

Sefton Schools Forum Report

Date of Meeting:	19 November 2018
Title of Report:	Request to Schools Forum to increase the level of support from Schools Block towards High Needs budget pressures in 2019/20.
Presenting Officer:	Kevin McBlain/Mike McSorley
Reason for Submission to Forum:	(1) ITEM FOR APPROVAL (4) ITEM FOR INFORMATION
Executive Summary:	<p>The Local Authority has consulted all schools over the significant demand pressures / overspend on the High Needs Budgets and has asked schools to increase the School Block contribution to support High Needs further in 2019/20. The outcome of this consultation will be discussed with members of Schools Forum.</p> <p>The Local Authority is requesting approval from the Schools Forum to increase the level of support (over that already agreed at £0.450m), up to the maximum amount on the DfE's guidance (0.5% of the Schools Block funding allocation) £0.796m.</p>
Budget/Risk Implications:	None
Recommendations:	<ul style="list-style-type: none"> • Forum is asked to note the consultation paper shared with Headteachers and discussed at a special meeting on 5 November 2018. • Forum is asked to agree, by a vote of those eligible, to increase the 2019/20 Schools Block contribution towards ongoing High Needs budget pressures from £0.450m (the level of support already agreed at Forum on 26 September 2018), up to a maximum of 0.5% of Schools Block funding £0.796m – Both Primary and Secondary phases to vote. • Note the intention of the Local Authority to make a disapplication to the Secretary of State, in the event Schools Forum do not agree to approve the increase in the Schools Block contribution towards the High Needs contribution from £450k to the maximum 0.5% of the Schools Block (£0.796m).

	<ul style="list-style-type: none"> Note further, that should a dis-application be necessary, and prove unsuccessful, the Local Authority will need to consider measures necessary to reduce the level of its High Needs resources available to Providers in 2019/20, in order to try to balance the books and avoid exceeding new DfE overspending limits of 1% of DSG funding imposed from 2018/19.
Appendices (to be attached)	Appendix 1 – Consultation paper on High Needs; Appendix 2 - a comparability spreadsheet of funding by school, between the Base 2018/19 funding and indicative funding models for 2019/20. Appendices 3 & 4 - Indicative DfE APT models of funding (Pro-Forma) for 2019/20, adopting the local formula funding (at £0.450k and £0.796m contributions respectively)
Background Papers (available on request)	DfE's Operational guide to Schools Funding 2019 to 2020 (Summer 2018)
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SCHOOLS' FORUM POWERS & RESPONSIBILITIES	
1	ITEMS FOR APPROVAL (DfE can adjudicate where Forum does not agree LA proposal)
2	ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but LA decides)
3	ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but DfE decides)
4	ITEMS FOR INFORMATION (No formal view of the Forum is sought)

High Needs budget pressures and the request for increased financial support from the Schools Block 2019/20

1. Background

- 1.1 At the last Schools Forum in September, Members received a report asking them to agree to an ongoing contribution of £0.450m from the Schools Block towards the High Needs budget pressures in 2019/20; and asking them to consider increasing this to the maximum 0.5% of Schools Block allocation (£0.796m). Members were given an analysis of the indicative formula funding effects on schools after both levels of contribution.
- 1.2 At a vote, Forum members agreed to accept a similar contribution of £0.450m next year but not to any additional contribution. Following this decision, the Head of Education Excellence called a consultation meeting with Headteachers to discuss the High Needs budget pressures and to ask them to consider supporting an increase to the contribution. The meeting was held on 5 November 2018 and was reasonably well attended.
- 1.3 DfE guidance dictates, that where Schools Forum disagree with the Local Authority in approving transfers of funding exceeding 0.5% percent of the Schools Block funding, the Local Authority need to request a Secretary of State determination, by making a formal Dis-application request, with reasons and evidence in support. This situation also applies where a Local Authority has made a request within the 0.5% tolerance level, and Schools Forum disagrees.
- 1.4 The purpose of this report is to update members of Forum on the consultation meeting with Headteachers and to request Schools Forum to reconsider increasing the contribution towards High Needs as indicated above in 2019/20, to the maximum 0.5% level.

2. The key issues

- 2.1 The key pressures facing High Needs are included in the consultation paper, which was sent to all schools prior to the consultation meeting, and is attached to this report at Appendix 1 and some general points from the consultation are included below:
 - Projected High Needs overspend by March 2019 is forecast at over £2.3m
 - There has been a 35% increase in the numbers of young people with Plans coming into the High Needs system since 2013:
 - Early Years Resourced Nursery Places and Inclusion support for Early Years children in Schools Nursery and Private Placements_- increase in spending since 2013/14 of over £0.255m, from £0.215m to just over £0.470m pa by 2018/19
 - Primary School top up costs and demands_- these have risen since 2013/14 from £1.501m to £3.061m, in 2018/19
 - Special School / Resources Unit Planned Places and top ups and extra demands on funding due to increasing numbers/ complexity of children's needs costs have

risen by 34% from £3.685m to £4.933m in 2018/19 (£1.248m). 38 new ASD places were created from 2014/15 unfunded by the DfE, leaving a long term funding shortfall which has been difficult to maintain within existing resources.

- Post 16 HN costs - when funding was originally given to LA s for High Needs, Sefton's element 3 Top Up for Post 16 places was already **£1.7m** below the levels of required top-up spending. Whilst resources have been managed carefully, the costs for Post 16 (16-18yo) have risen by £0.642m from 2013/14 to 2018/19 (£2.650m to £3.181m) and Post 16 (19-24yo) is forecast to overspend by £0.212m in 2018/19

2.2 The consultation was open to all Headteachers to attend and was reasonably well attended. The general feeling was that, whilst they all acknowledged the budget pressures across High Needs, they had real concerns about the level of pressures on their own schools' budgets, and some headteachers felt that they could not give up any more funding willingly. The Head of Education Excellence agreed to write to all schools to obtain some general feedback over the issue and to assist Schools Forum to arrive at a decision whether to agree to increase the Schools Block contribution from £450k to the maximum 0.5% of Schools Block allocation £796k; or not.

2.3 At the last Schools Forum in September, Members were given an analysis of the indicative funding effects on schools assuming the ongoing contribution of £0.450m and the indicative effects of increasing this contribution to the level of the maximum 0.5% of Schools Block funding. This paper is again provided in Appendix 2 along with the Indicative APT Pro Forma figures for both funding models at Appendix 3 and 4 respectively.

2.4 Following the consultation and the request of the Local Authority for schools to consider an increase to the contribution in support of the High Needs, Forum are now asked to reconsider the level of Schools Block support for an increase to the maximum 0.5% level (£0.796m); whilst the LA seeks to find ways of reducing costs to bring spending back to budget level; and whilst it awaits the recommendations of the High Needs review currently underway and due to report back in early 2019 with subsequent actions.

3 Recommendations

3.1 Forum is asked to note the consultation paper shared with Headteachers and discussed at a special meeting on 5 November 2018.

3.2 Forum is asked to agree, by a vote of those eligible, to increase the 2019/20 Schools Block contribution towards ongoing High Needs budget pressures from £0.450m (the level of support already agreed at Forum on 26 September 2018) up to a maximum of 0.5% of Schools Block funding £0.796m – Both Primary and Secondary phases to vote.

- 3.3 Note the intention of the Local Authority to make a dis-application to the Secretary of State, in the event Schools Forum do not agree to approve the increase to the Schools Block contribution towards the High Needs contribution from £450k to the maximum 0.5% of the Schools Block (£0.796m).
- 3.4 Note further, that should a dis-application be necessary, and prove unsuccessful, the Local Authority will need to consider measures necessary to reduce the level of High Needs resources available to Providers in 2019/20, in order to try to balance the books and avoid exceeding new DfE overspending limits of 1% of DSG funding imposed from 2018/19.