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SCHOOLS' FORUM

Day: Thursday
Date: 19 January 2023
Time: 10.00 am
Place: George Hatton Hall (Dukinfield Town Hall)

Item No.	AGENDA	Page No
1.	APOLOGIES FOR ABSENCE To receive any apologies for the meeting from Members of Schools' Forum	
2.	DECLARATIONS OF INTEREST To receive any declarations of interest from Members of Schools' Forum	
3.	MINUTES To consider the minutes of the meeting of Schools' Forum held on 27 September 2022	1 - 6
4.	DEDICATED SCHOOLS GRANT (DSG) UPDATE 2022-23 To consider the attached report of the Assistant Director, Finance and the Director, Education (Tameside and Stockport)	7 - 12
5.	FORMULA FUNDING 2023-24 To consider the attached report of the Assistant Director, Finance and the Director, Education (Tameside and Stockport)	13 - 24
6.	HIGH NEEDS AND DEFICIT RECOVERY UPDATE To consider the attached report of the Director, Education (Tameside and Stockport)	25 - 34
7.	SCHOOL IMPROVEMENT MONITORING AND BROKERING GRANT To consider the attached report of the Director, Education (Tameside and Stockport)	35 - 38
8.	DATE OF NEXT MEETING To note that the date of the next meeting of Schools' Forum be proposed for 14 March 2023	

From: Democratic Services Unit – any further information may be obtained from the reporting officer or from Natalie King, Democratic Services, natalie.king@tameside.gov.uk, 0161 342 2316, to whom any apologies for absence should be notified.

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Agenda Item 3

SCHOOLS' FORUM

27 September 2022

Commenced: 10.00am

Terminated: 11.15am

Present:

Karen Burns (Chair)	Primary Schools – Academies
Susan Marsh	Governor, Primary Schools – L/A Maintained
Lisa Lockett	Primary Schools – L/A Maintained
Lisa Gallaher	Primary Schools – L/A Maintained
Simon Brereton	Primary Schools – L/A Maintained
Steve Marsland	Primary Schools – L/A Maintained
John Cooper	Primary Schools – L/A Maintained
Richard O'Regan	Secondary Schools – L/A Maintained
Betty Jones	Governor, Secondary Schools – L/A Maintained
Simon Wright	Primary Schools – Academies
Pierre Coiffait	Headteacher, Special Schools – L/A Maintained
Anthony Benedict	Pupil Referral Service
Anne Morgan	Tameside Teachers' Consultative Committee
Elaine Horridge	Diocesan Representative
Cllr Leanne Feeley	Executive Member
Iain Linsdell	Primary Schools – Academies
Lisa Richards	16-19 Sector
Heather Farrell	Primary Schools – Academies
Elaine Sagar	PVI Representative
Caroline Barlow	Assistant Director, Finance
Anthony Benedict	Pupil Referral Service

Apologies for absence:

Donal Townson	Governor, Primary Schools – L/A Maintained
Gemma Patterson	Primary Schools – L/A Maintained
Cllr North	Executive Member
Kirsty Rimmer	Primary Schools – L/A Maintained
Mark Bidgood	Special Schools - Academies

8 DECLARATIONS OF INTEREST

The following Members declared an interest in Agenda Item 6 and withdrew from the meeting during discussion and voting on this item:

- Betty Jones
- Pierre Coiffait
- Steve Marsland

9 MINUTES

Consideration was given to the minutes of the meeting of the School's Forum, which was held on 21 June 2022.

RESOLVED

That the minutes of the meeting of Schools' Forum, which was held on 21 June 2022, be approved as a correct record.

10 APPOINTMENT OF CHAIR AND DEPUTY CHAIR

RESOLVED

That Karen Burns be appointed as Chair and Susan Marsh be appointed as Deputy Chair of the Schools' Forum for the 2022-23 Academic Year.

11 SCHOOLS FORUM TERMS OF REFERENCE, PRINCIPLES AND CONSTITUTION

Consideration was given to a report of the Chief Executive, giving details of the Terms of Reference for Schools' Forum, which included the guiding principles and constitution of the Forum. The Terms of Reference had been established to provide an overview of the purpose and functions of the Schools Forum with guiding principles covering the expectations of all Schools Forum members in relation to their role as a member, to ensure the consultation and decision-making was effective and fair.

The documents reflected the Department for Education guidance for Schools' Forum published in September 2018 and updated in March 2021.

In considering the report, members noted that there were currently 3 vacancies within Schools' Forum, for this academic year, which included:

- 2 Academy Secondary School representatives
- 1 Non-School Member (Roman Catholic Diocese)

Members undertook to raise the matter at suitable forums and groups and agreed to feedback through the Clerk and Chair of Schools Forum in advance of the next meeting.

RESOLVED

- (i) That the Terms of Reference, Forum Principles, Constitution and membership of Schools Forum be noted and approved for publication on the Council's website.**
- (ii) That current vacancies within Schools Forum membership be raised at suitable forums and groups, as appropriate.**

12 SCHOOL BALANCES

Consideration was given to a report of the Assistant Director of Finance and Director of Education (Tameside and Stockport), which provided further review of 2021-22 excess surplus balances at risk of clawback and details of the 2022-23 surplus balances approved in line with the balance mechanism scheme.

Members were reminded that, at the last meeting of Forum, Members were made aware of 17 schools with excess surplus balances above permitted levels. Of these, 10 schools had carried an excess surplus balance for 2 consecutive years and, in line with the previously agreed clawback mechanism, 50% of the balance was currently at risk of clawback.

It was noted that, at the June 2022 meeting, Forum, Members took a decision, in principle, to invoke the claw back mechanism to 2021-22 excess surplus balances, subject to giving schools an opportunity to provide details of any exceptional circumstances. Members were made aware that the 10 schools at risk of clawback had since been contacted to ask if they wished to put forward exceptional circumstances for consideration. Responses had been received from 8 of the 10 schools.

Members were provided with an anonymised summary of the correspondence reviewed from schools based on the previous Forum 'in principle decision' to claw back and associated recommendations. The review also included a recommendation on whether the exceptional circumstance had impacted or caused the 2021 excess surplus.

It was recommended that 2 schools were asked to move the funds held to capital reserves in order to support the delayed capital works the schools were due to undertake. The other 8 letters received outlined what they would spend the balance on, rather than what the exceptional reasons were for still holding the balance. One school had outlined the reasons for holding higher balances.

Members acknowledged that decisions relating to invoking the clawback were difficult to make. However, following detailed discussion, they were in agreement that the rules surrounding the clawback mechanism had been designed to be fair and transparent and, with this in mind, they were satisfied that these had been applied correctly, when considering the circumstances of each case.

In relation to 2022-23 surplus balances, Members were advised that 11 schools (9 primary, 1 secondary and 1 special school) had submitted plans with surplus balances above the sector thresholds for the financial year 2022-23. In line with the Balance Mechanism Scheme, these schools had also submitted an approved Utilisation of School Balances form, which identified the reasons for holding the surplus and it was noted that the Schools' Finance Team would continue to monitor the balances in-year with a further update brought to School's Forum at a later date.

RESOLVED

- (i) That it be agreed no further action is required for school 1**
- (ii) That it be agreed the excess balance be clawed back at a rate of 50% for schools 2, 3, 4, 5, 6, 7, 8 and 10 and used to offset the High Needs Deficit**
- (iii) That it be agreed the claw back fund from school 9 be moved to the Capital Reserve Fund**
- (iv) That the surplus balance position for 2022-23 be noted**

13 SCHOOLS' FINANCIAL VALUES STANDARD RETURNS

Consideration was given to a report of the Assistant Director of Finance, which provided an update on the mandatory requirement for schools to complete the self-assessment process against the Schools' Financial Value Standard by 31 March 2022.

It was explained that this this return needed to be submitted on an annual basis and had been designed with schools to help them in managing their finances and to give assurance that they have secure financial management in place.

It was explained that the standard consisted of questions, which governing bodies or management committees should formally discuss annually with the headteacher and senior staff. It concentrated on the key elements of financial management and efficiency and was aimed mainly at governors as they have a statutory responsibility for financial management in schools.

It was noted that, from 2021-22, schools were now being asked to record and complete a template to record any Party Related transactions and that these must be submitted to the LA along with the return. A further change noted was that the requirement on schools to complete a 'self-assessment dashboard' had been removed as the DfE's school benchmarking website had been updated to include an individualised 'SFVS dashboard', which schools must review and evidence as part of the SFVS self-assessment.

Members were informed that, once governor-approved returns had been submitted to the Local Authority, the LA should consider any Related Party Transactions submitted by schools, paying particular attention to any over £20,000, ensuring they are satisfied with the financial controls in place. In addition, it was stated that they should use schools' SFVS returns to inform their programme of financial assessment and audit.

With regard to the position of Tameside schools, Members were made aware that, of the 58 schools open at the start of 2021-22, the LA had received 57 returns, one school that had an academy order in place did not submit; this was in line with an eligible exemption. It was also noted that no schools in Tameside returned a Related Party Transaction above £20,000.

It was outlined that The LA had been required to submit an assurance statement, signed by the Chief Financial Officer detailing which schools completed the SFVS, to the DfE by 31 May 2022. Members were informed that this statement had been signed and sent to the EFSA by the deadline as required.

RESOLVED

That the contents of the report be noted

14 SCHOOLS FUNDING UPDATE ON NFF AND SUMMER ANNOUNCEMENTS FROM DFE

Consideration was given to a report of the Assistant Director of Finance and the Director of Education (Tameside and Stockport), which provided members with an update on the latest funding announcements.

Members were advised that the DSG announcements at this stage only covered the Schools Block, High Needs Block and the Central Service Support Block. It was explained that Early Years Block information was not shared at this point and updates on this and confirmation of all other allocations would be expected in December 2022. In addition, it was outlined that indicative figures released at this stage were based on the 2022-23 data set (October 2021 census data) and would change in some areas to take account of October 2022 census returns.

It was explained that 2023-24 was the second year of a three year funding settlement which had seen core school funding increase by £1.5bn from 2022-23 and there was an increase in funding rates of 1.9% nationally. In addition, the provisional 2023-24 allocation for Tameside had increased by £7.5m, this was after increasing the 2022-23 allocation to take account of the supplementary funding, which was allocated in 2022-23.

Members were informed that the Schools Block allocation was based on October 2021 census data. It was also explained that the provisional 2023-24 allocation for Tameside MBC had increased by £5.190m; this excluded Growth funding which would be allocated following funding announcements in in December 2022.

The main changes within Schools Block allocations were outlined for Members. These included changes relating to increases in IDACI and FSM6 Factors and Sparsity Factors, proxy measures for Prior Attainment, changes in the way Business Rates would be paid, use of local formulae for the Minimum Funding Guarantee, and the continuation of compulsory Minimum Per Pupil Funding Levels (MPPL).

It was highlighted that this was the first year the DfE were moving LA's closer to a direct National Funding Formula; meaning every LA must use only NFF factors and they must use all of the NFF factors. It was noted that they must also move 10% closer to the NFF factors. Members were assured that Tameside was already in line with NFF and, as a result, these changes would not impact Tameside schools.

In relation to High Needs Block funding, Members were informed that this had increased 6.3% nationally (£570m) and that Local Authorities had seen an increase between 5% and 7% capped. It was noted that the 7% increase was before recoupment and the hospital factor was included and that Tameside had received a 7% capped increase. It was also discussed that, without this cap, Tameside would have, in fact, received an additional £3.479m. This increase was after adding in the supplementary grant that had been added to the 2022-23 baseline. Members were made aware that these current announcements were provisional and would be subject to further updates.

Members were informed of the provisional High Needs allocation for 2023-24 compared to the current 2022-23 allocation. This demonstrated an overall increase of £2.276m (before any recoupment and any further adjustments) or 7%. However, this was expected to be offset by an estimated increased spend of £8.455m if growth in Education Health Care Plans (EHCPs) were to

continue at the current rate. This would leave an estimated in-year gap of £4.165m and a carry forward overspend from 2022-23 totalling £6.871m, which would leave an estimated £11.036m deficit to address in 2023-24.

It was explained that Local Authorities would continue to be able to transfer up to 0.50% of the Schools Block allocation to another block within the DSG, with Schools' Forum approval. A disapplication process to the DfE would continue to be in place for any amounts over 0.50% or for any amount without Schools Forum approval.

Members were advised that, based on current growth projections, even continuing with a 0.50% transfer (as in 2021-22) of £1.001m, this would still leave a potential in-year deficit on the High Needs Block of £4.165m in 2023-24 and a 1.00% transfer would still leave an in year deficit of £3.164m. With this in mind, Members were asked to support, in principle, the 0.5% transfer to the High Needs Block to support spending for additional needs (subject to affordability within the Schools Block allocation).

It was explained that consultation with schools would be carried out in the normal way to seek opinion on the block transfer. However, consultation with regard to the application of the Schools Block NFF was no longer needed as there was full compliance with DfE requirements.

In relation to the Central Services Schools Block, Members were made aware that this had been reduced overall by 4.1%. However, it was noted that Tameside would see an increase in funding as the formula continued to reduce historic funding by 20%. It was explained that Tameside would not be affected by this reduction as it had no historic funding.

RESOLVED

(i) That the contents of the report be noted

(ii) That it be agreed, in principle, to transfer 0.50% from Schools Block to High Needs Block in 2023-24, subject to affordability

15 DSG MONITORING 2022-23 UPDATE

Consideration was given to a report of the Assistant Director of Finance and the Director of Education (Tameside and Stockport), which outlined the Schools Grant budget position for the financial year 2022-23 and provided an update on the Early Years final outturn position for 2021-22.

Members were made aware of the current DSG settlement for 2022-23 and informed that there was a forecast surplus of £0.254m on the Schools Block. This related to £0.257m unallocated growth, which had been offset by a £3k retrospective business rates charge. It was noted that final growth allocation would be based on pupil numbers at the October 2022 census point and, therefore, the figures would be updated once this was finalised. It was acknowledged that this may impact on the current surplus forecast and proposed that any surplus on the Schools Block be used to contribute to the DSG deficit.

Members were advised that the Central Services Schools Block was expected to be spent in full and that the projected in-year deficit on the High Needs Block was expected to be £4.581m. It was noted that this would reduce to £2.939m with the £0.954m transfer from the Schools Block and a combination of both savings and cost avoidance totalling £0.688m identified in the Deficit Recovery Plan. This projection also included £2.482m of estimated remaining in-year growth relating to further increases in the number of EHCP's and the planned new Resource Bases. In contrast, the Early Years Block was projected to have a surplus of £0.429m.

Members were informed that the High Needs Budget position for August 2022 had seen a slight increase of £0.010m from the original position, which had forecast an in-year deficit of £3.629m. It was noted that the original budget had included growth of £5.401m and, to date, 54% of this budget had been spent; this could indicate growth could be slightly higher than expected.

It was acknowledged that some of the growth had been in areas, which had not been anticipated, for example, in the Post 16 sector and in out of borough placements. Members were informed that growth would continue to be monitored closely and that a more detailed review would need to be carried out following updated intelligence from the SEN team as well as updates on the new resourced units.

Details of the Early Years settlement for 2021-22 were provided for Members and it was noted that the overall settlement had increased by £81k, which had resulted in a final surplus of £0.228m and had been used to contribute towards the DSG deficit. A detailed update of the Early Years Block for 2022-23 was also provided.

It was acknowledged that participation was difficult to estimate but was continuing to reduce, which had contributed to surpluses for 3 and 4 year old funding. Members were advised that there would be a further funding adjustment based on the spring term census data and, if estimates were accurate, this would suggest that there would be a clawback of funds, which would reduce the anticipated surplus.

It was explained that the reduction in participation for 3 and 4 years olds was, in part due to the reducing birth rate. However, it was also acknowledged that the take up of places had decreased, based on the latest census information.

In relation to the SEND Inclusion Fund (SENDIF), Members were made aware that there was currently a nil variation. However, it was noted that demand on the fund for the summer term appeared to be high and, therefore, a full review would be undertaken and an update provided at the next meeting.

Details on the closing position of the DSG for 2021-22 and the estimated position for 31 March 2023 was provided for Members. It was noted that, if the 2022-23 projections materialised there would be a deficit of £5.496m on the DSG. Members were informed that a deficit recovery plan had been developed and submitted to the DfE and discussions were ongoing, with further information to be shared at the next meeting.

Discussion ensued in relation to the high number of out of borough placements and it was agreed that an update in relation to the possible reasons surrounding this would be brought for discussion at the next meeting.

RESOLVED

That the contents of the report be noted and supported

16 DATE OF NEXT MEETING

RESOLVED

That the next meeting of The Schools Forum be held remotely on Thursday 1 December 2022 at 10am.

CHAIR

Agenda Item 4

Report to:	SCHOOLS' FORUM
Date:	19 January 2023
Reporting Officer:	Caroline Barlow – Assistant Director of Finance Tim Bowman – Director of Education (Tameside and Stockport)
Subject:	DEDICATED SCHOOLS GRANT (DSG) MONITORING 2022-23 UPDATE
Report Summary:	A report on the Dedicated Schools Grant (DSG) budget position for the financial year 2022-23.
Recommendations:	Members of the Schools' Forum are requested to note and support the contents of the report.
Corporate Plan:	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 supporting aspiration and hope through learning and moving with confidence from childhood to adulthood.
Policy Implications:	In line with financial policy and framework.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>The Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure.</p> <p>The current projection for 2022-23 is expected to be a deficit on the DSG of £4.956m at the end of the financial year.</p> <p>The report details the in year movements and forecast on the 4 main blocks of the DSG. The High Needs Block continues to be under pressure with a forecast in-year shortfall of funding of £2.743m.</p> <p>Work continues to seek to resolve the deficit position. Tameside is part of the Delivering Better Value program with DfE Advisors.</p>
Legal Implications: (Authorised by the Borough Solicitor)	<p>The details in relation to the Dedicated Schools Grant and the deficit position are set out in the main body of the report.</p> <p>The Forum needs to be content that the plans to manage the deficit and in year short fall are deliverable.</p>
Risk Management:	<p>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 this is achieved.</p> <p>The Council is responsible for the effective administration and management of the DSG. The cumulative deficit brought forward from 2021-22 is subject to a deficit recovery plan with the DfE. There is a risk this may impact on the effective support and education of our most vulnerable children.</p>
Access to Information:	Non-Confidential This report does not contain information, which warrants its consideration in the absence of the press or members of the public.

Background Information: The background papers relating to this report can be inspected by contacting Caroline Barlow – Assistant Director of Finance, Financial Management



Telephone: 0161 342 5584



e-mail: caroline.barlow@tameside.gov.uk

1. INTRODUCTION

- 1.1 This report is presented to provide Schools' Forum with an update on the Dedicated Schools Grant (DSG) budget for 2022-23 and the DSG reserve position. The report sets out:
- A budget update for the DSG for 2022-23 (Section 2)
 - A detailed update for Early Years (Section 3)
 - The DSG reserve position at 31 March 2022 and the estimated DSG reserve position at 31 March 2023 (Section 4)

2. DSG BUDGET UPDATE FOR 2022-23

- 2.1 The current DSG settlement for 2022-23 and forecast distribution/spend is included in Table 1.

TABLE 1 – DSG Forecast for 2022-23

DSG Funding Blocks	DSG Settlement 2022-23 at Nov 2022 £000	Block Transfer 2022-23 £000	Revised DSG 2022-23 £000	Forecast Distribution / Spend 2022-23 £000	Forecast Surplus / (Deficit) £000
Schools Block	190,743	(954)	189,789	189,436	353
Central School Services Block	1,182	0	1,182	1,182	0
High Needs Block	32,843	954	33,796	36,539	(2,743)
Early Years Block	17,304	0	17,304	16,630	674
Total	242,071	0	242,071	243,787	(1,716)

Note the table above includes rounding's

- 2.2 There is a forecast surplus of £0.353m on the schools block. This relates to £0.355m unallocated growth, a minor variation of £1k on an academy conversion offset by a £3k retrospective business rates charge. The growth allocation is based on pupil numbers at the October 2022 census point and the figures have been updated to reflect this. It is proposed that any surplus on the schools block contributes to the DSG deficit.
- 2.3 The Central School Services Block is expected to be spent in full.
- 2.4 The projected in-year deficit on the high needs block is expected to be £4.385m, which reduces to £2.743m with the £0.954m transfer from the schools block and a combination of both savings and cost avoidance totalling £0.688m identified in the Deficit Recovery Plan. The projection also includes £1.268m of estimated remaining in-year growth to cover the spring term and this is related to further increases in the number of EHCP's and the planned new Resourced bases. Further information on high needs is included in a separate agenda item. There are further details on this in a separate paper.
- 2.5 There is a forecast surplus on the early years block £0.674m. Further information on the early year's position is included in Section 3.

3. EARLY YEARS BUDGET UPDATE FOR 2022-23

- 3.1 A detailed update of the early years block for 2022-23 is included in Table 2.

TABLE 2 – Early Years Forecast 2022-23

Early Years Funding Block	Early Years DSG Settlement 2022-23 at Nov 2022 £000	Forecast Distribution / Spend 2022-23 £000	Forecast Outturn Surplus / (Deficit) £000
3 and 4 Year Olds Universal Entitlement	8,756	8,625	131
3 and 4 Year Olds Extended Entitlement	4,291	3,969	322
2 Year Olds	2,761	2,516	245
Early Years Pupil Premium	198	255	(57)
Disability Access Fund	94	66	28
Central Retention	764	643	121
SEN Inclusion Fund	439	555	(116)
Total	17,304	16,630	674

Note the table above includes rounding's

- 3.2 Table 2 reflects the updated early year's settlement as at November 2022 compared with the forecast distribution/spend. The forecast distribution/spend for 3 and 4 year old universal and extended entitlements and 2 year olds is based on the actual participation for the Summer and Autumn Terms and the estimated participation Spring Term. Participation has slightly increased for 3 and 4 year olds but the estimated uptake has reduced for 2 year olds. There will be a funding adjustment based on the Spring Term census data and if the estimates are accurate, there will be a clawback of funds, which will reduce the anticipated surplus.
- 3.3 Participation of 2 year olds in Tameside is actually increasing but the DfE target number of potentially eligible families has reduced. This has therefore led to a reduction in our estimates. This is a combination of reducing birth rates but also a reduction in those being identified as eligible (from the DfE target data).
- 3.4 The estimated allocation of early years pupil premium has risen but this again is subject to the funding update discussed in 3.2.
- 3.5 A surplus is forecast on central retention which is mainly due to vacancies in the Early Years Quality Team and the SEMH Team. These posts have either been recruited to or are in the process of being recruited to.
- 3.6 There is a pressure forecast of the SEN Inclusion. There continues to be significant demand on the fund and there is potential this could increase further as an update is still required for the Spring Term for Schools. Based on the current forecasts this can be mitigated from the surplus on central retention but further review is required on the allocation of funding. This will be picked up when reviewing the allocation of funding for 2023-24.
- 3.7 This is a complex area of funding which will continue to be closely monitored and reported to Schools Forum.
- 4. DSG RESERVE AT 31 MARCH 2022 AND ESTIMATED POSITION AT 31 MARCH 2023**
- 4.1 Table 3 provides details on the closing position of the DSG reserve for 2021-22 and the estimated position of the DSG at 31 March 2023.

TABLE 3 – DSG Reserve

	2021-22 Surplus / (Deficit) £000	2022-23 Forecast Surplus / (Deficit) £000
DSG Reserve Brought Forward	(1,686)	(3,243)
Schools Block Changes		
In year position on business rates	49	(3)
In year position on the growth fund	128	355
Minor variations	0	2
Schools Block Subtotal	178	353
In year position on Central Schools Services Block	7	0
In year position on High Needs Block	(1,973)	(2,743)
In year position on Early Years	147	674
Early Years 2020-21 final adjustment	6	0
Estimated Early Years 2021-22 Adjustment and Final Adjustment as confirmed in July 2022	78	4
DSG Reserve after Commitments	(3,243)	(4,956)

Note the table above includes rounding's

- 4.2 If the 2022-23 projections materialise there would be a deficit of £4.956m on the DSG. A deficit recovery plan has been developed and submitted to the DfE. Discussions are continuing with the DfE and are ongoing. The position will continue to be closely monitored and updates reported to Schools' Forum

5. RECOMMENDATIONS

- 5.1 As set out at the front of the report.

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Agenda Item 5

Report to:	SCHOOLS' FORUM
Date:	19 January 2023
Reporting Officer:	Tim Bowman – Director, Education (Tameside and Stockport) Caroline Barlow – Assistant Director, Finance
Subject:	DEDICATED SCHOOLS GRANT (DSG) FUNDING FORMULA 2023-24
Report Summary:	A report on the arrangements concerning the DSG funding for 2023-24.
Recommendations:	Schools' Forum are RECOMMENDED to: <ol style="list-style-type: none">1. Approve the suggested funding formula for mainstream schools, which is Option 3 as set out in Section 3. This continues with national funding formula rates, sets MFG at 0.5%, has no gains cap and allows a transfer of 0.345% to the High Needs Block.2. Approve the growth fund as outlined in Section 3.3. Approve the transfer from the Schools Block to High Needs Block as outlined in Section 3.4. Members of the Primary and Secondary sectors are required to vote separately on the de-delegation of funding for Schools Contingency as outlined in Section 3.5. Support schools' continued contribution to Tameside Safeguarding Children's Partnership as outlined in Section 3.6. Approve the central retention of Early Years Funding as outlined in Section 5.7. Approve the allocation of the Central Services Schools Block as outlined in Section 6.
Corporate Plan:	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.
Policy Implications:	In line with financial and policy framework
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	The Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure. This report sets out the proposed allocation basis for all Tameside schools for 2023-24. The allocation of the High Needs element of this grant is insufficient to meet current spending or growth in number of pupils requiring support. The Schools Forum and the Council must continue to look for savings to address the growing High Needs deficit and continue to update DfE with progress against the DSG deficit recovery plan.
Legal Implications:	The legal framework for school budgets is set out in sections 45-53 of the School Standards and Framework Act 1998 and accompanying regulations. The School and Early Years Finance

**(Authorised by the
Borough Solicitor)**

(England) Regulations 2014 provide the framework for the funding of maintained schools including how the local authority may allocate their schools budget.

The School and Early Years Finance Regulations 2014 gave effect to the decision to reform school funding through a simplified local formula with greater delegation to schools and new arrangements for funding pupils with high needs. In addition, the School and Early Years Finance Regulations set out the requirements for determining the 2023/2024 financial year.

The Department for Education and Skills Funding Agency has also issued Operational Guidance for local authorities relating to school and early years budget setting to support Council's compliance with the Regulations.

Risk Management:

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.

There is insufficient funding allocated to the borough to meet the cost of Education in borough.

Access to Information:

NON-CONFIDENTIAL

This report does not contain information, which warrants its consideration in the absence of the Press or members of the public.

Background Information:

The background papers relating to this report can be inspected by contacting Caroline Barlow–Assistant Director of Finance, Financial Management, Governance, Resources and Pensions



Telephone: 0161 342 5584



e-mail: caroline.barlow@tameside.gov.uk

1. INTRODUCTION

- 1.1 This report sets out information on the allocation of the Dedicated Schools Grant (DSG) for 2023-24 and details of additional funding provided.
- 1.2 Section 2 is a summary of the DSG settlement from the DfE/ESFA.
- 1.3 Section 3 provides details of the Schools Block and the proposed funding formula for Mainstream Schools in Tameside in 2023-24.
- 1.4 Section 4 provides details of the outcome of consultation.
- 1.5 Section 5 provides details of the Early Years Block.
- 1.6 Section 6 provides details of the Central School Services Block (CSSB).
- 1.7 Please note details of the High Needs are included as a separate agenda item.

2. PROVISIONAL DSG SETTLEMENT FOR 2023-24

- 2.1 The provisional DSG settlement for Tameside for 2023-24 of £257.527m was received on 16 December 2022, with accompanying essential data released on 20 December 2022. All DSG funding must be deployed to schools and / or pupils in accordance with the School and Early Years Finance (England) Regulations 2023.
- 2.2 In addition to DSG, the government has announced it will invest an extra £2.3 billion per year in schools over the next two years. The actual increase to the education budget is £2 billion after an adjustment has been made to remove the element that related to the Health and Social Care Levy.
- 2.3 For Tameside, a Mainstream Schools Additional Grant (MSAG) for 2023-24 has been allocated totalling £6.915m. Schools will have the flexibility to prioritise their spending of the MSAG to best support the needs of their pupils and staff and address cost pressures. Additional funding of £1.636m has been allocated to support the High Needs Block.
- 2.4 Table 1 provides the breakdown of the provisional settlement for the four blocks within the DSG announced in December 2022, compared with the 2022-23 latest settlement figures.

TABLE 1 – DSG Settlement as at December 2022

DSG Blocks	2022-23 £000	2023-24 £000	Increase £000	% Increase	Additional Funding £000
Schools Block (includes Academies) *	196,372	201,052	4,680	2.38%	6,915
High Needs Block (before recoupment)	32,843	37,144	4,302	13.10%	1,636
Early Years Block	17,304	18,082	778	4.49%	
Central Services Block (CSSB)	1,182	1,249	67	5.66%	
Total Funding Including Growth	247,701	257,527	9,826	3.97%	8,550

Note: the table above includes roundings

* The 2022-23 allocation includes the School Supplementary Grant, which has been rolled into the 2023-24 DSG baselines. It should be noted Academy funding is recouped by the ESFA. The amount recouped by the ESFA is calculated using the formula set out in Section 3.

- 2.5 The Schools Block increase relates to an increase in DfE funding rates and an uplift for RPIX on PFI.
- 2.6 The High Needs block increase relates to an increase in pupil numbers and the per head gain Tameside is seeing as a result of the National Funding Formula. The gains cap is set at 7% for 2023-24, allowing Local Authority's (LAs) to see an increase up to this amount compared to the 2022-23 actual high needs allocation. The high needs block has nationally benefited from an additional £400m additional investment (referred to above). This results in an additional £1.636m allocated to Tameside meaning the overall increase to the high needs budget is £4.302m, 13.10% before recoupment. Further details are included in a separate agenda item.
- 2.7 The Early Years Block increase relates to an increase in the DfE funding rate rates and further details can be found in Section 5.
- 2.8 The CSSB increase relates to an increase an increase in the DfE funding rate, further information is provided in Section 6.

3. SCHOOLS BLOCK

- 3.1 The Schools Block is the largest element of DSG funding which provides the majority of funding for Mainstream Schools and Academies, with additional elements potentially being allocated through the Early Years and High Needs blocks. The schools block settlement from the DfE is made up of the following funding:
- A primary unit of funding (PUF) of £4,996.61
 - A secondary unit of funding (SUF) of £6,486.04
- 3.2 This core school funding covers funding for all pupil and school led factors in the funding formula. The PUF and SUF are multiplied by the pupil numbers in reception to year 6 plus pupils aged 4 to 10 not assigned to a year group for primary and pupils in years 7 to 11, plus pupils aged 11 to 15, not assigned to a year group for secondary.
- Premises – this includes PFI and business rates which are based on historical spend. Business rates are included in the LA allocation but will be top sliced from the DSG allocation and retained by the ESFA who will make payments to all LA's directly on behalf of Schools.
 - Growth – this is calculated using the difference between the primary and secondary numbers on roll on the October 2021 and October 2022 school censuses.

TABLE 2 – Schools Block Settlement from DfE

Element of Funding	Schools Block £000
Primary Funding (20,099.5 Pupils)	100,429
Secondary Funding (14,781 Pupils)	95,870
Premises	3,913
Growth	839
Total	201,052
Business Rates included within Schools Block	(2,003)
Total Allocation less Business Rates	199,048

Proposed Funding Formula for Mainstream Schools

- 3.3 The rates used for each sector to allocate the funding to each individual school are included at **Appendix A**.

- 3.4 The PFI funding continues to be delegated to the relevant schools. The delegated figures have been uplifted by RPIX of 11.2%, which reflects the increase in the unitary charge paid for the delivery of PFI services. This element of funding will be recovered by the LA in 2023-24 as in previous years.
- 3.5 Business Rates are funded to the equivalent value of the Business Rates charge for 2023-24. This funding is estimated and will be removed from Tameside's allocations and retained by the DfE who will pay this directly to Tameside MBC (the billing authority) on behalf of all Tameside Schools and Academies.
- 3.6 In 2023-24 LAs are able to set the Minimum Funding Guarantee (MFG) between +0% and +0.5% per pupil. A Gains Cap can be used, which is a limiting factor that limits the gain in pupil led funding per pupil that a School receives. This factor has been used in previous years to enable the LA to meet its statutory duty to set a balanced DSG budget.
- 3.7 The provisional figures from DfE indicated it would be affordable to:
- Continue to apply the 2023-24 national funding formula rates;
 - set the MFG protection at the highest rate of 0.5%;
 - remove the gains cap; and
 - still transfer 0.5% of the School Block Funding to the High Needs Block.
- 3.8 On receipt of the updated figures from DfE and with the updated data set (October 2022 census data) used to calculate the formula, the scenario in 3.7 above is not affordable within the funding allocation for the Schools Block as there is a shortfall of approximately £312k.
- 3.9 As set out in 3.1, the funding we are allocated as an LA is predominantly based on the PUF and SUF allocation. These rates are set prior to the data set (October 2022 census data) being updated, so do not take into account any changes in the data set. There has been a significant increase in the demand on funding within the Additional Education Needs (AEN) element of the funding formula. This includes FSM, FSM6, IDACI (deprivation factors), EAL, Low Prior Attainment and Mobility. Therefore, we have had to review how the formula could be affordable remaining as close as possible to the scenario we consulted schools on.
- 3.10 The options we have explored are as follows:
- **Option 1 – Include a gains cap to balance the budget:** There are 24 schools that would be affected by capping their gain, which would total approximately £315k. The cap would allow a gain up to 4.6% increase in funding. This assumes the MFG is set at 0.5% as stated in the consultation.
 - **Option 2 – Set the MFG at 0% and include a gains cap:** There are 7 schools who are in receipt of MFG and this would only save £34k which would be transferred to the gaining schools (of which 23 would be affected). To balance the budget there would need to be a cap of 4.7% (allowing an increase of funding up to 4.7%) which would total approximately £281k.
 - **Option 3 – Reduce the 0.5% transfer to the High Needs Block:** The 0.5% would provide £1.005m to support the High Needs Block. In order to balance the budget, keep MFG at 0.5% and have no cap on gains, the block transfer will need to reduce to 0.345%. This would provide support £694k to the High Needs Block.
- 3.11 Recognising the current financial climate and significant pressures on school budgets, the LA suggest that Schools' Forum approve Option 3 in setting the formula for 2023-24. There is significant pressure on High Needs, but all schools are facing increasing pressures. In adopting Option 3, support is still being given to High Needs and the gaining schools will receive the increased funding, which relates to the additional needs factors. Those schools with MFG also remain protected to the highest level.

Growth

- 3.12 There are 2 types of growth that are funded from the growth fund. Explicit Growth and Implicit Growth.
- Explicit growth relates to the specific growth fund and is allocated based on the growth criteria agreed by Schools Forum.
 - Implicit growth relates to adjustments to pupil numbers when calculating the funding; in this case for new and growing schools.
- 3.13 The policy for accessing the growth fund was agreed by Schools' Forum in June 2019 and continues to be the method for allocating explicit growth.
- 3.14 The estimated Growth Fund required in 2023-24 is £274k and detail of this is included in Table 3. There is no implicit growth in 2023-24 as the new schools now have all year groups. The final growth allocation will be based on actual numbers, which will be taken from the October 2023 census.

TABLE 3 – Explicit Growth

School	£000
Milton St John's CofE Primary School	14
St. Thomas More RC College	42
All Saints Catholic College	84
Audenshaw School	84
Droylsden Academy	42
Unallocated Growth	10
Total	274

De-delegation - Contingency

- 3.15 The contingency budget has been established to support those schools facing a deficit budget position or to support the DSG against any future pressures where schools are closing or are forced to convert to academy leaving a deficit balance, as this would need to be funded from DSG. It should be noted that a deficit balance transfers to the Academy Trust where the transfer to Academy is through a convertor route, i.e. the School chooses via an Academy order to convert to an Academy. The balance remains a DSG issue where conversion is forced as part of a Sponsored Academy conversion route required by the Secretary of State.
- 3.16 Where a school is in deficit or facing deficit in the next financial year they will be subject to a review in line with the School Deficit process as outlined within the Tameside Scheme Financing, the LA will work very closely with the school and its Governors to manage the deficit and ensure action is taken to address it
- 3.17 It is also anticipated that schools struggling to manage deficits where financial issues are beyond the control or influence of the Head teacher could apply. This would be exceptional circumstances, and where significant action had already been taken to bring the plan back into balance and where further cuts are likely to impact on the attainment of the pupils in the school.
- 3.18 Alongside this, support will be provided to schools closing with deficit balances to minimise the impact and potential pressure on the DSG.
- 3.19 The de-delegation rate for Contingency for 2023-24 remains at £5.81 per pupil. Agreement is sought from both the Primary and Secondary sectors to de-delegate in 2023-24. Should both sectors choose to contribute, based on the October 2022 census data, this would result in the following contribution to Contingency:

- Mainstream Primary Maintained Schools - £65k
- Mainstream Secondary Maintained Schools - £35k

3.20 There have been no requests made to the contingency fund during 2022-23. The fund will be carried forward into 2023-24 less any approvals that may be agreed before year-end.

3.21 The balances in contingency are as outlined in the table below.

TABLE 4 – Contingency Contributions

School	Primary £000	Secondary £000	Total £000
Balance at 31.03.2022	67	99	166
2022-23 De-delegations		34	34
Total	67	133	200

Safeguarding

3.22 As in previous financial years Schools are asked to support safeguarding in the borough, by agreeing to make a contribution of £3.03 per pupil towards the cost of the TSCP (Tameside Safeguarding Children Partnership). All schools are asked support the continuation of this arrangement in 2023-24. This equates to approximately £106k.

Risk Protection Arrangement (RPA)

3.23 Where schools have opted into this arrangement in 2022-23, the membership will continue on an ongoing basis. Should a school choose to opt out of the arrangement they would need to make their own risk protection arrangements. The cost of RPA for 2023-24 is £23 per pupil. The LA will continue to treat this in the same way as de-delegation items and recover the cost from the relevant schools on this basis as the DfE recover this funding from the DSG. It should be noted that nursery numbers are included to calculate the charge for the primary sector (where relevant).

Additional Funding

3.24 As stated at 2.3 of this report, the DfE have announced a Mainstream Schools Additional Grant. This will be paid as a separate grant for 2023-24 and it is the DfE's intention for this to be rolled into the DSG baseline allocation from 2024-25.

3.25 The allocation will be based on the October 2022 census. The basis of allocating this funding is as follows;

- basic per pupil rate for pupils (reception through to year 11), £119 for primary, £168 for key stage 3 and £190 for key stage 4
- a lump sum of £4,510 per school
- a rate for FSM6 (£104 per eligible primary pupil and £152 per eligible secondary pupil)

The school level allocations for 2023-24 will be published in May 2023.

4. OUTCOME OF THE SCHOOLS FUNDING CONSULTATION

4.1 In line with funding regulation requirements consultation has been carried out with all schools and Academies in Tameside with regards to the funding for 2023-24.

4.2 At the 27 September 2022 meeting, Schools' Forum agreed in principle to support a 0.5% transfer from the Schools Block to the High Needs Block in 2023-24, subject to affordability.

4.3 Consultation took place with all Schools and Academies between 12 December and 4 January. The consultation was carried out via survey monkey, and shared with all schools. Governor Services also shared the consultation with Chairs of Governors.

- 4.4 The consultation advised the allocation basis for the Schools Block funding continues to be based on the national funding formula. Based on the provisional LA allocation the MFG would be set at the highest rate of 0.5%, there would be no gains cap and the 0.5% transfer to the High Needs block was affordable on this basis. Schools were asked: Do you support a 0.5% transfer from the Schools Block to the High Needs Block (as agreed in principle with Schools Forum).
- 4.5 There were 18 responses received in total but there were duplicate responses received for two schools, which have been removed. 56% (9 respondents) support the 0.5% transfer and 44% (7 respondents after removing duplicates) do not support the 0.5% transfer.
- 4.6 Schools Forum are asked to note the outcome of consultation when making the schools block transfer decision.

5. EARLY YEARS BLOCK

- 5.1 Table 5 provides the current funding settlement for Early Years for 2022-23 and 2023-24. The settlement is based on the Schools, Early Years and Alternative Provision censuses data from January 2022. The 2023-24 information will be updated based on January 2023 census data.

TABLE 5 – Early Years Funding

Early Years Funding Streams	2022-23 Early Years Allocation at Nov 2022 £000	2023-24 Provisional Early Years Allocation £000	Increase / (Decrease) in Funding £000
3 & 4 Year Old Universal Entitlement	9,618	10,097	479
3 & 4 Year Old Extended Entitlement	4,506	4,730	224
2 Year Old Entitlement	2,888	2,919	31
Early Years Pupil Premium (EYPP)	198	204	7
Disability Access Fund (DAF)	94	132	37
Total	17,304	18,082	778

- 5.2 The increase in funding across all Early Years streams is due to an increase in the funding rates.
- 5.3 The rate the LA is funded on for 3 and 4 year olds has increased by £0.24 from £4.82 to £5.06 and by £0.06 for 2 year olds from £5.67 to £5.73. The increase in 3 & 4 year rate includes the rolling in of the teachers pay and pension grant which was paid as a separate grant in 2022-23 and prior years to Schools. This will be reviewed as part of the consultation as to the best way to allocate this.
- 5.4 The allocation rate for DAF has increased by £28 from £800 to £828. The allocation rate for EYPP has increased by £0.02 from £0.60 to £0.62 per hour per eligible pupil up to a maximum of 570 hours.
- 5.5 Consultation will need to be held with Early Years providers regarding the increased rates and therefore an additional Schools Forum meeting will be required to agree the rates of allocation for this element of funding. A report will be completed for this additional meeting proposed for 14 March 2023 with further information on the funding arrangements for the LA and for providers.

5.6 Approval is sought to centrally retain 5% (in line with the operational guidance) of 3 & 4 Year Old funding (£741k based on the current settlement) and £0.14 per hour (as a minimum) of 2 Year Old funding (£71k based in the current settlement).

5.7 The centrally retained funding will continue to support:

- Early Education Funding Team – This fully supports the administration of Early Years funding, the annual costs associated with the Servelec IT system which is used to calculate and process the payments to Schools and Private, Voluntary and Independent providers.
- Family Information Services – This supports an Information Officer. This post provides advice, guidance and information to families wishing to access Children’s services and was implemented to support the increased demands from the early years extended provision.
- Early Years Quality Improvement Team – This currently supports 5 Quality Officers which includes specialist SEND Quality Officers and will support a School Advisor for Early Years. Support is primarily in relation to: signposting and promoting the standard 15 hours offer and extended 30 hours offer; OFSTED regulations and standards; practice development and training; safeguarding; and Special Educational Needs and Disabilities related support. The focus of the team going forward is now weighted heavily towards SEND and language development.
- SEN Team – funding support for an Early Years SEN Caseworker as specific support for SEN in early years.
- Social Emotional and Mental Health service – funding support for an Early Year Co-ordinator as specific support in early years.
- Sensory Support – funding support for a Hearing Impaired Teacher as specific support for Early Years.
- Making it REAL (Raising Early Achievement in Literacy). This is aimed at supporting practitioners to build parents’ knowledge and confidence so that they can support their children with early language and reading and writing and create a positive early home learning environment. This programme is evidence-based and has been very successful in Oldham at raising GLD. We have run test cohorts in eight primary schools in Tameside and have rolled out the programme to 12 settings and three further schools for the 2021-22 academic year. The funding will be used to bring PVIs and more school nurseries on board with Making it REAL.

5.8 A detailed paper with proposed funding rates, SEN Inclusion Fund and outcome of consultation will be presented at the proposed 14 March 2023 meeting.

6. CENTRAL SCHOOL SERVICES BLOCK (CSSB)

6.1 The Central School Services Block to fund statutory duties the LA undertakes for both maintained schools and academies. The CSSB brings together:

- Funding previously allocated through the retained duties element of the Education Services Grant (ESG)
- Funding for ongoing central functions such as admissions which were previously top sliced from the schools block
- Residual funding for historic commitments of which there are none for Tameside MBC

6.2 The total allocation to the LA for 2023-24 is £1.249m. This is based on a per pupil element of £35.81 for ongoing duties (i.e. Admissions, Schools Forum, Copyright Licenses, former ESG duties).

6.3 National Copyright School Licenses are also funded from this block and the amount for 2023-24 is £209k.

- 6.4 The DSG operational guidance for 2023-24 requires the LA to formally request Schools Forum approval for the central retention of funding for the following:
- School Admissions
 - Servicing of Schools Forum
 - Contribution to responsibilities that LAs hold for all schools (formally the retained duties element of the ESG)
- 6.5 The budgets for the above are still being worked on but the costs overall are currently estimated in excess of £1.2m. There is £1.040m available to support these costs, which Schools' Forum is requested to approve.

7. CONCLUSIONS

- 7.1 The LA suggested funding formula for mainstream schools would allow a transfer of 0.38% to the High Needs Block from the Schools Block whilst allocating funding using the national funding formula rates with an MFG of 0.5% and no gains cap.
- 7.2 Government are providing additional funding which Schools will have the flexibility to use to best support the needs of their pupils and staff and address cost pressures.
- 7.3 Early Years funding rates have increased and consultation with providers will take place to determine how the increase will be distributed.
- 7.4 Central Services Grant has marginally increased however the cost of these service has also increased.

8. RECOMMENDATIONS

- 8.1 As set out at the front of the report.

APPENDIX A

Rates for the Mainstream Funding Formula	Rates for Primary Sector 2023-24 £	Rates for Secondary Sector 2023-24 £
Basic Entitlement (AWPU)		
Primary	3,394	
Secondary - KS3		4,785
Secondary - KS4		5,393
Deprivation		
FSM	480	480
FSM6	705	1,030
IDACI band F	230	335
IDACI band E	280	445
IDACI band D	440	620
IDACI band C	480	680
IDACI band B	510	730
IDACI band A	670	930
English as an Additional Language (EAL)	580	1,565
Low Prior Attainment	1,155	1,750
Mobility	945	1,360
Minimum Funding Level	4,405	5,715
Lump Sum	128,000	128,000

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Agenda Item 6

Report to:	SCHOOLS' FORUM
Date:	19 January 2023
Reporting Officer:	Tim Bowman, Director of Education, Tameside and Stockport
Subject:	HIGH NEEDS BUDGET AND DEFICIT RECOVERY UPDATE
Report Summary:	This report provides an update on the DSG deficit position in both 2022-23 and 2023-24 along with updates on the Delivering Better Value programme and the action plan to address spending pressures.
Recommendations:	Members of the Schools' Forum are requested to note and support the contents of the report.
Corporate Plan:	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.
Policy Implications:	In line with financial policy and framework.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>The High Needs funding is part of the Dedicated Schools Grant (DSG). It is a ring fenced grant solely for the purposes of schools and pupil related expenditure.</p> <p>The way in which local authorities account for DSG deficits has been altered by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020 (SI 2020 No 1212), made by what is now the Department for Levelling Up, Housing and Communities (DLUHC), which require DSG deficits to be held in a separate reserve in local authorities' accounts. There has been an extension to this accounting treatment for a period of 3 years taking this up to financial year 2025-26 after which the statutory override will be removed as there is expectation on LA's will have managed the deficit and secured a balanced DSG budget during this period.</p> <p>There is currently therefore no immediate call on the Council's balances to fund this deficit.</p> <p>There is however, a requirement from the DfE to produce a high needs deficit recovery plan, and as a consequence, Tameside has been invited to take part in the Department for Education's Delivering Better Value programme. Participation in this programme will be critical in supporting the Local authority (LA) in understanding the options available to manage the high needs deficit recovery plan and create a high needs system that meets demand in a way that is equitable and financially sustainable.</p>
Legal Implications: (Authorised by the Borough Solicitor)	<p>As set out in the main body of the report the council has to manage the current budget deficit with the expectation that the budget will be balance by 2026 whilst still meeting its statutory responsibilities</p> <p>The report also provides an update on The Delivering Better Value Programme (DBV) which is commissioned by the DfE to support local authorities to identify the highest impact, sustainable changes</p>

that it can make to better support local children and young people with SEND.

Risk Management:

The correct accounting treatment of the DSG 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 as the DfE's current expectation is that LA's balance their in year spending through their deficit management plan, there is a real risk that Tameside will not be able to balance the high needs budget within current funding levels and demand on specialist places and provision..

There is the risk that the number of EHCPs will continue to grow despite the management action being taken outlined in the report, which could impact on the LA's ability to reduce the deficit.

There is a risk that the DfE Green paper will not move at a sufficient pace to make enough impact to change current demand.

Access to Information:

NON-CONFIDENTIAL

This report does not contain information which warrants its consideration in the absence of the Press or members of the public.

Background Information:

The background papers relating to this report can be inspected by contacting Caroline Barlow – Assistant Director of Finance, Financial Management, Governance, Resources and Pensions



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1. INTRODUCTION

- 1.1 This report provides an update in relation to the High Needs DSG deficit position in 2022-23 and the updated funding allocation for 2023-24.
- 1.2 The report gives an update on the DfE's Delivering Better Value programme that Tameside have been invited to take part in.
- 1.3 The report provides an update on the proposals and work streams already in the Management Action plan to start to address the DSG High Needs deficit.

2. HIGH NEEDS BUDGET POSITION 2022-23

- 2.1 The high needs has been updated following the autumn term real time exercise and the impact on the budget is shown in table 1 below.

TABLE 1 – High Needs Budget Position 2022-23

High Needs Budget Position 2022-23	2022-23 Original Forecast £000	2022-23 Forecast Budget Summer Term £000	2022-23 Forecast Budget Autumn Term £000	2022-23 Variance £000	% Change
Mainstream	3,642	4,055	4,400	(758)	20.81%
Special	12,129	12,697	12,842	(713)	5.88%
TPRS	2,767	2,771	2,777	(10)	0.37%
Resourced Units	523	580	597	(74)	14.16%
Independent Schools	2,500	3,434	3,723	(1,223)	48.91%
PVI Settings	77	94	131	(54)	70.51%
NMSS	385	409	443	(59)	15.27%
OOB (Pre 16)	1,478	1,833	1,890	(412)	27.91%
Post 16	3,051	3,508	3,672	(621)	20.36%
Hospital Education	95	95	95	0	0.00%
SEN Support Services	1,882	1,882	1,882	0	0.00%
Income OOB	(405)	(388)	(458)	53	13.13%
Income OOB	(160)	(160)	(160)	0	0.00%
Total Spend	27,964	30,810	31,834	(3,872)	13.85%
Original Funding	31,617	31,617	31,617	0	0.00%
Supplementary Grant	1,300	1,300	1,300	(0)	0.01%
Academy Recoupment	(4,125)	(4,125)	(4,125)	0	0.00%
Adjusted Import / Export	0	(51)	(75)	75	100.00%
Total Funding	28,792	28,741	28,717	75	-0.26%
In Year Deficit Before Growth	828	(2,069)	(3,117)	3,947	
Projected in Year Growth:					
Summer Term Real Time	2,341	(579)	(579)		
Autumn Term Real Time	1,823	1,823	610		
Spring Term Real Time	1,237	1,237	1,237		
Total Growth	5,401	2,481	1,268		
0.5% transfer Schools Block	0	0	0		
High Needs Block In Year 2022-23 Deficit	(4,573)	(4,550)	(4,385)		

- 2.2 The position is slightly improved on the summer term and is now forecasting an in-year deficit of £4.385m, this is before any transfer from the schools block or any savings identified, as part of the high needs review.
- 2.3 The agreed transfer from schools block in 2022-23 was £0.954m so this will reduce the in-year deficit to £3.431m.

- 2.4 The proposed savings identified total £0.688m and are detailed in table 2 below .These savings would further reduce the in-year deficit to £2.743m, however, there is a risk attached if these savings do not materialise in full this financial year. A further update on progress is included in Section 6.

TABLE 2 – Proposed Savings

Planned Savings	2022-23 £000
Resource Base Review	152
Growth and Overcapacity	50
Contract Review	288
TPRS and improved inclusive practice	198
Total Savings	688

3. GROWTH IN YEAR

- 3.1 The spend against forecast Growth continues to be broadly in line with the planned budget.
- 3.2 The original budget included growth of £5.401m and at December 2022, 77% of this budget has been spent. Growth was predicted to be spent more or less equally over the financial year so we would have expected to have spent around 75% of the budget so far, at 77% this could indicate growth could be slightly higher than expected. Also some of the growth appears in areas not anticipated as Table 3 below shows. There continues to be higher than expected growth in the Independent Sector, Out of Borough placements and Post 16. Whereas Growth in mainstream and special schools is lower than expected. Growth is also currently lower in the resourced sector and this is due to some delays in establishing new resourced bases. Growth will continue to be monitored closely and a more detailed review will need to be carried out following updated intelligence from the SEN team as well as updates on the new resourced units.

TABLE 3 – Review of Growth Spend to date

Sector	Growth Provision £000	Actual Growth to Date £000	% Spent	Remaining Growth £000	% Left
Mainstream	2,108	872		1,236	
Special	1,387	724		663	
Resourced Units	767	74		693	
Independent Schools	908	1,307		(399)	
PVI	0	54		(54)	
NMSS	0	59		(59)	
OOB (Pre 16)	0	412		(412)	
Post 16	231	631		(400)	
Totals	5,401	4,133	77%	1,268	23%

- 3.3 In line with the growth spend above the number of EHCP'S has continued to increase in line with predictions. Table 4 below shows the number of EHCP's was expected to grow by 303 new plans in this financial year. Currently there has been growth of 203 plans at December 2022 leaving provision for further growth of 100 plans expected by March 2022.

TABLE 4 – GROWTH IN EDUCATION HEALTH & CARE PLANS (EHCP'S)

	Total Number of EHCP's	Growth in NOR	Growth %
No of EHCP's April 2022	1,974		
Expected Growth by March 2022	2,277	303	15%
Growth at December 2022	2,177	203	67%
Remaining Growth		100	33%

4. HIGH NEEDS `BUDGET 2023-24

- 4.1 Following the update at last forum meeting in September 2022, the provisional high needs funding settlement has been updated with the December 2022 announcements and these are included in Table 5a and 5b below along with a comparison to 2022-23.

TABLE 5a – Updated High Needs Settlement 2023-24

	2022-23 Allocation £000	2023-24 Allocation £000	Difference £000	%
2022-23 Historic spend factor	8,818	8,818	0	0.00%
2022-23 Other proxy factor funding	22,703	26,807	4,104	18.08%
2022-23 Funding floor factor	0	0	0	0.00%
2022-23 Gains limit adjustment	(2,988)	(3,479)	(491)	16.43%
Additional funding for special free schools	42	0	(42)	-100.00%
Supplementary funding	£1,300	0	(1,300)	-100.00%
Adjusted 2022-23 baseline	29,875	32,146	2,271	7.60%
Basic Entitlement	3,633	£3,981	348	9.58%
AP Factor	187	192	5	2.55%
Less Import / Export	(852)	(810)	42	-4.93%
Published December 2022	32,843	35,509	2,666	8.12%
New Additional Funding	0	1,636	1,636	
Final Allocation Published December 2022	32,843	37,144	4,301	13.10%
Less Recoupment	(4,125)	(4,264)	(139)	3.37%
Total HN Block (After Recoupment)	28,718	31,245	2,527	8.09%

Note: table includes roundings

- 4.2 This funding is subject to further updates in the financial year 2023-24 to reflect 2023-24 high needs places and import / export adjustments.
- 4.3 Tameside are seeing an increase in the National Funding Formula allocation of £2.666m, 8% and this is after the schools supplementary funding from 2022-23 has been rolled into the 2023-24 baseline and the budget is updated with growth in pupil numbers from the October 2022 census as below.

TABLE 5b – Updated Pupil Numbers funded in High Needs Block

Basic Entitlement	2022-23	2023-24	Difference
Increase in Numbers	773	847	74
Cash Value £	4,700	4,700	0.41
Total Allocation £	3,632,845	3,980,968	348,123

- 4.4 In addition, the government has announced it will invest an extra £2.3 billion per year in schools over the next two years. The actual increase to the education budget is £2 billion after an adjustment has been made to remove the element that related to the Health and Social Care Levy. Of this increase, the high needs block will benefit from an increase of £400 million and in Tameside this means an additional £1.636m taking the overall increase to £4.301m, 13% compared to 2022-23.
- 4.5 Local Authorities (LA's) are required by the Dedicated Schools Grant (DSG) conditions of grant to pass on to special schools the allocations of additional funding using a proportion of their additional high needs funding in 2 ways:
- For 2023-24, a Minimum Funding Guarantee (MFG) will be applied to special schools budgets. Previously this has always been set at 0% however, for 2023-24, it has been set at 3% (compared to the 2021-22 baselines)
 - For 2023-24, special schools and Alternative Provision (AP) Schools will receive a separate additional allocation amounting to 3.4% of their total place and top up funding allocated in 2022-23.
- 4.6 The additional 3.4% funding allocation will be excluded from the MFG calculations, so that schools receive both the 3% MFG increase over 2 years and the additional 3.4% in 2023-24.
- 4.7 The LA is currently modelling how this funding will be passported to special and AP schools and both elements of the additional funding will be included in the budget allocations distributed to schools end of February.
- 4.8 The additional funding to both schools and the high needs budget is good news and will go some way to supporting the pressures schools are facing in terms of pay awards and inflation. And although it will in some way mitigate some of the pressure on the high needs deficit budget there will continue to be a significant deficit to manage both on the in-year and cumulative deficit position.
- High Needs Commissioned Places' in special schools and AP Sept 2023**
- 4.9 The number of commissioned places have been agreed with AP & special schools for September 2023 and are shown below in Table 6a and 6b .Details of places commissioned in resourced units is included in Section 6.

TABLE 6a – Commissioned Places in Alternative Provision (AP)

Pupil Referral Service	Current No's Sep-22	Commissioned No's Sep-23
Tameside PRS	130	130

TABLE 6b – Commissioned Places in special schools

Special Schools	Current No's Sep-22	Commissioned No's Sep-23
Hawthorns	194	220
Thomas Ashton	93	100
Oakdale	149	146
Cromwell High	137	140
Samuel Laycock	215	230
Total	788	836

5. DELIVERY BETTER VALUE (DBV) UPDATE

- 5.1 The programme aims to support local authorities to improve delivery of SEND services for children and young people while ensuring services are sustainable. The programme will provide dedicated support and funding to LA's with less severe deficits than those in the Safety Valve programme.
- 5.2 The LA's are split in 3 tranches and Tameside are part of Tranche 2.
- 5.3 The programme will comprise of two phases as follows:

Phase 1: 6 months – supported by a delivery partner, SEND Advisers and Financial advisers and involving comprehensive diagnostics comprising:

- Local area stocktake (assessment of existing processes, plans, capability, relationships, etc.).
- Facilitation of key stakeholder engagement for each authority
- Data analysis and assurance.
- Identification of root cause/underlying cost drivers and mitigating solutions/reforms.
- Improvement plan including reform implementation critical path
- A quality assured DSG management plan.

DfE will provide a small grant to support data analysis and assurance at the beginning of this phase.

DfE will agree with each LA critical elements of its action plan to be funded at the end of phase 1.

Phase 2: 18 months – supported by SEND Advisers and regional teams. Implementation of action plans produced in phase 1, with critical elements funded through Section 14 grants.

- 5.4 Newton Europe, in collaboration with the Chartered Institute of Finance and Accountancy (CIPFA) is working with the DfE to deliver phase 1 of the programme and the timeline for Phase 1 work with Tranche 2 LA's is covered below:

Evaluation & Sep Up	Data Prep & Analysis	Dec 2022 – Feb 2023
Module 1	Baselines & Forecasts	Early March 2023
Module 2	Root Cause Damage	Late March 2023
Module 3	Implementation Planning	May & June 2023
Grant Application	Submit application for funding	End of June 2023

6. UPDATE ON MANAGEMENT ACTION PLAN

6.1 Growth and Over Capacity Funding

Further to a report approved by Schools Forum 24 November 2020, regarding funding additional places in specialist settings, the report looks to bring the local approach in line with national funding guidance. The first 5% of growth after the annual place commissioning has taken place will not be funded. Along with this where places have been commissioned but not filled in specialist settings, consideration will be given to offsetting top-up payments against unutilised place funding. It was anticipated rather than an actual savings there would be a potential cost avoidance of £50,000 per annum. In 2022-23 this has already been reached and currently estimated savings will total approx. £82,000 in 2022-23 and affect 3 schools.

6.2 Resourced Base Review

As part of the specialist provision, the council have consulted on implementing additional local resource bases in mainstream settings. This is considered good practice in terms of keeping pupils in the local community to build networks and support inclusive practice.

This proposal sought to establish 40 additional local places in 2021-22, a further 40 places in 2022-23 and 40 more in 2023/24.

Progress to date is included in Table 6 below.

A total of 41 new places were established in September 2021 and in September 2022 there has been some reconfiguration of provision along with extensions in some of the established bases. Although no new bases have been opened, in September 2022 work continues to expand this model both in the primary and secondary settings and discussions are ongoing with a number of schools.

This proposal does not offer financial savings but does help in addressing demand in borough and avoid more costly placements in independent and non-maintained schools, average cost of a placement in an Independent setting costs £35,000 per placement as opposed to £10,000 per placement in a local base.

TABLE 6 – Resourced Places

Resourced Places	Existing Places	New Places Sept 21	New Places Sept 22	New Places Sept 23	Total Places
Corrie		10			10
Russell Scott	6	4		-9	1
Rosehill		10	3	2	15
Oakfield	8	8	1	-1	16
Linden Road	4				4
Greenside	10	10	2		22
St John Fisher	12				12
St Thomas Moore	19	-1	-2	-3	13
Hyde High	2		3		5
Total Places Established	61	41	7	-11	98

6.3 Top Up Rate Review

Taking into consideration that the Green Paper proposes the implementation of a new national framework of banding and price tariffs and the DBV programme is due to start this month which will include a review of top up rates the work that had started in relation to the

Matching Provision to Need (MPTN) document has been paused. Further updates will follow as part of the DBV programme updates.

6.4 Contract Review

One of our special schools has a PFI style contract. A review of this contract has been undertaken to see if it represents value for money and it is envisaged savings could be found from this contract. Elected members at the Executive Council have requested that the Director of Education brings back a further report to Cabinet setting out the options to terminate the Facilities Management (FM) agreement with both Great Academies and Samuel Laycock. This will reduce the liabilities the council retains under the FM Agreement with the LEP given it no longer has the funding to address these. This work is progressing and on completion it is expected potential savings to the High Needs block as a result of this review will be approximately £279,000 per annum.

6.5 Tameside Pupil Referral Service (TPRS) Funding and Inclusive Practice

A review of the funding model for TPRS was considered, TPRS received funding removed from schools in line with guidance for the funding to follow the child where exclusions occur and give to the admitting schools, where the pupil had not been admitted to a new school by the end of the financial year. This funding was on top of the council commissioning a number of alternative provision places from TPRS. After review and discussion it has been agreed that this funding will instead be returned to the High Needs Budget. This realised savings of £61,112 in 2021-22 and is on target to achieve approx. £160,000 in 2022-23.

In addition, a review of the number of places commissioned and inclusive practice with schools will continue to explore appropriate funding through working groups with the Tameside Primary Consortium (TPC) and Tameside Association of Secondary Headteachers (TASH).

6.6 Growth and Over Capacity Funding

Further to a report approved by Schools Forum 24 November 2020, regarding funding additional places in specialist settings, the report looks to bring the local approach in line with national funding guidance. The first 5% of growth after the annual place commissioning has taken place will not be funded. Along with this where places have been commissioned but not filled in specialist settings, consideration will be given to offsetting top-up payments against unutilised place funding. Again there is not a saving in this proposal just potential cost avoidance and to date in 2022-23 this will be approx. £82,000 and affects 3 schools.

7. CONCLUSION

7.1 The management plan will be updated when final decisions on the funding allocations to schools are known in the next couple of months. This will include a full update on savings achieved and impact on future years.

7.2 Work on the DBS programme will start over the few months and this work will be critical to understanding the options available to managing the deficit and management recovery plan as well as understanding the grants available to us to support future implementation and delivery plans.

8. RECOMMENDATIONS


8.1 As set out at the front of the report.

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Agenda Item 7

Report to:	SCHOOLS FORUM
Date:	19 January 2023
Reporting Officer:	Tim Bowman, Director of Education (Tameside and Stockport)
Subject:	SCHOOL IMPROVEMENT DE-DELEGATION
Report Summary:	This report aims to seek de-delegation from maintained schools to fund the school improvement function previously funded by the School Improvement and Brokerage grant.
Recommendations:	We ask that Forum: Agrees to de-delegation for the maintained sector at a cost per pupil of £12.78
Corporate Plan:	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.
Policy Implications:	In line with financial and policy framework.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	The Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure from which de-delegation decisions are funded. This de-delegation is vital to ensure support can continue to be provided. Any cost pressure created as a result of schools deciding not to de-delegate funding would have to be managed by a reduction in service or the council may apply to the Secretary of State via a disapplication of regulations to secure funding.
Legal Implications: (Authorised by the Borough Solicitor)	As set out in the main body of the report this change in delegation of the funding is required following the decision by the Department for Education in relation to how the funded it provided. The use of the funding will still be subject to the same level of scrutiny and oversight.
Risk Management:	There is a funding and function risk to schools and the LA if the funds are not secured.
Access to Information:	NON-CONFIDENTIAL This report does not contain information, which warrants its consideration in the absence of the Press or members of the public.

Background Information: The background papers relating to this report can be inspected by contacting Jane Sowerby

 Telephone: 0161 342 3247

 e-mail: jane.sowerby@tameside.gov.uk

1. INTRODUCTION AND BACKGROUND

- 1.1 Following the decision by the DfE in 2022-23 to remove the School Improvement Monitoring and Brokering Grant, Local Authorities (LAs) were required to seek de-delegation of schools block funding from maintained schools to support any on ongoing LA School Improvement activity costs. As noted last year the transitional grant was available in 2022-23 only so School Improvement will need to be de-delegated in full in 2023-24.
- 1.2 The purpose of the grant was to provide support to local authorities in England for expenditure lawfully incurred relating to local authorities' statutory school improvement functions. This relates to maintained schools in Part 4 of the Education and Inspections Act 2006 and the school improvement expectations relating to maintained schools set out on page 36 of the Schools Causing Concern Guidance. In summary, these functions require local authorities to monitor the performance of schools, broker or provide school improvement provision, and intervene as appropriate.
- 1.3 Since 2017, this Grant has been provided to support councils to fulfil their core improvement activities, with the amount received by each council proportionate to the number of maintained schools in their area.
- 1.4 The Department for Education updated the Schools Causing Concern Guidance October 2022 to make it clear that core school improvement activity goes beyond solely exercising formal intervention powers.
- 1.4 In line with the direction of travel of the Schools White Paper 2022, the Government has now fully removed the Grant. This report seeks a decision on de-delegation for School Improvement for 2023/24
- 1.5 In January 2022, Schools Forum agreed to de-delegate 50% of the School Improvement Monitoring and Brokering Grant. This was in line with the removal of the Grant and the transitional funding arrangement. Schools Forum also supported the request for academies to buy into the offer under an SLA arrangement. Tameside has strong relationships with the whole schools sector. The relationships between maintained schools, academies and the LA are an important part of the success of the schools system in Tameside. All stakeholders are keen to maintain, support and further develop these relationships.

2. FINANCIAL INFORMATION

- 2.1 The School Improvement Monitoring and Brokering Grant in the financial year 2021-22 was worth £213k in total. Maintained schools agreed to de-delegate £106k from the Dedicated Schools Grant in 2022-23 and a transitional grant of £97k was received directly from the DfE. The FY 2022-23 per pupil cost was set at £6.12.
- 2.2 Due to the transitional arrangement ending, in 2023-24 the de-delegated cost per pupil will increase to £12.78 per pupil

3. WHY THE DE-DELEGATION IS IMPORTANT

- 3.1 Since 2018, the model of School Improvement activity in Tameside has not been limited to maintained schools, with Continuing Professional Development (CPD) and support being available to any school that may need it. The Council will also invite academies to buy into the School Improvement Service which will ensure that we retain the ability to support the whole sector and retain equity, which has proved so successful in Tameside over the last four to five years.

- 3.2 All schools need to be part of the big picture. Tameside's school improvement model is built on partnerships and relationships. It is collaborative and seeks to engage all schools in a variety of consultative and task and finish groups. Strategy and priority setting is based on full engagement with the Tameside Primary Consortium, Tameside Association of Secondary Headteachers and Special Schools Sector Partnership. It has never been more important that this continues and grows, in the next phase of Government schools policy.
- 3.3 The grant/de-delegation currently funds the work of the Head of Education Improvement and Partnerships, including commissioning and brokering budgets for school improvement.
- 3.4 Education Improvement and Partnerships ensures cohesion across the school system; facilitating working together responsibly between schools and with the local authority. The service provides an infrastructure for the school system, attracting partners and funding to the area, enabling opportunities to develop at a systemic level such as The Ogden Trust and University of Manchester Science partnership, the Education Endowment Foundation and Research School partnership, English and Maths Hubs, Mental Health Support Teams, BeeWell, transitions including Six into Seven, and Priority Area planning.
- 3.5 The grant/de-delegation supports the LA to meet needs before schools reach a critical point of failure. Monies are used to help support schools and prevent Tameside children from being at risk of attending a school that is less than good, long before being eligible for intervention. This may include commissioned improvement support from an academy trust or funded evidence-based approaches which address priorities agreed with the LA.
- 3.6 In addition to supporting strategic and operational cohesion in the schools system the grant/de-delegation is also intended to support the LA with its school improvement statutory duties and powers of intervention which include:
- Ofsted engagement and liaison
 - Annual categorisation process of primary schools and development of the Primary Standards and Performance Protocol
 - Implementing Schools Causing Concern guidance
 - Brokering and monitoring school-led improvement partnerships e.g. schools at risk of becoming inadequate or double RI
 - Commissioning and facilitating support for RI, Inadequate and category 3 schools
 - Data collection, management, and support outside of the data SLA
 - Statutory moderation for primary schools.

4. CONCLUSION

- 4.1 The LA requests maintained schools support the full delegation in 2023-24.
- 4.2 Education Improvement and Partnerships ensures cohesion across the school system; facilitating working together responsibly between schools and with the local authority.
- 4.3 Since 2018, the model of School Improvement activity in Tameside has not been limited to maintained schools, with CPD and support being available to any school that may need it. By offering a School Improvement Service that academies can buy into, we will ensure that we retain the ability to support the whole sector and retain equity, which has proved so successful in Tameside over the last four to five years.

5. RECOMMENDATIONS

- 5.1 As set out at the front of the report.