



Nottingham City Council Schools Forum

Date: Tuesday, 7 December 2021

Time: 1.45 pm

Place: Zoom & live-streamed: <https://www.youtube.com/user/NottCityCouncil>

Councillors are requested to attend the above meeting to transact the following business

Director for Legal and Governance

Governance Officer: Mark Leavesley

Direct Dial: 0115 876 4302

- | | | |
|----------|---------------------------------------------------------------------------------------------------|---------|
| 1 | Apologies for Absence | |
| 2 | Declarations of Interest | |
| 3 | Minutes | 3 - 8 |
| | Last meeting held on 12 October 2021 (for confirmation) | |
| 4 | Central expenditure budget 2022/23: on-going commitments | 9 - 18 |
| | Report of Corporate Director for People | |
| 5 | Central expenditure budget 2022/23: historic commitments | 19 - 50 |
| | Report of Corporate Director for People | |
| 6 | Early Years Central Expenditure 2022/23 | 51 - 58 |
| | Report of Corporate Director for People | |
| 7 | Proposed pupil growth allocation for 2022/23 | 59 - 74 |
| | Report of Corporate Director for People | |
| 8 | De-delegation of funding for Trade Union time off for Senior Representatives for 2022/2023 | 75 - 82 |
| | Report of Corporate Director for Finance and Resources | |

If you need any advice on declaring an interest in any item on the agenda, please contact the Governance Officer shown above, if possible before the day of the meeting

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Nottingham City Council Schools Forum

**Minutes of the meeting held remotely via Zoom on Tuesday 12 October 2021
from 1:48pm to 2:32pm**

Membership

Present

Judith Kemplay (Maintained Primary
Head Teachers) (Chair)
Paul Burke (Secondary Academies) (Vice
Chair)
Meeta Dave (Primary Academies)
Kerrie Fox (PRUs)
Patricia Lewis (Maintained Special
Schools)
Stephen McLaren (The Nottingham
Nursery School)
Janet Molyneux (Maintained Primary
Governors)
Andy Smith (Secondary Academies)
Terry Smith (Maintained Primary Head
Teachers)
Sheena Wheatley (Trade Unions)
Bob White (Secondary Academies)
Lisa Wilson (14-19 Education)

Absent

Kerrie Henton (AP Academies and
Free Schools)
Tim Jeffs (Primary Academies)
Lee Morgan (Special Academies)
Debbie Simon (Early Years PVI)
James Strawbridge (Primary
Academies)
Cath Rowell (Secondary
Academies)
David Tungate (Secondary
Academies)

Colleagues, partners and others in attendance:

John Dexter - Director of Education
Julia Holmes - Senior Commercial Business Partner
Nick Lee - Director of Education Services
Adrian Mann - Governance Officer
Kathryn Stevenson - Senior Commercial Business Partner

1 Nomination of Chair

**Resolved to appoint Judith Kemplay as Chair of the Schools Forum for the
2021/22 academic year.**

2 Nomination of Vice Chair

**Resolved to appoint Paul Burke as Vice Chair of the Schools Forum for the
2021/22 academic year.**

3 Apologies for Absence

Tim Jeffs - Primary Academies
James Strawbridge - Primary Academies

Christine Green - Strategic Finance Business Partner
Ceri Walters - Head of Commercial Finance

4 Declarations of Interests

None.

5 Minutes

The Forum confirmed the minutes of the meeting held on 29 June 2021 as a correct record and they were signed by the Chair.

6 High Needs Places Consultation

Kathryn Stevenson, Senior Commercial Business Partner, gave a presentation on the proposed high needs place changes for the 2022/23 academic year. The following points were discussed:

- (a) the Schools Forum is a required consultee in the setting of the high needs budget. The development of high needs place change requirements is led by the Special Educational Needs and Disabilities team and will be finalised over the next few weeks;
- (b) it is sometimes necessary to make changes to the number of high needs places outside of the normal Education and Skills Funding Agency (ESFA) process, and the position will be formalised when the place number changes identified are submitted to the ESFA by 12 November 2021;
- (c) there is a potential opportunity to set up an Autism Spectrum Disorder (ASD) class of 8 at Woodlands from next September, which will be discussed with the school. Currently, 12 extra places are required already and need to be formalised at Nethergate, as well as a further class of 8 for next September. The need for ASD places is increasing and top-ups are provided for those pupils at the same level as at Rosehill Special School, reflecting the level of need of this cohort. This has budget implications, and the Woodlands and Nethergate additional ASD places will be built into the budget from next September. It is proposed to reduce Oak Field's planned places by 2, with no changes proposed for Rosehill or Westbury;
- (d) two new Special Resource Units (SRU) are coming online in September, at Djanogly Strelley and Fernwood Primary. There will be a possible new SRU place at Bluecoat Primary, which would be offset by one less place at Bulwell Academy. Mellers Primary has taken on specialist deaf provision, and final high needs place numbers are being reviewed for Nottingham College, as a Further Education provider;
- (e) there is a cost impact of £195,000 on the 2021/22 budget, for unbudgeted extra special school places required from September 2021. An in-year high needs block increase of £113,000 will offset this pressure, along with a £30,000 specials contingency and a projected under-spend in the SRU budget. However, there will be an additional £770,000 budget requirement for special schools for 2022/23 arising from these place number changes, assuming a 2% funding uplift and a reduced budget requirement for SRUs of £17,000;

- (f) in respect of long-term planning, the Department for Education has given a High Needs Provision capital allocation of £2,550,000. Detailed analysis and scoping work is being carried out to produce business cases for future spending, which would require approval at the Capital Programme Board.

The Forum noted the report.

7 Funding Update for 2022/23 and the National Consultation on Completing the Forms to the National Funding Formula

Julia Holmes, Senior Commercial Business Partner, presented a report on the changes to the schools and high needs national funding formulas for the 2022/23 financial year, and on the Department of Education's (DfE) 'Fair schools funding for all' consultation. The following points were discussed:

- (a) in the main, the basic structure of the schools National Funding Formula (NFF) is not changing in the 2022/23 financial year. However, funding allocated through the free schools meals Ever6 factor will be moving from using the previous year's January school census to using the October school census. This removes the nine month lag in funding;
- (b) local authorities can set the minimum funding guarantee (MFG) between +0.5% to +2%. The Council intends to set the MFG per pupil as near to the maximum of 2% as possible. The indicative school budget allocations released in July 2021 were based on the pupils on the October 2020 school census, but the final funding allocations will be based upon the pupils on the October 2021 school census, and these will be notified to the Council in December 2021. In total, 81 schools in the city are still forecast to be in receipt of protection, so this means that the majority of schools will only see an increase of 2% in pupil-led funding per pupil;
- (c) the Council will receive the maximum allowable increase in high needs funding of 11% in the financial year 2022/23. Business rates are to be paid centrally by the DfE to the Council from 2022/23. Schools and academies will no longer be required to physically pay the invoices for business rates;
- (d) the Education and Skills Funding Agency (ESFA) has reduced historic commitments funding by a further 20% compared to the 2021/22 baseline, representing a total loss of income to the Council of £2.693 million during the 2020/21 and 2022/23 financial years. These funding cuts will be reflected in the Council's Medium Term Financial Strategy, but the required savings will not be made from schools funding;
- (e) the DfE is progressing with its proposals to move towards a 'hard' schools NFF in the 2023/24 financial year, with the aim that all funding distributed by the NFF should be allocated to schools on the basis of the hard formula without further local adjustment. The Council's approach mirrors the schools NFF already, so this should not represent a substantial change. However, the DfE will be running a transition and review process, as part of its implementation;

- (f) the main changes proposed by the DfE for the NFF are the introduction of new funding methodologies for allocating funding for premises, and for pupil growth. This will involve further consultation on allocating funding through the Private Finance Initiatives, exceptional circumstances and split sites factors. In terms of pupil growth, the DfE is proposing that local authorities will be asked to submit pupil number forecasts, and these will be funded on a standardised national funding criteria. Whether or not pupil growth is 'significant' at a given school will affect whether that school is eligible for additional funding, but the criteria for 'significant' has not yet been defined, so it is difficult to forecast the associated funding impact on the city's schools, currently;
- (g) the Forum considered that, due to inflation, the increase of 2% to the pupil-led funding actually represents a funding cut, in real terms. It is vital that all eligible parents are encouraged to register for free school meals, as the FSM6 factor in the funding formula and the pupil premium represents access to important sources of funding for schools. Sign-up increased during the Coronavirus pandemic, but there are still likely to be eligible people who have not yet registered, and further means of engagement are being explored;
- (h) the Forum noted that it is important to understand the impact of the DfE basing its calculations on the October census. It welcomed that NFF review, but wondered how the potential impact could be measured accurately, to inform a collective response. The impact of the estimation of pupil growth on a school-by-school basis is a potential concern, though the increase in the high needs funding at the 11% maximum is positive;
- (i) the Forum highlighted issues in the latest admissions process for pupils into schools, where it felt that there had been some potentially avoidable delays to admissions, meaning that schools might have missed out on the opportunity to secure further funding. The need to deliver the new School Admissions Code has affected the speed of the admissions process, but measures are in place to ensure that the admissions system is fit for purpose in meeting the required timetable. The improved system should now better reflect the admissions process going forward, and accelerate pupil applications;
- (j) the Forum also raised the processing of free school meals applications by the Pupil Benefits Team before the October school census. Staff capacity has been increased in the team and mitigations are in place to maximise access to the available funding, and work is underway to ensure that the process is as streamlined as possible;
- (k) the Forum was concerned that much less funding is coming to local authorities, making it far harder for them to support schools without making cuts elsewhere. It noted that there is a strong Education team at the Council, which should continue to engage with the DfE as actively as possible.

The Forum noted the report.

8 Schools Forum Sub-Group

Judith Kemplay, Chair of the Schools Forum, provided an update on a recent meeting of the Forum's Sub-Group. The following points were discussed:

- (a) the Sub-Group met to review the budgeted reserves, and a detailed report has been produced to review the funding risks to the Council over the next three years, as there is a level of uncertainty and potential high-impact risks arising after this year. £3.74 million has been left in the reserves to mitigate against future budget pressures, while £1.4 million has been ring-fenced for invest-to-save schemes, which will be considered by the sub-group at a future meeting. An update on this issue will be reported to members at the next Forum meeting, in December.

The Forum noted the update.

9 Future Meeting Dates

- **Tuesday 7 December 2021 at 1:45pm**
- **Tuesday 18 January 2022 at 1:45pm**
- **Tuesday 1 March 2022 at 1:45pm**
- **Tuesday 26 April 2022 at 1:45pm**
- **Tuesday 28 July 2022 at 1:45pm**

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Schools Forum - 7 December 2021

Title of paper:	Central Expenditure Budget 2022/23 – On Going Commitments
Corporate Directors:	Catherine Underwood, Corporate Director for People Clive Heaphy, Corporate Director for Finance and Resources
Report author and contact details:	Ceri Walters, Head of Commercial Finance, 01158 764 128 ceri.walters@nottinghamcity.gov.uk
Other colleagues who have provided input:	Julia Holmes, Senior Commercial Business Partner 01158 763 733 julia.holmes@nottinghamcity.gov.uk Aman Patel, Solicitor 01158 765 072 aman.patel@nottinghamcity.gov.uk Rachael Morris HR Business Lead Children & Adults 01158 763 459 rachael.morris@nottinghamcity.gov.uk
Summary	
<p>Funding for some central services provided by the local authority to schools are funded through the Central Schools Services Block (CSSB) within the Dedicated Schools Grant. The funding given through the CSSB is split into two streams, funding for historic commitments and for ongoing commitments.</p> <p>This report requests approval of the ongoing commitments for the financial year 2022/23.</p> <p>The central expenditure for “Historic Commitments” proposals are included in a separate report to Schools Forum (SF) on 7 December 2021.</p> <p>Should the 2022/23 settlement for ongoing commitments be less than anticipated the LA, in the Schools Budget report 2022/23, will present revised funding allocations to SF on 18 January 2022.</p>	
Recommendations:	
1	Approve the ongoing commitments budgets set out in Table 3 totalling £1.643m, noting the additional historical detail set out in Appendix A .
2	Note that the estimated cost of Copyright Licences totalling £0.223m does not require approval as the licences are managed and procured by central government.
3	Note that where values are based on estimated pupil numbers, this report has used the latest October 2020 census however; once the October 2021 census and final allocations are issued from the DfE these figures will be updated and represented in the final budget report.
4	Approve that should any additional funding be received above the £1.643m that it is allocated to the LA to cover the cost of retained duties.

1. Reasons for recommendations

- 1.1 Under the Schools & Early Years Financial Regulations 2021 and the Schools Forum Operational Guidance issued in March 2021, SF approval is required for individual central expenditure items in the Central Schools Services Block (CSSB).
- 1.2 The purpose of this paper is to gain the appropriate approvals for central expenditure – ongoing commitments in order to progress the budget process.

2. Background (including outcomes of consultation)

2.1 The CSSB is made up of two categories of funding:

- Historic commitments and
- Ongoing commitments (contained within this report)

Noted in **Table 1** are the budgets which are funded from the CSSB.

Commitment	Classification
CERA	Historic commitment
Prudential borrowing	Historic commitment
Termination of employment costs	Historic commitment
Contribution to combined budgets	Historic commitment
Admissions	Ongoing commitment
Copyright licences	Ongoing commitment
Schools Forum	Ongoing commitment
Retained Duties (Former ESG)	Ongoing commitment

2.2 Since the financial year 2018/19 funding for ongoing responsibilities have been allocated to local authorities using a pupil-led formula. The formula uses 2 factors, a basic per-pupil factor, and a deprivation per-pupil factor. This formula distributes 90% of funding based on the per-pupil factor and 10% based on the deprivation factor. Both elements are then adjusted for area costs. **Table 2** shows the movement in rate for Nottingham City between 2019/20 and 2022/23.

Nationally, the total budget for ongoing responsibilities in 2022/23 is c.£284m. 90% of this (c.£256m) forms the budget to be allocated to LA's through the basic per-pupil factor (the remaining 10% (c.£28m) will be allocated through the deprivation factor.

Financial Year	CSSB unit of funding	Year on year movement in CSSB unit of funding	Allocation for ongoing commitments £m
2019/20	£36.04	-£0.92	£1.500
2020/21	£35.14	-£0.90	£1.496
2021/22	£37.53*	+£2.39	£1.586
2022/23	£38.85	+£1.32	£1.643**

*In 2021/22 funding for centrally employed teachers which was previously included in the Teachers Pay and Teachers Pension Employers Contribution Grants was added to the CSSB unit rate of funding. This equated to an additional £2.28 per pupil.

**This is based on the pupil numbers on the October 2020 school census. This will be updated in December 2021 and will be based on the October 2021 school census. Therefore, if the number of pupils increases year on year the authority will receive additional income than is shown above. The opposite is also true if the numbers were to decrease.

- 2.3 The items seeking approval in this report are for ongoing commitments only for the financial year 2022/23; the detail supporting the values are shown in **Table 3**.

Table 3: CENTRAL EXPENDITURE – ONGOING COMMITMENTS 2022/23

	2022/23 £m	Narrative
APPROVAL REQUIRED		
1.Schools Admissions	0.585	<p>A statutory provision of coordinated admission scheme for first entry to school at primary and secondary phase. The team:</p> <ul style="list-style-type: none"> Processes all in year admissions which totalled 13K applications and included 32K preferences in 2020/21; for all maintained schools and provide a provision of traded service (£0.146m) for own admissions authorities. This equates to £8 per capita for 2021/22. Provides scrutiny of application of Admissions Code and management of compliance relating to all aspects of school admissions legislation. <p>The funding requested is a contribution to the cost of the Admissions Team. In addition to staffing, the cost of this service includes printing, advertising, communications and marketing, postal services and training courses on legislation and requirements of the service.</p>
2.Servicing of Schools Forum	0.037	<p>The servicing of schools forum; this cost relates to:</p> <ul style="list-style-type: none"> The activities undertaken by Constitutional Services to ensure that Schools Forum complies with legislation in its function and membership. Professional advice required to enable Schools Forum to make informed decisions. Attendance at meetings – chairs briefings, Schools Forum, Sub Groups, fact finding meetings. <p>These costs equate to 0.71 FTE on average supporting the above services.</p>
3.Statutory retained duties	0.702	<p>These duties were previously funded from the Education Services Grant (ESG). From 2017/18 this grant formed part of the DSG and as such now requires approval through this process. This relates to the statutory duties held by the local Authority for all pupils.</p> <p>This figure will be updated when the latest census has been issued but currently there is not enough funding to support the statutory activity. This is captured in recommendation 4.</p>

ESG RETAINED ANALYSIS		
		Total Cost £m
1	Director of children's services and personal staff for director	0.049
2	Planning for the education service as a whole	0.082
3	Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education	0.035
4	Administration of grants	In 6
5	Authorisation and monitoring of expenditure not met from schools' budget shares	In 6
6	Formulation and review of local authority schools funding formula	0.168
7	Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools.	0.016
8	Consultation costs relating to non-staffing issues	0.015
9	Plans involving collaboration with other LA services or public/voluntary bodies	In 1 & 6
10	Standing Advisory Committees for Religious Education (SACREs)	0.005
11	Provision of information to or at the request of the Crown other than relating specifically to maintained schools.	In 6
	<u>Education Welfare</u>	
12	Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils	0.156
13	School attendance	In 12
14	Responsibilities regarding the employment of children	In 12
	<u>Asset management</u>	
15	Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions.	0.085
16	General landlord duties for all buildings owned by the local authority, including those leased to academies.	0.056
17	Services set out in the table above will also include overheads relating to these services: <ul style="list-style-type: none"> • Ensuring payments are made in respect of taxation, national insurance and superannuation contributions. • Recruitment, training, continuing professional development, performance management and personnel management of staff. 	0.073

		<ul style="list-style-type: none"> • Investigations of employees or potential employees, with or without remuneration. • Investigation and resolution of complaints. • Legal services related to education functions. 												
		TOTAL	0.741											
CONSULTATION ONLY														
4. Copyright Licences	0.223	<p>The Department for Education have been negotiating copyright licences for schools since 2013/14, prior to this; schools were responsible for purchasing their own licences. Schools Forum <u>is not</u> required to approve this. The £0.223m is the estimated cost of the licences in 2022/23. The final figure will be confirmed in December 2021 and the final schools budget will be adjusted accordingly.</p> <table border="1"> <thead> <tr> <th>Licences</th> </tr> </thead> <tbody> <tr> <td>CLA licence</td> </tr> <tr> <td>School Printed Music Licence</td> </tr> <tr> <td>The Newspaper Licensing Agency Schools Licence</td> </tr> <tr> <td>Educational Recording Agency licence</td> </tr> <tr> <td>Public Video Screening Licence</td> </tr> <tr> <td>Motion Picture Licensing Company licence</td> </tr> <tr> <td>Performing Rights Society licence</td> </tr> <tr> <td>Phonographic Performance licence</td> </tr> <tr> <td>Mechanical Copyright Protection Society licence</td> </tr> <tr> <td>Christian Copyright Licensing International licence</td> </tr> </tbody> </table>	Licences	CLA licence	School Printed Music Licence	The Newspaper Licensing Agency Schools Licence	Educational Recording Agency licence	Public Video Screening Licence	Motion Picture Licensing Company licence	Performing Rights Society licence	Phonographic Performance licence	Mechanical Copyright Protection Society licence	Christian Copyright Licensing International licence	
Licences														
CLA licence														
School Printed Music Licence														
The Newspaper Licensing Agency Schools Licence														
Educational Recording Agency licence														
Public Video Screening Licence														
Motion Picture Licensing Company licence														
Performing Rights Society licence														
Phonographic Performance licence														
Mechanical Copyright Protection Society licence														
Christian Copyright Licensing International licence														
TOTAL	1.643													

3. Other options considered in making recommendations

- 3.1 No other options are available as the recommendations align to the financial regulations issued by the DfE in relation to the allocation of DSG.

4. Outcomes/deliverables

- 4.1 To obtain an agreed 2022/23 Schools Budget, enabling updated schools budgets to be issued to schools within the statutory deadline of the 28 February 2022.

5. Consideration of Risk

- 5.1 See 6.4.

6. Finance colleague comments (including implications and value for money/VAT)

- 6.1 As stated in 2.2 the ESFA have confirmed that the rate per pupil for Nottingham City will be £38.85 per pupil for the financial year 2022/23.

LA's continue to be protected so that the maximum per-pupil year-on-year reduction in funding for ongoing responsibilities is -2.5%, while the year-on-year gains cap will be set at the highest affordable rate of 5.56%. In 2022/23 Nottingham City will receive a 3.52% increase in the CSSB unit rate.

As demonstrated in **Table 2** the rate per pupil has increased by £1.32p per pupil between 2021/22 and 2022/23 which is forecast to generate an additional £0.057m in funding in 2022/23 compared to 2021/22. This is based on the October 2020 Autumn Term census.

- 6.2 Therefore, the LA is proposing that should the pupil numbers increase in October 2021 the additional funding the LA receives be allocated to the retained services budget. If the LA were to have the same increase in pupil numbers as in the financial year 2021/22 this would generate forecast income additional of £0.003m.
- 6.3 **Appendix A** shows the values of these items compared to previous years budgets and actuals.
- 6.4 Any items not approved through this report or on other central expenditure reports will:
- a) Create a financial issue for the DSG as the costs arise because of school business and
 - b) For those services that are being delivered by the LA, there may not be a full saving in 2021/22 due to the impact on services, the need to then consult with stakeholders and enter into a consultation process.
 - c) Impact on the delivery of statutory requirements.

For those services aligned to the statutory duty of the LA and set out in the regulations any unapproved items would require further consultation before implementation.

6.5 As stated in the summary of this report, approval is being sought from SF on 7 December 2021 for the historic commitments in a separate report.

7 Legal colleague comments

7.1 The current law in force in this area is the School and Early Years Finance (England) Regulations 2021. However, these regulations apply for the financial year starting 1 April 2021 only and are updated annually. However, it will be necessary to review these proposals once 2022 regulations have been produced.

Aman Patel, Solicitor
Email: aman.patel@nottinghamcity.gov.uk
Tel: 01158 765072
8 November 2021

8 Other relevant comments

8.1 There are no direct Human Resources implications as part of this report.

However, if recommendations are not approved and there is an impact or shortfall for the local authority services delivered to schools, these will need to be fully scoped and understood from a financial element before a formal consultation process is instigated.

After scoping and if reductions are required resulting in impacts to the workforce, a genuine and meaningful consultation process should commence with Trade Unions and affected staff, with the correct policies and procedures being adhered to, with HR support provided.

Rachael Morris, HR Business Lead, People
Email: rachael.morris@nottinghamcity.gov.uk
9 November 2021

9 Crime and Disorder Implications (If Applicable)

9.1 Not applicable

10 Social value considerations (If Applicable)

10.1 Not applicable

11 Equality Impact Assessment (EIA)

11.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:
An EIA is not required because the report does not contain proposals or strategies.

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

12 Data Protection Impact Assessment (DPIA)

12.1 Has the data protection impact of the proposals in this report been assessed?

No

A DPIA is not required because:
Not applicable

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

13 Carbon Impact Assessment (CIA)

13.1 Has the Carbon impact of the proposals in this report been assessed?

No

A DPIA is not required because:
Not applicable

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

14 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

14.1

15 Published documents referred to in this report

15.1 ESFA – Schools Revenue Funding 2022/23 Operational guide July 2021

15.2 DfE Schools and Early Years Financial Regulations 2021

APPENDIX A

Analysis of Ongoing Commitments 2019/20 to 2022/23

	2019/20				2020/21				2021/22				2022/23
	Budget Approved by Schools Forum/ Included in School Budget Report £m	Budget Latest £m	Outturn £m	Variance - Over/ (Under) budget £m	Budget Approved by Schools Forum/ Included in School Budget Report £m	Budget Latest £m	Outturn £m	Variance - Over/ (Under) budget £m	Budget Approved by Schools Forum/ Included in School Budget Report £m	Budget Latest £m	Forecast £m	Variance - Over/ (Under) budget £m	Budget £m
School Admissions	0.585	0.585	0.585	0.000	0.585	0.585	0.585	0.000	0.585	0.585	0.585	0.000	0.585
Servicing of schools forums	0.032	0.032	0.032	0.000	0.035	0.035	0.035	0.000	0.035	0.035	0.036	(0.001)	0.037
Copyright Licences	0.205	0.205	0.205	0.000	0.215	0.211	0.211	0.000	0.219	0.215	0.215	0.000	0.223
Retained Education Services	0.646	0.678	0.678	0.000	0.640	0.665	0.665	0.000	0.634	0.654	0.654	0.000	0.702
Teachers Pay Teachers Pension Employers Contribution funding for centrally retained teachers									-	0.096	0.096	0.000	0.096
TOTAL	1.468	1.500	1.500	0.000	1.475	1.496	1.496	0.000	1.473	1.586	1.586	(0.001)	1.643

Schools Forum - 7 December 2021

Title of paper:	Central Expenditure Budget 2022/23 – Historic Commitments
Corporate Directors:	Catherine Underwood, Corporate Director for People Clive Heaphy, Corporate Director for Finance and Resources
Report author and contact details:	Ceri Walters, Head of Commercial Finance, 01158 764 128 ceri.walters@nottinghamcity.gov.uk
Other colleagues who have provided input:	Sophie Russell, Head of Strategy and Improvement, Children’s Integrated Services, 0115 8763423 sophie.russell@nottinghamcity.gov.uk Jasmin Howell, Service Manager - Virtual School, 01158 764 726 jasmin.howell@nottinghamcity.gov.uk Janine Walker, Head of SEND & vulnerable pupils, 01158 764 698 janine.walker@nottinghamcity.gov.uk Julia Holmes, Senior Commercial Business Partner, 01158 763 733 julia.holmes@nottinghamcity.gov.uk Aman Patel, Solicitor, 01158 765 072 aman.patel@nottinghamcity.gov.uk Rachael Morris, HR Business Lead Children & Adults, 01158 763 459 rachael.morris@nottinghamcity.gov.uk

Summary

Funding for some central services provided by the Local Authority (LA) to schools are funded through the Central Schools Services Block (CSSB) within the Dedicated Schools Grant (DSG). The funding given through the CSSB is split into two streams, funding for historic commitments and for ongoing commitments.

This report requests approval of the historic commitments within the CSSB for the financial year 2022/23.

The central expenditure for “Ongoing Commitments” proposals are included in a separate report to Schools Forum (SF) on 7 December 2021.

Approval is also being sought for the allocation of funding for SEN Transport in the financial year 2022/23. This is funded from the High Needs Block but is also classed by the Education Skills Funding Agency (ESFA) as a historic commitment, this is why it has also been included in this report.

The supporting documentation is included in **Appendix A to D**.

Recommendation:

1	Approve historic commitments set out in Table 3 totalling £3.905m for the financial year 2022/23, noting the additional historical detail set out in Appendices A to D .
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1. Reasons for recommendation

- 1.1 Under the Schools & Early Years Financial Regulations 2021 and the Schools Revenue Funding Guidance Operational Guide issued in July 2021, SF approval is required for individual central expenditure items in the Central Schools Services Block (CSSB).
- 1.2 On 19 July 2021 the ESFA released the illustrative funding allocations for the financial year 2022/23.

In keeping with the Department of Education's (DfE) commitment to reduce historic commitment funding, Nottingham City's historic commitments funding have been cut by a further 20% in 2022/23 which also happened in the financial years 2020/21 and 2021/22. **Table 1 shows the total funding reduction to date is £2.694m.**

TABLE 1: MOVEMENT IN HISTORICAL COMMITMENTS FUNDING		
Financial Year	Funding allocated to LA £m	Movement in funding year on year £m
2019/20	5.571	
2020/21	4.539	-£1.060
2021/22	3.631	-£0.907
2022/23	2.905	-£0.727
TOTAL REDUCTION TO DATE		-£2.694

The ESFA have stated that this funding will be cut year on year until LA's only have the value of the termination of employment and prudential borrowing remaining budgets, for those LA's who have commitments for these costs.

- 1.3 As a consequence of this reduction in funding the LA has reviewed the historical commitments in the CSSB and adjusted the amounts sought to be approved by Schools Forum (SF). The attached **appendices A to C** provide a financial overview of the service, how the funding is allocated to the service and areas of delivery.

2. Background (including outcomes of consultation)

- 2.1 **Table 2** shows the movement in funding allocations within the new values issued. The changes have been based on:
- 'keeping it simple' approach from the LA's accounting perspective in relation to the CSSB contributions;
 - Ensuring officer time is not allocated over a number of areas and
 - Reflects new business models

Table 2: Comparison of 2021/22 historic commitments to proposed commitments for 2022/23			
	Budget 2021/22 £m	Budget 2022/23 £m	Variance £m
Historic commitments in the CSSB			
Integrated placements – Appendix A	1.127	0.667	-0.460
Safeguarding Training	0.109	-	-0.109
Virtual School – Appendix B	0.376	0.301	-0.075
Termination of employment costs – costs exceed budget but unable to increase in accordance with guidance	1.609	1.609	-
Capital expenditure in revenue accounts	0.173	0.173	-
Prudential borrowing	0.238	0.155	-0.083
Historic commitments in the CSSB Total	3.632	2.905	-0.727
Historic commitments in the High Needs Block			
SEN Transport – Appendix C	1.000	1.000	-
Total Historic Commitments	4.632	3.905	-0.727

In order to be able to set a balanced budget within the historic commitments funding envelope in 2022/23 the LA has adjusted the integrated placements contribution £1.127m to £0.667m, however, the costs will not disappear and this **shortfall in funding presents a budget pressure for the LA to mitigate.**

The Safeguarding training budget has been removed in 2022/23. This loss of income is forecast to be met by income generated by the service. **If the income target is not achieved the shortfall is a risk to the LA.**

The Virtual School has also had its funding reduced by 20% from £0.376m to £0.301m. This shortfall is to be met by using the Pupil Premium Plus Grant to cover the costs that can legitimately be charged to the grant.

The termination of employment costs and the capital expenditure in revenue accounts has also remained the same.

2.2 The supporting information in relation to the above budgets in **Table 2** are shown in appendices A to C.

3. **Other options considered in making recommendations**

3.1 No other options are available as the recommendations align to the financial regulations issued by the DfE in relation to the allocation of DSG.

4. **Outcomes/deliverables**

4.1 To obtain an agreed 2022/23 Schools Budget, enabling updated schools budgets to be issued to schools within the statutory deadline of the 28 February 2022.

5. Consideration of Risk

5.1 The forecast reduction in historical commitments has been built into the LA's Medium Term Financial Plan (MTFP). If the DfE were to increase the cuts placed on LA's who are in receipt of historical commitments funding from the current 20%, the MTFP would need to be updated to reflect this change. The additional budget pressure would remain with the LA.

6. Finance colleague comments (including implications and value for money/VAT)

6.1 This report has been prepared in accordance with the financial regulations issued by the DfE for the financial year 2021/22 and the Schools revenue and funding 2022/23 - operational guidance – July 2021 issued by the ESFA and forms part of the DSG budget.

6.2 The Central School Services Block (CSSB) is made up of two categories of funding:

- Historic commitments and
- Ongoing commitments

Noted in Table 3 are the budgets which are funded from the CSSB.

Commitment	Classification
CERA	Historic commitment
Prudential borrowing	Historic commitment
Termination of employment costs	Historic commitment
Contribution to combined budgets	Historic commitment
Admissions	Ongoing commitment
Copyright licences	Ongoing commitment
Schools Forum	Ongoing commitment
Retained Duties (Former ESG)	Ongoing commitment

6.3 The items seeking approval in this report are for Historic commitments in the financial year 2022/23 and the detail supporting the values are shown in **Table 3**.

TABLE 4: CENTRAL EXPENDITURE - APPROVALS REQUIRED

Service Description	2022/23 £m	Narrative
HISTORIC COMMITMENTS – CENTRAL SCHOOLS SERVICES BLOCK		
1. Contribution to combined budgets	0.968	Family support No longer applicable
		£0.667m – Integrated placements See Appendix A
		Safeguarding Training No longer applicable
		£0.301m – Virtual School See Appendix B
		2. Termination of Employment Costs

3. Prudential Borrowing	0.155	<table border="1"> <thead> <tr> <th>Scheme</th> <th>Loan Value £m</th> <th>2019/20 £m</th> <th>2020/21 £m</th> <th>2021/22 £m</th> <th>2022/23 £m</th> <th>2023/24 to 2052/53 £m</th> </tr> </thead> <tbody> <tr> <td>Education BSF</td> <td>0.400</td> <td>0.028</td> <td>0.027</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>BSF 06/07</td> <td>1.149</td> <td>0.086</td> <td>0.082</td> <td>0.078</td> <td>-</td> <td>-</td> </tr> <tr> <td>BSF Academies</td> <td>0.026</td> <td>0.002</td> <td>0.002</td> <td>0.002</td> <td>0.002</td> <td>-</td> </tr> <tr> <td>Southwark Primary</td> <td>0.294</td> <td>0.023</td> <td>0.022</td> <td>0.021</td> <td>0.020</td> <td>-</td> </tr> <tr> <td>BSF - In lieu of Revenue Costs Transfer</td> <td>0.900</td> <td>0.069</td> <td>0.067</td> <td>0.064</td> <td>0.061</td> <td>-</td> </tr> <tr> <td>Emanuel School</td> <td>0.265</td> <td>0.020</td> <td>0.020</td> <td>0.019</td> <td>0.018</td> <td>-</td> </tr> <tr> <td>Nottingham Academy</td> <td>1.078</td> <td>0.054</td> <td>0.054</td> <td>0.054</td> <td>0.054</td> <td>0.054</td> </tr> <tr> <td>TOTAL</td> <td>4.113</td> <td>0.283</td> <td>0.274</td> <td>0.238</td> <td>0.155</td> <td>0.054</td> </tr> </tbody> </table>	Scheme	Loan Value £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 to 2052/53 £m	Education BSF	0.400	0.028	0.027	-	-	-	BSF 06/07	1.149	0.086	0.082	0.078	-	-	BSF Academies	0.026	0.002	0.002	0.002	0.002	-	Southwark Primary	0.294	0.023	0.022	0.021	0.020	-	BSF - In lieu of Revenue Costs Transfer	0.900	0.069	0.067	0.064	0.061	-	Emanuel School	0.265	0.020	0.020	0.019	0.018	-	Nottingham Academy	1.078	0.054	0.054	0.054	0.054	0.054	TOTAL	4.113	0.283	0.274	0.238	0.155	0.054
		Scheme	Loan Value £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 to 2052/53 £m																																																									
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TOTAL	4.113	0.283	0.274	0.238	0.155	0.054																																																											
<p>This funding is used to meet the borrowing commitments around the initial set up costs of the Building Schools For the Future programme and Nottingham Academy. These values are fixed and cannot be amended.</p>																																																																	
4. Capital Expenditure from Revenue Accounts	0.173	This expenditure supports Private Finance Initiative payments (fixed element) that have to be allocated and capital improvements ensuring that all buildings continue to meet the legal requirements.																																																															
SUB-TOTAL	2.905																																																																
HISTORIC COMMITMENTS – HIGH NEEDS BLOCK																																																																	
1. SEN Transport	1.000	SEN transport where the Schools Forum agreed prior to April 2013 a contribution from the schools budget (this is treated as part of the high needs block but requires Schools Forum approval as a historic commitment.																																																															

SUB-TOTAL	1.000	
GRAND TOTAL FOR HISTORIC COMMITMENTS	3.905	

6.4 **Appendix E** shows the values of these items compared to previous years' budgets and actuals.

6.5 Any items **not approved** through this report will not necessarily create a full year saving in 2021/22 due to the implementation time required to initiate a service reduction (consultation/approval/notice etc).

7. **Legal colleague comments**

7.1 The current law in force in this area is the School and Early Years Finance (England) Regulations 2021. However, these regulations apply for the financial year starting 1 April 2021 only and are updated annually. However, it will be necessary to review these proposals once 2022 regulations have been produced.

Aman Patel, Solicitor
Email: aman.patel@nottinghamcity.gov.uk
8 November 2021

8. **Other relevant comments**

8.1 There are no direct Human Resources implications as part of this report.

However, if recommendations are not approved and there is an impact or shortfall for the local authority services delivered to schools, these will need to be fully scoped and understood from a financial element before a formal consultation process is instigated.

After scoping and if reductions are required resulting in impacts to the workforce, a genuine and meaningful consultation process should commence with Trade Unions and affected staff, with the correct policies and procedures being adhered to, with HR support provided. It is to be noted that there is a termination of employment costs factored into this report.

Rachael Morris, HR Business Lead, People
Email: rachael.morris@nottinghamcity.gov.uk
9 November 2021

9. **Crime and Disorder Implications (If Applicable)**

9.1

10. **Social value considerations (If Applicable)**

10.1

11. **Equality Impact Assessment (EIA)**

11.1 No

An EIA is not required because:
(Please explain why an EIA is not necessary)

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

12. Data Protection Impact Assessment (DPIA)

12.1 Has the data protection impact of the proposals in this report been assessed?

No

A DPIA is not required because:
(Please explain why a DPIA is not necessary)

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

13. Carbon Impact Assessment (CIA)

13.1 Has the Carbon impact of the proposals in this report been assessed?

No

A DPIA is not required because:
(Please explain why a DPIA is not necessary)

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

15. Published documents referred to in this report

15.1 ESFA – Schools Revenue Funding 2022/23 Operational guide July 2021

15.2 DfE Schools and Early Years Financial Regulations 2021

Schools Forum – Central Expenditure Contribution Impact Statement September 2021

Schools Forum contribution underpins placement for children in care (CiC). Current numbers of CiC are 699 (as of 15.11.21).

Overview of the Services: CiC Placements

	Sept 2020	Sept 2021
Total Budget:	£33.421m	£44.088m
Other Contributions Excluding DSG:	Forecast @ Pd6 2020/21 £2.170m UASC under 18s / Care Leavers Grant £1.485m Health Contribution £0.205m SEN Contribution £0.220m Staying Put £0.073m New Burdens £0.353m Remand Grant £0.693m Priority Families Total £5.199m	Forecast @ Pd6 21/22 £2.013m USAC under 18s / Care Leavers Grant £1.191m Health Income £0.205m SEN Contribution £0.220m Staying Put £0.098m New Burdens £0.420m Remand Grant £0.693m Priority Families Total £4.840m
Number of Children Supported:	676 (as at 30th September 2020)	689 as at 30 th September 2021

Funding Allocation:

Area	Intervention/Support	Reach
Placements (Internal and External)	Internal Placements – Foster Care or Internal Residential Provision External Placements – External Residential or Independent Fostering Association. All carers are commissioned to support the educational outcomes for children in their care including but not limited to: <ul style="list-style-type: none"> • Encouraging and enabling children and young people to achieve their academic potential and promote study and learning, in line with national guidance • Working in line with individual care plans, education health care plans, personal education plans, pathway plan and attend and contribute at all reviews • Supporting the education provision of the child, including all home to school transport, encouragement and clear expectations in relation to 	699 (Nov 2021) versus 676 (Sept 2020)

	<p>attendance</p> <ul style="list-style-type: none"> • Supporting with homework assignments and extra-curricular activities • Providing school books and educational equipment where required, to supplement learning, for example through home tuition • Supporting and funding day school outings and visits and overnight trips • Attendance at Personal Education Plan (PEP) meetings • Attendance at parents evening, sports days, etc • Providing all school uniforms and clothing, including and specialist or replacement clothing requirements, e.g. unusual sizes or for children or young people with disabilities • Providing all individual educational resources and sports or hobby equipment, within reason, to support the child or young person develop their talents and life chances • Providing access to a computer in the home that is principally for education and homework. • Providing equipment for a disabled child or young person • Maintain all health checks and appointments (dental, opticians, statutory LAC health reviews), which may ultimately reduce the instances of absence due to sickness • Collect and return absconding child or young person to care placement • Take all reasonable steps to avoid the criminalisation of the child and young person • Provide appropriate specialist resources to meet the needs of specialist placements. This may include evidence based therapeutic input, DfE registered education or care for young people with complex medical needs. These resources are in addition to existing mainstream or specialist NHS and Placing Authority funded Services already available to young people, which are free at point of delivery. • During the Covid related lock down period residential care staff and foster carers) played a critically important role in supporting young people to engage in education. School was open for children in care but not all children were able to attend and seen those who did required much higher than usual levels of support and encouragement. Although schools have returned, carers continue to offer significantly higher levels of input to enable young people to access education provision and respond to the increasing number of full or partial school closures. 	
Edge of Care Interventions	We currently fund three interventions to provide intensive 24/7 support for families who have children on the edge of care. These services are Multi Systemic Therapy (MST), Multi Systemic Therapy Child Abuse and Neglect (MST-CAN). These services	Capacity to work 75 families per year (multiple children)

	<p>work with our complex edge of care cohort to provide holistic, therapeutic support to build resilience in families and address issues that are impacting negatively on children and young people.</p> <p>We also have an Edge of Care Hub, which provides intensive and assertive community based support to children and families that are on the edge of care and may also be subject to CP Plans, Child in Need and support the reunification of looked after children. The team work on a family's capacity to change; focusing intervention on parental motivation, rules and boundaries, emotional warmth, stimulation of child, parental ability to protect, DV, substance misuse, poor parental mental health, and environmental factors such as poor living conditions and hygiene. We work alongside children and their families from birth until 17.</p> <p>The approved 2021/22 gross budget for MST, MST-CAN and Edge of care services is £0.895m</p>	
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Intended Outcomes:

- Provide a safe and stable home environment that is able to meet the child/young person's holistic needs so that they can play an active and positive part in their community (school, neighbourhood etc.)
- Keep children with their families wherever possible or if accommodated to provide placement stability and increase the number of children placed within 20 miles of Nottingham City to reduce pupil mobility.
- Provide a parenting experience that encourages positive behaviour, attendance at school and that builds on a child/young person's aspirations.
- Avoid persistent absenteeism, exclusions or poor behaviour that means that children are at risk of exclusion in a mainstream school setting.
- Ensure that children access health services (dentists, GPs etc.) to reduce the likelihood of absence from schools.
- Improve the social and emotional wellbeing of children in care to support their self-confidence and self-esteem.
- Contribute to the child/young person's attainment, achievement and progress at school/college.

Impact

Children in care are often negatively impacted by their experiences in their families before being accommodated. There is a wealth of national research that evidences that these historical experiences will impact on the outcomes for that child/young person for the rest of their lives. Whilst care provides a safe and stable environment and often mitigates the impact of these experiences (particularly where children have been in care from a young age or for a significant amount of time) the outcomes of this cohort are generally worse than their peers.

For attainment, attendance and exclusion data for CiC, please see the more detailed report from the Virtual School.

In relation to broader outcomes, see detailed measures and comparator information below.

SSDA903 Children looked after return results										SNG Comparison
	England 2019-20	SNs 2019-20	East Midlands 2019-20	Good is	2018-19	2019-20	2020-21			
Children looked after at 31 March										
LAC at 31 March	80,080	849	6,010	Lower	629	656	685	↑		
LAC at 31 March per 10,000	67	98	61	Lower	92.0	95.0	99.2	↑		
Care Leavers - status on their 19th to 21st birthday										
Having a birthday in the year (excludes those who have subsequently died or returned home for 6 months)					239	246	284	↑		
In education, employment or training	53%	54%	50%	High	54.0%	63.0%	63.0%	–		
Care Leavers in suitable accommodation (excluding 'gone abroad', 'deported' and 'residence not known')	85%	85%	87%	High	89.0%	90.0%	90.3%	↑		
Outcomes for children looked after										
Offending										
Convicted or subject to a final warning or reprimand during the year (10 and above)	3%	4%	3%	Low	3.0%	4.0%	2.0%	↓		
Substance misuse										
Identified as having a substance misuse problem during the year	3%	3%	2%	low	4.0%	4.0%	5.6%	↑		
Healthcare (for those in care 12 months on 31 March)										
Number of children whose immunisations were up to date	88%	87%	92%	High	96.0%	96.0%	93.8%	↓		
Number of children who had their teeth checked by a dentist	86%	85%	88%	High	93.0%	93.0%	52.9%	↓		
Number of children who had their annual health assessment	90%	92%	92%	High	94.0%	94.0%	87.6%	↓		
Number of these children whose development assessments were up to date (LAC 12+ months and aged 5 or younger at 31 March)	88%	85%	94%	High	100.0%	100.0%	91.8%	↓		
Strengths and difficulties questionnaire										
Children looked after for at least 12 months aged 4 to 16 with an SDQ score	81%	79%	88%	High	79.0%	85.0%	76.8%	↓		
Average score per child	14	14	15	Low	15.5	15.0	14.4	↓		
Banded "Normal"	49%	51%	49%		40.0%	43.0%	46.3%	↑		
Banded "Borderline"	13%	13%	12%	Lower	12.0%	14.0%	10.7%	↓		
Banded "Cause for Concern"	38%	35%	40%	Low	48.0%	43.0%	43.1%	↑		



Case Study

- Jaydon, male 14 years old (name changed to protect anonymity)
- Living with his Grandmother under an Special Guardianship Order for the last four years, along with his 10 year old brother
- Historical exposure to Domestic violence and Neglect
- Problems started just Jaydon learnt that his father had been deported from the country
- Estimated care costs at Edge of Care panel of £2500 a week for Internal Residential placement
(total of £55 000 over 22 week intervention)



Referral Behaviours

- Several fixed term **exclusions from school** for disruptive behaviour, bringing in cannabis, fighting, internal truancy. Reported to be on his last chance before permanent exclusion
- **Aggressive outbursts at home**, shouting, swearing, and hitting his grandmother, smashing doors and door frames, with episodes ending with Jaydon getting into a cupboard curled up and rocking
- **Staying out late** in the evening with his friends, including presenting at hospital with a broken collar bone after reportedly fighting with friends
- Smoking **cannabis** daily

The Intervention

- The therapist worked with Jaydon and his grandmother in the home, via telephone calls and Microsoft teams as well as contact with school
- The work focused on improving communication between grandmother and Jaydon
- Recognising triggers that led to aggressive outbursts
- Building on both their strengths; they shared a similar sense of humour and wanted to get along
- Jaydon was responsive to incentives, such as money and food and grandmother liked doing things such as cooking for him
- Started some work towards abstinence from cannabis, introducing the use of drug testing. This opened conversation up between grandmother and Jaydon about drug use, and they ultimately agreed he would work towards a reduction plan.

Feedback from the family

What changes have you seen?

- **He turned things around at school, attending throughout lockdown and earned a 'Student of the Year' award**
- He is more willing to do his tasks before going out
- He engages in conversation with me
- He is smoking cannabis less
- He has now got a place at college for next year

Report to Schools Forum Nottingham City Virtual School November 2021

1. Context

- 1.1. The Children and Families Act 2014 required all local authorities in England to appoint at least one person for the purpose of discharging the local authority's duty to promote the educational achievement of its looked after children, wherever they live or are educated. That person, the Virtual School Head (VSH) must be an officer employed by the authority or another local authority in England.
- 1.2. The Children and Social Work Act 2017 expands the remit of VSHs to include the promotion of educational achievement of adopted children in England and children subject to Special Guardianship Orders.
- 1.3. From September 2021 all Virtual School Heads received additional duties as a strategic leader for children who currently and previously had a social worker. This new duty is currently non-statutory and is in addition to the existing statutory duties of Virtual School Heads.

2. Nottingham City Virtual School

- 2.1. The Nottingham City Virtual School staffing consists of:

Virtual School Head- responsible and accountable for providing leadership, management and development for all aspects of the Virtual School. Ensuring fulfilment of the local authority's statutory duties regarding the education of children in care and previously looked after children.

Virtual School Team Manager x2- supports the Virtual School Head to provide effective leadership, management and development of the Virtual School. The Team Managers have oversight of cases and provides case supervision to the Education Support Officers within the Virtual School, advising on educational interventions and targeted casework as appropriate. In September 2021 an additional Team Manager (on a temporary fixed term contract until March 2022) was appointed to ensure capacity in meeting the additional duties relating to children with a social worker.

Education Support Officers x 5.5 fte equivalent- provide advice, support and training to key stakeholders in respect to the education of children care and previously looked after

children. They have an allocation of children in care cases and are responsible for monitoring and tracking their educational outcomes. Education Support Officers attend and contribute to PEP meetings, re-integration meetings and exclusion meetings in respect to children in care.

Business Support administrators x2- responsible for all administrative tasks relating to the Virtual School, including maintenance of the virtual school information management systems and support with monitoring and reporting on attendance and attainment information and Personal Education Plans.

Data support officer- responsible for developing and maintaining the Virtual School's information management systems, as well as tracking and reporting on attendance, achievement and progress of the authority's children in care.

3. Income and Expenditure 2020-21 (DSG grant):

Virtual School income and expenditure 2020-21				
Detail	£m	£m	£m	Description
<u>Income</u>				
DSG Income		-0.470		Government grant for duties associated with previously looked after children.
PLAC Grant		-0.049		
PLAC Grant 2019/20 brought forward		-0.026		
PLAC Grant 2020/21 to be carried forward		0.015		
*PPP Contribution		-0.345		Contribution from PPPG to cover costs for tuition, AP provision and staffing.
Total Income			-0.875	
Staff costs			0.464	
Non-pay costs				
Staff Travel, recruitment expenses, CPD and Conferences	0.001			Tuition and AP costs
Office equipment, mobile phone, stationary and IT.	0.003			
Children intervention funding		0.113		
Loxley House Rent	0.033			
Total non-pay costs			0.150	
Total expenditure			0.614	
*Net surplus			-0.261	

On the 8th October 2019 Schools Forum approved the allocation of £0.470m to the Virtual School for the financial year 2020/21. By maximising the Pupil Premium Plus Grant (PPPG) in year to fund legitimate costs, those noted above*, resulted in the Virtual School being underspent by £0.261m. This underspend was returned to the Statutory School Reserve.

4. **DSG Projected income and expenditure 2021-22:**

Virtual School projected income and expenditure 2021-22					
Detail	£m	£m	£m	Description	
<u>Income</u>					
DSG Income		-0.376		Government grant for duties associated with previously looked after children	
PLAC Grant		-0.049			
PLAC Grant 2020/21 brought forward		-0.015			
PPP Contribution		-0.150		Reduced this year, as children return anticipate higher number of requests for PPP.	
Total Income			-0.590	Tuition and AP costs- any further expenditure funded through PPP.	
Staff costs			0.498		
Non-pay costs					
Staff Travel, recruitment expenses, CPD and Conferences	0.003				
Office equipment, mobile phone, stationary and IT.	0.004				
Children intervention funding		0.052			
Loxley House Rent		0.033			
Total non-pay costs			0.092		
Total expenditure			0.590		
Net Position			0.000		

5. **DSG Projected income and expenditure 2022-23:**

Virtual School projected income and expenditure 2022-23				
Detail	£m	£m	£m	Description
<u>Income</u>				
DSG Income		-0.301		
PLAC Grant		-0.049		
PPP Contribution		-0.181		
Total Income			-0.531	
Staff costs			0.507	This increase is due to the previous ESO remaining in role as the Team Manager for the 2022-23 financial year
Non-pay costs				
Staff Travel, recruitment expenses, CPD and Conferences	0.002			
Office equipment, mobile phone, stationary and IT.	0.002			This expense reduced by 2k this year; most equipment and resources to support staff working from home has been purchased.
Children intervention funding		0.020		This expense is forecasted to be reduced this year. Most funding for AP provision and tuition to come directly from PPP.
Loxley House Rent		0.000		We are currently querying the contribution we make to Loxley House rent now the majority of the team are working from home. Costs agreed may need to come from PPP.
Total non-pay costs			0.024	
Total expenditure			0.531	
Net Position			0.000	

6. Pupil Premium Plus Funding

- 6.1. The Pupil Premium Plus grant is funding provided by the Department for Education to the Virtual School to manage, and must be used for the benefit of the looked after child's educational needs.
- 6.2. The Virtual School receives an allocation of £2,345 per child looked after for at least one day, as recorded in the previous March children looked-after data return.
- 6.3. The Virtual School manage the Pupil Premium Plus through the ePEP portal; schools submit requests for funding each term at the same time as reviewing and updating the children's individual Personal Education Plan (PEP).
- 6.4. The table below provides detail of the Pupil Premium Plus expenditure in the **2020-21** financial year:

<u>Pupil Premium Budget</u>	<u>Expenditure</u>
Termly PPP and AFRs	487,857
Education provision including Alternative Provision	66,511
Laptops for pupils	25,301
Big It Up Contribution	0
Education Psychology	3,675
Evolve mentoring project	21,000
Peer Review	2,500
NAVSH subscription	500
Welfare Call contract (statutory school age cic attendance data collection and ePEP portal)	47,113
SIMS	5,850
Staff training	1,968
Staff travel costs	46
Staffing training - other costs	0
Staff conferences	0
DSG contribution	345,454
Contribution to cost of Alternative Provision	35,325
Contribution to cost of Independent Specialist provision	82,500
Expenditure Total	1,125,600
PPP Income	1,125,600

6.5. The table below provides forecasted expenditure of the Pupil Premium Plus budget in the **2022-23** financial year:

PPP planned expenditure	Cost	Comments
Termly allocation to schools Core £500 per pupil/term	£655,500	Based on 437 pupils
Additional Funding Requests	£30,000	Based on requests of £10k per term.
Education provision and tuition	£113,000	Increased by £46k to mitigate the reduction in the DSG budget to contribute to this provision.
Laptops for pupils	£3,000	
Big It Up Contribution	£5,000	(Achievement Ceremony) reduced by £5k.
Reward Vouchers	£1,500	(Termly recognition for achievement)
Education Psychology	£3,675	(Targeted Intervention)
Behaviour Support	£1,900	(Targeted Intervention)
Evolve mentoring	£21,000	(Targeted Intervention)
Therapeutic Mentoring	£8,450	(Targeted Intervention)
Flash Academy	£2,000	(Targeted Intervention)
NIMBL project	£2,000	(Targeted Intervention)
Creative Mentor	£6,000	(Targeted Intervention)
Unlock Project	£15,000	(Targeted Intervention)
NAVSH subscription	£500	
Welfare Call (statutory school age)	47,200	(Attendance monitoring and ePEP)
Welfare Call (Post-16 and Early Years)	£15,000	(Attendance monitoring and ePEP)
SIMS	5,850	
Staff training, CPD	£2,000	
Staff travel costs	£1,000	
DSG contribution	£181,000	
Virtual School Conference	£5,025	
Total expenditure	£1,125,600	
Total Budget	£1,125,600	
Net Position	0	

Home to school travel assistance
for children and young people
with SEND

Legislation

- S508B of the Act deals with the duty on local authorities to make such travel arrangements as they consider necessary to facilitate attendance at school for eligible children – children of compulsory school age (5-16) in an authority's are for whom free travel arrangements will be required
- The Council has a statutory duty under Section 10 of the Education and Skills Act to exercise its functions so as to promote the effective participation in education or training of persons belonging to its area with a view to ensuring that those persons participate in appropriate full-time education or training or an apprenticeship
- The Council also has a statutory duty to publish a Post 16 Transport Policy statement every year. This statement sets out the arrangements for the provision of transport or otherwise that the authority considers it necessary to make for facilitating the attendance of persons of sixth form age

Criteria for travel assistance

There are four main factors which may determine if children and young people are eligible for travel assistance:

- Statutory walking distance eligibility
- SEND or significant mobility difficulties eligibility
- Unsafe walking route eligibility
- Extended rights eligibility

In addition for exceptional cases the Council can consider a decision outside of it's policy e.g. child with disabilities whose family have fled domestic violence but child continues to attend the same school for a period of time

Nottingham City Context

During the 20/21 financial year 501 young people were provided with travel assistance to schools and post 16 settings. This figure is an increase on the previous year as a result of the increasing number of young people with complex SEND, the impact of Covid on children's special educational needs and the inability to deliver travel training during the Covid period.

This is a pattern being seen nationally and has been raised as a concern by Core Cities Finance Group.

£2.720m spend in 2020/21 financial year

Actions being taken to drive down costs

- Continuation of drive to cost reduction/maintenance using the Dynamic Purchasing System for procurement of minibuses and taxis
- New policy in place – where possible children and vulnerable adults travelling together
- Contribution from parents towards cost of post 16 transport
- Proposals to increase the capacity for Independent Travel Training
- Optimisation and review of routes – business as usual
- Robust travel assistance assessment for new applicants
- New appeals process developed and implemented
- Commissioning review with a focus on third sector and community providers

VFM – comparison with statistical Neighbours

Nottingham has the 3rd lowest spend per head of population for 5-16 transport

Nottingham £48

Highest £101

Median £60

Nottingham has the 4th lowest spend per head of population for post 16 transport

Nottingham £11

Highest £58

Median £28

VFM – continued

The provision of SEND home to school transport significantly drives down additional costs to the school budget through ensuring we meet the needs of young people with SEND in the City and avoids placing in costly non maintained and Independent provision. Benchmarking 19/20 data in relation to our expenditure per head of the 2-19 population on non maintained/independent provision shows:

- Nottingham spend per head at £23 is the lowest of all statistical neighbours
- Compares to a national average of £91 per head
- Compares to an average for our 10 statistical neighbours of £76.50 per head
- Compares very favourably with geographical neighbours – Nottinghamshire £67, Leicestershire £171 and £153

Impact of Covid 19 and other cost drivers

- Shortage of drivers and escorts as people are asked to self-isolate and a significant number of drivers leaving the sector to retrain as HGV drivers
- Companies not taking on additional work due to staffing capacity issues
- Increase in inflationary costs including staffing and fuel
- Parents and young people continue to be anxious about undertaking independent travel training as a result of Covid
- Fewer young people travelling on vehicles to try to keep them in 'bubbles' wherever possible – this has resulted in more vehicles being commissioned at additional cost
- More young people are meeting Extended Rights Eligibility as a result of the financial impact on families since the pandemic

APPENDIX D

Analysis of Historic Commitments 2019/20 to 2022/23

HISTORIC COMMITMENTS	2019/20				2020/21				2021/22				2022/23
	Budget Approved by Schools Forum/Included in School Budget Report £m	Budget Latest £m	Outturn £m	Variance - Over/ (Under) budget £m	Budget Approved by Schools Forum/Included in School Budget Report £m	Budget Latest £m	Outturn £m	Variance - Over/ (Under) budget £m	Budget Approved by Schools Forum/Included in School Budget Report £m	Budget Latest £m	Forecast £m	Variance - Over/ (Under) budget £m	Proposed Budget £m
Termination of Employment Costs	1.609	1.609	1.609	0.000	1.609	1.609	1.609	0.000	1.609	1.609	1.609	0.000	1.609
Capital Expenditure from Revenue Accounts	0.801	0.801	0.801	0.000	0.801	0.801	0.801	0.000	0.173	0.173	0.173	0.000	0.173
Prudential borrowing costs	0.283	0.283	0.283	0.000	0.274	0.274	0.274	0.000	0.238	0.238	0.238	0.000	0.155
Combined Services - Family Support	0.981	0.981	0.981	0.000	0.981	0.981	0.981	0.000					
Combined Services - Integrated placements	1.327	1.327	1.327	0.000	1.327	1.327	1.327	0.000	1.127	1.127	1.127	0.000	0.667
Combined Services - Serving Vulnerable Groups - Looked After Children	0.470	0.470	0.470	0.000	0.470	0.470	0.470	0.000	0.376	0.376	0.376	0.000	0.301
Combined Services - Safeguarding Training	0.109	0.109	0.109	0.000	0.109	0.109	0.109	0.000	0.109	0.109	0.109	0.000	
SEN Transport	1.000	1.000	1.000	0.000	1.000	1.000	1.000	0.000	1.000	1.000	1.000	0.000	1.000
TOTAL	6.579	6.579	6.579	0.000	6.571*	6.571	6.571	0.000	4.632	4.632	4.632	0.000	3.905

* Budget approved by Schools Forum before the reduction in historical commitments funding was announced by the Education, Skills Funding Agency. The shortfall in funding £1.059m funded from the Statutory School Reserve in 2020/21 only.

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SCHOOLS FORUM – 7 DECEMBER 2021

Title of paper:	Early Years Central Expenditure 2022/23
Corporate Director:	Catherine Underwood, Corporate Director for People
Report author and contact details:	Kathryn Bouchlaghem, Early Years Manager Kathryn.bouchlaghem@nottinghamcity.gov.uk
Other colleagues who have provided input:	Kathryn Stevenson, Senior Commercial Business Partner (Schools)
Summary	
<p>The national Early Years (EY) funding arrangements introduced in April 2017 include a national formula for allocating the EY block to Local Authorities and new regulations around the proportion of EY funding that can be retained for central spend. This is to ensure a high pass-through of funding to providers (93% in 2017/18 and 95% from 2018/19 onwards). Approval is subject to compliance with this regulation when the 2022/23 Schools Budget is finalised.</p> <p>This paper requests approval of the Early Years Central Expenditure Budget for 2022/23.</p>	
Recommendations:	
1	To approve Early Years Central Expenditure of £1.025m for 2022/23.
2	To note that following the announcement of the DSG settlement for 2022/23, an update will be provided in the January 2022 Schools Budget Report in relation to compliance with the regulations.
3	To note the LA's intention to pass the LA's full 3 & 4-year-old funding rate increase in the 2022/23 DSG settlement to schools/providers via the hourly base rate.

1 REASONS FOR RECOMMENDATIONS

- 1.1 This represents an increase of 1.69% compared to 2021/22 and allows for an uplift on pay costs of 2% (in line with the assumption in the Council's wider budget setting process), with other elements of the central expenditure budget remaining the same as 2021/22.
- 1.2 This level of expenditure allows the team and activity outlined in Section 2 of this report to be maintained.
- 1.3 The 2022/23 DSG early years funding settlement has not yet been announced and is expected in mid-December. There is uncertainty over what pupil data the ESFA will use in calculating indicative allocations for 2022/23. In normal circumstances, it would be based on January 2021 data. However, this date corresponded with a national lockdown and interim funding protection arrangements are currently in place for early years DSG funding. If ESFA revert to using January 2020 pupil data, it is anticipated that the proposed early years central expenditure will meet the pass-through requirements. An update will need to be provided as part of the 2022/23 Schools Budget Report.

2 **BACKGROUND**

2.1 The funding will enable the Early Years Team to carry out the following Local Authority duties under the Childcare Act 2006/Education Act 2014/Children and Families Act 2014:

- Ensure sufficient quality childcare and early education places which supports economic growth and stability for employment
- Support provision of all 2, 3 and 4 year olds, including sufficiency of quality and accessible provision, measuring uptake and support with outreach message
- Disseminate relevant National and Local Early Years policies and funding opportunities (for example revised OFSTED Education Inspection Framework) and Early Years COVID-19 Recovery Funding (details still emerging)
- Ensure that training in EYFS assessment, and support with completion of the EYFS Profile Summary, is available to all providers who need it
- Accelerate the implementation, with partners, of a Speech, Language and Communication strategy, 0-5 years, for the City (full draft available)
- Produce robust and comprehensive Continuous Professional Development (CPD) opportunities, for the early years workforce, that reflect demand and need based on data and consultation with the workforce
- Ensure 100% of Directory of Providers have a current Provider Agreement and complete the annual Early Years Census, and that payments are made in a timely manner.

OVERVIEW OF CURRENT POSITION - KEY POINTS

NB: Due to the COVID 19 pandemic the below figures are based on the Early Years Foundation Stage Profile Data 2019. There was no statutory requirement for schools to undertake the EYFSP in 2019 to 2020, or in the year 2020 to 2021.

	Target for 2019: to close the gap between Nottingham City and National					
	Good Level of Development					
	2014	2015	2016	2017	2018	2019
Nottingham City	47% (+7)	58% (+11)	63.5% (+5.5)	66.2% (+2.7)	67.6% (+1.4)	66.9 – (0.7)
National	60%	66%	69.3% (+3.3)	70.7 % (+1.4)	71.5% (+0.8)	71.8 (+0.3)
Difference	-13	-8	-5.8	-4.5	-3.9	-4.9

66.9 % of pupils in Nottingham were assessed as having reached a ‘Good Level of Development in the EYFSP’ in 2019. This is a decline of 0.7 compared to 2018 (67.6%). Our average point score has declined by 0.1, from 33.07 to 32.97.

There has been a decrease in all ELGs. The largest decreases have been seen in Managing Feelings and Behaviour (-2.1) and Making Relationships (-2.4) and Exploring Using Media and Materials (-2.1).

Girls outperform boys in all ELGs. In 2018 the gender gap had closed to 10.9 which was lower than the gender gap nationally (13.5), this year the gender gap has increased to 14.6.

Biggest Gaps with National	
Prime:	Specific:
Health and Self Care -3.4	Reading -7.5
Self Confidence and Self Awareness -3.3	Writing -6.2
Managing Feelings and Behaviour -3.2	Shape, space and measures -6.1

Nottingham's LA ranking is 143 out of 152 LA's, based on 2019 EYFSP Data.

In 2020/21 schools were asked to make best endeavours to complete the EYFSP, however, there was no statutory duty for this to be shared with the Local Authority. As an LA, we asked if schools would voluntarily submit their data to help assess the impact of the pandemic on early years outcomes, assuring that it would not be used for comparison with data from previous years.

24 schools voluntarily submitted data in July 2021. From this data, 51.3% of children achieved a good level of development (GLD). Using the data, combined with anecdotal evidence from practitioners from across the City, children struggled to reach the expected levels in their communication and language, personal, social and emotional development and literacy. This was anticipated due to the impact of lockdowns and online learning.

In September 2021, a new statutory framework came into force across the early years, which includes how the EYFSP is completed. The changes aim to put early language at the heart of a broad and balanced curriculum and to allow practitioners to spend more time interacting with children, instead of spending time collecting evidence and tracking children. The LA's CPD offer reflects this focus. In addition, we have developed a dedicated webpage, which contains all the relevant documentation, along with vodcasts, which practitioners can refer back to as they implement the changes.

This year, we are running Agreement Trialling sessions for both school and Private, Voluntary and Independent (PVI) practitioners to attend, which will support them with the changes to assessment and tracking. These sessions will be held each term and will build practitioners confidence with accurate assessment, as well as providing them with strategies to support children who are not yet working at age related expectations. This was a recommendation from the LGA Peer Challenge undertaken in Autumn 2019.

Throughout this transitional year, as a LA, we have developed two working parties; one for PVI settings and one for schools. These will work with practitioners from across the city, to look at what additional support we can offer to support with implementing the changes.

Children in Nottingham City generally start school below age related expectations. Anecdotally, this year the cohort of children was particularly challenging. Issues include poor PSE development, delayed communication and language and high mobility in certain areas. Taking all of this into account, though some children do not reach expected levels at the end of EYFS, they do make good progress from their start points.

The impact of COVID-19 is still, and will continue to be felt across Nottingham City. We are continuing to work closely with schools and PVI settings to support them with issues that arise, with a particular focus currently on; personal, social and emotional development, and speech and language development. The SLC Strategy is also a tool to support the workforce and parents. Where appropriate, we will keep Head Teachers and Senior Leaders updated using existing communication infrastructures, for example Head Teacher Briefings and Senior Leadership Networks.

Additional Headlines

Ofsted Early Years Directorate and the Local Government Association (LGA) are bodies who regularly check and challenge performance and outcomes. The Annual Ofsted Conversation, with the LA, noted a positive approach to supporting all early years settings with any in year changes to the statutory framework and/or policy changes. During the COVID pandemic the Early Years team have continued to be the bridge between the DfE and all Early Years Providers.

❖ Early Years EYFS CPD Training Opportunities Programme

The demand from both the Maintained and PVI sector for quality, EY branded courses to support them to meet their statutory duties, including; Ofsted requirements and EYFSP assessment, is high. Attendance figures have already almost matched the total attendance for the whole of last year and will be exceeded by the end of December 2021.

2020 - 2021 Financial Year:		
Sector	Number of courses	Attendance
Maintained schools and academies	12	132*
PVI Day Nurseries, Pre-schools and childminders	62	892*
Generic Courses (e.g. Paediatric First Aid,	17	125 PVI 36 Schools
Annual business meeting	1	101
Total: Financial Year 2020 - 2021	92	1286

*Excluding annual conference – due to COVID-19 there was not one in 2021

It is acknowledged that the CPD offer has adapted content and reach to meet the emerging needs of the workforce and national policy. The demand for the CPD offer is high, this is incredibly positive and has required additional resource.

April 2021 – November 2021:		
Sector (includes November bookings)	Number of courses	Attendance
Maintained schools and academies	9	181
PVI Day Nurseries, Pre-schools and childminders	38	934
Generic Courses (e.g. Blended learning Paediatric First Aid)	18	109 PVI 17 schools
Total: April – November 2021	65	1241

Sufficiency Duty

Funded age range	Sector	Number of Children	Percentage of all funded children that term	Data source
3 & 4 year old provision	Schools	3,445	65%	Summer Term 2021 participation data, Childcare Sufficiency Assessment
	PVI	1,827	35%	
2 year old provision	Schools	100	9%	Summer Term 2021 participation data, Childcare Sufficiency Assessment
	PVI	1011	91%	

Previous 3 & 4 year old provision has been measured using the Statistical First Release Data from the DfE, but since 2020 the figures issued do not provide the level of data required so our Childcare Sufficiency Data has been used for this purpose as a current alternative. These Summer Term 2021 figures are lower for 3 and 4 year old participation in schools due to the impact of the pandemic and self-isolation requirements. Other impacting actors would include the furlough scheme and staffing availability, as well as the additional measures in place for clinically vulnerable children.

Schools:		
Two Year provision (separate facility – children from the term after they turn 2 years old)		
School	Registered number of places	Average Capacity
Sycamore Primary	12 (24 sessions)	Full both sessions
Djanogly Sherwood Rise	16 (32 Sessions)	Capped at 12 children per session at the moment
Milford Academy	8 (16 sessions)	Limited vacancies
Cantrell	12 (24 sessions)	Vacancies both sessions

On average 20 additional schools take children the term they turn three equating to approximately 60 additional funded 2 year olds in schools

Ofsted Gradings: 2020/2021 – last updated March 2021

Figure 1. Nottingham City Ofsted Grades Compared to National and Regional data
Most recent Ofsted data available up to 31/03/2021, released by Ofsted 30/06/2021

All Early Years Settings (Day Nurseries, Pre-Schools and childminders)			
Ofsted data	National	East Mids	Nottingham City
Outstanding	18%	14%	5%
Good	78%	82%	90%
Requires Improvement	3%	3%	3%
Inadequate	1%	1%	2%

Figure 2. Nottingham City Ofsted Grades for Day Nurseries and Pre-Schools

Day Nurseries & Pre schools	Current numbers	Ofsted Grade % overall	
Outstanding	3	4%	81%
Good	56	77%	
New Settings (awaiting Inspection)	13	18%	18%
Requires Improvement	0	0%	1%
Inadequate	1	1%	
Total	73	100	

Intended Outcomes

Local authorities **must** have regard to the DfE **Early Education and Childcare Statutory Guidance for Local Authorities** when seeking to discharge their duties and **should not** depart from it unless they have good reason to do so.

The Guidance states that:

'all children are able to take up their free hours in a high quality setting'.

2.2 **Table 1** shows an indicative breakdown of the central expenditure budget. Exact figures will be finalised during the course of the Council's wider 2022/23 budget setting process, taking into account the calculation of detailed salary budgets for example.

TABLE 1: Breakdown of Central Expenditure Budget £m			
Expenditure Category	2021/22	2022/23	
Staffing – including on costs	0.866	0.883	See Table 2 for funded posts
Non staffing – facilities, managerial overheads, support costs	0.142	0.142	Facilities, managerial overheads, support costs
TOTAL	1.008	1.025	

2.3 Table 2 shows early years funded posts included in the staffing costs in **Table 1:**

TABLE 2: Early Years Posts	
Role	FTE
Early Years Manager	0.8
Programme/Project Management	1.8
EYFS Support Workers	5.0
Teaching & Learning Specialists	2.0
Childcare Workforce Development/Training	2.0
2, 3 and 4 Year old funding administration	2.0
Administrator	1.1
Safeguarding post	1.0
Family Information Officers	2.4
Family Information Directory Coordinator	1.0
TOTAL	19.1

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 None.

4 OUTCOMES/DELIVERABLES

4.1 An agreed approach to setting the 2022/23 Early Years budget, which meets the regulations, as outlined in the Early Education and Childcare Statutory Guidance for Local Authorities (June 2018).

5 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

5.1 The proposed Early Years central expenditure will be funded from allocations for 2, 3 and 4 year olds. The EYNFF rates for funding coming into the Local Authority in 2022/23 for 2 year olds and 3 & 4 year olds have not yet been announced. Our indicative early years allocation for 2022/23 is expected to be published in mid-December.

- 5.2 There is uncertainty over what pupil data the ESFA will use in calculating indicative allocations for 2022/23. In normal circumstances, it would be based on January 2021 data. However, this date corresponded with a national lockdown and interim funding protection arrangements are currently in place for early years DSG funding. If ESFA revert to using January 2020 pupil data, it is anticipated that the proposed early years central expenditure will meet the pass-through requirements.
- 5.3 If ESFA use January 2021 pupil data for the indicative settlement this will cause an issue as pupil numbers were 11% down on that count compared to the previous year. In the event of this, options and potential solutions will be explored and presented to Schools Forum as part of the 2022/23 Schools Budget Report.
- 5.4 The planned contribution from 2 year old funding to the central expenditure budget remains the same as 2021/22 at £0.065m.
- 5.5 The proposed £0.017m increase in early years central expenditure is an increase of 1.69%. This would cover a potential pay award of 2%, in line with the 2020/21 assumptions being used as part of the Council's wider budget setting process. The actual pay award for 2022/23 is not yet known.
- 5.6 This does not allow for any inflationary increase to non-staffing budgets.

6 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 6.1 None.

7 HR ISSUES

- 7.1 None.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 Has the equality impact of the proposals in this report been assessed?

Yes



9 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

- 9.1 None.

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 10.1 Childcare Act 2006, Education Act 2014, Children and Families Act 2014, Early Education and Childcare Statutory Guidance for Local Authorities (June 2018).

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Schools Forum – 7 December 2021

Title of paper:	Proposed pupil growth allocation for 2022/23
Director: Corporate Director:	Nick Lee, Director of Education Services Catherine Underwood, Corporate Director for People
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Summary	
<p>As part of the budget setting process for the financial year (FY) 2022/23, this report outlines the proposed requirements of the Pupil Growth Contingency Fund (PGCF) for 2022/23 and seeks Schools Forum's approval to allocate £1.116m for this purpose. The funding will be used to fund pupil growth in both maintained schools and academies. As part of the budget setting process for 2022/23, the School Funding team must inform the Education and Skills Funding Agency (ESFA) by 21 January 2022 on the level of funding allocated for pupil growth for academies for the period April 2022 to August 2022, from the pupil growth contingency fund.</p> <p>Growth Funds are an established mechanism nationally, to support expanding schools. The Department for Education (DfE) Schools Forums: Operational and good practice guidance document from March 2021 identifies the creation of a fund and the agreement of criteria for pupil growth as one of the functions Schools Forums are responsible for deciding on (Page 5).</p>	
Recommendations:	
1	To approve the allocation of £1.116m to support pupil growth in 2022/23 (appendix 1 outlines the current commitments and projected requirements for pupil growth in 2022/23 based on the current PGCF criteria for primary and secondary growth).
2	To note <ul style="list-style-type: none"> (a) the requirement to allocate funding to academies for the period April 2022 to August 2022 as guided by the ESFA (but which will be reimbursed to the LA's Dedicated Schools Grant (DSG)). (b) that the amount to be allocated (and reimbursed) is £0.445m; (c) that the total amount of academies individual school budget shares will be netted off against the pupil growth given out for this period, and the Authority's Dedicated Schools Grant for 2022/23 will be adjusted accordingly.
3	To approve the allocation of any unallocated DSG funding in the Schools Block, which cannot be passed onto schools due the national funding formula guidelines in 2022/23, to the pupil growth contingency fund should there be a surplus balance.

1 Reasons for recommendations

- 1.1 The Pupil Growth Contingency Fund continues to provide funding to schools and academies who have admitted additional pupils to meet the growing need for school places. The level of pupil growth in Nottingham has been substantial. The Council invested £42m in its primary school expansion programme from 2009-2018, creating over 5000 additional school places over the period of expansion, once all year groups are full.
- 1.2 The City's significant pupil growth started to impact on the secondary sector from 2017; therefore, an appropriate funding model was implemented to support this. In April 2018, Schools Forum approved the criteria and methodology under which funding can be allocated to secondary schools (as detailed in Appendix 2). Then on 15 January 2019, Schools Forum approved to alter the funding criteria for primary school pupil growth, so that teachers are funded at a salary of a M6 teacher rather than an M3 teacher, so that it mirrors the same salary given to secondary schools (see Appendix 3). Both criteria are currently updated annually to reflect the pay increases.
- 1.3 The local authority (LA) retains a statutory duty to ensure all children within the city are able to access a suitable school place. A centrally held pupil growth fund allows the LA to manage the process of supporting schools to meet basic need. Collaborative and strategic coordination and cooperation between all Nottingham City learning settings has, and continues to be required, to meet the secondary sufficiency needs.
- 1.4 Financial support for schools that are providing significant additional capacity to meet this need is essential to avoid schools being at a financial disadvantage until the increased pupil numbers are reflected in their budgets. This will encourage the efficient deployment and allocation of resources as a school grows, while protecting the growth fund against long-term, non-sustainable funding commitments.
- 1.5 For maintained schools, there is usually a funding lag period of 7 months, between September and March, if schools have to provide additional staff for an extra class of pupils, but the increased number on roll are not reflected in their budget until the following April. The PGCF is used to support schools to address this funding lag.
- 1.6 Academies' FY runs from September to August, therefore, academies receive a full 12 months of PGCF. This is paid in two separate payments: 7/12ths of the annual amount is paid in September (to cover the period Sept – March). The other 5/12ths is paid in April (to cover the period April to August). This additional 5/12ths element for academies is then reimbursed to the LA's Dedicated School's Grant by the ESFA.
- 1.7 When a school expands (if the need for additional capacity is agreed with Council and the attached criteria is met), they may receive funding for every year that they admit additional pupils, until the school is full, which is normally 7 years for a primary and 5 years for a secondary school. If a school expands by a one-off bulge year, they will receive funding for that year only.
- 1.8 The forecast expenditure for 2022/23 has been costed on the basis of existing remaining primary growth commitments, the final payments for which end in September 2022, and the current and anticipated level of growth at the secondary phase. This figure includes both existing/known commitments for secondary growth,

as well as an estimated contingency figure based on potential additional capacity needs for the September 2022 academic year.

2 Background

- 2.1 For 2022/23, the level of funding for pupil growth requested from Schools Forum is £1.116m. Table 1 below demonstrates how the fund is projected to be allocated. A full breakdown of known and projected expenditure by school is shown in Appendix 1 attached.

Agreed expansions / PAN increases / bulge classes	£0.504m
Additional funding for academies to fund full FY	£0.365m
Contingency	£0.247m
TOTAL	£1.116m

The Table 2 below shows the level of funding approved in recent years.

2021/22	£1.282m
2020/21	£1.394m
2019/20	£1.324m
2018/19	£1.148m
2017/18	£1.052m
2016/17	£1.318m
2015/16	£1.047m
2014/15	£1.523m

- 2.2 For 2022/23, the known requirements that are already committed or projected for the pupil growth fund total £0.869m.
- 2.3 A further £0.247m has been set aside to allow for contingency, to support any other schools accommodating additional pupils (if it meets the funding criteria attached).
- 2.4 Ensuring that the supply of school places meets demand is, and remains, a statutory duty of Local Authorities, even though LAs are no longer able to open new schools. As commissioners of education working with a range of providers, Nottingham City is striving to meet school place needs in a way that promotes parental choice, diversity and enabling access to good or outstanding schools close to home.
- 2.5 Since the considerable increase in secondary demand since 2017, additional capacity has been implemented, with expansions creating 8 extra forms of entry across Trinity School, NUAST and Fernwood Academy. This is in addition to the extra capacity which has also been negotiated at other academies as detailed in Appendix 1, through a combination of increased PANs and bulge classes.
- 2.6 Pupil forecasting shows there is further need for places, with the Year 7 demand projected to peak in 2022-24, and overall capacity pressure set to peak in 2025-27 as the larger cohorts move through. The expectation is that most of this remaining need will be met by the new Bluecoat Trent Academy secondary school, which has opened on a temporary site in September 2021. The newly built school on the permanent site is due for completion by September 2023.

- 2.7 As the new school opened in September 2021, the ESFA guidance states that it must be funded using estimated pupil numbers from September 2021 in the local funding formula, not via the pupil growth fund. The funding allocated to the free school via the local funding formula will be recoupable from the LA by the ESFA from the first year of opening.
- 2.8 As a LA, we aim to provide parental choice and to maximise the number of pupils securing their preferred school. For September 2021 secondary school admissions, in the face of increasing demand, 85% of pupils were offered their first or second choice secondary school. However, with the rising number of applications and the increasing pressure on capacity in existing secondaries, this has reduced from 92% in 2016. The LA's ambition strives to ensure that all pupils in Nottingham attend a good school, close to home and with the opening of the new Bluecoat Trent Academy, it is expected that the number of pupils securing their first or second preference of secondary school will start to increase again.
- 2.9 The full breakdown and updates to Pupil Growth Contingency Fund spend will continue to be reported to Schools Forum as a regular agenda item.

3 Other options considered in making recommendations

- 3.1 None.

4 Outcomes / Deliverables

- 4.1 Continued provision of required school places and maximising the number of pupils who secure their first or second preference. To address the growing need for additional capacity in the secondary sector, in line with the LAs statutory requirement to provide school places. The provision of this revenue funding in a timely manner supports schools to effectively meet the needs of pupils and to maintain standards and performance, without sustaining a significant funding shortfall.

5 Finance colleague comments (including implications and value for money / VAT)

- 5.1 In the FY 2019-20, the DfE introduced a formulaic approach to allocating growth funding to local authorities to try to ensure that the funding was distributed fairly and consistently. The new growth factor was fairer because it distributes funding based on the actual growth that local authorities' experience, rather than the amount they have historically chosen to spend. In the FY 2022/23 funding will continue to be allocated using the same methodology, but will be based on the growth in pupil numbers between the October 2020 and October 2021 censuses in each middle super output area (MDSOA) boundary.

See Appendix 4 for a summary of the revised methodology for allocating pupil growth funding to local authorities.

- 5.2 In the FY 2022/23 local authorities will continue to be responsible for managing their pupil growth funding locally and setting their pupil growth criteria's.

In the "Fair funding for all: completing our reforms to the National Funding Formula" consultation which closed 30 September 2021 the DfE stated that they intend as part of the hard NFF to introduce a new methodology for allocating pupil growth funding to schools as part of the NFF whereby they intend to:

- I. Use a national, standardised criterion to determine which schools are eligible for funding.

The main criterion would involve the size of the forecast growth, to ensure that additional funding is only allocated where growth is significant.

Where growth is not significant, we would expect schools to manage within the funding allocations on the basis of lagged data until the following year in which budgets will increase, to reflect the higher pupil numbers.

- II. Factor this funding into school's core NFF allocations, where growth is significant enough to meet the national criteria.
- III. Standardise the amount that eligible schools receive. The aim is to spend broadly the same proportion of the total Schools Block on growth as at present, adjusted to reflect the level of growth that is forecast when the hard NFF is introduced, and in subsequent years.

At present no timeframe has been confirmed as to when the DfE intend to introduce the new pupil growth funding criteria. The outcome of the consultation has yet to be released on the next steps towards a national funding criteria for pupil growth. Once this has been issued the LA will notify SF of the outcome of the consultation and the impact on Nottingham City schools. For information on the consultation and the LA's response to the consultation refer to "Funding update for 2022/23 and the national consultation on completing the NFF reforms" report section 2.8. This report was discussed at SF on 12 October 2021.

- 5.3 In the FY 2022/23 the DfE have increased the rates applied to the growth in primary and secondary pupils by 1.79%. The increase in primary pupils in each MSOA between the October 2020 and October 2021 censuses will be multiplied £1,485 and likewise the increase in secondary pupils in each MSOA is multiplied by £2,220.
- 5.4 As per paragraph 2.1 this report seeks approval to allocate £1.116m for pupil growth for both maintained schools and academies in the city in the FY 2022/23. The estimated funding requirement for 2022/23 has been calculated based on the principles included in the Pupil Growth Contingency Fund Criteria set by Schools Forum on 24 April 2018. However, updates have been made to the rates included in the primary and secondary school criteria's. **Table 3** shows the updates to the rates for 2022/23 compared to 2021/22.

Table 3: Revision to 2022/23 rates		
	Primary	Secondary
Teachers Pay	Increased to reflect the estimated cost of a M6 teacher in the FY 2022/23. Assumed a 0% pay award in September 2021 and a 2% pay award from September 2022.	
Teaching Assistants Pay	Increased to reflect the estimated cost of a point 12 TA in 2022/23. A 1.75% pay award has been assumed in both 2021/22 and 2022/23.	
Midday supervisors Pay	Increased to reflect the estimated cost of a point 8	

	MDSA in 2021/22. The costing has been based upon 7.5 hours per week and an assumed 1.75% pay award in 2021/22 and 2022/23.	
Deprivation factor rates: FSM		Inflated by 2% to reflect the increase in funding allocated through the national funding formula in 2022/23.
FSM6 and IDACI		Applied the rate values that are to be used in the local funding formula in 2022/23 to allocate funding to schools.
Classroom set up costs	Uplifted the classroom set up costs by 2% from £8,468 per class to £8,637. For secondary schools which are due to expand by more than one class this figure is tapered on a sliding scale dependent on the number of classes the school is to expand by. See Appendix 2 as to how this is tapered.	

The secondary school's deprivation ratios have also been updated to reflect the latest ratio's for secondary schools. These are now based on the pupils in the October 2020 school census rather than the October 2019 school census that were used in the FY 2021/22.

- 5.5 As stated in Table 4 £0.503m has been allocated for maintained schools and academies pupil growth for the period September 2022 to March 2023, £0.445m for academies for the period April 2022 to August 2022, plus an additional contingency of £0.168m for any further expansions that may be required in 2022/23. If approved the funding will be included in the 2022/23 budget and will be funded as outlined in Table 4.

Table 4: Analysis of pupil growth funding 2022/23		
Forecast income		
2022/23 DSG Schools block allocation	-£0.672m	
Reimbursement from the ESFA for academies (Apr 22 to Aug 22)	-£0.445m	
Total income		-£1.116m
Forecast expenditure		
Planned expansions/bulge years maintained schools and academies (September 2022 to March 23)	£0.503m	
Funding to cover academies for the full academic year (Apr 22 to Aug 22)	£0.445m	
Contingency	£0.168m	
Total forecast expenditure		£1.116m
Variance		£0

- 5.6 The School Organisation Team will be allocating £0.445m to academies in 2022/23 to fund the extra pupils they took in from September 2021 for the period April 2022 to August 2022. Refer to paragraphs 1.6 for an explanation as to why this is required. The 2022/23 pupil growth for academies relating to April 2022 to August 2022 will be included in the submission of the 2022/23 school budgets to the ESFA. This funding will then be reimbursed to the Local Authority in 2022/23.
- 5.7 Should there be a surplus balance in the Schools Block once the October 2021 data has been received from the ESFA in December 2021 and the LA has passed onto schools all the funding that can be allocated through the local funding formula, the LA proposes to allocate the remaining unallocated balance to the pupil growth contingency fund for 2022/23. At present the LA cannot say how much the remaining balance will be as it is dependent on the make-up of pupils on the October 2021 school census. The primary and secondary units of funding were based on the make-up of pupils on the October 2020 school census. The LA is proposing this recommendation as a significant number of city schools are projected to be in receipt of transitional protection and as a result of the introduction of the national funding formula in 2020/21. This is estimated to equate to 74 of our 94 schools in 2022/23. Increasing the factor rates would not result in all schools receiving the additional funding as it would just be deducted from the protection. Only schools not in receipt of protection would benefit from the increase in the factor rates.

An update on the financial position on the Schools Block will be provided to SF in the Schools Budget 2022/23 report which will be brought to Schools Forum on 18 January 2022. See recommendation 3.

Julia Holmes
Senior Commercial Business Partner
3 November 2021

6 Legal and procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)

6.1 Legal Implications

6.1.1 The budgetary framework for the financing of maintained schools is contained in Chapter IV of Part II of the School Standards and Framework Act 1998 (“SSFA”). This chapter of the SSFA includes sections 45A (determination of specified budgets of a local authority) and 47A (the duty on a local authority to establish a schools forum for its area).

6.1.2 Section 45A(2) of the SSFA states that for the purposes of Part II of the SSFA, a local authority’s “schools budget” for a funding period is the amount appropriated by the authority for meeting all education expenditure by the authority in that period of a class or description prescribed for the purposes of this subsection (which may include expenditure incurred otherwise than in respect of schools). Section 45A(2A) of the SSFA states the amount referred to in subsection (2) includes the amount of any grant which is appropriated, for meeting the expenditure mentioned in that subsection, in accordance with a condition which –

- (a) *is imposed under section 16 of the Education Act 2002 (terms on which assistance under section 14 of that Act is given) or any other enactment, and*
- (b) *requires that the grant be applied as part of the authority's schools budget for the funding period.*

6.1.3 This means that the designated schools grant (“DSG”), which is paid to local authorities under section 14 of the Education Act 2002 (“EA2002”) essentially on condition imposed by the Secretary of State under section 16 of the EA2002 that it is applied as part of an authority’s schools budget for the funding period, is part of the school’s budget. Indeed, the DSG is the main source of income for the school’s budget (Education and Skills Funding Agency (“ESFA”) guidance *Dedicated schools grant Conditions of grant 2020-2021* (Updated 19 July 2021), paragraph 3.1). Local authorities can add to the school’s budget from local sources of income (*ibid*, paragraph 3.1). Local Authorities retain responsibility for setting the overall level of their ISB and for determining school budget shares, subject to the Schools and Early Years Finance (England) Regulations 2021, SI 2021/59 (“SEYFR”).

6.1.4 The detail is prescribed by regulations.

6.1.5 Amongst other things, regulation 1 of SEYFR states the following:-

(4) In these Regulations—

...

“1996 Act” means the Education Act 1996;

...

“2003 Act” means the Local Government Act 2003;

...

“2020 Regulations” means the School and Early Years Finance (England) Regulations 2020;

...

“capital expenditure” means expenditure of a local authority which falls to be capitalised in accordance with proper accounting practices, or expenditure treated as capital expenditure by virtue of any regulations or directions made under section 16 of the 2003 Act;

...

“CERA” means capital expenditure which a local authority expects to charge to a revenue account of the authority within the meaning of section 22 of the 2003 Act;

6.1.6 Amongst other things, regulation 8 of SEYFR states the following:-

(6) Except as provided for in paragraphs (13) and (14) [not relevant here], a local authority must not deduct the expenditure referred to in Schedule 2 (other than expenditure referred to in paragraph 8 (expenditure on licences) and Part 5 (Children and Young People With High Needs) of Schedule 2) without authorisation from its schools forum under regulation 12(1), or from the Secretary of State under regulation 12(3).

6.1.7 Amongst other things, regulation 12 of SEYFR states the following:-

(1) *On the application of a local authority, its schools forum may authorise—*

...

(c) *the making of deductions from the authority's schools budget of expenditure under regulation 8(6);*

6.1.8 Schedule 2 to SEYFR sets out the following expenditure relevant to this report:-

1

CERA incurred for purposes not falling within any other paragraph of this Schedule or Schedule 1.

...

3

Any deductions under any of paragraphs 1 and 2(a), 2(b), 2(c), 2(d) and 2(e) must not exceed the amount deducted under each of the corresponding paragraphs of Part 1 of Schedule 2 to the 2020 Regulations for the previous funding period.

4

Expenditure due to a significant growth in pupil numbers as a result of the local authority's duty under section 13(1) of the 1996 Act to secure that efficient primary education and secondary education are available to meet the needs of the population of its area, including expenditure resulting from the additional costs associated with establishing a new school.

6.1.9 Therefore, the expenditure proposed here is potentially expenditure to be made from the school's budget for Nottingham City Council ("NCC") and NCC's DSG at that. This is provided if the money is to be spent in the way proposed in this report, that it is either spent as CERA as defined by SEYFR and in accordance with SEYFR, or it is spent due to a significant growth in pupil numbers as a result of NCC's duty under section 13(1) of the 1996 Act to secure that efficient primary education and secondary education are available to meet the needs of the population of its area. That last point is particularly important where it is envisaged that any such expenditure would be made to assist the expansion of an Academy since any expenditure of NCC's schools budget on an Academy without a clear legal duty or power enabling NCC to do so would be unlawful. The reasons for recommendations and the background sections to this report set out that a significant growth in pupil numbers means that section 13(1) of the 1996 Act is potentially engaged here and the proposed expenditure would be lawful on that basis alone.

6.1.10 Lastly as expenditure caught by Schedule 2 to SEYFR, regulation 8(6) of SEYFR requires NCC to seek the approval of Nottingham City Schools Forum under regulation 12(1)(b) of SEYFR for the expenditure referred to in this report, hence this report.

Dionne Screatton, Senior Solicitor, Commercial Employment and Education, 17th November 2021

7 HR colleague comments

7.1 Not required.

8 Equality Impact Assessment

8.1 Attached at Appendix 5, and due regard will be given to any implications identified in it.

9 List of background papers other than published works or those disclosing confidential or exempt information

9.1 None

10 Published documents referred to in compiling this report

10.1 Pupil Growth Contingency Fund – criteria setting – 24 April 2018 and 15 January 2019.

10.2 ESFA - Schools revenue funding 2021 to 2022 – Operational guide – July 2020

10.3 DfE - The School and Early Years Finance (England) Regulations 2020

10.4 ESFA - Schools Forum – Operational and good practice guide – September 2018

Appendix 1 – breakdown of schools due to receive funding from 2022/23 pupil growth contingency fund

School	Amount £	Funding criteria	Funding start date	Funding end date (up to and including)
Primary expansions				
Glade Hill Primary	51,902	Staffing / utilities	Sept 2016	Sept 2022
Mellers Primary	51,902	Staffing / utilities	Sept 2016	Sept 2022
Primary expansions classroom set up				
Glade Hill Primary	8,638	Classroom set up x1	Sept 2016	Sept 2022
Primary sub total	112,442			
Secondary expansions / PAN increases				
NUAST - 4 FE age range extension	119,024	Staffing / deprivation funding	Sept 2018	Sept 2022
Bulwell - 1 FE PAN increase	49,597	Staffing / deprivation funding	Sept 2018	Sept 2022
Djanogly City Academy – 2 FE PAN increase	90,021	Staffing / deprivation funding / classroom set up and resources	Sept 2019	Sept 2023
Nottingham Free School - 1 FE PAN increase	36,403	Staffing / deprivation funding	Sept 2019	Sept 2023
The Fernwood Academy - 3 FE expansion	96,061	Staffing / deprivation funding / classroom set up and resources	Sept 2020	Sept 2024
Secondary sub total	391,106			
Contingency funding				
Secondary contingency (based on estimated up to 3 FE increase)	168,148	Staffing / deprivation funding / resources	Sept 2022	Sept 2022
Total DSG required (excluding funding to be reimbursed from the ESFA for academies funding)	671,696			
Additional funding for primary academies to fund April – August '22 (reimbursed by ESFA)				
South Wilford	36,650	Staffing / utilities	Apr-2016	Apr-2022
Additional funding for secondary academies to fund April – August '22 (reimbursed by ESFA)				

Trinity School – 1 FE expansion	32,291	Staffing / deprivation funding / classroom set up	April 2018	April 2022
NUAST – 4 FE age range extension	83,832	Staffing / deprivation funding	April 2018	April 2023
Bulwell Academy – 1 FE PAN increase	35,003	Staffing / deprivation funding	April 2019	April 2023
Djanogly City Academy – 2 FE PAN increase and 1 FE Sept '21 bulge class	84,550	Staffing / deprivation funding / classroom set up	April 2020	April 2022 for 1 FE bulge and April 2024 for 2 FE PAN increase
The Fernwood School – 3 FE expansion	67,598	Staffing / deprivation funding / classroom set up	April 2021	April 2025
Nottingham Free School – 1 FE PAN increase	25,579	Staffing / deprivation funding	April 2020	April 2024
Sub total to be reimbursed by ESFA	365,503			
Contingency funding				
Secondary contingency (based on estimated up to 2 FE increase relating to Sept '21 admissions)	79,226	Staffing / deprivation funding / resources	April 2022	April 2022
Total forecast expenditure for 22/23	£1,116,425			

Appendix 2 – proposed criteria for secondary phase pupil growth (values updated 11 October 2021)

Conditions / principles of funding:

- Funding allocated to schools which are increasing their PAN or expanding beyond it, by a minimum of one full class (i.e. 25-30 pupils).
- Funding allocated where growth is at the request of / in agreement with the Council's School Organisation Team.
- Funding will only be allocated if additional costs are incurred. If a capacity increase or expansion can take place within the current teaching structure of the school and additional costs are marginal, contingency funding will not be allocated.
- Funding allocated for classroom costs based on consideration of the increase in overall actual numbers, i.e. the difference in pupils leaving Year 11 and joining Year 7, from the date of the increased capacity.
- If a school is expanding by more than one class, the funding allocation per class will be tapered on a sliding scale as detailed below.
- Period of funding – 5 years, based on the school growing year on year from Years 7-11, or when the school is full, whichever is the earliest. 'Bulge' years – funding for the relevant year only.
- From April 2018, for any academy choosing to reduce their PAN against the wishes of the LA, pupil growth contingency funding will not be payable for subsequent increases / admission over PAN.
- All decisions on the necessity and level of funding will be assessed by the LA Pupil Place Planning Officer, on a case by case basis in accordance with the criteria agreed by Schools Forum and in consultation with the school. The Service Manager for Access & Inclusion will then undertake a further review and confirm that the criteria are met. Following approval, the funding will then be confirmed to the school.

Criteria and funding values:

- Staffing funding based on an M6 teacher (including on-costs).
- Deprivation funding based on each schools proportion of pupils eligible for the FSM, FSM6 and IDACI band factors.
- Classroom set up costs, up to a maximum of £8,637 per additional class / 25-30 pupils. This element is only payable in justifiable circumstances, e.g. if the school has physically expanded to create brand new additional classrooms that require furniture and equipment. It will not apply where there is already existing space / surplus capacity within the school.
- All three of the above criteria payable for each additional class (per class of 25-30 pupils) but tapered on a sliding scale as follows:
 - 1 class = 100% funding
 - 2 classes = 80% funding
 - 3 classes = 60% funding
 - 4 classes = 40% funding
 - 5 classes = 20% funding

**Table 1: SECONDARY CRITERIA AND FUNDING VALUES
(for one additional form of entry)**

Note - the following funding streams are paid on a sliding scale for each additional form of entry added, as detailed in the conditions of funding stated above

Funding streams	7/12ths (Sept- March)	5/12ths (April – August)	Annual value
Funding for a Teacher at Main Scale 6 (including on-costs)	£29,505	£20,652	£50,157
Deprivation funding based on each schools proportion of pupils eligible for the FSM, FSM6 and IDACI band factors	School specific amount, to a <u>maximum</u> of £21,506	School specific amount, to a <u>maximum</u> of £15,362	School specific amount, to a <u>maximum</u> of £36,868
Classroom set up costs – fixtures / fittings / smart board This element is only payable in justifiable circumstances, e.g. if the school has physically expanded to create brand new additional classrooms that require furniture and equipment. It will not apply where there is already existing space within the school.	£5,039	£3,598	Up to £8,637 per additional class (25-30 pupils)

Growth fund is not used for:

- Schools with existing surplus capacity which are admitting additional pupils up to the PAN.
- Schools admitting over PAN or increasing their PAN at their own choice
- Schools who are directed / requested to admit additional pupils admitted through Appeals, FAP, LAC, errors etc, as these numbers will be extremely low on an individual school basis.

Appendix 3 – criteria for primary phase pupil growth (values updated 11 October 2021)

Schools Forum on 15 January 2019, agreed to alter the funding criteria for primary school pupil growth, so that teachers are funded at a salary of M6, as is the case for secondary schools.

1. For any *new* primary funding decisions from April 2018 onwards, funding for utilities costs will only be allocated based on specific need / evidence, on a case-by-case basis.
2. For ‘bulge year’ funding allocations in KS2, a Teaching Assistant may not be required, or can potentially be shared between more than one class. Allocations on a case-by-case basis as per the application process above.

Table 2: PRIMARY CRITERIA AND FUNDING VALUES (based on a class of 30 pupils)			
Funding Streams	7/12ths (Sept-March)	5/12ths (April-Aug)	Annual Value
Staffing			
Teacher M6 (with on costs)	£29,505	£20,652	£50,157
Teaching Assistant	£17,481	£12,487	£29,968
Midday Supervisor	£2,290	£1,636	£3,927
Total staffing cost package	£49,277	£34,775	£84,052
Utilities			
Utilities Costs (£150 per pupil per annum)	£2,625 (based on 30 pupils)	£1,875 (based on 30 pupils)	£150 x 30 = £4,500
TOTAL COST (staffing and utilities – based on additional 30 pupils)	£51,902	£36,650	£88,552
New classroom set up			
Classroom set up costs - Fixtures & Fittings			Up to £6,556
Smart board kit			Up to £2,081
Total classroom set up costs			Up to £8,637

APPENDIX 4

Methodology for allocating pupil growth to local authorities 2022/23



Schools Forum - 7 December 2021

Title of paper:	De-delegation of funding for Trade Union time off for Senior Representatives for 2022/2023
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Summary

The purpose of this report is to outline the proposed funding arrangements for trade union facility time for senior trade union representatives from schools to attend negotiation and consultation meetings and to represent their members in schools from 1 April 2022 to 31 March 2023.

Under the Schools and Early Years Finance Regulations 2021 maintained schools can agree to de-delegate funding for trade union facility time. This has been done by maintained schools since the financial year 2013/14. To reduce the cost on maintained schools the arrangement is also offered to academies. The income generated pays for the salaries of the trade union representatives whilst carrying out trade union facility time duties. Maintained schools and academies are reimbursed the salaries of the representatives who are employed by them. This is done so that no school loses out as a consequence of members of their staff carrying out trade union duties.

Recommendation(s):

1	For maintained mainstream primary schools to approve the de-delegation of funding for senior trade union representatives at a rate of £1.55 per pupil and a lump sum of £1,571 per school. These charges will generate a £0.155m projected income and is based upon 69 maintained schools and academies buying into the scheme.
2	Maintained mainstream primary schools to note that the total funding requested to be de-delegated by maintained mainstream primary schools is £0.0.63m. This is made up of £0.017m generated by pupil's numbers and £0.046m lump sum funding.

1. Reasons for recommendations

- 1.1 Under the school funding arrangements, costs which relate to teachers and non-teaching support staff who are employed by schools and are engaged as Senior Trade Union Representatives can be centrally retained on the behalf of maintained primary schools if de-delegation is approved. Funding for facility time forms a part of the school formula. However, funding can also be retained centrally by Nottingham

City Council on behalf of maintained mainstream primary schools if de-delegation is approved.

- 1.2 The decision made by primary maintained schools at Schools Forum on 13 October 2020 to de-delegate from 1 April 2021 to 31 March 2022 related to that year only, so a new approval is required for de-delegation to continue from 1 April 2022 to March 2023. Schools Forum members of maintained mainstream primary schools must decide whether this service should be provided for centrally and the decision will apply to all maintained mainstream primary schools in that phase. Funding for this service will then be removed maintained mainstream primary schools Individual School Budgets before their school budgets are issued.

Schools Forum agreed in October 2013 that Academies could be approached to ascertain whether they would like to be part of the Local Authority's (LA) arrangements in relation to the funding of senior trade union representatives. We are yet to write to Academies asking them to buy into the service from April 2022 and this will be based on the costing decision taken at Schools forum on 7 December 2021.

- 1.3 **Table 1** shows the number of schools participating in the trade union arrangement from 2016/17 to 2021/22.

Table 1: Number of maintained schools and academies in the trade union cover arrangement and trade union allowance for each financial year						
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Maintained primary schools	39	36	30	29	29	29
Academies and maintained special schools	34	20	34	36	37	38
Total	73	56	64	65	66	67

From the financial year 2022/23 it is forecast that there will be an additional 2 schools participating in the arrangement. Therefore, we anticipate that there will be 69 schools and academies taking part in the arrangement.

- 1.4 The report that came to Schools Forum last year on 13 October 2020 requested that maintained primary schools approve an increase in the cost of trade union facility time to allow the trade union allowances to be increased from 3.4 which equates to 17 days per week (0.1 represents half a day) to 3.7 which equates to 18.5 days per week from the financial year 2021/22.

This approach was approved to acknowledge the hard work undertaken by the trade unions to increase the number of participating academies in the facilities time arrangement from 56 schools in 2017/18 to 66 in 2020/21.

- 1.5 On 5 October 2021 an agreement was reached with Nicholas Lee, Director of Education and the trade unions that for the financial year 2022/23 the allowances allocated to each trade union would remain the same as those in 2021/22 at 3.7. The trade unions highlighted their increased workload due to Covid-19 but recognised the financial pressures that schools and academies are currently facing and therefore agreed to keep the allowance at 3.7. This proposal requires £0.163m

to be generated in income to cover the costs of the trade union representatives' salaries. This will require a rate of £1.63 per pupil and a lump sum of £1,653 per school or academy. NB - These rates have been adjusted to take into account the £0.008m underspend on the trade union cover budget in the financial year 2020/21. Once applied this will reduce the rates to £1.55 per pupil and a lump sum of £1,571 per school and academy in 2022/23.

1.6 **Table 2** shows the rates applied over the last six financial years to schools and academies.

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Per Pupil rate	£1.52	£1.52	£1.55	£1.45	£1.52	£1.64
Lump sum per school	£1,587	£1,590	£1,622	£1,368	£1,538	£1,693

2. Background (including outcomes of consultation)

2.1 Time off for local workplace representatives is currently funded by the schools in which they work, but there is central funding for senior TU representatives from the main unions that represent teachers and support staff in schools namely:

- National Association of School Masters and Union of Women Teachers **(NASUWT)**
- National Association of Head Teachers **(NAHT)**
- **UNISON**
- **UNITE**
- **GMB**
- National Education Union **(NEU)** from 1 September 2017 (Previously National Union of Teachers and Association of Teachers and Lecturers)

These senior representatives meet with officers of the LA to participate in the schools collective bargaining machinery, negotiating and engaging in consultation on terms and conditions of service and HR policies and procedures as well as representing their members on a range of employment matters. If this funding were not available, senior TU representatives would be asking for time off to attend meetings with the Council and this would have to be funded by the school in which they work as there is an entitlement under the Trade Union and Labour Relations (Consolidation) Act 1992 (TULR(C)A) for reasonable time off for trade union officials to represent their members.

2.2 Academies are in a similar position; some of their employees are senior TU reps and are asking for release to represent employees in maintained schools and other academies. The current funding method means that academies will be reimbursed for time spent away from school on TU duties.

2.3 There are benefits and economies of scale for maintained schools and academies from contributing to the LA's arrangements for trade union consultation. They do not have to duplicate effort when negotiating policies and procedures. Schools can then use such policies, if they buy back HR services, in the knowledge that the senior trade union representatives have been consulted and any issues resolved. Senior TU representatives are also more experienced in policies and procedures, when representing their members, which can be helpful.

- 2.4 Schools and academies that do not contribute to the TU costs will have to have their own arrangements for negotiating and consulting trade unions on terms and conditions of service and will have to release TU representatives from their own school to undertake collective bargaining and to represent their employees.

3. Other options considered in making recommendations

- 3.1 If de-delegation is not supported, the budget will be delegated and schools and academies will have to make their own arrangements for negotiating and consulting with the trade unions on changes to HR policies and procedures which will lead to duplication of effort and inconsistencies across schools.
- 3.2 Senior TU reps have a legal right to time off to participate in the collective bargaining arrangements of their employer and to represent their members. If the de-delegations are not agreed, individual schools and academies would have to bear the cost of the time off for the senior TU reps nominated by their union to participate in these discussions. TU's may also decide that they each wish to appoint reps in individual schools and, therefore, schools may also have to pay additional costs for the training and CPD of each TU rep.

4. Outcomes/deliverables

- 4.1 The money requested is based on actual salary of the senior TU representatives who have time off therefore those schools including academies who have senior TU representatives with time off will receive the actual cost of the absence of that employee. The amount of time off per union is based on the per capita membership per union and the actual cost of the senior TU reps' salaries.

5. Consideration of Risk

5.1

6. Finance colleague comments (including implications and value for money/VAT)

- 6.1 As per "The national funding formula for schools and high needs 2022-23 Policy document – July 2021" The basic structure of the schools national funding formula (NFF) is not changing in 2022/23".

In 2022/23 local authorities will continue to be funded based on the new national funding formula. Included within this "soft approach" is the ability for local authorities to be able to still request approval from maintained primary and secondary school representatives on Schools Forum for de-delegated services.

Local Authorities are awaiting further clarification from the Department of Education on whether or not de-delegation will be an option beyond the financial year 2022/23. The Fair funding for all: completing our reforms to the National Funding Formula – Government consultation which closed on the 30 September 2021 stated: "Moving towards a hard NFF, whereby the department determines schools' allocations centrally creates a strong case for change in how funding for central school services should work. The role that LA's currently have in the school funding landscape will change as we move towards a hard NFF, leaving them with less flexibility to determine how the remaining DSG allocated to them is used. The transition to the hard NFF also presents an opportunity to review the variation in how central school

services are currently provided and funded. Our proposals aim to bring more consistency across the country, reflecting these changing roles to support a more school-based system that allows schools maximum control over their funding.

- 6.2 The decision made to de-delegate in 2021 to 2022 related to that year only; new decisions are required for any service to be de-delegated in 2022 to 2023 before the start of each financial year.
- 6.3 As stated in 4.1 the cost of trade union facility time is reimbursed to their place of employment. The reimbursements will be actioned by the Local Authority at the end of each financial year (March) once the actual costs have been confirmed they have been incurred. Based on the 2022/23 salary projections and forecast income from maintained schools and academies who buy into the service plus the underspend on the budget in 2020/21 (£0.008m) (based on the current rate of £1.55 per pupil and a lump sum of £1,571.23), this would generate sufficient funding to cover the costs of the salaries in the financial year 2022/23. The calculation of the salaries assumes a pay award of 0% in 2021/22 and a 2% pay award in 2022/23 for teaching staff and a 1.75% pay award for non-teaching staff in the financial years 2021/22 and 2022/23. If the underspend from 2020/21 had not been taken into account, the rates would have been £1.63 per pupil and a lump sum of £1,652.87.
- 6.4 It is estimated that this combined approach should enable the facility time to be funded for 2022/23 to a breakeven position.

Table 3 shows the forecast projection for 2022/23.

Table 3: Forecast projection for the financial year 2022/23		
Forecast income from maintained primary schools	-£0.063m	
Forecast income from academies and maintained special schools	-£0.092m	
Brought forward balance from 2020/21	-£0.008m	
Total forecast income		-£0.163m
Forecast expenditure		£0.163m
Net Surplus/(Deficit)		£0.000m

- 6.5 In 2021/22 the recharge was based upon a rate of £1.49 per pupil and a lump sum of £1,537.44. The rates were lower than those quoted in Table 2 due to the inclusion of the underspend of £0.015m from 2019/20 being brought forward and taken into account when calculating the rate for 2021/22. This underspend was notified to Schools Forum on the Outturn Report 2019/20 on 13 October 2020. If the brought forward balance had not been taken into account, then the rate per pupil would have been £1.64 and the lump sum £1,693 per school.

There has been no significant movement in the rates between the financial years 2021/22 and 2022/23 (£1.64 to £1.63 per pupil and £1,693 to £1,653 lump sum per school). This movement is due to the fact that 2 additional schools will be joining the arrangement and the additional pupils on the October 2020 school census have offset the increased cost in the trade union representatives' salaries.

On average each maintained primary school will see an increase in their charge of 2.69% year on year if the pupil numbers at the school in October 2021 remain the same as those in October 2020.

Based on the “The national funding formula for schools and high needs 2022 to 2023 Policy document – July 2021”

Paragraph 4

“The NFF is levelling up school funding: increasing core factors of the formula by 3%, while ensuring that every school is allocated at least 2% more funding per pupil”

As in previous financial years it is the intention of the local authority to pass onto schools as much of the minimum funding guarantee as possible through the local funding formula.

- 6.6 Any under/overspend at the end of the financial year 2022/23 will be netted off against the trade union facility time charges for the financial year 2022/23 if de-delegation is an option in the financial year 2023/24.

Julia Holmes
Senior Commercial Business Partner
2 November 2021

7 Legal colleague comments

- 7.1 The schools’ forum’s powers here derive from the School and Early Years Finance (England) Regulations 2021 (“SEYFR”), made by the Secretary of State for Education in exercise of powers under the School Standards and Framework Act 1998 and the Education Act 2002. The SEYFR came into force on 11 February 2021.
- 7.2 Chapter 2 of Part 2 of the SEYFR is entitled “Further Deductions and Variations to Limits Authorised by School Forums or the Secretary of State” and it contains regulation 12 of the SEYFR. Under regulation 12 of the SEYFR, on the application of a local authority the schools forum may authorise the redetermination of schools’ budget shares by removal of any of the expenditure referred to in Part 6 (Items That May Be Removed From Maintained Schools’ Budget Shares-Primary and Secondary Schools) of Schedule 2 [of the SEYFR] from schools’ budget shares where it is instead to be treated by the authority as if it were part of central expenditure, under regulation 11(5) (SEYFR, regulation 12(1)(d)). Part 6 of Schedule 2 to the SEYFR contains paragraph 44, which states, amongst other things: -

Expenditure on making payments to, or in providing a temporary replacement for, any person who is –

- (a) carrying out trade union duties or undergoing training under sections 168 and 168A of the Trade Union and Labour Relations (Consolidation) Act 1992;
- (b) taking part in trade union activities under section 170 of the Trade Union and Labour Relations (Consolidation) Act 1992;

- 7.3 Therefore, provided the proposals fall within the above legislation, Nottingham City Schools Forum has the power to approve the recommendations in this report. This power should be exercised lawfully. Provided the amounts sought through use of this power have been correctly and lawfully calculated, the exercise of this power will be lawful.
- 7.4 Moreover, it should be noted that any decision taken by the Schools Forum here does not obviate an employer's requirement to consult with staff via their trade union representatives. As employers of their own staff, Academies (and the governing bodies of voluntary aided schools) will still have substantive legal obligations to consult, even if their proposals align with those of Nottingham City Council in relation to the authority's own staff in maintained schools.

Aman Patel
Solicitor (Commercial, Employment & Education Team)
3 November 2021

8. HR comments

- 8.1 The relevant HR issues are included in the above report. The trade unions are supportive of this approach and have commented as follows:

Good employment relations are key to minimising costs. To achieve this, both schools and the trade unions need effective and positive support for members and employers that can remain locally based. If schools/academies choose not to de-delegate funding, then the costs will almost certainly exceed the amounts as recommended in this report. We believe the proposed formula to be affordable based on the current funding provided centrally. The investment is worth making to secure peace of mind regarding providing the time and resources outlined in statute so that the unions are able to represent members both individually and collectively in negotiations and consultation meetings with schools/academies.

For those of you who require further information regarding Facility Time, the TUC produced a report "The Facts about Facility Time for Union Reps" (2011) which is very informative and helpful (see link)
<http://www.tuc.org.uk/tucfiles/108/TheFactsAboutFacilityTime.pdf>

- 8.2 There is broad agreement across the teaching unions (NAHT/NEU/ASCL/NASUWT) that de-delegation should be supported and that they have jointly contacted schools and academies to express this view.
- 8.3 The existing 'pot' set up by the LA for academies to pay into has been supported by a number of academies who recognise the value of the expertise provided by TU officials via effective JCNC mechanisms.
- 8.4 The stated ambition for City schools to be less atomised is supported by having organisations that 'join them up' and the TU's represent just such a body.

9. Crime and Disorder Implications (If Applicable)

- 9.1 Not applicable

10. Social value considerations (If Applicable)

10.1 Not applicable

11. Equality Impact Assessment (EIA)

11.1 An EIA is not required because these proposals have a very broad scope across many schools and academies and are focussed on financial matters. It is not possible to accurately assess how this directly impacts on individuals employed within schools.

12. Data Protection Impact Assessment (DPIA)

12.1 A DPIA is not required because there are no data protection risks associated with this proposal.

13. Carbon Impact Assessment (CIA)

13.1 Has the Carbon impact of the proposals in this report been assessed?

No



A DPIA is not required because:

Not applicable

14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

14.1 None

15. Published documents referred to in this report

15.1 Schools Forum report 9 October 2018: De-delegation of funding for Trade Union time off for senior representatives

15.2 The national funding formulae for schools and high needs 2019 to 2020 – July 2018

15.3 Schools revenue funding 2019 to 2020 Operational guide – July 2018