

SCHOOLS FUNDING FORUM AGENDA

8.00 - 10.00 am	30 November 2023	CEME
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Members: 27 Quorum: 11

MEMBERSHIP:

Representative Groups

Head Teachers (12): Emma Allen, Special
Margy Bushell, Primary
Kirsten Cooper, Primary
Georgina Delmonte, Primary Maintained
David Denchfield, Primary
Ray Lawrence, AP Academy
Gary Pocock, Academy
Jan Taylor, Primary Headteachers
Keith Williams, Academy

Governors (7):

**Non-School
Representatives (4):**

Trade Unions (3): Mary Bickmore
Steve Bowers
Denise Broom
John Delaney, Trade Union
Hayley Durrant
Neil Frost
Peter Liddle, UNISON
John McGill, NASUWT
Kate Ridley-Moy, Primary Academy Governor
Representative
David Turrell
David Unwin-Bailey
Dave Waters, Primary Maintained School Governor
Representative

For information about the meeting please contact:
Nick Carter nick.carter@havering.gov.uk 01708 433884

If you are unable to attend please contact your named substitute or ask Nick Carter to do so on your behalf.

AGENDA ITEMS

1. APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

2. TO AGREE THE NOTES OF THE MEETING HELD ON 19TH OCTOBER 2023 (Pages 1 - 9)

To agree the notes of the meeting held on 19th October 2023 as a correct and accurate record.

3. MATTERS ARISING

4. SCHOOLS FUNDING CONSULTATION (Pages 10 - 28)

5. NOTIONAL SEN FUNDING 2024-25 (Pages 29 - 31)

6. DE-DELEGATION OF CENTRAL SERVICES FOR 2024-25 (Pages 32 - 37)

7. KEY STAGE 2 ADMISSIONS (Pages 38 - 39)

8. NEXT MEETINGS

Future meetings have been arranged as follows:

11 January 2024

8 February 2024

13 June 2024

All meetings to be held at CEME at 8am in room 233 or 235.

9. ANY OTHER BUSINESS

**MINUTES OF A MEETING OF THE
HAVERING SCHOOLS FUNDING
FORUM**

Thursday 19th October 2023 (8.00 - 9.45am)

Present:

Representative Groups

LA Maintained School Representatives:

Primary: Kirsten Cooper (Chair)
Georgina Delmonte
Hayley McClenaghan
Chris Speller
David Unwin-Bailey

Special: Emma Allen

Academy Representatives:

Primary: Chris Hobson

Secondary: Neil Frost
Scott McGuinness
David Turrell

Non-School Representatives:

Trade Unions: John Delaney (Teaching staff union representative)
Peter Liddle (Support staff union representative)

Non-Members in attendance:

Anesta Broad	Clerk, HGS
Nick Carter	Strategic Finance Manager
Trevor Cook	Assistant Director of Education
Hany Moussa	Principal Education Finance Officer
Jacqueline Treacy	Senior Inspector (Schools Causing Concern)

1. APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS OR OBSERVERS

Forum members were welcomed to the meeting.

Apologies were received from Hayley Durrant, Denise Broom, Emma Reynolds and Andy Smith who has joined the Forum as the representative for special academies.

2. TO AGREE THE NOTES OF THE MEETING HELD ON 21st SEPTEMBER 2023

The minutes of the meeting held on 21st September 2023 were agreed as a correct and accurate record.

3. MATTERS ARISING

3.1. The following matters arising were noted:

3.1.1. Schools funding (minute 6, refers): This item would be discussed under agenda item 6.

3.1.2. Trade union facility time (minute 9.2, refers): This item would be discussed under agenda item 8.

4. SCHOOLS FUNDING 2024 -25 REVISION BY THE DEPARTMENT FOR EDUCATION

Forum members were asked to note the revision to provisional allocations on schools funding for 2024-25.

N Carter explained that after releasing the funding blocks in July 2023, the Department for Education (DfE) had announced that there had been an error in their calculations. The initial figures released by the DfE contained an error in the calculation for growth that meant that the overall cost of the core schools budget was 0.62% greater than the funds available. The revision to funding represents a £2.1 million reduction in Havering's provisional funding allocation.

The basic entitlement factors that influenced the funding would rise by 1.4%. This was originally due to be a 2.4% rise. A change in the value of the Area Cost Adjustment for Havering has resulted in the year on year increase in factor value being slightly less than 1.4%.

The original and revised indicative funding for 2024-25, and the £2.1m decrease, was shown in a table included in the papers. As a result of the revision Havering would receive £49.32 less for each primary pupil and £62.38 less for every secondary pupil in the Schools Block of the Dedicated Schools Grant.

The NFF factor values for 2023-24 and 2024-25 were shown in Appendix A. The increase in the basic per pupil factor appeared larger because it included the

rolling in of the mainstream schools additional grant. When this was excluded the increase was only 1.25%. Forum members agreed that this was a very low increase. The minimum per pupil funding levels had also been reduced as a result of the DfE recalculation.

J Delaney indicated that unions were already planning strike action on this issue of funding for next year.

T Cook thanked N Carter and the Finance team for turning around the figures and reports quickly.

Forum members noted the report.

5. SCHOOLS FUNDING FORMULA OPTIONS FOR 2024-25

Forum members were asked to:

- 1) Consider the options presented on allocating funding to schools for 2024-25
- 2) Consider a transfer of funding from the Schools Block to the High Needs Block
- 3) Consider the funding of pupil growth and falling rolls
- 4) Agree the options that will form the consultation with schools on the 2024-25 funding allocations.

N Carter noted that there appeared to be two clear options. The range of options was limited as Havering had moved to using the National Funding Formula (NFF) factors and values when it was introduced in 2018. There was not an option to move away from using NFF factors and values and the Forum had previously agreed that these should be used for 2024-25.

All calculations shown were provisional, based on October 2022 census data and would be updated when the DfE released figures from the October 2023 data in December.

The two options that lend themselves to consideration were the same as for the last two years. The first option would be to transfer 0.5% of the Schools Block to High Needs, which was the maximum transfer that the Schools Forum were permitted to authorise. Based on current figures, if 0.5% were transferred from the School Block to the High Need Block, a gains cap of 2.4% would be required. The High Needs Block funded the hourly rate for EHCPs, ARPs and special schools. A 0.5% transfer to the Schools Block equalled approximately £1.15m based on the indicative figures. It was noted that taking the decision to move funding from one block to another would have consequences for schools.

C Speller raised a concern about the potential funding of bulge classes. N Carter confirmed that the Local Authority would fund bulge classes and it was recognised that schools could not be expected to accommodate bulge classes without

additional funding. This had been taken into account in the figures presented.

N Carter highlighted that when initial indicative allocations for 2023-24 were calculated a gains cap of 2.6% was required to facilitate a transfer of 0.5% from the Schools Block to the High Needs Block. However, when the final funding allocation was announced in December 2022, it had been possible to increase the gains cap to 3.15%.

The second option would involve having no pre-set transfer from the Schools Block to High Needs and no gains cap. After allowing for a £500k transfer to growth and falling rolls, there would be a balance unallocated of £301,286 that would be available to transfer to the High Needs Block.

The Minimum Funding Guarantee could be set between 0.0% and 0.5%. Formula modelling showed that reducing the MFG from 0.5% to 0.0% would reduce the sum allocated through the formula by only £103k. Forum members were referred to the data for individual primary and secondary schools shown in the report.

N Carter confirmed that for falling rolls funding, if a school fell more than 30 pupils below the Pupil Admission Numbers (PAN), they were funded to the next multiple of 30, not up to the PAN.

The Chair stated that budgets across the board were getting tighter, yet realistically schools needed high needs funding to be at least be maintained at current levels. The Forum needed to consider if either solution would contribute to reducing the overall deficit on high needs funding and how comfortable members would be taking these options out to their colleagues.

T Cook highlighted that without the transfer, growth on the hourly rate could not be sustained without going further into deficit. When high needs spending was reviewed as part of the DfE's Delivering Better Value Programme the first question local authorities were asked was whether they had carried out a transfer.

C Speller noted that these actions would result in schools having less money to spend on pupil learning. Some schools would gain and others would take a loss. The Chair highlighted that the level of EHCPs coming into reception years had increased across Havering and was not likely to be levelling off soon. Whilst there was variation between schools, many primary schools were being affected similarly by the growth in EHCPs.

H Moussa joined the meeting at this point.

The Chair queried if there were other options that could be considered. N Carter confirmed that as Havering already used the NFF factors and values, and could not move away from them, this gave limited options. Essentially, the key decision would be centred around how much to move out of the Schools Block.

Forum members agreed that for some schools, the options presented would not be perceived as a real choice and queried whether a limit could be introduced so that schools would not lose too much funding as a result of the cap. N Carter commented that this would necessitate the cap being set at a lower level to make the allocation of funding affordable.

Schools had been anonymised in Appendix A, but when the consultation was set out schools would be informed which was their school. The numbering used in anonymisation had been changed from previous years

The Chair noted that some schools were impacted more by the cap, however, the October 2023 census data was required to calculate the exact outcome of the allocation. All forum members were asked to encourage the schools in their networks to review the proposal options, to respond to the consultation and to bring their feedback to the Forum on 30th November.

Forum members queried what would happen if Havering schools refused both options. T Cook explained that the overall deficit on the Dedicated Schools Grant was increasing year on year. It needed to be demonstrated to the DfE that the Local Authority was doing everything possible to mitigate the deficit. Both the Local Authority and the DfE had the power to enforce the proposed options.

Forum members commented that schools would be agreeing to transfer funding to the High Needs Block in good faith and increasing the high needs funding rates for schools would be the aim. The two true choices seemed to be either increase the rates or decrease the deficit. The deficit was currently projected to be £15m at the end of the financial year. The more that the deficit increased, the less difference the £1m transfer seems to make to its reduction. Should the £1m be spent directly on the children rather than on reducing the deficit given that the impact on the deficit would be small.

Forum members agreed that the decision needed to consider not just the short term, but also the longer term impact on the deficit and provision. There was increasing need in mainstream with more pupils requiring one to one support. There were insufficient ARP places so children were staying in mainstream. Whilst bulge classes had been avoided as far as possible, they were starting to be reintroduced, which was a concern. There were also schools who have dropped their PAN. The demand for places had been highest in Year 2 and 3 in the Romford and Hornchurch areas.

The local authority had not planned for surplus places which meant there were no spare pupil places for the growth that had happened in some areas of the borough. A growing number of housing developments in the borough had contributed to the demand for school places, and would likely continue with more builds finishing soon, including on the old Decathlon site. The request to form bulge classes at this point in the school year was concerning.

Forum members:

- 1) Noted the options presented on allocating funding to schools for 2024-25**
- 2) Noted the proposal to transfer funding from the Schools Block to the High Needs Block**
- 3) Noted the funding of pupil growth and falling rolls**
- 4) Agreed the proposed options would form the consultation with schools on the 2024-25 funding allocations.**

ACTION: All forum members

6. NOTIONAL SEN FUNDING 2024-25

Forum members were asked to:

- 1) Agree to revise the calculation of notional SEN budgets to include 100% of funding for Low Prior Attainment
- 2) Agree that consideration of how inclusion funding (headroom) should be calculated was delegated to the High Needs task and finish Group

Forum members were asked to note the details in the report.

N Carter explained that within the school main formula funding there was a proportion of funding deemed to relate to the provision of support for SEN. The Local Authority was responsible for calculating the amount of this notional budget with reference to the funding formula factors. As part of the move to a direct NFF the DfE wanted more uniformity across local authorities and expected notional SEN funding to support whatever SEN needs schools may have.

A move to a national formula for calculating the notional SEN had been included in the DfE funding consultation on the move to a direct NFF. The percentages of funding used in Havering's calculation of NFF had remained unchanged for several years as the DfE had not indicated that any increase in the Schools Block had been related to SEN funding.

The level of notional SEN in Havering was ranked 149th out of 153 local authorities. A calculation of Havering's notional SEN funding per other SEN (i.e. not EHCP SEN) pupil came to £790. The median value for all LAs in England was £4,349.

There was a correlation between levels of deprivation and SEN.

Forum members agreed that if more money is spent by schools in support of EHCPs, above the level of funding received for this, then there is less money available to spend on other children. There was a wide variation in EHCP numbers across schools.

An examination of the factor values attributed to notional SEN in other local authorities showed that 100 of the 152 now attributed 100% of low prior attainment funding to notional SEN. If Havering were to attribute 100% of low prior attainment to notional SEN, then funding per other SEN pupil would average £3,168. This fell within the DfE target range of £3,000 - £3,500.

Forum members pointed out that if a pupil did not reach the expected levels at Foundation Stage Profile this did not automatically mean they were a SEN pupil. 100% of low prior attainment funding should not, therefore, be attributed to notional SEN. It would be difficult and complicated to achieve a perfect formula. Links with deprivation should be considered. A change to the notional SEN would require Forum approval. T Cook and N Carter agreed to bring alternative proposed to the next meeting of the Forum on 30th November 2023. A final decision would need to be made by December 2023.

ACTION: N Carter

N Carter explained that the calculation of inclusion funding (headroom) had been based on the number of pupils with an EHCP at each school and the notional SEN. If the value of the notional SEN was increased this would need to be reviewed. Alternative models had been looked at by the LA and would be presented to the Task and Finish Group. A logical formula had been devised that resulted in a similar distribution of funding.

- 1) The Forum did not agreed to revise the calculation of notional SEN budgets to include 100% of funding for Low Prior Attainment**
- 2) The Forum agreed that consideration of how inclusion funding (headroom) should be calculated could be delegated to the High Needs task and finish group**

7. HIGH NEEDS BUDGET FORECAST 2024 -25

Forum members were asked to

- 1) Note the year forecast of expenditure for the financial year 2023-24

N Carter outlined the projected high level income and expenditure figures. The projected expenditure was £46.3m, against £38.8m income. This would result in an in-year deficit of £7.5m, and a cumulative deficit of £16.0m taking into account the deficit brought forward from the previous financial year.

It was confirmed that the Compass Academy special school had opened in September, accounting for the large rise in special school funding. The cost of primary school EHCP top-ups had increased by £3m. The cost of secondary school top-ups had increased by £1.6m. The number of EHCPs within Early Years had tripled over the past year, which was reflected in increased expenditure.

It was noted that the DfE used 2016-17 high needs expenditure in the calculation

of funding to LAs.

TCook explained that an accounting override meant that currently overspends on the Dedicated Schools Budget (DSG) remained within the DSG and did not impact on the Local Authorities stated level of balances. This override, however, would only remain in place for the next two years. K Cooper queried how the decisions of the School Forum would affect Havering's financial position. N Carter confirmed that currently the DSG deficit was ring fenced outside of the Council's General Fund.

Forum members noted the year forecast of expenditure for financial year 2023-24.

8. DE-DELEGATION OF FUNDING FOR CENTRAL SERVICES 2024-25

K Cooper advised that items for de-delegation were still being discussed by clusters, with views to be brought to the next meeting.

LA maintained primary school representatives on the Forum were asked to consider the de-delegation of funding for Trade Union facility time. This had not been brought to the Forum at the previous meeting. Forum members were asked to consider, with clusters, de-delegation at the current level and with an increase of 6.5% in line with the rise in teachers' pay. Appendix A outlined what was provided through de-delegation.

Forum members representing LA maintained primary schools were asked to go back to their clusters to discuss and consult.

ACTION: All forum members

It was noted that J Delaney and T Cook were working on a document to be circulated to academies who were asked to purchase the provision of Trade Union Facility Time.

9. NEXT MEETINGS

The following dates for the rest of the rest of the academic year were noted:

30 November 2023
11 January 2024
8 February 2024
13 June 2024

Meetings to start at 8:00am at CEME room 233 or 235.

10. ANY OTHER BUSINESS

No other business was raised.

Meeting closed at 9.36am.

DRAFT

Agenda Item 4



Schools Funding Forum 30th November 2023

ITEM 4

Subject Heading:

Schools funding consultation 2024-25

Report Author:

**Nick Carter – Education Finance Group
Manager**

Eligibility to vote:

All school and academy members

SUMMARY

This report provides details of the Consultation on Schools and High Needs Funding 2024-25, which closed on Thursday 23rd November 2023, and the responses received.

RECOMMENDATIONS

That the Schools Funding Forum:

- (i) considers the responses to the Consultation on Schools and High Needs Funding 2024-25 submitted by schools and academies
- (ii) agrees that Option A, which includes a transfer of 0.5% from the School Block to the High Needs Block, be used in the calculation of funding for 2024-25.
- (iii) considers whether any action is required following the results of the consultation and prior to Local Authority receiving final funding allocations from the Department for Education later this month

REPORT DETAIL

Consultation on Schools and High Needs Funding 2024-25

At the meeting held on 19th October 2023 the Schools Funding Forum received a report on the revised indicative Dedicated Schools Grant (DSG) Schools Block funding for financial year 2024-25.

The Local Authority presented two options for the distribution of funding to schools and academies. In the first of these options, Option A, there would be a transfer of 0.5% of the Schools Block to the High Needs Block, to maintain the increase in high needs funding introduced for 2023-24. The Minimum Funding Guarantee would be set at 0.5%, the maximum permitted, and there would be a gains cap of 2.4%.

In the second option, Option B, there would be no pre-set transfer of funds from the Schools Block to the High Needs Block, the Minimum Funding Guarantee would be set at 0.5%, the maximum permitted, and there would be no gains cap. Funding unallocated through the formula, £301k using the indicative figures, would be transferred to the High Needs Block.

Both options used the DfE's National Funding Formula factors and rates and both options allowed for a transfer within the School Block of £500k to maintain funding rates for growth and falling rolls at the current levels.

The Schools Funding Forum agreed that the two options presented should form the basis of the consultation with schools and academies on funding for 2024-25.

The funding consultation was issued on 9th November 2023 with a closing date of 23rd November 2023. The consultation document is shown at Appendix A.

Responses received

The result was as follows:

Option	No of schools / academies	%
A 0.5% transfer from Schools Block to High Needs Block	21	72.4%
B No pre-set transfer from Schools Block to High Needs Block	8	27.6%

Responses were received covering 29 schools and academies, one more than last year, and 38% of the total number.

The table above shows the number of schools and academies covered by the responses received. Where a response was received from a federation or multi

academy trust, a vote has been recorded for each school or academy within that federation or trust.

The table below shows the result by respondent. Where a response was received from of a federation or multi academy trust this has been recorded as one vote.

Option	No of responses	%
A 0.5% transfer from Schools Block to High Needs Block	16	84.2%
B No pre-set transfer from Schools Block to High Needs Block	3	15.8%

A more detailed analysis of the responses, together with any comments submitted, is shown at Appendix B.



Havering
LONDON BOROUGH

Consultation on Schools and High Needs Funding 2024-25

Release : *Version 1 - 9th November 2023*

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Introduction

This consultation document proposes options for the allocation of funding to mainstream schools for the financial year 2024-25 through the local funding formula and in support of pupils with high needs.

Schools are asked to consider the funding options outlined and respond to the Local Authority (LA) for further consideration by the Schools Funding Forum.

At this stage, all figures used in the calculations are from the October 2022 Census, but with the National Funding Formula (NFF) rates that will apply in the 2024-25 funding formula. The final calculation will be based on the October 2023 Census data.

The DfE do not release the October 2023 Census data until late December 2023. Therefore, LAs consult using the previous year's dataset (October 2022 Census) to agree the principles for the forthcoming financial year.

Process

A summary of responses to the consultation will be reported to the meeting of the Schools Funding Forum on 30th November 2023, and will form part of the final decisions taken by the Local Authority in January, before schools are issued with their funding for the 2024-25 financial year.

Responding to the Consultation

The consultation paper and online link is sent to the Head Teachers of all schools and academies. Please bring this to the attention of Chairs of Governors, Chairs of Resources, Board Members and Trustees as appropriate.

You can contribute your views to the consultation in the online link below:

<https://consultation.havering.gov.uk/education/2a60cf91>

If you require clarification on any point please email:

Education Finance at: education.finance@havering.gov.uk

Closing date of consultation: 12.00pm Thursday 23rd November 2023

Schools Funding 2024-25

Background to the funding options for 2024-25

This year, as was the case for 2022-23 and 2023-24, we are consulting schools on a single issue, whether to transfer funding from the Schools Block to the High Needs Block of the Dedicated Schools Grant.

A transfer to the High Needs Block means reducing the funding distributed through the schools funding formula and using the funding made available to support pupils with SEN. Local Authorities, with the agreement of their Schools' Funding Forum, are permitted to transfer up to 0.5% of the Schools Block funding to High Needs funding. Based on indicative figures for 2024-25 this would equal £1.155m.

The two options for the allocation of 2024-25 funding are presented in this consultation:

- Option A - 0.5% transfer from Schools Block to High Needs
- Option B – no pre-set transfer from the Schools Block to High Needs. Any transfer would be restricted to unallocated funds available

Further details of these options, and of the impact on schools' formula funding are outlined in this document and on the attached appendices.

Supporting increased numbers of pupils with high needs, and the growing complexity of needs, is placing an undue burden on school budgets. There is a risk that financial considerations may begin to jeopardise inclusivity and that schools with a large number of pupils with high needs find it increasingly difficult to reach a balanced budget.

To help address this the funding consultation for 2023-24 included the option of transferring 0.5% (£1.109m) of the Schools Block to the High Needs Block so that this could be allocated to schools in support of pupils with high needs.

The Schools Funding Forum established a Task and Finish Group, comprised of head teachers and staff from the local authority, to examine High Needs funding for schools. This looked at how the £1.109m transfer from Schools Block, plus an additional £1.76m received following the Government spending review in autumn 2022, might be allocated.

At the conclusion of the funding consultation for 2023-24, 78% of respondents favoured the transfer of funds to High Needs. Details of the increases in High Needs funding that resulted from this are shown below in [Section 3.3.1](#).

Having used the 0.5% (£1.109m) transferred from the School Block to establish High Needs funding rates for 2023-24, it is necessary to transfer 0.5% again in 2024-25 to ensure that the rates can be maintained. The Task and Finish Group has been re-established to consider how high needs funding for schools in 2024-25 is distributed.

1 Dedicated Schools Grant (DSG)

The Government announced in the Autumn 2021 Spending Review that the total core school budget (including funding for mainstream schools and high needs) was to increase to £56.8 billion by 2024-25, a £7 billion cash increase compared with 2021-22. 2024-25 is the third and final year of the three year funding settlement

Since that original announcement, additional central government increases to the budget (via additional grants) of £1.5 billion in 2023-24 and a further £1.3 billion in 2024-25, has brought the total core schools budget to total over £59.6 billion in 2024-25.

For 2023-24 budgets, the Government introduced a mainstream schools additional grant (MSAG) to allocate extra funding announced in the autumn 2022 spending review. For 2024-25 MSAG is being rolled into the schools National Funding Formula (NFF) to ensure that this additional funding forms an on-going part of schools' core budgets. Appropriate adjustments have been made to the NFF factor values and baselines to reflect this.

2 Havering's Schools Block funding 2024-25

In July 2023 the Department for Education issued indicative allocations for 2024-25 to local authorities. At the same time the National Funding Formula (NFF) values for 2024-25 were published. In October 2023 the DfE announced that they had made an error in forecasting pupil numbers and issued reduced indicative allocations for 2024-25. At the same time the NFF values for 2024-25 were reduced. The figures used in this document and in formula modelling are the revised figures.

Local authority allocations are based on primary and secondary units of funding (PUFs and SUFs). The indicative allocations released by the DfE are calculated using October 2022 data and will be updated in December for October 2023 pupil numbers.

	Actual primary unit of funding (PUF) £	Actual secondary unit of funding (SUF) £	Primary pupil numbers	Secondary pupil numbers	Pupil Funding £	Mainstream Schools Additional Grant £	Rates (NNDR) £	Total Funding £
2024-25 (Oct 2022 census data)	5,171	6,981	23,584	15,314	228,849,983	0	2,106,175	230,956,158
2023-24	4,912	6,627	23,584	15,314	217,322,297	7,479,093	2,440,293	227,241,683
Change	259	354	0	0	11,527,686	-7,479,093	-334,118	3,714,475

The total Schools Block allocation also includes funding for pupil growth and falling rolls which will be notified to the LA by the DfE in December. It is expected to be lower than the amount received for 2023-24.

	Growth & falling rolls funding £	Total Schools Block and SSG funding £
2024-25 (estimate)	1,788,538	232,744,696
2023-24	2,035,324	229,277,008
Diff	-246,786	3,467,688

2.1 The National Funding Formula

Havering took the decision to adopt the National Funding Formula (NFF) factors and values in 2018-19 when they were introduced. The Schools Funding Forum has agreed that they should again be used in the calculation of schools' funding allocations for 2024-25.

The NFF funding rates have been increased to reflect the rolling in of the Mainstream Schools Additional Grant (MSAG) and as part of the Government's national increase in funding for schools. For core factors (the basic per pupil funding factor, additional needs factors and the school lump sum) the increase is 1.4%. The free school meals factor has increased by 1.6%

A slight decrease in the value of the Area Cost Adjustment (ACA) has been applied to funding for Havering, which means that factor values have increased by slightly less than the percentages quoted above. The ACA is an uplift to reflect geographical variation in labour market costs, similar to London weighting.

The change in the factor rates for 2023-24 and 2024-25 are shown in [Appendix A](#).

Having adopted NFF factors and values, decisions still need to be made each year on whether funding should be transferred from the Schools Block to the High Needs Block of the Dedicated Schools Grant (DSG) and whether to supplement the funding received from the DfE for the Growth and Falling Rolls Fund. Decisions also need to be made on the level of the minimum funding guarantee (MFG) and any gains cap to be applied.

Following a consultation held in summer 2021 the DfE began the move from a 'soft' NFF to a 'direct' NFF with transitional arrangements in place since financial year 2023-24. The resultant transitional arrangements remain unchanged for 2024-25, with LAs still required to use only NFF factors in local formulas and to move 10% closer to NFF factor values. These have no impact for Havering schools as NFF factors and values have already been adopted in full since 2018-19.

As the move to a 'direct' NFF continues in future years, it is likely that there will be changes that impact on Havering schools, for example, there is likely to be less local flexibility in determining the formulas used to allocate funding for Growth and Falling Rolls.

2.2 Minimum per-pupil Funding Levels for primary and secondary schools (MPPL)

In allocating funding to schools, Local Authorities need to ensure that minimum per-pupil funding levels are met. For 2024-25 these are £4,610 for primary schools and £5,995 for secondary schools. This includes funding for the rolling in of the Mainstream Schools Additional Grant (MSAG) and a 1.4% increase.

In 2023-24 the MPPL levels were £4,405 for primary schools and £5,715 for secondary schools. One primary and no secondary schools received funding at the MPPL level. From provisional modelling, using October 2022 census data, again one primary and no secondary schools would be funded at MPPL levels in financial year 2024-25. This is subject to change once the final dataset for the October 2023 Census is received.

2.3 The Minimum Funding Guarantee (MFG)

The Minimum Funding Guarantee (MFG) ensures that schools per pupil funding rises by a minimum percentage from the previous year. For 2024-25 local authorities can apply an MFG of between 0.0% and 0.5%. This means that where the per pupil funding for a school has risen by less than the MFG rate, the increase will be topped up to the level of the MFG.

As an example an MFG set at 0.5% would work as follows:

School's per pupil funding in 2023-24	£4,800
Formula funding for 2024-25	£4,600 (a fall from 2023-24)
School to be funded at 2023-24 + 0.5%	£4,824

For 2023-24 the MFG was set at 0.5%. In the 2024-25 funding consultation, both Option A and B propose an MFG of 0.5%, the maximum permitted, as the funding released by reducing the MFG to 0.0% would not have a significant impact if used elsewhere.

2.4 Gains cap

Local Authorities are able to adopt a gains cap if there is insufficient funding left in the Schools Block to meet formula allocations, MFG requirements and any transfers to High Needs and the fund for growth and falling rolls.

As an example a gains cap set at 2.4% would work as follows:

School's per pupil funding in 2023-24	£4,800
Formula funding for 2024-25	£4,944 (a rise of 3.0%)
School to be funded at 2023-24 + 2.4%	£4,915

For 2023-24 a gains cap of 3.15% was applied to enable the transfer of 0.5% of the Schools Block to High Needs. In the 2024-25 funding consultation Option A proposes a gains cap of 2.4%, with a transfer to High Needs of 0.5%.

Option B has no pre-set transfer to High Needs and no gains cap. Only the funds remaining after school budgets have been calculated would be transferred to High Needs. This will be a significantly lower sum than in Option A. Using the indicative allocations issued, the funds available to transfer to High Needs would be equivalent to 0.13% of the Schools Block.

2.5 Pupil Growth and Falling Rolls Funding

As outlined above, the phased move to a direct NFF is likely to impact on the funding received by schools for growth and Rolls in coming years.

As part of the updated funding arrangements for 2024-25, the Falling Rolls Fund will now be able to support schools where school capacity survey (SCAP) data shows that school places will be required in the subsequent three to five years. The restriction applied in previous years, that schools must be judged Good or Outstanding at their last Ofsted inspection to be eligible for funding, has been removed.

The local arrangements for supporting schools as part of the Growth fund remain affected for 2024-25.

The allocation for Growth funding is distributed based on the actual growth that LAs experience for each year, which is following the NFF principles of funding on a lagged funding basis (funding in a given year based on pupil numbers from the year before).

The calculation is based on the difference between the primary and secondary number on roll in each postcode locality (Middle Layer Super Output Area) between the most recent October pupil census, and the census in the previous October. For financial year 2024-25 allocation this will be the October 2023 and October 2022 Census respectively, with the per pupil rate for Havering (including ACA) for primary is £1,679.46 and for secondary is £2,513.77 for the seven months period that the growth spans during the financial year (September to March).

Havering's Growth and Falling Rolls funds support school expansions, bulge classes and those schools with falling rolls meeting the new revised requirements. The allocations for existing bulge classes, previous year expansions moving through year groups and for falling rolls, were set out for the Schools Funding Forum. A budget of approximately £2.2m is required to continue funding on the current basis, a similar amount to that required for the 2023-24 financial year.

The Schools Funding Forum agreed that pupil growth and falling rolls funding for schools needs to be protected at current levels whilst this is still permitted by NFF regulations. This will require the use of approximately £500k of the Schools Block funding. In the funding consultation for 2023-24 both Option A and Option B include this transfer.

3 Havering's High Needs Block funding 2024-25

Indicative funding for 2024-25 is as shown in the table below with comparable data from 2023-24. The DfE formula for allocating High Needs Funding to local authorities uses twelve different factors and adjustments. The Pupil Population Projection factor for 2 - 18 year olds and the Historic Spend factor (based on 50% of 2017-18 actual LA High Needs spend) distribute the largest proportion of funding.

For comparative purposes, the pupil population factor is shown below.

	Aged 2 – 18 Pupil Population Projection	Provisional High needs NFF allocations £	Additional High Needs allocation announced December 2022 £	Total High Needs allocations (provisional) £
2024-25	57,838	42,953,843	-	42,953,843
2023-24	57,405	39,032,906	1,760,760	40,793,666
Difference	433	3,920,937	-1,760,760	2,160,177

Although funding for 2024-25 will increase by £2.16m (5.3%), costs are expected to rise by considerably more than this due to rising costs (including salary increases), an increase in the number of pupils with high needs and the complexity of need. The High Needs Block is expected to overspend by £7.5m in the current financial year. With a £8.5m deficit brought forward, this will bring the cumulative deficit to £16.0m.

3.1 Dedicated Schools Grant (DSG) deficit

In financial year 2022-23, an overspend of £8.6m in the High Needs Block was offset by £0.1m underspends in other areas of the DSG resulting in a deficit carried forward into financial year 2023-24 of £8.5m.

This is the fourth consecutive year that the DSG as a whole has ended the year with a deficit, DSG underspends in other areas being insufficient to cover the overspend in the High Needs Block.

Previous years' transfers from the Schools Block to the High Needs Block and uncommitted underspends in areas other than high needs have assisted in keeping the overspend lower than it would otherwise have been. The LA will continue to keep all areas of DSG spending under review to identify potential savings to meet the forecast overspend in the High Needs block.

At the end of September 2023, the projected in-year deficit in High Needs was estimated at £7.5m, a reduction of £0.5m on the original projection at the start of the year. This gives rise to an estimated cumulative deficit at the end of financial year 2024-25 of £16.0m.

3.2 DSG Management Plan and Delivering Better Value (DBV) Programme

Any LA that has an overall deficit on its DSG account at the end of the 2022-23 financial year, or whose DSG surplus has substantially reduced during the year, is required to complete the Dedicated School Grant Management Plan or to have an equivalent framework.

The DfE has introduced two programmes to support LAs that have DSG deficits. These are the Safety Valve Intervention programme and the Delivering Better Value in SEND (DBV) programme.

The Safety Valve Intervention programme targets support and financial resources to the LAs with the highest DSG deficits with the aim of producing a sustainable long-term position.

Following the inception of the Safety Valve programme, the DfE setup the DBV Programme in financial year 2022-23. The programme supports LAs with lower, but still significant deficits. The DfE prioritised the programme based on the size of the LAs DSG deficit, and Havering was in the second tranche of Local Authorities involved in the programme.

Havering worked with Newtons, consultants commissioned by the DfE to administer the programme. Under the DBV programme LAs are able to bid for up to £1m grant, covering two years, to support projects which aspire to deliver significant improvements to services for children and young people with SEND, alongside significant financial benefits over the next 5 years. Havering was successful in a bid for the full £1m available. This grant cannot be used to reduce the deficit in the DSG.

Havering has seen the second highest national increase in child numbers between 2011 and 2021. This has led to pressures across Children's Services including SEND. Increased numbers of Education Health Care Plans are being requested and awarded with more cases requiring a higher level of support. In line with other LAs Havering is also seeing a continued increase in cost of out of borough provision. In addition, the number of pupils migrating into the borough requiring additional support exceeds those leaving the borough.

Havering's focus historically has been to support as many children as possible in mainstream settings, whilst placing children with greater needs in local Additional Resources Provisions (ARPs), Special Units and Special Schools. However, demand for ARP, Special Unit and Special School places has outstripped demand in recent years. The problem has been exacerbated by delays in building works to create new places.

The mitigations identified during the DBV programme include seeking to build parental confidence in mainstream provision through better engagement, communication and co-production. Whilst Havering has high levels of children with an EHCP in mainstream schools, there are some schools with significantly fewer children with an EHCP than others.

Havering is seeking to develop greater capacity in our mainstream schools by developing an inclusion peer review process and harnessing the expertise in our most inclusive schools. The LA is also looking to further strengthen our existing training and support offer, engaging parents and practitioners in co-production. At the same time an increase in the number of Special Units is planned.

3.3 Transfer of Schools Block Funding to High Needs

In 2023-24, following consultation with schools, Havering transferred £1.109m (0.5%) from the Schools Block to the High Needs Block. For 2024-25 LAs are again able to transfer up to 0.5% of the Schools Block to other DSG blocks. Funding Option A for 2024-25 proposes that 0.5% of the Schools Block is again transferred to the High Needs Block. Using the indicative figures this equates to £1.154m.

3.3.1 High Needs funding rates for schools 2023-24

Following the transfer of £1.109m from the Schools Block to High Needs and the receipt of an additional £1.76m announced in the autumn 2022 spending review, the LA increased a number of the high needs funding rates for schools in 2023-24. The increased rates are expected to deliver £4m additional high needs funding for schools in the current financial year.

A High Needs Task and Finish group, made up of head teachers and LA staff, was established by the Schools Funding Forum in autumn 2022 to review funding rates and to recommend a package of changes utilising the 0.5% Schools Block transfer and the additional High Needs allocation. The Schools Funding Forum approved the changes recommended and these have been implemented. They are:

- (i) An increase in the hourly rate in support of EHCPs for children in Years R to 11 from £16.00 to £16.50.
- (ii) Funding for EHCPs to be paid to schools after the first 9.3 hours of support rather than after the first 9.6 hours.
- (iii) An increase in the pupil top-up funding for ARPs and Special Units of £1,134, from £10,726 to £11,860.
- (iv) An increase in the special school matrix funding levels of £1,134 on all bands.
- (v) An increase in the pupil top-up funding for AP of £1,134, from £10,726 to £11,860.
- (vi) An increase in the hourly rate in support of EHCP/Complex Needs in nursery years so that total funding for a nursery child (after base rate and inclusion funding) was £16.50 matching the EHCP funding rate for a Year R to 11 pupil.

3.4 High needs funding 2024-25 – Task and Finish Group

Without the transfer of £1.109m from the Schools Block to High Needs it would not have been possible to increase high needs funding rates for 2023-24 to the levels shown above.

Having used the 0.5% (£1.109m) transferred from the School Block to establish High Needs Funding rates for 2023-24, it will be necessary to transfer 0.5% again in 2024-25 to ensure that the funding remains unchanged and sustainable.

As outlined above, the High Needs Task and Finish Group, set up last year, has been re-established. The Group will discuss options for the following areas:

- (i) Funding rates for EHCP supported hours.
- (ii) High needs inclusion supplement (headroom) formula review. This will be following the updated DfE guidance on the Notional SEN in the funding formula.
- (iii) Specialist Unit and Resource Provision (ARP) funding

(iv) AP Funding

(v) Special School Funding

The Task and Finish Group will be considering the arrangements and distribution of the funding for 2024-25 against a background of no additional funding being available. When the Group meets, the outcome of the consultation will be known. If Option A is preferred, and there is a transfer from the Schools Block to High Needs, then the above proposals can all be enacted. If Option B is preferred, and there is a smaller transfer, then there will be limitations on the proposals that can be pursued for 2024-25.

4 Funding Formula 2024-25 and Funding Options

The Schools Funding Forum feel that the issue of High Needs funding remains a priority and that schools should be consulted on transferring 0.5% from the Schools Block to the High Needs block again for 2024-25.

Participants in this consultation are asked to express a preference for one of two options. Option A, in which 0.5% of the Schools Block is transferred to High Needs and Option B in which there is no pre-set transfer and only the balance remaining (0.13% of the Schools Block) is transferred.

Details of these two options are shown below. The impact on individual schools is shown anonymously in [Appendix B](#).

Option A: 0.5% transfer from Schools Block to High Needs Block

- High Needs funding rates for 2023-24 retained as the base rate for 2023-24. The High Needs Task and Finish Group will examine the priorities listed in [Section 3.4](#), and the funding rates for these, against the background of the maximum permitted transfer to the High Needs Block.
- Minimum Funding Guarantee set at 0.5% (maximum permitted)
- A gains cap of 2.4%
- £500,000 moved to the Pupil Growth and Falling Rolls Fund

Based on current indicative figures, if 0.5% of the School Block is transferred to the High Needs Block, it is necessary to set the gains cap at 2.4%. This allows for an MFG at 0.5% and for the allocation of the additional £500k required to maintain funding for Growth and Falling Rolls at the current level.

As the transfer of 0.5% was included in the calculation of High Needs funding rates for funding rates for 2023-24, the transfer is required again for 2024-25 to retain the base rates at the current level and for consideration of any increase to those rates.

The table below shows the figures.

	£
Total funding allocated with 0.5% MFG and 2.4% Cap	229,291,907
Total required for Pupil Growth/Falling Rolls	500,000
Transfer to High Needs (0.5%)	1,154,781
Total funding required	230,946,688
Total funding available	230,956,158
Funding remaining	9,470

The number of schools receiving formula funding, MPPL and MFG protection is shown in the table below, together with the cost of the MFG protection and savings from the cap.

No of schools on MPPL		No. of schools on MFG at 0.5%		No. of schools to receive between 0.5% and 2.4%		No of schools capped at 2.4%		Cost of MFG £000s	Saving from cap £000s
Prim.	Sec.	Prim.	Sec.	Prim.	Sec	Prim.	Sec.		
1	0	2	1	31	12	25	5	103	863

If there are additional funds available when the revised Schools Block allocation, based on October 2023 data, is received, this would be used to increase the level of the gains cap.

Option B: No pre-set transfer from Schools Block to High Needs Block

Based on current indicative figures, if the minimum funding guarantee is set at 0.5%, £500k is transferred to maintain funding for growth and falling rolls at current levels and there is no gains cap, when formula budgets have been calculated there is £301k (0.13%) of the Schools Block left unallocated. This balance would then be transferred to High Needs.

- Minimum Funding Guarantee set at 0.5% (maximum permitted)
- No gains cap
- £500,000 moved to the Pupil Growth and Falling Rolls Fund
- The balance remaining after budgets have been calculated is transferred from the Schools Block to High Needs. Using the indicative funding allocations this is £301k or 0.13%.
- The base funding rates for High Needs support will be reviewed by the High Needs Task and Finish Group to see whether they are sustainable for 2024-25. The Group will be restricted in their ability to address the priority areas identified in [Section 3.4](#) as there will be £853,495 less available.

The table below shows the figures.

	£
Total funding allocated with 0.5% MFG and no Cap	230,154,332
Total required for Pupil Growth/Falling Rolls	500,000
Total funding required	230,654,332
Total funding available	230,956,158
Funding remaining to be transferred to High Needs	301,286

The number of schools receiving formula funding, MPPL and MFG protection is shown in the table below, together with the cost of the MFG protection and savings from the cap.

No of schools on MPPL		No. of schools on MFG at 0.5%		No. of schools not capped and to receive more than 0.5%		<i>No of schools capped (not applicable)</i>		Cost of MFG £000s	Saving from cap £000s
Prim.	Sec.	Prim.	Sec.	Prim.	Sec	<i>Prim.</i>	<i>Sec.</i>		
1	0	2	1	56	17	0	0	103	0

If there are additional funds available when the revised Schools Block allocation, based on October 2023 data, is received, this would be transferred to the High Needs Block, ensuring the total transferred does not exceed 0.5%.

5 Conclusion

We hope that this paper and the accompanying appendices explain the funding options that form the basis of this consultation, and the rationale behind these options.

As explained above, these allocations are indicative and final calculations will be made once the validated data from the October 2023 census has been received from the DfE. In addition, the final funding allocations for 2024-25 will change, increasing or decreasing for each school depending on changes in schools' pupil numbers and changes in the additional needs data.

Appendix A – NFF Rates 2024-25

Area Cost Adjustment	1.08352
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NFF Factor	Primary			Secondary			
	2024-25 £	2023-24 £	Increase 2023-24 to 2024-25 %	KS	2024-25 revised £	2023-24 £	Increase 2023-24 to 2024-25 %
Basic per pupil	3,859.50	3,684.29	4.76	KS3	5,441.44	5,194.26	4.76
				KS4	6,133.81	5,854.26	4.78
<i>excl MSAG</i>	3,730.56	3,684.29	1.26	KS3	5,259.41	5,194.26	1.25
				KS4	5,927.94	5,854.26	1.26
Free School Meals	530.92	521.05	1.89		530.92	521.05	1.89
FSM Ever 6	888.49	765.30	16.10		1,300.22	1,118.10	16.29
<i>excl MSAG</i>	775.80	765.30	1.37		1,135.52	1,118.10	1.56
IDACI A	736.79	727.31	1.30		1,023.93	1,009.54	1.43
IDACI B	558.01	553.62	0.79		801.80	792.44	1.18
IDACI C	525.51	521.05	0.86		747.63	738.16	1.28
IDACI D	482.17	477.63	0.95		682.62	673.03	1.43
IDACI E	308.80	303.95	1.60		487.58	483.06	0.94
IDACI F	254.63	249.67	1.99		368.40	363.65	1.31
Low Prior Attainment	1,267.72	1,253.79	1.11		1,923.25	1,899.68	1.24
EAL	639.28	629.61	1.54		1,717.38	1,698.85	1.09
Mobility	1,040.18	1,025.83	1.40		1,495.26	1,476.32	1.28
Lump sum	145,625.09	138,947.84	4.81		145,625.09	138,947.84	4.81
<i>excl MSAG</i>	140,738.41	138,947.84	1.29		140,738.41	138,947.84	1.29
Sparsity	61,868.99	61,115.34	1.23		89,932.16	88,904.91	1.16
Minimum per pupil funding level (MPPL)	4,610.00	4,405.00	4.65		5,995.00	5,715.00	4.90
<i>excl MSAG</i>	4,467.00	4,405.00	1.41		5,800.20	5,715.00	1.49
Minimum Funding Guarantee	0% - 0.5%	0.5%			0% - 0.5%	0.5%	
Gains cap	tba	3.15%			tba	3.15%	

MSAG sums consolidated into NFF funding rates for 2024-25

	£		£
Basic per pupil - Primary	128.94	Adjustment to MPPL	
Basic per pupil - KS3	182.03	Primary	143.00
Basic per pupil - KS4	205.87	Secondary	194.80
Primary FSM6	112.69		
Secondary FSM6	164.70		
Lump sum	4,886.68		

Consultation on Schools and High Needs Funding 2024-25 – Responses

Section A - Brief Summary

Option	Count	%
A	21	72.4
B	8	27.6
Total	29	100.0

No response was received from 48 schools

Section B - Full Summary - Phase / Status

Phase	Type	Status	Number of Schools	Responses	% of schools responding	Count		% of respondents	
						Option A	Option B	Option A	Option B
Primary	Infant	Maintained	6	2	33.3	0	2	0.0	100.0
Primary	Junior	Maintained	4	3	75.0	2	1	66.7	33.3
Primary	Primary	Maintained	31	12	38.7	12	0	100.0	0.0
Primary	Infant	Academy	4	2	50.0	1	1	50.0	50.0
Primary	Junior	Academy	6	2	33.3	1	1	50.0	50.0
Primary	Primary	Academy	8	3	37.5	1	2	33.3	66.7
Secondary	Secondary	Academy	18	5	27.8	4	1	80.0	20.0
Total (schools)			77	29	37.7	21	8	72.4	27.6

Section C - Full Summary - Trust / Federation / Individual

Phase	Category	Trust / Federation / Single	Count		% of respondents	
			Option A	Option B	Option A	Option B
Primary	Federation	Federation A	2	2	50.0	50.0
Primary	Federation	Federation B	2	0	100.0	0.0
Primary	Individual	Individual	10	0	100.0	0.0
Primary	MAT	MAT A	0	4	0.0	100.0
Primary	MAT	MAT B	1	0	100.0	0.0
Primary	MAT	MAT C	0	1	0.0	100.0
Primary	MAT	MAT E	2	0	100.0	0.0
Primary Total			17	7	70.8	29.2
Secondary	SAT	SAT	1	0	100.0	0.0
Secondary	MAT	MAT A	0	1	0.0	100.0
Secondary	MAT	MAT D	1	0	100.0	0.0
Secondary	MAT	MAT E	2	0	100.0	0.0
Secondary Total			4	1	80.0	20.0
Grand Total			21	8	72.4	27.6

Section D - Consultation responses from stakeholders

Comments
Schools choosing Option A - 4 comments
SEN Needs are the biggest challenge to schools at the moment. It is important that these funding streams continue to be protected and maintained. This Option, despite impacting my school by over £25k, is the most important option as it ensures fairness, equity and support for those schools carrying the greatest levels of need.
We discussed the options at length at our Cluster (Group B) meeting today. I have also discussed them with the Chair of Governors
Due to the alarming increase in pupils with high needs, an increase in funding will help with the huge unavoidable negative impact on our school budget.
I think the transfer option supports all schools with the ever growing need for SEND support. Will the team expand so that more support can be offered?
Schools choosing Option B - no comments



Schools Funding Forum 30th November 2023

ITEM 5

Subject Heading:

Notional SEN funding 2024-25

Report Author:

**Nick Carter – Education Finance Group
Manager**

Eligibility to vote:

All school and academy members

SUMMARY

This item examines the calculation of the notional SEN budget in school formula budget shares and proposes a revised formula for 2024-25

RECOMMENDATIONS

That the Schools Funding Forum:

- (i) agrees the revised calculation of notional SEN budgets for 2024-25

REPORT DETAIL

Introduction

At the meeting on 19th October 2023 the Schools Funding Forum was advised of the need to revise the formula used to calculate notional SEN budgets. A proposal was put to the Forum in which 100% of the funding received for low prior attainment was deemed to be notional SEN. Forum members commented that if a pupil did not reach the expected levels at Foundation Stage Profile this did not automatically mean they were a SEN pupil. Following these comments the LA is proposing an alternative formula.

The notional SEN budget

Primary and secondary schools are notified each year of a clearly identified, but notional, SEN budget within their overall budget allocation. Local authorities are responsible for calculating the amount of this notional budget with reference to the funding formula factors.

The notional SEN budget is intended as a guide for a school's spending decisions and should not be seen as a target or a constraint on the schools duty to use its 'best endeavours' to secure special provision for pupils with SEN.

Schools are expected to contribute towards the costs of special education needs provision up to a threshold of £6,000 per pupil per annum. The notional SEN budget is not intended to provide £6,000 for every pupil with SEN, as most support for such pupils will cost less than this.

Calculation of the Notional SEN budget

There is currently no national approach to the calculation of a school's notional SEN budget. In guidance released this year the DfE state that they would expect the notional SEN budget to include:

- a small part of the basic entitlement funding
- a larger part of deprivation funding, reflecting the higher prevalence of lower-level SEN amongst disadvantaged children
- the majority, or whole, of the low prior attainment factor funding as this is the best proxy for pupils with low cost, high incidence SEN

In Havering the notional SEN budget is currently calculated as:

- 1.0% of basic entitlement funding
- 16.5% of deprivation (excluding current FSM)
- 40.0% of low prior attainment for primary schools
45.0% of low prior attainment for secondary schools

This calculation dates back to the introduction of the National Funding Formula (NFF) in 2018-19. These percentages were, in turn, arrived at to ensure that the notional SEN budgets were broadly similar to 2017-18 and before.

DfE requirements for notional SEN levels

As part of the move to a direct NFF, the DfE wants to see greater uniformity in notional SEN budgets across LAs. The DfE has examined the total of the notional SEN budgets in each LA and made the following calculation:

- a) Aggregate the notional SEN budgets for all primary and secondary schools in the LA.
- b) Deduct £6,000 for every pupil with an EHCP attending a mainstream school in the LA.
- c) Divide the remaining notional SEN funding by the number of other SEN pupils attending mainstream schools.

When this calculation is made for Havering, the notional SEN funding per other SEN pupil comes to £790. This is one of the lowest figures in the country, with Havering ranked 149th out of 153 LAs. The median value for all LAs in England is £4,349.

For 2024-25 the DfE requires that the calculation above comes to at least £1,500. At LA level, notional SEN funding, not attributable to pupils with an EHCP, must exceed £1,500 per other SEN pupil. LAs should aim for a figure of between £3,000 - £3,500 per other SEN pupil.

Since the last meeting of the Schools Forum the LA has been in contact with the DfE on this issue. The LA raised the possibility of submitting an unchanged formula for notional SEN on the basis that since its introduction no increase in the Schools Block has been flagged as a direct investment in SEN. The DfE advised strongly against this. This would be flagged; it generates an error message in the Authority Proforma Tool (APT) issued by the DfE for the calculation and submission of school formula budgets. The DfE suggested the LA may need to seek legal advice on the implications of submitting an unchanged formula for notional SEN.

Proposed Notional SEN factor values in Havering

The DfE states that the majority, or whole, of the low prior attainment factor funding should be attributed to notional SEN as this is the best proxy for pupils with low cost, high incidence SEN. Two thirds of LAs now attribute 100% of low prior attainment funding to notional SEN. At the last meeting of the Forum the LA proposed a formula for notional SEN using 100% of low prior attainment funding but Forum members were unhappy with this.

Following the comments from Forum members, the LA is now proposing that notional SEN funding for 2024-25 is calculated as:

- 1.5% of basic entitlement funding
- 35.0% of deprivation funding (excluding current FSM)
- 35.0% of funding for English as an Additional Language
- 35% of funding for mobility
- 70.0% of low prior attainment for primary schools
70.0% of low prior attainment for secondary schools

This revised proposal still meets the DfE expectation that 'the majority or whole', of the low prior attainment factor funding is attributed to notional SEN. Using this formula the notional SEN funding per 'other SEN' pupil would be £3,168, within the DfE's expected range of £3,000 to £3,500.

The notional SEN funding for each school would be higher than in previous years, meaning that a greater proportion of the School Budget Share or General Annual Grant (GAG) is deemed to relate to the cost of support for SEN pupils. The School Budget Share or GAG itself is not impacted.

Agenda Item 6



Havering
LONDON BOROUGH

Schools Funding Forum 30th November 2023

ITEM 6

Subject Heading:

De-delegation of funding for central services 2024-25

Report Author:

Nick Carter – Principal Finance Officer (Schools)

Eligibility to vote:

LA maintained school representatives

SUMMARY

This item considers the de-delegation of funding, to maintain the provision of a range of services provided centrally and for statutory and regulatory duties.

RECOMMENDATIONS

1. For LA maintained primary school representatives to agree the de-delegation of funding for the following services:
 - (i) Insurance
 - (ii) Free school meals eligibility checking
 - (iii) Maternity leave insurance
 - (iv) Trade Union Facility Time
 - (v) EAL service
 - (vi) Behaviour support service

2. For LA maintained primary and special school representatives to agree the de-delegation of funding for the following:
 - (i) Statutory and regulatory duties
 - (ii) Core school improvement activities

REPORT DETAIL

The de-delegation of funding for central services was an agenda item at the meeting of the Schools funding Forum held on 21st September 2023 with Trade Union facility time added at the meeting on 19th October 2023. Forum members expressed the wish to discuss all the areas proposed for de-delegation with schools in their clusters. Forum members are invited to provide feedback from those meetings so that a decision can be reached on which services are approved for de-delegation.

Services for which de-delegation is requested – applicable to LA maintained primary schools only

1. Insurance

Insurance for maintained schools is arranged as part of the Borough's main insurance contract and funded through de-delegation. Funding requested through de-delegation from LA maintained primary schools is as follows:

2024-25	Primary
Formula factor	AWPU
Amount	£21.00
Total	£363,000

2023-24	£20.00
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It should be noted that the cost of participating in the Risk Protection Arrangement, managed by the Department for Education, has been set at £23.00 per pupil for 2024-25.

2. Free school meals eligibility checking

This service checks the eligibility of pupils for free school meals and pupil premium grant by accessing a central government hub. Without this service schools would need to make their own arrangements to determine eligibility.

Funding requested through de-delegation from LA maintained primary schools is as follows:

2024-25	Primary
Formula factor	FSM eligible pupils
Amount	£9.50

Total	£30,352
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2024-25 rate	£9.50
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The LA is proposing that the sum per FSM pupil de-delegated remains unchanged. An increase in the total de-delegated, resulting from an increased number of FSM eligible pupils, should be sufficient to cover the cost of the pay award for staff delivering this service.

3. Maternity leave insurance

The LA administers an insurance scheme that meets the costs of teachers and support staff who are on maternity leave. The benefit of de-delegating the budget, rather than operating a traded service, is that schools do not have to pay premiums or make claims.

If the funding is not de-delegated, schools would need to make individual choices to buy into the scheme which, if some schools decided not to, may make it unviable to run. This service is not offered to academies.

The LA is proposing a 6% rise in the sum de-delegated to match the expected average increase in staff salaries. Staff salaries determine the level of maternity leave payments.

Funding requested through de-delegation from LA maintained primary schools is as follows:

2024-25	Primary
Formula factor	AWPU
Amount	£36.96
Total	£639,000

2023-24	£34.87
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4. Trade Union facility time

De-delegation benefits schools through the provision of support from locally based and accredited trade union officials.

The cost to schools in 2023-24 was £2.63 per pupil. If the price remained unchanged the figures for 2024-25 would be as follows.

2024-25	Primary
Formula factor	AWPU
Amount	£2.63
Total	£45,500

2023-24	£2.63
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Shown below are the figures if the sum per pupil was increased by 6.5% in line with the rise in teachers' pay. This would bring the per pupil amount to £2.80. The figures would be as follows.

2024-25	Primary
Formula factor	AWPU
Amount	£2.80
Total	£48,400

2023-24	£2.63
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5. EAL Service

De-delegation enables the LA to retain a central EAL Team to maintain the high levels of support and response to Havering's maintained primary schools.

Funding requested through de-delegation from LA maintained primary schools is as follows:

2024-25	Primary
Formula factor	EAL 3
Amount	£38.00
Total	£107,000

2023-24	£38.00
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6. Behaviour support service

De-delegated funding is used to fund the work of school support family practitioners, meaning that this will be provided to schools without an additional charge.

Funding requested through de-delegation from LA maintained primary schools is as follows:

Formula factor	AWPU	FSM Ever 6	IDACI E	IDACI D	IDACI C	IDACI B	IDACI A	Low attainment	
Amount	£5.00	£2.00	£14.08	£22.08	£12.05	£7.71	£10.07	£5.00	
Total	£86,420	£6,640	£31,111	£27,757	£6,859	£4,598	£1,240	£25,603	£190,228

2023-24 rates	£5.00	£2.00	£14.08	£22.08	£12.05	£7.71	£10.07	£5.00	
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Education functions for which de-delegation is requested – applicable to LA maintained primary and special schools only

1. Statutory and regulatory duties

The Schools Funding Forum has previously received reports on the withdrawal of the Education Services Grant (ESG) which was allocated to local authorities by the Government for the provision of statutory services in relation to schools. Academies also received ESG. That has also ceased.

The reports advised that from an original allocation of £2.3m, £589k had been transferred to the DSG leaving no funding source to meet the remaining costs. After reducing its operational costs by £590k this left a shortfall of £1.2m.

In reducing the funding to local authorities, the DFE introduced a provision within the School Funding Regulations for local authorities to agree a contribution from LA maintained schools towards the cost of statutory services and specific tasks that are carried out for them but not for academies. This principle reflects the charge that most Multi Academy Trusts place on their partner academies for central services. The contribution from LA maintained schools budgets' was introduced for the 2018-19 financial year and was set at £19.89 per pupil for primary schools and £44.00 per place for special schools. The primary school rate was reduced to £17.90 for 2019-20. For the last two years the rate has been increased in line with the rise in NFF factor values and currently stands at £18.88.

For 2024-25 the LA is proposing that the rate for LA maintained primary schools is increased by 2.3% bringing it to £19.31 per primary school pupil. A rise of 2.3% is also proposed for each special school place, bringing it to £45.00.

The cost of providing the services supported by this funding is comprised largely of staff salaries that are expected to rise by around 7% this year.

The new rate would produce a total contribution of £341,000.

2024-25	Primary	Special
Formula factor	AWPU	Place
Amount	£19.31	£45.00
Total	£334,000	£7,000

2023-24	£18.88	£44.00
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2. Core school improvement activities

In January 2022 the DfE announced that the School Improvement, Monitoring and Brokerage Grant paid to local authorities would be reduced by 50% for financial year 2022-23 and then removed completely from 2023-24.

At the same time, local authorities were given the power to fund all improvement activity, including core activity, via de-delegation with the agreement of schools forums or the Secretary of State.

For 2024-25, the LA is seeking de-delegation at an unchanged rate of £5.11 per pupil. This generates 50% of the total DfE grant withdrawn. The service provided from de-delegated funds would remain unchanged from the current year as laid out in Item 9 Appendix D of the School Forum agenda for 21st September 2023.

2024-25	Primary	Special
Formula factor	AWPU	Place
Amount	£5.11	£15.33
Total	£88,300	£2,400

2023-24	£5.11	£15.33
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Agenda Item 7



Schools Funding Forum 30th November 2023

ITEM 7

Subject Heading:

Key Stage 2 – admission of additional pupils

Report Author:

Nick Carter – Principal Finance Officer (Schools)

Eligibility to vote:

All school and academy members

SUMMARY

This report outlines the position regarding funding for Key Stage 2 admissions that take a school above the Published Admission Number (PAN), and the permitted use of Dedicated Schools Grant funding received for growth

RECOMMENDATIONS

That the Schools Funding Forum:

- (i) notes the report

REPORT DETAIL

Background

In February 2018 the Schools Forum considered funding in respect of infant class sizes. Infant classes are restricted to 30 pupils except in limited circumstances. These include admitting children who move into the area outside of the normal admissions round for whom there is no other available school within reasonable distance.

The Forum agreed that where schools were required to admit additional pupils that would take them above 30 in a class they should receive funding to meet the cost of additional teaching assistant support across the year group concerned. This would

come from the funding received for growth and falling rolls. Currently if schools are asked by the School Admissions Team to admit an infant pupil and this takes them above PAN, and above 30 in a class, they receive £100 for each day that the year group is above PAN.

Permitted use of funding received for growth

The use of funding received for growth is restricted by the DfE. The permitted uses are:

- (i) supporting pupil number adjustments to meet basic need
- (ii) supporting the need to meet the infant class size regulation
- (iii) meeting the revenue costs of new schools

The current arrangement is justified as supporting the need to meet the infant class size regulation.

Funding for additional pupils at Key Stage 2

With a shortage of places in certain year groups in parts of the borough, schools are increasingly being asked to admit pupils above the level of PAN at Key Stage 2. The shortages of places is most acute in current Year 3.

A number of schools have queried why the funding given for infant years cannot be extended to Key Stage 2. This cannot be done as it does not meet any of the permitted uses of funding for growth shown above.