

NORTH YORKSHIRE COUNTY COUNCIL

CHILDREN AND YOUNG PEOPLE'S SERVICE

CORPORATE DIRECTOR'S MEETING WITH EXECUTIVE MEMBERS

1ST FEBRUARY 2022

**REPORT ON SCHOOL IMPROVEMENT FUNDING AND SUBMISSION OF A
DISAPPLICATION REQUEST TO THE SECRETARY OF STATE FOR EDUCATION**

1.0 PURPOSE OF THE REPORT

- 1.1 This report provides information on the outcome of a recent DfE consultation on the School Improvement Monitoring and Brokering Grant and outlines the funding implications for the local authority. It proposes that the local authority submits a disapplication request to the Secretary of State for Education to de-delegate funding from LA maintained schools in 2022-23 for core school improvement activities.

2.0 BACKGROUND

- 2.1 In November 2021, the Department for Education (DfE) outlined proposals in the "Reforming how local authorities' school improvement functions are funded" consultation document. The proposals outlined that the existing School Improvement Monitoring and Brokering Grant would be reduced by 50% from April 2022 and would be reduced by 100% by April 2023. The consultation also proposed that finance regulations would be amended to enable local authorities to seek the de-delegation of funding from LA maintained schools to continue to fund core statutory school improvement functions.
- 2.2 The LA responded to the consultation, advising the DfE that there was insufficient time for the consultation proposals to be properly implemented, with the consequences felt by schools and local authorities.
- 2.3 On 16th December 2021, the North Yorkshire Schools Forum considered the LA proposal for the de-delegation of funding from maintained school budgets for the provision of statutory core school improvement intervention for the 2022-23 financial year. The Schools Forum considered an 'in principle' decision for 2022-23 given that the DfE had not confirmed at that time whether the proposals would be implemented for April 2022. However, Schools Forum did not reach a consensus on the proposal and, therefore, de-delegation was not approved.
- 2.4 On 11th January 2022, the DfE confirmed their intention to implement the consultation proposals. The DfE acknowledged that many responses to the consultation had raised concerns with the proposals including: (i) whether schools and councils would be able to absorb further funding pressures, (ii) what would happen if schools forums did not agree to de-delegation for core school improvement activity, and (iii) the desire for further clarity on what is considered core school improvement. Despite these concerns, the DfE claim that the proposals to remove funding from local

authorities for core statutory functions will provide greater parity between how school improvement functions are funded in the maintained and academies sector.

- 2.5 There is insufficient time to respond to the decision to implement a funding reduction with only two months' notice. Reforming the LA's school improvement core offer and/or undertaking steps to reduce the costs in the team would not be possible in the available timescale. As a consequence, the local authority is seeking to submit a disapplication request to the Secretary of State for Education to set aside the Schools Forum decision and allow the local authority to de-delegate funding, equivalent to the anticipated 50% reduction in the School Improvement Monitoring and Brokering Grant, in 2022-23.
- 2.6 If the disapplication request is successful, the amount to be de-delegated will be £1,712 per school and would enable the local authority to continue to meet its statutory duty in delivering core school improvement monitoring, challenge and support to LA maintained schools in North Yorkshire. In addition, the LA has committed to working with schools and the local Schools Forum to explore alternative de-delegation models to a lump sum de-delegation for 2023-24 when the full grant will be reduced. If the disapplication request is not supported by the Secretary of State, the LA will need to explore options to either use LA funds to sustain the existing service or explore cost reductions. In this event, school improvement monitoring, challenge and support to LA maintained schools would likely be reduced.

3.0 Financial Implications

- 3.1 North Yorkshire County Council is expected to receive funding of £843.4k in 2021-22 through the School Improvement Monitoring and Brokering Grant. The projection for 2022-23 is estimated to be £777k, based on 2021-22 funding levels and after taking into consideration actual and planned maintained school academy conversions during the 2021-22 financial year. The DfE proposals reduce the grant funding level by 50% in the 2022-23 financial year and totally removes the grant funding for the 2023-24 financial year. The potential reduction in grant funding in 2022-23 as a result of the DfE implementation of the proposals is c. £389k. The grant forms a significant part of the income associated with managing the service.
- 3.2 The DfE will include provision in Part 7 of Schedule 2 to the School and Early Years Finance (England) Regulations for 2022-23 to allow councils to de-delegate funding for statutory core school improvement activities.
- 3.3 If the disapplication request is approved by the Secretary of State for Education, the LA will recover funding for statutory functions from individual LA maintained school budget shares. Each LA maintained school would, therefore, see their funding reduced by £1,712 in 2022-23.

4.0 Legal Implications

The disapplication request only applies to 2022-23 as all de-delegation requires a vote, on an annual basis, by the relevant phase of LA maintained school members on Schools Forum.

5.0 Equalities Implications

- 5.1 An equalities impact assessment has been undertaken and can be found at **Appendix 1**. This identifies that the proposal may potentially disadvantage pupils in primary schools, as the proposed flat rate methodology may be regarded to have a greater cost impact on primary schools. However, this methodology is considered to reflect the current model of delivery for core school improvement services where each school receives monitoring, challenge and support irrespective of phase or size. The cost impact for small rural primary schools is considered to be partially mitigated in the 2022-23 financial year by the large increase in sparsity funding which will be received by the majority of these schools.
- 5.2 The proposal will allow NYCC to review its statutory core school improvement service delivery model for 2023-24 in response to the outcome of the DfE consultation. As part of this review, work will be undertaken with the Schools Forum and maintained schools to consider service provision requirements and developments, and associated funding options for 2023-24 when the grant funding will be fully removed.

6.0 Communications Implications

- 6.1 The local authority has notified the North Yorkshire Schools Forum of the intention to submit a disapplication request to the Secretary of State for Education. School Budget Shares must be submitted to the DfE by 21st January 2022 and this has been done on the basis that the disapplication request has not been approved. If the disapplication request is approved, school budget shares will need to be re-submitted to the DfE.
- 6.2 The local authority normally notifies schools of their funding allocations by mid-February. If the Secretary of State decision on the disapplication request is received prior to this date, schools will automatically be updated on the outcome and school funding allocations will be adjusted accordingly. However, if the Secretary of State decision on the disapplication request is not received prior to this date, the local authority will notify schools of their funding allocations without an adjustment for school improvement de-delegated amounts. Letters to schools will make clear that a decision has not been reached on school improvement de-delegation and schools will be advised that subsequent adjustments may need to be made.
- 6.3 The DfE have not published a clear timeline for local authorities to submit a disapplication request nor for the Secretary of State for Education to respond to any disapplication requests.

7.0 Recommendations

- 7.1 The Executive Member for Education and Skills is asked to approve the submission of a disapplication request to the Secretary of State for Education to de-delegate funding for core school improvement activities in 2022-23.

STUART CARLTON

Corporate Director – Children & Young People’s Service

Report Prepared by Howard Emmett (Assistant Director – Strategic Resources)

Equality impact assessment (EIA) form: evidencing paying due regard to protected characteristics

(Form updated April 2019)

School Funding 2022/23 – School Improvement De- Delegation

If you would like this information in another language or format such as Braille, large print or audio, please contact the Communications Unit on 01609 53 2013 or email communications@northyorks.gov.uk.



যদি আপনি এই ডকুমেন্ট অন্য ভাষায় বা ফরমেটে চান, তাহলে দয়া করে আমাদেরকে বলুন।

如欲索取以另一語文印製或另一格式製作的資料，請與我們聯絡。

اگر آپ کو معلومات کسی دیگر زبان یا دیگر شکل میں درکار ہوں تو برائے مہربانی ہم سے پوچھئے۔

Equality Impact Assessments (EIAs) are public documents. EIAs accompanying reports going to County Councillors for decisions are published with the committee papers on our website and are available in hard copy at the relevant meeting. To help people to find completed EIAs we also publish them in the Equality and Diversity section of our website. This will help people to see for themselves how we have paid due regard in order to meet statutory requirements.

Name of Directorate and Service Area	North Yorkshire County Council: Central Services
Lead Officer and contact details	Howard Emmett - Assistant Director – Strategic Services
Names and roles of other people involved in carrying out the EIA	Sally Dunn – Head of Finance (Schools, Early Years & High Needs)
How will you pay due regard? e.g. working group, individual officer	The DfE undertook a national consultation on the reduction and removal of the LA School Improvement Monitoring & Brokering Grant between 29 th October 2021 and 26 th

	November 2021. The LA discussed an ‘in principle’ decision, in response to the proposed grant reduction for 2022/23, pending the outcome of the DfE consultation, with the North Yorkshire Schools Forum on the 16 th December 2021.
When did the due regard process start?	<p>Consideration of the impact on finance and service provision of the DfE proposals commenced on the 26th October 2021 in response to the launch of the DfE consultation, presenting proposals on the reduction and removal of the LA School Improvement Monitoring & Brokering Grant.</p> <p>This EIA considers this issue in respect of 2022-23 School Funding.</p>

Section 1. Please describe briefly what this EIA is about. (e.g. are you starting a new service, changing how you do something, stopping doing something?)

The EIA considers the de-delegation of funding from school budgets for the 2022/23 financial year in order to fund the 50% reduction in the LA School Improvement Monitoring & Brokering Grant. The level of funding proposed to be de-delegated from schools is estimated to be £375k (flat rate of £1,712 per LA maintained school)

On the 29th October 2021, the DfE launched a consultation “Reforming how local authorities’ school improvement functions are funded”. The consultation proposed a 50% reduction to the LA School Improvement Monitoring & Brokering Grant for the 2022/23 financial year, followed by full removal of the Grant in the 2023/24 financial year. The consultation also proposed making provisions within the School and Early Years Finance (England) Regulations for the 2022/23 financial year to allow local authorities to fund all of their school improvement activity (including all core school improvement activities) via de-delegation from schools’ budget shares. Within NYCC, this Grant is used to fund statutory service provision for core school improvement activities for maintained secondary, primary, and special schools and PRS. On the 11th January 2022, the DfE provided confirmation that the proposals detailed in their consultation would be implemented for the 2022/23 financial year.

De-delegation applies only to LA-maintained schools. Where services are able to be de-delegated, the budget is, technically initially delegated to all schools and academies. Services for de-delegation then have to be approved by Schools Forum and, if approved, the funding will be removed from maintained schools’ budgets before final school budgets are issued.

Section 2. Why is this being proposed? What are the aims? What does the authority hope to achieve by it? (e.g. to save money, meet increased demand, do things in a better way.)

The timescale of the DfE consultation was extremely short, resulting in a very limited time period for the implementation of arrangements required in response to the reduction in the grant funding level from April 2022 (decision confirmed by DfE in mid-January). The de-delegation proposal is made in order to avoid reducing the level of school improvement support provided to LA maintained schools in the 2022/23 financial year and ensure that the LA is able to meet its statutory duty in continuing to deliver core school improvement support to LA maintained schools in North Yorkshire.

The proposal will allow NYCC to review its statutory core school improvement service delivery model for 2023/24 in response to the outcome of the DfE consultation. As part of this review, work will be undertaken with the Schools Forum and maintained schools to consider service provision requirements and developments, and associated funding de-delegation methodologies for 2023/24 when the grant funding will be fully removed.

NYCC has considered options for the de-delegation of funding for school improvement core interventions and considers that, initially for 2022/23, a flat rate lump sum (£1,712 per school) is the methodology that best reflects the delivery of core school improvement services where each school receives support irrespective of phase or size.

Section 3. What will change? What will be different for customers and/or staff?

The impact on individual schools may vary in relation to their budget position and the funding increase they receive for the 2022/23 financial year. Within North Yorkshire, additional sparsity funding of £3.5m is being received for small, rural schools in the 2022/23 financial year. This additional funding is considered helpful in supporting the smallest schools, and particularly those in the primary sector, within the LA in meeting the additional cost pressure of de-delegation related to core school improvement services.

The reduction, and ultimate removal, of the school LA School Improvement Monitoring & Brokering Grant by the DfE results in the cost of core statutory school improvement support to LA maintained schools being required to be met from school budgets rather than DfE grant. Service provision will remain unchanged in the first instance, pending the outcome of the planned review of the model of school improvement service delivery to be undertaken within 2022/23

Section 4. Involvement and consultation (What involvement and consultation has been done regarding the proposal and what are the results? What consultation will be needed and how will it be done?)

The DfE undertook a national consultation on the reduction and removal of the LA School Improvement Monitoring & Brokering Grant between 29th October 2021 and 26th November 2021. The results of the national consultation can be found at:

<https://www.gov.uk/government/consultations/reforming-how-local-authority-school-improvement-functions-are-funded>

NYCC considered it prudent, pending the outcome of the DfE consultation, to seek an “in principle” decision from the Schools Forum on 16th December 2021 for the de-delegation of funding from school budgets in the 2022/23 financial year to fund statutory services related to the provision of core school improvement interventions.

The Schools Forum did not reach a consensus on the proposal.

In order to ensure that LA is able to meet its statutory duty in continuing to deliver core school improvement support to LA maintained schools in North Yorkshire, NYCC is seeking approval from the Secretary of State for Education to de-delegate funding from maintained school budgets for the provision of statutory core school improvement interventions for the 2022/23 academic year.

Section 5. What impact will this proposal have on council budgets? Will it be cost neutral, have increased cost or reduce costs?

The specific proposal in the EIA is cost neutral to the council budget, as all costs will be contained within the ring-fence of the 2022/23 Schools Block DSG.

Individual school budgets will face an increased cost of £1,712 to fund the de-delegation proposal.

In the event of the Secretary of State rejecting the de-delegation proposal, the council will need to meet costs associated with any potential staffing restructure of the School Improvement Service and / or it will need to subsidise the service in respect of the 50% grant reduction in the 2022/23 financial year.

Section 6. How will this proposal affect people with protected characteristics?	No impact	Make things better	Make things worse	Why will it have this effect? Provide evidence from engagement, consultation and/or service user data or demographic information etc.
Age	✓		✓	A flat rate of de-delegation is proposed to be applied to both primary and secondary schools. A flat rate lump sum methodology best reflects the current delivery of core school improvement services where each school receives support irrespective of phase or size. This methodology may be deemed to have a greater cost impact on primary schools. However, this is partially mitigated for the smallest rural primary schools by the significant increase in sparsity funding for the 2022/23 financial year. Small secondary schools within North Yorkshire already face significant budget deficits, and a de-delegation model based on a per pupil amount would further increase the financial pressures on these schools.
Disability	✓			It is anticipated there would be no identifiable impact as a result of this proposal for this characteristic.
Sex	✓			It is anticipated there would be no identifiable impact as a result of this proposal for this characteristic.
Race	✓			It is anticipated there would be no identifiable impact as a result of this proposal for this characteristic
Gender reassignment	✓			It is anticipated there would be no identifiable impact as a result of this proposal for this characteristic
Sexual orientation	✓			It is anticipated there would be no identifiable impact as a result of this proposal for this characteristic
Religion or belief	✓			It is anticipated there would be no identifiable impact as a result of this proposal for this characteristic
Pregnancy or maternity	✓			It is anticipated there would be no identifiable impact as a result of this proposal for this characteristic

Marriage or civil partnership	✓			It is anticipated there would be no identifiable impact as a result of this proposal for this characteristic
-------------------------------	---	--	--	--

Section 7. How will this proposal affect people who...	No impact	Make things better	Make things worse	Why will it have this effect? Provide evidence from engagement, consultation and/or service user data or demographic information etc.
..live in a rural area?	✓		✓	A flat rate of de-delegation is proposed to be applied to both primary and secondary schools. A flat rate lump sum methodology best reflects the current delivery of core school improvement services where each school receives support irrespective of phase or size. This methodology may be deemed to have a greater cost impact on small rural primary schools. However, this is partially mitigated for the smallest rural primary schools by the significant increase in sparsity funding for the 2022/23 financial year. Small secondary schools within North Yorkshire already face significant budget deficits, and a de-delegation model based on a per pupil amount would further increase the financial pressures on these schools.
...have a low income?	✓			It is anticipated there would be no identifiable impact as a result of this proposal for this characteristic
...are carers (unpaid family or friend)?	✓			It is anticipated there would be no identifiable impact as a result of this proposal for this characteristic

Section 8. Geographic impact – Please detail where the impact will be (please tick all that apply)	
North Yorkshire wide	✓
Craven district	
Hambleton district	
Harrogate district	
Richmondshire district	
Ryedale district	
Scarborough district	
Selby district	
If you have ticked one or more districts, will specific town(s)/village(s) be particularly impacted? If so, please specify below.	

--

Section 9. Will the proposal affect anyone more because of a combination of protected characteristics? (e.g. older women or young gay men) **State what you think the effect may be and why, providing evidence from engagement, consultation and/or service user data or demographic information etc.**

None identified

Section 10. Next steps to address the anticipated impact. Select one of the following options and explain why this has been chosen. (Remember: we have an anticipatory duty to make reasonable adjustments so that disabled people can access services and work for us)	Tick option chosen
1. No adverse impact - no major change needed to the proposal. There is no potential for discrimination or adverse impact identified.	
2. Adverse impact - adjust the proposal - The EIA identifies potential problems or missed opportunities. We will change our proposal to reduce or remove these adverse impacts, or we will achieve our aim in another way which will not make things worse for people.	
3. Adverse impact - continue the proposal - The EIA identifies potential problems or missed opportunities. We cannot change our proposal to reduce or remove these adverse impacts, nor can we achieve our aim in another way which will not make things worse for people. (There must be compelling reasons for continuing with proposals which will have the most adverse impacts. Get advice from Legal Services)	✓
4. Actual or potential unlawful discrimination - stop and remove the proposal – The EIA identifies actual or potential unlawful discrimination. It must be stopped.	
Explanation of why option has been chosen. (Include any advice given by Legal Services.)	
The LA is required to meet its statutory duty in continuing to deliver core school improvement support to LA maintained schools in North Yorkshire.	

Section 11. If the proposal is to be implemented how will you find out how it is really affecting people? (How will you monitor and review the changes?)

The school financial governance processes operating within the LA monitor the position of school budgets and the associated impact on the operations of schools.

Section 12. Action plan. List any actions you need to take which have been identified in this EIA, including post implementation review to find out how the outcomes have been achieved in practice and what impacts there have actually been on people with protected characteristics.

Action	Lead	By when	Progress	Monitoring arrangements

1. To request 'in principle' approval from the Schools Forum de-delegate funding	Howard Emmett – Asst. Director	16 th December 2021	No consensus reached; de-delegation not approved.	Schools Forum decision outcome
2. To submit a request to the Secretary of State for the approval to de-delegate funding in the event of Schools Forum approval not being provided	Howard Emmett – Asst. Director	January 2022		

Section 13. Summary Summarise the findings of your EIA, including impacts, recommendation in relation to addressing impacts, including any legal advice, and next steps. This summary should be used as part of the report to the decision maker.

The Equality Impact Assessment has assessed the impact of the proposal namely

- To de-delegate funding from school budgets for the 2022/23 financial year in order to fund the 50% reduction in the LA School Improvement Monitoring & Brokering Grant. The level of funding proposed to be de-delegated from schools is estimated to be £375k (flat rate of £1,712 per LA maintained school)
- To request approval for the de-delegation of funding from the Schools Forum
- To submit a request to the Secretary of State for the approval to de-delegate funding in the event of Schools Forum approval not being provided

At this stage of the EIA, it has been identified that the proposal may potentially disadvantage pupils in primary schools, as the proposed flat rate methodology may be deemed to have a greater cost impact on primary schools. However, this methodology is considered to best reflect the delivery of core school improvement services where each school receives support irrespective of phase or size. The cost impact for small rural primary school is considered to be partially mitigated in the 2022/23 financial year by the large increase in sparsity funding which will be received by the majority of these schools.

The proposal will allow NYCC to review its statutory core school improvement service delivery model for 2023/24 in response to the outcome of the DfE consultation. As part of this review, work will be undertaken with the Schools Forum and maintained schools to consider service provision requirements and developments, and associated funding options for 2023/24 when the grant funding will be fully removed

Section 14. Sign off section

This full EIA was completed by:

Name: Sally Dunn

Job title: Head of Finance – Schools, Early Years & High Needs

Directorate: Central Services

Signature: *Sally Dunn*

Completion date: 8th December 2021

Authorised by relevant Assistant Director (signature):

Date: Howard Emmett