

Total Membership 25
The Forum is quorate if at least 40% (10) of the members are present



London Borough of Waltham Forest
SCHOOLS FORUM

| Day/Date/Time | Venue |
|---|--|
| Wednesday 10 November 2021, 5.30 pm | VIA TEAMS |
| Contact: | |
| Clerk to Schools Forum | schoolforum@walthamforest.gov.uk |
| Maintained Primary Headteacher Representatives (5) | |
| Claire Nairn | Handsworth |
| Lindsey Lampard | Chingford C of E Primary |
| Rosie McGlynn | Our Lady and St George |
| Tracey Griffiths | Barn Croft Primary School |
| Zakia Khatun | Whitehall Primary School |
| Primary Academies and Primary Free Schools Representatives (4) | |
| Amanda Daoud | Lime Trust (Larkwood, Hornbeam) |
| Anne Powell | Griffin Trust (Riverley, Willow Brook, Lammas) |
| Maureen Okoye (Chair) | Arbor Trust (Davies Lane, Selwyn, Woodford Green, Acacia Nursery) |
| Iram Malik | Genesis Trust (St Marys and St Saviours) |
| Maintained Primary Governor Representatives (1) | |
| Aktar Beg | Edinburgh Primary |
| Nursery School Representative (1) | |
| Helen Currie | Forest Alliance Nursery Schools (Church Hill, Low Hall) |
| Maintained Secondary Headteacher Representatives (2) | |
| Clive Rosewell | Willowfield School |
| Jenny Smith | Frederick Bremer School |
| Secondary Academies and Secondary Free Schools Representatives (4) | |
| Jane Benton | Chingford Trust (North Chingford and South Chingford) |
| John Hernandez (Vice Chair) | Exceptional Education Trust (Norlington School and Sixth Form) |
| Rob Pittard | Exceptional Education Trust (Norlington) |
| Tracey Penfold | Highams Park Trust |
| Maintained Secondary Governor Representative (1) | |
| Gillian Barker | Walthamstow School for Girls |
| Maintained Special School Representative (1) | |
| Bruce Roberts | Belmont Park School |
| Special School and Special Academies Representative (1) | |
| Kirstie Fulthorpe | Whitefield Trust (Joseph Clark, Whitefield) |
| PRU (1) | |
| Liz Rattue | Hawkswood Group |
| Non School Members (4) | |
| Early Years Providers | Sarah Kendrick (Redwood Pre-School) |
| 16-19 Providers | Janet Gardner (Waltham Forest College) |
| Trade Unions | Paul Phillips (NEU) |
| Diocesan | Andy Stone (Holy Family) |

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AGENDA

| Agenda Item | Report Name | Report Authors |
|--------------------|---|----------------------------------|
| 1 | Welcome all and Apologies | Chair |
| 2 | Declarations of Interest | All |
| 3 | Minutes of meeting 10 February 2021 | Chair |
| 3a | Decision Sheet from February 2021 | For the record |
| 4 | Maintained Nursery Schools Funding Overview | Eve McLoughlin / Mohammad Akhtar |
| 5 | Early Years Block: Early Years funding formula planning for free education payments for 2, 3 and 4 year-olds for 2022-23 | Eve McLoughlin / Mohammad Akhtar |
| 6 | Growth Fund 2022-23 | Duncan James-Pike |
| 7 | Draft Local Funding Formula 2022-23 | Duncan James-Pike |
| | | |
| | | |
| | Date of Next Meetings: Wednesdays, 5:30pm <ul style="list-style-type: none"> • 08 December 2021 • 12 January 2022 • 09 February 2022 | |

MINUTES OF SCHOOLS FORUM MEETING

Wednesday 15th September 2021

Microsoft Teams

5:30 pm – 7:30 pm

| | |
|---|--|
| Attendees: | |
| Day/Date/Time | Venue |
| Wednesday 15 September 2021, 5.30pm | VIA TEAMS |
| Contact: | |
| Clerk to Schools Forum | schoolforum@walthamforest.gov.uk |
| Maintained Primary Headteacher Representatives (5) | |
| Claire Nairn | Handsworth |
| Lindsey Lampard | Chingford C of E Primary |
| Rosie McGlynn | Our Lady and St George |
| Tracey Griffiths | Barn Croft Primary School |
| Zakia Khatun | Whitehall Primary School |
| Primary Academies and Primary Free Schools Representatives (4) | |
| Amanda Daoud | Lime Trust (Larkwood, Hornbeam) |
| Maureen Okoye (Chair) | Arbor Trust (Davies Lane, Selwyn, Woodford Green, Acacia Nursery) |
| Maintained Primary Governor Representatives (1) | |
| Nursery School Representative (1) | |
| Helen Currie | Forest Alliance Nursery Schools (Church Hill, Low Hall) |
| Maintained Secondary Headteacher Representatives (2) | |
| Clive Rosewell | Willowfield School |
| Jenny Smith | Frederick Bremer School |
| Secondary Academies and Secondary Free Schools Representatives (4) | |
| John Hernandez (Vice Chair) | Exceptional Education Trust (Norlington School and Sixth Form) |
| Maintained Secondary Governor Representative (1) | |
| Maintained Special School Representative (1) | |
| Special School and Special Academies Representative (1) | |
| Kirstie Fulthorpe | Whitefield Trust (Joseph Clark, Whitefield) |
| PRU (1) | |
| Non School Members (4) | |
| Early Years Providers | Sarah Kendrick (Redwood Pre-School) |
| Diocesan | Andy Stone (Holy Family) |

| Apologies | |
|------------------|--|
| Gillian Barker | Walthamstow School for Girls |
| Rob Pittard | Exceptional Education Trust (Norlington School and Sixth Form) |

1. Welcome and Apologies

- 1.1 Apologies sent for Gillian Barker, Rob Pittard
- 1.2 Welcome new member: Liz Rattue, Hawkswood Group

2. Declaration of Interests

- 2.1 No declaration of interests highlighted.

3. Minutes of meeting 10 February 2021

- 3.1 No inaccuracies documented on the decision sheet or minutes from meeting of 10 February 2021.

3a. Decision Sheet from February 2021

Noted for the record.

4. School Forum Membership and Powers

- 4.1 This report reviews the representation of maintained schools and academies / free schools at Schools Forum following the October 2020 census.
- 4.2 Schools Forum Schools Forum to agree: That the current balance of school representation is appropriate to continue for the 2021-22 session. – All members agreed.

5. DSG Outturn 2020-21

- 5.1 This report updates School Forum on the 2020-21 final outturn for the Dedicated School Grant; the balances held for each block at the end of March 2021; and the forecast balances for March 2022.
- 5.2 The cumulative brought forward DSG balance from 2019-20 of a £0.574 million surplus became a £0.942 million deficit at the end of 2020-21. DSG deficits will not need to be offset by balances in the LAs revenue accounts but are recorded as Un-useable Reserves.
- 5.3 The High Needs (HN) overspend in 2020-21 was £0.409 million leading to a cumulative carry forward deficit on the HN block of £5.007 million. This cumulative deficit was mostly offset by surplus balances in the Early Years, Growth Fund and

Schools Blocks but as these reserves continue to reduce, as planned, so the net figure will appear to get worse before it gets better.

Question/ Comment:

5.4 £0.8 million for JR risk, where will that money be used?

The money is set aside for 2021-2022, the current financial year, latest budget projection shows all but £300,000 of that has been consumed by growth in 2021-2022. If growth does not continue at such a pace and there is a £300,000 undershoot, any funds left over at the end of the year may be put toward deficit recovery.

5.5 Does growth mean the number of children in high needs?

Yes. Most are spent on EHCP and Places. There is an increase of children with very complex needs as well as an increase in numbers.

6. Dedicated Schools Grant 2021-22 & update on School Funding Announcement for 2022-23

6.1 This report updates School Forum on the Dedicated Schools Grant (DSG) ESFA allocations for 2021-22 and the July 2021 announcement by the Department for Education (DfE) on the provisional allocations for School, High Needs and Central Services blocks for 2022-23.

Question/Answer:

6.2 If central services have a reduction how would this be recouped?

The central block fund covers; copy right licence, cost for admission, administration of school forum and retained duties owed to schools and academies. Each year the central services block has been reducing so the Council has taken the hit on retained duties funding.

Question/Answer

6.3 Rates and maintained nursery schools?

The change to rates being paid centrally excludes nursery schools. Noted that MNS cannot get rate relief. There is some lobbying regarding this funding. A report to November Schools Forum will cover more about nurseries and the lobbying work that has been done.

7. Growth Fund 2022-23

7.1 This report sets out sets out the initial forecast for the Growth Fund 2022-23 and proposes a task and finish group to discuss that forecast. The Growth Fund is an element within the Schools Block with a direct allocation of £1.01 million against a cost of £1.795 million in 2021-22, with the balance being met from reserves. Within the Growth Fund Local Authorities may retain a small fund to support schools with temporarily falling rolls where local planning data

shows that the surplus places will be needed within the next three financial years.

- 7.2 The DSG allocation has been decreasing year on year and projections suggested that the Growth Fund would be in deficit in 2022-23, however, the place planning team have used the recently issued calculator which suggests a funding allocation of £1.149 million, £300,000 higher than projected initially. This is still an indicative allocation until the October 2021 census is published in December but would mean the current Growth Fund scheme is still affordable.

Comment:

- 7.3 There will be a task and finish group, and everyone should join.
- 7.4 It would be good to get some clarity, as the primary school sector has been shrinking for some years now. Holistic approach should be applied. Some schools have had more risks. Pupil-place planning information should also be shared.

8. Scheme for Financing Maintained Schools

- 8.1 This report concerns the Scheme for Financing Maintained Schools. There will be a consultation process to refresh the current scheme.

9. National Funding Formula Consultation

- 9.1 On 8 July the Government launched a consultation “Fair school funding for all: completing our reforms to the National Funding Formula”. The consultation closes on 30 September 2021. This report highlights some of the key issues.

Comments:

- 9.2 PFI schools can be supported to discuss the response to the consultation.
- 9.3 School Forum has looked after schools very well and is continues to head in a good direction.

Meeting closed 18.15

Schools Forum 15 September 2021

Summary of Decisions

Item 4 **Schools Forum membership and powers**

2.1 Schools Forum agreed:

- 2.1.1 That the current balance of school representation is appropriate to continue for the 2021-22 session

Item 5 **Dedicated Schools Grant Outturn 2020-21**

2 Schools Forum noted:

- 2.1 The final settlement of DSG allocation to the Local Authority (LA) for 2020-21, after academy recoupment was **£163.842 million**.
- 2.2 The cumulative brought forward DSG balance from 2019-20 of a **£0.574 million surplus** became a **£0.942 million deficit** at the end of **2020-21**.
- 2.3 There is a new accounting practice to record DSG deficits in the Local Authority accounts. Deficits will not need to be offset by balances in the LAs revenue accounts but are recorded as **Un-useable Reserves**.
- 2.4 The High Needs (HN) overspend in 2020-21 was **£0.409 million** leading to a cumulative carry forward deficit on the HN block of **£5.007 million**. This cumulative deficit was mostly offset by surplus balances in the Early Years, Growth Fund and Schools Blocks.
- 2.5 For 2021-22 the DSG surplus balances on Early Years, Growth Fund and Schools Block will reduce. The DSG deficit position is forecast to increase by **£1.515 million** to **£2.063 million**.

Item 6 **Dedicated Schools Grant 2021-22 & update on School Funding Announcement for 2022-23**

2 Schools Forum noted:

- 2.1 The total 2021-22 Gross DSG allocation before academy recoupment is **£287 million**. The Schools block increased by **£0.09 million** and the High Needs block increased by a sum of **£0.05 million** from that reported to February 2021 Schools Forum.

- 2.2 The total 2021-22 Net DSG for the LA after academy recoupment and deductions of £113.20 million is **£173.80 million**.
- 2.3 Schools block net allocation is **£111.78 million**.
- 2.4 The Central School services block and Early Years block allocation unchanged from those reported in February 2021.
- 2.5 The High Needs block Net allocation increased to **£37.66 million** after Academy recoupment.

Item 7 Growth Fund 2022-23

2.1 Schools Forum agreed:

- 2.1.1 That a task and finish group is established to reach an agreement on options to manage the potential growth fund deficit in 2022-23.

Item 8 Scheme for Financing Maintained Schools

2.1 Maintained School representatives on Schools Forum noted:

- 2.1.1 The consultation process to refresh the current scheme.

Item 9 Consultation on the National Funding Formula

2.1 Schools Forum noted:

- 2.1.1 The consultation and its implications

LONDON BOROUGH OF WALTHAM FOREST

| | | | |
|-----------------------------------|---|-------------|----------|
| Meeting / Date | SCHOOLS FORUM 10 November 2021 | Agenda Item | 4 |
| Report Title | Maintained Nursery Schools Funding Overview | | |
| Decision/ Discussion/ Information | For Information | | |
| Report Author/ Contact details | Eve McLoughlin – Head of Early Years & Business Development Service eve.mcloughlin@walthamforest.gov.uk - 020 8496 3576 Mohammad Akhtar – Early Years Finance & Business Manager mohammad.akhtar@walthamforest.gov.uk - 020 8496 2784 | | |

1. SUMMARY

- 1.1 This report is to provide an overview to Schools Forum on the current financial position for the 3 maintained nursery schools (MNS) in Waltham Forest; Acacia, Church Hill, and Low Hall.

2. RECOMMENDATIONS

Schools Forum to note:

- 2.1 There is a fundamental unfairness in the funding arrangements for MNS when compared to funding for other maintained schools.
- 2.2 The council is committed to supporting a fair funding formula for all MNS. In line with this, there has been significant lobbying by the Local Authority as well as MNS themselves to raise awareness of national and local funding anomalies and concerns.
- 2.3 The Comprehensive Spending Review in October 2021 announced there will be additional Early Years Funding for the next 3 financial years, however, the details of how this will affect the funding levels in Waltham Forest will not be available until mid-December 2021, when the EYDSG indicative budgets for 2022-23 are published.
- 2.4 Details of this report will be shared with the Early Years Task & Finish Group to assist them in making informed decisions when developing the 2022-23 Early Years Funding Formula.
- 2.5 The current financial position for all 3 MNS in our borough.
- 2.6 The DfEs current position on MNS supplement funding.
- 2.7 The current position in relation to Business Rates for MNS.
- 2.8 The Local Authorities plans to support MNS in 2022-23.

3. BACKGROUND OF FUNDING FOR MNS

- 3.1 There are 385 MNS in England serving 40,000 children, many located in the most deprived areas of the country.
- 3.2 In Waltham Forest, we have 3 MNS; Acacia in Cann Hall ward, Church Hill in Hoe Street ward and Low Hall in Markhouse ward.
- 3.3 MNS are required to employ a headteacher, qualified teachers, a SENCO (Special Educational Needs Coordinator) and staff with level 3 qualifications, while PVI's (Private, Voluntary and Independent providers) need to employ only one staff member with a level 3 qualification, and half of their remaining staff at level 2.
- 3.4 In recognition of these higher costs MNS face compared to other early years providers, since the introduction of the EYNFF in 2017-18 the Government has provided additional supplementary funding to maintained nursery schools. This funding was initially intended to last for two years only but has been subsequently extended and is currently committed up to the end of 2021-22 financial year. Around £60 million of supplementary funding will be provided nationally in 2021-22.
- 3.5 In research carried out by the National Education Union¹, the percentage of MNS in deficit rose from 3.5% in 2009-10 to 20.8% in 2019-20 and the total deficit rose from £6.7m to £8.8m in 2019-20 financial year.
- 3.6 A survey carried out by Early Education, NAHT, NEU and UNISON in April 2021² showed that 46% of MNS that responded to the survey would be in deficit by March 2021. The average deficit reported was £76,000 across the 200 MNS that responded to the Survey in March/April 2021.

4. MNS CURRENT FINANCIAL POSITION

- 4.1 Appendix A shows the financial dashboard for all 3 MNS for the financial years 2017-18 to 2020-21 submitted to the DfE by the schools through the annual CFR submission. The 2021-22 data used in the dashboard is from budgets submitted by the schools and signed off by the Head Teacher and Chair of Governors for all 3 MNS.
- 4.2 In addition to the 2021-22 budget, the MNS submitted a 3 or 5 year budget plans. Here is an overview of the planned income and Expenditure for the 3 MNS:

| Acacia Nursery School | 2021-22 | 2022-23 | 2023-24 |
|----------------------------|---------|---------|---------|
| Revenue Income | 540,659 | 571,972 | 603,412 |
| Revenue Expenditure | 534,912 | 568,170 | 585,628 |
| In year surplus /(deficit) | 5,747 | 3,802 | 17,784 |

¹ <https://neu.org.uk/funding/save-maintained-nursery-schools>

² <https://www.early-education.org.uk/press-release/nursery-schools-forced-make-further-cuts-government-leaves-them-dark-over-key-funding>

| Church Hill Nursery | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Revenue Income | 813,173 | 819,308 | 825,504 | 831,761 | 838,081 |
| Revenue Expenditure | 840,144 | 861,197 | 880,692 | 900,709 | 921,524 |
| In year surplus / (deficit) | -26,971 | -41,889 | -55,188 | -68,948 | -83,443 |

| Low Hall Nursery | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Revenue Income | 508,348 | 512,727 | 517,150 | 521,617 | 526,130 |
| Revenue Expenditure | 511,068 | 522,193 | 533,816 | 545,570 | 556,799 |
| In year surplus / (deficit) | -2,720 | -9,466 | -16,666 | -23,953 | -30,669 |

- 4.3 The following table shows the change in reserves in the each of the 3 MNS over the last 4 years since the introduction of the EYNFF in 2017-18:

| Financial Year | Reserve as at | Acacia | Church Hill | Low Hall |
|-----------------------|----------------------|---------------|--------------------|-----------------|
| 2017-18 | 31/03/2018 | -18,573 | 331,904 | 254,032 |
| 2018-19 | 31/03/2019 | 34,856 | 169,313 | 54,274 |
| 2019-20 | 31/03/2020 | 41,672 | 235,977 | 30,211 |
| 2020-21 | 31/03/2021 | 10,894 | 193,496 | 7,661 |

- 4.4 The following table shows the projected movement in reserves in each of the 3 MNS over the next 3 / 5 years based on the budgets submitted to the council:

| Financial Year | Reserve as at | Acacia | Church Hill | Low Hall |
|-----------------------|----------------------|---------------|--------------------|-----------------|
| 2021-22 | 31/03/2022 | 16,648 | 166,524 | 4,941 |
| 2022-23 | 31/03/2023 | 19,549 | 124,635 | -4,525 |
| 2023-24 | 31/03/2024 | 37,333 | 69,447 | -21,191 |
| 2024-25 | 31/03/2025 | | 499 | -45,144 |
| 2025-26 | 31/03/2026 | | -82,943 | -75,813 |

- 4.5 Low Hall Nursery School is working closely with the Education Business Effectiveness service and the Early Years, Childcare & Business Development service as a part of Schools Facing Financial Challenge (SFFC) Action Group to develop a sustainable long term finance plan. This has included reviewing service delivery models and charges for chargeable services in order to move towards a break-even budget. We will continue to work with the MNS to achieve this moving forward.
- 4.6 The 3 MNS in our Local Authority are working in partnership to achieve efficiencies. Acacia has a service level agreement with Arbor Academy Trust to manage and provide leadership to Acacia. Church Hill and Low Hall have federated and are called the Forest Alliance of Nursery Schools. These arrangements may impact on the identifying the full actual cost of delivering a place at each of the MNS. More work will need to be done by the MNS and Local Authority to ascertain this.

4.7 The demographics for children attending MNS during Summer 2021 term (provisional summer 2021 headcount) are set out as follows:

| | 2 year olds | 2 year old children as a % of total children | Universal 3&4 year olds | 3&4 year old universal children as a % of total children | Extended 3&4 year olds | 3&4 year old working family children as a % of total children | Total number of funded children | EYPP | SENIF | EHCP |
|--------------------|-------------|--|-------------------------|--|------------------------|---|---------------------------------|------|-------|------|
| Acacia | 25 | 23% | 62 | 56% | 24 | 22% | 111 | 31 | 4 | 5 |
| Church Hill | 15 | 14% | 80 | 75% | 12 | 11% | 107 | 8 | 5 | 5 |
| Low Hall | 14 | 21% | 35 | 52% | 18 | 27% | 67 | 24 | 5 | 1 |

4.8 The 3 MNS have a higher proportion of children in receipt of SENIF or EHCP at an average of 9% compared to all nurseries within schools and academies which have an average of 2%. Only 4 other nurseries within schools had a similar proportion of children with EHCPs or in receipt of SENIF when compared with MNS.

5. MAINTAINED NURSERY SCHOOL SUPPLEMENT

5.1 The MNS supplement was introduced in 2017-18, initially for 2 financial years, in response to the Early Years National Funding Formula (EYNFF) consultation. This funding has been extended annually and is currently agreed until 31st March 2022 as part of the 2020 Spending Review.

5.2 The table below shows the annual budget set aside for the MNS supplement by the DfE for England as well as the annual allocated for the MNS in our borough:

| Financial Year | Overall MNS Allocation for England | MNS Allocation for Waltham Forest |
|----------------|------------------------------------|-----------------------------------|
| 2017-18 | £58.66M | £258K |
| 2018-19 | £56.56M | £216K |
| 2019-20 | £56.00M | £237K |
| 2020-21 | £55.836M | £244K |
| 2021-22 | £55.836M | £244K |

5.3 Despite the reduction in the annual MNS budget allocation over the last 4 years, our local authority has maintained an hourly supplement of £1.71 per hour for all 3&4 year old children attending any of the MNS in our borough. Due to the number of funded hours increasing across the 3 MNS, to maintain the hourly supplement of £1.71 has led to a cost pressure of £47,000 in 2021-22, as disclosed in the Schools forum report on 10th February 2021. This will be funded from the Early Years DSG reserves.

5.4 The MNS supplement funding allocation, at a local authority level, is based on underlying data from the 2016 to 2017 section 251 budget collection. This data set was used to enable local authorities to maintain

the hourly funding rate provided to their MNSs for the 3&4 year old entitlement, at 2016-17 levels. This has led to a large disparity in the proportion of the MNS supplement funding received by Local Authorities.

- 5.5 In comparison, Haringey Council, who are a neighbouring borough and also have 3 similar sized MNS as our LA, receives £1.22M funding from the DfE as their MNS supplement compared to £0.244M our LA receives.
- 5.6 Appendix B shows a comparison of the 21 London Boroughs (out of 32 London Boroughs) that received MNS supplement funding since 2017-18. The breakdown shows the number of pupils reported in the January census returns for each of those boroughs for 3 year olds, rising 4s and 4 year olds. These population figures were used to arrive at an hourly rate to allow a comparison to be made.
- 5.7 The levels of hourly rate top-up paid by LAs to MNS range from 61 pence per hour in Kingston Upon Thames to £9.78 per hour in Westminster, and across the rest of the country from 2 pence per hour in Wokingham to £6.98 per hour in Hampshire.
- 5.8 The DfE have been reviewing for some time, the way MNS will be funded in the long term, with arrangements being set out in the Government's Comprehensive Spending Review.
- 5.9 During summer 2021 The Head of Early Years Childcare and Business Development Service lead on a joint 'Head of Early Years (HEY) letter via London Councils addressing the funding issues in the EY sector which also highlighted the issue of MNS funding. The letter raised the concern around the disparity in the current funding arrangements for MNS and asked for an alternative, fairer way for the MNS supplement to be divided across all MNS. An extract from the letter has been added in Appendix D.

6. BUSINESS RATES

- 6.1 The joint HEY letter also raised the issue of Business Rates and stressed that it is vital that the funding of business rates for MNS across the country are considered as a part of the current proposed changes to the way schools business rates are paid to Local Authorities, as this will assist with the long-term sustainability of these services and ensure parity with other DfE registered schools (as the business rates for the nursery provision within schools would be included in the Business Rates rebate that schools receive).
- 6.2 MNS are also unable to apply for Business Rates reductions in the same way some PVI settings that are voluntary organisations (eg. registered charities) can.
- 6.3 MNS used to receive funding for rates via a premises supplement previously, however, this was removed when the Early Years National Funding Formula (EYNFF) was introduced as only supplements related to deprivation, quality, flexibility, rurality/sparsity and English as an Additional Language (EAL) were permitted. This was reported to

Schools Forum in November 2013 when rates were excluded from the consolidated hourly rate for maintained nursery schools.

- 6.4 The disparity in funding business rates between Early Years providers (funded from the Early Years DSG) and 5-16 year old providers (funded from Schools DSG) have been challenged with the Treasury by The National Day Nurseries Association (NDNA), however, this was rejected in 2018³.
- 6.5 In September 2021 Schools Forum a comparison between MNS and PVI nurseries Business rates was requested to be carried out. The table below shows the Rateable Value for the 3 MNS compared to other private nurseries within Waltham Forest that are of a similar size in terms of pupil numbers (nursery names have been removed for data protection purposes):

| | Postcode | No. of Places | Rateable Value (RV) | RV per Place |
|-----------|----------|---------------|---------------------|--------------|
| Nursery A | E11 | 60 | 39000 | £650 |
| Nursery B | E4 | 61 | 35000 | £574 |
| Nursery C | E17 | 64 | 29750 | £465 |
| Nursery D | E17 | 65 | 36250 | £558 |
| Nursery E | E11 | 68 | 27250 | £401 |
| Nursery F | E17 | 70 | 30500 | £436 |
| Nursery G | E17 | 88 | 64000 | £727 |
| Nursery H | E17 | 89 | 21500 | £242 |
| Nursery I | E11 | 94 | 52500 | £559 |
| Nursery J | E17 | 96 | 38500 | £401 |
| Nursery K | E11 | 100 | 57000 | £570 |

- 6.6 The Rateable Value (RV) is calculated by the Valuation Office Agency (VOA) using the estimated open market rental value. To allow for a comparison to be made between the nurseries mentioned in the table above, the RV has been divided by the number of OFSTED registered places each setting is able to provide to work out the RV per childcare place. The average RV per place for nurseries with more than 60 places is £507 (from the 11 nurseries listed in the table above).
- 6.7 A further analysis has been carried out to ascertain the reason why Acacia Nursery Schools rateable value is higher compared to Church Hill Nursery, which offers a similar number of childcare places. The table below shows the 3 MNS Net Internal Areas (NIA) in square meters:

| Provider name | Postcode | No. of Places | Total NIA in sqm | Total NIA of childcare areas in sqm | NIA per place in sqm | NIA of childcare areas per childcare in sqm |
|---------------|----------|---------------|------------------|-------------------------------------|----------------------|---|
| Acacia | E11 3HF | 94 | 451.71 | 276.79 | 4.8 | 2.9 |
| Churchill | E17 9SB | 89 | 295.59 | 205.3 | 3.3 | 2.3 |
| Low Hall | E17 8BE | 64 | 233.8 | 142.5 | 3.7 | 2.2 |

³<https://www.nurseryworld.co.uk/news/article/business-rates-to-remain-unchanged-for-nurseries-government-confirms>

- 6.8 Acacia RV is more than double that of Church Hill. One of the main factors for this is the difference in difference in the NIA between the 2 nurseries. When compared at a 'per childcare' level, Acacias NIA overall at 4.8m² is 40% more than Church Hill at 3.3m². However, this is reduced to a 25% difference when non-childcare areas are removed (e.g., meeting rooms, reception area, toilets, etc) from the NIA for both nurseries. Low Hall and Church Hill NIA is a lot more similar at 2.2m² compared to 2.3m².
- 6.9 The total annual business rates costs is circa £55K for all 3 MNS.

7. LA's SUPPORT TO MNS TO DATE

- 7.1 MNS became responsible for paying their business rates from 2014-15 financial year. Despite this, the LA continued to fund the business rates from the DSG bought forward balances until 2019-20 financial year.
- 7.2 In January 2020, the Head of Education Business Effectiveness service applied for a discretionary rates relief to the Director of Finance. Unfortunately, this was not successful due to current legislation around Business rates for nurseries.
- 7.3 For 2020-21 financial year, 100% rates relief was applied to all 3 MNS and this continued into the current 2021-22 financial year, with 100% rates relief up to 30th June 2021 and a 66% reduction from 1st July 2021 to 31st March 2022. This relief was applied by our Revenue Team, despite the guidance from the government that stated "Local authority-run nurseries are not eligible."⁴
- 7.4 In April 2021, as a part of the DfE Consultation; Changes to the payment process of schools' business rates, our LA raised the issue of MNS business rates again. The full comment raised by our LA to the consultation has been re-produced in Appendix C.
- 7.5 During the Spring 2021 term, the LA continued to fund all settings on a minimum guarantee (based on the budget presented to Schools Forum in February 2020), despite the fact that the DfE asked LAs to return to funding based on actuals. For Acacia and Church Hill, funding was based on actuals (as this was higher than the February 2020 Schools Forum indicative budget). However, Low Hall benefited from the minimum guarantee as they had lower pupil numbers compared to the February 2020 Schools Forum indicative budget. This has led to additional funding of £50K for Low Hall compared to funding they would have received if their funding was based on their actual pupil numbers (£71K actuals compared £121K minimum).
- 7.6 As mentioned in 5.3 above, to maintain the hourly MNS supplement of £1.71 per hour, this will lead to a potential overspend of £47,000 in 2021-22, as disclosed in the Schools Forum report on 10th February 2021. This will be funded from the Early Years DSG reserves. This arrangement would not be sustainable in the long-term.

⁴<https://www.gov.uk/guidance/check-if-your-nursery-is-eligible-for-business-rates-relief-due-to-coronavirus-covid-19>

- 7.7 The issue of MNS funding is reviewed and discussed as part of the Early Years Task and Finish Group on an annual basis as part of the LA's statutory duty to consult with schools and PVI sector provider who deliver free early education places to 2,3 & 4 year olds on development of the EYNFF. As part of these discussions it has become clear that whilst the wider early years sector recognise the issues being faced by MNS, they are generally not supportive of addressing this national/Government funding issue on a local basis by decreasing the EYNFF hourly rate that all providers receive to create a budget for MNS to address this, particularly at a time when COVID has impacted occupancy levels and financial sustainability issues for a number of providers.
- 7.8 MNS were offered the opportunity to become an Early Years System Support training partner to support the delivery of training to peers across the Early Years sector which gave them the opportunity to generate additional income. A small package of training was delivered initially but there is scope to expand this work further. In addition to this, there will also be opportunities to trade a training & support offer to peers across Waltham Forest and beyond.
- 7.9 Currently, as a part of the governments Levelling Up agenda, the issue of MNS funding has been raised with the Leader of the Council to inform the leaders Fair Deal campaign.
- 7.10 The 3 MNS have received £238K over the last 3 years in CRP funding for capital works from the Schools Asset Management team.

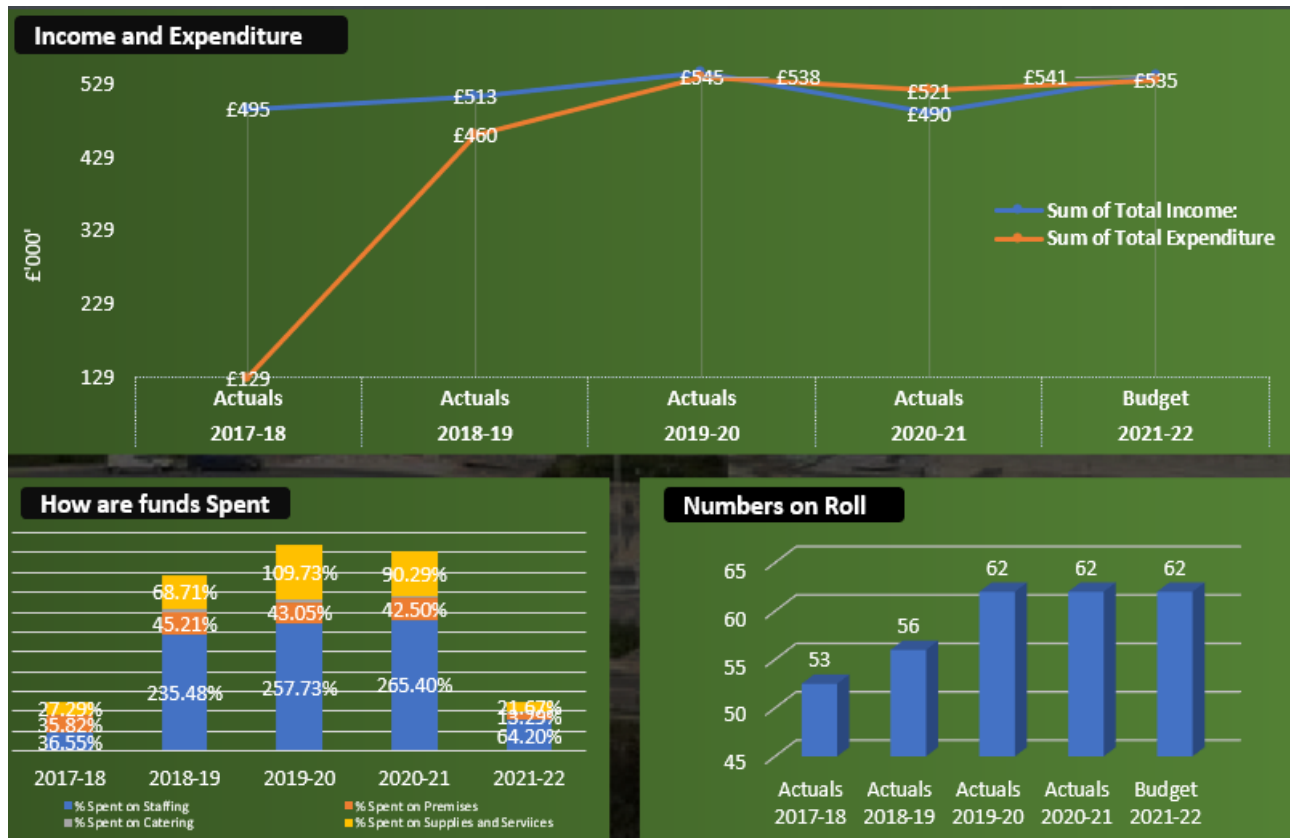
8. PLANS TO SUPPORT MNS 2022-23

- 8.1 There are clearly a number of issues that need to be resolved at a National level with regards to MNS funding. The LA has, and will continue to lobby the Government for fairer funding arrangements for MNS in Waltham Forest.
- 8.2 As a part of the October 2021 Comprehensive Spending Review announcement, the Chancellor announced new additional funding to support providers delivering the early education entitlement. The additional funding allocation was confirmed by the Children and Families Minister Will Quince MP as £160m in 2022-23, £180m in 2023-24 and £170m in 2024-25, "for local authorities to increase hourly rates paid to childcare providers".
- 8.3 Early indications are that this additional funding, if distributed evenly across all Local Authorities, could equate to an hourly rate increase of approximately 25 pence per hour. However, some of this funding may be allocated specifically to increase the level of MNS supplements.
- 8.4 Implications for Early Years Block DSG funding for Waltham Forest in 2022-23 has yet to be confirmed as indicative budget allocations are not due to be announced until mid-December 2021.

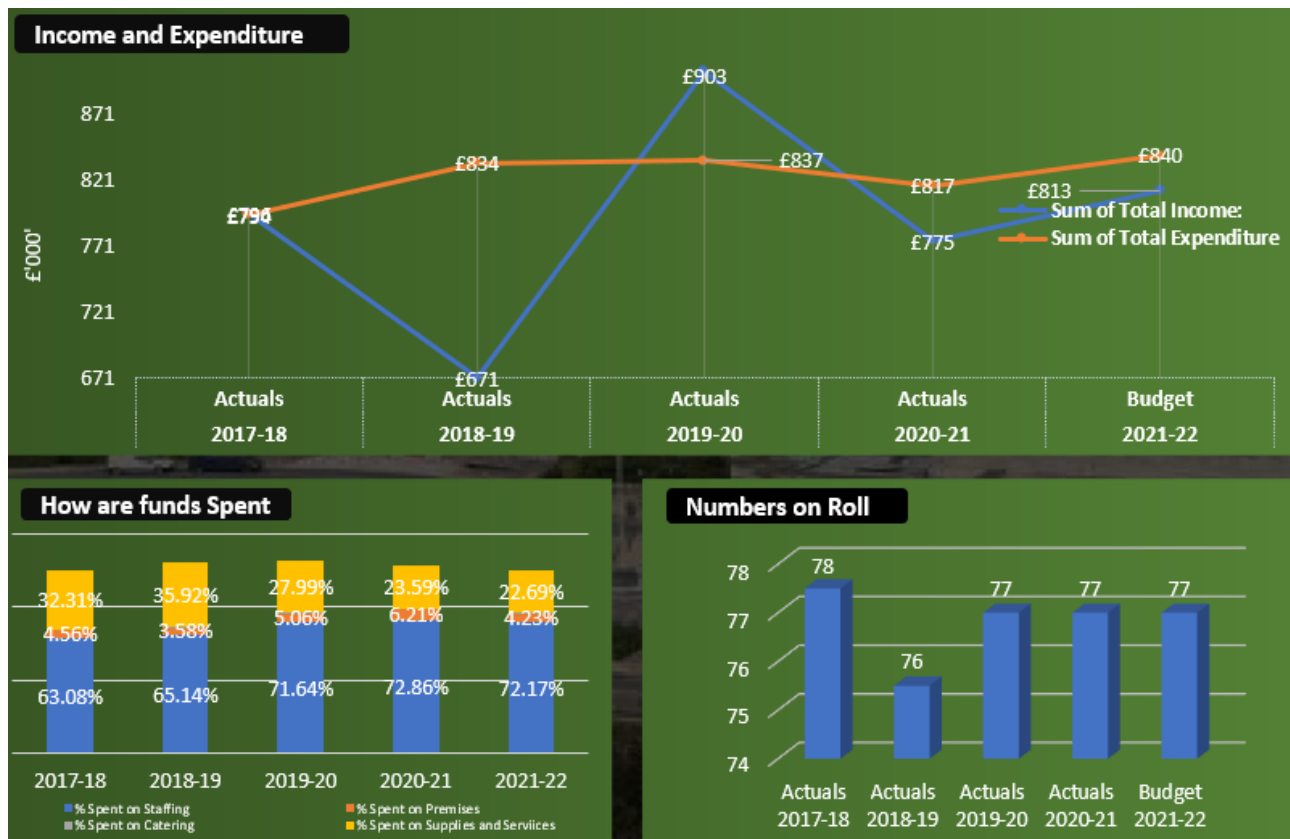
- 8.5 We will also continue to support MNS at a local level as much as possible within the constraints of the current EYNFF arrangements (eg. paying an additional supplement for the provision FEEE places for 2 year olds as well as 3&4 year olds) and explore opportunities to support MNS via the Schools block of the DSG (eg. funding of Business Rates).
- 8.6 We will also continue to work in partnership with MNS to review their delivery models, establish the actual unit cost of delivering a place, explore opportunities to increase income and maximise on efficiencies.

Appendix A: FINANCIAL DASHBOARD - 2017-18 to 2021-22

Acacia:



Church Hill:



Low Hall:

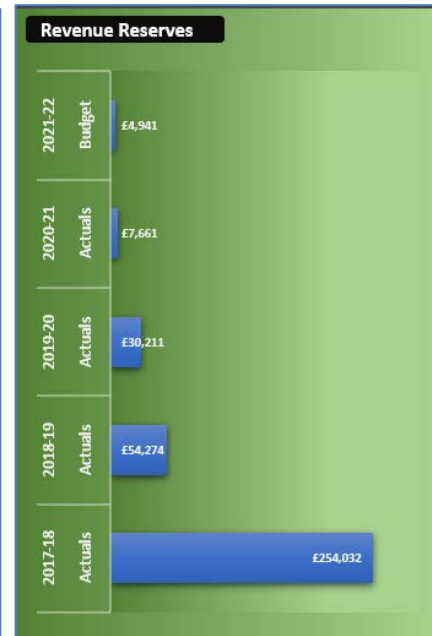


MOVEMENT IN RESERVES 2017-18 TO 2021-22:

Acacia:

Church Hill:

Low Hall:



Appendix B: COMPARISON OF MNS SUPPLEMENT ACROSS LONDON BOROUGHES

| LONDON BOROUGH: | January 2017 School Census | | | January 2018 School Census | | | January 2019 School Census | | | January 2020 School Census | | |
|----------------------|----------------------------|------------------|----------------|----------------------------|------------------|----------------|----------------------------|------------------|----------------|----------------------------|------------------|----------------|
| | 2017-18 Allocation | Total 3&4 y/o | Hourly Rate | 2018-19 Allocation | Total 3&4 y/o | Hourly Rate | 2019-20 Allocation | Total 3&4 y/o | Hourly Rate | 2020-21 Allocation | Total 3&4 y/o | Hourly Rate |
| Greenwich | 1,205,710 | 423.6 | 4.99 | 653,906 | 450.6 | 2.55 | 656,553 | 514.0 | 2.24 | 665,122 | 530.4 | 2.20 |
| Hackney | 419,269 | 121.1 | 6.07 | 486,960 | 120.6 | 7.08 | 483,613 | 166.0 | 5.11 | 474,902 | 159.0 | 5.24 |
| Hammersmith & Fulham | 882,417 | 219.4 | 7.06 | 880,394 | 209.4 | 7.38 | 837,587 | 273.0 | 5.38 | 850,104 | 283.0 | 5.27 |
| Islington | 234,082 | 135.5 | 3.03 | 349,823 | 147.4 | 4.16 | 375,540 | 191.0 | 3.45 | 374,718 | 190.0 | 3.46 |
| Kensington & Chelsea | 420,523 | 130.2 | 5.67 | 451,352 | 126.4 | 6.26 | 578,132 | 201.0 | 5.05 | 590,908 | 212.0 | 4.89 |
| Lambeth | 411,928 | 282.5 | 2.56 | 636,687 | 316.5 | 3.53 | 528,875 | 397.0 | 2.34 | 533,264 | 405.0 | 2.31 |
| Lewisham | 461,871 | 161.2 | 5.03 | 435,333 | 145.2 | 5.26 | 445,250 | 206.0 | 3.79 | 447,929 | 209.0 | 3.76 |
| Southwark | 1,478,774 | 426.5 | 6.08 | 1,547,772 | 418.2 | 6.49 | 1,499,478 | 515.6 | 5.10 | 1,455,843 | 481.0 | 5.31 |
| Tower Hamlets | 485,760 | 355.0 | 2.40 | 550,673 | 361.0 | 2.68 | 566,485 | 542.0 | 1.83 | 578,322 | 570.0 | 1.78 |
| Wandsworth | 453,988 | 126.6 | 6.29 | 435,149 | 132.0 | 5.78 | 438,938 | 201.0 | 3.83 | 422,667 | 184.0 | 4.03 |
| Westminster | 1,282,067 | 179.5 | 12.53 | 1,358,857 | 175.1 | 13.62 | 1,566,095 | 224.0 | 12.27 | 1,560,239 | 222.0 | 12.33 |
| Croydon | 561,661 | 372.9 | 2.64 | 522,023 | 327.4 | 2.80 | 524,778 | 422.8 | 2.18 | 536,405 | 446.0 | 2.11 |
| Ealing | 708,567 | 329.6 | 3.77 | 731,064 | 311.8 | 4.11 | 749,354 | 371.5 | 3.54 | 761,270 | 386.0 | 3.46 |
| Haringey | 1,263,280 | 237.3 | 9.34 | 1,256,512 | 210.6 | 10.47 | 1,229,893 | 294.0 | 7.34 | 1,216,623 | 286.5 | 7.45 |
| Hillingdon | 216,657 | 82.2 | 4.62 | 228,813 | 87.0 | 4.61 | 234,348 | 101.0 | 4.07 | 237,665 | 104.5 | 3.99 |
| Kingston upon Thames | 84,029 | 80.4 | 1.83 | 47,538 | 79.8 | 1.05 | 51,259 | 115.0 | 0.78 | 50,884 | 113.0 | 0.79 |
| Newham | 1,955,607 | 646.2 | 5.31 | 1,867,478 | 618.6 | 5.30 | 1,817,981 | 837.0 | 3.81 | 1,807,949 | 826.0 | 3.84 |
| Richmond upon Thames | 117,648 | 56.4 | 3.66 | 71,789 | 48.0 | 2.62 | 81,090 | 65.0 | 2.19 | 87,142 | 78.0 | 1.96 |
| Sutton | 378,577 | 105.6 | 6.29 | 350,661 | 105.0 | 5.86 | 330,410 | 159.0 | 3.65 | 326,895 | 155.0 | 3.70 |
| Waltham Forest | 257,646 | 207.2 | 2.18 | 216,010 | 175.6 | 2.16 | 236,620 | 219.2 | 1.89 | 244,101 | 236.6 | 1.81 |

**Appendix C: WALTHAM FOREST's RESPONSE TO THE DfE CONSULTATION:
"CHANGES TO THE PAYMENT PROCESS OF SCHOOLS' BUSINESS RATES"
– APRIL 2021**

"The issue of Maintained Nursery Schools (MNS) business rates funding needs to be resolved.

MNS are DfE registered schools, and as such have to meet additional requirement with regards to staffing requirements which Ofsted registered PVI sector childcare providers do not, such as, a Headteacher, a teacher who is responsible for co-ordinating SEN provision and Free Early Education Provision that must be delivered under the direction and supervision of a qualified or nominated teacher. This and the fact that MNS are small schools significantly increase the unit cost of delivering a Free Early Education Place in a MNS as opposed to Ofsted registered PVI sector childcare providers and larger DfE Registered Primary Schools that deliver their free early education places to 2,3 &4 year olds via their school nursery provision.

As MNS are funded via the Early Years Block of the DSG they do not benefit from re-imburement of their business rates, unlike maintained schools who deliver their nursery class places as part of their overall school provision and as a result benefit from re-imburement of their business rates for the whole school via the Schools Block of the DSG. Similarly, as MNS do not have charitable status, they are not eligible for 100% discretionary relief, which some voluntary organisations like PVI sector Ofsted registered providers would be able to benefit from.

The DfE have been reviewing for some time, the way MNS are funded in the long term, however, we feel it is vital that the funding of business rates for MNS across the country are considered as a part of this change in the way business rates are paid to Local Authorities to ensure their long-term sustainability of these services and ensure parity with other DfE registered schools and not for profit organisations."

Appendix D: EXTRACT FROM LETTER SENT TO DfE VIA LONDON COUNCILS IN RELATION TO EARLY YEARS FUNDING ISSUES – AUGUST 2021

MNS are DfE registered schools, and as such have to meet additional requirements with regards to staffing which Ofsted registered PVI sector childcare providers do not, such as, a Headteacher, a teacher who is responsible for co-ordinating SEN provision and Free Early Education Provision that must be delivered under the direction and supervision of a qualified or nominated teacher. This and the fact that MNS are small schools significantly increase the unit cost of delivering a Free Early Education Place in a MNS, as opposed to Ofsted registered PVI sector childcare providers or a larger DfE Registered Primary Schools that deliver their free early education places to 2, 3 & 4 year olds via their school nursery provision.

The DfE has secured a continuation of around £56 million of supplementary funding for MNS in the 2021-22 financial year, as part of the 2020 Spending Review, which is welcomed, however there are significant disparities between the levels of Maintained Nursery School (MNS) supplementary funding that individual MNS across the country receive.

Appendix A sets out the MNS supplements in the 2021-22 EY DSG allocations, and the number of children on roll recorded in their January 2020 census. This information has allowed us to calculate an indicative hourly rate for the supplement based on the assumption that all of the children in the census took up 570hrs per annum. In London the levels of hourly rate top up range from 0.61pence per hour in Kingston Upon Thames to £9.78 per hour in Westminster, and across the rest of the country from 0.02 pence per hour in Wokingham to £6.98 per hour in Hampshire. These disparities have resulted in many MNS's across London running at in year deficits which cannot be sustained in the long term.

Some LA's have undertaken an analysis to establish whether MNS would receive more funding if they were treated as a school and funded under the schools funding formula. This exercise identified that MNS's would on average be better off under the Local Funding Formula used for schools due to additional factors that schools receive like the Lump Sum and business rates.

In addition, MNS are not treated the same way as school with regards to business rates. As MNS are funded via the Early Years Block of the DSG they do not benefit from re-imburement of their business rates, unlike maintained schools who deliver their nursery class places as part of their overall school provision, and as a result benefit from re-imburement of their business rates for the whole school via the Schools Block of the DSG. Similarly, as MNS do not have charitable status, they are not eligible for 100% discretionary relief, which some voluntary organisations like PVI sector Ofsted registered providers would be able to benefit from.

The DfE have been reviewing for some time, the way MNS will be funded in the long term, however, we feel it is vital that the funding of business rates for MNS across the country are considered as a part of the current proposed changes to the way business rates are paid to Local Authorities, as this will assist with the long term sustainability of these services and ensure parity with other DfE registered schools and not for profit organisations.'

The Department has made it clear that it continues to consider what is required to ensure a clear, long-term picture of funding for all MNS. There are a number of London LA's that are happy to work with the DfE to review the current funding

arrangements and make suggestions as to a fairer funding formula moving forward. Some initial thoughts around possible alternatives include:

1. Re-allocation of the total national MNS block across all LA's, using the schools funding formula as the basis of the funding allocation for all LA's with a MNS
2. Removing the MNS supplement and reallocating this funding on a pro-rata basis as part of the overall EYDSG block, based on the numbers of children recorded in the January Census information, in line with the rest of the EYDSG block. LA's could then allocate this funding to MNS's and other providers (if required) under one of the other permissible supplements e.g. Quality (the descriptor for the Quality supplement may need to be revised to facilitate this).

| | | | |
|-------------------------------------|---|-------------|----------|
| Meeting / Date | SCHOOLS FORUM 10 November 2021 | Agenda Item | 5 |
| Report Title | Early Years Block: Early Years funding formula planning for free education payments for 2, 3 and 4 year-olds for 2022-23 | | |
| Decision/Discussion/ Information | For information | | |
| Report Author/ Contact details | Eve McLoughlin, Head of Early Years, Childcare & Business Development Service Tel: 020 8496 3576 eve.mcloughlin@walthamforest.gov.uk | | |
| Appendices | Appendix A: E-Mail to early years providers regarding Early Years Task and Finish Group, 20 September 2021 Appendix B: Terms of Reference Early Years Task & Finish group - 2022-23 | | |

1. SUMMARY

1.1 This report sets out the proposed plan for the development of the early years funding formula for free education payments for 2, 3 and 4 year-olds for 2022-23.

2. RECOMMENDATIONS

2.1 Schools Forum to note:

2.1.1 The proposed timeline set out in Table 1 should form the basis of development of the 2022-23 early years funding formula (EYFF).

2.1.2 That an Early Years Task and Finish Group (EYTFG) has been established as set out in Appendix A and B to review and make recommendations on:

- The 2022-23 Early Years Block funding;
- The wider consultation with all FEEE providers regarding the 2022-23 Early Years Funding Formula (EYFF) for 2, 3 and 4 year-olds; and
- The 2022-23 provider EYFF hourly payment rates for 2, 3 & 4 year-olds member to 5.

2.1.3 The DfE's EYNFF operational guidance states that at least 95% of the Early Years Block funding of the DSG in respect of three and four year olds MUST be passed through to providers.

3. REASON

- 3.1 The LA is required to consult annually with Schools Forum on arrangements for Early Years provision.

4. BACKGROUND

- 4.1 The DfE/ESFA have not yet published Early Years Block budget allocations for 2022-23. Allocation are usually published around mid-December.
- 4.2 The normal process for determining funding allocations for local authorities for the early years entitlements is to take an annual census count of the number of hours taken up by children in each local authority in January. This is the mid-point of the academic year and so balances the relatively lower numbers eligible for the free entitlements in the autumn term and the higher numbers in the summer term. This means that local authorities would in normal circumstances be paid for the autumn term 2021 based on the January 2022 census data
- 4.3 Due to Covid-19, the DfE recognised that the number of children attending childcare had not returned to normal levels and decided that the final funding allocation to local authorities for the Autumn 2020 term would be based on the January 2020 census count. Therefore, Summer 2020 and Autumn 2020 terms funding has been based on 9/12th of the January 2020 census PTE numbers.
- 4.4 The Spring 2021 term will be based on 3/12th of the January 2021 census PTE numbers. Where the PTE numbers in Jan 2021 census were below 85% when compared to the Jan 2020 census numbers, than a top-up would be given on a case-by-case basis, taking the summer 2021 census data into account. However, for our LA, as our Jan 2021 data was around 92% of Jan 2020 census data, we are not expecting a top-up for the spring 2021 term. The final funding allocations are usually published in July each year, however, for 2020-21, the DfE will publish these in November 2021.
- 4.5 For 2021-22 financial year, the DfE have temporarily varied their approach to funding Early Years. The DfE will fund each LA on the basis of termly attendance for 2021-22. Each LA has been asked to submit termly headcount data for the summer 2021 and Autumn 2021 terms to determine the funding we will receive for each of these terms. The spring term 2022 would be funded as usual using the Jan-22 census.
- 4.6 The LA will work on the basis that the funding arrangements will return to normal for 2022-23 financial year, based on the January 2022 and January 23 census counts and plan for 2022-23 accordingly.

5. PLAN FOR THE DEVELOPMENT OF THE 2022-23 EYFF

5.1 The proposed plan is outlined below in the table below:

| Date | Action |
|---------------------|--|
| 20 September 2021 | Expressions of interest sought from all providers of free early education to become a member of the EYTFG. (Appendix A) |
| 8 October 2021 | Closing Date for expressions of interest for EYTFG |
| w/c 25 October 2021 | EYTFG members emailed to confirm appointment to the EYTFG and announced in The Hub newsletter |
| 3 November 2021 | First meeting of the EYTFG |
| Mid-December 2021 | Expected publication by DfE/ESFA of provisional 2022-23 Early Years DSG block allocations |
| 15 December 2021 | Second meeting of the EYTFG |
| 15 January 2022 | Report to Schools Forum on the indicative modelling for 2022-23 EYFF |
| 10-18 January 2022 | On line consultation with all FEEE providers on the proposed EYFF and group question and answer sessions run for providers |
| 19-26 January 2022 | Analysis of consultation responses |
| 27 January 2022 | Final meeting of the EYTFG |
| 10 February 2022 | Report to Schools Forum on the proposed EYFF 2022-23 for approval |

6. CONSULTATION

- 6.1 An online consultation is planned between 10 and 18 January 2022. Providers will be made aware of the consultation via the Early Years newsletter on the Hub website. In addition, e-mails will be sent to all Chairs of Governors, Headteachers and Ofsted registered PVI sector providers advising them of the consultation as well as a link to the online survey.
- 6.2 Q&A sessions will also be held during the consultation week which providers can attend should they wish to.
- 6.3 EYTFG members will also be required to make their respective sector aware of the consultation and encourage them to respond. A hard copy of the consultation questions will be made available to enable respondents to discuss and agree a collective response before submitting their answers online.

E-mail regarding Early Years Task and Finish Group, 20 September 2021

HAVE YOUR SAY ON EARLY YEARS FUNDING IN 2022/23

DEADLINE FOR RESPONSE FRIDAY 8 OCTOBER 2021

Schools FAO: Governors/Directors, Headteachers, Early Years Foundation Stage Leads and School Business Managers

PVIs FAO: Managing Directors / Chairs of Trustees / Sole Traders / Operation Managers and Finance Officers

Dear All,

In line with the LA's statutory duty and as notified to the Borough's Schools Forum, I will be setting up and chairing an Early Years Task and Finish Group with FEEE providers across all sectors.

The remit of this group will be to **review and make recommendations on:**

- The Early Years Block 2022-23 funding;
- The wider consultation with all FEEE providers regarding new 2022-23 Early Years National Funding Formula (EYNFF) for 2, 3 & 4 year-olds;
- The 2022-23 Early Years National Funding Formula (EYNFF) hourly payment rates for 2, 3 & 4 year-olds

In order to ensure the effectiveness of the group it is important that we have diverse membership across range of roles within schools/settings. We are hoping to achieve 10% representation from the sector currently delivering FEEE places, this equates to the following number of representatives from each sector:

- 3 Maintained Schools (including Maintained Nursery Schools)
- 2 Academies
- 3 to 4 PVI term time providers
- 3 to 4 PVI year-round / full day-care providers (open more than 38 weeks per year and open between 8am and 6pm as a minimum)
- 5 Childminders

Expressions of interest to be part of this group are invited from Senior Leaders from School and PVI sector providers who:

- Are fully up to date with their Headcount returns, in line with the FEEE Financial procedures; and
- Have a good working knowledge of early years funding.

Members will be expected to disseminate information from the Early Years Task and Finish group to their respective sector and to collate their views for presentation at the Early Years Task and Finish Group. The membership of this group will also include LBWF service managers and officers.

We encourage those of you who provide free early education places to 2, 3 & 4 year-old children to become actively involved to ensure that your sector is truly represented and your opinions are heard.

Representatives will be expected to be able to attend all meetings between November 2021 and February 2022, so please do not express an interest in becoming a part of this group if you are unable to commit to attendance during this period.

Key dates:

- 10am to 1pm Wednesday 3 November 2021
- 10am to 1pm Wednesday 15 December 2021
- 10am to 1pm Thursday 27 January 2022

All expressions of interest should be returned by email no later than midnight on FRIDAY 8 OCTOBER to FEEEprovision@walthamforest.gov.uk

If we have more applicants than available places on the group, applicants will be asked to provide a pen portrait of no more than 200 words by Friday 15 October 2021 to be circulated to all FEEE providers to decide on electing a representative for that group. The vote will take place on 18 and 19 October. The final group members will be announced on Friday 22 October 2021.

Kinds Regards,

Eve Mc Loughlin (eve mac-lock-lin)
Head of Early Years, Childcare and Business Development

London Borough of Waltham Forest
Early Years Childcare and Business Development Service
Ground Floor
Business Centre/Higham Hill JSC
313 Billet Road
Walthamstow
London
E17 5PX



London Borough of Waltham Forest

Draft

Terms of Reference

Early Years Task and Finish Group

2022/2023

1. ESTABLISHMENT

The Early Years Task & Finish Group (the Group) is established as a time limited sub group of Waltham Forest School's Forum. As such, all principles will closely align with those of the Schools Forum.

The Early Years Task & Finish Group and Waltham Forest School's Forum will work together as strategic partners to co-operate on matters falling within the aims and objectives of the group.

This Group will, wherever possible, try to achieve consensus between the key partners providing Free Early Education in the Borough in line with the relevant statutory guidance.

2. AIMS AND OBJECTIVES OF THE GROUP

The aim of the Group is to take make recommendations to Schools Forum, based on wider consultation with FEEE providers operating in the Borough, and in line with the Governments statutory guidance on matters regarding:

- The Early Years Block 22-23 funding;
- The wider consultation with all FEEE providers regarding new 2022-23 Early Years National Funding Formula (EYNFF) for 2,3 & 4 year olds;
- The new 2022-23 Early Years National Funding Formula (EYNFF) hourly payment rates for 2,3 & 4 year olds; and
- The impact/implications of any new statutory requirements

Decision Making Powers of the Group:-

- The Group do not have decision making powers
- The Schools Forum may refuse or approve the recommendations of the Group subject to modifications.

3. MEMBERSHIP OF THE GROUP

It was aimed to achieve 10% representation from the sector currently delivering FEEE places. The final membership and composition of the Group is based on the number of operational FEEE providers that expressed an interest in becoming a member of the group in line with the published criteria before the deadline date of 8th October 2021. In order to ensure the effectiveness of the group it is important that we have diverse membership across range of roles within schools/settings.

Only Provider Representative Members have a vote. There must be at least 1 member from each sector for a vote to be held.

The final Provider Representative Membership is agreed as:

- 3 Maintained Schools (including Maintained Nursery Schools)
- 2 Academy School
- 4 PVI term time providers

- 4 PVI year round/full daycare providers (open more than 38 weeks per year and open between 8am and 6pm as a minimum)
- 1 Childminder (filled by a LA nominated Early Years Teaching & Learning Consultant)

Total = 14 Voting members

The Voting Members of the Group are:

| Sector | Name | School/Setting Name |
|--|-------------------|--|
| Maintained Schools (including Maintained Nursery Schools* | Helen Currie | Church Hill & Low Hall Nursery Schools |
| | Tracey Griffiths | Barn Croft Primary School |
| | Katie Jennings | Mission Grove Primary School |
| Academies | Maureen Okoye | Arbor Academy Trust |
| | Vacancy | |
| PVI term time providers | Ruth Mattison | Handsworth Pre-school |
| | Sarah Kendrick | Redwood Pre School |
| | Pam Chapman | Shernhall Pre-School |
| | Sue Ruff | St. Andrews Pre-school |
| 3 to 4 PVI year-round / full day-care providers | Denise O'Sullivan | Little Diamonds Nursery |
| | Anuta Dunca | 1 st Stepping Stones Nursery School |
| | Hannah McCarthy | Footsteps Day Nursery |
| | Blerina Deliu | Highams Park Day Nursery |
| Childminders | Donia Duffy | LBWF (Representing Childminders) |

Non-voting members - LBWF Officers:

| | | |
|-------------------|------------------------|--|
| LBWF staff | Eve McLoughlin | Head of Early Years Childcare and Business Development (Chair) |
| | Elisha Brett | Deputy Head of Early Years Childcare and Business Development |
| | Mohammad Akhtar | Early Years Finance & Business Manager |

Non-voting Advisors to the group to attend as and when required / invited:

| | | |
|--|--------------------------|---|
| | Duncan James-Pike | Strategic Finance Advisor – Finance Team (High Needs Block & Early Years Block) |
| | Eva Gunkova | Assistant Director – SEND Service (Special Educational Needs & Disabilities) |
| | Carol Fredrick | Head of Early Help Delivery 0-18 (Children & Families Centres) |

Clerk to the meeting is Temi Adeniji: temilade.adeniji@walthamforest.gov.uk

Members are appointed to the Group for the period November 2021 to March 2022.

A member ceases to be a member of the Group if he or she resigns from the Group or no longer occupies / is a member of the office or body which he or she was nominated to represent.

Observers will be able to attend meetings to ask questions and contribute to the discussion but will not be able to vote. Voting members will be able to vote on their behalf.

Observers must provide details of their intention to attend the meeting to the clerk in advance of their attendance;

Officers employed by the Local Authority / Families Directorate who have a role in the strategic development of Early Years and associated services are non-voting members of the Group.

They will provide advice to the Group on professional issues, including reports before them, matters of procedure and advice and guidance on changes to Government guidance or policy and make recommendations on the EYNFF.

4. MEETINGS AND PROCEEDINGS OF THE GROUP

All meetings papers, agendas and minutes are will be made available to the group. Communication links will also be set up on The Hub to enable sector representative to share information with and receive feedback from their respective sector.

Meetings will be held at suitable venues in the Borough as may be considered appropriate in the circumstances. The decisions as to where to hold meetings shall ultimately lie with the Chair of the Group.

The Group shall meet no less than 3 times during the period November 21 and March 22.

The Group may establish and set terms of reference for subcommittees and working groups as required, subject to first obtaining the advice of the Chair of the Group as to the necessity for such arrangements.

Members who fail to attend two consecutive meetings without a satisfactory explanation will have their membership reviewed by the Group.

5. Agenda Planning / Despatch of Papers

The responsibility for setting the agenda for the Group lies with the Chair. The Chair shall ensure that all matters falling within the remit of the Group are placed on an appropriate agenda for consideration by the Group in a timely manner.

In this regard meetings need to be scheduled at appropriate points in order to enable the Group to consider outcomes of local consultations and national announcements. The frequency and timing of meetings shall be agreed in advance of the next meeting.

Items for inclusion on the agenda for the Group (submitted by a member of the Group) must be submitted to the Chair of the Group not less than 10 working days before a scheduled meeting of the Group

Agendas and reports will generally be circulated by the Chair of the Group at least 5 working days before the meeting to which they relate.

6. Quorum

The quorum for any Group meeting shall be at least 40% of the voting membership. At least one representative of each of the sectors must be present and voting.

7. Declaration of Interests

Members of the Group will have regard to the Local Code of Conduct for Members.

Interests whether personal or pecuniary, should be declared at the outset of the meeting and before the item is discussed. A member with a pecuniary interest or disclosable pecuniary interest (DPI) beyond or over and above those interests of the generality of the group they represent) shall declare that interest as soon as it becomes apparent. The member may be present for the introduction of the Item and presentation of a report by the presenting officer, make representations, answer questions and give evidence in response to that presentation before

leaving the room. A member with a pecuniary or disclosable pecuniary interest (DPI) may not take part in the Group's debate on the item, the decision and/or vote.

In considering whether or not to declare a pecuniary or disclosable pecuniary interest, a member of the Group should apply the following test: 'Would a member of the public, knowing the facts of the situation, reasonably think the member might be influenced by the interest?' A pecuniary or disclosable pecuniary interest would include the situation whereby a proposal uniquely affects either a school/setting at which they are a head teacher / governor/Managing Director or Business owner or which their children attend / close family members are employed at.

If a member knows, or ought to know, that they will have a pecuniary or disclosable pecuniary interest in any matter being discussed by the Group they are encouraged to send a substitute (nominated in accordance with the Constitution) to the meeting in their place.

8. Voting Procedures

The Group shall always seek to operate on a consensus basis. If it is not possible to reach a consensus, members will be required to undertake a formal vote on the matter before them. Each member will have one vote. Votes cast will be carried on a simple majority basis which will be recorded. In the event of an equal number of votes for and against a proposal this will be recorded.

9. Clerk to the Group

The Group will be clerked by an employee of the Council. The specific responsibilities of the Clerk will be to:

- convene meetings of the Group;
- arrange accommodation for meetings;
- co-ordinate and act as secretariat to meetings;
- copy, circulate and dispatch appropriate papers;
- publish papers on The Hub website;
- make and maintain a record of the Membership and all proceedings of the Group.

10. FREEDOM OF INFORMATION

Request for Information under the Freedom of Information Act (FOIA) 2000 will be handled in accordance with the Council's published procedures for dealing with such requests. Any Member of the Group receiving a request under the FOIA will be required to pass that request to the Chair of the Group within 24 hours of receipt of that request in order that the Education Support Service may deal with the request on behalf of the Group within the 20 working day time limit.

11. COMPLAINTS / DISPUTES

The Group is intended to be a collaborative, co-operative body and needs to ensure that no particular sector or member is unduly favoured. Problems and issues should normally be debated and resolved at the Group meetings.

However, if parties feel that these have not been resolved, the following process should be followed and minutes taken.

Stage 1: Complaints from member/s of the group or issues of non-compliance with the terms of reference will in the first instance, be referred in writing to the Chair of the Group. The parties who are in dispute will meet with the Chair of the Group who will investigate and attempt to reach satisfactory resolution through discussion with the representative/s concerned.

Stage 2: In the event of satisfactory resolution not being reached, the matter will be referred to the Chair of Schools Forum for a final decision.

12. Local Code of Conduct for Members

All Members must comply with the following standards when carrying out your official duties:

- a. To act solely in the public interest and never improperly attempt to or actually confer an advantage or disadvantage on any person or improperly act to gain financial or other material benefits for themselves, their family, friends or close associates.
- b. Not to place themselves under a financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
- c. To make all decisions on merit when carrying out public duties, such as making public appointments or awarding contracts.
- d. To be accountable for their decisions to the public and to cooperate fully with whatever scrutiny is appropriate to their office.
- e. To be open about their decisions and actions and the decisions and actions of their authority and Members should be prepared to give reasons for those decisions and actions.
- f. When using or authorising the use by others of the resources of this authority, ensure that such resources are not used improperly for political purposes (including party political purposes) and members must have regard to any statutory guidance made under the Local Government Act 1986.
- g. To comply with the law (including the Council's Access to Information Rules) in respect of the disclosure and confidentiality of information held by the Council and to seek advice before disclosing personal or other confidential information.
- h. To treat others with respect and not to bully or harass any person.
- i. To promote and support high standards of conduct when serving in their office, particularly those set out in a. to h. above, by leadership and by example.

| | | | |
|-------------------------------------|---|-------------|----------|
| Meeting / Date | SCHOOLS FORUM 10 November 2021 | Agenda Item | 6 |
| Report Title | Growth Fund 2022-23 | | |
| Decision/Discussion/ Information | For Discussion and Decision by all | | |
| Report Author/ Contact details | Duncan James-Pike, Strategic Finance Advisor duncan.james-pike@walthamforest.gov.uk 020 8496 3502 | | |

1. SUMMARY

- 1.1 This report sets out proposals to amend the Growth Fund scheme for secondary schools and recommends the size for the Growth Fund 2022-23.

2. RECOMMENDATION

2.1 Schools Forum to agree

- 2.1.1 That the ear-marked funding for the Growth Fund for 2022-23, currently estimated at £1.149 million, continues to be reserved for growth as in prior years.

2.2 Schools Forum to agree the following amendments to the Growth Fund scheme:

- 2.2.1 Year 7: Each new form for both permanent expansions and bulge classes is funded at 30 x KS3 AWPU + 30 x average AEN per pupil.
- 2.2.2 Years 8 and 9: Bulge Class protection has a maximum of 15 x KS3 AWPU.
- 2.2.3 Years 10 and 11: Bulge Class protection has a maximum of 10 x KS4 AWPU.

3. REASON

- 3.1 Schools Forum decides on the size of the Growth Fund and how it is allocated.
- 3.2 The secondary Basic Entitlement (AWPU) is now split between Key Stage 3 and Key Stage 4 requiring some aspects of the Growth Fund scheme to be revised.

4. BACKGROUND

- 4.1 Schools' budgets for a given financial year are determined by the pupil count in the preceding October's school census. The purpose of the Growth Fund is to support schools expanding to meet basic need so that there is adequate

funding for the additional new forms that otherwise would not get funded until the following financial year. For maintained schools this funding gap would be from the September of entry through to the end of the financial year in March, with the new form having appeared on the October census and attracting funding for the new financial year in April. For academies, where the lag in funding is longer, the funding gap is from the September of entry through to the end of the academy financial year – the following August.

4.2 There are four secondary schools covered by the Growth Fund in 2022-23. All primary expansions have completed.

4.3 The key features of the current Growth Fund scheme are:

- First-year funding guarantee 30 pupils
- Bulge Class Protection
- Leadership & management
- Additional funding for Resources
- KS1 and reception protection from appeals etc

4.4 Starting in 2018-19, the LA received specific ear-marked Growth Funding from the ESFA based on historical spend. However, this has been reducing by 20% year on year and this reduction was forecast to continue leading to the Growth Fund using all its reserves and going into deficit.

4.5 In mid-September the Department of Education issued a Growth Fund calculator. The Place Planning team input pupil estimates for the October 2021 census into the calculator which projected that our Growth Fund allocation for 2022-23 would be around £300,000 higher than we had estimated and could be £1.149 million. Although this is an indicative allocation, it would mean that the current Growth Fund scheme remains affordable.

4.6 **Appendix A** sets out the permanent expansions and bulge classes being supported from 2019-20 to 2027-28.

5. CONSULTATION

5.1 The Task and Finish Group met on 13 October 2021 to consider the adequacy and fairness of the Growth Fund scheme.

5.2 Although the majority view seemed to be that the scheme should not be altered and current commitments should be honoured for the schools in the current programme, there was still a need to consider revisions to address the change in the secondary Basic Entitlement (AWPU) which is now split and

has different values. In 2021-22 Key Stage 3 AWPU was £4,934; and Key Stage 4 AWPU was £627 higher at £5,561.

- 5.3 Minor alterations to the scheme were suggested within the Group that address the separate rates and context for Key Stage 3 (KS3) and Key Stage 4 (KS4) and officers recommend these to Schools Forum.

6. PROPOSALS

First-year funding guarantee 30 pupils

- 6.1 Currently the new forms for permanent expansion and bulge classes are funded at 30 x average pupil-led funding (seven months pro rata for maintained, 12 months for academies) on the assumption that the characteristics of the new pupils are similar to those of the rest of the school. The average pupil-led funding includes the higher rate for KS4 AWPU in the total which overstates the funding gap. It is therefore proposed that this element of funding be amended to 30 x KS3 AWPU + 30 x average AEN.
- 6.2 Implementing this proposal to use KS3 + average AEN reduces the funding by £160 per pupil on average but aligns the funding of the new form more closely to the other Year 7 pupils.

Bulge Class Protection

- 6.2 Currently Bulge Classes are protected to reflect the risk being taken by the host school. If the class falls below 25 pupils, funding is topped-up to a maximum of 15 AWPU.
- 6.3 As the secondary AWPU is now split between KS3 and KS4, it is proposed that the KS3 AWPU is used for protecting Years 8 and 9.
- 6.4 Similarly, it is proposed that the KS4 AWPU is used for protecting Years 9 and 10. However, the delivery of KS4 is fundamentally different, and it is proposed that for Years 10 and 11, if the form falls below 25 pupils, funding is topped-up to a maximum of 10 KS4 AWPU.
- 6.5 The proposed levels of Bulge Class protection are shown in **Appendix B**.

Leadership & management

- 6.6 No changes are proposed to the existing support for Leadership and Management as shown below.

| Leadership And Management Allowance | | Payment |
|-------------------------------------|---|---------|
| Stage 1 | During Summer Term of academic year prior to first bulge class. Conditional on the intention for further bulges | £50,000 |
| Stage 2 | During Summer Term of academic year prior to second bulge class (contingent on the first bulge filling and the second planned bulge being implemented). | £50,000 |
| Stage 3 | During Summer Term of academic year prior to permanent expansion (contingent on agreement and approval of permanent expansion) | £50,000 |

Additional funding for Resources

- 6.7 No change is proposed to the current provision that each new form entry receives £5,000 for resources.

KS1 and reception protection from appeals

- 6.8 No change is proposed to the current provision where, as a result of an appeal or the Local Authority asks a school to take a pupil which takes the number in the reception or Key Stage 1 class to over 30, the Local Authority will meet the cost of an additional teaching assistant to keep the class size at 30 or below. Payments are made termly in arrears based on submitted evidence of costs incurred by the school.

7. FORWARD PROJECTIONS

- 7.1 **Appendix C** shows the forward projections for the Growth Fund scheme. The table assumes the proposals to use KS3 + AEN at Year 7; the adoption of KS3 AWPU to protect Years 8 and 9 of bulge classes and KS4 AWPU to protect Years 10 and 11; and that no more than 25% protection is triggered. Assuming the indicative allocation for 2022-23 of £1.149 million is correct, average funding of £507,000 per year for 2023-24 to 2027-28 will be required.
- 7.2 Officers believe that it is reasonable to assume that if the Growth funding for 2022-23 is near the indicative figure the scheme should continue to be affordable for the current programme of expansions.

GROWTH FUND 2022-23 APPENDIX A

Permanent Expansion: New forms admitted each year

Kelmscott (2FE)
 Leytonstone
 Willowfield
 Norlington

| | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|--|---------|---------|---------|---------|---------|---------|---------|
| | | 2 | 2 | 2 | 2 | 2 | 0 |
| | 1 | 1 | 1 | 1 | 1 | 0 | 0 |
| | | | 1 | 1 | 1 | 1 | 1 |
| | | 1 | 1 | 1 | 1 | 1 | 0 |
| | 1 | 4 | 5 | 5 | 5 | 4 | 1 |

Bulge classes: One form admitted and tracked

Kelmscott 1st
 Kelmscott 2nd
 Leytonstone 1st
 Leytonstone 2nd
 Willowfield 1st
 Willowfield 2nd
 Norlington 1st
 Norlington 2nd

| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | KS3 Y7 | KS3 Y8 | KS3 Y9 | KS4 Y10 | KS4 Y11 | | | |
| | | | KS3 Y7 | KS3 Y8 | KS3 Y9 | KS4 Y10 | KS4 Y11 | | |
| KS3 Y7 | | KS3 Y8 | KS3 Y9 | KS4 Y10 | KS4 Y11 | | | | |
| | | KS3 Y7 | KS3 Y8 | KS3 Y9 | KS4 Y10 | KS4 Y11 | | | |
| | | | KS3 Y7 | KS3 Y8 | KS3 Y9 | KS4 Y10 | KS4 Y11 | | |
| | | KS3 Y7 | KS3 Y8 | KS3 Y9 | KS4 Y10 | KS4 Y11 | | | |
| | | KS3 Y7 | KS3 Y8 | KS3 Y9 | KS4 Y10 | KS4 Y11 | | | |

Bulge Class Key

| |
|--|
| Key Stage 3 Year 7 New form entry: funded same as permanent expansion |
| Key Stage 3 Years 8 & 9 : protection funding if form falls below 25 pupils |
| Key Stage 3 Years 10 & 11 : protection funding if form falls below 25 pupils |

GROWTH FUND 2022-23 APPENDIX B (using 2021-22 AWPU)

MINIMUM CLASS SIZE GUARANTEE - KS3

| over PAN | top up places | KS3 AWPU |
|-------------------|---------------|----------------|
| 25 or more | 0 | £0 |
| 24 | 1 | £4,934 |
| 23 | 2 | £9,868 |
| 22 | 3 | £14,802 |
| 21 | 4 | £19,736 |
| 20 | 5 | £24,670 |
| 19 | 6 | £29,604 |
| 18 | 7 | £34,538 |
| 17 | 8 | £39,472 |
| 16 | 9 | £44,406 |
| 15 | 10 | £49,340 |
| 14 | 11 | £54,274 |
| 13 | 12 | £59,208 |
| 12 | 13 | £64,142 |
| 11 | 14 | £69,076 |
| 10 or less | 15 | £74,010 |

MINIMUM CLASS SIZE GUARANTEE - KS4

| over PAN | top up places | KS4 AWPU |
|-------------------|---------------|----------------|
| 25 or more | 0 | £0 |
| 24 | 1 | £5,561 |
| 23 | 2 | £11,122 |
| 22 | 3 | £16,683 |
| 21 | 4 | £22,244 |
| 20 | 5 | £27,805 |
| 19 | 6 | £33,366 |
| 18 | 7 | £38,927 |
| 17 | 8 | £44,488 |
| 16 | 9 | £50,049 |
| 15 or less | 10 | £55,610 |

GROWTH FUND 2022-23 APPENDIX C AFFORDABILITY

| | 2022-23 £ | 2023-24 £ | 2024-25 £ | 2025-26 £ | 2026-27 £ | 2027-28 £ | TOTAL £ |
|---|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| Permanent Expansions | 440,295 | 625,549 | 625,549 | 625,549 | 518,075 | 185,254 | |
| Bulge classes | 183,041 | | | | | | |
| Bulge Class protection (assumes 25% of maximum protection) | 124,918 | 129,620 | 101,918 | 55,610 | 13,903 | 0 | |
| Leadership & Management | 150,000 | 50,000 | | | | | |
| EXPENDITURE | 898,254 | 805,169 | 727,466 | 681,159 | 531,977 | 185,254 | 3,829,278 |
| Reserve | -146,000 | -396,746 | -98,578 | 121,889 | 296,048 | 321,025 | |
| Indicative Allocation projected 2023-23; <i>average funding required 2023-24 to 2027-28</i> | -1,149,000 | -507,000 | -507,000 | -507,000 | -507,000 | -507,000 | -3,830,000 |
| Available | -1,295,000 | -903,746 | -605,578 | -385,111 | -210,952 | -185,975 | |
| Carried Forward | -396,746 | -98,578 | 121,889 | 296,048 | 321,025 | -722 | |

Assumptions

Year 7 funding = 30 x KS3 AWPU + average AEN per pupil

25% of bulge class protection triggered

Indicative allocation 2022-23 proves correct at £1.149 million

| | | | |
|-------------------------------------|---|-------------|----------|
| Meeting / Date | SCHOOLS FORUM 10 November 2021 | Agenda Item | 7 |
| Report Title | Draft Local Funding Formula 2022-23 | | |
| Decision/Discussion/ Information | For Discussion and Decision by all | | |
| Report Author/ Contact details | Duncan James-Pike, Strategic Finance Advisor duncan.james-pike@walthamforest.gov.uk 020 8496 3502 | | |

1. SUMMARY

- 1.1 This report sets out the draft Local Funding Formula (LFF) and Minimum Funding Guarantee (MFG) for the Schools Block 2022-23.

2. RECOMMENDATIONS

2.1 Schools Forum to agree:

- 2.1.1 To use the NFF factors and rates for 2022-23.
- 2.1.2 To use the maximum MFG permitted (+2%, same as in 2021-22).
- 2.1.3 After running the formula, if there are unallocated funds, these are allocated through raising the rates for Basic Entitlement (AWPU).

3. REASON

- 3.1 Schools Forum must be consulted on any changes to the LFF or MFG although no change in approach is proposed for 2022-23.

4. BACKGROUND

- 4.1 In September 2015 Schools Forum adopted the following principles to be applied to its funding decisions:
- Transparency
 - Fairness
 - Stability
 - Support for vulnerable students
- 4.2 In October 2019 Schools Forum noted the direction of travel towards a NFF and asked officers to model the impact of moving towards NFF funding figures over a transitional period.

- 4.3 A task and finish group considered several detailed models and recommended the adoption of the NFF factors and rates in 2020-21, coupled with raising the MFG to the new upper limit of +1.84%. The high MFG protected schools from the negative effect of any redistribution flowing from the adoption of NFF factor rates, while allowing some gains to feed through.
- 4.4 These proposals were adopted by Schools Forum in November 2019 and confirmed by a consultation in late November 2019.
- 4.5 In 2021-22 Schools Forum reaffirmed its decision on the NFF together with the maximum level of MFG which had been raised to +2%. The LA proposes to continue to use the MFG at the maximum level of +2% in 2022-23.
- 4.6 The LFF remains a draft until it has been applied to the ESFA's budget setting tool, the Authority Proforma Tool (APT) issued in December, to see if any unallocated funds remain. This was the case in 2021-22 and the balance was applied to raise the Basic Entitlement.
- 4.7 The draft LFF for 2022-23 is shown as **Appendix A** to this report. All factors except Split-Site funding and PFI are within the national funding formula.
- 4.8 The ESFA fund split-site funding on an historic lump sum and the LFF has its own criteria for allocating which was reviewed and agreed by Schools Forum for 2021-22.
- 4.9 The ESFA fund PFI costs on historic sums which are indexed every year. In 2022-23 the indexation will be +3.17%.
- 4.10 The changes between the 2022-23 draft and 2021-22 actual LFF are shown in **Appendix B**. As stated above, in 2021-22, Basic Entitlement was raised above the NFF to allocate funding that remained after the basic formula was run. This is shown in the table below.

| | 2021-22 NFF Factor Value | 2021-22 LFF Factor Value | LFF higher by |
|-------------------|--------------------------------|--------------------------------|------------------|
| Basic Entitlement | | | |
| KS1 and KS2 AWPU | £3,381 | £3,498 | £117 |
| KS3 AWPU | £4,768 | £4,934 | £165 |
| KS4 AWPU | £5,374 | £5,561 | £187 |

LOCAL FUNDING FORMULA APPENDIX A

DRAFT LOCAL FUNDING FORMULA 2022-23

| PUPIL-LED FACTORS | | PRIMARY | SECONDARY |
|------------------------------|----------------------|-----------|-----------|
| | | PER PUPIL | PER PUPIL |
| BASIC ENTITLEMENT | KS1&2 | £3,488 | |
| | KS3 | | £4,917 |
| | KS4 | | £5,542 |
| DEPRIVATION | FSM | £510 | £510 |
| | FSM Ever 6 | £640 | £938 |
| | IDACI F | £239 | £347 |
| | IDACI E | £293 | £461 |
| | IDACI D | £455 | £645 |
| | IDACI C | £499 | £705 |
| | IDACI B | £531 | £759 |
| | IDACI A | £694 | £965 |
| ADDITIONAL EDUCATIONAL NEEDS | LOW PRIOR ATTAINMENT | £1,225 | £1,854 |
| | EAL | £613 | £1,659 |
| | MOBILITY | £1,003 | £1,442 |

| SCHOOL-LED FACTORS | |
|--|--------------|
| LUMP SUM (Each school) | £131,501 |
| RATES | Actual Costs |
| PFI | Actual Costs |
| SPLIT-SITES | |
| Primary | |
| Schools that have split sites requiring two receptions/offices | £36,000 |
| Secondary | |
| Second Site building footprint more than 50% of Main Site | £140,000 |
| Second Site building footprint less than 50% of Main Site | £70,000 |
| No Sports Hall | £75,500 |
| No Playing Field | £9,000 |

LOCAL FUNDING FORMULA APPENDIX B

DRAFT LOCAL FUNDING FORMULA 2022-23: PRIMARY

| PUPIL-LED FACTORS | | PRIMARY PER PUPIL 2022-23 | PRIMARY PER PUPIL 2021-22 | CHANGE £ | CHANGE % |
|------------------------------|----------------------|---------------------------------|---------------------------------|----------|----------|
| BASIC ENTITLEMENT | KS1&2 | £3,488 | £3,498 | -£10 | -0.30% |
| | | | | | |
| DEPRIVATION | FSM | £510 | £498 | £12 | 2.31% |
| | FSM Ever 6 | £640 | £623 | £17 | 2.67% |
| | IDACI F | £239 | £233 | £6 | 2.36% |
| | IDACI E | £293 | £282 | £11 | 3.80% |
| | IDACI D | £455 | £444 | £11 | 2.55% |
| | IDACI C | £499 | £482 | £17 | 3.46% |
| | IDACI B | £531 | £514 | £17 | 3.35% |
| IDACI A | £694 | £671 | £23 | 3.40% | |
| ADDITIONAL EDUCATIONAL NEEDS | LOW PRIOR ATTAINMENT | £1,225 | £1,186 | £39 | 3.29% |
| | EAL | £613 | £596 | £17 | 2.77% |
| | MOBILITY | £1,003 | £974 | £29 | 2.96% |

| SCHOOL-LED FACTORS | | | | |
|--|--------------|--------------|--------|-------|
| LUMP SUM (Each school) | £131,501 | £127,547 | £3,954 | 3.10% |
| RATES | Actual Costs | Actual Costs | | |
| PFI | Actual Costs | Actual Costs | | |
| SPLIT-SITES | | | | |
| Schools that have split sites requiring two receptions/offices | £36,000 | £36,000 | | |

DRAFT LOCAL FUNDING FORMULA 2022-23: SECONDARY

| PUPIL-LED FACTORS | | SECONDARY PER PUPIL 2022-23 | SECONDARY PER PUPIL 2021-22 | CHANGE £ | CHANGE % |
|------------------------------|----------------------|-----------------------------------|-----------------------------------|----------|----------|
| BASIC ENTITLEMENT | | | | £0 | |
| | KS3 | £4,917 | £4,934 | -£17 | -0.33% |
| | KS4 | £5,542 | £5,561 | -£19 | -0.34% |
| DEPRIVATION | FSM | £510 | £498 | £12 | 2.31% |
| | FSM Ever 6 | £938 | £910 | £28 | 3.05% |
| | IDACI F | £347 | £336 | £11 | 3.25% |
| | IDACI E | £461 | £449 | £12 | 2.62% |
| | IDACI D | £645 | £628 | £17 | 2.71% |
| | IDACI C | £705 | £682 | £23 | 3.32% |
| | IDACI B | £759 | £736 | £23 | 3.11% |
| IDACI A | £965 | £937 | £28 | 2.97% | |
| ADDITIONAL EDUCATIONAL NEEDS | LOW PRIOR ATTAINMENT | £1,854 | £1,797 | £57 | 3.16% |
| | EAL | £1,659 | £1,608 | £51 | 3.15% |
| | MOBILITY | £1,442 | £1,397 | £45 | 3.21% |

| SCHOOL-LED FACTORS | | | | |
|---|--------------|--------------|--------|-------|
| LUMP SUM (Each school) | £131,501 | £127,547 | £3,954 | 3.10% |
| RATES | Actual Costs | Actual Costs | | |
| PFI | Actual Costs | Actual Costs | | |
| SPLIT-SITES | | | | |
| Second Site building footprint more than 50% of Main Site | £140,000 | £140,000 | | |
| Second Site building footprint less than 50% of Main Site | £70,000 | £70,000 | | |
| No Sports Hall | £75,500 | £75,500 | | |
| No Playing Field | £9,000 | £9,000 | | |

NOTE: For 2021-22 Basic Entitlement was set higher than the National Funding Formula to allocate funding that remained after the basic formula was run.