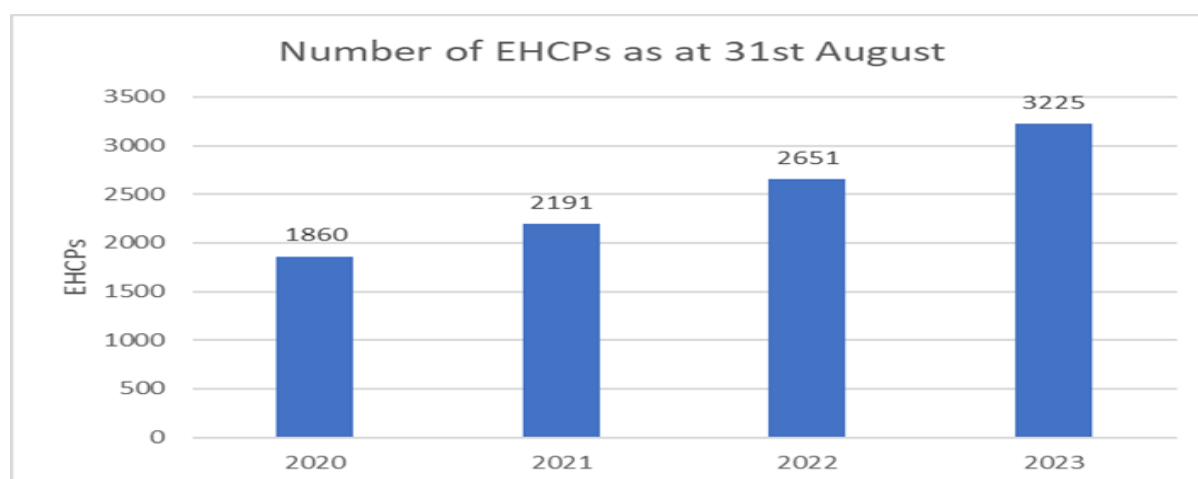


National Funding Formula (NFF) : Update and 2024/25 School Funding Consultation

Previously Northumberland County Council consulted on its approach to the introduction of the National Funding Formula (NFF) in Northumberland, following discussions at Schools Forum. The results of these discussions have consistently been to move in a phased or gradual approach to NFF values, reflecting the fact that historically Northumberland has maintained some values that were different to the NFF values. For 2023/24 Northumberland was in line with National Funding Formula figures for all values, though this was only achievable due to a contribution from the growth element of the Schools Block which is paid directly to the Council to manage the needs for additional school places.

The results of the December 2022 consultation were reported to Schools Forum in January 2023 and are available on the Schools forum page [HERE](#) as part of the 18 January 2023 Paper *Agenda Item 7 Setting the DSG 2023-24 DSG FINAL*.

Following the move to National Funding Formula, the biggest challenge facing Education in Northumberland are service and financial pressures arising from SEND. This is funded via the High Needs Block funding allocated by the ESFA. We have seen large rises in the number of Education Health and Care Plans (EHCPs) (73 % since 2020) :



This has escalated give the 574 (22%) rise in EHCPs in the year to 31 August 2023. Given that there is an average of £7,000 in support provided for every EHCP, this has resulted in an estimated £4m increase in annual costs.

These pressures mean it is imperative that the SEN system and resources is considered as a whole, it is no longer possible to continue to operate as we are currently as this is unsustainable given the current demands. For 2023/24 Northumberland is spending £3 million more than it will receive in relation to SEND. Your views are therefore sought in relation to which areas should be considered to achieve a more balanced position.

Please provide your responses in relation to the following 6 areas. There is also a free text box at the end of the consultation and we would welcome any thoughts or comments you are able to provide.

Please contact Bruce Parvin, Education and Skills Business Manager
bruce.parvin@northumberland.gov.uk if you have any further queries in relation to this consultation.

The Closing Date is **12.00 noon on Monday 11 December 2023**.

1. **TRANSFER FROM THE SCHOOLS BLOCK TO THE HIGH NEEDS BLOCK**

It is the intention to seek a transfer from the Schools Block to the High Needs Block of 5% for 2024/25. This was supported by Schools Forum at the meeting on 22 November 2023. This is considered the minimum required give the pressures outlined above.

QUESTION

1.1 **Do you support the Schools Forum Decision to seek a 0.5% transfer (approx. £1.130million) from the Schools Block to the High Needs Block for the financial year 2024/25 ?**

- Yes
- No
- Don't Know

1.2 **Would you be supportive of a larger transfer from the Schools Block to the High Needs Block in subsequent years to help address the current £3million gap in resources :**

- Yes
- No
- Don't Know

2. **SEN TOP UPS TO MAINTAINED AND SPECIAL SCHOOLS.**

At around £19 million a year, Top Up payments to mainstream and special schools represent the single largest commitment from the High Needs Block. The current pressures from increasing numbers mean that it is not financially viable to consider an increase in the banded rates at the current time. While it is acknowledged that the rates themselves have not increased for a number of years, the average per plan paid has increased (From £6,800 in 2020 to £7,520 in 2023). In addition, in 2022/23 a lump sum was introduced for Special Schools, and the additional Notional SEN payments extended for mainstream schools.

QUESTION

2.1 **Do you support a freeze or reduction in SEN banding rates at the present time, subject to review on an annual basis?**

- Yes – Freeze
- Yes – Reduction
- No
- Don't Know

2.2 **Should Northumberland consider a fundamental review of the banding rates paid ?**

- Yes
- No
- Don't Know

2.3 **Should any review of the banding rates paid be done on a “cost neutral” basis.ie a redistribution of existing funds, or seek to deliver financial savings ?**

- Cost Neutral
- Deliver Savings
- Don't Know

2.4 **Northumberland does not currently consider any information in relation to the School Balances held by a school in relation to a request for Top Up funding, or an increase in Top Up funding. Should we ?**

- Yes – for all schools holding positive School Balances
- Yes – but only for School holding balances in excess of the 16% (Primary, Special Schools) or 10% (Secondary/High/Middle Schools) of their DSG figure as laid out in the Scheme for Financing Schools.
- No
- Don't Know

3. NOTIONAL SEN

Mainstream maintained schools and academies (“schools”) are notified each year of a clearly identified but notional budget, within their overall budget allocation, towards the costs of fulfilling their duty to use their ‘best endeavours’ to secure that special educational provision for their pupils with SEN. The ESFA updated their guidance in relation to Notional SEN in August 2023, further information in relation to this is available at the link [HERE](#). However it is possible that this area is not fully understood by all schools.

Northumberland SEN Calculation is based on the Free School Meals Forever 6 (FSM 6), IDACI and Low Prior Attainment elements of the School Funding Formula. Additional payments are then made to the most inclusive schools if they pass a threshold dictated by their Notional SEN figure. For the 2023/24 financial year we are estimating we will pay schools £575,000, compared with £150,000 in 2021/22.

QUESTION

3.1 Do you feel you understand Notional SEN and your Schools Notional SEN figure?

- Yes
- No
- Don't Know

3.2 Do you support the use of a schools Notional SEN figure as a mechanism for distributing additional SEN Funding ?

- Yes – the Notional SEN payment represent a cost effective method of supporting our most inclusive schools
- No – Notional SEN payments cannot be afforded in the light of the pressures on High Needs
- Don't Know

3.3 Should we require schools to demonstrate how they are using their allocated Notional SEN total across the School before considering requests for Top Up payments

- Yes
- No
- Don't Know

4. TOP UP FUNDING FOR SEN SUPPORT PUPILS WITHOUT AN EHCP

Currently Northumberland supports 100 pupils with Top Up funding. The annual cost of this is estimated to be £500,000. This is generally intended to provided time limited targeted support with the intention of preventing the need for a subsequent Consideration Of Statutory Assessment (COSA) and potentially an EHCP. This is allowable within the School Funding Regulations and sometime cited as a way of reducing the risk of higher needs later. Previously this has been referred to in Northumberland as Short Term Assisted Review or STAR payments.

QUESTION

4.1 Should Northumberland continue to make Top Up payments to learners without EHCPs?

- Yes
- No
- Don't Know

4.2 Should Northumberland review the scope of Top Up payments to learners without EHCPs ?

- Yes – it should broaden the scope of payments to prevent later additional needs.
- Yes – it should narrow the scope of payments in light of funding pressures.
- No
- Don't Know

QUESTION 5: Minimum Funding Guarantee (MFG)

The MFG is a way of giving schools a guaranteed minimum increase in funding per pupil each year. It works by comparing a school's level of funding per pupil from one year to the next on a like for like basis, and in such a way as to exclude funding that could distort the per pupil value that is the basis for the guarantee. The baseline for the calculation is intended to cover as much of a school's budget as possible but does not include rates (because they are funded in the formula on actuals) and lump sum allocations because they do not relate to pupil numbers. Since 2023/24 the ESFA have restricted the range at which MFG can be set to between 0 to 0.5%. Schools and the Schools Forum agreed for 2023/24 to set the MFG at 0.5% but we need to consider the position again for 2024/25

5.1 At what level do you believe Northumberland's MFG should be set for 2024/25

- 0.0% *(using 21/22 data 6 schools would benefit sharing £120,412)*
- 0.25% *(using 21/22 data 6 schools would benefit sharing £131,350)*
- 0.5% *(using 21/22 data 13 schools would benefit sharing £152,794)*

QUESTION 6: CAPPING AND SCALING INCREASES

The use of capping and scaling is a mechanism by which different increases under new formula values are averaged out in order to limit some gains and provide more funding for general distribution to schools via the formula values. Without the use of capping and scaling, formula funding values would need to be set at lower values. Northumberland has previously used capping and scaling for the School Block DSG, setting these values at 4% and 50% in 2021/22 but changing the capping level to 13% for 2022/23 respectively. Increasing the cap level reduces the influence of capping and scaling, meaning schools keep more of their formula gains, but means less funding is available to support other aspects of the funding formula. For 2023/24, Capping and Scaling was not used. As Northumberland moves in line with NFF values, the need to use Capping and Scaling should reduce, however it remains a useful tool to ensure the distribution of a general level of increase via the funding formula.

6.1 Do you support the potential use of capping and scaling as part of the 2024/25 School Budget setting process?

- Yes
- No

Schools' Forum agendas, minutes and reports are available on the Council website at:

<https://www.northumberland.gov.uk/Education/Professionals/Forum.aspx> .

The Schools: Forum is currently looking for new members, if you are a Headteacher or a School Governor, and are interested in representing schools by joining the Forum please get in touch with Bruce Parvin, Education and Skills Business Manager via bruce.parvin@northumberland.gov.uk .

FURTHER COMMENTS

Please use the box below for any other comments that you have in relation to School Funding or SEN Finance:

Responses need to be received no later than **12.00 noon on Monday 11 December 2023**. Due to reporting deadlines in line with Department for Education requirements for the submission of information, responses received after this closing date will not be considered.

Thank you in advance for your assistance.

Bruce Parvin Education and Skills Business Manager bruce.parvin@northumberland.gov.uk