

NATIONAL SCHOOL FUNDING FORMULA 2022/23

CONSULTATION FOR HEREFORDSHIRE SCHOOLS

DRAFT FOR SCHOOLS FORUM 24th SEPTEMBER 2021

1.0 SUMMARY

- 1.1 This consultation paper sets out the expected financial position for Herefordshire school budgets for 2022/23 and proposes to continue to implement the national funding values as set by government.
- 1.2 The government funding announcement announced in July 2021 sets out the key items as follows;
- school funding through the National Funding Formula (NFF) is increasing by 3.2% overall in 2022-23. The NFF will distribute this funding based on schools' and pupils' needs, and characteristics
 - the key factors in the NFF will increase by 3%.
 - the minimum increase for all schools is at least 2% as set by the minimum funding guarantee
 - the minimum per pupil funding levels will increase to £4,265 for primary schools and £5,525 for secondary schools sparsity funding for small and remote schools will increase in 2022-23, with primary schools attracting up to £55,000 and secondary schools £80,000. Eligibility for sparsity funding will be calculated by road distance and a new sparsity distance threshold taper will apply. This means that schools whose sparsity distance is between 1.6 and 2 miles (for primary schools) or 2.4 and 3 miles (for secondary schools) will now attract some additional funding through the sparsity factor.
 - The NFF has adopted the three year English as an Additional Language factor and so Herefordshire will also include the EAL3 factor in 2022/23 rather than the previous the EAL 1 year factor to ensure compliance with NFF.
- 1.3 Herefordshire's approach to school funding for 2022/23 will be as follows;
- Fully fund schools at the National Funding Formula values
 - Transfer funding to high needs block to continue funding the SEN protection scheme
 - Within the high needs block, fund increases in independent schools, add an inflation rise to top-up tariffs particularly for special schools, get a good fix on Beacon College costs
 - Use any surplus in the high needs block to top-up DSG reserves
- 1.4 Herefordshire continues to be one of few council's nationally that has not accumulated a high needs deficit and has been provisionally allocated an increase of approx. £2m in high needs funding for 2022/23. Initial proposals are to set a balanced budget and to use this extra funding for additional high needs cost pressures of £0.75m in independent school placements, inflationary increase for top-up tariffs and increases in special school places.

Further work on the high needs budget will be undertaken during the autumn term with the Budget Working Group.

- 1.5 National growth funding, is expected at approx. £600k and has been reserved for allocation to support basic need growth in the Golden Valley, the extra costs of using road distance for sparsity and to help implement the transition to the three year EAL funding set out in the NFF. The DfE have stated their future intention to formalise growth payments to schools on a national basis and so the current surpluses from the growth fund may not be available to support transfers to the high needs budget. The final allocation will be reviewed by the Budget Working Group to ensure the proposals are affordable but based around;
- £0.18m to fund basic need secondary school growth in the Golden Valley planning area (10 places at Fairfield and 30 places at Kingstone as agreed in 2021/22);
 - The remainder will be used to fund the cost of introducing the EAL three year factor for 2022/23.
 - Sparsity payments based on road distance will cost an additional £0.33m.
- 1.6 Once again it is emphasised that strong financial planning will continue to be necessary by all schools to maintain financial viability during the coming years.
- 1.7 It is important that all schools respond to the budget consultation so that Schools Forum is fully informed of schools' views.

2.0 SCHOOLS BLOCK STRATEGY 2022/23

- 2.1 Estimated allocations for the schools block based on an estimated 22,252 pupils (primary 13,185 and secondary 9,067) as follows:

Estimated DSG schools funding allocation	£116,007,000
Estimated growth funding	£600,000
Total Schools Block funding	£116,607,000
National Funding Formula 2022/23	£115,889,000
Reserved for expected increase in FSM costs	£101,000
Available for allocation outside of NFF:	£617,000
to: high needs support for schools:	£435,000
to: secondary growth funding for Golden Valley	£182,000

- 2.2 Final Dedicated Schools Grant allocations will not be available until mid-December final school budgets will be calculated for discussion with the BWG in January 2022.

3.0 HIGH NEEDS BLOCK STRATEGY 2022/23

- 3.1 Provisional Dedicated Schools Grant (DSG) allocations for 2022/23 have been published by government and indicate an increase in Herefordshire's high needs allocation of £1.96m i.e. a gross allocation of £22.079m compared with a final allocation of £20.119m in 2021/22. In year adjustments for FE college placements make comparisons difficult.

3.2 Pressure for increased placements in independent schools are expected to continue to increase in 2022/23. An initial increase of up to £0.75m may be necessary depending on placements approved in the autumn and spring terms.

3.3 Beacon College, when operational will require appropriate funding and further work will be necessary this term to confirm, restructuring support for the PRU (split site allowance £38k and TLR protection £35k) full year costs of the nurture groups (£100k) and inflation on tariffs D-F and some growth in post-16 places, MFG for special schools (provisionally £100k), growth in hospital places £20k and £10k top-ups and growth in special school and unit places 8 at £200k (place and top-ups).

3.4 Initial proposals, subject to confirmed available funding from DfE, for the high needs budget for 2022/23 are:

• No growth is proposed for complex needs places	£0m
• growth in out-county independent school places	£0.75m
• Growth in special school and unit places	£0.2m
• Increases in tariffs A-C (2%) D-F(5%)	£0.583m
• Full year cost of nurture groups	£0.12m
• Additional PRU split site working costs and TLR protection	£0.1m
• Additional hospital places and top-up funding	£0.05
• Additional post-16 places	£0.1m
• Growth in SEN protection scheme	£0.05
• Beacon College – places and top-up funding - tbc	£0.25m
• Re-instate DSG reserves	£0.2m
• Total additional high needs expenditure 2021/22	£2.385m
• Expected increase in high needs block funding	£1.95m
• SEN Protection cost met by transfer from schools block	£0.435m

3.5 The SEN protection scheme was expanded to include secondary schools in 2020/21 and was supported by a transfer of £0.3m from the schools block in 2021/22. The cost of the scheme continues to grow and a budget increase of £50k is proposed for 2022/23. The scheme is hugely supported by schools and it is anticipated that a funding transfer to the high needs block of approx. £0.435m will be necessary to fund the SEN protection scheme.

3.6 Further detailed work will be undertaken on the high needs budget during the autumn term, particularly the 2022/23 cost implications for the Beacon College, and an updated budget plan will be shared with the Budget Working Group in December 2021. The final high needs budget plan will be agreed with the Budget Working Group and Schools Forum in March 2022.

4.0 EARLY YEARS BLOCK

4.1 No information has been published by DfE for the early years block for 2022/23. Any inflationary increase for early years settings will be dependent on the final DSG settlement when published in December 2022.

5.0 CENTRAL SCHOOL SERVICES BLOCK

5.1 The central block is expected to increase slightly from £755k to £785k. Small inflationary increases are proposed. In addition to the statutory retained duties formerly funded by Education Services Grant (£380k), funding allocations will be Schools Forum administration costs (£19k), school admission costs (£129k), national licence costs (£150k), SACRE (£6k), SEN Casework (£26k) and a transfer to high needs (£75k).

6.0 NATIONAL FUNDING FORMULA – HEREFORDSHIRE PROPOSALS

6.1 Overall the National Funding Formula will increase by 3.2% for the 2022/23 financial year. As in previous years, school budgets can only be fully finalised in December.

6.2 Herefordshire's school funding proposals for 2022/23 are to adopt the national funding formula values in full including moving to the English as an Additional Language Year 3 factor as proposed by the DfE as follows:

- a) Basic Entitlement per pupil (2021/22 factor values for comparison):
 - i. Primary KS1/2 - £3,217 (£3,123)
 - ii. Secondary KS3 - £4,536 (£4,404)
 - iii. Secondary KS4 - £5,112 (£4,963)
- b) Low prior attainment (low cost, high incidence special education needs)
 - i. Primary funding per pupil £1,130 (£1,095)
 - ii. Secondary funding per pupil £1,710 (£1,660)
- c) Free School Meals per pupil
 - i. Primary £470 (£460)
 - ii. Secondary £470 (£460)
- d) Deprivation per Ever-6 Free Meal pupil
 - i. Primary £590 (£575)
 - ii. Secondary £865 (£840)
- e) Socio-economic deprivation Income Deprivation Affecting Children Index (IDACI) - updated values published by government in September 2019
 - Band A (2.5% LSOAs) primary £640 (£620) secondary £890 (£865)
 - Band B (5%) primary £490 (£475) secondary £700 (£680)
 - Band C (5%) primary £460 (£445) secondary £650 (£630)
 - Band D (5%) primary £420 (£410) secondary £595 (£580)
 - Band E (10%) primary £270 (£260) secondary £425 (£415)
 - Band F (10%) primary £220 (£215) secondary £320 (£310)
 - Band G (62.5%) primary £0 secondary £0
- f) English as Additional Language (EAL3) for all eligible pupils within last three years

- i. Primary £565 (£550)
 - ii. Secondary £1,530 (£1,485)

- g) Lump sums – Primary and Secondary £121,300 (£117,800)

- g) Sparsity
 - i. Tapered lump sum of £55,000 (£45,000) for qualifying primary schools with an average year group size of 21.4
 - ii. Tapered lump sum of £80,000 (£70,000) for qualifying secondary schools with an average year group size of 120 pupil

- h) Business Rates – no change, funded at cost with a presumed 3% RPI increase.

- i) Looked After Children – £0 as funding has been transferred to the pupil premium grant

- j) Mobility – Primary per pupil £925 (£900) Secondary per pupil £1,330 (£1,290) above a threshold of 6% pupil turnover

- k) Exceptional premises factor – increased by 3% inflation to £9,332 (£9,060) to meet rent costs for Eastnor Primary School

- l) PFI factor – increased by 3% to £308,138 (£299,163) to comply with PFI contract which uses the RPI(X) as at February 2022

- m) Minimum per pupil funding level – April 2022
 - (i) Secondary £5,525 per pupil (£5,415)
 - (ii) Primary £4,265 per pupil (£4,180)

 - (iii) The Minimum funding guarantee (MFG) can be set between 0.5% and 2%. Subject to affordability, Herefordshire will set the MFG at 2% to ensure all schools receive a minimum 2% funding increase per pupil.

6.3 De-delegation and Education Management proposals for locally maintained schools by inflation as follows;

- computer licences for the school budgeting software to increase to £415 from £405;
- Free school meals eligibility checking, primary to increase to £1.29 per pupil (from £1.25) and secondary to increase to £0.97 per pupil (from £0.94)
- Support for underperforming ethnic minority groups and bilingual learners to provide EAL services for initial assessments, YR observations and follow-up advisory and monitoring visits funded by de-delegation costs as follows;
 - Increase per pupil amount to £1.15 from £1.12
 - increase per Ever6 FSM pupil to £6.80 from £6.60
 - change to EAL 3 year factor at £36 per pupil from EAL 1 year factor at £107 per pupil

- A small reduction to Trade union facilities agreement to £2.60 per primary pupil as the current budget underspends marginally.
- Education Management to increase to £12.25 from £12 for local authority maintained schools.

6.4 A new proposal from April 2022 for the de-delegation of Behaviour support services as follows;

A growing proportion of the SEN pupil population have behavioural, social and emotional difficulties. It is now identified as the largest single type of need in Herefordshire schools. The services offered enable schools to manage these difficulties with greater understanding and confidence. The service will be part funded by de-delegation to ensure that this essential service remains viable as it is valued by many of our schools.

- option A £4 per primary pupil to provide income of £37,500 and a matched contribution from the high needs block of £37,500
- option B £5.25 per primary pupil to provide some expansion of the service to meet increasing demand growth income of £50,000 and a matched contribution from the high needs block of £50,000. This option would give 25% more working days than option A to maintained schools

Without a contribution from de-delegation the service will have to be curtailed from September 2022 as the current fully traded model is no longer viable.

6.5 Through de-delegation the service will provide the following range of services free at the point of use for local authority maintained schools:

1. One day Consultation

Observation of child, Discussion with relevant school staff e.g. teacher and SENCo, Discussion with parent (in person or via telephone), 1-1 session with child, Written report, Review meeting 4-6 weeks later– either online using Teams or 1 hour in-person

2. Individual Intervention

Direct individual work with pupils will be offered as an afternoon slot. This will be broadened to include a meeting with relevant staff to share strategies and create action plans for the pupil. Slots will be agreed one at a time, rather than automatically being offered as a 6-week-block/programme.

3. Intervention Workshops

The Intervention Workshops will be delivered to groups of children based on need in a host school that has a suitable room by area (across North, South, East and West Herefordshire). Teaching assistants (TA's) in that area will be invited to join a local workshop for 1 hour a week with the target child from their school for 6 weeks. In larger/ high need schools several places can be taken by the host school. Having the TA's join the intervention alongside the children allows strategies and programmes to be embedded and generalised in schools, whilst also increasing the knowledge and skills of these staff.

The following are a range of interventions that will be offered (this is not an exhaustive list, merely one that would form the basis of intervention work);

- *Walk Tall – Year 5 and 6 and a modified programme for transition at KS1-KS2*
- *Anger Management, KS2 and High School*
- *Kind Hands – Early Years*
- *Cool Connections with CBT building self-esteem, resilience and wellbeing for teens (High School)*

6.6 Access to consultation and intervention will be based on pupil need. The service will negotiate access with schools, based on a written criteria and the seriousness of presenting issues. However, the service will also try to spread access as evenly as possible across schools. Option B will give additional capacity for the team to deliver.

6.7 Maintained schools will need to purchase any additional training they require. Academy schools will continue to purchase all services they require.

7.0 TIMESCALES

7.1 The budget process and expected timeline is:

- Consultation commences w/c 4th October after Schools Forum on 24th September and closes 12 noon Friday 12th November 2021
- Schools Forum meets on 14th January 2022 to consider the recommended funding values to be submitted to the Education Funding Agency by 21st January 2022.
- Budgets issued to locally maintained schools by 28th February 2022
- Education Funding Agency to issue budgets to academies for academic year 2021/22.

8.0 CONSULTATION RESPONSES BY 12th November 2021

8.1 A separate consultation form is attached and must be returned to School.funding@herefordshire.gov.uk by 12 noon on 12th November 2021 in order that your views can be considered by the Budget Working Group on 3rd December 2021 and Schools Forum at their meeting on 14th January 2022.

8.2 Please respond to this consultation as all views are important and do contribute towards the budget decision which aims to achieve the best possible schools budget for Herefordshire within the funding allocated by government.

9.0 FURTHER INFORMATION

- 9.1 If you have any questions regarding the detailed content of this consultation paper or the draft allocation for your school (distributed separately), please contact either Malcolm Green, Schools Finance Manager (malcolm.green@herefordshire.gov.uk) or any member of the Budget Working Group as follows;

Primary

Mr S Kendrick, Ashfield Park
Mrs K Weston, Our Lady's
Mrs H Webb, Colwall
Mr M Maund, Almeley

Secondary

Mr P Jennings, Lady Hawkins (Chairman)
Mr D Bennett, Kingstone
Mrs C Bryan, John Kyrle
Mrs N Emmett, Fairfield
Mr S Robertson, Aylestone

- 9.2 Others contributing to the development of these budget proposals included Mrs S Williams, Barrs Court representing special schools and Mrs R Lloyd, representing early years.