



**Open Report on behalf of Heather Sandy, Executive Director – Children’s Services**

Report to:	<b>Lincolnshire Schools’ Forum</b>
Date:	<b>21 April 2022</b>
Subject:	<b>Building Communities of Specialist Provision Strategy: Update</b>

**Summary:**

The purpose of this report is to provide Schools’ Forum with an update on the implementation of the Building Communities of Specialist Provision Strategy, approved by Executive on 6th November 2018.

The report summarises the progress made in year 3 of strategic implementation, within the Capital Build Programme and in all supporting system areas.

**Recommendation(s):**

Schools’ Forum is required to:

1. Review and comment on the content of this report and progress made in Year 3 of implementation.
2. Agree receipt of an update on Year 4 of implementation in April 2023.

**1. Background**

The Building Communities of Specialist Provision Strategy was developed in response to the Department for Education (DfE) requirement of all Local Authorities (LA) to review provision for pupils with SEND in order to ensure that there are sufficient good school places which meet the changing needs of pupils with SEND. The review required LA's to work in close collaboration with special schools and parent and carer groups to co-produce a strategic plan which delivers sustainable, good quality provision to meet current and future needs.

In November 2018, the Executive granted approval to implement the Building Communities of Specialist Provision Strategy. Implementation commenced in January 2019 and will take place over the next five years with the final school changes being made in September 2024.

Once fully implemented, the strategy will make significant changes to the existing special education provision, creating an integrated and sustainable school system where pupils can attend their nearest special school, confident that their education and health needs can be fully met.

In order to achieve this ambition, the strategy will provide a locality-based, sector-wide approach to special education which will enable all special schools to meet the wide range of specialist needs of pupils within their local community. The allocated capital investment will improve premises and facilities, enabling each school to offer places to pupils from within their local communities with a wider range of needs.

All special schools have committed to making significant changes to the type of need catered for and expansion where this has been identified and these are outlined in the strategy. All 14 Special Schools will be able to meet 'all needs' once fully implemented.

The SEND Alliance Project Board has had strategic implementation to ensure equity of provision and accountability and fairness within the programme.

From May 2022, oversight of the implementation of the strategy will be the responsibility of the newly formed SEND Education Partnership Board, resulting from the merger of the SEND Alliance Project Board and the High Needs Transformation Board. This will bring together all elements of SEND Transformation under one governance structure and ensure a collaborative and cohesive approach to changes in SEND provision.

## **2. Programme Update**

### **2.1 Capital Programme**

The Building Communities of Specialist Provision Strategy commenced implementation in 2019 and is a five-year strategy with the final all needs school due to be completed in 2024.

Implementation is well underway with a number of capital schemes live and supporting operating systems in place. Governance is well established with budget and progress reviews taking place monthly and reporting to Corporate Leadership Team and the Portfolio Holder on a bimonthly basis.

Appendix A provides an overview of the timeline for the capital scheme and shows the projected completion dates for all schools.

### **2.2 Progress Overview**

A number of key milestones have been met in this reporting period, with the opening of the first two all needs special schools being the most significant. The capital programme is on course to be completed in line with the agreed timeline and whilst three schemes have

faced delay due to design and construction challenges, these have been addressed and all special school remain on course to meet a wider range of needs by 2024.

The key milestones for the capital programme met in this reporting period are:

- Boston Endeavour Academy opened on to pupils on 6<sup>th</sup> September 2021 as the first purpose built, all needs special school in Lincolnshire, replacing the former John Fielding School.
- Completion of new build block and remodelled existing buildings at Willoughby Academy, opened to pupils on 6<sup>th</sup> September 2021, resulting in pupil place increase to 129 (phased increase).
- Completion of new build block at The Eresby School to ensure all needs can be met. Remodelling to existing premises due to complete by May 2022.
- Opening of self-delivery new build blocks at Ambergate Sports College and The Garth School.
- Construction work commenced at Louth St Bernard's School, Spalding Priory School and Lincoln St Christopher's School (primary).
- Planning application submitted for new build on existing site for Horncastle St Lawrence School.
- Agreement to develop a solution for site constraint at Ambergate/Sandon to include Bluecoat Meres Upper school site.
- Feasibility and design process commenced for Lincoln St Francis School and Gosberton House Academy.

## **2.3 Risk Summary**

### **Covid – 19**

The Building Communities of Specialist Provision Strategy is a multi-faceted and complex strategy incorporating the fields of education, construction and the LA's statutory responsibility for the education of children and young people with SEND.

Uncertainty has been evident in the construction industry due to the impact of the Covid-19 pandemic, particularly within the supply chain. Schools have experienced unprecedented challenges as they have been required to provide a quality education in a Covid-19 secure environment. The priority for the LA and Special Schools during this pandemic has been the safety and well-being of the most vulnerable communities and this has inevitably affected agencies capacity to drive forward this programme.

However, implementation of the strategy including the capital build programme has continued with the same impetus and drive as it did in the last reporting period, though it has been inevitable that the Covid-19 pandemic has had some impact on the construction schemes.

Covid-19 has had a dramatic and continued impact on the construction industry. Social distancing has increased costs on site (due to increased cleaning and more facilities being needed) and extended timescales. The LA Covid-19 grant met £0.151m of these costs in

2020/21. Restrictions relating to Covid-19 and the safe access to schools have also impacted on the programme's timeline.

Despite the challenges presented by the global pandemic, all schemes have made excellent progress and the programme remains on course for completion with the approved timeline.

### **Supply Chain issues**

There are significant cost pressures within the construction industry arising from a shortage of labour and materials within the supply chain. This is a local, regional, national and global issue which will impact on SEND schemes in the near future. The reasons for the supply chain shortage are multi-faceted and often interdependent.

Global supply chains have been severely disrupted. For example, there are 3 main global exporters of timber: Russia, China and Canada. Russia and China have restricted exports to cater for their domestic market whilst around half of sawmills in Canada have been forced to shut down due to Covid outbreaks. This has severely restricted global supply and increased prices.

Brexit is disrupting the smooth inflow of goods into the UK; this is because additional checks at ports have created a backlog in clearing containers of up to 6 weeks. This means that shipping containers cannot be offloaded from cargo ships, contributing to longer lead-in times.

Following Russia's invasion of Ukraine, the effect on building material supply in the UK is significant. Initial findings suggest higher levels of direct and indirect exposure to some product components through raw materials. Manufacturers currently hold an excess of two to four weeks' additional inventory, but any prolonged supply disruption caused by military action in Ukraine will severely impact the construction industry, with the UK losing 20% of its supply to sanctions. Russia is the third largest steel exporter in the world with Russia and Ukraine net exporters of nearly 45 million tons of steel. A reduction in the availability of Russian steel will no doubt impact steel prices. Russia is also a major supplier of crude oil and gas. While the UK imports just 4% of gas from Russia, UK prices follow the European market and have doubled since the start of the year. As sanctions are applied to energy products, replacing gas from Russia globally will lead to even greater price volatility for energy intensive products.

There is a global shortage of shipping containers, leading to astonishing inflationary pressures on the cost of shipping freight. The price for a 40ft container from China to Europe has risen by nearly 500%, as of April 2021.

There has been a significant upsurge in demand as the UK economy emerges from lockdown.

There is a shortage of labour within the construction industry as a result of migrant workers returning to their home country and from high profile, high spend construction activity like HS2; this has driven up costs through increased wage demand.

Locally, Lincolnshire notoriously struggles to secure labour and construction management staff (which includes the Council, consultant designers and contractor management) due to its rural geography. This is being exacerbated by the ease of 'working from home' and the lure of projects such as HS2.

Social distancing has pushed up costs due to increased cleaning and more welfare facilities required on site and Covid is still leading to supply chain disruption due to positive tests and self-isolation.

The lack of qualified HGV drivers, due to the UK skills gap, aging workforce, etc., is impacting on the timely delivery of materials to merchants and to construction sites, leading to potential delays for project completion.

All of the above means that there are shortages of labour, steel, concrete, timber, copper, windows and plaster. The impact of this has been an immediate cost increase of between 5% - 15% for some of these products, with steel rising by 60% in a year.

The risk of cost increase and supply shortage can be mitigated (to some extent) against by using contractors with buying power that allows them to continue to source materials and labour at reasonable prices and lead-in times. However, at the time of writing it is impossible to predict whether these headwinds will become endemic within the industry or largely remain within residential and SME sectors.

The whole life costs of the programme are £86.794m across the five-year strategy, which started in 2019. This is consistent with agreed budget for the programme, which is supported by secured capital grant funding (Basic Need, Schools Conditions and SEND Provision) and Council agreed funding. The Council approved funding of £15.600m in 2021/22 to support the implementation of the programme.

Measures will continue to be taken to try and mitigate the extent of these cost increases through robust challenge of all costs submitted to ensure best price, however substantiating the impact of this is difficult, but the Council is acutely aware of the inflationary challenges facing capital schemes. The Council collectively through its management and affordability of the capital programme will look to ensure live capital schemes and strategies are fulfilled.

The Programme Team continues to monitor the risks associated with such volatility in the construction supply chain and is reporting through governance structures on a monthly basis.

## **2.4 Progress by Scheme**

### **Boston Endeavour Academy**

The Boston Endeavour Academy is now complete, has been handed over to the Community Inclusive Trust and welcomed its first pupils on 6<sup>th</sup> September 2021. A formal opening is planned for June 2022 and this will be facilitated jointly by the Council and the Academy Trust. The new school can accommodate 140 pupils, but it has been agreed with the Headteacher to expand the school through a phased approach. This will ensure that the transition for current students and staff recruitment can be managed effectively. The school has opened for 102 pupils and this will increase to capacity by 2023.

The new school provides 16 classrooms, specialist teaching spaces including science, technology, ICT and art, and a hall. The school will also benefit from a hydrotherapy pool, sensory and soft playrooms and dedicated therapy spaces. Externally there are hard and soft surfaced play areas and sensory, horticulture and wildlife areas.

### **Bourne Willoughby Academy**

The Willoughby scheme is now complete has been handed over to The Priory Federation of Academies Trust. The new block was opened on 6<sup>th</sup> September 2021 and the remodelling completed in March 2022. Willoughby Academy will be able to accommodate 148 pupils when at capacity. The school has admitted 129 pupils and will increase to 148 through a phased expansion over the next two academic years. The new build accommodation block provides 6 additional classrooms, hall, specialist secondary teaching spaces including science and technology, as well as small group spaces and hygiene facilities. There are also new therapy spaces and a medical inspection room to ensure the school can offer, in conjunction with health providers, a robust health offer to all children and young people with SEND in the local area.

A formal opening is planned for May 2022 and this will be facilitated jointly by the Council and the Trust.

### **The Eresby School, Spilsby**

Construction of the new block is now complete and has been handed over to the David Ross Education Trust and welcomed returning pupils on 6<sup>th</sup> September. Contractors are now working on the remodelling aspect of the scheme to parts of the original building, and this is due to complete May 2022.

The new build accommodation block provides improved facilities including 5 additional classrooms, hall, ICT and science spaces as well as small group rooms, hygiene facilities and staff and meeting spaces. The existing school will also house a design/technology and art room, a physiotherapy space, a visiting professional/therapy space, a parents' room, a hygiene suite, a disabled WC and staff/administration spaces.

A formal opening is planned for early 2022 and this will be facilitated jointly by the Council and the Academy Trust.

### **Louth St Bernard's School**

Phase 1 works to the residential block have completed and been handed over to the Lincolnshire Wolds Federation to reopen this facility. Works continue for the main part of the scheme with the demolition of the old boarding accommodation completed and construction well underway on the new block build.

The new block will provide enhanced facilities including 6 additional classrooms, hall, specialist secondary teaching spaces including science and technology, as well as small group spaces, therapy and hygiene facilities.

The scheme is due for completion by December 2022.

### **Lincoln St Christopher's School**

Construction of the new primary school on Skellingthorpe Road, Lincoln commenced in January 2022 and is due to complete in Spring 2023, with works to the secondary site following on thereafter. Enabling works have commenced at the secondary (existing) site including the construction of a temporary car park, to allow main works on this site to commence next year.

Once all works are completed St Christopher's Primary School will be able to accommodate 130 pupils and the Secondary School will accommodate 203.

### **The Priory and The Garth Schools, Spalding**

Construction is well underway at The Priory School site including the completed demolition of the Teal House block. This scheme was due to complete in August 2022 ready for opening to pupils in September 2022; however, excessive asbestos on site has delayed the scheme which is now due to complete in December 2022.

The development of The Garth School is complete and existing pupils are benefiting from the improved accommodation.

Once all works are completed, The Priory School and The Garth School will merge to meet the needs of 202 pupils. This process is underway with support from the Department for Education and the merger is expected to take place in September 2022, resulting in the formation of the Tulip Academy.

### **Ambergate Sports College and The Sandon School**

Works to the Ambergate site are now complete and the pupils are enjoying the improved facilities.

Due to the successful Condition Improvement Fund (CIF) application granted by the Education Skills Funding Agency (ESFA), a new Hydrotherapy pool will be built on The Sandon school site, as a condition of the funding allocation. Works on the pool are in

development and a planning has been granted. The Community Inclusive Trust are self-delivering this project with assistance and funding from Lincolnshire County Council.

In order to ensure the combined Grantham provision can accommodate 229 students, it has been necessary to review the original design proposal due to lack of external space across both sites. Feasibility studies are taking place with a view to enable the expansion of the Ambergate site.

### **Horncastle St Lawrence School**

A planning application has been submitted for a new build school on the existing Horncastle St Lawrence site, with a decision expected May / June 2022.

The plans propose to build a new school at the back of the existing site and once completed, the existing school demolished to make room for outdoor play facilities and car parking / mini bus drop off. A pre-planning engagement event was well attended by local councillors and residents who expressed their support for the plans.

If planning is approved, construction will commence September 2022 with completion expected September 2023.

### **Lincoln St Francis Special School**

This project was placed on hold whilst the future of the residential wing was determined as it would have an impact on plans for the school. Work is due to begin on a feasibility study and design process to ensure the school can meet all needs and a capacity of 150 pupils.

### **Gosberton House Academy**

Design and feasibility for this scheme is due to commence April 2022. Whilst not an expansion scheme, the school will undergo remodelling to ensure a wider range of needs can be met.

## **2.5 SEND Support Structures**

### **School Reorganisation Policy**

This policy has been developed in order to ensure all special schools, subject to reorganisation, receive equitable and fair funding to meet all reasonable additional costs. It provides a formalised approach to the funding of special school reorganisations to support the LA's statutory duty to provide sufficient school places for the children of Lincolnshire. It addresses situations when, as part of its strategic planning of school places, the LA asks a school / academy to expand and take in additional pupils above their agreed capacity temporarily or expands permanently.

Through the development and implementation of this policy, it has been possible to provide a fair and standardised level of funding during this transition period to those schools that the LA wishes to expand permanently and this applies of both maintained and academy special schools.

The policy takes into consideration all circumstances whereby schools are faced with additional costs such as removal costs, loose classroom equipment, IT resources and other such expenditures to ensure they can meet all needs for an increased number of pupils.

Through support received by the Schools' Forum, the LA earmarked £2.000m from the Dedicated Schools Grant reserves underspend to fund the school re-organisation policy during the transition phase. Additional place funding will be supported through the earmarked funding and the High Needs block.

The £2.000m commitment will support the following:

- Fixtures and fittings for the 55 new classroom spaces in accordance with the special schools reorganisation policy (£0.524m).
- New building space / loose furniture through the SEND capital programme), such as installation of new sensory and soft play rooms, medical intervention spaces and specialist teaching facilities (£0.825m).
- Additional recruitment costs (£0.120m).
- Ad hoc Decant costs (£0.094m).
- A commitment to support workforce development for the sector that is to be rolled out to mainstream schools also (£0.143m).
- The remainder will fund the Increase in banded funding to support the intakes of additional pupils (£0.294m). This requirement will be met through a blended approach of remaining monies from the reserve and High Needs block funding.

The re-organisations for Boston Endeavour, Willoughby and Eresby all became operational within 2021/22, and work is now well underway with the Tulip Academy (Priory / Garth merger), which is scheduled to open in September 2022.

At the end of the 2021/22 financial year, a total of £0.646m has been transferred to schools, the majority of which relates to the 4 schools detailed above. This includes funding for 22 classrooms (£0.210m)

As things stand, a further £0.308m is forecast to be spent in 2022/23 financial year, with the main re-organisations being Tulip Academy and Louth St Bernards.

## **2.6 Workforce Development**

The Workforce Development workstream has designed the SEND Learning Platform: a sector-led training model for professional development, which will ensure all pupils with SEND can access a quality education, facilitated by skilled and knowledgeable staff.

This tiered learning platform will utilise an existing Council online portal to provide appropriately targeted access to a wide range of learning resources and training which will be available to all special school staff, both teaching and non-teaching. This is to ensure a culture of SEND awareness and inclusion is embedded in all aspects of school life.

Acknowledging the excellent array of training and professional development already commissioned by the Council and that available from other providers, the SEND Learning Platform will bring together, into one place, the high-quality training already available and utilise the skills and expertise of the Lincolnshire SEND Alliance to develop training provision where gaps have been identified. It will utilise a wide range of learning methods (e-learning, online resources and face to face training) to ensure equity and ease of access, in a geographically vast county.

The workforce development model will be implemented in a phased approach:

- PHASE 1: Implemented from Summer 2022. In line with the immediate purpose of the project, ensuring the workforce within special schools is equipped and trained effectively to support the move to all through, all need.
- PHASE 2: Once all special schools are accessing the SEND Learning Platform and have a workforce which is equipped and trained to effectively meet all needs, the content of the platform will be made available to all mainstream schools and to parent / carers.

During this reporting period, the Lincolnshire Wolds Federation, as Lead Representative for the workforce strategy, has been commissioned to undertake the development and implementation of the learning platform. Design and development are ongoing, and a formal launch of the platform is expected in Summer 2022.

## **2.7 Health Offer**

In order for all special schools to meet all needs, it is imperative that each school can meet the needs of children and young people with more complex medical conditions. At present, the only school with an on-site specialist nursing team and therapists is Lincoln St Francis which is the designated profound and multiple learning disability / physical disability school for the county. In order to enable children to access their local special school, there needs to be a robust and equitable health offer available to all schools. To develop and implement this requirement, a SEND health workstream has been established, made up of Officers from the LA, Health Trusts and Clinical Commissioning Groups to ensure an effective health offer can be provided to all special schools.

This partnership workstream has been responsible for the development and implementation of the SEND Strategy Memorandum of Understanding (MoU). This document sets out the partnership expectations and responsibilities of both the special school and health providers to ensure the health offer is implemented and maintained. This MoU has been co-produced by the workstream's key stakeholders and is currently going through each organisation's governance processes, with full sign off expected imminently.

The workstream is also responsible for developing a system whereby all special schools have the capabilities and confidence to meet the needs of children and young people with the most complex medical needs and those who are long-term ventilated. Senior Officers from the Lincolnshire Clinical Commissioning Group, the Council and Health Provider Trusts have agreed, in principle, that all children in Lincolnshire should be able to attend a special school as close to home as possible, if required, once it is safe to do so. This workstream is currently developing an infrastructure and guidance framework which will ensure this is possible, in a clinically safe manner.

## **2.8 Specialist Equipment**

In order to ensure the most cost-effective use of specialist medical and therapy equipment, all special schools have now joined the existing contractual arrangements held by the LA with specialist equipment providers. All special schools are now part of the Lincolnshire Community Equipment Service, which enables them to order directly through the Council's contractual arrangements. If specialist equipment is deemed to be required by a therapy professional (such as Physiotherapist or Occupational Therapist) this will be prescribed and the school can order direct. They receive monthly invoices for the equipment they order and, on its return, the school receive a refund for the cost of the equipment. This contract also covers the servicing and maintenance of specialist equipment within the school.

## **2.9 Specialist Community Led Panels**

Specialist Community Led Panels were launched in the summer 2021 in the Boston and South Holland localities and have subsequently been phased in across the other localities. Attendance at these panels is good, with representation from health and social care services, along with education, the Council and Lincolnshire Parent Carer Forum at most meetings. The panels are chaired by special school head teachers and are proving effective in ensuring children and young people with SEND are placed in the right education setting for their needs.

Each locality has a number of examples of children and young people with SEND whose current setting expressed an inability to meet need and were at risk of requiring independent non-maintained special school placement who, with the support of those professionals involved, have been able to remain in their existing setting.

## **3. Conclusion**

Despite the on-going global challenges which have impacted the implementation of this multi-faceted and complex strategy, significant progress has been made across all aspects of the programme in this reporting period, which has culminated in the opening of the first all needs special school, in budget and on time.

The capital building programme has continued to progress despite the continuing impact of Covid-19, the Russian invasion of Ukraine, Brexit and the unforeseen global volatility in

the construction industry. Boston Endeavour Academy and Willoughby Academy are now both all needs schools and the new block at The Eresby School has been completed and handed over to the responsibly academy trust, on budget and ahead of schedule. Whilst some delays have been inevitable as the LA, schools and our construction partners attempt to mitigate the challenges of disrupted supply chains and a volatile labour market, the wider strategic vision is on track to be implemented in five years from approval as set out in the original strategy.

Delivering such a complex programme in a time of global and national uncertainty has placed additional pressures on an already high-risk scheme. Supply chain inflation has placed a further financial risk on the LA, which is being managed through stringent scrutiny of this priority scheme. The Council is acutely aware of the inflationary challenges facing capital schemes. The Council collectively through its management and affordability of the capital programme will look to ensure live capital schemes and strategies are fulfilled.

In order for all schools to be all needs operational, the support systems of workforce development, health and SEND design must be established in readiness for implementation and significant progress has been made with these support systems. As a result, it has been possible for the first three schemes in the programme to operate as all needs schools and welcome children and young people with a wider range of needs.

The effect of the recently implemented Specialist Community Led Panels will be monitored closely over the next reporting period, as its value in reducing the pressures on the High Needs block by avoiding costly out of county placements is essential to the success of the strategy.

## **Consultation**

### **a) Risks and Impact Analysis**

It is important to note the complexity and magnitude of this programme and appreciate the aspirations of the Council and the SEND Alliance and their commitment to such a transformational scheme. Embarking on a capital programme which seeks to enhance and improve fourteen school sites over five years whilst transforming the special school system to add much needed capacity, eradicate excessive journeys and reduce unnecessary out of county placements is ambitious and trail-blazing.

Ambitious programmes, particularly those which involve expansive capital schemes, are always accompanied by an element of inherent risk but this programme has established a sound governance structure to monitor and manage risk, with effective early warning systems in place. Deliverability within the revised budget is a significant risk which is being monitored thorough existing governance arrangements.

The increase of over 500 special school places undeniably asserts further pressure on the long-term sustainability of an already stretched High Needs block. Children's Services strongly believes this capital infrastructure investment will not only achieve greater

outcomes for Lincolnshire pupils, but also be an important financial decision in managing the pressures within the High Needs block by way of cost avoidance measures to reduce the requirement on expensive out of county specialist placements, which many LAs across the country are overspending on. It is important for Lincolnshire to continue securing value for money within these demand-led budgets and within the finite funding resource we have available.

Delivering such a complex programme in a time of global and national uncertainty has placed additional pressures on an already high-risk scheme. Supply chain inflation has placed a further financial risk on the LA, which is being managed through stringent scrutiny of this priority scheme.

The construction programme is a collection of fourteen interdependent capital projects. It is highly complex because each project is unique and requires a different property solution, whilst delivering the overarching objectives of the strategy.

Each scheme and school are entirely dependent upon each other, with the strategic model being developed so that all must provide an equitable offer and be equally committed to delivering the strategy. If one school breaks rank, the collaboration could fail. With a mixed economy of Academies and Maintained schools joined together to implement all needs education, though all with a varying range of need and requirements, it is a precarious programme to bring to fruition.

Decision making for the strategy is based on a foundation of sound governance with multiple opportunities for scrutiny and challenge. This Council led programme has robust project management with strong key stakeholder involvement, spanning both Children's Services and Corporate Property directorates. As a result of this robust project governance, it has been possible to highlight rising costs as an early warning, enabling all parties to seek a viable resolution in a timely manner

All capital schemes are subject to scrutiny by Children and Young People Scrutiny Committee prior to approval by the Council Leader, before main works contracts can be progressed. This ensures all schemes are subject to enhanced scrutiny considering suitability and value for money.

The SEND Strategy Governance Board, chaired by the Deputy Leader of the Council and Executive Portfolio Holder, reviews each scheme on a bi-monthly basis to monitor progress and any emerging risk issues.

As a collaboratively developed strategy, the SEND Alliance Project Board has oversight of strategic implementation. It provides the rigorous review of the programme, strategic leadership and is accountable for risk management and monitoring progress. As previously referenced, this will revert to the SEND Education Partnership Board in May 2022.

Corporate Property also undertake rigorous and regular reviews of the Capital

Programme with Monthly Programme Board with the Assistant Director, monthly individual Project Review Board, fortnightly Project 'core team' meeting with Head of Service and fortnightly technical team meeting with Head of Service.

### Appendices

These are listed below and attached at the back of the report	
Appendix A	Special Schools Capital Programme Timeline Jan 2022

### Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Building Communities of Specialist Provision: Together in Lincolnshire	<a href="#">Building communities of specialist provision – Overview - Lincolnshire County Council</a>

This report was written by Eileen McMorrow, who can be contacted on 01522 552632 or Eileen.mcmorrow@lincolnshire.gov.uk.

**SEND Schools - Outline Programme**

**V.14 Jan-22**

	2021				2022				2023				2024				2025			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Boston Endeavour	Construction	Construction	Construction																	
Bourne Willoughby	Construction	Construction	Construction	Construction																
Spilsby Eresby	Construction	Construction	Construction	Construction	Construction															
Louth St Bernards	Preparation	Construction	Construction	Construction	Construction	Construction	Construction													
Lincoln St Francis						Preparation	Preparation	Preparation	Construction	Construction	Construction									
Spalding Priory	Preparation	Preparation	Construction	Construction	Construction	Construction	Construction	Construction												
Horncastle St Lawrence	Preparation	Preparation	Preparation	Preparation	Preparation	Construction	Construction	Construction	Construction	Construction	Construction									
Lincoln St Christopher's (Primary)	Preparation	Preparation	Preparation	Construction	Construction	Construction	Construction	Construction	Construction	Construction										
Lincoln St Christopher's (Secondary)	Preparation	Preparation	Preparation	Construction																
Gosberton House						Preparation	Preparation	Preparation	Preparation	Preparation	Construction	Construction	Construction							
Grantham Ambergate (Earl of Dysart)			Preparation	Preparation	Preparation	Preparation	Preparation	Preparation	Preparation	Preparation	Construction	Construction	Construction	Construction	Construction	Construction				
Grantham Sandon (CIT)	Self-delivery scheme																			
Grantham Ambergate (CIT)	Completed																			
Spalding Garth (CIT)			Completed																	

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- RIBA 1-4. Preparation, brief and design.
- RIBA 5 & 6. Construction and hand over.
- Self-delivery scheme

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**Open Report on behalf of Heather Sandy, Executive Director – Children's Services**

Report to:	<b>Lincolnshire Schools' Forum</b>
Date:	<b>21 April 2022</b>
Subject:	<b>Analysis of the Impact of the National Funding Formula for 2022/23</b>

**Summary:**

The purpose of this report is to provide the Schools' Forum with an analysis of the impact of the implementation of the national funding formula for primary and secondary maintained schools and academies in 2022/23.

**Recommendation(s):**

To note the content of the report.

## **Background**

The Government first introduced the national funding formula (NFF) in 2018/19 for mainstream schools. Its purpose was to create consistency in funding across all schools nationally ensuring a fairer settlement for each school. Since its introduction, Local Authorities (LAs) have continued to be responsible for agreeing and calculating schools funding allocations however, LAs were strongly encouraged to move to the NFF arrangements so that schools' allocations were on a sensible trajectory towards the 'hard' formula, subject to floors and ceilings due to a re-distribution of funding nationally.

In 2020/21, the Government made available sufficient funding to LAs to replicate the NFF so that all schools would attract at least their full allocations under the formula. Only 73 out of 150 LAs had however mirrored the NFF in 2021/22. Lincolnshire is one of those LAs. It currently remains the LA decision on setting its schools funding formula within the DfE's funding framework.

The sector and Schools' Forum have previously supported the decision for Lincolnshire to continue replicating the NFF since its introduction in 2018/19 due to increased per pupil funding levels being seen in all mainstream schools. The 20 January 2021 Executive Councillor decision (I021123) remains in place to replicate the NFF including measures taken to address the affordability gap.

In 2021/22 and 2022/23, Lincolnshire has continued to replicate the monetary values of the NFF factors, however due to the significant increase in Free School Meals (FSMs) recorded on the October 2020 and October 2021 census<sup>1</sup> resulting from the pandemic, of which LAs were expected to finance this increase through their Schools block allocation<sup>2</sup>, affordability issues arose. A number of affordability measures were shared with the Schools' Forum in January 2022, which followed the same principles and approach that had been applied in the 2021/22 decision when addressing affordability. The affordability gap of £1.927m was addressed through reducing the Schools Growth funding budget to the level of planned commitments in 2022/23 (£1.540m); continuing to apply a +0.5% Minimum Funding Guarantee (MFG) per pupil protection in 2022/23 (within the MFG range) (£0.127m), and a transfer of budget from the Central Schools Services block (£0.260m), which the forum supported.

The application of a +0.5% MFG ensures all Lincolnshire schools on a per pupil funding basis receive an increase from 2021/22. Schools in receipt of MFG either arise where a school has received higher levels of funding through prior funding arrangements and government protection through the application of a positive MFG has protected these schools at this higher level, or where changes compared to prior year pupil data has taken place reducing funding levels, for example, less pupils meeting the prior attainment factor threshold.

To continue applying the +0.5% protection will mean 4 schools will receive MFG in 2022/23 ensuring they receive +0.5% in per pupil funding compared to 2021/22 funding levels. All other schools have received a greater increase in per pupil funding through the 2022/23 funding changes and pupil characteristics from the latest October pupil census. The Government's NFF allows for a +2.0% level, which had that been replicated, 13 schools would have received an increase. For the 13 schools concerned, this funding adjustment represents less than 1.00% of their 2022/23 determined budget, and 4 remaining schools this presents a maximum of 1.38% of their 2022/23 determined budget. It should be noted that these schools are funded above the NFF for 2022/23 in comparison to other Lincolnshire schools, therefore applying the +0.5% supports the principles of equity and fairness in schools funding, which is important where the LA has insufficient government funding to replicate the NFF in its entirety.

**Table A** details the per pupil increase in funding for 2022/23 compared to 2021/22 funding levels per pupil for the Primary sector.

The schools formula factors monetary values have increased on average by 3% per pupil; the minimum funding levels have been increased by 2% and sparsity funding changes have been adopted which are reflected in the individual school budgets analysis tables below. Also included within the table are schools updated pupil characteristics from the latest schools census, such as FSMs, prior attainment etc. The larger increases in funding relates

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<sup>1</sup> The increase in the recorded FSMs eligibility is 13.5% and 20.8% for primary and secondary schools respectively when comparing the October 2021 to the October 2020 census. Overall, when comparing to pre-pandemic data from the October 2019 schools census, FSMs eligibility has increased by 43.2% and 47.7% for the primary and secondary schools respectively.

<sup>2</sup> LAs are funded by the DfE on lagged pupil characteristics data, for example, LAs School block funding for 2022/23 uses pupil characteristic data from October 2020 along with pupil number data from October 2021.

to changes in pupil characteristics, such as the rise of FSMs eligibility, and smaller schools funding through sparsity.

3 primary schools required MFG funding in order to ensure they received MFG of at least +0.5%. The highest proportion (62.85%) of primary schools received per pupil increases of between 2.51% and 10% in 2022/23. It should be note that this relates only to the NFF delegation.

Table A:

<b>Primary</b>	<b>NoR</b>	<b>NoR</b>	<b>NoR</b>	<b>NoR</b>	<b>NoR</b>	<b>NoR</b>	<b>NoR</b>	<b>% of</b>
<b>Range of Difference</b>	<b>0-50</b>	<b>51-100</b>	<b>101-200</b>	<b>201-300</b>	<b>301-400</b>	<b>401-500</b>	<b>501-650</b>	<b>Schools</b>
0.50%	0	1	1	0	1	0	0	<b>1.07%</b>
0.51% - 2.50%	0	2	7	13	10	11	5	<b>17.14%</b>
2.51% - 5.0%	0	3	39	29	14	4	4	<b>33.21%</b>
5.01% - 10.0%	3	30	29	13	4	4	0	<b>29.64%</b>
10.01% - 15.0%	6	17	3	0	0	0	0	<b>9.29%</b>
15.01% - 20.0%	5	5	0	0	0	0	0	<b>3.57%</b>
20.01% - 25.00%	1	2	0	0	0	0	0	<b>1.07%</b>
25.01% and above	1	13	0	0	0	0	0	<b>5.00%</b>
<b>Total</b>	<b>16</b>	<b>73</b>	<b>79</b>	<b>55</b>	<b>29</b>	<b>19</b>	<b>9</b>	<b>100.00%</b>

**Table B** details the per pupil increase in funding for 2022/23 compared to 2021/22 funding levels per pupil for the Secondary sector.

The highest proportion of percentage gains are between 2% and 4% with larger increases relating to pupil characteristic rises such as FSMs and eligibility to sparsity funding. 1 school required MFG funding in order to ensure it received the MFG of at least +0.5%.

Table B:

<b>Secondary</b>	<b>NOR</b>	<b>NOR</b>	<b>NOR</b>	<b>NOR</b>	<b>NOR</b>	<b>NOR</b>	<b>% of</b>
<b>Range of Difference</b>	<b>100-400</b>	<b>401-550</b>	<b>551-700</b>	<b>701-850</b>	<b>851-1200</b>	<b>1201-2000</b>	<b>Schools</b>
0.50%	0	1	0	0	0	0	<b>1.85%</b>
0.51% - 1.0%	0	0	0	0	0	0	<b>0.00%</b>
1.01% - 2.0%	1	0	0	0	1	0	<b>3.70%</b>
2.01% - 3.0%	1	3	5	2	5	4	<b>37.04%</b>
3.01% - 4.0%	1	5	4	2	5	3	<b>37.04%</b>
4.01% - 5.0%	0	1	1	2	2	0	<b>11.11%</b>
5.01% and above	1	1	1	1	1	0	<b>9.26%</b>
<b>Total</b>	<b>4</b>	<b>11</b>	<b>11</b>	<b>7</b>	<b>14</b>	<b>7</b>	<b>100.00%</b>

### **Analysis of the impact of the NFF 2022/23**

Under the NFF, the LA adopted the following:

- Key formula factors increased by 3% in monetary value.

- A positive minimum funding guarantee of +0.5% per pupil. The MFG range is between +0.5% and +2.0% per pupil in 2022/23.
- No gains ceiling cap applied.
- The minimum per pupil funding levels have been set at £4,265 for primary schools and £5,525 for secondary schools.
- Adoption of the increase in Sparsity Funding to a maximum of £10,000 per school; using the road distance and tapering methodology.

Tables C to D provide an analysis of the impact of the NFF in percentage terms between 2021/22 and 2022/23. This analysis takes into account the NFF formula factors and monetary values for 2022/23, along with the October 2021 pupil census data, which reflects the latest pupil numbers and characteristics. Funding protection is not in place for changes in pupil numbers from year to year.

All mainstream schools funding is lagged using the October pupil census: maintained schools is a 7 months lag (April) from the start of the school year, and academy schools have a further 5 months lag (September). For the purposes of this analysis, it is assumed they have the same starting point. This analysis also uses published budget before deductions for de-delegation for maintained primary schools to ensure like-for-like comparison can be made.

**Table C** details the impact of the NFF for the primary sector comparing the published budgets between 2021/22 and 2022/23.

Table C:

<b>Primary Schools</b>	<b>NOR</b>	<b>NOR</b>	<b>NOR</b>	<b>NOR</b>	<b>NOR</b>	<b>NOR</b>	<b>NOR</b>	<b>% of</b>
<b>Range of Difference</b>	<b>0-50</b>	<b>51-100</b>	<b>101-200</b>	<b>201-300</b>	<b>301-400</b>	<b>401-500</b>	<b>501-650</b>	<b>Schools</b>
< (5.01%)	0	3	4	2	2	0	0	<b>3.93%</b>
(-5.0%) - (0.01%)	5	9	15	7	7	1	1	<b>16.07%</b>
0% - 5.0%	1	20	27	31	15	15	5	<b>40.71%</b>
5.01% - 10.0%	1	16	27	12	3	2	1	<b>22.14%</b>
10.01% - 15.0%	7	15	4	1	2	1	2	<b>11.43%</b>
15.01% - 20.0%	2	4	1	1	0	0	0	<b>2.86%</b>
20.01% - 25.00%	0	1	1	1	0	0	0	<b>1.07%</b>
25.01% and above	0	5	0	0	0	0	0	<b>1.79%</b>
<b>Total</b>	<b>16</b>	<b>73</b>	<b>79</b>	<b>55</b>	<b>29</b>	<b>19</b>	<b>9</b>	<b>100.00%</b>

The reason for the reduction in overall funding from year to year for 56 primary schools or 20% in the above table relate to reductions in pupil numbers from the prior years pupil census and pupil characteristic changes. The NFF is substantially a pupil-led funding system (whereby the Government has set a parameter for LAs to delegate at least 80% of the Schools block funding through pupil-led factors), and protection does not apply to pupil numbers, therefore changes in pupil numbers from year to year have to be managed by schools through their medium-term financial planning. The LA reviews each maintained schools medium term financial plan every year to ensure funding is accurately presented, and future years funding and expenditure assumptions are realistic, to ensure an accurate financial position and forecast is presented for budget oversight and governance, and

potentially management action. This process supports schools in particularly with reducing pupil numbers that can lead to a deficit budget.

80% of primary schools have received an increase in funding, with the highest proportion being in the range of 0% to 5.0%.

The schools with much larger funding increases than the norm, relate to growth in the numbers of pupils present, increased eligibility of pupils meeting entitlements and sparsity funding allocations to support their rurality and small school (below 150 pupils).

**Table D** details the impact of the NFF for the secondary sector comparing the published budgets between 2021/22 and 2022/23.

Table D:

<b>Secondary</b>	<b>NOR</b>	<b>NOR</b>	<b>NOR</b>	<b>NOR</b>	<b>NOR</b>	<b>NOR</b>	<b>% of</b>
<b>Range of Difference</b>	<b>100-400</b>	<b>401-550</b>	<b>551-700</b>	<b>701-850</b>	<b>851-1200</b>	<b>1201-2000</b>	<b>Schools</b>
< (5.01%)	0	0	1	0	0	0	1.85%
(-5.0%) - (0.01%)	1	1	1	1	1	0	9.26%
0% - 5.0%	0	4	6	3	5	4	40.74%
5.01% - 10.0%	2	4	2	2	7	1	33.33%
10.01% - 15.0%	0	1	1	1	1	1	9.26%
15.01% - 20.0%	0	0	0	0	0	1	1.85%
20.01% - 25.00%	1	0	0	0	0	0	1.85%
25.01% and above	0	1	0	0	0	0	1.85%
<b>Total</b>	<b>4</b>	<b>11</b>	<b>11</b>	<b>7</b>	<b>14</b>	<b>7</b>	<b>100.00%</b>

The reason for the reduction in overall funding from year to year for 6 secondary schools or 11.11% in the above table relate to reductions in pupil numbers from the prior years pupil census and pupil characteristic changes. The NFF is substantially a pupil-led funding system, and protection does not apply to pupil numbers, therefore changes in pupil numbers from year to year have to be managed by schools through their medium-term financial planning.

88.89% of secondary schools have received an increase in funding, with the highest proportion being in the range 0% to 5.0%.

The schools with much larger funding increases than the norm, relate to growth in the numbers of pupils present and / or planned reorganisation growth agreed with the LA to meet local demands through a permanent Pupil Admission Number increase, pupil characteristics entitlement and sparsity funding allocations to support their rurality and small school (below 600 pupils).

### **Supplementary Funding**

As part of the Autumn 2021 spending review it was confirmed that mainstream schools would receive additional Supplementary Funding<sup>3</sup>. This additional funding has been

<sup>3</sup> Detailed in the School Funding Arrangements 2022/23 paper presented to the forum in January 2022. Nationally funding of £1.2bn.

allocated to support schools with additional unforeseen cost pressures, such as the Health and Social Care levy, planned teachers' pay increases<sup>4</sup>, increased energy costs, etc. For Lincolnshire, this equates to an increase in c.£15m overall for Primary and Secondary schools in 2022/23. This translates between a 2% to 3% increase in schools funding levels from their 2022/23 delegated budget through the NFF.

From 2023/24, the Education and Skills Funding Agency (ESFA) has indicated they plan to incorporate this funding into schools core funding where possible. The Government intends to publish supplementary funding to schools shortly.

## **Conclusion**

From the above analysis it is clear to see that the continued implementation of the NFF has been positive for the majority of Lincolnshire schools.

Those schools who have experienced a loss in funding between 2021/22 and 2022/23 have seen reductions in their pupil numbers, which schools are required to manage financially themselves. The MFG is a per pupil protection that is applied to all schools, however this does not protect a school from falling rolls. Pupil projections and financial planning are key tasks for schools. All schools and academies are required as a minimum to produce a three-year medium term financial plan where such reductions should be factored into scenario planning. The LAs Monitoring and Intervention policy will continue to provide support to maintained schools.

We can also see that all schools have received an MFG of at least 0.5%. Lincolnshire schools in receipt of MFG are receiving a higher level of funding than is determined through the NFF. This is due to either historic funding arrangements where schools will be aware of this position through their budget build up, and at some point in the future will transition onto the NFF to be consistent with all other schools, or where changes in prior year pupil data has taken place reducing per pupil funding levels.

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<sup>4</sup> The Government's ambition to increase the entry level salary of teachers to £30,000 by September 2023.

## Consultation

### a) Risks and Impact Analysis

For the second year running, an increase in FSM eligibility caused by the pandemic has impacted the affordability of the Schools block for the LA to continue to replicate the NFF in full. Measures were adopted to address affordability and to continue replicating the NFF factors and monetary values, along with applying a MFG level of +0.5%. All schools have received at least a +0.5% increase in their per pupil funding amount in 2022/23 compared to prior year per pupil funding levels. The LA is limited to the funding determined through the Dedicated Schools Grant, in particular the Schools block when determining schools budgets.

The LA will continue to model DfE future funding arrangements when they are announced to help understand the financial impact facing Lincolnshire schools. Where Government consultations take place, the Council will continue representing Lincolnshire schools to ensure fair funding is delivered.

Systems are in place to support maintained schools in their financial planning to ensure they remain financially sustainability along with the accountable governing bodies, and academy schools are held accountable by the Trustees.

As the ESFA move towards a 'hard' formula, the LA could lose local flexibility and decision-making powers for all aspects of schools funding. This is a risk, as the LA will no longer have the influence or powers to respond to local needs and demands on a timely basis within reasonable DfE parameters rather than through a centralised system.

## Appendices

These are listed below and attached at the back of the report	
Appendix A	None

## Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
School Funding Arrangements 2022/23	<a href="#">Report Reference: (moderngov.co.uk)</a>
School Funding Update 2022/23 – Mainstream Schools	<a href="#">(Public Pack)6.0 Schools funding Update 22/23 Agenda Supplement for Lincolnshire Schools' Forum, 20/01/2022 13:00 (moderngov.co.uk)</a>

This report was written by Elizabeth Bowes, who can be contacted on or [elizabeth.bowes@lincolnshire.gov.uk](mailto:elizabeth.bowes@lincolnshire.gov.uk).



**Open Report on behalf of Heather Sandy, Executive Director – Children's Services**

Report to:	<b>Lincolnshire Schools' Forum</b>
Date:	<b>21 April 2022</b>
Subject:	<b>National Funding Formula Government consultation outcomes</b>

**Summary:**

The purpose of this report is to provide the Schools' Forum with an update on the completion of the reforms to the National Funding Formula: Government consultation response.

**Recommendation(s):**

To note the content of the report.

**Background**

The Government conducted its initial consultation last year on how further reforms to the national funding formula (NFF) can be implemented for mainstream schools with the intention of moving to a 'hard' formula. The Government consultation outcomes were published in March 2022, and the report is to provide a summary of those key outcomes.

The objective of the Government in implementing a NFF was to create consistency in funding across all schools nationally ensuring a fairer settlement for each school through a single, national funding formula without local adjustments, which is otherwise referred to as the 'hard' formula. Currently, Local Authorities (LAs) have the responsibility for agreeing and calculating schools funding allocations, therefore whilst the Department for Education (DfE) has set parameters within which local formulas must operate, LAs have discretion over the amount of funding assigned to each formula factor and some flexibility over which factors to use in their local formula.

The Council responded to this consultation concluding the importance of retaining local flexibility and decision-making powers for all aspects of schools funding. LAs in working with the sector are best placed to respond to local needs and demands on a timely basis within reasonable DfE parameters rather than through a centralised system. What the NFF has achieved is a move to greater consistency in how LAs are funded based on the individual needs and characteristics of schools and their pupils, rather than historic

funding arrangements, which the LA considers to be extremely important in ensuring fair and equitable funding for the schools sector in each area.

The Council continues to replicate the NFF since its introduction in 2018/19 due to the increase in per pupil funding levels being seen across mainstream schools. It is still however important to ensure funding formulas are scrutinised by Schools' Forums and take into account schools' views on funding decisions, and therefore allowing local flexibility to best respond appropriately to issues facing their schools locally. Through a hard NFF, it is a necessity that the Government engage with LAs and schools on the formula and those views are listened to, not only on how funding is distributed, but also quantum of funding available for schools. This will ensure accountability of the NFF through a centralised system.

The NFF sophistication and refinement has either not progressed as anticipated or in a timely manner to address areas of the formula that are outstanding since its implementation, or where a particular need exists and requires addressing. There are a number of aspects of the NFF that have remained incomplete, such as: Notional SEN, the mechanism for annual funding changes to respond to rising costs within schools to help with financial planning and decision-making. Such arrangements need serious consideration before a move to the 'hard' NFF, including ensuring a zero-based review (or DfE termed 'bottom-up' approach) is on 'modelled' school setting type(s) underpinned by key assumptions and principles to ensure the right level of funding is going into schools to deliver the best outcomes for children and young people.

The Government in its response to the consultation confirms their intention to move forward with plans to introduce the direct NFF (previously referred to as the 'hard' formula), and the Government will bring forward the relevant legislation required to enable this to happen.

The full DfE consultation response on 'completing the reforms to the National Funding Formula' can be found through the following link:

[Completing the reforms to the National Funding Formula - government consultation response \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/consultations/completing-the-reforms-to-the-national-funding-formula)

The government will start the process of transition by bringing LAs formulae closer to the NFF in 2023/24 and will consult further on the implementation of these overall reforms later this year.

A series of questions were asked by the DfE through the consultation and the key outcomes of these are outlined below.

#### **The move to the 'hard' NFF**

- The Government confirms their intention to move forward with plans to introduce the direct NFF. No fixed date has been proposed.
- All NFF factors are to be included in local formulas, and this provision will be included in the relevant School and Early Years Finance (England) Regulations. The

application of protections within the funding system (such as the minimum funding guarantee) will remain to minimise disruption for schools.

- From 2023/24, to progressively tighten rules governing LAs' flexibility over schools funding, so that schools' allocations through their local formula move closer to the NFF distribution. All local formula factors to move at least 10% closer to the NFF, except where LAs are already 'mirroring' the NFF (within 1%). The DfE consider it to be the right balance when determining the speed of transition towards the direct NFF.
- In future years, the Government will consider the impact of the previous transitional step before decisions are made regarding subsequent movement towards the NFF.
- To consult on a new mechanism, in place of the current block transfers, which is consistent with the direct NFF and with future reforms to the SEND system.

Lincolnshire mainstream schools are currently funded at the NFF level, therefore these planned changes will not have a direct impact on individual school budgets.

### **Premises factors funding**

- The Government will consult on a national, centralised approach to the split sites factor and to the Private Finance Initiative (PFI) factor as part of the direct NFF.
- Confirms the split sites factor to be the most feasible to develop a formula with the intention of implementation in 2024/25.
- Further review to develop a new approach to PFI funding for schools, which is to be consulted on at a later date.

The consultation response by participants and that provided by the Council are that local arrangements for split site funding are well established for reviewing and determining local premise factors, which broadly reflect the costs that these schools are incurring. Therefore, there are questions regarding the ability of a national formulaic calculation to accurately reflect the individual circumstances of schools (i.e. no school is the same). The direction of travel causes concern for the Council to ensure fair funding is distributed to schools concerned and does not impose an additional administrative burden in supporting such a national process.

The Government has acknowledged in the consultation outcomes the concerns raised about the complexity of PFI contracts and additional costs PFI schools incur. It is important the Government carefully consider any impact changes will make on schools financially.

### **Schools Growth funding**

- The Government plan to develop further options for growth and falling roll funding in the next phase of the consultation regarding a national, standardised system for allocating funding. The DfE remain committed to testing the details, they have however noted the concerns raised around the impact of such a change.
- The next consultation phase would present an alternative for allowing a greater role for LAs in the allocations.
- The Government will continue to provide growth funding to academies considered 'popular', and not to extend this to maintained schools as well, on the basis this is

not inconsistent or unfair, but a reflection of the particular role that academy trusts play in the school system.

Only 34% of LAs supported the proposal to use a national, standardised criteria to allocate all aspects of growth and falling rolls funding. The Council's concern, which is shared by others could have significant ramifications for LAs in delivering their pupil place planning responsibilities, and how such an approach could meet the full variety of local needs. Lincolnshire's current policies do satisfy the needs of schools in supporting planned growth reorganisation, which have been developed with the sector over a number of years. It is also concerning that the proposals are focusing on 'significant' growth in LA planned growth in order to attract funding, as opposed to the current LA approach of supporting 'all' planned growth. It is also disappointing that 'popular' maintained schools are unable to access DfE funding.

### **Central Schools Services Block (CSSB) funding**

- The Government plan to review the services funded through the ongoing responsibilities element of the CSSB. This review will align with the Schools White Paper and the LA role in the school system.
- The ongoing services that are delivered for all schools will continue to be provided by LAs and funded through central Government funding.
- Under a direct NFF LAs will continue to have flexibilities to de-delegate maintained schools' funding.
- Multi-Academy Trusts will continue to have the ability to top-slice academy funding, however the DfE will review transparency of top-slices, including examining changes to improve and standardise this process.
- For historic funding commitments, such as unavoidable termination of employment and prudential borrowing costs, a legacy grant will be established.

### **Consistent Financial Years for academies and maintained schools**

The consultation considered aligning the budgets of schools to the same financial year as academies. It was recognised the significant drawbacks of the additional burdens placed upon LAs and maintained schools to move to academic year financial reporting have been identified, therefore this will not be taken forward at this stage.

### **Conclusion**

The Government are introducing measures in 2023/24 to move more LAs towards the 'hard' NFF. This does not impact Lincolnshire's mainstream schools as the Council currently replicate the NFF.

Government proposals and themes are to develop national funding mechanisms for schools for a variety of funded activities, however the consultation feedback from LA participants and the Council, is that local flexibility should remain to best support local needs. The Council consider it important for the DfE to continue refining the NFF to ensure the right level of funding is going into schools to deliver the best outcomes for children and young people.

The Council will continue to engage with the DfE on these proposals and any future developments including responding to government consultations to ensure Lincolnshire schools are represented.

The Government also published at the end of March 2022, the SEND Green Paper and Schools White Paper.

**Consultation**

**a) Risks and Impact Analysis**

The Government direction of moving towards a ‘hard’ formula along with further proposals for nationally driven allocations, the LA could lose local flexibility and decision-making powers for all aspects of schools funding. This is a risk, as the LA will no longer have the influence or powers to respond to local needs and demands on a timely basis within reasonable DfE parameters rather than through a centralised system.

The Council will continue to engage with the DfE on future funding proposals, including undertaking financial modelling to understand the impact this will have at an individual school level.

**Appendices**

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**Background Papers**

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Completing the reforms to the National Funding Formula – Government Consultation response	<a href="https://publishing.service.gov.uk/government/consultations/completing-the-reforms-to-the-national-funding-formula">Completing the reforms to the National Funding Formula - government consultation response (publishing.service.gov.uk)</a>

This report was written by Mark Popplewell, Strategic Finance Lead, Children’s Services, who can be contacted on or mark.popplewell@lincolnshire.gov.uk.

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