

Proposed Decision to be made by the Leader of the Council under the Urgency Procedure on 21 January 2020

High Needs Block

Recommendation

That the Leader of the Council approves the submission of the 'disapplication' application to the Secretary of State for Education to move 0.5% of Dedicated Schools Grant from the Schools Block to the High Needs Block.

1.0 Key Issues

- 1.1 At Cabinet on 16th December it was agreed that:
'as a precautionary measure that the Council continues at this stage with the disapplication application to move 0.5% of Dedicated Schools Grant from the Schools Block to the High Needs Block until the Leader in consultation with the Portfolio Holder Education makes a final, decision whether to continue or withdraw the disapplication application should anticipated changes in financial regulations still make this relevant.'
- 1.2 There remains an expected overspend of £6.398m in the High Needs Block in 2020/21. Following consultation, Schools Forum considered the proposal to move 0.5% (£1.748m) of the Schools Block to the High Needs Block on 16th January 2020. The presentation is attached at the Appendix. This could be achieved without affecting indicative school budgets under the national funding formula. The proposal was rejected at the Schools Forum meeting on 16th January 2020.
- 1.3 The local authority can request that Secretary of State for Education intervenes on this matter by submitting a 'disapplication.' The submission of the disapplication was made on 28th November 2019, as required by the Department for Education. This report is to formalise the decision to continue with the submission and not to withdraw it.

2.0 Options and Proposal

- 2.1 There are two options, to continue with the disapplication or to withdraw the disapplication.
- 2.2 *Option 1.* The Leader may wish to accept the decision of Schools Forum and withdraw the disapplication. The consultation with schools ran from Wednesday 18th December 2019 to Friday 10th January 2020. 48 schools responded, with 90% against the proposal. The main reasons for this may be summarised as:

- a) Moving the funding 'masks' the issue of insufficient funding from central government for high needs
 - b) Schools are under significant financial pressure without further reductions being imposed
 - c) Moving the funding will reduce school resources to meet the needs of learners with SEND (eg. the first £6,000)
 - d) Schools should not be penalised for overspend elsewhere in the system
 - e) There is an existing commitment to implement to 'Hard Funding Formula' which should not be broken
- 2.3 Following a higher than expected final settlement in the Schools Block, 0.5% of the Schools Block budget can be moved to the High Needs Block without affecting any indicative allocations to schools. This effectively addresses the concerns raised in points b), c), d) and e). Views remain in Schools Forum that moving the funding 'masks the issue' of insufficient funding in the High Needs Block, and that any funding in the Schools Block should be allocated directly to schools.
- 2.4 *Option 2.* The Leader approves the submission of the 'disapplication' application to the Secretary of State for Education to move 0.5% of Dedicated Schools Grant from the Schools Block to the High Needs Block. It is argued that overspend in the Dedicated Schools Grant should be addressed from the Dedicated Schools Grant. Whilst this will not address all of the overspend forecast for 2020/21, it will make a significant contribution to it. The pressures upon High Needs Funding have been well documented nationally and set out in the High Needs Task and Finish Group report (presented as an appendix to the Cabinet paper on 16th December 2019).
- 2.5 The movement of the funding, should it be approved by the Secretary of State, also marks that the issue requires a system solution, with collaboration from school leaders, and is not considered solely a local authority issue.
- 2.6 Option 2 is the recommended option.

3.0 Financial Implications

- 3.1 As noted above, due to a higher than expected final settlement in the Schools Block, 0.5% of the Schools Block budget can be moved to the High Needs Block without affecting any indicative allocations to schools. By rejecting the proposal, Schools Forum will seek to distribute funding to individual schools in-year following further consultation.
- 3.2 It will be necessary for Schools Forum to tackle the issue of High Needs Block overspend as representatives of the school system as a whole. The level of forecast overspend makes it likely that a Dedicated Schools Grant Recovery Plan will need to be submitted and agreed with the Department for Education.
- 3.3 Guidance is still awaited on whether local authorities will be permitted to use core resources for reducing High Needs Block overspend.

4.0 Environmental Implications

4.1 No environmental implications.

5.0 Timescales associated with the decision and next steps

5.1 The submission of the disapplication was made on 28th November 2019, as required by the Department for Education.

5.2 A response is expected from the Department for Education at the earliest opportunity, following the Schools Forum meeting on 16th January 2020, in order to set school budgets for 2020/21.

Background papers

None

Supporting Paper

High Needs Block, Report to Cabinet, 16th December 2019

Appendix: Presentation to Schools Forum on 16th January 2020

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The report was shared with Councillor Yousef Dahmash as Chair of the Children and Young People Overview and Scrutiny Committee prior to publication.

Schools Forum: Schools Block Disapplication Consultation

16th January 2020

Ian Budd & Jane Carter



Background to consultation

- Expected overspend of £6.398m in the High Needs Block in 2020/21
 - But if the LA cannot fund the 2019/20 overspend, the 2020/21 High Needs shortfall increases to £11.812m (see item 9)
- Discussion at Schools Forum on 5th December regarding moving 0.5% from Schools Block to High Needs Block
- WCC has submitted a 'disapplication' to DfE, but can be withdrawn by 16th January
- At time of starting consultation:
 - further DfE guidance on High Needs Block was anticipated
 - settlement from DfE was provisional



Consultation

- Consultation ran Wednesday 18th December to Friday 10th January
- All head teachers of settings funded by the Schools Block emailed
- 48 responses from 230 settings in the schools block (21%), as well as 1 from a special school and 1 from a multi-academy trust



Responses to consultation



1. Do you agree that the Authority should propose, to the Schools Forum, a transfer of 0.5% from the Schools Block to the High Needs Block to support the High Needs budget?

Yes	No	No comment
8% (4 responses)	90% (43 responses)	2% (1 response)

*Additional responses: 1 x Yes; 1 x No'

Responses to consultation

The main reasons highlighted for 'no' response were:

- Moving the funding 'masks' the issue of insufficient funding from central government for high needs
- Schools are under significant financial pressure without further reductions being imposed
- Moving the funding will reduce school resources to meet the needs of learners with SEND (eg. the first £6,000)
- Schools should not be penalised for overspend elsewhere in the system
- There is an existing commitment to implement to 'Hard Funding Formula' which should not be broken

NB. Responses were based on the provisional settlement and therefore indicated reductions to individual school budgets



Developments since consultation started and implications

- No further High Needs Block guidance issued by DfE
- However, final settlement for 2020/21 confirmed with higher value than anticipated (see item 5: Schools National Funding Formula)
- As a result, **all** schools can receive the 1.84% additional funding in 2020/21 (based on like for like pupil numbers); moving 0.5% from Schools Block to High Needs Block can be applied without affecting previously circulated Hard Formula Funding allocations, with further DSG still to be allocated
- No decision on how to apply 0.5% funding move is therefore required (Questions 3-5 of consultation deemed obsolete)

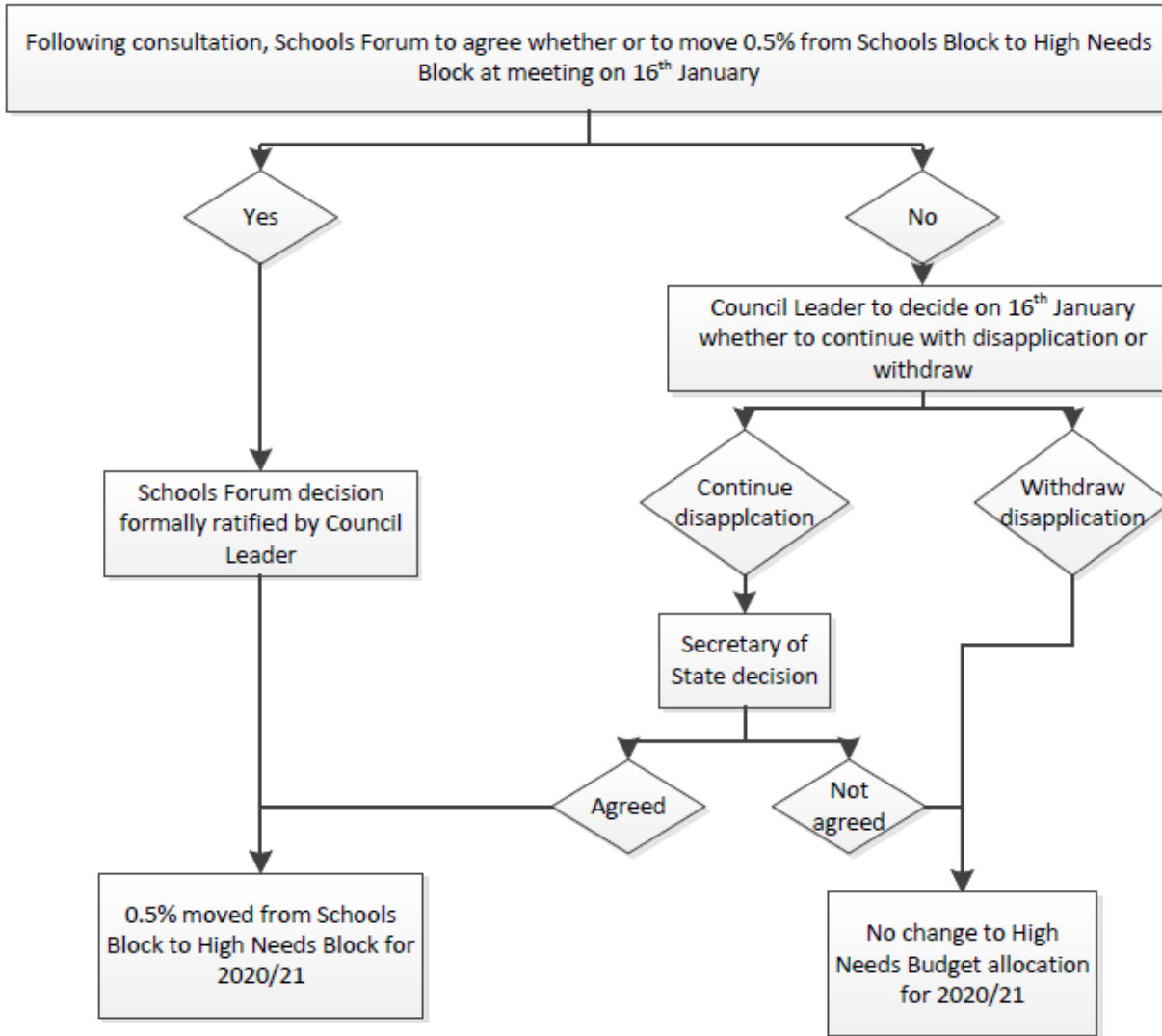


Remaining issues

- Overspend remains a system-wide issue that Schools Forum must tackle collectively
- Moving £1.748m from Schools Block to High Needs Block reduces but does not eradicate overspend
- Outline plan for addressing High Needs Block overspend presented to Schools Forum on 17th October 2019
- If overspend remains above 1% of total out-turn DSG then a detailed recovery plan will need to be submitted to the DfE



Decision-making process



Recommendation

- That Schools Forum agrees the movement of 0.5% of the Schools Block to the High Needs Block for 2020/21

