Agenda Item 4

Leicestershire County Council

SCHOOLS FORUM

Schools Block Transfer and De-delegation of Funding for Union Facilities Time

15 November 2021

Content Applicable to;		**School Phase;**	
Maintained Primary and Secondary Schools	X	Pre School	
Academies	X	Foundation Stage	X
PVI Settings		Primary	X
Special Schools / Academies	X	Secondary	X
Local Authority	X	Post 16	
		High Needs	X

Purpose of Report

Content Requires;		**By;**	
Noting		Maintained Primary School Members	X
Decision	X	Maintained Secondary School Members	X
		Maintained Special School Members	
		Academy Members	
		All Schools Forum	**X**

1. This report presents the outcome of the school funding consultation which set out the background to the need for a Schools to High Needs Block funding transfer for 2023/24 and seeks Schools Forum approval for a transfer.

2. The report also presents the consultation response on the principle of de-delegation of funding for maintained schools the purposes of establishing a scheme to fund Union Facilities Time.

Recommendations

3. That Schools Forum note the outcome of the consultation and the response rate it received.

4. That Schools Forum approve a 0.5% (£2.3m) transfer of funding from the Schools Block to the High Needs Block of the Dedicated Schools Grant for 2022/23.

5. That Schools Forum determine the favoured model with which to deliver the Schools Block to the High Needs Block of the Dedicated Schools Grant for 2022/23.

6. That Schools Forum notes the intention of the local authority to seek approval from the Secretary of State for approval of a 0.5% (£2.3m) transfer of funding from the Schools Block to the High Needs Block of the Dedicated Schools Grant for 2022/23 as set out in Model 1 should this not be agreed by Schools Forum.

7. That Schools Forum note the intention of the local authority to seek approval from the Secretary of State for approval of Model 2 from the Secretary of State through a variation in the Minimum per Pupil Funding level as its preferred methodology to affect the transfer in addition to Model 1.

8. That Schools Forum note the intention of not to pursue de-delegation of funding from maintained schools to establish a scheme to fund Union Facilities Time.

Background

9. A number of reports have been presented to Schools Forum setting out the financial position of the High Needs Block (HNB) of the Dedicated Schools Grant (DSG) and the intention of Leicestershire County Council to seek approval for a transfer of funding from the Schools Block to High Needs for 2022/23.

10. At the meeting of the Schools Forum on 27 September 2021 the intention to consult on a Schools Block transfer was set out to Schools Forum which was open for consultation for all schools funded by the Leicestershire school funding formula.

Consultation Process

11. The consultation period ran from 20 September 2021 to 18 October 2021. Documents forming the consultation were published on the Leicestershire County Council website which contained the background and options for the proposed transfer, sought school views on further action that could be taken to help manage the increasing demand for Education, Health and Care Plans (EHCP's) and asked for maintained school views on the de-delegation of funding to create a scheme for funding Union Facilities Time. The consultation documents issued were:

    - A document comprehensively setting out the background to the high needs financial position, the limitations of the school funding system in this respect and two models to affect the transfer.
    - An Excel workbook illustrating for individual schools the impact of the proposed transfer for both models and the pattern of impact across all schools.

- Background information to support maintained schools to form a view on de-delegation for Union Facilities Time.

12. Paper copies of the consultation were available should it not be possible for responses submitted through the LCC website and no reports of schools being unable to complete the online response were received.

13. Schools were alerted to the consultation through Headteacher and Governor newsletters throughout the consultation period, the School Effectiveness twitter feed, and also Schools Forum and DNCC.

Consultation Outcome

14. 13 consultation responses were received, one of which did not answer and of the questions and five were submitted from the same school. Overall this results in the views of six schools informing the consultation. The full consultation results can be seen at Appendix 1.

15. All but one response gave a view on the proposed schools block transfer with 4 maintained schools responding to the question regarding Union Facilities Time.

16. The low response rate does not allow for a statistically representative view of Leicestershire schools on either issue to be identified.

17. A summary of the consultation responses and the next steps for each issue is set out in the following paragraphs of this report

18. **Proposed Schools Block Transfer**
    - 12 responses were received from 4 academies and 8 maintained schools
    - 10 disagreed and 2 agreed with the proposed transfer
    - Comments raised concerns on the financial impact on individual school budgets and particularly the level of funding for pupils with SEND and insufficient government funding for high needs.
    - The 2 schools agreeing with the transfer were split over their preferred model

    Next Steps

19. The consultation response rate does not allow a representative view for all Leicestershire schools on the proposed transfer to be identified, nor has it identified any tangible options to manage an ever challenging high needs position than already contained within the High Needs Block Development Plan.

20. The strength of the consultation outcome does not outweigh the strength of the need for the proposed transfer.

21. The proposal includes two models to affect the Schools Block transfer, the consultation document is appended for reference;

    - **Model 1** – this reduces the value of the Age Weighted Pupil Unit (AWPU) by 0.5%, sets the percentage of the Minimum Funding Guarantee (MFG) at 2% which is the maximum allowable by the DfE and introduces a cap on funding

gains between 2021/22 and 2022/23 of 2.1%. This option is able to be delivered without Secretary of State approval if approved by Schools Forum.

- **Model 2** – this reduces the value of the Age Weighted Pupil Unit (AWPU) by 0.5%, adjusts the percentage of the MFG to 1.8%, introduces a cap on funding gains between 2021/22 and 2022/23 of 3.4% and additionally reduces the Minimum Per Pupil Funding Levels (MPPL) by 0.5%. This option will require Secretary of State Approval even if approved by the Schools Forum given the mandatory nature of the MPPL's. It does however present the best overall position for Leicestershire schools and requires consideration.

22. Model 2 is the preferred option of the local authority to achieve the transfer given the lessor impact at individual school level. Secretary of State approval for this will be required and this will be submitted un accordance with the DfE deadline of 21 November 2021.

23. A further request will be made to the Secretary of State in respect of Model 1 will be made should Schools Forum not approve the transfer.

24. Implementation will be dependent upon decisions made by the Secretary of State following a review of supporting documentation and process. Given the complexity of the approval requests the approach to 2022/23 school budgets will be subject to one of the following scenarios:

    1. Should Schools Forum approve the proposed transfer - the transfer will be undertaken through Model 1

    2. Should Schools Forum do not approve the proposed transfer – approval will be sought from the Secretary of State for both Model 1 and Model 2

    3. Should the Secretary of State approve the proposed transfer following Schools Forum rejection – the transfer will be undertaken through Model 1

    4. Should the Secretary of State approve a direct request for Model 2 as the preferred option of the local authority – the transfer will be undertaken through Model 2

    5. Should the Secretary of State not approve a transfer through either Model 1 or Model 2 – no transfer will be undertaken

25. Schools Forum are recommended to approve Model 1 to affect the transfer of 0.5% (£2.3m) of funding from the Schools Block to the High Needs Block of the Dedicated Schools Grant for 2022/23 subject to requests to the Secretary of State.

26. **Further actions that could be delivered that will help manage the increasing demand for EHCP's and rising costs**
    - 7 responses commented
    - Fairer funding
    - More local specialist provision

- Changes to the way who gets an EHCP and flexibility in the use of the resource allocation.

Next Steps

27. The High Needs Financial plan covers a four year period and is currently under review for the four years financial years commencing with 2022/23. Early indications suggest that the number of EHCP's receiving financial support and the cost of that support is further increasing which is a significant challenge to financial sustainability.

28. The programme of work within the High needs Block Development Plan is also subject to review in order to respond to the revised financial forecast. The programme of work within the Plan will be revised to respond to the individual factors within the SEND system that drive the increase in demand and cost.

29. The comments made by schools within the consultation will be considered in the review with further engagement of Schools Forum and individual schools at the appropriate point within that review.

30. De-delegation of funding for Union Facilities Time
    - 4 maintained schools responded
    - 3 responses agreed with the principle, 1 disagreed
    - I comment was received to say that such a scheme seemed to be cost effective and better managed.

Next Steps

31. The introduction of a LA wide scheme for meeting the costs of union facilities time must be financially sustainable and must have some certainty about that for the future. The current school funding environment does not present that situation.

32. De-delegation can only be delivered for maintained schools, as academy conversion continues the pool of funding available through de-delegation reduces. De-delegation also requires a specific consultation and Schools Forum approval and can only be approved on an annual basis. The proposed changes to the National Funding Formula reduce local authority flexibility in respect of school funding and it is uncertain whether such an action will be possible from 2023/24.

33. The financial risk to the local authority of managing such a scheme in an environment where the majority of schools are academies, a reducing number of maintained schools and a funding environment where future de-delegation is uncertain is such that a local authority managed scheme will not be pursued.

Appendices

Consultation Analysis Report
Schools Block Transfer Consultation Document

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