

Papers for Schools Forum meeting 10 January 2023
Item

minimum funding guarantee. That guarantee will continue to operate in 2023/24 and means that special schools (only) must receive an increase in average per pupil funding (place and top up) of at least 3% compared to 2021/22 if the number and needs of pupils remain the same, i.e. there are two separate inflation mechanisms operating in 2023/24. In 2022/23 Surrey provided an inflation uplift of 2.5% for special schools, so on average Surrey would now need to increase funding rates for Special Schools by 0.5% in order to deliver the minimum funding guarantee.

Officers are working through the mechanism for establishing the average per pupil funding in light of the Special School Banding which was introduced in 2022/23. We propose to share details with the Special Schools Heads working group with the aim of communicating the details more widely by 31 January 2023.

minimum funding guarantee in respect of specific schools where it would create significant anomalies, but no decisions have yet been taken on that.

An update on high needs costs and placements is provided at Annex A.

Early years block

Early years block funding rates for 2023/24

ANNEX A High needs block Finance update

Finance data year on year

The key growth assumptions underpinning the 2022/23 model in year 2022/23 is EHCP growth of 9.1% and inflation contained to within 2%. Within that same model, the 23/24 growth assumptions range between 5.4% and 14.6% (where applied) with inflation contained within 2%.

These assumptions were established at the beginning of 2022, before the cost of living crisis and much higher inflation materialised. Officers are now working on revised growth and inflation forecasts. Modelling to date indicates that revised assumptions will be contained within the overall additional funding arising from the December 22 settlement. I.e. costs will be contained to stay within the original planned 2023/24 deficit of £42m although the details of how that is broken down by spend type are still being finalised.

Table 1 provides a year on year data of actual and planned expenditure, comparing 21/22 Outturn, 22/23 current forecast and 23/24 budget assumptions at February 2022.

Table 1 - three year expenditure comparison by spend type

Spend type	21/22 outturn £
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Chart 1 - three year expenditure comparison by spend type

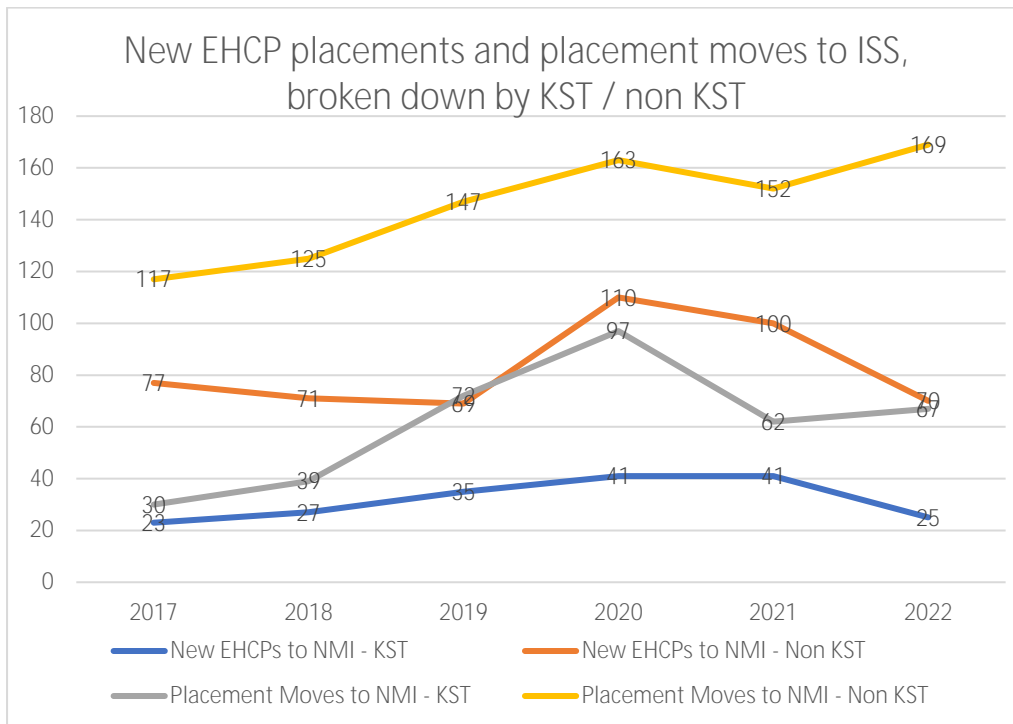
Capital Programme

SCC has a legal duty to manage its state-maintained specialist education estate effectively. Increased demand for specialist school places over the past 5 years has created a sustained reliance on high cost independent school places to ensure all Surrey resident pupils who require a specialist school or SEN Unit placement are able to access a suitable full-time education.

SCC's state-maintained specialist education estate has approximately 4,000 places with around 97% occupancy. Some existing specialist

There has been a decrease in KST and Non KST placements to Independent Special Schools since 2020, while KST placement movement to Independent Special Schools has also seen a reverse in trend since 2020 (Chart 3)

Chart 3 New EHCP placements and placement moves to Independent Special Schools, broken down by KST/Non KST



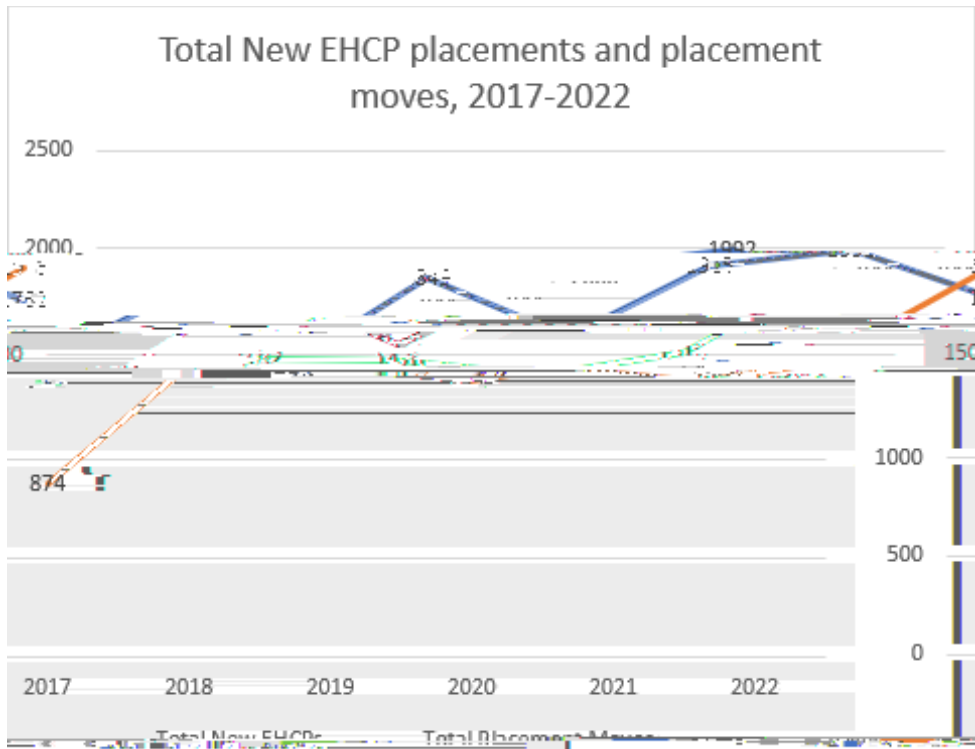
Total numbers of Independent Special Schools placements made annually increased overall from 2017-2020, however after the peak of 2020 annual numbers have fallen to just above 2019 levels (chart 3).

Numbers of new EHCPs being placed in Independent Special Schools has seen a decrease since 2020, with annual numbers falling below that of 2018. Placement movement into Independent Special Schools however has seen less of a decrease and current numbers have risen to roughly 100 more placements per year than in 2017 (chart 4).

Chart 4 Independent Special School Placements made 2017 2022

The overall percentage of Independent Special School placements from total new placements made (new EHCPs and placement moves) saw a peak in 2020 but has since decreased, with th

Chart 6 Total new EHCP placements and placement moves



Item 6
Surrey Schools Forum
10 January 2023
For approval
Lead officer: David Green

Growing schools funding criteria and budget proposals 2023/24

Summary

This paper provides an update on the growing schools fund budget for 2022/23 and proposes a growing schools budget and some changes to criteria for 2023/24.

Background

At its previous meeting, the Forum agreed criteria for use of the growth fund for 2023/24. Since then, on 16 December 2022, the DfE confirmed a growth fund allocation for 2023/24 at £5.934m, an increase of £1.039m on 2022/23. The DfE growth fund allocation is based on increases in pupil numbers in small areas between Oct 2021 and Oct 2022, ie it is a lagged indicator. Furthermore, it is based on the number of additional places required to fund the part year cost of an additional pupil is lower than that required to fund the part year cost of an additional place. So whether it is underspent or overspent depends in part on the proportion of pupil growth which requires new places, not just on the overall level of growth.

Estimated 2022/23 outturn and initial 2023/24 projections for growth fund requirements in Surrey are shown below:

Table: Growing schools budgets 2021/22-2023/24	2021/22 outturn	2022/23 Est Jan 2022	2022/23 Latest estimate	2023/24 Initial estimate
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Item 7

Surrey Schools Forum

10 January 2023

For discussion and support

Lead officer: David Green

Proposals for mainstream schools funding formula: update 2023/24, including update on disapplication requests

Summary

The funding rates proposed for the mainstream schools funding formula for 2023/24 now require updating to ensure that they are affordable within the available DSG. In particular, the incidence of additional needs (particularly EAL and low prior attainment) has increased between 2022/23 and 2023/24, and an increase in business rates costs is expected following the 2023 revaluation. This paper sets out proposals for managing these costs. The proposal assumes that the Secretary of State will approve the requested transfer of 1% of schools block to high needs block (yet to be confirmed). An update on disapplication requests is included as annex B.

Background

On 20 December 2022, DfE issued the pupil dataset on which the 2023/24 mainstream schools funding formula must be based. The formula funding rates agreed by Cabinet now require updating in order that they are affordable within the available funding. In particular, the DfE funding depends on the level of additional need in Oct

	Cabinet	Maintain Oct units of resource	Reduced units of resource
Primary Schools on MFG alone	n/a	52	58
Primary Schools on ceiling	n/a	104	79
Primary Schools on MPPL alone	n/a	38	38
Primary Schools on MPPL and MFG	n/a		

That the Forum decides which of the two illustrated funding scenarios to support (maintain Oct units of resource/reduce units of resource to allow a higher ceiling). (school/academy/early years reps only to vote)

That the Forum supports the proposed minimum funding guarantee disapplication request in Annex B.

That the Forum notes the outcomes of the other disapplication requests, and related actions to be taken by the LA.

Notes: further minor changes may be needed to maintain affordability as formula data is refined over the next few weeks.

While the general increase in NFF units of resource was 2.4% (and hence a 1.52% reduction meant a residual increase of 0.88%) there was some variation in the increases applied to different factors, so that the increase in individual factors in Surrey will differ from 0.88%

Schools should not rely on this paper for the purpose of budget planning, as the proposals for funding rates and ceiling are not final.

Annex A
Illustrative impact of the ceiling on gains

The table shows the estimated

Annex B

Proposed disapplication request to vary minimum funding guarantee baseline to exclude former recycled school specific contingency allocations

Summary

The Forum is asked to support a disapplication request to DfE to exclude the 2022/23 recycled school specific contingency allocations to maintained primary schools from the 2022/23 minimum funding guarantee baseline. The impact of the proposal would be that the recycled contingency allocations received by maintained primary schools in 2022/23 would not be protected by minimum funding guarantee (or offset against ceiling deductions) in 2023/24, whereas if no further action is taken they would be protected.

Background

In 2022/23 (and several previous years) the council obtained approval for an %c&^} cā } aÁ&ç [+Á Á^ã dã~ cÁ} •] ^} Á |ã æ^ Á&@ [|Á] ^8ããÁ contingency to maintained primary schools. In summary:

The previous year-but-[} ^q/Á [} cā * ^} & Á } á^!•] ^} áÁ æ Áã dã~ cÁÁ Á maintained primary schools, and was treated as a minimum funding guarantee exception in the year in which it was delegated (i.e. schools received it whether or not they were in receipt of minimum funding guarantee, or after calculating any ceiling deduction)

The contingency underspend in the previous year was excluded from the minimum funding guarantee calculation (ie it was not protected by minimum funding guarantee). So both new and old allocations were outside minimum funding guarantee.

In 2023/24, following previous discouragement from the DfE, the LA is not proposing to recycle unspent contingency back to primary schools. Instead, the LA proposes to carry the underspend forward and not to de-delegate funding for this purpose in 2023/24. The net impact on most maintained primary schools would be similar to that of the previous arrangements, provided that the 2022/23 contingency recycling is not protectein1(a)-3(IFd(e)-3(,)-3(.))TJETQD.000008871 0 595.32 841.92 reW* n/

