



## **Surrey Schools Forum papers for meeting on 28 June 2022**

### **Item 4**

#### **Surrey Schools Forum**

**Tuesday 28 June 2022**

**Lead: David Green**

**For discussion**

#### **Update on DfE schools funding consultations: second stage consultation on “direct” national funding formula**

##### **Summary**

On 7 June 2022 the DfE published the second stage of its consultation proposals on the implementation of the “direct” national funding formula (by which DfE will fund individual schools directly). The consultation includes proposals on a number of issues which DfE identified in the first stage consultation as requiring more detailed work, and where currently there is some local discretion over the design of funding factors, rather than just over the funding values:

- Transfers from schools block (mainly to high needs block)
- Growth and falling rolls funding
- Split site funding
- Exceptional premises factors

DfE also proposes some changes to the operation of the minimum funding guarantee and to various data collection processes.

The consultation closes on 9 September 2022.

The Department’s stated intention is to implement a hard NFF no later than 2027/28.

The main consultation questions are summarised in the annex, with some suggested responses (please note that these responses are initial officer drafts for discussion only at this stage).

None of the changes consulted on here would affect the funding of schools in 2023/24.

##### **Block transfers from schools block (Q1)**

Transfer from NFF to high needs block would still be possible, pending implementation of various changes proposed in the SEND green paper aimed at

promoting greater inclusion in mainstream schools and reducing high needs block cost pressures. Only the Secretary of State would be able to approve transfers (ie not Schools Forum). Multi year approvals may be possible eg under safety valve agreements. The Secretary of State could modify the amount proposed by local authorities to be transferred.

Applications for a transfer from NFF schools block would need to specify how funding would be removed from school level NFF allocations. DfE proposes to provide a limited list of options as to HOW the NFF would be modified to achieve a block transfer (eg varying all factors by a standard percentage, or just varying basic per pupil funding, or just varying additional needs funding). Varying Minimum Per Pupil Level (MPPL) would be a possible option, although we do not know how readily it would be approved. Currently we can propose to adjust any formula factor as part of a block transfer. Surrey's applications have generally proposed to adjust all factors by a similar percentage, so the proposals represent a loss of local flexibility, but not a loss of any flexibility which Surrey has previously sought to use.

The Secretary of State would still expect LAs to consult local stakeholders and to provide evidence of such consultation alongside any application for a transfer out of the schools block.

### **Notional SEND budgets and high needs threshold (Q2)**

Under the direct NFF, DfE proposes that schools should still be given notional SEND budgets, and that they should be set nationally. No further details are given as to what the proposed national basis might be. Guidance on greater consistency will be provided to LAs for 2023/24. The £6,000 mainstream additional support threshold may be reviewed as part of the changes proposed in the SEND Green paper, but no changes to it are proposed here. There is some logic in setting notional SEND budgets nationally if schools' budget shares are determined nationally, although the impact cannot be known at this stage.

### **Growth funding (Q3/5/6/7/8)**

DfE proposes to retain some (but reduced) local freedom for local authorities over the allocation of growth funding.

Eg

- LAs would have to use a per pupil sum and/or lump sum per extra class
- minimum values might be set for each,
- minimum growth thresholds (ie pupil numbers) might be set, above which growth must be funded.

Further information is required here before the potential impact on Surrey can be identified (eg whether funding for new class resources would still be permitted, or whether a mixture of per pupil sums and lump sums may be used). Growth funding

would generally still apply only to bulge classes or changes in PAN (see below for exception).

### **Falling rolls funding (Q4/6)**

DfE proposes to reduce the level of freedom over falling rolls funding (which Surrey no longer uses), which was intended to support schools with temporary falls in rolls, where an increase in pupil numbers would be expected in the next three to five years.

DfE is also considering removing the restriction that falling rolls funding can only be given to schools which are good or outstanding, which has often prevented support for falling rolls from being given to the schools which most need it. DfE proposes to link the calculation of falls in rolls to school capacity return data, rather than simply local forecasts. Again minimum thresholds might be set for a fall in rolls which generates funding, and other restrictions may be placed on the way in which falling rolls funding is calculated. It is not entirely clear whether all LAs would be required to operate a falling rolls factor (if they had any schools meeting the criteria), but that would be consistent with the general policy of greater consistency and the approach to growth above.

DfE proposes that LAs should be able to use growth and falling rolls funding to meet revenue costs of “repurposing or removing” surplus accommodation, where these costs are a significant barrier to removing surplus capacity. This is a new proposal, which could be beneficial in facilitating changes which remove school places.

It seems that these changes could be implemented from 2024/25.

### **Distributing funding to LAs for growth and falling rolls**

DfE proposes to scale down the national total funding allocated to LAs for growth, to reflect the reduction in recent years in growth requiring funding. LAs might receive separate funding allocations for growth and falling rolls, (ie based on MSOAs with growth and separately on MSOAs with falls in rolls, or falls in roll above a threshold). DfE has noted that many LAs are spending much less on growth than they are given for that purpose (although it isn't clear whether they have taken implicit growth -via funding on estimated pupil numbers - into account).

LAs fund growth only in schools with bulge classes or schools increasing PAN, but LAs are funded for all growth (whether or not within PAN) but at a lower per pupil level. Thus there can be a mismatch between funding received and funding needed in any one year, which could cause difficulties in a year in which a large proportion of pupil growth required the opening of new places (and hence use of growth fund) rather than filling vacancies (at no cost to the LA). Funding falling rolls specifically suggests a transfer of resources from LAs with growth to LAs with falling rolls. No modelling of the impact has been provided by DfE, at least yet.

## **Popular growth in maintained schools (Q8)**

DfE proposes to consider a mechanism for funding “popular growth”, in -year, in maintained schools which can demonstrate a significant increase in pupil numbers (within existing capacity) following a significant improvement in attainment. Currently this applies only to academies. Applications would have to be made to DfE for individual maintained schools, and it looks as if it would be quite exceptional.

## **Split site funding (Q9-15)**

DfE proposes a national split site funding formula based on a lump sum plus an additional lump sum if the two sites are more than 0.3miles apart. Sites would need to be separated by a public road or railway, to be used primarily for the education of 5-16 year olds, and to have substantial buildings. Detached playing fields would not count as split sites. Split site funding would no longer vary with pupil numbers (which may improve funding stability for individual schools).

The proposed funding rate would be 20% of the NFF lump sum per site (£25,701 at 2022/23 values) plus an extra 40% (making a total of £77,101) if the distance between sites exceeded the 0.3mile minimum distance. Multiple site schools could receive funding for up to three additional sites (no Surrey school has more than two). DfE argues that most additional split site costs are fixed costs, and that the fixed costs of a split site school are less than the fixed cost of a separate school, which seems fair enough in practice. The proposed funding levels are justified by DfE as the average LA level maximum currently used (ie they are not activity based).

DfE may consider tapering split site funding around the proposed 0.3 mile threshold, thus avoiding a large change in funding depending on whether the distance was just above or just below 0.3miles. This would mean greater complexity but it seems fairer. A taper of 0.3 miles-0.8 miles would not disadvantage Surrey schools.

The proposed split site formula factor would be compulsory from 2024/25, although it isn't clear whether LAs would have some discretion over funding rates in that year. There are several Surrey schools where the split site distance is close to the 0.3mile distance threshold. Initial modelling suggests that most Surrey split site schools would gain slightly from the proposals, but one school would lose around £40,000 pa from the proposed changes.

## **Exceptional premises factors (Q15-17)**

Currently LAs may seek approval from DfE to use a range of exceptional premises factors, which are effectively funded to the LA at historic cost. The only one of relevance to Surrey is rents on essential premises. DfE is proposing to retain this, but LAs (for maintained schools) and academy trusts (for academies) would have to apply to continue to use this factor for individual schools, and it would only apply to schools which already receive it-or schools taking on unavoidable new commitments which meet the criteria. This change would be made when the direct NFF is fully

implemented. It is assumed that DfE would fund directly at the agreed cost, as essentially they do now.

Currently eligible premises factors must cost more than 1% of budget share. DfE proposes to increase the threshold to 2.5% of budget share (but would still meet the full cost if it was more than 2.5% of budget share, not just the excess).

In 2022/23 five Surrey schools receive funding for rent, of which two have costs between 1% and 2.5% of budget share, which would thus no longer be funded under these proposals.

### **Calculation of the minimum funding guarantee (Q18-20)**

Some simplification is proposed to the calculation of the minimum funding guarantee when the direct NFF is implemented, because some complexities which now need to be covered will no longer arise, notably around changes in the lump sum. Currently if the lump sum is increased there is a small reduction in any minimum funding guarantee entitlement, even if all other formula funding rates are also increased. The proposals will remove this anomaly. There may be a potential to remove this anomaly earlier.

### **Publication of indicative school level NFF allocations (Q21)**

Currently DfE publishes notional school level NFF allocations each autumn, which are based on previous year pupil characteristic data and which assume that the LA will implement the NFF in full. Therefore they are of limited use in schools' budget planning.

DfE is asking whether schools would prefer:

- provision of notional indicative allocations (as above) or
- supply of a calculator tool, containing funding rates, allowing schools to input their own pupil number and needs data to estimate the following year's funding.

### **Data collection issues (Q22-25)**

DfE is consulting on a number of data collection issues arising from the proposed direct NFF implementation. These will generally concern LAs rather than schools, although some choices may affect when funding data can be made available to schools.

### **Action requested of the Forum**

The Forum is invited to discuss these proposals.

## **Annex: Suggested draft consultation responses (initial officer draft)**

### **Question 1**

**Do you agree that local authorities' applications for transfers from mainstream schools to local education budgets should identify their preferred form of adjustment to NFF allocations, from a standard short menu of options (*ie that their preferred form of adjustment of individual school budgets from NFF would have to be chosen from a limited range of options allowed by DfE*)? Do you have any other comments on the proposals for the operation of transfers of funding from mainstream schools to high needs?**

Proposed response

Perhaps we should say that we don't see standardisation of the way in which block transfers are implemented as a step forward, in practice this proposal probably wouldn't cause us difficulties.

### **Question 2**

**Do you agree that the direct NFF should include an indicative notional SEND budget, set nationally rather than locally?**

Do schools find an indicative SEND budget useful or is it a distraction from considering what is really necessary? If indicative SEND budgets remain then it seems logical to set them nationally if the school's budget is set nationally. But does its continuation encourage schools to see SEND funding as an externally defined quantity rather than an integral part of whole school planning?

### **Question 3**

**Do you have any comments on the proposals to place further requirements on how local authorities can operate their growth and falling rolls funding?**

Proposed response

We welcome the recognition that retaining some local flexibility is necessary in funding growth at school level, but further details of what is proposed are required. In particular we would want to ensure the flexibility to mix the use of per pupil funding and lump sum funding, and over whether we part funded vacancies, and we would want to be able to apply different methods to different phases if local circumstances justified it.

It would be helpful if the DfE clarifies where growth factors are appropriate and where use of estimated pupil numbers in the NFF is preferred. At present there seems to be some ambiguity in the guidance.

#### **Question 4**

**Do you believe that the restriction that falling rolls funding can only be provided to schools judged “Good” or “Outstanding” by Ofsted should be removed?**

Proposed response

Yes, we think it should be removed because the purpose of falling rolls funding is to preserve capacity which is needed in future and that surplus capacity is often in schools with lower OFSTED grades, particularly where there are several schools in a small area. As such, the current restriction is a major limitation on the usefulness of falling rolls funding.

#### **Question 5**

**Do you have any comments on how we propose to allocate growth and falling rolls funding to local authorities?**

Proposed response

We would need more detail here as to funding rates and thresholds. In particular how would the allocation of falling rolls funding to LAs be consistent with the current requirement only to fund falls in roll which are temporary? (However, Q6 suggests that that might no longer be intended)

#### **Question 6**

**Do you agree that we should explicitly expand the use of growth and falling rolls funding to supporting local authorities in repurposing and removing space?**

Proposed response

Agree- it might be beneficial in supporting reorganisations which remove surplus places but incur initial costs, and we would have nothing to lose. We don't have to use funding in this way if it isn't beneficial locally.

#### **Question 7**

**Do you agree that the Government should favour a local, flexible approach over the national, standardised system for allocating growth and falling rolls funding (ie to individual schools); and that we should implement the changes for 2024-25?**

Proposed response

Yes, we support a local flexible approach- it is difficult to understand how a fully national standardised system could have worked

However, if the proposed reduction in local flexibility is implemented in 2024/25 there should be scope for some local variations in respect of schools already committed to growth on the basis of previous LA funding policies.

### **Question 8**

**Do you have any comments on the proposed approach to popular growth?**

Proposed response

Giving the opportunity for maintained schools to be funded for popular growth arising from standards improvement is to be welcomed. However, the test will be what DfE is actually prepared to approve and whether more demanding criteria are applied to maintained schools than to academies.

### **Question 9**

**Do you agree we should allocate split site funding on the basis of both a schools' 'basic eligibility' and 'distance eligibility'?**

Proposed response

In principle yes- it is reasonable that split sites which are a significant distance apart incur more additional costs (of travel and duplicate facilities) than do those which are very close, and thus are funded at a higher level.

### **Question 10**

**Do you agree with our proposed criteria for split site 'basic eligibility'? (ie separated by public road or railway)**

Proposed response

Broadly yes but need some clarification eg

What about sites separated by a public right of way which is not a road, or other land not under control of the school (for example separated by another school site-we have an example-or public open space or even waterway where there is no dedicated crossing)? We'd suggest they should be included.

### **Question 11**

**Do you agree with our proposed split site distance criterion of 500m?**

Proposed response

We note that the 500m distance is based on current common practice, rather than on any objective reasoning.

We agree with the suggestion that there should be some tapering: schools should not lose £50,000 for a 1m difference in intersite distance, which would happen if



there were no tapering. We suggest that tapering should be via a continuous function-eg 0.3 mile to 0.8 mile.

### **Question 12**

**Do you agree with total available split sites funding being 60% of the NFF lump sum factor?**

Proposed response

We note that the proposed value is just a historic average and that no justification has been given. We agree that no split site allocation should exceed the corresponding lump sum.

### **Question 13**

**Do you agree that distance eligibility should be funded at twice the rate of basic eligibility? (ie a school with 2 sites over 500m apart would receive 3x the amount received by a school whose sites were closer than that)**

Proposed response

We accept that there should be higher funding for sites separated by higher distances. No evidence is presented to justify why these specific funding ratios should apply. Please see comment above on tapering.

### **Question 14**

**Do you agree with our proposed approach to data collection on split sites?** (ie to collect from LAs as part of the 2023/24 APT pro forma budget return in January 2023, a year before the data would be needed in the formula).

Proposed response

Seems reasonable

### **Question 15**

**Do you have any comments on our proposed approach to split sites funding?**

Proposed response

None other than those already stated above. We fully agree that using historic cost as a basis of split site funding is unsustainable. There ought to be constraints on funding of unnecessary split sites (eg where the capacity and location are not necessary because there is surplus capacity on the main site and the distance between sites is small) and some method of annual review.

Note: this matters because it means less DSG left for other purposes if excessive split site costs are recognised.

## **Question 16**

**Do you agree with our proposed approach to the exceptional circumstances factor?**

**(ie to limit scope to rents, costs of dual use facilities and farms)**

Proposed response

Generally yes

However, we suggest that the lump sum protection for merged schools should be reduced where the sum of lump sum protection and any split site funding arising from the merger exceeds the lump sum value for the closed school. A school's transitional protection on merger should not exceed the funding it has lost.

There is no mention of the second year transitional lump sum protection for merged schools and this ought to be retained as, for example, staff restructuring can take some time to implement.

Where rent changes are backdated (which they often are, because of the protracted process of reaching agreement) arrears should be funded. We would encourage the DfE to collect information for next year relatively late in the previous year to reduce the need for retrospective adjustments. Consideration needs to be given to the situation where changes in pupil numbers mean that a rent can fluctuate between above and below 2.5% of budget share. An example might be where a bulge class pushes the rent below 2.5% for a few years only.

## **Question 17**

**Do you have any comments on the proposed approach to exceptional circumstances? (ie exceptional premises factors)**

As above

## **Question 18**

**Do you agree that we should use local formulae baselines (actual GAG allocations, for academies) for the minimum funding guarantee (MFG) in the year that we transition to the direct NFF?**

Proposed response

Yes, otherwise the MFG would not relate to the funding the school actually received in the previous year.

## **Question 19**

**Do you agree that we should move to using a simplified pupil-led funding protection for the MFG under the direct NFF?**

Proposed response

Yes Under the direct NFF the reasons for protecting schools against changes in the lump sum will no longer apply, and thus the extra complexity it creates is no longer necessary.

### **Question 20**

**Do you have any comments on our proposals for the operation of the minimum funding guarantee under the direct NFF?**

Proposed response

Proposal looks fine to us (NB technical adjustment only)

### **Question 21**

**What do you think would be most useful for schools to plan their budgets before they receive confirmation of their final allocations: (i) notional allocations, or (ii) a calculator tool?**

Proposed response

Calculator tool - Notional allocations are misleading as schools' actual budgets do not depend on previous year pupil characteristics. Schools should be encouraged to plan on the basis of current pupil characteristics and the data they have on those needs, rather than (eg) previous year deprivation and low prior attainment data.

### **Question 22**

**Do you have any comments on our proposals for the funding cycle in the direct NFF, including how we could provide early information to schools to help their budget planning?**

Not yet

### **Question 23**

**Do you have any comments on the two options presented for data collections in regards to school reorganisations and pupil numbers? When would this information be available to local authorities to submit to DfE?**

Proposed response

We would prefer to submit the data once we have the October census data. It is likely to be much more accurate then.

#### **Question 24**

**Regarding de-delegation, would you prefer the Department to undertake one single data collection in March covering all local authorities, or several smaller bespoke data collections for mid-year converters?**

Proposed response

Prefer one data collection- LAs will have the data anyway so it shouldn't be an issue to supply it and collecting all of the data will allow benchmarking data to be published, which is useful.

Comment: DfE currently collect de-delegation data as part of the collection of proposed funding formula data. It will no longer be necessary to collect the proposed funding formula data when DfE set school level allocations themselves, so they need to find new ways of collecting the associated data which they still require.

#### **Question 25**

**Do you have any other comments on our proposals regarding the timing and nature of data collections to be carried out under a direct NFF?**

Not yet

## **Item 6a**

### **Surrey Schools Forum**

**Tuesday 28 June 2022**

**Lead : David Green**

**For discussion and support**

### **Mainstream and early years funding issues for 2023/24: items for consultation paper: Transfer of funds to high needs block and impact on funding formula**

#### **Summary**

Surrey's "safety valve" agreement with the DfE includes a transfer of 1% of schools budget to high needs block in each of the years 2023/24-2027/28. At the May meeting the Forum was invited to consider ways in which mainstream schools' budgets could be adjusted in 2023/24 in order to release this funding. The Forum is now asked to support specific proposals for consideration by all schools in the autumn consultation paper. The proposals will require annual approval from the Secretary of State. The method used for future years' transfers will be considered in due course.

#### **Background**

A transfer out of the Schools Block can be implemented by varying school level funding from the NFF in a combination of ways:

- Lower units of resource; (some or all factors)
- Lower minimum funding guarantee (MFG) and/or lower ceiling on gains
- Lower level of minimum per pupil level funding (MPPL). This would require specific approval from the Secretary of State and is generally discouraged by DfE, but we understand that as part of the safety valve agreement the Secretary of State would be prepared to look at such a variation.

In deciding how to implement a block transfer, we may wish to consider whether there are specific categories of more vulnerable schools which need to be protected, but also to recognise that the wider the cost is shared, the lower the impact on individual schools. Historically, when proposing block transfers, we have generally sought:

- To reduce all units of resource in the mainstream funding formula by the same percentage compared to NFF (apart from adjustments between basic entitlement and lump sum, in order to protect small schools);
- to reduce the minimum funding guarantee by a smaller percentage than that by which units of resource in the formula are reduced (relative to NFF).

The Forum may wish to continue to support that general approach. Alternatively the Forum could support selective variations (eg a larger percentage reduction in basic entitlement than in additional needs rates), which might better protect schools with higher levels of need. We can only try to protect vulnerable schools where they have characteristics which can be recognised through the NFF (eg high deprivation).

In recent years' proposals we have not sought to reduce minimum per pupil level (MPPL) funding when proposing transfers out of the schools block. However, the proposed transfer is larger than those proposed in previous years and in 2022/23 31% of Surrey schools (with 33% of the budget) were on MPPL. Thus, if MPPL were not varied, the cost of a 1% transfer to high needs would be borne by only 69% of schools, and those schools would bear a correspondingly higher cost, in a year in which formula funding increases in the NFF might anyway be lower than in 2022/23 (see table below). Therefore, it is proposed that in 2023/24, the LA seeks approval to reduce MPPL rates below NFF but by a lower proportion than the reduction in other NFF rates. By way of context, in 2022/23 a 1% transfer out of schools block might have required the following levels of MPPL, MFG and units of resource

Factor	MPPL compared to 2021/22	MFG compared to 2021/22	UOR vs NFF	Ceiling	Schools on ceiling
Illustrative values	2% (unchanged)	0.75%	-2%	1.87%	48
OR	1.33%	1.25%	-1.5%	2.37%	42
COMPARE ACTUAL (no block transfer)	2%	2%	NFF	3.9%	50

It is anticipated that the impact on MPPL and units of resource in the four following years (relative to the NFF) would be similar, but that we would give the Forum the opportunity to review the method annually.

### Typical school level variations for schools affected

Average £ loss in 2022/23 compared to actual 2022/23 budget would have been

School sector and size	MPPL unchanged*	MPPL reduced	Number of schools	Of which on MPPL in 2022/23
Primary				
Small primary (up to 185 pupils)	-8,400	-6,100	71	0
Primary 186-260 pupils	-13,300	-9,300	79	5
Primary 261-404 pupils	-16,700	-13,000	72	37
Primary >404 pupils	-18,600	-15,700	77	64
Secondary <760 pupils	-59,500	-41,800	13	1
Sec 760-1050 pupils	-89,200	-64,100	16	0
Sec 1051-1199 pupils	-105,000	-74,600	14	4
Sec 1200+ pupils	-111,000	-97,300	15	3

\*Average impact in this column is for those schools which are affected ie the first column excludes those schools on MPPL. Schools on ceiling will in general see

above average reductions if a ceiling is used, as indeed happened in 2022/23 when a ceiling was used.

If a similar block transfer is used for several consecutive years, schools with stable pupil characteristics which are not on ceiling are likely to see a similar impact on funding every year (eg for the first scenario 2% below NFF if on formula, or 0.75% lower if on MFG). Schools on ceiling may see a wide range of losses, depending on how stable their pupil characteristics are, although as shown above, the proposals do not significantly increase the number of schools subject to ceiling deductions.

The table below illustrates impact of the ceiling (as a percentage of budget share of school) in 2022/23:

ceiling deduction %	number of primary schools	number of secondary schools
up to 1%	22	5
1-2%	17	0
2-3%	2	0
3-4%	1	0
4-5%	1	0
5%+	0	0

This shows that most schools on the ceiling are not seeing huge percentage deductions in 2022/23, and there is no reason to assume that this situation should change over the next few years. The two schools with deductions of over 3% are both schools receiving sparsity funding, which increased hugely between 2021/22 and 2022/23.

At the last meeting, members of the Forum were invited to consider other possible methods for releasing the 1% of funding to be transferred. So far, no new proposals have been made.

The Annex shows the equalities characteristics of schools currently on minimum funding guarantee and minimum per pupil funding level, by way of context. It is clear that the proportion of high SEN or high deprivation schools on MFG is higher than for schools as a whole, while the opposite applies to schools on MPPL.

### **Action requested of the Forum**

The Forum is asked to consider the proposed methods of removing 1% of NFF funding from the schools budget, and whether it wishes to make a recommendation for the consultation paper.

## Annex A Equality impact data Schools on minimum funding guarantee and schools on ceiling

	<u>Schools on minimum funding guarantee (2022/23)</u>		<u>Schools on MPPL (2022/23)</u>	
	Primary	Secondary	Primary	Secondary
all schools	27.76%	16.07%	35.45%	12.50%
above average non British	29.33%	25.00%	40.00%	14.29%
above upper quartile non British	24.00%	35.71%	41.33%	14.29%
top 10% non British	31.03%	42.86%	27.59%	28.57%
Above average non white	29.33%	17.86%	39.33%	14.29%
Above upper quartile non white	30.67%	35.71%	34.67%	21.43%
Top10% for non white	34.48%	57.14%	20.69%	0.00%
Above average for EHCPs	33.33%	21.43%	28.67%	7.14%
Above upper quartile for EHCPs	41.33%	28.57%	22.67%	7.14%
Top10% for EHCPs	41.38%	28.57%	10.34%	14.29%
Above average for %SEN	34.00%	21.43%	24.67%	3.57%
Above upper quartile for %SEN	44.00%	28.57%	13.33%	0.00%
Top10% for %SEN	41.38%	28.57%	3.45%	0.00%
Above average FSM deprivn	34.67%	21.43%	22.67%	0.00%
Above upper quartile FSM deprivn	49.33%	28.57%	6.67%	0.00%
top 10% deprivation	62.07%	42.86%	0.00%	0.00%

Conclude that:

Schools with above average (or higher) incidence of ethnic minorities, SEN, or FSM deprivation are more likely to be on MFG than others.

Schools with above average incidence of SEN or of FSM deprivation are less likely to be on MPPL. There is no clear pattern between high incidence of ethnic minorities and whether a school is on MPPL.



## **Item 6b**

### **Surrey Schools Forum**

**Tuesday 28 June 2022**

**Lead : David Green**

**For discussion and support**

#### **Mainstream and early years funding issues for 2023/24: items for consultation paper: The level of the lump sum in Surrey's school funding formula**

Historically Surrey has set the lump sum for both primary and secondary schools higher than the NFF value, and basic entitlement rates correspondingly lower, in order to protect small schools. In 2023/24 the LA is required to move all formula factors 10% closer to the NFF, unless they are already within 1% of NFF values. Primary and secondary lump sums are respectively 2.27% and 7.39% above NFF values in 2022/23.

The proposed transfer to high needs block will mean that most funding factors will increase by less than the NFF increase in 2024/25. Therefore it is proposed that in 2024/25 the lump sums should be increased by the same amount as any other formula factor, meaning that they will remain higher than in the NFF (while still being at least 10% nearer to the NFF value). This is consistent with policy in recent years and will continue to offer some protection to the smallest schools. However, schools will need to be aware that any such protection will need to be phased out by 2027/28 at the latest, subject of course to minimum funding guarantee protection.

#### **Recommendation**

That the Forum supports the proposals for the lump sum, as a basis for consultation

## **Item 6c**

**Surrey Schools Forum**

**Tuesday 28 June 2022**

**Lead : David Green**

**For discussion and support**

**Mainstream and early years funding issues for 2023/24: items for consultation paper: Other formula funding issues**

### **Former combined services confederation and school improvement funding**

In 2022/23 a sum of £0.556m was delegated to schools over and above the NFF. This was nominally central schools block former combined services funding for confederations and additional school improvement, which has been delegated to individual schools since 2018/19 (although in fact in 2022/23 it was funded from growth fund surplus). DfE continues to scale down the former combined services allocations by 20% year on year and in previous years this reduction has been passed on to schools (albeit subject to minimum funding guarantee /MPPL). In 2023/24 it is proposed to pass on the further reduction to schools in the same way as in previous years.

### **Other impacts of moving towards the direct NFF**

Formula funding for looked after children must cease from April 2023. No other changes need to be made to the local funding formula in 2023/24 (beyond those described above) in order to meet the DfE's requirements for convergence towards the NFF, although it is anticipated that some further changes will be needed in 2024/25.

The LA is entitled to exclude the former funding for looked after children from the minimum funding guarantee but in view of its small value (£150,000 in total) no such adjustment is proposed.

### **Recommendation**

That the Forum supports the proposed changes to former combined services funding.

That the Forum notes the changes required to the formula funding of looked after children

## **Item 6d**

### **Surrey Schools Forum**

**Tuesday 28 June 2022**

**Lead : Jane Winterbone**

**For discussion and support**

**School improvement deductions**

### **Proposed Levy to support the provision of statutory Schools Improvement Services**

In November 2021, the DfE consulted on proposals set out in “Reforming how local authorities’ school improvement functions are funded”. DfE duly made the changes as outlined in the consultation and therefore the school improvement grant previously paid to local authorities will be paid at half rate in 2022/23 and withdrawn completely from April 2023. From this point LAs are expected to fund their statutory school improvement work from central services levy or general fund. This equates to a loss of £400,000 to Surrey in 2022/23 and £800,000 per year in subsequent years.

The majority of this funding is used for the contract with Schools Alliance for Excellence (SAfE) who deliver the Schools Causing Concern statutory duties on behalf of the LA. Schools Forum approved an increase in central services levy of £6.50/pupil in 2022/23 in anticipation of the proposed withdrawal of funding.

The LA indicated at that time that should the changes be implemented they would be likely to seek approval for an increased levy to meet the costs of Schools Improvement services in 2023/24.

**The amount required per pupil to meet the identified costs of statutory schools improvement services in 2023/24 is calculated at £12.65 (ie an increase of £6.15 per pupil/place compared to 2022/23)**

Maintained school representatives on the Schools Forum have the right of approval of the levy. The local authority has the right of appeal to the Secretary of State if the Forum refuses.

### **SAfE and what it delivers**

Schools Alliance for Excellence is Surrey’s Local Education Partnership set up in September 2019. It is an independent not-for-profit school improvement company that is owned and governed by schools (80%) in partnership with Surrey Local Authority and the six Dioceses in Surrey. The Local Authority commissions SAfE to provide its statutory school improvement services to meet statutory duties as well as governor support services, which are already funded from central services levy. Funding for governor support services is not impacted by the withdrawal of grant

funding. SAfE also offer a comprehensive traded offer accessible by all schools and academies in addition to providing educational thought leadership, advice, guidance and system leadership.

As part of the contract with Surrey SAfE ensures that all maintained schools complete a self-evaluation and provides quality assurance visits to maintained schools in addition to a number of full teaching and learning reviews. This ensures that Surrey knows its maintained schools well and support can be targeted. In 2021/22 SAfE has intensively supported 41 maintained schools Support and Challenge. 19 of these have either now been or are expected to be removed from the Support and Challenge programme having made sufficient progress. However, an additional 19 have either joined or will be joining the list.

SCC have extended their contractual arrangement with SAfE for an additional year from September 2022 to August 2023. In recognition of the reducing number of Surrey maintained schools the contract value has been reduced by 10%. This reduction takes into account that some of the functions delivered by SAfE are not volume related. The decision to extend the contract in light of the reduction and removal of funding was based on the need to maintain and improve the quality of education in Surrey and to provide continuity and consistency during a time when schools are experiencing unprecedented challenges and pressures post COVID-19.

### **Reducing requirement for statutory Schools Improvement Services for maintained schools.**

The actual rate of academisation between September 2019 and September 2021 was 13.5% (see table below). The rate is likely to accelerate significantly as in May 2022 ministers have set out proposals to kick start reforms to the school system from summer term 2022. The DfE have announced strategic delivery plans in every region to describe how it will achieve its goal of full academisation.

The target is for all schools to be in or in the process of joining or forming an academy trust by 2030.

In its implementation plan for the 2022-23 academic year, the DfE also announced plans to trial local authority multi-academy trusts. However, it also outlines that the DfE priorities for system reform will focus in the 55 EIA areas of which Surrey is not one.

It follows the introduction of the schools bill in Parliament, which is expected to become law in time for the beginning of the 2023-24 academic year.

In light of the proposed legislation it is difficult to predict what level of statutory schools improvement service will be required after March 2024.

Table : number of LA maintained schools and academies (including free schools) in Surrey

School type	Number of schools at 1 September 2017	Number of schools at 1 September 2018	Number of schools at 1 September 2019	Number of schools at 1 September 2020	Number of schools at 1 September 2021	Number of schools at 1 June 2022
<b>Total LA maintained</b>	<b>258</b>	<b>234</b>	<b>217</b>	<b>207</b>	<b>199</b>	<b>193</b>
Total Academies	128	154	171	182	190	196
<b>All state maintained schools</b>	<b>386</b>	<b>388</b>	<b>388</b>	<b>389</b>	<b>389</b>	<b>389</b>
% of schools academised	33.2	39.7	44.1	46.8	48.8	50.4
<b>% increase</b>		<b>6.5</b>	<b>4.4</b>	<b>2.7</b>	<b>2.0</b>	<b>1.6</b>

The table excludes the four maintained nursery schools.

#### **Additional school improvement services: maintained primary school intervention fund**

Historically funds have been de-delegated from maintained primary schools in order to provide additional school improvement services and fund interim leadership costs to schools that face standards and performance issues and where the delegated budget is insufficient to bear the costs. This funding is only targeted and used to support Maintained Primary Schools. The rate of deduction was £8.75 per pupil in 2022/23 and the same deduction rate is proposed for 2023/24.

This funding is managed and overseen by Schools Alliance for Excellence (Surrey's schools-led education partnership) on behalf of Surrey Maintained Primary schools.

From 2022/23 this funding has formed part of the central services levy (ie deducted from the budgets of all maintained schools. However, as it was supported only by maintained primary schools, it was agreed that this component of the levy should be refunded to maintained schools other than primary schools.

In 2021/22 this funding was allocated by SAfE to:

- provide additional school improvement and leadership support to schools designated as 'Support and Challenge'
- cover interim leadership costs where the school's budget could not support this.

- provide additional targeted support to other maintained schools where a need is identified, and the school's budget cannot support this – in particular in small schools
- fund targeted projects.

In total:

- 46 Support and challenge schools were supported
- 8 schools received interim leadership support
- 45 small schools accessed professional development support at no cost to their school
- 42 schools took part in targeted projects or training.

## **Risk**

Whilst it is highly likely that more maintained schools join or form a MAT it is also highly likely that by September 2024 there will still be at least 25% of Surrey schools that are maintained – the majority primary schools. Given the specific challenges facing maintained primary schools at the moment, in particular in light of the challenges of changing pupil demographics that are particularly hitting small schools, budget pressures, changes to the Ofsted framework, the removal of the exemption from inspection of outstanding schools and continuing impact of the implications of COVID the continuation of this funding will enable SAfE to continue to provide part or all of funding for interventions in the most vulnerable schools.

Removal or reduction in this funding will increase the likelihood of many maintained primary schools being unable to improve or maintain current provision.

## **Action requested of Schools Forum**

The Forum is invited to discuss the proposals and specifically to consider whether individual schools have all the information they need to express an informed view on the proposals.

It is anticipated that maintained schools representatives will be asked to approve deductions from maintained school budgets at a later date.

## **Item 6e**

### **Surrey Schools Forum**

**Tuesday 28 June 2022**

**Lead : David Green**

**For discussion and support**

**Other “De-delegation” proposals for 2023/24**

### **Summary**

De-delegation is the deduction of funds for a specific service from the budgets of maintained primary and/or secondary schools, with the approval of the Schools Forum. The council is proposing continued de-delegation in 2023/24, for those services which were de-delegated in 2022/23, with the exception of the primary school specific contingency.

### **Scope**

In 2022/23, funding was de-delegated from maintained mainstream schools, and held centrally, for the following services:

- Behaviour support (primary schools only: part of specialist teacher service or STIP service)
- CAPITA SIMS licences
- Teacher and trade union facility time
- Other special staff costs (eg suspensions)
- Free school meals eligibility checking
- Race Equality Minority Achievement (REMA) travellers service (primary schools only).

Continued de-delegation of funding for all of these services is proposed for 2023/24. Further details of the proposals for behaviour support and REMA travellers services are shown in Annexes 1 and 2 respectively.

The other services proposed for de-delegation can be summarised as follows:

- ESS SIMS licences (schools administration software-formerly Capita)  
The council purchases a collective licence for maintained schools, allowing cost and administrative savings (nursery and special schools and pupil referral units are charged)
- Teacher association and trade union facility time  
This funds a small number of teacher association and trade union representatives to provide countywide advice in maintained schools, thus reducing the need for individual schools to release their own staff
- Other special staff costs

This contributes to cost of suspensions and release for specified public duties, which can have significant unplanned effects on a small number of schools

- Free school meals eligibility checking  
This service supports schools by checking the eligibility of pupils for free school meals, to ensure that all eligible pupils are identified and that schools receive the additional funding provided for these pupils. This includes additional formula funding income and the pupil premium.

Following feedback from DfE we are not proposing de-delegation of a primary school specific contingency in 2023/24. Should existing brought forward contingency be spent, we will discuss with the Forum whether such a contingency deduction should be reinstated in 2024/25.

### **Proposed de-delegation rates for 2023/24**

Proposed de-delegation rates for 2023/24 are set out in Annex 3. They are the same rates as in 2022/23, subject to the following changes:

- Behaviour support: rate per pupil and deprivation rates to be set so that the average deduction per pupil and the average deprivation deduction per pupil increase by a percentage to be determined;
- ESS SIMS licences-increase in line with the estimated cost of the external licences (as this is the cost of an external service).

Rates for free school meals eligibility checking, and travellers support would remain unchanged.

The total funding held for each service in 2023/24 would be likely to be less than in 2022/23 due to further academy conversions.

De-delegation is not allowed from nursery or special schools or pupil referral units.

### **Action requested of the Forum**

Does the Forum wish to suggest any additional information which should be provided to help maintained schools to decide whether to support the de-delegation of these services?



## **Annex 1 Specialist Teachers for Inclusive Practice: (Behaviour support)**

The LA is proposing a final year of de-delegation of funding for this service from maintained primary schools in 2023/24. From April 2024 the service will develop a traded rather than de-delegated offer and will use the intervening period to develop the service offer in partnership with schools.

### **Behaviour Support Context**

Behaviours of concern can present for a range of underlying reasons. We work with schools and families to identify any triggers or unmet needs so that children's unwanted behaviours can be managed safely and reduced overtime.

The service in total provides a range of support including:

- Guidance on identifying children's needs and meeting SEN early
- Clinics to staff, which provide targeted CPD on supporting inclusion and the progress of children with additional needs - specifically cognition and learning (C&L), communication and interaction (C&I) and social, emotional and mental health (SEMH)
- Advice to SENCo/school staff on a range of SEN provision/interventions and strategies for C&L, C&I and SEMH.
- Support to schools to monitor and review SEN provision for children at Specialist school support level (C&L, C&I, SEMH)
- Support to schools to engage with and support parents of children who have identified SEN, including children who present with behaviours of concern
- Support to schools around key transitions, specifically from early years to Reception and Year 6 to Year 7
- Guidance to schools around proactive approaches to promote placement stability and prevent exclusions
- Advice to primary headteachers around the exclusions process
- Subsidised centralised training on a range of special educational needs and inclusive practice
- Training on whole school approaches that support the inclusion of every child e.g. Restorative Practice, Anti-Bullying Charter mark accreditation and Healthy Schools
- Positive Touch, Behaviour Risk Management, De-escalation and MAPA training
- Literacy for All
- Modelling tailored interventions for children at Specialist School Support level
- Therapeutic Story Writing/Story Links training and intervention delivery
- ELKLAN training
- Nuffield Early Language Intervention (NELI) training
- Positive Behaviour Support (PBS).

Over the past year the countywide STIP team has:

- Worked with nearly 400 mainstream schools
- Opened 1400 cases at our highest level of involvement.
- Of these 1400 cases we have closed 780 cases since 1st June 2021 where schools and families have reported that they are confident they understand a child's needs and how they can meet them.
- Since June 2021 we have opened 10% more cases than in the previous year
- We have provided exclusion advice to all mainstream primary schools that have requested it.

780 cases have been closed over the past academic year. (A case is closed when progress has been made, the pupil has left the school or moved out of area or when a case is transferred to another agency).

Of the 780 closed cases the impact is as follows:

- 79% have made sufficient or significant progress
- 7% have left
- 12% have been transferred to other agencies or services
- 2% opened in error

Of the 620 cases that are still open: 12% are also open to Children's Services (CIN / CP and LAC) or Early Help.

- Supported a further 2104 children through our early intervention offer. This includes observations, focused conversations with staff and meetings with families.
- Delivered 130 centralised training courses, attended by over 1400 school staff.

Feedback from our training is overwhelmingly positive with average scores of 5 (on a scale of 1-5 – low to high) for presentation and impact on future practice.

Results from our recent survey have shown an overwhelming satisfaction with our service. There's a current return rate of 43% (168 schools out of 400). Schools rated the team 4.65 out of 5 (an increase from last year) for how much they have valued the service they have received from the Specialist Teachers for Inclusive Practice in supporting them to achieve better outcomes for pupils with SEND.

Key messages from the questionnaire are that schools mostly value the responsiveness and knowledge of the STIP team. In our survey 42% of schools specifically stated that they would value having access to more STIP time when they were asked what could improve the service.

Some examples of the responses made by schools, via the questionnaire include:

*“We are always very grateful for the considered and skilled support given by the specialist teachers who we work with”*

*“We have really valued the advice and support available, knowing there is someone to turn to when we aren’t sure where to go next.”*

*“We really value the support we receive and the results from input have been very fruitful for both the adults and children involved.”*

One of the biggest benefits to de-delegation is for schools to have access to a prompt, responsive service who deliver a proactive, practice-based support directly to SENCOs and teachers. Should maintained primary schools decide not to de-delegate for the final year the service would be unable to provide the level of direct support that schools currently receive. From April 2024 the service will move towards a traded rather than de-delegated offer.

### **Services and purposes for which continued de-delegation is proposed**

We are proposing a final year of de-delegation of funds in 2023/24 from maintained primary schools (and in some cases also maintained secondary schools) for the following purposes:

- **Specialist Teachers for Inclusive Practice (STIP)** This is to support behaviour management within maintained schools (Primary sector only)

For 2022/23 the STIP service currently receives £699,814 from de-delegated funding. This accounts for 27.25% of total budget (including overheads). The rest is made up from high needs block funding and traded income. De-delegation funds the behaviour management support that STIP provide to maintained primary schools. This consists of evidence-based early intervention, understanding the function of pupils’ behaviour, recommending & modelling of de-escalation strategies, targeted work with individual or groups of pupils, support for staff through training, consultations and surgeries, support for implementing whole-school policies and strategies and direct work with parents.

The STIP service offer is a Surrey wide offer, although the delivery model is local and quadrant-based and can be accessed easily via an allocated member of the STIP team for each school who links directly with the SENCO and Head teacher. The service offer has been developed in response to feedback from schools and delivers a graduated response in line with the SEND Code of Practice. It offers direct support in the classroom, as well as advice and guidance on how to implement

targeted strategies or more specialist approaches. Further detail about the service offer is available on the [Surrey Education Services](#) hub.

De-delegation can be seen as an appropriate funding model when there is a need for a service with capacity to respond to demand which can be unpredictable, urgent and has a high impact on staff and pupils. Pupils demonstrating behaviours of concern often leads to this kind of urgent demand.

If de-delegation were withdrawn or significantly reduced, the Council may find that there is insufficient funding from the current model to continue with the existing range of services. This would create a risk to schools of no suitable alternative provider being available with sufficient scale, capacity and local Surrey context. Even if the Council were to continue with the services at their current level, a fully traded model at this point may not provide the capacity for the kind of urgent response described above and would create a particular risk for smaller schools, which might be exposed to a higher risk under a traded model.

However, the final year of de-delegation (2023/24), subject to Schools Forum approval, would provide a good opportunity and appropriate amount of time to develop a traded service in partnership with schools.

## Annex 2 REMA Proposal for de-delegation for 2023/24

It is estimated that there are around 10- 12,000 Gypsy, Roma and Traveller (GRT) residents in Surrey which would mean that Surrey has the fourth largest GRT population of any local authority. 1088 children and young people in Surrey schools ascribe as GRT (a significant number do not ascribe).

GRT pupils are disproportionately represented in all data both corporately and in children’s services (Education). Although the GRT community is a small percentage of the school population they are over-represented in all the indicators below, making them a vulnerable cohort. This is replicated when looking at data from across the council – children with a child in need plan, adult literacy levels, incidences of domestic abuse for example.

### GRT population as a percentage of the overall numbers

Year	2020-2021 %	2021-2022 %
School population	0.7	0.7
Fixed term suspensions	4 (2018-2019)	4
Permanent exclusions	3 (2018-2019)	5
Persistent absence	56	60
Electively Home Educated	16 (out of 248)	13 (out of 221)
Child missing education/other than at school	6.5	8.1
SEND	1.65	1.8

2019 KS2 Reading	National	Gypsy Roma	Irish Traveller
% Achieving expected level	73	28	39

Many members of the GRT community are struggling to recover from the effects of COVID, particularly where education is concerned. This vulnerable cohort of people who travel for work or may have lower literacy levels can feel very isolated from society. The curriculum offered by schools has little connection to their life and some children find it hard to complete an education that holds little interest for them. The impact of Covid 19 has meant an increase in the achievement gap between vulnerable children and other groups.

There has been a marked increase in persistent absence, CME, EHE and exclusions since the return to school. An already vulnerable cohort of children and young people have become increasingly disadvantaged as a result of the Pandemic.

All maintained primaries have access to Specialist Teachers and Traveller Education Support Workers (TESWs). The team has received referrals directly from schools but

also from GRT families. REMA encourages schools to have a pro-active approach, requesting advice and training before a Traveller pupil joins them, to ensure a positive transition. Staff teams are supported to build capacity for meeting the needs and challenges of their GRT cohort through consultation, direct face to face work with the child and family and by training.

### **REMA's present position.**

The current core offer for maintained primaries aims to provide schools with the right tools to support their GRT pupils. It has been developed and promoted since the last Schools Forum agreement for REMA funding. Specialist teachers work with schools to improve and strategies. TESWs support families, removing barriers such as low literacy, lack of trust and historical myths.

As a team, REMA works with schools, supporting both their GRT and EAL communities. We use our experiences with each cohort to inform our working. We endeavour to be pro-active, encouraging schools to plan ahead for support and expected need.

In addition to the work with the GRT community REMA offer EAL support and Interpreting Services for children where English is not their first language. The team's support has been instrumental in supporting newly arrived children and families from Afghanistan, Ukraine, Hong Kong and Syria to integrate into schools

### **GRT Support provided by REMA Sept 2021 - May 2022**

Total number of maintained primary schools: 160 schools

<b>Item</b>	<b>Schools</b>
Termly GRT mail outs	160
Specialist teacher requests	82
TESW support	73
Pre-recorded presentation	30
Webinar attendance	20
GRT partnership group attendance	24
Surgery sessions	18
Parent school applications	178

A questionnaire was sent to all 160 maintained primaries. 26 responded.

## **Overall Core Offer package of support to schools**

(Specialist Teacher and TESW support)

- 75% of respondents will request REMA GRT support in the future
- 77% of respondents felt the support was useful

TESW support to other services to strengthen relationships

- 100% of respondents found the support useful
- 100% will request TESW support in the future

GRT Partnership Group

- 100% of attendees felt the session developed knowledge and understanding of the GRT community

GRT Webinars

- 100% agreed that the training was useful

Surgery Sessions

- 100% agreed they felt more confident to support GRT pupils in their school

Schools and other services are asked to evaluate how effective they feel TESW support has been, 100% agree that it was a positive contribution and that they will use it in the future. This work is not always directly connected to a school, but enables a family to re-engage and can result in a pupil accessing education.

“TESW has been really helpful and always keen to support me with my cases”  
(Inclusion Officer)

“TESW works well with all professionals supporting Traveller families access services and engage with schools. I will continue to highly recommend REMA TESW support to all schools where support is needed.” (Inclusion Officer)

“TESW has supported the family for some time. She has assisted parent to organise access to school and complete school induction paperwork. She has also supported parent with arranging transport to school for child to enable her to remain at current school where she is happy and settled.” (Office staff)

“TESW has gone above and beyond to support a vulnerable family and ensure they access education/Early Years.” (GRT Health Team)

“TESW/REMA are a vital partner to our service to support attendance amongst the GRT community. TESW provides a bridge between our service and the families we work with. I visited a home address with TESW and although there was no response on the door, the parent contacted TESW and a meeting has been arranged to support the child in school. I may not have achieved such a positive outcome without the TESW’s support.” (Senior Inclusion Officer)

## **Working with other Services**

REMA has been working with the Inclusion service to address the high levels of persistent absence in the GRT community. Meetings with Primary maintained schools will enable the sharing of good practice, with the aim of improving attendance. REMA continually seeks to improve the core offer, a bid for funding, in conjunction with Inclusion, if successful, is intended to be used to develop an improved opportunity for GRT students to receive a more relevant curriculum while still attending school.



### Annex 3 Provisional proposed de-delegation rates for 2023/24

Service	2022/23 Primary rates	2022/23 Secondary rates	2023/24 provisional proposal Primary	2023/24 provisional proposal Secondary
Behaviour support services	£7.06 per pupil + £43.51/FSM6+ £15.93/IDACI band F+ £19.55/IDACI band E+ £30.41/IDACI band D+ £33.31/IDACI band C+ £35.48/IDACI band B+ £46.34/IDACI band A	n/a	£7.06 per pupil +inflation plus deprivation bands based on the same average deprivation funding per pupil+ inflation (linked to DFE MFG)	n/a
Licences and subscriptions	£4.38 per pupil	£5.91 per pupil (KS3+4)	£4.38 per pupil+ inflation	£5.91 per pupil (KS3+4)+ inflation
Special staff costs-union facility time	£1.47 per pupil	£1.99 per pupil in KS3-4	£1.47 per pupil	£1.99 per pupil in KS3-4
Special staff costs (other eg suspensions)	£0.59 per pupil	£0.80 per pupil in KS3-4	£0.59 per pupil	£0.80 per pupil in KS3-4
Free school meals eligibility checking	£275 per school	£435 per school	£275 per school	£435 per school
-travellers education service	£9.27 per pupil	n/a	£9.27 per pupil +inflation	n/a

## **Item 6f**

### **Surrey Schools Forum**

**Tuesday 28 June 2022**

**Lead : Carol Savedra**

**For discussion and support**

**Early years funding proposals for 2023/24**

#### **Summary**

As part of the annual school and early years funding consultation in the autumn, the LA will seek providers' views on early years funding for 2023/24. This paper suggests general principles for early years funding for 2023/24. The Forum is invited to consider the LA's outline proposals, and to suggest any other proposals which it would wish to see developed for possible wider consultation.

#### **Background and general principles.**

Funding for the funded entitlement to education and childcare is provided within the early years block of the Dedicated Schools Grant.

DfE funds Surrey for the funded entitlement for three and four year olds at an hourly rate and funds disadvantaged two year olds at a separate, and higher, hourly rate.

In 2022/23 DfE increased hourly rates to Surrey by 17p/hour for 3-4 year olds and 21p/hr for 2 year olds. We do not yet know what increase, if any, DfE will provide in 2023/24, particularly in view of the economic impact of events since the DfE set funding rates for LAs for 2022/23.

Surrey is expected to fund providers on the basis of termly take-up, whereas DfE funds Surrey on the average of successive January censuses.

#### **Funding for two year olds (2022/23 indicative DfE allocation £4.2m)**

Funding to providers for disadvantaged two year olds is provided at a single hourly rate. Historically, Surrey has passed through 100% of funding for two year olds to providers (ie retained none for central services) and has funded providers at the same rate as the DfE funding rate. The termly average take-up has exceeded the January average take-up, and thus Surrey funded more provider hours than the number for which it was funded by DfE. Consequently the budget for two year olds has been overspent for the last four years.

Therefore, while in 2022/23 Surrey still expects to pass through the whole of the two year old budget to providers, the rate paid to providers has been set at £6.13/hr, below the DfE rate of £6.25/hr, to recognise the need to fund more provider hours than are funded by the DfE. Surrey has a key focus on increasing take-up for disadvantaged two year olds to maximise the opportunity for early identification and

early intervention. For this reason we adopt this approach to ensure that as many children can benefit as possible within the budget available.

In 2023/24 it is proposed that a similar approach is adopted, with the aim that the LA neither overspends nor underspends on the two year old budget, taking one year with another.

In order to break even on the basis of the last two “normal” years (2018/19 and 2019/20) we would need to set the hourly provider rate around 3.6% lower than the DfE rate or 22p lower, compared to the current 12p difference. We propose that in 2023/24 we increase the hourly provider rate by the higher of:

- Half of the DfE hourly rate increase or
- 10p less than the DfE hourly rate increase (if the DfE hourly rate increases by 20p or more)

The latter scenario would mean that the 2 year old budget would break even on the basis of current assumptions.

There is no inclusion supplement for 2 year olds because provision is already limited to disadvantaged pupils. In Surrey we elect to have a small Early Intervention Fund of £215,000 which is funded from the 5% of funding for three and four year olds which may be centrally retained (see below). In addition to this we have sought and received approval from DfE to re-direct any un-allocated Disability Access Funding as Early Intervention Funding for two year olds.

### **Core funding for three and four year olds (2022/23 est £70.6m)**

In recent years funding for 3-4 year olds has been underspent, largely because for this age group the average of termly take-up (on which Surrey funds providers) has been lower than the average of January take-up (on which DfE funds Surrey).

5% of estimated funding for three and four year olds may be used to fund centrally managed services to support the sector, subject to the approval of the Schools Forum. It can also be used to support two year olds as mentioned above. The remaining 95% must be budgeted to be distributed to providers as funding for individual three and four year olds (or lump sums for maintained nursery schools), including deprivation funding and the early intervention fund.

We have tried to remove any “structural underspend” (ie recurring underspend taking one year with another) from the Early Years budget, although the impact of COVID-19 in 2020/21 and 2021/22, and the change by DfE to funding local authorities on a termly count in 2021/22, has made forecasting more difficult. In 2021/22 the estimated underspend would have been 1.4% had the DfE used the usual funding basis (based on Jan censuses only)-equivalent to around 6p on the hourly rate. We therefore recommend that we increase the hourly rate by any DfE increase plus 6p.

## **Early intervention Fund (EIF)**

This fund replaced Inclusion Funding and Discretionary Funding as of April 2020 for Early Years and fulfils the requirement for the LA to have an SEN Inclusion Fund. EIF can only be awarded for Early Years Funded Entitlement hours including extended entitlement. Any setting, school or childminder who is registered to deliver Early Years Funded Entitlement can apply for funding to support children who are experiencing any barriers to learning and development including social, environmental, early trauma as well as SEND. This funding is awarded by the Early Years Governance Panel which is made up of multi-disciplinary professionals with specialist knowledge of Early Years and early identification to enable appropriate interventions. Focus for interventions include closing the attainment gap for the most disadvantaged children, supporting emotional resilience, addressing childhood trauma and supporting transition into Reception as well as providing training and resources. There is built in monitoring and evaluation within the funding process and data collected is carefully and regularly monitored to ensure the funding is effective. Over the past year we have extended and developed the menu of interventions and training available through EIF. This have been an essential response to address the impact of COVID- 19 on our youngest children. We have developed close and collaborative relationships and practice with Health colleagues and systems for the benefit of children with additional need. EIF also promotes maximum take-up for children at risk of not meeting their developmental targets by ensuring that appropriate support is available to providers.

Key priorities include but are not limited to:

- Speech, language, literacy and communication development
- Emotional wellbeing
- Autism

Early Years outreach and Local Early Autism Programme (LEAP) intervention is now also available through EIF. In order to address the increasing number of children with autism and in alignment with the Surrey All Age Autism Strategy we have extended and developed our training offer in this area.

Focus has centred around specific training for Early Years providers including:

- Makaton – basic sign language
- ELKLAN – speech and language training
- Positive Touch – recognising changes in behaviour, anxiety, suitable physical intervention and interaction
- STEPS Supporting Targeted Education and Play Skills – outreach offer to support settings, parents and transitions
- ELSA – Emotional Literacy Support Assistant intervention training.
- Attention Autism – interventions and strategies to support autistic children

Analysis of Additional Needs Tool (AANT) is a new tool funded through EIF to assess need, reducing the pressure on our EP team.

REMA – First language assessments (76) and Translation services (3)

We carry out extensive evaluation of data and consultation with providers at the end of each financial year. We have now completed this for the second year of operation. The response has been overwhelmingly positive (see headline summary below, full responses are in the Appendix).

### Breakdown of EIF financial year 2021/22 - £3,508,778

Total amounts for EIF 2021/22

	<b>2 year olds</b>	<b>3 and four year olds</b>	<b>Totals</b>
<b>Awarded</b>	308,837	3,199,941	3,508,778
<b>Number of children</b>	220	1560	1780
<b>Number of settings</b>	145	458	603

Types of EIF awarded for financial year 2021/22 (by quadrant)

	<b>SE</b>	<b>NE</b>	<b>SW</b>	<b>NW</b>	<b>Total</b>	
<b>Enhanced</b>	144	154	130	147	<b>575</b>	27%
<b>Targeted</b>	276	225	202	296	<b>999</b>	47%
<b>Universal Plus</b>	107	27	39	33	<b>206</b>	10%
<b>Interventions/Training</b>	66	77	86	113	<b>342</b>	16%

- 84 Maintained schools and academies - £878,167
- 378 private voluntary and independent settings - £2,614,308
- 7 out of county settings (all children with EHCPs) - £16,302

We changed the designation of Early Years Resource places to mainstream so that from September 2022 these places will be funded through EIF. This aligns with our commitment to a fully inclusive model where children can access their Early Years Education provision in their local mainstream provision. Children with complex needs will be supported through individual support packages through Early Years Inclusion Pathway Planning.

### Early Years Inclusion Planning Pathway (EYIPP)

We want Early Years children to be able to access their Early Education in their own community where their siblings, friends and neighbours go. As we move towards a

fully inclusive model, we are aware that a transition process will need to take place within the sector. In order to enable the Early Years sector to be confident in their ability and expertise to support children with more complex needs, we need to provide them with appropriate peer to peer support as well as training and resources. The funding for this will be provided through EIF. We also need to support parents in securing the early years provision that is suitable for their child. With such young children this can often be the first conversation they will have specifically about their child's future education and we do not want it to be about SEND; but about their hopes and aspirations for their child. For this reason we have designed the EYIPP meetings which provide an opportunity to meet with the parents of children with an identified need, to help them to look at local provision and explain the package of support that we can put in place. Meetings are set-up and led by the Early Years SEND Advisor who will invite other professionals as appropriate. In 2021/22 we carried out 63 EYIPPs which have been very well received by families and practitioners. They have resulted in a significant number of families choosing mainstream over specialist provision.

### **Centrally managed services**

We propose to maintain funding at 5% of total funding for three and four year olds in order to support the Early Years sector to deliver excellent quality provision and to administer the distribution of Early Years Funded Entitlement and related supplements including EIF. This fund also includes EIF for eligible 2 year olds, a budget to support sufficiency and for additional Early Intervention programmes which are targeted at settings in areas of deprivation and where children are not reaching expected levels of development by the end of EYFS. The expectation and intention is that all cost associated with Early Years Funded Entitlement will be met within the Early Years DSG.

### **Maintained nursery school transitional grant (2022/23 £0.9m, included in 3-4 year old funding above)**

This is a separate funding stream within DSG, which provides additional support for maintained nursery schools, recognising that they incur higher costs than other providers through, for example, needing their own premises and a headteacher. DfE has not currently guaranteed it beyond March 2023.

Should this funding continue, it is proposed to maintain the same principles of allocation as in previous years:

- Distribute all of it to maintained nursery schools
- Use first to fund business rates at actual cost (excluding cost of community focused space)
- Continue split site funding for Guildford nursery
- Divide the remainder equally between the four maintained nursery schools.

Should the DfE no longer provide this funding, the Forum may be asked to consider use of part of the early years block to provide a contribution to transitional funding, rather than withdrawing the whole of this funding instantly. We would also want to

work closely with the nursery schools and governors to achieve a sustainable model for the future.

### **Early years pupil premium and disability access fund**

These funding rates are set directly by DfE and may not be varied by the LA.

### **Free school meals funding for eligible children in maintained nursery providers**

We propose to formally link the funding rate for free school meals provision in maintained nursery providers for the LA financial year to the DfE primary national funding formula free school meals funding rate. Under the NFF this is meant to fund free school meals provision rather than deprivation more generally. While this cannot be guaranteed to be a fair representation of meal provision costs it is at least an indicator which is likely to remain available and which will always be available before the start of the summer term.

### **Action requested of the Forum**

To support the principles described above.

To suggest any other supporting information which it might be useful to include in the autumn consultation paper.

To consider any additional proposals which they would wish to be explored.

## **Appendix 1**

### **Purposes for which centrally retained funds are used**

The following teams work together to support Early Years provision across all sectors including maintained, private, voluntary, independent sectors to promote quality and improve outcomes for children in Surrey:

**Educational Effectiveness Team** - Provides support and advice to settings in relation to quality of early education and childcare, Ofsted and statutory requirements, with a focus on settings that require improvement or inadequate, as well as providing targeted support around work with vulnerable groups. This year there is an additional focus on transition as part of the COVID-19 recovery programme. This team has taken on the additional responsibility for Early Years Foundation Stage data and assessment.

**Early Years SEND Team** - Provides support and advice to settings in relation to support for children with SEND, with a particular focus on inclusion, quality and early identification of need. Support, advice and review of EIF funding awards. Managing the EYIPP meeting processes. Delivery of SENDCo Networks.

**Early Years Commissioning Team** - Meeting the Council's statutory duties to ensure a sufficiency of places for funded 2, 3 & 4 year olds across Surrey. Monitoring and delivering sufficiency; providing support, advice and to promote business sustainability; and individual commissioning of provision for the most disadvantaged families. Delivering census, compliance with DfE statutory guidance and requirements. Brokerage of places for vulnerable children and children identified as disadvantaged and those eligible for FEET funding.

**Early Intervention Fund** – This fund has been reduced as the remit of the EIF has increased and this is now reserved for specific project work or training which falls outside the criteria of pass through funding.

**Funded Early Education Team** - Managing the funded entitlement by advising providers, processing, administering, and making payments, including support for the FEE portal. Delivering census. Managing the transition to EYES system.

In addition to funding teams as described above centrally retained funds are used for the following.

**2 year old Inclusion Fund** –enable eligible children with additional needs or disabilities to access their funded entitlement.

**Sufficiency Fund** – Grant funding to create new provision and to support sustainability in areas of identified need.



**Provider Portal and Parent Portal** - Maintenance and development and transition to the EYES system

**Census** – statutory requirement and method used by DfE to calculate budget

**Communications and publicity** – promotional activities to support FEET, 30 hours, Early Intervention Fund, EYPP, Deprivation and DAF uptake and targeted programmes to support equality.

**Early Years Phase Council Budget** – To meet expenses as necessary.

**Additional Teams Partially Funded through centrally retained funds**

Early Help

SEND Advice Service

CSF Performance Improvement Team

Education Safeguarding

## Appendix 2

### Breakdown of Centrally Retained Funds

<b>Breakdown of Centrally Retained Funds</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>£</b>	<b>£</b>
Sufficiency Fund	152,600	152,600
Early Intervention Programmes	45,600	45,678
Inclusion 2 year olds	215,100	215,100
Census	10,000	10,000
Communications	15,000	15,000
Portal Maintenance	40,000	70,000
Phase Council Expenses	5,000	5,000
Child costs outside of FEE/FEET criteria	5,000	5,000
Corporate Allocations	517,052	517,000
Staffing	2,553,911	<u>2,466,689</u>
<b>Total</b>	<b>3,559,263</b>	<b>3,502,067</b>

Seeking approval to re-purpose Early Intervention Programmes as new EIF extended remit meets the same needs. Reallocate to business support. (£45,678)

## Appendix 3

### Summary Responses to EIF end of year consultation 21/06/22

Have you accessed EIF since September 2021?

Option	Total	Percent
Yes	49	89.09%
No	6	10.91%
Not Answered	0	0.00%

What is the reason for not accessing EIF?

There was 1 response to this part of the question.

Option	Total	Percent
We do not currently have any children that require additional support	0	0.00%
We have children who require additional support however do not require additional funding	1	1.82%
Didn't know about EIF	1	1.82%

#### Other (please state):

We have children who require additional support, however, disappointingly, they are not eligible.

#### Any final comments...

We all know that early intervention is key to better outcomes, consequently, EIF should be available to ALL children, NOT just those who are grant funded!

How was the EIF used in your setting?

<b>Option</b>	<b>Total</b>	<b>Percent</b>
<b>Enhanced the staff ratio</b>	46	83.64%
<b>Provided smaller groups</b>	30	54.55%
<b>Supported emotional resilience</b>	14	25.45%
<b>Supported speech, language, and communication development</b>	29	52.73%
<b>REMA – First Language Assessment</b>	8	14.55%
<b>REMA – Translation Services</b>	1	1.82%
<b>Supported children with a transition – for example, into a new room, a different setting or into school</b>	11	20.00%
<b>Training for staff to be able to meet the specific needs of the child/ren, as identified in the Surrey Support Plan/s</b>	23	41.82%
<b>Resources identified by professionals</b>	17	30.91%
<b>STEPS (Supporting Targeted Education &amp; Play Skills)</b>	4	7.27%
<b>Not Answered</b>	6	10.91%

**Other (please state):**

Targets set by professionals and supporting visits within the setting

Not enough money to even allocate enough staff ratio. Never realistic. Always out of pocket

Has EIF enabled children to access your setting who otherwise might not have without EIF?

<b>Option</b>	<b>Total</b>	<b>Percent</b>
<b>Yes</b>	38	69.09%
<b>No</b>	11	20.00%
<b>Not Answered</b>	6	10.91%

Do you agree that EIF has increased your confidence to support the children in the nursery?

Option	Total	Percent
Yes completely	32	58.18%
Yes partly	14	25.45%
No change	3	5.45%
Not Answered	6	10.91%

Do you feel that other children have benefitted indirectly from EIF awards?

Option	Total	Percent
Yes	37	67.27%
No	7	12.73%
Not sure	5	9.09%
Not Answered	6	10.91%

Do you feel that EIF has had a positive impact on: (please tick all that apply)

Option	Total	Percent
The nursery	40	72.73%
The individual child	47	85.45%
The staffing team	42	76.36%
Not Answered	8	14.55%

To what extent do you feel that the EIF has met the needs of the children?

Option	Total	Percent
All of the time	10	18.18%
Most of the Time	37	67.27%
Rarely	2	3.64%
Not Answered	6	10.91%

Have the child's targets/outcomes set by professionals been met due to accessing EIF?

Option	Total	Percent
Yes completely	8	14.55%
Yes partly	38	69.09%
No change	3	5.45%
Not Answered	6	10.91%

Please tell us how you found out about the EIF?

Option	Total	Percent
EY SEND Team	38	69.09%
Educational Effectiveness Team	4	7.27%
Specialist Early Education Service (SEES)	3	5.45%
Surrey SEND Local Offer website	13	23.64%
Another Early Years setting	0	0.00%
Previous child awarded	12	21.82%
Not Answered	7	12.73%

**Other (please state):**

We've always accessed the old inclusion grant and attend the ey meetings to know the changes to EIF. What's really benefitted us and the children is being able to access funding for FEET 2s now

Always aware

The link we have with (individual) and the advice she gives us with regards to EIF is invaluable

Do you have any other views or comments to share regarding EIF?

There were 27 responses to this part of the question, including:

It is such a valuable resource and can help getting that short term early intervention in place early. This can make a real difference in the outcomes and happiness of those pupils who need it.

Much more effective than previous discretionary funding

We are so very thankful for this financial support which enables us to do the very best we can for these children. Thank you!

Please continue to offer this. It is hard enough in early years at the moment.