

# MUNICIPAL YEAR 2019/2020 REPORT NO. 16

## MEETING TITLE AND DATE:

Education Resources Group – 3 December 19  
Schools Forum – 11 December 19

## REPORT OF:

Director of Education

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Item: 4b

## Subject:

**School Funding Arrangements –  
2020/21: 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 2020/21.

## 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 headlines from the Government's announcements were presented to the Schools Forum. The Forum was informed due to the additional funding and changes in the application of the minimum funding guarantee and gains cap, the Authority would be reviewing the proposal previously agreed for the Enfield's funding formula (EFF) to move to the National Funding Formula (NFF), when the DfE had published the final guidance on how the additional funding would be applied for 2020/21. Furthermore, based on the limited information available and the requirement to meet statutory timelines for disapplication requests and carry out consultation on any proposals for the local funding arrangements, the Forum was asked to consider and agree some principles to inform any proposals developed for consultation.

Following confirmation and agreement to the disapplication requests and other comments from the Forum, officers considered a number of options and then presented the Authority's preferred options to the Education Resources Group based on the following principles:

- Best fit for resources available
- Funding should support to maintain and improve standards
- Effect of the removal of Gains CAP on the MFG
- Maintain the current primary to secondary funding ratio
- Enable transfer of 0.5% to fund £6ks for schools with above average number of pupils with EHCPs
- Enable transfer of £140k to fund targeted support for LAC

In developing the options, it was found it was not possible to move to the NFF if the 0.5% transfer from the Schools to the High Needs block was implemented. Currently, 247 pupils attract the first £6k of funding across 41 schools at a cost of £1.482m. Following a lengthy discussion with the Education Resources Group, it was acknowledged that not continuing with the transfer would create turbulence for individual schools. It was suggested to allow schools time to plan to incorporate the cost of support for these pupils into their budgets that current arrangements should continue and then be reviewed for 2021/22.

Following the discussion with the Education Resources Group, a final consultation document was published on Monday 11<sup>th</sup> November and circulated to all maintained schools, academies, free schools and private, independent & voluntary early years providers for comment.

As requested by the Forum, a briefing session was held on 13<sup>th</sup> November. It was attended in total by 43 Headteachers, Chair of Governors or School Business Managers. This was followed

by presentation to the Secondary Headteachers' Conference and School Business Management Forum.

- 3.2 This report provides a summary of the responses received and seeks the Forum's views on the final proposals for EFF for 2020/21. 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 October 2018 data and indicative funding information provided by the DfE. Both the data and funding information will be subject to change: use of the October 2019 Census for pupil data, and confirmation of actual funding by the new Government. Therefore, the proposals in this document will be subject to the resources available.

#### 4. SUMMARY OF RESPONSES

- 4.1 As stated the consultation document was published on 13 November 2019.

The deadline for responses was Monday 25<sup>th</sup> November and by this date 30 responses had been received. After this date, 2 further responses were received the day after the 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	45	13	29%	6%
Secondary	9	3	3%	1%
Special	6	-	0%	0%
Academies	35	14	40%	7%
PVI	119	2	2%	1%
<b>TOTAL</b>	<b>214</b>	<b>32</b>	<b>15%</b>	<b>15%</b>

#### 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.

For 2020/21, the rates used for the formula factors for NFF were adjusted for the additional funding allocated to the overall Education funding and then the adjusted unit rates were used to calculate and allocate funding to local authorities. As the last two years, local authorities then continue to have responsibility for consulting and determining within the regulatory parameters the local funding formula for mainstream schools in their area.

The option presented and discussed with the Education Resources Group was finalised and published for consultation. Table 5 details the Authority's preferred options for EFF which is a partial move towards the NFF. The reason for applying this options was because it supported the key principles outlined in paragraph 3.1 including the 0.5% transfer to support schools with above average number of pupils with EHCPs.

**Table 2: Details of Model for the Enfield funding formula for mainstream schools**

Financial Year	Factors / Unit Rates Applied	MFG
<b>2020/21</b>	<ul style="list-style-type: none"> <li>- NFF Unit Rates for: EAL &amp; LPA<sup>1</sup></li> <li>- 85% NFF Unit Rates - all other factors including Mobility</li> <li>- No LAC*</li> </ul>	<ul style="list-style-type: none"> <li>- 1.84% Minimum Funding Guarantee</li> <li>- No Gains CAP</li> </ul>

\*Assumes funding transferred to High Needs Block for targeted support

<sup>1</sup> EAL – English as an additional language  
LPA – Low Prior Attainment

Appendix A illustrates the individual school's allocations for the current year (2019/20) and indicative allocation for 2020/21 based on the proposed option on which responses were sought. Table 3 & 4 detail a summary of the responses and comments received.

**Table 3: Responses to the Enfield's funding formula for mainstream schools**

2020/21	Agree	Disagree	No Response
Primary	12	1	-
Secondary	3	-	-
Special	-	-	-
Academies and Free Schools	13	1	-
PVIs	1	-	1
<b>TOTAL</b>	<b>29</b>	<b>2</b>	<b>1</b>

**Table 4: Additional comments received and responses to these comments**

	Comments	Responses
1.	As an Infant School, it is increasingly difficult for us to access the extra funding. We work tirelessly to get plans in place, but this takes time and may often only happen as the child leaves us and moves to the Juniors. The decreasing ratio is understandable, but hard on Infant schools.	Noted
2.	We agree so that all schools will gain but we would probably be better off if we went fully to NFF. You state the reason is to fund the first £6k's for schools with high number of EHCP's but this is also the reason to keep back the 0.5%. New EHCP children do not get the first £6k even though fewer have left the school, this seems unfair and we have two new plans from September who will only receive approximately £170 after taking away the first £6k. So, we agree with this proposal but would have good reason not to agree. The argument is that not going to NFF will fund the first £6k's, but this is also the reasoning for retaining the 0.5% under SEND funding. We are confused why this reason falls within both areas? Our own context is that we struggle because we have a high number of EHCP's. Throughout the year the numbers are increasing overall but we don't get the first £6k for additional pupils even though we are gaining more pupils than are leaving.	Noted. The reason for mentioning the 0.5% transfer is because the EFF is based on this happening and the regulations require any transfer from the Schools Block to be consulted on separately.
3.	Agree to a partial move to the NFF for this year to avoid the turbulence however a full move is inevitable and we would want to see that in place by 2021/22.	Noted
4.	Fully implemented asap	
5.	We would prefer to move to the full NFF. We would prefer less money to be given as a lump sum and more within the per pupil funding (the AWPU amounts) as with 250 in each year group and the wear and tear associated with so many students, the lump sum has a significant detrimental effect on our funding overall.	Models previously carried out looked at changing or removing the lump sum and it only created further turbulence and disadvantaged both small primary and secondary schools.
6.	We would like an end to the top slicing of the DSG for the SEYIS professional learning & development. It forces us to have to pay for a service from the Local Authority we don't want and goes against the spirit of having a choice.	Noted, this comment will need to be considered when the Forum Maintained school members consider de-delegation:

#### Recommendation

The Authority recommends the proposals for the EFF, as consulted, be implemented for 2020/21.

#### **4.2 Looked After Children**

The Forum will be aware that Looked After Child (LAC) factor has been removed from the NFF and was removed from the EFF for 2019/20. However, the funding (£140k) previously used for

this factor was transferred to the High Needs block to provide targeted support for LAC. To be able to have a full review of this, it was proposed that the work on this support should continue and £140k be transferred from the Schools to the High Needs block for 2020/21. Tables 5 & 6 detail the response and comments received to the consultation.

**Table 5: Responses received for transfer of LAC funding from Schools to High Needs Block**

High Needs Funding	Agree	Disagree	No Response
Primary	13	-	-
Secondary	3	-	-
Special	-	-	-
Academies and Free Schools	13	1	-
PVIs	1	-	1
<b>TOTAL</b>	<b>30</b>	<b>1</b>	<b>1</b>

**Table 6: Additional comments received and responses to these comments**

	Comments	Responses
1.	A review of spending in 2019/20 needs to be scrutinised by Schools Forum.	Noted, a review will be carried out for the coming year. With regards the allocation of funding, this will be determined and agreed by the Working Group. The projects and use of the funding will be reported to the Forum early during 2020/21 and then separately later in the year an impact analysis.
2.	We agree but would hope that if school requests funds for a project relating to LAC that it would be looked on favourably. We are concerned about LAC children who need support, when we can't afford to give them support because they don't have a plan. It would be good if schools with say, more than 3 LAC pupils get some additional funding to help support them.	
3.	As the NFF does not provide for LAC we feel strongly that LAC receive targeted support.	
4.	But would like to see how it used to be reviewed next year.	
5.	We would prefer to receive the funding and target it ourselves at school.	

#### Recommendation

The Authority recommends the funding previously allocated against the LAC formula factor be transferred from the Schools to the High Needs block to provide more targeted support for LAC. Furthermore, the use of this funding will be reviewed during 2020/21.

#### 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 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 68 pupils; and for 2020/21, this average will be reviewed to reflect January 2019 pupil numbers. Table 7 & 8 details the responses received.

**Table 7: Responses received for funding pupils with High Needs in Mainstream Schools**

High Needs Funding	Agree	Disagree	No Response
Primary	13	-	-
Secondary	3	-	-
Special	-	-	-
Academies and Free Schools	14	-	-
PVIs	1	-	1
<b>TOTAL</b>	<b>31</b>	<b>-</b>	<b>1</b>

**Table 8: Additional comments received and responses to these comments**

	Comments	Responses
1.	Review of this for 2021/22 to take place asap	Noted and if funding allows, then as well as reviewing the transfer, consideration will be given on how schools are supported for the top up from the high needs block.
2.	Whilst we agree, we continue to argue that actual cost should be provided as the rate of £12.33 per hour is a huge shortfall. Also having to fund the first £6k below the school's average number is crippling to the school budget. We strongly feel that the amount per hour should more closely reflect the actual per hour cost of a member of staff. £12.33 is an ancient cost which is nowhere near the actual cost now. Schools are being penalised for having high number of children with Plans.	

Recommendation

The Authority recommends 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. Unlike the other school funding arrangements, the average incident will be calculated using pupil data on the January 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 & 10 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	12	1	-
Secondary	1	-	2
Special	-	-	-
Academies and Free Schools	13	-	1
PVIs	2	-	-
<b>TOTAL</b>	<b>28</b>	<b>1</b>	<b>3</b>

**Table 10: Additional comments received and responses to these comments**

	Comments	Responses
1.	As an Infant School, it is increasingly difficult for us to access the extra funding. We work tirelessly to get plans in place, but this takes time and may often only happen as the child leaves us and moves to the Juniors. The decreasing ratio is understandable, but hard on Infant schools.	Noted. As this is outside the remit of this consultation, the comment will be passed to Early Years for consideration.

Recommendation

The Authority recommends the current arrangements for the use of the Inclusion Fund are retained.

**4.5 Maintained Schools: Treatment of Surplus Balances**

Following the discussion and feedback from the Forum, the Authority consulted on reducing the threshold for retaining surplus balance for primary and special schools from 8% to either a maximum amount or a percentage of the school's total budget. The reason for having two indicators was to support small schools with a fixed amount and larger schools with percentage to reflect their bigger budgets. Table 11 details the proposals published for consultation and Table 12 & 13 summarise the responses and comments received.

**Table 11: Thresholds for Retaining Balances**

Sector	2020/21		2021/22	
	%	Maximum amount £	%	Maximum amount £
Primary	6.5%	£100k	5%	£100k
Special	6.5%	£100k	5%	£100k
Secondary	5%		5%	

**Table 12: Responses received to the use of the Early Years Inclusion Fund**

Early Years Inclusion Fund	Agree	Disagree	No Response
Primary	11	2	-
Secondary	3	-	-
Special	-	-	-
Academies and Free Schools	1	-	13
PVIs	-	-	2
<b>TOTAL</b>	<b>15</b>	<b>2</b>	<b>15</b>

**Table 13: Additional comments received and responses to these comments**

	Comments	Responses
1.	We believe it should be kept at a % rate. It all depends on the size of the school, so smaller schools proportionally should only suffer the same loss. To cap everyone at £100k when schools can vary vastly in size, have many fewer pupils, many fewer staff and much smaller site means they could then gain from this. If a small school has £100k balance and a school of say over 550 pupils has balance of £110k - the larger school would lose their £10k whereas under % value they would not lose this money.	The School will be contacted to advise that the change proposed is either £100k or 6.5% for 2020/21. It will be explained that the maximum amount will be taken into consideration first and then the percentage against the total budget.
2.	Clawing back money above thresholds when schools are facing an uncertain future is short-sighted and should be stopped. A school with higher balances should not be punished in this way. for spending wisely over the year. We had to spend money on projects which would have been better serviced now as we are heading towards a deficit. If a school projects it will need above the threshold within 1-2 years, money should not be clawed back.	Noted. The Scheme enables schools to report and request retention of all balances. The Authority's aim is not to clawback but ensure that schools spend the money when it is provided for the pupils at the school at that time unless there is a good reason not to do this.

**Recommendation**

The Authority recommends the threshold for retaining balances is amended as proposed.