



NOTICE OF MEETING

SCHOOLS FORUM

WEDNESDAY, 7 DECEMBER 2022 AT 4.30PM

VIRTUAL REMOTE MEETING

Telephone enquiries to Democratic Services 023 9283 4060

Email: democratic@portsmouthcc.gov.uk

Membership

Schools Members

Two head teacher representatives - primary phase
One head teacher representative - secondary phase
One head teacher representative - special phase
Four academy representatives - primary proprietor
Five academy representatives - secondary proprietor
One academy representative - special proprietor
One governor - primary phase
One governor - secondary phase

Non School Members

Four Councillors (one from each political groups)
One 16-19 Education Providers representative
One Early Years Providers representative

(NB This agenda should be retained for future reference with the minutes of this meeting).

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: www.portsmouth.gov.uk

AGENDA

- 1 Apologies
- 2 Declarations of Interest
- 3 Membership Update.

4 Minutes of the previous meeting held on 5 October. (Pages 5 - 8)

RECOMMENDED that the minutes of the meeting held on 5 October be agreed as a correct record.

5 Matters Arising.

6 Dedicated Schools Grant 2022-23 Quarter 2 Budget Monitoring (Pages 9 - 14)

Purpose.

The purpose of this report is to inform Schools Forum of the projected revenue expenditure of the Dedicated Schools Grant (DSG) for the current financial year 2022-23 as at the end of September 2022.

Recommended that the Schools Forum note the forecast year end budget position for the Dedicated Schools Grant as at 30 September 2022, together with the associated explanations contained within this report.

7 Schools Funding Arrangements 2023-24. (Pages 15 - 42)

Purpose

The purpose of this report is to provide Schools Forum with an update on the latest developments in respect of the future schools revenue funding arrangements for the financial year 2023-24.

RECOMMENDED that the Schools Forum:

- 1. Notes the Department for Education's proposed changes to school revenue funding arrangements for 2023-24, as set out in this report.**
- 2. Endorse the proposals for implementing the local funding formula arrangements as set out in this report in particular to:**
 - Implement the National Funding Formula rates for both primary and secondary schools in 2023-24 as set out in Appendix 1**
 - Implement a minimum funding guarantee (MFG) of at least 0.0% and up to +0.5% subject to affordability, for 2023-24 as set out in paragraph 5.13**
 - The method of managing affordability as set out in paragraphs 5.14 to 5.18**

8 Removal of the School Improvement Monitoring and Brokering Grant (Pages 43 - 46)

Purpose

- 1. Inform Schools Forum about the government's removal of the School Improvement Monitoring and Brokering grant which is currently allocated to local authorities to support school improvement activities;**
- 2. Inform Schools Forum about the consultation which was undertaken to seek the views of LA maintained schools about the proposal to de-delegate funding from schools' budget shares to cover the removal of the Grant; and**

3. Seek Schools Forum approval for de-delegation for both Maintained Primary and Secondary Phases.

RECOMMENDED that maintained school members of Schools Forum approve the de-delegation of funding from schools' budget shares to continue to provide school improvement services to maintained schools from 1 April 2023. The value of de-delegation per pupil per phase to be brought to the January 2023 Schools Forum for approval.

9 Dates of Future Meetings

11 January 2023

9 February 2023

Members of the public are now permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting or records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the Council's website and posters on the wall of the meeting's venue.

This page is intentionally left blank

Agenda Item 4

SCHOOLS FORUM

MINUTES OF THE MEETING of the Schools Forum held on Wednesday, 5 October 2022 at 4.30pm at the Guildhall, Portsmouth

Present

Dave Jones (Chair)	Head	Primary Phase
Jemma Clark	Head	Primary Phase
Jackie Collins	Head	Primary Phase
Simon Graham	Head	Secondary Phase
Laura Flitton	Academy	Primary Phase
Anne Hibberd	Academy	Primary Phase
Sean Preston	Academy	Primary Phase
Nathan Waites	Academy	Secondary Phase
Sharon Burt	Academy	Special
Chris Caddamy		16-19 Representative
Terry Norton	Councillor	Portsmouth City Council
Russell Simpson	Councillor	Portsmouth City Council
Sam Galloway	Observer	Solent Academy Trust

Councillor Suzy Horton was also in attendance.

33. Apologies

Apologies were received from Share D'All and Kara Jewell.

34. Declarations of Interest

Alison Egerton, Finance Manager informed the forum that four declarations were outstanding and would be followed up after this meeting.

Councillor Terry Norton declared a non-prejudicial interest. He no longer works at Mayfield School but his partner does and his daughter attends that school.

35. Membership Update.

The Group Accountant gave the following updates:

Chris Caddamy, the Post 16 Schools Forum representative was welcomed.

Mike Gaston has agreed to continue as his substitute.

There are currently one primary academy and two secondary academy vacancies.

A secondary academy representative may be resigning. Post meeting note: confirmation that the secondary academy representative has resigned, making three secondary academy vacancies.

36. Minutes of the Previous Meeting.

DECISION

The minutes of the meeting held on 13 July were agreed as a correct record subject to the spelling of Nathan Waites' name being corrected.

37. Matters Arising.

Agenda Item 20 Improving school attendance and reducing exclusions - focus on relational practice.

The RP Steering Group meeting that Mike Stoneman was planning to ask for early years to be considered as part of the programme, was cancelled. This will be covered on the agenda of the rescheduled meeting.

A dis-application request has been submitted to the Secretary of State and we are aware it is being reviewed.

Agenda Item 31: Verbal update re: the DfE implementing the Direct National Funding Formula consultation

A response to the Department for Education's consultation on the National Funding Formula was on 9 September. Thanks were given to those members who responded and supported this process.

38. Dedicated Schools Grant 2022-23 Quarter 1 Budget Monitoring & Revised Budget.

The Group Accountant introduced the report and in response to questions clarified the following points:

There had been no change in the funding provided to the Early Years settings.

The Wymering School has received funding from the DfE in terms of set up costs. However, when the school opens in April 2023 it will be just under 50% full and not financially viable due to the staffing costs. A pre-opening one off grant of £250,000 is therefore sought to support this gap in funding. . The school has provided reassurance that when it is at full capacity, it will be sustainable financially. .

It is likely that there will be a similar situation for new schools in the future so contingency funding will be built in the Dedicated Schools Grant to cover any additional costs that the local authority might be required to pay.

Mike Stoneman Deputy Director of Children's Services and Education added that the school will be full. It is taking 30 places in April 2023 and a further 36 in September 2023.

DECISIONS

The Schools Forum:

- 1. Noted the forecast year end budget position for the Dedicated Schools Grant as at 30 June 2022, together with the associated explanations contained within this report.**
- 2. Endorsed the delegation to the Section 151 Officer or their delegated representative, the responsibility to adjust the Early Years block budget in line with the DSG allocation adjustments annually in July**
- 3. Endorsed the proposed pre-opening grant to the Wymering Free School of £250,000 as set out in paragraph 7.8.**
- 4. Endorsed the revisions to the 2022-23 budget as set out in Appendix 1 and section 8.**

The Chair noted the significant changes ahead in terms of changes in salary scales for teachers and support staff.

The Group Accountant informed the forum that the Schools Finance Officer has started their termly visits to support LA maintained schools through the revised budget process and is looking at the impact of the payroll and energy forecast budgets.

The meeting concluded at 4:55pm

Dave Jones
Chair

This page is intentionally left blank

Agenda Item 6



Portsmouth
CITY COUNCIL

Title of meeting: Schools Forum

Date of meeting: 7 December 2022

Subject: Dedicated Schools Grant 2022-23 Quarter 2 Budget Monitoring

Report by: Chris Ward Director of Finance

Wards affected: All

Key decision: Yes/No

Full Council decision: Yes/No

1 Purpose of report

1.1 The purpose of this report is to inform Schools Forum of the projected revenue expenditure of the Dedicated Schools Grant (DSG) for the current financial year 2022-23 as at the end of September 2022.

2 Recommendations

2.1 It is recommended that Schools Forum:

2.1.1 Notes the forecast year end budget position for the Dedicated Schools Grant as at 30 September 2022, together with the associated explanations contained within this report.

3 Background

3.1 The DSG is a ring-fenced grant for Education and can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance (England) Regulations.

3.2 In February 2022, the Cabinet Member for Children, Families and Education approved, and Schools Forum endorsed, the Original DSG budget for the 2022-23 financial year. In October 2022 the budget was revised and whilst this was after the end of the second quarter, the budgets have been updated for completeness. This report provides the latest forecast of the year end outturn as at 30 September 2022, which is set out in the table below.

Table 1 - Dedicated Schools Grant				
	Original budget 2022-23 £000's	Revised budget 2022-23 £000's	Projected outturn 2022-23 £000's	Projected over / (under) spend £000's
Income				
DSG Brought forward 2021-22	(8,454)	(8,454)	(8,454)	0
DSG and other specific grants	<u>(77,158)</u>	<u>(78,012)</u>	<u>(78,159)</u>	<u>(147)</u>
Total Income	(85,612)	(86,465)	(86,612)	(147)
Expenditure				
Schools block				
Primary ISB	23,807	23,807	23,807	0
Secondary ISB	14,390	14,390	14,390	0
De-delegated and growth fund	<u>1,419</u>	<u>1,419</u>	<u>1,079</u>	<u>(340)</u>
Total Schools block	39,616	39,616	39,276	(340)
Central School Service	1,020	1,020	1,019	(0)
Early Years block				
Nursery ISB	10,743	11,053	11,053	0
Other Early Years	2,586	2,889	2,873	(16)
High Needs block				
High Needs ISB	749	797	797	0
Other High Needs cost	22,874	23,167	22,772	(395)
Total Expenditure	77,587	78,542	77,790	(752)
DSG Carried forward	8,025	7,923	8,822	899

3.3 Overall, the budget is forecast to underspend by £752,000 the details of which are set out in the sections below.

4 **Schools Block**

4.1 At the end of the second quarter, all Growth Fund allocations for 2022-23 have been paid to the relevant schools. The underspend relates to the planned underspend of £340,400 on the Growth Fund to be carried forward to 2023-24 to support future funding commitments agreed with schools.

5 **Early Years Block**

5.1 At the end of the second quarter, the Early Years Block is forecast to have a small underspend, relating to the Disability Access Fund. A review of the two three and four year old place funding identified an increase in pupil numbers over the summer term, but the increased expenditure was supported by an increase to the



Early Years Block funding reflecting the January 2022 pupil census. Therefore, these budgets continue to be forecast on budget.

6 High Needs Block

6.1 Following the receipt of all class lists and the calculation of the permanent exclusion recharge, the forecast position is showing an underspend of £395,300.

Element 3 Top up

6.2 The table below provides a breakdown of the forecast position relating to the Element 3 top-up funding using the summer term class lists and budgeted pupil numbers for the autumn term.

Table 2 - Element 3 Top-up			
	Total 2022-23		
	2022-23 Revised Budget	Forecast Outturn as at 30 Sept 2022	Variance (Under)/ Over
	£	£	£
EHCP Mainstream	3,597,600	3,511,300	(86,300)
Element 3 Top Up Special Schools	9,457,400	9,243,400	(214,000)
Element 3 Top Up - Resource Units	418,200	418,200	0
Element 3 Top Up - AP	280,300	230,800	(49,500)
Post 16 Special Educational Needs	1,124,400	1,124,400	0
Element 3 Top Up - OLA School	417,800	417,800	0
Total Element 3 Top-up	15,295,700	14,945,900	(349,800)

6.3 The number of pupils with Education Health and Care Plans (EHCP) in mainstream schools continue to grow (636 as at the end of September) but they are still lower than the budgeted growth, leading to the forecast underspend.

6.4 The underspend on the Special Schools relates to the number of pupils placed in Portsmouth Special Schools by other local authorities for which Portsmouth does not pay Element 3 top-up for.

6.5 Over the summer term Portsmouth placed a lower number of pupils in the alternative Provision settings than budgeted leading to the forecast underspend.

Permanent Exclusion Recharge

6.6 The credit of £49,500 reflects the proportion of income from schools where pupils have been placed in an alternative provision setting for a period before moving to a new mainstream placement. This is an annual contribution to the element 3 top-up costs.



Out of City Placements

6.7 This budget is currently forecast on budget, it should be noted that the forecast is likely to increase following confirmation of the cost of a number of high cost placements which are currently in progress. The budget contains an estimate based on average cost, but actual costs are likely to be higher.

7 DSG Grant funding and carry forward balances

7.1 During the second quarter the authority received adjustments to the 2022-23 DSG allocation in July 2022, in relation to the Early Years and High Needs Blocks. An explanation of the adjustments was taken to Schools Forum and Cabinet Member in October and the budget revised accordingly. These changes have been incorporated in the Quarter 2 monitoring as set out in Table 1.

7.2 As at the end of September 2022, the carry forward balance is projected to be £8.8m. The table below provides a breakdown of the movement on the carry forward balance from 1 April and future commitments against the balance.

Table 3 - forecast carry forward balance	
	£,000
Brought forward balance as at 1 April 2022	8,454
Schools specific contingency	(124)
Growth fund	(304)
Revised budget adjustments 2022-23	(102)
Carry forward balance	7,924
Projected 2022/23 underspend as at 30 September 2022	752
Early Years Block adjustment January 2022 to March 2022	147
Forecast carry forward	8,823
Future commitments 2022-23	
Revenue implications of High Needs places for future years	(2,040)
Contingency to manage in-year pressures	(1,826)
Growth Fund budgeted carry forward to 2023-24	(341)
Relational Practice project	(530)
Wymering pre-opening grant	(250)
Uncommitted DSG carry forward	3,836

7.3 In July 2022 the authority brought a paper to Schools Forum and the Cabinet Member setting out proposals to use £530,000 of the DSG balances over a three year period to support the implementation of Relational Practice across all schools in the City. After the endorsement and approval of the proposals, a disapplication request was submitted to the Department for Education, who have indicated that funding can be provided through the DSG High Needs Block to support this project. The overspend created through the implementation of the project will be funded through the DSG balances for the current and future financial years as set out in the table above.

8 Reasons for recommendations

8.1 It is recommended that Schools Forum notes the contents of the report in respect of the financial forecast for 2022-23 as at the end of the second quarter

9 Integrated impact assessment

9.1 An integrated impact assessment is not required as the recommendations do not have a positive or negative impact on communities and safety, regeneration and culture, environment and public space or equality and diversity.

10 Legal implications

10.1 There are no legal implications arising directly from the recommendations in this report.

11 Director of Finance's comments

11.1 Financial comments and implications are included in the body of this report.

.....
Signed by: Chris Ward, Director of Finance and Resources

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
School and Early Years Finance (England) Regulations 2022	The School and Early Years Finance (England) Regulations 2022

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

This page is intentionally left blank

Agenda Item 7



Portsmouth
CITY COUNCIL

Title of meeting: Schools Forum

Date of meeting: 7 December 2022

Subject: School Funding Arrangements 2023-24

Report by: Sarah Daly, Director Children, Families and Education

Wards affected: All

Key decision: Yes/No

Full Council decision: Yes/No

1 Purpose of report

1.1 The purpose of this report is to provide Schools Forum with an update on the latest developments in respect of the future schools revenue funding arrangements for the financial year 2023-24.

2 Recommendations

2.1 It is recommended that Schools Forum:

2.1.1 Notes the Department for Education's proposed changes to school revenue funding arrangements for 2023-24, as set out in this report.

2.1.2 Endorse the proposals for implementing the local funding formula arrangements as set out in this report in particular to:

- Implement the National Funding Formula rates for both primary and secondary schools in 2023-24 as set out in Appendix 1
- Implement a minimum funding guarantee (MFG) of at least 0.0% and up to +0.5% subject to affordability, for 2023-24 as set out in paragraph 5.13
- The method of managing affordability as set out in paragraphs 5.14 to 5.18.

3 Background

3.1 In July 2021 the Government published the Policy Document "The national funding formula for Schools and High Needs 2023-2024", followed by the "Schools operational guide 2023 to 2024" along with local authority indicative funding allocations. Additionally, in October 2022 the government published the "High Needs funding: 2023 to 2024 operational guidance".



- 3.2 The publications contain further detail regarding the second year of the three-year funding settlement announced in the 2021 Spending Review providing nationally £4.0bn in 2022-23, £1.5bn in 2023-24 and £1.7bn in 2024-25.
- 3.3 This report is intended to provide Schools Forum with an overview of the main changes to school funding highlighted in the Policy Document and Operational Guides and the progress being made towards agreeing the Schools Funding arrangements locally for the financial year 2023-24. As the Portsmouth Funding Formula has been using the NFF for all Primary and Secondary schools there has been no detailed consultation with schools in relation to 2023-24, but the authority has asked schools for feedback on the proposed methods of managing overall affordability.
- 4 Dedicated School Grant (DGS) Funding**
- 4.1 The DfE Policy Document and Operational Guides for 2023-24, set out how the authority will be funded through the National Funding Formula (NFF) and the changes for 2023-24 along with any changes to the Schools Block and funding for mainstream schools, Central Schools Services Block and High Needs Block.
- 4.2 In June 2022 the DfE issued a national consultation, "Implementing the Direct National Funding Formula" which followed on from the July 2021 consultation¹ and provided more detail on the proposed implementation of a hard NFF by 2027-28. Section 7 and Appendix 2 set out the Schools Forum response to the consultation. The DfE has advised that whilst local authorities will continue to have flexibility to set a local formula in consultation with Schools Forum for 2023-24, they must either mirror the NFF (be within plus/minus 2.5%) or move 10% closer to the NFF. In 2022/23 Portsmouth mirrors the NFF factor values on all factors and has a slightly increased Lump sum.
- 4.3 Indicative funding allocations for 2023-24 were published to local authorities in July 2022. Portsmouth's indicative allocations (inclusive of academies' funding) for 2023-24, together with current allocations for 2022-23 are shown in the table below.

¹ Fair school funding for all: completing our reforms to the National Funding Formula.



Table 1 - DSG Indicative Funding 2023-24				
	2022-23 Allocation July 2022²³	2023-24 Indicative Allocation July 2022	Change	Change
	£'000	£'000	£'000	%
Schools Block	141,139	144,193	3,054	2.16%
Central Schools Services Block	1,020	1,042	22	2.20%
High Needs Block	32,942	34,334	1,919	5.92%
Total	174,574	179,569	4,995	2.86%
Early Years Block	13,942	13,942	0	0.00%
Total	188,516	193,511	4,995	2.86%

4.4 Local authorities may again request a one-off transfer of the Schools Block funding to the High Needs Block to support pressures. Schools Forum can agree up to 0.5% of the Schools Block, and any transfer above this requires Secretary of State Approval. There are no restrictions for transferring funding from the Central Schools Support Block, the Early Years Block or the High Needs Block to other funding blocks. There are no proposals to transfer additional funding to the High Needs block for 2023-24.

4.5 The following sections provide an update on the main changes to the block funding and the impact on Portsmouth.

5 Schools Block

5.1 The Schools Block covers the mainstream (maintained and academy) schools individual budgets and the growth fund.

5.2 In 2022-23 the authority received a supplementary grant for mainstream schools in addition to the Schools Block Formula funding. This grant was passed directly to schools either from the local authority (Maintained schools) or via the Education and Skills Funding Agency (ESFA) (Academy schools). For 2023-24 the DfE are rolling the supplementary grant in to the Schools Block by increasing certain factors by the value paid as part of the supplementary grant as set out in the table below.

² Includes the 2022-23 supplementary grant which was paid separately to schools in 2022-23 but forms part of the Schools Block in 2023-24

³ Excludes Growth funding, this will be announced in December 2022.



NFF Factors	NFF values 2022-23 (excluding ACA)	supplementary grant	NFF 2023-24 values before inflation
	£	£	£
Basic Entitlement - Primary	3,217	97	3,314
Basic Entitlement - KS3	4,536	137	4,673
Basic Entitlement - KS4	5,112	155	5,267
Primary FSM6	590	85	675
Secondary FSM6	865	124	989
Primary Lump Sum	121,300	3,680	124,980
Secondary Lump sum	121,300	3,680	124,980
Primary MPPL	4,265	119	4,384
Secondary MPPL - KS3	5,321	155	5,476
Secondary MPPL - KS4	5,831	173	6,004
Secondary MPPL	5,525	144	5,687
All through MPPL	4,790	137	4,927

- 5.3 Additionally, both the minimum per pupil funding levels (see Table above) and the 2022-23 baseline funding will be increased to reflect the inclusion of the supplementary grant to the mainstream formula.
- 5.4 The 2023-24 policy document on the Schools Block funding to the local authority will allow for the increase in NFF formula values due to the supplementary grant and in addition will be increased by:
- 4.3% on the deprivation NFF funding factors of Free School Meals Ever 6 (FSM6) and Income Deprivation Affecting Children Index (IDACI)
 - 2.4% on other core funding factors such basic entitlement, free school meals, English as a second language, low prior attainment, mobility, sparsity, and lump sum.
 - 0.5% will be added to the minimum per pupil funding levels as set out in Appendix 1
 - An increase to the PFI factor in line with the retail price index⁴ (11.2%)
 - Provides a minimum funding guarantee of between 0.0% and plus 0.5%.
- 5.5 The policy document also sets out how the underlying data sets for two formula factors, continue to be adjusted to allow for the unavailability of national assessment data due to Covid-19 as set out below:
- **Low prior attainment factor;** as in 2022-23, where the national assessment data is not available for Early Years Foundation Stage

⁴ RPIX - Retail Price index for all items excluding mortgage interest.



or key Stage 2, the 2019 assessment data will be used to calculate the proportion of pupils who meet this criteria.

- **Mobility factor;** as in 2022-23, following the cancellation of the May 2020 census, those pupils who joined the school between January and May 2020 will attract funding based on their entry date rather than the May census.

Funding for Schools

- 5.6 In 2020-21 Portsmouth schools moved to the national funding formula factor values as published by the DfE with the addition of the Portsmouth area cost adjustment (ACA) of 1.42%⁵. Schools Forum endorsed, and it was approved by the Cabinet Member in January 2022, to increase the lump sum for a third year to maximise the funding to schools during 2022-23 and that the value will revert to the NFF value in 2023-24. Appendix 1 sets out the Portsmouth factor values used to calculate the 2022-23 school budgets and the 2023-24 NFF factor values published by the DfE in the Policy Document.
- 5.7 Following the national consultation in 2021 both the Policy Document and operational guidance reflect the move towards a hard national funding formula for schools. Whilst the changes for Portsmouth are minimal, there are changes which will impact on the presentation of the formula funding in 2023-24. A briefing has been sent to schools providing an update to the formula changes and an illustration as to how this will impact their funding based on the October 2021 census data.
- 5.8 This section sets out the changes that have been made in relation to the:
- Mandatory funding factors
 - Sparsity funding factor
 - Tightening of flexibilities
 - Minimum funding guarantee (MFG) and
 - Sets out proposals as to how the authority will manage affordability following receipt of the 2023-24 Allocation in December 2022.

Mandatory Funding Factors

- 5.9 The DfE has updated the 15 allowable formula funding factors, of which eleven (previously five) are now compulsory. The table below sets out the changes and highlights which apply to Portsmouth.

⁵ Area Cost Adjustment factor 1.01421 or 1.421%

Formula factor	Mandatory 2022-23	Used by Portsmouth 2022-23	Mandatory 2023-24	Used by Portsmouth 2023-24
Basic entitlement	Yes	Yes	Yes	Yes
Free School Meals (FSM)	Yes	Yes	Yes	Yes
Free School Meals Ever 6 (FSM)	Yes	Yes	Yes	Yes
IDACI	Yes	Yes	Yes	Yes
Prior attainment	No	Yes	Yes	Yes
English as a second Language (EAL)	No	Yes	Yes	Yes
Pupil mobility	No	Yes	Yes	Yes
Sparsity	No	No	Yes	Yes
Lump sum	No	Yes	Yes	Yes
Minimum level of per pupil funding	Yes	Yes	Yes	Yes
London Fringe	No	No	No	No
Split sites	No	No	No	No
NND Rates	No	Yes	No	Yes
Private Finance Initiative (PFI)	No	Yes	No	Yes
Exceptional circumstances	No	No	No	No

5.10 The main change is the inclusion of the Sparsity factor to the mandatory factor list. Further information on this factor and how it impacts Portsmouth is set out below.

Sparsity Factor

5.11 This factor allocates funding to schools that are remote and are small based on the average year group. For each school it looks at the distance for all pupils for whom it is the nearest compatible school and the distance to the second nearest compatible school. If the distance **and** average year group are above the threshold set by the DfE the school will receive funding. Due to the urban nature of Portsmouth all schools are within the distance threshold and will not trigger any funding through this formula factor. However, to comply with the mandatory requirement the sparsity factor now forms part of the formula funding using the NFF factor values.

Tightening of flexibilities

5.12 As part of the move to the hard NFF in 2027-28, the DfE has started to tighten some of the flexibilities local authorities have within the mainstream formula funding. For those authorities that are not mirroring the hard NFF (plus the ACA) they must move their formula factor values at least 10% closer to the NFF. This has a minimal impact on the Portsmouth formula where the NFF values plus the ACA are used on all formula factors except for the Lump sum. In recent years the value of the Lump sum has been increased above that of the NFF value to enable the authority to maximise funding going to schools. Applying the criteria provided



by the DfE the maximum level of the Lump sum that could be provided in 2023-24 would be £142,512.

Minimum Funding Guarantee (MFG)

5.13 Local authorities will have the freedom to set a Minimum Funding Guarantee (MFG) in their local formula of between +0.0% to +0.5% per pupil, without application to the Secretary of State. The MFG is applied to the individual school funding formula after the minimum per pupil funding is applied.

Proposals for managing affordability

5.14 The authority normally receives the initial funding allocation in mid to late December, which is too late to come back to Schools Forum and Cabinet Member to obtain any further formula approvals before presenting the final budget for approval in mid-January.

5.15 In the unexpected event that funding does not cover the cost of the funding formula to ensure that Officers are able to present an affordable budget to Schools Forum and the Cabinet Member it is proposed that the following factors would be adjusted:

- The area cost adjustment of 1.42% would either be reduced or not added to the NFF formula factor values.
- The level of MFG would be reduced to a level lower than plus 0.5%, but not less than 0.0%.

5.16 In recent years the authority has had surplus funds to pass out to schools due to changes in national non-domestic rates, the disapplication request relating to the MFG for Charter Academy and a higher level of growth funding than expected. When there has been a surplus the funds have been passed to schools by increasing the Lump sum, as this has a minimal impact on the MFG.

5.17 In 2023-24 the authority is not expecting to have surplus funds as there are no adjustments to the MFG for Charter Academy as the school is now full, the administration of NNDR has been centralised removing the ability for the Schools Block to gain/or lose funding due to changes in rateable value, and the growth in pupil numbers is slowing.

5.18 Should there be surplus funds it is proposed that as in previous years the Lump sum factor is increased up to the value of £142,512 (paragraph 5.12) to maximise the funding going to schools. Any remaining funding would be placed in the growth fund.

6 Disapplication requests

6.1 Each year, local authorities can submit disapplication requests to the ESFA, where strict adherence to the legislation as set out in the School and Early Years Finance (England) regulations (as amended each year), would generate perverse



results for specific schools. No disapplication requests have been submitted to the DfE for the financial 2023-24.

7 National Consultation regarding the implementation of the national fair funding formula 2023-24 onwards

7.1 In June 2022 the DfE published a national consultation⁶ setting out the proposals to move all mainstream schools on to a "Hard" National Funding Formula (NFF) in future years. The consultation closed on 9 September 2022. Due to the limited timescale the authority shared the draft response with a small working group of Schools Forum members before the response was shared with all mainstream schools from 2 September 2022 and schools were asked to let the authority know if they felt the response had missed anything, no later than 7 September 2022.

7.2 One comment was received from schools and included in the final response before submission to the DfE.

7.3 A copy of the Schools Forum response to the consultation can be found at Appendix 2.

8 High Needs Block

8.1 Nationally the Government have increased High Needs funding by a further £570m on top of the £1bn provided in 2022-23. The DfE has advised that each local authority should see an increase in their High Needs Block funding of 5% per head of population, using the 2022-23 high needs allocations⁷ as a baseline. The DfE has also set a gains cap of 7%.

8.2 Indicative funding published by the DfE in June 2022 provides Portsmouth with an increase in funding of 5.9%⁸ when compared to 2022-23.

8.3 The basic structure of the High Needs NFF for 2023-24 is not changing, however, there are some technical changes to the data for two individual proxy factors which are set out below:

- **The historic spend factor**, following the change in 2022-23 to use 50% of actual historic spend rather than budgeted expenditure, the DfE have decided to keep this factor as the same cash value in 2023-24 as in 2022-23. When combined with the increase in overall funding the proportion of total funding through this factor has

⁶ Implementing the direct national funding formula. [Implementing the direct national funding formula - Department for Education - Citizen Space](#)

⁷ December 2021 allocation including the supplementary grant and excluding basic entitlement, import/export adjustment and hospital education.

⁸ The funding floor and cap on gains calculation excludes funding for basic entitlement, import/export adjustment, hospital education and the AP settings TPG and TPECG funding. Portsmouth City Council receives the full 7% on the other formula factors.



reduced from 31% (2022-23) to 29% (2023-24). Even with this adjustment Portsmouth's indicative allocation exceeds the funding cap of 7% and therefore there is not a negative impact in 2023-24. The DfE have stated they will continue to look at reducing the significance of this factor in future years and replacing it with alternative proxies following consultation.

- **Key Stage 2 and Key Stage 4 low attainment factors**, as with the mainstream formula, due to Covid-19 there is no appropriate attainment data for the low attainment factors, therefore for 2023-24 the DfE are using the 2019 attainment data to calculate funding to local authorities.

8.4 The actual funding allocation for 2023-24 will not be known until December 2022 and will be adjusted for the latest pupil census information.

High Needs Funding for Schools

8.5 The DfE issued the High Needs Funding:2023 to 2024 operational guidance in July 2022, it was updated in October 2022. The operational guidance confirms that:

- Local authorities must allocate the teachers pay and pension grants to Special Schools, Alternative Provision academies on a per place basis according to the agreed number of funded places in the financial year 2023-24. This funding will be excluded from the Special School MFG calculation.
- That the MFG for Special schools must be set at a rate of 3% of the combined place and pupil funding against the 2021-22 baseline.

8.6 Discussions regarding the number of High Needs places required in the academic year 2023-24 are in progress with Special Schools, Inclusion Centres, Colleges and Alternative Provision settings. The High Needs Place proposals and Element 3 Top-up values for Special Schools, Alternative Provision settings, Inclusion Centres and mainstream pupils with Education Health and Care plans (EHCP) will be brought to future meetings as part of the Dedicated Schools Grant budget approval process.

9 Central Schools Services Block

9.1 The Central Schools Services Block (CSSB) supports the following budgets:

- Admissions
- Central licences provided by the DfE
- Schools Forum
- Education support grant retained duties for all schools
- Teachers pay and pensions grant centrally employed teachers.

9.2 From 2022-23 the funding of the Teachers Pay and Pensions grants for centrally employed teachers was rolled in to the per pupil rate funded by the DfE. This



funding is now included in the baseline per pupil funding and no further adjustments will be made in future years.

- 9.3 The authority is expected to receive an increase of £22,000 due to an increase in the per pupil funding rate to £40.40, an increase of 2.20%. The authority will utilise the increase to fund an inflationary increase in central licences, to support the Admissions Service and the retained duties for all schools.

10 Early Years Block Funding

- 10.1 To date the DfE has not issued any guidance in relation to the Early Years Block for 2023-24. It is expected that the authority will receive this guidance in December 2022. Once this has been published, an update will be brought to Schools Forum and the Cabinet Member for Children Families and Education.

- 10.2 In July 2022 the DfE issued a consultation "Early Years Funding Formulae" which set out several proposals regarding the way in which authorities are funded, some of which, if implemented could impact on the authority's funding in 2023-24. The consultation closed in September 2022 and the DfE have said that if the proposals are implemented, they will notify authorities in December 2022. This leaves little time for consultation with early years providers before the 2023-24 budget needs to be approved. A consultation has been circulated to providers setting out the proposed action the authority will take should the suggested changes to the funding happen. A copy of the consultation is included in Appendix 3 and the results, and the proposals will be brought to the January Schools Forum and Cabinet Member meetings.

11 Reasons for recommendations

- 11.1 The purpose of this report is to provide an update on the latest developments in respect of the future school revenue funding arrangements for 2023-24 onwards. The report also seeks endorsement to the proposals for implementing these arrangements locally, in order to ensure that they comply with the requirements of both the DfE's operational guidance and the School and Early Years Finance (England) Regulations.

12 Integrated impact assessment

- 12.1 An integrated impact assessment is not required as the recommendations do not have a positive or negative impact on communities and safety, regeneration and culture, environment and public space or equality and diversity.
- 12.2 This report and the proposals within form part of, and are consistent with, the national implementation of the schools and high needs National Funding Formula as directed by the Department of Education and set out in the School and Early Years Finance (England) Regulations 2022.

12.3 The DfE has conducted a full Equality Impact Assessment which is attached to the Policy document and can be found on their website⁹. The funding system does not seek to target funding by reference to particular protected characteristics under the Equality Act 2010, but instead targets funding to those groups which the evidence demonstrates face barriers to their educational achievement.

13 Legal implications

13.1 There are no legal implications arising directly from the recommendations in this report.

14 Director of Finance's comments

14.1 Financial comments and implications are included in the body of this report.

.....
Signed by: Sarah Daly, Director Children, Families and Education

Appendices:

- Appendix 1: Portsmouth Rates to National Funding Rates Comparison Table 2022/23 to 2023-24
- Appendix 2: Portsmouth Schools Forum response to the National Consultation "Fair funding for all; completing our reforms to the National Funding Formula"
- Appendix 3: Consultation with Early Years providers regarding 2023-24 funding.

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
School and Early Years Finance (England) Regulations 2022	The School and Early Years Finance (England) Regulations 2022 (legislation.gov.uk)
The National Funding Formulae for Schools and High Needs 2023-24 (published 24 July 2022) - Policy Document	The national funding formulae for schools and high needs (publishing.service.gov.uk)

⁹ [The national funding formulae for schools and high needs \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk)



Schools revenue funding 2023 to 2024: Operational Guide (published July 2022)	Schools operational guide: 2023 to 2024 - GOV.UK (www.gov.uk)
High Needs Funding: 2023 to 2024 Operational Guidance (published 10 August 2022)	High needs funding: 2023 to 2024 operational guide - GOV.UK (www.gov.uk)

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

Appendix 1 - Portsmouth Rates to National Funding Rates Comparison Table 2022/23 to 2023-24

Funding Factors	Payable for:	Unit rate 2022-23*		Unit Rate 2023/24	
		Primary £	Secondary £	Primary £	Secondary £
Basic Entitlement Number on Roll (NOR) NOR Key Stage 3 NOR Key Stage 4	Primary including reception Key stage 3 pupils Key stage 4 pupils	3,263	4,601 5,185	3,394	4,785 5,393
Deprivation Free School Meals Free School Meals Ever 6	Free School Meals (FSM) Free School Meals Ever 6	477 599	477 878	480 705	480 1,030
IDACI A	Pupils ranked between 1 and 821	650	903	670	930
IDACI B	Pupils ranked between 822 and 2,463	497	710	510	730
IDACI C	Pupils ranked between 2,464 and 4,105	467	660	480	680
IDACI D	Pupils ranked between 4,106 and 5,747	426	604	440	620
IDACI E	Pupils ranked between 5,748 and 9,032	274	432	280	445
IDACI F	Pupils ranked between 9,033 and 12,316	224	325	230	335
Prior attainment Primary	Primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP)	1,147		1,155	
Secondary	Pupils not achieving the expected standard in Key Stage 2 at either reading, writing or maths		1,735		1,750
English as an additional Language	EAL eligible pupils who started school within the last 3 years	574	1,552	580	1,565
Mobility		939	1,349	945	1,360
Sparsity		0	0	56,300	81,900
Lump Sum	Flat rate per school	137,124	137,124	128,000	128,000

*Note: the 2022-23 rates represent the values for Portsmouth schools based on the national NFF rates plus the area cost adjustment of 1.01419.

Appendix 1 - continued

Minimum per pupil funding level comparison table 2022-23 to 2023-24			
Phase	Per pupil funding level 2022-23	Per pupil funding level 2022-23	Change
	£	£	£
Primary	4,265	4,405	140
Secondary	5,525	5,715	190
All Through	4,790	4,950	160
KS3 only schools	5,321	5,503	182
KS4 only schools	5,831	6,033	202

Appendix 2 - Portsmouth Schools Forum response to the national consultation "Implementing the direct national funding formula"

Question 1

Do you agree that local authorities applications for transfers from mainstream school to local education budgets should identify their preferred form of adjustment to NFF allocations from a standard short menu of options?

- Yes: X
- No:
- Unsure:

Question 1 Comments

This seems a logical approach and provides consistency across the country.

Question 2

Do you agree that the direct NFF should include an indicative SEND Budget, set nationally rather than locally?

- Yes: X
- No:
- Unsure:

Question 2 Comments

Agree in principle but further consultation is required to ensure that the factors used provide consistency and equity across all schools, so that schools don't see their "notional" funding reducing.

Question 3

Do you have any comments on the proposals to place further requirements on how local authorities can operate their Growth and Falling rolls funding?

Growth funding: - *There needs to be a level of flexibility regarding any unspent balances on the growth fund as authorities may have planned to use underspend to fund future years commitments.*

Falling rolls: - *We currently do not run a falling rolls fund as the criteria is too restrictive to make it work effectively. It is not clear from the consultation document if it is a requirement for a local authority to have a falling rolls fund*

Falling rolls: - *We are seeing a general reduction in the primary population which will impact on schools over the next few years. Whilst the authority does not currently operate a falling rolls fund, there may be a requirement in future years if we can see a forecast increase in primary population. Restricting the criteria to only those schools with a good and outstanding Ofsted judgement may create a problem for those schools who are seeing a general population reduction along with a reduction*

in pupil numbers due to performance. This could make it financially challenging for the school to recover and achieve an improved judgement in the future. One of the drivers for stopping the falling rolls fund was that the schools who were seeing falling rolls also had poor Ofsted judgments and were not able to provide funding despite the knowledge that we would need the places in future years

Question 4

Do you believe the restriction that falling rolls funding can only be provided to schools judged good or Outstanding by Ofsted should be removed?

Yes X

No

Unsure

Question 5

Do you have any comments on how we propose to allocate growth and falling rolls funding to local authorities?

If local authorities are required to provide both a growth and falling rolls fund, then it seems a sensible approach to provide funding where pupil numbers are seeing a significant reduction.

Spending patterns are not always a good indicator of the funding requirement in future years, any change to the baseline needs to be reviewed in conjunction with future pupil projections.

Question 6

Do you agree that we should explicitly expand the use of growth and falling rolls funding to supporting local authorities in repurposing and removing space?

- Yes
- No
- Unsure

Question 7

Do you agree that the Government should favour a local, flexible approach over the national standardised system for allocating growth and falling rolls funding and that we should implement the changes for 2024-25?

- Yes - X
- No
- Unsure

Question 8

Do you have any comments on the proposed approach to popular growth?

Agree that this should be available to maintained schools, particularly where they have seen an increase in popularity due to improved performance data.

Question 9

Do you agree we should allocate split site funding on the basis of both a schools and basic eligibility and distance eligibility?

- Yes **X**
- No
- Unsure

Question 10

Do you agree with our proposed criteria for split site basic eligibility?

- Yes **X**
- No
- Unsure

Question 11

Do you agree with our proposed split site distance criterion of 500m?

- *The distance criteria should be shorter*
- **That it is about the right distance**
- *The distance criteria should be longer*
- *Unsure*

Question 12

Do you agree with the total available split sites funding being 60% of the NFF lump sum factor?

- *The funding should be higher*
- **That is about the right amount of funding**
- *The funding should be lower*
- *Unsure*

Question 13

Do you agree that the distance eligibility should be funded at twice the rate of basic eligibility?

- *The distance eligibility should be given a higher weighting*
- *That is about the right weighting*
- **The basic eligibility should be given a higher weighting**

- *Unsure*

Question 14

Do you agree with our proposed approach to data collection on split sites?

- **Yes** X
- No
- *Unsure*

Question 15

Do you have any comments on our proposed approach to split site funding?

This is an additional data collection burden on local authorities at a very busy time and should be funded.

How will the additional costs for authorities who have not been funding split sites, but now will have schools that fall into the split site criteria, be managed? Will the Schools Block be increased to reflect those eligible schools, or will the authority have to manage within the current funding envelope?

Question 16

Do you agree with our proposed approach to the exceptional circumstances factor?

- **Yes** X
- No
- *Unsure*

Question 17

Do you have any comments on the proposed approach to exceptional circumstances?

No.

Question 18

Do you agree that we should use local formulae baselines (actual GAG allocations, for academies) for the minimum funding guarantee in the year that we transition to the direct NFF?

- **Yes** X
- No
- *Unsure*

Question 19

Do you agree that we should move to using a simplified pupil led funding protection for the MFG under the direct NFF?

- Yes **X**
- No
- Unsure

Question 20

Do you have any comments on our proposals for the operation of the minimum funding guarantee under the direct NFF?

This makes sense and saves authorities having to put in disapplication requests

Question 21

What do you think will be most useful for schools to plan their budgets before they receive confirmation of their final allocations (i) notional allocations or a calculator tool?

- Notional allocations
- Calculator tool
- **Unsure**

Question 22

Do you have any comments on our proposals for the funding cycle in the direct NFF, including how we could provide early information to schools to help their budget planning?

Timetable

Further clarification regarding the timing of growth funding announcements needs to be provided, as a local authority this is normally agreed as part of the overall DSG budget and the funding issued to school early in the financial year. Receiving this information later than December could impact when schools receive the funding and therefore their ability to appoint staff.

If the DfE are no longer issuing the APT to local authorities, to support authorities to collect, verify and provide any additional data requirements in a timescale to meet the DfE timetable for publishing school budget shares, then submission deadlines need to be prior to school holidays, when the contacts are around to verify data.

Notional Allocations

It makes sense to publish the notional allocations based on the previous years pupil numbers and characteristics as this will help schools plan.

Calculator tool

Whilst a calculator tool may be helpful, it does need to consider the weighting of the different pupil characteristics and how they feed into the formula. The DfE also need to consider the support and training that would be available to schools who access this calculator.

Question 23

Do you have any comments on the two options presented for data collections in regard to school reorganisations and pupil numbers? When would this information be available to local authorities to submit to the DfE?

If schools are reorganising local authorities tend to know in advance and the impact built into the APT model shared with them in July/August, this modelling is then used to populate the December APT to limit the amount of work that needs to be completed over a short period of time. If the DfE is stopping the December APT when they move to a direct NFF then it would be beneficial to move the data collection to earlier in the autumn term, perhaps populated with the previous October's pupil numbers to help with calculations. This provides more time for clarification of the data with colleagues in other parts of the authority and schools (both of which don't tend to be around over the late December/early January period). This could be submitted early December to the DfE.

Question 24

Regarding De-delegation, would you prefer the department to undertake one single collection in March covering all local authorities or several smaller bespoke data collections for mid-year convertors?

- One single data collection
- Several smaller bespoke data collections
- **Unsure**

Question 25

Do you have any further comments on our proposals regarding the timing and nature of data collections to be carried out under a direct NFF?

Question 24: *Whilst it makes sense to make a single data collection, March is a bad month as the focus moves to the financial year end for local authorities. De-delegation values per pupil are normally agreed with Schools Forum in January following the issue of the October census and APT in December. A local authority will know the amount it wishes to de-delegate in total, will have consulted with schools over the autumn term, then uses the October census to confirm values. It is not clear why we would wait until March to notify the DfE of this information.*

Appendix 3 - Early Years consultation

1. Early Years funding 2023-24

- 1.1. In July 2022 the Department for Education (DfE) released a consultation "Early Years funding Formulae"¹⁰ proposing changes to the data behind the formula funding of the Early Years Block of the Dedicated Schools Grant (DSG) received by local authorities.
- 1.2. The consultation closed on 16 September 2022 and the DfE have stated that they will issue the Government's response and confirm the final 2023-24 hourly funding rates for local authorities in autumn 2022.
- 1.3. In previous years the DfE has not released this information until mid-December making it difficult for Portsmouth to engage with early years providers over the holiday period, in time to meet the statutory deadlines.
- 1.4. This year Portsmouth is consulting with providers on the proposals for the 2023-24 funding formula before the announcement from the DfE to enable providers to submit their views. This will then inform the proposals that are taken to Schools Forum and Cabinet Member for endorsement and approval in early 2023.
- 1.5. It should be noted that the financial values and the hourly rates quoted in this document are indicative and based upon the modelling provided by the DfE as part of the national consultation. They are subject to change dependant on the outcome of the consultation and the funding allocations issued by the DfE in December 2022.

2. Background

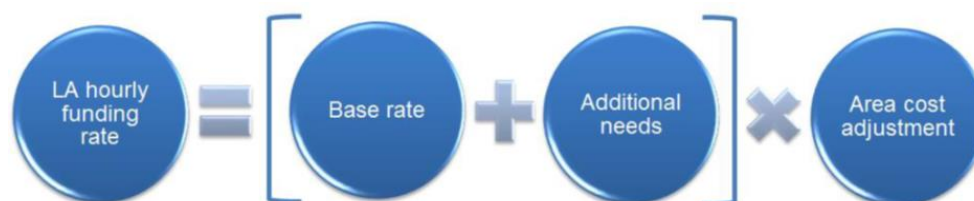
- 2.1. The Department for Education introduced the Early Years National Funding Formula (EYNFF) in April 2017. Funding is paid to local authorities for eligible two year olds and the three and four year olds (universal and additional hours) based on an hourly rate. The hourly rates are calculated by the DfE using one of two formula, which use underlying data sets. The data sets have not been routinely updated since 2017 and do not reflect the latest information and thus do not target funding where it is most needed. The national consultation provides proposals on updating the data sets. This consultation provides a brief overview of the national proposals and explains how Portsmouth proposes to update the local formula to reflect those changes.

¹⁰ [Early years funding formulae - Department for Education - Citizen Space](#)

- 2.2. It should be noted that the proposals relate to the funding received by local authorities. The DfE is not proposing to change the formula as to how funding is passed to early years settings.

3. National Changes to funding for three and four year olds proposed in the DfE consultation

- 3.1. The diagram below sets out how the three and four year old hourly rate for the local authority is calculated.



- 3.2. The DfE is proposing to update the data sets underlying the additional needs element of the formula to reflect the most recent data available, along with the percentage weighting for each of the factors. The table below shows the underlying factors and their weighting that make up the final hourly rate paid to the authority for three and four year olds.

Table 1: National Formula Factor weightings (3 and 4 Year olds)		
Formula Factors	Percentage weighting 2017-18	Percentage weighting 2023-24
	%	%
Basic Hourly rate	87.4	89.5
Additional needs data		
Free school meals supplement	10.0	10.5
English as a second language	1.3	1.5
Disability Living Allowance	1.3	1.0

- 3.3. In addition, the DfE are proposing to update the data underlying the factors used to calculate the Area Cost Adjustment (ACA) which is used as a multiplier to reflect relative difference in costs in different areas of the country, such as staff and premises costs.
- 3.4. The changes will cause some authorities to see either gains or losses in their funding. To help smooth the transition, the DfE have proposed that, when measured against the 2022-23 base line, all authorities would see an increase in the hourly rate of 1%, and a cap on gains of no more 4.5% on the three and four year old hourly rate.

3.5. If the changes are implemented, the overall impact of these changes is a proposed increase in the hourly rate received by Portsmouth for three and four year olds from £5.00 per hour to £5.23 per hour.

4. Portsmouth proposals for implementing the three and four year old funding for 2023-24

4.1. If the DfE implements the national consultation proposals and Portsmouth receives £5.23 per hour for three and four year olds. It is proposed that the funding will be allocated as set out in the table below.

Table 2: Three and Four-year-old funding formula.				
	2022-23 (£)	2022-23 Percentage split	2023-24 (£)	2023-24 Percentage split
Basic hourly rate paid to providers	4.45	89%	4.67	89%
Deprivation average hourly rate	0.20	4%	0.20	4%
SEN Inclusion fund	0.04	1%	0.04	1%
Growth contingency fund	0.06	1%	0.06	1%
Total funding passed to settings	4.75	95%	4.97	95%
Centrally retained	0.25	5%	0.26	5%
Total	5.00	100%	5.23	100%

4.2. This would provide **an hourly rate of £4.67 for three and four year olds.**

Deprivation

4.3. Deprivation remains a mandatory supplement. The Council is proposing to continue to use the current deprivation indices based on pupil IDACI¹¹. Deprivation rates will remain at the same values as 2022-2023, to enable the authority to maximise the amount paid through the basic hourly rate.

¹¹ Income Deprivation Affecting Children Index.

Deprivation Band	Funding per hour £
1	0.45
2	0.34
3	0.22
4	0.11
5	0.00

SEND Inclusion funding for low and emerging needs

- 4.4. The three and four year old formula provides funding to early years settings to support pupils with low and emerging special educational needs. This fund will continue to operate as in previous years.

Growth contingency

- 4.5. The DfE have confirmed that local authorities can hold contingency funds for in-year growth above the funded pupil numbers. This will be counted within 95% pass-through rate because the money is eventually shared with providers.
- 4.6. The Early Years January 2022 census showed an increase in the number of hours, this is expected to continue. For the financial year 2023-24 Portsmouth City Council will initially be funded on the January 2022 hours, with a mid-year adjustment for January 2023 hours. There is a risk that as the year progresses that the actual hours provided by early years settings will exceed the funding received by the authority. It is therefore necessary to hold a contingency for any potential in year growth in hours funded by the authority. Based on the growth contingency values in tables 2 and 4, this would provide funding for an additional 13 full time equivalent (FTE) two year olds and 51 FTE three and four year-olds.

Centrally retained

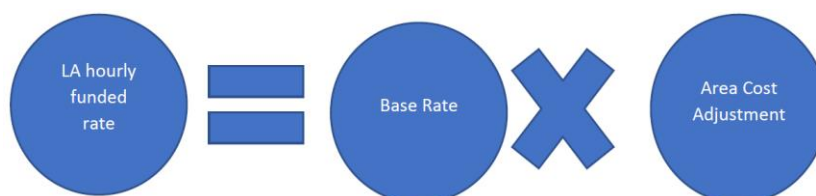
- 4.7. As set out in the regulations, the authority can retain up to 5% of the Early Years Block funding to support the early years functions. In 2022-23 the council retained 5% of the funded hourly rate. To help maintain the level of support for 2023-24, the council will continue to retain 5% of the 2023-24 hourly funded rate.

Supplementary Grant

- 4.8. Along with the changes to the underlying data, the government are proposing a change to the methodology for paying the Teachers Pay and Teachers Pension Employer Contributions Grant (TPPG) to those mainstream school providers with a nursery unit. Current eligible schools receive this as a separate grant which is funded on an amount per pupil. The DfE are proposing to bring the grant into the Early Years block of the DSG and authorities would then pay the funding as a supplement to the Early Years formula.
- 4.9. If the DfE proposal is approved, the authority would receive funding which would equate to the current funding provided via the current grants (TPPG) in 2022-23. The DfE consultation did not set out the parameters as to how the supplement would be paid but it is expected that the funding would only apply to those providers who were eligible from 2019 when it was first introduced.
- 4.10. The financial modelling provided as part of the DfE consultation suggested that if agreed, Portsmouth would receive an additional £0.03 per hour, totalling approximately £80,000.
- 4.11. If the DfE includes the grant in Early Years block in 2023-24, we will distribute the funding according to the parameters set out by the DfE.

5. National Changes to funding for two year olds proposed in the DfE consultation

- 5.1. Unlike three and four year old funding, the two year old funding is made up of a national hourly rate multiplied by an area cost adjustment (ACA), as shown in the diagram below.



- 5.2. Like the three and four year old funding, all authorities would see an increase in the hourly rate of 1% on the 2022-23 base line, and an increase of no more 8.6% on the two year old hourly rate when compared to the 2022-23 baseline.

- 5.3. The overall impact of these changes if implemented by the DfE, is a proposed increase in the hourly rate received by Portsmouth for two year olds from £5.80 per hour to £6.30 per hour.

6. Portsmouth proposals for implementing two year old funding for 2023-24

- 6.1. If the DfE implements the national consultation proposals and Portsmouth receives £6.30 per hour for two year olds. It is proposed that the funding will be allocated as set out in the table below.

Table 4: Two-year-old funding formula.				
	2022-2023 (£)	2022-23 Percentage split	2023-2024 (£)	2023-24 Percentage split
Basic hourly rate paid to providers	5.38	93%	5.82	92%
SEN Inclusion fund	0.04	1%	0.04	1%
Growth contingency fund	0.13	2%	0.13	2%
Total funding passed to settings	5.55	96%	5.99	95%
Central retained funding	0.25	4%	0.31	5%
Total	5.80	100%	6.30	100%

- 6.2. This provides **an hourly rate of £5.82 for two year olds.**

- 6.3. The formula for Portsmouth includes:

- an 'inclusion fund' which will operate in-line with that for three and four year olds by providing support to pupils with low and emerging special needs.
- Growth contingency fund, as per the three and four year old formula
- In line with the three and four year old formula the authority is proposing to retain 5% centrally to support the provision of support and services to the early years sector.

7. What the authority will do if the funded hourly rates are different from the published consultation rates.

- 7.1. The indicative hourly rates published by the DfE in the summer 2022 as part of the consultation, reflect the consultation proposals. It is possible that following the consultation the DfE may issue different hourly rates for the 2023-24 funding allocation to Portsmouth.

- 7.2. In this case the authority proposes to split the published hourly rates over the formula on the same percentage basis as the proposals in this

document (see tables 2 and 4), table 5 below sets out the proposed percentage split.

Table 5: Three and Four-year-old funding formula.		
	2023-24 Two year old hourly rate Percentage split	2023-24 Three and four year old hourly rate Percentage split
Basic hourly rate paid to providers	92%	89%
Deprivation average hourly rate	0%	4%
SEN Inclusion fund	1%	1%
Growth contingency fund	2%	1%
Total funding passed to settings	95%	95%
Centrally retained	5%	5%
Total	100%	100%

8. Next steps

- 8.1. The authority expects to receive the outcomes of the national consultation in mid-December 2022, along with the Early Years Block indicative funding allocation for 2023-24. The feedback provided from this consultation will inform the report to Schools Forum and Cabinet Member early in 2023 to set the hourly rates for two year olds and three and four year olds for 2023-24.
- 8.2. When responding to the consultation please be aware that your response may be shared in the public domain, e.g., via a Freedom of Information request, therefore please don't share information that may be commercially sensitive or you would not want shared wider.
- 8.3. To respond to the consultation, please complete the attached document and return to EYfunding@portsmouthcc.gov.uk
- 8.4. Responses should be returned no later than close of play **Friday 9 December 2022**.



Early Years Consultation Response Form 2022

Provider Name:

<p>1. Do you agree with the proposed 2023-24 funding formula for three and four year olds, as set out in Table 2?</p>	<p>Yes</p>	<p>No</p>
<p>If not, what would you change?</p>		
<p>2. Do you agree with the proposed 2023-24 funding formula for two year olds, as set out in Table 4?</p>	<p>Yes</p>	<p>No</p>
<p>If not, what would you change?</p>		
<p>3. Do you agree with the proposal that if the two, three and four year old hourly rates provided in the 2023-24 funding is different from the hourly rates proposed in the consultation, that the authority funding formula provides the same percentage split?</p>	<p>Yes</p>	<p>No</p>
<p>If not, what would you change?</p>		

Agenda Item 8



Portsmouth
CITY COUNCIL

Title of meeting: Schools Forum

Date of meeting: 7 December 2022

Subject: Removal of the School Improvement Monitoring and Brokering Grant

Report by: Mike Stoneman, Deputy Director, Education

Wards affected: All

Key decision: Yes/No

Full Council decision: Yes/No

1 Purpose of report

1.1 The purpose of this report is to:

- Inform Schools Forum about the government's removal of the School Improvement Monitoring and Brokering grant which is currently allocated to local authorities to support school improvement activities;
- Inform Schools Forum about the consultation which was undertaken to seek the views of LA maintained schools about the proposal to de-delegate funding from schools' budget shares to cover the removal of the Grant; and
- Seek Schools Forum approval for de-delegation for both Maintained Primary and Secondary Phases.

2 Recommendations

2.1 It is recommended that maintained school members of Schools Forum approve the de-delegation of funding from schools' budget shares to continue to provide school improvement services to maintained schools from 1 April 2023. The value of de-delegation per pupil per phase to be brought to the January 2023 Schools Forum for approval.

3 Background

3.1 Since 2017, the Local Authority School Improvement Monitoring and Brokering grant 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 Guidance (collectively referred to as core school improvement services). In summary these activities require councils



to monitor the performance of maintained schools, broker school improvement provision and intervene as appropriate.

- 3.2 In Portsmouth the School Improvement Monitoring and Brokering grant in 2020/21 was £80,000. This helped to cover some of the costs relating to the School Improvement Team which consists of two posts: the Head of School Improvement & Early Years; and the School Improvement Adviser. It also supported the costs associated with the monitoring, moderation and assessment for primary schools (Key Stage 1 and 2 including Year 1 phonics screening) for which there is currently no charge. A traded service exists for academies.
- 3.3 In October 2021, the Department for Education (DfE) launched a consultation seeking views on the government's intention to remove the School Improvement Monitoring and Brokering Grant, currently allocated to local authorities to support school improvement activities and make provisions within the School and Early Years Finance (England) Regulations 2022 to allow local authorities to fund all of their school improvement activity via de-delegation from Maintained school's budget shares
- 3.4 The national consultation took place from 29 October 2021 to 26 November 2021. The Government's response to the consultation was published on 18 January 2022. It confirmed that the Government will:
- Reduce the grant by 50% for the FY 2022-23 and bring it to an end in FY 2023-24; and
 - Include provision in Part 7 of Schedule 2 of the School and Early Years Finance (England) Regulations 2022 which would allow councils to de-delegate for all improvement expenditure, including all core improvement activities.
- 3.5 Locally, the council consulted with all 18 LA maintained schools in Portsmouth about the proposal to de-delegate funding from schools' budget shares in order to cover the removal of the Local Authority School Improvement Monitoring and Brokering Grant as from April 2023. A consultation document was issued on 31 October 2022 (Appendix 1) with a deadline for responses by 24 November 2022. The council also discussed the proposals with Headteachers of LA maintained schools at the regular LA briefing on 23 November 2022.
- 3.6 No responses were received to the consultation but at the LA briefing for Headteachers of LA maintained schools on 23 November there was a general consensus of support and that the school improvement support received from the LA was highly valued.

4 Reason for recommendations

- 4.1 The reason for the recommendation is in response to the government's decision to remove the School Improvement Monitoring and Brokering Grant yet still



requiring local authorities to fulfil 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 guidance (collectively referred to as core school improvement services).

- 4.2 De- delegation will allow the school improvement services that support maintained schools to continue at the existing levels, whilst being in line with the government's guidance to achieve parity of funding with academy schools. In addition to ongoing and bespoke school improvement activities such as providing regular updates, attending meetings with school leaders, writing model policies, delivering training and advising governors, proportional support and challenge is specifically delivered to LA Maintained schools through a range of quality assurance activities (as outlined in Appendix 1).

5 Integrated impact assessment

- 5.1 An integrated impact assessment is not required as the recommendations do not have a positive or negative impact on communities and safety, regeneration and culture, environment and public space or equality and diversity.

6 Legal implications

- 6.1 There are no legal implications arising directly from the recommendations in this report. The recommendations in this report are intended to ensure that the LA can continue to fulfil its statutory school improvement functions under Part 4 of the Education and Inspections Act 2006 and the requirements set out in the Schools Causing Concern guidance (October 2022).

7 Director of Finance's comments

- 7.1 The Schools and Early Years Finance (England) Regulations 2022 and the Schools Forum regulations and good practice guide set out the both the local authority and Schools Forum responsibilities with regard to de-delegation of funding from maintained schools budgets.
- 7.2 The decision to de-delegate rests with the maintained school members of Schools Forum, with each sector being required to vote separately on the amount per pupil to be deducted.
- 7.3 Estimates based on the October 2021 census, suggest that the amount deducted per pupil will be approximately £10.50 for both primary and secondary pupils. On receipt of the October 2022 census data in mid-December the per pupil value will be re-calculated and brought to the January 2023 Schools Forum for approval by Maintained schools, for implementation from April 2023.

Signed by:

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

Appendix 1

Consultation on the proposed de-delegation of school's budget shares to cover the removal of the Local Authority School Improvement, Monitoring and Brokering grant

31st October 2022

1 Summary

- 1.1. The council is seeking to consult with LA maintained schools on a proposed de-delegation from schools' budget shares in order to cover the removal of the Local Authority School Improvement Monitoring and Brokering Grant as from April 2023. This paper sets out the background to the proposal and how schools can respond to the consultation.

2 Background

- 2.1. Since 2017, the Local Authority School Improvement Monitoring and Brokering grant 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 Guidance (collectively referred to as core school improvement services). In summary these activities require councils to monitor the performance of maintained schools, broker school improvement support and intervene as appropriate. Details of the support and services provided are set out in [Appendix 1](#).
- 2.2. In Portsmouth the School Improvement Monitoring and Brokering grant in 2020/21 was £80,000. This helped cover a proportion of the costs relating to the School Improvement Team which consists of two posts: the Head of School Improvement & Early Years; and the School Improvement Adviser. The two posts provide school improvement support which is targeted according to need. The grant also supported the costs associated with the monitoring, moderation and assessment for primary schools (Key Stage 1 and 2 including Year 1 phonics screening) for which there is currently no charge for LA maintained schools. A traded service exists for academies. The extent and range of activities included in this work which is provided for LA maintained schools at no cost are outlined in [Appendix 2](#).
- 2.3. In October 2021, the DfE launched a consultation seeking views on the government's intention to remove the School Improvement Monitoring and Brokering grant, currently allocated to local authorities to support school improvement activities and make provisions within the School and Early Years Finance (England) Regulations for the financial year (FY) 2022-23 to allow local authorities to fund their school improvement activities via de-delegation from schools' budget shares.
- 2.4. The consultation took place from 29th October 2021 to 26th November 2021. The Government's response to the consultation was published on 18th January 2022. To provide parity to maintained schools and academy schools, the government stated that it would:
- 2.5. Make the final grant payment in the FY 2022-23; and include provision in Part 7 of Schedule 2 of the School and Early Years Finance (England) Regulations for the FY 2022-23 which would allow councils to de-delegate

from maintained schools for all improvement expenditure, including all core improvement activities.

- 2.6. The final value per pupil will be based on the October 2022 census on roll released in December 2022 as part of the DSG 2023-24 allocations, but the indicative amount at this time is £10.50 per pupil. This would be taken to the January 2023 Schools Forum in order to confirm the actual amount per pupil.
- 2.7. De-delegation will allow the school improvement services that support maintained schools to continue at the existing levels, whilst being in line with the government's guidance to achieve parity of funding with academy schools.
- 2.8. In addition to ongoing and bespoke school improvement activities such as providing regular updates, attending meetings with school leaders, writing model policies, delivering training and advising governors, proportional support and challenge is specifically delivered to LA Maintained schools through a range of quality assurance activities (as outlined in Appendix1).
- 2.9. The decision to de-delegate funding from maintained schools' budgets sits with the primary and secondary maintained school members of Schools Forum, and a further provision in the regulations to request Secretary of State approval if agreement is not reached. Whilst there is no requirement to consult schools on the proposed de-delegation, the council seeks the views of schools to support and inform the decision-making process.

3 Responding to the consultation






- 3.1. A consultation response is attached at Appendix 3 for schools to complete. The consultation will close at midday on Thursday 24th November 2022.
- 3.2. The consultation will also be discussed at the next LA Briefing for Headteachers of LA Maintained Schools on Wednesday 23rd November 2022. The discussion will also be taken into account as part of the consultation.
- 3.3. Please send your completed response forms to:
eandsc@portsmouthcc.gov.uk
- 3.4. The responses to this consultation will be reported to both the Cabinet Member for Children, Families & Education and Schools Forum meetings in December 2022.

APPENDIX 1

LA Maintained Schools






School improvement quality assurance processes

- Regular visits, meetings, and discussions between school leaders and the Head of School Improvement and Early Years
- Annual visit from a commissioned school improvement partner funded through the local authority
- Review of school documentation e.g. Self Evaluation Form (SEF), school improvement plan, curriculum design and planning, target-setting and benchmarking information
- Consideration of school standards, provision, and progress which includes a focus on children with SEND and vulnerable groups, target-setting
- Undertaking joint activities with school improvement partner, consultant or LA officer e.g. monitoring the quality of education, work scrutiny and moderation, curriculum planning, pupil/parent/staff discussions
- Ofsted preparation, support during and after inspection, including training
- Participation in the LA peer review process 'Reflective Improvement'
- Optional additional work e.g. safeguarding sampling visit, training and development, governor support

For all LA Maintained schools	
<ul style="list-style-type: none"> • Head of School Improvement and Early Years e.g. <ul style="list-style-type: none"> ○ Support to draft/sharing of school improvement plan and SEF with feedback as necessary ○ Scrutiny of significant areas identified at end of key stage/statutory assessment outcomes, such as progress of vulnerable groups: disadvantaged pupils; SEND pupils; and White British/EAL pupil groups ○ Sharing and agreeing targets, benchmarking ○ School review activities (subject-based, preparation and readiness for the next Ofsted inspection, post-Ofsted action planning, quality assurance of the SEF) ○ Discussion and support with any issues facing the school e.g. absence, exclusions, staffing, recruitment and retention, governance, behaviour, inclusion, personal development, policy and practice, safeguarding, statutory compliance ○ Commission of professional coaching sessions to reflect on leadership practice and development ○ Joint visits with external partners ○ LA and Portsmouth Education Partnership (PEP) peer reviews 	<p>Date: At least annually </p> <p>Time: min 1 hour, max 1 day </p> <p>Audience: Headteachers </p> <p>Delivered: PCC </p> <p>Commissioned: LA Maintained </p>

<ul style="list-style-type: none"> ○ CPD and training events ● Annual school improvement visit (external school improvement partner (SIP)) <ul style="list-style-type: none"> ○ Visit record reported to PCC Head of School Improvement & Early Years ● Education Senior Leadership Team (SLT) termly visit <ul style="list-style-type: none"> ○ Opportunity to raise school improvement issues 	
--	--

For all LA Maintained schools prioritised / causing concern / vulnerable

<ul style="list-style-type: none"> ● Additional commissioned visits (external SIP) <ul style="list-style-type: none"> ○ Building on annual visit, part of a continuous process and ongoing relationship ● Specific areas of work <ul style="list-style-type: none"> ○ English, Maths or curriculum subject development (use of Teaching School Hubs, Research School, subject networks, experienced practitioners) ○ Invite or direct to Education Endowment Foundation (EEF) programmes through the Research School ○ Additional support with experience and accuracy of assessment and moderation (LA Moderation Manager) ○ Support for leadership development (senior, middle, refer for National Professional Qualifications (NPQs), shadowing, visits to other schools, subject network attendance, PEP boards and groups) ○ Forensic analysis of data and performance information with support from the Education Information Service ○ Further training bespoke as required ○ Additional preparation for Ofsted inspection ○ Facilitate support and links to other PCC services e.g. EMAS, Early Years, School Attendance Team, Admissions, Portsmouth Music Service/Hub, Inclusion, SEN team, Inclusion Outreach Service, Pupil Place Planning ○ Website compliance prioritised ○ Safeguarding sampling visit prioritised 	<p>Date: at least termly </p> <p>Time: ½ or 1 day per visit </p> <p>Audience: school to negotiate </p> <p>Delivered: external SIP and LA </p> <p>Commissioned: through the LA </p>
--	--

APPENDIX 2

Excerpt from the Job Profile for the LA School Improvement Adviser

- Act as the Moderation Manager who provides the strategic lead for the local authority in respect of statutory duties for Key Stage 1 and Key Stage 2 moderation and assessment including:
 - Submit the annual moderation plan for external moderation of KS1 reading, writing and mathematics and KS2 writing
 - Review the moderation appeals procedure
 - Provide consistent and proactive communications to schools regarding the moderation arrangements
 - Plan and facilitate training for Year 2 and Year 6 teachers during the second half of the Autumn term annually
 - Hold a briefing for headteachers ahead of moderation
 - Recruit moderators for KS1 and KS2, provide an effective training programme and ensure that quality assurance processes are in place and that any new moderators have access to a mentor/shadow
 - Co-ordinate the programme of moderation for KS1 and KS2, ensuring that the minimum of 25% of schools for both KS1 and KS2 are moderated according to the cycle that has been agreed for Portsmouth (with additional schools where advised by the Standards and Testing Agency (STA) or where the LA has a relevant concern), that there are no conflicts of interest and notifying schools to be moderated at the appropriate time
 - Maintain accurate records of all moderation visits, ensuring all visit records are signed by the relevant headteacher (or delegate) and lead moderator for the visit
 - Ensure that schools are notified of the chosen pupils in moderation samples either on the day of the visit, or the day before
 - Implement and adhere to the requirements as set out in the latest guidance from the STA for primary moderation and unannounced monitoring visits (Year 1 Phonics Screening Check and Key Stage 2 SATs)
 - Working with the council's Information Services Team, oversee the submission of data and the data validation process

APPENDIX 3

Questions:

1	Do you agree with the proposal to de-delegate funding from school's budget shares in order to cover the removal of the Local Authority School Improvement, Monitoring and Brokering grant?	Yes	NO
Please add any further comments			
2	Do you have any other comments?	Yes	No
Please add any further comments			

Please note the consultation will close at midday on Thursday 24th November 2022.

Please send your completed response forms to:
eandsc@portsmouthcc.gov.uk

This page is intentionally left blank