

Islington Schools Forum

Chair: Abi Misselbrook-Lovejoy

C/o Governor Services

The Laycock Centre

London N1 1TH

Agenda

Date/time: Thursday 14 July 2022, 2pm to 4pm

Venue: Laycock PDC – Claremont Room

	Item	Information and to note/ comments and views/decision	Author	Report
1.	Apologies		Clerk	
2.	Minutes of previous meeting	(Schools Forum)	Clerk	Enclosed
3.	Forum Composition	(Schools Forum)	JW	Enclosed
4.	School Balances (FINAL 2021-22)	Information and to note	DS	Enclosed
5.	DSG Outturn (FINAL 2021-22)	Information and to note	TP	Enclosed
6.	Schools Internal Audit Programme Outcomes (2021-22)	Information and to note	UB	Enclosed

	Item	Information and to note/ comments and views/decision	Author	Report
7.	DSG Allocations (2022-23)	Information and to note	DS	To follow (data unavailable)
8.	Updated DSG Budget (2022-23)	Information and to note	TP	Enclosed
9.	DSG Schools Block estimated funding (2023-24)	Information and to note	DS	Enclosed
10.	NFF Funding Consultation	Information and to note	DS	Enclosed
11.	Forward Planning	Information	DS	Enclosed
12.	Sub Group Updates: Early Years High Needs Capital	Information	AG ME	Verbal
13.	AOB: Survey of Services update	Information	AC	Verbal

Contact for queries:

[Suzie Crawford](#) / [Governor Services](#)

T 020 7527 5755

Islington Schools Forum

Meeting documents and minutes published on [Islington Schools Forum webpage](#).

Minutes of the meeting held on Thursday 19 May 2022 at 2pm – held virtually (MS Teams).

Attendees

Present

- Cassie Moss (CM); Head teacher, Yerbury Primary School (Vice-chair and Chair of the meeting)
- Jenny Lewis (JL); Head teacher, Thornhill Primary School
- Alan Streeter (AS); Head teacher, Beacon High Secondary School (Islington Futures Federation)
- Patrick Mildren (PM); Head teacher, Canonbury Primary School
- Ana Sevilla (ASe); Executive Head, New River Green and Packington Children's Centres
- Anita Grant (AG); CEO, Islington Play Association
- Cllr Angelo Weekes (AW); Islington Council – non-Executive Member
- Tanya Watson (TW); Head teacher, William Tyndale (Primary Academy)
- Fiona Maccorquodale (FM); Head teacher, Prior Weston Primary School and Children's Centre
- Penny Barratt (PB); CEO, The Bridge MAT
- Susan Service (SS); Head teacher, Arts & Media School Islington
- Joe Simpson (JS); Governor, St Peter and St Paul Primary
- Francis Gonzalez (FrG); Head teacher, Richard Cloudesley Special School
- Maggie Elliott (ME); Governor, Montem Primary School (Edventure Collaborative Federation with Drayton Park) (Vice-chair)

Other attendees

- Jon Abbey (JA), Corporate Director of Children's Services
- Tim Partington (TP); Head of Children's Services, Finance
- Debbie Stevenson (DS); Head of Early Years and Schools Finance Services
- Alison Cramer (AC); Assistant Director, School Support and Information Services
- Candy Holder (CH); Head of Pupil Services
- Jane Wright (JW); Manager Schools and EY Governance (Clerk)

Apologies

- Abi Misselbrook-Lovejoy (AM-L); Executive Head teacher, Rotherfield and Newington Green Primary Schools (Chair)
- Andrew Bosi (AB); Governor, Rotherfield Primary School
- Coleen Marshall (CM), 14-19 Partnership, City and Islington College
- Claire Hersey (CHe); Principal Finance Officer, City of London Academy Trust
- Vicky Linsley (VL); Head teacher, St Mary Magdalene Academy (Secondary)
- Paul Lasok (PL); Governor, St Aloysius Secondary School (and St Joseph's)
- Sarah Callaghan (SC); Director of Learning and Culture

Not in attendance

- Sally Franklin (SF); Head teacher, North Islington Nursery and Children's Centre
- Nigel Smith (NS); Head teacher, New River College (Pupil Referral Unit)

Meeting minutes

No.	Agenda item	Action
1.	<p>Welcome/Apologies for absence/not in attendance</p> <p>CM chaired the meeting in AM-L's absence. CM welcomed all to the meeting, including the new Corporate Director of Children's Services, Jon Abbey. Apologies as above.</p>	
2.	<p>Minutes of the previous meeting held on 20 January 2022</p> <ul style="list-style-type: none"> • Accuracy – the minutes were agreed as an accurate record of the meeting, • Matters Arising: <p>Item 9 – School Central Retention 2022-23</p> <p>Further information about the Legal SLA and Schools HR and Payroll SLAs and responses to some questions around Admission Appeals had been circulated on Governor Hub earlier that day.</p> <p>Other matters arising were covered by the agenda.</p> <p>Noted and Agreed</p>	
3.	<p>Schools forum composition – to be noted</p> <p>The clerk (JW) gave a verbal update.</p> <p>JW had contacted the leadership teams of the two Alternative Provision (AP) free schools and Jesse White from ArtsXchange and Matthew Hillman from the Pears Family School wanted to share this position. It is likely that one will attend for a year, and then the other for the next year. Hopefully they will be inducted in June and one of them will attend the next Forum meeting in July.</p> <p>At July Forum, the clerk will flag up terms of office due to end in late autumn, for succession planning purposes.</p> <p>Noted</p>	<p>Action</p> <p>Clerk</p>

<p>4.</p>	<p>High Needs Places – to be ratified</p> <p>DS spoke to a report that had been circulated in advance.</p> <p>Forum was asked to ratify the place numbers at maintained special schools and resource units. These were based on January 2022 Census.</p> <p>High Needs Places (maintained) 2022-23 – places at New River College increased from 108 to 127. There were 58 pupils registered at the Laycock Primary hearing unit but it was anticipated that there was a backlog of requests for placements (due to Covid), so their standard number was agreed at 64.</p> <p>Place numbers ratified</p>	
<p>5.</p>	<p>School Balances (draft - 2022-23) – to be noted</p> <p>DS spoke to a report that had been circulated in advance.</p> <p>The balances were draft – the final balances would be reported to Forum in July, after schools have submitted their final budgets by the end of May, including their planned use of surplus balances for capital and other purposes.</p> <p>The balances as of end of March 2022 were £8.3m, compared to £9.5m in 2020-21, a 12% decrease. 10 schools had deficit balances. There had been nine at March 2021 – two of these had been able to deliver an underspend since then, but three further schools had entered into a deficit during 2021-22.</p> <p>Some of these had deficit recovery plans in place, others had emerging difficulties. Finance, School Improvement and HR meet with schools to quickly identify the cause of the deficit and how to address it – a three-year plan.</p> <p>Appendix 5 indicated which nursery, primary and specials had balances of 8% or more and which secondary schools had balances of 5% or more. 21 schools had above these limits, but 11 of these reported an in-year deficit so their balances were reducing. Overall the surplus was 7% of ISB which was reasonably good, but surpluses and deficits for a few schools were extreme.</p>	<p>Action:</p>

DS added that balances could rapidly decrease due to external pressures such as energy costs and inflation. The aim was to meet with schools with deficits or balances of more than 7%.

According to the Scheme for Financing Schools, maintained schools could not set a deficit budget without the agreement of the Corporate Director of Children's Services (JA) and the Corporate Director of Resources (David Hodgkinson).

FG pointed out that half of the pupils at his special school came from out of borough so the surplus was more like 8%, not 23%. He was keen to have a meeting with Finance.

DS acknowledged FG's point, however, the standard measurement of balances are against the ISB. Once the July position was clear, there would be a focus on those with the highest balances.

JA recognised that each school has a narrative for their budget. He stated that financial controls, budgeting and forecasting were key – more observation. He felt it was important to focus on trajectories across time, and for quality finance reporting to governors and others.

JL asked how we were factoring in capital allocations – need to show this on the information. Also what support there was to schools from the LA around the financial strategy.

DS confirmed that planned capital allocations would be removed in the information to the July forum meeting. The LA was providing financial training for headteachers, SLT and governors, and would work with schools in deficit and with emerging deficits. The difficulty arose with schools not buying into the Finance SLA.

FG had heard that schools with healthy budgets were stopping others drawing down DfE funding – DS was not aware of this.

DS confirmed schools were to set three-year budgets – Schools Forum focused on year one as this is public information shared with the DfE. If there was to be a focus on years two and three, that would have to be a confidential item.

CM asked how Islington schools compared to other boroughs. TP referred to a survey carried out in 2021 across London boroughs (there will be another survey after May). There were similar trends in other inner London boroughs, but Islington's trajectory was steeper than other boroughs with balances reducing at speed.

	<p>JL asked if Forum could see a RAG-rating of schools based on their three-year budgets. DS commented that the LA held this internally – Agreed to bring to July Forum, along with the outcome of the latest survey across London boroughs.</p> <p>Recommendations</p> <p>That Schools Forum notes:</p> <ul style="list-style-type: none"> • provisional 2021-22 schools' balances position • deficit schools and schools that have moved out of deficit <p>Noted</p>	<p>DS/TP</p>
<p>6.</p>	<p>Dedicated Schools Grant (DSG) Outturn (draft – 2021-22) – to be noted</p> <p>TP spoke to a report that had previously been circulated. The final position was to be confirmed at July Forum.</p> <p>The carry-forward from 2020-21 had been £4.8 compared to £5.2m projected from 2021-22. £1.252m of this balance had been allocated to primary schools to support High Needs children in the mainstream and the transition from Early Years to Primary. £3.8m of the balance had been earmarked for specific pressures.</p> <p>£88K remained unallocated – for decision at July Forum.</p> <p>Schools Block - underspends on budgets for growth (£0.081m) and for falling rolls (£0.007m).</p> <p>Plus other balances (£0.688) being held pending any funding adjustments due to changes in treatment of NNDR (rates) for schools by the DfE and resolution of the legal position in relation to term-time-only staff holiday pay issue.</p> <p>De-delegated Budget - £0.122m underspend – part of Schools Budget – for maintained schools. Redundancy budget (£0.205m) had been overspent by £0.085m due to restructures.</p> <p>Central Schools Services Block (CSSB) – funding for services delivered to maintained schools and academies. A planned underspend of £0.155m and a carry forward of £0.044m from 2020/21 plus an underspend of £0.011m against admissions appeals</p>	

were to be used to smooth in future reductions in funding of CSSB by the government. The reduction in 2022/23 was £0.160m.

The issue of quality assurance of these services was to be covered under Item 8.

High Needs - £2.6m underspend (including £1.2m c/f from 2020-21), but given the volatility of demands on this budget, this area was the most risk to the LA and schools.

£0.314m allocated to schools with higher than average numbers of children with Education, Health and Care plans. The rest was being held as contingency. It was worth noting that demand for this spending, including at independent schools, academies and over 16s provision, had grown by an unexpected 11%.

TW left the meeting at 14.41pm.

Early Years - £1.461m underspend being held for specific purposes. In recent years the DfE had agreed to disapply part of the EY Funding Formula to allow Islington to move some funding for three- and four-year olds to the two-year-olds, given the DfE gave less funding for two year olds than for threes and fours, even though it cost more to deliver. In 2022-23 no disapplication was required for technical reasons, so that adjustment was to be made, and it was possible that would happen again in 2023-24.

A large contingency was needed given the volatility of the early education offer which was funded on the basis of participation. Due to lower numbers attending during the pandemic, there had been a loss to Islington of about £2m in funding. The high contingency budget could be used to protect schools from the impact of this loss.

CM asked TP about the projections for two year olds. TP replied that the situation for two year olds was improving – more concern over three- and four-year-olds. The summer term Census was taking place on the day of the meeting. TP acknowledged that there was concern about the viability of the EY sector with the population of under fives falling. There was currently a piece of work looking at sustainability and a mixed provision – to include encouraging take up of two-year-old places and support to the parents with gaining employment so they could take up the 30 hours for three-year-olds.

AS commented that demand was picking up at her settings, but a serious issue was the impact of Brexit and Covid on the workforce – struggling to recruit staff.

	<p>Recommendations:</p> <p>That Schools Forum notes the £5.218m underspend against the DSG and that the final outturn will be confirmed at Schools Forum in July.</p> <p>Noted</p>	
7.	<p>Scheme for Financing Schools (2022-23) – for comments and views</p> <p>DS spoke to a report that had been circulated in advance.</p> <p>She had received the DfE Scheme in late March. It contained no mandated changes to the scheme, but two changes in relation to policies.</p> <p>Islington would consult all maintained schools and governors during June on a tracked-changes document with any local changes. This would then come back to Schools Forum in July for decision.</p> <p>Noted</p>	
8.	<p>Quality Assurance of LBI Services – for comments and views</p> <p>AC spoke, in SC's absence, to a report previously circulated.</p> <p>It had been agreed to develop Quality Assurance of LBI services that were traded to schools or were being funded through de-delegated funding (SB) or CSSG.</p> <p>The proposed approach was an annual online customer satisfaction survey to take place in summer term, followed by a QA Review to take place in autumn term. The latter would involve a QA panel including heads, chairs of governors and senior officers. The findings of the review would be taken to the January Schools Forum to inform decisions regarding the following financial year. The process would be reviewed in 12 months' time.</p> <p>CM felt this was a great start and would help schools to evaluate if services were good value for money.</p> <p>ME queried how the panel would be constructed – from Schools Forum or from further afield – and pointed to the need for transparency. There was also a query about how the Education Board would interface with this, given Forum was an elected group,</p>	Action:

	<p>the Board wasn't. AC said the Board would be connected and we were working out how best to do this.</p> <p>PM agreed it was a good start but suggested that it would be a long time line for improvements to services to be made. AC replied that improvements should come from September given services would be learning from the findings of the Customer Satisfaction Review in the summer. Learning would be ongoing, with formal decision making in January.</p> <p>FM also felt this was very positive, but queried the very large scope of the survey. AC agreed the scope was quite large, but respondents would be asked to give simple ratings.</p> <p>Noted</p>	
<p>9.</p>	<p>Speech and Language Therapy (SALT) and Child and Adolescent Mental Health Services (CAMHS) – to note</p> <p>CH gave a verbal update.</p> <p>CH had approached the commissioners of Speech and Language Therapy (SALT) Service asking them to review the quantity and quality of services. In response, they had produced a report in February that was not what had been asked for, with the outcome of a self-review by the service provider – giving a positive assessment and asking for more funding in addition to the £150K currently provided by the LA. CH had gone back to North Central London Clinical Commissioning Group as commissioners and they had agreed to carry out a substantive review based on needs, good practice and quality of services.</p> <p>CH referred to the SEND and AP Green Paper which stated that there needed to be more clarity about who funds what, between Health, Education and the High Needs block. She also mentioned the national recruitment challenge, with Islington SALT currently down three speech therapists.</p> <p>The report would hopefully be completed by the end of July.</p> <p>JL commented that it would be useful to have a written report on the state of play of SALT, including figures around the vacancies. She also suggested using trainee speech therapists to help with the recruitment challenge.</p>	<p>Action:</p>

	<p>CH said she could share data. She added that, given the staffing situation, while the priority was to meet the LA statutory responsibility for meeting the needs of children with Education, Health and Care Plans (EHCPs), preventative work had suffered. She agreed with the use of SALT trainees and added that she would work with training colleges on this.</p> <p>The chair also asked about the situation regarding the Child and Adolescent Mental Health Service (CAMHS). CH reported that this was more complex and challenging, but agreed to bring a more detailed written report to Forum.</p> <p>AG commented that CAMHS had been raised at Forum a long time ago. Disproportionality was leading to some families accessing services more easily than other families. Now more than ever, specific barriers for some families needed to be addressed so those most in need could access services.</p> <p>CH acknowledged there were some very over-represented groups among those with Social, Emotional and Mental Health (SEMH) and those with Autistic Spectrum Condition (ASC).</p> <p>She clarified that an additional £100K had been agreed by the previous DCS to provide additional SALT capacity to the end of this financial year, to help focus priority on seeing all children with statutory requirement, as well as Early Years and KS1.</p> <p>NOTED</p>	<p>CH</p> <p>CH</p>
<p>10.</p>	<p>Forward Planning – for information</p> <p>DS spoke to a report that had been previously circulated.</p> <p>AG asked for it to be noted that Forum would keep an eye on take up of Early Years provision and the mix of provision, given the voluntary sector was more vulnerable. DS suggested this be discussed at the EY Subgroup with updates taken to future forums. AG wanted this to be formalised as part of the Forum’s plan.</p>	
<p>11.</p>	<p>a. Early Years Sub Group update</p> <p>AG, the chair of the group, gave a verbal update. The group had discussed issues around the EY Block of DSG, as outlined by TP under Item 6. A significant project was to remodel EY provision post-</p>	<p>Action:</p>

	<p>Covid – to make it sustainable, including community nurseries, and for funding to be equitable for types of provision and children.</p> <p>b. Capital Subgroup</p> <p>ME, the chair of the group, gave a verbal update. Deirdre Vimpany, Service Manager Contracts and Commissioning, had reported on the Capital Programme 2021-22 – it had slipped a little. The budget for the 2022-23 programme, £2.02m, was less than the estimate of work to be done so some window projects were being delayed until 2023/24.</p> <p>The Assets Survey included a survey of Premises Managers’ Houses – there would be a programme on how to move forward with that.</p> <p>SEND capital was part of the LBI’s SEND Review. CH pointed to the importance of communications in this so it was clear who was chosen to have funding and why.</p> <p>Matched funding – the application window had closed. The Capital Subgroup were to review applications in due course.</p> <p>c. Chairs’ Subgroup</p> <p>DS will look at meeting dates of this subgroup from autumn 2022 to ensure there is time for changes to the Forum papers arising from the Chairs’ Subgroup meetings to be made ahead of circulation of papers to Forum.</p> <p>DS agreed to requests for minutes of subgroups relevant to Forum to be shared with Forum .</p>	<p>Capital Subgroup</p> <p>DS</p> <p>JW/DS/AC</p>
<p>12.</p>	<p>AOB and close</p> <p>Holiday Pay & TTO – AC reported verbally that legal advice had yet to be issued.</p> <p>CM thanked all for their preparation for and participation in the meeting. The meeting closed at 3.27pm</p>	<p>Action:</p> <p>DS</p>
	<p>Dates of next meetings</p> <p>(virtual meetings on MS Teams unless otherwise indicated)</p>	

<p>Schools Forum</p> <ul style="list-style-type: none">• Thursday 14 July 2022, 2 to 4pm (face to face, venue tbc) <p>DSG/Chairs Sub Group</p> <ul style="list-style-type: none">• Thursday 7 July, 2 to 3.30pm <p>Early Years Sub Group</p> <p>Capital Sub Group</p> <p>High Needs Sub Group</p>	
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Draft

Islington Schools Forum

Chair: Abi Misselbrook-Lovejoy

C/o Governor Services

The Laycock Centre

London N1 1TH

Date/time: Thursday 14 July 2022, 2pm to 4pm

Agenda item: 3 – Forum Membership Update

Purpose of report: Discussion

Recommendations:

Schools Forum are asked to note the updates below and agree the recommendation to re-appoint two members for a second term.

1. Update on forthcoming vacancies / ends of terms of office

1.1. Non Schools Voluntary & Community representative

Anita Grant, CEO of Islington Play Association, is due to leave her post in Islington in July and so there will be a vacancy for this position.

The Clerk is in discussion with colleagues in Early Years and Childcare about possible routes for filling this position.

1.2. Terms of office due to end in December

The term of office of Cassie Moss, Primary Headteacher (and Vice-chair of Forum), is due to end on 10 December 2022. This is her first term of office.

The term of office of Paul Lasok, Secondary Governor, is due to end on 11 December 2022. This is his first term of office.

Recommendation:

That since both representatives will have only had one term of office in December, and both are willing to continue for a further term, Forum agrees to their re-appointment,

subject to the clerk contacting their relevant 'constituencies' (secondary chairs and primary heads) for their agreement to this extension.

Contact for queries:

[Jane Wright](#)

Governor Services

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Islington Schools Forum
Composition June 2022
Appendix A

Organisation	Nominee	Term of Office Ends	Primary	Secondary	Special	Nursery	PRU	Academy Primary	Academy Secondary	Academy AP	Academy Special	Non-school	Total	Head	Gov	Other
School Members																
Arts and Media School Islington (AMSI)	Susan Service	28/02/2023		1										1		
Beacon High	Alan Streeter	31/03/2025		1										1		
Canonbury Primary School	Patrick Mildren	25/03/2025	1											1		
City of London Academies Trust (COLAT)	Claire Hersey	23/11/2024							1							1
North Islington Nursery School	Sally Franklin	21/09/2025				1								1		
Montem (VC)	Maggie Elliott	31/12/2024	1												1	
Newington Green (CH)	Abi Misselbrook-Lovejoy	31/03/2024	1											1		
Prior Weston Primary & Children's Centre	Fiona MacCorquodale	30/09/2024	1											1		
PRU Mgt Cttee (New River College)	Nigel Smith	24/10/2025					1							1		
Rotherfield	Andrew Bosi	31/12/2024	1												1	
Richard Cloudesley Special School	Francis Gonzalez	10/01/2023			1									1		
St Aloysius	Paul Lasok	11/12/2022		1											1	
St Mary Magdalene Academy	Vicky Linsley	31/12/2024							1					1		
St Peter's and St Paul's Primary	Joe Simpson	05/03/2024	1												1	
T4 Trust - The Arts Xchange	Jesse White	07/06/2023								1						
The Bridge MAT	Penny Barratt	31/03/2024									1					1
Thornhill Primary School	Jenny Lewis	05/05/2025	1											1		
William Tyndale School	Tanya Watson	31/03/2025						1						1		
Yerbury Primary School (VC)	Cassie Moss	10/12/2022	1											1		
Non School Members																
14-19 Partnership	Colleen Marshall	13/05/2025										1				1
New River Green, Packington Children Ctrs	Ana Sevilla	31/08/2025										1				1
Elected Member (non executive)	Cllr Angelo Weekes	25/05/2026										1				1
Early Years Childcare Providers	Anita Grant	27/09/2025										1				1
Total			8	3	1	1	1	1	2	1	1	4	23	13	4	6
Required			8	3	1	1	1	1	2	1	1	4	23			
Vacancies			0	0	0	0	0	0	0	0	0	0	0			

HT/Govs 60/40 split

Type	Vacancy
Total	0

Islington Schools Forum

Chair: Abi Misselbrook-Lovejoy

C/o Governor Services

The Laycock Centre

London N1 1TH

Date/time: Thursday 14 July 2022, 2pm to 4pm

Agenda item: Item 4 - Final Schools Balances 2021-22

Purpose of report: Information

Recommendations:

Schools Forum are asked to note:

- Islington's final 2021-22 schools' balances position

School Balances

Following schools' financial closedown, the table in Appendix A provides details of school balances to be reported to Department for Education (DfE) as at 31 March 2022 compared to those held at March 2021. The balances are further compared to the relevant ESFA's suggested revenue balance limits.

The final reported school balances for year ending 31 March 2022 totalled £8.313m, compared to a balance of £9.459m in 2020-21; representing a net decrease of £1.145m; -12%. Combined cumulative school deficits total (£2.349m) with remaining schools combined surplus balances are £10.662m. It should be noted that the year end balance represents 7% of the schools' annual Individual School Balances (ISB), before PUSB, reducing to 6% after notional adjustments.

Whilst not formally reported to DfE, following schools submissions of planned use of surplus balances (PUSB) for capital and other purposes, end of year balances are notionally adjusted to £7.715m when considering the capital elements only.

There are 10 schools ending the 2021-22 financial year with cumulative deficit balances, compared to 9 at March 2021. Of the 9 reported deficits at 31 March 2021, two schools have been able to deliver an underspend during the year meaning their cumulative financial position returns to surplus. Three schools during the 2021-22 financial year have entered into a deficit.

A further analysis of balances, when compared to the Education & Skills Funding Agency (ESFA) suggested guidance of balances held by schools; 8% for nursery, primary and special schools and 5% for secondary schools, indicate 21 schools are above the suggested limits. Of the 21, 11 schools reported an in-year deficit which means their cumulative balance has reduced when comparing year-on-year.

Of the 52 maintained schools in Islington, 37 (71%) have reported in-year deficits with only 15 schools reporting increases to their overall balances. This picture is reflective of the ongoing financial pressures schools are currently facing.

The Council's Scheme for Financing Schools does not permit a school to set a deficit budget. Where in exceptional circumstances deficits cannot be avoided, schools will enter into a formal agreed deficit recovery plan (DRP) which requires schools to move back in to a surplus financial position within a 3 year period. Schools, including their Chair of Governors, will be required to meet with the LA on at least a termly basis to monitor their progress against the DRP and asked to identify risks of achieving the required timeline of returning to a surplus. Schools are also required to submit their pupil number projections for determination of realistic future budget forecasts. The LA representatives included in the meetings will be Schools Finance; School Improvement and HR.

RAG rating of future school balances

In light of ongoing financial pressures that schools are facing; with 71% reporting in-year deficits increasing to 81% in year 2, schools have been RAG rated to identify schools that are either projecting an end of year cumulative deficit balance at the end of March 2023 or are at risk of doing so in years two and three. Current school categorisations can be viewed in Appendix A.

Each rating is described below:

- **Red:** includes schools that have either ended the previous year or projecting to end the current financial year with a cumulative deficit balance. These schools will be required to agree a deficit recovery plan with the LA before the first formal budget is set in the financial year of the planned deficit. This will be defined as year one with the expectation that the school returns to financial surplus within a 3 year period. These schools will follow the process as set out earlier in the report.
- **Amber:** includes schools that are projecting a cumulative surplus balance for the current financial year but their in-year position is indicating a deficit and, unless action is taken by the school in the current year, future years 2 and 3 are forecasting cumulative deficit balances. These schools will be required to meet with the LA during the autumn term to determine how the school will take forward options to ensure a request to submit a deficit budget in future years is avoided.
- **Green:** includes schools that have end the previous financial year in a cumulative surplus balance and future year projections are also reporting a surplus cumulative balance. These schools financial position will be reviewed in the autumn term following the submission of reforecasted budget projections.

All schools will be required to submit mid-year budget reforecasts for years two and three to identify changes in categorisations as set out above.

Reccomendations

That Schools Forum notes:

- final 2021-22 schools' balances position
- deficit schools and schools that have moved out of deficit
- RAG rating categorisation of schools and associated actions

Contact for queries:

Debbie Stevenson – debra.stevenson@islington.gov.uk

Head of Schools & Early Years Finance Services

T 020 7527 5763

Schools Forum 14 July 2022
Final School Balances 2021-22

Appendix A

Note: balances are after deduction of revenue earmarked for capital balances

	School Balances 20-21 £	School Balances 21-22 £	PUSB	Adjusted Notional School balances 2021-22	Increase / (Decrease) in balances	Islington School Budgets 2021-22	21-22 Balances as a % of ISB	ESFA Balance Guide @ 5% / 8%	RAG Rating
Kate Greenaway Nursery School	41,071	25,855		25,855	-15,217	561,900	5%	44,952	Amber
Margaret McMillan Nursery School	443,686	333,878		333,878	-109,808	746,653	45%	59,732	Amber
North Islington Nursery School	49,135	98,315		98,315	49,180	617,955	16%	49,436	Amber
Total Nursery Schools	533,892	458,048	0	458,048	-75,844	1,926,509	24%	154,121	
Ambler Primary School	71,941	115,198	-25,656	89,542	17,601	2,622,192	3%	209,775	Green
Ashmount Primary School	134,949	13,632		13,632	-121,317	2,512,894	1%	201,032	Green
Blessed Sacrament RC Primary School	101,643	62,610		62,610	-39,033	884,963	7%	70,797	Amber
Canonbury Primary School	-18,377	15,787		15,787	34,164	2,400,510	1%	192,041	Green
Christ The King RC Primary School	213,463	147,598		147,598	-65,865	1,731,254	9%	138,500	Green
Copenhagen Primary School	88,048	24,255		24,255	-63,793	1,115,132	2%	89,211	Red
Drayton Park Primary School	-284,696	-554,977		-554,977	-270,281	1,735,057	-32%	138,805	Red
Duncombe Primary School	-285,254	-341,167		-341,167	-55,912	2,339,290	-15%	187,143	Red
Gillespie Primary School	49,026	47,996		47,996	-1,030	1,331,421	4%	106,514	Green
Grafton Primary School	-94,386	-265,720		-265,720	-171,334	2,589,276	-10%	207,142	Red
Hanover Primary School	134,032	95,302		95,302	-38,730	1,863,632	5%	149,091	Green
Hargrave Park Primary School	137,397	87,188		87,188	-50,209	2,007,310	4%	160,585	Green
Highbury Quadrant Primary School	-175,444	-165,562		-165,562	9,882	1,828,230	-9%	146,258	Red
Hugh Myddelton Primary School	118,319	17,868		17,868	-100,451	2,833,644	1%	226,692	Green
Laycock Primary School	13,932	-197,348		-197,348	-211,280	2,872,511	-7%	229,801	Red
Montem Primary School	398,036	283,517		283,517	-114,519	2,080,618	14%	166,449	Green
Moreland Primary School	136,835	101,455		101,455	-35,380	2,129,783	5%	170,383	Green
Newington Green Primary School	280,356	211,372	-11,706	199,666	-80,690	2,484,134	8%	198,731	Green
Pakeman Primary School	93,450	38,971		38,971	-54,478	1,908,919	2%	152,713	Green
Pooles Park Primary School	45,020	-50,376		-50,376	-95,396	1,652,068	-3%	132,165	Red
Prior Weston Primary School	-122,300	-359,204		-359,204	-236,903	1,887,523	-19%	151,002	Red
Robert Blair Primary School	127,796	93,769		93,769	-34,027	1,400,417	7%	112,033	Amber
Rotherfield Primary School	317,158	238,734	-101,317	137,417	-179,741	2,141,957	6%	171,357	Green
Sacred Heart RC Primary School	376,934	340,147		340,147	-36,787	2,720,805	13%	217,664	Green
St Andrews (Barnsbury) Church of England Primary School	-18,377	-36,699		-36,699	-18,322	1,185,077	-3%	94,806	Red
St Joan of Arc RC Primary School	125,719	204,582		204,582	78,863	2,351,774	9%	188,142	Green
St John Evangelist RC Primary School	213,627	189,214		189,214	-24,413	1,755,664	11%	140,453	Green
St Johns Highbury Vale CofE Primary School	8,978	-44,393		-44,393	-53,372	1,104,633	-4%	88,371	Red
St Johns Upper Holloway CofE Primary School	86,462	215,345		215,345	128,884	1,347,491	16%	107,799	Green
St Josephs RC Primary School	633,688	795,446		795,446	161,757	2,344,434	34%	187,555	Green
St Judes & St Pauls CofE Primary School	113,085	152,093		152,093	39,008	1,099,988	14%	87,999	Green
St Lukes CofE Primary School	43,797	29,841		29,841	-13,957	1,349,560	2%	107,965	Amber
St Marks CofE Primary School	248,016	228,483	-37,000	191,483	-56,533	1,384,916	14%	110,793	Amber
St Marys CofE Primary School	269,225	258,149		258,149	-11,076	1,122,134	23%	89,771	Green
St Peters & St Pauls RC Primary School	118,522	98,507		98,507	-20,015	1,252,181	8%	100,174	Green
Thornhill Primary School	437,906	484,050	-305,500	178,550	-259,356	2,515,844	7%	201,268	Green
Tufnell Park Primary School	35,890	62,403		62,403	26,513	2,204,547	3%	176,364	Amber
Vittoria Primary School	171,056	96,620		96,620	-74,435	1,211,583	8%	96,927	Amber
Winton Primary School	-1,770	11,546		11,546	13,316	1,580,940	1%	126,475	Green
Yerbury Primary School	214,183	176,051		176,051	-38,132	2,242,390	8%	179,391	Green
Total Primary Schools	4,557,885	2,922,284	-481,179	2,441,105	-2,116,781	75,126,697	3%	6,010,136	
Central Foundation	231,602	488,720		488,720	257,117	7,235,661	7%	361,783	Green
Elizabeth Garrett Anderson	1,271,489	1,049,254		1,049,254	-222,235	7,380,061	14%	369,003	Green
Highbury Fields School	554,082	570,460	-116,889	453,571	-100,511	6,542,430	7%	327,121	Green
Beacon High	-325,752	-333,664		-333,664	-7,912	4,075,715	-8%	203,786	Red
Arts & Media School Islington	216,337	773,006		773,006	556,669	5,621,568	14%	281,078	Green
St Aloysius' College	1,643,121	1,815,796		1,815,796	172,675	5,391,050	34%	269,552	Amber
Total Secondary Schools	3,590,879	4,363,572	-116,889	4,246,683	655,804	36,246,485	12%	1,812,324	
Richard Cloudesley PH School	461,027	420,832		420,832	-40,196	1,814,905	23%	145,192	Green
Samuel Rhodes MLD School	240,770	117,890		117,890	-122,881	2,326,412	5%	186,113	Amber
Total Special Schools	701,798	538,721	0	538,721	-163,076	4,141,317	13%	331,305	
New River College	74,234	30,693		30,693	-43,541	3,622,222	1%	289,778	Amber
Total Pupil Referral Unit	74,234	30,693	0	30,693	-43,541	3,622,222	1%	289,778	
Total school balances before earmarked capital deductions	9,458,688	8,313,318	-598,068	7,715,250	-1,743,438	121,063,230	6%	8,597,664	
3 Year comparison	2018-19	2019-20	2020-21	2021-22	2021-22 After PUSB			Red	11
	£	£	£	£	£			Amber	12
Balance totals - note capital deductions to be added in when school data available	8,185,997	11,732,678	9,458,688	8,313,318	7,715,250			Green	29
Change from previous year	-84,214	3,546,681	-2,273,990	-1,145,370	-1,743,438			Total	52

Islington Schools Forum

Chair: Abi Misselbrook-Lovejoy

C/o Governor Services

The Laycock Centre

London N1 1TH

Date/time: Thursday 14 July 2022, 2pm to 4pm

Agenda item: Item 5 – Final DSG Outturn 2021/22

Purpose of report: For information

Recommendations:

That Schools Forum notes:

- a) The final DSG outturn is unchanged from the position reported to Schools Forum in May. The reported position was a £5.218m underspend against the DSG, of which £1.252m has been allocated and £3.878m has been earmarked for cost pressures and risks.

The following text is the position reported to Schools Forum in May

Background

1. The final DSG budget outturn for 2021/22 is contained in this report. The overall position across all spending blocks is an underspend of (-£5.218m, 3.3%). Most of this balance has already been allocated (£1.252m) or has been earmarked for cost pressures / risks (£3.878m). A significant proportion of this underspend relates to balances carried forward from previous years:

	Schools Block	De-delegated	CSSB	High Needs Block	Early Years Block	Total
	£m	£m	£m	£m	£m	£m
Opening balance	0.484	0.080	0.044	1.542	2.496	4.646
In-year movement	0.292	0.042	0.166	1.107	-1.035	0.572
Draft closing balance	0.776	0.122	0.210	2.649	1.461	5.218
Allocated	0	0	0	1.252	0	1.252
Earmarked for cost pressures / risks	0.688	0.122	0.210	1.397	1.461	3.878
To be allocated	0.088	0	0	0	0	0.088
Total	0.776	0.122	0.210	2.649	1.461	5.218

2. All of the budget variances for 2021/22 are in Appendix 1.

Schools Block (-£0.776m underspend)

3. This consists of funding centrally retained for growth (£0.300m) and falling rolls (£0.400m). Any net underspend against these budgets will be rolled forward at year end. Allocations of growth are adjusted following the October census. The following variances against the budget have led to a £0.088m underspend:
 - - £0.081m (-27%) underspend against the budget for growth, following the outcome of the October census
 - - £0.007m (-2%) underspend against the budget for falling rolls
4. The net underspend against growth and falling rolls will be carried forward to 2022/23 and can either be used for the same purpose in 2022/23 or allocated elsewhere by Schools Forum.
5. The following balances being held until the summer term, pending any funding adjustments following the changes to the treatment of NNDR for schools by the DfE / resolution of the legal position in relation to the term-time only staff holiday pay issue:
 - - £0.321m balance from the one-off cash payment in relation to the Secondary Unit of Funding from 2019/20.
 - - £0.367m one-off DSG rebate in relation to Clerkenwell School which closed in the summer.

De-delegated funding (-£0.122m underspend)

6. This is funding de-delegated by maintained schools for specific functions. Underspends cannot be used to offset overspends elsewhere within the DSG.
7. The schools in financial difficulties (£0.220m) and priority support (£0.188m) budgets have been allocated in full this year.
8. The school redundancy budget (£0.205m) is made up of in-year de-delegated funding of £0.083m, a £0.022m carry forward from previous years and £0.100m of core Council funding. This budget has overspent by £0.085m (41%) due to the high levels of redundancies in schools this year. Redundancy costs are split between schools and this budget. Cost sharing arrangements will be reviewed to reduce the risk of future overspends as the level of staff reorganisations in schools leading to redundancy costs are expected to remain high. However this will need to be done with caution due to the impact on school balances which are in decline.
9. The following variances also occurred against de-delegated budgets:
 - + £0.009m (15%, a new variance) overspend against the de-delegated budget for trade union facility time.
 - - £0.216m (a new variance) underspend against de-delegated funding for NQTs following implementation of the Early Career Framework (ECF). £0.061m of this variance is an underspend carried forward from 2020/21. This underspend will be used to offset the overspends against the redundancy and trade union facility time budget. A 3-year budget plan for the ECF is being worked-up taking into account the remaining funding (£0.122m). This will be shared with Schools Forum in July.

Central Schools Services Block (CSSB) (-£0.210m underspend)

10. There is an unallocated balance of -£0.155m (10%) against the CSSB and a carry forward of £0.044m from 2021/22. These balances were being held to smooth in continued reductions in CSSB funding by the government.
11. There is an underspend of -£0.011m (24%) against the budget for admission appeals. This will be added to the balance above, leaving a total of £0.210m to smooth in future funding reductions.

High Needs Block (-£2.649m underspend)

12. The following variances have occurred against the high needs block:
 - - £1.210m (79%) remaining balance from the £1.524m underspend carried forward from 2020/21. £0.314m has allocated to schools with higher than average numbers of children with Education, Health and Care Plans.
 - - £1.983m (6%) high needs funding being held against future funding risks. This is the remainder of the growth in funding we received in 2021/22 to meet increasing cost pressures in high needs. We are being cautious over the allocation of funding as the outlook for further growth for high needs after 2022/23 will be significantly lower than in previous years and we are facing increasing levels of demand and complexity. We also need to take into account the ongoing effect of the cost pressure against centrally commissioned provision below, which will need to be offset against this funding.
 - + £0.701m (5%) overspend against the budget for centrally commissioned places in academies, the independent sector, further education and out of borough provision.
 - - £0.118m (20%, a new variance) unallocated funds from the area based budget for additional needs.
 - - £0.039m (8%, a new variance) underspend against the SEND outreach and commissioning budget.
13. £1.252m of the 2021/22 overall high needs underspend has been allocated in 2022/23, leaving a forecast balance of £1.397m (4% of next year's High Needs Block funding) as a one-off contingency for high needs in 2022/23:

Item	£m	Description
Draft high needs underspend in 2021/22	2.649	
<u>ALLOCATION IN 2022/23</u>		
Mainstream primary schools to meet cost pressures in relation to SEND.	-1.152	The allocation is targeted at primary schools as the main cost pressure is at early years to primary transfer. Allocations are based on 1/2 an FTE for a 1 form entry school, 3/4 of an FTE for a 1.5 form entry school and 1 FTE for a 2 form entry school.
One-off top-up for SALT (over 5s)	-0.100	Top-up to enable the Whittington Trust to continue to deliver support to schools until the end of the year despite a significant increase in demand. During this time, the Trust will work with Council officers to revise the current delivery model so that it is more fit for purpose and better reflects need.
Balance	1.397	One-off contingency for high needs in 2022/23

Early Years Block (-£1.461m underspend)

14. The position against the early years block follows finalisation of protection arrangements based on the January census in mid-March:

- £0.463m 2 year old balance from previous years that is being held to smooth in new funding arrangements for providers in future years. The cost of 2 year old provision is greater than 3 and 4 year old provision but the hourly rate received from the DfE is less. In previous years we have had to apply to the Secretary of State to cross subsidise 2 year old provision with 3 and 4 year old funding, but we were not required to for 2022/23. If this remains the case for 2023/24, we can consider moving this balance into the wider early years block contingency.
- £0.518m contingency balance (21%, a reduction of £0.282m since month 11):

Item	£m	Description
<u>BUDGET</u>		
2.75% growth contingency	0.472	To fund increased numbers in the summer term and new provision
Carry forward of 2020/21 Early Years contingency budget	1.475	Balance at end of 2020/21 financial year
Carry forward of other 2018/19 Early Years Block underspends	0.558	Underspend of £73k against children's centres and an unallocated balance against the Early Years Pupil Premium and Disability Access Fund budgets of £9k and £39k respectively
Budget	2.505	
<u>TRANSFERS TO AND FROM CONTINGENCY</u>		
Prior year adjustments	-0.424	Net 2020/21 prior year funding adjustment from the DfE
In-year adjustments	-1.831	Net 2021/22 in-year funding adjustment from the DfE (excluding EYPP increase)
Estimated funding adjustments passported to providers	0.268	Estimated participation adjustments passed on to providers in-line with the termly headcount after allocation of protection funding
Total movement	-1.987	
Contingency Balance	0.518	This is a one-off balance

- As per previous years, next year's funding rates were applied retrospectively in 2021/22. We were also able to mitigate losses in funding due to reduced headcounts by up to 40%. This has led to a substantial reduction in the contingency balance, therefore there it is unlikely that similar levels of protection can be afforded in future years.
- The in-year adjustment of £1.802m is due to the DfE taking into account the summer and autumn term headcounts. Funding is normally based on the spring term headcount, but

due to the impact of the pandemic on attendance, the DfE have factored in the summer and autumn term headcount in this financial year. From 2022/23 the basis of funding will return to the spring term headcount only. The adjustment is broken down as follows:

Adjustment	Charged to contingency £m	Added to EYPP budget £m	Comments
3&4 year old universal entitlement	-0.958		An element of these adjustments will be passed onto settings visa. Participation adjustments. Assumed ca. £900k pending the spring census
3&4 year old extended entitlement	-0.554		
2 year old entitlement	-0.255		
EY pupil premium		0.029	
Maintained nursery supplement	-0.064		Options to be considered for passing an element on to settings
	-1.831	0.029	£1.802m net negative adjustment

- We will receive a further adjustment in 2022/23 in relation to the current financial year based on the spring 2022 headcount. It is expected that this will be a positive adjustment as the headcount starts to recover from the impact of the pandemic. This is expected to retrospectively recover some of the in-year reduction of £1.802m.
- Ongoing funding reductions represent a medium to long term funding risk due to changes in demand for childcare, and will impact on the sustainability of provision of early education and childcare in the borough if the headcount does not recover to pre-pandemic levels. It is therefore important to manage this balance carefully.
- - £0.425m forecast underspend (34%, an increase of -£0.225m from month 11) against the SEND inclusion fund due to a reduced take up of PEL SEND provision in line with the reduced headcount. This underspend will be transferred into the early years contingency balance (above) in the new financial year.
- - £0.063m underspend against the disability access fund (79%, a new variance) due to claims be lower than funded for by the DfE due to reduced headcounts. This underspend will be transferred into the early years contingency balance (above) in the new financial year.
- + £0.027m overspend against the early years pupil premium (15%, a new variance) due to eligibility being higher than we have been funded for by the DfE. This overspend will be transferred into the early years contingency balance (above) in the new financial year.
- - £0.018m miscellaneous underspends against centrally retained budgets in the Early Years Block. This underspend will be transferred into the early years contingency balance (above) in the new financial year.

15. The net underspend of £1.461m against the Early Years Block will be carried forward as a combination of the 2-year old balance (£0.463m) and a one-off contingency for Early Years in 2022/23 (£0.998m). This will offer some protection for settings if the headcount does not recover to pre-pandemic levels and act as a contingency for Early Years SEND.

Recommendations

The final DSG outturn is unchanged from the position reported to Schools Forum in May. The reported position was a £5.218m underspend against the DSG, of which £1.252m has been allocated and £3.878m has been earmarked for cost pressures and risks.

Contact for queries:

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FINAL DSG Outturn

Appendix 1

DSG Draft Outturn	Over/(Under) Spend	Comments / options for use
SCHOOLS BLOCK		
<i>The DSG guidance states that these should be carried forward for the same purpose, however Schools Forum have the option to allocate these elsewhere if they see fit</i>		
Growth Underspend against the growth budget following confirmation of final pupil numbers from the October census	(81)	The net underspend against growth and falling rolls will be carried forward to 2022/23 and can either be used for the same purpose in 2022/23 or allocated elsewhere by Schools Forum
Falling Rolls	(7)	
Balance from one-off cash payment in relation to the Secondary Unit of Funding	(321)	Being held until the summer term pending any adjustments following the changes to the treatment of NNDR for schools by the DfE / resolution of the legal position in to the term-time only staff pay to be resolved.
Clerkenwell	(367)	Being held until the summer term pending any adjustments following the changes to the treatment of NNDR for schools by the DfE / resolution of the legal position in to the term-time only staff pay to be resolved.
Subtotal Schools Block	(776)	
DE-DELEGATED FUNDING		
<i>These funds are from maintained schools. Underspends cannot be used to offset overspends elsewhere in the DSG and vice versa. Balances can be rolled forward or returned to schools</i>		
School redundancy budget	85	The net underspend will carry forward to 2021/22 and a 3-year budget plan will be worked up for the ECF taking into account this balance and de-delegation in 2022/23
Trade union facility time	9	
NQTs / Early Career Framework	(216)	
Subtotal De-delegated	(122)	
CENTRAL SCHOOLS SERVICES BLOCK		
<i>These funds are managed on behalf of all schools</i>		
Admission Appeals Underspend against the budget for school admission appeals for this academic year	(11)	These balances are being held to smooth in continued reductions in CSSB funding by the government
Unallocated CSSB funding A balance of £44k has been carried forward from 2020/21 and £155k of 2021/22 funding is unallocated.	(199)	
Subtotal CSSB	(210)	
HIGH NEEDS BLOCK		
<i>These funds are managed on behalf of maintained schools, academies and free schools including special schools</i>		
High Needs balance A balance of high needs funding of £1.542m has been carried forward from 2020/21.	(1,210)	£314k has been allocated to schools with higher than average numbers of children with Education, Health and Care Plans. The remainder will be carried forward as a one-off contingency for high needs in 2022/23
High Needs Block funding being held against future funding risks	(1,983)	This is the remainder of the growth in funding we received in 2021/22 to meet increasing cost pressures in high needs. We are being cautious over the allocation of funding as the outlook for further growth for high needs after 2022/23 will be significantly lower than in previous years and we are facing increasing levels of demand and complexity. We also need to take into account the ongoing effect of the cost pressure against centrally commissioned provision below, which will need to be offset against this funding.
Centrally commissioned places Underspend against the budget for provision in Academies, the independent sector and out of borough provision	701	overspend against the budget for centrally commissioned places in academies, the independent sector, further education and out of borough provision
SEND additional needs	0	Balance against the budget for additional needs. Although this is an in-year underspend, costs are committed until the end of the academic year, therefore this represents a timing difference
Subtotal High Needs Block	(2,492)	

DSG Draft Outturn	Over/(Under) Spend	Comments / options for use
EARLY YEARS BLOCK		
<i>These funds are ring-fenced for Early Years under the DSG Operational Guidance</i>		
2-year old trajectory funding. Carry forward of 2-year old DSG funding from previous years that is being held to smooth in funding reductions for the statutory entitlement for free childcare for deprived 2-year olds now funding is allocated to local authorities based on take-up.	(463)	Currently met from 3 and 4 year old funding. The need for this balance will be reviewed for 2023/24
Early Years contingency balance on the early years contingency budget from previous years that is being held to offset funding risks due to lower numbers in provision as a result of the pandemic.	(518)	The combined balance of £998k will be carried forward as a one-off contingency for Early Years in 2022/23. This will offer some protection for settings if the headcount does not recover to pre-pandemic levels and act as a contingency for Early Years SEND.
SEND inclusion fund Reduced take up of PEL SEND provision in line with the reduced headcount.	(425)	
Disability access fund Claims were lower than funded for by the DfE due to reduced headcounts.	(63)	
Early years pupil premium Eligibility was higher than we have been funded for by the DfE	27	
Miscellaneous underspends against centrally retained budgets	(18)	
Subtotal Early Years Block	(1,460)	
Total all blocks	(5,217)	

Islington Schools Forum

Chair: Abi Misselbrook-Lovejoy

C/o Governor Services

The Laycock Centre

London N1 1TH

Date/time: Thursday 14 July 2022, 2pm to 4pm

Agenda item: 6 – Schools Internal Audit programme outcomes 2021/22

Recommendations: that Schools Forum:

- a) Notes the report from Internal Audit and provides comments; and
- b) Notes that additional training will be provided to all schools on areas where common issues have been identified at audit.

1. Context

- 1.1. The Internal Audit service carries out audits in six or seven schools each year, looking at ten key audit areas:
 - Financial management
 - Purchasing and expenditure
 - Income charging and banking
 - Lettings
 - HR and Payroll
 - Contracts and leases
 - Asset management
 - Data protection
 - School fund and voluntary funds
 - Governance
- 1.2. Schools are prioritised for audit on the basis of a risk assessment, taking into account any significant changes in leadership or staffing, financial position, the time elapsed since the last audit was performed and the rating assigned at that audit.

2. Outcomes

- 2.1. The Internal Audit team finalised five school audit reports during the 2020-21 financial year and a further four draft audit reports have been released since year end. Outcomes of the nine audits are summarised here, by topic and by priority ratings of the findings:

Topic	High Priority	Medium Priority	Low Priority	Total
Purchasing and expenditure	7	2	0	9
HR and payroll	3	5	1	9
Income and banking	4	2	2	8
Contracts and leases	2	2	4	8
Asset management	2	2	3	7
Governance	1	5	0	6
Financial management	3	2	0	5
Lettings	3	0	1	4
Data protection	1	2	0	3
School fund	0	2	0	2

2.2. The audit outcomes highlight five areas where issues were noted at seven or more schools:

Purchasing and expenditure

Schools are expected to have purchasing controls in place to ensure that all expenditure is appropriately approved and all financial commitments are recognised at the point that they are entered into. We found that:

- Schools had not consistently used purchase orders or alternative methods of approving expenditure and recognising financial commitments.
- Schools had not consistently documented exceptions to the requirement for purchase orders within financial policies.

HR and payroll

Department for Education statutory guidance requires schools to carry out DBS checks on staff and contractors. The Scheme for Financing Schools requires further pre-

employment checks, including checks on identity, qualifications, previous employment and permission to work in the UK. We found that:

- Vetting of staff and volunteers was not always timely and in some cases evidence was not retained of key vetting checks carried out.
- Schools had not consistently updated their Single Central Record to reflect outcomes of vetting of staff.

Income and banking

The Scheme for Financing Schools requires schools to implement procedures for the collection and documentation of income and sets limits on the extent to which schools can write off irrecoverable debt without the approval of the council. We found that:

- Records of the sources of cash income were incomplete at some schools.
- Monitoring of income against invoices issued by schools was not always robust.
- The delegated authority limits for writing off bad debts within financial procedures were not consistently in line with the limits set out in the Scheme for Financing Schools.

Contracts and leases

The Scheme for Financing Schools expects schools to comply with the council's Procurement Rules and Contract Regulations. The SFVS checklist includes a question about whether governors have sufficient oversight of contractual arrangements. We found that:

- Procurement was not consistently carried out in line with the requirements set out within the Scheme for Financing Schools.
- A number of schools continued to access services from suppliers whose contracts with the schools had expired.
- Copies of contractual agreements were not always held by schools.
- Governors did not consistently have oversight over the contractual arrangements entered into by schools.

Asset management

The Scheme for Financing Schools sets limits on the extent to which schools can dispose of assets without the approval of the council. Department for Education guidance states that a school maintenance plan should be in place covering planned works for the year. We found that:

- The delegated authority limits within the asset disposal policies of a number of schools were not in line with the limits set out in the Scheme for Financing Schools.
- School maintenance plans were not consistently in place.

3. Training recommendation

3.1. Based on common outcomes of the 2021-22 schools audits, schools may benefit from greater awareness and training about:

- Purchase orders, covering:
 - The purpose and significance of POs;
 - The need for a clear policy outlining the approach to POs and any exceptions to the requirement for POs;

- How to effectively account for committed expenditure which does not require POs; and
- How to use FMS software to support the use of POs across a range of scenarios.
- Pre-appointment vetting requirements, particularly in respect of volunteers, and the scope and limits of schools' discretion around vetting matters;
- The Council's mandatory requirements regarding debt write-offs and the disposal of assets;
- Monitoring of cash and invoiced income; and
- Contract monitoring and procurement.

4. Changed audit approach

- 4.1. An exercise was carried out in year to streamline the audit approach and focus more effectively on compliance with legislation and the Scheme for Financing Schools. This revised approach is now in use and we have found that it has reduced audit time and the administrative burden on schools.
- 4.2. Further changes to the approach to following up audit recommendations are expected in 2022-23. Details of these changes will be shared once the approach is finalised.

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Islington Schools Forum

Chair: Abi Misselbrook-Lovejoy

C/o Governor Services

The Laycock Centre

London N1 1TH

Date/time: Thursday 14 July 2022, 2pm to 4pm

Agenda item: 8 - Final DSG Budget 2022-23

Recommendations:

Schools Forum are asked to note:

- The updated 2022-23 DSG budget in Appendix 1 that takes into account updated High Needs Block allocations.

DSG Budget

The DSG budget was presented to Schools Forum in January, where central retention under the Central Schools Services Block (CSSB) and Early Years Block were agreed. Central retention within the High Needs Block is a local authority decision in consultation with Schools Forum.

Since the report to Schools Forum in January, allocations under the High Needs Block were updated and reported to the High Needs Sub Group in March. High Needs block funding is still subject to adjustments from the DfE; therefore the funding envelope is still provisional.

Overall provisional High Needs Block funding envelope

Growth in high needs funding after recoupment and deductions for 2022/23 is £2.923m (8.6%). Final allocations are not confirmed by the ESFA until the summer term; therefore this figure is subject to change. In addition, based on the forecast position at the end of January, there is £1.646m of ongoing headroom from 2021/22, bringing the total funding envelope to £4.570m.

<u>Provisional High Needs Block funding envelope</u>	£m
2022/23 provisional High Needs funding after recoupment and deductions	36.757
2021/22 High Needs funding after recoupment and deductions	33.834
Provisional increase in funding	2.923
Ongoing headroom from 2021/22	1.646
Total provisional High Needs Block funding envelope	4.570

The ESFA is also providing an additional £1.5m to meet the costs of the health and social care levy. This is the equivalent to 4% of high needs block funding on average. We are passing this on to providers as a 4% increase to top-up funds.

Outlook for High Needs Block funding

Advice from the DfE is that funding increases will be sustained throughout the next spending period, with further growth in 2023/24 and 2024/25, but it is important to recognise that year-on-year increases will be on a smaller scale than in 2022/23. The DfE have advised those authorities with which we are most closely engaging on their financial planning, through the safety valve programme, to use an assumption of a 5% (ca. £2m) year-on-year increase in 2023/24, and 3% (ca. £1.2m) beyond that.

We do need to be mindful of future reforms to SEND as these are likely to have cost implications.

Allocation of High Needs Block headroom

We are continuing to experience significant demographic cost pressures on high needs. Analysis of future demand for Education Health and Care Plans (EHCPs) by the SEND team is currently being updated but using the recent increase in demand of 8% as a proxy for 2022/23 and a 2% estimated increase in unit costs indicates a demographic cost pressure of £1.565m for provision commissioned centrally for provision in academies, independent schools and out of borough. In addition, there is an ongoing forecast overspend of £0.899m against these budgets in 2021/22 which also needs to be built into the budget for 2022/23. This reduce the ongoing headroom to £2.106m.

	£m
Total provisional High Needs Block funding envelope	4.570
Estimated demographic cost pressure in relation to the centrally commissioned budget for provision in academies, independent schools and out of borough	(1.565)
Baselining forecast ongoing cost pressure for the centrally commissioned provision above	(0.899)
Revised provisional High Needs Block funding envelope	2.106

Allocations against the revised headroom of £2.106m are given in the table below. This includes an assumed 2% increase in top-up funding rates from 1 April. This is in line with the minimum funding guarantee for mainstream schools. The proposed allocations total £1.257m, leaving an unallocated balance of £0.849m that is being held to mitigate any additional demand pressures, and in recognition that future increases in funding will be significantly lower than in previous years, despite the expectation of continued large increases in demand. It is important to have a small balance of unallocated funds consistent with the level of risk in the budget.

<u>High Needs Block allocations</u>		
Description	£k	Description
Allocations in central retention report to January Schools Forum		
Transfers from the Early Years Block	23	SALT and CAMHS. Reduction in EYB means we cannot centrally retain as much funding for central services. These items will now be fully funded from the HNB (total HNB funding: SALT £228k; CAMHS £86k)
iTIPS	83	£83k contribution to iTIPS to help sustain the programme in future years. This is on top of £163k investment by the Council. iTIPS has been working effectively in Islington over the past four and a half years, building local networks of peer and clinical support to embed and sustain trauma informed, relational practice among a wide range of professionals and volunteers – in our schools, early years settings and voluntary and community organisations. iTIPS has provided evidence on our work on exclusions and inequalities for Council Scrutiny and has been included in their reports and recommendations. It formed part of the evidence for both the social care and recent SEND inspection and was identified as a key strength in the 2018 joint targeted area inspection.
Further proposed allocations		
Increase in top-up funding rates by 2%:		2% is in-line with mainstream school MFG.
• In-borough special academies	138	
• LBI special schools	35	
• Laycock primary	2	
Additional place funding:		
• Sam Rhodes	121	Increase in places from 128 to 140
• Additional Resourced Provision (Montem and Prior Weston)	72	6 additional places in each provision

Meeting more complex needs:		
• Reprofilling provision at Special Schools	188	This is to better reflect demand and complexity of need
• New River College	550	Increase in places, to reflect demand and complexity, and 2% top-up. This is a provisional allocation that will be adjusted in-year in line with provision
Increase in early years PEL SEND banding rates by 6%		4% increase re. 2021/22 and 2% increase re. 2022/23 mirroring top-up funding rates in these years
• Nursery Schools	14	
• Children's Centres	28	
2% uplift to SALT contract in Early Years	4	Brings total SALT contract to £232k
Total allocations	1,257	
Provisional funding envelope	2,106	
Balance	849	Being held to mitigate any additional demand pressures, and in recognition that future increases in funding will be significantly lower than in previous years, despite the expectation of continued large increases in demand. It is important to have a small balance of unallocated funds consistent with the level of risk in the budget

Recommendations

That Schools Forum notes:

- The updated DSG budget in Appendix 1 that takes into account updated High Needs Block allocations

Contact for queries:

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Assistant Director of Finance, Children's, Schools and Resources

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Appendix 1: Updated DSG Budget 2022/23

	Sch Block	Sch Blk De-del	CSSB	High Needs Blk	Early Years Blk	Total
Allocation	139,517,148		1,477,880	40,356,771	18,636,357	199,988,156
Recoupment / Post 16 Adjustment	- 34,361,208			- 3,600,000		- 37,961,208
	105,155,940		1,477,880	36,756,771	18,636,357	162,026,948
Deduction for NNDR	- 2,559,053					- 2,559,053
	102,596,887		1,477,880	36,756,771	18,636,357	159,467,895
Split-out de-delegation	- 1,270,282	1,270,282				-
	101,326,605	1,270,282	1,477,880	36,756,771	18,636,357	159,467,895
	-	-	52,911	1	1	52,911
	101,326,605	1,270,282	1,424,969	36,756,772	18,636,356	159,414,984
1 Primary and Nursery Schools General						112,859,034
2 Secondary Schools General	100,626,605					-
3 Special Schools General				12,232,429		-
4 PRU General						-
8 iTIPS				83,000		83,000
6 3&4 Year Old EYSFF					13,118,181	13,118,181
7 Early Years Growth Contingency					436,243	436,243
9 Admissions			630,166			630,166
9A Administration of School Admission Appeals			45,000			45,000
10 SEN Team				777,152		777,152
11 Independent Advice and Support for Parents				30,648		30,648
12 SEND Mediation				11,578		11,578
13 SEN Commissioning				491,707		491,707
14 Access and Engagement Service			257,273			257,273
15 School Improvement Service		99,816	-			99,816
17 Finance Services		55,268	-		61,248	116,516
18 Servicing of Schools Forums			50,000			50,000
19 Capital and Asset Management			109,514			109,514
20 Schools HR & Payroll		75,172	-			75,172
21 Support to Governors and Governor Services		25,825	-			25,825
22 ICT Services		116,952	-		100,864	217,816
24 Directors and Assistant Directors			71,439			71,439
25 Early Years SEN Additional Needs				211,585	478,584	690,169
26 Early Years PEL SEND Places				725,091		725,091
27 Early Years PEL Places					810,655	810,655
28 Early Years SENCOs				235,844		235,844
29 Early Years Priority Referral Team				97,998		97,998
31 Family Information Service					98,515	98,515
32 EYFS Team, Strategy and Management		89,296			567,443	656,739
34 Speech and Language Therapy (Early Years)				228,118	-	228,118
35 CAMHS (Early Years)				86,095	-	86,095
36 2 Year Old EYSFF					2,234,872	2,234,872
37 Strengthening Parenting					70,800	70,800
39 Islington Families Intensive Team				126,570		126,570
40 OB Maint Sch SEN Exp - pre16				1,492,742		1,492,742
41 OB Main Sch SEN Exp - post16				242,395		242,395
42 Academy SEN Spend - pre16				6,494,348		6,494,348
43 Academy SEN Spend - post16				1,065,251		1,065,251
44 Independent SEN prov - post16				1,431,762		1,431,762

	Sch Block	Sch Blk De-del	CSSB	High Needs Blk	Early Years Blk	Total
45	Independent School Fees -pre16			2,070,188		2,070,188
46	Independent School Fees-post16			612,313		612,313
47	JAP Placements - Pre16			514,278		514,278
48	JAP Placements - post16			580,725		580,725
49	SEN Contingency - pre16			1,141,434		1,141,434
50B	Estimated SEND Placement Costs Growth (22/23)			1,564,544		1,564,544
50C	SEND Additional needs			600,000		600,000
50D	SEND Enhanced individual support			60,000		60,000
50E	SEND Additional SEND Support provision			100,000		100,000
50F	SEND Exceptional Needs			200,000		200,000
50H	High Needs Headroom			848,853		848,853
51	Refugees			75,000		75,000
52	CAMHS (Over 5s)			350,000		350,000
53	Outreach			730,016		730,016
54	Radio Aids Maintenance			26,200		26,200
55	PRU Family Support			150,000		150,000
56	SENCO Network Co-ordinator			14,000		14,000
58	Travel Special			414,600		414,600
59	Alternative Provision			131,308		131,308
60	Families First			70,000		70,000
61	Safeguarding Post			25,000		25,000
62	PRU Managed Moves			200,000		200,000
63	Virtual school			164,000		164,000
65	Equalities		30,000			30,000
66	Legal Services SLA		30,000			30,000
67	Sports Co-ordinators		25,000			25,000
69	Licences		122,777			122,777
72	Trade Union Facility Time		60,039			60,039
73	NQTs		121,065	53,800		174,865
74	UPEG (School Improvement Service)		136,872			136,872
75	Priority Support		219,165			219,165
76	Schools in Financial Difficulty		187,416			187,416
78	ISCB			50,000		50,000
79	Falling Rolls	400,000				400,000
80	Growth Fund	300,000				300,000
81	MNS Supplementary Funding				334,658	334,658
82	Disabled Access Fund				94,400	94,400
83	Schools Redundancies		83,396			83,396
85	Early Years Pupil Premium				229,893	229,893
		101,326,605	1,270,282	1,424,969	36,756,772	18,636,356
						159,414,984
	DSG allocation after deductions	101,326,605	1,270,282	1,477,880	36,756,771	18,636,357
		-	-	52,911	-	1
						52,911

Description of budget lines:

1 to 4	Primary and Nursery / Secondary / Special Schools and PRU General	Individual school budget adjusted for de-delegated funds. Special school and PRU place funding and top-up.
6	3&4 Year Old EYSFF	Early Years Single Funding Formula for all Early Years settings for the statutory entitlement to free childcare for 3 and 4 year olds.
7	Early Years Growth Contingency	2.75% contingency budget for demographic growth for providers in line with the DfE's changes. This will be used to fund increasing numbers of 3 and 4 year olds in the summer term and new provision.
8	iTIPS	Contribution to iTIPS to help sustain the programme in future years. This is on top of £163k investment by the Council. iTIPS has built local networks of peer and clinical support to embed and sustain trauma informed, relational practice among a wide range of professionals and volunteers – in our schools, early years settings and voluntary and community organisations.

Description of budget lines

9	Admissions	Statutory points of entry and exit, casual admissions and monitoring children missing from education. Management of school exclusions.
9A	Administration of school admission appeals	Cost of hearing admission appeals
10	SEN Team	SEN Team to support statutory assessment, placement and review.
11	Independent Advice and Support for Parents	Statutory requirement to provide 'arm's-length' advice. Service commissioned from Family Action.
12	SEND Mediation	Mediation. Statutory requirement to resolve SEND disputes between parents and LA, parents and schools
13	SEN Commissioning	Includes £150K for additional SALT, support for Visual Impairment and Multi-sensory
14	Access and Engagement Service	Start advice and guidance on improving attendance and targeted support to specific schools where needed. Work with schools on legal proceedings. Elective Home Education process.
15	School Improvement Service	De-delegated funding. Work in Support of Schools, Headteacher briefings and strategic planning meetings.
17	Finance Services	De-delegation. Support to Projects Groups. Restructuring support for schools in financial difficulty. Data implications on budget allocations. Support for monitoring of P16 data for funding. Agreement on redundancy packages. Headteacher briefings. SBM briefings. Assessing of Free School Meals eligibility. Implementing on-line assessments. Eligibility checks for EYPP and 2 year old entitlement.
18	Servicing of Schools Forums	Support to Schools Forum.
19	Capital and Asset Management	Management of the capital programme including preparation and review of asset management plan, and negotiation and management of BSF. General landlord duties.
20	Schools HR & Payroll	De-delegation. Support for SLT in relation to strategic restructures. Sickness management. Agreement on redundancy packages. Headteacher briefings. SBM briefings.
21	Support to Governors and Governor Services	De-delegation. Supports Project Groups and strategic support for the resolution of Governor issues.
22	ICT Services	De-delegation. SMIFs. Data Analysis. Place Planning. Supports Safeguarding / CME. Links to SEN / Admissions / Attendance.
24	Directors and Assistant Directors	DCS, support staff and planning for education service as a whole.
25	Early Years SEN Additional Needs	Funding allocated to individual children with SEND (not allocated a UFAG place) in early years provision for additional staffing and/or equipment to ensure individual children's needs can be met. Funding allocated on a termly basis through a multi-agency panel.
26	Early Years PEL SEND Places	36 Priority Early Learning (PEL) SEND places in children's centres for children with severe and complex needs. Places are allocated through the PEL SEND panel
27	Early Years PEL Places	Childcare / early education places for children with complex social and/or emotional need. These children may also have SEND. Children are referred through the termly PEL panel.
28	Early Years SENCOs	SEN and inclusion support, development and training for all EYFS providers including children's centres, PVI's, nursery classes and child-minders. Support for children with SEND on transition to school. Strategic management of early years inclusion and early intervention.
29	Early Years Priority Referral Team	Operational management, administration and support for EYPR placements.
31	Family Information Service	Children's Services elements of the maintenance of Family Directory and Early Years and Childcare web pages including the Local Offer providing information to families about services to support children and young people including childcare and schools; childcare brokerage; information about events for children and young people.

32	Early Years Foundation Stage Team , Strategy and Management	EYFS school and setting improvement (primary & nursery schools, children's centres, PVI providers, childminders) through bespoke in-setting support, projects, central training and guidance on meeting statutory requirements. EYFSP moderation; integrated health and education check at aged 2. Strategic development, management and administration of early childhood services pregnancy to 5 and out-of-school childcare. This includes commissioning and support for setting up systems to meet national requirements and ensuring the Council meets its statutory duty to provide sufficient childcare.
34	Speech and Language Therapy (Early Years)	Speech and language activities at Children's Centres and support for practitioners to develop understanding of speech and language.
35	CAMHS (Early Years)	Contribution to CAMHS services at Children's Centres including advice to parents.
36	2 Year Old EYSFF	Early Years Single Funding Formula for all early years settings for the statutory entitlement to free childcare for 2 year olds.
37	Strengthening Parenting	Parenting programmes including Incredible Years courses
39	Islington Families Intensive Team	Attendance support and Behaviour Support Services.
40 & 41	OB Maint Sch SEN Exp - pre and post 16	Mainstream and special schools out borough. About 30% of this goes to Stormont House - secondary special school in Hackney for children with significant needs in one or more of moderate learning difficulties, speech and language communication needs, high functioning Autistic Spectrum Condition (ASC), specific literacy difficulties and social, emotional and mental health.
42 & 43	Academy SEN Spend– pre and post 16	In and out borough, mainstream and special academies. About 40% of this goes to ILS (Islington Free School for complex ASC) and The Courtyard (Islington Free School for high functioning ASC - secondary).
44-46	Independent SEN prov – post16 and Independent School Fees – pre and post 16	Provision independent that is independent of the local authority but registered with the DfE. Tends to be more specialist provision e.g. deaf and blind.
47 & 48	JAP Placements – pre and post 16	Placements for children with severe education, health and social care needs. Commissioned through a joint agency panel.
49	SEN Contingency – pre16	This is for EHCPs issued in year plus exceptional needs.
50B	Estimated SEN Placement Costs growth	Estimated increase in demand re. provision in rows 40 to 49 above
50C	SEND Additional Needs	Funding to strengthen our SEND Support offer, particularly for Key Stage 1 where schools are reporting particular need. Proposals are being developed through the High Needs Sub Group
50D	SEND Enhanced individual support	Additional funding that means that we can increase top-up for a small number of children with complex Autistic Spectrum Condition that present challenges beyond the resources normally available to mainstream schools.
50E	SEND Additional SEND Support provision	Fixed term appointments for part-time SEND Support Co-ordinator and Schools Area SENCO roles. A further fixed term post is being recruited to with expertise in the area of mental health to help our response to growing numbers of young people presenting with diagnosed psychiatric disorders, Tier 4 discharge planning and additional duties introduced through statutory NHS Care, Education and Treatment reviews.
50H	Provisional High Needs Headroom	Growth in funding being held against funding risks – this will reduce as top-up rates are agreed for 2022/23. Options are being considered for distributing some of this funding to mainstream schools to support them meet the needs of pupils with SEND in 2022/23. We need to be cautious over the allocation of funding as the outlook for further growth for high needs is uncertain after 2022/23 and we are facing increasing levels of demand and complexity. The DfE are also reviewing the funding formula for high needs which could see Islington lose funding.

51	Refugees	Additional funding to identified secondary schools (Holloway, H Grove, AMSI) for meeting needs of newly arrived in KS4.
52	CAMHS (Over 5s)	Additional provision commissioned by schools
53	Outreach	Provided by Islington Special Schools /PRU agreed to support mainstream in developing their SEND offer.
54	Radio Aids Maintenance	Maintenance of equipment for children with hearing impairments.
55	PRU Family Support	Additional support for students at NRC.
56	SENCO Network Co-ordinator	Seconded SENCO (1 day per week) to co-ordinate SENCO network and support new SENCOs.
58	Travel Special	DSG contribution. Total budget is £2.9m including core Council budget but spend is £3.3m.
59	Alternative Provision	From 2017/18: Top-up costs for AP placements above £10k.
60	Families First	Education contribution to Families First that funds the equivalent of 2 Family Support Workers – each primary school has a linked worker
61	Safeguarding Post	Education contribution to multi agency mandatory safeguarding training and audits for schools on request.
62	PRU Managed Moves	Funding for the NRC in relation to children moving into provision.
63	Virtual school	Funding to support pupils in Islington schools who present significant difficulties in school on entry to care and contribution to tuition fees.
65	Equalities	Ongoing work with all schools (including academies and free schools) to raise progress and achievement for the two lowest achieving groups in schools (black Caribbean and white British) and Equaliteach
66	Legal Services SLA	Legal SLA @ £500 per school.
67	Sports Co-ordinators	Sports co-ordinators in schools.
69	Licences	DfE charge for national copyright licences on behalf of all schools and academies.
72	Trade Union Facility Time / EAP	De-delegated funding. Charging of Trade Union Facility time. Employee Assistance Programme.
73	NQTs	De-delegated funding. Release time for NQTs. Central retention. NQT recruitment.
74	UPEG (School Improvement Service)	De-delegated funding. Work in Support of Schools, Headteacher briefings and strategic planning meetings
75	Priority Support	De-delegated funding. Support specific projects in schools where schools are in, or at risk at being, in a category. There are 10-15 schools requiring support each year.
76	Schools in Financial Difficulty	De-delegated funding. Support schools which are required to restructure, provide support schools with falling rolls and to fund items of contingency which schools would not be expected to pay from their own budgets.
78	ISCB	Education contribution to the statutory multi-agency Islington Safeguarding Children's Board.
79	Falling Rolls	Fund to support schools with falling rolls in exceptional circumstances. Allocated in-line with agreed criteria.
80	Growth Fund	Fund to support schools which are required to provide extra places in order to meet basic need including pre-opening and reorganisation costs. Allocated in-line with agreed criteria.
81	MNS Supplementary Funding	Supplementary funding provided by the DfE for maintained nursery schools only until the end of the current parliament to help manage the transition to lower funding levels under the new EYSFF.
82	Disabled Access Fund	The DfE is going to introduce additional targeted Disability Access Funding (DAF) worth £12.5m per annum nationally, which will be paid to all providers for children in receipt of DLA taking a place in their setting. This would be paid annually and is worth £615 per 3 and 4 year old per year. This funding will be a ringfenced grant outside of the EYSFF to enable these children to access the new 30 hour entitlement.
83	Schools Redundancies	De-delegated funding. If schools follow HR advice, this covers a proportion of redundancy costs in schools.
85	Early Years Pupil Premium	Additional funding for early years settings to improve the education they provide for disadvantaged 3- and 4-year-olds. Funding is the equivalent to 53p per hour per eligible child. This is a ringfenced grant outside of the EYSFF.

2023-24 Estimated DSG Allocations

Source: Admissions data @ 23/06/22

AGENDA ITEM - 9

	2023-24 Estimated Funding (30/06/2022)			2022-23 DSG Settlement (16/12/2021) (Based on Oct 21 data)			Change DSG Settlement vs Early Years (Recoupment & EYrs estimates)			% Change
	Pupil Nos	Unit value	DSG Funding	Pupil Nos	Unit value	DSG Funding	Pupil Nos	Unit value	DSG Funding	
Schools Block:			£			£				
Primary Pupils	12,608	5,880.30	74,138,822	12,787	5,880.30	75,191,396	- 179	-	- 1,052,574	-1.4%
Secondary Pupils	7,484	7,826.28	58,571,880	7,466	7,826.28	58,431,006	18	-	140,873	0.2%
Growth			823,756			823,756			-	0.0%
Funding adj			0			0			-	
Premises			5,070,988			5,070,988			-	0.0%
Schools Block - before recoupment	20,092	6,899	138,605,446	20,253	6,889	139,517,147	-161	0	-911,701	-0.7%
<i>National non-domestic rates within the premises factor</i>			-2,559,053			-2,559,053			-	0.0%
<i>Academy Recoupment:</i>									-	#DIV/0!
% of Total DSG			70.2%			70.3%				
Total Schools Block - after recoupment	20,092	6,899	136,046,393	20,253	6,889	136,958,094	-161	0	-911,701	#DIV/0!
Central School Services Block:										
Ongoing Duties	20,092	52.14	1,047,598	20,253	52.14	1,055,992	- 161	-	8,395	-0.79%
Historic Commitments			337,510			421,888		-	84,378	-20.0%
% of Total DSG			0.7%			0.8%				
Total CSSB			1,385,108			1,477,880			-92,772	-6.3%
High Needs Block:										
National Funding Formula			36,743,328			36,743,328			-	0.0%
Basic Entitlement Factor (Sp Schs & Acads)	578.5	5644.95	3,265,605	578.5	5644.95	3,265,605			-	0.0%
Import / Export adjs			- 156,000			- 156,000			-	0.0%
Special Free Schools			292,997			292,997			-	0.0%
Hospital education**, AP teachers pay/pension and supplementary funding*** factor total (provisional)			210,841			210,841			-	0.0%
Add'l High Needs Funding										
Supplementary Grant Funding (NiC)			1,515,506			1,515,506			-	0.0%
High Needs Block - before recoupment			41,872,277			41,872,277			0	
<i>EFA Direct funding of places</i>			- 3,600,000			- 3,600,000			-	0.0%
% of Total DSG			19.7%			19.6%				
Total High Needs Block - after recoupment			38,272,277			38,272,277			0	
Early Years Block:										
3&4 Year Old (Schs + PVI)	2,646.41	7.81	11,781,024	2,646.41	7.81	11,781,024	-	-	-	0.0%
3&4 Year Extended (Schs + PVI)	710.20	7.81	3,161,597	710.20	7.81	3,161,597	-	-	-	0.0%
2 Year Old (Schs + PVI)	653.00	6.87	2,557,083	653.00	6.87	2,557,083	-	-	-	0.0%
EYPPG (Schs + PVI)	556.00		190,152	556.00		190,152	-	-	-	0.0%
MNS	164	3.58	334,658	164	3.58	334,658			-	0.0%
DAF			94,400			94,400			-	0.0%
% of Total DSG			9.3%			9.3%				
Total Early Years Block			18,118,915			18,118,915			0	0.0%
Total DSG before Recoupment			199,981,746			200,986,219			-1,004,473	-0.5%
Total DSG after Recoupment			193,822,693			194,827,166			-1,004,473	-0.5%

Islington Schools Forum

Chair: Abi Misselbrook-Lovejoy

C/o Governor Services

The Laycock Centre

London N1 1TH

Date/time: Thursday 14 July 2022, 2pm to 4pm

Agenda item: Item 10 – Completing reforms to the National Funding Formula

Purpose of report: Information

Recommendations:

Schools Forum notes the report

Background

Between 6 July 2021 and 30 September 2021, DfE held a consultation on proposed changes to complete reforms to school funding and move to a “direct” schools national funding formula (NFF). The consultation sought views on the approach to reforming the NFF and how they would most effectively transition away from the use of local formulae to all schools’ funding allocations being determined directly by the NFF in the years ahead. Furthermore, the consultation sought views on what a fully delivered direct NFF should look like and for the next steps to be taken to ensure a smooth transition towards this.

The main themes covered in the consultation were:

- The aim should be that all NFF funding factors – pupil-led and school-led – are included in the formula
- To improve premises factors within the NFF in advance of the introduction of the direct formula
- Reform the approach to growth and falling rolls fund allocations
- From 2023-24, to progressively tighten rules governing LAs’ flexibility over schools funding
- reform the approach to funding for central school services delivered by LAs
- The potential of moving from a financial year to academic year for maintained schools

Government response

Following analysis of 359 responses, the Government's [response](#) to the consultation confirms their intention to move forward with plans to introduce the direct national funding formula and will no longer be subject to substantial local adjustments; the Government will bring forward the relevant legislation required at the earliest opportunity. The Government will start the process of transition by bringing local authority formulae closer to the NFF in 2023-24 and will consult again on the implementation of these reforms. At the time of the Government's response, there was no given indication for when the hard NFF would come in to force. The latest released consultation, described later in the report provides further details of DfE's intentions.

The key responses of the consultation confirms that DfE will:

- move to allocate funding for all mainstream schools according to a single, national formula
- bring forward the relevant legislation to achieve this change when parliamentary time allows
- continues to operate different funding cycles for maintained schools and academies
- From 2023-24, DfE will require:
 - LAs to use all, and only, NFF factors in their local formulae. Islington are replicating the NFF including all permissible factors.
 - All local formulae factors to move at least 10% closer to the NFF, except where local formulae are already “mirroring” the NFF. With the exception of the base rate factor for 2022-23 funding formula, Islington are replicating the NFF including values. It is expected that the base rate return to NFF values in 2023-24 funding formula, this will depend on the overall funding envelope awarded to the authority.
 - LAs to use the NFF definition for the English as an Additional Language (EAL) factor (although flexibility over the sparsity factor methodology will remain in 2023-24). Islington use EAL3 in line with NFF.
 - The approach to transition in subsequent years will depend on the impact in the first year.
- Over the coming year, the Department will:
 - Consult on an approach to the split sites factor and to the PFI factor in the NFF
 - In the second stage consultation, include proposals for the revised growth and falling rolls factor – and some options which would allow a degree of local flexibility

- In the second stage consultation, include proposals for an exceptional circumstances factor
- Minimum Funding Guarantee (MFG) protections will remain in place for 2023/24, for 2022/23 this was required to be between +0.5% and +2%

Implementing the Direct National Funding Formula

On 7 June 2022 the Government released the second stage consultation relating to a direct NFF for funding all mainstream schools. DfE have previously confirmed their intention to move to a direct funding formula for mainstream schools meaning the DfE determines funding allocations for individual schools, without substantial local adjustment.

The consultation will end 9 September 2022; full details can be viewed [here](#). Further consultations are expected during the year on related funding issues such as the consequent reforms to high needs funding arrangements, following the ongoing consultation on the SEND and alternative provision green paper. DfE also plan to consult on the funding for local authority services through the central school services block (CSSB), as they move to the direct NFF, and in light of the future role for local authorities as set out in the Schools White Paper, Opportunity for all.

The key factors within this latest consultation are set out below:

NFF Implementation date

Whilst DfE are not setting a definitive final “end date” at which the direct NFF will be implemented, they are setting out expectations to have moved to the direct NFF within the next five years; by the 2027-28 funding year at the latest.

The interaction between the direct NFF and funding for high needs

The Government’s consultation on the SEND and alternative provision green paper concludes in July 2022. Following consideration of the responses to that consultation, they will consult on further detailed proposals on how high needs funding will operate to deliver the aims of the green paper. In particular, DfE plan to cover the operation of funding bands and tariffs to support the development of a national framework for SEND provision.

In the current consultation, DfE focuses on two elements:

- how continued flexibility to transfer funding to authorities’ high needs budgets, by adjusting mainstream schools funding, could work under the direct NFF. Currently Local authorities can transfer up to 0.5% of their schools block with the approval of the schools forum, but transfers above 0.5%, or where the schools forum does not agree, must be decided by the Secretary of State. DfE we propose that local authorities will be provided with a short “menu” of options on how the adjustment to mainstream schools’ NFF allocations could be made.

- proposals on the continuation of notional SEN budgets in the direct NFF. The direct NFF will include a number of factors that act as a proxy for the incidence of SEN in mainstream schools. DfE are keeping under review whether the current factors will remain appropriate in future in particular, the use of prior attainment factor. DfE propose to continue the concept of identifying for each school a budget for the costs of additional support for its pupils with SEND. This would be calculated by the Department under the direct NFF, rather than by local authorities, and would indicate the amount within the school's overall budget that is allocated to help schools meet the costs of additional provision for children with SEND, up to a defined threshold

Growth and Falling Rolls funding

Growth: The DfE is proposing two options. The first, which it prefers, would see councils retain some flexibility but with restrictions on how the funding can be used e.g a minimum expectation on when growth funding is awarded.

The second option would be a nationally standardised system, with no LA involvement.

Popular growth: currently funding can only be awarded to academy schools, this consultation proposes to extend to maintained schools, following the same processes as academies.

Falling Rolls: Standardising the allowable criteria; the government is also consulting on whether to remove the rule that only 'good' or 'outstanding' schools can receive falling roll funding, and on expanding the use of the funding to support councils to "repurpose and remove" spare classroom space.

These proposals could be implemented in 2024-25.

Both changes could affect Islington schools with one school expected to receive growth funding in 2024-25. In 2022-23 financial year, 5 Islington schools are set to receive falling rolls funding. It is less obvious with the number of schools affected with the proposals around falling rolls but we would want to ensure that no schools are adversely affected by any changes.

Premises funding

PFI: DfE recognise concerns about the complexity of PFI contracts and plan to work closely with the sector to develop an appropriate approach to PFI schools under a direct NFF, to be consulted on at a later date. This element is expected to be implemented at the time of direct NFF (2027-28 at the latest). For Islington, these changes will specially affect a select number of secondary schools.

Split Sites: currently awards funding for extra costs associated with a school operating across a number of separate sites. The DfE is proposing a national formula for split sites funding, with a basic eligibility criteria that attracts a lump-sum payment, plus a distance eligibility. Any losses in funding would be subject to Minimum Funding Guarantee (MFG) protection. DfE propose to implement changes effective from 2024-25. Two Islington schools currently receive funding through this factor; one primary and one secondary. Funding currently allocated to these

schools are not an outlier comparing to other LAs that may use this factor and until the finer details and proposals of future allocations are known, it would be difficult to determine whether these schools will be adversely affected by the proposals.

Exceptional Circumstances: DfE plan to develop a national approach to exceptional circumstances including standardising what is funded under this factor through discrete categories that can attract additional support. Some premises elements such as BSF are proposed to be incorporated in to a modified PFI factor. Dual or Joint Use Agreements would continue, one school falls into this category in Islington. DfE propose to implement changes to the exceptional circumstances factor at the time of the introduction of the direct NFF (2027-28)

DfE want to significantly reduce the number of schools receiving exceptional circumstances funding so that we target funding only to schools where costs are exceptional and meaningful, and as such, propose that we raise the exceptional circumstances funding threshold to account for at least 2.5% of a school's budget, up from the current 1%. This factor particularly relates to one secondary school in Islington and we await further information and consultations on how this may affect the funding of this school.

Minimum Funding Guarantee

Under the current funding system, LAs set a "minimum funding guarantee" for schools to protect them from large losses in funding year-on-year. The NFF funding then floor mirrors the MFG in the local formulae.

Under plans for a hard funding formula, the two protections will merge into one minimum funding guarantee, which will be based on schools' actual funding from the previous year and is proposed to be fully based on pupil-led funding only.

Next Steps

Islington will be responding to the proposals as set out in the consultation during the summer break and will share with all schools at the start of term. Schools may respond individually or use the LAs as a basis for submission.

Recommendation

That Schools Forum notes both the previous Government's response and acknowledges the latest consultation on moving toward a direct National Funding Formula.

Contact for queries:

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Head of Schools & Early Years Finance Services

T 020 7527 5763

Islington Schools Forum

Chair: Abi Misselbrook-Lovejoy

C/o Governor Services

The Laycock Centre

London N1 1TH

Date/time: Thursday 14 July 2022, 2pm to 4pm

Agenda item: Item 11 – Forward Planning

Purpose of report: Information

Recommendations:

Schools Forum notes the updates and provide comments

Forward planning

The purpose of this report is to provide the foundation of a future work plan for Schools Forum meetings for the 2022-23 financial year and will be updated on a rolling 12-month period.

The report presented has been updated to reflect changes that have since emerged from the previous meeting.

The table in appendix A provides the updated work plan and includes an additional notes column to enable recognised changes.

Listed within the work plan are suggested standing items, these will be presented either via a written or oral report, dependant on the need for the meeting.

Recommendations

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

Contact for queries:

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T 020 7527 5763

APPENDIX A – School Forum: Work plan

Standing Items:

- Declaration of Interest
- Forum Composition
- Forum Forward Planning
- Sub Group Updates

Financial Year	Agenda Item	Information & To Note / Comments & views / Decision	Notes
July 22	School Balances (FINAL - prior year)	Information & To note	
	DSG Outturn (FINAL: prior year)	Information & To note	
	DSG Allocations (in year)	Information & To note	
	Schools Internal Audit Programme Outcomes (prior year)	Information & To note	
	DSG Schools Block estimated funding (new year)	Information & To note	
	NFF Funding Consultation	Information & To note	NEW
	Updated DSG Budget 2022-23	Information & To note	NEW
	Services to Schools Survey	Information & To note	
October 22	DSG Budget Monitor (in year)	Information & To note	
	Scheme for Financing Schools	Decision	Following consultation with schools
	School Funding Arrangements, Consultation results (future year)	Decision	
	School Funding Consultation: DfE	Information & To note	
November 22	DSG Funding Settlement	Information & To note	
	DSG projected allocations (future year)	Information & To note	
	Growth / Falling Rolls proposals (future year)	Decision & views	
	Central School Services Block - Central Retention	Decision	
January 23	DSG Budget Monitor (in year)	Information & To note	
	DSG Settlement (future year)	Information & To note	
	Growth / Falling Rolls proposals (future year)	Decision	
	School Funding Formula (future year)	Decision	
	School Central Retention (future year)	Decision	
	Early Years Funding Formula (future year)	Decision	
	High Needs Places	Decision	
May 23	School Balances (DRAFT - prior year)	Information & To note	
	DSG Outturn (DRAFT: prior year)	Information & To note	
	Scheme for Financing Schools (DfE)	Comments & Views	
July 23	School Balances (FINAL - prior year)	Information & To note	
	DSG Outturn (FINAL: prior year)	Information & To note	
	DSG Allocations (in year)	Information & To note	
	Scheme for Financing Schools (Local)	Decision	
	Schools Internal Audit Programme Outcomes (prior year)	Information & To note	
	DSG Schools Block estimated funding (new year)	Information & To note	
	Falling Rolls estimated allocations (new year)	Information & To note	