

Rotherham Schools' Forum

Venue: Rockingham Professional Development Centre

Date: Friday, 21 June 2019

Time: 8.30 a.m.

A G E N D A

1. Apologies for Absence.
2. Declarations of Interests.
3. Minutes of the Previous Meeting held of 5th April, 2019 (herewith) (Pages 1 - 7)
4. Matters Arising from Previous Minutes
5. Constitution Update (attached) (Pages 8 - 10)
 - Vera Njegic and Debbie Pons to report.
6. 2018/19 DSG Outturn (attached) (Pages 11 - 15)
 - Vera Njegic and Neil Hardwick to report.
7. High Needs Block Outturn and 2019/20 Budget Plan (attached) (Pages 16 - 19)
 - Vera Njegic and Neil Hardwick to report.
8. DfE Call for Evidence Consultation (attached) (Pages 20 - 46)
 - Jenny Lingrell and Neil Hardwick to report.
9. DSG Deficit Recovery Plan (attached) (Pages 47 - 59)
 - Neil Hardwick, Jenny Lingrell and Mary Jarrett to report.
10. SEND Sufficiency EOI (Verbal Update)
 - Mary Jarrett and Jenny Lingrell to report.
11. Recoupment of Funding for Exclusions and Offsite Provision (attached) (Pages 60 - 62)
 - Vera Njegic and Neil Hardwick to report.

12. Update to Pupil Growth Policy (attached) (Pages 63 - 65)
 - Vera Njegic and Neil Hardwick to report.
13. Any other business.
14. Date of Next Meeting - to be agreed and confirmed

**ROTHERHAM SCHOOLS' FORUM
FRIDAY, 5TH APRIL, 2019**

In Attendance:-

Deborah Ball – Treeton Primary (Academy) (in the Chair)
Lianne Camaish - Aspire
Dom Curran – Aston Academy (Academy)
Pepe Di'lasio - Assistant Director, Education (RMBC)
Dean Fenton – Head of Service (RMBC)
Peter Gerrard – Nursery Schools (Maintained)
Neil Hardwick – Head of Finance (RMBC)
Peter Haynes - Woods Woods Academy Trust
Christina Hill – GMB Rep
Mary Jarrett – Head of Inclusion (RMBC)
Jenny Lingrell – Assistant Director (RMBC)
Sultan Mahmood – Unison Rep
David Naisbitt – Oakwood High School (Academy)
Vera Njelic – Finance (RMBC)
Tracey Priestly – Human Resources (RMBC)
Alan Richards – Secondary Governors
Paul Silvester – Newman Special School (Maintained)
Helen Simpson – Ferham Primary School (Maintained)
Marie Titterton – Herringthorpe Infant School (Maintained)
Nevine Towers – Diocese of Sheffield

Debbie Pons - Clerk

Apologies for Absence:-

Paula Dobbin - Redscope Primary School
Chris Harris - Wickersley Partnership Trust
Andy Krabbendam – KPI & Harthill Primary (EHT Maintained)
Kirsty Peart, Sitwell Infant School (Maintained)
Lynne Pepper – Herringthorpe Infant School (Maintained)
Steve Scott – PVI Rep
Jon Stonehouse – DCS (RMBC)

99. DECLARATIONS OF INTERESTS

There were no Declarations of Interest to report.

100. MINUTES OF THE SCHOOL FORUM MEETING HELD ON 18TH JANUARY 2019

Agreed:- That the minutes of the last meeting held on 18th January 2019 be approved as a true and accurate record.

101. MATTERS ARISING FROM PREVIOUS MINUTES

There were no matters arising from the minutes.

102. SCHOOL FORUM REPRESENTATION & RESPONSIBILITIES

An updated copy of the Schools' Forum membership was circulated at the meeting, which was separated into respective group positions and provided as a reminder of the powers and responsibilities.

It was noted that schools and academies members together must number at least two-thirds of the total membership of the Schools' Forum and the balance between maintained primary, maintained secondary and academies members must be broadly proportionate to the pupil numbers in each category.

The ESFA on 28th March, 2019 communicated to all Local Authorities the requirements and compositions of School Forums to ensure they were complying with governing regulations and the ESFA Schools' Forums good practice guide.

The four vacancies for Primary Academy representatives and the vacancy for a representative for the Diocese of Hallam were particularly noted.

The Forum looked at the various permutations where representatives may have a dual role as part of the membership and the voting arrangements accordingly.

Whilst every effort would be made to seek representatives to fill all the vacant positions, the Diocese of Hallam would need to be contacted to see if they specifically would like to nominate a representative.

Agreed:- (1) That the report be received and the contents noted.

(2) That representations from the relevant groups be sought to fill as many vacancies as possible, particularly in respect of the Primary Academy Heads and this be advertised and shared with relevant officers to follow up to ensure this was in line with ESFA guidance and fit for purpose.

(3) That contact be made direct with the Diocese of Hallam to ascertain whether or not they wish to be represented on the Forum.

103. DSG DEFICIT RECOVERY PLAN

Neil Hardwick, Head of CYPS Finance, introduced the report which set out details of the responses from the Department of Education following circulation of a consultation document to all Local Authorities with education responsibilities, outlining proposed details of the recovery plan process and asking for comments.

This followed the Department for Education (DfE) previously announcing that Local Authorities would be required to submit a recovery plan if they had a cumulative deficit of 1% or more of their Dedicated Schools Grant (DSG), starting at the end of the 2018 to 2019 financial year. The plan should explain in detail how the Local Authority intended to bring its DSG account into balance.

Due to a number of Local Authorities asking if the DfE could provide a template for the recovery plans a template had been produced and published.

It was also noted that a number of Local Authorities had indicated that if they had a deficit of 1% or more, a five year rather than three year plan would allow them adequate time to bring their DSG deficits into balance whilst simultaneously budgeting within the resources available to them.

Given the urgency of the situation, DfE had decided to maintain the three year target, but if any Local Authority believed its recovery plan should extend over more than three years then detailed evidence must be provided explaining why this timescale was not achievable.

The template must be returned to the DfE by the 30th June, 2019.

The Forum discussed at length the current DSG deficit, timeframe for plans to be submitted, the need for further discussion at a sub-group, acknowledgement that this was a national problem and the need for a detailed repayment plan to be formulated.

Agreed:- (1) That the report be received and the contents noted.

(2) That a sub-group be arranged and invitations sent to relevant Forum Members.

(3) That a further report be submitted to the Schools' Forum next meeting in June, prior to the deadline for the recovery plan to be submitted to the DfE.

104. SEND SUFFICIENCY/SEMH STRATEGY - IMPACT ON THE HIGH NEEDS BUDGET

Jenny, Lingrell, Assistant Director – Commissioning, Performance and Inclusion, and Mary Jarrett, Head of Inclusion, gave a presentation on the SEND Sufficiency/SEMH Strategy and its impact on the High Needs Budget.

The presentation specifically covered:-

- The High Needs Budget.

- Key Lines of Enquiry.
- £36 million Budget with £5.3 million Pressures in the areas of:-
 - Post 16 Transport (£160k).
 - Equipment Budget (105k).
 - Inclusion Services (£730k).
 - Total Budget of Special Schools (£13 million).
 - Out of Authority Provision (£4.4 million).
- The Five Year Plan.
- Forecast – EHCP Growth.
- Forecast – Population Growth Age/Key Stage Groups.
- Forecast – Primary Need Growth.
- Primary Needs.
- Forecast for School/College Provision.
- Forecast for School/College Provision Out of Authority Area.
- Phase 1 of the SEND Sufficiency Project.
- Phases 2 and 3.
- Increased Use of Inclusion Units – 50 Places.
- Timescales.
- Criteria for Business Cases and Evidence of Deliverable Outcomes from September, 2019.
- Next Steps.

Discussion ensued and was clarification sought on the top-ups for EHCP, specialist provision and whether additional special school special schools places were the answer, the high costs associated with out of authority placements (where children were accessing places in independent schools), adequacy of the budget and the three year programme to increase the number of SEND places by 125.

Jenny Lingrell advised that a reminder email was to be circulated to all Head Teachers, as of today, about the SEND Sufficiency process with a deadline of 31st May, 2019, to encourage any suggestions/thoughts/ideas about any alternative provision and to explore any pockets of good practice that currently existed in schools.

The Chair also sought further information on the number of children permanently excluded, how many were returned to mainstream and the need for intensive outreach work that may be required to prevent a permanent exclusion occurring.

The Forum were advised that as an Authority Rotherham mirrored what was happening nationally with exclusions and whilst the picture was negative, more students were being kept in school longer. However, the last two weeks had seen a rise in the number of students permanently excluded from school.

Whilst it was noted some schools were working incredibly hard to maintain

students who were at risk of permanent exclusion, the lowering numbers of support staff and limited resource were making this harder to achieve.

In terms of out of area placements further information was sought on the reasons for seeking an out of area placement, perception of parents, local provision, impact of such a provision on the budget and how Rotherham was also a net importer of students to our Special Schools.

It was difficult to determine how much in financial terms was coming in due to how the High Needs Block took off and added back in. This was a challenge for the Local Authority, but there was an appetite to work together with Barnsley, Doncaster and Sheffield.

There would need to be support to parents and to work with them to provide reassurance that Rotherham schools could meet the needs of their children and to challenge appropriately parental preference where there was sufficient evidence to do so.

Rotherham clearly needed to market its specialist provision more as it was unable to compete with the large multi-national organisations. However, its special schools were now full, but further work was needed on how to access short term resource within a mainstream setting.

Over the next year an Inclusion Review would look at developing access to additional SEN funding for children and young people in crisis to enable schools to respond more quickly to children and young people's needs.

Agreed:- That the presentation be received and the contents noted.

105. APPRENTICESHIP LEVY

The Chair welcomed Tracey Priestley from Human Resources who provided information on the Apprenticeship Levy which commenced in April, 2017. The Council paid approximately £57,000 a month into the online Apprenticeship Service account and the Government then added 10%. This Levy could only be used to pay for apprenticeship training and final assessments.

The Public Sector Apprenticeship Target Public Sector challenged employers to 2.3% of its employees starting an apprenticeship annually and the Council target was for 142 apprenticeship 'starts' each year until March, 2021; this also included Local Authority Schools.

These apprenticeships were work-based learning to meet employer needs and were open to anyone of any age and were for newly recruited apprentices or employees who were to be developed to meet current and future need.

The benefits to schools would not only enable proactive succession

planning, would improve performance, develop skills, knowledge and behaviours and assist with employee retention/engagement. This was a cost effective way for a school to develop a motivated, skilled and qualified workforce.

Further information was provided on how schools could tap into this resource, what apprenticeships may be available to schools, the application process and how this resource could assist with some of the budget pressures being faced with no limit to cost or places at the current time.

It was also pointed out that there were also a number of free retirement planning training sessions, which could be provided on a twilight basis. Further information was available and schools should make contact if they wished to become a host.

Agreed:- (1) That the presentation be received and the contents noted.

(2) That further information be shared with schools about the Apprenticeship Levy and the application process and the free twilight sessions that were also available.

106. UPDATE ON ROTHERHAM SCHEME FOR FINANCING SCHOOLS

Vera Njegić, Principal Finance Officer, introduced the circulated report which detailed a revision on the Rotherham Scheme for Financing Schools for the delegation of financial and managerial powers to Governing Bodies of schools and the regulations and conditions by which the Governing Bodies should abide, in order to remain accountable to the public and the Authority.

Details would be circulated to relevant schools to whom this applied and who were appended to the report.

Agreed:- That the report be received and the contents noted.

107. UPDATE ON SCHOOLS VOLUNTARY FUND POLICY

Neil Hardwick, Head of CYPS Finance, introduced the report which provided an update on the School Voluntary Fund which was to be created wherever money was collected from pupils, or other sources, to be spent for the general benefit of the pupils or the school as a whole.

A School Voluntary Fund, a private account run by the Governors of the school, was held alongside a school's public funds. The Head Teacher was responsible for ensuring that these funds were operated in accordance with the regulations, which were designed to assist and protect those involved in the operation of School Voluntary Fund activities and also to ensure that all monies were properly accounted for.

Details about the Schools' Voluntary Fund Policy was to be circulated shortly.

Agreed:- That the report be received and the contents noted.

108. INFORMATION ON NON-DSG GRANT FUNDING ALLOCATION FOR 2019/20

Neil Hardwick, Head of CYPS Finance, introduced the report, which provided an update as to the 2019/20 non-dedicated schools grant funding streams, teachers' pay grant, universal infant school meals, free school meals supplementary grant, pupil premium and Year 7 catch up premium.

Agreed:- That the report be received and the contents noted.

109. ANY OTHER BUSINESS

(a) Sub-Groups

Paul Sylvester confirmed that the Finance Sub-Group had not yet had a further meeting.

The Forum suggested that rather than having three separate Sub-Groups it was better to have one and for specific meetings to be dedicated to specific discussion items.

Terms of Reference for the Sub-Groups had already been agreed and it was suggested that consideration be given to suitable dates/times for 2019 for this Sub-Group to meet which would then be circulated to the relevant members.

Feedback from the Sub-Group should be included as a standing item on all future agendas to ensure information/feedback from the Sub-Group was provided to the Schools' Forum.

Agreed:- That consideration be given to suitable dates/times/venues of Sub-Group meetings moving forward.

110. DATE OF NEXT MEETING

Agreed:- That the next meeting of the Rotherham Schools' Forum take place on Friday, 21st June, 2019 at 8.30 a.m. at Rockingham Development Centre.

Rotherham Schools Forum: Constitution – April 2019

Position	Name	End of Term	School/Body	Email
School Members				
Nursery School Headteacher x 1	Peter Gerard	March 2021	Executive Head of Rawmarsh Nursery & Arnold Centre	Peter.Gerrard@rotherham.gov.uk
Primary School Headteachers x 4	Paula Dobbin	March 2021	Headteacher of Redscope Primary	REPPDobbin@rgfl.org
	Lynn Pepper	March 2021	Headteacher of Herringthorpe Infant	HEILPepper@rgfl.org
	Kirsty Peart	March 2021	Headteacher of Sitwell Infant	SIKPeart@rgfl.org
	Helen Simpson	March 2021	Headteacher of Ferham Primary	FEPHSimpson@rgfl.org
Primary Academy Representatives x 6	Deborah Ball	March 2021	Chair and Headteacher of Treeton CofE Primary	trpball@rgfl.org
	Andy Krabbendam	March 2021	Executive Head of Kiveton Park Infant and Harthill Primary	KPIAKrabbendam@rgfl.org
	Vacancy			
	Vacancy			
	Vacancy			
Special School Headteacher x 1	Paul Silvester	March 2021	Headteacher of Newman School	NSSPSilvester@rgfl.org
Special Academy Representative	John Coleman	March 2021	Nexus MAT Director	
Secondary Maintained School Headteacher x 1	Vacancy			
Secondary Academy Representatives x 6	Phil Davies	March 2021	Headteacher of Wingfield Academy	pda@wingfieldacademy.org

	Dom Curran	March 2021	Headteacher of Aston Academy	dominic.curran@astonacademy.org
	Steve Rhodes	March 2021	Headteacher of Winterhill Academy	srhodes@winterhill.org.uk
	Jon Taylor	March 2021	Headteacher of Wath	JTaylor@wcs.rotherham.sch.uk
	David Naisbitt	March 2021	Headteacher of Oakwood Academy	d.naisbitt@oakwood.ac
	Andy Riches	March 2021	CEO of LEAP Academy Trust (Brinsworth & Dinnington)	ariches@brinsworth.rotherham.sch
Pupil Referral Unit Headteacher x 1	Lianne Camaish	March 2021	Headteacher of Aspire	aspirelcamaish@rgfl.org
Maintained School Members: Primary Governors x 3	Sue Mallinder	March 2021		smallinder@hotmail.co.uk
	Vacancy			
	Vacancy			
Maintained School Members: Secondary Governor x 1	Alan Richards	March 2021		arichards@wickersley.net
Academy Members: Governors x 6	Vacancy			
	Vacancy			
	Vacancy			
	Vacancy			
	Vacancy			
	Vacancy			
Non-School Members				

Diocese of Sheffield Church of England x 1	Nevine Towers	March 2021	Diocese of Sheffield Academies Trust	dsat@rgfl.org
Diocese of Hallam, Roman Catholic x 1	Vacancy			
Private, Voluntary and Independent Sector Nursery x 2	Steve Scott	March 2021	Happy Kids	info@happykids-childcare.co.uk
	Vacancy			
16-19 Provider x 1	Laura Reid	March 2021	RNN Group	
Union Representatives x 2	Christina Hill	March 2021	GMB	kcpchill@rgfl.org
	Sultan Mahmood	March 2021	Unison	s.mahmood@unison.co.uk
Observer				
Education Funding Agency	Name notified to School Governor Services in advance of attendance.	N/A	EFA	
Total Places	38			
Total Places Filled	23			
Total Vacancies	15			

REPORT FOR SCHOOLS FORUM

1.	Date of meeting:	21st June 2019
2.	Title:	Dedicated Schools Grant – 2018/19 Outturn
3.	Directorate:	Finance and Customer Services

1. PURPOSE OF REPORT

- 1.1 To inform members of the Schools Forum as to the 2018/19 outturn position of the dedicated schools grant (DSG).
- 1.2 In addition, to provide summary details to maintained members of Schools Forum as to the surplus/deficit balances of the maintained schools within Rotherham.
- 1.3 To provide information in respect of pupil-led funding recovered as a result of permanent exclusions.

2. RECOMMENDATION(S)

- 2.1 That Schools Forum members note the information contained within this report, particularly that the reserve balances have increased to £15.1m (centrally retained).
- 2.2 That Schools Forum members note that the deficit balance is subject to change as this will be dependent on the early years adjustment for the Spring 2019 census count. Within the figures, an anticipated clawback of £26k has been accounted for.

3. REASON FOR RECOMMENDATION(S)

- 3.1 To ensure that Schools Forum members are kept informed of the DSG position within Rotherham. Furthermore, that maintained members of the Forum are kept abreast of the surplus/deficit balances of maintained schools within Rotherham.
- 3.2 To ensure that Schools Forum members are kept informed of the reserve position within Rotherham.

4. BACKGROUND INFORMATION & CONTEXT**4.1 Context**

In 2018/19 the final allocation of DSG for Rotherham was £92.228m. This amount is net of academy recoupment for the 79 academies within Rotherham at a total of £143.418m.

It should be noted that the 2018/19 accounts also include the 2017/18 early years adjustment from the January 2018 census of £336k which authorities were notified of in summer 2018 (after the 2017/18 statement of accounts had been compiled). However, Schools Forum members should note that the DSG note to the accounts however was updated to include this.

As in previous years the local authority has yet to be notified of the final early years adjustment for 2018/19 (based on the January 2019 census). The government have advised the individual authorities will be notified of this adjustment in June 2019. The local authority have modelled the census data provided to the government and are anticipating a clawback of £26k. This has been included with the 2018/19 accounts.

A copy of the DSG disclosure note for 2018/19 has been included at appendix A to this report.

An overspend of £9.687m was the total balance brought forward from 2017/18.

4.2 Centrally retained balance

As stated in 5.1 above, the balance brought forward to 2018/19 was 9.687m. The early years adjustment for January 2018 received in summer 2018 was additional funding of £336k used to meet the pressure on the high needs expenditure.

As reported to Schools Forum throughout the year; pressures on high needs expenditure continued to rise so the total amount of deficit reserve remaining as at March 2019, to carry forward to 2019/20, is £15.114m.

It should be noted, as outlined elsewhere in the report, that the local authority has modelled the impact of the January 2019 early years census data and are expecting a clawback of £26k. This has been taken into consideration in the production of the 2018/19 final accounts. The actual adjustment will be known in summer 2019.

The £26k anticipated clawback is made up of an additional £64k for 3 & 4 year olds, £17k for Early Years Pupil Premium, £38k for Nursery Schools supplementary funding and clawback of £145 k for 2 year olds.

5. **Individual School Budgets**

5.1 As set out within the Rotherham Scheme for Financing Schools, individual schools are permitted to carry forward balances to be spent or replenished in subsequent financial years. In total, the carry forward on individual school budgets (listed below) is an overall combined surplus of £3.490m.

Value of Balance	Number of Schools	% of Total Number of Schools	Combined Value of Balance
Deficit Balance	7	-9%	-319,579
Surplus £0 - £20,000	3	1%	25,590
Surplus £20,001 - £50,000	10	9%	312,044
Surplus £50,001 - £100,000	7	15%	539,983
Surplus £101,001 - £250,000	10	45%	1,572,410
Surplus £250,001 +	3	39%	1,359,225
Total	40	100%	3,489,673

5.2 Surplus balances

As at 31st March 2019, the movement on surplus balances when compared with 2017/18 reflected a increase in year of £0.602m as follows;

2017-2018		2018-2019		Change in Year	
No of Schools	Value in £'000	No of Schools	Value in £'000	No of Schools	Value in £'000
36	3,207	33	3,809	-3	602

In the main, the reason for the increase in the level of surplus is due to a rise in all sectors, particularly the secondary and special sectors. Four of the six in-year academy conversions were schools with cumulative surplus balances of £153k as at 31ST March 2018.

Of the total 2018/19 surplus balances, 11 schools hold balances above the thresholds set out in the Scheme for Financing Schools. The Scheme for Financing Schools sets out the financial arrangement between the local authority and the maintained schools. The scheme states that if a schools balance has exceeded the allowable surplus (8% of school budget share for nursery, primary and special, 5% for secondary) and allowing for commitments and any amounts assigned for a specific purpose then the local authority may deduct an amount equal to the excess balance.

Letters have been sent to the schools asking for them to return an excess surplus balance justification plan.

5.3 Deficit balances

As at 31st March 2019, the movement on deficit balances in comparison with 2017/18 shows an overall reduction in the value of the deficit by £296k as follows:

2017-2018		2018-2019		Change in Year	
No of Schools	Value in £'000	No of Schools	Value in £'000	No of Schools	Value in £'000
10	-616	7	-320	-3	296

In summary, the 7 deficit balances can be analysed as follows:

Number of Schools	Amount of Deficit
3	Up to £50,000
4	Above £50,001

Of the 10 schools that were previously identified to be in deficit, 3 have now entered a surplus balance position, 2 now have academy status with a cumulative deficit balance of £218k and 5 schools remain in deficit.

2 schools that were previously in surplus have now entered a deficit position. Meetings are taking place between the school, Finance, HR and School Improvement Service colleagues to determine the appropriate way forwards.

For all schools that are in a deficit position, individual 3 year budget recovery plans are in the process of being compiled. These will then be subject to formal review throughout the year.

Similar to previous years, the key reasons why schools have deficit balances are as follows:

- falling pupil numbers and schools do not take action quick enough to adjust their staffing compliment
- excessive levels of spending on goods/services and/or excess staffing structures
- long term staff absences/suspensions which are not covered through staff insurance
- short term absence which do not trigger insurance claims

6 Excluded pupils

A total of £93,051 was recovered from individual schools & academies who permanently excluded pupils during 2018/19 financial year. Due to the increasing number of permanent exclusions, this was a 6% increase from 2017/18. This funding was utilised to reduce the amount of high needs block DSG funding required to fund the pupil referral units.

7. Names and contact details

Vera Njegic
Principal Finance Officer (Schools Finance)
Tel: 01709 822042
email vera.njegic@rotherham.gov.uk

Neil Hardwick
Head of Finance CYPS
Tel:(01709) 254508
email neil.hardwick@rotherham.gov.uk

Note 16

DSG

The Council's expenditure on schools is funded primarily by grant monies provided by the Education and Skills Funding Agency, the dedicated Schools Grant (DSG). DSG is ring fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance and Early Years (England) Regulations 2018. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained School.

Details of the deployment of DSG received for 2018/19 are as follows:-

2017/18				2018/19		
Central Expenditure £000	ISB £000	Total £000		Central Expenditure £000	ISB £000	Total £000
		223,020	Final DSG before Academy recoupment			235,646
		(123,142)	Less Academy figure recouped			(143,418)
		99,878	Total DSG after Academy recoupment			92,228
		(5,213)	Brought forward from previous year			(9,687)
18,351	76,314	94,665	Agreed initial budgeted distribution	13,045	69,496	82,541
0	(213)	(213)	In Year Adjustments	0	310	310
18,351	76,101	94,452	Final Budgeted Distribution	13,045	69,806	82,851
(28,799)		(28,799)	Less actual Central expenditure	(28,484)		(28,484)
	(75,340)	(75,340)	Less actual ISB deployed to schools		(69,481)	(69,481)
(10,448)	761	(9,687)	Carry forward to next year	(15,439)	325	(15,114)

In year Adujstments:

	£000
Early Years Jan 18 Census Adjustment 2017/18 (3&4 year old Universal Funding)	241
Early Years Jan 18 Census Adjustment 2017/18 (3&4 year old Additional Funding for 30 Hours)	37
Early Years Jan 18 Census Adjustment 2017/18 (2 Year old Disadvantaged Funding)	15
Early Years Jan 18 Census Adjustment 2017/18 (Early Years Pupil Premium Grant)	17
Early Years Jan 18 Census Adjustment 2017/18 (Disability Access Fund)	26
Estimated Early Years Jan 19 Census Adjustment 2018/19 (3&4 year old Universal Funding)	(77)
Estimated Early Years Jan 19 Census Adjustment 2018/19 (3&4 year old Additional 30 Hour Funding)	141
Estimated Early Years Jan 19 Census Adjustment 2018/19 (2 year old Disadvantaged Funding)	(145)
Estimated Early Years Jan 19 Census Adjustment 2018/19 (Early Years Pupil Premium Grant)	17
Estimated Early Years Jan 19 Census Adjustment 2018/19 (Supplementary Funding for Maintained Nursery)	38
Total Adjustments	310

REPORT FOR SCHOOLS FORUM

1.	Date of meeting:	21st June 2019
2.	Title:	HNB Outturn & 2019/20 Budget Plan
3.	Directorate:	Finance and Customer Services

1. PURPOSE OF REPORT

- 1.1 To inform members of the Schools Forum as to the 2018/19 outturn position of the High Needs Block
- 1.2 To provide information in respect of the High Needs Budget Plan for 2019/20.

2. RECOMMENDATION(S)

- 2.1 That Schools Forum members note the information contained within this report. Particularly that the reserve balances have increased to £15.1m, with a £5.1m HNB deficit in 2018/19 and the plan to operate within the HNB funding in 2019/20.

3. REASON FOR RECOMMENDATION(S)

- 3.1 To ensure that Schools Forum members are kept informed of the HNB position within Rotherham.

4. BACKGROUND INFORMATION & CONTEXT

- 4.1 Rotherham faces considerable pressure in continuing to meet the needs of pupils with Special Educational Needs and Disabilities (SEND). There are increasing numbers of pupils with an Education, Health and Care Plan (EHCP) and in-borough special school provision is currently over-subscribed.
- 4.2 Wherever possible children and young people should have their needs met in their chosen mainstream setting, educated alongside their peers within their local community. However for children with more complex needs specialist settings are sometimes more appropriate. Whether they are educated in mainstream schools or through specialist provision, these children and young people have a right to have their educational needs delivered. Funding for specialist education provision is provided from the High Needs Budget – part of the Dedicated Schools Grant (DSG).
- 4.3 Rotherham is a relatively low funded authority and has seen significant pressures on the High Needs Block for many years. The High Needs Budget allocation has increased year on year but, partly due to Rotherham's low funding baseline compared to neighbouring boroughs and nationally, the budget uplifts have not been sufficient to match the acceleration in demand and increase in the cost of provision.
- 4.4 During recent years Rotherham has faced growing pressure on the High Needs Budget which has resulted in year on year deficits. In 2015/16 the High Needs in-year deficit were £1.004m; in 2016/17 it was £4.632m and in 2017/18 it was £5.098m which has contributed to a net deficit in the DSG Central Reserve of £9.7m.

- 4.5 Over the same three year period the number of children and young people with EHCPs and their predecessor SEN has grown. In 2015/16 (Jan-16) the number of EHCP/SEN was 1,230; in 2016/17 (Jan-17) it was 1,539; in 2017/18 the number rose to 1,958 and at the end of September is 1,984.

5. High Needs Block Outturn

The High Needs Block allocation (HNB) 2018/19 was £31.167m and has been under significant pressure for a number of years due to rising numbers of children supported in specialist provision and the rising costs of Education Health Care plans. Consequently, the central DSG reserve has changed from a £1m reserve deficit in 2015/16 to £9.7m deficit at March 2018.

The outturn at the end of March 2019 is an in year overspend of £5.1m (see table below for details)

High Needs Budget Monitoring Outturn as at March 2019

	Budget	Outturn	Variance
Special Schools	13,008,458	13,191,042	182,584
Primary Schools	172,990	172,990	0
Secondary Schools	317,213	293,052	-24,161
Top Up Funding	3,683,243	4,779,604	1,096,361
Alternative Provision	4,380,556	4,532,930	152,374
External Residential	1,744,054	2,812,683	1,068,629
Independent Sector Providers	3,950,637	5,859,633	1,908,996
Other LA places	340,636	1,019,438	678,802
Inclusion Services	2,128,650	2,000,465	-128,185
Other Education Services	367,290	529,232	161,942
CCP & FE Places	1,073,499	1,073,499	0
Total	31,167,226	36,264,568	5,097,342

The deficit on the DSG central reserve has increased from £9.7m in 2017/18 to £15.1m in 2018/19. The main pressure on the DSG central reserve is the High Needs Block which had a £5.1m overspend, with minor movements across the other blocks.

6 High needs places for 2018/19

- 6.1 £7.663m was budgeted to be spent on high needs places across the special schools and PRU's (excluding sixth form places). During 2018/19 additional place based funding totalling £555k was awarded due to individual settings breaching their commissioned place number.

It should also be noted that the local authority has been required to pay additional place based funding to external providers where Rotherham children & young people have been placed in excess of the providers commissioned place number. Such instances were assessed on a case by case basis involving officers from Finance and Inclusion & Assessment Service.

7. 2019/20 Budget Plan

The DSG deficit recovery plan is predominantly linked to resolving the budget pressures in the High Needs Block which had a £5.1m overspend in 2018/19. To address the annual pressures a disapplication request was submitted to the Secretary of State which transferred £2.8m from the Schools Block to the High Needs Block in 2019/20 which will contribute towards achieving a balance budget.

The 2019/20 budget is set out in the table below:

Areas of Spend	Budget
Special Schools	13,526,593
Primary Schools	126,990
Secondary Schools	194,719
Top Up Funding	4,852,207
Alternative Provision	4,238,806
External Residential	1,980,227
Independent Sector Providers	4,585,374
Other LA places	860,073
Inclusion Services	2,333,618
Other Education Services	469,149
CCP & FE Places	1,126,000
Total	34,293,756

An SEMH Strategy for Rotherham is currently being co-produced and will set out a number of partnership activities to address the needs of children with SEMH effectively and reduce demand for higher tier services, including alternative provision. The Strategy will recommend a review of inclusion services to ensure they are value for money, high quality and appropriate to meet demand.

The addition of 125 places agreed through phase 1 of the SEN Strategy agreed by Cabinet in February 2018 are now coming on stream with 65 places now open with the aim of the provisions reducing demand for external placements and also meeting growth in the number of EHC plans.

A SEN Sufficiency Strategy has been submitted to Cabinet in May 2019. The Sufficiency strategy aims to increase the number of schools places in Rotherham for children with SEND by 50 places thus reducing high cost out of area spending. Other aspects of the sufficiency strategy will concentrate on supporting mainstream schools and academies to become increasingly inclusive and thus reduce pressures on special school places.

Additional actions being progressed to control expenditure include:

- Utilise all existing placements in the borough
- Review Inclusion Services offer and staffing to better meet the strategic priorities around sufficiency and inclusion.
- Review other LA placements
- Review of external placements
- Review Top Up arrangements
- Review funding arrangement for additional places
- Strengthen parent and carer knowledge the offer from available and suitable Rotherham provision in the early stages of the Education, Health and Care Plan process to minimise out of authority parental preference.
- To continue to work with schools to maintain pupils in mainstream settings wherever possible.

5. Names and contact details

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Department
for Education

Provision for children and young people with special educational needs and disabilities, and for those who need alternative provision: how the financial arrangements work

Call for Evidence

Launch date: 03 May 2019

Respond by: 31 July 2019

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1. Introduction

1.1 We are inviting interested individuals and organisations to consider aspects of the financial system for special educational needs (SEN) and high needs funding in England that may be adversely influencing local authorities, mainstream schools, colleges and other education providers in their support for children and young people with SEN, those who are disabled, those who require alternative provision (AP) and those at risk of exclusion from school.

1.2 We have received many representations concerning the adequacy of funding for special needs. We understand that the overall amount of funding available is the most pressing concern for many schools and local authorities. The total funding available for high needs will be carefully considered in the forthcoming spending review. This call for evidence is intended to focus on a related issue: how the current available funding is distributed, and what improvements might be made in future. It seeks information about whether there are aspects of the funding system that are driving up costs without improving outcomes for the young people concerned. As schools, colleges and local authorities have looked hard at their budgets in recent years, we have heard more about aspects of the financial arrangements that can work against those seeking to ensure that suitable provision is made, and want to understand what changes could be made that enable the right support to be given at the right time and at the right cost.

1.3 We would welcome views on specific areas of concern that have been drawn to our attention as well as on other aspects of the funding and financial arrangements that may not be helping us to get the most value from the resources available.

1.4 The questions we would like answers to are set out in a separate online survey. Please respond using this as other forms of response will not be as easy to analyse. As you respond to the online survey questions, please read the rest of this document. You don't have to answer all the questions, but in any case it would be very helpful if you would answer the initial questions so we can see whether you are responding on behalf of a particular type of organisation, or from a specific local authority area in England.

Who this is for

1.5 This call for evidence is for:

- Local authorities
- Schools and colleges
- Any other interested organisations and individuals

Issue date

1.6 The call for evidence was issued on 03 May 2019.

Enquiries

1.7 If your enquiry is related to the policy content of the call for evidence you can contact the team via email:

HighNeedsFundingReform.Consultation@education.gov.uk

If your enquiry is related to the DfE e-consultation website or the process in general, you can contact the DfE Ministerial and Public Communications Division by email: Consultations.Coordinator@education.gov.uk or by telephone: 0370 000 2288 or via the [DfE Contact us page](#).

Additional copies

1.8 Additional copies are available electronically and can be downloaded from: [GOV.UK DfE consultations](#).

The response

1.9 The results of the call for evidence and the Department's response will be [published on GOV.UK](#) following analysis of the responses later in 2019.

2. About this call for evidence

2.1 In December 2018, having heard from some schools about the difficulties they encounter in providing support for their pupils with special educational needs (SEN) costing up to £6,000 per annum before they are able to access additional support from their local authority, the Secretary of State announced that there would be a wider call for evidence.

2.2 We have heard local authorities', schools' and colleges' concerns about the rising costs of provision for children and young people with SEN and those who are disabled, and about the reducing availability of specialist advice and support. We will be looking carefully at how much overall funding is required nationally ahead of the next government spending review.

2.3 This call for evidence is not directly about how much funding is needed or about the statutory processes for meeting complex needs. Rather, it is intended to focus on understanding how current funding is distributed, including how it enables mainstream schools to make provision for their pupils with additional needs, and on improvements that could be taken forward in future. The funding system is intended to support schools in fulfilling their statutory duty to use their best endeavours to meet the needs of children and young people with SEN.

2.4 The call for evidence is also looking at factors in the current funding system that may be contributing to the escalation of costs, without necessarily securing better long-term outcomes for pupils and students.

2.5 We are extending this call for evidence to:

- aspects of the funding system for pupils who are excluded as well the funding of alternative provision (AP), including issues raised by Edward Timpson in his review of school exclusion;¹
- the post-16 funding arrangements for young people with SEN. Although there are significant differences between the 5 to 16 funding system and the 16 to 19 funding system, it is important that we understand the picture across all provision for children and young people with SEN.

2.6 Our ambition for those with SEN, those who have disabilities, and those who are placed in AP or are at risk of exclusion from school, is exactly the same as for every other child and young person – to achieve well in school and college, find employment and go on to live happy and fulfilled lives. The objectives of our financial and funding system are therefore that it:

- supports decisions being taken centred around the needs of the child or young person, and what provision will best address those needs, rather than principally for administrative or financial reasons;

¹ Edward Timpson's review of school exclusion can be found here: <https://www.gov.uk/government/consultations/school-exclusions-review-call-for-evidence>.

- supports early intervention, especially where that can stop problems growing, and therefore minimise future costs;
- facilitates children and young people staying in mainstream schools² and colleges, where they can provide suitable provision;
- avoids creating undue financial pressure for schools, colleges and other providers where they identify a child or young person has SEN or accept a child or young person with SEN on to their roll;
- delivers value for money in the use of public funding, with appropriate transparency and accountability in the system to secure the best outcomes with the resources available; and
- helps schools, colleges and local authorities to manage within the resources available to them.

2.7 However, we are concerned that aspects of the current system may be causing:

- decisions to be taken primarily to avoid financial pressures from falling on a particular institution, by transferring costs elsewhere;
- a continuing drift from mainstream school provision to special school and alternative provision, which is raising overall costs to the system without improving the outcomes for children;
- disproportionate pressure falling on some mainstream schools and colleges, especially if they get a reputation for providing good SEN support, or are small and so cannot easily manage exceptional costs within their budget;
- over-emphasis on securing an education, health and care (EHC) plan to guarantee a particular level of financial support, rather than on making the special educational provision necessary to meet the needs of the child, with or without an EHC plan.

2.8 We are looking for evidence about the extent to which these concerns are justified, and any other effects of the current system that are acting to prevent achievement of the objectives outlined in paragraph 2.6 above.

2.9 Annex A sets out further information about the current high needs funding arrangements. There are no specific questions on the high needs and other funding that supports children aged under 5, but we would welcome any evidence on this aspect of funding for these younger children who have SEN or who are disabled. Local authorities are currently required to set up an SEN Inclusion Fund to support early years providers in meeting the needs of individual 3 and 4 year old children with SEN; and the Disability

² There is a presumption in law that children with SEN will be educated in mainstream schools subject to certain conditions.

Access Fund provides support to providers to enable eligible 3 and 4 year old children to access the free entitlements (at a rate of £615 per eligible child per annum).

2.10 We also want to gather views about how some of the more technical and structural aspects of the funding and financial system could be improved or changed, so that we can be sure the available funding is used to secure suitable provision and deliver value for money. It is important that professionals (teachers, educational psychologists, SENCOs and others) working in local authorities, schools, colleges and elsewhere, who are responsible for making provision for children and young people do not face unnecessary structural barriers. We need funding and financial arrangements that encourage all those working and caring for our most vulnerable children and young people to support and help them prepare for adult life, and to contribute to a sustainable system in the future.

2.11 We will want to ensure that any improvements we introduce as a result of this call for evidence are consistent with:

- the wider system of support and ambition for children and young people with SEN and disability that was introduced by the Children and Families Act 2014; and
- the duty on local authorities, under section 19 of the Education Act 1996, to secure suitable education (at school or in AP) for those children of compulsory school age who would otherwise not receive it.

2.12 As well as suggestions for improvements, we also want to hear about examples of good practice and aspects of the current system that have a positive effect, that we should make sure we protect.

Respond online

2.13 To help us analyse the responses please use the online system wherever possible. Visit www.education.gov.uk/consultations to submit your response.

Other ways to respond

2.14 If for exceptional reasons, you are unable to use the online system, for example because you use specialist accessibility software that is not compatible with the system, you may request a word document version of the form and email it or post it.

By email: HighNeedsFundingReform.Consultation@education.gov.uk

By post: Call for Evidence
Department for Education
4th Floor Sanctuary Buildings
Great Smith Street
London
SW1P 3BT

Deadline

2.15 The consultation closes on 31 July 2019.

3. Funding for pupils with SEN in mainstream schools

3.1 The vast majority of children with SEN have always been taught in mainstream schools. The reforms introduced by the Children and Families Act 2014 retained the general principle that children with SEN should be taught in mainstream schools, unless more specialist provision is needed,³ and extended this principle to young people in further education. Mainstream schools (along with colleges) are required to identify and address the SEN of their pupils and students, and to use their best endeavours to make sure that they get the support they need. They are also required to have regard to the SEND Code of Practice.⁴ Chapter 6 of the Code sets out the expectations on schools around SEN support. Chapter 8 of the Code sets out expectations on everyone working with children and young people with SEN to prepare them for adult life.

3.2 Although some of the issues covered in this chapter are relevant to colleges, this chapter focuses on the school system. If you are responding to this call for evidence in relation to students in colleges, please see chapter 5.

3.3 Education funding enabling provision for children and young people with additional needs, including SEN, is currently available to schools through different funding streams, including:

- primary and secondary schools' funding, as determined through the local formula and allocated to local authorities by the national funding formula (for 5 to 16 year olds), and through the national funding formula for 16 to 19 year olds;
- special schools' place funding;
- high needs targeted and top-up funding from local authorities;
- high needs funding for local authority services;
- pupil premium grant.

3.4 We expect local authorities and schools to bring together this funding so that it works for all those children and young people who need extra help, and want to understand how improvements could be made to facilitate this and to ensure that decisions are made at the most appropriate level. Chapter 7 asks for views more generally on how budgets controlled by different budget holders can be brought together to achieve maximum impact.

Funding for SEN through the schools funding formula

3.5 In 2013-14 greater standardisation of local authorities' funding formulae for mainstream schools resulted in the introduction of a requirement for local authorities to

³ The law on this is that a child must be educated in a mainstream school unless: the parent or young person does not wish it; or providing that education is incompatible with the provision of efficient education to other children and no reasonable steps can be taken to prevent this.

⁴ This can be found here: <https://www.gov.uk/government/publications/send-code-of-practice-0-to-25>.

delegate sufficient funding to meet the costs of SEN support up to £6,000 per pupil, per annum. In recognition of that expectation, both local funding formulae and the new schools national funding formula include factors relevant to additional needs, which act as proxies for a school's cohort of pupils who need extra support, including those with SEN. The additional needs factors in the national funding formula give schools about £6 billion nationally. This is intended to ensure mainstream schools have the resources they require as part of their core budgets.

3.6 As well as formula factors relating to deprivation – specifically pupils from low income families eligible for free school meals and those who live in areas which have a wider range of higher deprivation indicators – the schools national funding formula allocates additional funding for pupils with a low level of attainment in their previous phase of education (“low prior attainment”). This can act as a proxy for targeting SEN funding to schools, due to a strong correlation with low prior attainment, enabling them to make appropriate special provision for their pupils. The use of proxy indicators avoids any perverse incentive to over-identify pupils as having SEN if funding was allocated on the basis of schools’ assessments of pupils with SEN.

3.7 While it is optional to do so, almost all local authorities choose to use a low prior attainment factor in their own local schools funding formulae, with the funding allocated through this factor contributing to schools’ notional SEN budgets. Local authorities can choose to set the per pupil funding rate at a lower value than the national funding formula.

3.8 We would welcome views on whether local authorities’ schools funding formulae are directing funds appropriately to enable schools to support their pupils with SEN, and in particular whether the low prior attainment factor could be improved.

3.9 Currently, in both national and local funding formulae, pupils with low prior attainment attract a single value based on attainment at the end of reception (based on the Early Years Foundation Stage Profile) and the end of Year 6 (based on end-of-key stage 2 national curriculum assessments). The factor does not distinguish between pupils who are very close to national expectations, and those who are working well below these.

3.10 We are considering the possibility of tiering this element of funding to target pupils with lower attainment in mainstream assessments and, by proxy, pupils with more complex SEN. Following support for this approach when we consulted on the national funding formula in 2017, we are now exploring options for making this change from 2021-22. Any specific proposal arising from this call for evidence would be subject to further consultation.

3.11 We would therefore be grateful for views on the option of tiering low prior attainment funding in the national funding formula, and allowing local authorities to do so in their local formulae. In particular, we are interested in whether this would better target pupils in need of more support, and whether such a change would create any positive or negative impact for primary or secondary schools.

3.12 Please answer questions 1 to 4 on the online survey, about the SEN related factors in the schools funding formula.

Targeted funding and support for SEN provision in schools

3.13 We recognise that the distribution of pupils with SEN and high needs across schools is uneven and that there are limitations to what can be achieved through proxy factors in a funding formula.

3.14 As part of the funding system in operation since 2013-14, local authorities have been permitted to target additional high needs funding to those mainstream schools with disproportionate numbers of pupils with SEN, and particularly those with high needs, where the local formula would not have given sufficient resources to meet the costs up to £6,000 per pupil.

3.15 Local authorities have reported spending £46 million in 2015-16, £67 million in 2016-17 and £57 million in 2017-18 on such targeted funding. They have budgeted to spend £57 million on this in 2018-19.⁵

3.16 This extra funding for mainstream schools can be added to their budgets to enable them to meet the varying needs of pupils that arise, and to recognise those schools that have developed a reputation for supporting pupils with SEN, including those that have developed a particular specialism.

3.17 Beyond publishing some examples of how local authorities distribute this funding to schools (some, for example, have panels of head teachers advising on requests from schools under pressure and others have a more formulaic allocation methodology), we have not advocated a particular approach, considering that this is something best decided by the local authority, in consultation with its schools and schools forum.

3.18 In 2015, as part of our preparation for the introduction of a high needs national funding formula, we asked Isos Partnership to look at all aspects of SEN funding. Their research report, published in July 2015,⁶ indicated that there was a case for more guidance on the distribution of targeted funding, and we would welcome views on that. Please answer question 5 in the online survey, about the additional targeted funding for SEN.

⁵ This information is taken from the returns from local authorities to the department under section 251 of the Apprenticeships, Skills, Children and Learning Act 2009.

⁶ The report can be found at this link:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/445519/DFE-RR470 - Funding for young people with special educational needs.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/445519/DFE-RR470_-_Funding_for_young_people_with_special_educational_needs.pdf)

The notional SEN budget

3.19 To help mainstream schools with their spending decisions relating to support for their pupils with SEN, they receive a notional SEN budget: an identifiable but notional amount within each school's total annual budget share (in the case of local authority maintained schools) or annual grant (in the case of academies). The concept of the notional SEN budget originated from the implementation of the School Standards and Framework Act 1998. It has continued as part of successive school funding changes, most recently those in 2013-14 which resulted in the introduction of the requirement for local authorities to delegate sufficient funds to meet the costs of SEN support up to £6,000 per pupil, per annum.⁷

3.20 On the approach for calculating a notional SEN budget for each school, however, we have allowed local authorities flexibility. We publish data on how different authorities have calculated this element of school funding so that they can learn from each other in deciding their approach, and also publish data on each school's notional SEN budget.⁸

3.21 In their 2015 report, Isos Partnership provided helpful information on the operation of the notional SEN budget, including the £6,000 threshold, commented on the variation in different authorities' approaches to both the calculation of the budget and the way in which support was provided to pupils with similar needs, and considered options for improving the system.

3.22 In particular, they were not convinced that notional SEN budgets were performing the function they were designed to fulfil. They proposed that the department should consider using alternative methods to provide clarity for schools on how their core formula funding was made up, so as to enable them to meet the needs of pupils with SEN.

3.23 Now that the national funding formula, for both schools and high needs, is in place, we would welcome views on how helpful it is to continue with the current arrangements, and on whether we should seek to identify a notional SEN budget as part of the national funding formula for schools. We would also like views on alternative ways in which we might give clarity to schools and on what improvements could be made to the management of and accountability for spending of schools' SEN funding.

3.24 Please answer questions 6 to 8 on the online survey about mainstream schools' notional SEN budget.

The £6,000 threshold

3.25 Before 2013-14 each local authority set their own arrangements for the allocation of additional resources to mainstream schools for those pupils who had more complex

⁷ The notional SEN budget is intended to support the school in making available suitable provision for children with SEN, but is not intended to cover other related expenditure, such as employing a SENCo or providing staff training on SEN.

⁸ Data about individual schools' funding for 2018-19, including their notional SEN budgets, is set out here: <https://www.gov.uk/government/publications/schools-block-funding-allocations-2018-to-2019>.

needs. Some authorities had a low threshold above which the school would qualify for extra resources, and some had a high threshold. Often these thresholds were linked to the level of need beyond which children would be assessed for statements of SEN, leading to very different statutory assessment practice across the country, and even in neighbouring local authority areas. In many cases authorities provided the school with resources to meet the full cost of additional support, once the local cost threshold had been exceeded, creating a significant financial incentive for the school to identify costs beyond the threshold.

3.26 From 2013-14 the school and high needs funding system was changed to bring in a more consistent approach. Local authorities were required to use a more limited number of factors in their local formula and to provide schools with sufficient resources through the formula to meet the costs of their pupils' additional SEN support up to £6,000. Schools could access high needs top-up funding for the costs of support in excess of this common threshold. In this way schools would have the resources to meet the costs of supporting those with lower level needs, and – through the top-up funding – the excess costs of those with more complex needs.

3.27 For those local authorities that had previously operated a “cliff edge” approach, whereby the full costs of supporting a pupil with complex needs were met once the costs exceeded the specified threshold, the arrangements from 2013 reduced the perverse incentive for schools to argue for increased costs of support so that they would have the full costs met. The introduction of the £6,000 threshold was also intended to encourage schools to meet lower level needs without the need to “label” pupils as having SEN either to receive additional funding from the local authority or to drive placement decisions.

3.28 The £6,000 threshold was initially proposed following PwC research⁹ 10 years ago and was introduced following consultation. The funding system ensures the same threshold is used for high needs top-up funding across mainstream and special schools (special schools receive £10,000 per place which is equivalent to the £6,000 from mainstream schools' notional SEN budget and the approximate £4,000 per pupil schools receive for all their pupils through the schools funding formula).

3.29 As a consequence of the concerns that have been expressed and the time that has passed, we believe that it is now right to consider how the £6,000 threshold is working, and whether any changes would help or hinder schools' decisions on making provision for pupils with SEN, and particularly those with education, health and care (EHC) plans.

3.30 When the £6,000 threshold was introduced, local authorities that had operated different arrangements had to make adjustments to the overall balance of schools and high needs funding. Some who were operating a higher threshold had to move funds

⁹ Research carried out by PricewaterhouseCoopers for the DfE in 2009 arrived at a proposed lower limit for defining a pupil as high cost of about £6,200, in addition to the basic cost of educating a pupil without SEN. The former central scheme for supporting students with SEN in colleges used a lower limit of £5,500. The round figure of £6,000 was introduced after consultation.

that had been delegated to schools back into their high needs budgets. Others that had operated a lower threshold had to transfer funds from high needs to schools.

3.31 Any change to this national threshold in future could therefore involve changing the balance between the overall funding currently allocated to mainstream schools, and the overall high needs funding block, with the likely need for consequential changes to the distribution of that funding through the schools and high needs national funding formulae. If the threshold was changed, there would also be consequences for how much special provision schools and local authorities make using the funding directly within their control, and also for administrative costs – for example if more or fewer pupils required some sort of assessment by the local authority. Respondents should bear this in mind when giving their views.

3.32 We are interested in whether there might be ways of applying the threshold differentially between schools, or targeting funding to certain schools to enable them to meet the threshold. For example, whether there are certain circumstances in which the requirement to meet the first £6,000 of SEN support costs should not apply, or in which local authorities should provide additional funding for support costs up to £6,000, as well as top-up funding for the costs in excess of £6,000 – such as for a small school or where a pupil already has an EHC plan when they are admitted to a new school.

3.33 We would need to consider carefully whether any changes to the current arrangements, intended to help schools provide support for children with SEN, would inadvertently create perverse incentives that would be unhelpful. And of course we would need to approach any change very carefully, with a clear understanding of the impact, and of how any adverse impact could be avoided.

3.34 Please answer questions 9 to 10 on the online survey, about the expectation that schools pay for the costs of SEN support up to £6,000 before accessing extra funding.

Provision for pupils with SEN in mainstream schools

3.35 The Children and Families Act requires schools, other providers, and local authorities to co-operate with each other in preparing and publishing the “local offer” of provision and services for children and young people with SEN and disabilities. This must be done working with parents and young people. The local offer should include a description of the SEN support ordinarily available in each school, including primary and secondary mainstream schools, as well as additional services and provision provided by the local authority and other agencies external to the school. In addition, all maintained schools and academies must publish information on their websites about their arrangements for supporting pupils with SEN.

3.36 As part of the local offer, local authorities must set out the provision they expect schools, early years and post-16 providers to make available. This publication should create a shared understanding between schools, parents and the authority that can help to ensure that requests for an EHC needs assessment and plan are appropriate.

3.37 All local authorities are expected to keep their local offer of special provision under review, involving schools and other providers, and to plan ahead strategically to ensure good quality provision can be developed and sustained in line with available resources.

3.38 In this context, it is important that mainstream schools are clear about what special educational provision they are expected to make for pupils with SEN, from the budget calculated by the local funding formula, any targeted funding from local authorities' high needs budgets and other funding streams.

3.39 Given the financial resources available to mainstream schools through the local formula and other funding (see paragraph 3.3 above), and in the context that some schools are finding those resources stretched, we would welcome views on whether the special education provision they currently make – i.e. that is ordinarily available – is sufficiently clear for parents and how that is communicated. It would also be helpful to know how decisions are taken locally on this aspect of the local offer.

3.40 Please answer questions 11 to 15 on the online survey about the provision made for children with SEN.

4. Funding for pupils who need alternative provision (AP) or are at risk of exclusion from school

4.1 Local authorities are responsible for arranging suitable education for children who – because of permanent exclusion, illness or other reasons – would not receive suitable education, without such arrangements being made. Schools arrange AP for pupils through off-site directions to improve their behaviour and for pupils who have been subject to a fixed-period exclusion of more than five school days.

4.2 Local authorities are responsible for funding AP they arrange for children who have been permanently excluded from school. Schools usually contribute to or pay the full costs of AP they arrange for pupils who are on their roll. Local authorities can recover funding from schools who permanently exclude a child, but this is rarely the same as the cost of the pupil's subsequent education in AP.

4.3 The government supports head teachers in using exclusion as a sanction where it is warranted. Good discipline in schools is essential to ensure that all pupils can benefit from the opportunities provided by education. Permanent exclusion should only be used as a last resort, in response to a serious breach or persistent breaches of the school's behaviour policy, and where allowing the pupil to remain in school would seriously harm the education or welfare of the pupil or others in the school.

4.4 In their recent research report, 'Alternative Provision Market Analysis',¹⁰ Isos Partnership noted that AP funding arrangements may not support local authorities, schools, and providers in working together to invest in early intervention for a pupil who is at risk of permanent exclusion or to reintegrate pupils in AP back into mainstream settings where it may be appropriate to do so.¹¹ This view is also expressed by Edward Timpson in his externally led review of school exclusions.¹²

4.5 Isos Partnership identified local areas where LAs, schools and APs have adopted innovative AP commissioning and funding models to plan local provision, secure best value from their spending on AP, and foster a collective responsibility for pupils in AP, and for the local AP system.

4.6 These models include:

- The devolution to schools of the local authority's high needs funding for AP, which can then be used to fund AP placements or provide support in school prior to a permanent exclusion (pages 58-59 of Isos Partnership's 'Alternative Provision Market Analysis');

¹⁰ Isos Partnership's 'Alternative Provision Market Analysis' report can be found here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752548/Alternative_Provision_Market_Analysis.pdf

¹¹ Isos Partnership, 'Alternative Provision Market Analysis' p.67.

¹² Edward Timpson's review of school exclusion and the government response can be found here: <https://www.gov.uk/government/consultations/school-exclusions-review-call-for-evidence>.

- The use of panel discussions between local authorities, schools and providers, at which local leaders plan local AP and early intervention in schools, track AP use and spending, share best practice on approaches to supporting children at risk of exclusion from school or who are ready to reintegrate back into mainstream (page 62 of Isos Partnership's 'Alternative Provision Market Analysis');
- Voluntary arrangements whereby local authorities can levy an extra charge on excluding schools (page 69 of Isos Partnership's 'Alternative Provision Market Analysis');
- Local policies requiring schools to keep children placed in AP on their roll, including after an exclusion (dual registration arrangements between mainstream and AP settings) (page 62 of Isos Partnership's 'Alternative Provision Market Analysis');
- Similarly, drawing on evidence of best practice, Edward Timpson's review of school exclusion calls for schools to be made responsible for the children they exclude and accountable for their educational outcomes, supported by joint working between mainstream schools, AP and local authorities. His review also calls for funding to be flexible enough to ensure schools are able to put in place alternative interventions that avoid the need for exclusion where appropriate, as well as to fund AP after exclusion.

4.7 Through this call for evidence, we are seeking information on whether the funding arrangements empower local authorities, schools and providers to intervene early for children at risk of exclusion from school, to provide high quality AP and to take collective responsibility for delivering best value from the funding available for AP from the high needs and schools' budgets. We welcome all views, and are particularly interested to hear from those who have worked with, or commissioned AP for, excluded pupils and pupils at risk of exclusion.

4.8 The evidence we gather is the next step in a consultative process that is being taken forward in response to the recommendations in Edward Timpson's review, that the department should consult on proposals to make schools responsible for the children they exclude and accountable for their educational outcomes (recommendation 14), while taking care to avoid unintended consequences such as "off-rolling" (recommendation 27). The responses we receive will help us to work with partners from across the education system to design a specific consultation on school accountability for permanently excluded pupils. The responses we receive will also help us to build on the Government's vision for AP published in March 2018; to spread the excellent practice which Edward Timpson's review has also identified in schools and AP providers; and to ensure that the funding arrangements adequately support schools and AP providers in their efforts to deliver for all of their pupils.

4.9 Please answer questions 16 to 19 in the online survey, about the funding for AP.

5. Funding for students with SEN in further education

5.1 Further education (FE) colleges, sixth form colleges and those special post-16 institutions on an approved list,¹³ like schools, have a duty under the Children and Families Act to use their best endeavours to meet the needs of young people with SEN and those who are disabled.

5.2 The local offer for these young people should include what support is available for young people in FE, and it is important this sets out clear routes to employment and independent living. Local authorities need to plan ahead, with post-16 providers, to ascertain what provision is going to be needed, and how to meet the needs of all young people with SEN, both those on SEN support and those with high needs. Colleges need to be clear how they will contribute to the local offer, and they and local authorities need to agree what the college can reasonably do to support students from within their own budget and when additional resources are needed from the high needs budget.

5.3 We understand the cost pressures facing both local authorities and post-16 providers as they seek to meet the needs and ambitions of young people, and the need for appropriate levels of funding. We would, however, welcome views on whether there are other aspects of the financial arrangements that are acting as a barrier to young people accessing the support they need, regardless of the amount of funding available. We want to know whether there are ways in which the operation of the funding system is inhibiting the achievement of good outcomes,¹⁴ adding to the cost pressures on local authorities' high needs budgets without preparing young people for adulthood. Please also consider the issues raised in chapter 6.

5.4 The £6,000 threshold operates in a different way in the funding system for 16 to 19 year olds. There is no notional SEN budget, although the support for students with lower level SEN is funded through the disadvantage factors in the national 16 to 19 funding formula. For those with more complex SEN, whose support costs more than £6,000, colleges and local authorities are expected to agree a package of support for their students with SEN, consisting of a number of high needs places funded at £6,000 per place, supplemented by top-up funding for those students with the most complex needs.

5.5 In most cases this place funding is deducted from local authorities' high needs budgets and paid to colleges directly by the Education and Skills Funding Agency (ESFA), but we have recently introduced more flexible arrangements whereby, if the institution and local authority agree, this can be paid by the authority without

¹³ Special post-16 institutions are organisations that are legally established to provide specialist post-16 education and support to young people, and are not maintained schools, academies or FE/sixth form colleges. Some have been approved by the Secretary of State to be on a "section 41" list, bringing them within the ambit of certain duties under the Children and Families Act 2014.

¹⁴ Young people should be supported to exercise choice and control over their lives, including the 4 'preparing for adulthood' outcomes: moving into paid employment and higher education; independent living; having friends and relationships, and being part of their communities; and being as healthy as possible. More information on these outcomes can be found in chapter 8 of the SEND Code of Practice here: <https://www.gov.uk/government/publications/send-code-of-practice-0-to-25>.

involvement from the ESFA, on whatever basis they find acceptable.¹⁵ The need for local authorities and colleges (and those mainstream secondary schools with sixth forms) to agree the number of places or alternative approach to this element of funding has reduced the financial perverse incentive to identify a young person as having high needs simply to access an additional £6,000, although there is still scope for conflict where the institution and local authority cannot agree on the package of support that should be provided, or associated costs.

5.6 We would welcome any evidence that the funding or financial arrangements that currently apply to post-16 and post-19 provision are causing decisions to be made that are both unhelpful in securing the best outcomes for the young people concerned and adding to the costs of provision. We would also welcome any examples of where the flexibility in paragraph 5.5 supports better planning and decision making.

5.7 Please note that we are separately considering, in consultation with Natspec,¹⁶ whether the approach to funding special post-16 institutions could be improved, and will consult during the summer of 2019 on any specific proposals for a limited number of technical changes that could be introduced for the financial or academic year starting in 2020.

5.8 The majority of young people with SEN and disabilities complete further education with their peers by age 19, and our expectation is that this should continue. However, we recognise that some young people need longer to complete and consolidate their education and training. The length of time will vary according to each young person, and judgements on when to stop or maintain an EHC plan must be made on a case-by-case basis and in accordance with the statutory tests and processes (see section 45 of the Children and Families Act 2014).¹⁷ We want the funding arrangements to support young people's smooth transition into adulthood, and the next chapter focuses on some aspects that may not be helping.

5.9 Please answer questions 20 to 22 in the online survey, about the post-16 funding arrangements for FE colleges and others making provision for young people with SEN and who are disabled.

¹⁵ The £6,000 per place funding from local authorities' high needs allocations, and flexibility to allocate this on a different basis, has also been extended to mainstream school sixth forms.

¹⁶ Natspec is the national association representing special post-16 institutions.

¹⁷ Further guidance on our expectations with regard to young people aged 19 to 25 is set out here: <https://www.gov.uk/government/publications/send-19-to-25-year-olds-entitlement-to-ehc-plans>.

6. Improving early intervention at each age and stage to prepare young people for adulthood sooner

6.1 There is a duty on local authorities, under section 9 of the Education Act 1996, to have regard to the general principle that pupils are to be educated in accordance with the wishes of their parents, so far as that is compatible with the provision of efficient instruction and training and the avoidance of unreasonable public expenditure. To exercise control over public expenditure, making sure that spending decisions are reasonable and that the level of spending is not excessive, local authorities and other organisations often develop processes and systems to prioritise resources. Such arrangements, however, can lead to a delay in the commitment of funding for support costs.

6.2 We want to understand whether the current operation of the funding system is creating a financial perverse incentive to resist a commitment of resources when problems first arise, when such spending could in fact lead to a longer-term reduction in the complexity of support needed, and so longer-term savings. In a system that is intended to secure outcomes that imply a reducing need for support for many young people, as they prepare for employment and living more independently, it would be perverse if the lack of resources at one stage was leading to increasing costs later. We would therefore be keen to have good evidence that early investment can reduce costs.

6.3 As a possible example of the lack of timely support, sometimes a school or college complains that they are left to cope with limited resources and access to expertise during an education, health and care needs assessment process that lasts up to 20 weeks. They say that they have to produce unreasonable amounts of paperwork to evidence the need for extra resource. On the other hand, there may be financial reasons for local authorities' reluctance to commit extra resources during this period: once extra funding has been agreed, it is rare for this to be reduced.

6.4 An illustration of how the costs and support given to young people can significantly increase, perhaps more than necessary, can also be seen at transition points. For some children and young people whose needs increase as they get older, or whose mental or physical health deteriorates, it is of course appropriate for them to receive enhanced levels of support over time. For others, however, it could be that more focus on the achievement of outcomes relating to greater independence would lead to a reduced need for support, including at the points of transition, and to a better preparation for adulthood.

6.5 Some examples of the way that support costs can increase for a child or young person around key transition points:

- A reception class teacher in a primary school is under particular pressure because unforeseen extra resources are required for a child whose SEN is undiagnosed and unsupported, despite prior attendance at an early years setting where early support could have been given.
- A pupil with SEN nearing the end of primary school education is unprepared for the changes that a different and much bigger secondary school can bring, and the parents, who would have preferred to continue with education in a mainstream setting, opt instead for a more expensive special school.

- At the end of their schooling, a student is unable to cope with the more adult environment of an FE college, and unable to travel independently due to a lack of travel training, requiring more support to help them adapt and prepare for adulthood.

6.6 We believe in the value of educating children in mainstream settings where that is right for them and that is what their parents want. But, as noted in paragraph 2.7 above, there has been a reducing proportion of children being educated in mainstream schools, and the data shows that this has been happening over the last 10 years. We want to understand whether any lack of early intervention and resources for the right support at the right time is driving this.

6.7 Please answer questions 23 to 25 in the online survey, which ask for evidence on the extent to which the financial and funding arrangements are driving the escalation of costs, and preventing those making spending decisions from taking an “invest-to-save” approach that leads to better outcomes and ultimately to reducing costs.

7. Effective partnership working to support children and young people with complex needs

7.1 When different organisations are responsible for their own budgets they are of course rightly interested in how best to discharge their responsibilities within the resources available to them. Separate funding streams and budgetary control are an inevitable feature of a complex landscape of provision, based on different legislation. This, however, can create barriers which discourage the partnership working that is essential for meeting the needs of those children and young people with SEN and who are disabled, and others with complex needs. Furthermore, conflict between budget holders can increase when budgets are tight and flexibility to move funding is reduced.

7.2 Providers are responsible for bringing together a number of funding streams – for example, those noted in paragraph 3.3 above – so that they can educate the full range of pupils and students they have. In the context of EHC needs assessments and plans, local authorities have to bring together health and social care funding streams as well.

7.3 Budget holders – for example clinical commissioning groups in the NHS, budget holders within the same local authority and schools – should be encouraged to work together to contribute to meeting children’s medical needs while they are at school. As an example of where there is understood to be co-operation between budget holders locally, the report of Wakefield’s SEND area inspection stated: “Children and young people’s transition into schools and colleges is supported well by education and health professionals. Children’s community nurses and special school nurses work especially well together in schools and early years settings. They provide high-quality training about how to manage conditions such as asthma, epilepsy and diabetes. These services help schools and settings to meet children and young people’s needs which, in turn, impacts positively on their learning and the progress they make.”

7.4 Another example from Lincolnshire’s SEND inspection report shows how working together can help with transition from children’s to adult services: “The transition of services for children who have disabilities to adult social care is very efficient. Each young person has a care passport which contains information about their health and care needs and this is shared with adult social care professionals in good time. This means that young people do not have to repeat assessments or face delays in receiving care when they become an adult.”

7.5 Within the education sector, local authorities, schools, colleges and other providers should be operating within a system that encourages them to work in partnership, despite understandable concerns about the costs and consequent pressure on their separate budgets.

7.6 We are therefore keen to explore financial arrangements that would help to encourage budget holders to.

- share their resources and use appropriate pooling arrangements to most effectively meet the complex needs – and improve the outcomes – of children and young people (without arguments over who should pay for what);
- avoid taking inappropriate action to pass costs on to others, where this simply moves the cost pressures elsewhere and does not help to address the problem;

- strengthen joint leadership and strategic commissioning of services.

7.7 From the research into AP markets carried out for the department by Isos Partnership, referred to in chapter 4 above,¹⁸ and the work they have done for the Local Government Association, there is evidence of good practice across the country, involving joint commissioning of services, collective responsibility for budgets and other partnership approaches.¹⁹ We would welcome views on what changes we might consider, within the overall funding and financial system, and recognising the budgetary boundaries that exist, to encourage the collaborative working that is so important for meeting the complex needs of children and young people.

7.8 Please answer question 26 in the online survey, about whether the financial arrangements could support a more effective partnership approach.

¹⁸ This report can be found here: <https://www.gov.uk/government/publications/alternative-provision-market-analysis>.

¹⁹ This report can be found here: http://www.isospartnership.com/uploads/files/181108_LGA%20SEND_final%20report.pdf.

8. Other aspects of the funding and financial arrangements

8.1 We want to ensure that those children and young people with SEN, those who are disabled, and those who are not in school or at risk of being excluded, receive the appropriate levels of provision and support to which they are entitled.

8.2 We are aware that the amount of funding that is allocated to the Department for Education, and the amount that the department allocates to local authorities and others, is very important for making good quality provision for our most vulnerable young people. Securing a sufficient amount of funding for education in future will remain a priority for the department.

8.3 But we also need to make sure that the funding and financial arrangements, irrespective of the level of funding, encourage decisions about provision that are in the best interests of all our children and young people, and that provide value for money. We would be interested to understand whether any aspects of the financial and funding arrangements, not covered in the previous sections of this document, are creating perverse incentives for decision-makers across the system. It would also be helpful to have views on those aspects of the current funding system that are actively helping the right decisions to be made, so that we can make sure that they are not changed.

8.4 If you have relevant points to make that are not being made in answer to the previous questions, please answer questions 27 to 28 in the online survey.

Annex A: How the current high needs funding system works

1. High needs funding is provided to local authorities through the high needs block of the dedicated schools grant (DSG). Local authorities must spend that funding in line with the associated conditions of grant, and School and Early Years Finance (England) Regulations, which have been updated for 2019-20. High needs funding is also provided directly to some institutions by the Education and Skills Funding Agency (ESFA).
2. The high needs funding system supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25, enabling both local authorities and institutions to meet their statutory duties under the Children and Families Act 2014. High needs funding is also intended to support good quality alternative provision (AP) for pre-16 pupils who, because of exclusion, illness or other reasons, cannot receive their education in mainstream or special schools. The high needs funding block provides local authorities with resources for place funding and top-up funding for institutions, and funding for high needs services delivered directly by the authority or under a separate funding agreement with institutions (including funding devolved to institutions), as permitted by regulations.
3. Institutions receive funding for pupils and students with high needs in different ways:
 - a. Core funding – the annual allocation an institution receives either directly from the provider local authority (for maintained schools and pupil referral units (PRUs), based on the financial year), or from the ESFA (for academies, free schools, colleges, independent learning providers (ILPs), non-maintained special schools (NMSS) and special post-16 institutions, based on the academic year). Independent special schools do not receive an allocation of high needs funding from the ESFA, but only receive high needs funding from the local authority placing the pupil or student.
 - b. Top-up funding – the funding required, over and above the core funding, to enable a pupil or student with high needs to participate in education and training. This is paid by the local authority which places the child or young person and should reflect the additional support costs an institution incurs in making provision to meet the individual's needs. In the case of AP, top-up funding is paid by the body which commissions each place (either the local authority or a partnership or cluster of schools).
 - c. Funding under a service level agreement – where a service relating to SEN or AP has been commissioned by a local authority and is delivered

by an institution, the local authority can pay for that service from its high needs budget where permitted by the funding regulations.

4. While the majority of a local authority's high needs budget is spent on place and top-up funding for institutions, local authorities can also use high needs funding to provide additional or targeted support for children and young people with SEN, as permitted under schedule 2 to the School and Early Years Finance (England) Regulations. This can take the form of additional funding to institutions, which may be paid on the basis of a service level agreement, or access to specialist services or expertise commissioned by the local authority. Such support can play an important role in enabling mainstream schools and colleges to meet a wider range of special educational needs, and supports the presumption in law that children and young people should be educated in mainstream provision, unless their special educational needs require more specialist provision.
5. Additional funding may be provided where there are a disproportionate number of pupils with a particular type of SEN. For example, a primary school may have developed a reputation for meeting the needs of high achieving pupils with autistic spectrum disorder, or pupils with physical disabilities, and it is not possible to target additional funding to the school through factors in the school funding formula.
6. Local authorities and mainstream schools and colleges should also discuss how such specialist support should be delivered when considering how to spend the high needs funding available to them. Many local authorities employ specialist teachers, funded directly from their high needs budget. Others give special schools additional funding to provide specialist support to other schools. Such arrangements are frequently accompanied by a service level agreement confirming what will be delivered in return for the additional funding.
7. There is a good deal of flexibility for local authorities in making and funding the high needs provision in their area, although there are some requirements in the Early Years Finance (England) Regulations and conditions of grant. The latter include rules on the timely payment of top-up funding to schools and colleges, and restrictions on the transfer of funding from the schools funding block of the DSG to other budgets, including high needs.

There are also certain processes that the ESFA operates to make sure that timely funding allocations are made to local authorities, academies, colleges and the other institutions that they fund directly, and that appropriate adjustments are made to those allocations when necessary. For more detail on the high needs funding system, including links to the relevant regulations and conditions of grant, please refer to the high needs funding operational guide.



Department
for Education

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DSG Recovery Plans

Kay Goodacre, Lewis Goodger & Mark
Wilson



Education & Skills
Funding Agency

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Workshop Aims

- Provide an overview of the new requirement for local authorities with cumulative DSG deficit of 1% or more to provide the Department with a recovery plan.
- Discuss the consultation responses and outline how they have shaped this new process.
- Confirm the delivery cycle of the recovery plans and discuss upcoming key milestones.
- Provide an in-depth look at the recovery plan template.
- Allow colleagues to ask any questions they may have regarding these new requirements.

Background Information

- Due to the increase in local authorities going into deficit. It was announced in July 2018 that all local authorities with a cumulative DSG deficit of 1% or more would need to provide the Department with a deficit recovery plan from 2019-20.
- The recovery plans would allow the department to have more visibility on deficits and work with authorities to help bring them back into balance.
- A consultation outlining these new requirements was published on 12 November 2018.
- New guidance and a recovery plan template was published on 18 March 2019.

Consultation Responses

- A consultation document was published on 12 November and closed on 7 December 2018.
- We received a total of **93** responses from local authorities and **2** from representative bodies, the Local Government Association and The Society of London Treasurers.
- The majority of authorities welcomed the new DSG deficit plan requirement.

Consultation Responses – Common Themes

- **High needs pressures**

The government announced an additional £250 million in high needs funding to support authorities that are struggling with high needs pressures.

- **3 year time frame seems too short**

Given the urgency of the situation, the department requires authorities to stick to the 3 year time frame. Any authority that believes their recovery plans should be longer than three years must submit substantial evidence with their plans to support this.

- **The Department should provide a recovery plan template**

We designed a recovery plan template for authorities can utilise when creating their plans. The template was created with a working group of local authority representatives so that the final result reflected the needs of both the department an local authorities.

- **June 30 deadline is too soon**

Guidance and a recovery plan template was published March 18, allowing authorities around 3 months to produce their plans

Consultation Responses – Common Themes

- **Clarification on School Forum engagement**

You must discuss the recovery plan with your School Forum, however their approval of your recovery plan is not a requirement.

- **How the recovery plans will be reviewed both from year to year and between annual reviews**

Plans will be reviewed against a checklist of criteria regularly to ensure authorities are on track to bring deficits back into balance. Where an authority is unable to reduce their deficits in line with their approved plan, we will contact them to provide further support. The recovery plan will be a continuation of any disapplication block movement requests, as evidence will need to be provided to demonstrate how the block transfer has impacted spend.

- **What happens if we do not accept a plan/outcomes of DfE review**

The department will consult with the authority to discuss steps to take to make sure the recovery plan is viable.

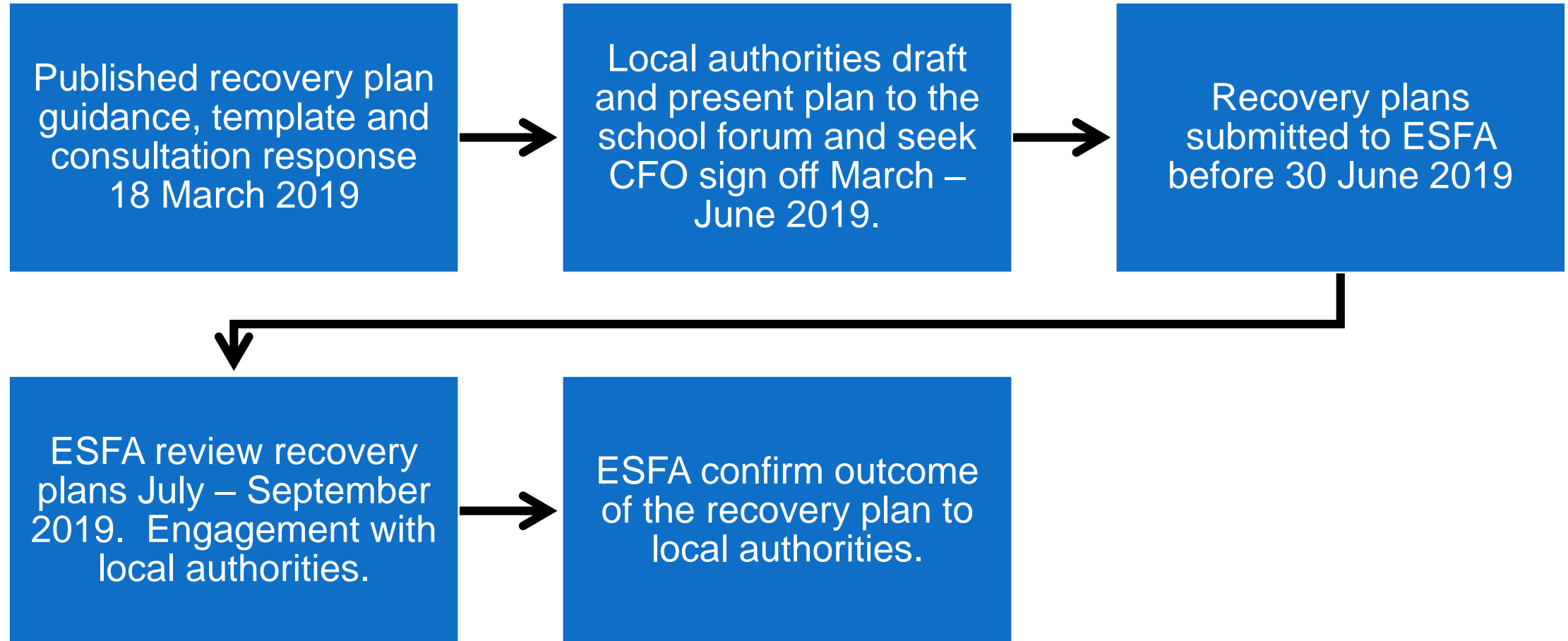
- **Definition of deficit**

The DSG deficit is a cumulative deficit of 1% or more of their Dedicated Schools Grant (DSG). The 1% calculation will be based on the latest published total DSG allocations for 2018-19, gross of recoupment, as at the end of the 2018-19 financial year.

Progress made since the consultation

- We adapted an existing recovery plan that a local authority had previously submitted when the benchmark was 2%.
- Formed a working group with 10 local authorities to discuss the new requirements, share draft versions of the guidance and template, and ensure we received consistent feedback.
- Consulted across the department and with colleagues in other Government departments to finalise this process.
- Published final versions of the new guidance and recovery plan template on 18 March 2019.

Delivery Cycle



Spending Review

- We will be using the recovery plans as evidence of the HN pressures. We are aware that the SR will have an impact on local authority budgets and plans and we are aiming to get the best possible settlement.

DSG Recovery Plan – an overview

Principal Points to take away

- Recovery plans must outline how authorities intend to bring their DSG deficit back into balance in a 3 year time frame. If 3 years is not viable, then authorities must submit extensive evidence to support the requirement for more than 3 years.
- Authorities must include thorough evidence of local pressures they have faced that have resulted in them finding themselves in a DSG deficit.
- Recovery plans must be submitted no later than 30 June.
- Approval from School Forum is not essential criteria when submitting recovery plans.
- The department will review plans over the summer and inform local authorities in the autumn if their plans have been deemed realistic. Following this, plans will be reviewed on a rolling basis and authorities will have to inform the department if they are not staying on track with their recovery plans.
- In exceptional circumstances, the department may allow authorities to leave some of their historical deficits as outstanding until they can bring their in-year spending back into balance. Any authority that proposes to leave some historical deficit outstanding must obtain CFO sign off and provide detailed evidence to support their request.

Q&A

REPORT FOR SCHOOLS FORUM

1.	Date of meeting:	21st June 2019
2.	Title:	Funding adjustments for permanently excluded pupils and pupils accessing off-site provision
3.	Directorate:	Finance and Customer Services

1. Purpose of the report

To inform Schools Forum members of changes to the calculation of the adjustments made to the school budget shares in respect of permanently excluded pupils and pupils who remain on school roll but are educated elsewhere. This paper outlines changes to the funding adjustments for these pupils to enable us to comply with DfE legislative requirements..

2. Summary

This paper outlines changes to the funding adjustments for permanent exclusions and pupils who remain on school roll and access off-site provision.

3. Recommendations

Forum is asked to note the changes outlined in section 5 for calculating the amount to be recovered from a school or academy which has permanently excluded a pupil or where the pupil is educated elsewhere.

4. Background Information

When a pupil is excluded from school, DfE regulations require that funding is removed from the school by the local authority from the sixth day following the date of permanent exclusion.

Currently the deduction made to the school's budget is currently calculated using the basic entitlement pupil led funding (the age-weighted pupil unit AWPU) that the school receives together with any pupil premium that the excluded pupil attracts. These amounts are multiplied by the proportion of the local authority financial year remaining after the exclusion, measured in weeks (i.e. the period from six days after the permanent exclusion until 31st March.

The deduction will also include the amount of any financial adjustments order where this is relevant.

Recent DfE guidance states that these deductions should be calculated using not just the AWPU and the Pupil Premium but also including other pupil-led factors in budget shares which relate to the excluded pupil.

5. Increase in the permanent exclusion deduction rate

Recent DfE guidance makes clear that the local authority must deduct from the excluding school's budget in-year the amount within the funding formula relating not just to the age, but also the personal circumstances of the excluded pupil, pro rata to the number of weeks remaining in the financial year from the sixth school day following the date of permanent exclusion.

Therefore the deduction needs to cover not just the basic entitlement of per pupil funding (AWPU) but also the relevant amounts for other pupil-led factors, such as free school meals or English as an additional language, where the pupil would attract funding through those criteria.

In order to comply with the DfE's guidance, the Authority intends to amend the deductions for permanently excluded pupils in 2019-20 in order to include the additional needs funding relevant to the pupil.

Annex A outlines the pupil-led funding factors that would be deducted under these arrangements and the maximum deduction of budget share funding possible, in the every unlikely event that a pupil attracted all the funding factors listed.

In line with the DfE requirements, Pupil Premium would continue to be deducted where applicable – in addition to the budget share formula factors shown.

6. Applying the deduction rates to pupil accessing off-site provision.

The mechanism outlined in section 5 also applies to pupils who leave mainstream schools and academies for reasons other than permanent exclusion, and are receiving education funded by the local authority other than at school. The deduction rate will be applied on a pro-rata basis i.e. the charge will reflect the number of days the pupil is educated off-site by the LA.

6. Other Issues

Funded pupil numbers

On occasion funding is deducted for an excluded pupil who was not on roll at the school at the previous October's census and for whom the school has not received funding. In this situation, schools sometimes query whether the decision is appropriate. The DfE guidance specifies that the requirement to deduct funding for a permanent exclusion is unconnected to whether a particular pupil has been on the census in the first place, and whether school has received funding for them.

Readmission of permanently excluded pupil

Where a school admits a pupil who has previously been permanently excluded, the admitting school receives an allocation based on the deduction taken from the excluding school. The allocation paid to the admitting school relates to the length of the period from the admission of the pupil to the end of the financial year. For academies, the calculation would be based on the period from the pupil's admission date to the end of the academic year.

7. Conclusion

The calculated rate for exclusions will include additional needs-led factors to allow us to comply with DfE legislation requirement and will be implemented from 1st April 2019. The result will be that funding deductions will more closely reflect the circumstances of the pupils being excluded or educated elsewhere.

Annex A

Formula factors to be included in the calculation of funding adjustments for permanently excluded pupils.

Local Funding Formula Factors 2019-2020	Primary	Secondary KS3	Secondary KS4
AWPU	£2,985	£4,550	£4,750
Ever 6 Free School Meals	£540	£785	£785
Free School Meals	£320	£320	£320
IDACI (Highest Band A)	£390	£540	£540
Low Prior Attainment	£645	£920	£920
English as an Additional Language	£515	£1,385	£1,385
Maximum Potential Annual Deduction excluding Pupil Premium)	£5,395	£8,500	£8,700

Pupil Premium	Primary	Secondary KS3	Secondary KS4
Ever 6 Free School Meals	£1,320	£935	£935
Adopted from Care	£2,300	£2,300	£2,300
Service Children	£300	£300	£300

5. Names and contact details

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REPORT FOR SCHOOLS FORUM

1.	Date of meeting:	21st June 2019
2.	Title:	Amendment to the 2019/20 Pupil Growth Policy
3.	Directorate:	Children and Young People's Services

1. Background

- 1.1 Growth funding enables local authorities to support schools with significant in-year pupil growth. The growth fund can also be used to:
- Support growth in pre-16 pupil numbers to meet basic need
 - Support additional classes needed to meet the infant class size regulation
 - Meet the costs of new schools

Schools Forum agrees the total growth fund.

- 1.2 At the November 2018 meeting, Schools Forum approved a 2019-20 contingency for a pupil growth fund for those schools the local authority had asked to increase their pupil admission number (PAN). The report outlined the transitional *funding (7/12 funding for maintained Schools and 12/12 funding for Academies)* required to support the additional staffing requirements for expanding schools in the Borough until school census funding generates the income for the additional pupils.
- 1.3 The report also outlined the pre start up allocation required in relation to Waverley Junior Academy as agreed by Schools Forum as part of the pre start up and diseconomies in the first year of operation funding formula for new schools.

2. Key actions and relevant timelines

- 2.1 Where schools are expanded, it is necessary to provide interim financial support to bridge the gap (between 1st September and 31st March for maintained Schools and 1st September to 31st August for Academies) due to funding arrangements. Funding is allocated to schools each year based upon numbers on roll on Census day in October of the preceding year. Additional pupils commencing at the start of a new academic year will not be on roll at that time in order to generate sufficient funding to meet additional staffing and other agreed expenditure.
- 2.2 Using the previously agreed formula for funding allocations, Schools Forum approved the following allocations from the Pupil Growth element within the Schools Block to fund school expansion implications and pre start up implications relating to Waverley Junior Academy:

**2019/20 Academic Year Recommended Allocations
Table 1**

School	Amount
Wath C of E Primary	£56,076
Sandhill Primary	£56,076
Laughton J and I	£56,076
Brinsworth Howarth	£32,711
Wickersley SSC	£62,556
Wales High	£62,556
Wath Comprehensive	£62,556
St Bernard's	£56,076
Waverley Junior Academy (pre start up)	£34,289 (September 19 – March)
Total	£478,972

Allocations to be paid during the summer term prior to the 2019-20 academic year.

2.3 Table 2 below is the detail of the agreed formula of the Pupil Growth allocations for expanding schools:

Rotherham formula for funding allocations

Table 2

Teacher	Academy (12/12)	Maintained (7/12)
M6 Teacher	£31,551	£18,405
Band D T/A	£11,033	£ 6,436
SMSA	£ 1,868	£ 1,090
Resources amount per additional pupil projected	£ 252	£ 252
Fixed amount per classroom	£ 3,000	£ 3,000

4 Proposed amendments to the policy

4.1 The LA are proposing the following changes:

- If a class is created between September and April, the amount would be reduced by 1/7th (1/12th for academies) for each whole month that the class is not needed
- When a class is created the LA will require evidence of staff appointments in order to release funding
- When a school takes additional pupils but has no requirement for an additional class they will only receive the resources amount of £252 per pupil capped at 15 pupils
- Agreed allocations will be paid during the autumn term

Recommendations to Schools Forum

5.1 It is recommended that Schools Forum confirms the amendments to the Pupil Growth Policy detailed above.

3. Name and contact details

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