

Cheshire West & Chester Council

Cheshire West and Chester Schools Forum

Tuesday 19 October 2021
4.30pm – 6.30 pm

Virtual Meeting

Schools Forum Clerk
Children and Families
Cheshire West and Chester Council
Telephone 07584 206913

Notes for members of the public

Cheshire West and Chester Schools Forum

The Council welcomes and encourages you to be at its meetings and Committees.

You are requested to remain quiet whilst the meeting is taking place.

The agenda is sometimes divided into two parts. You are allowed to stay for the first part. When the Forum is ready to deal with the second part you will need to leave the meeting because the business will be of a confidential nature, for example, dealing with individual people, contracts and financial affairs of other parties.

Members of the public wishing to attend Schools Forum meetings should contact the Schools Forum Clerk:

Email: school.relationshipteam@cheshirewestandchester.gov.uk

Telephone: 07584 206913

Agenda for Cheshire West and Chester Schools Forum 19 October 2021

1.	4.30	Introductions and apologies		
2.	4.35	Minutes and matters arising of last meeting 2.1 To agree the minutes held 6 July 2021 2.2 Matters arising 2.3 Item 8 Schools NFF consultation on sparsity factor - Consultation response <u>Schools national funding formula: changes to sparsity factor - GOV.UK (www.gov.uk)</u>		Page 4-9
3.	4.45	Social Finance Averting Exclusions Project	Michaela Bridge	Presentation to follow
4.	5.15	Early Years Funding Formula Consultation and proposal for 2022-2023	Bo White	Page 10-25
5.	5.35	School Information Management System Update and Options	Carolyn Davis	Paper to follow
6.	5.45	School Funding Arrangements 2022-2023	Natalie Cole	Page 26-34
7.	6.00	Final Allocation of the Dedicated Schools Grant for 2021-2022	Natalie Cole	Page 35-38
8.	6.10	Dedicated Schools Grant (DSG) 2021-2022 Forecast Outturn at First Review	Natalie Cole	Page 39-40
9.	6.20	Response to Fair school funding for all: completing our reforms to the National Funding Formula – for information only		Separate document
10.	6.25	Any Other Business		
11.	6.30 Finish	Next meeting: Tuesday 7 December 2021 Schedule of meetings 2021-2022		Page 41

**Cheshire West and Chester
Schools Forum
19 October 2021**

Agenda item 2

Minutes of Cheshire West and Chester Schools Forum, virtual meeting, on 6 July 2021

Members Schools and Academies	Representing	Attendance
Alan Brown	Primary headteachers	Attended
Julie Chambers	Primary headteachers	Attended
Sarah Curtis	Primary headteachers	Apologies
Ian Devereux Roberts	Primary headteachers	Apologies
Kate Docherty	Primary headteachers	Attended
Kerry Forrester	Primary headteachers	Substitute
Sharon Broughton	Primary governors	Attended
Duncan Haworth (Chair)	Primary governors	Attended
Vacancy	Primary governors	Vacancy
David Nield	Primary governors	Attended
Nick Lacey	Primary governors	Attended
Lisa Rigby	Primary governors	Substitute
David Curry	Secondary headteachers	Attended
Mike Holland	Secondary headteachers	Attended
John Freeman	Secondary governors	Attended
Rob Williams	Secondary governors	Attended
Mike McCann	Special headteachers	Attended
Philip Hopwood	Special governors	Attended
Katie Tyrie	Nursery headteachers	Apologies
Andy Stewart	PRU	Attended
Sarah Connolly	Academies - mainstream	Apologies
Darran Jones	Academies - mainstream	Attended
Luci Jones	Academies - mainstream	Apologies
Jason Lowe	Academies - mainstream	Apologies
Helen Studley	Academies - mainstream	Attended
Lyndsay Watterson	Academies - mainstream	Attended
Marie Allen	Academies - special	Attended
Non Schools		
Sue Anderson	PVI early years providers	Attended
Kathryn Magiera	Diocese	Absent
Caroline Vile	Diocese	Attended
Greg Foster	Unions	Absent
Geoff Wright	Unions	Absent
Rob Pullen	CWAPH	Attended
Cat Hirst	PVI early years providers	Apologies
Vacancy	16-19 providers	Vacancy

Official Observers

Councillor Robert Cernik Cabinet Member for Children and Attended Families

Officers in attendance

Natalie Cole	Finance Manager
Charlotte Fenn	Clerk
Debbie Freeman	Senior Manager SEN
Debbie Murphy	Acting Head of Education and Inclusion

Observer

Councillor Razia Daniels Shadow Cabinet Member for Children and Families

1. Introductions and apologies

Apologies and substitutes were noted.

Duncan Haworth reminded Forum members of the meeting protocols for comments and voting.

Duncan reported the following updates to Schools Forum membership:

Resignations

Lyndsay Watterson Head Queen's Park High School wef 31/8/2021

Katie Tyrie Head St Mary's Nursery wef 31/8/2021

Term of office extended

Andy Stewart The Bridge PRU
Sian Thomas continue as PRU substitute

Term of office ended/new representatives being sought

Marie Allen Special Academies - carrying on as representative while Special Academies seeking representative & substitute
Geoff Wright Unions – carrying on as representative while JCNP seeking representative

Duncan welcomed to the meeting Debbie Murphy, Acting Head of Education and Inclusion, covering for David McNaught while on sabbatical.

Duncan reported that he had been notified that Andrea Latheron-Cassule, ESFA observer, would be attending to monitor schools forums as part of a scrutiny exercise, but was not yet in attendance.

Duncan, on behalf of Schools Forum, thanked Lyndsay and Katie for the work done over many years and wished them well for the future.

2. Minutes and matters arising of last meeting**2.1 To agree the minutes from the meeting held 8 February 2021**

The minutes of the meeting held on the 8 February 2021 were agreed as a correct record.

2.2 Matters arising

None to report.

3. Update on SEND proposals and implementation of the High Needs Strategic Review

Debbie Freeman introduced the item and took Forum through the report on progress with developing SEND proposals arising from the High Needs Strategic Review.

The Local Authority have received confirmation of SEND capital allocations available from 2021-2022. Forum members attention was drawn to the table on page 9 listing proposals to increase special school capacity to meet increased demand and develop alternative models of provision.

Debbie referred Forum to paragraph 5 which outlined the revenue proposals for increasing specialist place provision and drew their attention to the SEND outreach support offer outlined in appendix A, which included outreach, in reach, CPD and School to School Support. It was noted that the introduction of the outreach offer was from September 2021, for mainstream schools, and requests would be made by completing a request form.

Debbie sought views and comments from Forum on the proposals.

Mike McCann reported that schools were already getting phone calls from parents and it would be helpful if officers could get the message out that the offer started from September and guidance on how to apply. Debbie acknowledged Mike's concerns and confirmed that guidance would be sent out.

It was also noted that some schools still needed to recruit the necessary staff to fulfil the offer.

Sue Anderson sought clarification as to whether the outreach extended to PVI's. Debbie responded that officers were looking at this with the Early Years Special Support team to see where it would be appropriate to seek support from.

Rob Williams commented that it was a clear paper, if there were the resources, the services should be developed, and the proposals were to be applauded.

Rob Pullen confirmed that the proposals had been widely appreciated by Primary colleagues, but they had questions around resources and longevity. Debbie acknowledged that the additional offer may generate more demand and the offer would be reviewed termly.

Resolved that Schools Forum noted the paper.

4. Dedicated Schools Grant (DSG) 2020-2021 Final Outturn

Natalie Cole introduced the item and took Schools Forum through the report the 2020-2021 final outturn position for the centrally held DSG budget and reserve.

It was noted that the overspend was largely due to increased spend on High Needs provision and Early Years entitlements.

Forum's attention was drawn to the table in paragraph 7 which summarised the cumulative position on the centrally held DSG reserve including the current year variances and agreed use of reserves in 2020-2021.

It was noted that officers would be taking forward the development of the DSG recovery plan over summer term and this would take into account the DfE funding announcement and guidance for 2022-2023 which officers were awaiting.

Resolved that Schools Forum note the final outturn on the 2020-2021 centrally held DSG and reserve.

5. Maintained School Balances Financial Year 2020-2021 and Academy Balances 2019-2020

Natalie Cole introduced the report and took Schools Forum through the final outturn position of maintained schools in the Borough for the 2020-2021 financial year.

Natalie drew Forums attention to paragraph 4 and the summary of maintained schools' balances by sector. It was noted that there was a significant increase in school balances of £7.2m, this was partly due to lower utility and building costs and an increase in grant income and High Needs funding; there had also been a significant reduction in schools in deficit. Natalie reported that the picture was the same across schools in other North West Local Authorities. No action was to be taken to clawback or redistribute the balances.

David Nield sought clarification regarding the underspent High Needs income. Natalie surmised that this was due to funds being allocated during the summer term where there had been an increase in the number of assessments but schools had not put planned initiatives in place as the child had not been attending school.

Rob Pullen commented that it was worth noting that not all had made savings, some had lost income where they normally provided wrap around provision. Natalie responded that the majority of schools were better off and had focused on what had to provide due to Covid but had not taken into account what not spending on but acknowledged that it had been a difficult year to plan anything.

Alan Brown concurred with Rob's comments and added that he had picked up from colleagues that some had extra staffing costs due to staff covering bubbles, staff isolating and an increase in staff being called in for medical appointments, which didn't trigger the insurance as only short absences; also loss of income from before and after school clubs. In Alan's case there were also the additional

costs of taking on higher qualified staff to deal with the number of pupils with complex needs and extra costs not covered by High Needs.

Resolved that Schools Forum note the outturn position and movement in balances for both schools and academies and the mechanisms in place to support schools with deficit balances (maintained schools only).

6. Updated guidance on the Scheme for Financing Schools for 2021-2022

Natalie Cole introduced the item and took Forum members through the scheme changes outlined in the paper.

It was noted that approval for the revisions to the scheme was being sought from maintained schools only.

David Nield sought clarification regarding paragraph 11d and the reference to the use of purchase cards for items under £50. Natalie acknowledged there was an error and the amount should be £500. Following the introduction of Unit4, a letter had been sent out to schools advising them that, where possible, purchase cards should be used for items under £500.

Resolved that Schools Forum (maintained schools only) approved the revisions to the scheme which will be reflected in the updated Scheme to be published July 2021 (vote: unanimous).

7. Annual review of the Cheshire West and Chester Schools Forum's membership, constitution, and terms of reference

Charlotte Fenn took Forum members through the report and the updates to the membership, constitution, and terms of reference.

Resolved that the Schools Forum note:

- i. that Officers have determined that the pupil ratio does not warrant a revision in the Schools Forum membership at this time;
- ii. Forum will no-longer require a Nursery School representative as of 1 September 2021;
- iii. the changes to the constitution and terms of reference to make permanent provisions to enable schools forums meetings to be held remotely (Appendix 1 – paragraph 8 -9); and
- iv. the Early Years reference groups' revised membership.

8. Schools NFF consultation on sparsity factor

Natalie Cole referred Forum members to the two separate documents on Schools NFF consultation on sparsity factor and provided a verbal update.

It was noted that supporting small schools was an issue for CW&C and only five schools received funding under the current sparsity funding formula.

In March the authority submitted a response to the consultation supporting the expanding of the mechanism to determine sparsity. Currently part of the funding formula calculation was based on the average distance 'as the crow flies' and not by road which did not take into account such factors as rivers.

The DfE are now proposing to begin measuring sparsity distances by road journeys rather than 'as the crow flies' and increase the tapered funding from £45,000 to £55,000.

The results of the consultation had not yet been published but Natalie had heard of favourable responses to the consultation.

David Nield commented that the proposals seemed evidently sensible and would benefit the council.

Resolved that Schools Forum note the verbal update.

9. Any Other Business

None to report.

10. Next meeting

19 October 2021 4.30 - 6.30 virtual.

John Freeman questioned why all the meetings were online, as parish councils' meetings now had to be face to face. Charlotte Fenn responded that provision had been made, within the regulations, to allow forum meetings to continue to be held remotely. Officers were waiting for further guidance from Cheshire West and Chester regarding how to proceed with meetings moving forward; online meetings would also reduce our carbon footprint.

David Nield suggested Forum consider one face to face meeting a year. Duncan Haworth said the position would be kept under review based on the agenda items.

Agenda Item 4

Early Years Funding Formula Consultation and proposal for 2022-2023

Purpose of the report

1. The report provides an overview of the recent Early Years Funding Formula (EYFF) Consultation for the funding of three and four year old universal and extended entitlements. The consultation has informed our recommendations for changes to the EYFF for the financial year 2022-2023 which we believe are more in line with that of our statistical neighbours as provided in the benchmarking data from the Education and Skills Funding Agency (ESFA) but more importantly will increase the universal base rate for all providers improving equity and the overall stability and sustainability of the local early years childcare sector.

Recommendations

2. For Schools Forum to provide a view on the following recommended changes to the EYFF:
 - i. The Deprivation methodology be altered so that an hourly uplift is applied to the rate for individual children (residing in the top 30% Income Deprivation Affecting Children Index (IDACI) postcodes) in real time rather than a proportional rate based on historic headcount data.
 - ii. The Quality supplement be phased out over a two year period, halving in year one with consideration of full removal in year 2 as it is no longer supporting an improvement in quality of provision with 100% of setting across the borough either Good or Outstanding.
 - iii. The rurality supplement will remain in place at the current level.

Early Years funding for three and four year olds in 2021-2022

3. Since its introduction in April 2017, the Early Years National Funding Formula (EYNFF) has set the hourly funding rates that each local authority is paid to deliver the universal and extended entitlements for three and four year olds. The EYNFF rate for Cheshire West and Chester (CW&C) currently stands at £4.44, one of the lowest allocations nationally.
4. Although the EYNFF standardised the allocations to local authorities nationally, the formula for then allocating this funding to providers remains a local decision for each local authority, albeit within specific requirements also set by the Department for Education. Whilst continuing to implement the requirements of the EYNFF, CW&C will continue to review the local funding formula as required. As

such, we have consulted with providers in relation to whether changes to the current local funding formula should be made for the 2022-2023 financial year.

Key requirements for 2022-2023

5. The key requirements on local authority funding of providers in 2022-2023 remain in place and are set out in table 1 below. Currently CW&C is compliant in all areas of the formula and no remedial action is required. The Department for Education's annual update to the statutory guidance is not due to be released until later in the autumn term which may result in national changes in the EYNFF and how it is implemented.

Table 1

Requirement	Action
The local authority should set a single funding rate (including same base rate and supplements) for both entitlements for three and four year olds (that is, both the universal 15 hours, and the additional 15 hours for working parents)	No action required - single formula set for CW&C.
The local authority must plan to spend at least 95% of their three and four year old funding from government on the delivery of the government entitlements for three and four year olds	No action required as the threshold is already met.
Local authorities may request that the 95% pass through requirement be disapplied in specific, exceptional circumstances	No exceptional circumstances identified.
Local authorities should be moving towards a universal base rate for all types of provider in their local three and four year old formula, and should do this by 2019-2020	No action required - single rate set for CW&C.
Local authorities must use a deprivation supplement in their local three and four year old formula, and any other supplements used must fall within one of the allowable categories	No action required – requirements met with CW&C formula.
Local authorities must not channel more than 10% of their funding for three and four olds through funding supplements	No action required – requirement met with CW&C formula.
Local authorities can continue to use 'lump sums' (as well as a differential base rate) to distribute Government funding, including the supplementary MNS funding for Maintained Nursery Schools to enable the protection of their 2016 to 2017 funding rates	Lump sum paid for rurality supplement. No Maintained Nursery School in CW&C from September 2021.
Local authorities must provide a SEN Inclusion Fund (SENI) for three and four year olds	Fund established.

Local authority formula setting

6. Local authorities are required to consult providers on annual changes to their local formula. Schools forums must also be consulted on changes to local early years funding formulas, including agreeing central spend by 28 February, although the final decision rests with the local authority. Unless a disapplication is authorised by the Secretary of State, the formula cannot be changed after the financial year has started. Local authorities must calculate and notify initial budgets to providers by 31 March. These should use an estimate of the number of hours for the financial year. Unlike the schools formula, early years budgets should be updated during the course of the year as the estimated hours are replaced by actual counts.
7. Following a review of the latest benchmarking data available and discussion with the Early Years Reference Group (EYFG) in the summer term on the observations made, a consultation exercise with all funded providers was held from 13 September until 4 October 2021. The consultation sought views from providers on the three current supplements which make up the funding formula in addition to the universal base rate and whether or not they were in agreement, or not, to changes being made to the proportion of funding allocated to each supplement and the methodologies employed for their payment.
8. A total of 79 (27%) providers responded fully to the consultation survey. The full extract of the responses can be found in **Appendix B**. Key findings from the consultation were as follows:
 - **Deprivation**
 - 71% of respondents were in agreement that the proportion of funding allocated to the Deprivation supplement should be reviewed.
 - 66% of respondents were in agreement for the supplement methodology to be simplified.
 - 59% of respondents felt consideration should be given to a child specific payment rather than the funding allocation being based on the proportion of children from a deprived postcode in their setting.
 - **Quality**
 - 72% of respondents felt that a quality supplement should remain as part of the formula
 - 53% were not opposed to a reduction in the quality supplement in line with neighbouring authorities.
 - 30% felt that two rates were still required.
 - 30% were in agreement to the exploration of a lump sum payment for quality
 - **Rurality**
 - 48% felt that the rurality supplement was still required.

- 79% were not opposed to sparsity continuing to be part of the eligibility criteria.
9. Having considered the consultation feedback in addition to wider provider feedback that the base rate generally needs to increase we would like to propose the following changes to the Early Years Funding Formula to take effect from April 2022 if agreed. The proposed changes would enable an increase in the universal base rate of £0.10 per hour to £3.88 as a result of changes to both the Deprivation and Quality supplements as set out below. An illustration of the overall impact of these changes can be found in **Appendix A**.
 10. Since allocations to the local authority will be determined from the January 2022 census, the rate will be finalised once take up is known and the affordability of the formula calculated in February 2022.

Review of 2019-20 EYFF benchmarking data

11. The Department for Education publishes an early years funding benchmarking tool for early entitlement places for 2, 3 and 4 year olds for all local authorities showing projected spending. The latest available data is for 2019-20 as this information was not collated in 2020-2021 due to the pandemic. Local authorities can use this information to compare their local systems and outcomes against other local authorities. They can use these comparisons to support improvements in fairness and increase value for money. The tool is available at the following website link <https://www.gov.uk/government/publications/early-years-benchmarking-tool>
12. The tool allows a local authority to compare its budgeted spend to any English local authority or to select its statistical neighbours. The comparison against statistical neighbours for 3 and 4 year olds is included as **Appendix C** to this report and was included in the Early Years Funding Formula Consultation documentation shared with providers. The following observations we made:
 - The average hourly rate allocated to providers is lower than the England average and of statistical neighbours. This can largely be attributed to the local authority receiving the minimum hourly allocation of £4.44 per hour under the Early Years National Funding Formula.
 - Funding paid through supplements in the formula are at the maximum of 10% of funding, which is the highest of all statistical neighbours and the England average.
 - Variations and anomalies were noted in the data which has been taken from local authority Section 251 statements. There is considerable variation in funding allocations across local authorities in spite of the implementation of the Early Years National Funding Formula. CW&C are one of the only local authorities that continue to pay a quality supplement and it is also paid at a much higher rate. Methodologies used for deprivation supplements

vary significantly and are paid at a much lower rate than in CW&C despite there being higher deprivation in other areas.

13. It is recommended that the EYRG review the next release of benchmarking data and use of supplements in the funding formula and report back to the Schools Forum Finance Sub Group.

Proposed changes for 2022-2023

14. The current EYFF for allocating funding for three and four year old entitlements in the Borough for 2021-2022 is shown in table 2 below. The formula includes a universal base rate for all providers and a number of supplements payable to eligible settings either as an additional hourly rate or lump sum allowance for the year. The table below provides details of the current methodology in relation to the payment of supplements and the proposed changes.
15. Consideration has been given to the challenges of the pandemic and the impact that this has had on both occupancy and income levels and have been modelled at provider level to ensure that any negative impact is minimised whilst trying to improve the equitability and sustainability of the funding formula for all providers. As such we are proposing that the methodology for Deprivation be changed so that the supplement is directly payable on the hourly rate for children residing in a deprived postcode (as defined by the top 30% IDACI). This will mean that the supplement will be paid in the same way to all providers, including childminders who are currently subject to a cap of £0.10 per child per hour given their smaller occupancy levels. It will also stabilise fluctuation in expenditure such as that seen in 2019-20 where there was a substantial increase in the level of the Deprivation supplement paid despite no real increase in the take-up of funded places by children from deprived postcodes which has remained relatively stable for a number of years.
16. We are also proposing that the Quality supplement is halved from its current level in order to phase out the supplement over two years. As the purpose of the supplement is to support an improvement in the quality of provision delivered by settings, we feel that targeted funding is no longer required locally given that all our Early Years settings in CW&C are rated good or outstanding. There are a high proportion of settings that do not benefit from any quality supplement but often operate with staffing ratios above the statutory minimum. Furthermore, for those that do employ qualified teaching staff evidence of how they are utilised across the settings and the additional outcomes generated is difficult to quantify. Whilst we acknowledge that our schools are legally required to employ qualified teaching staff which impacts the cost of provision the burden of overheads is less and they also benefit from the security of their wider funding allocation unlike settings. The changes we propose will have minimal net impact on the overall

funding rate for providers in receipt of the Quality supplement whilst increasing the universal base rate for all providers.

17. No changes are proposed in relation to the Rurality supplement at this time. Consideration may be given in a future consultation to reviewing the sparsity element which is not felt to have a significant impact on eligibility based on summer 2021 occupancy figures.

Table 2

Current CWAC Funding Formula	Proposed CWAC Funding Formula
Universal base rate	
£3.78 per child hour	£3.88 per child hour
Deprivation Supplement	
Additional payment based on the number of children attending the Setting who reside in the 30% most disadvantaged areas in England on the Income Deprivation Affecting Children Index ("IDACI") or in the 30% most disadvantaged areas in Wales on the Welsh Index of Multiple Deprivation (WIMD). Payment of £0.005 per child per hour will be made based on the percentage of Eligible Children residing in such an area attending the Setting (e.g. if 40% of Eligible Children attending the setting live in a 30% IDACI area, the Provider will receive (£0.005x40) £0.20 per child per hour).	Additional payment based on the hours claimed for individual children who reside in the 30% most disadvantaged areas in England on the IDACI or in the 30% most disadvantaged WIMD. Payment of £0.50 per child per hour
Quality Supplement	
Additional payment based on the highest qualified staff member at the setting. If the highest qualified staff member holds an appropriate Qualified Teacher Status - the Provider will receive £0.25 per child per hour. If the highest qualified staff member holds Early Years Professional Status the Provider will receive £0.15 per child per hour.	Additional payment based on the highest qualified staff member at the setting. If the highest qualified staff member holds an appropriate Qualified Teacher Status - the Provider will receive £0.13 per child per hour. If the highest qualified staff member holds Early Years Professional Status the Provider will receive £0.06 per child per hour.
Rurality supplement	
£2,000 if the Setting is defined as being in a Pre-dominantly Rural Census Output Area under the Council's Rural / Urban Classification, has few competitors within 2 miles (sparsity) and occupancy below 77%.	No change

Provider impact

18. The proposed changes to the deprivation methodology show an average increase of 0.45% to the total funding received by those providers currently receiving a deprivation supplement in 2021. Other providers not receiving a deprivation supplement will also receive a £0.01 increase on their base rate as a result of these changes. The maximum gain across all provider types is just over 10% which is due to the childminder cap being lifted so that all providers receive the same rate for children they care for from a deprived postcode which we feel is more equitable. The greatest negative change identified in the modelling was a reduction of 2.6% which is due to the proportion of funded hours having been weighted to funding children from non-deprived postcodes under the current formula as it is based on the proportion of children from a deprived postcode rather than the proportion of hours claimed by these children. Of the 166 providers in receipt of the Deprivation supplement, 99 (60%) would see a positive or neutral change in their funding (1.23% average increase) because of the proposed changes, with 67 (40%) providers seeing a slight decrease (-0.71% average). All provider types are impacted in a similar way depending on their circumstances, with childminders most likely to benefit.
19. The proposed Quality supplement changes provides an average increase of 0.67% to the total funding of all providers in receipt of early years funding in 2021. The proposed changes to both the QTS and EYP Quality supplements would allow for £0.09 to be added on to the universal base rate. The maximum gain across all provider types following these changes would be 2.38% with the greatest reduction in funding being -0.74% impacting those providers in receipt of the higher QTS payment such as maintained nursery units. We feel this is more equitable and representative of the high quality of provision being provided right across the borough.
20. Of the 268 providers who have made a funding claim in 2021 the proposed changes would have a positive (1.83% average increase) or neutral impacted on 146 (54%) providers with 122 seeing a slight decrease (-0.72% average) in their overall funding, based on the same number of claimed funded hours.

Risk considerations

21. Should there be any reason the deprivation supplement be unable to be administered at the individual child level we would seek to apply a proportional rate based on hours claimed simplified into bandings so that providers receive a more consistent and more equitable level of supplement in relation to the proportion of children in their setting from a deprived postcode (as determined by the number of children in the top 30% on the IDACI) as at the January Early Years Census Headcount.
22. There is a risk that the rate set may not be affordable should take-up of hours significantly rise. As funding for 2021-2022 is currently being looked at on a

termly basis through the submission of termly headcount figures this risk is currently mitigated.

Next Steps

23. To take the Schools Forum recommendation through to Cabinet in November 2021 and implement the agreed outcome to the EYFF for 2022-2023 notifying providers in accordance with the statutory timeframe.

Appendix A: Modelling the impact of proposed changes to EYFF 2022-23

Proposed deprivation supplement changes

Estimated totals 2021/2022 (Current funding formula methodology, to the nearest '000)				Estimated totals 2021/22 (Proposed change in deprivation methodology, to the nearest '000)			
Breakdown by supplement	Estimated totals 2021/2022 Financial Year	Current funded rate	Percentage of overall funding	Estimated totals 2021/2022 Financial Year	Proposed new funded rate	Percentage of overall funding	Uplift to base rate as a result of the change
Three and four year old funded hours	3,963,000			3,963,000			
Universal base rate payments	£14,927,000	£3.78	92.18%	£14,967,000	£3.79	92.43%	
Deprivation supplement payments	£499,000	Varies by provider (based on a % of deprivation children on roll)	3.08%	£460,000	Flat 50p per hour for every child from a deprived area.	2.84%	£0.01
Quality supplement (QTS) payments	£622,000	£0.25	4.45%	£622,000	£0.25	4.45%	
Quality supplement (EYP) payments	£98,000	£0.15		£98,000	£0.15		
Rurality supplement payments	£46,000	£2,000	0.28%	£46,000	£2,000	0.28%	
Total 3&4YO funding estimation	£16,193,000		100%	£16,193,000		100%	
Difference in funding vs current formula	N/A			£0			
Supplements as a percentage of Total Early Years Funding	7.81%			7.57%			

Proposed quality supplement changes

Estimated totals 2021/2022 (Current funding formula methodology, to the nearest '000)				Estimated totals 2021/22 (Proposed change in quality methodology, to the nearest '000)			
Breakdown by supplement	Estimated totals 2021/2022 Financial Year	Current funded rate	Percentage of overall funding	Estimated totals 2021/2022 Financial Year	Proposed funded rate	Percentage of overall funding	Uplift to base rate as a result of the change
Three and four year old funded hours	3,963,000			3,963,000			
Universal base rate payments	£14,927,000	£3.78	92.18%	£15,283,000	£3.87	94.38%	
Deprivation supplement payments	£499,000	Varies by provider (based on a % of deprivation children on roll)	3.08%	£499,000	Varies by provider (based on a % of deprivation children on roll)	3.08%	
Quality supplement (QTS) payments	£622,000	£0.25	4.45%	£324,000	£0.13	2.24%	£0.09
Quality supplement (EYP) payments	£98,000	£0.15		£39,000	£0.06		
Rurality supplement payments	£46,000	£2,000	0.28%	£46,000	£2,000	0.28%	
Total 3&4YO funding estimation	£16,193,000		100%	£16,191,000		100%	
Difference in funding vs current formula	N/A			£2,000			
Supplements as a percentage of Total Early Years Funding	7.81%			5.61%			

Proposed changes combined – Deprivation and Quality

Estimated totals 2021/2022 (Current funding formula methodology, to the nearest '000)				Estimated totals 2021/2022 (Proposed change in quality and deprivation methodology, to the nearest '000)			
Breakdown by supplement	Estimated totals 2021/2022 Financial Year	Current funded rate	Percentage of overall funding	Estimated totals 2021/2022 Financial Year	Proposed funded rate	Percentage of overall estimated	Uplift to base rate as a result of the change
Three and four year old funded hours	3,963,000			3,963,000			
Universal base rate payments	£14,927,000	£3.78	92.18%	£15,322,000	£3.88	94.62%	
Deprivation supplement payments	£499,000	Varies by provider (based on a % of deprivation children on roll)	3.08%	£460,000	Flat 50p per hour for every child from a deprived area.	2.84%	£0.01
Quality supplement (QTS) payments	£622,000	£0.25	4.45%	£324,000	£0.13	2.24%	£0.09
Quality supplement (EYP) payments	£98,000	£0.15		£39,000	£0.06		
Rurality supplement payments	£46,000	£2,000	0.28%	£46,000	£2,000	0.28%	
Total 3&4YO funding estimation	£16,193,000		100%	£16,191,000		100%	
Difference in funding vs current formula	N/A			£1,000			
Supplements as a percentage of Total Early Years Funding	7.81%			5.37%			

Appendix B: Early Years Funding Formula consultation response summary - Autumn 2021

Provider type

1. What type of provider are you? Please select 1 of the types of provider (from the drop down list) below				
Answer Choices			Response Percent	Response Total
1	Childminder		17.72%	14
2	PVI		67.09%	53
3	MNU		15.19%	12
			answered	79
			skipped	0

Supplements

2. What funding supplements do you currently receive? Please select all supplements you currently receive from the list below				
Answer Choices			Response Percent	Response Total
1	Deprivation		62.07%	36
2	Quality - QTS		51.72%	30
3	Quality - EPS/EYTS		34.48%	20
4	Rurality		13.79%	8
			answered	58
			skipped	21

Deprivation supplements

3. Do you agree or disagree that the proportion of funding allocated to the deprivation supplement should be reviewed in line with our statistical neighbours and to better reflect the level of deprivation in the local authority area? Please tick 1 of the statements below which matches your views on the use of this supplement:						
Answer Choices	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Response Total
Question above	21.52% 17	49.37% 39	24.05% 19	3.80% 3	1.27% 1	79
					answered	79
					skipped	0

4. Do you agree or disagree that the deprivation supplement should be reviewed and simplified into a reduced number of bandings? Please tick 1 of the statements below which matches your views on the use of this supplement

Answer Choices	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Response Total
Question above	15.19% 12	50.63% 40	30.38% 24	3.80% 3	0.00% 0	79
					answered	79
					skipped	0

5. Do you agree or disagree that consideration should be given to the feasibility of a specific lump sum supplement for individual children from deprived postcodes rather than a being based on the proportion of children from a deprived postcode within the setting? Please tick 1 of the statements below which matches your views on the use of this supplement:

Answer Choices	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Response Total
Question above	11.39% 9	48.10% 38	22.78% 18	16.46% 13	1.27% 1	79
					answered	79
					skipped	0

Quality supplements

6. Do you agree or disagree that a quality supplement should continue to be included in the local funding formula? Please tick 1 of the statements below which matches your views on the use of this supplement:

Answer Choices	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Response Total
Question above	30.38% 24	41.77% 33	15.19% 12	7.59% 6	5.06% 4	79
					answered	79
					skipped	0

7. Do you agree or disagree that the proportion of the funding distributed via the quality supplement should be reduced in line with other neighbouring local authorities? Please tick 1 of the statements below which matches your views on the use of this supplement:

Answer Choices	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Response Total
Question above	3.85% 3	11.54% 9	37.18% 29	37.18% 29	10.26% 8	78
					answered	78

7. Do you agree or disagree that the proportion of the funding distributed via the quality supplement should be reduced in line with other neighbouring local authorities? Please tick 1 of the statements below which matches your views on the use of this supplement:

	skipped	1
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8. Do you agree or disagree that having two separate rates (QTS and EPS/EYTS) should continue? Please tick 1 of the statements below which matches your views on the use of this supplement:

Answer Choices	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Response Total
Question above	9.09% 7	20.78% 16	32.47% 25	23.38% 18	14.29% 11	77
					answered	77
					skipped	2

9. Do you think the option of a lump sum payment for the quality supplement should be explored instead of an hourly rate increase? Please tick 1 of the statements below which matches your views on the use of this supplement:

Answer Choices	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Response Total
Question above	6.33% 5	24.05% 19	44.30% 35	20.25% 16	5.06% 4	79
					answered	79
					skipped	0

Rurality supplements

10. Do you agree or disagree that the rurality supplement of £2000 is required to support the sustainability of rural settings and sufficiency of childcare places in rural areas? Please tick 1 of the statements below which matches your views on the use of this supplement.

Answer Choices	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Response Total
Question above	15.19% 12	32.91% 26	39.24% 31	6.33% 5	6.33% 5	79
					answered	79
					skipped	0

11. Do you agree or disagree that the criteria for sparsity (competitors within 2 miles) should continue to be an eligibility criteria for this supplement in addition to occupancy being below 77%? Please tick 1 of the statements below which matches your views on the use of this supplement.

Answer Choices	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Response Total
Question above	3.85% 3	23.08% 18	52.56% 41	15.38% 12	5.13% 4	78
					answered	78
					skipped	1

Feedback

12. Please use this section to include any further comments or suggestions relating to any of the aspects listed above or anything else relating to the changes to funding for three and four year olds

Answer Choices			Response Percent	Response Total
1	Open-Ended Question		100.00%	20
1	13/09/2021 14:45 PM ID: 174398116	Relating to the quality question, I believe EYTS should receive more funding than EYPS. Quality of education/improving outcomes is of utmost importance and a national focus. I believe all settings would benefit greatly by employing individuals with QTS (specific to early years) or EYTS. This is expensive and funding needs to reflect this. In terms of lumps sums, this is an unfair approach. I believe funding should be based on numbers of children in a setting.		
2	14/09/2021 08:44 AM ID: 174448326	I feel Cheshire West and Chester base rate needs to increase by quite an amount. In comparison to neighbouring county's such as Cheshire East we are much lower. It is becoming increasingly harder to work in Cheshire west on this funding and many of my colleagues work at a loss or on very low wages. This is going to impact the sector negatively.		
3	14/09/2021 20:27 PM ID: 174574851	The hourly rate is not enough. It shouldn't be called free funding.		
4	16/09/2021 10:08 AM ID: 174695901	Training could be provided for new managers on funding		
5	16/09/2021 10:45 AM ID: 174698990	If supplements are reduced to increase the base rate, the overall amount a provider gets should not be reduced as a consequence. It would be very difficult to remain sustainable if funding decreased when future business planning depends on it remaining the same and hopefully increasing.		
6	16/09/2021 20:42 PM ID: 174746222	I think it's unfair that supplement is given mainly to nurseries when childminders are unable to access all the other grants and loans available to nurseries. We rely on a few clients and losing money per child is more unfair when we can only have 3 children and if we refuse to take funded children we limit our market even more. Childminders should be being given more help to compete with nurseries not penalised because we can't take time off to take extra courses and yet we provide the same education.		
7	17/09/2021 11:36 AM ID: 174772475	The base rate needs to be increased to a minimum of £4.00 regardless of supplements		

12. Please use this section to include any further comments or suggestions relating to any of the aspects listed above or anything else relating to the changes to funding for three and four year olds

8	17/09/2021 12:44 PM ID: 174776356	After reading the funding formula I was shocked to see that Chester West has the lowest base rate for funding. I have to take my children out of area for most amenities including soft play or just meeting with other childminders. I go to Birkenhead (10 miles away) to meet other Childminders in the park or to north wales for soft play and to meet with Childminders from Chester as there is nothing in my area. Any travel etc is paid for by me out of my earning. The lack of facilities and meeting places for Childminders/Nannies/mother & baby etc in the area should also be taken into account when the base rate is worked out.
9	22/09/2021 15:24 PM ID: 175062522	We feel the base rate should be increased for 3 & 4 year olds. the current rate in a rural area is not sustainable.
10	22/09/2021 15:38 PM ID: 175063932	I strongly feel that the amount of funding per hour should be increased to reflect the average hourly charges which childminders charge so that when the child turns 3 we are not so much out of pocket.
11	22/09/2021 16:20 PM ID: 175067418	The rate has only increased marginally over the last 10 years and should reflect the ACTUAL cost of providing childcare for EY providers. Other costs, especially staffing, have increased significantly over the last 10 years making it difficult for nurseries to manage financially.
12	22/09/2021 16:32 PM ID: 175067241	I struggle to understand why QTS attracts a higher supplement than specifically EY teachers. You could have a QTS with virtually no EY experience come in and attract the higher funding and yet EYTS is effectively recognised as a lesser qualification in the very field in which they are trained. I also struggle to comprehend why practitioners with EY degrees do not attract supplements at all. How come CWAC pays £3.87 per hour when the NDNA states that the average was increasing by 6p per hour for 3 and 4 year olds - ours went up 2p. How can settings be expected to support a 6.6% minimum wage increase, 1.25% NI increase, rising energy costs and rising food costs on under 1% funding increase? The funding system is a joke. Wales will be overhauling their system; England is going to be a poor relation with only the largest chains able to survive and quality reduced as budgets won't stretch to quality and staff have realised they can get paid more for stacking shelves. Deprived areas will become more deprived and settings will (and are) closing in numbers that cannot be ignored in those areas. Families cannot afford to work as chargeable elements of childcare price them out as settings try to make ends meet. This funding system skews the market unacceptably. Give parents a set amount and allow settings to charge accordingly - it would allow free market forces and competition to come into play preventing the artificially low rates you are paying and the overly inflated process (due to need not desire) at settings for the other elements. It's basic economics.
13	22/09/2021 16:44 PM ID: 175068959	i do think that the rate should rise, the minimum wage has risen for the past 5 years, rent has also increased, pension payments introduced and hourly rate has stayed the same which does cause financial worry going forward also we get EYP supplement, .15p i have tried to enrol on a course to get Ey teacher status .25p but can't because have EYP?? so unless i do QTS i can't claim higher amount.
14	23/09/2021 12:12 PM ID: 175109060	I personally feel that there should be no differences between setting for the funding payments. Then everyone would get the same hourly Rate for the parents. There would be then more transparency with the amount of the payments. Every setting would get the same amount which would be 97% of the amount given to CWAC. This would be much clearer and fairer all round. Especially as this is parents money not ours or CWAC's. After dealing with this funding for several years I feel it is made much more difficult to access and receive than is necessary!
15	28/09/2021 10:17 AM ID: 175387781	I believe the level of deprivation funding should be reduced, as postcode areas are very blunt instruments. Many children who suffer deprivation live for different reasons in postcodes that are not labeled as deprived, they still need support, but under postcode rules do not receive it. Removing the quality funding in one go, leading to a significant overall reduction in hourly rate is likely to lead to more settings closing. The impact of the loss of 11p or 13p per hour per child

12. Please use this section to include any further comments or suggestions relating to any of the aspects listed above or anything else relating to the changes to funding for three and four year olds

		from settings (assuming the monies lost are applied to the base rate) who have received quality supplements is significant. It will be a particular issue for Pre-Schools and Maintained settings, who cannot recoup the monies by increasing fees to younger children. A method of spreading the reduction over more than one year would need to be made, or transition payments.
16	28/09/2021 14:09 PM ID: 175415873	I believe that children from disadvantaged families where the parents don't work are significantly disadvantaged because the home income is lower and the children get less Early Education. The Inequality for these children starts very early in life and the catch up once they are in full time education is slow as those who have had 30 hours funding are already ahead due to their home family circumstances and their additional entitlement to more Nursery Education.
17	28/09/2021 18:41 PM ID: 175439942	Re quality supplement - we are paying wages based on what we receive and have received for several years. Re rurality supplement - removal of this could have a devastating affect on us this year. We have our lowest numbers for years, as parents who are working from home/furloughed etc keep children home to save costs. I have had to cut staff hours, but if we dont receive this grant, then I potentially face losing flipping good staff who have been with us for years
18	28/09/2021 19:57 PM ID: 175447148	Funding continues to be used to support staff wages. It is becoming increasingly difficult to sustain a pay gap for qualified staff of all levels Vs those staff who do not have any qualifications. The NMW continues to increase thus closing the gap/eliminating it. The Funding/Quality supplement need's to increase in line with NMW increase to allow providers to award all qualified staff appropriately.
19	30/09/2021 12:46 PM ID: 175569090	The level of deprivation funding is disproportionate to cover the staffing required to meet the needs for support of our children. The level of deprivation is increasing and due to a number of factors this is having a decline in children's developmental levels upon entry to Nursery. As a result, there is more requirement for speech support, health and self-care support and enabling children to engage safely and happily alongside each other.
20	02/10/2021 14:20 PM ID: 175724703	Funding should increase in line with the rate of inflation at the very least. Funding is no way near what providers need to implement a fantastic care and education for the children.
		answered 20
		skipped 59

Appendix C: ESFA Benchmarking data 2019-20

Local Authority	Description	Unit Value PVI £	Unit Value Nursery School £	Unit Value Nursery Class £	Unit Type
Cheshire West and Chester	Base rate	3.65	3.65	3.65	PerHour
	Deprivation	0.17	0.17	0.17	PerHour
	Quality - QTS	0.25	0.25	0.25	PerHour
	Quality - EYPS	0.15			PerHour
	Rurality	2000		2000	LumpSum
Central Bedfordshire	Base Rate	4.05	4.05	4.05	PerHour
	Deprivation (0-30%)	0.2	0.2	0.2	PerHour
	Deprivation (31-60%)	0.1			PerHour
	Quality	0.2			PerHour
	Quality – EYP	0.15			PerHour
	Quality – Level 4	.1			PerHour
Cheshire East	Base Rate	3.97	3.97	3.97	PerHour
	Deprivation	0.11	0.25	0.21	PerHour
	Rural/Sparsity Factor	0.07		0.07	PerHour
East Riding of Yorkshire	Base Rate	4.00	4.00	4.00	PerHour
	Deprivation	0.13	.13	.13	PerHour
Nottinghamshire	Base Rate	4.17		4.07	PerHour
	Deprivation	406			LumpSum
Staffordshire	Base Rate	3.97	3.97	3.97	PerHour
	Deprivation (>20%, ratio >33%)	0.3		0.3	PerHour
	Deprivation (>20%, ratio 10%-33%)	0.2		0.2	PerHour
Stockport	Base Rate (extended hours)	4.16	4.16	4.16	PerHour
	Deprivation supplement	0.11	0.11	0.11	PerHour
Warrington	Base Rate	4.25	4.25	4.25	PerHour
	Deprivation	0.02	0.02	0.02	PerHour
Warwickshire	Base Rate	3.96	3.96	3.96	PerHour
	Deprivation	0.53	0.53	0.53	PerHour
Worcestershire	Base Rate	4.14	4.14	4.14	PerHour
	Deprivation	1.00	1.00	1.00	
York	Base Rate	4	4	4	PerHour
	Deprivation	0.4	0.4	0.4	PerHour
Halton	Base Rate	4.40	4.40	4.40	PerHour
	Deprivation	145.56	145.56	145.56	PerChild
	Quality – QTS	71.68	71.68	71.68	LumpSum
Wirral	Base Rate	3.68	3.68	3.68	PerHour
	Deprivation (<20%)	0.04	0.04	0.04	PerHour
	Deprivation (20-40%)	0.12	0.04	0.12	PerHour
	Deprivation (>40%)	0.19	0.19	0.19	PerHour
	Quality EYP/EYT/QTS/CE	0.13	0.13	0.13	PerHour
	Flexibilitiy within school day	0.15	0.15	0.15	PerHour
	Flexibility Outside school day	0.15	0.15	0.15	PerHour

Agenda Item 6

School Funding Arrangements for 2022-2023

Purpose of the Report

1. The purpose of the report is to provide Schools Forum with details on the school funding arrangements for 2022-2023 following the publication by the Department for Education (DfE) in July 2021. The report also details the impact on Cheshire West and Chester (CW&C) and proposals for consulting with schools and Schools Forum on the arrangements for 2022-2023.

Recommendations

2. The Forum is asked to note the report, in particular the proposals that have been put forward by the Finance Sub Group not to further consult with schools.
3. As outlined in paragraph 17, Forum is required to make a recommendation on the Schools Block funding formula continuing to mirror the Schools National Funding Formula (SNFF) values for 2022-2023.

Background

4. In 2022-2023 local authorities will continue to receive Dedicated Schools Grant (DSG) funding through the national funding formulae (NFF) for schools for allocation to primary and secondary schools and academies. It remains the government's intention to move to a hard NFF for schools under which school allocations would be determined nationally without any local authority involvement. However, some elements are still yet to be addressed and consulted on and a 'soft' approach will continue to be in place for the next financial year. Under a soft formula, local authorities will continue to determine, in conjunction with their schools and Schools Forum, the formula which will distribute the total funding to maintained schools and academies.

Schools revenue funding arrangements for 2022-2023

5. In July 2021, the DfE published arrangements for schools revenue funding for 2022-2023 financial year. The operational guidance includes details on the schools block allocation methodology along with indicative funding rates to allow local authorities to start to plan with schools and Schools Forum for next year. In 2022-2023, the SNFF will again set notional allocations for each school, which will be aggregated, and used to calculate the total schools block received by each local authority.
6. The NFF announcement in July 2021 confirmed that there would be a higher level of funding in each local authority area in 2022-2023 compared to 2021-

2022. This is the third year of the government's Spending Review commitment to a £7.1 billion increase in funding for schools by 2022-2023, compared to 2019-2020 funding levels. For CW&C, the indicative increase in allocation is £10m from £302m in 2021-2022 to £312m in 2022-2023. There is currently no announcement on the Early Years Block which is expected in December 2021. The change in allocation announced to date is detailed in **Appendix A** and in summary shows the following:

- £6.4m (2.79%) increase in schools block funding
- £3.4m (7.6%) increase in high needs block funding
- No announcement on the early years block funding
- £0.2m reduction in central schools services block funding

All allocations will be updated from pupil number changes on the October 2021 census and schools block growth funding will also then be determined.

7. The allocations reflect the following national increases to the funding blocks in 2022-2023.
 - School funding is increasing by 3.2% overall, and by 2.8% per pupil, compared with 2021-2022, with the funding floor allocating at least 2% more in pupil-led funding per pupil, and a 2% increase in minimum per pupil funding levels directing further increases to the lowest funded schools.
 - Total funding through the sparsity factor increases from £42m to £95m in 2022-2023.
 - High needs funding is increasing by £780m, or 9.6%, in 2022-2023. This brings the total high needs budget to £8.9bn. The high needs NFF will ensure that every local authority receives at least an 8% increase per head of population.
 - The ESFA have made a technical change to the historic spend factor within the high needs national funding formula, following the consultation earlier this year. The factor has been updated to use 50% of local authorities' actual spend data in 2017-2018 rather than their planned spend.
 - Central schools services funding in 2022-2023 will increase to £284m for the on-going responsibilities that local authorities continue to have for all schools, while funding for historic commitments within this block will decrease by a further 20% for those local authorities in receipt of this funding.

Technical changes to Schools Block Funding allocations

8. The structure of the SNFF in 2022-2023 is not changing. Formula factor values are being updated and there are some small technical changes being made. In 2022-2023, the government will include the following changes in the Local Authority NFF allocations.

- Sparsity: to improve the accuracy to identify schools' remoteness, road distances instead of straight-line distances will be used in the calculations along with a new distance "taper". These changes will significantly increase the number of schools attracting sparsity funding.
 - The funding lag for the "FSM6" deprivation funding factor is being decreased by 9 months, by moving from using the previous year's January census to the October census for measuring eligibility.
 - In calculating low prior attainment proportions, data from the 2019 early years foundation stage profile (EYFSP) and key stage 2 (KS2) tests is used as a proxy for the 2020 tests, following the cancellation of assessment due to the pandemic.
 - Pupils who joined a school between January and May 2020 attract funding for mobility on the basis of their entry date, rather than by virtue of the May school census being their first census at the current school (the May 2020 census did not take place due to the pandemic).
 - Schools' business rates will be paid by ESFA to billing authorities directly on behalf of all state funded schools from 2022 to 2023 onwards.
 - Local authorities will continue to determine final allocations for all local mainstream schools in 2022 to 2023. The ESFA are in the process of consulting on completing reforms to the schools NFF in the longer term.
9. The impact of the funding announcement for CW&C is that the schools block pupil unit funding will increase by £6.467m (3.6% increase – 2.78% for primary, 2.93% for secondary, -0.43% for premises). Growth funding is to be confirmed in December along with October 2021 pupil numbers and demographics.

Schools funding increased with the changes to the sparsity factor

10. Following the earlier consultation, the DfE have revised the methodology for determining a school eligible for the sparsity factor by changing the distance measurement between the closest schools from "as the crow flies" to road distance travelled. This change has resulted in more schools in the Borough attracting sparsity funding in 2022-2023 than in 2021-2022. The maximum values that a school can attract has also been increased. The schools that would benefit from this change are shown in **Appendix B**

Changes to High Needs Block Funding allocations

11. The basic structure of the high needs national funding formula in is not changing in 2022-2023. There has been a slight amendment to the historic spend factor which has been updated to use 50% of local authorities' actual spend data in 2017-2018 rather than their planned spend. This has increased our 2022-2023 allocation baseline by £0.150m. The allocation will be updated for changes in pupil numbers and their movement between local authorities (captured by the basic entitlement factor update and import/export adjustment). In addition, the funding floor will be set at 8% so each local authority can plan for an increase of at least that percentage, taking into account changes in their 2 to 18 population. The indicative allocation for Cheshire West and Chester is an increase of £3.7m (7.6%) overall – 8.41% against the NFF allocation but no change to Basic Entitlement numbers or values which reduces the overall percentage increase.

Changes to Central School Services Block (CSSB) allocations

12. This block allocation comprises of formula funding for ongoing central local authority commitments and protected funding for historic commitments. The government has confirmed the total national funding for the ongoing responsibilities will increase to fund all local authorities for the functions they have a statutory duty to deliver for all pupils in maintained schools and academies. However, as Cheshire West and Chester are currently protected above the NFF per pupil rate, funding for ongoing responsibilities in 2022-2023 will reduce by 2.5% due to the unwinding of protection, despite the increase to the NFF.
13. As in previous years, the government will continue to reduce the element of funding that some local authorities receive for historic commitments made prior to 2013-2014. In 2022-2023, historic commitments funding will be reduced by 20% as anticipated. The total indicative central school services block for the authority will reduce by £0.162m (20%).

Approach to setting the Schools Block funding formula

14. In 2022-2023, as in previous years, each local authority will continue to set a local schools funding formula, in consultation with local schools. In July 2021, the department published a consultation on proposals for completing their reforms of the funding system, whereby individual schools budgets would be set directly through one single national formula, rather than local funding formulae. This consultation proposes that, from 2023-2024, local authorities will be required to bring their own formulae closer to the schools NFF, to smooth the transition. These requirements do not apply in 2022- 2023, but local authorities may choose to move their local formulae closer to the NFF in advance of these requirements.
15. In October 2017, a consultation was held with CW&C schools on the proposal to move the local funding formula in line with the NFF to be consistent with the direction of travel of central government. This has continued to be the main principle of decisions taken each year since 2017. As there are no changes in the formula factors from 2021-2022 for the LA to consider, we are proposing that we do not hold a consultation with schools this year as we would only be seeking to re-confirm previous decisions. Also, given the direction of travel to the national funding formula, any alternative proposals would be contrary to the key principle we have been following for the past few years to mirroring the NFF values. Schools would continue to be protected against adverse impacts from the technical changes by the current Minimum Funding Guarantee of 0.5%.
16. The funding announcement was discussed with the Finance Sub Group of the Schools Forum on 27 September. Following consideration by the Schools Forum Finance Sub Group, it was agreed that subject to approval by Schools Forum, schools would be informed of the continuation of previous decisions in the

allocation of the SNFF for 2022-2023. The only aspects that require annual agreement are de-delegation arrangements and any transfer to the high needs block and we would propose that this is consulted and agreed with schools through the Primary and Secondary Heads Associations rather than through a specific consultation. The decisions would be taken by Schools Forum in December 2021 in recommending the final formula and budget. The indicative SNFF values that we would propose to apply are shown in **Appendix C**. As with usual practice, the Basic Entitlement factors would be adjusted to manage school allocations within the overall allocation.

Next steps

17. The recommendations of Schools Forum will be made to Cabinet in November 2021. Final allocations for 2022-2023 will be received in December 2021 with the final funding formula to be agreed and submitted to the ESFA in January 2022. Schools Forum will be consulted on budget setting for the other DSG blocks of funding in December.

Appendix A Current DSG allocation 2021-2022 and Indicative 2022-2023 allocation

	Current 2021-2022			Indicative 2022-2023			Change to 2021-2022 £000	Change to 2021-2022 %
DSG Allocation Block	Pupil Numbers	Amount per pupil £	Allocation £000	Pupil Numbers	Amount per pupil £	Allocation £000		
Schools Block								
Primary unit of funding	27,364	4,492	122,926	27,364	4,617	126,346	3,420	2.78%
Secondary unit of funding	18,536	5,659	104,885	18,536	5,824	107,954	3,069	2.93%
Funding of growth			1,085			1,085	0	not confirmed
Funding of premises			2,921			2,908	-13	-0.43%
	45,900		231,818	45,900		238,294	6,476	2.79%
High Needs Block								
NFF			41,100			44,874	3,773	8.41%
Basic Entitlement factor	1,083	4,686	5,075	1,083	4,686	5,075	0	0.00%
Import/export			-270			-270	0	0.00%
			45,905			49,679	3,773	7.60%
Early Years Block								
3 and 4 year old free entitlement	5,059	2,531	12,804	5,059	2,531	12,804	0	
Maintained nursery supplementary			66			66	0	
Disability Access Funding	146	615	90	146	615	90	0	
Extended hours	2,468	2,531	6,245	2,468	2,531	6,245	0	
2 Year Olds	771	3,101	2,389	771	3,101	2,389	0	
Early Years Pupil Premium	558	302	169	558	302	169	0	not included in announcement
			21,763			21,763	0	
Central School Services Block								
Ongoing responsibilities	45,900	37.06	1,701	45,900	36.92	1,695	-6	
Historic commitments			810			648	-162	
Funding for centrally employed teachers	45,900	0.81	37				-37	
			2,548			2,343	-205	
Total DSG Allocation			302,034			312,078	10,044	

Appendix B Schools block funding - indicative sparsity values for 22-23

LAESTAB	URN	School Name	Phase	Indicative sparsity factor 2022-2023	Actual sparsity factor in 2021-2022	Potential additional funding 2022-2023
8965204	111246	Antrobus St Mark's CofE Primary School	Primary	£55,000	£0	£55,000
8962275	111109	Ashton Hayes Primary School	Primary	£9,715	£0	£9,715
8963149	111270	Barrow CofE Primary School	Primary	£55,000	£0	£55,000
8963500	111312	Bishop Wilson Church of England Primary School	Primary	£53,458	£43,738	£9,720
8962189	111055	Byley Primary School and Nursery	Primary	£40,240	£0	£40,240
8963150	111271	Capenhurst CofE Primary School	Primary	£51,255	£0	£51,255
8963162	145076	Clutton Church of England Primary School	Primary	£55,000	£45,000	£10,000
8963532	111336	Crowton Christ Church CofE Primary School	Primary	£7,425	£0	£7,425
8963151	111272	Dodleston CofE Primary School	Primary	£44,646	£36,529	£8,117
8963163	111281	Duddon St Peter's CofE Primary School	Primary	£40,975	£0	£40,975
8963550	111349	Eccleston CofE Primary School	Primary	£38,037	£0	£38,037
8963104	111248	Great Budworth CofE Primary School	Primary	£35,613	£0	£35,613
8963168	111286	Huxley CofE Primary School	Primary	£55,000	£45,000	£10,000
8962115	110999	Manley Village School	Primary	£8,800	£0	£8,800
8963105	111249	Norley CofE VA Primary School	Primary	£15,881	£0	£15,881
8963551	111350	Saighton C of E Primary School & Pre-School	Primary	£24,820	£0	£24,820
8963165	111283	Shocklach Oviatt CofE Primary School	Primary	£55,000	£45,000	£10,000
8963647	130929	St Oswald's CofE Aided Primary School	Primary	£5,212	£0	£5,212
8964000	137582	The Rudheath Senior Academy	Secondary	£38,933	£0	£38,933
8963166	111284	Tilston Parochial CofE Primary School	Primary	£33,632	£0	£33,632
8963167	111285	Tushingham With Grindley CofE Primary School	Primary	£35,100	£28,718	£6,382
8963133	148203	Utkinton St Paul's CofE Primary School	Primary	£55,000	£0	£55,000
8962113	110997	Whitley Village School	Primary	£55,000	£0	£55,000
8962190	111056	Wimboldsley Community Primary School	Primary	£19,680	£0	£19,680

Appendix C 2022-2023 indicative SNFF formula values compared to 2021-2022

Funding Factors	2021-2022 SNFF formula values £	2021-2022 CW&C formula values £	2022-2023 indicative SNFF formula values £
Basic per-pupil funding			
Basic entitlement: Primary	3,123	3,177	3,217
Basic entitlement: Secondary – Key Stage 3	4,404	4,458	4,536
Basic entitlement: Secondary – Key Stage 4	4,963	5,017	5,112
Minimum per pupil funding level Primary	4,180	4,180	4,265
Minimum per pupil funding level Secondary	5,415	5,415	5,525
Additional needs funding			
Current Free School Meal (FSM) top up (Pupils currently claiming FSM at the last census): Primary	460	460	470
Current FSM top up (Pupils currently claiming FSM at the last census): Secondary	460	460	470
FSM6 (Any pupil that has ever claimed FSM in the past 6 years): Primary	575	575	590
FSM6 (Any pupil that has ever claimed FSM in the past 6 years): Secondary	840	840	865
Income Deprivation Affecting Children Index (IDACI) band F: Primary	215	215	220
IDACI band F: Secondary	310	310	320
IDACI band E: Primary	260	260	270
IDACI band E: Secondary	415	415	425
IDACI band D: Primary	410	410	420
IDACI band D: Secondary	580	580	595
IDACI band C: Primary	445	445	460
IDACI band C: Secondary	630	630	650
IDACI band B: Primary	475	475	490
IDACI band B: Secondary	680	680	700
IDACI band A: Primary	620	620	640
IDACI band A: Secondary	865	865	890
Low prior attainment: Primary	1,095	1,095	1,130
Low prior attainment: Secondary	1,660	1,660	1,710
English as an additional language: Primary	550	550	565
English as an additional language: Secondary	1,485	1,485	1,530
Mobility: Primary	900	900	925
Mobility: Secondary	1,290	1,290	1,330
School led funding			
Lump sum: Primary	117,800	117,800	121,300

Appendix C 2022-2023 indicative SNFF formula values compared to 2021-2022

Funding Factors	2021-2022 SNFF formula values £	2021-2022 CW&C formula values £	2022-2023 indicative SNFF formula values £
Lump sum: Secondary	117,800	117,800	121,300
Sparsity: Primary	45,000	45,000	55,000
Sparsity: Secondary	70,000	70,000	80,000
Premises			
Split Sites (criteria specified locally)	Outside of NFF	Continue 2020-2021 criteria	Continue 2021-2022 criteria
Private Finance Initiative (PFI) (criteria specified locally)	Outside of NFF	Continue 2020-2021 criteria	Continue 2021-2022 criteria
Rates (to be funded based on actual charges)	Outside of NFF	Funded on actual charges	Continue 2021-2022 criteria
Exceptional factors (criteria specified locally)	Outside of NFF	Continue 2020-2021 criteria	Continue 2021-2022 criteria

Agenda Item 7

Final Allocation of the Dedicated Schools Grant for 2021-2022

Purpose of the report

1. To report to the Forum the final allocation of the Dedicated Schools Grant (DSG) for 2021-2022 as published by the Education and Skills Funding Agency in July 2021, highlighting the changes from the draft allocation used in budget setting for this financial year.

Recommendations

2. The Schools Forum is asked to note the amendments to the DSG allocation for the high needs and early years funding blocks and the adjustments to centrally held budgets for 2021-2022.

Background

3. In December 2020, the Education and Skills Funding Agency (ESFA) announced the details of the DSG funding settlement for the 2021-2022 financial year. This was the basis for setting the schools budget share and centrally held budgets for 2021-2022 and were agreed at the January 2021 Forum.
4. In July 2021, the ESFA published revised DSG allocations for all local authorities to reflect changes in high needs commissioned places, early years census data and academy recoupment. It is a requirement for local authorities to discuss the published DSG allocation with the Schools Forum in confirming that the grant has been used in support of schools.

Changes to the Allocation

5. The indicative DSG allocation available in December 2021 for the local authority was £302.022m. A table detailing this calculation which was presented to the Schools Forum in January 2021 is included in Appendix A.
6. Table 1 below shows in summary the changes to the Local Authority's allocation since January 2021. The net change to the allocation is a slight increase of £0.012m giving a revised allocation of £302.034m. There has been further academy recoupment of £0.925m for conversions since January 2021 and a further £0.141m recouped for additional high needs places funded directly by the ESFA. The overall reduction to funding held by the Local Authority is £1.054m. Details of individual amendments are included in Table 2 in paragraph 7.

Table 1 Summary of change to the final DSG allocation

	Indicative December 2021 £m	Final July 2021 £m	Change £m
DSG Allocation	302.022	302.034	0.012
Less deductions for high needs places	(1.997)	(2.138)	-0.141
Less academy recoupment	(76.167)	(77.092)	-0.925
Net DSG allocation	223.858	222.804	-1.054

7. In order to maintain the integrity of the budgets set on the indicative allocations, adjustments have been made to budgets in accordance with the reason for the change in the allocation. The actions that have been taken for each adjustment are shown in Table 2 below.

Table 2 Adjustments to DSG allocation December 2020 to July 2021

Funding Block	Description of Adjustment	Adjustment £m	Budget adjustment actioned
High Needs Block	Import/export adjustment for high needs places in other authorities	0.012	This was less than included in budget setting and has been reflected as an increase in the high needs budgets.
High Needs Block	Recoupment of increased place funding for special academies and resource provisions	-0.106	Included at budget setting and reflected in budgets for place funding. No impact on the financial position.
High Needs Block	Recoupment of Everton Free School element 2 places Sept-Mar	-0.035	New first time recoupment for free school places. This was not included at budget setting and has been reflected against high needs budgets.
Schools Block	Academy recoupment for conversions post January 2021	-0.925	Reflected in schools block budget and in the closure position of the school accounts. No impact on the financial position.
TOTAL		-1.054	

Changes to the Early Years Block allocations

8. In a change for 2021-22, there has been no update to Early Years Block funding in the July settlement. To mitigate against changes in take up rates at the January 2021 census due to Covid, local authorities may be eligible for top up funding for the spring term 2021. This is based on an average of spring and summer 2021 take up such that if the average of January 2021 and May 2021 part-time equivalents (PTEs) is below 85% of January 2020, local authorities will be paid on the average of January 2021 and May 2021 PTEs. If not, payment will be on 85% of January 2020 PTEs.

9. The ESFA have advised that the 2020 to 2021 final DSG early years funding adjustments normally be announced in July, would be delayed as a result of the new approach. They should instead be published in November alongside the normal planned schedule to DSG update. There will also be a further headcount in autumn term (October) which will be used to determine the autumn term allocation and the same for spring 2022 (based on the January 2022 census). Final funding allocations for 2021-2022 will be published in July 2022 as per the usual timetable.

Next Steps

10. The revised allocations and adjusted budgets will form the basis of reporting for the remainder of 2021-2022. Further revisions to the Early Years Block allocations in 2021-22 will be reported as they are confirmed and reflected in reported forecast outturn positions.

Appendix A Extract from report to Schools Forum January 2021

Final DSG 2020-2021 and Indicative 2021-2022 allocation

	Final 2020-2021			Indicative 2021-2022			Change to 2020-2021 £000	Mainstreaming of TPG/TPECG £000	Change to NFF £000
DSG Allocation Block	Pupil Numbers	Amount per pupil £	Allocation £000	Pupil Numbers	Amount per pupil £	Allocation £000			
Schools Block									
Primary unit of funding	27,325	4,149	113,382	27,364	4,492	122,926	9,544	-5,470	4,074
Secondary unit of funding	18,271	5,223	95,424	18,536	5,659	104,885	9,462	-4,667	4,794
Funding of growth			1,408			1,085	-323		-323
Funding of premises			2,910			2,921	11		11
	45,596		213,124	45,900		231,818	18,694	-10,138	8,556
High Needs Block									
NFF			37,445			41,100	3,655	-137	3,519
Basic Entitlement factor	1,023	4,022	4,115	1,083	4,686	5,075	960	-715	245
Import/export			-282			-282	0		
			41,278			45,893	4,616	-851	3,764
Early Years Block									
3 and 4 year old free entitlement	5,059	2,497	12,631	5,059	2,531	12,804	173		173
Maintained nursery supplement			66			66	0		0
Disability Access Funding	112	615	69	146	615	90	21		21
Extended hours	2,468	2,497	6,161	2,468	2,531	6,245	84		84
2 Year Olds	771	3,055	2,354	771	3,101	2,389	35		35
Early Years Pupil Premium		302	169	558	302	169	0		0
			21,449			21,763	313		313
Central School Services Block									
Ongoing responsibilities	45,596	38	1,733	45,900	37.06	1,701	-32		-32
Historic commitments			1,012			810	-202		-202
Funding for centrally employed teachers				45,900	0.81	37	37	-37	0
			2,745			2,548	-197	-37	-235
Total DSG Allocation			278,596			302,022	23,426	-11,026	12,399

Agenda Item 8

Dedicated Schools Grant (DSG) 2021-2022 Forecast Outturn at First Review

Purpose of the Report

1. The purpose of the report is to provide an update on the financial forecast outturn position for 2021-2022 for centrally held DSG as reported at the First Review. This is based on the position as at July 2021.

Recommendations

2. The Forum is asked to note the First Review position on the DSG.

Forecast Outturn

3. The forecast outturn position for the centrally held DSG is an overall balanced net position. This net forecast position includes the following key variances:-

Budget	Forecast variance Overspend/ - underspend £000	Reason for forecast variance
Pay forecast - Vacancies	-95	Current staffing vacancies above £100k vacancy management target
Independent and non-maintained school fees	700	Increase in the number of cases judged in favour of independent school placements
16-25 high needs	-300	Further increase in import/export adjustment not required
Inter Authority England	105	Increase in number of high needs pupils in other LAs and associated top up funding
Inter Authority Wales	-126	Reduction in Welsh high needs pupils in CW&C schools and associated top up funding
SEN Personal budgets	-57	Reduction in personal budgets being accessed
Non SEN Independent schools	-50	Potential for budget not to be fully spent as low spend to date
Targeted education access	-27	Potential for budget not to be fully spent as low spend to date
Expenses - Mileage	-50	Potential not to be needed due to continued remote working
Growth fund	-100	Potential not to be needed in full due to reduction in primary expansions
Total Variance reported	0	

DSG Reserve

4. The table below summarises the position on the DSG reserve as at First Review.

	£000
DSG reserve brought forward (deficit)	1,032
In year allocation of reserves	
Ring-fenced De-delegation allocated to 2021-2022	137
Current reserve held (deficit)	1,169

5. Local authorities will need to demonstrate their ability to cover DSG deficits from their available reserves from 2023-24 onwards so we will need to be working towards a solution to recover the current deficit in 2022-23.

Next Steps

6. All areas of DSG will be reviewed as commitments for the new academic year are confirmed in the autumn term. Officers will continue to monitor the financial position and seek ways to mitigate the impact across all areas of the DSG. The forecast DSG outturn position will next be reviewed and reported as part of the Second Review of Financial Performance (end of September).

**Cheshire West and Chester
Schools Forum
19 October 2021**

Agenda item 11

Schedule of meetings 2021-2022

Schools Forum – all meetings 4.30pm – 6.30pm

Date	Venue	Proposed agenda
Tuesday 7 December 2021	MS Teams	• DSG 2021-2022 Forecast Outturn at Mid-Year Review • Initial Planning for DSG Allocations for 2022-2023 and Budget Setting
Tuesday 11 January 2022	MS Teams tbc	• Dedicated Schools Grant (DSG) budget setting 2022-2023 • Draft of 2022-2023 School Funding Formula for January submission • Combined Budgets and Miscellaneous Expenditure • De-delegation – Proposals for 2022-2023 • DSG 2021-2022 Forecast Outturn at Third Review
Tuesday 8 February 2022	MS Teams tbc	• Early Years Funding for 2022-2023 • Arrangements for funding from the High Needs Block 2022-2023 • Central Spend budgets 2022-2023
Tuesday 5 July 2022	MS Teams tbc	• School funding arrangements for 2023-2024 • DSG 2021-2022 outturn including schools' balances • Directed revisions to schemes for financing schools • Education – Basic Need Capital Programme 2021-2025 • Annual review of Schools Forum membership, constitution, and terms of reference

Schools Forum Finance sub-group

Date	Time	Venue
Tuesday 16 November 2021	2.00 – 4.00 pm	MS Teams
Tuesday 14 December 2021 (if required)	2.00 – 4.00 pm	MS Teams tbc
Tuesday 18 January 2022	2.00 – 4.00 pm	MS Teams tbc
Tuesday 14 June 2022	2.00 – 4.00 pm	MS Teams tbc

Schools Forum High Needs sub-group - dates to be confirmed