

Cheshire West & Chester Council

Cheshire West and Chester Schools Forum

Tuesday 7 December 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 7 December 2021

1.	4.30	Introductions and apologies		
2.	4.35	Minutes and matters arising of last meeting 2.1 To agree the minutes held 19 October 2021 2.2 Matters arising		Page 4-9
3.	4.45	School Information Management System Update and Options	Carolyn Davis	Verbal
4.	5.05	Government consultation - Reforming how local authorities' school improvement functions are funded	Natalie Cole	Page 10-15
5.	5.25	Summary of the Comprehensive Spending Review and Autumn Budget 2021 Announcement	Natalie Cole	Page 16-21
6.	5.55	Dedicated Schools Grant (DSG) 2021-2022 Forecast Outturn at Second Review	Natalie Cole	Page 22-24
7.	6.20	Any Other Business		
8.	6.30 Finish	Next meeting: Tuesday 7 December 2021 Schedule of meetings 2021-2022		Page 25

**Cheshire West and Chester
Schools Forum
7 December 2021**

Agenda item 2

Minutes of Cheshire West and Chester Schools Forum, virtual meeting, on 19 October 2021

Members	Representing	Attendance
Schools and Academies		
Alan Brown	Primary headteachers	Attended
Julie Chambers	Primary headteachers	Apologies
Sarah Curtis	Primary headteachers	Attended
Ian Devereux Roberts	Primary headteachers	Attended
Kate Docherty	Primary headteachers	Attended
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
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	Absent
Andy Stewart	PRU	Apologies
Sian Thomas	PRU	Substitute
Deborah Beaumont	Academies - mainstream	Attended
Sarah Connolly	Academies - mainstream	Attended
Darran Jones	Academies - mainstream	Attended
Luci Jones	Academies - mainstream	Apologies
Jason Lowe	Academies - mainstream	Attended
Helen Studley	Academies - mainstream	Apologies
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
Angela Thornton	PVI early years providers	Substitute
Vacancy	16-19 providers	Vacancy
Official Observers		
Councillor Robert Cernik	Cabinet Member for Children and Families	Absent
Officers in attendance		
Luisa Braig	Social Finance	
Michaela Bridge	Manager, Education Access Team & Alternative Provision	
Natalie Cole	Finance Manager	

Charlotte Fenn	Clerk
Cathy Madge	Social Finance
Debbie Murphy	Acting Head of Education and Inclusion
Bo White	Early Years Commissioner - Education
Observer	
Councillor Razia Daniels	Shadow Cabinet Member for Children and Families

1. Introductions and apologies

Apologies and substitutes were noted.

Duncan reported the following updates to Schools Forum membership:

Deborah Beaumont, Winsford Academy, The Fallibroome Trust, Academies representative replacing Lyndsay Watterson;
David Curry re-elected as Secondary Headteacher's representative;
Duncan Haworth re-elected as Chair; and
John Freeman re-elected as Vice-chair.

2. Minutes and matters arising of last meeting

2.1 To agree the minutes from the meeting held 6 July 2021

The minutes of the meeting held on the 6 July 2021 were agreed as a correct record.

2.2 Matters arising

2.2.1 Item 8 Schools NFF consultation on sparsity factor - Consultation response

Duncan reported that, following the recent consultation, it was noted that the DfE had agreed the proposed changes to the sparsity factor and more schools would be eligible to receive sparsity funding in 2022-2023.

2.2.2 Item 10 Next meeting

Duncan confirmed that the current guidance remained that wherever possible we should continue to hold virtual meetings.

3. Social Finance Averting Exclusions Project

Michaela Bridge introduced co-presenters Luisa Braig and Cathy Madge from Social Finance, a non-profit organisation, and took Forum members through their business model for averting exclusions. The model demonstrated how it would be self-funding and possible savings by doing something different with top-up funding. Copy of the presentation was to be circulated to Schools Forum.

Following analysis of exclusions data, the pilot was taking place in three secondary Ellesmere Port schools as their pupils were most representative of pupils who were likely to be excluded under two key types of exclusions that could be treated early, persistent verbal abuse and disruptive behaviour.

Forum members asked if less admissions and the impact on funding at The Bridge had been factored in. Michaela responded that the pilot would not have any impact on the main base funding as they would be reprioritising top-up funding. The Bridge would be commissioned to provide interventions; amongst other things savings could be made on transport costs for pupils placed in out of borough provision. Though there was a caveat that if the pilot did not work out the exclusions would still need support.

A question was raised as to what would happen to The Bridge if the pilot was successful and there was less need for The Bridge. It was noted that the freed-up capacity would enable The Bridge to carry out more interventions and bring in revenue from that funding stream.

Resolved that Schools Forum note the project and requested that Michaela Bridge report back progress to CWEIB (Cheshire West Education Improvement Board).

4. Early Years Funding Formula Consultation and proposal for 2022-2023

Bo White introduced the report which provided an overview of the recent Early Years Funding Formula (EYFF) Consultation for the funding of three- and four-year-old universal and extended entitlements.

Bo provided some background. There were almost 300 early years providers across the borough, half were PVI (Private, Voluntary & Independent), 100 child minders and 44 nursery units in schools. Providers had feedback over the last three years that the base rate was low and requested it be increased.

It was noted, from the benchmarking data for 2019-20, CW&C were a clear outlier with the lowest base rate and one of the few authorities paying the QTS (Qualified Teacher Status) supplement.

Forum members' attention was drawn to table 1 outlining the key requirements on local authority funding of providers in 2022-2023.

The consultation sought views from providers on the three current supplements which made up the funding formula in addition to the universal base rate. Bo took Schools Forum members through the key findings from the consultation outlined in paragraph 8 and the proposed changes outlined in table 2.

Sue Anderson acknowledged the amount of work that had been put into producing the paper but raised concerns regarding the 44% who would be worse off following the phasing out of the Quality supplement. Sue noted that settings had been rated as good or outstanding because of the qualified teachers they employed & continued to employ in order to maintain their rating and with the cost of living going up they could not afford to lose any funding. Sue felt unable to support the proposal. Sue also stated that she had repeatedly asked the LA to lobby, on behalf of settings, for more funding but had seen no evidence of this.

Natalie Cole responded that funding concerns had been raised through the f40 group of which CW&C were a member.

Angela Thornton was in agreement with Sue Anderson's comments. Angela also requested that settings be notified of the funding rate by Christmas, instead of April, as they were running a business and needed to look at reducing costs.

Natalie Cole explained that the DfE timeframe did not allow for earlier notification; DfE figures were received in December and taken to January Forum prior to the rate being finalised at Full Council in February. Currently the January census headcount was used for deprivation, however the new model would remove the delay and uncertainty. It was also noted that CW&C have a complicated formula, more so than other authorities, adding to delays. The proposal addressed the consultation feedback that the base rate was too low, officers understood the funding issues but had to work within the finite funding available.

Sue commented that it was a shame the consultation response had been so low. Natalie surmised that the response was low because the formula was too complicated.

Kate Docherty acknowledged that Bo had a difficult job but understood the needs of the wider group, however felt that the paper should have shown the actual financial impact on each provider, to see, for example, if some sectors were more disadvantaged; high quality teaching was not an area they wished to lose. Kate also had reservations regarding phasing out of the Quality supplement but understood the bigger picture.

Bo confirmed that modelling had been done at individual provider level to see the impact. It was also noted that the provider impact, paragraph 18- 20, had been shown as percentages because the hours claimed varied widely.

Sue Anderson acknowledged that the proposed deprivation methodology made sense but questioned whether they were hitting people twice i.e. were the some providers dipping out on the quality supplement.

Angela Thornton raised concerns regarding the modelling and impact data, as provider claims differ year on year, and felt that the report was not being transparent.

Officers responded that the report utilised the data available, it was not possible to mitigate against changes in pupil take up, and the report was trying to articulate what was a very complicated area as all settings are different.

David Nield asked if there was any correlation between providers rated good or outstanding and those which employed qualified teachers. Bo responded that 50% were in receipt of the quality supplement but they were not seeing any clear benefits.

Bo asked Forum if they had any views regarding the two-tier supplement. In response to a question regarding what impact removing the lower level would have, it was noted that the impact would be minimal.

Resolved that Schools Forum:

- i. endorse the recommended changes to the deprivation methodology to 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. voice their concerns and reservations regarding the recommendation that the Quality supplement be phased out over a two year period, halving in year one with consideration of full removal in year two, and ask the Council to consider if this is the right thing to do; and
- iii. endorse the recommendation that the rurality supplement remain in place at the current level.

5. School Information Management System Update and Options

Item deferred to December's meeting; Officers had not got all the data required for the report.

6. School Funding Arrangements 2022-2023

Natalie Cole took Forum through the report which provided details on the school funding arrangements for 2022-2023.

It was noted that this was the last year of the three-year government commitment to a £7.1 billion increase in funding.

Forum's attention was drawn to paragraphs 15-16 and the proposal not to further consult with schools as there were no changes in the formula factors from 2021-2022 for the LA to consider.

Forum had no questions regarding the paper.

Resolved that Schools Forum:

- i. note the report;
- ii. endorse the Finance Subgroup proposal not to further consult with schools; and
- iii. recommend the Schools Block funding formula continuing to mirror the Schools National Funding Formula (SNFF) values for 2022-2023.

7. Final Allocation of the Dedicated Schools Grant for 2021-2022

Natalie Cole introduced the report to Forum highlighting the changes from the draft allocation used in budget setting for this financial year.

Natalie referred Forum to table 2 which outlined the adjustments made to budgets in accordance with the reason for the change in the allocation.

It was noted that there had been no update to Early Years Block funding in the July settlement. Due to Covid, termly headcounts were being submitted and the final early years allocation was expected in December.

Forum had no questions regarding the paper.

Resolved that Schools Forum 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.

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

Natalie Cole went through the report which provided an update on the financial forecast outturn position for 2021-2022 for centrally held DSG as reported at the First Review.

It was noted that the forecast was based on the position as at July 2021. The key variance related to pressure from tribunals and increase in the number of cases judged in favour of independent school placements. These costs had been mitigated by vacancies within the service.

Forum had no questions regarding the paper.

Resolved that Schools Forum note the First Review position on the DSG.

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

Forum members noted the consultation response submitted by Schools Forum finance subgroup on behalf of Schools Forum.

10. Any Other Business

Duncan Haworth informed Forum that John Freeman was stepping down as secondary governor representative and this was his last meeting. Duncan thanked John for his many years of service on Schools Forum.

11. Next meeting

7 December 2021 4.30 - 6.30 virtual.

Agenda Item 4

Government consultation - Reforming how local authorities' school improvement functions are funded

Purpose of the Report

1. The purpose of the report is to outline key points from the Government consultation - Reforming how local authorities' school improvement functions are funded and the potential impact on Cheshire West and Chester of the consultation proposals. The Local Authority's response to the consultation is also included in the report for information.

Recommendations

2. The Forum is asked to note the report and provide a view on the next steps, pending the outcome of the consultation.

Government consultation

3. On 29 October 2021, the DfE launched a consultation on removing the School Improvement Monitoring and Brokering (SIMB) Grant payable to local authorities for 'core improvement activities' and 'additional improvement services'. It is proposed that Regulations will be amended to allow local authorities to agree de-delegated funds from maintained schools from 2022-23 to replace the grant. Responses to the consultation were to be submitted by 26 November 2021.

Summary of Consultation Proposal

4. The consultation proposes to:

(1) remove the SIMB Grant over the course of financial year 2022-23 (the Grant would therefore be ended with effect from the start of financial year 2023-24, phased so that it would be reduced to 50% of the current amount on a per school basis in 2022-23 to give councils and maintained schools time to adjust to these new arrangements).

(2) include provision in the School and Early Years Finance (England) Regulations for financial year 2022-23 which would allow councils to de-delegate for all improvement expenditure, including all core improvement activities.

Rationale for Proposal

5. The government's rationale for the proposal is that:

- It will remove the distinction between 'core improvement activities' and 'additional improvement services' which does not reflect the reality of how effective councils operate.
- It will put more decisions about improvement provision to schools into the hands of school leaders (via schools forums). With an average uplift in next year's provisional core school funding allocations of 3.2%, as the beneficiaries of improvement support from councils, the government believe it is right that schools contribute to the cost of such support but, in turn, they should have greater influence over the activity undertaken.

- It will bring funding arrangements for councils' improvement activity closer into line with the relationship between individual academies and their Multi Academy Trusts (MATs), which normally top-slice funding to secure improvement support; and support the government's overarching policy of ensuring maintained schools and academies are funded on an equivalent basis. In turn, this will help to deliver a core aim of the National Funding Formula (NFF), which is to support a more school-based system that allows schools maximum control over their funding.
- It will also enable councils to adjust over time to the government's longer-term ambition for all schools to become academies within a strong MAT – an end point which a number of councils are already closing in on, where councils would no longer maintain schools. The government believe that moving at this time to funding these responsibilities via de-delegation, in the same way that councils fund additional improvement services they provide to maintained schools, will provide a smoother transition for councils in this position.

Core improvement activities and Additional improvement services

6. The consultation sets out the core improvement activities currently funded by SIMB Grant against the additional improvement services currently funded by de-delegation or other arrangements. The proposal would see that there was no longer a distinction in funding these activities going forward.

Core improvement activities (SIMB Grant)	Additional improvement services (de-delegation/other)
<p>These core improvement activities are set out in Part 4 of the Education and Inspections Act 2006 (the 2006 Act) and on page 36 of the Schools Causing Concern guidance.</p>	<p>Since 2017 councils have also been permitted, with the agreement of their local schools forum, to de-delegate funding from their schools' budget shares, to fund the provision of additional improvement services. These are activities that go above and beyond their core improvement activities, and may include, for example, providing or funding access to improvement support. Many councils will also provide additional improvement and other services to schools on a traded basis, where school leaders choose to buy in services provided by the council.</p>
<p>Part 4 of the 2006 Act provides councils with statutory powers to warn and intervene in schools causing concern, through issuing a warning notice setting out actions the governing body are to take – with powers to require the governing body to enter into arrangements; to appoint additional governors; to provide for the governing body to consist of interim executive members; or to suspend the right to a delegated budget, if the governing body fails to take the required action</p>	
<p>A local authority must exercise its education functions with a view to promoting high Standards. Beyond this statutory guidance, local authorities have considerable freedom as to how they deliver their statutory responsibilities. Local authorities should act as champions of high standards of education across their schools, and in doing so should:</p> <ul style="list-style-type: none"> • Understand the performance of maintained schools in their area, 	

<p>using data as a starting point to identify any that are underperforming, while working with them to explore ways to support progress;</p> <ul style="list-style-type: none"> • Work closely with the relevant RSC, diocese and other local partners to ensure schools receive the support they need to improve; • Where underperformance has been recognised in a maintained school, proactively work with the relevant RSC, combining local and regional expertise to ensure the right approach, including sending warning notices and using intervention powers where this will improve leadership and standards; and • Encourage good and outstanding maintained schools to take responsibility for their own improvement; support other schools; and enable other schools to access the support they need to improve. 	
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Cheshire West and Chester response to the Consultation Questions

7. The responses below have been submitted by CW&C, representing the view of the Local Authority on the proposals. The same response was also submitted by the Schools Forum Finance Sub Group supporting the Local Authority’s response.

Consultation Question 1: We believe that instances of councils exercising formal intervention powers remain relatively low, and that since its introduction, this grant has primarily supported improvement functions such as early support and challenge to improve individual school performance, which overlaps with wider (non-core) improvement provision. Do you agree that this is the case? If not, please explain.

Response from CW&C

No. Core school improvement activity is not solely related to formal intervention powers. Within the LA we effectively target SIMB funding to reflect the needs and challenges of our schools and embrace system led improvement. Core improvement activity relates to challenge and support undertaken with schools prior to formal intervention and is different than wider improvement activity. This is critical in terms of ensuring best value for money. Actions need to be proactive rather than relying on funding solely at the point of ‘crisis’. Greater flexibility regarding the use of the funding would be beneficial.

Consultation Question 2: We are proposing to (i) remove the Grant (Proposal 1), and (ii) enable councils to de-delegate funds via their schools forum to ensure they are sufficiently funded to exercise all of their improvement activities, including all core improvement activities (Proposal 2). Do you agree that, taken together, these proposals will allow councils to continue to ensure they are adequately funded for core improvement activities; and therefore do not impose a new burden? If not, please explain.

Response from CW&C

No. The timing of the consultation and anticipated response does not provide sufficient time for Schools Forums to discuss and make decisions about de-delegation for April 2022. Any decision regarding de-delegation is an annual agreement and this will make it very difficult for LAs to plan strategically on this basis. The LA have concerns around the additional pressure de-delegation would place on school budgets as there does not appear to be any indication that the SIMB grant will be allocated to the maintained schools which it is targeted at to offset that contribution. Some of the targeted schools in need of support are often those who cannot afford to fund their own improvement activity. There are implications for how such activities would be funded for special schools. In the event of a decision not to de-delegate there does not appear to be any alternative options presented for how such activity will be funded and we have concerns that this could compromise educational outcomes at a time when we should be focusing resources on supporting catch up given the disruption of the last two years.

Consultation Question 3: Bearing in mind Proposals 1 and 2, are there any aspects of our guidance to councils on their role in school improvement which could usefully be clarified to aid understanding of what councils are accountable for with respect to improvement and how it should be funded? (For example, our Schools Causing Concern guidance.)

Response from CW&C

The LA role in school improvement and powers of intervention for maintained schools has always been clear in the SCC guidance. There is a mismatch however in terms of accountability. Ofsted, through their annual conversations with LAs and elected members during scrutiny hold the LA accountable for all schools not just the maintained schools. Where is the RSC representation in such processes? The Schools Causing Concern guidance needs to make it clear about the accountability of all those involved in the improvement process. There are challenges regarding how those activities will be funded if de-delegation is not approved. It would appear totally inappropriate to be held accountable for the performance of academies without funding and LA roles being made explicit.

Consultation Question 4: The Public Sector Equality Duty (PSED) requires that public bodies consider the potential effects of key decisions on groups with protected characteristics. The relevant protected characteristics for the purposes of the PSED are: sex; race; disability; religion or belief; sexual orientation; pregnancy or maternity; gender reassignment; and age.

Please let us know, providing evidence where possible, if you believe any of the proposals set out in this consultation will have the potential to have an impact on specific groups, in particular those with relevant protected characteristics.

Response from CW&C

The implementation of the removal of the grant may limit the LA capacity to respond to a school in need of additional support, including those with higher incidence of groups with protected characteristics.

School Improvement Budget – Cheshire West and Chester

8. The current School Improvement budget is a single budget of £809k used flexibly to support both core and additional improvement activities. There is a team structure of officers and school improvement advisors, both permanent staff and bought in services to respond flexibly to deliver school support and intervention. A budget of £240k is held to fund school improvement activities and includes targeted school support, system wide improvement projects for schools and academies and funding for Cheshire West Education Improvement Board (CWEIB).

Account Description	Gross Expenditure Budget 21-22 £
Salaries - Basic Pay	543,433
School Improvement activities	239,933
Conferences + Seminars	500
Rooms/Facilities Hire	950
Mileage/phone	3,285
Contribution to Association of Heads	5,589
General Subscriptions (NCER)	15,580
	809,270

9. The budget is funded from three different funding sources as shown in the table below. The DSG funding is a historic commitment, agreed by Schools Forum to fund school improvement activities for both schools and academies. This now forms part of the historic commitment element of the Central Schools Services Block which is being phased out by the DfE to remove historic differences between local authority funding. In 2022-23, the DSG funding will be cut and is due to be replaced by Council funding as this change was expected. The table below shows the potential funding split for 2022-23 should the consultation outcome confirm the 50% reduction in grant and like for like replacement with de-delegation.

Funded by	2021-22 £	2022-23 £
DSG (Central School Services Block)	241,000	36,000
Council base budget	83,000	288,000
SIMB Grant	485,270	242,635
De-delegation		242,635
Total	809,270	809,270

Indicative per pupil delegation

10. The de-delegation mechanism would be based on an amount per pupil being deducted from Schools Block/High Needs Block allocations. Based on maintaining the current 2021-22 budget, the indicative amount to replace 50% of the grant in 2022-23 would be £7.42 per pupil. For a primary school of 200 pupils, de-delegation would be £1,484, for a secondary of 800 pupils it would be £5,936.

Maintained pupils (primary/Secondary/Special)	32,500
De-delegation per pupil	£7.42

Next Steps

11. The DfE are proposing to publish the outcome of the consultation in January 2022. De-delegation decisions however may need to be made in advance of this at the January Schools Forum meeting. To inform further discussion at that meeting, a short survey will be sent to maintained schools on behalf of Schools Forum to obtain views on de-delegation by the end of the autumn

term. The views from schools will be presented for the January Schools Forum meeting along with options on the level of budget required and de-delegation amount to allow Forum to take a decision on this, should it be required when the consultation outcome is published. It would then be necessary to undertake further review of school improvement activities during 2022-23 should the grant cease for 2023-24 as proposed in the consultation.

Agenda Item 5

Summary of the Comprehensive Spending Review and Autumn Budget 2021 Announcement

Purpose of the Report

1. The purpose of the report is to provide Schools Forum with an update on recent national funding announcements.

Recommendations

2. This summary report is for Schools Forum to note. Further details regarding the impact on funding for Cheshire West and Chester are yet to be announced.

Background

3. On 27 October 2021 the Chancellor of the Exchequer announced the outcome of the Comprehensive Spending Review 2021 alongside the Autumn Budget 2021.

Full details of the announcement can be found at the following link. The relevant section for the Department for Education is included as an appendix to this note.

<https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents>

Department for Education (DfE) view on the settlement

4. The DfE's view is that spending review delivered a strong settlement for the department as a whole. On the core school budget, an increase of £4.7bn by 2024-25 has been secured, compared to original 2022-23 plans. This includes £1.6bn in additional funding for 2022-23 budgets, on top of the year-on-year increase of £2.4bn already confirmed at Spending Review 2019. This is intended to help the sector respond to the pressures in overall costs, in national insurance, on high needs, in managing Covid and in supporting children and young people to recover from the pandemic. How this funding will be allocated in 2022-23 for schools and high needs will be confirmed in due course.
5. Beyond 2022-23, the funding announced will mean a year on year, real terms per pupil increases to school funding, equivalent to a cash increase of £1,500 per pupil by 2024-25 compared to 2019-20.
6. Alongside increases in revenue funding, this announcement confirmed that the DfE will invest £2.6bn between 2022 and 2025 to deliver new places and improve existing provision for pupils with Special Educational Needs and Disabilities or who require alternative provision. This funding represents a transformational investment in new High Needs provision and will help deliver tens of thousands of new places - trebling current capital funding.

Early Years Block settlement

7. The DfE announced additional funding for the early years entitlements worth £160m in 2022-23, £180m in 2023-24 and £170m in 2024-25. This is for local authorities to increase hourly rates paid to childcare providers for the government's free childcare entitlement offers and reflects the costs of inflation and national living wage increases. The 2022-23 hourly funding rates for individual local authorities will be confirmed in due course, followed by the initial allocations in December.

Other items impacting schools/providers

8. The following announcements were also made:

- Confirmation that additional income generated from the increase in National Insurance of 1.25 per cent will be ringfenced for health and social care and in 2022-23 will all go to the NHS.
- The Public Sector Pay Freeze will end after the current year.
- The National Living Wage will increase 6.6 per cent to £9.50 from 1 April 2022 and, as in 2021-22, it will apply to people aged 23 and above and the government continues to aim for it to be at two-thirds of median incomes by 2024.
- Reaffirming the government's Spending Review 20 commitment to a long-term school rebuilding programme, rebuilding 500 schools in England over the next decade.
- Supporting delivery of the government's commitment to increase teacher starting salaries to £30,000.
- A new package of £1.8 billion over the Spending Review 21 period that is directly targeting education recovery. This includes a £1 billion Recovery Premium for the next two academic years for schools. Primary schools will continue to benefit from an additional £145 per eligible pupil, while the amount per eligible pupil in secondary schools will nearly double. In broad terms this will mean an average secondary school could attract up to £70,000 per year. It also provides £324 million in 2024-25 for additional learning hours for 16-19 year olds. This funding increases the average hours funded in 16-19 education by 40 hours, bringing us closer to high performing countries.
- Reaffirming £1.4 billion to deliver up to six million tutoring courses for disadvantaged pupils and to expand existing teacher training and development, progressing the government's ambition to train up to 500,000 teachers over three academic years.
- £200 million a year for the continuation of the holiday activities and food programme.

Next Steps

9. The impact of the spending announcement for Cheshire West and Chester is expected later in December. Updated funding information will be presented to Schools Forum at the January 2022 meeting and included in draft budget setting proposals.

Appendix - Autumn Budget and Spending Review 2021 (HTML)

Updated 29 October 2021

Department for Education

Table 4.2: Department for **Education**

£ billion							Average annual real terms growth	
	Outturn	Outturn	Baseline	Plans	Plans	Plans	2021-22 to 2024-25	2019-20 to 2024-25
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25		
Resource DEL (1)	63.5	66.8	70.7	77.0	79.2	80.6	2.2%	2.4%
of which: Core Schools (2)	44.4	47.6	49.8	53.8	55.3	56.8	2.2%	2.5%
Capital DEL (1)	4.9	4.7	5.6	6.3	7.0	6.1	0.5%	2.2%
Total DEL (1)	68.4	71.5	76.3	83.3	86.3	86.7	2.0%	2.4%
Ringfenced COVID-19 DEL	0.0	1.4	0.5	-	-	-	-	-
Total DEL inc ringfenced COVID-19 DEL	68.4	73.0	76.9	-	-	-	-	-

1 Excluding ringfenced COVID-19 DEL.

2 Includes public sector compensation for employer costs of Health and Social Care Levy (NICs).

The Department for Education (DfE) settlement provides a £18.4 billion cash increase over the Parliament to £86.7 billion in 2024-25, which is equivalent to a real-terms growth rate of 2% per year on average over the SR21 period. The settlement provides significant investment in skills and supports the government's commitment to level up education, through additional funding for schools and a package of support to recover lost learning.

SR21 confirms an additional £4.7 billion [footnote 156](#) by 2024-25 for the core schools budget in England. This builds on the largest cash boost for a decade provided at SR19 – together this is broadly equivalent to a cash increase of over £1,500 per pupil by 2024-25 compared to 2019-20. SR21 will also level up education standards in schools by:

- reaffirming the government's SR20 commitment to a long-term school rebuilding programme, rebuilding 500 schools in England over the next decade
- supporting delivery of the government's commitment to increase teacher starting salaries to £30,000.

The settlement reaffirms and expands the government's commitment to help the most disadvantaged pupils recover learning lost due to the pandemic, bringing total investment to specifically support education recovery to £4.9 billion since academic year 2020-21. It provides over £3.2 billion over the SR21 period, including:

- a new package of £1.8 billion over the SR21 period that is directly targeting education recovery. This includes a £1 billion Recovery Premium for the next two academic years for schools. Primary schools will continue to benefit from an additional £145 per eligible pupil, while the amount per eligible pupil in secondary schools will nearly double. In broad terms this will mean an average secondary school could attract up to £70,000 per year. It also provides £324 million in 2024-25 for additional learning hours for 16-19 year olds. This funding increases the average hours funded in 16-19 education by 40 hours, bringing us closer to high performing countries
- reaffirming £1.4 billion to deliver up to six million tutoring courses for disadvantaged pupils and to expand existing teacher training and development, progressing the government's ambition to train up to 500,000 teachers over three academic years.

Total spending on skills will increase over the Parliament by £3.8 billion by 2024-25, equivalent to a cash increase of 42% (26% in real terms) compared to 2019-20. This includes:

- an additional £1.6 billion by 2024-25 for 16-19 year olds' education in England, maintaining funding rates in real terms per student, and providing a 28% real terms increase in 16-19 funding from 2019-20. This provides additional hours in the classroom for up to 100,000 T Levels students by 2024-25, giving young people a high-quality technical education to help them progress into work and further study. It also funds 40 additional hours learning per student per year for 16-19 year olds
- £2.8 billion capital investment across the SR21 period so young people and adults can learn in high-quality facilities, establish Institutes of Technology across England, and raise the condition of further education colleges in England
- opportunities for adults across the whole of the UK to develop their numeracy skills through £560 million across the SR21 period for the Multiply programme, funded through the UK Shared Prosperity Fund
- a total investment of £554 million by 2024-25 to substantially increase retraining and upskilling opportunities for adults. This provides a 29% real terms uplift in adult skills funding compared to 2019-20 and meets the government's commitment to a National Skills Fund. This includes giving more adults access to courses at Level 3 in in-demand areas such as engineering and digital skills, scales up Skills Bootcamps, supports reforms to the adult skills funding system, and invests in the skills local employers need
- increasing apprenticeships funding to £2.7 billion by 2024-25. Building on the measures announced at SR20 and Budget 2021, SR21 will also make further improvements to the apprenticeship system for employers. Further details are set out in chapter 2.

The settlement provides all children with the best start in life through high-quality education, childcare and family services, raising standards and helping parents to work. It provides new funding of £208 million by 2024-25, including:

- £170 million by 2024-25 to increase the hourly rate to be paid to early years providers, to deliver the government's free hours offers. This builds on the £44 million increase confirmed at SR20
- £18 million in 2024-25 to create a network of family hubs to improve access to services for families, and £20 million in 2024-25 for parenting support
- reaffirming £150 million over the SR21 period for training of early years staff to support children's learning and development, as part of the £1.4 billion announced in June 2021 to help children catch up on lost learning.

The settlement will continue to support the most disadvantaged and vulnerable children and young people through high quality education and local services, so that no one is left behind. It makes available £2.6 billion over the SR21 period for school places for children with special educational needs and disabilities, more than tripling current capital funding levels to over £900 million by 2024-25. In addition, SR21 offers:

- over £200 million a year for the continuation of the holiday activities and food programme, providing enriching activities and healthy meals for disadvantaged children during school holidays
- a new funding package of £104 million by 2024-25 to take forwards reforms to unregulated provision in children's social care, improving safeguarding standards for some of our most vulnerable children and young people

- £7 million in 2024-25 to implement DfE's Adoption Strategy 'Achieving Excellence Everywhere', to improve access to services and support for adopted children and their families
- £259 million over the SR21 period to maintain capacity and expand provision in secure and open residential children's homes. This will provide high quality, safe homes for some of our most vulnerable children and young people.

SR21 also provides funding for the continuation of the Turing Scheme for the next three years, including £110 million for the academic year 2022/23, funding thousands of students across the UK to go on placements and exchanges overseas. The government will set out further details of the Higher Education settlement alongside the response to the Augar report, which will be published in the coming weeks.

The settlement will support the delivery of the following priority outcomes:

- level up productivity and employment by improving the skills pipeline and supporting people to work^[footnote 157]
- level up education standards in every part of the country and support children and young people to catch up on learning lost due to COVID-19
- support the most disadvantaged and vulnerable children and young people through high-quality education and local services so that no one is left behind^[footnote 158]
- support families and provide the best start in life for all, through improved family services and high-quality early education and childcare to raise standards and help parents to work.^[footnote 159]

Agenda Item 6

Dedicated Schools Grant (DSG) 2021-2022 Forecast Outturn at Second 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 Second Review of Financial Performance. This is based on the forecast position at September 2021.

Recommendations

2. The Forum is asked to note the Second Review position on the DSG and to provide a view on the next steps in paragraphs 9 to 11.

Forecast Outturn

3. The reported forecast outturn position for the centrally held DSG as at September 2021 is a net overspend of £0.469m. This is a worsened position compared to the forecast balanced budget reported at First Review and is largely due to increased forecast spend on High Needs Block provision for the new academic year.
4. Within this overall position, there is a forecast overspend of £1.1m on the budget for SEN placements in independent schools due to an increasing number of integrated care placements and tribunal judgements finding in favour of independent specialist provision. This has increased from a forecast overspend of £700k reported at First Review as the number of specialist placements required and removals into the Borough have increased further. This pressure is currently being partially offset by lower levels of support in other high needs provision budgets, the prioritisation of other grant funding to deliver service priorities and vacancy savings across the service.
5. The key variances and changes from the First Review position are summarised in the table below.

DSG Block	Budget	Forecast variance Overspend/underspend Second Review £000	Forecast variance Overspend/underspend First Review £000	Change in Forecast £000
High Needs	Independent and non-maintained school fees	1,099	700	399
	16-25 high needs	-100	-300	200
	Inter Authority placements	12	-21	33

	SEN Personal budgets	-36	-57	21
	Non SEN Independent schools	-120	-50	-70
	Targeted education access	-23	-27	4
	Other high needs budgets	-45	0	-45
Schools Block	Growth fund	-48	-100	52
	Rates recoupment	-12	0	-12
All blocks	Pay forecast	-51	-95	44
	Non pay budgets	-57	-50	-7
	Mitigations/slippage	-150	0	-150
	Total Variance reported	469	0	469

6. Further explanation of the variances is as follows:

- The overspend on High Needs provision and overall DSG position is largely due to increasing demand and placement costs in independent special schools which is exceeding the growth allocated for 2021-22.
- Demand for post 16 support in further and specialist provision has also increased in excess of the growth in budget. Although forecasting an underspend against this budget, the growth for 2021-22 included funding further increases to the import/export adjustment and element 2 funding to other local authorities. This has not been required as the overall net position has remained static but the budget has instead largely been used to fund increasing numbers requiring top up funding.
- The budget maintained each year for potential non SEN placements in independent schools is not currently forecast to be required with the grants available to the Virtual School being prioritised to support looked after children in education.
- There are variances across other high needs demand led budgets reflecting the change in pupil placements and forecast demand for support. There is currently no forecast variance against mainstream and special school top up budgets for which the growth allocated in 2021-22 is currently sufficient to meet demand for element 3 funding.
- In the Schools Block, there are forecast underspends against the Growth Fund arising from reduced need and eligibility for growth funding for expanding schools and from rates adjustments for schools converting to academy in year.
- Other key variances in central spend relate to an underspend on staff vacancies and non pay budgets across the central services, mainly due to a reduction in mileage expenses from remote working.

- The service are looking at measures to mitigate the forecast DSG overspend by £150k by prioritising other grant funding where possible and reviewing where slippage may occur against budgets in the latter part of the financial year.

DSG Reserve

7. The table below summarises the forecast position on the DSG reserve as at Second Review.

	£000
DSG reserve brought forward (deficit)	1,032
In year allocation of reserves	
Ring-fenced De-delegation allocated to 2021-22	137
Forecast in year deficit 2021-22	469
Forecast deficit reserve for 2021-22	1,638

8. The service will continue to monitor the position and seek mitigations where possible however the forecast position now indicates there will be a further increase to the brought forward deficit on the DSG reserve with a cumulative £1.638m by the end of 2021-22.

Next Steps

9. A plan to recover the deficit needs to be developed for 2022-23 and local authorities are expected to be able to cover deficits from available DSG reserves from 2023-24. The position on the DSG and key issues are being taken forward by Directors as part of the Council budget sessions in December.
10. Further direction on recovery planning will be reported to Schools Forum in January as part of budget setting for 2022-23. However, initial estimates based on the continuation of current growth in High Needs indicate that the DSG allocation for 2022-23 will not be sufficient to enable a balanced budget to be set and that mitigations will be required. The current 2021-22 high needs budgets are underpinned by a £1.1m (0.5%) transfer from schools Block agreed by Schools Forum for 2021-22. In view of the continuing increasing demand, the Local Authority will be seeking to re-confirm the existing (not additional) 0.5% transfer for another year in 2022-23. Schools Forum will be required to take this decision at the January meeting and to inform this decision, views will be sought from schools in an email, sent on behalf of Schools Forum on the high needs position by the end of term.
11. The forecast DSG outturn position will next be reviewed and reported as part of the Third Review of Financial Performance (end of November) and reported to Schools Forum in January 2022.

**Cheshire West and Chester
Schools Forum
7 December 2021**

Agenda item 8

Schedule of meetings 2021-2022

Schools Forum – all meetings 4.30pm – 6.30pm

Date	Venue	Proposed agenda
Tuesday 11 January 2022	MS Teams tbc	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Early Years Funding for 2022-2023 • Arrangements for funding from the High Needs Block 2022-2023 • Children’s Speech and Language Therapy • Central Spend budgets 2022-2023
Tuesday 5 July 2022	MS Teams tbc	<ul style="list-style-type: none"> • 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 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