

# Record of decision taken under delegated powers by a council officer



Title:	Surrey Schools & Early Years Funding 2021/22
Divisions Affected:	All / List
Key Decision:	No
Reason Key:	
Decision taken under delegation by virtue of:	Committee decision - Cabinet 24 November 2020 Minute ref: 190/20

## Summary

Changes to the funding arrangements for providing additional discretionary SEN funding

### (i) Director consideration and statement

As the Director for Education, Lifelong Learning and Culture, I have delegated responsibility from the Leader and Cabinet for decisions related to schools funding formula, in consultation with the Cabinet Member for All-Age Learning.

I am being asked for my approval to implement changes to the funding arrangements for providing additional discretionary SEN funding to a minority of mainstream schools and to agree the implementation timescale.

I have considered and taken into account the rationale for changing the current discretionary funding arrangements, the statutory responsibilities of the local authority regarding High Needs Block funding, the analysis of the responses to the consultation on proposals to change the funding arrangements (Annex A), the feedback and views of the Schools Forum 12 January 2021 (Annex B), the views of Family Voice Surrey on the proposals (Annex C), the equality impact assessment (Annex D) as well as the recommended mitigations to enable schools to prepare that are set out below.

The details of my decision are set out below.

## Decision made

### Decision made:

The Director of Education, Lifelong Learning and Culture, in consultation with the Cabinet Member for All-Age Learning, after considering and taking into account all items listed above

1. agreed to withdraw the existing arrangements for payment to mainstream schools of additional discretionary funding delivered through the Surrey local funding formula

from 1 April 2021;

2. agreed to provide a full term of transitional funding for the existing schools eligible in 2020/21 during the Summer 2021 term in order to prepare for the changes i.e. the existing 69 schools that currently receive funding will continue to receive their existing funding levels until the end of the summer term 2021.
3. agreed to convene a small advisory group of school leader representatives from Schools Forum including the Chair of the Forum and Vice Chairs or their representatives to make recommendations to the Director for Education, Lifelong Learning and Culture on the mechanism for identifying those schools currently who will receive transitional funding for whom the withdrawal of funding in September 2021 would be too onerous and recommend a mechanism for supporting these schools from September 2021.
4. agreed to ensure that communication with schools will be timely in order to make appropriate arrangements for the start of the 2021/22 academic year based on the recommendations of the advisory group.

### Reasons for Decision:

The government expects a mainstream school to fund from its core budget the first £6,000 of support required to meet a child's additional educational needs whether the child has an education health and care plan (EHCP) or is at 'SEN support.' Schools' core budgets include funding based on measures of additional educational need so that, in general, schools with higher incidence of additional need (and typically of SEN) will receive higher average funding per pupil. In Surrey, this additional need funding is closely linked to national funding formula factors.

However, local authorities have discretion to provide additional funding to assist mainstream schools in which funding the first £6,000 of support for every child with an EHCP might be extremely onerous. This would typically be where the number of children with EHCPs is very high relative to the general level of need in the school. This is only necessary in a minority of schools.

The Department for Education (DfE) advises that local authorities that distribute funding in this way should use a "simple and transparent, consistent and fair" distribution mechanism. Surrey has a formula for this purpose which in financial year 2020/21 distributed £1.0m to 69 schools.

The current funding formula is:

$\text{£6,000} \times \text{number of EHCPs less level 2 notional SEN budget (modified for minimum funding guarantee where appropriate) less 30\% of minimum per pupil level (MPPL) supplement.}$

Funding is allocated at the start of each financial year in April based on the previous October data regarding the number of children with EHCPs on roll at a school.

The Director for Education, Lifelong Learning and Culture considered the feedback from the consultation, the Schools Forum and Family Voice and the main potential impacts raised regarding funding changes. These are set out in turn.

Decision taken by:	Director for Education, Lifelong Learning & Culture Cabinet
Decision taken on:	29 January 2021
To be implemented on:	29 January 2021

### **Alternative options considered**

Maintaining the funding arrangements; implementing the changes at a date later than the start of the new financial year in April 2021.

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### **Summary of any financial implications**

Schools have a responsibility to fund the first £6,000 of provision to meet a child's additional educational needs from their core budgets. Schools with higher numbers of children with additional needs receive higher pupil funding to reflect this.

The Director for Education, Lifelong Learning and Culture considered fully the responses, in the consultation and Schools Forum, that emphasised the financial pressure all schools are facing. They reflected that the discretionary SEN funding, while not targeted at individual children, contributed to their overall budget and eased those pressures.

While fully acknowledging the reality of the financial pressures some schools face, the Director took account of the equality impact analysis that confirmed that for the significant majority of the schools receiving funding in 2020/21, this funding accounts for overall a very small proportion of their budget. Furthermore, of the 45 maintained primary schools which received additional SEN funding in 2020/1 and in 2019/20 26 had in year revenue surpluses. Further detail is provided in the consultation (Annex E).

As a result, the financial impact is likely to be correspondingly low, and one in which schools will be able to manage within their budgetary controls. The Director is satisfied that the removal of the discretionary funding will not make it too onerous for the majority of schools to fund the first £6,000 of a pupil's EHCP and is satisfied that there will be a mechanism in place for those schools identified where it would be too onerous as set out in recommendation 3.

The Director took account of the equality impact analysis that confirmed that a notable proportion of the schools receiving discretionary funding through this mechanism had revenue surpluses which would indicate that they could provide additional means to manage within their budgetary controls.

The Director also took account that the distribution mechanism provides the funding in arrears. As a result, the Director concluded that there is no direct link between the funding and the activity it was meant to fund in terms of supporting children with additional educational needs. The Director concluded that a more targeted approach to the use of funding would be more effective use of resources.

The Director considered arrangements to give schools time to prepare for the withdrawal of the funding mechanism and agreed that notice to schools within one week of the decision, and a full term of (pro-rata) discretionary funding in the Summer term 2021, would give schools sufficient time to prepare. There would be no additional administrative burdens placed on schools to implement these arrangements.

#### **Declarations of conflicts of interest**

None

#### **Consultation/Process Followed**

The Director took account of the written petition received on 5 January 2021.

#### **Background Documents**

Exempt:

**Annex A:** analysis of the responses to the consultation on proposals to change the funding arrangements  
**Annex B:** the feedback and views of the Schools Forum 12 January 2021  
**Annex C:** the views of Family Voice Surrey on the proposals  
**Annex D:** the equality impact assessment  
**Annex E:** the consultation

No