



Item 6.1b

Briefing note

To: Schools Forum **Author:** Janice Gillespie

Date: 24 November 2021

Purpose of the Paper:

Information	√
Consultation	√
Decision	√

Title of Briefing: Update on National Funding Formulae and the Outcome of Consultation with All Schools on Funding Distribution for 2022/23

Purpose of Paper

1.1 This paper provides a summary of the outcomes from the consultation exercise carried out with all schools in October and November 2021 in relation to the Schools block, Local Funding Formula (LFF) in North Tyneside.

Consultation Responses for Local Funding Formula Changes

2.1 Officers from the Authority have been working to review the Authority's Local Funding Formula (LFF) for schools and what the potential impact would be for the LFF remain aligned to the National Funding Formula (NFF). In addition, officers from the SEN and SST services of the Authority prepared project plans to aid recovery of the High Needs Block deficit, on the basis of a block transfer of 0.5% from Schools block to High Needs block. The outcome of that work was presented to Schools Forum on 22nd September 2021 and a consultation proposal was approved to cover all schools, to enable Schools Forum to reach agreement on three propositions. These were: -

- To continue to use factors in line with NFF, funding permitting
- To allow the Authority to set a minimum funding guarantee and capping based on affordability?
- To support a 0.5% transfer from Schools block to High Needs block to fund the projects outlined by SEND/SST services.

2.2 Each of the plans put forward to School Forum were then presented to schools at a number of briefings and forums, with the addition of updates on the indicative DSG funding allocations once available. and the reasons for the selected MFG rates and capping were explained in relation to the estimate allocation and the relative gap to full NFF. At its meeting on the 1 October, Schools Forum agreed to consult with all schools on these options. A consultation exercise The consultation was agreed by Forum and launched for schools to complete between 22nd October and 19th November 2021, with all headteachers, school leaders and governors given the opportunity to reply.

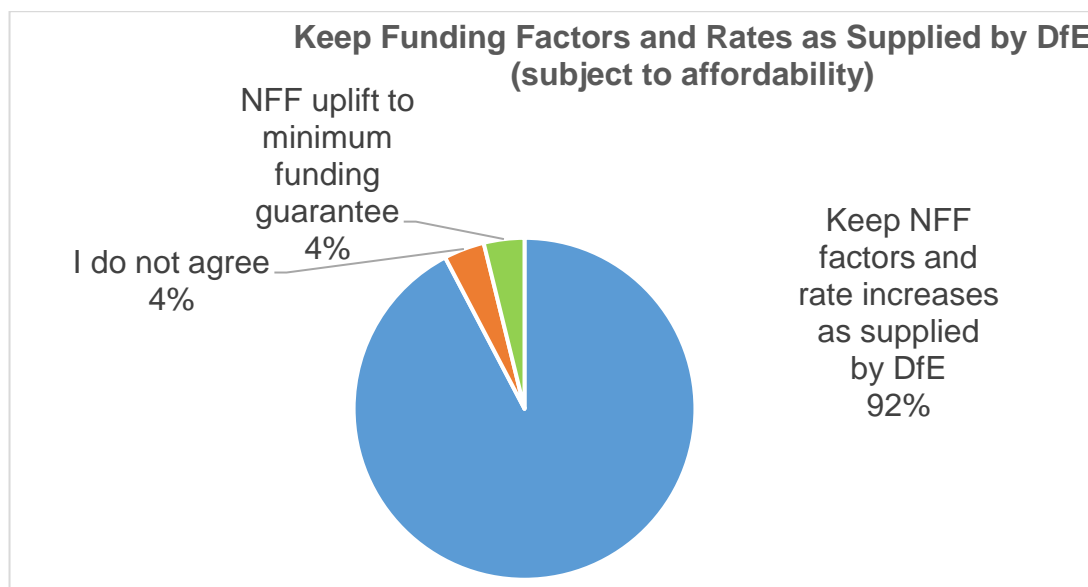
During the consultation a further engagement event with school staff, headteachers and governors was held to provide additional information on the expected impact of the proposals. In total 40 surveys were completed from 26 different schools. The response rate moved from 68% in 2019 to 54% in 2020 and now 37% in 2021, with responses received from 20 head teachers and 11 governors or governing bodies, plus 9 from other leadership figures. The responses were split by phase as follows;

Table 1: Response Rates to the Consultation by Phase

Phase	Number Schools Responded	Number in Phase	Response Rate
First / Primary	19	54	35%
Secondary Middle	1	5	20%
Secondary High	6	11	55%
All Through	0	1	0%
Total	26	71	37%

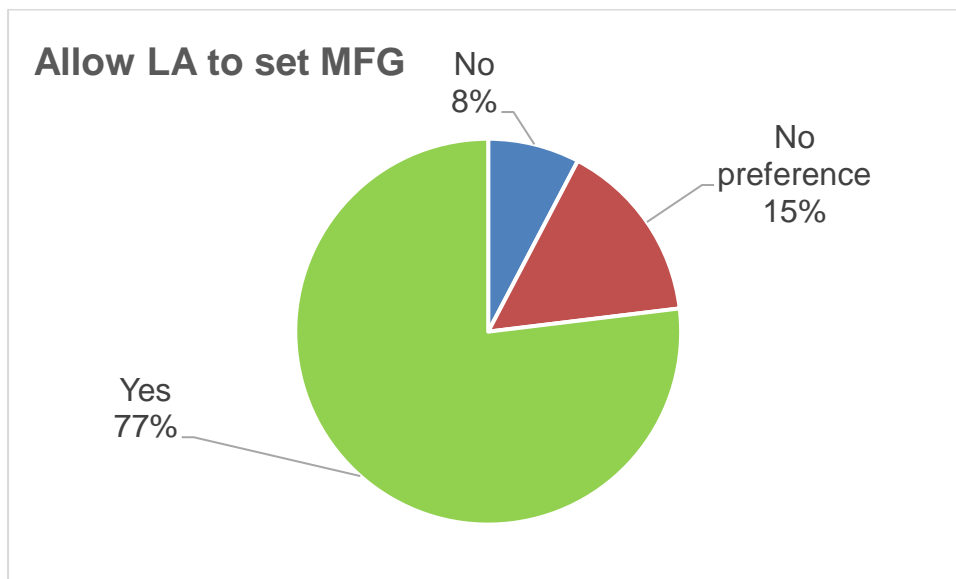
2.3 Responses to the consultation questions from the respondents are summarised below. These have been analysed based on both the total number of votes and limiting to one vote per school (usually casting the headteacher vote).

Chart 1: Response that, funding permitting, North Tyneside should increase its Local Funding Formula factors in line with the National Funding Formula



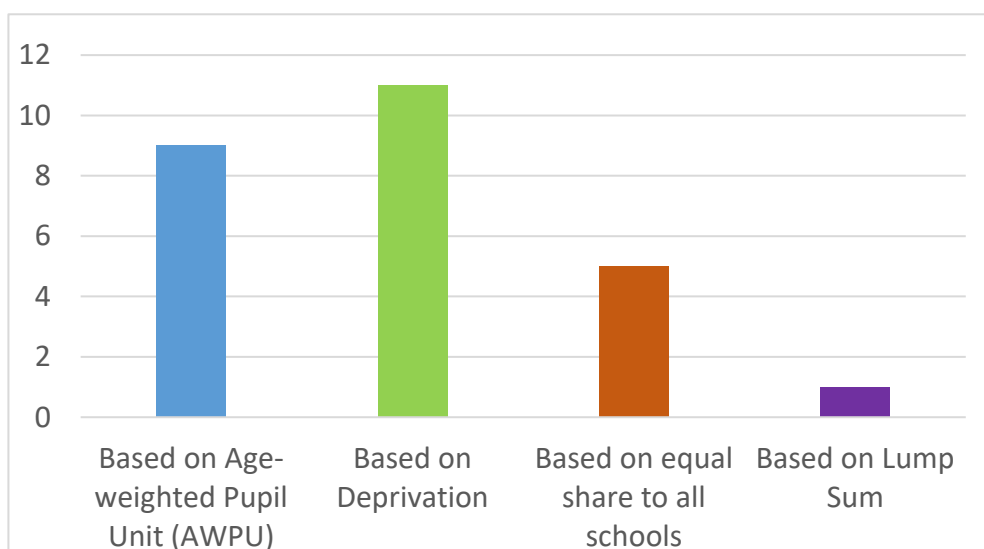
- 2.4 The consultation favours staying on NFF factors, final funding permitting. 92% of schools voting agreed with this continuation, with only 4% or one school disagreeing and 4% or one school following the NFF to the minimum funding guarantee only.
- 2.5 Schools were asked if they supported the Authority setting minimum funding guarantee levels based on affordability. 77% of schools replied yes, 15% had no preference and 8% disagreed. Schools asked that the MFG should be set to a maximum to optimise funding to those schools with current low funding rates.

Chart 2: Response on question to allow the Authority to set the level of Minimum Funding Guarantee subject to affordability, based on the final funding allocation



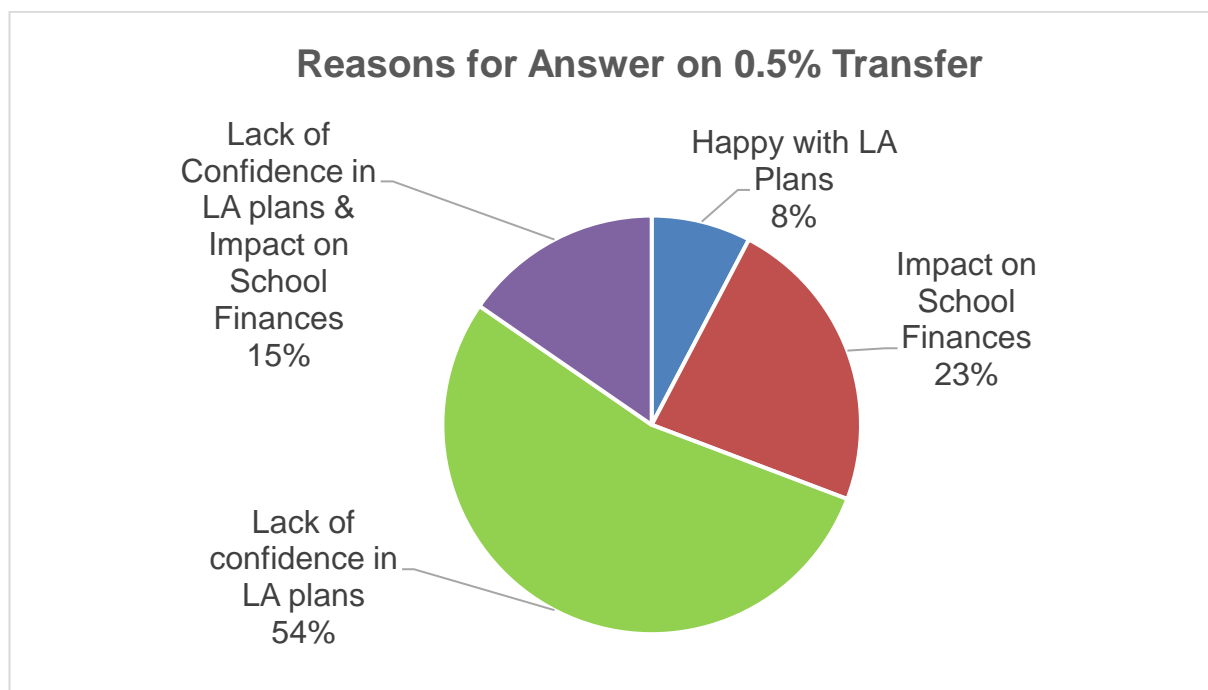
- 2.5 In reviewing how best to allocate any surplus funding respondents were offered seven options, plus "other". The preferred option has changed to basing it on deprivation factors, though one school reflected this penalises small primary and first schools who are already impacted by the drop in lump sum.

Chart 3: Which of these factors do you think should be used to distribute any surplus after delivering the chosen MFG protection level?



- 2.6 There was no overall agreement to transfer up to 0.5% of the Schools block to High Needs block, with only 8% of schools being happy with the transfer (compared to 45% last year). The remaining 92% of schools cited two main reasons for their responses, based on either the lack of confidence in the plans for using the funding or the impact deducting this funding has on already tight school balances.

Chart 4: Responses to whether to transfer funds to High Needs



- 2.7 54% of schools did not believe the LA plans gave sufficient evidence that they were robust enough to warrant the transfer, 23% stated their main concern about the transfer was the impact on school finances by reducing the School block and 15% stated both of these issues. A number of schools preferred that the decision to fund the transfer be delayed until the current OFSTED review of the LA's SEN function is completed and there was a challenge that the plans would need to be assessed against the conditions concerning block transfers allowed by ESFA.
- 2.8 Schools Forum need to consider that any decision to move funding from the School block to High Needs block would also need to be ratified by the Department for Education. They will expect any plans to use this funding are in line with the submitted high needs recovery plan, where one exists. They have also recently stated that due to the large increase in High Needs Funding (indicatively 7.75% for North Tyneside), any agreement to transfer funds would be exceptional.
- 2.9 Generally, a number of schools have criticised the length of the consultation and the lack of clear outcomes and accountability linked to the plans put forward for the High Needs block transfer. It should be noted that the consultation period is similar to that used over the last two years. It should also be noted that the LA did not know about the OFSTED inspection of the SEND function until after the plans for the consultation had been agreed, in line with their overall budget planning timetable.

Recommendations

3.1 Schools Forum is asked to consider the results of the consultation with schools; and vote on the following options:

- Agree to continue to use factors in line with NFF, funding permitting
- Agree to allow the Authority to set a minimum funding guarantee and capping based on affordability
- Consider the response to the request to transfer 0.5% School block funding to High Needs and either:
 - a) Support a 0.5% transfer from Schools block to High Needs block to fund the projects outlined by SEND/SST services
 - b) Support 0.5% transfer from Schools Block to High Needs block and work with LA on range of activities that could support the system change required.
 - c) Not support any transfer of funds from Schools Block to High Needs Block