

Date of meeting:	Thursday 16 December 2021
Title of report:	2022/23 School Funding: New De-Delegation – School Improvement
Type of report: Delete as required	For decision
Executive summary: Including reason for submission	The report details the recent DfE consultation “Reforming how local authorities’ school improvement functions are funded” which proposes reduction and subsequent removal of the School Improvement Monitoring & Brokering Grant. This report provides LA proposals requesting an “in principle” decision for the de-delegation of funding from school budgets in the 2022/23 financial year to fund statutory services for the provision of school improvement core activities to maintained schools.
Budget / Risk implications:	Potential risk to services and resources for schools funded from the School Improvement Monitoring & Brokering Grant from April 2022.
Recommendations:	As detailed in Section 6 in relation to voting the proposals for the “in principle” de-delegation of funding to support the provision of school improvement core activities to maintained schools for the 2022/23 financial year.
Voting requirements:	De-delegation (buy back for special schools and PRS): LA maintained primary, secondary and special schools and PRS only (in relevant phase)
Appendices:	Appendix 1 – DfE Consultation “Reforming how local authorities’ school improvement functions are funded” Appendix 2 – NYCC consultation response – letter to Secretary of State.
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2022/23 School Funding – De-Delegation – School Improvement**1.0 PURPOSE OF THE REPORT**

- 1.1 This report presents proposals for the ‘in principle’ de-delegation of funding in relation to the provision of LA core school improvement statutory functions for the 2022/23 financial year. The ‘in principle’ request is made in response to the DfE consultation, issued on 29th October 2021, outlining proposals for the 50% reduction of the LA School Improvement Monitoring & Brokering Grant for the 2022/23 financial year, followed by full removal of the Grant for the 2023/24 financial year. The DfE have indicated that the consultation outcome confirming their intentions will be published December 2021 / early January 2022.
- 1.2 The Schools Forum is asked to consider the report. Relevant phases of LA-maintained schools are asked to vote on recommendations for the “in principle” de-delegation of funding from school budgets / buy back (for special schools and PRS) for the 2022/23 financial year to fund statutory service provision for the delivery of school improvement core activities.

2.0 BACKGROUND

- 2.1 On the 29th October 2021, the DfE launched a consultation “Reforming how local authorities’ school improvement functions are funded”. The consultation proposes a 50% reduction to the LA School Improvement Monitoring & Brokering Grant for the 2022/23 financial year, followed by full removal of the Grant in the 2023/24 financial year. The consultation also proposed making provisions within the School and Early Years Finance (England) Regulations for the 2022/23 financial year to allow local authorities to fund all of their school improvement activity (including all core school improvement activities) via de-delegation from schools’ budget shares. NYCC received £843.4k of funding through the School Improvement Monitoring & Brokering Grant in the 2021/22 financial year. Within NYCC, the Grant is used to fund statutory service provision for core school improvement activities for maintained secondary, primary, and special schools and PRS.
- 2.2 De-delegation applies only to LA-maintained schools. Where services are able to be de-delegated, the budget is, technically initially delegated to all schools and academies. Services for de-delegation then have to be approved by Schools Forum and, if approved, the funding will be removed from maintained schools’ budgets before final school budgets are issued.
- 2.3 The amount that can be de-delegated depends on the number of academy conversions; if there are more conversions of schools to academies the total sum de-delegated will reduce.

3.0 DfE CONSULTATION “REFORMING HOW LOCAL AUTHORITIES’ SCHOOL IMPROVEMENT FUNCTIONS ARE FUNDED”

- 3.1 In the consultation “Reforming how local authorities’ school improvement functions are funded”, the DfE have stated that they feel it is now an appropriate time to review the school improvement functions undertaken by LA’s and how they are funded,

2022/23 School Funding – De-Delegation – School Improvement

including consideration of the School Improvement Monitoring & Brokering Grant. The DfE indicate that the role of the LA in school improvement has changed significantly over recent years, with the growth of school-led approaches, with the LA role in school improvement in maintained schools being, increasingly, focused on helping those schools that need support to access it from within the school system.

3.2 LA school improvement activity can be divided into ‘core improvement activities’ and ‘additional improvement services’ which LAs may opt to provide to maintained schools with their agreement.

i. Core improvement activities

The School Improvement Monitoring & Brokering Grant was introduced in 2017 to support LAs to fulfil their core improvement activities, with the amount received by each council proportionate to the number of maintained schools in their area. The core improvement activities are set out in Part 4 of the Education and Inspections Act 2006 (the 2006 Act) and in the DfE Schools Causing Concern guidance.

Part 4 of the 2006 Act provides LAs with statutory powers to warn and intervene in schools causing concern, through issuing a warning notice setting out actions the governing body are to take and powers to require the governing body to enter into arrangements:

- To appoint additional governors;
- To provide for the governing body to consist of interim executive members;
- To suspend the right to a delegated budget, if the governing body fails to take the required action.

The Schools Causing Concern guidance sets out expectations that LAs should:

- Understand the performance of maintained schools in their area, with the use of data to identify underperforming schools and undertake work with those identified schools to explore ways to support progress.
- Work closely with the relevant Regional School Commissioner (RSC), diocese and other local partners to ensure schools receive the support they need to improve.
- Where underperformance has been recognised in a maintained school, proactively work with the relevant RSC through sending warning notices and using intervention powers where this will improve leadership and standards.
- Encourage good and outstanding maintained schools to take responsibility for their own improvement; support other schools; and enable other schools to access the support they need to improve.

ii. Additional Improvement Services

LAs are permitted, with the agreement of their local schools forum, to de-delegate funding from schools’ budget shares, to fund the provision of additional improvement services. These activities are in addition to core improvement activities e.g. the provision of additional improvement support. LAs are also able to provide additional school improvement services on a traded basis, where school leaders are able to choose as to whether or not they purchase the services offered.

2022/23 School Funding – De-Delegation – School Improvement

- 3.3 The DfE believe that there is now limited distinction between core and additional school improvement activities within LAs. It is the DfE's view that the limited usage of formal intervention powers by LAs indicates that the School Improvement Monitoring & Brokering Grant is predominately used on early challenge and support in cases of potential underperformance, rather than on formal interventions. In this respect, the DfE feel that it is appropriate to remove the Grant and require all school improvement activities, including core school improvement services, to be funded via de-delegation from school budget shares. The DfE state the benefits of their proposal to be:
- It will remove the distinction in relation to school improvement activities that does not reflect the reality of how effective LAs operate.
 - In line with the DfE drive towards a school-led improvement system, it will put more decisions about improvement provision to schools into the hands of school leaders (via schools forums). With an average uplift in next year's provisional core school funding allocations of 3.2%, as the beneficiaries of improvement support from councils, the DfE believe it is right that maintained schools contribute to the cost of such support but, in turn, they should have greater influence over the activity undertaken.
 - It will bring funding arrangements for LA school improvement activity closer into line with the relationship between individual academies and their MATs, which normally top-slice funding to secure improvement support; and support DfE overarching policy of ensuring maintained schools and academies are funded on an equivalent basis. In turn, this will help to deliver a core aim of the National Funding Formula (NFF), which is to support a more school-based system that allows schools maximum control over their funding.
 - To enable LAs to adjust over time to the government's longer-term ambition for all schools to become academies within a MAT, where councils would no longer maintain schools. The DfE believe that moving at this time to funding school improvement responsibilities via de-delegation, in the same way that local authorities fund additional improvement services they provide to maintained schools, will provide a smoother transition for councils in this position.
- 3.4 The DfE are proposing that the School Improvement Monitoring & Brokering Grant will end from the start of the 2023/24 financial year, with a phased reduction to 50% of the current amount on a per school basis in the 2022-23 financial to give local authorities and maintained schools time to adjust to these new arrangements. LAs will continue to be able to draw on the wider improvement support that the DfE makes available at low or no cost. This includes the DfE network of curriculum and behaviour hubs, Teaching School Hubs, National Professional Qualifications providers, Early Career Framework reforms, and the offer of funded support from a National Leader of Education for any school that Ofsted judge 'requires improvement'.
- 3.5 The DfE acknowledges that part of a LA's core functions will continue to be to exercise its statutory intervention powers as appropriate over maintained schools; LAs cannot currently de-delegate funding from school budgets for this purpose. The School and Early Years Finance (England) Regulations (the Regulations) currently prohibit LAs from using Dedicated Schools Grant (DSG) funding for expenditure connected to their statutory improvement functions under Part 4 of the 2006 Act. The Regulations currently permit LAs to de-delegate expenditure on improvement "that is not required by Part 4 of the Education and Inspections Act 2006" from schools' budget shares, with the agreement of their local schools forum or the Secretary of State. The DfE intend to ensure that LAs remain adequately funded to exercise their statutory intervention

2022/23 School Funding – De-Delegation – School Improvement

powers in maintained schools. The DfE propose to omit the existing provisions from the Regulations in 2022/23, and include a new provision for items that may be removed from maintained schools' budget shares (primary, secondary and special schools, and pupil referral units). This will permit LAs to deduct expenditure incurred for the purposes of improvement, including that required by the LA's functions under Part 4 of the 2006 Act, from schools' budget shares, with the agreement of their schools forum or the Secretary of State. In line with other de-delegation decisions, the Secretary of State would retain the power to approve the de-delegation contrary to the decision of the schools forum, if satisfied that the LA had demonstrated such de-delegation was necessary to ensure the LA remains adequately funded to exercise its core school improvement activities.

- 3.6 The DfE consider that making this change would align with the proposed reforms to the NFF on which they consulted on recently. The "Fair Funding for All" consultation proposed reviewing central school services with a view towards retaining funding by central grant as part of the Central School Services Block where responsibilities are to all schools, and de-delegating central functions that are provided only in support of maintained schools. The DfE intends to consult further as part of the review of which local authority functions should remain discharged by the local authority or move to be de-delegated or traded.
- 3.7 The DfE intend to update the guidance provided to LAs with respect to their improvement activities in maintained schools, in order to ensure guidance reflects any new funding arrangements.
- 3.8 The NYCC response to the consultation has raised the following concerns:
- The LA would retain core statutory functions and responsibilities but these could be completely unfunded should the local Schools Forum decline to de-delegate funding.
 - The DfE will achieve a saving by withdrawing the grant, this cost will be passed to local authority maintained schools which will, in effect, experience a new unfunded pressure.
 - The consultation is poorly timed and the implementation feels rushed.
 - The proposals are disjointed when viewed in the context of the DfE's stated intention to undertake a review of the role and functions of the Schools Forums and the role of LAs. A more strategic and well-founded approach would be to undertake a review of the role and responsibilities of local authorities and Schools Fora before proposing funding changes to just one aspect
 - The proposals are reactive and do not reflect or acknowledge the proactive, preventative and collaborative work undertaken by LAs with schools without the need for the application of formal sanctions.
 - No evidence base has been provided for the consultation proposals.
- 3.9 The DfE "Reforming how local authorities' school improvement functions are funded" consultation is included as appendix 1 to this report. The NYCC letter to the Secretary of State for Education in response to the Consultation is included as appendix 2 to this report.

2022/23 School Funding – De-Delegation – School Improvement**4.0 LOCAL AUTHORITY USAGE OF THE SCHOOL IMPROVEMENT MONITORING & BROKERING GRANT**

- 4.1 The School Improvement Monitoring & Brokering Grant is currently provided to LAs based on the number of maintained schools within the LA area. The Grant level is adjusted in April and September to reflect the number of schools that have converted to academy status. The Grant is currently funded at on the basis of £3,423 per LA maintained school. NYCC received £843.4k funding through the School Improvement Monitoring and Brokering Grant for the 2021/22 financial year.
- 4.2 The NYCC School Improvement (SI) Service is structured to enable all LA maintained schools to receive a core allocation of adviser days to focus on school improvement. As at September 2021, there were 235 LA maintained schools; each school was categorised according to the level of risk of 'not' reaching or maintaining a Good or Outstanding judgement at its next inspection. With the categorisation comes an allocation of Senior Education Adviser days. Those schools deemed to be least at risk are allocated 4 days and the ones most at risk are allocated 13.5 days. In total, following categorisation in summer 2021, there were expected to be 1587 adviser days allocated to schools. The 15 SEAs are managed by a team of three Principal Advisers and one Head of Service. In addition to managing the school-based SEAs, the PAs have oversight of service priorities and specialist teams and advisers including early years, governance, educational visits, safeguarding and PSHE and wellbeing.
- 4.3 In addition to core work school improvement work, the service supports the LA to meet its statutory duties in relation to early years and assessment and moderation. Beyond this, the service acts as an appropriate body for Early Career Teachers, SEAs support headteacher recruitment and performance management. The service offers a menu of traded activity through NYES. At all levels, advisers work alongside other council services, acting as a link to schools, for example in strategic planning, schools finance, schools HR, Health and Safety, SEND and Inclusion. Members of the SI service support the work of the North Yorkshire Safeguarding Children's Partnership (NYSCP) through their attendance at sub committees and more recently linking their monitoring activity to the partnership's Section 175 audit process. Advisers and SI leadership work alongside Ofsted, DfE, four Diocesan bodies, MAT leaders and the range of others takeholders and partners across the county.
- 4.4 The Grant forms a significant part of the income associated with managing the service. In 2020-21. Additional income is also received through the Early Years DSG, public health funding as well as previously agreed de-delegated funding to support schools causing concern.
- 4.5 Current Ofsted performance of all 364 schools in North Yorkshire is well below the national average. Only 81% of schools are currently judged to be Good or Outstanding, compared to 87% nationally and a further ten schools have a judgement of 'School remains Good (Concerns)'. Although the impact of the changes to the education inspection framework (2019) on North Yorkshire Schools remains difficult to assess; routine inspections were halted during the pandemic, and alongside the removal of the exemption to inspection schools judged to be Outstanding, Ofsted have recently announced an intention to re-inspect all schools by summer 2025. The set of schools that have been inspected since September 2021 have experienced almost all inspection outcomes.

2022/23 School Funding – De-Delegation – School Improvement

North Yorkshire	Phase	England
100%	Nursery	98%
82%	Primary	88%
74%	Secondary	77%
73%	Special	91%
100%	PRU	85%

Ofsted Monthly Management report as at 31 October 2021

5.0 DE-DELEGATION PROPOSALS FOR STATUTORY SCHOOL IMPROVEMENT CORE SERVICE PROVISION

5.1 The funding that NYCC would have received through the School Improvement and Brokering Grant for 2022/23, based on 2021/22 funding levels and after taking into consideration actual and planned maintained school academy conversions during the 2021/22 financial year, is estimated to be £777k. The DfE consultation proposals indicate that the grant funding level will be reduced by 50% in the 2022/23 financial year and that the grant will be removed for the 2023/24 financial year.

5.2 The timescale of the DfE consultation is extremely short, resulting in a very limited time period for the implementation of arrangements required in response to any reduction in the Grant level. In this respect, NYCC considers it prudent, at this stage pending the outcome of the DfE consultation, to seek an “in principle” decision from the Schools Forum for the de-delegation of funding from school budgets in the 2022/23 financial to fund statutory services related to the provision of core school improvement activities.

5.3 The DfE schools revenue funding operational guidance states that de-delegation does not apply to special schools, nursery schools, or PRUs. Where de-delegation has been agreed for maintained primary and secondary schools, the DfE presume that the local authority will offer the service on a buy back basis to those establishments that are not covered by the de-delegation.

5.4 LAs are required to make a clear statement of how the funding is applied for a de-delegated service. In this respect, NYCC has considered options for the de-delegation of funding for school improvement core activities and considers that, initially for 2022/23, a flat rate lump sum is the methodology that best reflects the delivery of core school improvement services where each school receives 5 days support irrespective of phase or size.

5.5 Based on the estimated grant funding level for 2022/23, the option detailed in 5.4 above is as follows:

	100% Value	50% of Annual Value
Lump Sum	£3,423 Per School	£1,712

5.6 In the event of the DfE progressing with their consultation proposals, a review of the NYCC statutory core school improvement service delivery model will be undertaken for 2023/24. As part of this review, consideration will also be given to the de-delegation methodologies for 2023/24 to reflect any revisions to the service provision.

2022/23 School Funding – De-Delegation – School Improvement**6.0 RECOMMENDATIONS**

- 6.1 LA-maintained primary sector Schools Forum members are asked to vote on the “in principle” delegation of funding based on a lump sum of £1,712 per school for the statutory service provision of school improvement core activities in respect of the 50% reduction by the DfE of the School Improvement Monitoring and Brokering Grant in 2022/23
- 6.2 LA-maintained secondary sector Schools Forum members are asked to vote on the “in principle” delegation of funding based on a lump sum of £1,712 per school for the statutory service provision of school improvement core activities in respect of the 50% reduction by the DfE of the School Improvement Monitoring and Brokering Grant in 2022/23
- 6.3 LA maintained school members of the Schools Forum are asked to support the LA requesting special schools and PRS to approve the “in principle” buyback of funding based on a lump sum of £1,712 per school for the statutory service provision of school improvement core activities in respect of the 50% reduction by the DfE of the School Improvement Monitoring and Brokering Grant in 2022/23

STUART CARLTON
Corporate Director – Children and Young People’s Service



Department
for Education

Appendix 1

Reforming how local authorities' school improvement functions are funded

Government consultation

Launch date: 29 October 2021

Respond by: 26 November 2021

Contents

Introduction	3
Who this is for	3
Issue date	3
Enquiries	3
Additional copies	3
The response	3
About this consultation	4
Respond online	4
Other ways to respond	4
Deadline	4
Reforming how local authorities' school improvement functions are funded	5
Background: Councils' school improvement functions and how they are currently funded	5
Proposal and rationale	6
Proposal 1: Removing the Grant	8
Proposal 2: Including provisions in the School and Early Years Finance (England) Regulations to enable councils to fund all core improvement activities via de-delegation	8
Clarifying guidance provided to councils with respect to school improvement	10
Timeline	10
Questions	12

Introduction

The purpose of this consultation is to seek views about proposed changes to how Local Authorities' school improvement activities are funded.

Who this is for

- Local Authorities
- Schools and parents
- Any other interested organisations and individuals

Issue date

The consultation was issued on 29 October 2021.

Enquiries

If your enquiry is related to the policy content of the consultation you can contact the team on:

SIMBgrant.consultation@education.gov.uk

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the DfE Ministerial and Public Communications Division by email: Consultations.Coordinator@education.gov.uk or by telephone: 0370 000 2288 or via the [DfE Contact us page](#).

Additional copies

Additional copies are available electronically and can be downloaded from [GOV.UK DfE consultations](#).

The response

The government's response to the consultation will be [published on GOV.UK](#) in December 2021 / early January 2022.

About this consultation

We would like to hear your views on our proposals to:

- **Remove** the School Improvement Monitoring & Brokering Grant ('the Grant'), which is currently allocated to local authorities to support school improvement activities; and
- **Make provisions** within the School and Early Years Finance (England) Regulations for the financial year (FY) 2022-23 to allow local authorities to fund all of their school improvement activity (including all core school improvement activities) via de-delegation from schools' budget shares.

Respond online

To help us analyse the responses please use the online system wherever possible. Visit www.education.gov.uk/consultations to submit your response.

Other ways to respond

If for exceptional reasons, you are unable to use the online system, for example because you use specialist accessibility software that is not compatible with the system, you may download a word document version of the form and email it or post it.

By email

- SIMBgrant.consultation@education.gov.uk

By post

SIMB grant consultation
Department for Education
Agora Building
3 Cumberland Place
Nottingham
NG1 6HU

Deadline

The consultation closes on 26 November 2021.

Reforming how local authorities' school improvement functions are funded

The local authority (referred to here as 'council') role in school improvement has changed significantly in recent years, with the growth of school-led approaches, such as Multi-Academy Trusts (MATs), putting school improvement in the hands of the strongest schools and school leaders. In turn, the council's role in school improvement in maintained schools is increasingly focused on helping those of their schools that need it, to access the support they need from the school system.

Given these changes in the respective roles and responsibilities of different parties in the school system, we believe now is the right time to revisit councils' school improvement functions and how they are funded, and consider what this means for the future of the School Improvement Monitoring & Brokering Grant.

Background: Councils' school improvement functions and how they are currently funded

Councils' school improvement activity can be divided into their '**core improvement activities**' and '**additional improvement services**' which councils may opt to provide to maintained schools with their agreement.

Core improvement activities

Since 2017, the Grant has been provided to support councils to fulfil their core improvement activities, with the amount received by each council proportionate to the number of maintained schools in their area.

These core improvement activities are set out in Part 4 of the [Education and Inspections Act 2006](#) (the 2006 Act) and on page 36 of our [Schools Causing Concern guidance](#). Part 4 of the 2006 Act provides councils with statutory powers to warn and intervene in schools causing concern, through issuing a warning notice setting out actions the governing body are to take – with powers to require the governing body to enter into arrangements; to appoint additional governors; to provide for the governing body to consist of interim executive members; or to suspend the right to a delegated budget, if the governing body fails to take the required action.

The Schools Causing Concern guidance sets out expectations that councils should:

- Understand the performance of maintained schools in their area, using data as a starting point to identify any that are underperforming, while working with them to explore ways to support progress;

- Work closely with the relevant Regional School Commissioner (RSC), diocese and other local partners to ensure schools receive the support they need to improve;
- Where underperformance has been recognised in a maintained school, proactively work with the relevant RSC, combining local and regional expertise to ensure the right approach, including sending warning notices and using intervention powers where this will improve leadership and standards; and
- Encourage good and outstanding maintained schools to take responsibility for their own improvement; support other schools; and enable other schools to access the support they need to improve.

We recently implemented changes to ensure that, in delivering these core improvement activities, councils receiving this grant are supporting educational recovery from the pandemic, and to also adjust the overall value of the Grant to reflect the reduced number of schools for which councils are now responsible.

Additional improvement services

Since 2017 councils have also been permitted, with the agreement of their local schools forum, to de-delegate funding from their schools' budget shares, to fund the provision of additional improvement services. These are activities that go above and beyond their core improvement activities, and may include, for example, providing or funding access to improvement support. Many councils will also provide additional improvement and other services to schools on a traded basis, where school leaders choose to buy in services provided by the council.

Proposal and rationale

The current funding arrangements for council school improvement activity presume that there is a clear distinction between core improvement activities, for which the Grant is provided, and additional activity, which councils fund through de-delegation or as a traded service. We believe this distinction no longer reflects the reality of how effective councils operate.

Rather, we believe that, in practice, activity connected to their core improvement activities forms part of a continuum of wider improvement activity that councils may choose to undertake. This is understandable: councils will want to act before performance deteriorates significantly and formal intervention becomes an inevitability, for example, by putting in place arrangements to spot signs of potential underperformance early and challenge it; and only moving on to formal intervention through warning notices and further intervention powers where this hasn't worked and performance has deteriorated.

In that context, and taken together with the Secretary of State's responsibility to convert the poorest performing maintained schools (that Ofsted has judged 'Inadequate') into academies (for which the council is no longer responsible), it is unsurprising that whilst the vast majority of councils continue to spend the full value of the Grant, instances of councils exercising their intervention powers remain relatively low. This is reflected for example in the number of warning notices issued by councils – with less than 1 in 5¹ councils issuing a warning notice in each of the last 3 years. In turn, this implies that the Grant is predominantly used on early challenge and support in cases of potential underperformance, rather than use of formal intervention powers.

We recognise that councils are best placed to determine how to fulfil their core improvement activities but, as a result, we believe there is a strong case to reflect this reality in reformed funding arrangements for councils' improvement functions.

To achieve this, we are consulting on proposals to remove the Grant and enable *all* improvement activity, including that provided in connection with their core improvement activities, to be funded in the same way via de-delegation from schools' budget shares.

We see a number of benefits to this:

- It will remove the distinction set out above, which does not reflect the reality of how effective councils operate.
- In line with our drive towards a school-led improvement system, it will put more decisions about improvement provision to schools into the hands of school leaders (via schools forums). With an average uplift in next year's provisional core school funding allocations of 3.2%, as the beneficiaries of improvement support from councils, we believe it is right that they contribute to the cost of such support but, in turn, they should have greater influence over the activity undertaken.
- It will bring funding arrangements for councils' improvement activity closer into line with the relationship between individual academies and their MATs, which normally top-slice funding to secure improvement support; and support our overarching policy of ensuring maintained schools and academies are funded on an equivalent basis. In turn, this will help to deliver a core aim of the National Funding Formula (NFF), which is to support a more school-based system that allows schools maximum control over their funding.
- It will also enable councils to adjust over time to the government's longer-term ambition for all schools to become academies within a strong MAT – an end point

¹ According to data held by Ofsted

which a number of councils are already closing in on, where councils would no longer maintain schools. We believe that moving at this time to funding these responsibilities via de-delegation, in the same way that councils fund additional improvement services they provide to maintained schools, will provide a smoother transition for councils in this position.

We propose to effect this change through, (1) removing the Grant over the course of FY 2022-23, and (2) including provision in the School and Early Years Finance (England) Regulations for FY 2022-23 which would allow councils to de-delegate for all improvement expenditure, including all core improvement activities. This consultation seeks views on the impact of both these proposals. In addition, this consultation asks how we can update government guidance to support these changes.

Proposal 1: Removing the Grant

We believe the distinction our current funding arrangements effectively make – providing an additional grant to councils to support core improvement activities, with additional improvement services funded via de-delegation and traded services - no longer reflects the reality of how councils deliver improvement support to maintained schools, with formal intervention in reality only a small part at the end of a continuum of challenge and support provided by councils. This means funding to support core improvement activities and formal intervention overlaps with wider improvement provision in a way which creates a disparity with how improvement provision is funded in MATs.

Subject to the outcome of this consultation, we are proposing that the Grant would therefore be ended with effect from the start of FY 2023-24, phased so that it would be reduced to 50% of the current amount on a per school basis in FY 2022-23 to give councils and maintained schools time to adjust to these new arrangements.

Going forward, in fulfilling their responsibilities for the schools they maintain, councils will continue to be able to draw on wider improvement support that the Department for Education ('the Department') makes available at low or no cost, including our network of curriculum and behaviour hubs, Teaching School Hubs, National Professional Qualifications providers, Early Career Framework reforms, and our offer of funded support from a National Leader of Education for any school that Ofsted judge 'requires improvement'.

Proposal 2: Including provisions in the School and Early Years Finance (England) Regulations to enable councils to fund all core improvement activities via de-delegation

We recognise that, as well as those improvement functions which MATs undertake for academies, part of a council's core functions will continue to be to exercise its statutory

intervention powers as appropriate over maintained schools, for which councils cannot currently de-delegate. While instances of councils exercising their statutory intervention powers remain relatively low, we do intend to ensure they remain adequately funded for this, as well as their other improvement functions.

Paragraph 8 in Schedule 1 to the School and Early Years Finance (England) Regulations (the Regulations) that apply to FY2021-22 currently prohibits councils from using Dedicated Schools Grant (DSG) funding for expenditure connected to their statutory improvement functions under Part 4 of the 2006 Act. Paragraph 54 in Part 6 of Schedule 2 to the Regulations currently permits councils to de-delegate expenditure on improvement “that is not required by Part 4 of the Education and Inspections Act 2006” from schools’ budget shares, with the agreement of their local schools forum or the Secretary of State.

From FY 2022-23, we propose to give councils the power in the Regulations to fund all improvement activities, including their core improvement activities, via de-delegation of funds from schools’ budget shares, with the agreement of their local schools forum or the Secretary of State.

In practice, we propose doing this by omitting the existing provisions in paragraph 8 in Schedule 1 and paragraph 54 in Part 6 of Schedule 2 of the Regulations from the Regulations for FY2022-23, and including a new provision in Part 7 of Schedule 2 – items that may be removed from maintained schools’ budget shares (primary, secondary and special schools, and pupil referral units) – permitting councils to deduct expenditure incurred for the purposes of improvement, *including* that required by the council’s functions under Part 4 of the 2006 Act, from schools’ budget shares, with the agreement of their schools forum or the Secretary of State.

In line with other de-delegation decisions, the Secretary of State would retain the power to approve the de-delegation contrary to the decision of the schools forum, if satisfied that the council had demonstrated such de-delegation was necessary to ensure the council is adequately funded to exercise core improvement activities.

As set out above, this would support our overarching responsibility to ensure maintained schools and academies funding arrangements are more closely aligned; and would provide a smoother transition as more schools become academies and move out of council control.

Making this change would also align with the proposed reforms to the NFF on which the government has recently [consulted](#). That consultation proposed reviewing central school services with a view towards retaining funding by central grant as part of the Central School Services Block where responsibilities are to all schools, and de-delegating central functions that are provided only in support of maintained schools. The Department plans to consult further as part of the review of which council functions should remain discharged by the council or move to be de-delegated or traded.

Clarifying guidance provided to councils with respect to school improvement

As part of these changes, we would also intend to update guidance provided to councils with respect to their improvement activities in maintained schools, to ensure guidance reflects these new funding arrangements.

We are therefore keen to use this opportunity to seek views on where guidance can usefully be clarified to aid understanding of what councils are accountable for with respect to improvement, where these activities can be scaled in response to need, and the scope for councils and schools' forums to agree how these responsibilities are carried out and funded. For example, we are keen for views on how we might best update our Schools Causing Concern guidance.

Timeline

Subject to the outcome of this consultation, our proposed timeline would be to make these changes to the School and Early Years Finance Regulations for FY 2022-23, allowing for a phased removal of the Grant over the course of FY 2022-23 – at the end of which it would be expected that all council school improvement activity, including core improvement activities, will be funded via de-delegation, with any non-statutory services which councils choose to continue to offer either provided on a traded basis or also funded through de-delegation.

Table 1 Proposed timeline for implementation

Date	Proposal
October 2021	Government consultation launched on proposals for reforming how councils' improvement functions are funded.
December 2021 / early January 2022	Government publishes its response to the consultation, confirming its intentions.
December 2021 / January 2021	Councils agree de-delegation for FY 2022-23 with their schools forums. Provisions made within the School and Early Years Finance (England) Regulations allowing councils to de-delegate to fund all improvement activity, including core improvement activities, from FY 2022-23 onward. Amendments made to relevant government guidance relating to council school improvement activity.
By April 2022	School and Early Years Finance (England) Regulations 2022-23 come into effect, allowing councils to de-delegate for all council school improvement functions.
April 2022	The Grant is reduced by 50% on a per school basis.

Date	Proposal
April 2023	The Grant is removed entirely.

Questions

Question 1: We believe that instances of councils exercising formal intervention powers remain relatively low, and that since its introduction, this grant has primarily supported improvement functions such as early support and challenge to improve individual school performance, which overlaps with wider (non-core) improvement provision.

Do you agree that this is the case? If not, please explain.

Question 2: We are proposing to (i) remove the Grant (Proposal 1), and (ii) enable councils to de-delegate funds via their schools forum to ensure they are sufficiently funded to exercise all of their improvement activities, including all core improvement activities (Proposal 2).

Do you agree that, taken together, these proposals will allow councils to continue to ensure they are adequately funded for core improvement activities; and therefore do not impose a new burden? If not, please explain.

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

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

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



Department
for Education

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24 November 2021

Dear Nadhim

We are writing in response to the Government consultation on "Reforming how local authorities' school improvement functions are funded".

We welcome the positive signals that you have made away from dogmatic, divisive rhetoric. We recognise how you described the school system as "a natural ecosystem" where schools can thrive as a local authority school, and where local authorities have an important strategic role in driving up school standards. We are, therefore, surprised by the timing and nature of this consultation. We have set out below our feedback and response to the consultation which we hope that you will consider.

Content of the Consultation Proposals

The consultation proposals feel like a piecemeal approach to reform. Under the proposals, local authorities would retain core statutory functions and responsibilities but these could be completely unfunded should the local Schools Forum decline to de-delegate funding. If a Schools Forum declined to de-delegate funding, this decision could be overturned by yourself, on application from the local authority, but that 'safety valve' puts into question the purpose of transferring the funding decision from DfE to local schools fora.

If de-delegation is not approved by the local Schools Forum, how can local authorities fulfil their statutory responsibility? These proposals potentially undermine the role of local authorities and elected members who retain oversight and accountability for local authority maintained schools but may not be funded appropriately.

The consultation proposals do not appear to be consistent with the levelling-up agenda. Whilst the Department for Education will achieve a saving by withdrawing the grant, this cost will be passed to local authority maintained schools which will, in effect, experience a new unfunded pressure. This will not feel or appear to be 'levelling-up'; it will appear to be 'levelling-down'.

If a local Schools Forum declines to de-delegate funding to the local authority, will the Department remove the duty for educational excellence and will they take on the regulated conversations with Ofsted, for example in the annual conversation, and the associated role and responsibility currently held by the LA during inspections?

Timing of the Consultation and Proposed Implementation

Given the timing of the consultation and the proposed implementation timescale, we will be asking schools in December to make a decision in principle on de-delegation for April 2022. However, it is unlikely that DfE will have considered consultation feedback and published their consultation response by this date. There is potentially insufficient time to implement changes to school improvement arrangements for April 2022, if a local Schools Forum does not agree to the proposed de-delegation. The decision will be 'in principle' pending the outcome of the consultation and whether DfE wish to pursue the proposals and on the timescale proposed. The approach feels chaotic and unnecessary. The consultation feels poorly timed and the implementation feels rushed, with the consequences felt by schools and local authorities. If the Department still want to pursue the proposals following receipt of consultation feedback, it would seem more appropriate to introduce the proposals from April 2023.

DfE Reforms

The proposals feel disjointed. In other consultations, the Department have indicated that they will undertake a review of the role and functions of the Schools Forums (and the role of LAs), yet prior to that review, this separate consultation proposes changes to how some core functions are funded, and this will add to the decisions being made by the Schools Forum. We would argue that a more strategic and well-founded approach would be to undertake a review of the role and responsibilities of local authorities and Schools Fora before proposing funding changes to just one aspect. We would point out that there are many co-dependent functions alongside school improvement teams within a local authority. For example, school finance, schools' HR/recruitment, school governance, place planning, admissions, access and transport, early years and wraparound sufficiency, SEND and inclusion. We would urge the DfE to recognise the systems-wide role of local authorities and not to continue to compartmentalise specific aspects of the system which give the impression that the Department is disjointed.

Evidence base for consultation proposals

The consultation document suggests that local authorities are not using their powers of intervention. In North Yorkshire, the local authority has intervened in schools on both standards and financial grounds and will take the necessary steps to secure good quality education in financially sustainable educational settings. However, there are numerous other examples where the local authority is working in a proactive way and collaborative way with schools without the need to apply formal sanctions.

In our view, the national offer is reactive, whereas in North Yorkshire and across other LAs the school improvement offer is preventative. This reflects the knowledge of the local system and local leaders, and intervening informally when there is evidence to do so. Our leadership in school improvement means that challenge and support is continuous and flexible according to each school's needs at any time prior to taking formal intervention. DfE colleagues may only see the impact of this work once it is removed – as a local authority, we do not get asked how many schools we have prevented from needing intervention.

We have not been provided with any evidence base for the consultation proposals. The School Improvement Monitoring and Brokering Grant was introduced in 2017 and has existed for four years. Where is the assessment and evaluation of the grant? In other DfE funding streams, including Partners in Practice, there is normally a funded research and evaluation base to independently and rigorously reach a conclusion on whether the funding represents value for money. This approach appears to have been omitted from these consultation proposals.

In North Yorkshire, we are passionate about education and school improvement and we would welcome further opportunities to constructively discuss and shape any proposals.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Stuart Carlton', written in a cursive style.

Stuart Carlton
Corporate Director – Children and Young People’s Service