



Schools Forum agenda

Date: Tuesday 23 March 2021

Time: 1.30 pm

Venue: Virtual MS Teams Meeting

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Agenda Item	Time	Page No
1 Chairman's Welcome	13.30	
2 Apologies for Absence		
3 Declarations of Interest		
4 Minutes of the Previous Meeting To confirm the minutes of the meeting held on 19 January 2021.	13.35	5 - 10
5 Update from SFFG A verbal update to be provided by MS K Tamlyn, Chairman of the Schools Forum Funding Group	13.40	

6	New Member Induction To be presented by Ms E Williams, Head of Finance (Children's Services)- Buckinghamshire Council.	13.45	To Follow
7	Revenue Budget Monitoring To be presented by Ms E Williams, Head of Finance (Children's Services)- Buckinghamshire Council.	14.00	11 - 16
8	Contingency Panel Update To be presented by Mr D Hood, Chairman of the Contingency Panel.	14.20	17 - 18
9	Schools Budget Update To be presented by Ms E Williams, Head of Finance (Children's Services)- Buckinghamshire Council.	14.40	19 - 22
10	High Needs Update To be presented by Ms E Williams, Head of Finance (Children's Services)- Buckinghamshire Council.	15.00	23 - 32
11	DSG Recovery Board Update To be presented by Ms E Williams, Head of Finance (Children's Services)- Buckinghamshire Council.	15.20	To Follow
12	Update from Local Authority Verbal update to be provided.	15.40	
13	AOB	15.50	
14	Date of Next Meeting 29 June 2021, 1.30pm. Venue to be confirmed.	16.00	

If you would like to attend a meeting, but need extra help to do so, for example because of a disability, please contact us as early as possible, so that we can try to put the right support in place.

For further information please contact: Christina Beevers on 01296 382938, email democracy@buckscc.gov.uk.



Schools Forum minutes

Minutes of the meeting of the Schools Forum held on Tuesday 19 January 2021 in MS Teams Virtual Meeting, commencing at 1.35 pm and concluding at 3.15 pm.

In Attendance

Ms J Cochrane, Ms P Coppins, Ms S Cromie, Ms J Freeman, Mr A Gillespie, Mr D Hood, Mrs J Male, Mr K Patrick, Mrs D Rutley, Mr S Sneesby, Mrs E Stewart, Ms K Tamlyn, Mr B Taylor, Ms S Bayliss, Ms C Beevers, Mrs G Bull, Mr J Carter, Ms J Divers, Mr G Drawmer, Ms S Fahey, Ms C Glasgow, Mr S James, Ms N Lovegrove, Mr R Page, Ms H Slinn, Ms F Smalley, Ms S Stephens and Ms E Williams

Agenda Item

1 **Chairman's Welcome**

The Chairman welcomed all to the meeting and reminded of the basic etiquette required for online meetings and that the meeting would be webcast for the Buckinghamshire Council website.

2 **Apologies for Absence**

Apologies were received from Ms J Antrobus- Newton School, Mr H Beveridge- Long Crendon School, Ms Anita Cranmer- Buckinghamshire Council.

3 **Declarations of Interest**

There were no declarations of interest.

4 **Minutes of the Previous Meeting**

The minutes of the meeting held on 08 December 2020 were **AGREED** as an accurate record.

The actions from the meeting held on 08 December 2020 were reviewed and **AGREED** as completed or carried forward as below.

5 Schools Forum Funding Group Update

Ms K Tamlyn- Chairman of the Schools Forum Funding Group gave an overview of the SFFG meeting. The action notes were appended to the minutes.

6 Schools Budget Proposals 2021-22

Ms E Williams, Head of Finance (Children's Services)- Buckinghamshire Council gave an overview of the report provided.

DSG Allocation 2021-22

Recommendation:

- a) To set the overall Dedicated Schools Budget at £513.019m in line with the funding allocation announced on 17th December 2020.

Resolved:

- a) The Schools Forum **SET** the overall Dedicated Schools Budget at £513.019m in line with the funding allocation announced on 17th December 2020.

Section A

Recommendations:

- a) To agree the allocation of funding to mainstream schools based on the local funding formula for schools agreed in December 2020, updated for the October 2020 census data.
- b) To confirm the criteria for the Growth Fund in 2021-22.

Resolved:

- a) The Schools Forum **AGREED** the allocation of funding to mainstream schools based on the local funding formula for schools agreed in December 2020, updated for the October 2020 census data.
- b) The Schools Forum **CONFIRMED** the criteria for the Growth Fund in 2021-22.

Section B

Recommendation:

- a) To agree the Central Schools Service Block budgets for 2021-22 as detailed in Appendix 5.

Resolved:

- a) The Schools Forum **AGREED** the Central Schools Service Block budgets for 2021-22 as detailed in Appendix 5.

Section C

Recommendation:

- a) To agree the budget for the High Needs Block in 2021-22 as detailed in Appendix 6.

Resolved:

- a) Schools Forum **AGREED** the budget for the High Needs Block in 2021-22 as detailed in Appendix 6.

Section D

Recommendation:

- a) To agree the Early Years Single Funding Formula (EYSFF) for 2021-22.

Resolved:

- a) The Schools Forum **AGREED** the Early Years Single Funding Formula (EYSFF) for 2021-22.

7 DSG Deficit Management

Ms E Williams, Head of Finance (Children's Services)- Buckinghamshire Council gave an overview of the report provided.

Action	To be completed by	Deadline
To update and further develop the DSG Deficit Management paper.	Ms E Williams/ Mr S James	Next SF Meeting
To move forward with the board asap.	Ms E Williams/ Mr S James	ASAP
To confirm with volunteers who is still interested once the board is set up.	Ms E Williams	ASAP

Recommendations:

- a) Schools Forum is asked to note the proposals for a DSG Recovery Board.
- b) Schools Forum is asked to nominate 2 representatives from the Forum for the Recovery Board.

Resolved:

- a) The Schools Forum **NOTED** the proposals for a DSG Recovery Board.
- b) The Schools Forum **NOMINATED**: Mr D Hood, Ms G Bull, Ms K Tamlyn and Ms J Cochrane.

8 Allocation of Top Up Funding to Special Schools

Ms E Williams, Head of Finance (Children's Services)- Buckinghamshire Council gave a brief verbal update following the report from the 08 December meeting.

Ms Williams updated that Buckinghamshire Council had submitted the request to the DfE to disapply the minimum funding guarantee for special schools and were awaiting a decision from the Minister.

9 Local Authority Update

Mr G Drawmer, Head of Achievement and Learning- Buckinghamshire Council gave a brief verbal update.

Mr Drawmer updated that:

- Buckinghamshire Council had been doing a significant amount of work in supporting Head teachers and school leaders in lockdown and developing the school voucher offer. £45,000 worth of vouchers had been ordered through the system.
- Head teacher and staff wellbeing- Headteacher huddles had been set up and the 1st huddle had been popular. Mr Drawmer encouraged all to book into one of the slots where possible.
- Head Teacher mentoring was upcoming and there were still places available for Head's to book in on.
- A Disadvantaged and Vulnerable Children's workshop- 90 schools attended. It focused on lockdown learning. It was requested that the presentation be shared.

Action	To be completed by	Deadline
To book in for Head Teacher Huddle if hadn't already attended.	All HT's on the Forum	ASAP
To book in for Head Teacher mentoring if a place not already booked.	All HT's on the Forum	ASAP
To contact Mr G Drawmer with suggestions of further ways Buckinghamshire Council can support school's or issues to raise with the DfE regarding lockdown.	All Members of the forum	ASAP
To share disadvantaged and Vulnerable workshop presentation.	Ms G Drawmer/ Ms C Beevers	ASAP

10 AOB

Ms E Williams, Head of Finance (Children's Services)- Buckinghamshire Council gave a brief verbal update following the Bucks Pay report from the 08 December meeting.

The following points were highlighted:

- The Senior Appointments and Pay Committee would meet in February and will discuss the pay review. A proposal would then be shared via Schools Bulletin and a consultation set up for schools to reply.
- The final decision would then be made following the consultation at the end of March.

11 Date of Next Meeting

Tuesday 23 March 2021- 1.30pm

Ms Teams Meeting

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Report to Schools Forum

Date: 23rd March 2021

Title: Dedicated Schools Budget – Revenue Budget Monitoring 2020-21

Author: Liz Williams, Head of Finance (Children's Services)

Recommendations: Schools Forum is asked to note the revenue budget monitoring position at the end of January (Period 10).

Reason for decision: For Information

1. Purpose of the Report

1.1. This report outlines the current forecast for the Dedicated Schools Grant (DSG) budget for the 2020-21 financial year, based on the spend to 31st January 2021 (period 10).

2. Forecast 2020-21

2.1. The current projected position against the DSG blocks is summarised in the following table:

DSG Block	Budget 2020-21 £m	Forecast Outturn £m	Forecast Variance £m	Previous Forecast £m	Movement £m
Schools Block	174.712	173.585	(1.127)	(1.127)	0.000
Central Schools Services Block	5.535	5.348	(0.187)	(0.191)	0.004
High Needs Block	82.120	87.070	4.950	5.588	(0.638)
Early Years Block	32.601	32.460	(0.141)	0.152	(0.293)
Total	294.968	298.463	3.494	4.422	(0.928)

2.2. Note that budgets are shown after academy recoupment which removes budgets for academies from the schools block and also funding for places directly funded by the ESFA is removed from the high needs block.

2.3. DSG budgets are projected to be £3.494m overspent in the current financial year. A comparison with the previous report to Schools Forum is also included. Note that for all blocks except high needs this is a comparison with the budget monitoring

report considered by Schools Forum in December, for high needs the comparison is updated for the forecast shared as part of the budget monitoring paper.

3. Schools Block

3.1. The Schools Block is currently projected to underspend by £1.127m. This relates to a projected underspend against the growth fund in the current year. It was reported to Schools Forum in January that this underspend will be required to support the growth fund in 2021-22.

4. Central Schools Services Block (CSSB)

4.1. The CSSB is projected to underspend by £187k in the current year due to savings made against the historic commitment element of the budget.

5. High Needs Block

5.1. High Needs Block budgets are projected to overspend by £4.949m. This is a reduction of £638k compared to the position reported to Schools Forum in the budget report in January. Detailed work has taken place to review all post-16 students attending the Bucks College Group provision and this has enabled the forecast for post-16 expenditure to be confirmed.

5.2. The variances against the high needs block are detailed in Appendix 1 to this report. The main variances are summarised in the table below:

	Budget 2020/21	Forecast Outturn 2020/21	Forecast variance 2020/21
	£'000	£'000	£'000
Post-16 Colleges	6,742	8,919	2,177
Placements in other local authority schools	2,497	4,076	1,579
Support for pupils with EHCPs in Mainstream Schools	8,873	9,554	681
Independent Special School Placements	14,600	15,085	485
Additional places and exceptional support	513	946	433
Additional Resourced Provision (ARPs)	3,212	3,508	296
Maintained and Academy special schools	31,890	31,558	-331
Support for pupils without EHCPs in mainstream schools (SEN Support)	1,076	660	-416

6. Early Years Block

6.1. Early Years budgets are currently projected to underspend by £141k

6.2. Settings are currently being funded as per current government guidance. Where pupils on roll have been prevented from attending due to COVID, and where the place is ready and available to the child funding has been paid to the sector to reserve their place for a short period of time, as per Buckinghamshire Early Years Funding guidance. In accordance with DfE Guidance the Council is continuing to fund providers which have been advised to close, or left with no option but to close, due to public health reasons. This is to support sustainability within the sector during the pandemic.

7. DSG Reserve and Deficit Management Planning

- 7.1. Any variance against the DSG is to be managed through the DSG reserve which is ringfenced. At the start of the 2020-21 financial year the council had a deficit of £1.153m against its DSG reserve. Following contributions agreed by Schools Forum in this year's budget and additional early years funding received in July to reflect the impact of the January 2020 census on the 2019-20 DSG allocation, the reserve currently has a positive balance of £86k. Part of this reserve will be required to meet the costs of any claims for TU facilities costs as no funding was de-delegated for this purpose in 2020-21.
- 7.2. The DSG Recovery Board met on 5th March and to agree terms of reference and priority workstreams, these are detailed further in a separate report on this agenda.

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HIGH NEEDS BLOCK BUDGET MONITORING 2020/21

Appendix 1

Period 10 January 2021

updated 3/02/2021

DSG

Group	Budget 2020/21	Forecast Outturn 2020/21	Forecast variance 2020/21	Forecast last month	Movement
	£	£	£	£	£
H1 Special Schools Funding total	31,889,501	31,558,385	-331,116	31,558,385	0
H1A Additional places and Exceptional Support	513,000	946,017	433,017	946,017	0
H2 Independent Schools total	14,600,236	15,085,300	485,064	14,877,769	207,531
H3 Post 16 Colleges total	6,742,000	8,918,923	2,176,923	9,423,296	-504,373
H4 Support above £6k for pupils with plans	8,873,065	9,554,076	681,011	9,554,076	0
H5 Pupil Referral Unit funding total	2,494,276	2,403,600	-90,676	2,403,600	0
H6 Hospital and home tuition funding total	454,600	454,600	0	454,600	0
H7 Alternative Resource Provision in mainstream	3,211,933	3,507,962	296,029	3,507,962	0
H11 Therapies (SALT and OT)	1,657,000	1,657,000	0	1,657,000	0
H12 Contribution to early Help services	871,000	871,000	0	871,000	0
H13 Specialist teaching service	2,057,000	2,057,000	0	2,057,000	0
H14 Education Psychology contribution	680,000	680,000	0	680,000	0
H15 Recoupment to and from BCC for HN total	2,497,000	4,076,439	1,579,439	4,035,920	40,519
H16 Re-integration	412,500	379,470	-33,030	379,470	0
H18 High Needs Block Funding Schools total	1,076,000	660,000	-416,000	1,168,313	-508,313
H19 High Needs Block Funding Early Years (ea	167,641	175,670	8,029	167,641	8,029
H20 Portage	200,001	208,131	8,130	208,131	0
H21 Educational Equipment	250,000	296,520	46,520	296,520	0
H22 Educating Children in Public Care (ECPC) total	705,820	659,195	-46,625	713,284	-54,089
H23 Early Years EHC Plans	303,168	481,389	178,221	309,069	172,320
H24 Alternative Provision total	496,000	471,000	-25,000	471,000	0
H30 High Needs Block overheads	1,968,000	1,968,000	0	1,968,000	0
High Needs Block Total	82,119,741	87,069,677	4,949,936	87,708,053	-638,376

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Report to Schools Forum

Date: 23rd March 2021

Title: Report from the Contingency Panel

Author: Liz Williams, Head of Finance (Children's Services)

Recommendations: Schools Forum is asked to note the outcomes of the Contingency Panel meeting.

Reason for decision: For Information

1. Purpose of the Report

- 1.1. This report updates members of Schools Forum on the decisions of the Contingency Group at its meeting on 24th February 2021 for the financial year 2020-21.

2. Main Considerations

- 2.1. The group considered applications from 13 primary schools and 1 secondary school, totalling £334,956. At the meeting the group agreed payments of £70,181. The budget for 2020-21 is £271,470 based on the agreed de-delegation pupil rate of £7 per pupil for primary and £8.75 per pupil for secondary. This leaves a balance in this year's funding of £201,289 to meet the costs of any appeals. Appeal requests are yet to be received and Schools Forum will be updated of the outcome in due course. Appendix 1 shows details of anonymised applications and payments agreed by the group.
- 2.2. Last year in 2019-20, the Group considered applications from 26 primary schools and 2 secondary schools, totalling £966,646. At the meeting the group agreed payments of £349,924.
- 2.3. Similar to last year, successful bids included unforeseen staffing costs, pupil premium for traveller children and costs associated with additional pupils up to a maximum of 7/12 AWPU. Unsuccessful applications were those either where the case was not made according to the Terms of Reference or where they related to SEN provision.

Appendix 1

Contingency bids for Financial Year 2020-21 Anonymised list of 14 schools	
Requested	Agreed date panel meeting
£23,998	£0
£44,393	£22,197
£4,051	£0
£65,015	£0
£13,693	£13,693
£60,005	£17,155
£5,959	£5,959
£35,489	£0
£9,791	£4,896
£16,383	£2,345
£2,936	£2,936
£24,650	£0
£14,301	£0
£14,292	£1,000
£334,956	£70,181
Budget 2020-21	£271,470
Balance for Appeals	£201,289



Report to Schools Forum

Date: 23rd March 2021

Title: Schools Budget Update

Author: Liz Williams, Head of Finance – Children's Services

Recommendations:

- a) **Schools Forum is asked to note that Buckinghamshire schools' local funding formula model and growth methodology as agreed by Schools Forum on 19th January 2021 received political ratification on 16th February 2021 and has been cleared by the DfE.**

- b) **Schools Forum is asked to give a steer on anything that should be raised in the response to the DfE consultation on sparsity funding**

1. Background

- 1.1. This report updates School Forum on the Schools Budget Proposals as presented at its meeting on 19th January 2021.
- 1.2. The report also includes details of a new DfE consultation on the sparsity element of the National Funding Formula (NFF) in the 2022-23 financial year.

2. Budget Update 2021-22

- 2.1. The 2021-22 Schools Block allocation is £373.863m, including £2.458m Growth Fund.
- 2.2. The schools' local funding formula was based on Model 1 agreed by Schools Forum in December 2020 and ratified by Schools Forum in January 2021, updated for October 2020 census data. The model uses 100% of National Funding Formula rates with a +0.5% Minimum Funding Guarantee (MFG) and DfE minimum per pupil funding rates.

- 2.3. As a result of the model there are 20 schools protected through MFG with the cost of protection (£224.6k) met from within the DfE allocation. There is no requirement to cap schools in 2021-22 to fund MFG. The increase in the number of schools protected through MFG is partly due to the incorporation of the former pay and pension grants into the formula.
- 2.4. The schools' local funding formula, proposed growth fund methodology, and maintained schools de-delegation details received political ratification from the local authority on 16th February 2021 and were cleared by the DfE on 25th February.
- 2.5. Maintained mainstream schools have now received details of their funding allocations for the financial year 2021-22. For academies, the DfE will issue 2021 to 2022 general annual grant allocation statements within the statutory timescales.

3. Consultation on Sparsity Funding 2022-23

- 3.1. The DfE has launched a consultation on the sparsity factor within the NFF for schools in the 2022-23 financial year.
- 3.2. A link to the consultation documents can be found here:
<https://consult.education.gov.uk/funding-policy-unit/schools-nff-changes-to-sparsity-factor-2022-23/>
- 3.3. A school currently attracts sparsity funding if:
 - a) Its average year group size is below the appropriate year group threshold. This threshold is 21.4 for primary schools, 69.2 for middle schools, 120 for secondary schools and 62.5 for all-through schools; and
 - b) For all the pupils for whom it is the nearest compatible school, the average distance (currently calculated 'as the crow flies', using straight-line distances) from each pupil's home postcode to their second nearest compatible school (the sparsity distance) is equal to or more than three miles (for secondary schools) or two miles (for all other schools).
- 3.4. In the 2021-22 NFF approximately 1,200 schools are eligible to attract sparsity funding, 90% of which are primary schools. In Buckinghamshire 7 schools attract the sparsity factor in the current financial year at an overall cost of £264,623.
- 3.5. The DfE proposes to begin measuring sparsity distances by road journeys, instead of 'as the crow flies' (a straight-line distance measure), which will better reflect the actual distance between schools and help identify schools that warrant extra support more accurately. Making this change would bring approximately 900 more schools into scope for sparsity funding.
- 3.6. There are also proposals to increase the maximum sparsity factor values by £10,000 across all phases in the 2022-23 NFF. In 2021-22, these values are £45,000 for sparse primary schools and £70,000 for sparse secondary, middle and all-through schools.
- 3.7. The questions included in the consultation are as follows:

- Do you support our aim to allocate sparsity funding to a greater number of small schools in rural areas?
- Do you agree to us targeting additional sparsity funding to roughly 900 more schools nationally than at present?
- Do you agree with our plan to measure sparsity distances by the road?
- Do you agree with our plan to maintain the same sparsity factor distance thresholds as in 2021-22?
- Do you agree with our proposed increase to the primary and secondary maximum sparsity factor values of £10,000?
- Any further comments regarding the design of the schools NFF sparsity factor from 2022-23?

3.8. From a Buckinghamshire perspective currently, there are many small rural schools within the county however a significant proportion of them do not currently attract sparsity funding as they do not meet the criteria for being remote and small. The DfE modelling of the proposal to measure distances by road rather than as the crow flies would mean an additional 9 schools would qualify for Sparsity. The change does go some way to addressing previous issues but does still leave some missing out. Schools Forum is invited to give a view on this to inform our response to the consultation.

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Report to Schools Forum

Date: 23rd March 2021

Title: High Needs Block Update

Author: Liz Williams, Head of Finance (Children's Services), Hero Slinn, Head of Integrated SEND

Recommendations: Schools Forum is asked to note the report and agree the Buckinghamshire response to the DfE consultation on the high needs National Funding Formula (NFF).

1. Purpose of the Report

1.1. This report updates the Schools Forum Funding Group on key activities that impact on the High Needs Block in the financial year 2021-22 and future years. The activities detailed in the report are:

- a) Update on the proposed allocation of top-up funding for special schools in 2021-22.
- b) DfE consultation on the allocation of high needs funding in 2022-23.

1.2. Note that the current financial forecast for the high needs block is included in the revenue budget monitoring report elsewhere on this agenda. A report of the DSG Recovery Board is also a separate item on the agenda as this will be a standing agenda item going forwards.

2. Allocation of Top-Up Funding 2021-22

2.1. At the December meeting Schools Forum approved the methodology for the allocation of top-up funding to special schools in 2021-22. In order to enable the implementation of the proposed transitional arrangements Schools Forum also agreed for an application to be made to the DfE for a disapplication of the minimum funding guarantee (MFG) for special schools. This is necessary in order to implement phased reductions in school budgets where the banding of pupils indicates that funding in 2021-22 should be lower than in the current year.

- 2.2. An application was submitted to the DfE following that decision, including detail on the proposals, the consultation and decision-making process and the school by school impact. A number of discussions have now been held with officers within the DfE and further information provided to support the proposals. The proposals were to be put forward for Ministerial decision in early March and a verbal update will be provided at Schools Forum if a decision has been made.
- 2.3. The timetable for rollout of the banded funding model has been adjusted slightly. For special schools, the aim is still to commence this from April 2021. For ARPs and PRUs, this is now planned for April 2022, and for mainstream schools April 2023. This is in order to allow for specific support and improvement work to place that facilitates accurate banding, ensuring that funding is being allocated to children according to need, but also that the right provision is being put in place in order to meet those needs. The next moderations are planned with the ARPs and PRUs in June 2021, and these will be repeated in November 2021 as necessary.

3. Consultation on High Needs Funding 2022-23

- 3.1. The DfE has published a short [consultation](#) inviting local authorities in England, schools and colleges, other interested organisations and individuals to respond to specific proposals for a small number of changes to the national funding formula that will be used to allocate high needs funding to local authorities in the 2022-23 financial year. The DfE is also seeking views on some of the longer term changes to the formula that could be considered in future.
- 3.2. The consultation seeks views specifically about the way that high needs funding is allocated through the national funding formula in 2022-23, rather than about the overall level of funding. The outcomes of the wider reviews of the SEND system and AP arrangements are scheduled to be reported in the spring of 2021 and these reviews are likely to have impacts on the way in which funding is allocated in the longer term. This will be the subject of future consultations once the outcomes of the various reviews are published.
- 3.3. Key elements being consulted on are:

How to use historic levels of spend in the funding formula

- 3.4. The National Funding Formula (NFF) for high needs includes an element of historic spend as it was recognised when the formula was introduced in 2018-19 that to move to a fully formulaic approach would cause significant changes to funding at individual local authority level and that local authorities would not be able to make changes to provision quickly enough to adapt to changes in funding. The DfE is reviewing how the historic spend element should continue to be used in the high needs NFF

- 3.5. The historic spend element is based on 50% of budgeted spend in 2017-18. The first proposal in the consultation is that there is a change to using actual spend in 2017-18 rather than budgeted spend as this would give a better baseline as many authorities were spending in excess of the budgeted amount.
- 3.6. Because the historic element has been set for a number of years, and overall high needs funding has increased, the historic spend element of the formula now represents a much lower proportion of the overall high needs NFF allocations than it would have done previously. The overall proportion of funding allocated through this factor has reduced considerably, down by 10 percentage points from 44% of funding in 2018-19 to 34% in the 2021-22 formula. The consultation therefore considers whether the proportion of 2017-18 actual spend that is used in the formula should be increased. As an illustration, if the percentage of actual expenditure had been set at 60% of 2017-18 spending levels, the historic spend factor would have made up 40% of the overall 2021-22 formula rather than 34%.
- 3.7. Finally, the DfE is considering whether there are alternatives to the use of a historic spend factor. Whilst any changes to this would not be made until the 2023-24 financial year at the earliest, the consultation seeks initial views on both the extent to which the funding formula should reflect the local demand for and pattern of SEND and AP provision, and the factors that could be used.

Attainment Data used in the Formula

- 3.8. Low attainment at the end of key stages 2 and 4 are used as two of the group of proxy indicators of SEND in the NFF. The formula calculation uses attainment data for pupils living in each local authority area, from the most recent 5 years of key stage 2 tests and GCSE exams (e.g. 2015 to 2019 test and exam results have been used in the formula for the 2021-22 allocations). For the 2022-23 funding formula there will be no 2020 key stage 2 test data, or GCSE exam results that would be appropriate to use for this purpose, because of the disruption caused by the pandemic.
- 3.9. The DfE is seeking views on the proposal to update the series using 5 years' data from 2016, and to substitute the most recent 2019 data in place of the missing 2020 attainment data.

Effective proxies for SEND and AP in the formula

- 3.10. The high needs NFF uses a number of proxies for SEND and Alternative Provision (AP) to allocate funding. Currently these are measures of prior attainment (detailed above), deprivation (Free School Meals and IDACI data), and indicators of child health (children receiving Disability Living Allowance (DLA) and children in bad health, which is a measure from the national census).

3.11. The DfE is seeking views on how they could improve the proxy factors within the high needs national funding formula. This will then inform thinking on potential changes to the high needs national funding formula for 2023-24 onwards.

3.12. The deadline for responses to this consultation is 24th March. A draft response is attached as Appendix 1 to this report for consideration by Schools Forum.

Appendix 1

Review of National Funding Formula for allocations of high needs funding to local authorities: changes for 2022-23 – Draft Consultation Response

Question 1 – Historic Spend Factor

Proposal: The historic spend factor in the high needs national funding formula is the main proxy we currently use for local circumstances that can significantly affect local authorities' levels of spending on high needs, and that takes time to change. This formula lump sum is calculated using 50% of each local authority's planned expenditure on high needs in 2017-18, reported by local authorities.

We now have access to actual spending data from 2017-18. We therefore propose replacing the current lump sum included in the formula calculation with an amount calculated on the basis of actual expenditure in 2017-18, as reported by each local authority.

Do you agree that we should replace the current lump sum included in the formula calculation with an amount calculated on the basis of actual local authority expenditure, as reported by each local authority?

- Agree
- Disagree
- **Unsure**

Comments

- At a local level this is unlikely to impact significantly as spend and budget were not significantly different in the base year of 2017-18, however overall it is likely to increase the amount allocated within the high needs NFF through historic spend rather than current factors. This will, in turn, reduce the amount available to allocate through indicators of current need.
- Significant changes to the types and complexity of needs for children, services and support required has occurred since 2017-18, therefore, funding being allocated on this basis will not be reflective of current circumstances. The use of historic spend within the formula was initially intended to be an interim protection measure.

Question 2 – Historic Spend Factor

Proposal: The historic spend element of the high needs NFF has remained at a cash-flat level since the introduction of the national formula in 2018-19, moving from 44% of the overall formula funding in 2018-19 to 34% in the 2021-22 formula as that total funding has increased. Some local authorities may not have been able to change their spending patterns to keep pace with the percentage reduction in this factor, despite the protection afforded by the funding floor minimum increase of 8% this and next year. We are therefore considering whether to increase the proportion of funding allocated through this factor, alongside using actual expenditure amounts.

Using actual expenditure from a more recent year, and leaving the percentage at 50%, would increase the amount of the lump sum, but we are not proposing to do this as we are

clear that local authorities' actual spending now or in future should not determine how much funding they receive. We could, however, increase the significance of this factor in the 2022-23 formula, by increasing the percentage of 2017-18 spending that is applied, allowing for a more gradual rate of change in the local pattern of spending.

Do you think that we should increase the percentage of actual expenditure in 2017-18 included in the funding formula calculation, or leave it at 50%?

- Increase the percentage
- **Keep the percentage at 50%**
- Decrease the percentage
- Unsure or other

Comments

- Steps have been taken by the DfE to reduce the percentage allocated by historic spend in recent years, so it is unclear why it would now consider reversing this approach.
- As outlined in Q1, historic spend is not reflective of the current needs of children or equitable access to services and support required, therefore, it is difficult to justify a large proportion of the total funding being allocated on this basis. Increasing the percentage allocated by historic spend will mitigate against the formula recognising changes in need. Keeping it at 50%, or reducing, will decrease the proportion of historic spend reflected in funding allocations as high needs allocations grow.
- A formula allocating funding towards need but including continued protection through elements such as a funding floor would be more equitable whilst still giving local authorities time to shift historical types of provision where they are no longer meeting need.

Question 3 – Historic Spend Factor

Proposal: We are aware that the continued use of historic spend is not the perfect long-term solution for reflecting the patterns of local demand and supply that affect spending on high needs, as those patterns will naturally change over time.

As part of the funding formula review that we are carrying out, and for consideration as we develop that formula in the years after 2022-23, we are therefore seeking views on potential alternatives to the historic spend factor. Any new factors would need to be appropriate for a funding formula (e.g. the data used should be collected on a consistent basis) and would also need to avoid creating a perverse incentive (e.g. to spend more on a certain type of provision so as to gain more funding, rather than to improve the quality or appropriateness of provision).

To what extent do you agree that the funding formula should include factors that reflect historical local demand for and supply of SEND and AP provision? If you have any suggestions for such factors that could eventually replace the historic spend factor.

- Strongly agree
- Agree
- Neither agree nor disagree

- Disagree
- Strongly disagree

Comments

- Historic spend is not reflective of the current needs of children with the increases in provision post-19 and increases in demand for support for children with ASD and SEMH needs being particular examples. In addition, access to services and support for young people have been heavily influenced by the historic level of funding available, leading to inconsistent levels of provision. It would be more equitable for this to be managed out of the formula over time with appropriate protection within the formula to recognise that significant shifts in provision take time to deliver and may have capital funding implications.
- The biggest driver of funding on a formulaic basis should be population, as is the case in the schools block NFF. The current formula uses 0-18 population and it is important that a way to reflect need across the 0-25 population is incorporated into the formula as the high needs block is meeting costs for that age group.
- The formula also needs to include additional factors that reflect additional needs whilst not creating perverse incentives, such as the number of Education Health and Care Plans as a driver for funding.

Question 4 – Low Attainment Factor

Proposal: The high needs NFF uses low attainment at both key stage 2 and key stage 4 as a proxy indicator for SEND. This figure is calculated using an average of results over the most recent 5 years of tests and exams, which, for the 2022-23 formula, would have meant using test and exam results from 2016 to 2020. Due to the COVID-19 pandemic, the 2020 key stage 2 tests and GCSE exams were cancelled. This has resulted in no key stage 2 data, and GCSE data that would be inappropriate to use because of the inconsistencies with the results from previous years.

We have considered using the same data as used to calculate last year's attainment formula factors, but this would mean data from more than 5 years ago. Instead, we propose to calculate low attainment by using data from 2016 to 2019, but then to double the weighting of the most recent exam data from 2019. This method could be used for a further year, assuming the 2021 test and exam results are also not able to be used for this purpose.

Do you agree with our proposal to update the low attainment factors using data from 2016, and to substitute the most recent 2019 data in place of the missing 2020 attainment data?

- Agree
- Disagree - calculate in the same way as last year
- Disagree - Other
- Unsure

Comments

- We agree that the attainment data in the formula needs to be updated and that the most recent data should be reflected but have some concerns about doubling the weighting for a single year in the formula.
- An alternative approach would be to take the average of the 2016-2019 period, which would smooth out any potential anomalies in a single year rather than put such a heavy emphasis on a single year in the formula.

Question 5 – SEND and AP Proxies

Proposal: The high needs national funding formula uses six indicators which together act as a proxy for the level of more complex SEND, and need for alternative provision (AP) in an area. These indicators include: a measure of the local population of children and young people, the two low attainment measures (key stage 2 and key stage 4) referred to in question 4, two health and disability measures (the number of children in bad health and the number of families in receipt of disability living allowance), and two deprivation indicators (the number of children eligible for free school meals and a local area deprivation measure).

Numbers of EHC plans are not to be used as a robust indicator of underlying need because the way they are used varies considerably across local areas, and the number of plans is therefore not necessarily directly associated with the local authority's need to spend. The ongoing SEND review is considering whether system changes are needed to provide more consistency in EHC needs assessment and planning process, and to improve other aspects of the SEND arrangements.

Following the SEND review, we will consider whether consequent changes to these proxies that we use in the funding formula, as well as other funding changes, would be appropriate, as it is important that the proxies used support local authorities to deliver the outcomes of the review. At this stage we are keen to understand whether there are new factors, either that could replace existing factors that have become out of date or otherwise unreliable, or that could be added to the formula to address types or prevalence of identified need, and we would welcome views.

If you wish to offer ideas on factors that could be added to the current formula, or that could replace the current proxies, please provide further details

- As outlined in Q3, data needs to be reflective of need and not create perverse incentives in the system. There needs to be an evidence base for the use of factors to reflect additional needs.
- The wider review of SEND should impact on the proposed proxy measures.

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