

**Report to:** Schools Forum

**Subject:** School Funding Arrangements 2020-21

**Date of meeting:** 17 December 2019

**Report by:** Alison Jeffery, Director of Children, Families and Education

**Wards affected:** All

**Key decision:** No

**Full Council decision:** No

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## **1 Purpose of report**

- 1.1 The purpose of this report is to provide Schools Forum with an update on the latest developments in respect of the future school revenue funding arrangements for the financial year 2020-21 onwards

## **2 Recommendations**

- 2.1 It is recommended that Schools Forum:
- 2.1.1 Note the Department for Education's proposed changes to school revenue funding arrangements for 2020-21 as set out in this report.
- 2.1.2 Note the outcome of the Autumn consultation with schools as set out in Appendix 2.
- 2.1.3 Endorse the proposals for implementing the local funding formula arrangements as set out in this report; in particular:
- To implement the minimum per pupil funding levels at the Department for Education recommended rates for 2020-21 as set out in paragraph 5.6 and Table 2;
  - To implement the National Funding Formula rates for both primary and secondary schools in 2020-21, as set out in Appendix 5;
  - To implement a minimum funding guarantee (MFG) of at least +0.5% and up to +1.84% subject to affordability, for 2020-21 as set out in paragraphs 5.8 to 5.9
  - To utilise the additional funding provided as part of the Dedicated School Grant High Needs Block for 2020-21 to meet

the forecast high needs pressures in the order of priority as set out in section 12 and Table 5;

- To implement the disapplication requests as set out in section 6.

### **3 Background**

- 3.1 In May 2019 the authority consulted with schools regarding the direction of travel for the 2020-21 schools funding arrangements. This initial consultation was held without the benefit of any operational guidance issued by the Department for Education (DfE).
- 3.2 In the May consultation schools were asked for their feedback regarding the following proposals for the financial year 2020-21:
- Moving primary schools to the national funding formula
  - Continuing to use the minimum pupil level as set by the DfE
  - Setting the minimum funding guarantee at zero percent
  - Consider the potential transfer of up to 0.5% from the Schools Block to the High Needs Block.
- 3.3 The results of the consultation were taken to Schools Forum and Cabinet Member, in July 2019 and they indicated that schools were broadly in favour of the proposals. However due to the lack of guidance from the DfE, Schools Forum and the Cabinet Member for Education were not asked to approve any specific recommendations. Instead they endorsed the proposal for the authority to develop the indicative Dedicated School Grant (DSG) budget for 2020-21 using the latest information on Special Educational Needs and Disabilities (SEND), and would consult further with schools in the autumn term.
- 3.4 In the absence of guidance, the authority prepared a consultation with schools which provided detail on the anticipated high needs pressures and implications on the mainstream budgets.
- 3.5 On 3 September the Government announced additional funding nationally for mainstream schools and for pupils with SEND. The announcements for Education funding showed a year on year growth over a three year period, whilst the announcement for SEND was only released for 2020-21. Whilst further detail was released on 9 September, the impact on the funding received by Portsmouth was not clear.
- 3.6 The authority decided to publish the consultation with schools on the morning of 12th September 2019 (Appendix 1), which closed on 30 September 2019. Following the closure of the consultation the DfE released the indicative 2020-21 DSG funding<sup>1</sup> for Portsmouth, along with details of the 2020-21 provisional NFF factor funding values. As the results of the consultation with schools (Appendix 2) were inconclusive and the increase in funding was significant it was agreed to further engage with schools through two briefing sessions held

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<sup>1</sup> Based on October 2018 census data.

on 22 and 23 of October. The briefing sessions updated schools on the expected funding for 2020-21 and the long term pressures on the high needs block, highlighting the authority's intention to work with schools to ensure pupils were supported within an inclusive environment and within the resources available. The consultation was re-opened until 25 October and schools were provided with an indicative budget share (Appendix 3) based on the new national funding formula factor values and an increased minimum funding guarantee of +1.84% per pupil on 31 October.

- 3.7 This report is intended to provide Schools Forum with an overview of the main changes highlighted in the operational guide and of the results of the autumn consultation, school briefing sessions and the progress being made towards agreeing the Schools Funding arrangements locally for the financial year 2020-21.

#### **4 Dedicated School Grant (DGS) Funding**

- 4.1 The DfE operational guide for 2020-21, has provided updated information on the direction of travel towards the NFF. Further information in respect of High Needs was published on 3<sup>rd</sup> October 2019. The DfE have advised that local authorities will continue to have flexibility to set a local formula in consultation with Schools Forum for 2020-21.
- 4.2 Whilst the government has confirmed its intention to move to a "hard" national funding formula for all schools, a date of implementation has not been provided and the guidance suggests that further consultation with local authorities and other stakeholders will happen in due course.
- 4.3 Indicative funding allocations for 2020-21 were published to local authorities on 11 October 2019. Portsmouth's indicative allocations (inclusive of academies' funding) for 2020-21, together with current allocations for 2019-20 are shown in the table below:

	<b>2019/20<sup>2</sup></b> <b>£m</b>	<b>2020/21</b> <b>£m</b>	<b>Change</b> <b>£m</b>	<b>Change</b> <b>%</b>
Schools Block	116.085	120.706 <sup>3</sup>	4.641	3.98%
HN Block	21.156	24,268 <sup>4</sup>	2.269	14.7%
EY Block	14.175	14,399	0.224	1.58%
CSSB	0.825	0.841	0.016	1.93%

<sup>2</sup> As per July 2019 DSG allocation.

<sup>3</sup> Excluding growth funding.

<sup>4</sup> Including import export adjustment for a change in home authority for a post 16 provider.

- 4.4 Local authorities may again request a one off transfer of the Schools Block funding to the High Needs Block to support pressures. Up to 0.5% of the Schools Block can be agreed by Schools Forum, and any transfer above this requires Secretary of State Approval. There are no restrictions for transferring funding from the Central Schools Support Block, the Early Years Block or the High Needs Block to other funding blocks.
- 4.5 The authority has explored the option of transferring funding from the Schools Block to the High Needs Block and consulted with schools. However as long as growth continues within the current projections, the increase in funding will enable the authority to manage the forecast pressures for 2020-21 within the High Needs Block funding and without recourse to the Schools Block. Section 11 sets out the strategy for working with schools over the coming years to manage the pressure on the High Needs Block, promote inclusion and improve the outcomes for children and young people 0-25 with SEND.

## **5 Schools Block**

- 5.1 The Schools Block covers the mainstream (maintained and academy) schools individual budgets and the growth fund. The DfE has advised that the percentage increases to the Schools Block will be measured against the 2019-20 baseline funding to local authorities (previously increases were measured against the 2017-18 baseline).
- 5.2 The 2020-21 policy document on the Schools Block funding to the local authority will allow for:
- A 4% increase to the NFF pupil led factors (with the exception of the Free School Meals factor). The provisional NFF factor values for 2020-21 are listed in Appendix 4.
  - A 4% increase to the Lump sum.
  - Minimum per pupil funding levels of £3,750 for Primary, £4,800 key stage three pupils, £5,300 key stage four pupils (totals £5,000 for secondary pupils). The Primary level will rise to £4,000 by 2021-22.
  - A minimum increase of 1.84% on the per pupil funding provided in 2019-20
  - An increase of 1.84% to the Free School Meals factor
  - An increase to the PFI factor in line with the retail price index.
  - They will remove the cap from local authority funding allocation (local authorities still have the ability to set a local cap on gains). Portsmouth currently does not implement the cap
  - There is no change to the methodology of funding Growth for local authorities, but the funding values will be increased by 4%
  - The teachers' pay grant and teachers' pension employer contributions grant will continue to be paid separately to the NFF for 2020-21.

- 5.3 It should be clarified that the above changes relate to the calculation of the schools block as a whole.

## **Funding for Schools**

### **Minimum per pupil funding level**

- 5.4 The DfE has again proposed minimum per pupil funding levels (MFLs) for 2020-21, which are shown in the table below. The DfE have consulted on the MFL factor becoming a mandatory factor from the 2020-21 financial year. The DfE have advised that whilst they are not able to publish the results of the consultation until after the election, local authorities should presume that the factor will be mandatory in 2020-21.

Portsmouth implemented the primary and secondary MFLs at the recommended levels in 2019-20 and it is proposed that we continue to implement the DfE recommended levels for 2020-21.

<b>Phase</b>	<b>MFL 2019-20</b>	<b>MFL 2020-21</b>	<b>Change</b>
Primary	£3,500	£3,750	£250
Secondary	£4,800	£5,000	£200
All-through	£4,042 <sup>5</sup>	£4,271 <sup>6</sup>	£229
KS4 only schools	£5,100	£5,300	£200

- 5.5 The operational guidance clarifies the calculation for middle schools, all through schools and schools with non-standard year group structure (e.g. all through schools) which provides greater consistency.
- 5.6 Financial modelling using the October 2018 data set shows that after applying the revised NFF factor values, eight primary schools and one secondary school receive additional funding through the use of the 2020-21 recommended MFLs.

### **Minimum increase of 1.84% on the per pupil funding provided in 2019-20**

- 5.7 The DfE have stated they will set the funding floor at 1.84%. This minimum increase to the funding provided to local authorities will be based on individual schools NFF per pupil allocation in 2019-20.

### **Minimum Funding Guarantee (MFG)**

- 5.8 Local authorities will have the freedom to set a Minimum Funding Guarantee in their local formula of between +0.5% to +1.84% per pupil, without application

<sup>5</sup> It should be noted that this value is based on years R to 5 for primary year groups and 7 to 11 secondary year groups being present in an all-through school.

<sup>6</sup> It should be noted that this value reflects Mayfield having all year groups in both the primary and secondary sectors being present in from September 2020.

to the Secretary of State. The MFG is applied to the individual school funding formula after the minimum per pupil funding. Initial financial modelling of a plus 1.84% MFG would provide additional funding to 25 primary schools and two secondary schools.

- 5.9 Initial modelling suggests that the authority will be able to set an MFG value of plus 1.84%, for 2020-21.

### **Growth Funding**

- 5.10 The DfE has advised that there is no change to the methodology for allocating the Growth fund to local authorities, but the funding per pupil and new school rates used in the calculation will be uplifted for 2020-21 by 4% and rounded to the nearest £5. The 2019-20 and 2020-21 values per "growth pupil" are shown in the table below.

<b>Table 3 - Growth funding per pupil rates</b>		
	<b>2019-20 rates</b>	<b>2020-21 rates</b>
	<b>£</b>	<b>£</b>
Primary growth pupil	1,370	1,425
Secondary growth pupil	2,050	2,130
New school	65,000	67,600

- 5.11 It is not expected that local authorities will have to allocate funding on this basis.
- 5.12 Indicative growth allocation for 2020-21 has not been published as they relate to growth between the October 2018 and the October 2019 census data. At this stage it is difficult to estimate how much funding will be received, but due to the University Technical College being full, initial modelling using the draft October 2019 census numbers would suggest that funding will be in the region of £950,000, which is higher than originally expected.
- 5.13 The consultation issued to schools in the autumn term contained information regarding the impact of pupil numbers on future funding based on the 2019-20 allocation rates. A number of options relating to the secondary growth funding arrangements were put forward to schools to state a preference.

## **6 Disapplication requests**

- 6.1 Each year, local authorities can submit disapplication requests to the ESFA, where strict adherence to the legislation as set out in the School and Early Years Finance (England) regulations (as amended each year), would generate perverse results for specific schools. The authority submitted two disapplication requests by the deadline of 11 October 2019 in respect of the operation of the minimum funding guarantee (MFG), as set out in the following paragraphs.

- 6.2 **Charter Academy:** Charter has historically enjoyed a high level of MFG protection, which dates back many years and was caused by a sudden and significant drop in pupils. The local formula at that time, in common with most other local formulae, provided "real term protection", which ensured that a school would receive at least 95% of the previous year's funding in cash terms. This funding was subsequently locked in by the MFG, which provides protection on a per pupil basis. As the pupil numbers at Charter have increased, so the MFG protection has grown.
- 6.3 Capital investment for Charter is needed to increase the capacity of the school to meet basic need; however the local authority could not sanction the capital investment if the increase in capacity would also increase the level of MFG support. The local authority has agreed a compromise with Charter, whereby only 600 pupils (2018-19 capacity) would continue to receive MFG protection and any new pupils above that level will receive appropriate pupil-led funding for that school, i.e. basic entitlement, deprivation, prior attainment funding etc. Official approval to this agreement has now been received from the DfE, but needs to be applied for annually.
- 6.4 **Mayfield School:** Mayfield is continuing to open new primary year groups as it moves towards becoming an all-through school. The MFG, in its pure form, uses the average per pupil funding from the previous year as a baseline to calculate any protection due. Whilst the school is growing, the per-pupil average is skewed towards the existing secondary provision, which means that any additional primary age pupils would be artificially protected at the "whole school" rate. We have therefore requested that the MFG is amended to ensure that the school is funded appropriately for the age profile of its pupils. This is expected to be the final year of this request as the primary school is expected to have all years full from September 2020.
- 6.5 The authority received approval to dis-apply the regulations for 2020-21 for both of the above disapplication requests on 29 October 2019.

## 7 High Needs Block Funding

- 7.1 The DfE has advised that each local authority should see an increase in their High Needs Block funding of 8%, using the 2019-20 high needs allocations as a baseline including the additional funding announced in December 2018, with adjustments for population changes. The DfE have also set a gains cap of 17%.
- 7.2 Indicative funding published by the DfE on 9 October provides Portsmouth with an increase in funding of 14.7% when compared to 2019-20.
- 7.3 The actual funding allocation for 2020-21 will not be known until December 2019.

- 7.4 The teachers' pay grant and teachers' pension employer contributions grant will continue to be paid separately to the NFF for 2020-21 for Special Schools High Needs settings.

## **8 Central Schools Services Block**

- 8.1 The Central Schools Services Block (CSSB) supports the following budgets:

- Admissions
- Central licences provided by the DfE
- Schools Forum
- Education support grant retained duties for all schools.

- 8.2 The authority is expected to receive an increase of £16,000 due to an increase in the per pupil funding rate to £33.48, an increase of 1.94%. The authority will utilise the increase to fund an inflationary increase in central licences and to support the Admissions service.

## **9 Early Years Block Funding**

- 9.1 On the 31 October the DfE issued the hourly funding rates for 2, 3 & 4 year olds for 2020-21. This is expected to provide Portsmouth with an additional £0.2m funding to the early years block. The table below sets out the hourly funding rates for 2019-20 and 2020-21.

<b>Table 4 Early Years Block funding Two, Three and Four Year old hourly rates</b>			
	<b>2019-20</b>	<b>2020-21</b>	<b>Variance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Two year olds	5.43	5.51	0.08
Three and four year olds	4.69	4.77	0.08

- 9.2 Due to Purdah it has not been possible to consult with providers on the proposals for the early years' formula for 2020-21. A short consultation is expected to take place with providers from 16 December, the results of which will be brought to the January 2020 Schools Forum and Cabinet Member meetings.

## **10 Engagement with schools**

- 10.1 In September 2019 the authority consulted with schools regarding the 2020-21 projected pressure within the High Needs Block. The consultation set out the pressures seen in the High Needs Block and explained that should the pressure continue at the same rate of growth, as in previous years, plus cost pressures then the authority would be looking at between £1.9m and £2.4m gap between the High Needs Block funding (as at July 2019) and the funding requirement.



- 10.2 The consultation provided schools with an explanation of the current and 2020-21 forecast position, an indication of the amount of funding required to cover the pressure, and how much this would equate to per pupil if the funding should be transferred from the Schools Block to the High Needs Block. The consultation asked schools if they would support a transfer from the Schools Block to the High Needs Block and in light of the additional funding for SEND, their priorities as to how the additional resources should be used.
- 10.3 A copy of the consultation can be seen in Appendix 1 and a breakdown of the results and comments can be found in Appendix 2.
- 10.4 Overall we had 30 responses to the consultation within the extended timescale, of which there were 29 (46.8%) schools, 20 Primary, six Secondary/all-through and three Special schools, in addition to the schools one Academy Trust responded separately to the schools in the Trust. We received three responses from Multi Academy Trusts who responded on behalf of all schools in the Trust (a total of 14 schools), therefore their response has been counted according to the number of schools in the total numbers.
- 10.5 Not all schools answered every question in the consultation which has led to some questions not totalling to 30 responses. Of the 30 Schools that responded to the consultation seven schools chose not to prioritise how the additional SEND funding should be utilised and eight schools either did not complete or partially completed the prioritisation of the growth fund options.
- 10.6 Overall the results of the consultation were inconclusive and did not provide a clear direction of travel for the authority.
- 10.7 In light of this and the announcement of the indicative local authority funding shortly after the closure of the consultation the authority decided to delay reporting to Schools Forum to provide time to further consult with schools and engage them in discussion at two briefings held on 22 and 23 October. The consultation was reopened to enable schools to respond or update their response following any clarification at the briefing sessions. No further responses were received from schools.
- 10.8 The briefings provided a useful forum to inform schools of the indicative additional funding for 2020-21 and to discuss future strategies for managing High Needs in the City. A number of suggestions were provided by schools at the briefings, these are included in Appendix 3. The following sections set out the strategic direction of the authority and proposals regarding the High Needs Block for the 2020-21 financial year and beyond.

## **11 Strategic direction**

- 11.1 The strategic direction, as set out in the SEND Strategy, remains a commitment to promote inclusion and improve the outcomes for children and young people aged 0-25 with SEND. In order to do this, we aim to ensure that

there are in place a continuum of high quality support services that contribute towards removing barriers to achievement and that children and young people's special educational needs are identified early so that a high quality and co-ordinated offer of support can be put in place.

- 11.2 The SEND Strategy states that we aim to ensure a continuum of high quality educational provision is in place so that children and young people with SEND can attend a local mainstream nursery, school or college wherever possible.
- 11.3 This means that we need to ensure mainstream providers have the resources, skills and competence to meet the needs of a wide range of children and young people with SEND. In addition, we want to commission high quality specialist provision so that children and young people can be successfully educated within the city.
- 11.4 In 2017/18 Portsmouth and Southampton City Councils undertook a joint SEND Strategic Review. A summary of the key findings that are pertinent to this paper are set out below: :
- The number of EHCPs will increase, at a minimum, in line with population increases and increases in prevalence, but potentially also as a result of increased expectations and demand.
  - This increase is expected to be **most significant in the numbers of children with severe learning difficulties and complex** needs which has already put pressure on special school places.
  - The **need and demand for Special School places is predicted to increase** year on year due to increasing numbers of children and young people with severe and complex needs and autism and the increase in age of statutory protection
  - The review identified that there are children currently in special schools whose needs could be met in an inclusion centre or mainstream school, but additional support and resources for mainstream schools would be needed to achieve this.
- 11.5 These predictions have been further refined and confirmed by the SEN Place Planning Strategy 2018-2024. In the light of this, an SEND accommodation review was commissioned in 2019 to: review existing accommodation; consider how to physically organise the SEND provision on a city wide basis; and identify the need for additional accommodation and / or reconfiguration of existing accommodation.
- 11.6 Key recommendations from the review included:
- **Inclusion centres** - additional places should be created by extending the capacity of existing facilities (Trafalgar, Milton Park and Portsdown)

subject to feasibility work; and that new inclusion provision is considered if future opportunities become available

- **Alternative / SEMH provision (AP)** - capacity at Flying Bull Inclusion Centre is increased to meet the growing need (and to consider an extension to Year 6 on the Flying Bull site); and consideration be given to supporting internal AP provision in secondary mainstream schools
- **Complex and Complex Plus** - a new 140 place school should be built on the former King Richard School (estimated cost of £20m); and that further work be undertaken to look at the commissioning of post 19 places

11.7 A second phase of work is now being undertaken building on these recommendations but looking at other alternatives in terms of the recommendation for a new special school due to the lack of capital funding available and taking into account the revenue implications and the increased pressure that would be placed on the High Needs Block of the DSG if a special school were to be built. The second phase of work is due to be completed by April 2020 and will inform future capital works to support SEND places in the city.

## 12 High Needs Block - consultation results and proposals

### Mainstream Education Health and Care plans

- 12.1 The majority of schools did not support the move to a banded funding system, stating that the £6,000 and the current EHCP funding did not cover the cost of learning support assistants. However when asked if they would be happy to transfer funding from the schools block to the high needs block to cover the increase in costs and numbers, schools supported the introduction of a banded funding system rather than a non-banded system stating that any additional High Needs block funding should be prioritised to mainstream EHCP.
- 12.2 It is therefore proposed to use the additional High Needs Block funding to cover the cost of mainstream EHCPs for 2020-21. However to maximise the use of the additional funding it is proposed to implement a banding system, from April 2021 (2021-22 financial year) and work will continue with schools during 2020-21 to agree the criteria and funding values in preparation for the 2021-22 budget setting process.

### Independent Specialist provision

- 12.3 Schools recognised the pressure in this area, but were not supportive of using the schools block to fund those pupils in Independent Specialist provision. With regards to prioritisation this was placed in the middle of the list (7th). The authority has limited flexibility in placing these pupils and whilst they are reviewed on a regular basis once a pupil is settled in an educational setting there is limited scope to move them to a setting in the City.

- 12.4 It is proposed that as these costs relate to the most vulnerable pupils in the City that the additional funding is used to support these placements over any other priorities.

### **Special schools Element 3 Top-up and additional special school places**

- 12.5 Whilst these two budgets were consulted on separately, they are intrinsically linked. Although schools did not support the transfer of funding from the Schools Block to cover the costs of the additional places and associated top-up funding, they considered the funding of the additional places as a high priority (3rd) for the use of the additional funding. However the prioritisation of the Element 3 Top-up funding was a low priority for schools.
- 12.6 As the element 3 top-up relates to the pupils that are placed in the additional places, it would be prudent to utilise the additional funding to support these pupils that are already in school.

### **Solent Academies Trust Element 3 Top-up funding**

- 12.7 Schools supported the introduction of banding methodology to be used across all the Solent Academy Trust (SAT) Portsmouth Schools. This would mean that a pupil would receive the same amount of funding according their level of need regardless of which school they attend.
- 12.8 To provide Schools Forum with assurance, the authority has worked closely with SAT to understand the financial pressures, including analysis using both local and DfE funding models and the outcomes of a School Resource Management Advisor review and can confirm that the Trust has taken action to reduce costs and manage the financial pressures identified. Further work is on-going to provide surety that the school is using the resources effectively to deliver Education to pupils. It is expected to get the results of this review to enable the authority to bring a proposal back to Schools Forum to enable the setting of the 2020-21 high needs budget at either the January for February 2020 meetings.

### **Post 16 Colleges**

- 12.9 Support for transferring funding from the Schools Block to cover the costs of pupils with EHCP in post 16 settings was not supported by the majority of schools. The number of EHCP pupils in post 16 settings is increasing and the authority is required to fund both the Element 2 place funding and Element 3 top-up for those further Education Colleges in Portsmouth and where pupils attend colleges outside of the City boundaries we are required to fund the Element 3 top-up. Whilst schools put the funding of Post 16 pupils and places low on the priority list, it is proposed to fund Post-16 pupils from the additional High Needs Block funding. This will mean that we are not required to utilise funding for mainstream schools to fund this area.

### Transfer from the Early Years block

12.10 The majority of schools who responded have supported a transfer from the Early Years block to support the Early Years Inclusion Fund - highly complex pupils. This funding would be removed by reducing the funding held centrally for the provision of support provided to childcare settings with regards to childcare payments, advice regarding quality of services and ensuring sufficiency places which could impact on the provision of services provided to schools and childcare settings.

12.11 The additional funding provided through the indicative High Needs Block will be sufficient to support the Early Years Inclusion Fund for highly complex pupils.

### 13 Use of the additional High Needs Block funding.

13.1 As set out above based on the indicative funding the authority is expecting additional funding of approximately £2.3m, pressures are projected to be between £1.9m to £2.4m depending on the outcomes of the work with Solent Academies Trust.

13.2 The table below summarises the proposals set out above and how the additional funding will be used to meet the priorities identified by those schools who responded to the consultation and those identified by the local authority as requiring funding. This may be updated following the outcome of the review of Solent Academies Trust.

<b>Table 5 - Prioritisation of additional funding</b>		
<b>Options</b>	<b>Funding requirement £</b>	<b>School Priority</b>
Pupils at Mainstreams schools with EHCP - without banding	547,200	3
Pupils in specialist independent provision (Out of City)	284,100	8
Special schools Element 3 Top-up (increased numbers and complexity)	694,700	10
Additional special school places	81,600	2
Post 16 colleges additional places and associated Element 3 top-up	152,600	11
Early years complex needs inclusion fund	58,500	4
<b>Additional funding utilised to support high needs pressures</b>	<b>1,818,700</b>	

13.3 The costs of the forecast pressures are based on July 2019 pupil information and known changes to the September cohort funding as at August 2019. As the financial year progresses these forecasts will be refined based on the latest data available up to the end of November 2019. This will ensure that the budget brought to the January Schools Forum and Cabinet Member is based on recent information and maximises the use of the additional resources provided by the DfE.

13.4 Whilst it is expected that the authority will be able to fund the pressures in 2020-21 and will not be seeking a transfer from the Schools Block. In light of the uncertainty regarding the High Needs Block funding in 2021-22 work will need to continue with schools over 2020-21 to develop options and proposals to manage future costs and to mitigate any future potential of transferring funding from the Schools Block to support high needs in 2021-22 and beyond. One early proposal which will be brought back to Schools Forum in February 2020 is to increase the capacity of the council's SEN team in order that the team can support Annual Reviews of EHCPs in both mainstream and special schools, monitoring spend and outcomes. The increase in capacity will also allow the team to better monitor out of city placements. A similar approach is being taken by other local authorities including Hampshire County Council.

## **14 Growth funding**

14.1 The Growth Fund provides schools with a contribution towards the cost of additional pupils joining the school in September and the receipt of the funding associated with the cost of those pupils 7 months (Maintained Schools) or 12 months (Academy Schools) later. As stated in a paragraph 4.12 the authority is funded on a per pupil rate for primary and secondary pupils that does not reflect the actual cost of educating a pupil during this period.

14.2 As set out in the consultation the authority knows that they will receive a reduction in growth funding as part of the schools block allocation for 2020-21 as the University Technical College is now full and those pupils will no longer be seen as growth in the DfE funding methodology.

14.3 The consultation indicated that no change to the current funding methodology for funding Growth in the secondary schools in the City was the preferred option.

14.4 The authority recognises that schools are having to fund the gap between growth funding provided by the authority and the cost of the additional pupils; particularly over a five year period of significant growth; but also notes that there is no appetite from the schools to transfer funding from schools to support an increase in the growth fund. It is therefore proposed that following the receipt of the 2020-21 funding allocation in December and clarification of the actual growth funding provide by the DfE that the funding provided to Secondary schools is reviewed and if possible increased to closer reflect the key stage three per pupil entitlement value as funded via the national funding formula.

## **15 Reason for recommendations**

15.1 This purpose of this report is to provide an update on the latest developments in respect of the future school revenue funding arrangements for 2020-21 onwards. The report also seeks endorsement to the proposals for implementing these arrangements locally, in order to ensure that they comply

with the requirements of both the DfE's operational guidance and the School and Early Years Finance (England) Regulations.

## **16 Equality impact assessment (EIA)**

- 16.1 This report and the proposals within form part of, and are consistent with, the national implementation of the schools and high needs national funding formula as directed by the Department of Education and set out in the School and Early Years Finance (England) (no. 2) Regulations 2018.
- 16.2 The DfE has conducted a full Equality Impact Assessment which can be found on their website<sup>7</sup>. The funding system does not seek to target funding by reference to particular protected characteristics under the Equality Act 2010, but instead targets funding to those groups which the evidence demonstrates face barriers to their educational achievement.
- 16.3 The consultation carried out with schools (Appendix 1) and this report form part of a wider Equality Impact Assessment reviewing the methodology of funding pupils with Special Educational Needs and Disabilities.

## **17 Legal Implications**

- 17.1 The Government is reforming the current school funding system from 2018-2019 and the details of that planned reform are set out in the body of this report.
- 17.2 The recommendations in this report are consistent with the requirements of the Schools Revenue Funding Operational Guide published by the Education & Skills Funding Agency and the national funding formula for schools and high needs 2020 to 2021 published by the Department for Education.
- 17.3 It is anticipated that the School and Early Years Finance (England) (No.2) Regulations 2018 will be updated in due course by central government to confirm the specific provisions in relation to schools funding in the 2020/21 financial year.

## **18 Finance Comments**

- 18.1 Financial comments and implications are included in the body of this report.

Signed by: Alison Jeffery, Director of Children, Families and Education

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<sup>7</sup> <https://www.gov.uk/government/publications/national-funding-formula-for-schools-and-high-needs-equalities-impact-assessment>

**Appendices:**

- Appendix 1: Autumn consultation 2020-21
- Appendix 2: Consultation results and comments
- Appendix 3: 2020-21 Indicative budget share using 2020-21 indicative NFF and 1.84% minimum funding guarantee per pupil
- Appendix 4: Portsmouth Rates to National Funding Rates Comparison Table 2019/20 to 2020/21
- Appendix 5: NFF Rates - comparison Table 2019-20 to 2020-21

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
The national funding formula for schools and high needs 2020 to 2021 (published 11/10/19)	<a href="https://www.gov.uk/government/publications/national-funding-formula-for-schools-and-high-needs">https://www.gov.uk/government/publications/national-funding-formula-for-schools-and-high-needs</a>
Schools revenue funding 2020 to 2021: Operational guide (published 12/09/19)	<a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/831848/Schools_operational_guide_2020_to_2021.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/831848/Schools_operational_guide_2020_to_2021.pdf</a>
School and Early Years Finance (England) (No2) Regulations 2018	<a href="#">The School and Early Years Finance (England) (No. 2) Regulations 2018</a>

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by:



**Appendix 1**

**2020-21 School Funding Formula Stage 2 Consultation - autumn 2019**

See separate document

**Appendix 2: 2020-21 School Funding Formula Stage 2 Consultation - Results**

<b>High Needs Funding Proposals</b>			
<b>Mainstream Education Health and Care plans - section 3.3 and 3.4</b>			
1	Do you agree with the proposal to move to a banded funding system for pupils in mainstream schools with an EHCP as set out in section 3.4 from 1 September 2020?	Y = 11	N = 17
<p>Please add any further comments</p> <p><b>Maintained Infant 1</b> - Due to the top up funding being set at only £9 per hour compared to the hourly rate for a band 3 TA being a minimum of £9.36 before employer NI and pension contributions, schools are already funding more that £6,000 for each EHCP pupil on roll and are having to cover the shortfall from within their budget. Under the proposed banding, a majority of schools would see their Top-up funding decrease, putting even more pressure on school's budgets.</p> <p><b>Trust 1 (3 Schools)</b> - N/A</p> <p>Maintained Secondary 1 - this is an area of growth. Consequently, prudent measures need to be taken to ensure long term financial sustainability.</p> <p><b>Maintained Junior 2</b> - Due to the top up funding being set at only £9 per hour compared to the hourly rate for a band 3 TA being a minimum of £9.36 before employer NI and pension contributions, schools are already funding more that £6,000 for each EHCP pupil on roll and are having to cover the shortfall from within their budget. Under the proposed banding, a majority of schools would see their Top-up funding decrease, putting even more pressure on school's budgets.</p> <p><b>Maintained Infant 2</b> - Whilst we agree with this in principle, the funding is not enough to provide adequate support for individuals - if we want quality support for our most vulnerable children the appropriate funding must be provided. Introducing the proposed banding will see the majority of schools having a decrease in their funding, when budgets are already under huge pressure.</p> <p><b>Maintained Infant 3</b> - As schools are being expected to include increased numbers of pupils with additional and complex needs, as identified in their EHCPs, having less funding for these pupils is untenable.</p> <p><b>Maintained Junior 3</b> - However, this would be agreed subject to clear criteria for each band and evaluation of impact on individual schools. It does make sense to improve the efficiency of the system. All needs to be subject to realistic costs of support rather than salary and on-costs from many years ago ie that £6000 of support equates to about 12.5 hours of TA support.</p> <p><b>Maintained Infant 4</b> - As a very inclusive school that has a high number of high costing EHCPs we are already struggling to fund them and are in the worrying position of being the possibility of having to set a deficit budget next year to ensure that we continue to meet the needs of all children. The current funding doesn't cover the full cost of EHCP support, so moving to the banding system would make things even worse for us. Sadly, if the banding system was implemented we would have to make the decision to limit the number of EHCPs that we can take to ensure the quality of education for the other children.</p> <p>Under the proposed banding, a majority of schools would see their top-up funding decrease, putting even more pressure on schools' budgets and forcing them to</p>			

consider the number of EHCPs they can afford to take, which will be detrimental to all concerned.

**Trust 2 (3 schools)** - We agree with the principle of this.

**Trust 3 (2 schools)** - Simplification and flexibility.

**Maintained Infant 5** - Due to the top up funding being set at only £9 per hour compared with the hourly rate for a Band 3 TA being a minimum of £9.36 before employer NI and pension contributions, schools are already funding more than £6,000 for each EHCP pupil on roll and are having to cover the shortfall from within their budget.

Under the proposed banding, a majority of schools would see their top-up funding decrease, putting even more pressure on schools' budgets.

**Maintained Primary 3** - Not without further knowledge on how the banding will effect school budgets. Will the banding cover actual costs?

We are presently paying £6000 per pupil before the top up element. Presently this is needs led. Banding could work both ways but expectations are it will reduce the additional funding costing the school a lot more per a pupil with SEND.

Presently our top up is classed as exceptional funding but I expect due to the mainstream needs not being as high as special schools we will not have the exceptional band when all judged against the same criteria. If all judged against the same criteria our basic pupil funding should be raised in line with that of a specialist provision.

Question 1 needs more details - in principle I do agree that schools will need to find additional funds for the EHCPs. But unless I know banding criteria I cannot agree.

This then effects my responses to all other questions.

Trust 4 (8 Schools) - This simplifies the funding and has a relatively low impact on individual schools.

2	Agree to support the provision of EHCP in mainstream schools by transferring funding from the Schools Block to the High Needs Block through:		
	<ul style="list-style-type: none"> <li>Using a minus -0.58% MFG adjustment at a cost of approximately £21.70 per pupil to provide £547,200 of funding to enable the continuation of an un-banded mainstream funding approach. Option 1 on Table 19 and Table B. Or:</li> </ul>	Y=0	N=19
	<ul style="list-style-type: none"> <li>Using a minus -0.33% MFG adjustment at a cost of approximately £12.42 per pupil to provide £308,700 of funding to enable the implementation of a banded mainstream funding approach Option 1a on Table 19 and Table B.</li> </ul>	Y=18	N=10

Please add any further comments

**Maintained Junior 1** - I don't agree to this but I understand the need. However, in agreeing I recognise that Mainstream School will have to offer less to pupils as they will receive less funds.

**Maintained Infant 1** - made three separate points:

1. We do not agree with using the Schools Block as a source of additional funding for the High Needs Block. Mainstream schools are already under financial pressure on their budgets and if the High Needs Block is no adequate the Local Authority should be seeking additional funding from the government. Whilst we recognise that the costs of provision for pupils with SEND and complex needs is increasing, the way to approach this is to secure additional funding and not divert it from the other pupils in mainstream education.
2. We not that the proposal is to divert funding from the schools block to the High Needs Block via the Minimum Funding Guarantee because 'As the current funding formula for mainstream schools is either the national fair funding rates (Secondary) or moving towards the National Fair Funding rates (Primary), the only factor that offers any scope to reduce funding via the Schools Block is the minimum funding guarantee (MFG)' Our understanding is that the MFG is intended as a protection for schools against significant year-on-year changes in pupil-led funding, not as a vehicle to divert funding from the Schools Block.
3. 46 out of 49 Portsmouth Primary schools are expected to receive a reduction in their funding (total allocation before MFG or CAP) as a result of the implementation of the National Fair Funding rates.

**Maintained Primary 1** - comments as per Maintained Infant 2

**Trust 1 (3 schools)** - N/A

**Maintained Secondary 1** - as above

**Maintained Primary 2** - The schools block MUST NOT be used to fund the high needs block. Mainstream schools are under too much strain, which will only increase over the next few years. Central government and members need to realise that and not think they can take more money from mainstream to fund high needs.

**Maintained Junior 2** - made three separate points:

1. We do not agree with using the Schools Block as a source of additional funding for the High Needs Block. Mainstream schools are already under financial pressure on their budgets and if the High Needs Block is no adequate the Local Authority should be seeking additional funding from the government. Whilst we recognise that the costs of provision for pupils with SEND and complex needs is increasing, the way to approach this is to secure additional funding and not divert it from the other pupils in mainstream education.
2. We not that the proposal is to divert funding from the schools block to the High Needs Block via the Minimum Funding Guarantee because 'As the current funding formula for mainstream schools is either the national fair funding rates (Secondary) or moving towards the National Fair Funding rates (Primary), the only factor that offers any scope to reduce funding via the Schools Block is the minimum funding guarantee (MFG)' Our understanding is that the MFG is intended as a protection for schools

against significant year-on-year changes in pupil-led funding, not as a vehicle to divert funding from the Schools Block.

3. 46 out of 49 Portsmouth Primary schools are expected to receive a reduction in their funding (total allocation before MFG or CAP) as a result of the implementation of the National Fair Funding rates.

**Maintained Infant 2** - If either of these options is to be implemented almost every school in Portsmouth will see a decrease in their budgets, which is unacceptable, at a time when all of our budgets are under increasing strain. Whilst we understand that the number, complexity and cost of pupils with SEND is increasing, we feel that to take funding from the schools block, impacting on the education of children is not the solution.

**Maintained Infant 3** - It is not appropriate for any funding from the School's Block to be transferred to the High Needs Block. The Local Authority will need to seek additional funding from the government. We should not be disadvantaging other pupils by diverting funds from schools into the High Needs Block.

**Maintained Junior 3** - Whilst I accept that the High needs block requires more money – if we take it from mainstream schools there will be a further detrimental effect on the pupils in those schools

**Maintained Infant 4** - Please add any further comments

1. We do not agree with using the Schools Block as a source of additional funding for the High Needs Block. Mainstream schools are already under financial pressure on their budgets and if the High Needs Block is not adequate the Local Authority should be seeking additional finance from the government. Whilst we recognise that the costs of provision for pupils with SEND and complex needs is increasing, the way to approach this is to secure additional funding and not to divert it from the other pupils in mainstream education. PCC say that they are proud that they are one of the few authorities not setting a deficit budget for SEND, but by taking money away from schools in this way you will be putting many schools in this difficult position.
2. We note that the proposal is to divert funding from the Schools Block to the High Needs Block via the Minimum Funding Guarantee because 'As the current funding formula for mainstream schools is either at the national fair funding rates (Secondary) or moving towards the National Fair Funding rates (Primary), the only factor that offers any scope to reduce funding via the Schools Block is the minimum funding guarantee (MFG).' Our understanding is that the MFG is intended as a protection for schools against significant year-on-year changes in pupil-led funding, not as a vehicle to divert funding from the Schools Block.
3. 46 out of 49 Portsmouth primary schools are expected to receive a reduction in their funding (total allocation before MFL, MFG or CAP) as a result of the implementation of the National Fair Funding Rates.

**Trust 2 (3 Schools)** - We appreciate the principles of this from a moral and ethical perspective, and recognise it could benefit some pupils within our Trust, but it is also important to note that a cumulative decrease to our per pupil rates based on the options available being implemented together could quickly result in each of our schools receiving funding below the NFF. This could have a detrimental impact on our own ability to deliver our provision of services to pupils versus the many schools in the city who will exceed the current NFF rates.

**Trust 3 (2 Schools) -** Need to support the mainstream placements.  
**Maintained Infant 5 -**

1. We do not agree with using the Schools Block as a source of additional funding for the High Needs Block. Mainstream schools are already under financial pressure on their budgets and if the High Needs Block is not adequate the Local Authority should be seeking additional finance from the government. Whilst we recognise that the costs of provision for pupils with SEND and complex needs is increasing, the way to approach this is to secure additional funding and not to divert it from the other pupils in mainstream education.
2. Our understanding is that the MFG is intended as a protection for schools against significant year-on-year changes in pupil-led funding, not as a vehicle to divert funding from the Schools Block.
3. 46 out of 49 Portsmouth primary schools are expected to receive a reduction in their funding (total allocation before MFL, MFG or CAP) as a result of the implementation of the National Fair Funding Rates.

**Maintained Primary 3 -**

1. 2a I am likely to lose approx. £7,000 but without being able to compare to my loss if 2b I cannot state yes or no.
2. 2b I would lose just over £4,000 but this is likely to be a double reduction from schools budgets. Banding and MFG. I would need to know the banding implications on budget before I could agree.

Questions 2 – 7 all take money from MFG. If the highest amount were to be taken from for each of these aspects we could end up with over £100 less per pupil! This means tens of thousands reduction in school budget.

We have to consider other areas impacting too of which staffing is high, more SEND in schools, plus increase of 2.75% pay rise, pensions contributions increased by approx. 7%. Although support this year we cannot rely on it in future.

**Trust 4 (8 Schools) -** If any of the options has to be implemented this has the lowest impact, however see overall comment.

**Academy Secondary 2-** A banded system is a much fairer way of funding mainstream EHCPs

**Independent Specialist Provision Section 3.5**

3	Do you to support the provision of education to pupils with highly complex needs at independent specialist provision through using a minus -0.30% MFG adjustment at a cost of £11.30 per pupil to transfer £284,100 of funding from the Schools Block to the High Needs Block. Option 2 in Table 19 and Table B.	Y=2	N=23
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Please add any further comments

**Maintained Primary 1 -** see comments under 2.

Trust 1 (3 Schools) - N/A

**Maintained Secondary 1 -** Out of City placements are a 'live' and ongoing cost. Obviously we need to consider the value that these provisions provide and see what can be brought back.

**Maintained Primary 2** - The schools block MUST NOT be used to fund the high needs block. Mainstream schools are under too much strain, which will only increase over the next few years. Central government and members need to realise that and not think they can take more money from mainstream to fund high needs.

**Maintained Junior 2** - see comments under 2

**Academy Secondary 1** - I do not understand why this is required & I believe it is ...

**Maintained Infant 3** - It is not appropriate for any funding from the School's Block to be transferred to the High Needs Block. The Local Authority will need to seek additional funding from the government. We should not be disadvantaging other pupils by diverting funds from schools into the High Needs Block.

**Maintained Junior 3** - I'm not sure that we can continue to fund these provisions from MFG

**Maintained Infant 4** - See comments under 2.

**Trust 2 (3 Schools)** - The principle of this we can support but as mentioned earlier, the cumulative impact of so many cuts to our own budget would quickly begin to impact on our delivery of provision to all of our pupils.

**Trust 3 (2 Schools)** - We must find effective ways of educating these complex + vulnerable youngsters within the city.

**Maintained Infant 5** - See comments under 2.

**Maintained Primary 3** - Schools are providing education to more children with complex needs and thus are drawing on their own reserves. The pot does not stretch.

**Academy Secondary 2** - We should keep Portsmouth children in Portsmouth and fund the provision we need in the City

**Special Schools - Element 3 Top-up - Section 3.6**

4	Do you support the transfer of £694,700 from the Schools Block to the High Needs Block through the use of a minus -0.75% MFG adjustment at a cost of approximately £27.76 per pupil? To fund the additional Element 3 Top-up costs due to the increased numbers and needs of pupils in special schools. Option 3 in Table 19 and on Table B.	Y=4	N=24
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Please add any further comments

**Maintained Primary 1** - see comments under 2.

**Trust 1 (3 Schools)** - Agree - the High Needs Block has significant constraints on its budget and a move would help with the increased complexity of care required.

**Maintained Secondary 1** - Another area of growth, and another to ensure we are funding sustainably.

**Maintained Primary 2** - The schools block MUST NOT be used to fund the high needs block. Mainstream schools are under too much strain, which will only increase over the next few years. Central government and members need to realise that and not think they can take more money from mainstream to fund high needs.

**Maintained Junior 2** - see comments under 2

**Maintained Infant 7** - It is not appropriate for any funding from the School's Block to be transferred to the High Needs Block. The Local Authority will need to seek additional funding from the government. We should not be disadvantaging other pupils by diverting funds from schools into the High Needs Block.

**Maintained Junior 3** - This is a huge cost implication which my school cannot afford

**Maintained Infant 4** - See comments under 2.

**Trust 2 (3 Schools)** - The principle of this we can support but as mentioned earlier, the cumulative impact of so many cuts to our own budget would quickly begin to impact on our delivery of provision to all of our pupils.

**Trust 3 (2 Schools)** - We must move towards a vision of more supported placements in mainstream schools.

**Maintained Infant 5** - See comments under 2.

**Maintained Primary 3** - Again this seems it is a double reduction – the high needs block is not covering EHCPs but we are being asked to give even more to specialist providers!"

**Academy Secondary 2** - We must fund mainstream students education properly and not take vital money from them.

**Solent Academies Trust - Element 3 Top-up - Section 3.7**

5	Do you support the introduction of single banding funding rates which reflect the level of need of the child rather than the location of the child across the special schools within the Solent Academies Trust? By either :		
	<ul style="list-style-type: none"> <li>Using a weighted based on the current top-up values and at no extra cost to the authority. (Section 3.7.4 b) Or:</li> </ul>	Y=19	N=12
	<ul style="list-style-type: none"> <li>Increasing the funding to the Trust by developing a new banded system based on the current costs of the Trust. By transferring £335,300 from the Schools Block to the High Needs Block through the use of the minus - 0.35% MFG at a cost of approximately £13.18 per pupil. Option 4c in Table 19 and on Table B. Or:</li> </ul>	Y=3	N=25
	<ul style="list-style-type: none"> <li>Increasing the funding to the Trust by developing a new banded system based on the Mary Rose Academy rates. By transferring £594,800 from the Schools Block to the High Needs Block through the use of the minus - 0.63% MFG at a cost of approximately £23.48 per pupil. Option 4d in Table 19 and on Table B.</li> </ul>	Y=3	N=25

Please add any further comments

**Maintained Infant 1** - see comments under 2

**Maintained Primary 1** - see comments under 2.

**Trust 1 (3 Schools)** raised 5 points:

1. We agree that a new banding system is put in place for all our academies so it is funded on need and not location.



2. Year on year the complexity of new students attending the academies becomes more significant, and the resources that are required to allow to access their education are not taken into consideration.
3. We have submitted budgets and case studies showing the costings required to fulfil our statutory obligations for the students and an additional £594,800 is required.
4. We have undergone a review commissioned by the ESFA who have validated that the academies financial situation is based on the funding deficit for our most vulnerable and complex students and is not due to the need for a full restructure.
5. The need, health and safety and educational needs of our students is paramount to our request for additional funding to be granted.

**Maintained Secondary 1** - whilst in principle this is an area must consider supporting, I would appreciate a more detailed understanding of the financial situation within SAT.

**Maintained Infant 2** - See previous comments

**Academy Secondary 1** - Solent Academies Trust continually petitions for increased funding, revenue + capital. We have outstanding provision in this area in the city & it is my opinion that a compromise to reflect the reduced funding available in education is necessary in special schools as well as mainstream school.

**Maintained Infant 3** - It is not appropriate for any funding from the School's Block to be transferred to the High Needs Block. The Local Authority will need to seek additional funding from the government. We should not be disadvantaging other pupils by diverting funds from schools into the High Needs Block.

**Maintained Junior 3** - The majority of mainstream schools are restructuring due to falling relative funding despite the increasing provision required for SEND pupils. We can no longer use our funding to support the needs of pupils at the trust without jeopardising the quality of education at our own schools.

**Maintained Infant 4** - See comments under 2.

**Trust 2 (3 Schools)** - The principle of this we can support but as mentioned earlier, the cumulative impact of so many cuts to our own budget would quickly begin to impact on our delivery of provision to all of our pupils.

- However, we do not have a detailed understanding of the exact circumstances of each of these schools.
- Are their funding issues genuine or perceived?
- Can their schools become more efficient?
- Have they had for example an SRMA visit from a SEN specialist, and if so what were the headline outcomes?
- Are there efficiencies to be made?
- or do they have a genuine unavoidable funding crisis which needs our support from all schools in Portsmouth?

These comments are not intended to be critical or judgemental of the circumstances, but simply to ask questions.

**Trust 3 (2 Schools)** - Need to see evidence of cost of special school places from other authorities.

**Maintained Infant 5** - See comments under 2.

**Maintained Primary 3** - This again seems to imply schools are funding an academy.

Harbour Schools had to restructure in order to meet their budget demands, This should be considered for Solent Trust too.			
<b>Special Schools - Place funding - Section 3.8</b>			
6	Do you support the transfer of £81,600 from the Schools Block to the High Needs Block through the use of a minus -0.09% MFG at a cost of approximately £3.39 per pupil? Option 5 in Table 19 and Table B.	Y=6	N=18
<p>Please add any further comments</p> <p><b>Maintained Primary 1</b> - see comments under 2. Trust 1 (3 Schools) - N/A</p> <p><b>Maintained Secondary 1</b> - another live and ongoing issue.</p> <p><b>Maintained Primary 2</b> - The schools block MUST NOT be used to fund the high needs block. Mainstream schools are under too much strain, which will only increase over the next few years. Central government and members need to realise that and not think they can take more money from mainstream to fund high needs.</p> <p><b>Maintained Junior 2</b> - see comments under 2</p> <p><b>Maintained Infant 3</b> - It is not appropriate for any funding from the School's Block to be transferred to the High Needs Block. The Local Authority will need to seek additional funding from the government. We should not be disadvantaging other pupils by diverting funds from schools into the High Needs Block.</p> <p><b>Maintained Infant 4</b> - See comments under 2.</p> <p><b>Trust 2 (3 Schools)</b> - The principle of this we can support but as mentioned earlier, the cumulative impact of so many cuts to our own budget would quickly begin to impact on our delivery of provision to all of our pupils.</p> <p><b>Trust 3 (2 Schools)</b> - See previous answers.</p> <p><b>Maintained Infant 5</b> - See comments under 2.</p> <p><b>Maintained Primary 3</b> - If this funding is to support the new special free school and is only for one year I would agree. But if it was continued beyond 2020-21 I would disagree.</p> <p>Where does the new funding announced by the government go – is to the high needs block. We don't know amounts or implications so many of these questions could be being asked too early and as such given the wrong response.</p>			
<b>Post 16 Colleges - Section 3.9</b>			
7	Do you support the transfer of £152,600 from the Schools Block to the High Needs Block through the use of a minus -0.16% MFG at a cost of approximately £6.02 per pupil? Option 6 in Table 19 and Table B.	Y=3	N=25
<p>Please add any further comments</p> <p><b>Maintained Infant 1</b> - See comments under 2.</p> <p><b>Maintained Primary 1</b> - see comments under 2.</p> <p><b>Trust 1 (3 Schools)</b> - N/A</p> <p><b>Maintained Primary 2</b> - The schools block MUST NOT be used to fund the high needs block. Mainstream schools are under too much strain, which will only</p>			

increase over the next few years. Central government and members need to realise that and not think they can take more money from mainstream to fund high needs.

**Maintained Secondary 1** - Post 16 providers have seen some of the biggest cuts.

**Maintained Junior 2** - see comments under 2

**Maintained Infant 2** - See previous comments. There simply is not enough money being provided by Central Government for children and young adults with SEND. We need to continue to send that clear message that we will be unable to support this vulnerable group without significant additional funding. Diverting money from our mainstream pupils is not the answer.

**Maintained Infant 3** - It is not appropriate for any funding from the School's Block to be transferred to the High Needs Block. The Local Authority will need to seek additional funding from the government. We should not be disadvantaging other pupils by diverting funds from schools into the High Needs Block.

**Maintained Junior 3** - This is simply based on the lack of affordability to schools

**Maintained Infant 4** - See comments under 2.

**Trust 2 (3 Schools)** - The principle of this we can support but as mentioned earlier, the cumulative impact of so many cuts to our own budget would quickly begin to impact on our delivery of provision to all of our pupils.

**Trust 3 (2 Schools)** - Supported as a one-off "growth" area.

**Maintained Infant 5** - See comments under 2.

**Maintained Primary 3** - Post 16 funding should be used.

#### Transfer from the Early Years Block - Section 3.11

8	Do you support the transfer of £58,500 from the early years block to the High Needs Block through the reduction of the centrally retained funding as set out in Tables 11 and 12?	Y=18	N=8
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Please add any further comments

**Trust 1 (3 Schools)** - we have an increased number of students that has been commissioned for early years and this would help??

**Maintained Secondary 2** - cost neutral.

**Trust 2 (3 Schools)** - The principle of this we can support but as mentioned earlier, the cumulative impact of so many cuts to our own budget would quickly begin to impact on our delivery of provision to all of our pupils.

**Maintained Primary 3** - There was no explanation on why the LA has held on to 0.22 per pupil funding.

If it is just sitting in an account then I agree.

However, if EY team have needs for this funding but it hasn't been made transparent here I disagree."

<b>Schools Block proposals</b>			
<b>Growth funding - Secondary Schools - Section 4</b>			
9	Which of the following proposals relating to changes to the Secondary lump sum payment of the growth fund do you support? Please rank in order of preference with 1 being your preferred choice and 4 being your least preferred choice.		
		Average score	
		Priority	
	1. Do nothing, maintain current funding rate of £79,800 lump sum (section 4.2.2 1). Or:	2.00	1
	2. Use the basic per pupil entitlement to increase the lump sum to £115,900 and fund by using a minus -0.15% MFG at a cost of £5.65 per pupil (section 4.2.2 2). Or:	2.45	3
	3. Use an average per pupil rate to provide a secondary lump sum of £153,900 and fund by using a minus -0.34% MFG at a cost of £12.80 per pupil (section 4.2.2 3). Or:	2.73	4
	4. Increase the lump sum to £84,000, which remains within the affordability of the budget (section 4.2.2 4).	2.18	2
<p>Please add any further comments</p> <p><b>Academy Secondary 1</b> - I note that this consultation does not highlight the hugely disproportionate impact on academies of local authority agreed growth using the current methodology. Children should not be disadvantaged as a result of school governance by any local authority decisions regarding financial allocation. It is my opinion that the local authority should fully fund the basic needs for places within the city &amp; not take advantage of the funding mechanisms to divert this funding elsewhere. The previous underspends on growth fund allocation could have been used to carry forward against this potential increase above. I am disappointed by the manner in which this has been presented at consultation &amp; with the limited explanations within the consultation document.</p> <p><b>Maintained Junior 3</b> - The growth fund has been adjusted for secondary schools already. I don't see the need to adjust this again. Primary schools who have been through the growth fund also had concerns about short-term costs not being sufficient but soaked these costs up.</p> <p><b>Trust 2 (3 Schools)</b> - For us, this would be of benefit with the gains outweighing the cost from a selfish perspective. However it might also be important to consider reviewing rates on an annual basis moving forward based on government funding levels.</p> <p><b>Trust 3 (2 Schools)</b> - Asking schools to increase numbers to solve a Portsmouth places issue and then lagging the appropriate funding for a whole year (in the case of academies) is just plain wrong. Option 3 is the fairest way of ensuring that the money reaches the schools where the students actually are!</p> <p><b>Trust 4 (8 Schools)</b> - Overall comment – Although we recognise the need to fund high needs provision, and therefore have provided a response to the priorities for</p>			

additional funding if this is received, we are unable to support a reduction in mainstream funding to fund high needs because of the impact on already overstretched school budgets."

**Academy secondary 2** - As a school rapidly growing in student numbers, number 3 is the fairest option for fairly funding these places so we can provide the best education for our students. If we are being asked to take on extra students then we should be allocated the right amount of money to educate them properly.

<b>Prioritisation of additional funding</b>		
<p>To help us focus the additional funding on those areas which reflect the priorities of the Schools in the City please put a number against each of the options below, with 1 being the most important and where the additional funding should be used first and 13 being the least important.</p>		
Options	Average score	Priority
Pupils at Mainstreams schools with EHCP - no banding	4.64	3
Pupils at Mainstreams schools with EHCP - with banding	2.50	1
Pupils in specialist independent provision (Out of City)	6.78	8
Special schools Element 3 Top-up (increased numbers and complexity)	8.10	10
Solent Academies Trust - Trust wide banding rates to reflect the needs of the child rather than the location - based on current banding rates	6.89	9
Solent Academies Trust - Trust wide banding rates to reflect the needs of the child rather than the location - based on increased banding rates	10.10	12
Solent Academies Trust - Trust wide banding rates to reflect the needs of the child rather than the location - based on Mary Rose banding rates	11.80	13
Additional special school places	4.45	2
Post 16 colleges additional places and associated Element 3 top-up	9.30	11
Early years complex needs inclusion fund	5.70	4
Growth funding - Secondary unit rate of £115,900 (funded by any increase in the school block)	5.70	4
Growth funding - Secondary unit rate of £153,900 (funded by any increase in the school block)	6.20	6
Growth funding - Secondary unit rate of £84,000 (funded by any increase in the school block)	6.44	7

**Appendix 3**

**2020-21 Indicative budget share using 2020-21 indicative NFF and 1.84% minimum funding guarantee per pupil**





## Appendix 4:

### **Suggestions identified at School Funding 2020-21 briefings (22 October 2019 and 23 October 2019)**

1. Keep talking to Head-teachers about the issues - at Heads briefings
2. Look at support and provision without an EHCP
3. The current fragmented system puts additional requirements to support pupils through the transition between school phases e.g. infant to junior, junior to secondary. By looking at structural changes and all through schools there will be more consistency for pupils, earlier intervention to resolve issues and enable schools to be more flexible with their funding.
4. Incentivise Head teachers to be inclusive by offering funding to keep pupils in mainstream school. Whilst the authority has a number of Inclusion Centres, most schools probably run their own internal inclusion centre to support pupils with SEND.
5. Look at doing work with children before they get to school so that they are ready to learn. Alison Jeffery informed the group of Enhanced Child Health Offer (ECHO) for 0-5 year olds. Which looks to target support for good parenting, health visitors and mental health support to the most vulnerable children.
6. Review the projects being considered by other local authorities, e.g.:
  - Planning to bring pupils in out of City Independent Provision back into the City at change in Educational phases.
  - Increasing the capacity in the SEND team so they are able to attend annual reviews that are held in schools and put in more challenge in terms of the continuation of the EHCP and / or level of support
7. Request for more head teachers to support the SEN Inclusion Support Panel to ensure effective and appropriate Education Health and Care Plans
8. As the primary population drops in the city look at the long term use of primary buildings to support initiatives
9. Schools Forum can sit in isolation, look at having a regular session at Heads' briefings (Primary and Secondary) to communicate the current position and ask for input to future decisions

As part of future consultations either bring to heads' briefings or if timing doesn't allow for attendance at heads' briefings, put in separate briefings as part of consultation process

**Appendix 5 - Portsmouth Rates to National Funding Rates Comparison Table 2019/20 to 2020/21**

Funding Factors	Payable for:	Unit rate 2019/20*		Unit Rate 2020/21	
		Primary £	Secondary £	Primary £	Secondary £
<b>Basic Entitlement</b>					
Number on Roll (NOR)	Primary including reception	2,782		2,857	
NOR Key Stage 3	Key stage 3 pupils		3,863		4,018
NOR Key Stage 4	Key stage 4 pupils		4,386		4,561
<b>Deprivation</b>					
Free School Meals	Free School Meals (FSM)	440	440	450	450
Free School Meals Ever 6	Free School Meals Ever 6	540	785	560	815
IDACI F	Pupils with an IDACI score 0.20 to 0.25	200	290	210	300
IDACI E	Pupils with an IDACI score 0.25 to 0.30	240	390	250	405
IDACI D	Pupils with an IDACI score 0.30 to 0.35	390	515	375	535
IDACI C	Pupils with an IDACI score 0.35 to 0.40	560	560	405	580
IDACI B	Pupils with an IDACI score 0.40 to 0.50	715	600	435	625
IDACI A	Pupils with an IDACI score 0.50 to 1.0	950	810	600	840
<b>Prior attainment</b>					
Primary	Primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP)	1,050		1,065	
Secondary	Pupils not achieving the expected standard in Key Stage 2at either reading, writing or Maths		1,550		1,610
<b>English as an additional Language</b>	EAL eligible pupils who started school within the last 3 years	515	1,385	535	1,440
<b>Lump Sum</b>	Flat rate per school	110,000	110,000	114,400	114,400

\*Note: the 2019/20 primary rates represent the values for Portsmouth schools.