



# Report to Schools Forum

**Date:** 6<sup>th</sup> December 2022

**Title: Proposal to apply for a Disapplication of the Minimum Funding Guarantee for Special Schools 2023-24**

**Author and contact officer:** Liz Williams, Head of Finance (Children's Services)

**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 2023-24**

**Reason for decision:** to enable the third 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 30<sup>th</sup> 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 17<sup>th</sup> June 2020. Implementation of the new funding model across all types of provision is to be phased with initial implementation in special schools from the 2021-22 financial year.

1.2. On 8<sup>th</sup> 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) 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.
- 1.3. Applications for exemption from the special school MFG have been approved by the Department for Education (DfE) and implemented for the 2021-22 and 2022-23 financial years. 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 2023 to 2024 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. As detailed above, 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 current agreed values of the bands for 2023-24 are as follows:

	<b>Band 1</b>	<b>Band 2</b>	<b>Band 3</b>	<b>Band 4</b>	<b>Band 5</b>	<b>Exceptional</b>
<b>Standard Values agreed by Schools Forum</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Non Fringe	-	5,995	9,992	19,983	29,975	59,949
Fringe	-	6,100	10,166	20,333	30,499	60,998

- 2.3. These will be reviewed as part of the budget setting process in January once the final value of the high needs block is confirmed.

## 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. 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.
- 3.3. The agreed model is as follows:

<b>Change</b>	<b>Transition yrs</b>
Increase	3
Decrease under 500k	3
Decrease 500k-1m	5
Decrease 1m+	10

3.4. 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.

3.5. Those schools that will gain funding under the model have their top up values increased 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.

3.6. 2023-24 is the 3<sup>rd</sup> year of implementation and therefore the majority of schools will be moving to the published band values from April 2023. 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 2023 to 2024 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. In 2023 to 2024, the MFG for special schools/academies will be set at 3% of their core budget (place + top-up funding) on a per pupil basis compared with a 2021-22 baseline.

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. In order to implement the 3<sup>rd</sup> year of transition to the agreed needs led funding system it will be necessary to apply for an exemption from the MFG for the following schools:

- Pebble Brook

- Heritage House
- Westfield
- Chiltern Way Academy

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 2023-24 to enable the second year of transition towards the new bands to be implemented. For Pebble Brook, Heritage House and Westfield schools this will be the final year that an exemption will be required.