

## London Borough of Enfield

Schools Forum  
Education Resources Group

Meeting Date 14<sup>th</sup> July 2021  
Meeting Date 22<sup>nd</sup> June 2021

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**Subject: SCHOOL FUNDING ARRANGEMENTS 2022/23**  
**Cabinet Member: Cllr Uddin**  
**Report Number: 10** **Item Number: 4c**

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### PURPOSE OF REPORT

1. This report provides:
  - An update on implementation for areas reviewed during 2020/21;
  - Details the areas of the Dedicated Schools Grant identified for review to inform the funding arrangements for 2022/23.

### RECOMMENDATIONS

2. The Schools Forum are asked to note and comment on the updates, proposals and recommendations detailed in paragraph 4.

### INTRODUCTION

3. Nationally, for 2022/23, officers have been advised by the DfE that there are unlikely to be significant changes to the current funding arrangements. The earliest the mainstream national funding formula could be move to a hard formula or any outcomes from the two consultations on the SEND Reforms and Call for Evidence be addressed is 2023/24.

As in previous years, officers have been assessing the local arrangements to inform a programme of review. This assessment has included the funding arrangements in place, comments from the prior year's funding consultation and requests to review specific areas by the Schools Forum. The aim of the review programme is to inform the funding arrangements for 2022/23 and subsequent years.

### AREAS OF REVIEW

4. This section provides an update on areas reviewed during 2020/21, overview of the areas identified for review and, where available, an update on progress on areas where some work has been done.

#### 4.1 Schools Block: Mainstream Schools

##### (a) Schools with High Number of EHCPs

Mainstream schools are funded from the Schools block using the National Funding Formula (NFF). The NFF aims to provide:

- basic per pupil costs of approximately £4,000 per pupil (described as Element 1)
- additional educational needs (AEN) and SEND costs of up to £6,000 per pupil (described as Element 2).

The LA from the High Needs Block (HNB) then meets any costs above £6,000 identified on the Education, Health & Care Plan (EHCP) (described as Element 3).

#### CURRENT ARRANGEMENTS

Locally, the funding arrangements outlined above were not implemented because the Government was still providing annual increases to the DSG and also there was sufficient local flexibility to decide the allocation of the DSG to meet local needs.

The Government then introduced new restriction on the use of the DSG, which included restrictions on moving funds between blocks within the DSG. However, the regulations allowed local authorities to transfer 0.5% of the Schools Block funding to another block. Following this change, it was agreed to transfer funding from the Schools Block to the High Needs block to fund additional £6,000 per pupil (Element 2) to schools with above average number of pupils with EHCPs. This was because schools had stated that the delegated budget did not fully fund this aspect of the funding for pupils with EHCPs.

For 2021/22, following consultation with schools and approval by Schools Forum, 0.5% (£1.367m) was transferred from the Schools Block to the HNB. The funding allocated to schools for the first £6k was limited to the total amount of the transfer. This resulted in the allocations being based on the number of £6000s that could be afforded from the money transferred rather than the Enfield average of the number of pupils with EHCPs. On this basis, 226 x £6ks could be funded, which resulted in an expected school average of 36.75. Funding was allocated to schools for the number of pupils with EHCPs where a school had above a 1/36.75 calculation.

#### CONSIDERATIONS FOR 2022/23

The Government has stated that they will be publishing the outcomes from the consultations on the SEND Reforms and Call for Evidence in the Summer term. Officers in meetings with the DfE have been advised after the publication of the outcomes that at least two funding consultations will be carried out over the course of the next year to inform the funding arrangements for 2023/24, but no changes to the current funding arrangements were planned for 2022/23. So, this will mean the 0.5% transfer should be allowed but full information is not available as to whether any exemptions to the calculations will be introduced.

The regulations require annual approval for any transfer of funds from the Schools block.

It is suggested that the current arrangements for the 0.5% continue for 2022/23. The rationale for suggesting this is because it is hoped the outcomes from the two SEND consultations will result in a change for 2023/24 that addresses the pressure created by the current requirement for schools to fund Element 2 (£6,000) from within their delegated budget. It would also act as evidence of how this element has been and is being managed by schools with high number of pupils with EHCPs.

## 4.2 High Needs Block: Mainstream Schools

### (a) Mainstream Calculator for Pupils with EHCPs

#### BACKGROUND

The HNB in Enfield and nationally is overspent, despite this, Enfield, like other local authorities, has a responsibility to ensure that appropriate funding is in place to support those with an EHCP and for schools to be able to use this to deliver what is set out in Section F of the SEND Code of Practice, whilst considering the impact on public funds.

Since the introduction of the School Funding Reforms, top up funding (Element 3) provided to mainstream schools for pupils with EHCPs, has not been reviewed. Following requests from mainstream schools and in consultation with the Schools Forum, it was agreed an alternative methodology to an hourly rate would be developed. It was determined that developing a system to allocate funding based on the actual costs for an individual child or young person (CYP) would be a more equitable method and allow for greater transparency, as well as being an effective use of the HNB. Rather than procure expensive generic commercial banding tools & platforms, officers considered an alternative, which would be personal to Enfield as a borough would be a better solution. SEN Services and other lead

professionals have worked together and developed a local calculator that reflects actual costs and also enables adjustments to reflect any changes to be made, such as hourly pay rates. Therefore, the resulting tool is tailored for use by our borough.

As agreed with the Schools Forum and other consultative groups, an illustrative template was devised. The template costed direct & specific interventions that will be used alongside SEN strategies, whereby regular TA intervention is required. The template was trialled on some existing EHCPs where funding using the old methodology had already been allocated. The illustrative template was reviewed by the Education Resources Group. It was agreed that SEN Services would undertake a pilot of the developed Funding Calculator for a three month period with schools, families and parent representatives having the opportunity to feedback on the impact of the Funding Calculator on the delivery of the plan.

The pilot period was set from 15 March to 15 June 2021 and formal consultation was scheduled to begin from 10th May 2021 to feedback to Schools Forum and the Education Resources Group with findings and adaptations with a view to rolling it out from 1 September 2021. The following schools agreed to take part in the pilot:

- Prince of Wales Primary School
- George Spicer Primary School
- St Ignatius College
- Capel Manor Primary School
- Moonlight Nursery

## FINDINGS

Over the three month pilot, there have been 7 new EHCPs issued for pupils attending the pilot schools. These pupils all attended a primary school. It is the view of officers that 7 pupils (0.2% of Enfield pupils with EHCPs) does not constitute sufficient or reliable data, nor does it account for any trial on secondary aged pupils. However, of these 7, there has been no adverse feedback, formally or informally.

A further benefit in conducting the pilot has been that it highlighted gaps in the specification and quantification of provision. This finding has enabled SEN Services to approach advice givers to seek clarity and thus improved and supported the quality development of both EHCPs and professional advice.

## CONSIDERATIONS FOR 2022/23

Due to the limited data from the pilot and to ensure that the new methodology is fit for purpose, it is proposed that the pilot be extended to include pupils with a new EHCPs attending any Enfield secondary school with immediate effect. This will then followed by extending the pilot from September 2021 to include pupils with a new EHCPs in primary schools.

During October and November 2021, officers will carry out consultations of the extended pilot and a final review will be carried out in January 2022. The outcomes from the review will be shared, for comment, with the Schools Forum and other consultative groups. Following feedback from the Schools Forum and any other consultative groups, any necessary adaptations will be carried out. The phased introduction of the new methodology will be introduced from May 2022.

### (b) Nurture Groups

#### BACKGROUND

A review of Nurture Groups commissioning was undertaken in consultation with relevant parties. It was agreed that all current full time Nurture Groups be decommissioned and new Nurture Groups would be commissioned on a part time basis (50%) for pupils in Key Stage. The new groups would be commissioned for a three-year period using a revised criteria. The revised criteria included using Key Stage 1 free school meals data to identify schools eligible to host a Nurture Group. The overall funding available for Nurture Groups enabled up to 27 schools to be commissioned and also a centrally funded Nurture Group outreach programme to be developed to support any schools who did not meet the eligibility criteria.

## FINDINGS

Eligible schools were invited to bid, but uptake was lower than had been expected, with only 16 schools bidding for a group. An investigation was carried out to ascertain why schools had declined to bid, and the main outcomes were:

- Insufficient funding to run a group for 50% of the week;
- Difficulties recruiting part time staff;
- Difficulties in managing a three year commissioning period;
- Some schools were unsure of benefits and / or did not understand the impact that Nurture Group could have for individual pupils;
- Unclear about the support that would be offered to schools to develop and host a Nurture Group;
- Impact of the pandemic in terms of time and capacity.

Officers' view is that some of the findings could be addressed by providing training and support and or additional funding. Other findings, such as the impact of the pandemic and commissioning the provision for a set period of time, it may not be possible to address.

## CONSIDERATIONS FOR 2022/23

The low take up has resulted in not all the funding being allocated and as a result the aim of extending the provision of Nurture Groups to more pupils cannot be met. It is important as part of the early intervention strategy that more schools are encouraged either to host Nurture Groups or embed Nurture Group practice within their school.

Officers have considered a number of options and these include:

1. To work with the 16 schools commissioned to host Nurture Groups and other eligible schools in order to support and encourage more schools to host a Nurture Group;
2. To work with the 16 schools commissioned to host a Nurture Group and provide outreach and support to other schools and transfer any unallocated funding back into the High Needs Block. This option does mean the growth of the project initially envisaged will not be realised.
3. To increase the funding provided to the commissioned Nurture Groups. However, this won't realise the growth envisaged as part of this project.
4. Finally, consider a mix of the first and third option.

These options were discussed with the Education Resources Group. The Group's view was that:

- Option 1 should be pursued to encourage those schools eligible to host a Nurture Group by developing the Outreach provision to support and, where necessary, provide training;
- The initial premise for the funding provided for hosting Nurture Group was not intended to cover all the costs because of the support and benefits it provided to the children and the school as a whole. Officers should raise awareness of Nurture Groups practice and benefits;

- The length of the SLA and funding be assessed.

The Forum are asked to note and comment on the options and feedback from the Education Resources Group.

(c) Special Units

BACKGROUND

The demand for supporting pupils with autism and speech, language & communication needs continues to rise. Recent data highlighted that there were:

- 236 children in Early Years with an EHCP;
- 1386 children in Primary Schools with an EHCP.
- 1,278 (36.78%) pupils with Speech, Language and Communication Difficulties and 891 (25.64%) with Autism.

As part of its Inclusion Strategy, the Authority has begun increasing Additional Resourced Provision (ARP) to support the integration of pupils into mainstream settings to enable them to grow and develop alongside their peers.

As reported to the Schools Forum in March 2021, a new development to support the Inclusion Strategy has been to begin work on setting up Special Units in mainstream schools and meet the demand to support pupils with more complex needs. The Special Units will support developing the pupil's learning skills and some of the benefits will include:

- Peer to peer learning;
- Promoting acceptance;
- Developing socialisation and play skills;
- Increasing inclusion in future environments;
- Developing life-long friendships and community cohesion;
- Respect for others;
- Acceptance and the ability to understand and see difference;
- Alleviating pressure for special school places.

The Special Units will enable the pupils to have access to a mainstream school and yet be supported for their learning in a smaller environment. The requirements for Special Units mean pupils do not have to spend 50% of their time in mainstream settings as is the normal requirement for a pupil in an ARP.

The benefits for the Local Authority are:

- Fulfil the Inclusion agenda;
- Fulfil the SEND CoP on meeting the needs of the local offer;
- Saving on travel assistance (currently reaching over 8m£);
- Reduce the need to develop a special school and creation on more places;
- Reduce reliance on out of borough school provision;
- Support schools seeing falling number of pupils on roll.

The Authority has also discussed this development with the SEND Board and the DfE Advisor for Enfield and they have also confirmed their agreement in principle.

UPDATE - 2021/22

The Authority have begun discussions with De Bohun and Oaktree Schools to work in partnership to develop a special unit. The partnership between the two schools will require De Bohun to be supported by Oaktree. Oaktree will provide support such as sharing resources including speech and language and OT from the funding provided by the Authority for delivering outreach services.

The Funding model for Special Units is being based on the place plus approach used for ARPs. The requirements and funding model for the Unit are that they will:

- Provide provision for an agreed number of pupils named by the Authority;
- Be funded in line with national framework which requires funding split into the three elements described earlier in this document.
  - Element 1 – £4,000 AWPU (part of school's delegated budget)
  - Element 2 – £6,000 place funding (from HNB)
  - Element 3 – £7,990 top up (from HNB)

If the pupil is:

- on the School roll, then £6,000 place funding and £7,990 top up will be provided.
- not on the School roll and the place is vacant , then £10,000 is provided.

Both schools will provide feedback to the Authority on progress, challenges and successes.

#### CONSIDERATION FROM 2022/23

A number of other schools have shown an interest in hosting a Special Unit. Officers have arranged to meet with these schools to discuss the requirements for a Special Unit. The meetings will be supported by De Bohun and Oaktree schools.

If the feedback from the development with De Bohun and Oaktree is positive and the interest from schools to host a Special Unit continues, then the Authority's aim is to develop Special Units across the borough and reduce the need to develop new special school places. This development would strategically need to be in geographical locations across the borough so that all CYP have the opportunity to attend. Furthermore, it is important that the provision is available across all the school year groups. This will require officers working with secondary schools to secure secondary special unit(s) so that there is a clear-pathway for pupils.

Separately, and as discussed later in this paper, consideration will need to be given as to how this provision and future commissioning of outreach services and funding currently provided to special schools is developed and managed.

### **4.3 High Needs Block: Special Schools and Pupil Referral Unit**

#### **(d) Place Funding – Special Schools and PRU**

##### **BACKGROUND**

Enfield has six special schools and a pupil referral unit. In 2013, an average cost model was introduced to calculate funding per place at each school and the pupil referral unit. For each school, the place funding calculation was derived by dividing the total funding delegated to the school by number of pupils on roll. This has resulted in each having their own unique average cost per place. The average costs calculated in 2013 have not changed. The special schools have sought a review of their place funding. In consultation with the Schools Forum, it was agreed that a review of special school place funding would be carried out during 2021/22.

An independent Consultant was commissioned to carry out an initial review of the place funding arrangements and the financial position of each special school. At the last meeting of the Schools Forum, the findings from this review were presented. The findings highlighted considerable inconsistencies in how each school used the resources provided from the HNB. Therefore, it was considered unreasonable to either confirm the appropriateness of the current place funding or inform a change without a detailed assessment of the types of needs being supported at each school and whether this reflected the variability in the use of resources.

## CONSIDERATIONS FOR 2022/23

Another independent Consultant has been engaged to test the findings against an appraisal of the pupils in each school and their needs. Following this appraisal, a funding model will be developed.

The Consultant will be carrying out this work over the summer. Initial feedback and options will be provided to the Schools Forum in the Autumn term with a view to consult on any options to inform the funding arrangements in the Autumn term.

### (e) Outreach

#### BACKGROUND

The aim of the outreach provision is for special schools to use their expertise to provide support to mainstream settings in a variety of ways, from advice on strategic issues such as SEN policies and inclusion, to working with individual teachers and pupils to ensure appropriate and effective provision is being made.

The review carried out by the special school place funding found that three schools provided an outreach offer in return for a flat rate of £112,000 and for one the funding was included in the funding provided to the Enfield Advisory Service for Autism (EASA). The schools provide services to mainstream schools using the funding to cover portions of staff salaries and other costs.

The review also highlighted that the funding was not ring fenced solely to outreach, so possibly being treated as delegated funding. This was due to the Authority not monitoring the use of this funding and schools being allowed to retain any unspent allocations.

## CONSIDERATIONS FOR 2022/23

The options drawn out by the review included:

- (i) Include a notional number of places in the top up funding arrangements, treating it as delegated funding. The number of funded outreach places would need to provide sufficient funding for a small school to offer the service with no detriment to its core provision. The LA would not be able to set conditions for the use of the money under this option.  
It is the view of the Authority that this is not too far from the current arrangements and will maintain the current lack of transparency on how this funding was being used;
- (ii) Keep the outreach funding as a separate lump sum (the current system). With this option, the funding would have to be classified as devolved funding and ring fenced for a particular purpose if required. Ring fencing would require reporting and monitoring. This option will have resources implications for special schools, mainstream schools being supported, and the Authority;
- (iii) Mainstream schools commission outreach support from special schools or other providers, either from existing budget shares or from additional funding allocations. The drawback to this arrangement is that at times of budget pressure, schools may not see it as a priority. This option will have resources implications for special schools and the mainstream schools commissioning the support;
- (iv) To cease the funding for the outreach service.

It is the Authority's view that the three schools currently funded to provide an outreach service are advised that the funding will cease at the end of the next academic year (2021/22).

During the 2021/22 academic year, the Authority will review and consider with schools and key partners the purpose of an outreach service and then develop the criteria and monitoring arrangements for any future outreach service to be commissioned.

The outreach funding used for EASA will continue as there are separate monitoring arrangements in place for this provision.

The feedback from Education Resources Group was that the funding should be linked to identifiable projects / activities with agreed outcomes. Furthermore, it was requested that officers should initially meet with special school headteachers and the review engages and consults key stakeholders.

The Forum are asked to note and comment on the proposal and the feedback from the Education Resources Group.

#### **4.5 High Needs Block: Alternative Provision**

##### Alternative Provision

##### BACKGROUND

The Schools Forum at the March 2021 meeting highlighted that Alternative Provision be considered as an area of review.

##### CONSIDERATIONS FOR 2022/23

As this is an area recently identified for review, further information and discussion is required to fully understand the current provision and identify any gaps or unmet demand.

It was proposed that a sub-group of key stakeholders be set up to consider the current provision. Initial requests for volunteers for the sub group has resulted in Celeste Fay, Headteacher Orchardside, Gail Weir, Headteacher Waverley and Mervin Cato, Head of Secondary Behaviour Support. The sub group will be chaired by Peter Nathan.

The sub group will assess the current provision and consider areas for further development.

To ensure that there is full representation, the secondary headteachers on the Education Resources Group was asked to put forward a nomination from a secondary school.

#### **4.6 Early Years Block: Inclusion Fund**

##### BACKGROUND

In 2017, the Inclusion Fund was introduced to support pupils and enable local authorities to work with providers to address the needs of individual children with SEND. The use of the inclusion fund locally was split between individual providers being able 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 officers, with representation from headteachers, settings, and other professionals as required. Specialist support is commissioned from Educational Psychology and the Early Years Inclusion Team (provided in the form of Area SENCOs).

##### CONSIDERATIONS FOR 2022/23

There have been some changes to the regulations governing the Inclusion Fund in relation to using the Fund to commission professionals to deliver a service. Below is an extract from the guidance on the Inclusion Fund:

*Local authorities are required to have SEN Inclusion Funds for all three and four-year olds with special educational needs (SEN) who are taking up the free entitlements, regardless of the number of hours taken. These funds are intended to support local authorities to work with providers to address the needs of individual children with SEN.*

*Local authorities should target SENIFs at children with lower level or emerging SEN. Children with more complex needs and those in receipt of an education, health and care plan (EHCP) continue to be eligible to receive funding via the high needs block of the DSG..*

*As with other elements of early years funding, SENIFs should apply to children attending settings in the relevant local authority area, regardless of where they live.*

#### *Value*

*The value of the fund should take into account the number of children with SEN in the local area, their level of need, and the overall capacity of the local childcare market to support these children. Local authorities must consult with early years providers to set the value of their local SENIF.*

#### *Allocation of funding*

*Local authorities should pass the majority of their SEN inclusion fund to providers in the form of 'top up grants' on a case-by-case basis.*

*As part of the preparation and review of their 'local offer', local authorities must consult with early years providers, parents and SEN specialists on how the SEN inclusion fund will be allocated. Under this 'local offer', local authorities should publish details on how their SENIF will be used to support their early years SEN cohort. These details should include the eligibility criteria for the fund, the planned value of the fund at the start of the year, and the process for allocating the fund to providers.*

Officers are currently assessing the regulations and developing options to present to the Schools Forum in the Autumn term with a view to consult on any options to inform the funding arrangements in the Autumn term.