

## Papers for meeting of Surrey Schools Forum Wednesday 15 January 2020

<b>Item 4</b>
<b>Surrey Schools Forum</b>
<b>15 January 2020</b>
<b>For information and discussion</b>

### Update on DSG and mainstream school funding formula

This paper describes the final DSG allocations for 2020/21.

<b>NFF Schools Block</b>	£m	
2019/20 allocation	629.137	
Share of national growth	28.143	
Change in premises costs	-0.833	Funded at "historic cost"
Change in growth fund allocation (moving to formula)	-1.137	
Increased pupil numbers	<u>8.528</u>	
2020/21 allocation	663.838	
Change from Oct estimate	8.391	(ie increase)
made up of		
pupil numbers	8.528	
growth fund	<u>-0.137</u>	
	8.391	

(However, when budgeting for growth fund we had actually allowed for a further reduction of £500k to be on the safe side)

### Proposed distribution of NFF schools block-4 possible scenarios

(Figs not yet final-still awaiting further advice from DfE and confirmation of some of the school data)

The table below shows the DSG to be allocated through the mainstream formula and the affordable progress towards the NFF and ceiling levels, based on four scenarios:

\*assuming that the DfE approves the £3.3m transfer to high needs block (outcome of appeal currently awaited-will be implemented if approval received)

\*if the transfer is not approved (we need to consider this as we have not yet been advised of the outcome of our appeal to the DfE)

\*each of the above but allowing for a possible DSG reduction of up to £0.7m

	As reported to Cabinet 17 Dec	If transfer to HNB approved £m	If transfer to HNB not approved £m	Or £m	£0.7m reduction +transfer £m	£0.7m reduction no transfer £m
NFF schools DSG total plus combined services		663.838	663.838		663.138	663.138
less to high needs less growth fund (item 6)		0.869	0.869		0.869	0.869
		-3.300	-3.300		-3.300	-3.300
		-4.460	-4.460		-4.460	-4.460
Amount through formula		656.947	660.247	660.247	656.247	659.547
Key variables:						
% NFF factors	92.50%	100%	100.71%	100.79%	97.50%	100.53%
% Surrey factors	7.50%	0%	0	0	2.50%	0%
Minimum funding guarantee	1.84%	1.84%	2.34%	1.84%	1.84%	2.34%
Ceiling	5.50%	6.80%	n/a	n/a	5.50%	n/a
Schools on MPPL						
Primary		59	48	45	60	51
Secondary		15	11	9	16	11
		74	59	54	76	62
Schools on Minimum funding guarantee (MFG)						
Primary		49	46	44	47	49
Secondary		6	6	6	6	6
		55	52	50	53	55
Schools on ceiling						
Primary		40	0	0	69	0
Secondary		0	0	0	3	0
		40	0	0	72	0

So we should be able to move further towards NFF and possibly to achieve a higher ceiling than projected in the December Cabinet report (depending on outcome of outstanding queries)

MFG of above 1.84% requires DfE approval (provisionally applied for in case we need it). We are proposing that a higher MFG should be considered if we don't get the approval to transfer funding to HNB, on the basis that it is more compatible with moving to NFF than simply raising formula factors above the NFF, -and it helps schools which otherwise don't get much extra out of the NFF growth

NOTE: There has been a 15% fall in incidence of primary low prior attainment (which seems to be the result of summer 2013 Foundation Stage Profile dropping out) This means that there is a surplus against NFF if there is no transfer to HNB Probably a one off effect

### Other blocks

**Central schools services block (CSSB)** (funds admissions, copyright licences and a range of statutory services)

	£m	
2019/20	6.235	
less 20% reduction in combined services	-0.217	confederations etc-pass on to schools
less transitional reduction in per pupil rates	-0.079	
impact of increased pupil numbers	<u>0.057</u>	
2020/21	5.996	

Net impact is a reduction of 22k in funding for services (which we will have to find somewhere) There was no growth or inflation on CSSB except for funding for increased pupil numbers.

### **High needs**

Further increase of £1.6m (ie increase is now £13.8m) This is due to increasing the basic entitlement element of the high needs block (part of the high needs allocation which depends on the number of pupils in state maintained and independent special schools) We aren't sure how sustainable this increase is.

### **Early years**

No change since November meeting Funding rates have not changed DfE published allocation is still based on Jan 2019 census data. No further changes are proposed to early years funding in 2020/21 over and above those discussed at the November meeting and included in the Cabinet report on 17 Dec (except that, as usual, the maintained nursery school lump sum will be changed to reflect changes in the value of the maintained nursery school transitional grant).

David Green 10 Jan 2020



<i>Item 5a</i>
<i>Surrey Schools Forum</i>
<i>15 January 2020</i>
<i>For information and discussion</i>

## **Additional funding for special schools, SEN centres and pupil referral units 2020/21**

### **Summary**

This paper provides information requested by the Forum on the costs of various levels of increased funding for special schools/centres and PRUs for 2020/21 and proposes a level of increased funding for the sector.

### **Cost of illustrative funding increases for special schools/centres/PRUs**

At its December meeting, the Forum considered a proposal to increase funding rates for special schools by an average of 1.84% (including place funding) in line with the proposed minimum funding guarantee for mainstream schools. The Forum did not support the proposal. The Forum asked for an estimate of the cost of a 4% increase for the sector and this is illustrated below, together with various intermediate options. The table also includes SEN centres and pupil referral units.

<u>Estimated cost of increasing funding rates for special schools, SEN centres and PRUs by</u>	1.84%	2%	2.55%	3%	4%
	£000s	£000s	£000s	£000s	£000s
special schools (Place and top up, incl residential) <sup>1</sup>	833	905	1,154	1,358	1,810
ISPSB special	44	48	61	72	96
SEN centres (Place and top up)	179	195	248	292	389
PRUs	103	112	142	167	223
	1,159	1,260	1,605	1,889	2,518

So, for example, a 2% increase in funding rates for special schools (including special schools ISPSB), SEN centres and pupil referral units, would cost £1.26m annually.

Any increase in funding rates would need to be implemented through top up rates only, as the place funding rate is fixed by the DfE. So the percentage increase in top up rates would be higher than the targeted overall percentage increase.

<sup>1</sup> Excludes St Dominic's and Grafham Grange, because they are not on Surrey banding rates. Around 5% of the total cost of any funding increase for special schools should be recoverable from other LAs.

## **High needs block 2020/21**

The final increase in high needs block DSG for 2020/21 has been advised by DfE at £13.8m, The difference from the estimate of £12.2m reported at earlier meetings is due to changes in the basic entitlement (that part of the HNB which is based on the number of pupils in special schools) which has now been updated for the latest pupil numbers. This component of the HNB is expected to decline in future years if the number of pupils in specialist placements (In particular the number in independent special school placements) declines, as a result of more pupils with SEN being provided for in mainstream schools, as projected in the sustainability plan.

## **Proposed increase in special school/centre/PRU funding for 2020/21**

It is proposed that the £1.6m identified above is used to support increased funding for the special school/centre sector, which would support an average increase of 2.55%. However, as the impact of support staff pay increases, in particular, is uneven across the special school sector, it is proposed that the distribution of funding should vary between sectors, having regard to the way in which funding is currently used by the different sectors, in addition to looking at the impact of support service pay.. This is an interim measure pending a full review of special schools funding. As part of this, we will be asking all special schools/schools with centres (including academies) to share details of their costs.

Any decision to allocate additional funding to the special school sector will mean that the high needs block deficit at the end of 2020/21 is higher than it would otherwise have been. As such, it would need to be taken by Cabinet/Council, as part of the overall budget setting process. We would aim to make a decision by 31 March 2020.

A longer term approach to the level of funding in the specialist sector would then be considered as part of the wider review of funding of special schools and centres.

## **Recommendation**

That the Forum supports the proposed additional funding for the special school/centre/PRU sectors, and the proposed basis of distribution.

That the Forum supports the establishment of a working group to work through the detailed proposals, the membership to be agreed between Chairs of Phase Councils, Chair of Schools Forum and Director of ELLC. The final decision on the proposals will be for the LA though.

David Green 10 Jan 2020

<b>Item 6</b>
<b>Surrey Schools Forum</b>
<b>15 January 2020</b>
<b>For decision</b>

### **Growing schools update: 2019/20 and 2020/21**

The latest estimates for growing schools costs and funding for 2019/20 and 2020/21 are shown below, updated for October 2019 census data. A few additional criteria for 2020/21 have been added for completeness. The 2019/20 figures are not yet be final and will be updated at the meeting if necessary.

#### Updated estimates for growing schools funding and costs 2019/20-2020/21

	2018/19 outturn	2019/20 initial	2019/20 Latest est	2020/21 updated est
	£000s	£000s	£000s	£000s
New bulge classes/permanent PAN increases primary	1,250	1,400	866	1,040
Resources for new primary classes	312	336	288	300
Protected vacancies in existing bulge classes	1,910	1,449	1,440	785
Missing year groups (diseconomies of scale)	188	88	88	70
Secondary schools exceeding/raising PAN	1,317	2,068	1744	2,098
Others (possible commitments)	109	69		67
Prior year vacancy adjustments				
Contingency				
Pre opening costs of wholly new schools			50	100
	5,086	5,700,	4476	4,460
Budget available		4,953	<u>4,953</u>	<u>4,460</u>
Use of previous year underspend		747		

The available budget for 2020/21 is calculated as shown below

DFE growth allocation (confirmed 19 Dec 2019)	5,556
Less cost of average pupil number growth (funded in main formula)	1,096
Less falling rolls fund (discontinued)	<u>0</u>
Available to fund growing schools (est)	4,460

On the basis of these estimates we can contain the cost of growing schools funding within the DfE allocation in 2020/21 (although there is no DfE expectation that we should do so).

## Clarification of criteria

Add to criteria agreed in December 2019:

- Vacancy funding for wholly new primary schools (ie schools which have been opened in the last seven years and which do not already have seven year groups in place (or three if infant schools or four if junior schools)  
Vacancy funding to be allocated in the same way as for increases in PAN without change of age range (ie first three intakes are funded for vacancies for three years) So these schools are funded in the same way as schools increasing PAN rather than as schools adding year groups.
- Vacancy funding for schools expanding age range other than wholly new schools  
First group admitted in new age range is funded for the first four years (infant expanding to primary) or three (junior expanding to primary)

Both are in line with previous practice Vacancies would continue to be funded at 100% (infant) 95% (junior) or 90% (post Jan 2019) of basic entitlement (less dedelegation and central services levy where appropriate), as previously agreed.

## **Recommendation**

That the Forum approves these criteria and the revised budget for 2020/21.

David Green

10 Jan 2020