

**Consultation on school funding
arrangements for the 2022-23
financial year**

**Proposals of North Somerset Council
and the Strategic Schools
Forum (SSF)**

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Foreword

Thank you for reading this consultation document.

This is the annual consultation which focuses on the elements of the school's block funding that can be locally influenced. We are all acutely aware of the pressures in the high needs block which continue. I would like to take this opportunity to thank the Strategic Schools Forum for already agreeing to continue the 0.5% transfer from the school's block to the high needs block

We do, of course, continue in our joint endeavour to provide at least good services to all children across North Somerset, and I encourage you to continue to think about our most vulnerable children, with special educational needs and disabilities who are particularly protected under the Equality Act 2010 and the Children and Families Act 2014.

Sheila Smith

1. Introduction

About this consultation

- 1.1. This consultation covers changes to school funding arrangements as a result of both national and local initiatives.
- 1.2. The proposals in this consultation could have significant impacts on the distribution of resources in North Somerset. All stakeholders are recommended to read and respond to the consultation in full. Unlike previous years it is felt there is no need for briefings or surgeries to be held.
- 1.3. If you have any questions about anything contained in this document, then please send them via email to emma.whitehead@n-somerset.gov.uk

2. Methodology

- 2.1. The proposals for this consultation were approved by SSF at its meeting on the 17 November 2021. All SSF papers and minutes can be accessed via this link [SSF papers and minutes](#)
- 2.2. The consultation will be live from Wednesday 24 November 2021 to Wednesday 5 January 2022.
- 2.3. The SSF would like to encourage stakeholders to respond to the consultation to ensure that their views are taken into consideration as part of the decision-making process.

3. Executive Summary

3.1. A summary of all the recommendations from the SSF is provided in the table below. It is recommended:

Section	Description	Recommendation
4	Method of allocating the increased funding to the Schools Block after 0.5% has been transferred to the High Needs Block.	<p>Recommendation no.4a – That the four scenarios are considered for the schools’ budget for 2022-23</p> <p>Option 1 – Transfer 0.5% funding from the school’s block to the high needs block (this was agreed by SSF on 6 October 2021.Then apply an MFG of 2.0% (paragraph 4.35.2)</p> <p>Option 2 - (paragraph 4.35.3) Transfer 0.5% funding from the school’s block to the high needs block (this was agreed by SSF on 6 October 2021.Then apply an MFG of 1.5%</p> <p>Option 3 - Transfer 0.5% funding from the school’s block to the high needs block (this was agreed by SSF on 6 October 2021.Then apply an MFG of 1.0% (paragraph 4.35.4)</p> <p>Option 4 - Transfer 0.5% funding from the school’s block to the high needs block (this was agreed by SSF on 6 October 2021.Then apply an MFG of 0.5% (paragraph 4.35.5</p>
		<p>Recommendation no. 4b – That the lump sum is as per the final APT in December 2021 after the area cost adjustment and is the same for both primary and secondary schools likely to be £123,073.41 (paragraph 4.36)</p>
5	De-delegations	<p>Recommendation no. 5a – that funding for insurance for schools continues to be de-delegated (paragraph 5.7).</p> <p>Recommendation no. 5b - that no reimbursement of de-delegated resources is provided to a new academy beyond the DfE requirements detailed in (paragraph 5.9)</p> <p>Recommendation no. 5c – that if there is an underspend in the de-delegated insurance fund then this is prioritised to make a reimbursement to new academies to contribute, as far as possible to the additional insurance costs that they incur (paragraph 5.14).</p>

		Recommendation no. 5d – that any overspend or underspend on de-delegated services overall is carried forward to the following financial year to be used, overall, for the same purpose but that if the SSF considers that the total level of over or under spending on de-delegated services is excessive that the contributing schools will be required to making an additional payment or receive a reimbursement of the appropriate value (paragraph 5.15)
6	Additional allocations for schools with a disproportionate number of high needs pupils (Targeted Support Fund)	Recommendation no.6a – to continue to operate the process to automatically assess and allocate £278,815 of funding to those schools considered as having a disproportionate number of high needs pupils in 2022-23 with a cap on the final budget. If the budget was not retained then the money would be distributed via AWPU (paragraphs 6.7 and 6.8),
7	Statutory Services Charges for maintained schools	Recommendation no.7a - That the proposed statutory services charge (SSC) of £11.84 per pupil/place is agreed for the 2022-23 financial year (paragraph 7.8)
8	Growth	Recommendation no.8a - That the proposed growth policy for 2022-23 is approved for the 2022-23 financial year (paragraph 8.1)

4. Implementation of the National Fair Funding Formula in North Somerset

Background

- 4.1. This section details a range of proposals as a result of the Government's implementation of a National Funding Formula (NFF) and the associated funding arrangements.
- 4.2. Details of the NFF can be accessed using the following link:
<https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2022-to-2023>
- 4.3. This link provides access to a range of information including:
 - 4.3.1. National Funding Formula summary table 2022 to 2023
 - 4.3.2. Impact of the schools NFF, 2022 to 2023
 - 4.3.3. Impact of the high needs NFF, 2022 to 2023
 - 4.3.4. Impact of the central services block NFF, 2022 to 2023
 - 4.3.5. Technical notes for the operation of each of the blocks above
- 4.4. The DfE also provides operational guidance on the distribution of funding to schools which provides useful information on the makeup of the formula:
<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2022-to-2023>
- 4.5. This section of the consultation document details each specific area of change and provides the background, the outcome of the national or local formula review considerations and the recommendations for each.
- 4.6. The specific areas of change detailed in this section are:
 - 4.6.1. The National Funding Formula (paragraph 4.7)
 - 4.6.2. Movement from the schools' block to other blocks (paragraph 4.17)

The National Funding Formula

- 4.7. On the 19 July 2021, Nick Gibb the then Minister of State for School Standards (replaced by Robin Walker on 16 September 2021), provided a statement to Parliament on schools funding. This can be read here:

<https://questions-statements.parliament.uk/written-statements/detail/2021-07-19/hcws200>

This statement confirms that the formula used in the 2022-23 NFF remains the same with the following changes.

- 4.7.1. Increasing the minimum per pupil level to £5,525 for secondary schools and £4,265 for primary schools.
 - 4.7.2. The core factors in the NFF (such as basic per-pupil funding, and funding for additional needs such as deprivation) will increase by 3%.
 - 4.7.3. The funding floor will ensure that every school is allocated at least 2% more pupil-led funding per pupil compared to its 2021-22 NFF allocation.
 - 4.7.4. Support for small and remote schools (through the “sparsity” factor) will receive a further increase. In 2022-23 the additional funding that such schools can attract is rising to up to £55,000 for primary schools, and up to £80,000 for secondary schools – in both cases, a £10,000 increase from 2021-22. We are also moving to using road distances instead of straight-line distances when measuring a school’s remoteness. This will significantly increase the number of schools attracting this funding. As a result, the funding allocated through the sparsity factor is increasing from £42 million in 2021-22 to £95 million in 2022-23.
- 4.8. This statement confirmed that local authorities will continue to have discretion over local formulae in 2022-23. The Government is continuing to move to a ‘hard/direct’ NFF in future, which will determine schools’ budgets directly rather than through local formulae set independently by each local authority.
- 4.9. In the announcements ahead of 2022-23, funding will rise by £7.1 billion for schools. High needs is increasing by £780 million (9.6%) nationally in 2022-2023. Central school services funding that funds local authorities for the ongoing responsibilities they continue to have for all schools. The total funding nationally will be £284 million in 2022-23. Though continuing the process introduced for 2020-21 to withdraw funding over time based on the historic commitments prior to 2013-14, funding for these historic commitments has decreased by 20%.
However, please note that these statements refer to the national allocation of funding to LAs through the DSG. The actual impact on individual schools in North Somerset will be determined locally by the decisions made regarding the proposals in this consultation document.

- 4.10. These increases are separate to the three major interventions to support education recovery in response to the COVID-19 pandemic – over £3bn in total.
- 4.11. It remains the government’s long-term intention that schools’ budgets should be set based on a single, national formula, (a ‘hard’ or ‘direct’ national funding formula), as highlighted in paragraph 4.8. The ‘hard’ or ‘direct’ implementation of the national funding formula requires primary legislation.
- 4.12. Under the current or ‘soft’ system, the DfE use the national funding formula to set notional budgets for each school. These are aggregated to give the total schools block. You can see the notional budget for each school, and the aggregated schools block funding for each local authority using the link provided in paragraph 4.2. For now, local authorities will continue to set some local formula to distribute their schools block funding, in consultation with their local schools and their schools forum.
- 4.13. Local authorities then distribute their schools block allocation between maintained schools and academies and, although it will be a local decision, the DfE are continuing to adjust the rules governing the setting of local formulae so that the national formula can be more closely mirrored.
- 4.14. The schools block became ring-fenced in 2018-19 and continues in 2022-23, meaning that most of the schools’ block funding allocated to local authorities must be passed directly to schools. Local authorities will have limited flexibility to transfer funding to other areas, such as high needs, where these best match local circumstances. Transfers of up to 0.5% can be approved by the school’s forum and do not require any additional approval from the Secretary of State. Transfers in excess of 0.5% or transfers not approved by the Schools Forum must approved by the Secretary of State.
- 4.15. Movements from the schools’ block up to 0.5% provided approved by SSF have been given “pre-approval” for 2022-23. This means that any movement over 0.5% even with SSF approval must be applied for, via a disapplication to the Secretary of State for Education.

Continuing to move to the Implementation of the National Funding Formula in North Somerset

- 4.16. There are a few decisions that may be made as a result of this consultation regarding the implementation of the national funding formula in North Somerset.
- 4.17. Each of these issues are covered in the sections below in order to seek views from stakeholders

Movement from the schools' block to other blocks

Background

- 4.18. Since April 2018 the DSG has consisted of four blocks of funding: the schools block, central services block, high needs block and early years block, with the schools block the only ring-fenced block.
- 4.19. This means that funding allocated in the schools' block cannot be spent in any of the three other blocks without prior approval.

National / Local Formula Review Outcome

- 4.20. The schools block continues to be ring-fenced for 2022-23 onwards. This means that funding allocated in the schools' block cannot be spent in any of the three other blocks (with limited exceptions).
- 4.21. For 2022-23, LAs retain some limited flexibility which enable a transfer up to 0.5% of schools block funding into another block, with the approval of the SSF, following consultation with schools and other stakeholders. Transfers in excess of this require approval by the Secretary of State for Education.
- 4.22. In 2020-21 the Secretary of State for Education rejected a transfer of 0.7% of the schools' block to the high needs block.
- 4.23. The provisional schools block for 2022-23, after excluding the growth factor is £143,751,286. Due to the significant increases to funding provided by the DfE, block transfers cannot include the additional funding allocated to LAs for teachers pay and pension grants. This will guarantee that this funding remains with schools. Therefore, after excluding the growth factor, a transfer from the schools' block of 0.5% will be approximately £0.72m.
- 4.24. The repayment amount of the overspend on the DSG agreed in 2018-19, starting in 2019-20 for a period of five years was £0.5m, and this must form part of the limit on transfer of 0.5%.
- 4.25. Local Authorities can apply to the Secretary of State for Education to transfer an amount over 0.5%.
- 4.26. The decision to move resources between the schools and the high needs block is always a difficult one, and one to which the SSF have always given much consideration. It means striking a balance between ensuring that the needs of the most vulnerable children and young people are met and ensuring that universal funding can provide a good standard of education for all.
- 4.27. Spending on high needs includes areas such as top up funding, specialist provision and specialist support services. The level of demand, spend and the budgets agreed have been scrutinised by the SSF. The SSF has also looked at strategies to improve the efficiency of processes, changes to funding arrangements and provision in order to manage the demand and spend as effectively as possible in

accordance with need.

- 4.28. The LA and the SSF are continuing to progress and implement the Specialist and Alternative Provision Review proposals. These look at how current and future specialist provision needs can be met in order to ensure the best possible outcomes for children and young people with high needs within a sustainable budget. The review had and continues to have involvement from all relevant stakeholders and the outcomes for North Somerset are being shared with our neighbouring Local Authorities to enable a shared understanding and collaborative solutions wherever possible. Projects to increase the local provision of specialist places include:
- The submission and progression of a bid to the DfE as part of the Wave 13 SEND and AP Provision Free School Bid, for a 65-place Emotional and Mental Health (SEMH) Special School within North Somerset
 - The commencement of the programme and statutory process to deliver an expansion to Baytree Special School to a new site with facilities for 65 new places for pupils with severe and profound learning disabilities.
 - Expansions to Westhaven and Ravenswood Special Schools
 - Two new Specialist Units (for up to 20 pupils) to meet the needs of high functioning pupils with autism on mainstream school sites have opened at Mendip Green (primary) and Nailsea (secondary).
 - Further specialist units to support young people are in the planning stage.
- 4.29. The draft schools' budget, including any proposed transfer from the schools' budget, will be considered by the SSF on the 17 November 2021 and the final budget agreed on 19 January 2022. Papers will be issued to all schools ahead of the meetings to enable schools to share their views with their SSF representatives and inform their decision making.

Deficit recovery

- 4.30. The repayment of the DSG overspend at the end of the 2018-19 financial year, was agreed by the SSF over a five-year period to 2025-26 starting in 2019-20. This must form part of the limit on transfer from the schools' block of 0.5%. As this has already been approved, this will come from the 0.5% approved SSF block movement for 2022-23. Any additional deficit will be recovered from the block in which the further overspend occurred. This will be consulted upon and considered by the SSF.
- 4.31. The 2021-22 projected DSG deficit will be £11.908m, (including current deficit recovery value), will be added to the deficit recovery relating to high needs, therefore must be recovered from the high needs block. This will come from the pre-approved transfer from the schools' block.
- 4.32. The DfE expect all LAs with a deficit of more than 1% of their total DSG to have deficit management plan. North Somerset had their plan reviewed in 2019-20 and has had their current plan reviewed during late summer with an online meeting with department colleagues on 23 September 2021. The North Somerset have plan that they will continue to monitor and update.
- 4.33. Please note that the DfE have not provided information about how deficits can be recovered once the 'hard' or 'direct' national funding formula is introduced. However, it has expressed a view that the substantial increase in the high needs block funding will be used to balance the high needs budget in-year or at least get as close to that position as they can.

Transfer to meet demands in the High Needs Block

- 4.34. Pressure on the high needs elements of the DSG continue, the SSF and schools are aware of this. The main area of pressure is spending on independent non-maintained special schools, where costs have doubled since 2015/16. Whilst additional funding has been made available through the high needs block this is not enough to cover the increase in demand for out of area placements and the control and limits on movements from the schools' block to the high needs block mean that pressures continue.

4.35. There are four options proposed in this consultation on how schools funding could be allocated in 2022-23 after a 0.5% schools block movement (for context in the current financial year we have an MFG of 0.5%). These scenarios can be viewed in Appendix A, though they are summarised in the Table 4b below and detailed in the text which follows:

Table 4b					
	Base	Option 1	Option 2	Option 3	Option 4
% transfer from schools' block	0	0.50%	0.50%	0.50%	0.50%
£s transfer from schools' block (approx.)	0	£720k	£720k	£720k	£720k
AWPU:					
- Primary	£3,264.03	£3,197.84	£3,202.07	£3,205.20	£3,207.56
- Secondary KS3	£4,602.32	£4,459.13	£4,465.04	£4,469.40	£4,472.70
- Secondary KS4	£5,186.74	£5,050.18	£5,056.86	£5,061.80	£5,065.54
Minimum Funding Guarantee	2.0%	2.0%	1.5%	1.0%	0.5%
Contribution to high needs spending and deficit recovery	£0	£720k	£720k	£720k	£720k

4.35.1. **Base model:** This shows the impact of no block movement from the schools' block to the high needs block:

4.35.1.1. AWPU would be at the NFF levels including the area cost adjustment of primary (KS1) £3,264.03, secondary (KS3) £4,602.32 and £5,186.74 (KS4)

4.35.1.2. The MFG would be 2%

4.35.2. **Option 1:** This shows the impact of a 0.5% transfer from the schools' block to the high needs block.

4.35.2.1. AWPU would be £3,197.84 per pupil in primary and at secondary £4,459.13 (KS3) and £5,050.18 (KS4) an increase to the previous year's values of 3.231%.

4.35.2.2. The MFG would be 2.0%

4.35.2.3. This scenario would allow for a £0.72m transfer to the High Needs Block.

- 4.35.3. **Option 2:** This shows the impact of a 0.5% transfer from the schools' block to the high needs block.
- 4.35.3.1. AWPU would be, £3,202.07 per pupil in primary and at secondary £4,465.04 (KS3) and £5,056.86 (KS4) an increase to the previous year's values of 3.3677%.
- 4.35.3.2. The MFG would be 1.5%
- 4.35.3.3. This scenario would allow for a £0.72m transfer to the High Needs Block
- 4.35.4. **Option 3:** This shows the impact of a 0.5% transfer from the schools' block to the high needs block.
- 4.35.4.1. AWPU would be, £3,205.20 per pupil in primary and at secondary £4,469.40 (KS3) and £5,061.80 (KS4) an increase to the previous year's values of 3.4686%.
- 4.35.4.2. The MFG would be 1.0%
- 4.35.4.3. This scenario would allow for a £0.72m transfer to the High Needs Block
- 4.35.5. **Option 4:** This shows the impact of a 0.5% transfer from the schools' block to the high needs block.
- 4.35.5.1. AWPU would be, £3,207.56 per pupil in primary and at secondary £4,472.70 (KS3) and £5,065.54 (KS4) an increase to the previous year's values of 3.545%.
- 4.35.5.2. The MFG would be 0.5%
- 4.35.5.3. This scenario would allow for a £0.72m transfer to the High Needs Block
- 4.36. All options with both primary and secondary have one single lump sum amount using the data we currently have of £123,073.41 which is the amount after the area cost adjustment.
- 4.37. Whilst different lump sum amounts can be used for primary and secondary, it is deemed that as previous years this should remain as the same value for both primary and secondary and as per the amount provided in the initial Authority Pro-forma Tool (APT) to ensure all pupil led factors are at the highest they can be per option.

Recommendations

4.38. It is recommended:

- Recommendation no.4a – That the four scenarios are considered for the schools' budget for 2022-23

Option 1 – Transfer 0.5% funding from the school's block to the high needs block (this was agreed by SSF on 6 October 2021. Then apply an MFG of 2.0% (paragraph 4.35.2)

Option 2 - Transfer 0.5% funding from the school's block to the high needs block (this was agreed by SSF on 6 October

2021. Then apply an MFG of 0.5% (paragraph 4.35.3)

Option 3 - Transfer 0.5% funding from the school's block to the high needs block (this was agreed by SSF on 6 October 2021. Then apply an MFG of 1.0% (paragraph 4.35.4)

Option 4 - Transfer 0.5% funding from the school's block to the high needs block (this was agreed by SSF on 6 October 2021. Then apply an MFG of 1.5% (paragraph 4.35.5)

- Recommendation no. 4b – That the lump sum is as per the final APT in December after the area cost adjustment and is the same for both primary and secondary schools likely to be £123,073.41 (paragraph 4.36)

5. De-delegations

Background

- 5.1. De-delegation allows the funding for areas to be pooled from maintained mainstream schools in order to provide a more effective use of resources and reduce the risks to individual schools' budgets.
- 5.2. Funds cannot be de-delegated from academies, special schools or PRU's. Academies, special schools and PRU's must take decisions as individual schools about how to support these areas of expenditure within their budgets.
- 5.3. For maintained primary schools their representatives on the SSF will make a decision that will apply to all the maintained primary schools. This consultation provides an important opportunity to ensure that the representatives on the forum can take an informed decision about what services their constituent schools, overall, want to be de-delegated.

National / Local Formula Review Outcome

- 5.4. The de-delegations that are permitted in 2022-23 are currently the same as those permitted in 2021-22* (*there is a live DfE consultation at the moment [Consultation - Reforming how local authorities' school improvement functions](#) that may change this). Each individual area is subject to the approval of the SSF on an annual basis.
- 5.5. Table 5i shows which areas of funding can be de-delegated:

Table 5i Allowable de-delegations		
	De-delegation permitted	De-delegated in NS in 2021-22
Additional school improvement services	Yes	No
Support for ethnic minority groups	Yes	No
Behaviour support services (SS4L)	Yes	No
Future schools	Yes	No
Schools central funds (maternity etc)	Yes	No
Support for schools in financial difficulty	Yes	No
Insurance	Yes	Yes
RPTA's	Yes	No
FSM eligibility	Yes	No
Contingencies	Yes	No

- 5.6. Significant changes were made to de-delegations in 2017-18. This was agreed in order to be consistent with other changes being proposed and to align with the increasing number of conversions to academy status and schools continued with these changes in subsequent years.
- 5.7. As a continuation of the arrangements put in place in 2018-19, the only de-delegation that is proposed for 2022-23 is Insurance.

- 5.8. The value of the de-delegation for insurance in 2022-23 will be set when the schools' budget is agreed in January 2022.
- 5.9. When a school converts to academy status, what happens to the de-delegated resources is determined by the date of conversion, as detailed below:
- 5.9.1. If a school converts on or between 2 April and 1 September, the LA retains 5/12ths (reflecting the April to August period) of the de-delegated resources and returns the rest to the school
- 5.9.2. If a school converts on or between 2 September and 31 March, the LA retains the full de-delegated resource for the financial year
- 5.10. If asked, the LA should continue to provide the service to new academies for the period when the LA retains the de-delegated resources.
- 5.11. However, in the case of insurance it is illegal for the LA to continue to provide insurance cover for a school that has converted to academy status. A new academy will therefore be in the position of having to fund its own insurance whilst continuing, for a time at least, to have de-delegated resources retained by the LA.
- 5.12. Where an LA is unable to provide a requested service to a new academy, such as insurance, the DfE expects the LA and academy to come to an arrangement to give some of the de-delegated resource back to the academy.
- 5.13. The LA does not receive an in-year reduction to the insurance premium when a school converts to academy status. Any agreement to give de-delegated funds for insurance back to an academy will result in an overspend in the de-delegated fund. It is proposed, therefore, that no reimbursement of de-delegated resources is automatically provided to a new academy beyond the requirements detailed in paragraph 5.9.
- 5.14. However, if there is an underspend in the de-delegated insurance fund then it is recommended that this is prioritised to make a reimbursement to new academies to contribute, as far as possible to the additional costs that they incur.
- 5.15. Any overspend or underspend on de-delegated services overall can be carried forward to the following financial year to be used, overall, for the same purpose. This ensures that any over or underspends on these resources are ring fenced to those schools that contributed towards the fund through de-delegation from their formula budget share. It is proposed that these arrangements remain in place in but if the SSF considers that the total level of over or underspending on de-delegated services is excessive that the contributing schools will be required to making an additional payment or receive a reimbursement of the appropriate value.

Recommendations

5.16. It is recommended:

- Recommendation no.5a – that funding for insurance for schools continues to be de-delegated (paragraph 5.7).
- Recommendation no.5b - that no reimbursement of de-delegated resources is provided to a new academy beyond the DfE requirements detailed in (paragraph 5.9).
- Recommendation no.5c – that if there is an underspend in the de-delegated insurance fund then this is prioritised to make a reimbursement to new academies to contribute, as far as possible to the additional insurance costs that they incur (paragraph 5.14).
- Recommendation no.5d – that any overspend or underspend on de-delegated services overall is carried forward to the following financial year to be used, overall, for the same purpose but that if the SSF considers that the total level of over or under spending on de-delegated services is excessive that the contributing schools will be required to making an additional payment or receive a reimbursement of the appropriate value (paragraph 5.15).

6. Additional allocations for schools with a disproportionate number of high needs pupils (Targeted Support Fund)

Background

- 6.1. The Strategic Schools Forum (SSF) agreed, following consultation with schools, to introduce a process in the 2017-18 financial year to automatically assess and allocate funding to those schools considered as having a disproportionate number of high needs pupils.
- 6.2. Local Authorities can allocate additional resources, calculated on a formulaic basis to schools that have a disproportionate number of high needs pupils. This is to provide support to such schools in funding up to the first £6,000 of support for pupils with special education needs.
- 6.3. In 2018-19 following consultation feedback, and discussion at FRWG, the SSF agreed that schools would receive an increase in funding to recognise when notional SEN funding falls below a baseline amount. The Targeted Support Fund is capped, and the formula takes into consideration the £6,000 contribution for each pupil in receipt of top up funding. The number of pupils in receipt of top up funding is calculated as at September during the financial year to create a composite of number of pupils across the year.
- 6.4. Whilst, these arrangements are useful they are not as effective and robust as would be desired. There's no recognition for schools which have a significant number of pupils which require additional support but fall below the TUF requirements and are therefore, are not in receipt of top up funding.

- 6.5. The SSF agreed, however, that there is no fair way of identifying these demands to change the agreed mechanism.
- 6.6. A budget of £50k was set for 2017-18 and 2018-19. Due to an overspend in 2018-19 as no cap was considered as the budget underspent in the first year, it was agreed in subsequent years, where this budget is in place, it would be capped.
- 6.7. The budget in 2019-20 was increased to £278,815 to reflect the decisions taken by SSF of what to do with the additional high needs money awarded in December 2018 of £457,629. The proposal is to retain this budget in 2022-23.
- 6.8. An estimated distribution of this funding in 2022-23 can be seen in Appendix C, as the October 2021 census numbers are not yet available.

National / Local Formula Review Outcome

- 6.9. It is recommended therefore to continue to operate the mechanism in 2022-23 with a cap on the final budget figure and to review again for 2023-24.

Recommendations

- 6.10. It is recommended:
 - Recommendation no.6a – to continue to operate the process to automatically assess and allocate £278,815 of funding to those schools considered as having a disproportionate number of high needs pupils in 2022-23 with a cap on the final budget. If the budget was not retained then the money would be distributed via AWPU (paragraphs 6.7 and 6.8),

7. Statutory Services Charges for maintained schools

Background

- 7.1. Up until April 2017 Local Authorities received a grant called the Education Services Grant (ESG). The ESG was made up of two rates that funded two different groups of services:
 - 7.1.1. The retained duties rate was allocated to local authorities to fund services they provide for all children and young people regardless of the type of school they attend
 - 7.1.2. The general duties rate was allocated to both local authorities and academies to fund services authorities provide to maintained schools, but which academies must provide themselves

- 7.2. The funding previously allocated through the ESG retained duties rate (£15 per pupil) was transferred into the schools' block of the Dedicated Schools Grant from April 2017. The SSF agreed that this funding could continue to be used to fund the central services previously funded from this grant. This funding is used to meet the following responsibilities:
- 7.2.1. Ensuring every child has a school place
 - 7.2.2. Ensuring the needs of vulnerable pupils are met
 - 7.2.3. Acting as a champion for all parents and families
- 7.3. From 2017-18 the funding previously allocated through the ESG general duties rate ceased.
- 7.4. Local authorities can fund services previously funded within the general duties rate, (for maintained schools only), by top slicing funding from maintained school budgets shares with the agreement of maintained school members of the schools forum. In North Somerset we call this top slice, the Statutory Services Charge (SSC).
- 7.5. Local authorities should set a single rate per pupil for the statutory service charge, (excluding early years and post 16), for all mainstream maintained schools, (both primary and secondary). Local authorities may choose to establish differential rates for special schools and PRUs if the cost of fulfilling the duty is substantially different for these schools. The rate would be expressed per place rather than per pupil for special schools and PRU.
- 7.6. In North Somerset it was been agreed that the Statutory Service Charge (SSC) will operate like a de-delegation.
- 7.7. If a school converts to academy status, the amount retained for that school (that was top sliced from the schools' budget) will be recouped from the local authority's DSG for the remaining months of the financial year that the school is an academy. The academy will be reimbursed in its monthly general annual grant (GAG) payment from the point of conversion. Unlike for de-delegated services there will be no phased transfer of funding following conversion so there will be immediate recoupment of this part of the budget. For example, if a school converts on 1 January 2022, 3/12ths of the retained amount relating to that school will be recouped from the LAs DSG and reimbursed to the academy.

National / Local Formula Review Outcome

- 7.8. It is proposed that the SSC for 2022-23 remains the same as the previous years £11.84 per pupil/place. This charge ensures that maintained schools have access to the elements of services or assurance of the DSG is covered. Including but not limited to:- health and safety; governor services; internal audit; S151 responsibilities; complaints such as anti-bullying; property and asset management and hr advisory services.

Recommendations

- 7.9. It is recommended:
- Recommendation no.7a - That the proposed statutory services charge (SSC) of £11.84 per pupil/place is agreed for the 2022-23 financial year (paragraph 7.8)

8. Growth

Background

- 8.1. The policy for 2022-23 is attached at Appendix D.
- 8.2. The revisions were shared with members of the SSF on the 17 November 2021.
- 8.3. It is accepted that for 2023-24 there is likely to be a requirement to make more substantial changes to the policy.

Recommendations

- 8.4. It is recommended:
- Recommendation no.8a - That the proposed growth policy for 2022-23 is approved (paragraph 8.1)

9. Next steps

Background

9.1. This section sets out the key next steps towards implementation in of the proposals in this document for April 2022 The timetable for the implementation is provided in table 9i below:

Table 9i Timetable for implementation	
26 November 2021 to 17 December 2021	Consultation period
W/C 29 November 2021	Noticeboard article containing link to the will be published
Late December 2021	EFA confirms DSG allocations for 2022-23 (prior to recoupment of funding for academies)
December 2021/January 2022	Formula funding for schools updated to reflect on October 2021 data set and 2022-23 DSG
January 2022	Consultation responses analysed and incorporated in proposals
12 January 2022	SSF report published
19 January 2022	The SSF finalise formula and budget for 2022-23.
21 January 2022	Deadline for submission of final 2022-23 APT to ESFA
By 28 February 2022	Delegated budget shares for 2022-23 to be published via SSE web site
By 31 March 2022	Early years and high needs allocations issued

Exceptional Growth Policy

2022-2023 Financial Year



Existing Schools Exceptional Growth is allocated where the Local Authority has asked a school(s) to provide extra places to meet basic need growth. This would normally be as a result of strategically planned extra places that are commissioned by the Local Authority as detailed in advance and included in the Education Provision in North Somerset~ A Commissioning Strategy (2018 – 2021).

The qualifying criteria for this funding are below. Schools who meet all of their relevant sector (primary/secondary) criteria will qualify for additional pupil growth funding:

	Primary Sector	Secondary Sector
1	<p>Where the Local Authority agrees one of the following with the school to meet basic need:</p> <ul style="list-style-type: none"> • An increase in the school's planned admission number for its intake cohort (YR/Y3) in an academic year (permanent or a temporary breach); • The school opens an additional class(es) for admission over and above planned incremental growth 	<p>Where the Local Authority agrees one of the following with the school to meet basic need:</p> <ul style="list-style-type: none"> • An increase in the school's planned admission number for its intake cohort (Y7)** in an academic year (permanent or a temporary breach); • The school opens an additional class(es) for admission over and above planned incremental growth
2	<p>An increase in the number of notional classes. This is measured by dividing the October pupil numbers, both preceding and during the financial year, by 30 pupils. The second criterion is met if the latter creates a higher number of classes subject to the exception detailed below.*</p>	
3	<p>An increase in pupils of more than 2%. This is measured by the increase in pupils between the October pupil counts preceding and during the financial year. The third criterion is met if the increase exceeds 2% when expressed as a % of the pupils as at October preceding the financial year</p>	<p>The increase in pupils in the agreed cohort - as at the October Census against the published PAN is more than 5%.</p>

*The exception to the second criterion, is where the Local Authority agrees the creation of an additional class is necessary and directly related to exceeding Planned Admissions Numbers (PAN). Schools may be expected to operate some mixed-age classes where necessary as the growth funding cannot be used to reduce class sizes. This doesn't apply to secondary schools as they do not operate mixed year groups for curriculum classes.

**The intake year if different from year 7 will need to be reviewed on a case by case basis.

For primary allocations, any resulting allocation will be calculated by multiplying the increase in pupils over the 2% trigger by 7/12ths of the AWPU rate for the phase to reflect the period September to March. For maintained schools the AWPU rate will be adjusted by deducting the value of the AWPU de-delegations. Additional pupil growth funding will be adjusted to reflect SEND.

For secondary allocations, any resulting allocation will be calculated by multiplying the increase in pupils over the 5% trigger by 7/12ths of the AWPU rate to reflect the period September to March. Additional pupil growth funding will be adjusted to reflect SEND.

Pupil Growth funding will be time limited to one year for breach classes as normal funding via the census numbers will follow in subsequent years. Normally to a maximum of the relevant years when the growth applicable to the school setting or until the school reaches its capacity if earlier. This funding will be cash limited if the demand exceeds the funding available.

Exceptional Pupil Growth Funding – Presumption Route New Schools

Where a school is established following the LA Presumption Route as a result of new demand from basic need, a one off, pre-opening set up costs are allocated on the basis of the details below: -

Pre-Opening

The actual funding provided to a new school will be determined on a case by case basis and will take into account the local context and potential impact on the sustainability of other schools. One-off pre-opening set up costs, will be allocated on the basis of the details below:

- A Headteacher at an appropriate scale point as laid out in the School Teachers Pay and Conditions document for the planned size of the school for the agreed period of time prior to opening.
- Administration support on an appropriate grade for a comparable school of equal size for the period of time equal to that of the Headteacher.
- Initial office equipment, premises and consumables to cover temporary office costs in the period before the school opens.

There is no fixed period prior to opening that these arrangements need to be in place for, but 5 months, (2 new school terms plus following holidays), is considered as the minimum.

Post Opening

In the first year, the delegated budget share for the period of the financial year open will be based on estimated pupil numbers with social deprivation and SEND data based on the average of up to three schools of the same phase, with demographic characteristics similar to those expected for the new school. SEND data will continue to be based on this methodology for the first three financial years the school is open.

Estimated pupil numbers will be used in the calculation of the delegated budget share for new schools and schools that have opened in the last seven years (for primary) or five years (for secondary) and do not yet have pupils in every cohort to which the school could admit.

For schools that opened after 31 March 2019, an allocation will be made from the exceptional pupil growth fund to reflect the pattern of pupil growth only seen in new schools.

The allocation will be calculated on the difference between the estimated pupil numbers used in the delegated budget share* and the actual pupil numbers, as at January during the financial year, rounded up to the nearest multiple of 30 pupils. This number will be multiplied by the appropriate AWPU value and the appropriate number of months with an adjustment for SEND and social deprivation funding.

For schools that open after 1 April 2018 and before 31 March 2019, the initial funding allocation for the school will be based on the number of first preferences received by the application closing dates, (15 January for primary and 31 October for secondary in the preceding year). Where the application closing date is later than the APT submittal date, the number of first preferences received up to the date of the APT submittal will be used. The school will also be allocated a post opening grant, on a lump sum basis of £50,000 per financial year, pro rata for the number of months open eg September to March £29,167 will be allocated.

Post opening funding will be time limited to a maximum of 5 years from opening for primary schools and 3 years for secondary, on the presumption the school will have a clear plan to operate at the planned admissions number to be viable by this time through the usual funding mechanisms. This will encourage efficient deployment and allocation of resources as the school grows and will protect the growth fund against long term, non-sustainable commitments where demographic change falls short of expectations. There is an expectation that MATs will, use their staff and resources creatively to support the new school during this period.

In the instance where a school is expanding to the extent that it could be viewed as a new school, as it is on a separate site, the school will be considered as eligible for the new school post opening element of the exceptional pupil growth policy.

The estimated pupil numbers will need to be verified with the General Annual Grant (GAG) Statement for the school. Any difference in pupil numbers will need to be queried with the Education and Skills Funding Agency (ESFA) and adjusted as appropriate.

Exceptional Pupil Growth Funding – New Free Schools (not Presumption Route)

Sponsors who successfully apply directly to the DfE to run their school and granted pre-opening costs directly from national resources

Pre-opening funding - in the run up to opening, the DfE will provide a fixed-rate Project Development Grant (PDG) to cover essential non-capital costs up to the point at which the school opens.

Full details are available at

<https://www.gov.uk/government/publications/free-school-pre-opening-guide>

The PDG will normally be formed of two elements – an initial allocation of £30k with the balance paid in instalments after the provisional opening date has been agreed. This initial £30k is considered sufficient to meet all the pre-opening costs likely to be incurred by a trust up until the site solution is confirmed and the DfE has agreed a provisional opening date in writing.

Type of School	PDG funding for first school opening in a given academic year	PDG funding for each additional school opening in the same academic year
Primary	£220,000	£150,000
Secondary and all-through	£300,000	£200,000
Special	£220,000	£150,000
AP	£220,000	£150,000
16 - 19	£250,000	£170,000
Independent converters / LA presumption schools	£25,000	£25,000

Published Date to be added after consultation