

MUNICIPAL YEAR 2019/2020 REPORT NO.

PORTFOLIO DECISION OF:

Cllr Rick Jewell
Cabinet Member Children's Services

Tony Theodoulou
Executive Director - People

REPORT OF:

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Agenda – Part:	Item:
Subject: Funding Arrangements for Schools & Academies (2020/21)	
Wards: Key Decision No:	
Cabinet Member consulted: Cllr Rick Jewell Cabinet Member Children's Services	

1. EXECUTIVE SUMMARY

To meet statutory requirements, this report makes recommendations for changes to the funding arrangements for schools and academies for 2020/21.

2. RECOMMENDATIONS

To approve:

- (a) subject to sufficient resources being available, the changes to the funding formula for pupils in mainstream schools and academies as detailed in paragraph 3.2 below and appendix A & B;
- (b) the changes to the Scheme for Financing for Schools in relation to expanding schools as detailed in Appendix A paragraph 4.5;
- (c) the de-delegation of funding as detailed in paragraph 3.3 below.

3. BACKGROUND

3.1 During the Autumn, the DfE confirmed their requirements for schools funding arrangements for 2020/21. There were two aspects to the DfE requirements. These were the:

- arrangements for the local funding formula and;
- de-delegation of funding for central services provided by the Authority.

Separately, in consultation with the Schools Forum, the local Scheme for Financing for maintained schools was reviewed to determine any local revisions to the current Scheme.

This report considers and makes recommendations to meet the national requirements and local revisions to the current Scheme for Financing maintained schools.

3.2 The arrangements for the local funding formula and Scheme for Financing Schools maintained schools were reviewed in light of the new national and local

requirements and proposals for changes for 2020-21 were developed and discussed with the Education Resources Group and the Schools Forum.

These proposals were then the subject of a consultation with all schools and academies, private, voluntary & independent providers for early years and other interested parties before being presented to the Schools Forum for approval.

There was a low response to the consultation, so the proposals were further discussed with the Education Resources Group and supported by this group.

The Schools Forum received and endorsed the proposals at their meeting on 12 December 2019. The report presented to the Schools Forum summarising the proposals, together with recommendations is attached at appendix A.

Following the agreement of the Schools Forum to the proposed arrangements for 2020/21, the Education Skills Funding Agency (ESFA) confirmed the final budget settlement and the data to be used to inform the allocation for individual school's budget share.

In assessing the data provided by the ESFA, it was found that pupil numbers had decreased by 337 (1.8%) between the period October 2018 and October 2019, thereby effecting budgets for individual schools experiencing a decrease in pupil numbers. The other impact of the reduction was to create a shortfall in the funding required by schools managed by the Private Finance Initiative contract that was a decrease in pupil numbers. To manage and fund the shortfall, the unit rate applied to Ever 6 Free School Meal factor in the local formula was adjusted from the one included in the consultation document.

Final discussions were held with the Schools Forum at their meeting on 15 January 20 to confirm the unit rates for each of the formula factors including the adjusted rate for Ever 6 Free School Meals. A submission summarising the local arrangements was then made to the ESFA on 21 January 2020 for approval.

To enable the transfer of 0.5% to support pupils with Education Health and Care Plans in mainstream schools and £140k to provide targeted support for looked after children, following consultation, a request was submitted to the Secretary of State for approval.

The Secretary of State approved the transfer of 0.5% to support pupils with Education Health and Care Plans in mainstream schools but refused the transfer of £140k to provide targeted support for looked after children.

The refusal by the Secretary of State of the £140k transfer to provide targeted support for looked after children resulted in further adjustment to the Ever 6 Free School Meals factor. This adjustment was discussed and agreed with the Chair of the Schools Forum and details circulated to Schools Forum members for comment. The final details of the local funding formula and unit rates were submitted to the ESFA for endorsement.

To enable the Council to meet the regulatory requirements, it is recommended that the final local funding formula and unit rates as attached at Appendix B and supported by the Schools Forum members be agreed.

- 3.3 The regulations require as much funding as possible be delegated to schools and academies, except where the sector representatives of maintained schools on the Schools Forum agree to de-delegating a part of their sector's budget for certain

services to continue to be provided by the Local Authority. It should be noted that each service can only be centrally supported if sufficient funding is de-delegated.

The current regulations do not allow for de-delegation to be made available to academies. If academies require Local Authority services, then they are able to purchase them from the Local Authority as part of traded agreement.

At their meeting in December 2019, the sector representatives of maintained schools on the Schools Forum considered and agreed the services they would continue to support to be provided centrally by the Local Authority.

The table below provides a breakdown of the de-delegated services to be provided for 2020/21.

Budget	Sector	
	Primary	Secondary
Licenses & Subs – CLEAPPS	✓	✓
NQT Recruitment Support & Applicant Tracking System	✓	✓
Union Duties	✓	✓
Free School Meals Eligibility	✓	✓
School Improvement Service	✓	
Support for Schools in Difficulties	✓	✓
General Data Protection Regulation	✓	✓

It is recommended that the Schools Forum maintained schools representatives endorsement is accepted, and these services continue to be provided from the de-delegated funding.

4. ALTERNATIVE OPTIONS CONSIDERED

The reasons for reviewing the funding arrangements were to meet statutory requirements and these were detailed in the consultation documents. The statutory requirements limited local flexibility as to how the changes could be implemented and as far as possible various options and models considered for each proposal were detailed in the consultation document.

5. REASONS FOR RECOMMENDATIONS

The recommendations in this report have been developed and discussed during the year with the Commissioning Group and have been endorsed by the Schools Forum.

6. COMMENTS OF THE EXECUTIVE DIRECTOR RESOURCES AND OTHER DEPARTMENTS

6.1 FINANCIAL IMPLICATIONS

The cost of the individual school budget shares and central (de-delegated) budgets resulting from these proposals will be met from within the overall DSG budget envelope.

6.2 LEGAL IMPLICATIONS

The School and Early Years Finance (England) Regulations 2020 apply to the financial year 2020/21.

Following proper consultation, the recommendations in this report are in accordance with the above Regulations. If approved the budget will be

determined and notified to the Governing Bodies of the schools the Council maintains in accordance with regulation 5.

6.3 PROPERTY IMPLICATIONS

There would be no property implications.

6.4 KEY RISKS

The Council has a statutory obligation to ensure the arrangements for Schools Forum meet the statutory requirements. The proposals contained in this report support this aim. If these proposals are not implemented, then the Council will be in breach of its statutory duty.

6.5 IMPACT ON COUNCIL PRIORITIES

The recommendations ensure resources available for school funding are distributed to schools and academies fairly and transparently and provide opportunities to raise standards of educational attainment for all pupils in Enfield schools.

6.6 EQUALITIES IMPACT IMPLICATIONS

An equalities impact assessment has been carried and, as far the regulations allow, the findings include an assessment of the areas of the funding formula reviewed.

6.7 PERFORMANCE AND DATA IMPLICATIONS

In line with the regulatory requirements, all data used to implement the local funding arrangements is based on the October Pupil Census as supplied by the ESFA.

Background Papers

School Finance (England) Regulations 2020

DfE School Funding Operational Guidance and Budget Notification (2020/21)

The Scheme for Financing School April 2019/20

Consultation paper on School Funding Arrangements (2020/21)

School Funding Arrangements - Schools Forum: October 2019, December 2019

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

Contact officer: Sangeeta Brown

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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 11th 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 13th 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 25th 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%
TOTAL	214	32	15%	15%

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
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2020/21	<ul style="list-style-type: none"> - NFF Unit Rates for: EAL & LPA¹ - 85% NFF Unit Rates - all other factors including Mobility - No LAC* 	<ul style="list-style-type: none"> - 1.84% Minimum Funding Guarantee - No Gains CAP
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*Assumes funding transferred to High Needs Block for targeted support

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
TOTAL	29	2	1

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	Noted, this comment will need

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

	Comments	Responses
	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.	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
TOTAL	30	1	1

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.	Noted

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
TOTAL	31	-	1

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	-	-
TOTAL	28	1	3

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
TOTAL	15	2	15

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.
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Recommendation

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