

Local Authority School Improvement Grant

Schools' Forum Date	30 th March 2022
Type of Decision	For discussion and agreement
Background Documents	Reforming how local authorities' school improvement functions are funded: Government Consultation Reforming how local authorities' school improvement functions are funded: Government Consultation Outcome
Authors	Philip Haslett, Head of Education Strategy and Development
Purpose of Report	To outline the options and a preferred solution to the funding pressures created by the removal of the School Improvement Monitoring & Brokering Grant ("the grant")
Key Recommendations	Recommendation: That the Local Authority bridges the funding gap for 2022/23 by reducing intervention funding and redundancy support for maintained schools.
Resource Implications	Reduction in School Improvement Grant Funding - £360,000 in 2022/23 and £720,000 in 2023/24.

1. Introduction

- 1.1. At the School's Forum in November 2021, we alerted forum members to a consultation that had just been launched by the DfE to fully remove the grant. In the consultation the DfE was suggesting the Local Authorities (LA) could redress the lost funding using de-delegation powers. Effectively top slicing the funding from maintained school budgets.
- 1.2. On the 9th December 2021 a short LA briefing was held with key stakeholders, including maintained schools headteachers and chairs of the headteachers associations. The focus of the session was to explore the issues created by the DfE consultation and potential solutions to the proposed loss of funding. The minutes of the meeting can be found in Annex A.
- 1.3. In early January the consultation response was published, confirming that the grant would be removed over the next 2 financial years. A 50% reduction in 2022/23 and full removal in 2023/24. This results in a loss of £360,000 in 2022/23 and £720,000 in 2023/24.
- 1.4. This paper sets out proposals on how, in the short-term, we can address this loss of funding in the most effective and equitable way. It has been shared and discussed with the heads associations and representatives from maintained schools at a recent meeting, the notes of which are attached to this paper at Annex B.

2. Options to support School Improvement from 2022/23 onwards

- 2.1. The timing of the consultation and the subsequent response have not provided much opportunity to address the challenges it creates for maintained schools and the LA.

Therefore, we have focussed on options that bridge the immediate funding issue for 2022/23, allowing time for the development of more a more sustainable solution for the long term.

- 2.2. To address the immediate issue, we have explored two ways to fund school improvement services.
- 2.3. The first, as suggested by the DfE in the consultation, is to use de-delegation from maintained schools to recoup the lost funding. The benefit of this approach is that it does have a degree of alignment with the way in which many Multi-Academy Trusts operate, pooling school improvement from all schools into a central fund and deploying support where it is most needed.
- 2.4. However, it is far more restricted in the way it can be used. De-delegation operates on a per-pupil basis rather than a whole-school budget top-slice. The regulations also state that it must be applied equally to all maintained schools. So, all maintained schools would pay the same per pupil amount.
- 2.5. In the first year, to cover the funding gap of £360,000, we would need to set a de-delegation rate of around £9 per pupil. This would mean that a school with 1000 pupils would pay £9,000 for the same support that a school of 100 would pay £900 for. School improvement is a whole school activity and as such, a per-pupil funding is a difficult approach to apply equitably for all schools.
- 2.6. The second option is to bridge the funding gap using a combination of de-delegated balances, the central services block, and a reduction in intervention funding that the Local Authority can offer to schools. This would breakdown as follows:
 - De-delegated balances are forecast to carry a surplus at the end of the financial year of £447,000. Some of this funding (250k) is ringfenced to cover any deficits that may need to be written off due to academy sponsorships. This leaves around £200k, of which we are proposing £100k is used to support the loss of the grant. This leaves very little contingency in this budget. Subject to de-delegated budget performance in 2022/23 this could limit our ability to support maintained school redundancies.
 - The central services block has seen a small increase this year and we have provisionally ringfenced £160k to support the loss of the grant in 2022/23.
 - Finally, we are proposing to temporarily reduce the school improvement intervention budgets that we use to fund activities/support for schools in intervention. This will mean activities agreed through project groups will need to be funded through the school budget.
- 2.7. We believe option 2 provides the most effective and equitable approach to bridge the funding gap for 2022/23. This will provide time for more sustainable long-term plans to be put in place for 2023/24 and beyond.

Recommendation: That the Local Authority bridges the funding gap for 2022/23 by reducing intervention funding and redundancy support for maintained schools.

- 2.8. Longer term we believe that a move towards a traded service offer would provide a more flexible and equitable model of support for maintained schools. Exploratory discussions have already started, with a view to co-producing a sustainable model of support for maintained schools.