



North Tyneside  
Council

Item 7b

# Briefing Notes

<b>To:</b>	Schools Forum	<b>Author:</b>	Jon Ritchie, Director of Resources						
<b>Date:</b>	9 November 2023	<b>Purpose of the Paper:</b>	<table border="1"><tr><td>Information</td><td>✓</td></tr><tr><td>Consultation</td><td>✓</td></tr><tr><td>Decision</td><td>✓</td></tr></table>	Information	✓	Consultation	✓	Decision	✓
Information	✓								
Consultation	✓								
Decision	✓								

**Title of Briefing:** Update on National Funding Formulae and the Outcome of Consultation with All Schools on Funding Distribution for 2024/25

## 1. Purpose of Paper

1.1 This paper provides a summary of the outcomes from the consultation exercise carried out with all mainstream schools during October 2023 in relation to the Schools Block and Local Funding Formula (LFF) in North Tyneside.

## 2. 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 April 2023, the Authority officially started on the Department for Education's (DfE) 'safety valve' intervention programme, with the aim of delivering a package of reform to the Authority's high needs system that will bring our Dedicated School Grant (DSG) overspend under control. The Authority's DSG Management Plan aims to create lasting sustainability, effective for children and young people, which includes reaching an in-year balance within five years. When the Authority does this, the DfE will provide additional £19.5m funding over the life of the programme, to remove the Authority's DSG deficit.

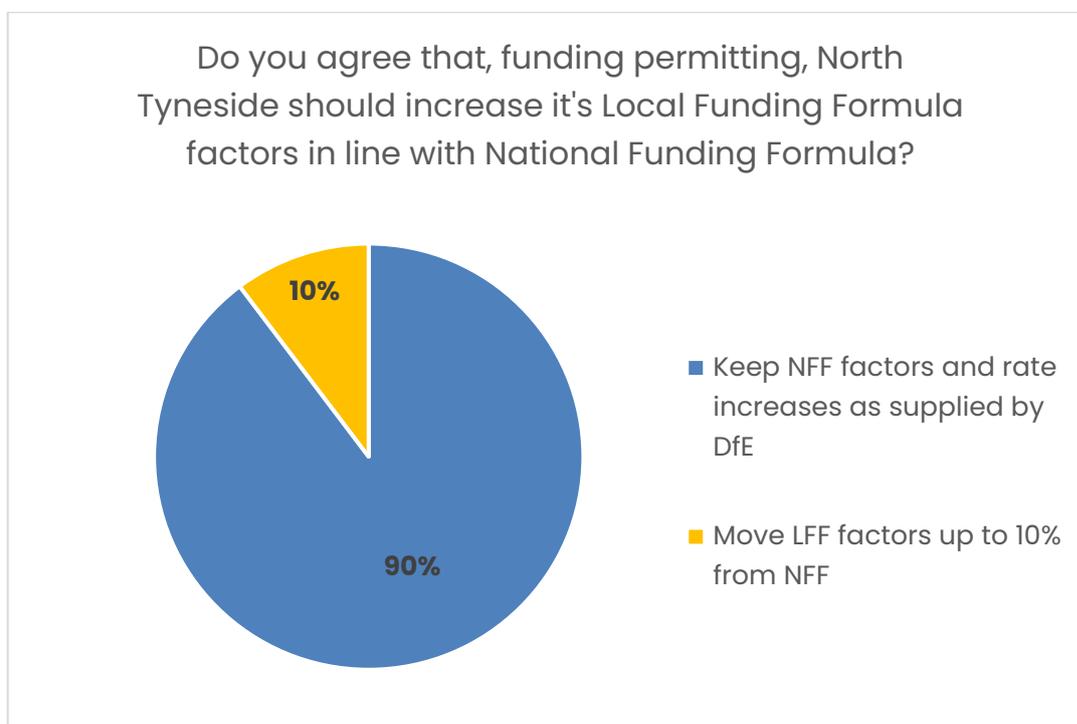
- 2.3 The Authority has worked with partners across Special Educational Needs and Disabilities (SEND) to co-create the DSG Management Plan, which includes an assumption of a block transfer of £0.751m from Schools block to High Needs block. This would equate to a 0.48% transfer.
- 2.4 Regular updates have been presented to Schools Forum 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 0.48% 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 presented to schools at 3 separate briefings outlining the main changes across all blocks of the DSG and outlining the 0.48% Schools block transfer to the High Needs block. The consultation questions were also discussed at the briefings to allow for any questions to be asked as part of the consultation. The consultation exercise was launched for schools to complete between 2<sup>nd</sup> and 20<sup>th</sup> October 2023, with each school given the opportunity to submit a single response.
- 2.6 In total 39 surveys were completed, if more than one response was submitted for the same school, then only the first response has been included. The response rate moved from 37% in 2021, 16% in 2022 and now 55% in 2023. 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
Primary	23	45	51%
Secondary	12	13	92%
Academies	4	13	31%
<b>Total</b>	<b>39</b>	<b>71</b>	<b>55%</b>

2.7 Responses to the consultation questions are summarised below.

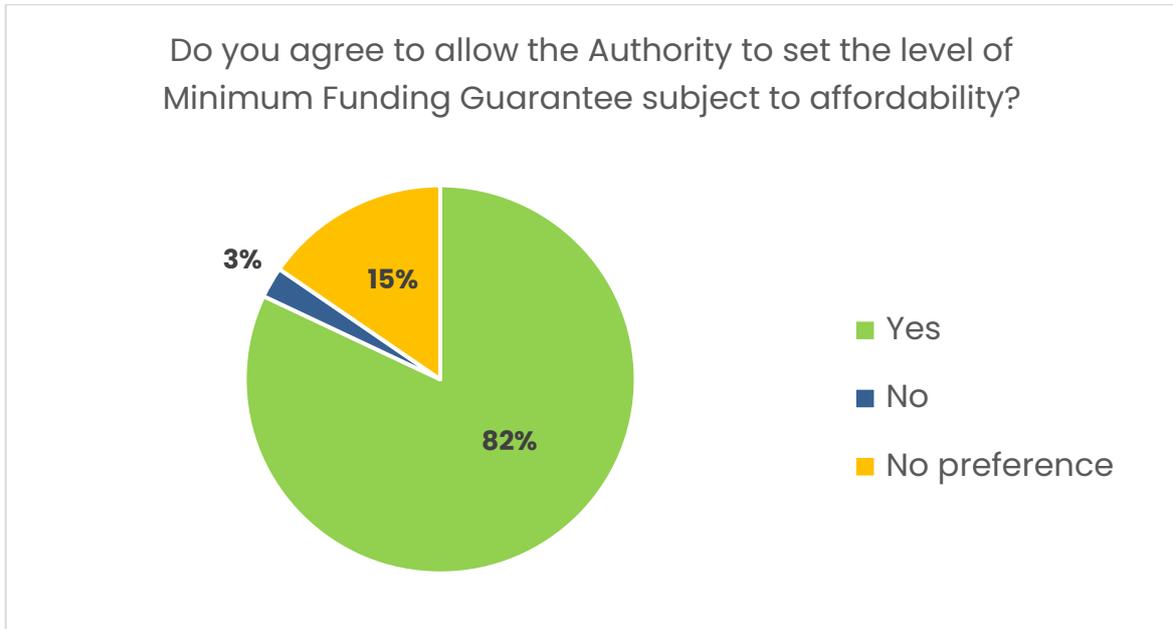
**Chart 1: Response that, funding permitting, North Tyneside should increase its Local Funding Formula factors in line with the National Funding Formula**



2.8 The consultation favours staying on NFF factors, final funding permitting. 90%, 35 schools voting agreed with this continuation, with only 10%, 4 school disagreeing.

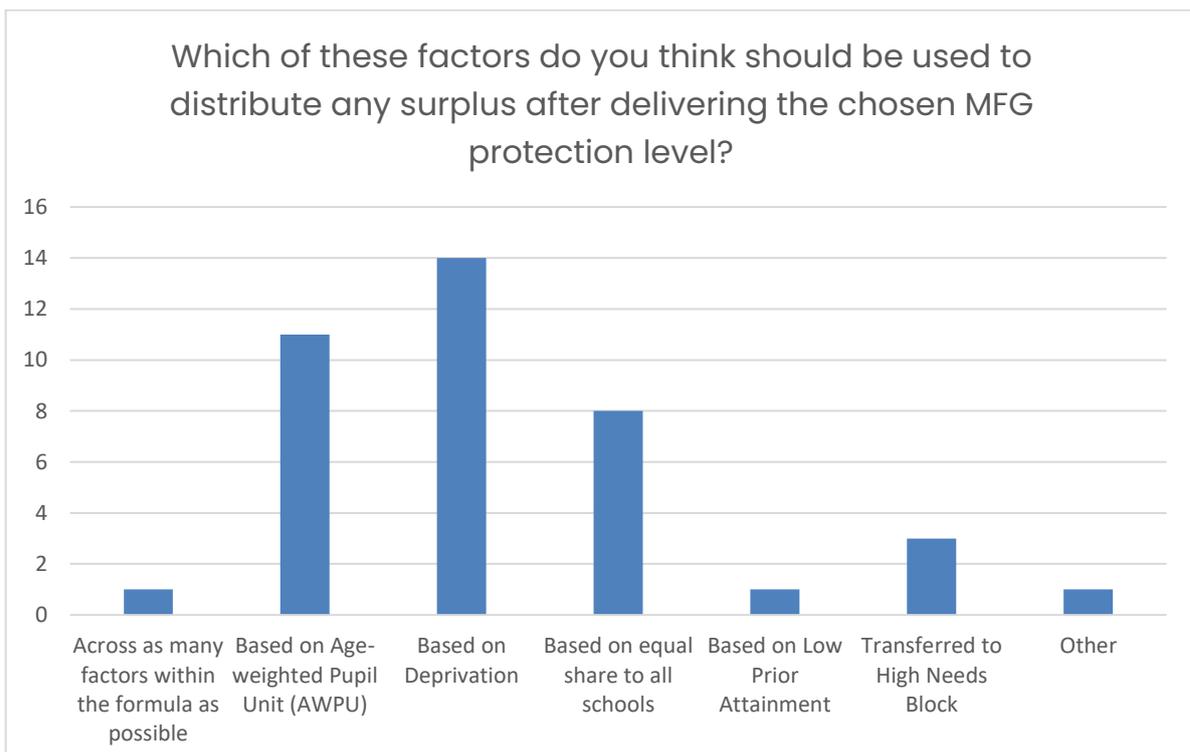
2.9 Schools were asked if they supported the Authority setting Minimum Funding Guarantee (MFG) levels based on affordability. 82%, 32 schools replied yes.

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



2.10 In reviewing how best to allocate any surplus funding, the preferred option has changed to basing it on deprivation, for 2023/24 the preferred option was to base 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?**

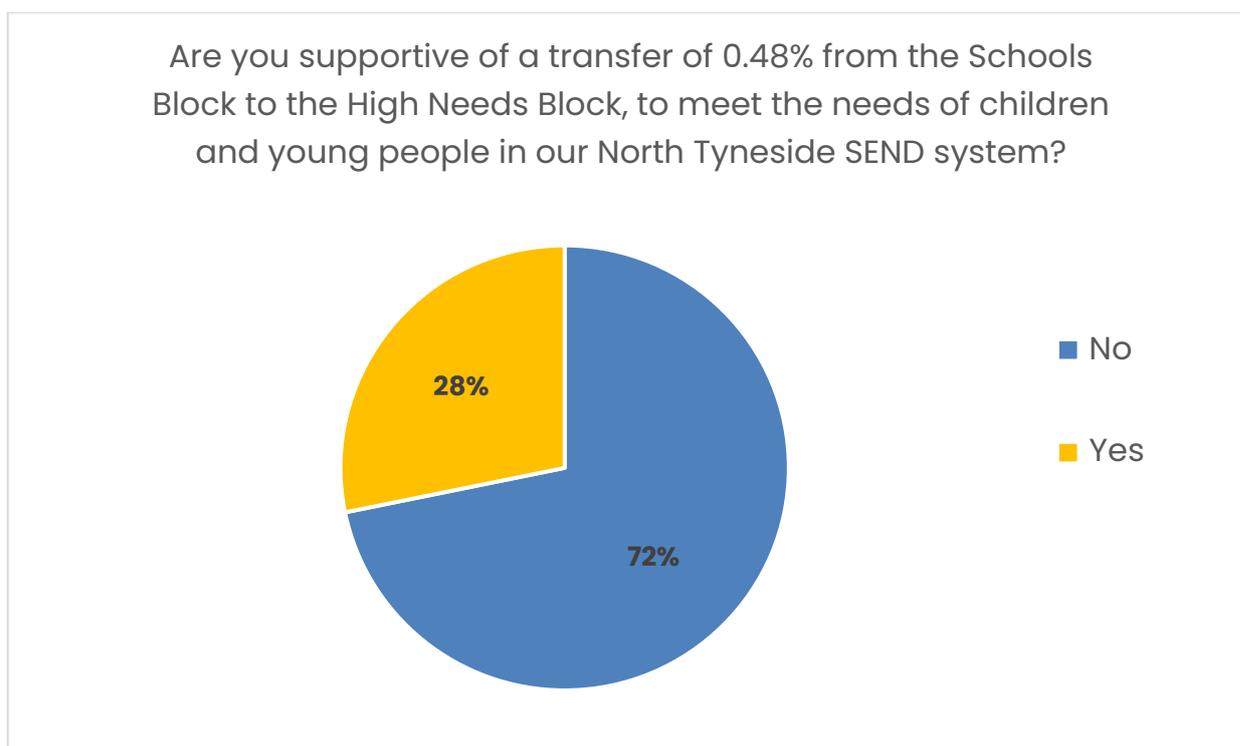


- 2.11 The ESFA calculates the expected requirements for growth funding in North Tyneside maintained schools. Based on the National Funding Formula the growth allocated to the Authority has historically been in the region of £0.750m. Historically Schools Forum have set aside £0.250m which in recent years has not been sufficient to cover all of the growth allocations made.
- 2.12 Similarly the ESFA also calculates the expected requirements for falling rolls funding in North Tyneside maintained schools. Historically again, Schools Forum have set aside £0.250m, however this was insufficient to fund all allocations. Schools were asked for their views as to whether Schools Forum should continue to allocate £0.250m to growth and falling rolls funding or set the allocation at the NFF value. Table 2 shows the responses from schools.

**Table 2: School Responses to suggested allocations for Growth & Falling Rolls Funding**

	<b>Growth Funding</b>	<b>Falling Rolls Funding</b>
Agree to Keep funding at £0.250m	62%	44%
Agree to Increase to ESFA Calculated Value	28%	36%
Change funding to spend level in 2023/24	n/a	15%
Other	10%	5%

- 2.13 There was no overall agreement to transfer 0.48% of the Schools block to High Needs block, with 28% of schools agreeing with the transfer (compared to 18% last year). The remaining 72% of schools cited one main reason which was 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**

- 2.14 Out of the schools who didn't support the transfer, 39% stated their main concern was the impact on school finances when already facing significant other pressures. 36% have concerns over how Special Education Needs and Disabilities (SEND) is funded and thought this should be addressed by Government rather than by transferring funding from mainstream schools. There were also concerns raised about the inequality of how the transfer was calculated between schools, with 15 schools potentially contributing 0.0% while others contributed as much as 0.77%.
- 2.15 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 expect plans to use this funding would be in line with the submitted DSG Management plan. If Schools Forum do not agree to the 0.48% transfer the Local Authority will be required to submit a disapplication request to DfE in line with the DSG Management plan and advice from the Education and Skills Funding Agency (ESFA).

### **3. Recommendations**

3.1. Having read this report and clearly understanding the information provided, Schools Forum is asked to consider the results of the consultation with schools; and vote on the following options:

1. Agree to continue to use factors in line with NFF, funding permitting.
2. Agree to allow the Authority to set a Minimum Funding Guarantee (MFG) and capping based on affordability.
3. Agree that Deprivation factors be used to distribute any surplus after delivering MFG
4. Agree that Growth and Falling Rolls funding should each be set at the historic level of £0.250m.
5. Consider the response to the request to transfer 0.48% School block funding to High Needs and either:
  - a) Support a 0.48% 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.

3.2. Members are reminded of who is eligible to vote and the voting table is noted at Appendix A for Reference.

## Appendix A – Voting Table

North Tyneside Schools Forum Member Roles & Voting								<i>last updated September 2019</i>	
de-delegation Primary	de-delegation Secondary	scheme for financing schools	consultation on funding formula	General Duties	Retained Duties	all other matters			
1	2	3	4	5	6	7			
<b>Voting</b>							<b>Phase</b>	<b>Role</b>	
<b>School Members</b>									
x		x	x	x	x	x	First	Head	
x		x	x	x	x	x	Primary	Head	
	x	x	x	x	x	x	High	Head	
	x	x	x	x	x	x	Middle	Head	
	x	x	x	x	x	x	Secondary	Head	
<b>Other School Members Non Locality Based</b>									
x		x	x	x	x	x	Primary/ First	Governor	
	x	x	x	x	x	x	Secondary/Middle	Governor	
		x	x	x	x	x	Nursery	Head	
		x	x	x	x	x	PRU	Head	
		x	x	x	x	x	Special	Head	
			x		x	x	Academy	Other	
<b>Non Schools Members Non Locality Based</b>									
		x	x			x	16-19 Providers	Other	
			x			x	EY PVI	Other	
						x	C of E Diocese	Other	
						x	RC Diocese	Other	
						x	Trades Union	Other	