

Schools Forum – 1 March 2022

Title of paper:	School Improvement, monitoring and brokerage grant – request for approval for de-delegation
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<p>The Department for Education confirmed in January 2022 that the grant payment to local authorities that funds the provision of school improvement services to local authority maintained schools would reduce by 50% in 2022/23 and be removed entirely in 2023/24. In Nottingham this grant forms part of the overall grant payment agreed with the Nottingham Schools Trust, who are commissioned by Nottingham City Council to deliver school improvement services to the remaining local authority maintained schools.</p> <p>To mitigate the adverse impact on the provision of school improvement services to maintained schools, the Department for Education has now approved local authorities seeking de-delegation approval, via Schools Forum decision, for the equivalent funding from maintained schools budget share. This report sets out the background, rationale for seeking the approval and financial contribution required by maintained primary schools to fund the grant reduction in the financial year 2022/23.</p>	
Recommendations:	
1	With respect to maintained mainstream primary schools to approve the de-delegation of funding to mitigate the reduction in the School Improvement, monitoring and brokerage grant received by Nottingham City Council at a rate of £5.21 per pupil. This will ensure that Nottingham Schools Trust can maintain the agreed level of school improvement support established though its current grant agreement.
2	To note that the total funding requested to be de-delegated by the budget for maintained mainstream primary schools is £0.058m for the financial year 2022-23.

1. Reasons for recommendations

- 1.1 The Nottingham Schools Trust (NST) has established a strong school improvement offer based upon a combination of peer led school to school improvement, a full range of curriculum subject network groups, comprehensive CPD opportunities for all levels of staff, leadership development programmes and induction support for new leaders, and the allocation to all member schools of a highly skilled and experienced School Improvement Advisor. The outcomes for Nottingham maintained primary schools in terms of Key Stage performance metrics and Ofsted grade judgements since the establishment of the NST has fully demonstrated the positive impact of this model. Maintaining the financial security that underpins this model is of benefit to all

maintained primary schools. The reduction and subsequent total removal of a significant element of the grant funding available to the NST to deliver this model would severely weaken the offer available to member schools, particularly in terms of the ability to deploy high quality school improvement advisors

2. Background (including outcomes of consultation)

- 2.1 In October 2021 the Department for Education (DfE) announced a consultation on the proposal to remove the Local Authority School Improvement, Brokerage and Monitoring Grant (LAMB) over a two-year timetable. Nottingham City Council and the Nottingham Schools Trust both formally responded to the consultation. In total 565 responses were received.
- 2.2 Since 2017, the LAMB has been allocated to local authorities to support them in fulfilling their statutory school improvement functions under Part 4 of the Education and Inspections Act 2006 and their additional school improvement expectations as set out in the Schools Causing Concern (SCC) guidance. In summary, these activities require councils to monitor performance of maintained schools, broker school improvement provision, and intervene as appropriate. The grant is currently ring fenced and must be spent solely on the school improvement activities for which it is provided.
- 2.3 The Department for Education note that formal use of SCC powers held by Local Authorities in relation to under performing schools is uncommon. The rationale therefore in proposing to remove the grant is that given the low level of recorded instances of formal interventions the grant is being utilised for other school improvement activity that could be either offered on a traded basis or de-delegated to Local Authorities via Schools Forum decision making.
- 2.4 In their published response to the proposals (Annex1) the Department for Education note that: “we recognise the majority of respondents, in particular those from the maintained sector (councils and local authority-maintained schools), raised concerns”.
- 2.5 Despite the recognition by the DfE of the majority of respondents raising significant concerns about the impact of the proposal, the grant reduction in 2022/23 will be implemented.
- 2.6 What many respondents (including Nottingham City Council and Nottingham Schools Trust) made clear was that the successful application of the grant enables the provision of early interventions, support and challenge that enable schools to avoid failing in such a manner that formal use of SCC powers become required. In the case of Nottingham City maintained schools this has been demonstrated as there has been no requirement to invoke any SCC warnings or measures for maintained primary schools since the inception of the LAMB, and its delivery through the Nottingham Schools Trust.
- 2.7 The grant agreement in place between Nottingham City Council and Nottingham Schools Trust incorporates the transfer of the LAMB grant to Nottingham Schools Trust to ensure that school improvement activity, monitoring of individual school performance and brokerage of support required is delivered to maintain and improve the performance of all LA maintained schools.

2.8 The reduction of the grant to 50% of its full value in 2022/23, followed by the full removal of the grant in 2023/24 would have a significant detrimental impact on the ability of the Nottingham Schools Trust to deploy the school improvement advisory offer it currently provides to maintained schools. As a ring fenced grant it has provided security for maintained schools of access to this professional support.

2.9 Whilst the City Council and Nottingham Schools Trust recognise that the request for de-delegation funding to maintain this offer places an additional call on school budgets, in 2022/23:

- all schools in the City in receipt of MFG protection will see an increase of 2% per pupil year on year. Maintained primary schools fully on the schools national funding formula will receive increases of between 2.2% to 5.7% per pupil.
- the DfE have announced that in 2022/23 maintained schools and academies will also receive additional funding in the form of a separate grant known as the “Schools additional supplementary grant”. This grant is provided in respect of both the Health and Social Care Levy and other cost pressures. On average maintained primary schools are estimated to receive £0.053m each on top of their individual school budget share.
- The average allocation has been calculated based upon the average number of primary pupils in maintained primary schools on the October 2021 school census and the average number of pupils in maintained primary schools eligible for free school meals in the preceding six years (FSM6) as recorded on the October 2020 school census. The estimated allocations range from £0.026m to £0.113m per school.
- The final allocations per maintained primary school will be based upon the number of primary pupils in each school multiplied by £97 per pupil recorded on the October 2021 school census, plus the number of pupils recorded at the school recorded as being eligible for free school meals in the last six years (FSM6) as at the October 2021 school census multiplied by £85 per pupil. Each school will also be allocated a lump amount of £3,680.
- The actual schools additional supplementary grant allocations will be confirmed in spring 2022. The additional national insurance costs that will be incurred when the new Health and Social Care Levy is introduced in April 2022 are estimated to be as follows for the following types of staff:

Teaching Assistant – Level 1 £67, Level 2 £94, and Level 3 £136;
Teacher – on scale point M6 £314.

2.10 Therefore, it is anticipated that once the additional cost of the Health and Social Care Levy has been deducted from the increase in funding schools are going to receive there should be significant funding remaining to allocate to other school priorities.

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

3.1 The option to not seek the approval to de-delegate has been considered but rejected due to the detrimental impact to the deployment of school improvement advice that would result.

4. Outcomes/deliverables

- 4.1 The main outcome of the de-delegation proposal is to ensure the financial viability of the current arrangements in place to deliver high quality, timely school improvement support, challenge and advice to ensure Nottingham City maintained primary schools continue to offer high quality teaching and learning opportunities for their pupils.

5. Consideration of Risk

- 5.1 The key risk should the de-delegation recommendation not being approved lies with the inability of the City Council to adequately monitor and intervene in a timely fashion any schools where performance may lead to poor outcomes, including adverse Ofsted judgements. This in turn may lead to schools becoming subject to formal intervention by the Secretary of State for Education, including direction to covert to academy status against the will of local governing bodies.

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

- 6.1 As per the DfE “Reforming how local authorities’ school improvement functions are funded – Government consultation response – January 2022” the DfE have stated:

“As such, we will (1) reduce the grant by 50% for the FY 2022-23 and bring it to an end in FY 2023-24 and (2) include provision in Part 7 of Schedule 2 to the School and Early Years Finance (England) Regulations for FY 2022-23 which would allow councils to de-delegate for all improvement expenditure, including all core improvement activities.”

- 6.2 In the financial year 2021/22 the School improvement, monitoring and brokerage grant allocation for Nottingham City Council was £0.116m. As a result of the change outlined in 6.1 the Local Authority estimates it will lose £0.058m in funding in financial year 2022/23.
- 6.3 In line with the guidance issued by the DfE in the consultation response document, this report is seeking approval from maintained primary schools to de-delegate funding in the financial year 2022/23 at a rate of £5.21 per pupil to recoup the loss of income. This proposal would generate income of £0.058m and would ensure that the same level of funding is available for the Local Authority to pass onto the NST to enable them to undertake the responsibilities outlined in 2.7.
- 6.4 The rate per pupil has been calculated based on the number of pupils in maintained primary schools on the October 2021 school census (11,163) divided into the total income lost in 2022/23 (£0.058m). See Appendix A for the impact of this proposal on each maintained primary school.
- 6.5 The average cost of de-delegating funding to cover the loss of grant income would be £0.002m per maintained primary school, based on the 29 maintained primary schools.
- 6.6 Approval to de-delegate can only be sought on an annual basis therefore a separate report will need to be brought to Schools Forum before the start of the financial year 2023/24 to seek approval for the £0.116m that will be required in the financial year 2023/24.

- 6.7 As a result of this change made by the DfE the Local Authority as per the DfE guidance will be releasing all schools indicative budget information for the financial year 2022/23 by the 28 February 2022.

However, maintained primary schools please note the individual school budgets will include the deduction of the funding requested in this report. After this report has been voted upon the Local Authority will contact maintained primary schools to confirm their final individual school budget by 31 March 2022.

Julia Holmes, Senior Commercial Business Partner
27 January 2022

7. Legal colleague comments

- 7.1 The proposals in this report seek to approve the use of the Maintained Schools' Budget Share for Primary schools to support the improvement of standards in maintained schools by way of de-delegation.
- 7.2 The report details why and how the current funding provided by the DfE to the Council which covers such expenditure, is due to diminish by half this year and be removed in full by the start of the next FY.
- 7.3 As part the consultation process, the DfE indicated that it expected and supported schools seeking approval from its Schools Forums to de-delegate funding to ensure sufficient funding is allocated for school improvements. In addition, the Government has in fact reflected this change in the new Early Years Regulations (The School and Early Years Finance (England) Regulations 2022 and Local Authorities are specifically permitted to deduct expenditure from its Maintained School budget for this purpose if approved by the Schools Forum.
- 7.4 If the recommendation is approved, there will be no impact on the grant agreement in place with the NST to support the delivery of these improvement services for this financial year. Additional approval will need to be sought by the Schools Forum for future years if the funding that is provided under that agreement requires supplementing further.

Dionne Scream, Senior Solicitor, Contracts and Commercial
7th February 2022

8. HR Comments Other relevant comments

- 8.1 If the delegation request is not approved, the sustainability of the current NST model, including the secondment of the joint CEOs is challenged, which could have redundancy implications for the Council.

It should also be noted that the amounts in additional national insurance contributions are based on an average for most primary schools, but the actual figures required will be dependent on the actual make up of any individual school workforce.

Carol McCrone, HR Consultant
7th February 2022

9. Crime and Disorder Implications (If Applicable)

9.1 None.

10. Social value considerations (If Applicable)

10.1 None.

11. Equality Impact Assessment (EIA)

11.1 An EIA is not required because there are no new equality implications as the proposal seeks to maintain the current arrangements.

12. Data Protection Impact Assessment (DPIA)

12.1 A DPIA is not required because the proposal is not seeking to change any current arrangements.

13. Carbon Impact Assessment (CIA)

13.1 A DPIA is not required because the proposal relates to a funding decision that has no impact on the use of physical resources.

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

- Reforming how local authorities' school improvement functions are funded
Government consultation response – Department For Education January 2022

APPENDIX A

Proposed charges to maintained primary schools to cover the loss of School improvement, monitoring and brokerage grant 2022/23

School Name	Phase	NOR	2022/23
Rate per pupil			£5.21
Total		11,163	£58,191
Berridge Primary and Nursery School	Primary	589	£3,070
Seely Primary School	Primary	509	£2,653
Fernwood Primary School	Primary	1,043	£5,437
Bentinck Primary and Nursery School	Primary	204	£1,063
Cantrell Primary and Nursery School	Primary	401	£2,090
Carrington Primary and Nursery School	Primary	207	£1,079
Dunkirk Primary and Nursery School	Primary	318	£1,658
Melbury Primary School	Primary	202	£1,053
Middleton Primary and Nursery School	Primary	545	£2,841
Heathfield Primary and Nursery School	Primary	635	£3,310
Walter Halls Primary and Early Years School	Primary	396	£2,064
Southwold Primary School and Early Years' Centre	Primary	197	£1,027
Rise Park Primary and Nursery School	Primary	411	£2,142
Crabtree Farm Primary School	Primary	369	£1,924
Welbeck Primary School	Primary	309	£1,611
Mellers Primary School	Primary	412	£2,148
Haydn Primary School	Primary	417	£2,174
Hempshill Hall Primary School	Primary	400	£2,085
Glade Hill Primary & Nursery School	Primary	352	£1,835
Claremont Primary and Nursery School	Primary	386	£2,012
Snape Wood Primary and Nursery School	Primary	159	£829
Forest Fields Primary and Nursery School	Primary	554	£2,888
Dovecote Primary and Nursery School	Primary	335	£1,746
Greenfields Community School	Primary	208	£1,084
Southglade Primary and Nursery School	Primary	393	£2,049
Westglade Primary School	Primary	233	£1,215
Henry Whipple Primary School	Primary	173	£902
Robin Hood Primary School	Primary	417	£2,174
Rufford Primary and Nursery School	Primary	389	£2,028
Lowest charge			£829
Highest charge			£5,437
Average charge			£2,007