

Date of meeting:	Thursday 17 November 2022
Title of report:	2023/24 School Funding: De-Delegation – School Improvement
Type of report: Delete as required	For decision
Executive summary: Including reason for submission	The report provides background to the DfE removal of the School Improvement Monitoring & Brokering Grant. The report provides LA proposals requesting de-delegation of funding (buy back for maintained nursery schools, special schools and PRU) from school budgets in the 2023/24 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 previously funded from the School Improvement Monitoring & Brokering Grant from April 2023.
Recommendations:	As detailed in Section 5 in relation to voting on the options for the de-delegation of funding for LA maintained primary and secondary schools and buyback options for maintained nursery schools, special schools and PRUs for the provision of school improvement core activities to maintained schools for the 2023/24 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:	N/A
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2023/24 School Funding – De-Delegation – School Improvement**1.0 PURPOSE OF THE REPORT**

- 1.1 This report presents proposals for the full de-delegation of funding in relation to the provision of LA core school improvement statutory functions for the 2023/24 financial year as a result of the removal, by the DfE, of the LA School Improvement Monitoring & Brokering Grant from the 1st April 2023.
- 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 de-delegation of funding from school budgets / buy back (for special schools and PRS) for the 2023/24 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 proposed 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. In January 2022, the DfE subsequently confirmed their intention to implement the consultation proposals for the 2022/23 and 2023/24 financial years.
- 2.2 NYCC received £843.4k of funding through the School Improvement Monitoring & Brokering Grant in the 2021/22 financial year. The Grant was reduced to 50% (£371.7k) in the 2022/23 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, PRS and maintained nursery schools.
- 2.3 At the meeting on the 16th December 2021, the Schools Forum LA maintained school members were unable to reach a consensus on an “in principle” proposal to de-delegate funding from school budgets in the 2022/23 financial year to fund statutory services related to the provision of core school improvement activities. The LA was unable to develop and implement an alternative model for the provision of school improvement services given the extremely short timescale. In this regard, NYCC submitted a request to the Secretary of State for Education to seek approval for the de-delegation of the funds in the 2022/23 financial year; approval for the request was received. Funding was de-delegated from school budgets in the 2022/23 financial year based on a lump sum model of £1,712 per LA maintained school.
- 2.4 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 have to be approved by Schools Forum and, if approved, the funding is removed from maintained schools’ budgets before final school budgets are issued.

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- 2.5 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 LOCAL AUTHORITY USAGE OF THE SCHOOL IMPROVEMENT MONITORING & BROKERING GRANT AND ASSOCIATED DE-DELEGATED FUNDING

- 3.1 NYCC received £843.4k funding through the School Improvement Monitoring and Brokering Grant for the 2021/22 financial year. The combined Grant and de-delegated funding for the 2022/23 financial year totalled £746.6k.
- 3.2 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 2022, there were 224 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 5.5 of core SEA monitoring, challenge and support time, and the ones most at risk are allocated 12 days of core adviser time. In total, following categorisation in summer 2022, there were expected to be 1,609 adviser days allocated to schools. The 15 SEAs are managed by a Principal Adviser (Monitoring) and a Head of Service. In addition to managing the school-based SEAs, the Head of Service and Principal Adviser (Monitoring) have oversight of service priorities and specialist teams including early years, governance, clerking, safeguarding and PSHE and well-being. Three SEAs have temporary strategic responsibility for inclusion, governance and curriculum.
- 3.3 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 stakeholders and system partners across the county.
- 3.4 The Grant forms a significant part of the income associated with managing the service. 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.
- 3.5 Current Ofsted performance of all 364 schools in North Yorkshire is well below the national average. Only 83.3% of schools are currently judged to be 'Good' or 'Outstanding', compared to 88.1% nationally. Of the schools that have been judged 'Good' in their most recent inspection, 17 schools have a judgement of 'School remains Good (Concerns)'.
- 3.6 The table below provides a summary of the proportion of schools and settings by type that have been judged good or outstanding in their most recent Ofsted inspection:

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North Yorkshire	Phase	England
100%	Nursery	98%
84.2%	Primary	89.5%
79.1%	Secondary	80%
63.6%	Special	89.1%
100%	PRU	87%

Ofsted Monthly Management report as at 30th September 2022

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

- 4.1 The funding requirement for the delivery of the core statutory school improvement service for the LA maintained primary and secondary schools within North Yorkshire for the 2023/24 financial year is estimated to be £725k.
- 4.2 The DfE schools revenue funding operational guidance states that de-delegation does not apply to special schools, maintained 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.
- 4.3 LAs are required to make a clear statement of how the funding is applied for a de-delegated service. LA officers have undertaken discussions with LA maintained school representatives in order to seek views on the proposed methodology for the de-delegation of funds. From these discussions, consideration of DfE guidance and consideration of the service delivery cost breakdown, the following principles seek to balance the various competing factors in developing options for the de-delegation of funding:
- The de-delegated funding recovered from each sector broadly reflects the costs of service delivery to the sector i.e. there is no funding cross subsidy between the primary and secondary sectors.
 - The de-delegation funding recovered reflects, as far as possible, the standard core school improvement services that each school receives irrespective of phase or size.
 - The level of de-delegation funding recovered has some regard to the size of school i.e. funding recovered has a degree of proportionality to the size of the school.
 - The de-delegation methodology complies with DfE prescribed funding requirements. These requirements do not allow for the LA school improvement risk rating for a school or a school's Ofsted rating to be used as the methodology for de-delegation. They also do not allow a percentage "top slice" to be applied to schools budgets as the de-delegation methodology.

In considering the above principles, a methodology that applies both a lump sum and an amount per pupil is deemed to provide the most appropriate model for the de-delegation of funding. However, further consideration of the options may also relate:

- Should the funding recovery reflect the level / cost of the service delivered to the school or reflect the size of the school budget?

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- Should there be equity of charge levels between the primary and secondary sectors e.g. should a large primary school have more funding de-delegated from their budget than a large secondary school in respect of school improvement services?

4.4 Based on the above principles and the estimated funding requirement for the delivery of the core statutory school improvement service for the LA maintained primary and secondary schools within North Yorkshire for the 2023/24 financial year, the following de-delegation methodology options have been developed for consideration by Schools Forum representatives:

a. Primary Schools:

	Phase - Primary		
	Option 1	Option 2	Option 3
Lump Sum Per School	£3,200	£2,700	£2,200
Amount Per Pupil	£2.35	£6.34	£10.33
Estimated De-Delegated Funding Recovered (based on October 2021 pupil number census)	£650k	£650k	£650k

Indicative de-delegation funding recovery amounts at individual school level are detailed below:

Phase - Primary						
Pupil No.	Option 1 Lump Sum £3,200 £2.35 Per Pupil		Option 2 Lump Sum £2,700 £6.34 Per Pupil		Option 3 Lump Sum £2,200 £10.33 Per Pupil	
	De-Delegated Amount (£)	% of Delegated Budget	De-Delegated Amount (£)	% of Delegated Budget	De-Delegated Amount (£)	% of Delegated Budget
38 Pupils	£3,289	1.04%	£2,940	0.93%	£2,592	0.82%
101 Pupils	£3,437	0.69%	£3,340	0.67%	£3,243	0.65%
204 Pupils	£3,679	0.40%	£3,993	0.43%	£4,307	0.47%
740 Pupils	£4,939	0.15%	£7,391	0.22%	£9,842	0.30%

b. Secondary Schools

	Phase - Secondary		
	Option 1	Option 2	Option 3
Lump Sum Per School	£3,200	£2,700	£2,200
Amount Per Pupil	£2.86	£3.65	£4.45
Estimated De-Delegated Funding Recovered	£75k	£75k	£75k

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(based on October 2021 pupil number census)			
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Indicative de-delegation funding recovery amounts at individual secondary school level are detailed below:

Phase - Secondary						
Pupil No.	Option 1 Lump Sum £3,200 £2.86 Per Pupil		Option 2 Lump Sum £2,700 £3.65 Per Pupil		Option 3 Lump Sum £2,200 £4.45 Per Pupil	
	De-Delegated Amount (£)	% of Delegated Budget	De-Delegated Amount (£)	% of Delegated Budget	De-Delegated Amount (£)	% of Delegated Budget
314 Pupils	£4,098	0.20%	£3,847	0.19%	£3,597	0.18%
563 Pupils	£4,810	0.15%	£4,757	0.15%	£3,704	0.15%
830 Pupils	£5,573	0.12%	£5,732	0.12%	£5,892	0.12%
1304 Pupils	£6,928	0.09%	£7,464	0.10%	£8,000	0.11%

- 4.5 Modelling has also been undertaken to consider a de-delegation option that delivers broadly a standard percentage of budget based on the funding requirement for each sector. The results of this modelling are as follows:

% of Budget Model					
Primary Lump Sum £766 £21.77 Per Pupil			Secondary Lump Sum £207 £7.61 Per Pupil		
Pupil No.	De-Delegated Amount (£)	% of Delegated Budget	Pupil No	De-Delegated Amount (£)	% of Delegated Budget
38 Pupils	£1,593	0.51%	314 Pupils	£2,598	0.13%
101 Pupils	£2,964	0.59%	563 Pupils	£4,493	0.14%
204 Pupils	£5,207	0.56%	830 Pupils	£6,526	0.14%
740 Pupils	£16,874	0.51%	1304 Pupils	£10,135	0.14%

The application of a broadly standard percentage in respect of de-delegation provides:

- A significant range in the level of funding recovery between the different sizes of school within a particular sector. There is limited variation in the school improvement core service input level / costs in respect of school size, and therefore this option would effectively result in significant cross subsidy from larger schools to smaller schools in relation to the funding of service provision.

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- A position where a larger primary school would have a greater funding contribution than a larger secondary school for the core school improvement service.

In seeking to achieve an equitable de-delegation model that aims to reflect at individual school level both the cost / level of the core school improvement service and the affordability of the de-delegation funding recovery, this option is not considered to deliver this aim.

4.6 It is proposed that buyback options are charged on the following basis:

- Maintained nursery schools – Primary methodology
- Special Schools and PRU – Secondary methodology

5.0 RECOMMENDATIONS

- 5.1 LA-maintained primary sector Schools Forum members are asked to consider the three options detailed in 4.4a above and vote on their preferred option for the de-delegation of funding for the statutory service provision of school improvement core activities in respect of the removal by the DfE of the School Improvement Monitoring and Brokering Grant for 2023/24
- 5.2 LA-maintained secondary sector Schools Forum members are asked to consider the three options detailed in 4.4b above and vote on their preferred option for the de-delegation of funding for the statutory service provision of school improvement core activities in respect of the removal by the DfE of the School Improvement Monitoring and Brokering Grant for 2023/24.
- 5.3 LA maintained school members of the Schools Forum are asked to support the LA requesting maintained nursery schools to approve the buyback charge based on the chosen Primary School de-delegation option for the statutory service provision of school improvement core activities in respect of the removal by the DfE of the School Improvement Monitoring and Brokering Grant in 2023/24
- 5.4 LA maintained school members of the Schools Forum are asked to support the LA requesting special schools and PRS to approve the buyback charge based on for the chosen Secondary School de-delegation option for statutory service provision of school improvement core activities in respect of the removal by the DfE of the School Improvement Monitoring and Brokering Grant in 2023/24

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