

Papers for meeting of Surrey Schools Forum 12 May 2023

Item 5

Surrey Schools Forum

12 May 2023

Lead: David Green/Sarah Bryan

For information (and approval of Central Schools Services Block)

Update on 2023/24 budgets including disapplication requests and final school and early years funding rates and proposed changes in use of Central schools services block (CSSB)

Final school and early years funding rates

Final decisions on various aspects of the 2023/24 school and early years funding formulae were delegated to the Director for Education and Lifelong Learning, to be made once all of the necessary data was available.

Final decisions were taken as follows and have already been notified to providers, but are stated here for completeness:

Mainstream schools

Units of resource were as previously proposed (ie roughly 1.5% below National funding formula (NFF) rates). The ceiling was 1.562% (cf 1.53% estimated at January meeting). £2m was transferred from growth fund to support the formula, as proposed at that meeting. The application to transfer 1% of NFF funding to high needs block was approved by the DfE at the end of February 2023 and the final budget allocations to schools reflected that transfer.

Early years

Rates were set as follows:

3-4 year old basic hourly rate: £5.14/hr (increase of 27p)

2 year old basic hourly rate: £6.65/hr (increase of 52p)

Additional teacher pay and pension supplement for maintained and academy schools employing a nursery teacher in the teachers' pension scheme, of

* £0.33/hr for maintained nursery schools,

* £0.27/hr nursery classes

No increase was provided to the early intervention fund as that appeared unaffordable based on the data available at the end of March 2023.

No changes were made to deprivation funding rates.

Additionally, it is proposed that a sum equivalent to 3p on the hourly rate is added to the Early Intervention Fund during the year if affordable. This would partially address the "structural underspend" on funding for 3-4 year olds. It was also originally proposed that an additional 3p would be allocated to the hourly rate for 3 and 4 year

olds which would address the remainder of the structural underspend. From the data available in March 2023 this was not deemed affordable. DfE have now promised an increase in funding from September 2023 (although no indication has been given of what form that will take). We propose to review any residual “structural underspend” expected in 2023/24 when considering the allocation of any such additional funding, subject to regulations permitting,

Special schools

Top up rates for special schools have been inflated by 0.5% plus £50. Taken together with the increase of 2.5% plus £250 in 2022/23 this delivers the required 3% increase from 2021/22-2023/24 in per pupil funding in special schools.

Additionally special schools and PRUs receive inflation funding equal to 3.4% of average 2022/23 per pupil funding (place and top up), in compliance with the DSG conditions of grant.

Central Schools Services Block (CSSB)

Education Authorities are required to seek approval for CSSB expenditure. Full use of CSSB funding (excluding historic commitments funding) has been approved for 2023/24 (approved at December 2022 and January 2023 Schools Forum).

To use resources as efficiently as possible, the council seek approval to redirect resources within planned expenditure items (only) to stay within the approved envelope. For example if forecasting indicates that planned teachers’ pension expenditure will underspend by £30k, such approval would allow the council to redirect that £30k to another line within the planned (and previously agreed) CSSB. The intention of this proposal is to maximise spend/minimise underspend within limits set by the CSSB budget envelope. The council do not intend to introduce new expenditure items in-year without seeking Schools Forum approval.

As a reminder, approved spend items for 2023/24 are included in the Annex.

CSSB - Historic Commitments Funding

At the December 2022 meeting Schools Forum supported the proposal to delegate 50% of net Historic Commitments funding (£125k net of MFG and MPPL) with the intention to cease delegation in 2024/25 (in order to create equity between sectors and start the transition to a direct National Funding Formula). This decision leaves £319k of currently unallocated 2023/24 funding within the CSSB. In addition, there is £556k of historic commitments funding unspent from 2022/23 (see items 6 below).

The council are proposing to carry forward the 2022/23 funding and seek approval to spend this along with the 2023/24 allocation by temporarily increasing the level of contribution towards the Education Welfare and Admissions teams. This would then allow redirected general fund resources to be targeted towards other activities such as:

- Systems review - capitalise on benefits of the data made available from the LiFT system introduced last year. This work would be aimed at how data can help drive better value from providers (initially targeted towards the independent sectors)

- Funding to contribute towards supporting the implementation of Inclusion and Innovation Working Group programs.
- Additional targeted resources for SEN Case officer teams

If approved, the spend would likely be profiled in line with when general fund resource was applied for the above items, i.e. the historic commitments funding could be applied in this financial year or next.

Note: regulations allow the Education Welfare and Admissions team expenditure to be fully funded by CSSB however in recent years the Council typically fund these teams using a mix of DSG and general fund income (as would still be the case).

Action requested of the Forum

To agree proposed variations in use of CSSB

To agree the addition to the Early Intervention fund of a sum equivalent to 3p on the hourly rate during the year, if affordable.

ANNEX Current approved use of Central schools services block in 2023/24 (excluding historic commitments)

Services	£000s	£000s
Admissions service team costs and overheads	1,753	
Admissions appeals for community schools	212	
Devolved admissions appeals funding	230	
Schools Forum running costs	26	
Copyright licences (sum charged by DfE-2023/24 costs not available at date CSSB approved)(886k Dec+17k Jan)	903	
EYES support/Children missing Education (191k Dec+47k Jan)	238	
Total excluding former retained ESG functions		3,362
Former retained ESG functions (DSG funded part)		
Education welfare	1,395	
Asset management	52	
Contribution to statutory/regulatory duties for all schools IT /SACRE	180	
Head of service/other leadership (part)	165	
Partnership role incl school relationships (part)	165	
Finance (school funding service budgets)	162	
Phase council supply cover	30	
Total retained former ESG services		2,149
Teachers' pay and pension funding for centrally employed teachers (assimilated former grant)		557
Total CSSB costs (excluding historic commitments)		6,068
Estimated CSSB allocation excluding historic commitments (as updated Jan 2023)		6,068
(under) over		0

Item 6

Surrey Schools Forum

12 May 2023

Lead: Sarah Bryan/David Green

For information/discussion

Dedicated Schools Grant (DSG) Outturn 2022/23

The final DSG position at outturn 2022/23 was a net deficit of £26.7m against DSG income for the year, before additional safety valve funding (of £23.5m) from the DfE, plus a planned use of £1m of non high needs block reserves to provide one off additional inflation funding for special schools and PRUs. However, once again, the outturn includes a significant cumulative overspend on the High Needs block, with underspends in the Schools and Early Years blocks.

DSG OUTTURN SUMMARY

The outturn position on DSG can be summarised as follows (gross of academy deductions):

	Final DFE allocation £000s	Planned use of reserves £000s	Actual (inc use of reserves) £000s	Overspend/ (Underspend) £000s
Schools	745,811	1,000	744,830	-1,981
CSSB	6,428		5,581	-847
High needs	199,405		230,669	31,264
Early years	79,520		77,827	-1,693
Total	1,031,164	1,000	1,058,906	26,741

Movements in the various blocks during 2022/23 can be summarised as below:

	At 31 March 2022 (Under) / overspend £000s	Prior year adjustment in 2022/23 for 2021/22** £000s	B/f allocated in 2022/23**** £000s	In year 2023/24 (Under)/ over £000s	Expected DSG adjustment Jul 2023*** £000s	Cumulative Outturn 31 March 2023 (under)Over £000s
Schools	-6,948		1,000	-1,981		-7,928
CSSB	-219			-847		-1,066
High Needs	118,579			31,264		149,843
Early Years	-13,048*	-769		-1,693	TBC	-15,510
Total	98,364	-769	1,000	26,742	TBC	125,337
Less safety valve	-40,500			-23,500		-64,000
Deficit	57,864					61,337

**Based on allocation before year end adjustment for latest January census data. This adjustment was an increase of £769,000 for 2021/22.*

*** Grant added in 2022/23 in respect of 2021/22*

**** Adjustment expected in July 2023 in respect of Jan 2023 early years census data Not yet known, but expected to be small (under £0.1m)*

***** Planned spending in 2022/23 from previous year Schools Block surplus*

The in-year deficit on the High Needs Block was £31.3m and the cumulative deficit on that block is now £85.8m, after deducting safety valve contribution from DfE of £64.0m (£40.5m in 2021/22 and £23.5m in 2022/23).

The key variations per block are as follows:

1. SCHOOLS BLOCK OUTTURN

	2022/23 (Under) / overspend	Explanation of variance
	£'000	
Main formula	-260	Mainly rates adjustments
Growing Schools	-898	We are obliged to allocate funding for planned bulge classes and PAN increases but in many schools (particularly secondary) the expected growth did not happen. Growth costs are currently falling year on year.
De-delegated contingency (maintained primaries only)	-156	Fund deducted from budgets of maintained primary schools. The contingency was not spent at all in 2022/23 and it is proposed that this is carried forward to 2023/24. No funding has been de-delegated for this purpose in 2023/24
De-delegated intervention fund (maintained primaries only)	-36	Intervention fund is managed by SAfE and used to support maintained primary schools facing leadership and standards issues.
De-delegated Special Staff costs (union facilities)	12	Dependent on academy buyback rate, which is always uncertain until well into the year. This fund has normally been in surplus and the deficit reflects a much lower buy back rate in 2022/23
De-delegated special staff costs (other)	-37	Demand led and not used in 2022/23
Central services levy-new redundancies	-132	Necessarily demand led budget
Others, including behaviour support and area exclusion budgets	-23	Travellers, behaviour, etc
Corporate allocations	-536	Central Services Levy Corporate charge held

Transfer of prior reserves for special school inflation	929	One off exceptional payment to Surrey Special Schools and PRUs for 22/23 in response to the 2022/23 pay award.
B/f contingency recycling	156	Funding brought forward from 2021/22 underspend and delegated to schools in 2022/23
Over (under)	-981	

2. CENTRAL SCHOOLS BLOCK (CSSB) OUTTURN

	(Under) / overspend	Explanation of variance
	£'000	
Devolved Admissions Appeals	-39	Demand led i.e. depends on the number of admissions appeals claimed by individual schools
Various centrally managed services	-252	Underspend relating to 30.5% teachers pensions costs chargeable to CSSB, Schools relationship and other smaller misc. amounts. See item 5 proposals to reduce potential underspends going forward.
Historic commitments budget unallocated	-556	This funding was never allocated in 2022/23, as agreed at the start of the year "historic commitments" allocations to the schools within the delegated formula were covered from growth fund underspend
Over(under)	-847	

3 HIGH NEEDS BLOCK OUTTURN

Category	Outturn £000	Outturn %
Independent Special	84,146	36%
Maintained/Academy Special	50,919	22%
Other Special	8,489	4%
Place funding	21,992	10%
Specialist Centres	7,604	3%
Mainstream	24,190	10%
Colleges	4,133	2%
Direct provision	7,580	3%
PRUs	4,889	2%
Services	16,727	7%
Total High Needs	230,669	
HNB DSG	-199,405	
Overspend	31,264	
Brought forward from previous years	78,079	
Total HNB shortfall	109,343	
Less DfE Safety Valve Contribution	-23,500	
Balance c/f	85.843	

Reason for Overspend

For some time now the High Needs Block DSG funding has been insufficient to meet the historic demand increases for EHCPs. The SEND transformation programme is addressing ongoing demand pressures and the Safety Valve agreement addresses the historic under funding.

2022/23 outturn has been contained within the profile of the Safety Valve agreement. The 2022/23 deficit of £31m is c£2m lower than expected at the time of the agreement. Although we are slightly ahead of the profile, overall growth is higher than originally assumed and as such 23/24 Cost Containment targets are higher than originally planned (c£3m).

To contain the overspend to £31m in 2022/23, £27m of cost containment and in year mitigations were delivered as shown in the table below.

	£m
Sufficiency Strategy	8.3
Preparation for Adulthood	4.3
Market Management	5.2
Managing Need	6.4
Partnership Engagement	1.3
Stretch Targets	1.9
Total for year	27.3

4. EARLY YEARS BLOCK OUTTURN

	(Under) / overspend	
	£'000	
Three & Four Year Olds		
Main Formula	-1,155	This reflects the structural underspend generated by the formula. The intention is to review the funding for 23/24 to allow for this, alongside changes we expect to be needed in September (see item 5).
Early intervention fund	-300	
Disabled access fund	-110	Surrey's allocation is based on DWP data. The number of children for whom Disability Access funding is claimed has historically been well below the allocation
Centrally retained services for 3-4 year olds	-106	An amount was kept in reserve in order to support and address upkeep of the portal and the introduction of EYES
Two Year Olds		
Expenditure above (below) grant	-22	Reflects variation in termly take-up. Historically this has been overspent in recent years
Over(under)	-1,693	

Action for the Forum

To note and discuss.

Item 7

Surrey Schools Forum

12 May 2023

Lead: David Green

For information/discussion

Update on DFE consultations and announcements

DFE response to second stage consultation on implementation of hard /direct national funding formula for schools

On 26 April 2023, the government published its response to the second stage consultation on the hard/direct national funding formula (which closed on 9 September 2022). The response proposes the following changes for 2024/25:

- A national formula for split site funding, largely as set out in the consultation, i.e. a lump sum for split site schools, plus a second lump sum if the two sites are more than 500m apart. Two changes have been made: the basic lump sum will now be 40% of the NFF lump sum and the distance lump sum 20% (rather than 30% each) and there will be a tapered lump sum for schools between 100m- 500m apart, to avoid a large step change in funding at 500m. There would be MFG protection for schools losing funding as a result of the change to a national formula, though not for schools ceasing to be split site schools. The increase in weighting for the basic lump sum will benefit the four Surrey schools with split sites less than 500m apart;
- Introduction of minimum funding criteria for growing schools (although otherwise local discretion would remain for the present);
- Removal of the requirement that only good and outstanding schools can benefit from falling rolls funding protection (where the surplus places are required within three years). Instead LAs using falling rolls protection will be required to base eligibility on School Capacity Survey (SCAP) return data
- Allocating funding to LAs for areas where there have been significant falls in rolls (using data for Middle Super Output areas, as for growth fund)
- Allowing LAs to use growth and falling rolls funding to meet revenue costs of removing or “repurposing” surplus capacity (the specific example is given of creating SEN centres).

Longer term changes to be implemented include:

- Reviewing the definition of notional (or “indicative”) SEN budgets . The government proposes to link those to the national SEND standards being developed under the national SEND and AP improvement plan. The government has reported national support for a nationally specified notional/indicative budget formula.
- Changes to exceptional premises factors (not set out in detail yet-in Surrey this may affect those schools funded for premises rents). No changes to these factors are now expected in 2024/25.

The government proposes to continue to allow LAs to transfer funding from the schools block to high needs, but all applications would require approval by the Secretary of State, i.e. there would be no power of approval for Schools Forum.

'Local authorities will need to consult with local stakeholders and include the results of these consultations in their applications to the Secretary of State'.

Special Educational Needs and Disabilities and Alternative Education Improvement Plan implementation plan

In March 2023 the DFE published its Specialist Educational Needs and Disabilities and Alternative Education improvement plan, following the SEND Green Paper. The plan proposes a number of measures in order to:

- * fulfil children's potential, through good outcomes and being well prepared for adult life and employment
- *, build parents' trust and confidence through a fairer, more easily navigable system, restoring their confidence that children will get the right support in the right place at the right time
- * provide financial sustainability, so that local authorities achieve a stable financial position while improving outcomes for children and young people with SEND".

This item concentrates on the financial side of the proposals.

The plan includes developing a range of national standards for SEND, aimed at increasing national consistency in provision, including "clarifying who is responsible for which provision, and from which budgets, across the 0-25 age range". This will include setting out clearly what should be ordinarily available in mainstream schools. In turn, notional or "indicative" SEND budgets will be linked to these standards. There is an expectation that this will increase the number of children whose needs can be met in mainstream schools without EHCPs. These standards will be supported by SEND and AP practice guides.

The Standards will also form a basis for developing a system of national bands and tariffs to support commissioners and providers so that "similar types of support (nationally) are backed by similar levels of funding. Bandings will cluster specific types of education provision and tariffs will set the rules and prices that commissioners use to pay providers to deliver what is set out within the National Standards".

The plan specifically comments on the need for the national system to include the independent special school sector, and in particular the need for a better understanding of the costs of the highest need placements and the need for changes in independent special school provision to be better included in local authority provision planning. No further detail is given as to how the national system might work or of any timescale for its introduction.

Additionally, changes are proposed to the funding of alternative education in order to improve stability, by reducing the amount of funding which follows individual pupils.

While the various proposals are far reaching, they require much additional detailed work and are unlikely to have a direct impact on local funding arrangements for 2024/25, other than perhaps notional SEND budgets.

Extension of free childcare offer to children aged 9 months-3 years of working parents

Expansion to early years Entitlements announced in Chancellor's Budget March 2023

The Budget announced a range of measures to support education and help parents with childcare so they can return to work more easily.

- Entitlements: Working parents in England will be able to access 30 hours of free childcare per week, for 38 weeks of the year, from when their child is 9 months old to when they start school. The government will also increase the hourly rate for providers.
- Wraparound: The government will invest £289m over two academic years, from Sept 2024, to enable schools and local areas to set up wraparound childcare provision.
- Market reforms, including more choice for childminders and changes to EYFS requirements, to improve flexibility for providers and support the workforce.
- Changing staff: child ratios from 1:4 to 1:5 for two year-olds in England to align with Scotland and provide greater flexibility for providers.
- Childminder grants to attract people to childminding, with £1,200 for those who register with a childminder agency and £600 for those who register with Ofsted.
- Universal Credit reforms will pay childcare support up-front when parents move into work or increase their hours and increase the monthly reimbursement caps.

Timeline

- Sept 2023 - Childminder grants become available
DfE to invest £204m into 2 year olds and 3 and 4year olds funding
Staff: Child/Staff ratio change
- April 2024 - 15 hours x 38 weeks for working families of 2 year olds
Invest £288m into 3 and 4 year olds
- Sept 2024 - National wraparound support begins
15 hours for working parents of children from 9 months to primary school age.
- Sept 2025 - 30 hours for working parents of children from 9 months to Primary school age
- Sept 2026 - All schools to offer 8am – 6pm wraparound on their own or in partnership.

Item 8

Surrey Schools Forum

12 May 2023

Lead: David Green

For information and support

Update on growth fund

Summary

This paper provides an update on the growth fund for 2023/24 and considers in more detail two specific issues which were briefly mentioned at the January meeting.

Background

LAs are allowed to maintain a growth fund to fund schools increasing PAN or admitting bulge classes, and this is funded by a separate (but unearmarked) allocation within Schools Block DSG. Current estimates for 2023/24 and recent years' outturns are summarised below:

Table: Growing schools budgets 2021/22-2023/24	2021/22 outturn	2022/23 Est Jan 2022	2022/23 Final	2023/24 Initial estimate	2023/24 latest
Available funding	£000s	£000s	£000s	£000s	£000s
DFE growth allocation	4,716	4,891	4,891	5,891	5,891
Block transfer 1% to High needs block	0	0	0	-59	-59
Less cost of average pupil number growth in main formula	-621	-550	-555	-752	-752
Add saving due to not funding bulge classes after 1 Sept in leaving year	0	0	0	510	510
Available to fund growing schools (est.)	4,095	4,341	4,336	5,590	5,590
Less already committed elsewhere in 2022/23	0	556	556	0	0
Available budget	4,095	3,785	3,780	5,590	5,590
Estimated/actual costs					
New bulge classes/permanent PAN increases primary	709	628	276	339	339
Resources for new primary classes	88	72	32	48	48
Protected vacancies in existing bulge classes	928	518	450	211	211
Missing year groups (diseconomies of scale)	73	81	81	76	76
Table: Growing schools budgets 2021/22-2023/24 (continued)	2021/22 outturn	2022/23 Est Jan 2022	2022/23 Latest estimate	2023/24 Initial estimate	2023/24 latest

Secondary schools exceeding/raising PAN	1,732	2,183	2,039	1,743	2,286
Others (possible commitments)	0	298	4	0	
Prior year vacancy adjustments	0	0	0	0	
Pre opening costs of wholly new schools	0	0	0	0	
Total estimated cost	3,530	3,780	2,882	2,417	2,960
Proposed transfer to funding formula (item 7)	0	0	0	2,000	2,000
Uncommitted/additional growth contingency	565	5	898	1,173	630

It will be noted that the estimated cost of bulge classes/PAN increases in secondary schools in 2023/24 is now somewhat higher than estimated in January, due to a need for more classes being identified during the secondary place allocation process.

Criteria for 2023/24 were agreed by Schools Forum at its meeting on 8 December 2022.

Two sets of special circumstances were also considered briefly at that meeting. Both are currently seen as an issue mainly for secondary schools, where in some areas demand for places exceeds supply, but in principle could also apply to primary schools. They should be seen in the context of DfE expectations that “popular growth” within PAN should normally be funded via the normal lagged funding route only. In both cases we recommend that consideration should be given only where the LA is satisfied that there are no reasonable alternative places available for the pupils.

Schools exceeding a PAN which has recently been reduced

Usually a school cannot be funded as a growing school unless the number in the September entering year group exceeds both the number in the July leaving group and the PAN when that group is admitted. There are a few schools where PAN has reduced in recent years, where the school has not recently admitted even to the reduced PAN. It is suggested that these are considered on a case by case basis, if needed, having regard to the general national presumption against growth funding for existing vacancies.

Schools admitting bulge classes or increasing PAN after October census date or in a year which is not the normal admission year.

Numbers on roll from the most recent school census, January 2023, suggest that some schools are subscribed up to or over their PAN in some year groups, and are unable to admit further pupils in the year groups without prejudicing the provision of efficient education or the efficient use of resources. Some year groups are seeing more pressure than others, with Years 7 and 9 being the most difficult.

The increasing numbers entering secondary school in year 7 at the normal time of admission means that in some areas of the County schools remain full as year groups move up the school. In order to place children locally some school over time will have to exceed the normal PAN in the year group. This may lead to a need to create further classes or groups to cater for increased numbers either mid-year or into year groups other than year 7 or both.

In principle there is no reason why a bulge class cannot be funded where it is first required in a year which is not a normal year of entry, or during a year, although it is only likely to happen in exceptional circumstances. The same funding mechanism could be used as for year 7 (part year where the class was opened after September). In fairness to other schools the PAN considered in these circumstances should be the PAN ruling when the pupils in the affected year group entered year 7 and the “ten or more above PAN” rule ought to apply to the number previously funded in the year group (ie previous October), taking individual year groups separately.

Usually a school cannot be funded as a growing school unless the number in the September entering year group exceeds both the number in the July leaving group and the PAN when that group is admitted. For schools that cap their PAN, outside of the normal admission round, this rule would also apply and in such cases would prevent the allocation of growth funding.

Current estimates are that we may need two such additional classes in academic year 2023/24, both in NW area. Uncommitted growth funding is sufficient to fund six additional classes over and above those identified so far, so these classes should be affordable within the available resources.

Secondary schools losing bulge classes

Bulge classes in secondary schools are a relatively new feature in Surrey, although they have been common in primary schools. Where bulge classes exist in primary schools, the LA normally seeks to remove funding from September in the year in which the classes leave, on the basis that:

- * the classes were funded from September in the year in which they were admitted
- * the classes were time limited and thus the consequent reduction in pupil numbers when the classes left was planned and predictable.

If bulge classes are to be admitted to secondary schools, equity would suggest that a similar funding adjustment should be made to secondary schools when those bulge classes leave (such an adjustment requires case by case approval from DfE though, just as it does for primary schools).

Action requested of the Forum

The Forum is asked:

- To agree that bulge classes admitted to secondary schools other than in year 7 and/or after October census date, should be funded as growth, on the basis described above, where the LA has no alternative places to offer
- To support in principle, adjustments to the funding of secondary schools so that where funding is provided for bulge classes from September when they are admitted, it ceases from July in the year in which they leave (subject to approval of individual cases by DfE)

Item 9

Surrey Schools Forum

12 May 2023

Lead: Carol Savedra

For information and discussion

Mainstream SEND banding review

Summary

This item provides an update on recent consultations on the mainstream SEND banding review, and summarises action to be taken should the proposals be implemented. It is proposed that formal approval be requested to implement the proposed changes.

Background

Surrey County Council (SCC) have reviewed how children and young people with an Education, Health, and Care Plan (EHCP) are funded in mainstream schools. Currently, the system is designed so that schools are allocated funding on the basis of an hourly rate. This rate is based on a notional amount identified for support provided by a Teaching Assistant (TA). Schools have told us that they find this restrictive and that it limits their options in terms of the ways in which they can support children's needs. It can also be misleading as parents may feel that their children cannot make progress unless they have this support from a TA. A proposed model has been designed, in collaboration with senior school leaders, which we believe will offer schools the opportunity to use the funding in a more innovative way using a variety of interventions, activities and resources.

The proposed new model is a banding system which will offer a more flexible and inclusive approach. It is important to note that no immediate changes will be made to the support which children and young people currently receive in school, should the move to a Banding System go ahead. Changes can only be made to the provision identified in section F of their EHCP at the child's Annual Review. At each Annual Review there will be updates and discussion as to whether needs have changed and what provision is appropriate to meet needs. This would include any 1:1 support currently included in an EHCP.

We consulted both with schools and with Surrey residents.

Our response to the Consultations

Despite the comparatively low response rate, those who did respond were positive about the proposed changes whilst expressing concern around the level of SEN funding in general.

We have carefully analysed the responses, comments and questions and we have:

- Created an information document for parents including frequently asked questions (FAQs)
- Amended and edited the Mainstream School (SEND) Banding Framework that will be used to aid education professionals to identify the most appropriate band

- Agreed to include all Key Stage Transfer pupils in phase 1 to be implemented in Sept 2023

We will also:

- explore the possibility of supported transition funding
- carry out a post implementation consultation later next academic year to fully understand impact and any lessons learnt.

We will now seek final formal approval from Rachael Wardell and Clare Curran as the Lead Cabinet Member.

Assuming approval is given the process for implementation will begin immediately for Secondary schools and Key Stage Transfer pupils.

- Communication out to schools and residents. Publication of consultation summary on Local Offer
- Communication to wider partners including governors and Members
- Transfer of EHCPs in scope from hours to the most appropriate financial band
- Each school will receive a summary statement showing the current and proposed band/funding and will have the opportunity to raise any queries. Individual meetings can be arranged if required.
- All schools should have the summary statement for all their children with an EHCP before the end of the academic year.
- All new plans issued from June 2023 will be done using the proposed banding.
- Transition for Primary age children with a current plan will begin from summer term 2024.
- SENDCo Networks briefings in Summer term 2023

Schools Consultation Summary

We received 64 school responses in total. This equates to 18% of all mainstream schools in Surrey.

The Schools consultation survey ran on Surrey Says from 9th January – 24th March 2023. The survey was extensively promoted weekly through the schools bulletin, and regularly through phase councils and throughout the Surrey internal team services. We had limited responses and so further promotion took place to ask for school responses. An online information webinar was created to explain the process, timeline of implementation and proposed bands. This was shared directly with SENCOs and inclusion leads.

A summary of responses is in the Annex, together with principal comments.

A parent friendly information sheet has been created, explaining the need for a banding system and the benefits it will give to children. We have also compiled frequently asked questions with answers.

We have a Frequently Asked Questions document which we continue to add to.

Public Consultation Summary

We held 3 public information events which were widely publicised through social media, SCC websites and teams and through partners and newsletter. One was in person which was only attended by one person. Another was held online which had also had one attendee, and a Facebook live event hosted by Family Voice Surrey which had approximately 20 participants and attracted 518 views.

A summary of responses to the public consultation is in the annex.

Action requested of the Forum

The Forum is asked to support the proposals, including the proposed arrangements for implementation.

Annex Summary of responses to schools consultation

Do you agree that...

Moving from hours to a system of bands will be better for schools and families.

- 73.44% of schools agreed
- 21.88% neither agreed nor disagreed or were not sure
- 4.69% did not agree

Moving from hours to a system of bands would give mainstream schools more flexibility to make the appropriate provision for pupils with an EHCP

- 76.57% agreed
- 9.37% neither agreed nor disagreed or were not sure
- 14.06% did not agree

The proposed method of banding based on the provision descriptors will have a positive impact for schools in how they provide support to pupils with an EHCP

- 60.94% agreed
- 18.75% neither agreed nor disagreed or were not sure
- 20.31% did not agree

The proposed bandings would allow your school to make provision for a wider range of additional needs and disabilities

- 34.37% agreed
- 39.07% neither agreed nor disagreed or were not sure.
- 26.56% did not agree

Do you support the proposed implementation timescale?

- 57.81% agreed
- 23.44% had no views or were not sure.
- 18.75% did not agree

Do you support the proposed implementation methodology

- 54.69% agreed
- 32.81% had no views or were not sure.
- 12.5% did not agree

School Comments

- This would be helpful to enhance flexibility. However, again, not at the detriment of being less funded than the current hours system provides
- This system will improve flexibility and consistency
- This will be a better system as it will allow greater flexibility in the way that children are supported and less expectation from parents that their child has and always needs 1 to 1 support
- This approach will lead to greater parity, greater understanding of the support needed for children and young people and will aid improved consistency in approach across the Local Authority
- The draft descriptors seem clear and helpful in knowing what band each child would come into.

- If the system allows for children who are not mainstream appropriate to be identified quicker and funds them at an appropriate level pending a suitable specialist placement then improvements would be seen.
- allocated additional needs budget is not sufficient to meet the needs
- Funding levels for many are not currently sufficient so this will only serve to make the position even more challenging for schools
- There are fundamental challenges around the SEND services available to schools and pupils
- Provide more money for mainstream SEN support and stop funding so much at the specialist end. Parents end up wanting specialist provision as smaller classes, bespoke curriculums. If we had more money this could be potentially offered in a mainstream setting
- So long as it is not simply a cost cutting measure which actually results in less funding for schools at each band.
- Parents will not get hung up on their children receiving 1:1 which is not good practice anyway unless it is a way to keep the child safe or peers safe

Schools welcomed the inclusion of the Bespoke Band for children currently in receipt of 32.5 hrs

There was support for the introduction of targeted transition support funding.

Some felt there are too many bands and that 3 would be better.

Summary of responses to public consultation

Do you feel confident about the move to a banding system?

- 52.78% - Agree
- 47.22% - Do not agree

Do you agree that schools will have more flexibility in how they use the funding to support children with additional needs?

- 52.78% - Agree
- 11.11% neither agree nor disagree.
- 36.11% - Do not agree

Do you agree that the banding system offers more flexibility, inclusivity, and independence?

- 52.78% - agree
- 19.44% neither agree nor disagree.
- 27.78% do not agree

Do you agree that the banding system allows schools to offer a wider range of provision to support children with additional needs and disabilities?

- 41.67% - agree
- 27.78% neither agree nor disagree.
- 30.56% do not agree

Do you feel that the banding system will make a difference to you or your child?

- 5.56% - feel it will make no difference
- 33.33% - neither agree nor disagree.
- 61.12% - Feel that it will make a difference

Comments

- I agree that assigning teaching assistant hours is not the best solution for every child and for my son, if he only had a TA sitting with him all the time, he would become less independent.

- I don't totally understand why a banding system wasn't put in place long before now, as it was needed years ago
- Although the idea of schools having more flexibility sounds good in principle, I have concerns. It is only positive if the schools are still delivering everything that child needs
- Schools do need flexibility in how they spend the money and this should include training for staff on how to support their particular students
- given this proposal gives more flexibility to schools on how the provision is provided, there is a big risk that the provision children receive will not be equitable across the county
- I can't trust that SCC is acting in the genuine best interests of the children with additional needs. I don't trust SCC due to its handling of x's EHC needs assessment and other SCC departments that I've been involved with (inclusion officers and alternative provision). When SCC's behaviours reduce my level of trust in them, I find it difficult to trust that the change in funding structure for EHCP's is being done for the best interest of the child.
- I wouldn't trust the school to spend the budget on the child it belongs to. Very often the funding ends up in a generic pot for all children.
- Without 1 to 1 support x would not be safe or able to access any learning. If the schools need more money give them more money but don't take TA's away

Item 10

Surrey Schools Forum

12 May 2023

Lead: David Green

For information and discussion

Notional special educational needs and disabilities (SEND) budgets

Summary

Notional SEND funding for mainstream schools is part of the NFF formula allocation. In Surrey it makes up a much smaller proportion of mainstream budgets than in comparator LAs. This paper explores the impact on mainstream schools of moving Surrey's notional SEN funding closer to national comparators. An increase in notional SEN funding would be consistent with moving towards the national average, as might be expected if a standard consistent with the approach of a national formula were adopted for notional/indicative SEN budgets.

Background

Every LA is required to set a notional SEN budget, which is an amount within each school's formula budget which is deemed to be for SEN (although not formally earmarked). Currently each LA may decide how to define its notional SEN budget, although it must be defined using only NFF formula factors (and thus cannot be directly related to the number of children with SEN). There is considerable variation between LAs, both in the factors used and in the proportion of each factor used. Surrey, in common with the majority of LAs, defines its notional SEN budget in terms of basic per pupil funding, deprivation funding and low prior attainment funding.

Mainstream schools' overall formula budgets in Surrey are largely set by reference to the government's national funding formula, less the reduction for the transfer to high needs block in 2023/24. Therefore, the setting of the notional SEN budget does not affect the overall funding available to a school, but just how much of it is deemed to be SEN funding.

In 2023/24 the proportion of each relevant formula factor deemed notional SEN funding in Surrey remained the same as in 2022/23 (and indeed 2021/22). The values of basic entitlement, deprivation and low prior attainment factors deemed notional SEN funding increased in proportion to the increase in value of the formula factors on which they were based. This included the assimilation of schools supplementary grant into basic entitlement and deprivation factors within the NFF formula, as parts of both count as notional SEN funding).

Current DfE guidance states that:

"Local authorities should decide, following discussions and consultation with schools, including in the local schools forum, how big the notional SEN budget should be". But the expectation is that it will be adequate to allow most schools to meet their SEN needs, although the DfE also recognises that the number of pupils classified as SEN support, or with EHCPs, need not be an accurate measure of that need.

Comparisons with other LAs

A review of the latest published DfE formula data for 2022/23 (14 June 2022) suggests that the proportion of delegated funding designated notional SEN funding by Surrey is somewhat lower than national averages. This has not been a matter of policy, and it has no direct impact on the amount of formula funding received by individual schools (because notional SEN funding is notional). Nor does it affect the amount of high needs funding which a school receives, because the distribution of high needs block funding in Surrey is not linked to notional SEN funding calculations. But it may lead a minority of schools to spend less on SEN than might be expected of similar schools in comparable LAs, or to consider that they are inadequately funded for SEN. Conversely many schools may already spend more on SEN than their notional SEN budgets suggest.

Current DfE guidance suggests that a notional SEN budget should include:

- A small proportion of basic per pupil funding
- A significant proportion of deprivation funding
- “The majority” or most of low prior attainment funding.

DfE proposes to link notional (or “indicative”) SEN budgets to the proposed national SEND standards, to be developed under the national SEND and AP improvement plan.

The table below shows the national average and south east county average percentage of formula factor which counts as notional SEN funding in 2022/23, for those formula factors most commonly included in notional SEN budgets.

% of each factor deemed notional SEN	National avg	Surrey	SE counties
Basic entitlement Primary	2.96%	3.74%	2.75%
Basic entitlement KS3	2.79%	3.36%	2.66%
Basic entitlement KS4	2.76%	3.66%	2.64%
Deprivation primary	36.64%	28.53%	46.11%
Deprivation secondary	37.18%	6.63%	50.44%
Low prior attainment primary	85.15%	40.32%	88.36%
Low prior attainment secondary	85.11%	55.51%	90.21%

Thus, Surrey classifies much less low prior attainment funding, in particular, as notional SEN than other LAs.

Impact of moving Surrey notional SEN funding to national or SE county average

The table below shows the increase in Surrey’s notional SEN funding if the proportion of each of the main factors deemed SEN was moved to national average. This is the additional amount which schools would be expected to spend on SEN (some may already be spending it anyway – the Council does not monitor actual schools spending on SEN). Figures have been adjusted for the assimilation of

schools supplementary grant, because had that been included in DSG in 2022/23 Surrey's notional SEN funding would have been higher.

	2022/23 notional SEN adjusted for schools supp grant £m	Est 2022/23 NSEN based on national average (+SSG at national average £m)	Increase in NSEN in moving to national average £m	% increase
Primary	24.334	35.217	10.882	44.7%
Secondary	22.306	31.181	8.805	39.4%

The proportion of additional needs factors deemed notional SEN is generally appreciably higher in other LAs than in Surrey, and still more so in other SE counties. Additionally, some LAs deem parts of other factors to be notional SEN (e.g. lump sum or EAL funding-not considered above). Note that the comparison is based on the proportion of individual factors included in notional SEN, and not of notional SEN as a proportion of overall budget (which might be expected to be higher in more deprived areas).

Annex 1 shows what the move to national averages might mean as an average per pupil in Surrey. In particular, it shows that the number of primary schools for which the cost of £6,000 per EHCP exceeded the notional SEN budget in 2022/23, would have fallen from 25 to 3 if notional SEN funding were raised to the national average percentage of each factor. Annex 1 also shows the range of notional SEN funding, as a proportion of budget, under Surrey and national average scenarios, and an illustration of how an increase might look for an individual school.

Notional SEN funding for 2024/25

There is a case for an increase in the proportion of budget share deemed to be notional SEN in future years. The annex shows the possible impact in terms of % of schools' budgets, and the number of schools where the total cost of the first £6,000 per EHCP exceeds the notional SEN budget.

Minimum funding guarantee and minimum per pupil funding level (MPPL)

Schools generally receive additional MPPL funding where their average funding per pupil is relatively low, which usually means that their additional educational needs funding is also low. Therefore, if their additional educational needs (AEN) funding increases, MPPL funding is reduced and thus the notional SEN budget may be increased even though the overall budget is not increased. This could be seen as a justification for including some MPPL funding within notional SEN funding, although in practice very few LAs do that.

Next Steps

The council is committed to working with a number of schools to review their individual characteristics in relation to their notional SEN budget. This would include reviewing existing SEN support provision and how it aligns with the Council's

Ordinarily Available Provision (OAP) guidance as well as an analysis of the impact to the schools notional SEN budget if it did change to the national average scenario (national average factors used within the calculation).

In addition to this targeted work the Council propose sending a request for information to all schools to help establish the existing SEN support provision and how it aligns with the Councils Ordinarily Available Provisions (OAP) guidance.

The council will then look at the impact of converging on the national average over the next few years (perhaps 3-5 years).

Action requested of the Forum

Consider the issues around Notional SEND budgets described above and endorse the proposed next steps.

David Green

24 April 2023

Annex 1 Illustrations of notional SEN budget per SEN support pupil in Surrey at current funding levels and national average levels

The tables below illustrate the level of notional SEN budget available per SEN support pupil in Surrey now (i.e. after funding the first £6,000 per EHCP) and compared to the level which would be available if notional SEN budgets were set using national average percentages for each factor. 2022/23 data is used because 2023/24 national comparators are not yet available (as at 5 May 2023).

(Remember: this affects the amount of budget schools are expected to spend on SEN, it has no impact on the total funding available to them).

Primary schools

	Surrey 2022/23	Move halfway to national average SEN factors*	Move to national average SEN factors*
Average £/SEN support (after providing £6,000 per EHCP) le (NSEN-6000per EHCP/no of ch on SEN support	875	1,377	1,879
No of schools where £/SEN support pupil is			
Above £3000	17	35	57
Above £2000	41	82	143
Above £1000	143	219	253
Above £500	230	267	286
Below £0	25	8	3

*including schools supplementary grant

Below £0 means that the whole of the notional SEN budget is required to fund the first £6,000 per EHCP. It is estimated that there are 25 schools in this position in 2022/23.

EHCP data is at Jan 2022. The impact on individual schools will vary from year to year as the incidence of EHCPs and of deprivation /low attainment both change.

Secondary schools

	Surrey 2022/23	Move halfway to national avg SEN factors	Move to national avg SEN factors*
Average £/SEN support (After providing £5000 per EHCP)	1793	2,347	2,901
No of schools where			
£/SEN support is			
Above £3000	9	14	26
Above £2000	19	37	48
Above £1000	51	56	57
Above £500	56	57	57
Below £0	0		0

Notional SEN budget as a percentage of delegated funds (excluding premises factors)

	Primary		Secondary	
	Surrey	At national average	Surrey	At national average
Number of schools where NSEN is				
Under 5% of budget	69	15	2	0
5% to 7.5%	213	93	54	14
7.5% to 10%	17	128	2	24
10% to 12.5%	0	52	0	20
12.5% to 15%	0	10	0	0
Over 15%	0	1	0	0

Example : how this works for a notional school

Notional SEN budget £	52,000	70,000
EHCPs	8	8
£6000 per EHCP	48,000	48,000
Residue for SEN support pupils	4,000	22,000
SEN support pupils	12	12
Available per SEN support pupil £	333	1,833

Item 12

Surrey Schools Forum

12 May 2023

Lead: David Green

For information and support

Other issues for autumn 2023 funding consultation, and how to increase schools' involvement.

Summary

This item summarises proposals for changes to school and early years funding for consideration within the annual funding consultation. The Forum is invited to discuss these proposals and to propose any others. However, the Forum is reminded that any changes to the funding formula are constrained by the requirement to converge on the national funding formula (NFF).

Background

At the late summer meeting (4 July in 2023) the Forum usually considers outline proposals for changes to school and early years funding for the following year, to be included in the autumn consultation paper.

For 2024/25 the following issues have been identified so far:

- How to implement the 1% block transfer in 2024/25 and associated general strategy for 2024/25 e.g. balancing units of resource increase, MFG and ceiling
- Notional SEN budgets (see separate item)
- Whether 2 year old EIF should come from 2 year old funding rather than 3-4 year olds (as mentioned at previous meeting)
- Other changes in early years funding, including those arising from the extension of free entitlement to a wider age group
- Any changes driven by DfE (likely to include changes in growing schools funding)
- What happens to de-delegation-in particular CAPITA SIMS

Action requested of Schools Forum

To consider whether to propose any other items to be included in the autumn funding consultation paper, as proposals for changes in schools and early years funding for 2024/25.

To consider how the level of interest and involvement in the consultation by the wider schools community may be increased.