# NORFOLK SCHOOLS FORUM

# AGENDA

Meeting on Friday 13 November 2020 09:00 – 11.30

This will be a remote Teams Meeting

Individual members, named below, are asked to provide verbal reports for these items.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **09:00 - 09:05** | **1** | **Welcome and Introductions**  **Apologies** |  |  |
| **09:05 – 09:15** | **2** | **Minutes of Last Meeting and Matters Arising**   * Norfolk HNB Contributions to CAMHS   and report back on Alliance Group  (Rebecca Hulme coming to future meeting)   * pilot of better integrated services to support prevention and inclusion – C.Snudden |  | **2 - 8** |
| **09:15 – 10:30** | **3** | **Dedicated Schools Grant**   1. Early Years Block Funding - paper to follow 2. Central Services De-delegation – M. Brock 3. Schools Block Funding   Fair Funding Consultation and Final DSG Recovery Plan – paper attached  C.Snudden/M. Brock | **Discussion/**  **Decision**  **Decision**  **Discussion/**  **Decision** | **9 - 15**  **16 - 29** |
| **10:30 – 10:45** | **4** | **Admissions Appeals Task and Finish Group**  verbal update – Chris Caddamy | **Information** |  |
| **10:45 - 11:00** | **5** | **Academy Elections** | **Information** |  |
| **11:00 – 11:30** | **6** | **AOB**   * Balance Control Mechanism | **Information** |  |
|  | **7** | **Dates of Meetings** **School Forum**  Wednesday 13 January 2021 09:00 – 11.30 hours |  |  |

**Norfolk Schools Forum**

**Minutes of Meeting held on Wednesday 30 September 2020**

**09:00 – 12:00 hours**

**Teams Meeting**

**Present: Representing**

Andrew Aalders-Dunthorne Academies

Keith Bates, Eaton Hall Specialist Academy Special School Academy

Chris Caddamy, (Vice Chair) City College 16 – 19 Representative

Carol Dallas, Taverham High School Academies

Alan Evans, Eastern MAT Academies

Mike Grimble, Avenue Junior School Primary Maintained Governors

Glyn Hambling, Unity Education Trust Alternative Provision

Carol Jaques Maintained Nursery School

Clare Jones, Boudica Schools Trust Academies

Howard Nelson, Diocese of Norwich

Education Diocesan Board of Education

Lacey Douglass Early Years Representative

Peter Pazitka, SJB CMAT Academies

Joanne Philpott, City of Norwich School Academies

Sarah Shirras, (Chair) St Williams Primary Primary Maintained Schools

Joanna Tuttle, Aylsham High School Secondary Maintained Schools

Vicky Warnes JCC (primary phase)

Martin White, Nebula Federation Primary Maintained Governors

Michael Bateman Programme Director SEND &

Alternative Provision

Martin Brock Accountant

John Crowley Assistant Director Learning and

Achievement

Sally Cutting Senior Accountant

Marilyn Edgeley Admin Officer

Dawn Filtness Finance Business Partner

Nicki Rider Senior Adviser – SEND & AP

Chris Snudden Assistant Director (Education)

**Apologies:**

Bob Groome JCC ( secondary phase)

Sara Tough Executive Director Childrens Services

1. **Welcome and Apologies**

The chair welcomed Joanna Rand representing Maintained Special Schools.

Apologies: Bob Groome

1. **Minutes of Last Meeting and Matters Arising**

The minutes of the meeting held on 8 July 2020 were accepted as a true record except that it was noted that there was an inaccuracy in the previous minutes on page 3 section 4. ‘Staff’ should have said ‘STAR’.

* **Admissions Appeals**

The first meeting of this group took place on 24 September and looked at:

* Costs of appeals
* Responsibility of academy trusts
* What is funded by the authority and what is not funded
* Breakdown of costs pre-Covid and post-Covid

At the next meeting it was agreed:

* To ask Eric Clarke to attend to look at the on-line process versus the face to face process.
* Look at what are the parents and panel members response and how effective the processes are and if the on-line process could be used going forward. We will seek the views of all those involved.
* Look at trend of 3 years of data on appeals
* Explore costs in greater detail and also look at what processes other authorities have in place.
* Look at roles of local authorities and the role of schools and academies.
* Look at comms
* Next meeting for October to be arranged

Chris Caddamy will feed back to School Forum at the next meeting in November.

* **Early Years Reference Group**

This will be covered under item 4 on the agenda.

* **Norfolk HNB contributions to CAMHS compared to other LAs**

At previous meeting we suggested asking Rebecca Hulme, lead for mental health strategy to attend a future meeting to talk about CAMHS re-design, we have looked at when the timing will be right for this discussion and it is likely we will invite her to the November meeting. This relates to the following matters arising. (Action: Chris Snudden)

* **Pilot of better Integrated Services to Support Prevention and Inclusion**

Officers explained that this was a new piece of work with the ambition to join up our work in children’s services and wider stakeholders in health. To offer a more integrated approach with current services focused on supporting families at an early stage to achieve a more wrap around provision.. We are about to launch a pilot scheme in each district of the county. The next stage is to discuss with schools what will best suit their needs.

There will be further details at the next meeting.

Members were told that the timescale will depend on the progress of the pilot schemes which will last approximately over the next 4 weeks. We hope to achieve a more wrap around service by the end of the autumn term.

Members asked about the agenda for early intervention, officers said there were clearly indicators identified by schools and they were looking at using the helpline more broadly. Pilots will cover the full age range.

* **Report back on Alliance Group**

Sarah Shirras reported that she represents School Forum on The Alliance Group which was set up to look at CAMHS re-design. Sarah raised concerns that there was limited school representation on the board but this has now been increased. There has been some success in CAMHS during lockdown, they have implemented Kooth, which is an access point for 11+ year olds for mental health and wellbeing support.

The next challenge is to make sure new schools are fully integrated.

Rebecca Hulme will provide further information at a future meeting of the Forum.

1. **Elections**

It was noted that an academy election for 2 representatives will be held to replace a member who has resigned and because Carol Dallas will be asked to stand for re-election as her current term of office has ended.

Bob Groome and Vicky Warnes have come to the end of their current term of office and the Teacher’s Union has been approached but there are no other nominees. Therefore they will start a new 4 year term of office.

Keith Bates will come to the end of his current term of office in December, Keith will approach the other Special School Academies to find out if there are any other nominees.

Sarah said that when her term of office as Chair ends in January she will not stand for a further term and therefore she was giving notice that a new Chairperson would be needed. Anyone interested in knowing what the role entails should contact Sarah.

1. **Dedicated Schools Grant**

* Early Years Block Funding

Officers said this paper focuses on the opportunity to consult on the way Early Years funding is organised. There have been changes to the DSG and the time is right to consult on possibly a different funding model for Early Years.

The paper shows the way the formula is distributed and how it is spent. Changes to the conditions of grants mean we can now pass through more funding directly but there is an element of risk that funding will get to where it should be.

The recently held meeting of the Early Years Reference Group had gone well. There was broad representation and people came with an open mind looking at how funding effects the whole sector. Some people changed their point of view during discussions at the meeting.

Recommendations from the Reference Group focus on the consultation document having a broad approach. They discussed reducing the use of supplements but adding in rurality supplement as an option. The group did not think the EAL supplement should be an option but that other ways of supporting these children should be considered. The group further recognised we should model any changes for impact on providers to make sure none were adversely affected.

They felt 2 year old funding should be reviewed as well as 3 and 4 year old funding and any central services funding should come from both pots.

All options for change will increase the base rate and it is planned that the contingency is limited to 0.5% of the block.

**Section 5 in the paper lists the proposals for consultation**

The Early Reference Group did not think that supplements enabled providers to train staff to a higher level and at the current time we should focus on getting the base rate as high as it could be.

Officers highlighted the table in the consultation document which shows impact on different types of providers. Key point is that proposed changes would be an increase for all.

It was noted that Norfolk have the lowest national rate of funding and the authority will continue to lobby against this.

**Members comments:**

* Disappointing to see again in initial engagement no clear consensus and comments focusing on individual impact.
* Quality element some people are pushed into school system rather than early years.
* Make clear in the consultation paper the effects of less supplements and notional base rates.
* Agree whole system needs looking at but with safe guards in place
* Look at picture as a whole as in how many providers have shut and over what range and geographical area and include these in the consultation document.
* Capping of losses needs consideration

It was confirmed that the Early Years Consultation responses will be brought back to Schools Forum in November, for Schools Forum to make a recommendation to the Local Authority on a revised formula.

* High Needs Block Recovery Plan

Officers said the expectation from the DfE of this plan is to make sure the whole DSG balances. Primary pressure is the High Needs Block.

**Members were shown a PowerPoint presentation**

The Authority was required to submit a Recovery Plan and this was submitted to the DfE last summer. The plan was based on a financial model done in 2018 which now requires a major refresh.

The Recovery Plan meeting with the DfE has been postponed until November due to the Covid pandemic.

**Context**

Officers wanted to consider a major refresh - the previous plan was modelled around the assumption that if no action was taken, increasing numbers of young people would be placed in the independent sector and any increase in maintained places would reduce independent places - It looked at reducing exclusions and EHCP plans.

Since the original model the position has changed, there is an increase in demand for ECHP plans and an unprecedented rise in tribunals. The cost of placements has increased. The places supplied by the capital programme is expected to be outstripped by demand. We have received some extra funding but not enough - so we have to look at a different model.

**Members Comments:**

* Declining savings to less than half by 2024/25 a disappointment.

*Officers said this was due to increased demand, savings will peak from benefits of extra provision before it levels off. This is a concern as capital programme is not sufficient if demand continues.*

**Members requested seeing components of capital programme and Officers confirmed this will be made clear in the consultation document.**

* Curriculum restrictions and if we could offer more flexibility to keep more of our children in schools.

*Officers agreed there needs to be more flexibility and will keep this in mind when talking to DfE.*

* Look at Trusts excluding more frequently.

*Officers said The Timpson review was published. The SEND review is yet to be published – but that is not TIMPSON? we are looking at these trusts.*

* Demand outstripping capital programme an underlying flaw and the inability to predict demand.
* At the same time of building new provision we need to focus on work stream 1 and drive down demand.

*Officers agreed this was key to success in driving down the deficit.*

* School not supporting a plan and parents choices increasing.

*Officer said there was more analysis being done.*

* Unit costs a lot less for maintained special school places than independent special school places.

*Officers agreed this equates to one in independent to every 2 in state funded.*

* Critical to look at funding for children that could stay in maintain places.

*Officers said difficult to know what demand will be but agreed on importance of High Needs Inclusion.*

*Officers said the biggest assumption is demand.*

Officers added that benefits and savings for children going into the new schools is clear but the bottom line is that the deficit is still increasing.

The reason for requesting £120m capital was that we wanted the choice of having a fourth school but we were hoping this would not be needed. This has now been built into the planning.

Tribunals do not take into account strategic planning. We are trying to make sure we have control on admissions in new schools.

Members asked what will be put forward at the meeting with the DfE, it was confirmed that the LA is modelling the recovery plan on the basis of a 1.5% transfer from Schools Block to High Needs Block each year.

Members also asked how we will deal with a £52m accumulative deficit in 2024/25. This is as far as the LA can mitigate the deficit based on current funding from the government. The LA will be discussing this with the DfE.

Officers said that Norfolk is not alone and our current deficit is not as high as some other authorities. This is the reality at the moment.

We are looking at a recovery plan that will take us as close as we can to recovering the deficit however we cannot ourselves recover this entirely.

Members requested that they receive copies of the PowerPoint presentation. Officers agreed but said members must bear in mind that this is not yet in the public domain. Officers said that an amended version to include the points made today would be circulated.

* **Schools Block Fair Funding Consultation**

Officers said that having discussed the DSG Recovery plan emphasized the need for the options in this paper. It was highlighted that no school should lose funding from on a like-for-like basis whichever of the three options are chosen.

**Members comments on Fair Funding paper and proposed options:**

* The paper is not selling a compelling message to encourage colleagues to put funding into an endless pot by saying everyone is in the same boat.
* Drop in the ocean in the bigger picture

*Officers said members were right but there is no selling point apart from that unless we are doing everything we can we are not in a position to ask the DfE to do something significant to meet this problem. The Executive Directors of Childrens Services and Finance for NCC will be writing to the Secretary of State to advise of the situation, including the very challenging position that local authorities and schools are in due to under-funding of specialist provision.*

In November there will need to be a fresh decision from Schools Forum whether to support a 0.5% transfer from the Schools block to the High Needs block for 2021-22. If the Forum decides not to support a transfer, the authority will have no choice be to write to the Secretary of State under the current regulations with a disapplication request.

Members said that the consultation needs to interpret votes from different organisations and how many organisations a respondent represents and how many children.

Detailed modelling – Teachers’ pay and pension grants have been separated out within the modelling.

Members said that it was much clearer this year that this was an authority consultation that comes back to Schools Forum.

* **Amalgamation Protection - Disapplication**

Costessey Infant School and Costessey Junior School amalgamated 1st November 2019, to become one larger school and qualified for the first year of amalgamation protection in 2020/21.

The latest disapplication (of regulations) request form for making an application on behalf of schools for a second year of protection requires the local authority to state whether Schools Forum has agreed to the request being made. The request being made for 2021/22 is as follows:

A second year of amalgamation protection for Costessey Primary School, at 70% of two lump sums, calculated as follows:

£114,400 x 2 x 70% = £160,160, minus one original lump sum value of £114,400 = **£45,760 protection.**

**Action required:**

**Schools Forum agreed the application of a second (and final) year of amalgamation protection for Costessey Primary School, at 70% of two lump sums, for the 2021/22 financial year.**

1. **Updates on Scheme for Financing Schools**

**(Financial Regulations)**

Forum recently received updates to bring the scheme up to date for 2020/21.

There ae now 2 more directed revisions come through from the Secretary of State. We are required to put the two revisions as stated in the paper so this item is for information only.

These revisions will be updated as soon as possible in Norfolk’s 2020/21 Scheme for Financing Schools and a new version of the document will be uploaded onto the Norfolk Schools Website at the following link:

<https://www.schools.norfolk.gov.uk/school-finance/scheme-for-financing-schools>

Schools Forum noted the information provided.

1. **Any Other Business**

Jo Tuttle highlighted the issue of families not prepared to send their children back to schools and those children coming off roll who will then later be entered into the school population when parents confidence grows.

Officers said that this is being monitored locally and nationally.

The Chair asked colleagues to highlight the importance of alerting their schools to the importance of responding to the Fair Funding Consultation.

1. **Date of next meeting**

Members should get in touch if they have any questions prior to the next meeting on

13 November 2020 – 09:00am to 11.30am

**Schools’ Forum**

**Item No. 3b**

|  |  |
| --- | --- |
| **Report title:** | **De-delegation/Central School Services Block** |
| **Date of meeting:** | **13 November 2020** |

**Executive summary**

|  |
| --- |
| In this paper Schools Forum members are asked to make decisions on the de-delegation of services from primary and secondary schools’ budgets in 2021/22, to agree the level of growth fund for 2021/22, and to agree funding for central services for 2021/22. |

**1. De-delegated Services**

Schools Forum are asked to vote separately by **maintained Primary and Secondary sector** on de-delegation of the below services (representatives of those sectors only). **Nursery schools** and **Special Schools** are services as a buy back option, as they are not covered by de-delegation under the statutory finance regulations.

The cost of De-delegated services would be removed from the Basic Per-Pupil Entitlement, at a single per pupil rate, for all year groups, except for Free School Meal eligibility which would be removed from FSM deprivation funding. These are estimates based on the October 2019 census as we do not yet have the October 2020 census results which will drive the final 2021/22 de-delegation figures.

* 1. **Staff Costs**

Staff costs relating to redeployment, safeguarding duties, maternity cover, supply cover for special circumstances, suspended staff and additional costs relating to disabled staff. Should the amounts be de-delegated it is proposed that the current practice of allowing Special Schools to buy-back into the same fund is continued.

The pupil amounts for each budget have been reviewed and are based on the actual 2019/20 financial year spend (£990,055) divided by the number of pupils for which funding was de-delegated.

The suggested reduction to Basic Per-Pupil Entitlement funding would be:

* Redeployment and Safeguarding, £2.16 per pupil
* Maternity Cover, £24.71 per pupil
* Supply Cover, special circumstances, £0.77 per pupil
* Suspended staff, £0.76 per pupil
* Disabled Staff, £0.33 per pupil

Total indicative budgets for the primary sector are;

* Redeployment and Safeguarding, £70,115
* Maternity Cover, £800,416
* Supply Cover, special circumstances, £24,944
* Suspended staff, £24,519
* Disabled Staff, £10,612

An indicative total of **£930,605** for the primary sector (£922,550 in 2020/21).

At the same de-delegation rates per-pupil, if the secondary sector also voted for de-delegation of staffing costs, the indicative contributions for secondary would be:

* Redeployment and Safeguarding, £2,355
* Maternity Cover, £26,883
* Supply Cover, special circumstances, £838
* Suspended staff, £823
* Disabled Staff, £356

An indicative total of **£31,256** for the secondary sector (£0 on 2020/21).

**Decision 1a - Staff costs for the primary sector (maintained) should be de-delegated**

**Decision 1b - Staff costs for the secondary sector (maintained) should be de-delegated**

* 1. **Contingencies**

The local authority may request approval of Schools Forum for the de-delegation of a contingency to cover:

* schools in financial difficulty;
* the writing off of deficits of schools which are discontinued, excluding any associated costs and overheads;
* new, amalgamating or closing schools; or
* circumstances which were unforeseen when the school’s budget share was initially determined;

The only costs to de-delegated contingency funds in recent years have been the costs of writing off deficits for schools upon conversion to sponsored academy.

As of January 2018, the Finance and Business Services Team were instructed by the Director of Children’s Services not to accept any further licensed deficit budget plans.

There are no such deficits forecast for 2021/22, and therefore, the local authority is not requesting the de-delegation of a contingency fund for 2021/22.

**No contingency is requested to be de-delegated for 2021/22.**

* 1. **Free School Meal eligibility**

The reduction to FSM deprivation funding would be £5.63 per eligible FSM primary and secondary pupil to provide a central service checking free school meal eligibility data.

The pupil amount is the same as in 2020/21 and the budgets are calculated on a year by year decreasing basis, as schools convert to academy status.

**Budget £25,209** (£24,770 primary and £439 secondary).

**Decision 2a - Free School Meals eligibility for the primary sector (maintained) should be de-delegated**

**Decision 2b - Free School Meal eligibility for the secondary sector (maintained) should be de-delegated**

* 1. **Special Schools – Buyback of Services**

A decision on the buyback of services in the 2021/22 financial year is required for special schools (by the maintained and academy special school representatives).

Buyback vs De-delegation

The local authority is not allowed, under the finance regulations, to offer de-delegation of services to special schools in the same way as for maintained mainstream schools.

Instead, special schools are allowed to buy back into the same services.

The services available to buy back into are:

* Contingencies
* FSM Eligibility (used by all maintained special schools)
* Staff Costs (safeguarding, maternity, special circumstances, suspended staff, disabled staff)

In previous years the maintained special schools have bought into all services except for contingencies.

The cost for each service is the rate per place delegated to special schools when the central budgets were originally delegated in 2013/14, and is equal to the amount currently included as delegation within the budget share of each school (these are shown on the ‘Memorandum Items’ document of the budget share).

An schedule of the indicative costs, based on current number of places in each school for each service is attached (final cost will be based on actual places funded in the initial 2021/22 budget share).

**Decision 3a - The maintained special school representative is asked to decide on the buyback of services for all maintained special schools in the 2021/22 financial year.**

**Decision 3b - The academy special school representative is asked to inform whether the academy special schools wish to the buyback services in the 2021/22 financial year.**

* 1. **Maintained Nursery Schools – Buyback of Services**

A decision on the buyback of services in the 2021/22 financial year is required for maintained nursery schools (by the maintained nursery school representative).

Buyback vs De-delegation

The local authority is not allowed, under the finance regulations, to offer de-delegation of services to maintained nursery schools in the same way as for maintained mainstream schools.

Instead, maintained nursery schools are allowed to buy back into services.

The services available to buy back into (as previously requested by a Nursery School) are:

* Staff Costs (safeguarding, maternity, special circumstances, suspended staff, disabled staff)

In 2020/21 only King’s Lynn Nursery School bought into these services.

The cost for each service is the same as the rate per pupil used for mainstream staff costs de-delegation.

A schedule of the indicative costs, based on the number of places in each school, is attached.

**Decision 4 - The maintained nursery school representative is asked to decide on the buyback of services for maintained nursery schools in the 2021/22 financial year.**

* 1. **Growth Fund**

**The growth fund sits within the School Block and Schools Forum are required to vote on the criteria and amount.**

Required Growth

In 2020/21, £965k was top-sliced from the Schools Block for growth fund. The following criteria were used for 2020/21:

* Growth has been identified by the authority as required in the area for the following academic year. i.e. a comparison of numbers between the two October counts, and;

* Growth must be the greater of 10% of a year group or 5 pupils and will be funded at 7/12th of Basic Pupil Entitlement, the starting point for the growth must be over and above a school's/academy's current Pupil Admission Number (PAN).
* Growth for an additional year group or class will be given at 7/12th of the Pupil Admission Number, e.g. a school/academy is increasing from an intake of 30 pupils to 60 pupils p.a. - school/academy will therefore qualify for 30x7/12th AWPU.
* There are no additional payments to schools or academies in respect of Infant Class Size Funding.
* Where growth fund payments are made to academies for the period September-March, the payment is continued by the local authority for the following April-August.
* Pupils moving from a closing school in advance of that school’s official closure date will be funded at their new school at up to 5/12th of the AWPU value (1/12th for each full month) where the number of pupils received early is the greater of 10% of a year group or 5 pupils. The number of pupils on roll does not need to exceed the PAN.

A total of £850,825 has been allocated for growth so far in 2020/21.

**It is proposed that £965k is retained centrally for pre-16 growth in 2021/22 and is allocated using the same criteria as in 2020/21 (as listed above).** This includes growth within existing schools and any new schools set up to meet basic need, whether maintained, academy or free school.

**Decision 5 - There should be a £965,000 centrally retained fund for pre-16 growth, with the same criteria to be used as in previous years for allocation of that funding (decision for all Forum members).**

* 1. **Central School Services Block/Education Services Grant**

The Central School Services Block funds local authorities for the statutory duties they hold for both maintained schools and academies. The CSSB brings together:

* Funding previously allocated through the retained duties element of the Education Services Grant (ESG)
* Funding for ongoing central functions, in Norfolk this is admissions, servicing of the Schools Forum and fees to Independent schools without SEN.
* Residual Funding for historic commitments, previously top-sliced from the schools’ block, totalling £153,600 for 2021/22 (the DfE have reduced the allocation for this by 20% compared to 2020/21).
* The licences and subscriptions paid for centrally by the DFE.

Norfolk’s indicative allocation for 2021/22, based on 106,352 pupils, for the Central School Services Block is £3,575,971.

This is approximately £32.18 per pupil plus £153,600 for agreed historic costs.

**Full Schools Forum are required to vote on the retention of the Central School Services Block**.

Specific budgets:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category** | 2020/21 | 2021/22 | Difference | Explanation for change |
| **6a Ongoing Central Functions** |  |  |  |  |
| School Admissions | 487,011 | 487,011 | 0 | This is an allowable item under the regulations |
| Servicing of Schools Forum\* | 69,691 | 30,000 | -39,691 | Budget has underspent in previous years. This is an allowable item under the regulations. See note below the table. |
| Fees to independent schools for pupils without SEN | 100,000 | 100,000 | 0 | This is an allowable item under the regulations. |
| **6b Historic Commitments** |  |  |  |  |
| SACRE\*\* | 5,000 | 5,000 | 0 | This can be evidenced as a historic commitment prior to April 2013. |
| Contribution towards the Director of Learning & Inclusion central budgets- Early Intervention and Achievement.\*\*\* | 119,700 | 119,700 | 0 | This can be evidenced as a historic commitment prior to April 2013. This meets the rules of contributing towards Education Benefit. |
| Joint User agreement Long Stratton Leisure Centre | 50,000 | 0 | -50,000 | The final payment will be made in 2020/21. |
| Termination of Employment Costs (existing pension costs) | 64,994 | 64,994 | 0 | This can be evidenced as a historic commitment prior to April 2013. |
| **Total** | **896,396** | **806,705** | **-89,691** |  |

*\*This covers the clerk to the forum, conference, supply and travel expenses.*

**\*\****Standing Advisory Council for Religious Education*

*\*\*\* Improvement and Strategy work, Head teacher and Educational conferences.*

**Decision 6a – Agree the level of ongoing centrally retained items - Admissions, Servicing of Schools Forum, Independent Fees for non-SEN pupils (decision for all Forum members).**

**Decision 6b – Agree the historic commitments to be funded (decision for all Forum members).**

Responsibilities held for all schools (previously from Education Services Grant)

The Education Services Grant retained element became part of the Dedicated Schools Grant from September 2017 and now sits within the Central School Services Block.

After deducting ongoing central functions to be agreed line-by-line (decision 7a) and Norfolk’s historic commitments (decision 7b) as well as an estimate of the amount required for the DfE’s central licencing scheme based on 2020/21 (£644,658), the indicative level of funding remaining for other responsibilities held for all schools is £2,124,608.

All Schools Forum members are required to vote on the retention of this funding by the Local Authority to carry out the duties listed below for all schools.

(Source for items listed below is the ‘Schools revenue funding 2021 to 2022 Operational guide’):

https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2021-to-2022

The schedules quoted below are from The School and Early Years Finance (England) Regulations 2020.

**Responsibilities held for all schools**

**Statutory and regulatory duties**

* Director of children’s services and personal staff for director (Sch 2, 15a)
* Planning for the education service as a whole (Sch 2, 15b)
* Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22)
* Authorisation and monitoring of expenditure not met from schools’ budget shares (Sch 2, 15c)
* Formulation and review of local authority schools funding formula (Sch 2,15d)
* Internal audit and other tasks related to the local authority’s chief finance officer’s responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Sch 2, 15e)
* Consultation costs relating to non-staffing issues (Sch 2, 19)
* Plans involving collaboration with other LA services or public or voluntary bodies (Sch 2, 15f)
* Standing Advisory Committees for Religious Education (SACREs) (Sch 2,17)
* Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21)

**Education welfare**

* Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20)
* School attendance (Sch 2, 16)
* Responsibilities regarding the employment of children (Sch 2, 18)

**Asset management**

* Management of the LA’s capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 2, 14a)
* General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b)

**Other ongoing duties**

* Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8); this does not require schools forum approval
* Admissions (Sch 2, 9)
* Places in independent schools for non-SEN pupils (Sch 2, 10)
* Remission of boarding fees at maintained schools and academies (Sch 2,11)
* Servicing of schools forums (Sch 2, 12)
* Back-pay for equal pay claims (Sch 2, 13)
* Writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and studio schools, within a reasonable travelling distance (Sch 2, 23)

**Historic commitments**

* Capital expenditure funded from revenue (Sch 2, 1)
* Prudential borrowing costs (Sch 2, 2(a))
* Termination of employment costs (Sch 2, 2(b))
* Contribution to combined budgets (Sch 2, 2(c))

**Decision 6c – Agree the funding for responsibilities held for all schools from the former Education Services Grant retained element (decision for all Forum members).**

**Schools Forum decisions required:**

* **Vote on de-delegated services for 2021/22 (Decisions 1a, 1b, 2a, 2b, 3a, 3b, 4)**
* **Vote on growth fund for 2021/22 (Decision 5)**
* **Vote on items to be retained from the Central Services School Block for 2021/22 (Decisions 6a, 6b, 6c)**

**Schools’ Forum**

**Item No. 3c**

|  |  |
| --- | --- |
| **Report title:** | **Fair Funding Consultation/National Funding Formula** |
| **Date of meeting:** | **13 November 2020** |

**Executive summary**

|  |
| --- |
| This report summarises the responses to the autumn 2020 Fair Funding Consultation with Norfolk schools, and sets out the proposed changes to the funding distribution formula of the Schools Block of the Dedicated Schools Grant (DSG) from April 2021.  **Schools Forum are asked to:**   * **Consider and comment on the proposed changes to the distribution formula of the Schools Block of the Dedicated Schools Grant;** * **Review the latest DSG forecast;** * **Consider the feedback from the autumn 2020 Fair Funding Consultation;** * **Vote on continuation of the movement of 0.5% from the Schools Block to the High Needs Block for 2021-22;** * **Consider and comment on the movement of additional funding (an additional 1%) to the High Needs Block for 2021-22**. |

**National Funding Formula 2021-22**

The DfE have announced that the following changes will be made to the 2021-22 National Funding Formula:

* The incorporation of the 2019 Income Deprivation Affecting Children Index data, ensuring that deprivation funding through the NFF continues to target schools most likely to need additional funding;
* Funding previously allocated through the Teachers’ Pay Grant and Teacher’s Pension Employer Contribution Grant will be allocated through the Dedicated Schools Grant from April 2021, by adding to schools’ funding baselines, increasing the basic per-pupil funding, and increasing the minimum per-pupil funding levels;
* Improved support for small and remote schools, by increasing the maximum sparsity value from £26,000 to £45,000 for primary schools and from £67,600 to £70,000 for secondary schools;
* The key factors in the National Funding Formula will increase by 3%;
* Mandatory minimum per-pupil levels of £4,180 for primary schools and £5,415 for secondary schools, including allocations for the former Teachers’ Pay Grant and Teacher Pension Employer Contributions Grant.
* The funding paid to the Local Authority will be set at + 2% compared to schools’ 2020-21 funding floor baselines;
* Premises funding which will be allocated at local authority level based on actual spend in 2020-21 plus RPIX inflation of 1.56%;
* Local authorities have the freedom to set the Minimum Funding Guarantee in the local formulae between +0.5% and +2% per pupil, as well as to use a gains cap applied on the same basis for all schools.
* Following the cancellation of assessments in summer 2020 due to Covid-19, the 2019 assessment data will used as a proxy in the formula for the 2020 reception and year 6 cohort.

In line with Norfolk’s 2020-21 formula, the local authority intends to follow the National Funding Formula as closely as possible in all the options set out in the consultation for 2021-22 funding.

The table below shows the comparison of 2020-21 NFF funding rates currently used within the Norfolk funding formula[[1]](#footnote-1) and the proposed 2021-22 NFF funding rates for distribution of the additional Schools Block DSG that the Local Authority is expecting to receive.

|  |  |  |
| --- | --- | --- |
| **Funding Factor** | **2020-21 Formula** | **2021-22 Proposed Formula** |
|  | **£ NFF unit rates** | **£ NFF unit rates** |
|  |  |  |
| **Age Weighted Pupil Unit** |  |  |
| Primary | NFF 2,857 (2,893.93 allocated) | 3,123 |
| Key Stage 3 | NFF 4,018 (4,069.57 allocated) | 4,404 |
| Key Stage 4 | NFF 4,561 (4,619.42 allocated) | 4,963 |
| **Minimum Per Pupil Funding** |  |  |
| Primary | 3,750 | 4,180 |
| Secondary | 5,000 | 5,415 |
| **Additional Needs Funding** |  |  |
| Primary FSM | 450 | 460 |
| Secondary FSM | 450 | 460 |
| Primary FSM6 | 560 | 575 |
| Secondary FSM6 | 815 | 840 |
| Primary IDACI A | 600 | 620 |
| Primary IDACI B | 435 | 475 |
| Primary IDACI C | 405 | 445 |
| Primary IDACI D | 375 | 410 |
| Primary IDACI E | 250 | 260 |
| Primary IDACI F | 210 | 215 |
| Secondary IDACI A | 840 | 865 |
| Secondary IDACI B | 625 | 680 |
| Secondary IDACI C | 580 | 630 |
| Secondary IDACI D | 535 | 580 |
| Secondary IDACI E | 405 | 415 |
| Secondary IDACI F | 300 | 310 |
| **Low Prior Attainment** |  |  |
| Primary LPA | 1,065 | 1,095 |
| Secondary LPA | 1,610 | 1,660 |
| **EAL** |  |  |
| Primary EAL | 535 | 550 |
| Secondary EAL | 1,440 | 1,485 |
| **Mobility** |  |  |
| Primary Mobility | 875 | 900 |
| Secondary Mobility | 1,250 | 1,290 |
| **Lump Sum** |  |  |
| Primary Lump Sum | 114,400 | 117,800 |
| Secondary Lump Sum | 114,400 | 117,800 |
| **Sparsity** |  |  |
| Primary Sparsity | 26,000 | 45,000 |
| Secondary Sparsity | 67,600 | 70,000 |

**Fair Funding Consultation**

An online survey was held with schools from Monday 5th October to Monday 26th October 2020, with schools notified via an MI notification on Friday 2nd October.

The following options for the 2021-22 mainstream funding formula were consulted on:

**Option 1 -** Implementation of DfE’s National Funding Formula unit rates and methodologies, with a transfer of £7.828m of Schools Block (0.5% plus a further 1% to High Needs Block).  It is expected that the Minimum Funding Guarantee would be set at +0.75% and there would need to be a funding cap of +0.76%.

**Option 2 -** Implementation of DfE’s National Funding Formula unit rates and methodologies, with a transfer of £2.609m of Schools Block (0.5%) to High Needs Block.  It is expected that the Minimum Funding Guarantee would be set at +1.73% but there would be no need for a funding cap on gaining schools.

**Option 3 -** Implementation of DfE’s National Funding Formula unit rates and methodologies.  It is expected that the Minimum Funding Guarantee would be set at +2% and there would be no need for a funding cap on gaining schools. It is estimated that an increase of +1.07% above the NFF Basic Entitlement factor values may be possible.

**Note:** If further adjustment is required to calibrate Norfolk’s formula to the final level of DSG funding available for 2021-22 it is proposed that this would be managed as explained below.

For additional funding to allocate, it would be allocated in the following order:

* Increase the level of MFG protection if possible for all schools, within the allowable range of +0.5% and +2%, and increase cap so it is no lower than MFG threshold;
* Remove funding cap on gains if possible;
* Increase the Basic Per-Pupil Entitlements for primary and secondary pupils above NFF values by an equal percentage, until all additional funding is allocated.

If the final DSG allocation for Norfolk is less than expected, the formula would be adjusted in the following order:

* Reduce the level of MFG if necessary;
* Reduce the level of the funding cap (reducing the level of maximum gains) or introduce a funding cap on gaining schools. The funding cap must not be lower than the MFG threshold;
* As a last resort, and not expected to be needed, reduce the Basic Per-Pupil Entitlements of all schools below NFF values by an equal percentage until the formula balances, whilst still meeting minimum per-pupil and MFG requirements.

**DSG Deficit Recovery/Forecast**

The Local Authority has been reviewing and re-setting the DSG recovery plan for Norfolk. Whilst this work was delayed by Covid-19, it has now been completed and the re-set plan is provided below, updated based on 2020-21 forecasts as at the end September 2020.

Norfolk County Council is fully co-operating with the DfE and there is a meeting between the Local Authority and the DfE in November 2020 (previously postponed due to the Covid-19 pandemic response). In advance of this meeting, the Local Authority has shared the reset plan with the DfE. The Chair of Norfolk’s Schools Forum will be joining the meeting.

The financial modelling is based upon the best available information at the time of preparation, and some elements of the transformation planned are further through the planning cycle than other elements. This reset has taken into account assumptions relating to:

* Increasing the number of maintained specialist provision to increase quality and reduce placement costs compared to the independent sector;
* Increased investment in early invention funding, high needs inclusion and Specialist Resource Base provision to reduce needs escalating and, therefore, reduce demand on places in special school provision and alternative provision;
* the ongoing progress with Norfolk County Council’s Special Educational Needs & Disabilities and Alternative Provision (SEND & AP) Transformation Programme (for example confirmation of the opening dates of new specialist provision and expanded places) – the plan initially had very high level estimates for the capital works that have now been revised to reflect the capital programme, as shared with the Capital Priorities Group;
* changing patterns in referrals and demand – over the past two years, a significant increase in referrals for EHCPs has taken place, with an increasing number of children and young people identified as requiring a special school place;
* updated average cost of placements and support (current and projected) – due to place demand, independent provision tends to increase in cost with each placement whilst, as the transformation programme continues, the cost of new provision can more accurately be calculated;
* possible increase in independent provision – when the plan was initially prepared the market (including the independent sector) seemed saturated, but providers have continued to open additional places or provision – updated assumptions reflect current knowledge of the independent market and modest ongoing expansion;
* increases in the High Needs Block allocations in relation to overall schools funding announcements;
* possible Schools Block to High Needs Block transfer in future years.

It should be noted that the DSG recovery plan is a based upon a complex financial model, much of which is not within the control of the local authority, such as demand for specialist provision and the medium-to-longer term impact of the Covid-19 pandemic upon high needs including alternative provision.

The demand that the local authority is anticipating outstrips supply in future years, based upon the trends seen since the policy changes made in the SEND Reform Act. The local authority is of the view that the funding for the High Needs Block has not kept pace with the financial impact of these policy changes (including the emphasis upon parental choice) and, based upon current projections, the significant capital investment and transformation programme that is underway will not be sufficient to sustainably balance the DSG. To be able to properly meet the needs of Norfolk’s population, the local authority is of the view that central government needs to allocate both sufficient revenue funding and capital funding, with the capital funding sufficient to both maintain the condition of existing maintained special schools, but also to expand provision (similar to capital grant allocations for mainstream schools).

The significant savings shown in the table below represent those that will be delivered through needs being met in new maintained specialist provision and specialist resource bases as a result of Norfolk County Council’s £120m capital investment – the savings presume that the alternative would be independent provision:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **£m** | **Forecast** | | | | |
| **2020/21** | **2021/22** | **2022/23** | **2023/24** | **2024/25** |
| Savings (iterative) | -1.488 | -3.608 | -4.266 | -2.525 | -1.764 |
| Savings (cumulative in-year) | -1.488 | -5.097 | -9.363 | -11.888 | -13.652 |
| Savings (cumulative total) | -1.488 | -6.585 | -15.947 | -27.835 | -41.487 |

The DSG deficit carried forward from 2019-20 is currently £19.703m and is forecast to reach £30.069m at the end of the current financial year.

The level of deficit is forecast to rise based on demand for places to £51.025m at the end of the 2024-25 financial year, if identified mitigating actions are implemented, such as 4 new special schools are built and opened, planned specialist resource base provision is opened, and there is a 1.5% transfer from Schools Block to High Needs Block each year. Without the Block transfer, the cumulative deficit is forecast to exceed £82m.

The plan also includes the assumption that Norfolk will receive a share of the £14bn in 2022-23, from the three-year schools funding announced last year, in line with the previous allocations. If this is not the case, then Norfolk will see increase in-year and, subsequently, cumulative deficits.

If the increased demand was met by increased independent provision, rather than through Norfolk County Council’s £120m capital programme, then the cumulative deficit by 2024-25 would be expected to be at least £13m per annum higher (cumulative deficit would be in the region of £40m higher) for the same number of places. The quality of provision and outcomes for children and young people is significantly and consistently better in the maintained and academy sector; thus, the programme will deliver non-financial benefits as well as financial benefit.

The forecast in-year deficit reduces in 2021-22 and 2022-23, prior to rising again from 2023-24 onwards. This is due to the expected significant supply of new provision into the sector in 2021-22 and 2022-23, thus a greater proportion of children with high SEND will have their needs met in the maintained and academy sector, rather than the independent sector.

The scale of the challenge faced by Norfolk within the current funding arrangements from the Government is immense, as demonstrated in the DSG forecast provided below:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **DSG Recovery Plan, £m** | **Outturn** | | **Forecast** | | | | |
| **2018/19** | **2019/20** | **2020/21** | **2021/22** | **2022/23** | **2023/24** | **2024/25** |
| High Needs Block DSG Income | 80.462 | 81.917 | 93.311 | 103.339 | 112.312 | 113.860 | 115.194 |
| 0.5% Schools Block Transfer | 2.365 | 2.410 | 2.535 | 2.609 | 2.635 | 2.662 | 2.688 |
| Additional Schools Block to High Needs Block Transfer, 1% |  | 4.580 |  | 5.218 | 5.271 | 5.323 | 5.377 |
| Schools Block / Early Years Block / Central Services Schools Block Underspends | 4.095 | 1.491 | 0.216 |  |  |  |  |
| **Total Resources** | **86.922** | **90.398** | **96.063** | **111.166** | **120.217** | **121.845** | **123.259** |
|  |  |  |  |  |  |  |  |
| Placement Budget starting point |  |  | 87.103 | 91.843 | 97.108 | 104.759 | 109.776 |
| Demographic Growth & Placement cost pressures |  |  | 6.228 | 8.873 | 11.917 | 7.542 | 5.690 |
| Savings |  |  | -1.488 | -3.608 | -4.266 | -2.525 | -1.764 |
| **Total Placements** | **80.488** | **87.103** | **91.843** | **97.108** | **104.759** | **109.776** | **113.702** |
|  |  |  |  |  |  |  |  |
| Early Intervention SEN Funding[[2]](#footnote-2) | 6.075 | 8.762 | 9.500 | 10.250 | 11.000 | 11.750 | 11.750 |
| New Special School Start-up Costs |  |  | 0.113 | 0.887 |  |  |  |
| Speech and Language Therapy Service contribution | 0.771 | 1.002 | 1.241 | 1.100 | 1.004 | 1.004 | 1.004 |
| Sensory Support | 1.624 | 1.623 | 1.623 | 1.623 | 1.623 | 1.623 | 1.623 |
| Youth Offending Team contribution | 0.290 | 0.290 | 0.290 | 0.290 | 0.290 | 0.290 | 0.290 |
| Child and Adolescent Mental Health Service contribution | 0.251 | 0.251 | 0.251 | 0.251 | 0.251 | 0.251 | 0.251 |
| High Needs Inclusion Infrastructure | 0.774 | 0.795 | 1.649 | 1.967 | 1.967 | 1.967 | 1.967 |
| Permanent Exclusion charges | -0.999 | -1.082 | -0.560 | -0.900 | -0.900 | -0.900 | -0.900 |
| Other | 0.447 | 0.469 | 0.478 | 0.441 | 0.441 | 0.441 | 0.441 |
| Teachers' Pay Grant and Teachers' Pension Employer Contribution Grant |  |  |  | 1.711 | 1.870 | 1.995 | 2.089 |
| **Total expenditure** | **89.722** | **99.214** | **106.429** | **114.727** | **122.304** | **128.197** | **132.216** |
|  |  |  |  |  |  |  |  |
| **Surplus (+)/Deficit (-)** | **-2.800** | **-8.816** | **-10.366** | **-3.561** | **-2.087** | **-6.352** | **-8.957** |
|  |  |  |  |  |  |  |  |
| **Cumulative Deficit** | **-10.887** | **-19.703** | **-30.069** | **-33.629** | **-35.716** | **-42.068** | **-51.025** |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  | | | | | | | |
|
|  |  |  |  |  |  |  |  |
| **Placements Costs by type, £m:** |  |  |  |  |  |  |  |
| Maintained / Academy / Free Special Schools | 31.587 | 34.260 | 36.142 | 38.349 | 42.891 | 45.337 | 47.150 |
| Independent Special Schools | 25.604 | 30.456 | 31.264 | 34.081 | 36.069 | 38.058 | 40.046 |
| Section 19 Placements and Support[[3]](#footnote-3) |  | 0.060 | 1.110 | 1.110 | 1.110 | 1.110 | 1.110 |
| Alternative Provision | 6.455 | 4.693 | 4.025 | 3.491 | 3.491 | 3.491 | 3.491 |
| Post-16 (Further Education) | 6.440 | 6.774 | 7.179 | 7.179 | 7.179 | 7.179 | 7.179 |
| Specialist Resource Bases & Deaf Resource Bases | 3.089 | 3.242 | 3.740 | 4.554 | 5.673 | 6.256 | 6.381 |
| Personal Budgets | 0.451 | 0.501 | 0.501 | 0.501 | 0.501 | 0.501 | 0.501 |
| Short Stay Schools | 6.129 | 6.821 | 7.110 | 7.110 | 7.110 | 7.110 | 7.110 |
| Other Local Authority Recoupment | 0.734 | 0.298 | 0.772 | 0.734 | 0.734 | 0.734 | 0.734 |
| **Total Placement Costs** | **80.488** | **87.103** | **91.843** | **97.108** | **104.759** | **109.776** | **113.702** |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Placements Numbers by type:** | **2018/19** | **2019/20** | **2020/21** | **2021/22** | **2022/23** | **2023/24** | **2024/25** |
| Maintained / Academy / Free Special Schools | 1,484 | 1,577 | 1,713 | 1,906 | 2,046 | 2,138 | 2,214 |
| Independent Special Schools | 615 | 847 | 897 | 947 | 997 | 1,047 | 1,097 |
| Section 19 Placements and Support[[4]](#footnote-4) |  | 83 | 120 | 120 | 120 | 120 | 120 |
| Alternative Provision | 351 | 252 | 176 | 172 | 172 | 172 | 172 |
| Post-16 (Further Education) | 616 | 616 | 616 | 616 | 616 | 616 | 616 |
| Specialist Resource Bases & Deaf Resource Bases | 242 | 242 | 270 | 358 | 432 | 458 | 458 |
| Personal Budgets | 55 | 65 | 65 | 65 | 65 | 65 | 65 |
| Short Stay Schools | 350 | 370 | 370 | 370 | 370 | 370 | 370 |
| Other Local Authority Recoupment | 74 | 83 | 83 | 83 | 83 | 83 | 83 |
| **Total Placement Numbers** | **3,787** | **4,135** | **4,310** | **4,637** | **4,901** | **5,069** | **5,195** |

**Consultation Responses**

The Local Authority received 23 completed responses to the online survey. Of these responses:

* 17 were from individual schools within the Primary sector
* 1 was from a Secondary School
* 2 were from federations representing multiple Infant/Junior/Primary Schools
* 3 were from academy trusts representing multiple academies

A total of 49 schools were represented within the responses.

The overall number of **schools** represented within each of the responses were as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Primary** | **Secondary** | **Federations** | **Academy Trusts** | **Total** |
| **Number of Responses** | 17 | 1 | 2 | 3 | **23** |
|  |  |  |  |  |  |
| **Representing:** |  |  |  |  |  |
| Infant |  |  | 1 |  | **1** |
| Junior | 1 |  | 1 |  | **2** |
| Primary | 16 |  | 3 | 15 | **34** |
| Secondary |  | 1 |  | 10 | **11** |
| Sixth Form Only |  |  |  | 1 | **1** |
| **Total Schools** | **17** | **1** | **5** | **26** | **49** |

The number of **pupils** represented within the responses was as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Primary** | **Secondary** | **Federations** | **Academy Trusts** | **Total** |
| **Number of Responses** | 17 | 1 | 2 | 3 | **23** |
|  |  |  |  |  |  |
| **Total Pupils** | **3,933** | **601** | **763** | **13,289** | **18,586** |

The LA has not received the level of response seen in previous years to the annual Fair Funding Consultation. This is understandable given the pressures on school leaders over the last few months and the significant uncertainty regarding schools finances as a result of the covid crisis; both will have reduced the time available for school leaders to respond, as well as increased the difficulty for leaders to balance the consideration of both the needs of individual schools and trusts, as well as the needs of the education system as a whole.

In our survey, we asked schools to rank the following options for the 2021-22 mainstream schools’ funding formula:

**Option 1 -** Implementation of DfE’s National Funding Formula unit rates and methodologies, with a transfer of £7.828m of Schools Block (0.5% plus a further 1% to High Needs Block).  It is expected that the Minimum Funding Guarantee would be set at +0.75% and there would need to be a funding cap of +0.76%.

**Option 2 -** Implementation of DfE’s National Funding Formula unit rates and methodologies, with a transfer of £2.609m of Schools Block (0.5%) to High Needs Block.  It is expected that the Minimum Funding Guarantee would be set at +1.73% but there would be no need for a funding cap on gaining schools.

**Option 3 -** Implementation of DfE’s National Funding Formula unit rates and methodologies.  It is expected that the Minimum Funding Guarantee would be set at +2% and there would be no need for a funding cap on gaining schools. It is estimated that an increase of +1.07% above the NFF Basic Entitlement factor values may be possible.

The number of votes per ranking for each of the options following consultation was as follows (only 22 of the 23 responses ranked the options):

|  |  |  |  |
| --- | --- | --- | --- |
| **Option** | **1st** | **2nd** | **3rd** |
| **Option 1** - £7.828m transfer to HN Block | 4 | 2 | 16 |
| **Option 2** - £2.609m (0.5%) transfer to HN Block | 8 | 13 | 1 |
| **Option 3** - No transfer to HN Block | 10 | 7 | 5 |

The survey system used (Smartsurvey) applies a weighting to each of the rankings, with options ranked 1st receiving the highest weighting, as follows:

|  |  |
| --- | --- |
| **Rank** | **Weighted Score** |
| 1st | 3 |
| 2nd | 2 |
| 3rd | 1 |

Applying these weightings, the survey system ranks the overall order of preference of the options as follows:

|  |  |  |
| --- | --- | --- |
| **Option** | **Weighted Score** | **Overall Ranking** |
| **Option 2** - £2.609m (0.5%) transfer to HN Block | 51 | 1 |
| **Option 3** - No transfer to HN Block | 49 | 2 |
| **Option 1** - £7.828m transfer to HN Block | 32 | 3 |

However, this is based on a single ranking per response and does not take into account the number of schools represented by federations and academy trusts.

Applying the submitted rankings to the overall number of schools represented (with schools within a federation or academy trust assumed to vote in the same ranked order), gives the following results (only 48 of the 49 responses represented ranked the options):

|  |  |  |  |
| --- | --- | --- | --- |
| **Option** | **1st** | **2nd** | **3rd** |
| **Option 1** - £7.828m (1.5%) transfer to HN Block | 4 | 2 | 42 |
| **Option 2** - £2.609m (0.5%) transfer to HN Block | 14 | 33 | 1 |
| **Option 3** - No transfer to HN Block | 30 | 13 | 5 |

Applying the weighted score to these results gives:

|  |  |  |
| --- | --- | --- |
| **Option** | **Weighted Score** | **Overall Ranking** |
| **Option 3** - No transfer to HN Block | 121 | 1 |
| **Option 2** - £2.609m (0.5%) transfer to HN Block | 109 | 2 |
| **Option 1** - £7.828m (1.5%) transfer to HN Block | 58 | 3 |

Therefore, the result of the consultation based on the number of schools represented, is a preference for no transfer to the High Needs Block, followed by a transfer of only £2.609m (0.5%) to the High Needs Block, with a transfer of £7.828m (1.5%) to the High Needs Block being the least favoured option.

This result coincides with the level of funding allocated under each option for most schools (only excluding those where the Minimum Per-Pupil Funding levels create the same level of funding in all three options), indicating that schools have generally voted based on the level of extra funding given for each option in the consultation technical papers, as would be expected to be the case.

Appendix 1 provides the transcript of comments submitted by providers in support of their responses, grouped by preference of each option.

**Local Authority Proposal**

It is proposed to continue to implement the unit values and methodologies of the National Funding Formula, updated for the financial year 2021-22, as this was the basis for all options given in the consultation and in line with previous Schools Forum recommendations to align Norfolk with the NFF factors and unit values.

However, the Local Authority (LA) is expected by the DSG regulations to recommend the maximum transfer of funding of 1.5% from Schools Block to High Needs Block, in spite of the preference for no transfer to High Needs Block indicated through responses to the consultation.

The LA recognises the pressures on schools’ budgets and the desire of schools to receive the maximum funding possible directly into their budgets via the funding formula, and that maximising funding in schools may support increased inclusivity and reduced escalation of needs. However, the LA must weigh this up against the current and forecast levels of DSG deficit and be responsible in considering how the deficit can be repaid from within the DSG in future years, as required by the regulations. The LA is required to have a plan in place for recovery of the DSG, as per Norfolk’s plan included in this report, which must be presented to the DfE as well as to Schools Forum.

The LA also recognises the difficulty that this situation presents for Schools Forum members in recommending an option for the 2021-22 funding formula. Schools Forum members are asked to take into account the views of schools’ responses from the consultation, but also to consider the wider landscape of the DSG in making their recommendation to the LA.

Norfolk’s current DSG Recovery Plan is underpinned by two key elements:

* the £120m capital investment to build new special schools, specialist resources bases and to develop student support hubs;
* and, the assumption of ongoing transfers of funding between the Schools Block and High Needs Block (0.5% plus a further transfer of 1%).

The LA is therefore minded to submit an application to the Secretary of State for an additional 1% transfer, estimated at £5.218m, and, if necessary, the movement of the 0.5% estimated at £2.609m (if Schools Forum vote against the 0.5% movement). In doing so the LA will be required to demonstrate, with a business case, that this is the best possible option for Norfolk as a whole schools system.

**Schools Forum are asked to:**

* **Consider and comment on the proposed changes to the distribution formula of the Schools Block of the Dedicated Schools Grant;**
* **Review the latest DSG Deficit Recovery/Forecast;**
* **Consider the feedback from the autumn 2020 Fair Funding Consultation;**
* **Vote on continuation of the movement of 0.5% from the Schools Block to the High Needs Block;**
* **Consider and comment on the movement of additional funding (an additional 1%) to the High Needs Block.**

**Useful Links**

[NFF Tables for Schools & High Needs 2021-2](https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2020-to-2021)2:

<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2021-to-2022>

Schools Revenue Funding Operational Guidance 2021-22:

<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2021-to-2022>

**Appendix 1**

Comments verbatim as submitted through the survey, including if there appear to be errors in understanding of the factual data provided or it appears that the comment seems to prefer an alternative option to the one ranked as first choice.

Preference of Option 1:-

*“According to the spreadsheet provided, all three options will have the same financial impact for my school and therefore, I'm happy to go for Option 1, as I recognise how much this money is needed in the High Needs Block. However, had there been a significant difference, as there is for some schools, my decision might have been different...particularly in the current climate!”*

*“The options make no difference to us an individual school however it worrying to see the level of deficit continuing to rise drastically despite all the years that money has been taken from each school's budget which they can ill afford. I disagree with taking more that 0.5% each year - an additional 1% will affect many schools disproportionately”*

Preference of Option 2:-

*“Appreciate the need for a proportion to go to the High Needs block, but mainstream schools are under increasing pressure so a % increase is needed with no funding cap.”*

*“Provides schools with the best option of increasing income to a level that will met our growing needs whilst also securing some funding for the High Needs Block”*

*“The increase for my school remains the same whichever option is selected. However in Option 1 the increase for many schools is below 1% and this is not sustainable and is below inflation. I believe this will have a detrimental impact on the education provided for many pupils in Norfolk. It will also impact further on local communities as basic provisions & running costs can only be sustained if more staff are cut. This will in turn impact on the workload and wellbeing of the staff remaining and may result in more staff leaving the profession.”*

*“Under Option 2, our primary schools will see a needed increase in income while still showing willingness to transfer 0.5% towards the HNB.”*

*“Appears in the best interests of our schools.”*

Preference of Option 3:-

*“Whilst we appreciate they are trying to reduce the deficit for the high needs block and provide an improved SEND strategy/specialist provision in Norfolk, this is too slow coming and as a result we are having to try and implement many of our own strategies within our schools to address key concerns, including exclusions and access to alternative provision places. Budgets are already tight for schools before we are trying to introduce additional initiatives due to the poor offer in our local area. It is therefore difficult to agree to further transfers from our funding to support the high needs deficit when actually they are showing that this deficit is going to keep on growing anyway, and therefore this is not a real solution to the problem.*

*The additional money from option 3 would be enough for us to set up an SRB on-site to support students with significant SEND needs. There is no sign that by sacrificing this money we would get that number of SRB places from County.”*

*“The deficit for the High Needs Block is clearly an ongoing issue for NCC. The indication is that any contribution made by schools is not going to make a significant difference to the size of the deficit, never mind approaching its elimination. Our Governing Body has had this discussion last year and again this year and can see it continuing annually into the future.*

*We are very concerned about the negative impact on our children whose needs are being compromised by schools having to bail out the High Needs Block on an ongoing basis. This is on top of reductions already made in funding for children with SEND in our schools. With this ongoing reduction to school SEND budgets, the level of need is likely to rise and cause further issues for the local authority (LA) which will need to be addressed in the future.*

*We believe this is such a major issue for the LA that it must be resolved through other channels.”*

*“Our first priority must be for the schools in our Trust, recognising the importance of maximising funding in that area, as any funds effectively taken away negatively impacts on the pupils under our care. Maximising funding also gives us the best possible opportunity at school level to effectively contribute to early intervention and fund the shortfall between SEND top-up funding received and the level of costs incurred in each case.”*

*“It is noted that part of the cash increase to be allocated to local authorities by the Government for 2021-22 is an additional £730m of high needs funding and is in addition to £780m of extra high needs funding allocated nationally in 2020-21. It is also noted the indicative increase for Norfolk County Council to High Needs Block for 2021-22 amounts to £8.3m plus a further £1.7m in respect of Teachers’ Pay Grant (TPG) and Teacher Pension Employer Contribution Grant (TPECG) which is in addition to the indicative figure of £10.2m in 2020-21.*

*In the Autumn Term 2019 consultation, NCC issued a revised a Dedicated Schools Grant (DSG) recovery plan addressing the overspend in the High Needs Block. The recovery plan included 0.5% Schools’ Block Transfer plus £2.5m additional Schools Block Transfer to the High Needs Block. In-year expenditure and income was shown to break-even in 2020-21 and the cumulative deficit to be cleared in 2022-23.*

*The Autumn 2020 consultation paints a very different picture. Projections show annual deficits culminating in a cumulative deficit of some £36m at the end of 2022-23 (compared to zero in the Autumn Term 2019 consultation) and this, after more than doubling the additional Schools’ Block transfer and £20.2m additional Government funding. High Needs Block spending appears to be out of control. More needs to be done to drive down the cost of funding places in independent/non-maintained provision said to be of high cost and often of a lower standard of quality. A full review of central costs and methodology of allocation to NCC services may also be required, if this hasn’t taken place already, in order to achieve cost savings.*

*Whilst the local authority is expected to manage the DSG through recouping any overspend from future DSG income, including Schools’ Block to High Needs Block transfers, this is not in the best interest of mainstream schools and cannot be allowed to continue indefinitely. Such transfers have already happened for too long. The budget share allocation includes an amount for what is termed ‘Low Cost High incidence SEN’. It is anything but ‘low cost’ both in financial terms and impact on standards achieved in schools. The fact that the proposed transfer within the DSG recovery plan is proposed at a level that would mean that all individual schools would expect a cash increase (on a like-for-like basis using October 2019 Census data) does not compensate for the lost income and the lost opportunity for providing the highest level of education and learning for all mainstream school pupils.*

*Governors do not support further transfers of funding from the Schools Block to the High Needs Block and therefore support Option 3.”*

No ranking of options:-

*“Sorry-no ranking. I found the document this year hard work-so much detail and information, no executive summary of the positives/drawbacks of each option, no recommended option-I'm sure all the information is there, but this year, with a huge volume of additional reading/material surrounding the pandemic, this consultation is really hard to understand and make any rational option choice from. Our school seems to fare the same under all models, so I can't even make a self-interest recommendation.*

*Thank you for asking, nonetheless.”*

General Comments:-

*“It is very difficult to feel this is a fair process. Exclusion figures vary massively from school to school as does the funding for SEND. The amount of money we already have to pay for services from the LA is already extortionate and giving money we really need to use on pupils ourselves year after year continues to be vex me!”*

*“Strategically this must be addressed so as not to disadvantage children in schools who are deserving of the appropriate level of support to meet their particular needs. It cannot be addressed in an arbitrary way by taking money from the very children whose needs schools are trying to address on reduced budgets.”*

1. Following the allocation to all mainstream school in accordance with the NFF unit rates and factors for 2020-21, and once the MFG protection had been applied to those schools that lost funding year-on-year following the move from the previous local formula to the NFF, there was funding remaining of £2.877m. The local authority decided, following consultation with the Chair of Norfolk Schools Forum, to distribute this funding via the Basic Per Pupil Entitlement factor, with no cap required for any schools that gained funding year-on-year. The difference is shown in the table under the ‘Age Weighted Pupil Unit’ funding factor. [↑](#footnote-ref-1)
2. Includes Element 3 funding [↑](#footnote-ref-2)
3. Section 19 placements and support were not historically identified separately [↑](#footnote-ref-3)
4. Section 19 pupils are not placements as such, but are pupils that the LA has a statutory duty to support whilst they are either on the waiting list for Short Stay School, CME, or awaiting specialist placement [↑](#footnote-ref-4)