

MUNICIPAL YEAR 2018/2019 REPORT NO. 16

MEETING TITLE AND DATE:

Education Resources Group – 4 December 18
Schools Forum – 12 December 18

REPORT OF:

Executive Director of People Services

Contact officer: Sangeeta Brown

E mail: sangeeta.brown@enfield.gov.uk

Item: 4b

Subject:

**School Funding Arrangements –
2019/20: Responses to Consultation**

Wards: All

1. EXECUTIVE SUMMARY

1.1. This report provides a summary of the responses received to the proposals contained in the consultation document on the school funding arrangements for 2019/20.

2. RECOMMENDATIONS

2.1 Members are asked to consider and comment on the final recommendations detailed in paragraph 4 for allocating funding from the Schools and Early Years blocks.

3 BACKGROUND

3.1 At the last meeting, the Forum was informed of the proposed changes to the local funding arrangements for the Schools and Early Years blocks for 2019/20 and the Authority's preferred options. Following feedback from the Forum, the proposals were amended to include the views of the Forum and then published and circulated to all maintained schools, academies, free schools and private, independent & voluntary early years providers to comment.

3.2 This report provides a summary of the responses received and seeks the Forum's views on the final proposals for the local funding arrangements for 2019/20. Once the Forum's views have been received, the approval of the Cabinet Member for Children's Services will be sought.

In providing their view's, the Forum is reminded that the proposals in the consultation were based on 2018/19 data and indicative funding information provided by the DfE. Both the data and funding information will be subject to change: pupil data from the October 2018 Census and notification confirming the final budget settlement from the Government. Therefore, the proposals in this document will be subject to the resources available.

4. SUMMARY OF RESPONSES

4.1 The consultation document detailing the funding arrangements was published on 8 October 2018. Following a request from Secondary Headteachers' Conference, the deadline to submit responses was extended from 6 November to 16 November 2018 to enable sufficient time to consider and respond. In total 33 responses were received and of these five were received after the extended deadline. Table 1 provides a summary of the response received.

Table 1: Summary of Responses Received

Sectors	No of Schools / Settings	No of Responses Received	% Sector Response	% of Total Response
Primary	50	7	14%	3%
Secondary	9	5	56%	2%
Special	6	-	0%	0%
Academies	30	14	47%	7%
PVI	119	8	7%	4%
TOTAL	214	34	16%	16%

4.2 Looked After Children

The Forum will be aware this factor has been removed from the NFF but was retained in the Enfield Funding Formula (EFF) to ensure the most vulnerable pupils continued to be supported. Following discussions with the Forum and the Education Resources Group, the consultation document included a proposal to remove this factor from the EFF and the funding (£140k) currently allocated through this factor is pooled and transferred to the High Needs block to enable more targeted support to be provided. Tables 2 to 4 detail the response and comments received to the consultation.

Table 2: Responses received for removal of LAC for the EFF

LAC: Remove from EFF	Agree	Disagree	No Response
Primary	6	1	-
Secondary	3	1	1
Special	-	-	-
Academies and Free Schools	10	2	2
PVIs	1	1	6
TOTAL	20	5	9

Table 3: Responses received for transfer of LAC funding from Schools to High Needs Block

High Needs Funding	Agree	Disagree	No Response
Primary	5	1	1
Secondary	4	-	1
Special	-	-	-
Academies and Free Schools	10	-	4
PVIs	1	-	7
TOTAL	20	1	13

Table 4: Additional comments received and responses to these comments

	Comments	Responses
1.	LAC: However, the LA needs to lead on creating a strategic plan so that the money is spent in a strategic manner so that we can evaluate the impact on LAC. The plan needs to be agreed by Primary and Secondary Headteacher representatives and monitored by a core group comprising LA, Primary and secondary leads. If there is no- one in the LA who will lead on this, then the money should continue to go to schools.	Noted, if agreed the Authority will work with the Education Resources Group to consider if this Fund could be managed in a similar way to the Inclusion Fund used for Early Years with Headteacher and Officer Panel assessing applications for funding or in some other way to support particular projects or target resources for a particular activity.
2.	Continue with present funding for LAC	Noted

Recommendation

The Authority is recommending the transfer of the funding currently allocated for LAC from the Schools to the High Needs block to provide more targeted support for LAC. If agreed, the Authority will work with the Education Resources Group to develop options and criteria for allocating this funding.

4.2 Mainstream Schools: Enfield Funding Formula (EFF)

The Forum are reminded that the DfE confirmed the continuation of the arrangements put in place for 2018/19, that is a 'soft' NFF for 2019/20 and 2020/21. The reasons stated for this was that the DfE was satisfied with progress individual local authorities had made in moving towards the NFF. So, this effectively means for the next two years local authorities continue to receive funding that has been calculated using the NFF for schools with the total amount for schools in each authority in 2019/20 being then adjusted by the additional 0.5% agreed by the Secretary of

State. Local authorities then continue to be responsible for consulting and determining within the regulatory parameters the local funding formula for mainstream schools in their area.

The Forum's comments at the last meeting were used to finalise the options for consultation. Table 5 details the Authority's preferred options for EFF and on which responses were sought.

Table 5: Responses to the Enfield funding formula for mainstream schools

Financial Year	Model	Factors / Unit Rates Applied	MFG
2019/20	D	<ul style="list-style-type: none"> - NFF Unit Rates for: EAL & LPA¹ - 85% NFF Unit Rate for Ever 6 FSM - 60% NFF Unit Rates for all other factors - Mobility (Enfield Rates) - No LAC* 	-0.6% 3% Gains CAP (If applicable)
2020/21	C	<ul style="list-style-type: none"> - NFF Unit Rates - No LAC* - Include Mobility (Enfield Rates) 	-0.6% 3% Gains CAP (If applicable)

*Assumes funding transferred to High Needs Block for targeted support

The reasons for the preferred models were:

- For 2019/20: the aim was to slow the impact of a reduction in funding under NFF and enable schools to plan for this change in funding for the start of the new academic year;
- For 2020/21: with the NFF due to be introduced the following year, the Authority's view was that EFF should be based on the NFF unit rates and schools protected by the minimum funding guarantee. This would enable schools to manage a gradual change in funding.

Appendix A illustrates the individual school's allocations for the current (2018/19), Model D and Model C.

Tables 6 & 7 detail a summary of the responses and comments received.

Table 6: Responses to the Enfield funding formula for mainstream schools

2019/20: Model D	Agree	Disagree	No Response
Primary	6	1	-
Secondary	2	3	-
Special	-	-	-
Academies and Free Schools	11	3	-
PVIs	2	-	6
TOTAL	21	7	6

2020/21: Model C	Agree	Disagree	No Response
Primary	5	1	1
Secondary	5	-	-
Special	-	-	-
Academies and Free Schools	10	2	2
PVIs	1	1	6
TOTAL	21	4	9

Table 7: Additional comments received and responses to these comments

Comments	Responses
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¹ EAL – English as an additional language
LPA – Low Prior Attainment

	Comments	Responses
1.	A cap should be applied, and money raised from the cap should be used to uplift the other schools. The pot of money has been divided up that leaves a majority of schools losing out while some schools get 5% or more increases. How much extra money would a 3% cap generate, and how much could the floor be raised by as a result?	A Cap of 3% was applied to the per pupil funding. It was found the Cap was not required for the pupil led funding because of the increase in the overall funding provided for the Schools Block.
2.	We would like Model A where no school lose out. It would help schools through a difficult period of falling rolls.	As has been highlighted, this model is not considered to be a viable option because it does not fully utilise the funding available and would not enable a slow move to the NFF.
3.	We would wish to see Model C implemented in 2019/2020. The Governing Body believes it would now be both advantageous and rational to move as far as possible towards the NFF without further delay.	Noted and will be considered when the final proposal is presented.
4.	Model C to be implemented in 2019/20	
5.	Model C straight away.	
6.	We would prefer to keep model D from 2019/21	
7.	I believe we should move to model C immediately.	
8.	The NFF represents a significant change in the way schools are funded. It is important that we work to implement the NFF and then we can manage the formula going forward. Failing to implement the NFF will mean that the money we receive is not applied to the children who represent the elected Government priorities.	
9.	Note from Table 1 that both Schools and High Needs Block are slightly higher than previous year (c. £3 million increase) so changes year on year are more about distribution of the pot and not the size of the pot. Broadly speaking winners are matched by losers.	
10.	Section 3.2.1 says a key aim is "to try and achieve through EFF the national average for the primary to secondary funding ratio of 1:1.3". Since the NFF is designed for close to a 1:1.3 ratio and since Enfield was 1.28 previously (see last year's consultation document) then why are the proposed ratios so far away - this needs a detailed explanation as it's a major point. What is causing this?	The national average primary to secondary funding ratio is 1:1.3. With the changes to the unit rates imposed by the NFF including the reduction in the AWPU (see response above), the impact for EFF is the widening of the primary to secondary funding ratio. The only way to prevent the ratio widening would be not to implement the NFF unit rates. The concern with doing this is that when the full NFF is introduced, schools will be adversely affected and face an even greater reduction in funding.
11.	Are the council accurately capturing EAL3 for secondary schools? We would expect very few EAL joining the school system in the last three years at secondary level (and many more a primary level).	The funding is calculated by the ESFA using October Pupil Census and other historic data relating to pupils recorded on the Census.
12.	Also, the major inconsistency quoted primary to secondary funding ratios between Table 3 and Appendix C brings into doubt whether the modelled ratios are significantly above or significantly below the 1:1.3 target.	Noted and will be checked before a final proposal is presented to the Schools Forum.

Recommendation

To address the responses and comments, the Authority explored other options including moving funding for secondary schools on the NFF unit rates and maintaining Model D for primary schools. This option, as with others considered, resulted in greater turbulence for individual schools, especially secondary. This was because of the interaction between the unit rates applied, rates set for the MFG and the gains Cap. Furthermore, it should be noted that the unit

rates set for the NFF rely on national averages and a notional assumption of requirement within the funding available and not because of a “needs based” analysis. For these reason, the Authority is recommending subject to no further national changes that:

- For 2019/20: Model D be implemented;
- For 2020/21: Model C be implemented;
- For both models, an MFG of -0.6% and gains cap of 3% be set.

It is the Authority’s view that these recommendations will enable a slower and measured approach in the move towards the NFF and support the most vulnerable pupils in all Enfield schools.

4.3 **Funding for Pupils with High Needs in Mainstream Schools**

Schools were asked to respond on the proposal to transfer 0.5% funding from the Schools Block to the High Needs Block to continue to support schools with an above average incident of pupils with SEND. The average incident is currently calculated to be 1 in 70 pupils; and for 2019/20, this average will be reviewed to reflect October 2018 pupil numbers. Table 8 details the responses received.

Table 8: Responses received for funding pupils with High Needs in Mainstream Schools

High Needs Funding	Agree	Disagree	No Response
Primary	6	1	-
Secondary	4	1	-
Special	-	-	-
Academies and Free Schools	12	-	2
PVIs	2	-	6
TOTAL	24	2	8

Recommendation

The Authority is recommending the transfer of 0.5% from the Schools to the High Needs block to support mainstream schools with higher than the average incident of SEND pupils. In line with other school funding arrangements, the average incident will be calculated using pupil data from the October Census.

4.4 **Early Years Inclusion Fund**

The consultation document sought the continuation of the current arrangements for the use of the Inclusion Fund, which comprises of allocating the Fund to individual providers to access targeted resources to support pupils with SEND and centrally commissioned specialist provision to support all providers. The targeted resources are administered through an Inclusion Panel consisting of Headteachers, Managers from individual settings and officers. The commissioned specialist support includes Educational Psychologists and SENCOs. Table 9 provides a summary of the responses received.

Table 9: Responses received to the use of the Early Years Inclusion Fund

Early Years Inclusion Fund	Agree	Disagree	No Response
Primary	6	-	1
Secondary	1	-	4
Special	-	-	-
Academies and Free Schools	11	-	3
PVIs	8	-	-
TOTAL	26	-	8

Recommendation

It is recommended that the current arrangements for the use of the Inclusion Fund are retained.