



Papers for meeting of Surrey Schools Forum 3 October 2023

Item 4

Surrey Schools Forum

3 October 2023

Lead: Liz Mills/David Green

For information/discussion

Update on DSG July 2023 school funding announcement, including growing school/falling rolls issues

Summary

DfE announced initial Dedicated Schools Grant allocations for 2024/25 on 17 July 2023, although as usual the allocations will be updated in December 2023 using October 2023 pupil data.

Summary Dedicated Schools Grant allocations (July 2023 data, before updating for Oct 2023 pupil numbers)

	2023/24 DSG	2023/24 MSAG	2023/24 DSG+ MSAG	2024/25 initial DSG	Increase	%
	£000s	£000s	£000s	£000s	£000s	
NFF schools block	792,866	26,948	819,814	843,995	24,181	2.95%
Central schools services block			6,513	6,623	110	1.69%
High needs block			218,302	223,808	5,506	2.52%
Early years block				TBC		

(MSAG=mainstream schools additional grant, a separate grant in 2023/24, which is being merged into DSG in 2024/25).

DfE publishes early years DSG allocations for the following year in November/December.

Schools block (national funding formula or NFF)

The average NFF funding rate paid by DfE to Surrey for mainstream schools will increase by 2.95% per pupil (plus assimilation of mainstream schools additional grant from 2023/24). This assumes no change in growth funding, The growth funding

allocation for 2024/25 has yet to be announced. It will be calculated based on “middle super output area” growth between Oct 2022 and Oct 2023 censuses.

The 2.95% average increase is calculated by applying the NFF at school level, made up of:

- 2.4% increase in NFF formula funding rates
- 0.5% increase in minimum funding guarantee (MFG) i.e. minimum average funding increase per pupil
- 2.4% increase in minimum per pupil funding levels (MPPL) i.e. minimum actual average funding per pupil
- impact of changes in additional needs indicators between Oct 2021 and Oct 2022
- funding for business rates (where there was a significant increase in cost on revaluation) and specific premises factors (in particular split site funding).

Any sum transferred from schools to high needs block would need to be found from within the increases described above. The LA then runs the local funding formula to distribute the residue. The LA transferred 1% of schools block funding to high needs block in 2023/24 and is proposing the same percentage transfer in 2024/25, so the year on year average increase in individual school funding from 2023/24 to 2024/25 should be similar to the DSG increase.

In 2024/25 the DfE is introducing a new national split site funding factor for split site schools, replacing the previous local formula factors,

As in 2023/24, LAs with any formula factor values not within 2.5% of the NFF values are required to move those factors nearer to the NFF values. In Surrey this only affects the secondary school lump sum.

In 2024/25 DfE is introducing additional constraints on the way in which local authorities allocate pupil growth funding. Specifically DfE is introducing minimum requirements, which go beyond Surrey’s existing growing schools criteria. The main change is to require in year growth funding to be provided in certain circumstances where additional classes are required in schools for growth in a school within existing PAN, where there is overall pupil growth within the local area. The LA is currently considering the interpretation of those minimum requirements as they apply to growth within PAN. Further details will be provided in due course, and the Forum will be asked to approve criteria, funding rates and a budget for growing schools at a later meeting. In particular, it may be appropriate to fund certain categories of growth at different rates from others (eg where year on year fluctuations ought to be seen as funded by using lagged pupil numbers).

Additionally the DfE will allocate additional funding to LAs based on the number of schools with falls in rolls, based on falls between Oct 2022 and Oct 2023. It is estimated that, had the 2024/25 formula for falls in rolls been used in 2023/24, Surrey would have received no funding for this purpose. LAs still have a choice as to whether or not to provide additional funding for schools with temporary falls in roll

(but only where the vacancies are expected to be needed in the next three to five years). Surrey has not provided such funding in recent years and is not proposing to provide such funding in 2024/25.

Central schools services block (specified LA central services)

The increase is made up of an average 3.2% per pupil (£197,100) in the “retained duties” allocation, less a further 20% reduction (£89,000) in the historic commitments allocation. This reduction was expected, as the DfE is phasing out the historic commitments allocations.

High needs block (Special educational needs)

There is a minimum increase of 3% per 2-18 population on funding to LAs, other than basic entitlement (where the rate per pupil remains unchanged). Surrey receives the minimum increase as it is an LA subject to floor protection, i.e. funded above the basic formula rates. The estimated increase for Surrey in 2024/25 is £5.5m (excluding adjustments for growing free schools). The “basic entitlement” (a sum per pupil in state and independent special schools) will be updated in December, based on Jan 2023 census data for independent special schools and Oct 2023 census data for state special schools. The average increase so far shows as less than 3.0% because some factors are excluded from the 3% increase.

The “special schools minimum funding guarantee” for 2024/25 is 0% (i.e. the like for like increase in funding between 2023/24 and 2024/25 must be at least 0%). LAs must consider whether to provide an increase of up to 0.5%. The additional inflation factor of 3.4% of 2022/23 funding for special schools and PRUs continues into 2024/25, but there is no suggestion of a further increase in this factor.

Item 5

Surrey Schools Forum

3 October 2023

Lead: Liz Mills/David Green

For recommendation (part)/decision (part)

Outcome of Surrey Schools Funding Consultation (proposals for 2024/25)

Summary

The LA's annual consultation with schools on funding arrangements for the following year is due to close on 29 September and the results will be tabled at the meeting. This paper summarises the questions to be discussed, whether each is for decision or recommendation by the Forum, and any voting restrictions imposed by legislation. The questions are set out below as in the consultation paper, without recommendations, pending the closure of the consultation. Where there are voting restrictions, that does not preclude any non-voting member contributing to discussions.

School funding proposals requiring a Schools Forum decision

Proposal C3 and Question 13: De-delegation (maintained primary and secondary schools only, and separately):

Do you approve the proposed de-delegation of funding (from budgets of maintained primary/secondary schools) for:

- a) Specialist Teachers (behaviour support) (primary schools only);
- b) Teaching Association and Trade Union facilities time;
- c) Other special staff costs (e.g. for public duties and suspensions);
- d) Free school meals eligibility checking;
- e) support to travellers (primary schools only)
- f) additional (non statutory) school improvement (primary schools only).

School funding proposals on which the Forum is being consulted (but LA decision) and on which all members may vote (if a vote is required)

Proposal C1 Question 7

Do you support the transfer of 1% of the schools block allocation to the high needs block in 2024/25, in order to support the implementation of the safety valve agreement which secures additional funding towards the historic high

needs deficit? (Note: as the proposed transfer exceeds 0.5% of school budget, the decision is for the Secretary of State, but the Secretary of State will expect to be advised of the views of Schools Forum).

Schools formula funding issues on which the Forum is being consulted (LA decision) on which only school, academy and early years reps may vote (if a vote is required). This includes special school reps and AP reps.

Proposal C2.1 Question 8

Do you agree that the recommended proposal (funding rates mainly at 98.7% of NFF, and 0.5% minimum funding guarantee) best meets the needs of Surrey schools, assuming a transfer to high needs block is approved?

Proposal C2-1 Question 9

Do you support the proposed “reserve” proposals for MFG and formula factors, (described in the consultation paper), in the event that no block transfer is approved? (Basically this means formula factors 0.15% above NFF, subject to variation of lump sum and basic entitlement factors, as in proposal C2.3)

Proposal C2-2 Question 10

Which of the options (described in the paper) do you think best meets the needs of Surrey schools, if formula factors have to be adjusted because of increased levels of additional need in October 2023?

- a) Combination of a ceiling and a smaller increase in formula funding rates?
- b) A ceiling alone (which means that the ceiling on gains would need to be lower, i.e. allowable gains would be smaller)

Proposal C2-2 Question 11

If you do not agree that a ceiling on gains should be used, if it would be necessary to deliver the funding rates proposed in section C2-1 based on Oct 2023 data, please indicate whether you would prefer cost increases to be managed by

- * a reduction in MFG or
- * a smaller increase in formula funding rates than proposed above?
- * any other method (please specify)

Proposal C2-3 Question 12

Do you support increasing the current lump sums in line with the increase in other formula factor rates, in order to assist small schools?

Proposal D Question 14

Do you agree that it is appropriate that the proportion of core funding in Surrey deemed notional SEN is brought into line with national averages?

Proposal D Question 15

If this change is made, should it be made

- in 2024/25?
- In equal instalments over two years?

Item 7

Surrey Schools Forum

3 October 2023

Lead: Liz Mills/David Green

For discussion and support

Disapplication requests including premises factors (proposed applications to Secretary of State)

a) Use of estimated average pupil numbers for primary schools losing bulge classes from September 2024

Summary

The LA proposes to apply to the DfE to vary funded pupil numbers for 2024/25 for primary schools losing bulge classes, so that 2024/25 funding takes into account those reductions. This is in line with Surrey's practice in recent years. The LA understands that there are no secondary schools losing bulge classes in September 2024.

Background

A "disapplication" request to the DfE is required in order to fund a school for lower pupil numbers than its most recent October census count. For several years, Surrey has applied to amend funded pupil numbers where a primary school is losing a bulge class, so that funding from September excludes the leaving bulge class.

When submitting an application, the LA is expected to consult those schools affected and the Schools Forum and to report the views of both to the DfE. The deadline for requests to the DfE is 10 October if a decision is to be received by December and thus known when formula funding estimates are updated for October 2023 data changes. Four schools are affected in 2024/25, compared to 12 in 2023/24. All four schools have been contacted and responses so far are summarised below:

Any reduction in funding from use of estimated pupil numbers has usually been taken into account in setting the growing schools budget for the following year. The level of growing schools fund allocation to Surrey in 2024/25 will not be known until December. The commitments against it cannot yet be known with any certainty either.

It is not yet clear whether similar variations will be possible once the direct NFF is implemented, although it is probably unlikely.

The logic of the adjustment to pupil numbers for bulge classes leaving is that

- the reduction in pupil numbers is one which can be planned for, over and above the normal year on year variation in pupil numbers which occurs in most schools;

- bulge classes are funded from September in the year in which they were admitted, rather than from the following April, so that the school has already received three, four or seven full years' full funding (infant, junior or primary)
- When bulge classes were opened, they were time limited (i.e. schools never had any expectations that they would continue once the original bulge group left the school).

Where the number of pupils in the bulge class in Oct 2023 exceeds that in Oct 2022, we would propose to make an adjustment to the calculation so that the extra pupils are still funded for a full year.

Table: schools affected by the proposals, impact and responses

School	Estimated 7-month cost £000s	School response
A	61	Would like to maintain full funding but concede it seems fair
B	85	Do not wish to comment
C	41	Awaited
D	58	Awaited

Note: C and D are academies, so the impact would be a full year's funding (12/7 of that shown)-but they received a full additional year's funding for the bulge class initially, not just five months. The saving to Surrey is still seven months, as shown in the table.

b) Premises factors (split site funding)

The 2024/25 DfE dataset includes split site funding for one school on the basis that in 2024/25 it was to operate SEN provision on two separate sites which met the DfE split site criteria being introduced in 2024/25 (though not Surrey's 2023/24 criteria). It is now clear that in 2024/25 the school will not be operating from the additional sites and the LA is discussing appropriate adjustments with DfE. The school is aware. The Forum is asked to support appropriate adjustments being made.

Recommendation

The Forum is asked to support the proposals.

Item 10 (part)
Surrey Schools Forum

3 October 2023

For information

Proposed changes to the process of appointment of maintained school governors to Schools Forum

Proposed changes to Surrey Schools Forum Constitution (process for appointment of governors)

Governors of Maintained schools

4.8 The Forum has school governor representation as follows:

- Total of 4 governors sit on the Surrey Schools Forum
- Primary Governors 2
- Secondary Governor 1
- Special School Governors 1
- Substitute members are required. All substitutes must be elected to the Forum on the same basis as a full member. Please read “Substitutes” paragraph below for more details.
- To avoid distorting representation on the Forum:
 - o A Headteacher may not sit as a governor representative
 - o A maximum of one member from any one governing body may sit on the Forum representing that phase. For example, a primary headteacher and governor from the same school cannot both sit as primary school Forum members.
- School Governor representatives are elected to the Forum by Surrey Governors from the relevant sub-group e.g., all Special School Governors will be eligible to vote for the Special School Governor representative. Surrey County Council or its nominee will conduct a virtual election process, to maximise accessibility. An overview of the election process can be found in Appendix 1
- In line with Schools Forums (England) Regulations 2012, all Governors in Surrey have been consulted on the election process.
- After an election date has been set by the Local Authority, the LA or nominee will call for expressions of interest from all governors of the relevant sub-group. Once the deadline for submissions has passed, checks will be made that potential candidates meet the relevant criteria. Where there are more candidates than vacancies, an election will be required. In this instance, the candidates would be informed prior to any election process being instigated.

- In the event that no expressions of interest are received by the deadline, the Local Authority can advertise the vacancy again, with the aim of receiving further expressions of interest, or the Local Authority can appoint a governor from the relevant sub-group.
- In the event that only one expression of interest is received, the Local Authority can advertise the vacancy again, with the aim of receiving further expression of interest, or the Local Authority can appoint the governor who has expressed an interest.
- In the event of a tie between one or more candidates, the LA will appoint the new member.
- Governors in the relevant sub-group will be notified of the appointment no later than one month of the new member being elected.

The LA may appoint a contractor or other organisation to administer this process on their behalf. As at Oct 2023 this is Schools Alliance for Excellence (SAfE).

Proposed process for the election of governor representatives for the Surrey Schools Forum

1. Once a vacancy for a governor representative for the Surrey Schools Forum has been identified, the Local Authority set an election date.
2. Governors in the relevant sub-group are informed of the vacancy and expressions of interest are sought. The deadline for expressions of interest will be no less than 10 working days from the date that governors are notified of the vacancy.
3. Governors who wish to be considered, submit their expressions of interest forms by the set deadline.
4. After the submission deadline, checks will be made that potential candidates meet the relevant criteria. Where there are more candidates than vacancies, an election will be required. In this instance, the candidates and key stakeholders will be informed prior to the election process being instigated.
5. If no expressions of interest are received by the submission deadline, the Local Authority will decide whether to advertise the vacancy again or appoint a governor from the relevant sub-group.
6. If only one expression of interest is received by the submission deadline, the Local Authority will decide whether to advertise the vacancy again or appoint the governor who has expressed an interest.

7. If an election is required, the Local Authority will set up an election using a virtual election platform and inform the relevant governor sub-group of the election process and timescales.
8. Eligible governors will submit votes within the election window. The election window will be no less than 10 working days.
9. The election count will be held within 24 hours from the close of the election window.
10. Key stakeholders will be informed of the outcome of the election as soon after the count as possible.
11. If there is a tie between one or more candidates, the LA will appoint the new representative.
12. Governors in the relevant sub-group will be informed of the election outcome within five working days of the count.
13. A formal letter of appointment will be issued to the new representative and their term of office recorded.