

## Item 6.1b

# Briefing note

**To:** Schools Forum      **Author:** Claire Emmerson

**Date:** 10 November 2022

**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 2023/24**

### Purpose of Paper

- 1.1 This paper provides a summary of the outcomes from the consultation exercise carried out with all schools in October 2022 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 to remain aligned to the National Funding Formula (NFF).
- 2.2 In addition, in July 2022, the Authority was formally invited by the Department for Education (DfE) to take part in the 'safety valve' intervention programme, with the aim of agreeing a package of reform to the Authority's high needs system that will bring our Dedicated School Grant (DSG) overspend under control. The Authority is required to demonstrate this package of reform within a DSG Management Plan which shows that it can create lasting sustainability, effective for children and young people, which includes reaching an in-year balance within five years. Where the Authority does this, the DfE will enter into an agreement with the Authority, subject to Ministerial approval. Where there is evidence of progress in reaching that in year balance, the DfE will provide additional funding over time, with a view to removing the Authority's DSG deficit.

- 2.3 The Authority is undertaking engagement with partners across Special Educational Needs and Disabilities (SEND) to co-create the DSG Management Plan. An initial draft has been submitted to the DfE and together, with them and schools, the Authority will continue to refine the Plan before a final submission is made on 3 February 2023. The Secretary of State for Education will inform the Authority in March 2023 if it has been successful to enter onto the programme. The draft Plan includes an assumption of a block transfer of 0.5% from Schools block to High Needs block.
- 2.4 An update of that work was presented to Schools Forum on 21 September 2022 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 (MFG) and capping based on affordability;
  - To support a 0.5% transfer from the Schools block to High Needs block to fund the projects outlined by SEND/SST services.
- 2.5 A finance and resources update was also presented to schools at 2 separate briefings outlining the main changes across all blocks of the DSG and outlining the 0.5% Schools block transfer to the High Needs block. The outline consultation questions were also shared at the briefings to allow for any changes to be made in advance of the consultation launch. The consultation exercise was launched for schools to complete between 17<sup>th</sup> and 31<sup>st</sup> October 2022, with all headteachers, school leaders and governors given the opportunity to reply.

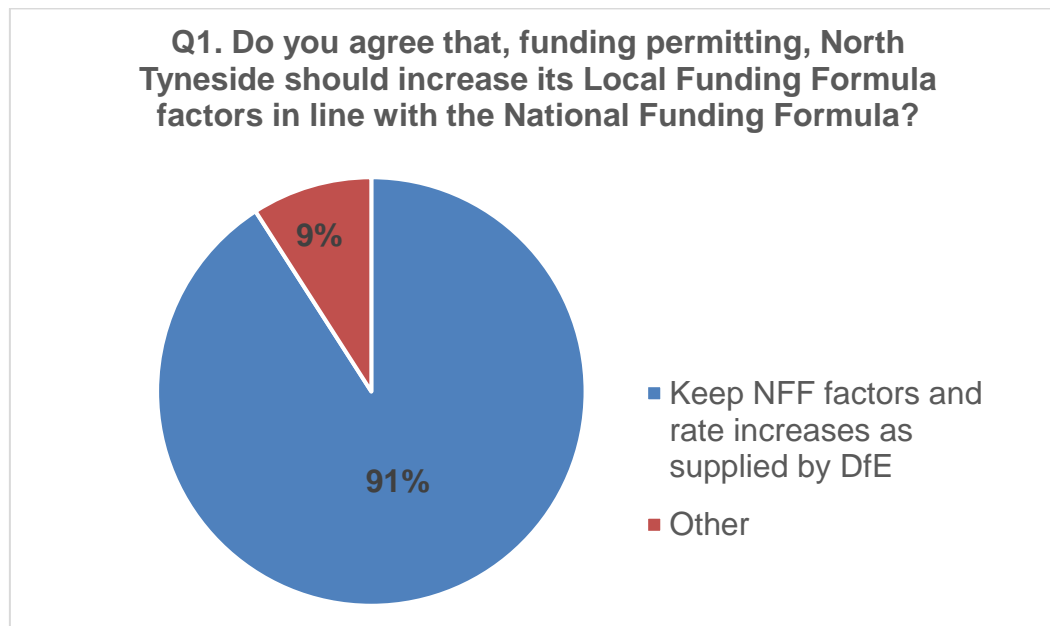
In total 13 surveys were completed from 11 different schools. The response rate moved from 54% in 2020 to 37% in 2021 and now 16% in 2022, with responses received from 9 head teachers and 2 governors or governing bodies, plus 2 from other leadership figures. The responses were split by phase as follows;

**Table 1: Response Rates to the Consultation by Phase**

Phase	Number Schools Responded	Number in Phase	Response Rate
First / Primary	4	54	7.4%
Secondary Middle	1	5	20.0%
Secondary High	6	11	54.5%
All Through	0	1	0.0%
<b>Total</b>	<b>11</b>	<b>71</b>	<b>15.5%</b>

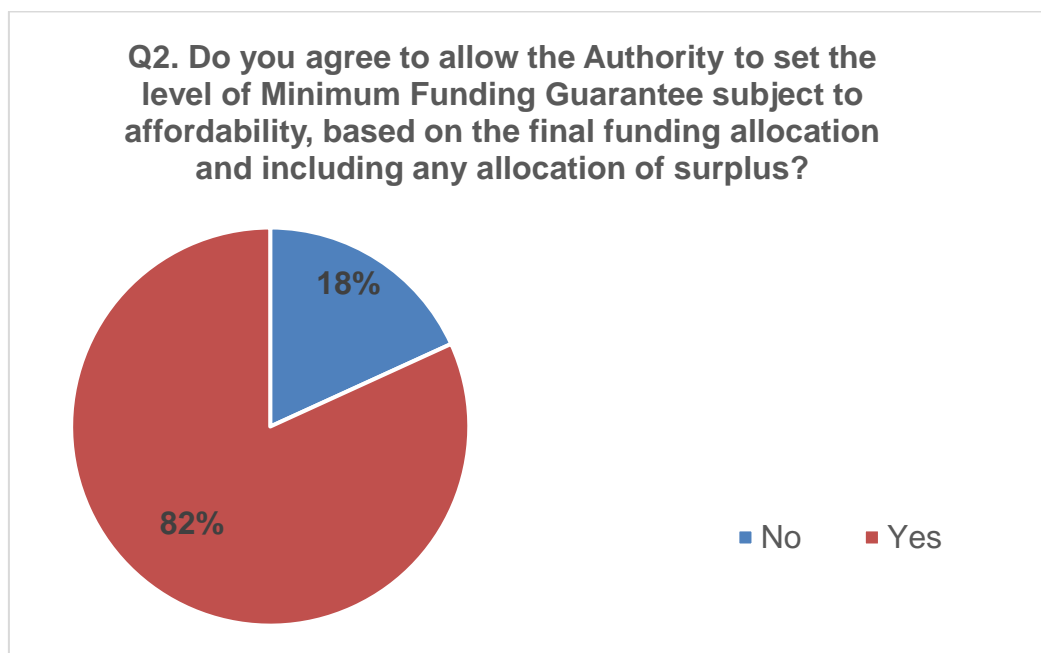
- 2.6 Responses to the consultation questions from the respondents are summarised below. These have been analysed based on both the total number of votes and limiting to one vote per school (usually casting the headteacher vote).

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



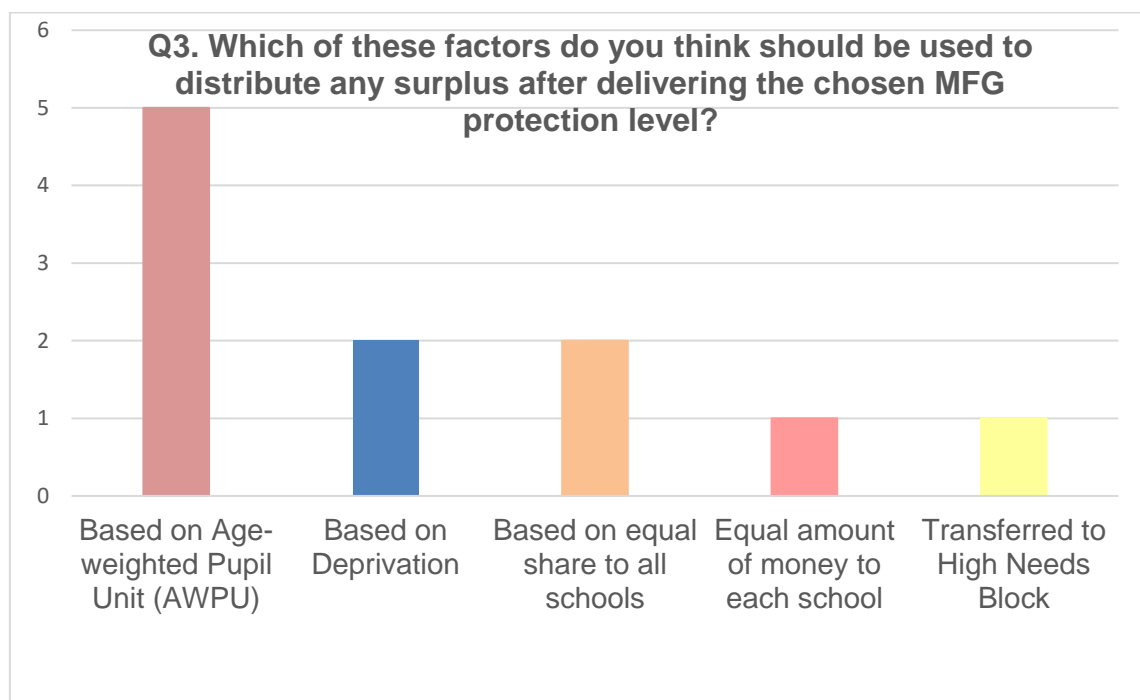
- 2.7 The consultation favours staying on NFF factors, final funding permitting. 91%, 10 schools voting agreed with this continuation, with only 9%, 1 school disagreeing and favouring an increase to the MFG.
- 2.8 Schools were asked if they supported the Authority setting MFG levels based on affordability. 82%, 9 schools replied yes and 18%, 2 schools disagreed.

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



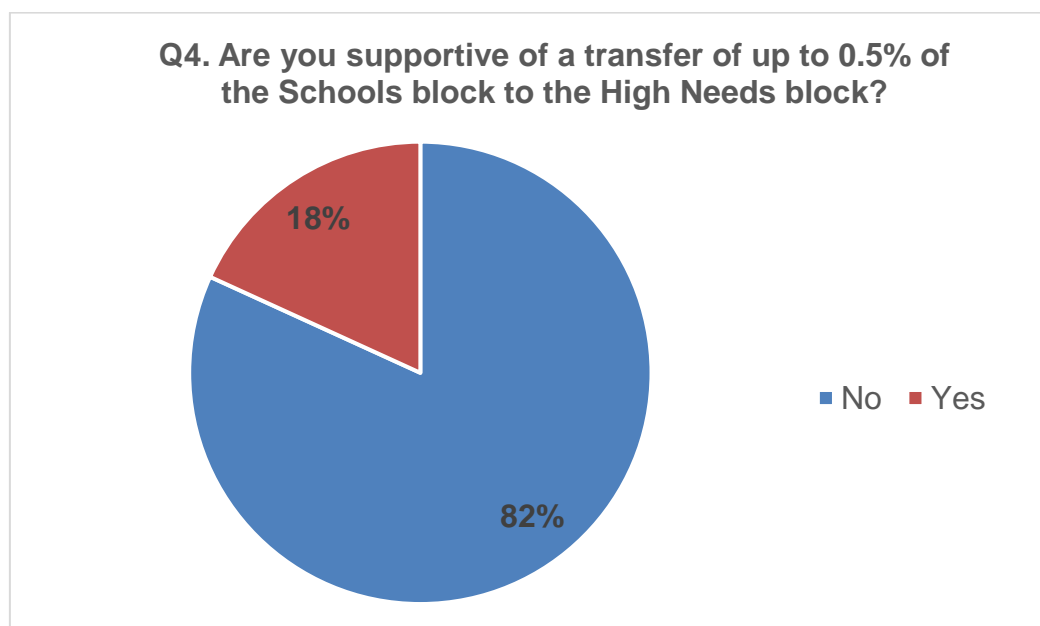
- 2.9 In reviewing how best to allocate any surplus funding respondents were offered seven options, plus “other”. The preferred option has changed to basing it on Age Weighted Pupil Unit (AWPU).

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



- 2.10 There was no overall agreement to transfer 0.5% of the Schools block to High Needs block, with 18% of schools being happy with the transfer (compared to 8% last year). The remaining 82% of schools cited two main reasons as either lack of evidence around the plans for using the funding or the impact deducting this funding has on the unprecedented financial uncertainty they are already facing.

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



- 2.11 55% of schools who didn't support the transfer required more detail and / or additional evidence on what the 0.5% transfer would be used for and how effective it would be. The other 45% stated their main concern about the transfer was the impact on school finances when already facing increasing staffing costs and other inflationary pressures.
- 2.12 Schools Forum need to consider that any decision to move funding from the Schools block to High Needs block would also need to be ratified by the Department for Education (DfE). They will expect any plans to use this funding are in line with the submitted DSG Management plan. If Schools Forum do not agree to the 0.5% transfer the Local Authority will be required to submit a disapplication request to DfE in line with the draft DSG Management plan and advice from the Education and Skills Funding Agency (ESFA).
- 2.13 Generally, a number of schools have criticised the length of the consultation and the fact it spanned the half term break. It should be noted that the consultation period is similar to that used over the last two years.

## **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 (MFG) 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 support the draft DSG Management plan; or
    - b) Not support any transfer of funds from Schools block to High Needs block.