



ISLINGTON SCHOOLS FORUM

Chair: Abi Misselbrook-Lovejoy
c/o Governor Services
222 Upper Street
London N1 1XR

MEETING	SCHOOLS FORUM
DATE	Thursday 21 October 2021
TIME	14 00 – 16 00
VENUE	Remote meeting

AGENDA

	TOPIC	REPORT	AUTHOR
1.	Apologies	Clerk	JW
2.	Minutes of previous meeting	Enclosed	JW
3.	Forum Composition	Enclosed	JW
4.	DSG Budget Monitor (in year)	Enclosed	TP
5.	School Funding Arrangements, Consultation results (future year)	Enclosed	DS
6.	NFF School Funding Consultation Response	Enclosed	DS
7.	Additional support to schools: High Needs	Enclosed	DS
8.	Collaboration Project	Enclosed	CD
9.	Schools Forum Best Practice	Enclosed	All
10.	Forum Forward Planning	Enclosed	DS
11.	School Organisation – Strategic Overview	Verbal	AC

	TOPIC	REPORT	AUTHOR
12.	AOB <ul style="list-style-type: none">• PRU Rep term of office ending 25 October	Verbal	JW

Contact for queries

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Islington Schools Forum

Minutes of the meeting held on Thursday 15 July 2021 at 2pm – held virtually (MS Teams).

PRESENT

Forum Members

Abi Misselbrook-Lovejoy (AM-L)	Head teacher, Newington Green Primary School (Chair)
Alan Streeter (AS)	Head teacher, Beacon Height Secondary School (Islington Futures Federation)
Jenny Lewis (JL)	Head teacher, Thornhill Primary School
Coleen Marshall (CMa)	14 to 19s partnership - City & Islington Sixth Form College
Cassie Moss (CM)	Head teacher, Yerbury Primary School
Tanya Watson (TW)	Head teacher, William Tyndale (Primary Academy)
Fiona Maccorquodale (FM)	Head teacher, Prior Weston Primary School
Penny Barratt (PB)	Head teacher, The Bridge Special School (Academy)
Susan Service (SS)	Head teacher, Islington Arts & Media Secondary School
Paul Lasok (PL)	Governor, St Aloysius Secondary School (and St Joseph's)
Claire Hersey (CHe)	Principal Finance Officer, City of London Academy Trust
Maggie Elliott (ME)	Governor, Montem Primary School (Edventure Collaborative Federation with Drayton Park) (Vice-chair)
Andrew Bosi (AB)	Governor, Rotherfield Primary School
Mita Pandya (MP)	Executive Head, Archway and Willow Children's Centres

Other Attendees

Cate Duffy (CD)	Interim Corporate Director People
Tim Partington (TP)	Head of Children's Services, Finance
Jane Wright (JW)	Manager Schools and EY Governance (Clerk)
Debbie Stevenson (DS)	Head of Early Years and Schools Funding
Alison Cramer (AC)	Assistant Director, School Support and Information Services
Candy Holder (CH)	Head of Pupil Services

Apologies

Patrick Mildren (PM)	Head teacher, Canonbury Primary School
Fiona Godfrey (FG)	Head teacher, Kate Greenaway Nursery School
Nigel Smith (NS)	Head teacher, New River College (Pupil Referral Unit)
Francis Gonzalez (FrG)	Head teacher, Richard Cloudesley Special School
Anita Grant (AG)	CEO, Islington Play Association
Vicky Linsley (VL)	Head teacher, St Mary Magdalene Academy

Not in attendance

Cllr Rakhia Ismail (RI)	Elected member
Joe Simpson (JS)	Governor, St Peter and St Paul's

	Agenda item	Action
1.	<p>Welcome/Apologies for absence/not in attendance</p> <p>AM-L welcomed all to the meeting. Apologies as above. It was noted that MP needed to leave by 3pm and CMA needed to leave by 3.15pm. Also that CHe was due to arrive a little late.</p>	
2.	<p>Minutes of the previous meeting held on 20 May 2021</p> <p>a. Accuracy – the minutes were agreed as an accurate record of the meeting, subject to amendment of Item 4 (School Balances draft), page 4, CM comment not that activities may not take place but may have to be paid for in next year.</p> <p>‘CM commented that some savings may be false if activities had to be paid for in the following year...’</p> <p>b. Matters Arising – there were no matters arising.</p> <p>AGREED</p>	
3.	<p>Schools forum composition</p> <p>The clerk (JW) gave a verbal report.</p> <p>3.1. Election of Vice-chair</p> <p>JW had emailed Forum members on 30 June for nominations and had received one nomination – Cassie Moss – from AM-L. ME seconded the nomination. There were no other nominations at the meeting. CM left the meeting while Forum discussed the nomination – CM was elected unopposed. CM rejoined the meeting to be informed of the outcome.</p> <p>3.2. Upcoming elections/appointments</p> <p>3.2.i. Non Schools Member Early Years Practitioner representative vacancy from 30.8.21 (currently MP)</p> <p>JW had liaised with Tracy Smith (TS), the Head of Early Years and Childcare Standards. TS had liaised with EY managers. As a result, Ana Sevilla, Executive Head of Packington and New River Green Children’s Centres, will take up the role from 1 September 2021 to 31 August 2025. After discussion, it was agreed that, as permitted by the section in the Terms of Reference about substitution, while Ana would be the main representative, she would be supported if necessary by Ann Curran, Head of Nursery, New River Green CC.</p> <p>3.2.ii. Non Schools Voluntary & Community representative from 27.9.21 (currently AG)</p> <p>- JW had attended the Early Years Providers’ Forum on 29 June attended by voluntary nurseries to encourage them to nominate themselves or be nominated. As of 15 July, JW had received no expressions of interest. As AG had already agreed to take up the role for one final term of office, subject to her confirming she still wanted to do this, AG will be appointed for that final term running from 28 September 2021 to 27 September</p>	Clerk

	<p>2025. Update after meeting – AG has confirmed she will take up the position.</p> <p>3.2.iii PRU (New River College) from 25 October 2021 (currently NS) – not discussed.</p> <p>NOTED AND AGREED</p>	
<p>16.a.</p>	<p>AOB – Collaborative School Improvement proposal</p> <p>Cate Duffy (CD), Interim Corporate Director, People, was welcomed to the meeting. It was agreed to take this AOB at this stage as CD needed to attend another meeting immediately after this item.</p> <p>CD was testing the water to sound out Schools Forum on a proposed model of school improvement, school-led with local authority (LA) facilitating.</p> <p>The proposal included having a pot of funding to support action research projects across schools, with solutions to common challenges being tested out. The pot would come from £250K of High Needs (DSG) underspend, match-funded by the LA to create a total of £500K. Schools and academies would be able to bid for this funding. This equated to about £8K to £9K per school, £30K for 3 schools in a project.</p> <p>The parameters would be established by a steering group. One idea was to encourage new collaborations between schools.</p> <p>In answer to questions from Forum members, CD clarified the following points:</p> <ul style="list-style-type: none"> • In other LAs, groups of schools have engaged in peer reviews on common aspects such as pace and challenge in the classroom • In Slough a focus was KS2 reading – action research on what resources are available and what can be adapted • Other examples might be building capacity for inclusion or reducing exclusions • This was a one-off request to use some HN underspend and the LA was offering match-funding only in relation to this proposal • A formal paper will set out the details of the application process and who makes the decisions • If the HN underspend was not spent on this, it would be carried forward to next year unless there were other proposals for how to spend it • CD acknowledged the pressures on SEND funding but expected some projects would be likely to be focusing on SEND • CD felt, in answer to a suggestion by ME to require the projects to relate to HN, that it was very likely they would <p>PB felt uncomfortable that the HN committee had not had the opportunity to discuss this.</p> <p>AM-L thanked CD for her report, looked forward to her coming back to Forum with a more formal proposal and asked her to take on board the comments of Forum.</p> <p>NOTED</p>	
<p>4.</p>	<p>School Balances (FINAL - prior year)</p> <p>DS spoke to a report that had been circulated prior to the meeting.</p>	

	<p>Initial findings before information was available on schools planned use of revenue balances earmarked for capital purposes were:</p> <ul style="list-style-type: none"> - 2020-21 school balances totalled £9,458,688 compared to a balance of £10,274,842 in 2019-20. <p>Schools (33 as of 1 July) had submitted final budgets for 2021-24 including their planned use of surpluses since the last Schools Forum meeting. The planned use of surpluses in some cases were for a broad range of uses, rather than just capital.</p> <p>It was confirmed that nine schools had ended the financial year 2020-21 in deficit.</p> <p>Some schools were in significant surplus. One proposal was for the LA to meet with those schools with consistently high balances exceeding 10% over a 3-year period and who are not projecting a deficit balance in 2021-22.</p> <p>CM asked if the percentage of staff being lost in reorganisations, and the impact on provision and effectiveness, were being recorded. DS replied that Human Resources are recording impacts on staffing. DS also referred to the dashboard tab on the Schools Financial Values Standard (SFVS) – which showed the extent to which a school was in line with other schools in relation to financial management. DS added that the DfE was aware of pressures on schools, and at Corporate Director level, the LA can try to get messages to the DfE about the impact on the workforce of the budgetary situation.</p> <p>Recommendations that Schools Forum notes</p> <ul style="list-style-type: none"> <input type="checkbox"/> 2020-21 schools’ balances position after deduction of earmarked revenue balances for capital purposes <input type="checkbox"/> The overall decrease in schools’ balances <input type="checkbox"/> 2020-21 deficit schools and schools that have moved out of deficit in this period <input type="checkbox"/> Schools forecasting a deficit position for 2021-22 <p>That schools with high balances, over 10%, meet with the Local Authority where they meet the following criteria:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Consistently high balances exceeding 10% over a 3 year period <input type="checkbox"/> Are not projecting a deficit balance in 2021-22 <p>Deficit schools and planned action</p> <ul style="list-style-type: none"> <input type="checkbox"/> As per scheme, deficit schools are required to submit monthly monitoring including revised Deficit Recovery Plans (DRP) identifying potential risks to their plans. This must be received by Schools Finance within the first 10 days of each calendar month. <input type="checkbox"/> Progress will be measured against DRP and reported to Corporate Finance. <input type="checkbox"/> LA to work with deficit schools to ensure DRPs are realistic focusing on key aspects of their assumptions; pupil numbers and income projections. <p>NOTED</p>	
5.	DSG Outturn (FINAL – prior year)	

	<p>TP reported to a paper that had been circulated.</p> <p>There were no changes from the position at the May Schools Forum.</p> <p>Proposals for use of underspends were covered in other items on the agenda.</p> <p>NOTED</p>	
<p>6.</p>	<p>DSG Allocations (in year)</p> <p>DS spoke to a report that had previously been circulated.</p> <p>This year (2021-22) only, the DfE was allocating EY funding on the basis of the May and October Census in recognition of the impact of COVID on numbers in settings. The May Census will be useful for adjustments for 2020-21.</p> <p>The final EY 2020-21 allocations will not be known until November.</p> <p>DS advised Forum that there was nothing unexpected here.</p> <p>NOTED</p>	
<p>7.</p>	<p>Scheme for Financing Schools 2021-22</p> <p>DS spoke to a report that had previously been circulated. Decisions were needed for this item.</p> <p>DS was pleased with the level of response to the recent consultation. The comments revealed some misunderstandings – valid points but not understanding the intention of the questions. LAs can ask maintained schools for information for example about pupil number projections (which in turn determine income assumptions).</p> <p>DS went through each question in the consultation report highlighting where there were challenges or disagreements.</p> <p>2.2 Monthly monitoring in the final quarter including material variances.</p> <p>This was the closest in terms of votes. DS understood schools' reticence, but it was necessary to avoid the significant shifts in forecast balances in the last three months of 2020-21 (and in previous years). Good practice in schools' processes would include monthly budget monitoring. To do so in the final quarter would help when planning for year-end eg identifying accruals. DS spoke to some of the comments raised in the schools' responses, in particular in relation to EY funding and adjustments in the final term. Schools are able to use to the EY forecast tool to project final adjustments.</p> <p>AGREED</p> <p>2.3 Question 3 - Submitting budget assumptions when sending their 3-year ratified budgets</p> <p>AGREED</p>	

2.4 Question 5 – the proposal of reforecasting and submitting revised budget plans in the autumn term

Responses were more even. AM-L expressed her concern about the workload implications. DS said that budget monitoring and adjusting forecasting accordingly in years 2 and 3 were good practice. In 2022-23, schools would receive extra funding from the third and final DSG Settlement – this is not in the budget planner yet as we are waiting for confirmation of allocations and actual pupil numbers. Also, there are potential Pay Awards, still in discussion, to be announced by the autumn to factor in. Therefore, adjusting budgets for future years and presenting updated scenarios to governors would be a part of schools' cyclical processes.

JL flagged up the need for increased training of school business staff to help them get budgeting right. DS confirmed there would be more training for them, along with heads and governors.

DS said that the LA would not expect as much in-depth budget setting for years 2 and 3 in the autumn term, rather an update to DSG income, known October pupils numbers, updates to the pay awards and any known significant adjustments to income / expenditure. DS confirmed that once the DfE had released factor value information for 2022-23, the HCSS budget planner would be updated for all schools. So too would any pay award adjustments. This would assist the schools in updating their budget forecasts for years 2 and 3.

AB commented that in the past schools had been discouraged from focusing on years 2 and 3 because of too many unknowns. DS recognised that there are variables which are difficult to predict however good practice in schools processes suggest schools should be focussing on their longer term sustainability and reviewing future budget forecasts during the current financial year including when unknown variables become known.

TP reiterated that budget planning over 3 years was good financial practice. We are getting better up-to-date information for budgeting now. As extra information comes in projections should be updated – this allows more time to address budget issues. LAs do their budget management in this way.

SS objected to the expectation that schools had to post the projections to the LA – would prefer to be encouraged and supported to do those projections.

CM felt that projecting budgets in advance like this would reduce workload in the end – the sooner you know the real picture, the sooner you can take action and this minimises reductions you have to make, to the benefit of the school.

FM expressed her support for this requirement – her school has been in deficit and she found she had gained a good understanding of the challenges through the projection work and noted that the LA can help in Early Intervention.

There was a vote in relation to this question.

AGREED (3 members of Forum voted against)

2.5 Question 17 – documenting in the appropriate governing body minutes where budget pressures have been identified potentially leading the school into a cumulative deficit position

	<p>AGREED</p> <p>2.6 Question 9 - Including the purpose for which the 3-year budget plans will be used as evidence in supporting the assessment of the schools financial value standard (SFVS) and supporting the LA's balance control mechanism.</p> <p>AGREED</p>	
<p>8.</p>	<p>Schools Internal Audit Programme Outcomes (prior year)</p> <p>A report from Laura Westwood, Principal Auditor, had been previously circulated. DS was working closely with the Audit Team – useful for feeding in to training.</p> <p>JL commented that it would be helpful to have more information about what type of volunteers would need references.</p> <p>NOTED</p>	
<p>9.</p>	<p>Growth / Falling Rolls underspend – allocation proposals</p> <p>DS spoke to a report that had previously been circulated. A decision was needed on the use of the underspends.</p> <p>DS set out two proposals for allocating funds:</p> <p>Option A - Allocate to all schools and academies based on pupil numbers (October 2019), shown in Appendix A, and</p> <p>Option B - Target funds only to those schools that are adversely affected by their current Ofsted status and have not been able to recover their position due to the COVID-19 pandemic suspending Ofsted inspections. Option Bi - Funds could be further targeted to just those schools in this category that are also in deficit. Both options were shown in Appendix B. A level of accountability would be afforded to benefitting schools.</p> <p>Another option – to target all schools in deficit based on pupil numbers (October 2019) – had been discounted as balances for academies were not available to LAs. CHE commented that COLAI Highbury Grove will have a deficit. DS explained they would not be eligible as they do not meet two other criteria for FR funding – total number of pupils on roll dropped by at least 5% between last October census and the previous year's October census and a vacancy capacity of at least 15% (PAN).</p> <p>The final Option C was to carry forward for a further year to safeguard future roll reductions.</p> <p>AB queried whether it was acceptable to use carry forward for schools Requiring Improvement given this is not permitted for use of CF funding. DS said it was – it was not within the control of schools that Ofsted inspections had been suspended, whereas schools in deficit had some control over their finances.</p> <p>SS asked why we were using Census 2019 figures rather than Census 2020 – DS replied that the underspends related to that year.</p>	

	<p>There was a discussion about whether members of Forum whose schools stood to gain particularly from Option 2 could be involved in the decision – conflict of interest? DS reminded Forum members that they were there to represent their phase or category of settings as a whole.</p> <p>ME expressed concern about the small allocations to schools if split amongst all of them.</p> <p>TW was concerned that she had not asked primary academies for their views.</p> <p>After further discussion,</p> <p>AGREED TO OPTION B (NOT Bi) – 2 members had voted for the underspends to be carried forward and three members had voted for the underspends to be allocated to the four schools with RI, not just the three with deficits.</p>	
<p>10.</p>	<p>High Needs – Cluster Funding</p> <p>Candy Holder (CH) spoke to her report. (CMA left at 3.15pm)</p> <p>Funding for HN nationally was in crisis as evidenced in the report, with applications for Education, Health and Care Plans exploding along with complexity of cases. A Green Paper to address this had been due to be published on the day of this meeting, with an expected change to the Code of Practice. Vicky Ford, Minister for Schools, had instead published a letter acknowledging the problems but delaying the Green Paper for at least some months.</p> <p>Locally, we need to review our SEND strategy and build a system families can trust. CH had been working with heads to discuss principles and the way forward. She had met with Camden that day to look at how they allocate funding – Islington may be able to adapt its systems in line with their methodology.</p> <p>CH was pleased to have received 38 responses to a survey of schools – showing support for the principles but wanting more clarity on models.</p> <p>The LA is looking to pilot 1 or 2 cluster groups next term. This will leave approximately £150K of money set aside for cluster funding unallocated. It is proposed that this should be allocated across schools with most immediate SEND need in terms of volume and complexity.</p> <p>FM had been working on the SEND group and had found the experience valuable. In answer to her question, it was clarified that this money was not the same money that Cate Duffy had talked about at the beginning of the meeting.</p> <p>Capital Funding had all been allocated (£2.2m for 2018-21 and a further allocation of £1,8m announced for Islington in April 2021).</p> <p>NOTED</p>	
<p>11.</p>	<p>Early Career Teacher (ECT) funding arrangements (previously NQT)</p>	

	<p>A report had been circulated for information.</p> <p>NOTED</p>	
12.	<p>DSG Schools Block estimated funding (new year – 2022-23)</p> <p>A spreadsheet had been circulated. Unit values reflected current primary and secondary school rolls, but these will change.</p> <p>NOTED</p>	
13.	<p>Falling Rolls estimated allocations (new year)</p> <p>DS spoke to a report previously circulated.</p> <p>The assumption was the budget for Falling Rolls would remain at £400K in 2022-23.</p> <p>Appendix A showed funding for schools currently eligible – uncapped and capped for three years – in both cases £400K would cover this. Forum was reminded that if any schools with RI but otherwise meeting the criteria were inspected and moved to Good or Outstanding, so becoming eligible for FR funding, the budget would increase to up to £470K.</p> <p>An updated paper will be presented to Forum in November to include revised pupil numbers, following the autumn census, and known Base Rate factor values. Final DSG allocations will be announced in December and final budget recommendations will be presented at the January Forum.</p> <p>NOTED</p>	
14.	<p>Place Planning – Strategic Overview</p> <p>AC reported. The Terms of Reference of the Programme Board had been circulated to Forum with the minutes of the last meeting, as agreed.</p> <p>A workshop last week focused on place planning. A further workshop was due to take place immediately after this meeting with the wider group. The Programme Board would meet next Thursday to agree next steps in the autumn term.</p> <p>AB was directed to the School Places Planning report on the council website to find the data on which models were based. A more detailed presentation could be shared. Greater London Authority was now modelling the impact of COVID – further slight reduction in rolls. Rolls were not going to increase in the medium term.</p> <p>AC said the main focus at the moment was on primary admissions in September 2023.</p> <p>NOTED</p>	

15.	<p>Forward Planning</p> <p>DS spoke to a report that had been circulated prior to the meeting.</p> <p>The chair and vice-chairs were looking to refresh the forum and this will be discussed at next Schools Forum in October. AM-L will circulate the Best Practice Guidance to members for them to look at ahead of that meeting. She said Forum complied with about 50% of the guidance – a good team, members understanding their responsibilities, corporate understanding of how Forum should run. But it was difficult to fulfil responsibilities with papers not coming to them with sufficient notice and not in one batch.</p> <p>FM suggested papers could be managed on Governor Hub. JW agreed to look in to this. She also agreed to ask Business Support to send calendar invites to meetings. Another suggestion was a table showing when papers had been sent out.</p> <p>JW confirmed that JL had volunteered to join the Capital Subgroup.</p> <p>NOTED</p>	<p>AM-L</p> <p>Clerk</p>
16b.	<p>AOB – Fairer Funding Consultation</p> <p>DS reported verbally. This government consultation on the future of the forthcoming National Funding Formula (NFF) includes reference to Schools Forum. The government wants to get to implementation of the NFF at a slow and gradual pace. There will be limited changes in 2022-23 and 2023-24. 10% movement of funding for some schools to then measure the impact, then 15% in 2023-24 and 25% in 2025-26.</p> <p>The Minimum Funding Guarantee is remaining. Schools Forum will continue to have the ability to top-slice funding for Growth and Falling Rolls funding in 2022/23 but there are expected revisions thereafter.</p> <p>A question within the consultation proposes to move funding to an academic-year basis, as they do for academies – this would be good for schools, but challenging for LAs. This fits in with the agenda to move schools towards academisation.</p> <p>There will be further consultations in relation to the Schools Block and High Needs.</p> <p>DS said she would summarise the consultation document.</p> <p>ME asked if Schools Forum should make a representation. It was AGREED to hold a special DSG subgroup in September to discuss this – all Schools Forum member would be invited to attend.</p>	<p>DS</p> <p>DS</p>
	<p>PROVISIONAL DATES OF NEXT MEETINGS (virtual meetings on MS Teams unless otherwise indicated)</p>	

SCHOOLS FORUM

Thursday 21 October 2021, 2-4 pm (Face to Face – venue TBC)

Thursday 25 November 2021, 2-4 pm

Thursday 20 January 2022, 2-4 pm (Face to Face – venue TBC)

Thursday 19 May 2022, 2-4 pm

Thursday 14 July 2022, 2–4 pm (Face to Face – venue TBC)

DSG SUBGROUP

Special meeting Thursday 16 September

Thursday 7 October, 2 – 3.30pm

Thursday 13 January, 2 – 3.30 pm

Thursday 12 May, 2 – 3.30 pm

Thursday 7 July, 2 – 3.30 pm

EARLY YEARS SUBGROUP

Friday 24 September, 1 - 3 pm

Friday 3 December, 1 – 3 pm

Friday 14 January, 1 - 3 pm

Friday 6 May, 1 – 3 pm

CAPITAL SUB GROUP

Friday 12 November, 12.30 – 2 pm (tbc)

Thursday 24 February – 12.30 – 2 pm (tbc)

Friday 13 May – 12.30 – 2pm (tbc)

HIGH NEEDS SUB GROUP

Monday 15 November – 11 am – 1 pm

Monday 7 March – 11 am – 1 pm

Monday 16 May – 11am – 1pm



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SCHOOLS FORUM

MEETING DATE	Thursday 21 October 2021
AGENDA ITEM 3	School Forum – Membership Update
RECOMMENDATION	That Forum note updates on membership

1. Update on elections/appointments since last Forum meeting

1.1. Non Schools Member Early Years Practitioner representative

Ana Sevilla, Executive Head of New River Green and Packington Children's Centres, has been appointed with a term of office ending on 30 August 2025. Ana is being supported in the role by Ann Curran, Head of New River Green Children's Centre.

1.2. Non Schools Voluntary & Community representative

The Clerk, JW, attended the EY Providers Forum in the summer term 2021 to invite nominations for this role. No nominations were received. As Anita Grant from Islington Play Association had already indicated that she was prepared to do a final third term given there were no nominations from voluntary nurseries, Anita is continuing from 27 September 2021 until 26 September 2025.

1.3. Nursery head teacher representative

Sally Franklin, Head of North Islington Nursery, is to be the representative of this group from 22 September 2021 until 21 September 2025.

This means that currently there are no vacancies on Schools Forum.

Contact:

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SCHOOLS FORUM

MEETING DATE	21 October 2021
AGENDA ITEM 4	DSG Budget Monitoring (in-year)
RECOMMENDATIONS	That Schools Forum: a) notes the forecast variances against the DSG budget.

1 Summary

1.1 The DSG budget monitoring position at month 6 (end of September) is contained in this report. The overall forecast across all spending blocks is an underspend of £5.803m (3.7%). A schedule of variances by spending block is in Appendix 1.

2 Schools Block

2.1 This consists of funding centrally retained for growth (£300k) and falling rolls (£400k). Any net underspend against these budgets will be rolled forward at year end. Allocations of growth are subject to change following the October census. The following variances against the budget are forecast, leading to no overall over or underspend:

- + £7k (+2%) overspend against the budget for growth
- - £7k (-2%) underspend against the budget for falling rolls

2.2 In addition there is the £321k balance from the one-off cash payment in relation to the Secondary Unit of Funding from 2019/20. We will review options for how this money can be used through Schools Forum later this term. The assumption is that this will be allocated this year.

3 De-delegated Budgets

3.1 This is funding de-delegated by maintained schools for specific functions. Underspends cannot be used to offset overspends elsewhere within the DSG. We are currently expecting to allocate the schools in financial difficulties (£220k) and priority support (£188k) budgets in full this year.

3.2 The school redundancy budget (£205k) is made up of in-year de-delegated funding of £83k, a £22k carry forward from previous years and £100k of core Council funding. It is currently expected that this budget will be fully allocated this year.

4 Central Schools Services Block (CSSB)

4.1 There is an unallocated balance of £155k (10%) against the CSSB and a carry forward of £44k from 2021/22. These balances were being held to smooth in continued reductions in CSSB funding by the government, but an alternative proposal to release this funding to schools to support collaborative action research projects that will allow schools to explore and evaluate new approaches to tackling intractable challenges which have the potential to be scaled up more widely across the borough. This will be match-funded by the Council. Until this has been agreed by Schools Forum it will be shown as an underspend.

4.2 No variances further variances are currently forecast against the CSSB (£1.627m).

5 High Needs Block

5.1 The following variances are forecast against the high needs block:

- - £1,210k remaining balance from the £1,524k underspend carried forward from 2020/21. £314k has allocated to schools with higher than average numbers of children

with Education, Health and Care Plans. It is proposed to use £51k towards the collaborative action research project (under paragraph 4.1 above).

- - £1,324k (4%) unallocated high needs funding in 2021/22. This is the remainder of the growth in funding we received in 2021/22 to meet increasing cost pressures in high needs. We need to be cautious over the allocation of funding as the outlook for further growth in funding for high needs is uncertain after 2022/23 and we are facing increasing levels of demand and complexity. The DfE are also reviewing the funding formula for high needs which could see Islington lose funding.
- - £0.340k (2%) forecast underspend against the budget for centrally commissioned places in academies, the independent sector, further education and out of borough provision. While this budget is forecast to underspend activity has increased from previous years, but at a slower pace than budgeted for. While an underspend is currently forecast, there is likely to be further increases in cost, particularly in relation to FE provision where further growth in the cohort is likely as the autumn term progresses.
- - £0.234m (39%) unallocated funding against the budget for additional needs.

6 Early Years Block

6.1 The position against the early years block is challenging to forecast at this stage due to uncertainty over the continued impact of Covid-19, in particular in relation to the autumn and spring terms and any subsequent negative participation adjustments we are likely to receive from the DfE in November. We are currently showing the following position against the Early Years Block:

- - £463k 2 year old balance from previous years that is being held to smooth in new funding arrangements for providers in future years. The cost of 2 year old provision is greater than 3 and 4 year old provision but the hourly rate received from the DfE is less. We have to apply to the Secretary of State to cross subsidise 2 year old provision with 3 and 4 year old funding each year. This has been granted for 2021/22 but there is no guarantee that we will be able to continue to do so in future years.
- - £2,033k contingency balance from 2019/20. It is likely that we will receive a significant in-year and retrospective funding reductions in relation to 2020/21 in November that we will be met from this balance – based on internal calculations we could lose £762k in funding. This represents a medium to long term funding risk, and will impact on the sustainability of provision of early education and childcare in the borough if the headcount does not recover to pre-pandemic levels. It is therefore important to manage this balance carefully.

7 Overall position

The overall forecast across all spending blocks is an underspend of £5.803m (3.7%):

	Schools Block	De-delegated	CSSB	High Needs Block	Early Years Block	Total
	£k	£k	£k	£k	£k	£k
Variance	0	0	-199	-3,108	-2,496	-5,803

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Appendix 1 – Variances by Spending Block

DSG M6 As at 30 September 2021	Over/(Under) Spend Month 6	Comments / options for use
SCHOOLS BLOCK		
<i>The DSG guidance states that these should be carried forward for the same purpose, however Schools Forum have the option to allocate these elsewhere if they see fit</i>		
Growth Provisional overspend subject to final pupil numbers from the October census	7	Any under / overspends against growth and falling rolls will be netted off against each other
Falling Rolls	(7)	
Subtotal Schools Block	0	
DE-DELEGATED FUNDING		
<i>These funds are from maintained schools. Underspends cannot be used to offset overspends elsewhere in the DSG and vice versa. Balances can be rolled forward or returned to schools</i>		
No variances forecast at M6	0	
Subtotal De-delegated	0	
CENTRAL SCHOOLS SERVICES BLOCK		
<i>These funds are managed on behalf of all schools</i>		
Unallocated CSSB funding A balance of £44k has been carried forward from 2020/21 and £155k of 2021/22 funding is unallocated.	(199)	These balances were being held to smooth in continued reductions in CSSB funding by the government, but an alternative proposal to release this funding to schools to support collaborative action research projects that will allow schools to explore and evaluate new approaches to tackling intractable challenges which have the potential to be scaled up more widely across the borough. This will be match-funded by the Council.
Subtotal CSSB	(199)	
HIGH NEEDS BLOCK		
<i>These funds are managed on behalf of maintained schools, academies and free schools including special schools</i>		
High Needs balance A balance of high needs funding of £1.542m has been carried forward from 2020/21.	(1,210)	£314k allocated to schools with higher than average numbers of children with Education, Health and Care Plans. Proposed to use £51k towards the collaborative action research project (above). *The total underspend against the High Needs Block will be carried forward as a one-off contingency for high needs in 22/23.
Unallocated High Needs Block funding £1.324m of 2021/22 funding remains unallocated	(1,324)	This is the remainder of the growth in funding we received in 2021/22 to meet increasing cost pressures in high needs.
Centrally commissioned places Underspend against the budget for provision in Academies, the independent sector and out of borough provision	(340)	Forecast underspend against centrally commissioned SEND placements after allowing for forecast increase in placements at the start of the year in the SEND needs analysis. While an underspend is currently forecast, there is likely to be further increases in cost, particularly in relation to FE provision where further growth in the cohort is likely as the autumn term progresses
SEND additional needs	(234)	Unallocated funding for additional needs
Subtotal High Needs Block	(3,108)	
EARLY YEARS BLOCK		
<i>These funds are ring-fenced for Early Years under the DSG Operational Guidance</i>		
2-year old trajectory funding. Carry forward of 2-year old DSG funding from previous years that is being used to smooth in funding reductions for the statutory entitlement for free childcare for deprived 2-year olds now funding is allocated to local authorities based on take-up.	(463)	Being met from 3 and 4 year old funding in 2021/22 following agreement of the Secretary of State. Will be carried forward for its intended purpose in 2022/23.
Early Years contingency balance on the early years contingency budget from previous years that is being held to offset funding risks due to lower numbers in provision as a result of the pandemic.	(2,033)	We are also anticipating pressures against Early Years SEND to return in 21/22. These were £358k in 19/20, but did not materialise in 20/21 due to COVID-19.
Subtotal Early Years Block	(2,496)	
Total all blocks	(5,803)	



ISLINGTON SCHOOLS FORUM

Chair: Abi Misselbrook-Lovejoy
c/o Governor Services
222 Upper Street
London N1 1XR

SCHOOLS FORUM

MEETING DATE	21 October 2021
AGENDA ITEM: 5	2022-23 Islington School Funding Consultation responses
RECOMMENDATIONS	That the Schools Forum: a) Discusses and agrees on individual recommendations made in Section 3 of the report

1 Background

- 1.1. A consultation with schools on School Funding 2022-23 ran from 27th September – 15th October.
- 1.2. There were just 6 respondents to the consultation: 5 primary schools and 1 secondary school. All respondents are from maintained schools.
- 1.3. The responses have been collated and the results are listed below. Answers can only be accepted where relevant e.g. a special school cannot respond to questions on formula factors and an academy cannot respond on de-delegation from formula funding. Comments submitted as part of a consultation response are included.
- 1.4. As in previous years, the final factor values used in the local formula will be agreed at the January Schools' Forum following the December DSG funding settlement and the release of the October 2021 census data.

2. Proposals and responses

- 2.1. All respondents were in agreement to varying the MFG level and to applying a cap on budget gains if necessary to ensure affordability of the available funding pot. Local authorities have the freedom to set the Minimum Funding Guarantee (MFG) in local formulae between +0.5% and +2% per pupil. Capping is a funds balancing mechanism that allows the MFG % to be managed within the permitted range. It will be applied if the total amount of individual budgets protection required exceeds 2%. If capping was used and total allocations still did not fit within the funding envelope, factor unit rates would need to be reduced.

There was one comment as follows:

- *This seems to be aimed at securing some kind of equity alongside sudden and drastic changes at one school and therefore seems to protect all schools and that is why we believe it is a fair application of principle.*

The Minimum Funding Guarantee (MFG) is a national formula and its purpose is indeed to protect schools from significant budget reductions and to provide stability of funding in schools year on year. It works by comparing a school's level of funding per pupil on a like for like basis from one financial year to the next.

- 2.2. All respondents were in agreement to questions regarding retention of funds for schools with additional/bulge classes, and for those schools with falling rolls.

Three comments were made relating to growth funds:

- *From a parent & pupil point of view, this is a correct thing to do, but wonder if a wider principle of addressing unfilled pupil places in nearby schools has been considered*
- *Growth funding is critical to support appropriate staffing requirements for additional classes*
- *With time limits and size criteria e.g. if surplus places elsewhere mixed classes over bulge*

The School Organisation Programme Board is reviewing pupil numbers across the borough in line with the [School Place Planning Report 2020](#).

There were also three comments relating to retention of funds for falling rolls:

- *With limits on time for that funding*
- *Yes, with the 3 years funding cap*
- *It is correct to reserve money for schools that are currently RI and hope that they will move to good. If they do not become good, what will happen to that money?*

There are criteria a school must meet to be considered for falling rolls funds and these include time span restriction. Funding is limited to a maximum of three consecutive years.

In accordance with the School Revenue funding Operational Guidance, the LA will report any falling rolls funds remaining at the end of the financial year to the Schools Forum where funding may be carried forward to the following funding period, as with any other centrally retained budget, and local authorities can choose to use it specifically for falling rolls

2.3. In Table 2 of the consultation document, we listed the current services funded by de-delegation from maintained schools and asked if schools were in agreement to continue with this into 2022-23, at values to achieve current funding levels. Three respondents were in favour. Two respondents were not in favour and made the following comments:

- *Services are a concern*
- *Table 1 is very helpful, thank you. It would have been even more helpful to have it cover all the de-delegated areas (especially the School Improvement ones) so HTs can have a more detailed and clearer understanding. It is very difficult to agree on funding levels when we are not provided with how much was spent previously, whether there was an underspend/ over spend, how many schools 'benefitted' from it/ were supported, and without clarity on what processes are in place to ensure the money is well spent. I am unclear as to what UPEG is, and why there are two different school improvement service areas. What exactly does £83k for school redundancies pay for? It seems very little if it is paying for a % of redundancy costs for schools? Verging on pointless? How much is spent annually on servicing School's Forum? NQT spend of £175k seems a lot, with Table 1 explaining it was spent on release time for NQTs. Is this necessary? How much do individual schools get? I'm wondering whether it is worth it. My understanding for the NQT pot was this was being trialled this year as part of the ECT programme, and it would be reviewed at the end of the first year. I think this needs to be explicit in the consultation for 22-23.*

Projected outturns for de-delegated services are reported to Schools Forum during the financial year with final year-end balances reported in May, including under / overspends and how these balances would be managed, in accordance with School Funding Operational Guidance. Future reports to Forum will detail benefitting schools.

As well as the de-delegated monies for Redundancy, the LA contributes £100k to the overall budget. Schools undergoing an organisational change will receive, under current

arrangements, 50% contribution to the costs as set out in the report to Forum in September 2017.

The NQT funding is supporting the newly introduced ECT programme for academic year 2021-22. This will be reviewed and, if necessary, future funding mechanisms will be amended accordingly.

2.4. We also asked whether schools would consider de-delegation of additional monies for three services not previously included: Behaviour Support, Library Service, and Insurance. Responses were:

- Behaviour Support 5 votes in favour
- Library Service 2 votes in favour
- Insurance 3 votes in favour

- *We would consider de-delegation, but would need further information to benchmark against current arrangements*
- *Of course we would want that to come along with greater outreach and access for our pupils*

2.5. We asked whether schools wished Schools Forum to consider all school membership, by phase, of the government Risk Protection Arrangement. The respondents were all in favour.

2.6. When asked whether they would consider joining the government Risk Protection Arrangement on an individual school basis once current insurance contract ceased, all respondents said yes and one has already made the decision to join. Two others indicated that further information is required on what the scheme covers.

We will circulate the comparison document previously presented by the LA Insurance team.

2.7. Comments were invited on the central retention of services provided by the Council to schools. Three comments were made:

- *We would agree that the SEND review is going to be fundamental in supporting schools to support a pupil profile which is growing in complexity and need. There are a great number of pupils who identify for additional needs. Far fewer children are qualifying for additional support under an EHCP whilst the number of children with complex learning needs is increasing. This is forcing schools to look at a support staff model which is not always most effective.*
- *Yes- they are not all good quality or impactful. Accountability and quality assurance is weak.*
- *I think it makes sense to consult with schools again once the options for managing the reduction in funding for central services are clear and can be shared, before SF need to make a decision. It would also be helpful for schools to understand the longer term implications if the DfE is planning to phase out historical commitments, and understand what these are. It would also be helpful for there to be clarity for SF on what processes are in place to ensure good value for money and all de-delegated monies are effectively used.*

2.8 The full dataset of responses is provided in appendix A.

3. Recommendations

3.1. The following recommendations are made to Schools Forum:

- Vary MFG within allowable range of +0.5% to +2% and cap budget gains as necessary to ensure school budget allocation remain within funding envelope
- Continue to retain Growth Funding

- Continue to retain Falling Rolls Funding
- To continue to retain funding for services through the Central School Services Block as previously agreed with Schools Forum; final allocations will be presented at the January 2022 Forum
- To continue de-delegated services at the current rate
- To explore the provision of the additional de-delegated services
- Ensure schools have sufficient information from the Insurance and Risk Protection team to make decisions regarding RPA

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Appendix A: School Funding Consultation 2022-23

1. Please indicate your education phase

● Primary	5
● Primary Academy	0
● Secondary	1
● Secondary Academy	0



2. Do you agree that, to ensure affordability of the available funding pot, it may be necessary to vary the MFG, with a minimum of +0.5% and a cap on the gaining schools?

● Yes	6
● No	0



4. Do you agree that we should continue to retain funding for schools with additional and/or bulge classes?

● Yes	6
● No	0



6. Do you agree we should continue to retain funding for schools with falling rolls?

● Yes	6
● No	0



9. Do you agree to continue to de-delegate the current services at values to achieve current funding levels?

- Yes 4
- No 2



11. Do you wish Schools Forum to consider all school membership, by phase, of the government Risk Protection Arrangement?

- Yes 5
- No 0



13. Would you consider joining the government Risk Protection Arrangement on an individual school basis once your current insurance contract ends?

- Yes 5
- No 0



15. Would you consider de-delegating any additional monies for any of these services?

- Behaviour Support Service 5
- Library Service 2
- Premises Insurance 3





ISLINGTON SCHOOLS FORUM

Chair: Abi Misselbrook-Lovejoy
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SCHOOLS FORUM

MEETING DATE	21 October 2021
AGENDA ITEM 6	NFF School Funding Consultation Response
RECOMMENDATIONS	That Schools Forum: a) Note the response

1. Context

- 1.1 The DfE issued a twelve-week consultation on future funding proposals commencing 8 July 2021, ending 30 September.
- 1.2 Schools Forum were briefed at the last meeting on the general principles of the consultation. It was agreed that an additional meeting would be held with the DSG Sub Group in September where a draft response would be presented. It was also agreed that Schools Forum would submit a response broadly in line with the Local Authority's, with the exception of the questions relating to the financial year for schools; academic or financial year.
- 1.3 The Local Authority is part of the wider London Councils group and incorporated some data presented within their response.
- 1.4 Appendix A provides a summary of the DfE Consultation as well as the Local Authority responses to each question.

2 Recommendations

- 2.1 Schools Forum are asked to note the responses.

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Appendix A: Summary of the DfE Consultation and LA response

Fair school funding for all: completing our reforms to the National Funding Formula – Summary

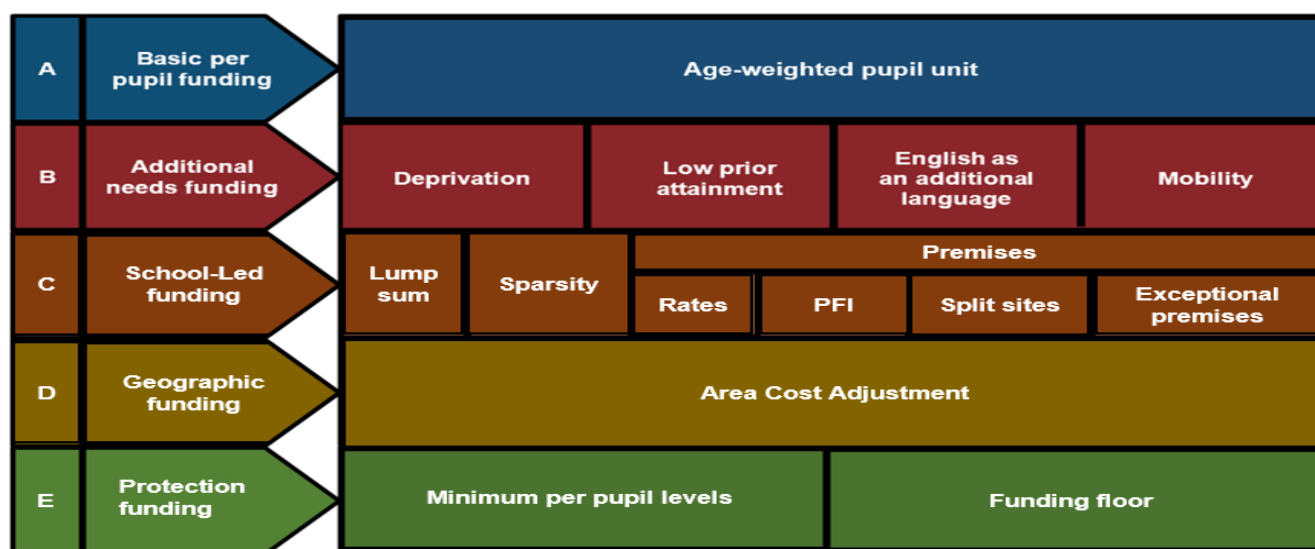
8 July to 30 September 2021

1. Government Introduction

The government is committed to levelling up academic standards across the country. To help deliver this we are currently providing the biggest increase to school funding in a decade, with additional investment of £2.6 billion in 2020-21, £4.8 billion in 2021-22 and £7.1 billion in 2022-23, compared to 2019-20: a total of over £14 billion over the three years. In 2022-23, our core schools budget, which provides for mainstream schools’ running costs, additional support for high needs pupils, and the pupil premium, will total £52.2 billion.

The introduction in 2018-19 of the NFF for mainstream schools was a crucial step towards a fairer funding system and replacing the postcode lottery of the past. The schools NFF saw the Department for Education moving to calculate schools’ funding allocations based on the characteristics and needs of each school and its pupils – rather than the accidents of history or location that had typified the funding system that it replaced.

Figure one – Current NFF Funding Factors



Since its introduction, the NFF has been a ‘soft’ formula. This means that the department, through the NFF, calculates funding allocations in relation to each individual mainstream school, based on its particular characteristics. These individual school-level allocations are then aggregated for each local authority (LA). The LA, from its aggregated total, then determines individual schools’ final funding allocations through a local formula, which it is responsible for setting. While the department has set some parameters within which local formulae must operate, LAs have had discretion about the amount of funding put towards each factor and some flexibility over which factors to use in their local formulae. Local funding formulae in 2021-22 show that a majority of local authorities have moved towards the NFF since its introduction in 2018-19. After allowing for the area cost adjustment (ACA), it shows that, of 150 local authorities in England, 105 have moved all of the factor values in their local formulae closer to the NFF over the past 3 years. Of these, 73 local authorities are now mirroring the NFF funding factors almost exactly. There continue to be significant differences in the way in which some LAs allocate funding compared to the NFF.

As set out in the initial consultation, our intention since the introduction of the NFF has always been to move in time to a funding system in which all individual schools' funding allocations are set directly by the national formula without substantive further local adjustment.

We do not propose, at this point, to set a fixed target date by which the hard NFF will be fully in place. Instead, we will take a measured approach to the transition to a hard NFF – moving LAs' local formulae progressively closer towards the NFF, achieving greater fairness and consistency in funding, but also providing the opportunity to consider the impact of each step before making the next move. This consultation includes proposals on how (and how quickly) LA formulae could move towards a hard NFF, as well as proposals on the eventual completion of these reforms to the NFF.

Importantly, we will protect schools against losses as a result of this gradual movement towards the hard NFF. The national funding floor and local minimum funding guarantee (MFG) protections will remain in place, so that schools will not lose funding in cash per-pupil terms as a result of moving towards a hard NFF, and all schools will continue to receive fair funding increases.

Some elements of school funding remain out of scope of the present consultation. We will consult separately, at a later stage, on changes to the funding arrangements for high needs, special schools and alternative provision, in the light of the proposals in the SEND Review. The hard NFF would allocate the vast majority of the funding that mainstream schools receive for pupils aged 5 to 16 – but not all of their funding. This consultation does not consider the future of funding that is not determined by the NFF, such as the pupil premium (additional funding for disadvantaged pupils) and the recent grants to support schools' recovery provision as a result of the pandemic.

Finally, in this consultation we do not cover the choice of factors, or the values assigned to those factors within the national funding formula. We will therefore continue to review the NFF factors, and the values assigned to them, on an annual basis; the cash values assigned to the factors are, in particular, likely to change between now and the introduction of a hard NFF (and afterwards) in the light of the outcomes of future Spending Reviews. The consultation focuses on the key implications of moving from a 'soft' to a hard NFF.

2. About this consultation

This is the first stage of our consultation on a hard NFF: we plan to publish a second stage consultation with more detailed proposals, following feedback to this first consultation. This consultation covers:

- Scope of the direct NFF: in order to deliver on its fundamental aims, we propose that the aim should be that all NFF funding factors – pupil-led and school-led – are included in the hard formula and that all funding distributed by the NFF should be allocated to schools on the basis of the hard formula, without further adjustments by LAs.
- Proposals for developing the schools NFF to support the direct NFF: this particularly focuses on our proposals for how we could improve premises factors within the NFF in advance of the introduction of the hard formula, so that allocations are based on a consistent, objective assessment of current need, rather than the previous years' local spending decisions. In moving to a hard NFF we will also need to reform our approach to funding for schools experiencing significant growth in pupil numbers.
- Proposals for reforms to growth funding to support the move to a hard NFF.
- Smooth transition for schools to the direct NFF: careful and measured approach to its introduction, testing the impact at each stage. We are not changing the rules governing LAs' flexibility over schools funding in 2021-22, and we will adopt the same approach in 2022-23. From 2023-24 we propose to begin to tighten those rules, so that schools' allocations through local formulae move closer to the NFF distribution.

- Importance of multi-academy trusts' (MATs) ability to pool their funding as we move to a hard NFF: proposals for how we can reform the approach to funding for central school services delivered by LAs.
- Effective special educational needs and disabilities (SEND) provision: sets out the overarching implications that the move to a hard formula has for SEND provision in mainstream schools and how moving to a hard NFF can help to deliver a strong and sustainable overall SEND system that supports pupils with SEND in mainstream schools. We will consult further on this crucial element of the overall funding system for schools in more detail following the publication of the SEND Review outcomes.
- Proposals for how the role of schools forums will change as we move to a hard NFF and how national consultation will take place.
- Moving to a consistent funding year across maintained schools and academies: Currently maintained schools are funded on a financial year basis and academies on an academic year basis, and we are keen to understand the appetite for a change in funding year for maintained schools, to an academic year basis, as part of the shift to a hard formula.

3. Completing the NFF reforms

The scope of the directly applied NFF:

A critical question is whether all elements of funding should be distributed through a hard NFF or whether there would continue to be merit in local control of certain aspects of mainstream school funding. The large majority of the current NFF is distributed at the national level on the basis of the pupils within a school – in 2021-22, 75% through a basic per-pupil entitlement and 17% through factors to reflect pupils' additional needs (indicated by measures of deprivation, low prior attainment, English as an additional language and pupil mobility). This latter group of factors mostly act as proxies for the extra costs that schools are likely to face in delivering the education of pupils with additional needs, including, in particular, SEND.

We believe our aim should be that the hard NFF includes all of these pupil-led funding factors including those reflecting additional needs. In line with the discussion of pupil-led factors, we believe that the best way to achieve the principles of the hard NFF will be for these school-led factors to be included within a school's allocation under the hard formula.

The distribution of funding for some school-led factors currently relies on local knowledge and we recognise that we need to build new approaches to distribute this funding appropriately between schools under a hard formula. In the following sections of this consultation we set out proposals for how we can move towards having a national approach for determining growth funding. We also set out in outline our plans to reform how premises funding is allocated, which we will consult on separately, in more detail, in future.

The NFF also includes a funding floor, which has ensured that all schools attract a per pupil increase in their pupil-led funding. We plan that a floor protection will be retained once we move to the hard NFF. This will mean that all schools will be protected from per-pupil losses. This will continue the protection currently afforded to schools by the minimum funding guarantee but with a single, national rate of protection for all schools once we move to a fully hard NFF.

Our overall proposal subject to the further development of premises and growth funding factors, is to include all NFF funding factors – pupil-led and school led – in the hard formula, such that all funding distributed by the NFF will be allocated to schools on the basis of the hard formula, without further local adjustment through local formulae.

Question 1: Do you agree that our aim should be that the directly applied NFF should include all pupil-led and school-led funding factors and that all funding distributed by the NFF should be

allocated to schools on the basis of the hard formula, without further local adjustment through local formulae?

Whilst Islington and Schools Forum have chosen to replicate the NFF and its factor values, it is still important that scope for local flexibility is retained. Local decision making is vital in the school funding system to ensure that any local issues can be addressed immediately. Islington are committed to directing funds to where it is most needed at any given time. The Hard NFF does not allow for this level of flexibility and will often be lagged in terms of funding adjustments. Changes in demographics requires swift action to be taken in ensuring funds are directed to cohorts most in need of support, the NFF is too slow to react.

We disagree that School-Led factors should be included within the Hard NFF. Whilst it may be possible to include factors such as sparsity on a formulaic basis, exceptional premises and PFI have too many intricacies to replicate through a hard NFF. As an example, we have a school in receipt of exceptional circumstances funding for its community swimming pool, that shares the site and provision with another special school for which they are jointly responsible for certain aspects of its costs. Unless these nuances are factored in to a Hard NFF, the maintained school may be disadvantaged by DfE proposals and find itself subsidising the pool costs beyond the level for which it is funded. This will divert funding in the school's budget that would otherwise be directed towards educating pupils. Local flexibility allows the Council, through Schools Forum and with the consent of the Secretary of State to amend the exceptional circumstances factor to remain in line with costs.

Similarly, for the PFI factor, each school has its own governing body agreement or school agreement with the local authority that would be complex to mirror within a national factor. There are unique features in each BSF agreement and therefore there could be significant variation even within a local authority area. For example, one of our PFI agreements covers two separate schools that share one building while a second covers two schools that are on different sites across the borough. One agreement includes a swimming pool and athletics track in the complex and the other does not. In addition, the FM services delivered under the agreement can vary, for example catering is not part of our contracts but will be included in others, likewise energy management and consumption costs are included under some contracts and not in others. The application of the PFI factor will be very different in each borough, depending on the scale and nature of the PFI contracts. In addition, the timeframe of the contract can vary between schools, therefore it is difficult to see how this factor could operate as part of a hard NFF. The hard NFF proposals could disproportionately affect authorities and schools with PFI factors and to very different extents. Thought also needs to be given to what happens at the end of BSF contracts, as schools will still have building repair and maintenance liabilities, so they do not face a cliff edge in funding.

Lump sum – whilst Islington have replicated the factor value, lack of flexibility to direct more funding through the lump sum than currently allowed to small one-form entry schools, and faith schools in particular, is causing significant financial difficulty at some of these settings. At a time where there are significant falling roll and pupil number pressures, particularly across London, the notion that there will be inflexibility in applying the lump sum factor will be extremely difficult for some schools to manage and will increase the risk of them entering into deficit. Affected schools will have the same level of costs irrespective of pupil numbers and yet the much needed funding will not keep pace with meeting them.

A number of small primaries are now struggling with current factor values and future financial sustainability is becoming an increasing issue. As this particularly affects one form entry and one form entry faith schools, there is a strong case that the current process and rates for distribution are inequitable across all types of schools.

We strongly disagree that any form of Hard NFF should be introduced until the SEND Review Outcomes are published. Until the impact of which is fully understood to both schools and LAs, it is not appropriate to implement such a fundamental change to schools funding. Schools are increasingly finding it difficult to set a balanced budget with so many conflicting issues; increases in falling rolls; significant and unprecedented increases in SEND; teacher retention costs.

The issue of falling rolls has become more pertinent as we have yet to fully understand the impact of the pandemic and Brexit. Both are likely to play a significant role in parents and their children moving away from inner city areas such as London, which adds an additional layer of uncertainty in schools' budgets. In addition, an increasing number of parents are choosing to home educate their children, particularly during and following COVID lockdowns, and this is increasing year-on-year. This further worsens the uncertainty for schools' finances.

Whilst we understand the Governments desire to move towards a Hard NFF, until key factors have been resolved / fully realised, it simply would not be appropriate to jeopardise schools' budgets further in such uncertain times. In addition, there is a lack of detail on how proposals will be implemented which makes them difficult to assess.

Developing the schools NFF to support the directly applied NFF

We plan to consider those elements of schools' NFF funding that are currently based on historic spending at LA level, rather than up-to-date data on costs and needs.

The factors that are currently based on historic spending are elements of school-led 'premises' funding: and specifically, additional funding for PFI schools, for schools with split sites, and for schools which face costs relating to 'exceptional circumstances' (such as rental costs for their premises).

We will consult separately on detailed proposals on how we could do this in due course – but we would welcome feedback to inform this thinking at an early stage. These are complex areas of the schools NFF that will require careful consideration with stakeholders – any changes would be introduced from 2023-24 at the earliest (or, as noted below, 2024-25 in the case of PFI).

Premises: PFI

LAs apply their own methodology for the PFI factor for schools in their area, and we fund LAs based on actual spend on their PFI factor in the previous year, uplifted by RPIX.

In advance of the introduction of the hard NFF, we are exploring how we might reform the funding of the PFI costs that schools face, to ensure that the funding that goes to LAs (and is then passed on to schools) is an accurate reflection of these costs.

We are exploring a more bottom-up funding model, whereby we look at the additional costs that each PFI school incur, as a result of their PFI contracts, and then use this as a basis for our calculation of a PFI factor allocation in the NFF. This 'bottom up' approach would need to consider the overall additional costs that PFI schools can face (including contributions to the unitary charge, the affordability gap, and any other additional premises costs). In order to conduct this review, we anticipate gathering information from LAs on areas including, but not limited to, contracts, PFI reserves and the affordability gap. We have begun engagement with a selection of local authorities to gather more information on how PFI costs are funded in their local formulae, which will inform a separate consultation on the PFI factor in the NFF. This is a particularly complex area, and we do not anticipate changing out approach to funding PFI before 2024-25.

Premises: Exceptional Circumstances

In moving to a hard NFF, we will need to consider how and whether funding for exceptional circumstances should continue be provided to schools, in the absence of LA funding formulae. We plan to consult on this specific issue in due course. In this work we will want to consider which costs that are funded through local 'exceptional circumstances' factor could be met through a formulaic calculation in the NFF, and which are better dealt with through a national application-based system.

Premises: Split Sites

We are considering how we can fund schools on the basis of a formulaic assessment of their additional costs, rather than simply rolling forward the historic spending level. We are exploring an approach whereby we collect data on split site schools, assess the degree to which this status generates additional costs for schools, and construct a formulaic factor, based on this data, accordingly. We will consult on proposals separately.

Question 2: Do you have any comments on how we could reform premises funding during the transition to the directly applied NFF?

PFI factor: each school has its own governing body agreement or school agreement with the local authority that would be complex to mirror within a national factor. There are unique features in each BSF agreement and therefore there could be significant variation even within a local authority area. For example, one of our PFI agreements covers two separate schools that share one building while a second covers two schools that are on different sites across the borough. One agreement includes a swimming pool and athletics track in the complex and the other does not. In addition, the FM services delivered under the agreement can vary, for example catering is not part of our contracts but will be included in others, likewise energy management and consumption costs are included under some contracts and not in others. The application of the PFI factor will be very different in each borough, depending on the scale and nature of the PFI contracts. In addition, the timeframe of the contract can vary between schools, therefore it is difficult to see how this factor could operate as part of a hard NFF. The hard NFF proposals could disproportionately affect authorities and schools with PFI factors and to very different extents. Thought also needs to be given to what happens at the end of BSF contracts, as schools will still have building repair and maintenance liabilities, so they do not face a cliff edge in funding.

We strongly disagree that the proposals to discontinue the exceptional circumstances factor or to operate as a national application-based system. Schools in receipt of this funding receive for genuine reasons relating to additional costs in their school which are beyond their control. In the example presented in an earlier question, the swimming pool situated on their site is of joint use with another school on their premises as well as the general public. The school has little or no control on the level of utility costs associated with the provision and the notion of discontinuing the funds awarded to them seems wholly unreasonable. Without having sight of the proposals to apply a national application-based system, it would be unreasonable to provide further comments, but initial thoughts are that this becomes bureaucratic and places the burden upon the individual schools to claim uncertain funding and there would be no guarantee that the full costs would be awarded to them. This destabilises the funding for schools and significantly increases the risk of schools entering into deficit.

Split Site funding would also need careful consideration, ensuring all the contributing factors for why funds are allocated are included in a national approach for distributing funds.

We would also strongly urge that any changes in funding proposals are evaluated ensuring no school is adversely affected by the change. At a time where schools budgets are, nationally, perilously close to breaking point, moving funds away from schools and adding additional layers of bureaucracy could simply worsen an already delicate position in schools' financial sustainability.

Growth and falling rolls funding

We want, under a hard NFF, to allocate this funding on a fair and consistent basis across all eligible schools. Growth funding and falling rolls funding are key elements of the NFF because schools' budgets are set under a lagged funding system.

The lagged funding system

We have considered whether we should make changes to the lagged system as we move to a hard NFF, for instance basing a school's funding in a given year on the exact number on roll in that year, but we believe that this would be unhelpful for the majority of schools and that the certainty that lagged funding brings is, in general, the best basis for funding to aid financial planning.

The lagged system is also particularly beneficial for schools that experience decreases to their number of pupils because it gives lead-in time for such schools to decide how to amend their spending in response to having fewer pupils. This benefit is likely to become more widely felt given primary pupil numbers are forecast to decrease each year to at least 2027, before this smaller pupil population moves through to secondary schools.

Growth funding and falling rolls funding in the current 'soft' NFF

Funding allocated to local authorities through the NFF's growth factor is not necessarily passed on in full for this purpose. Moving to a hard NFF allows a new, consistent and fair approach to growth funding.

'New and growing' schools are also allocated funding to reflect their expected pupil numbers in the coming year's autumn census. 'New and growing' schools are those that have opened in the previous seven years (primaries) or five years (secondaries) and are still adding year groups.

At present, academy trusts provide the ESFA with an estimate of their pupil numbers for the coming year, which is then used to calculate their funding allocation, outside the main NFF and local funding formulae system.

'Falling rolls' funding also provides specific schools with additional revenue funding. Falling rolls funding is not provided where decreases to pupil numbers are not significant, or increased demand for school places in future cannot be evidenced. The hard NFF provides an opportunity to make the allocation of falling rolls funding consistent and fair across all eligible schools.

We propose that, when a hard NFF is implemented, funding for growth, new and growing schools, and falling rolls will still be allocated, as these will all continue to be important parts of the lagged funding system. However, the method through which this funding is allocated should change – moving to a new, national approach.

Proposed changes to growth funding, and new and growing schools

We propose the following:

- Collecting forecast pupil numbers in maintained schools and academies that are growing to meet basic need (from local authorities) and collecting forecast growth for new and growing schools (from academy trusts).
 - Collecting data on growth to meet basic need from local authorities is important because it is local authorities who have a legal duty to ensure a sufficient number of school places.
 - Collecting data on new and growing schools from academy trusts mirrors what is currently in place, which we do not see reason to change.
- Using national, standardised criteria to determine which schools are eligible for funding. The main criterion would involve the size of the forecast growth, to ensure that additional funding is only allocated where growth is significant. Where growth is not significant, we would expect schools to manage within the funding allocations on the basis of lagged data until the following year in which budgets will increase, to reflect the higher pupil numbers
- Factoring this funding into schools' core, NFF allocations, where growth is significant enough to meet the national criteria
- Standardising the amount that eligible schools receive. We would look to spend broadly the same proportion of the total Schools Block on growth as at present, adjusted to reflect the level of growth that is forecast when the hard NFF is introduced, and in subsequent years

Funding would be subject to an adjustment process, similar to that currently used for new and growing schools. We would use the in-year autumn census to check the amount of growth that actually materialised in schools and adjust or recoup overpayments in the following year, if necessary. We would not expect to make adjustments in cases where pupil numbers fell slightly short of forecasts. We will seek to design an adjustment process that recognises the inherent uncertainty in forecasts, and that schools may face similar levels of additional cost where an extra class was required but fewer pupils

than forecast actually materialised, but one that ultimately helps to ensure that funding is directed where there is greatest need.

We would have one additional data collection point beyond the publication of the NFF each year, for local authorities to be able to provide us with information on growing schools that it was not possible to confirm until then. We would make adjustments to schools' core NFF allocations that have already been published in these cases.

Proposed changes to falling rolls funding

We propose:

- Requesting that local authorities inform us which schools are forecast to see a significant decrease to their number on roll in the coming year and provide us with data to demonstrate that their spare capacity is likely to be needed within the next three years
- Only provide this funding where schools had already experienced at least one year's decrease to their number on roll, in addition to the forecast decrease in the coming year. Schools should otherwise adjust budgets using the planning time afforded by the lagged system
- Continuing to provide this funding only to schools with a Good or Outstanding grade at their most recent Ofsted inspection.
- Similarly to growth funding, standardising the amount that schools eligible for falling rolls funding receive, and factor this funding into schools' core NFF allocations

Popular growth funding

Not all growth in schools is to meet basic need. Growth can also occur where a school becomes more popular with parents and children locally. Just as with schools experiencing basic need growth, we provide schools experiencing significant growth in pupil numbers due to increased popularity with additional funding to reflect their increased costs.

At present, this funding is available for academies with significant forecast growth in pupil numbers. The process for allocating this funding operates in the same way as funding for 'new and growing schools', that is academies that are entitled to this funding provide us with an estimate for their number of pupils in the coming year, which we provide funding for subject to an adjustment process based on the actual, in-year autumn census. Agreements are made on a case-by-case application basis at academy trust level.

We do not think we can mirror the proposed approach for basic need revenue growth funding under a hard NFF, where growth funding is automatically provided based on forecasts ahead of the coming year, because it is inherently more difficult to accurately forecast which schools will see such an increase in popularity.

Instead, for popular growth funding we propose:

- Making funding available for schools which have seen an increase in popularity, after being recently sponsored by a multi-academy trust which has improved the school's performance. This funding would, therefore, remain targeted at academies, rather than all schools – to reflect the unique role that academy trusts have in turning around previously under-performing schools.
- Making the amount of funding consistent with basic need growth funding allocations

Question 3: Do you agree with our proposal to use national, standardised criteria to allocate all aspects of growth and falling rolls funding?

The consultation does not specify what / how national, standardised criteria will work other than funding for 'significant' growth, which is also undefined. Similarly, for falling rolls, the details behind the proposals are vague and do not specify the standardising amount that will be used when allocating funds. Therefore, we disagree with the proposals until further information is provided.

Question 4: Do you have any comments on our proposed approach to growth and falling rolls funding?

Growth: It is not clear from the proposals how the DfE will define 'significant' increases, and therefore, funding attributed to the factor. There is also a concern that whilst there may be a planned increase in one year group, which would under current arrangements, attract growth funding, under the new proposals, if there is growth in one year group but a reduction in numbers in other years groups, the funding for growth could be clawed back. This would mean schools could not properly forecast future funding nor plan their staffing structure to meet the needs of the growing classes / year groups. How are the DfE defining 'fell slightly short of' when referring to funding adjustments – this would need to be advised before a thorough response can be provided.

It is also not clear when the additional collection point would be or whether once collected, LAs / schools will be informed of increased funding. Schools will need to know ahead of their annual budget setting cycle to ensure funding is accounted for. Will the DfE, for example, fund based on the number of increased pupils submitted by the LA, or will there be a cap?

Falling Rolls: Definition of 'significant decrease' in roll numbers is required to respond to this question in full. We strongly disagree with the proposal that LAs will need to demonstrate that spare capacity is likely to be needed in the next three years – this time period is far too short. The immediate and long-term effects of the Pandemic and Brexit are yet to be fully realised; anecdotally we are aware that families are beginning to move away from inner London which is likely to result in fewer children entering our schools, this coupled with a lower birth rate and the Brexit effect will all impact on reduced roll numbers but at this stage, the data is not available to show a robust forecast in future pupil numbers. At a time of particular uncertainty in schools rolls and budgets, it is imperative that we support our schools during this period and apply a sufficient level of support ensuring longer-term sustainability.

Any additional burdens for local authorities arising from the change in growth funding including additional data collation and presentation will need to be funded.

We strongly disagree with the notion that popular school growth applies to academies only. In Islington, we have 20% of our primary schools that have an Outstanding Ofsted rating and 50% of our secondary schools. The notion that parents are only attracted to academies is unquantified within the consultation and in spirit of being fair, transparent and equitable, any funding adjustments related to popularity growth should be distributed to maintained schools and academies alike. We have popular growth in both maintained and academy schools and it would be unreasonable to fund only one sector

Next steps for the transition to the directly applied NFF for schools

We propose to gradually move LA formulae closer to the NFF, in advance of moving to a fully hard NFF. It will also smooth the transition to a hard NFF for schools, by avoiding a cliff edge between the current soft NFF and a hard NFF. Moving LA formulae closer to the NFF in advance of the hard formula will mitigate against this.

We think it important initially to take a gradual approach. Given the complexity of the task to move to a hard NFF. It is right that we take a careful, measured approach. We propose requiring a limited initial movement of LA formulae closer to the NFF in 2023-24, while continuing to protect schools against cash-terms losses per pupil. We will then take stock, and consider the impact of this movement, before taking the next step. We are confident that we should move to a fully hard NFF, to realise the benefits that we have set out in this consultation; but the path to a hard NFF, and the pace at which we move along it, should be informed by ongoing feedback as we proceed. Our proposals will mean no new restrictions on LA formulae for 2022-23.

From 2023-24, we propose that all LAs should be obliged to use each of the NFF factors in its local formulae, and only those factors (which would mean that LAs would no longer be able to use a 'looked after children' factor in their formulae). The exception to this will be any NFF factors that are significantly reformed in 2023-24 – as set out earlier we aim to develop a new formulaic approach to premises factors. To smooth the transition to these newly 'formularised' factors, they would not be compulsory in

the first year that they are introduced – but we would look to bring them in line with other compulsory factors later in the process of moving to a hard NFF.

The other important aspect in ensuring a smooth transition to the hard NFF will be to move the cash values assigned to each factor in local formulae closer to the NFF values. To accommodate these differences, we propose that each LA will be required to move their local factors closer to the NFF in a first step that is equal, for all LAs, in percentage terms. Our proposals would simply set a minimum degree of movement towards the NFF in 2023-24.

Proposals

We propose that, in 2023-24, we would require each LA to bring each of its local formula factors at least 10% closer to the NFF factor value, compared to how far the factor was from the NFF value in 2022-23. Any premises factors which are allocated according to a newly formulaic basis, as opposed to historic spending, in the NFF in 2023-24 would be exempt from these requirements.

We think that an initial 10% movement strikes the right balance of being a careful step which will avoid widespread turbulence in schools budgets, while being significant enough that it allows us to test the impact of moving to a hard NFF, and take an informed decision on how quickly we should move to a hard NFF thereafter.

Some schools will gain as a result of local funding formulae moving closer to the NFF – while others will be protected from cash-terms losses in their per-pupil funding by the Minimum Funding Guarantees (MFGs) within local formulae. These protections will remain in place as we move towards a hard NFF.

We will monitor the impact of our proposed initial step in 2023-24 before deciding the next steps to take to further harden the formula in subsequent years. After an initial 10% movement closer to the NFF in 2023-24, and subject to the impact of this movement, we aim to move at least 15% closer to the NFF in 2024-25 and at least 20% closer in 2025-26.

A faster pace of change – such as an initial 25% movement – would allow us to more quickly understand the effect of a hard formula on school budgets and would help schools to realise the benefits of more consistent and fair funding sooner. This faster pace of change would, however, inevitably mean a greater degree of turbulence for school budgets in the transitional years.

In our proposal, the same rate of movement towards the NFF would be required of each LA, and of each formula factor. In the absence of general patterns, a simple common approach to all factors is our starting point. We would provide each LA with a table to specify the range that its local formulae factors must be within for 2023-24 (and each subsequent transitional year). Importantly, this means that we would not be requiring LAs to move to the NFF as it currently is – but rather to move closer to the NFF as it develops in the years preceding the hard NFF.

We would set a threshold, such that if LAs are very close to the NFF, they should be classed as ‘mirroring’ the NFF and no further movement towards the NFF would be required. Currently, we class LAs which have local factor values within 1% of the respective NFF values as ‘mirroring’ the NFF.

Question 5: Do you agree that, in 2023-24, each LA should be required to use each of the NFF factors (with the exception of any significantly reformed factors) in its local formulae?

It is reasonable to request LAs to use each of the permissible factors within their local formula as this would provide some level of consistency across the country, but it is not necessarily reasonable for all LAs to apply the same of level of funding (excl. ACA). It is important for LAs to retain some level of local flexibility to ensure funding is directed to where it is most needed and responding to local emerging needs. A Hard NFF would not be able to respond in the same effective way as LAs are able to do so.

Question 6: Do you agree that all LA formulae, except those that already ‘mirroring’ the NFF, should be required to move closer to the NFF from 2023-24, in order to smooth the transition to the hard NFF for schools?

The concept of moving to a Hard NFF would indicate the need to move towards the formula factors and values. However, we strongly believe the needs of the children are best known locally and funding formulae should reflect local need rather than a one-size fits all policy.

There is a wider concern in Islington that once the Hard NFF is introduced, the Minimum Funding Guarantee protection will no longer apply. There are many schools that are protected through this additional ‘factor’ but if that were to cease, how would the DfE guarantee there would be no cliff-edge in a school's year-on-year budget? Schools would need the guarantee from the DfE that the funding floor proposal is calculated in the same way as the MFG, ensuring every school's cash per pupil is protected beyond the introduction of a Hard NFF.

In addition, the current level of funding attributed to each formula factor is not keeping pace with the external pressures of spend, this is compounded further by the increased number of SEND children in schools and schools simply cannot apply the appropriate level of resource to meet the needs of the child. Until the Government resolves this, and the long-awaited SEND Review is published, the pressures on schools' budgets will simply increase. The funding across both Schools Block and High Needs block needs to be evaluated and schools to receive the appropriate funding to educate all children fairly.

Question 7: Do you agree that LA formulae factor values should move 10% closer to the NFF, compared with their distance from the NFF in 2022-23? If you do not agree, can you please explain why?

The concept of moving to a Hard NFF would indicate the need to move towards the formula factors and values. However, we strongly believe the needs of the children are best known locally and funding formulae should reflect local need rather than a one-size fits all policy.

Question 8: As we would not require LAs to move closer to the NFF if their local formulae were already very close to the NFF, do you have any comments on the appropriate threshold level?

As an LA who has moved fully to mirror the NFF, we would suggest a slow and gradual approach to transition remaining LAs. A 10% movement in the first year would appear reasonable but a significant change in the lump sum factor in some LAs could cause turbulence in one-form entry, and one-form entry faith schools in particular.

MFGs prevent schools from excessive year-on-year changes in cash per-pupil terms as a result of the transition towards the NFF. In 2021-22, LAs must set an MFG that is no higher than the level of the NFF funding floor, and no lower than 1.5 percentage points below the floor (that is between 0.5% and 2%). In the second stage of our consultation on the hard NFF, we will seek feedback on whether, as a result of requiring LA formulae to move closer to the NFF from 2023-24, we should also allow LAs greater flexibilities over the level of MFG. Our aim is that the protections should continue to ensure that no school will see a cash-terms loss in per-pupil funding, as a result of the move towards a hard NFF.

We propose that under our approach to bring LA formulae closer to the NFF all LAs would need to use the NFF's ‘EAL3’ measure from 2023-24, in which pupils attract this funding if they are recorded on the census as having entered state education in England during the last three years.

Question 9: Do you agree that the additional flexibility for LAs in the EAL factor, relating to how many years a pupil has been in the school system, should be removed from 2023-24?

As an LA that has fully replicated the NFF, we would agree that EAL3 is the best indicator of need for pupils who have English as an Additional Language. However, we do not believe that this goes far enough. A child entering the system in year 7 would only receive additional funds until the end of year

9, meaning no additional resource can be applied at a time when it is most needed to them, exams. For a pupil entering secondary school in year 9, it should be a local decision to apply funding over and above the current factor values, ensuring the funds are directed to the needs of the child. It would be more beneficial if the funds remain with the child until the end of the school phase they are in after the three years has been applied.

Question 10: Do you agree that the additional flexibilities relating to the sparsity factor should remain in place for 2023-24?

n/a

4. Completing our funding reforms within a school-led system

MATs' pooling of their funding

The move towards a hard NFF does not alter the key benefits that MAT pooling can bring. A significant benefit of moving towards a hard NFF is that it will ensure all schools within an academy trust are funded on a consistent and equitable basis, providing greater certainty and predictability of funding to support trusts' school improvement work. This will remain as we move to a hard NFF and continue once the transition to a hard formula is complete.

We do not see a role for any equivalent to MAT pooling in other part of the education system. The government's long-term ambition is that all schools should ultimately be part of strong academy trusts.

Central school services

Ongoing services that are delivered centrally fit into three broad categories:

- Local authorities' ongoing responsibilities for all schools – both maintained and academies (for example relating to admissions, or monitoring school attendance). These are funded from the ongoing responsibilities element of the Central Schools Services Block (CSSB) that is paid to LAs in the Dedicated Schools Grant (DSG).
- De-delegated central functions for schools that local authorities and MATs are responsible for. These functions are generally funded through local authorities or MATs top-slicing school budgets.
- Optional traded services for all schools

Moving towards a hard NFF creates a strong case for change in how funding for central school services should work. The role that LAs currently have in the school funding landscape will change as we move towards a hard NFF, leaving them with less flexibility to determine how the remaining DSG allocated to them is used. Our proposals aim to bring more consistency across the country, reflecting these changing roles to support a more school-based system that allows schools maximum control over their funding.

Ongoing central school services

In our review of central school services, we will review which services best sit within each of the three categories and whether there is scope for us to set out a clearer list of services to be funded centrally, alongside a greater move towards de-delegated and traded services. Our intention is for this consultation to be followed by a more technical consultation on the future of central school services covering these issues.

We would continue to fund statutory responsibilities that local authorities hold for all schools centrally (for example some admissions duties).

One non-statutory area that we will wish to treat separately is the existing scheme whereby DfE purchases centrally copyright licences for all state-funded schools and LAs act as local agents for the

scheme. We do not intend to change it. We will, if necessary, include funding for the copyright licence scheme in the schools block in the same way as growth funding.

It is possible that, after reviewing central school services, there may be a decrease in services remaining with the LA that are centrally funded with more services de delegated or traded. Under such a scenario we would consider whether the local authorities' funding for those should become part of MHCLG's Local Government Finance Settlement (LGFS) rather than a reduced CSSB block. This could provide helpful flexibility to LAs, if particularly if the simple distribution methodology used for the CSSB formula does not accurately match their need to spend.

Question 11: are there any comments you wish to make on the proposals we have made regarding ongoing central school services, including on whether in the future central school services funding could move to LGFS?

If funding for CSSB services is to be transferred to the LGFS this must be done on an open and transparent basis. Our concern is that funding moved from the CSSB will become diluted should it be included within the LGFS. At a time where both schools and LAs are facing financial issues, it is essential that the same level of funding is, at least, transferred. Furthermore, the current restrictions on funding within the CSSB has meant the funds retained have not kept pace with the spend pressures. The existing funding allocations would need to be assessed to ensure LAs are not subsidising the true cost of provision from their own resources. It is concerning that there may be a further reduction of services that can be funded from CSSB funding under these proposals. As a relatively small local authority it is challenging to offer traded services on a sustainable basis to school that are currently funded through the CSSB.

We do not support the proposal to continue to allow MATS to pool allocations, whilst removing any local flexibility to pool resources amongst maintained schools. Local authorities retain statutory duties around school improvement, and therefore have a significant ongoing role in driving up underperformance, along similar lines to MATs. They can benefit from the economies of scale of pooling resources in the same way as MATs and have established federations of maintained schools in many areas with unifying structures to support local schools. We would like to see a consistent approach to the school funding system for all schools, irrespective of their structure.

Funding for historic commitments under a direct NFF

We propose that the department fully removes the remaining funding for historic commitments by the time the hard NFF is introduced, as part of making funding fairer and in line with previously stated intentions. We propose replacing funding for unavoidable legacy payments (those for termination of employment costs and prudential borrowing) that some LAs will still be tied into, with a separate legacy grant.

Question 12: Do you agree with the proposal for a legacy grant to replace funding for unavoidable termination of employment and prudential borrowing costs? We will also invite further evidence on this at a later stage.

This would appear to be a reasonable response to the reduction in funding.

Supporting effective SEND provision

This provides an opportunity to make funding to support SEND provision in mainstream schools fairer, more consistent, simpler, more transparent and more efficient and predictable. The recommendations of the SEND Review will have important implications for how support for pupils with SEND is delivered and funded, including in mainstream schools. We recognise that there will need to be further consultation in the future on how the move to a hard formula can best support and deliver the specific recommendations coming out of the SEND Review. We anticipate that this will form part of our second stage consultation on the hard formula. As set out, we will consult further on this crucial element of the overall funding system for schools in more detail, in the light of the SEND Review outcomes.

Funding mainstream schools' responsibilities for SEND within a hard formula

Specifically for SEND, currently measures of deprivation and low prior attainment act as the strongest proxy measures in the NFF for the number of children with SEND in a mainstream school. The move to a hard NFF will ensure that this funding to help schools support children with SEND is distributed consistently between schools across the country. A hard formula can deliver a level playing field, in which all schools receive funding on a consistent basis through the NFF to meet the needs of pupils with SEND.

We intend to continue to include all the additional needs factors currently used within the national formula, as we move to a hard formula. It will be important to review the proxies used in the NFF to make sure that they continue to reflect the relative prevalence of additional needs. We plan that this review will follow the conclusion of the SEND Review, in order to take account of any recommendations from the review on the role of mainstream schools in SEND provision.

Mainstream schools as part of a strong local SEND system

At a system level, one way in which the relationship between mainstream school provision, demand for EHCPs, and the resulting pressure on LAs' high needs budget has been managed is through the flexibility that LAs have had to move funding from the mainstream schools funding block to their high needs budget. With Schools forum agreement, the LA may transfer up to 0.5% of its schools block funding to its high needs budget. However, this does not tackle the underlying causes of a mismatch between a local authority's high needs budget and its high needs spending and it does not represent a sustainable long-term solution.

A key part of the hard formula is that individual schools' funding is allocated on a consistent basis and is not subject to further adjustment through a formula designed by the LA. Continuing with an approach where LAs could continue to move funding out of the schools funding block, and therefore reduce individual school allocations under the NFF, would not enable schools to see the benefits of the hard formula.

The department is currently working to address these pressures on high needs budgets. Last year the department commenced an intervention programme working with the LAs with the highest DSG deficits, supporting them to reform their high needs systems and associated spending to make it more sustainable. We will shortly publish a commentary on that programme to date, with recommendations that LAs could consider in tackling their own DSG deficits. A central aim of the SEND Review is to make recommendations that will tackle the underlying causes of costs pressures in the high needs system and lead to a more financially sustainable system in the longer-term.

Following the recommendations from the SEND Review, future consultations will consider whether a new mechanism, in place of the current block transfers, and which is consistent with a hard NFF, needs to be developed for situations in which LAs continue to face significant, unavoidable, pressures on their high needs spending. Future consultations will also consider any changes to how mainstream schools receive high needs funding, and to the future of notional SEN budgets, in the light of recommendations from the SEND Review.

Local and national decision-making

In the long term, the introduction of a hard NFF will change the role of schools forums in some important ways, but not remove the need for a local forum to facilitate the engagement of schools and other providers in decisions and consultation on local matters.

Once a hard NFF is fully implemented, some of schools forums' powers and responsibilities will no longer apply. Under a hard NFF, there will no longer be local funding formulae for mainstream schools – and so schools forums' role in being consulted on such formulae will clearly fall away. As we propose to move to a national approach to funding schools with significant pupil growth, then the role of schools forums on this issue will likewise no longer apply. Under our proposals, transfers from the schools block

to other funding blocks (such as high needs) will no longer be possible under a hard NFF – again, as a consequence, the current role for schools forums in deciding such transfers will no longer apply.

Schools forums will change, it will continue to play an important part in local decision making and stakeholder engagement. The move to a hard NFF does not have an impact on schools forums' existing roles in relation to early years funding. LAs would continue to have a role in providing central services to schools under a hard NFF – and schools forums should have a continued role in decisions over the funding for these services. Schools' forums also have an important role in relation to high needs funding – for example, they must be consulted by the LA on arrangements for the education of children and young people with SEN and those who require alternative provision, including the places to be commissioned by the LA, and the arrangements for paying top up funding to schools and other providers.

We plan to conduct a wider review of the role of schools forums as we progress with the introduction of the hard NFF, and following decisions on the future of the SEND system. This wider review will consider the rules around the membership and structure of schools forums, to consider whether these remain appropriate in light of the direct changes as a result of the move to a hard NFF, and any new responsibilities that schools forums take on.

The table at annex A summarises which of schools forums' responsibilities and powers will no longer apply following the introduction of a hard NFF, and which will be maintained.

A consistent funding year

Maintained schools and academies are currently funded on different cycles: the April to March financial year for maintained schools, and the September to August academic year for academies. This dates back to the initial introduction of academies, who preferred funding to be allocated on an academic year basis which coincided with their business cycle.

This difference between the funding cycles means that, at a pre-16 level, maintained schools and academies are likely to be receiving different funding amounts for 5 months of a year, despite having otherwise the same characteristics. This does not align fully with the intention of moving to a hard NFF - that schools with the same characteristics should receive the same amount of funding.

Most schools plan their staffing, spending and curriculum on an academic year basis. This means that the profile of funding – the way that a maintained school's income changes during the year – does not reflect the profile along which maintained schools plan and make their spending commitments. Most importantly, changes to the single most significant element of any school's budget - teachers' pay - take effect from the start of the academic year, rather than the start of the financial year. We are therefore interested in whether there is a case to move to funding maintained schools on an academic year basis.

We are aware that moving maintained schools to being funded on an academic year basis would have the potential to cause some complications with accounting and financial reporting. This is because the financial reporting cycle would differ from the funding cycle, with the financial reporting cycle remaining on a financial year basis in line with the reporting cycles of other funding streams local authorities work with.

As we move to a hard NFF, we want to explore the pros and cons of setting funding allocations for both academy and maintained schools, on a consistent academic year basis. Maintained schools would be expected to account for their funding on a financial year basis (in each financial year, accounting for the last 7 months' funding from one academic year, and the first 5 months' funding from the next). This would remove the need for maintained schools to account for their funding twice a year. It is important to note that local authorities, as well as many secondary schools, will have already dealt with issues similar to this in relation to their funding for post-16 provision.

We are therefore using this consultation to understand the appetite for a change in funding year for maintained schools, from a financial year to an academic year, as part of the shift towards a hard formula.

Question 13: How strongly do you feel that we should further investigate the possibility of moving maintained schools to being funded on an academic year basis?

We are strongly opposed to the proposal of funding maintained schools on an academic year. The accounting challenges for both LAs and schools are massive. For schools to have split their accounting on 5/12 and 7/12ths would be really complicated and cause more work for schools (as they will still need to provide financial year info to LA) and LAs. A new burden with additional unnecessary bureaucracy and very challenging, although could benefit schools. This will in effect create two separate year ends for local authorities and schools and will create a significant new burden for schools and local authorities alike.

Question 14: Are there any advantages or drawbacks to moving maintained schools to being funded on an academic year basis that you feel we should be aware of?

We strongly disagree with the proposal of funding maintained schools on an academic year. The accounting challenges for both LAs and schools are massive. For schools to have split their accounting on 5/12 and 7/12ths would be really complicated and cause more work for schools (as they will still need to provide financial year info to LA) and LAs. New burden with additional unnecessary bureaucracy and very challenging, although could benefit schools. This will in effect create two separate year ends for local authorities and schools and will create a significant new burden for schools and local authorities alike.

Question 15: Please provide any information that you consider we should take into account in assessing the equalities impact of the proposals for change.

The impact of fully introducing a Hard NFF, without any local flexibility could have a direct impact on one-form entry and faith schools, who are already under financial pressure.

Question 16: Are there any further comments that you wish to make about our proposed move to complete the reforms to the NFF?

As noted throughout the document, there are to be subsequent consultations during the transition. The main comments Islington would want to make are with regards to funding schools at an appropriate level which doesn't have a negative impact on a child's education. The level of funding is such that many schools are facing funding pressures in the next 2-3 years and unless sufficient funding is added to the education system to address these issues, schools will become unsustainable and will have a direct impact on a child's level of education. Most notably, the delay in publishing the SEND Review has had a serious impact on a school's ability to provide a high level of education for all children as increased Schools Block funding is directed to children with SEND, taking resources away from supporting all children. Schools are at crisis point with increasing numbers of SEND children with much more complex needs, falling rolls and not yet understanding the full impact of COVID and Brexit, as well as ever-increasing costs, funding simply is not keeping pace with the demands.

We have welcomed the Minimum Funding Guarantee that was introduced with the NFF but are concerned about the ongoing impact on London's schools of the Government's levelling up agenda. We would not support the government in deleting the MFG as this would have a significant impact on already unstable balances in schools, rather, we would encourage the government to level up funding for every school that generates a sustainable school budget for the longer term.

We would encourage the government to give all schools access to the same freedoms and flexibilities that they are proposing for academies in the consultation document, e.g., we disagree to allow only academies to access popular growth funding. Similarly, local authorities or federated groups of maintained schools could equally benefit from the economies of scale that pooling funding enables. By not giving all schools access to the same flexibilities there will be an inconsistency in the system.

Furthermore, the Early Years block has not been considered throughout this consultation. The Early Years sector are also facing significant pressures in their budgets, heightened by the effects of the

pandemic. And, whilst we welcomed the continuation of the Maintained Nursery Supplement for 2021-22, the longer-term strategy behind future funding proposals of this factor have not been announced. This places a greater uncertainty on the sustainability of nursery schools in particular.

We note that Special Schools are not mentioned throughout the consultation document and ask whether this will be included within the SEND Review? We stress again the need for this to be published as it is unfeasible to respond on such a major change to schools' future finances without understanding the full impact of the Review.

For LAs to fully understand the proposals and funding implications, we would urge the government to consider all four funding blocks in its review.

We are also concerned about potential changes to responsibilities of School Forum. Currently, Forum play an active role in determining how best to allocate funds across the community of schools. As we move towards a Hard NFF, Forum will play much less of a role and essentially loses its voice on key aspects such as central retention and de-delegated services. Forum will be unable to react to locally emerging issues in a way that is fair and equitable across the schooling landscape.

The closing date for this and the Spending Review consultation is the same, we would question how this consultation will inform future funding proposals noting the lack of a published SEND Review.

Annex A: Proposed changes to schools forum responsibilities

Annex A: Proposed changes to schools forum responsibilities

Function	Current schools forum role (as set out in regulations)	Proposal: remove or retain schools forum role under a hard NFF?
Formula changes, including redistributions	Must be consulted	Remove powers as these relate to the funding formulae for mainstream schools. Retain these powers as they relate to early years and high needs funding.
Movement of up to 0.5% from schools block to other blocks	Decides	Remove
Minimum funding guarantee	Gives a view	Remove – hard NFF will set a single, national funding floor level, replacing local MFGs
Central spend on and the criteria for allocating funding for: <ul style="list-style-type: none"> • Significant pre-16 pupil growth • Falling rolls funding 	Decides	Remove – we propose that we allocate 'growth' funding centrally, replacing local decisions
De-delegation for mainstream schools for example administration of FSM, supply cover staff costs, school improvement (LA intervention), joining RPA	Maintained primary and secondary schools to decide on proposals relating to their phase.	Retain
Central spend on early years block provision		Retain
Central spend on: <ul style="list-style-type: none"> • statutory responsibilities that LAs hold for all schools • remission of boarding fees at maintained schools and academies • places in independent schools for non- SEN pupils • admissions • servicing of schools forums 	Decides	Retain – if the Central School Services Block within the DSG continues under hard NFF (that is if funding is not transferred to the LGFS)
Central spend on: <ul style="list-style-type: none"> • high needs block provision • central licences negotiated by the Secretary of State 	None, but good practice to inform forum	Retain – but we will review how the LA role on central spending on high needs block provision will apply following SEND Review proposals

Function	Current schools forum role (as set out in regulations)	Proposal: remove or retain schools forum role under a hard NFF?
<p>Financial issues relating to:</p> <ul style="list-style-type: none"> • arrangements for pupils with SEN, in particular the places to be commissioned by the LA and schools, and arrangements for paying top-up funding • arrangements for use of PRUs and AP, and arrangements for paying top-up funding • arrangements for early years provision • administration arrangements for allocation of central government grants 	Gives a view	<p>Retain in respect of responsibilities relating to central government grants and early years.</p> <p>Some responsibilities relating to SEN, PRUs and AP likely to still apply – but the details of these responsibilities will depend on policy decisions following the SEND Review.</p>
<ul style="list-style-type: none"> • Central spend on historic commitments. For example prudential borrowing, termination of employment costs, capital expenditure funded from revenue 	Decides on each line	Retain - but a reduced role as we propose (that central funding for historic commitments is gradually removed in advance of introduction of a hard NFF, with a small legacy grant for those LAs with historic commitments that cannot be unwound by the time of the hard NFF implementation.
<ul style="list-style-type: none"> • Contracts (where the LA is proposing to enter a contract to be funded from the schools budget) 	Gives a view	Remove – these arrangements have now been replaced by traded services.

Appendix B – School Forum response

With the exception of the questions below, Schools Forum responses matched those of the Local Authority.

Response to Q13: How strongly do you feel that we should further investigate the possibility of moving maintained schools to being funded on an academic year basis?

Islington Schools Forum supports the idea of moving to academic year funding for maintained schools to bring them in line with budgeting best practice and academies. It would streamline planning, particularly around staffing, which constitutes the largest portion of schools budgets. However, we are aware that academic year funding is out of sync with local authority and government funding years, and we would be concerned if this mismatch put an undue burden on schools in terms of requiring two year-end reconciliations. As the question is phrased, we would support an investigation around the pros and cons of the academic year funding proposition.

Response to Q14: Are there any advantages or drawbacks to moving maintained schools to being funded on an academic year basis that you feel we should be aware of?

As we said in our response to Q13, Islington Schools Forum strongly supports the idea of academic year funding for maintained schools because we think it would simplify budget planning. We would suggest that the experience of academies that have for several years received funding in this way be reviewed as part of the process of making this decision. As we said above, the mismatch in year-ends between academic year and government financial years is a concern, so how academies are handling this would be of interest. It would also be important to ensure that funding decisions were aligned with this new approach to ensure that all schools have enough information in a timely fashion to make informed budgetary decisions.



ISLINGTON SCHOOLS FORUM

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SCHOOLS FORUM

MEETING DATE	21 October 2021
AGENDA ITEM 7	Additional Support to Schools: High Needs
RECOMMENDATIONS	That Schools Forum: a) Notes the report

1 Context

1.1 Funding for SEND is provided to schools in three ways:

1. Element 1: The Age Weighted Pupil Unit (AWPU) –the basic/core sum that all schools receive per child, regardless of their SEN, £4,000 per pupil; this comes from the DSG.
2. Element 2: Additional support funding: Every school receives an additional amount of money to enable them to make special provision for children and young people with SEND. Schools must use this funding to pay for up to £6,000 of special educational provision to meet a child's needs, with the assumption that most children will require support that costs less than £6,000. This also comes from the DSG. We can (and have) set out what we expect schools to provide from this funding, but it is unenforceable.
3. Element 3: Top-up funding – if a student with SEN requires funding over £6,000, then schools (maintained, academies and free schools) can request additional funding from the LA's high needs block. If agreed, the school must use this funding for the individual student. This comes from the High Needs Block.

1.2 When allocating 'top-up' (i.e. element 3) funding, the assumption therefore that this is on top of elements 2 already in that school's budget. (So a top up of £8,700 would mean a total of around £14,700)

1.3 Element 2 is a 'notional' allocation however, based on proxy indicators which do not include any measure of SEND levels in real time. It does not appear as a separately defined amount or budget line within a schools budget allocation. Inevitably, over time and as school budgets have reduced overall, the notional SEND budget has been 'absorbed' within the schools core staffing structures in most schools. This may not be a bad thing if the ultimate goal is an inclusive, personalised system. But where a child may need more individual / personal attention, it has become incrementally more difficult for schools to identify funding within their budgets to supplement the top up allocation as numbers and complexity of need continue to rise. And, for those schools with a higher than average proportion of children with high level need, the challenge is compounded.

2 Current Challenges

2.1 Over forty schools responded to a recent survey as part of our local SEND Review. The main themes coming out of those responses are summarised as follows:

Fairness and equity: There are some strong shared themes in the consultation responses around the need for the LA to ensure all schools take an equitable and fair proportion of children with SEN needs

More rapid access to resources with less bureaucracy: Head teachers concurred with the overall hypothesis in the consultation document that a new approach is needed, with most keen to see a new approach which was less bureaucratic and gave them rapid access to the resources needed to support children. Whilst 86% of schools that responded felt at their limit and unable to support any more children with SEN, two in five felt with the right capacity and resource they could potentially support more children.

ASC, SEMH and Behavioural: ASC, SEMH and behavioural issues are where schools are seeing the biggest increases in need, and where they feel less able to support. Therefore, any new model will need to focus most quickly in supporting children with these needs.

ARP and cluster models: There is more support for ARPs than a cluster approach

Role of special schools: Special schools are highly valued by all head teachers that responded. In the new model, head teachers are keen for special schools to play a role around training, outreach, identifying and sharing best practice and quality assurance. Many head teachers feel that specialist provision also needs to be expanded.

Involvement going forward: The head teachers that responded are very keen to have a role in shaping the SEN review going forward particularly visiting or hearing from models in other LAs and attending panel meetings.

3 **Future Plans**

3.1 Additional funding for the remainder of the financial year will help those schools to maintain their current offer, as well as to address some of the additional challenges that have presented as a consequence of the COVID disruption, including a high level of increased anxiety for children and families (particularly those with ASC / SEMH) and a widening of attainment gaps. The additional funding would effectively supplement the schools Element 2 (i.e. £6k per pupil) allocation.

3.2 It will still be possible for schools in exceptional circumstances to request emergency funding, but we would expect this would be from those schools below the threshold who have not benefitted from the additional funding proposed in this paper.

3.3 For 2022-23, we are looking closely at the model used in Camden LA which delegates a higher level of resource for Element 2 than is recommended by the DfE (up to £11k instead of up to £6k) and also has two pathways for those with complex needs:

- via a statutory assessment
- a direct route for funding via a panel for those who may need more time-limited support (i.e. for a key stage).

N.B. Camden have a low % of children and young people with EHCPs and a low level of SEND appeals.

3.4 The proposals for a new funding model will sit alongside the development of our local offer, with the introduction of Additionally Resourced Provision (ARPs), and an improved offer for those with SEND at school based stages, enhanced by innovation work through Clusters of schools.

3.5 We are also mindful that the government will, at some point, issue a long-promised SEND Green Paper that is likely to address SEND funding as one of the major issues presenting nationally.

4 **Conclusion**

- 4.1 That £313,861 from the High Needs surplus is distributed across those schools with higher than average numbers of children with Education, Health and Care Plans according to a schedule set out as Appendix 1, as a one off payment to cover the remainder of current financial year.
- 4.2 This will relieve immediate pressure reported by this group of schools in particular, while we further develop and consult on a new funding model for the 22-23 financial year that will introduce more flexible and equitable arrangements. For those schools below the 2.66% cut-off¹, but who may have exceptional immediate need, it will still be possible for them to request 'exceptional needs' funding. [NB: We would expect the schools receiving the additional uplift described above to be able to meet need without any further call on exceptional needs funding].

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¹ 2.66% is the average for the proportion of children and young people with EHCPs at primary school; the average for secondary schools is 2.19%.

Appendix 1 – Allocations to Schools

	EHCPE Jan 2021	Over / below average by:	Proposed allocation with £5k minimum
Ambler	2.86%	0.20%	5,000.00
Ashmount	3.40%	0.74%	10,529.00
Blessed Sac	1.16%	-1.50%	
Canonbury	1.98%	-0.68%	
Christ the King	2.36%	-0.30%	
COLAPri	1.00%	-1.66%	
Copenhagen	3.09%	0.43%	6,118.00
Drayton Pk	2.78%	0.12%	5,000.00
Duncombe	3.39%	0.73%	10,387.00
Gillespie	3.38%	0.72%	10,245.00
Grafton	2.47%	-0.19%	
Hanover	1.51%	-1.15%	
Hargrave Park	3.17%	0.51%	7,257.00
Highbury Quad	3.12%	0.46%	6,545.00
Hugh Mydd	1.58%	-1.08%	
Hungerford	6.53%	5.87%	
Montem	2.49%	-0.17%	
Moreland	2.47%	-0.19%	
New North	3.53%	0.87%	12,379.00
Newington Green	0.93%	-1.73%	
Pakeman	0.29%	-2.37%	
Pooles Park	4.11%	1.45%	20,632.00
Prior Weston	3.19%	0.53%	7,541.00
Robert Blair	3.09%	0.43%	6,118.00
Rotherfield	2.12%	-0.54%	
Sacred Heart	2.12%	-0.54%	
St Andrews	2.04%	-0.62%	
St Joan of Arc	1.11%	-1.55%	
St John the Evan	1.37%	-1.29%	
St John's HV	2.87%	0.21%	5,000.00
St John's UH	4.00%	1.34%	19,067.00
St Josephs	1.50%	-1.16%	
St Jude's & St Pt	8.05%	5.39%	76,693.00
St Lukes	3.40%	0.74%	10,529.00
St Marks	2.04%	-0.62%	
St Mary's	1.01%	-1.65%	
St Peters and St	1.78%	-0.88%	
Thornhill	1.93%	-0.73%	
Tufnell Park	3.29%	0.63%	8,964.00
Victoria	1.51%	-1.15%	
Whitehall Park	1.53%	-1.13%	
Winton	4.03%	1.37%	19,493.00
Wm Tyndale	3.36%	0.70%	9,960.00
Yerbury	2.24%	-0.42%	
Total	2.66%	0.00%	257,457.00
AMSI	2.50%	0.31%	5,000.00
Beacon High	4.00%	1.81%	20,998.00
CFS	2.19%	0.00%	5,000.00
COLA HH	2.78%	0.59%	6,845.00
COLA I	3.79%	1.60%	18,561.00
COLA HG	1.99%	-0.20%	
EGA	1.46%	-0.73%	
H Fields	1.14%	-1.05%	
St Aloysius	1.07%	-1.12%	
St MMA	1.01%	-1.18%	
Total	2.19%	4.31%	56,404.00



ISLINGTON SCHOOLS FORUM

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SCHOOLS FORUM

MEETING DATE	21 October 2021
AGENDA ITEM 8	Collaborative School Action Research Projects 2021-2022
RECOMMENDATIONS	That Schools Forum agree to release £199k of funding from the Central School Services Block and a further £51k from the High Needs Block underspend to support collaborative action research projects across Islington schools. This funding will be matched by the Council, creating total funding of £500k.

1. Context and Background

- 1.1. Since the Academy Act in 2010, the educational landscape has significantly altered, creating a mixed market economy of school with different status and different levels of autonomy.
- 1.2. With a growing number of schools either converting to academy status or having to convert as a result of an inspection that has judged them to have serious weaknesses to require special measures, the role of the Local Authority has changed.
- 1.3. However, despite these changes, there are still statutory duties which the Local Authority **has to do** and these are summarised under three key headings below:
 - **Access** – this relates to our 'sufficiency duty' where all children of statutory school age are entitled to education. This duty relates not only to schools but also to the universal childcare offer for all 3- and 4-year olds. What this means is, the Local Authority must ensure that there are sufficient childcare and school places for all children meeting this criteria. This duty also relates to special school places and access to alternative provision for children who either for medical or behavioural reasons are able to access mainstream schools at times.
 - **Quality** – the Local Authority has a duty to drive school improvement so that every school is a 'good' school. In this way, the Local Authority is referred to as the 'champion of the learner'. The Local Authority also has a statutory duty to intervene where maintained schools are not performing, this means providing support to schools that are judged by Ofsted to be in 'special measures' or have 'serious weaknesses'. In Islington, there is a mixed economy of schools with academies, Multi Academy Trusts as well as maintained schools and faith schools. This proposal, therefore, adopts a 'status neutral' approach and is intended to drive educational excellence across all Islington schools and settings, regardless of the 'type' or 'status'.
 - **Outcomes** – within its capacity as 'champion of the learner' the Local Authority has a duty to support the best possible outcomes for all children and young people in Islington. This proposal aims to bring together services, schools and settings to work together to address any barriers to learning through collaboration, research and innovation.

Operating within the context of COVID

- 1.4. In an on-going COVID context, the stubborn issues prevalent in some of our existing challenges will be exacerbated because we know that our most vulnerable communities have been hit hardest by the pandemic. This strengthens the rationale for the revised approach to school effectiveness in Islington because these are issues that cannot be addressed by a school in isolation, they require support from other services and partners. The proposed funding available to schools in partnership will facilitate access to services and partners with expertise that will support our shared commitment to continuous improvement.

Education in Islington

- 1.5. There is much to be proud of with regard to education in Islington for example:
- Ofsted outcomes for schools and settings in all phases are good with a higher than average proportion of outstanding schools.
 - Headline outcomes in all key stages are above national averages (with a slight difference in Early Years)
 - There are some well-established and strong formal and informal school partnerships
 - Local authority children's social care services, including early help, are deemed outstanding by Ofsted
 - There is a strong local authority offer to support cultural enrichment, holiday activities and preparation for work- utilising the cultural and social capital to help bridge the disadvantage gap
 - There is a strong local authority and school commitment to tackle racism and educational inequality
 - Schools and the local authority share high aspirations for our children and communities and a pride in Islington as a place of innovation and excellence.
- 1.6. Nevertheless stubborn educational challenges remain:
- Overall achievement in all key stages remains below the inner London average
 - Achievement gaps persist particularly for disadvantaged children and those from some ethnic groups
 - Persistence Absence is high and has increased further since the pandemic
 - Exclusion rates in both primary and secondary phases remain a focus with some groups over-represented (e.g. children and young people from some ethnic groups and those with special educational needs and/or disabilities)
 - The proportion of children with SEND is increasing
 - The number and proportion of children entitled to FSM is increasing
 - Whilst existing in pockets, schools report that trust and collegiality across all school types in Islington is not well developed
- 1.7. Amongst these challenges are some complex "wicked issues" for which there is often no common view of the either the root of the problem or the solution. These wicked issues in particular cannot be addressed by individual schools.

Strong Local System

- 1.8. The Council is committed to working with schools of all types to build a strong and self- improving local school system. Such a system would be characterised by schools working together to develop localised solutions to common challenges. In some cases these may be approaches which exist elsewhere but which need testing in our specific context before large scale adoption, but we would also want schools to have the freedom to innovate. Action research and small scale testing of new approaches can enable this.

1. Proposal

- 2.1. Islington Council is asking Schools Forum to release £199k of funding from the Central School Services Block (CSSB) and a further £51k from the High Needs Block (HNB) underspend to support collaborative action research projects across Islington schools. This funding will be matched by the Council, creating total funding of £500k. A small amount of the funding (max £20k) will be used to pay a consultant to work with schools on implementing and evaluating the bids.
- 2.2. The CSSB funding of £199k is made up of the £44k underspend from 2020/21 and £155k unallocated funding in the current year. This funding was being held to smooth in future reductions in CSSB funding by the government. The provisional reduction in CSSB funding for 2022/23 is £120k which we will be able to absorb next year without drawing on the £199k because the £155k is an ongoing under-allocation

of CSSB funding. What using this funding will mean is that we will need to make reductions to services / find alternative ways of funding services currently within the CSSB quicker than planned. Future reductions in CSSB funding will start to have an impact on services in 2024/25. If the reduction in CSSB funding in 2022/23 is larger than expected and will have an impact on CSSB services an option would be to transfer some of the high needs balance / underspend into the CSSB. If we were to do this, we would be required to do it in consultation with schools under the Operational Guidance.

- 2.3. The HNB funding of £51k will come from the £1.542m underspend from 2020/21. While Schools Forum does not have specific decision making powers in relation to the HNB this should be done in consultation with Schools.
- 2.4. An extract from the Schools revenue funding 2021 to 2022 operational guidance is in Appendix 1 that details how the proposals fit within the remit of the DSG.
- 2.5. The funding can be drawn down by all schools in Islington to support collaborative projects that will allow schools to explore and evaluate new approaches to tackling intractable challenges which have the potential to be scaled up more widely across Islington.
- 2.6. Projects must be targeted at delivering improvement in one or more of the following challenges:
 - Reducing rates of school exclusion and reducing disproportionality
 - Reducing NEETS,
 - Reducing persistent absence
 - Supporting the progression and inclusion of children with SEND in mainstream settings.
- 2.7. These issues can disproportionately affect children who are known to social care (CIN, CP, CLA), those entitled to FSM and those from some ethnic groups. It is therefore important that all projects work to identify and reduce disproportionality where it exists.
- 2.8. Projects will need to meet the following criteria:
 - Outcomes need to be measurable
 - Schools must work together in groups of 3 -6 (not within existing partnerships)
 - Approaches taken will ideally action research focused and must involve visits and work across the participating schools
 - Projects must not replicate or be based on existing activity that the school is engaged in –e.g. Read, Write Ink
 - Projects must be fully costed. As a rule of thumb the total pot of £500k equates to @£10k per school so projects involving 3 schools should cost no more than £30k up to £60k for a 6 school project

Bidding Timeline

- 2.9. It is proposed that the initial meeting of the School Improvement Board is in November where the criteria and process for bids will be finalised. The first bidding round will open following the November board with an expectation that bids are submitted by the end of the autumn term. Successful bids will be confirmed at the January meeting of the Board with the expectation that an interim report is presented at the March meeting and again in July. Board members will evaluate bids against the agreed criteria.

Governance

- 2.10. Bids will be reviewed against the criteria and approved by the School Improvement Board. Feedback will be provided for unsuccessful bids with a chance to re-apply.

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Appendix 1: Extracts from the Schools revenue funding 2021 to 2022 operational guidance

In a post COVID context, the stubborn issues prevalent in some of our statistics, will be exacerbated because we know that our most vulnerable communities have been hit hardest by the pandemic. This strengthens the rationale for the revised approach to education in Islington because these are issues that cannot be addressed by school in isolation, they require support from other services and partners. The funding available to schools will facilitate this access to services and partners with expertise that will support schools to. The operational guidance for the different elements of the DSG make clear the remit for spend for each of the funding blocks.

The operational guidance for the Central Schools Services Block (CSSB) includes the following under the heading 'Statutory and regulatory duties' for all schools:

- Planning for the education service as a whole
- Plans involving collaboration with other LA services or public or voluntary bodies

Under the sub heading of 'Education welfare':

- Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils
- School attendance

The guidance supports the objectives set out within this proposal and therefore, schools forum is asked to support the use of £199k from the CSSB to add to the 250k already pledged by the Council.

In addition to this, to match fund, the Council's £250k and bring the total funding available to £500k, schools forum are asked to support a sum of £51k from the high needs block, this is consistent with the objectives of the High Needs Block (HNB) as this will specifically support the rising numbers of children and young people impacted by the pandemic that are now evidenced in a surge in EHCP referrals and rises in ASC and SEMH. Although, we have some fantastic practice across our schools to support children and young people with SEND, evidenced in the numbers of children with an EHCP in our mainstream schools, we know that these CYP are disproportionately represented in our exclusion rates and in our alternative provision. The operational guidance for the HNB below makes clear that the objectives set out within this report are consistent with the objectives of the proposed new approach.

While the majority of a local authority's high needs budget is spent on place and top-up funding for institutions, local authorities can also use high needs funding to provide additional or targeted support for children and young people with special educational needs and disabilities (SEND), as permitted under schedule 2 to the School and Early Years Finance Regulations. This can take the form of additional funding to institutions, which may be paid on the basis of a service level agreement, or access to specialist services or expertise commissioned by the local authority.

Such support can play an important role in enabling mainstream schools and colleges to meet a wider range of special educational needs and supports the presumption in law that children and young people should be educated in mainstream provision, unless their special educational needs require more specialist provision.



ISLINGTON SCHOOLS FORUM

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SCHOOLS FORUM

MEETING DATE	21 October 2021
AGENDA ITEM 9	Schools Forum Best Practice
RECOMMENDATIONS	That Forum discuss recommendations for improving the management of Schools Forum and the Terms of Reference in line with DfE Best Practice Guidance.

1. Current Terms of Reference

Forum are asked to note the current Terms of Reference for Islington Schools Forum attached.

2. DfE Guidance

Forum are asked to note the following guidance documents from the DfE:

- [Schools Forum Operational and Good Practice Guide March 2021](#)
- [Schools Forum Powers and Responsibilities](#)
- [Schools Forum Structure](#)
- [Schools Forum Self-Assessment Checklist](#)

3. Recommended improvements

3.1. At a meeting of AM-L, CM, ME, AC, TP, DS and JW on 4 October, the following actions were provisionally agreed to improve the efficiency of Schools Forum:

- Add link to webpage to agendas and minutes. This is the [link](#) to the page with the documents (including the draft minutes).
- Draft minutes to go to the Chair once DS and TP have done initial check.
- Chair and two vice-chairs to summarise decisions in the minutes and the clerk then to publish this on Schools Bulletin.
- Aiming for draft minutes to be published 10 days after the meeting – on the Islington Schools Forum web page and Governor Hub account for Schools Forum.
- Suggested structure of agenda – spending more time on items requiring a decision:
 - Items for decision in current financial year
 - Items for noting in current financial year
 - Items for decision in future financial year/s
 - Items for noting in future financial year/s.
- Aiming for papers to go out six working days before meeting and in one pdf document
- Committees needing to be minuted
- Chairs' group – AM-L, ME and CM meeting with DS before full Forum meetings to go through agenda / papers.
- Completion of setting up of GovernorHub account for Schools Forum.

3.2. Forum to discuss the actions above and make further suggestions for improving the efficiency of Schools Forum and for amending the Terms of Reference.

Contact:

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ISLINGTON SCHOOLS FORUM

Chair: Abi Misselbrook-Lovejoy
c/o Governor Services
222 Upper Street
London N1 1XR

SCHOOL FORUM

MEETING DATE	21 October 2021
AGENDA ITEM 10	Forward Planning
RECOMMENDATIONS	That Schools Forum: a) Notes the updates and provide comments

1 Forward planning

- 1.1 The purpose of this report is to provide the foundation of a future work plan for Schools Forum meetings for the 2021-22 financial year and be updated on a rolling 12-month period.
- 1.2 The report presented to Schools' Forum in July has been updated to reflect changes that have since emerged.
- 1.3 The table in appendix A provides the updated work plan and includes an additional notes column to enable recognised changes.
- 1.4 Listed within the work plan are suggested standing items, these will be presented either via a written or oral report, dependant on the need for the meeting.

2 Recommendations

- 2.1 It is recommended that Schools Forum note the updated work plan and provide comments.

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APPENDIX A – School Forum: Work plan

Standing Items: Declaration of Interest
 Forum Composition
 Forum Forward Planning
 Sub Group Updates
 School Organisation – Strategic Overview

Financial Year	Agenda Item	Information & To Note / Comments & views / Decision	Notes
October 21	DSG Budget Monitor (in year)	Information & To note	
	School Funding Arrangements, Consultation results (future year)	Decision	
	School Funding Consultation: DfE	Information & To note	
	Additional support to schools: High Needs	Information & To note	NEW
	Collaboration Project	Discussion	NEW
	Schools Forum Best Practice	Discussion	NEW
November 21	DSG projected allocations (future year)	Information & To note	
	School Funding Consultation: Results (future year)	Decision	Moved to Oct
	Growth / Falling Rolls proposals (future year)	Comments & views	
	Central School Services Block - recalculations of apportionment	Decision	Moved from Oct
	DSG Central Retention & De-delegated benchmarking	Discussion	Moved from Oct
January 22	DSG Budget Monitor (in year)	Information & To note	
	DSG Settlement (future year)	Information & To note	
	Growth / Falling Rolls proposals (future year)	Decision	
	School Funding Formula (future year)	Decision	
	School Central Retention (future year)	Decision	
	Early Years Funding Formula (future year)	Decision	
May 22	School Balances (DRAFT - prior year)	Information & To note	
	DSG Outturn (DRAFT: prior year)	Information & To note	
	High Needs Places	Decision	
	Scheme for Financing Schools	Comments & Views	Dependent on DfE release of scheme
July 21	School Balances (FINAL - prior year)	Information & To note	
	DSG Outturn (FINAL: prior year)	Information & To note	
	DSG Allocations (in year)	Information & To note	
	Scheme for Financing Schools	Decision	Following consultation with schools
	Schools Internal Audit Programme Outcomes (prior year)	Information & To note	
	DSG Schools Block estimated funding (new year)	Information & To note	
	Falling Rolls estimated allocations (new year)	Information & To note	