



Report to Schools Forum

Date: 7th December 2021

Title: Proposal to apply for a Disapplication of the Minimum Funding Guarantee for Special Schools 2022-23

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Schools affected: All Special Schools

Recommendations:

Schools Forum is asked to agree to apply for a disapplication to the special school Minimum Funding Guarantee (MFG) for 2022-23

Reason for decision: to enable the second year of the agreed transitional arrangements for the implementation of a needs led funding mechanism for special schools.

1. Background

1.1. A report was considered by the Buckinghamshire Schools Forum on 30th June 2020 confirming the outcomes of the consultation on the allocation of top-up funding to support pupils with Education, Health and Care Plans (EHCPs) and the implementation of a needs led funding system based on an adapted model for Buckinghamshire which was agreed by Cabinet Member decision on 17th June 2020. Implementation of the new funding model is to be phased with initial implementation in special schools from the 2021-22 financial year.

1.2. On 8th December 2020 Schools Forum agreed:

- a) The proposed values for each of the bands for the funding model.
- b) The proposed transitional arrangements enabling increases and reductions in funding for special schools to be managed in order to enable reductions to be managed over time.
- c) Agree to apply for an exemption from the Special School MFG in order for reductions in funding to be applied in line with the transitional model.

- d) It was also agreed that a review of the model should be carried out 6 months after implementation (ie, Autumn 2021).
- 1.3. The application for an exemption from the special school MFG was approved by the Department for Education (DfE) and implemented for the 2021-22 financial year. any approval to disapply the special school MFG is for one year only and therefore it is necessary to apply for each year of the transitional period.

2. The Current Funding Model

- 2.1. The High Needs Operational Guide 2022 to 2023 states that *“top-up funding is the funding required over and above the core funding an institution receives to enable a pupil or student with high needs to participate in education and learning”*.
- 2.2. The current funding model for special schools is to use a banded approach to the allocation of top up values based on a needs-led assessment of pupils against the bands. The application of the bands is moderated on an annual basis and a financial value is ascribed to each band to allocate top up funding to schools. The agreed values of the bands in 2021-22 are as follows:

BAND	Top up	Fringe
2	5,820	5,922
3	9,701	9,870
4	19,401	19,741
5	29,102	29,611
Exceptional	58,203	59,222

3. Transitional Arrangements

- 3.1. As a result of the change to a needs led funding system, special schools are experiencing changes to their funding. In order to manage these changes a transitional approach was agreed by Schools Forum so that reductions or increases are phased over a period of time.
- 3.2. It was further agreed that a review of the impact of the banding on special schools would be carried out in the autumn term. The Needs and Provision Group have surveyed special schools to seek feedback. This was initially considered at a meeting of this group in October, alongside an analysis of band values used in other Local Authorities. It was agreed that further questions would be sent out to special schools, due to only two responses being initially received for the review. However, it should be noted, that the initial review held indicated no further changes were required to the band values. Outcomes following further opportunity for schools to contribute to the review will be considered in more detail at the meeting on 10th

December with any changes being brought forward to the January Schools Forum meeting.

3.3. The principles to be applied to the transitional arrangements were agreed as follows:

- 1) Gaining schools need to move as quickly as possible to the new model to ensure they are appropriately funded for the needs of pupils in the school;
- 2) Schools facing a reduction in funding will have a longer transition period in order to manage reductions, with less disruption to staffing and provision.

3.4. The agreed model is as follows:

Change	Transition yrs
Increase	3
Decrease under 500k	3
Decrease 500k-1m	5
Decrease 1m+	10

3.5. The application of the transitional arrangements is through adjustment of the top up values to enable transition towards the agreed values. The transition and the calculation of top up values is based on the initial modelling for 2020-21 comparing the outcome of the banding process to the funding for the same pupils in the 2019-20 financial year. This modelling looked at the cash gains or reductions based on like for like pupil numbers as a result of implementing the model.

3.6. Those schools that will gain funding under the model will see top up values increase over 3 years to reach the published values and those schools that have a reduction in funding will see top up values reduce over the transitional period towards the published values. Those adjusted top up values are then applied to the actual pupil numbers and bands for each year. The top up values to be applied for each special school over the current and following two financial years are attached as appendix 1 to this report, note that the agreed transitional period for Chiltern Way Academy is 10 years and therefore top up values will reduce over a longer period of time.

4. Minimum Funding Guarantee (MFG) for Special Schools

4.1. The MFG protection for maintained special schools and special academies in 2022 to 2023 will be set by a condition of grant that applies to local authorities' dedicated schools grant (DSG) and protects schools from seeing a reduction in funding from year to year, assuming that the number and type of places remains the same between the 2021 to 2022 and 2022 to 2023 financial years. In 2022 to 2023, the

MFG for special schools/academies will remain at 0% of their core budget (place + top-up funding) on a per pupil basis.

- 4.2. Where the MFG is breached and the local authority intends to fund one or more schools below the guaranteed level, the authority must request that the relevant condition of grant is disapplied. Any decision is for one year only and therefore a new request must be made each year.
- 4.3. The High Needs Block Operational Guidance for 2022 to 2023 also confirms that in devising a new scheme of top-up funding that may result in a breach of the MFG for one or more schools, local authorities should take particular care to ensure that they have considered the financial impact on the schools affected, the quality and sustainability of the provision they will need from those schools, and any transitional protection that would help with the changes.
- 4.4. Without an exemption to the MFG it will not be possible to reduce funding to any school and therefore the transitional arrangements supporting the move to a needs led funding system cannot be implemented. Schools Forum is asked to agree that a request should be made to disapply the MFG for special schools in 2022-23 to enable the second year of transition towards the new bands to be implemented.
- 4.5. The need for the disapplication request is not impacted by any review of band values as it is still expected that transitional arrangements will apply. Financial modelling would need to be updated if any changes are agreed in January.

