

**Education Funding
Arrangements
(2024/25)
Consultation Document**

October 2023



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 2024. 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.

All financial information contained in this document is at 2023/24 prices and is subject to the annual budgetary process. Financial illustrations are based on October 2022 pupil data and may therefore not be entirely representative of future calculations.

Copies of the Section 251 Budget Statement can be found on the Enfield Website at 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 Friday 17 November 2023 to:

**Laura Willoughby at Laura.Willoughby@enfield.gov.uk
Sangeeta Brown at Sangeeta.brown@enfield.gov.uk**

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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 SEND¹ from 0 to 25 years old, who have EHCP² 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 a direct NFF has since been delayed because the primary legislation governing school funding has to be amended to remove the responsibility from local authorities and transfer it to the DfE.

2.2 School Funding: 2024/25

2.2.1 **SCHOOLS BLOCK**

It is now indicated that the implementation of a direct NFF for the Schools Blocks will be postponed to earliest 2025/26. Therefore, funding to LAs will be given in the same way as this year. However, LAs can only use the NFF proxy factors and move the local unit rates closer to the NFF unit rates. This requirement does not impact Enfield schools because the local funding formula uses the NFF unit rates.

Following an initial funding publication in July, the DfE has now revised the increase in the indicative funding for mainstream schools' NFF to 1.9% per pupil for 2024/25. Enfield's overall indicative allocation, based on October 2022 data, is £313.8m, an increase of 1.75%. It should be noted the level of increase individual schools receive will vary to reflect any contextual changes as reported on the October 2023 Pupil Census.

2.2.2 **HIGH NEEDS BLOCK**

¹ Special Educational Needs and Disabilities

² EHCP is Education Health Care Plans

The DfE advised nationally the total high needs funding will increase by a further £440m, or 4.3%, in 2024/25, following the £970m increase in 2023-24 and £1b increase in 2022/23. This brings the total high needs budget to £10.54 billion, an increase of over 60% since 2019/20.

It should be noted that this increase should be measured from 2013/14 when there was a period when there was no increase to reflect the impact of the SEND Reforms and consequent changes in demand for support.

For 2024/25, Enfield's indicative allocation using October 2022 data is £77.8m, an increase in funding of £1.9m.

2.2.3 EARLY YEARS BLOCK

(a) Supplementary

In July 2023, the DfE confirmed £204m of supplementary funding will be provided to local authorities (LAs) through a new one-off early years supplementary grant (EYSG) from September 2023 for 2023/24 financial year. The funding to LAs will apply from September 2023 to enable the hourly rate provided to LAs to be increased, thereby apply an increase to the hourly rate paid to providers for the period September 2023 to March 2024. Table 1 details the increase in Enfield's rate.

Table 1: Change in Early Years Hourly Rate

Age	Rate from April 2023	Rate: September to March 2024	Change
3 & 4 Year olds	£5.44	£5.72	£0.28
2 Year olds	£6.63	£9.00	£2.37

The increase has to be passed to providers in full unless LAs determine to set aside a contingency fund to ensure the uplift can be paid on all entitlement hours for that 7-month period, including the uplift for any increases in hours not fully captured in the January 2024 Census. The contingency set aside cannot be more than the LAs EYSG rate multiplied by the current best estimate number of entitlement hours that may not be captured in the Census.

As this is a one-off grant, it is unclear whether this funding will be incorporated into the baseline provided in 2024/25 or not.

(b) Early Years Pupil Premium (EYPP)

EYPP is currently 62p per hour per eligible child and will change from September 2023 to March 2024 to 66p per eligible child.

(c) The Disability Access Fund (DAF)

DAF is £828 per eligible child per annum. Through the EYSG, The DfE will provide an additional equivalent yearly funding rate of £53 per eligible child to be paid based on DAF eligibility which is in line with the increases made to the 3 and 4-year-old entitlements. This will result in a national effective combined equivalent yearly funding rate for DAF of £881 per eligible child. The actual EYSG payable rate for September 2023 to March 2024 period for DAF is £30.92 (equivalent to £53 multiplied by seven twelfths).

(d) Hourly Rates for 2024/25

Funding rates for 2024-25 will be announced as part of the normal autumn statement.

2.2.4 CENTRAL SERVICES SCHOOLS BLOCK

The 2024/25 indicative allocation for the Central Services Schools Block of £2.4m shows a small increase for statutory functions element covered by the CSSB and a reduction of 20%

for historical functions to reflect the DfE’s policy of phasing out historical functions from the CSSB.

Table 1 summarises actual funding provided for 2023/24 and indicative allocation for 2024/25.

Table 1: Summary of DSG for 2023/24 and 2024/25

DSG FUNDING	Schools Block (excludes Growth Fund)	High Needs Block	Early Years Block	Central Schools Services Block	TOTAL
	(Includes Supplementary Grant)				
	£m	£m	£m	£m	£m
Indicative 2024/25 (A)	313.8	77.78		2.41	393.99
Original 2023/24 (B)	299.9	70.16		2.44	372.5
Actual 2023/24 (C)	308.43	75.93		2.43	386.79
Variance between 2023/24 (C) & 2024/25 (A)	5.37	1.85	0	-0.02	7.2

* 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 2024/25.

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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. It is proposed, for 2024/25, the NFF and associated unit rates continue to be 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 required to be set as a minimum at 0.5% to ensure all schools are protected in their per pupil-led funding to the 2023/24 levels.

By setting the minimum funding guarantee at 0.5%, allowing for 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 0.5 – 1.5%.

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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 approximately 3% compared to the baseline that takes into account the supplementary high needs funding provided in 2023/24. This increase is the minimum 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. Please note that the place funding figures do not include any adjustments to reflect the money received through the 2023/24 supplementary grant.

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 limited the movement of funding from the Schools to the High Needs block to 0.5%. For 2024/25, it has been confirmed any transfer from the Schools block continues to be limited 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 a calculated average number of pupils with EHCPs to be supported by providing Element 2 (£6,000 per pupil) for the number of pupils above a calculated average for each school within the resources transferred from the Schools block.

Following the publication of the responses to the SEND Green paper, it was anticipated that there would be some changes in the framework for supporting pupils with AEN and low level SEND in mainstream schools. However, this has not been the case. Mainstream schools continue to report of the financial pressure the current framework is creating on the resources that they have available to support pupils with AEN and SEND.

4.2.3 Proposal

Following discussion with the Education Resources Group and Schools Forum, for 2024/25, it is proposed 0.5% is transferred from the Schools to the High Needs block. The rationale for this proposal is that the transfer enables a local determination to target resources to support schools above average number of pupils with EHCPs. 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 2022 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 appears most likely that the funding gap will remain when the October 2023 Pupil Census dataset is published. If this is the case, then this will be discussed with the Schools Forum as to how it will be managed.

The Authority would like your views on:

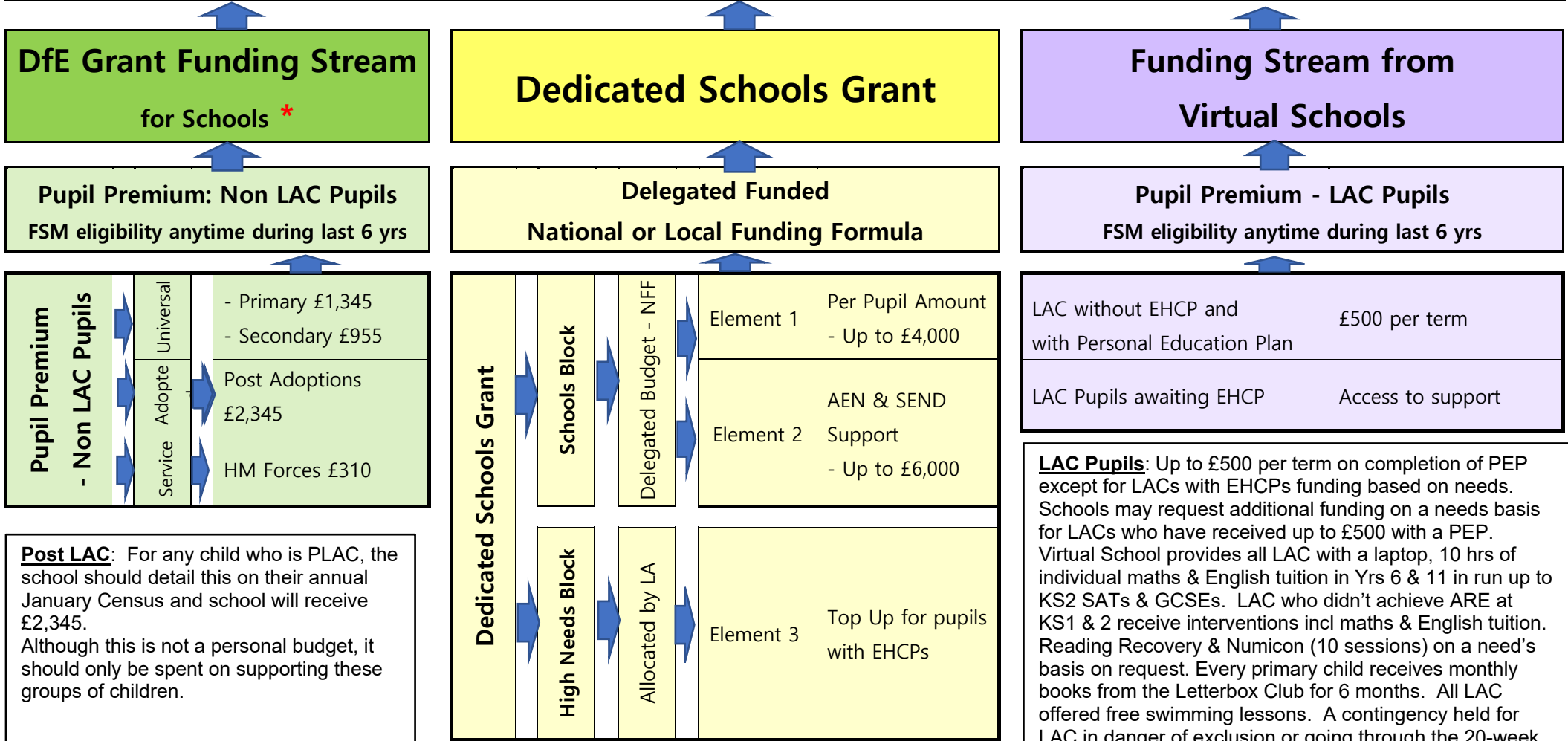
Areas	QUESTION
High Needs	Do you agree 0.5% be transferred from the Schools to the High Needs block for 2024/25 to support schools with above a calculated average number of pupils with EHCPs?
	Any other comments

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SECTION SIX

APPENDICES

MAINSTREAM SCHOOL FUNDING DIAGRAM



Post LAC: For any child who is PLAC, the school should detail this on their annual January Census and school will receive £2,345. Although this is not a personal budget, it should only be spent on supporting these groups of children.

* 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.

