Existing Deprivation Allocation**

The band of deprivation for each provider is calculated using data for the children from the January Census. Each child's postcode has an Index of Deprivation Affecting Children (IDACI) score (government maintained data). The current process for allocating the bandings is included at **Appendix A**. The banding applies from the 1st April for the full financial year. The setting/provider receives the supplement based on the relevant banding calculated for every child they claim funding for. The banding process is updated annually based on the latest January census information

**Steps for the current process for calculating deprivation banding allocations**

1	Using January census data calculate the total deprivation score for each setting (using the IDACI score for each child from the government maintained data)
2	Calculate the average IDACI per setting by dividing the total deprivation score by the number of children
3	Rank the setting scores in order from the lowest deprivation scoring to the highest
4	Split the settings into equal thirds and the banding will be allocated as follows: The lowest third of deprivation scores will receive Band A The middle third of deprivation scores will receive Band B The highest third of deprivation scores will receive Band C
5	This banding is applied to the setting for each child for the financial year

Comments from: Do you agree with the proposal for 3 and 4 year-olds?	
1	More money should be passed to providers directly as the base rate to ensure a high standard of education can continue to be provided amid rising costs. The LA should not ring fence money that is not able to benefit the children directly
2	I feel not enough is passed on to the provider
3	i agree with the rise of funding for the children but think it should be more due to the rise of everything else
4	I feel the hourly rate is too low given the national average and the amount of work I do both during operational hours and in my own time to prepare, update, report etc
5	proposal is lower than what I charge
6	It's lower than what I charge.
7	The proposal is lower than the rate I charge per hour.
8	I think the payment for 3/4 year olds should be the same as the two year old payment.
9	We should be getting more of the funding allocated by the DFE
10	To enable us to provide the quality that we want to provide we should be receiving more on the hourly rate. I disagree with the retained element and the way it is spent on central services. Whilst we receive a breakdown of the spend, where has the support been during Covid. Not once have we been asked what support we need. We are continuously told we are lucky to receive support form the Local authority but where is this support?Quality training is not often nowadays.
11	One of my nurseries is mostly funded sessions and the hourly rate does not cover the cost of staffing, pension, holidays etc. The money held back is for support. We get no support so I am not sure why that is held back.
12	base rate too low
13	The local authority retain 95 % for central services and over the last two years 2 new positions have been sited not he use of the retained funding but to date no one has been appointed. The additional retained element for depravation takes the figure too low to enable sustainability. looking at the budgets for the last few years there is always a surplus in early years - why is this not distributed to providers rather than moved to to other areas.
14	The increase of 10p per hour being passed through to providers is nowhere near enough to cover the rise in costs and minimum wage.
15	Increase is not in line with inflation and has been underfunded for the last decade.
16	I prefer to keep the existing model for funding calculation.
17	Although we are happy to receive any increase in funding, I am very concerned about the amount and how the nursery will be sustainable with nlw increase and gas / electric prices with our only income now really being from the funding monies.
18	The funding allocation should stay as it is - option 1. This is better for business continuity.
19	we do not agree with any of the prices as its not enough to be able to run the nursery on.
20	Given the substantial increases on living wage from Apr22 as well as other cost increases for businesses I feel that the LA retaining 47p per hour is unacceptable. Especially as last year some of the retained monies were not spent in the ways stated on the consultation document. A rise of 10p her hour is not enough to ensure the future sustainability of providers !
21	As you will be aware the government are increasing NMW by around 6-11%. if you return over half of the new allocation for your own expenses then you are not doing what the DFE intended and you know the pressure nurseries are under to survive and offer quality. You also know that many will close if you proceed with this unfair split.

22	Increase based rate payment of £0.10 is low compared to the increases the nursery faces from April 2022.
23	The increase does not match the increase of national minimum wage rises or gas/electric rises.
24	Withholding such high proportions of our funding to cover LA costs should not be acceptable. The government have put huge pressure on the PVI sector with NMW increases, NI increases and pension contributions and many settings will close if this is agreed and passed by the LA
25	With the rate of inflation and the upcoming rises in fuel costs I think the 10p per hour increase is not in line with the increased costs of running a childcare business

<b>Comments from: Do you agree with the proposal for 2 year-olds?</b>	
1	Again not enough passed to the provider
2	i agree with the rise of funding for the children but think it should be more due to the rise of everything else
3	As above hourly rate too low given the amount of work involved
4	As above, this money is for the children and should be paid for their early years education
5	As above. I do not agree with 13p being retained for SEND funding. We are funding most of the SEND ourselves and when we apply for funding it is made very difficult to access and yet surplus funding is given to other areas at the end of each year.
6	The money we receive does not cover the hourly rate of staff before we even start on overheads
7	base rate too low
8	Too much is being retained . 13 p per hour for 2 year olds to put into the increased send funding which we struggle to access. Not to mention the fact we do not get paid in a timely manner.
9	The increase of 10p per hour being passed through to providers is nowhere near enough to cover the rise in costs and minimum wage.
10	Increase is not in line with inflation and with NMW and NI increases
11	We do not have 2 year provision in our setting but there is not a N/A option
12	I prefer to keep the existing model for funding calculation.
13	As above, completing calculations for our outgoings the money coming in and leaving does not add up based around the inflation.
14	The increase in money retained is huge! More should be added on to the base rate to benefit all providers
15	I am happy to agree with the proposed rate, however since the LA will be retaining 27p per hour then the SEND processes and payments need to be improved dramatically ! And again, the centrally retained monies need to be used in accordance with what is stated in the consultation document. I still don't think we have an 'Early years SEN caseworker' or an 'Early years coordinator' for Social Emotional and mental health and these were supposed to be created with last years retained monies ! This does not instil confidence that these retained funds are being spent as they should !
16	As above, it is unjust to take the monopoly on money intended for the delivery of EYE for vulnerable 2 year olds. The money is intended to improve life chances of two year olds in disadvantaged families. Not to back fill loses for the LA.
17	Increase based rate payment of £0.10 is low compared to the increases the nursery faces from April 2022.

18	The increase does not match the National minimum wage increases. The numbers always add to a deficit. The government said themselves in order for the Free child places to be sustainable they should be given a baseline of £7.50 p/h by 2021. Those results alone say it all. Staff are tired and getting higher paid jobs with less responsibility at Aldi.
19	As above - it is just not affordable. The wage bill increase alone is not going to be covered, let alone the increases in utilities and resources needed.
20	N/A for us as we are age 3 and up
21	I believe the agreed amounts at the school forum are biased to schools as there is only one EY provider on the panel meaning an unfair biased voting system. I don't agree with the amount that is being retained by the LA and feel it is too high.