

MOVEMENTS BETWEEN DEDICATED SCHOOLS GRANT (DSG) BLOCKS

The table below shows funding transfers from schools and early years blocks to support growing pressures in the high needs special educational needs and disabilities (SEND) block in the last five years.

Budgeted transfers

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	£m	£m	£m	£m	£m	£m
From schools' block	10.0	11.7			3.1	24.8
Less technical adjustment ¹	-0.9	-0.9				-1.8
Total schools' block	9.1	10.8	0	0	3.1	23.0
From early years						
Net budgeted transfers	9.1	10.8	0	0	3.1	23.0

Transfers of year-end net surplus

From schools' block		0.3	4.6			4.9
From early years	1.7		1.3			1.6
Less EY overspend funded by council		-1.4				
Net transfers of year end surplus	1.7	-1.1	5.9			6.5

Total transfers (net)	10.8	9.7	5.9	0	3.1	29.5
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This represents a total transfer to high needs SEND from schools' and early years blocks of £29.5m during the last five years, split as follows:

	£
Schools	27.9m
Early years	1.6m
Total	29.5 m

¹ The technical adjustment recognises the increase in ISPSB threshold from £4,400 to £6,000. Both budget and costs became part of the Schools Block rather than High Needs but the DfE blocks were not adjusted. This amendment is necessary to reconcile to DfE figures.

ALLOCATION OF SCHOOLS FUNDING ACROSS FORMULA FACTORS

The table below lists the funding allocated to the schools funding formula factors in 2019/20 and the recommended allocations for 2020/21

The final column shows the impact of a transfer of £3.3 million to the high needs SEND, should that be approved by the Secretary of State.

	Allocated to Surrey schools 2019/20 £m	Recommended Allocation to Surrey schools 2020/21	
		If no transfer is made to high needs SEND £m	If £3.3m is transferred to high needs SEND £m
Basic Entitlement	490.4	513.1	510.3
Deprivation funding	29.9	27.0	28.8
Lump sum (flat rate)	42.7	44.6	44.6
Low prior attainment (SEND indicator)	40.7	46.4	44.3
Looked-after children	0.2	0.1	0.1
English as an Additional Language	5.0	5.7	5.5
Split site funding	0.6	0.6	0.6
Rates, rent and other premises factors	6.3	6.3	6.3
Pupil mobility	0.2	0.2	0.2
Sparsity (new factor)	0.1	0.1	0.1
Additional funding to reach minimum per pupil level (MPPL) (new factor)	1.8	3.3	4.4
Minimum Funding Guarantee	5.6	3.9	4.0
Ceiling deduction	-1.9	-0.0	-0.9
Total	621.6	651.2*	648.2

*Note: current estimates show a surplus of £0.3 million if the National Funding Formula (NFF) is delivered in full. If this happened (and it is unlikely to remain post December data update) we would need to update the unit funding rates above NFF levels.

1. That the Cabinet approve the following formula recommendations from the Schools Forum:

Schools Formula Funding

- a) The minimum funding guarantee (MFG) for schools should be set at 1.84% (the maximum possible);
- b) Lump sum funding should be increased by 4%;
- c) The ceiling on schools whose per pupil funding increases should be set at a minimum of 5.5% per pupil;
- d) £0.2 million from the surplus on the de-delegated primary schools' contingency should be distributed to primary schools reflecting the origin of the funds;
- e) The Department for Education (DfE)'s new pupil mobility factor should be implemented;
- f) Technical changes should be implemented to remove from schools' budgets the £0.2 million of former "combined services" funding being withdrawn by the DfE;
- g) The basis of funding SEND pupils in mainstream sixth forms should be changed from previous year count to current year count;
- h) The ceiling on per-pupil funding increases should be lowered if that is the only way of not reducing the proportion of NFF factors below 85%;
- i) We continue to provide formula funding for looked-after children.

Early Years Funding

- d) The SEN Inclusion Fund to provide additional funding to providers for three- to four-year-olds with SEND should be increased from £1.4 million to £3.4 million
 - e) Funding for individual early years providers should be at rates which reflect the increase in the DSG funding rates; currently we propose provider rates of:
 - £4.72 per hour for three- and four-year-olds (£4.65 in 2019/20);
 - £5.96 per hour for two-year-olds (£5.88 in 2019/20); and
 - £2.81 per hour additional deprivation funding (based on eligibility for the early years pupil premium on economic grounds) (unchanged).
2. That funding for free meals provision in maintained and academy nurseries should be increased from £1.66 per day to £2.35 per day to be in line with meal prices.

SCHOOLS FORUM DECISIONS

At its meeting on 14 November 2019, the Schools Forum made the following decisions:

Schools Funding

1. That approval is not granted to the council to transfer 0.5% of the Schools' Budget (£3.3 million) to support growing pressures in the high needs SEND block.

The Cabinet is recommended to seek the approval of the Secretary of State to overturn this decision.

2. That transfers are made from NFF schools funding to growing schools funding, if this is necessary to avoid a reduction in growing schools funding rates
3. That specific services are approved for automatic de-delegation from maintained primary and secondary schools' budgets.

Early Years

4. That the local authority may retain 5% (currently estimated at £3.3 million) of the Early Years Dedicated Schools Grant for three- to four-year-olds to manage the sector, support providers and secure the supply of places; and to create a new SEND inclusion fund for two-year-olds.

SURREY SCHOOLS' FUNDING CONSULTATION

October/November 2019

168 Surrey schools responded to the consultation by the deadline, comprising 42.9% of all schools. Not all schools responded to every question.

The views of schools and the recommendation of Schools Forum are set out below.

Where the Schools Forum has decision-making powers, this is indicated by 'D'.

Schools with no views are excluded.

Those question numbers asking for comments only are excluded from this summary table. A summary of comments will be made available to Cabinet members.

		Schools' views		Schools Forum recommendation/decision (D)	Officer Recommendation to Cabinet
		Yes	No		
1	Do you support the continued transfer of 0.5% of school funding to high needs?	40	126	No (D)	Appeal
2	Do you agree that the eligibility criteria for additional SEN funding should be based on Oct 2019 EHCP numbers only (not termly average) and that the threshold should be raised to 110% of level 2 notional SEN budget? (<i>Intended to contain this budget within existing allocation</i>)	11	141	No	Implement with modifications
3	Do you agree that MPPL funding should be taken into account in distributing additional SEN funding to mainstream schools? (Technical change intended to make the calculation fairer)	54	93	No	Discuss further
4	Do you agree that per pupil rates for level 2 notional SEN funding should increase so that the proportion of low prior attainment/deprivation funding which is notional SEN remains the same as total low prior attainment funding increases?	64	79	No	No
5	Do you support a reduction in MPPL rates, of up to 0.5%, in order to part fund any approved transfer to the high needs block?	42	113	No	No
6	Which level of minimum funding guarantee do you think most effectively meets the needs of Surrey schools? 1.34% Or 1.84%:	35 112		No Yes	No Yes
7	Do you support a target minimum ceiling of 5.5% on per pupil funding gains for individual schools?	146	8	Yes	Yes
		Schools' views Yes No		Schools Forum recommendation/decision (D)	Officer Recommendation to Cabinet

8	Do you agree that the ceiling should be lower if that is the only way of not reducing the proportion of NFF factors below 85%?	129	26	Yes	Yes
9	Do you agree that we should use any remaining resources to move closer to the NFF?	151	5	Yes	Yes
10	Do you agree that we should increase the lump sum by 4% in order to assist small schools? *	63	92	Yes	Yes
11	Do you agree that growing schools funding should continue to match the per pupil rate in the main formula? (Even if that means moving funds from the main formula) (Q12 was for comments only)	119	21	Yes (D)	Yes
13	Do you agree that we should continue to fund pupil mobility using the new DfE method?	150	2	Yes	Yes
14	Do you agree that we should continue to provide formula funding for looked-after children?	144	5	Yes	Yes
15	Do you agree that the former combined services funding in schools' budgets should be reduced by 20%? (This matches a reduction in DfE funding)	139	6	Yes	Yes
16	Do you support returning part of the surplus school specific contingency funds? (to maintained primary schools)	119	5	Yes	Yes
17	Do you support use of in year October data to allocate element 2 place funding for pupils with EHCP's in mainstream sixth forms?			Yes	Yes
18	De-Delegation of funds from maintained schools' budgets to support: Primary schools only: a) Behaviour support b) Capita SIMS licences c) Teaching Association time d) Other special staff costs e) Free school meals eligibility checking f) Primary school specific contingency g) Additional school improvement h) Traveller support Secondary schools only: b) Capita SIMS licences c) Teaching Association time d) Other special staff costs e) Free school meals eligibility checking	54 78 70 77 81 76 73 50 7 4 6 7	21 3 6 1 0 5 5 26 0 2 0 0	Yes (D) Yes (D) Yes (D) Yes (D) Yes (D) Yes (D) Yes (D) Yes (D) Yes (D) Yes (D) Yes (D)	Yes To all

*Schools Forum recommendation different from Schools Consultation response.

EARLY YEARS FORMULA CONSULTATION October/November 2019

Question	Yes		No		Total Responses
	PVI provision	Maintained provision	PVI provision	Maintained provision	
Increase in Inclusion Fund	96%	98%	4%	2%	102

	53	46	2	1	
Increase in base rate proportionate to increase from DfE	91%	95%	9%	5%	109
	57	45	5	2	
Inclusion Fund for 2 years olds	78%	98%	22%	2%	102
	43	46	12	1	
Retention of 5% centrally retained funds	78%	93%	22%	6%	99
	43	41	12	3	

PROPOSED SURREY SCHOOLS' FUNDING FORMULA FACTORS 2020/21

The table lists the proposed values of the Surrey formula factors for 2020/21:

	2019/20 Values		2020/21 Provisional Values (assuming block tfr)	
	Primary £	Secondary £	Primary £	Secondary £
Basic entitlement per pupil				
• Key stages 1 & 2	2,885.20	-	2,997.68	-
• Key stage 3	-	4,022.97	-	4,200.22
• Key stage 4	-	4,621.89	-	4,796.34
Deprivation:				
Per pupil on free school meals (FSM)	992.51	788.43	738.93	636.75
Per "Ever 6" FSM pupil	515.86	704.84	572.12	796.53
Per pupil in IDACI band F ¹	181.68	390.70	206.93	358.45
Per pupil in IDACI band E	218.02	585.20	246.35	513.49
Per pupil in IDACI band D	327.03	697.44	369.53	640.54
Per pupil in IDACI band C	354.28	737.84	399.09	684.53
Per pupil in IDACI band B	381.53	773.56	428.65	728.51
Per pupil in IDACI band A	495.96	962.32	591.24	938.64
Lump sum per school	118,883	124,843	123,638	129,837
Low prior attainment:				
Per low attainer based on Foundation Stage Profile	980.67		1082.14	
Per secondary pupil scoring below level 4 in either maths or English or both at key stage 2		1552.67		1654.09
Per Looked-After Child	396	396	396	396
English as an Additional Language:				
Per pupil with EAL in school system less than 3 years	503.53	1343.85	543.46	1457.58
Pupil mobility:				
Per mobile child above 10% of roll	629.00	774.00	902.00	1279.00
Sparsity lump sum	21,275	55,315	23,135	60,151
Minimum per pupil funding level	3,469	4,769	3,750	5,000

Notes

1 IDACI = Income deprivation affecting children index (Bands defined by DfE)

The 2020/21 values assume that a transfer will be made to the high needs block. If Cabinet does not agree this (or if Cabinet agrees it but our appeal to the Secretary of State is rejected) the units of resource will change.

In addition, schools will also receive funding for rates at actual costs. A small minority of schools will also receive funding for split sites or exceptional rents. These are calculated individually for each school, based on actual costs.

The provisional amounts above may be amended once the outcome of the October 2019 pupil census is known in December, to ensure they are still affordable within the available funding.

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