

**Education Funding  
Arrangements  
(2023/24)  
Consultation Document**

**October 2022**



INVESTOR IN PEOPLE

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Please see separate response form.

## 1. Introduction

This document sets out proposals for any changes to funding arrangements for maintained schools, academies, free schools and early years providers from April 2023. For convenience, any references to schools relate to all maintained schools, academies and free schools, unless otherwise stated.

The proposals have been derived following a review of the local and national requirements, as prescribed by the Government. The proposals have been developed in consultation with the Education Resources Group and the Schools Forum.

Copies of the document are available on the Enfield Council Website and the Hub (internal portal) for Headteachers, Chairs of Governors, Chairs of Finance Sub-Committees of all LA Maintained Schools, Academies, Trade Unions, Professional Associations, Diocesan Boards, other Local Authorities and other interested parties to view. If a hardcopy of the document is required or you have any other queries, then please contact Sangeeta Brown at [Sangeeta.brown@enfield.gov.uk](mailto:Sangeeta.brown@enfield.gov.uk).

All financial information contained in this document is at 2022/23 prices and is subject to the annual budgetary process. Financial illustrations are based on October 2021 pupil data and may therefore not be entirely representative of future calculations.

Copies of the 2022/23 Section 251 Budget Statement can be found on the Enfield Website at [www.enfield.gov.uk](http://www.enfield.gov.uk). Copies of the Scheme for Financing Maintained Schools and the Finance Handbook are available on the Hub.

**You are invited to comment on the proposals by completing the attached response form. This should be emailed as soon as possible and no later than Wednesday 16 November 2022 to:**

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## 2. Schools Budget – General Perspective

### 2.1 School Funding Reforms: Background

2.1.1 In 2013/14, the Government began their implementation of their School Funding Reforms with the aim of providing a fairer, more consistent and transparent national funding system.

2.1.2 To start the process, the Government froze the Dedicated Schools Grant (DSG) to the level received by individual local authorities (LAs) in 2012/13. The DSG was then notionally separated into three blocks as detailed in (a) - (c) below:

- (a) Schools Block: funds 5 – 15 years old in mainstream primary and secondary schools. The key change, at this point, was to restrict the number of factors LAs could use to reflect the contextual data relating to pupils in their local formulae.
- (b) High Needs Block (HNB) fund pupils with SEND<sup>1</sup> from 0 to 25 years old, who have EHCP<sup>2</sup> and require additional support above what is normally provided by the schools or the educational setting / institutions. The key change was to freeze the total funding provided at 2012/13 levels for this block and introduce a place plus approach.
- (c) Early Years Block (EYB) to fund free nursery education for pupils from 2-4 years of age in schools and private, voluntary and independent (PVI) settings and child minders.
- (d) Central Services Schools Block (CSSB) was introduced in 2018/19 to fund statutory services provided by the Local Authority to schools, academies and free schools.

2.1.3 In 2017, the Government confirmed their intention to continue with the funding reforms and implement a National Funding Formula (NFF) from 2018/19. To do this, the Government committed an additional £1.3bn across two years to support the changes.

The full implementation of the NFF has since been delayed because the primary legislation governing school funding had to be amended to remove the responsibility from local authorities and transfer it to the DfE.

### 2.2 School Funding: 2023/24

The 2022 Spending Review confirmed an overall increase in school funding (mainstream schools and high needs) split over three years with £4 billion provided in 2022-23, £1.5 billion in 2023-24, and totalling £7 billion by 2024-25. The total increase encompasses the 2022/23 increase announced as part of the 2019 Spending Review.

It is also confirmed that the implementation of a direct NFF for the Schools Blocks will be postponed to earliest 2024/25. Therefore, allocating funding to LAs the same as this year will continue. However, LAs would be required to only use the NFF proxy factors and move local unit rates closer to the NFF. This requirement does not impact Enfield schools because the local funding formula uses the NFF unit rates.

For 2023/24, the calculation for the money allocated to each block is as follows:

- Schools block the national formula factors and associated unit rates will be used to allocate funding to LAs. The calculation will then be based on individual school data. The national per pupil increase announced by the Government is 1.9% (rounded) and the increase, for

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<sup>1</sup> Special Educational Needs and Disabilities

<sup>2</sup> EHCP is Education Health Care Plans

Enfield, is approximately 2.3%. This includes the supplementary grant provided in 2022/23 to support schools to meet the costs of the Health and Social Care Levy.

It is important to note not all schools may receive this level of increase because of the interrelationship between the funding formula and individual school's contextual data. To protect individual schools per pupil led funding, the national arrangements require the minimum funding guarantee be set between 0 and 0.5% when compared against the 2022/23 allocation.

- **High Needs block** will increase by approximately 6.3% with 50% of the money being allocated using proxy indicators and 50% on actual spend from 2018/19. This includes the supplementary grant provided in 2022/23.

Again, it is important to emphasise the funding to be provided is unlikely to meet the current demand to support pupils with EHCPs.

- **Early Years block:** since the introduction of the early years NFF in 2017/18, the formula nor the dataset have been updated. In July 2022, the DfE published a consultation document with proposals from updating the dataset used for the NFF to be updated to the latest datasets available for each of the factors.
- **Central Services Schools Block (CSSB)** covers the statutory duties provided by LAs, historic commitments and central licenses purchased by the ESFA on behalf of all schools. The statutory duties are allocated using pupil numbers and Ever 6 Free School Meals deprivation indicator. For statutory duties, Enfield will see an increase of 2.55%. For a number of years, allocation for historic commitments have been reducing by 20% year on year. The aim has been to cease funding this element altogether from 2023/24. Therefore, the overall change to the CSSB is a reduction of 1.7%.

Table 1 summarises actual funding provided for 2022/23 and indicative allocation for 2023/24.

**Table 1: Summary of DSG for 2022/23 and 2023/24**

<b>DSG FUNDING</b>	<b>Schools Block (excludes Growth Fund/ includes Supp Grant)</b>	<b>High Needs Block</b>	<b>Early Years Block</b>	<b>Central Schools Services Block</b>	<b>TOTAL</b>
	£m	£m	£m	£m	£m
Indicative 2023/24	299.92	72.29		2.444	374.65
Original 2022/23	293.20	67.99		2.486	363.68
<i>Actual 2022/23</i>	282.35	60.88		2.537	345.76
Variance between 2022/23 & 2023/24	6.72	4.30	0	-1.7	10.97

\* Early Years: These figures exclude funding for the Early Years block because these haven't been confirmed and will be amended to reflect actual take up.

For Enfield, the change to NFF will see an increase in funding for both the Schools and High Needs block.

The remainder of this document details proposals for allocating the funding for 2023/24.

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### **3. Schools Block**

#### **3.1 Introduction**

3.1.1 This block is the main source of funding for mainstream schools. Schools may access some funding from the other two blocks, high needs and early years, that form the DSG. Post 16 and Pupil Premium funding are not part of the DSG.

The funding provided to mainstream schools is derived by using a funding formula. The statutory regulations require LAs to devise local factors to inform the formula. The aim of the **NFF** has been to fund all schools in the country using the same formula factors and unit rates with some adjustment to reflect area costs and remove local flexibility to inform how schools in their area are funded.

#### **3.2 Local Arrangements**

3.2.1 For the last couple of years, the NNF factors and the associated unit rates for each factor has been applied to inform Enfield's Funding Formula. For 2023/24, the NFF and associated unit rates have been used to inform the local arrangements. Although the base legislation has not changed and following discussions with the Education Resources Group, it is recommended that national factors and unit rates are used to inform the local funding formula. The minimum per pupil-led funding guarantee be set at 0% to ensure all schools are protected in their per pupil-led funding to the 2022/23 levels.

By setting the minimum funding guarantee at 0%, allowing for the proposals outlined in section 4 and using the indicative budget information, it shows individual schools will see a per pupil led funding increase of between 0 – 2.9%.

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## 4. High Needs Block

### 4.1 Introduction

#### 4.1.1 NFF for High Needs

The indicative allocation shows that Enfield will receive an increase of 6.3% compared to the i compared to a baseline that takes account of the supplementary high needs funding allocated in December 2021. This is just below maximum increase of 7% that a Local Authority can receive.

The increase is welcomed but it does not address the ongoing rising demand being experienced in meeting the needs of pupils with SEND. The Authority is continuing to work with schools to increase the number of places in both special schools and additionally resourced provision (ARPs) & special units in mainstream schools.

#### 4.1.2 Place Plus Approach

No change is planned to the place plus approach. This approach provides specialist provision with a base amount for an agreed number of places and then a top up to address the requirements of the EHCPs and enable pupils to meet their outcomes. Table 2 details the funding arrangements for specialist provision.

**Table 2: Summary of Funding Arrangements for Specialist Provision**

Education provision	Funding
Mainstream schools - Pupils with EHCPs	Mainstream schools required to fund up to £6,000 of support for any pupil with additional and special educational needs. This includes pupils with EHCPs. The Local Authority required to meet from the HNB any costs above £6,000 for all pupil with an EHCP.
Mainstream schools - ARPs. Specialist units	£10,000 per place plus top up for individual pupils. The £10,000 place funding is calculated as follows: – £4,000 from the school's individual budget for all the pupils recorded on the October Pupil Census as attending the ARP or specialist unit, – £6,000 to be provided by the Local Authority from HNB.
Special schools	£10,000 per place, plus top up for individual pupils
Pupil referral units	£10,000 per place plus, top up for individual pupils
Post 16 provision for special needs - all providers	£10,000 per place plus top up for individual pupils

### 4.2 Mainstream Schools – Pupils with EHCPs (Element 2)

4.2.1 The NFF should enable all mainstream schools to fund from their delegated budget:

- basic per pupil costs of approximately £4,000 per pupil (described as Element 1)
- additional educational needs (AEN) and SEND cost up to £6,000 (described as Element 2) per pupils.

Any costs above £6,000 for pupils with EHCPs are met by the LA from the HNB (described as Element 3).

Appendix A: a diagram explaining separation of funding to support a pupil with SEND.

## 4.2.2 Current Arrangements

In Enfield, the funding arrangements outlined above were not implemented because the Government was still providing annual increases to the DSG and there was sufficient local flexibility to decide the allocation of the DSG to meet local needs. Locally, it was agreed to transfer funding from the Schools Block to the High Needs block to fund additional £6,000 (Element 2) per pupil to schools with above average number of pupils with EHCPs.

The Government then introduced restriction on the use of the DSG, which included restricting movement of funding from the Schools to the High Needs block to 0.5%. For a number of years, funding has been transferred from the Schools Block to the High Needs block to support schools with high number of pupils with EHCPs. The transfer enables schools with above average number of pupils with EHCPs to be supported by providing a contribution towards the £6,000 per pupil (Element 2) for the number of pupils above a calculated average for each school

It was expected that outcomes from the DfE Call for Evidence would be published, and these should address the pressure being faced by schools to support pupils with SEND needs. However, the SEND Green Paper published in March 2022 does not address this pressure. Other information published by the DfE confirms that 0,5% can continue to be transferred to support pupils with SEND in mainstream schools.

## 4.2.3 Proposal

Following discussion with the Education Resources Group and Schools Forum, it is proposed, for 2023/24, the 0.5% transfer from the Schools to the High Needs continues for 2023/24. The rationale for this suggestion is that as the SEND Green papers evolves into proposed policies that it will address the current requirement for schools to fund Element 2 (£6,000) from within their delegated budget. It would also act as evidence of how this element has been and is being managed by schools with high number of pupils with EHCPs.

Using the indicative budget information and October 2021 Pupil Census data showed that the proposal will create a funding gap similar to this year. This year, the Schools Forum's agreed the gap be managed by reducing the per pupil rate. At this stage, it is unclear whether the funding gap will remain when the October 2022 Pupil Census dataset is published. If it does, then this will be discussed with the Schools Forum as to how it will be managed.

### The Authority would like your views on:

Areas	QUESTION
High Needs	Do you agree 0.5% be transferred from the Schools to the High Needs block for 2023/24 to support schools with above a calculated average of pupils with EHCPs?
	Any other comments

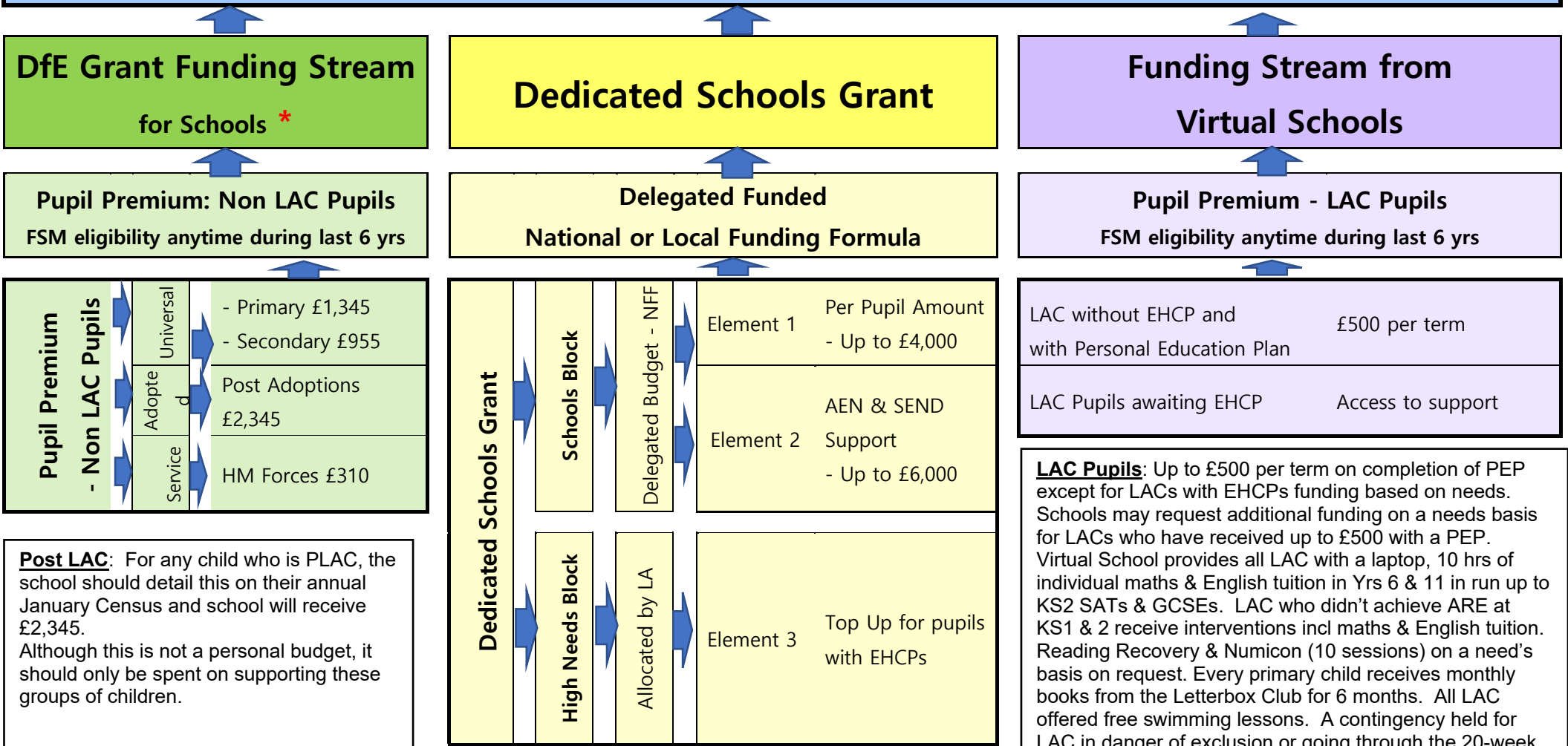
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# **SECTION SIX**

## APPENDICES

# MAINSTREAM SCHOOL FUNDING DIAGRAM



\* Grant Funding Stream: Please note DfE provides funding from other grant streams such as catch up grants, etc are not included and are additional funding schools have access to support pupils

**LAC Pupils:** Up to £500 per term on completion of PEP except for LACs with EHCPs funding based on needs. Schools may request additional funding on a needs basis for LACs who have received up to £500 with a PEP. Virtual School provides all LAC with a laptop, 10 hrs of individual maths & English tuition in Yrs 6 & 11 in run up to KS2 SATs & GCSEs. LAC who didn't achieve ARE at KS1 & 2 receive interventions incl maths & English tuition. Reading Recovery & Numicon (10 sessions) on a need's basis on request. Every primary child receives monthly books from the Letterbox Club for 6 months. All LAC offered free swimming lessons. A contingency held for LAC in danger of exclusion or going through the 20-week EHCP process where there is a need for extra intervention. However, once the money for that term is allocated if the needs are high there is no additional funding. Summer school consisting of booster session in maths & English. Note £500 not given for one term when an UASC child arrives as ESOL tuition (value of £700) given for 6 weeks. Schools out borough seen by our EP (costs £550 a day) & those in borough who are complex as decided by the head of the virtual school.

