

Meeting: Schools Forum

Date: 14th December 2017

Subject: School Funding Consultation

Report of: Director of Children's Services

Summary: To provide an overview of rational for the proposed movement of 0.5% of the Schools Block into the High Needs Block for 2018/19

Contact Officer: Sue Harrison

Public/Exempt: Public

Wards Affected: All

Function of: Council

RECOMMENDATIONS:

To review the feedback from the consultation with schools on the proposed funding arrangements for 2018/19 and agree to the movement of 0.5% of the Schools Block into the High Needs Block

1. Background

The council and Schools Forum have been consulting with schools, on changes to funding for 2018/19 which are focused on supporting our schools in moving towards the National Funding Formula (NFF). This has included the proposals for us to adopt more closely the 14 factors that make up the NFF with CBC suggesting the adoption of the broader deprivation funding factors, changes to LAC payments and adoption of the NFF lump sum of £110,000. In addition, given recent pressures in our high needs block and a number of strategic changes we are seeking to make, part of this consultation includes the proposal to move 0.5% of the Schools block into the High Needs Block for 2018/19.

In shaping the potential schools' budgets for 2018/19, the LA has modelled a number of different scenarios to show schools the impact they would have on individual and collective school budgets. The transfer of £817k to the High Needs Block would result in £22 reduction to AWPU to schools.

The principles suggested in moving schools towards the National Funding Formula were presented at the Schools Forum on 20th November. These principles have also been the subject of consultation with schools which is due to close on 8th December, the results of which will be discussed at the additional Forum meeting of 14th December, with a view to agreeing the funding formula for schools for the financial year 2018/19.

The adoption of the proposed additional factors, particularly the significant increase in deprivation funding based on the NFF (from 2.8% to 5%) broadly results in those schools who have secondary age children seeing an increase in their budgets given the larger total number of children eligible for the deprivation factors on their rolls. Conversely a number of smaller schools see small reductions in their overall budgets.

Following discussions at the Schools Forum on 20th November, the LA produced a further set of models including one based on a 0% Minimum Funding Guarantee (MFG) as opposed to the -1.5% MFG in the proposal above to ensure no school loses funding based on current year figures and census data.

2. Local Demand and pressure on the High Needs Block

As a local area, we have seen rises in the numbers of children requiring both SEN support and the use of Alternative Provision over the last 3 years. This has included a 26% increase in the number of pupils on roll at special schools in Central Bedfordshire over the last 3 years – a growth of 123 pupils, as well as an increase in primary and secondary exclusions and numbers of children at our local alternative provision. Inevitably such growth has led to increased pressure on our High Needs Block which required the use of unspent funds from the Early Years block in 2016/17 to balance the overall budget. It is our intention to utilise a proportion of our unspent growth fund for 2017/18 for our predicted overspend in the High Needs Block for this financial year.

Part of this demand has related to additional children entering post 16 provision which increased contributions from the HNB into local colleges which weren't covered by last year's EFSA post 16 return. As a result, we have completed more detailed analysis of post 16 pupil numbers for 2018/19 to increase the accuracy of EFSA submissions.

However, the biggest pressure has been on the increase in numbers of pupils at local special schools and our alternative provision as well as the associated recoupment charges that the High Needs Block faces. This has led to pressures of approximately £750,000 on the HNB for 2017/18 which without further actions will continue to put pressure on this budget for 2018/19.

3. Future Mitigations underway to support a balanced HNB Budget

Much of our current local HNB budget is focused on support for children once they have an EHCP and the associated provision and services around this. Traditionally local spend has also been more provision rather than needs led.

As a result, the LA is working with local special and mainstream schools to seek to both change our local banding to create more consistency and needs led focus, as well as considering the need for greater investment in earlier support for mainstream schools (and children) to better identify children with additional needs and support them in progressing in mainstream schools wherever possible.

A series of actions are underway to seek to bring greater sustainability to the HNB in the future. These include: -

- a) The creation of a draft set of revised bandings, completed through detailed analysis of local cases, which is being reviewed in partnership with our special schools in December. Our expectation is to roll this out in 2018 which will help support better alignment to needs and a more balanced financial envelope. As part of our banding review, CBC will also be reviewing our other 'unit' provision attached to mainstream schools to review quality and outcomes for children and ascertain whether particularly inclusive local schools could support more children either onsite or through greater outreach in the future.
- b) Our HNB also funds a number of commissions which support children with additional needs. We are seeking to align contract end dates for these commissions and engage innovatively with providers to seek to consider whether we can re-commission differently to both provide earlier support to children to help prevent some of their needs escalating, as well as supporting as many children as possible in mainstream schools.
- c) CBC is also completing reviews of our primary and secondary alternative provision which has grown in numbers over the last few years. This review is seeking to ensure our provision is providing the best possible outcomes for children, identifying those who need support earlier and supporting children in returning to mainstream schools wherever possible. Dialogue around our AP continues with our schools and we have requested the ability to update place numbers for our AP in January.

These returns will help us confirm the full detail of anticipated spend for the HNB next year which are currently being finalised, but initial projections demonstrate a likely continuation of pressure in 2018/19 until the strategic changes described above are fully implemented.

We continue to work closely with local schools, health and social care colleagues as well as neighbouring authorities. Our work with health and social care partners has resulted in 33% of our out of area placements receiving either joint or tripartite funding from health and/or social care. Our wider review of provision is also taking place with colleagues in neighbouring authorities with a view to mapping out both growth in overall numbers of children with SEND but also locations of provision within and outside of our borders.

4. Proposed transfer

The proposal to transfer 0.5% into the HNB is predicated on using some of this funding to provide earlier support to mainstream schools in the identification and response to children with additional needs. Given the growth in the number of children requiring additional support locally, if there is no investment in earlier identification, prevention and support the forecast rise in pupil numbers will only lead to additional continued pressure on higher cost provision and associated support as they work themselves through the system.

As well as the actions already underway, a step change is required to act as a catalyst for this change. This is particularly the case for 2018/19 as it will take some time for the work described to be completed to a standard that is effective, provides strong outcomes and value for money as well as supporting the sustainability of existing support wherever possible.

We anticipate that this transfer next year along with the key actions described above will ensure the budget is sustainable in future years.