



Papers for Surrey Schools Forum 6 October 2022

Item 4

Surrey Schools Forum

6 October 2022

Lead: David Green

For information and discussion

Update on DfE schools funding settlement for 2023/24

DfE announced the basis of the 2023/24 schools funding settlement on 19 July 2022, although the initial allocations will be updated in December using the latest pupil numbers.

Summary Dedicated Schools Grant allocations (July 2022 data, before updating for Oct 2022 pupil numbers)

	2022/23 DSG	2022/23 SSG	2022/23 DSG+SSG	2023/24 initial DSG	Increase	%
	£000s	£000s	£000s	£000s	£000s	
NFF Schools block	745,810	22,255	768,065	781,808	13,743	1.79%
Central schools services block			6,428	6,449	21	0.33%
High needs block			198,744	207,957	9,213	4.64%
Early years block				TBC		

(SSG=schools supplementary grant, a separate grant in 2022/23).

DfE publishes early years DSG allocations in November/December.

Schools block (national funding formula or NFF)

Average NFF funding rate paid by DfE to Surrey for mainstream schools will increase by 1.8% per pupil (after assimilating schools supplementary grant from 2022/23). This assumes no change in growth funding, The growth funding allocation for 2023/24 has yet to be announced, but Surrey's allocation has fallen annually in recent years.

The 1.8% average increase is calculated by applying the NFF at school level, made up of:

*2.4% increase in NFF formula rates (4.3% on deprivation)

*0.5% increase in minimum funding guarantee (MFG) and minimum per pupil funding levels (MPPL).

The average increase reflects the significant proportion of Surrey schools on MFG and MPPL, for which the NFF provides a relatively low increase.

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 on the residue.

Central schools services block (specified LA central services)

The increase is made up of an average 2.2% per pupil (£132,000) in the “retained duties” allocation, less a further 20% reduction (£111,000) in the historic commitments allocation.

High needs block (Special educational needs)

There is a minimum increase of 5% per 2-18 population on funding other than basic entitlement and former teacher pay and pension grant funding. 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 2023/24 is £9.2m (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 2022 census data for independent special schools and Oct 2022 census data for state special schools.

The “special schools minimum funding guarantee” is 3% across two years, i.e. the like for like increase per pupil between 2021/22 and 2023/24 must be at least 3%.

Early years block

A decision on 2023/24 early years funding rates is still awaited, but DfE consulted between July and September on various technical changes to the early years block, covering two, three and four year olds, including:

- Updating needs indicators with the latest data (e.g. for deprivation)
- Changes to the way in which some additional needs factors were defined
- Changes to the way in which area cost adjustments (for high cost areas) were calculated, in particular as regards premises costs
- Assimilation of the former teacher pay and pension grants into the early years national funding formula, and allowing LAs to use a formula factor to reflect higher cost of employment for teachers
- Moving maintained nursery school supplementary funding onto a formula.

Illustrations in the consultation suggest that the changes should be broadly beneficial to Surrey, but the proposals included a system of floors and ceilings, which would mean that any benefit would be phased in over several years.

Item 5

Surrey Schools Forum

6 October 2022

Lead: David Green (schools), Carol Savedra (Early years)

For recommendation (part) and decision (part)

Surrey Schools' and Early Years Funding Consultation 2023/24

Outcome of consultation on schools, high needs and early years funding: decisions and recommendations to Cabinet

Summary of consultation questions and voting restrictions if any

The schools funding consultation is due to close on 3 October 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 as set out 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: Funding for statutory school improvement duties for maintained schools (maintained schools only, it may be possible to vote separately by sector on Question 15).

Question 14

Do you approve the deduction of £12.65 per pupil/place from maintained schools' budgets (an increase of £6.15/pupil compared to 2022/23), in order to maintain statutory school improvement services to Surrey LA maintained schools? (This replaces grant funding which ceases at the end of 2022/23)

Question 15

Do you approve continued deduction of £8.75/pupil from the budget of maintained schools, to fund additional school improvement support such as that described above?

Proposal C4: De-delegation (maintained primary and secondary schools only, and separately)

Question 16

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) ESS SIMS licences;
- c) Teaching Association and Trade Union facilities time;

- d) Other special staff costs (e.g. for public duties and suspensions);
- e) Free school meals eligibility checking;
- f) support to travellers

School funding proposals on which the Forum is being consulted

Proposal C1 Question 7

Do you support the transfer of 1% of the schools block allocation to the high needs block in 2023/24, 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).

Proposal C2 (funding formula issues, so any vote is for school, academy and early years reps only, including special school/AP reps).

Question 8

Which of the two proposals for formula funding of Surrey schools in 2023/24 better meets the needs of Surrey schools?

A: an increase of 0.88% in most units of resource and 2.75% in deprivation units of resource?

B: an increase of 0.91% in most units of resource and 1.80% in deprivation units of resource?

(Both provide minimum funding guarantee of 0.5%, minimum per pupil level increase of 0.5%, and no ceiling on gains unless required as a result of data changes).

Question 9

Do you support the proposed reserve proposals for MFG and formula factors, should the proposed transfer from schools block to high needs block not be approved? (i.e. NFF factors, modified for higher lump sum, and minimum funding guarantee of 0.5%)

Question 10

Do you agree that a ceiling on large (per pupil) gains should be used, if necessary, in order to manage any increase in the cost of additional needs when October 2022 data is available?

Question 11

Do you agree that any ceiling (on large per pupil gains) should be set at such a level as to minimise the impact on small schools?

Question 12

If you do not support a ceiling, how would you prefer any cost increases arising from the Oct 2022 data to be managed?

Question 13

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

Early years funding proposals (on which the Forum is being consulted)

Question 17 (or E1.1)

Do you agree that 100% of the DfE funding for 2 year olds should continue to be passed on to providers through the hourly rate?

Question 18 (or E1.2)

Do you support the proposals for setting the 2 year old hourly rate, in order to ensure that the budget for 2 year olds can break even while maximising the opportunity for children to take up the 2 year old offer (e.g. starting after termly census date)?

Question 19 (or E2.1)

Do you agree that the whole of any increase in the DfE hourly funding rate for 3-4 year olds should be used to increase the hourly rate to providers?

Question 20 (or E2.2)

Do you agree that there should be a further increase of 6p/hr in the basic rate over and above the DfE increase (reflecting the estimated current recurring underspend)?

Question 21 (or E2.3)

Do you agree that the current basis and level of deprivation funding for 3-4 year olds should be maintained?

Question 22 (or E3)

Do you support maintaining the Early Intervention Fund (EIF) at the current level for the next financial year?

Question 23 (or E4)

Do you agree that there should be an additional supplement of 27p/hr for state maintained (early years) providers who are required to employ (and actually do employ) qualified nursery teachers, in order to preserve the funding previously allocated to these providers through separate grants?

Question 26 (or E7)

Do you support linking the funding rate for free meals provision for entitled pupils in state maintained nursery schools and classes to the national funding formula rate for free meals in primary schools?

Question 27 (or E8)

Do you agree with the proposals for distribution of maintained nursery school supplementary funding from the DfE (As described in section E4 of the consultation paper)?

Early years proposals which are subject to Schools Forum approval

Question 24 (or E5)

Do you support the continued retention of 5% of funding for 3-4 year olds for 2023/24 for use as described in annex 8?

Question 25 (or E6)

Do you support the continued provision of an Inclusion Fund for 2 year olds, funded from the 5% centrally retained funds for 3 and 4 year olds?

Item 7
Surrey Schools Forum
6 October 2022
Lead: Carol Savedra
For discussion and support

Mainstream SEND banding review

Development of a new banding system to be introduced for funding pupils with an EHCP in mainstream schools

Background:

Historically Surrey County Council has funded pupils with Education Health and Care Plans (EHCPs) placed in mainstream schools, based on hours of support, identified through the EHCP assessment process and consultation with schools for each pupil. The formula used to fund schools for the hours of support identified, has been through a mechanism known as the Individual Pupil Support Budget (IPSB). This method of funding has not been reviewed for a significant period and has attracted criticism. The key issues raised by schools are that the amount per hour is notional and not necessarily associated to the cost of support and that identifying hours of support creates an expectation that 1:1 teaching support should be provided when often this would not be required or appropriate.

Current funding arrangements

There are 4 bands currently being utilised for mainstream schools, with a set range of hours within each band. The level of support funded for each pupil is dependent on the number of hours identified for individual pupils through the EHCP assessment process, not the band)

Mainstream review working group

A working group was created in Autumn 2021, made up of Surrey County Council officers and headteachers and colleagues, to review the Mainstream EHCP Funding for individual pupils. The task for the group was to design a new framework to be implemented for the academic year 2023/2024.

The overarching principles and aims for the working group were:

- To create a single coherent and consistent funding framework which applies to all Surrey Mainstream Schools & Academies.
- Learn from best practice of other Local Authorities and how funding is delegated to schools.

- To provide appropriate provision for children in Surrey as they move through the education system in line with their needs/changing needs.
- To generate a sustainable funding framework that supports provision for a greater number of pupils with SEND within the mainstream school sector, enabling children to be educated closer to home.
- To create a funding framework that is fully compliant with the Children's and Families Act 2014 and SEND Code of Practice 2015.

The Mainstream Review Working Group looked at a variety of different models for allocating and delegating funding to mainstream schools to support individual pupils with an EHCP. In line with the principles and aims, the view of the working group was to adopt an approach which includes moving away from funding being based on teaching assistant hours of support.

The proposal is for a banded funded model which will provide more clarity for parents on the additional support for their children. The current model of hours of learning support assistance currently outlined in EHCPs, has led to confusion whereby parents have interpreted it as 1:1 teaching, when this is often not required. A banded funding model will allow schools to use the funding awarded to deliver the support outlined in the EHCP, in the most appropriate way. This brings more flexibility for schools in how the top up funding is used to support individual needs and provide the right support for the child.

Proposed Mainstream Special Educational Needs Descriptors

In order to determine the banded funding level for each pupil, a descriptor document has been jointly drafted with the working group and a wider audience including SENCos. This document has been written in conjunction with the Ordinarily Available Provision document work which has just been implemented and the Descriptor document is still subject to further refinement and edits before being finalised. The descriptors will include a brief narrative describing need as well as provision required. This will align with the new EHCP template currently being rolled out so that funding can reflect what has been identified in the EHCP.

Testing and Benchmarking

The descriptors and the proposed banding will be tested over the Autumn term 2022 in order to ensure that the two are consistent. We have invited Expressions of Interest from Mainstream Schools with full representation including different types, phases, demographic and geographical differences so that we can ensure that we fully understand the impact of the proposed changes and identify any outliers. We intend to test at least 10% of mainstream schools. We anticipate that some changes may be necessary both to descriptors and funding bands, following this testing.

SEN Centres

SEN Centres will be reviewed in the next academic year and a further sub working group will be formed to complete this work.

Consultation

We are proposing to consult all schools on the proposed changes later this term, reporting to Schools Forum either in December or January. The consultation will include a proposed timetable for implementation.

For discussion

Do you support the principle of moving from the current hours-based funding model to the model outlined above for pupils requiring additional support in mainstream schools with an EHCP?

Item 8

Surrey Schools Forum

6 October 2022

Lead: David Green/ Carol Savedra

For discussion and support

Special schools inflation funding

Summary

The Forum is asked to note the proposed one-off distribution of additional inflation funding to special schools in 2022/23.

Background

Surrey's 2022/23 pay increase for support staff was announced relatively late and was higher than expected at the time school budget allocations were issued, due to the need to respond to increased inflation pressures which became evident in spring. It was recognised that the lump sum settlement placed particular pressures on special schools, because of the large number of teaching assistants they employ and because they had not had the benefit of the average 5.5% increase per pupil provided by the NFF and school supplementary grant to mainstream schools.

Schools Forum members were consulted in July 2022 on a proposal to distribute an additional £1m to special schools from DSG reserves, as a one off contribution to the additional costs, based on the estimated additional support staff costs incurred by each school as a result of the pay increase. This would be paid separately from top up rates. The proposal was supported by 15 of 18 Schools Forum members who responded (a quorum is 13).

Following discussions with a headteacher working group, the LA proposed to distribute the £1m to special schools and PRUs pro rata to the estimated cost increase (less 2%), based on returns of actual costs from individual schools. It is estimated that this would cover 90% of the additional costs of the support staff pay increase, over and above the 2% which schools were advised to plan for in their 2022/23 budgets.

Action requested of the Forum

The Forum is asked to note the proposal.