

Rotherham Schools' Forum

Venue: Rockingham Professional Development Centre **Date: Friday, 27 September 2019**

Time: 8.30 a.m.

A G E N D A

1. Apologies for Absence.
2. Declarations of Interest.
To declare any interests at this meeting of items on the agenda.
3. Minutes of the Previous Meeting held on 21st June, 2019. (Pages 1 - 10)
4. Matters Arising from Previous Minutes.

For Discussion:-

5. DSG Mid-Year Update. (Pages 11 - 14)
6. New Funding Announcement (HM Treasury Spending Round 2019) (Pages 15 - 19)
7. SEND Sufficiency Phase 2. (Pages 20 - 65)
8. Exclusions Strategy Update.
9. Government Consultations - Financial Transparency of Local Authority Maintained Schools and Academy Trusts & Mandatory Minimum Per Pupil Funding Levels. (Pages 66 - 119)
10. Trade Union Facilities. (Pages 120 - 121)
11. Any Other Business.

12. Date of Next Meeting

Next meetings of the Rotherham Schools' Forum to take place on:-

Friday, 22nd November, 2019

Friday, 17th January, 2020

Both at 8.30 a.m. at Rockingham Development Centre.

**ROTHERHAM SCHOOLS' FORUM
FRIDAY, 21ST JUNE, 2019**

In Attendance:-

Deborah Ball Treeton Primary (Academy) (in the Chair).

Lianne Camaish – Aspire

John Coleman – Nexus Director (Special Academy)

Pepe Diiasio - Assistant Director - Education

Dean Fenton, Head of Service, Admissions, School Organisation and Appeals

Neil Hardwick - Head of Finance - Children and Young People's Services

Christina Hill – GMB Representative

Jenny Lingrell – Assistant Director, Commissioning, Performance and Inclusion

David Naisbitt – Oakwood High School (Academy)

Vera Njelic - Principal Finance Officer - Children and Young People's Services

Lynn Pepper – Herringthorpe Infant School (Maintained)

Adam Rashid – Unison Representative (Substitute)

Steve Rhodes – Winterhill School (Academy)

Alan Richards – Secondary Governors

Steve Scott – Happy Kids (PVI)

Paul Silvester – Newman Special School (Maintained)

Helen Simpson – Ferham Primary School (Maintained)

Jon Stonehouse - Strategic Director of Children and Young People's Services

Jon Taylor – Wath Academy (Academy)

Apologies for Absence:-

Peter Gerrard – Rawmarsh Nursery and Arnold Centre (Maintained)

Chris Harris – Wickersley Partnership Trust (Academy)

Kirsty Peart – Sitwell Infant (Maintained)

Andy Krabbendam – Kiveton Park Infant and Harthill Primary (Academy)

Sultan Mahmood – Unison Representative

Nevine Towers – Diocese of Sheffield

1. DECLARATIONS OF INTERESTS

There were no Declarations of Interest from the agenda to report.

2. MINUTES OF THE PREVIOUS MEETING HELD OF 5TH APRIL, 2019

Agreed:- that the minutes of the last meeting held on 5th April, 2019 be approved as a true and accurate record.

3. MATTERS ARISING FROM PREVIOUS MINUTES

There were no matters arising.

4. CONSTITUTION UPDATE

Consideration was given to the current constitution of the Rotherham Schools' Forum, which was representative across the borough.

However, a number of vacancies still did exist and every effort would be made for these to be filled.

Agreed:- That the current membership and the number of vacancies be noted.

5. 2018/19 DSG OUTTURN

Vera Njegic, Schools' Finance, introduced the report which detailed the 2018/19 outturn position of the dedicated schools grant (DSG).

A summary was provided of the surplus/deficit balances of the maintained schools within Rotherham and information in respect of pupil-led funding recovered as a result of permanent exclusions.

From the information it was noted that the Council's expenditure on schools was funded primarily by grant monies provided by the Education and Skills Funding Agency, the dedicated Schools Grant (DSG). DSG was ring fenced and could 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 included elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which was divided into a budget share for each maintained School.

With regards to individual school budgets it was pointed out that within the Rotherham Scheme for financing schools, individual schools were permitted to carry forward balances to be spent or replenished in subsequent financial years. In total, the carry forward on individual school budgets was an overall combined surplus of £3.490 m.

It was also noted that the 2018/19 accounts also included 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), but the DSG note to the accounts, however, was updated to include this.

Of the total 2018/19 surplus balances, eleven schools held balances above the thresholds set out in the Scheme for Financing Schools. The Scheme for Financing Schools set out the financial arrangement between the local authority and the maintained schools and stated that if a school's balance 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.

Of the ten schools that were previously identified to be in deficit, three have now entered a surplus balance position, two now have academy status with a cumulative deficit balance of £218k and five schools remain in deficit.

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

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

The Forum considered the detail and noted that the excess surplus balances process had not been applied recently.

It was suggested that Academies could present their year end balances at the School Forum meeting in November.

The report also outlined that £93,051 had been recovered from individual schools and 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.

There were a couple of schools who had outstanding invoices, recovery action was being progressed. Some schools were under the impression if pupils were not included on the October census then they did not have to pay. It was clarified that this was not the case and all schools that excluded pupils would be charged.

Agreed:- (1) That the information particularly in relation to the reserve balances increasing to £15.1m (centrally retained) be noted.

(2) That the deficit balance, subject to change as a result of the early years adjustment for the Spring 2019 census count with an anticipated clawback of £26k, be noted.

6. HIGH NEEDS BLOCK OUTTURN AND 2019/20 BUDGET PLAN

Neil Hardwick, Head of CYPS Finance, introduced the report which sought to inform the Forum as to the 2018/19 outturn position of the High Needs Block and information in respect of the High Needs Budget Plan for 2019/20.

The Forum noted that Rotherham faced considerable pressure in continuing to meet the needs of pupils with Special Educational Needs and Disabilities (SEND) as there were increasing numbers of pupils with

an Education, Health and Care Plan (EHCP) and in-borough special school provision was currently over-subscribed.

It was also noted that 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 were sometimes more appropriate. Whether they were 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 was provided from the High Needs Budget – part of the Dedicated Schools Grant (DSG).

Rotherham was a relatively low funded authority and had seen significant pressures on the High Needs Block for many years. The High Needs Budget allocation had 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.

During recent years Rotherham had faced growing pressure on the High Needs Budget which had 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.

The High Needs Block allocation (HNB) 2018/19 was £31.167m and had 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.

The addition of 125 places agreed through Phase 1 of the SEN Strategy agreed by Cabinet in February, 2018 were 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.

Discussion ensued on the increasing figures and the costs linked to plans and the increase in sufficiency places which aimed to reduce high cost out of area spending moving forward.

Agreed:- That the information contained within this report be noted particularly in 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.

(THE CHAIR AUTHORISED CONSIDERATION OF THE FOLLOWING ITEM AT THIS POINT IN ORDER TO KEEP THE FORUM ABREAST OF INFORMATION)

7. SUB-GROUP FEEDBACK

Paul Silvester, Head Teacher of Newman School, provided a synopsis of discussions that had taken place at the High Needs Sub-Group and the plans moving forward.

The Group wanted to have the opportunity to unpick and drill down into some of the financial information and feed this back to the Forum in due course.

Volunteers to assist the Group were welcomed.

Agreed:- (1) That feedback be provided back to the Rotherham Schools' Forum in due course.

(2) That John Coleman, Nexus MAT Director, join the Group to consider the High Needs Block detail.

8. DFE CALL FOR EVIDENCE CONSULTATION

Neil Hardwick, Head of CYPS Finance, and Jenny Lingrell, Assistant Director, Commissioning, Performance and Inclusion, outlined the document from the Department for Education which called for Local Authorities 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 were disabled, those who required alternative provision (AP) and those at risk of exclusion from school.

It appeared that the overall amount of funding available was the most pressing concern for many and the total funding available for high needs would be carefully considered in the forthcoming spending review.

The call for evidence was, therefore, intended to focus on a related issue of how the current available funding was distributed, and what improvements might be made in future.

Views were, therefore, welcomed on specific areas of concern as well as on other aspects of the funding and financial arrangements.

Rotherham would respond to the Call for Evidence and provide evidence how it would operate going forward. but urged other partners and schools to submit their responses.

The response deadline was 31st July, 2019 and it was anticipated Rotherham's would be finalised by the 19th July, 2019.

Agreed:- That any information be welcomed to support the Rotherham Call for Evidence submission.

9. DSG DEFICIT RECOVERY PLAN

Neil Hardwick, Head of CYPS Finance, and Jenny Lingrell, Assistant Director, Commissioning, Performance and Inclusion, circulated a copy of the report and pointed out that nationally there were growing concerns about the level of funding within the High Needs Block.

The Association of Directors of Children's Services had undertaken a survey of financial pressures and reported that of eighty-five local authorities in 2016/17 only seventeen reported their spend was in line with the grant and that the remaining sixty-eight authorities had an aggregated overspend of £139.5 m.

Overspends were, therefore, being reported at most Councils and reporting current and estimated future high needs overspends and an expectation of reserves being fully utilised within the 2018/19 financial year.

The National Association of Head Teachers were also reporting a shift of 5% of pupils from mainstream to specialist provision between 2010 and 2017, posing a significant challenge to pupils with SEND.

In addition, an increase of 17% in SEND pupils attending independent schools between 2010 and 2017 and an increase of 46% in the number of pupils educated in alternative provision between 2013 and 2017.

The Forum noted that over the last four years there had been a rise in the number of Education Health and Care Plans.

Rotherham's Recovery Plan would aim to show how, within a three year period, in-year budget would be balanced.

Activity would be split into short term, medium term and long term behaviour change actions.

In the short term there would be:-

- Utilisation of all existing placements in the borough.
- Sufficiency for children with complex needs within Special Schools-Phase 1 of Project (2018/19).
- 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.

In the medium term:-

- Children who were within the mainstream ability range, but who have an EHCP and need higher levels of support were integrated within mainstream learning settings able to differentiate for specific subjects and there is a developed offer of a range of Inclusion Units- Phase 2/3 of Project (2018/20).
- Specific outreach teams with specialisms in Autism and SEMH at both primary and secondary level were developed to support schools and develop the graduated response- Phase 4 of Project (2019/21).
- A range of high quality post-16 options with increased capacity for supported internships and work placements.- Phase 5 of Project (2019/21).

In the long term:-

- 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.

Continue to look at efficiencies and to assess the cost of placements on a place by place basis. It was emphasised this was not about looking to bring young people back into Rotherham, but to look forward to what Rotherham could offer with new opportunities.

Discussion ensued on the differing messages and the need to review arrangements and address any discrepancies.

In Rotherham the schools budget, which included the High Needs Block, was set at zero as it was set at the level of grant received. The High Needs Block had been under financial pressure in recent years and moved from an overspend of £1 m in 2013/14 to an overspend of £5.1 min 2018/19.

An overview of the current provision was provided highlighting that Rotherham currently had a range of high quality provision for children with SEND.

In terms of revenue budget projections modelling showed that through the expansion of provision and development of new provision it was possible to reduce the High Needs overspend and in time reduce expenditure to be more in line with the grant.

The Forum discussed the inherited formula for spend and noted how Post 19 provision had transferred to the High Needs Block.

Specific information was provided on the High Needs Block recovery plan and its focused activities along with development of expanding local provision through capital investment linked to Rotherham's Send sufficiency plans.

A headline copy of the response relating to the recovery plan would be circulated with the minutes.

Agreed:- (1) That the proposals set out for the High Needs Recovery Plan were supported by Schools Forum.

(2) That the financial model within the High Needs Recovery Plan be noted.

(3) That the arrangements for the management of the Dedicated Schools Grant deficit be noted.

10. SEND SUFFICIENCY EOI (VERBAL UPDATE)

Jenny Lingrell, Assistant Director, Commissioning, Performance and Inclusion, gave an update on the expressions of interest as part of the SEND Sufficiency that had been received and which were currently being looked at.

Whilst the expressions were positive it was not possible to provide any detail of their content, but more work was required. A clearer picture would be available for the next meeting of the Forum.

The Forum welcomed the update and engagement to date on seeking local solutions for local people.

Agreed:- That the information be noted.

11. RECOUPMENT OF FUNDING FOR EXCLUSIONS AND OFFSITE PROVISION

Neil Hardwick, Head of CYPS Finance, introduced the report which highlighted changes to the calculation of the adjustments made to the school budget shares in respect of permanently excluded pupils and pupils who remained on school roll, but were educated elsewhere.

The reports set out and outlined the changes to the funding adjustments for these pupils to enable us to comply with DfE legislative requirements.

Recent DfE guidance made 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 needed 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 will amend the deductions for permanently excluded pupils in 2019-20 in order to include the additional needs funding relevant to the pupil. The appendix outlined 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 discussed.

The mechanism outlined also applied to pupils who left mainstream schools and academies for reasons other than permanent exclusion, and were receiving education funded by the Local Authority other than at school. The deduction rate would be applied on a pro-rata basis i.e. the charge would reflect the number of days the pupil was educated off-site by the Local Authority.

Forum Members suggested this information be circulated to all Head Teachers to avoid the detail being missed and for this to be included on the agenda for the next Head Teachers' meeting.

Advice and support would be available if problems were encountered.

Agreed:- That the changes outlined in the report for calculating the amount to be recovered from a school or academy which had permanently excluded a pupil or where the pupil was educated elsewhere.

12. UPDATE TO PUPIL GROWTH POLICY

Neil Hardwick, Head of CYPS Finance, introduced the report which provided an update on growth funding which enabled Local Authorities to support schools with significant in-year pupil growth. The growth fund could 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.

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).

An outline was provided on 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 generated the income for the additional pupils.

It was also noted the pre start up allocation required in relation to Waverley Junior Academy was agreed by Schools Forum as part of the pre start up and diseconomies in the first year of operation funding formula for new schools.

The Forum were advised that where schools were expanded, it was 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 was 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 would not be on roll at that time in order to generate sufficient funding to meet additional staffing and other agreed expenditure.

Clarity was also provided on the current (2019/20 financial year) and future arrangements and that future payments would be made on actual expansions and recruitment of teachers and teaching assistants and not in advance.

It was agreed by School Forum to defer implementation of the revised policy until the 2020/21 financial year.

The Local Authority were proposing a number of amendments to the policy, namely:-

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

Agreed:- That the amendments to the Pupil Growth Policy detailed above be approved.

13. ANY OTHER BUSINESS

There was no other business to consider.

14. DATE OF NEXT MEETING

Agreed:- That the next meetings of the Rotherham Schools' Forum take place on Friday, 27th September and 8th November, 2019 respectively at Rockingham Development Centre.

Schools Forum Briefing

1.	Date of meeting:	27 th SEPTEMBER 2019
2.	Title:	DSG 2019/20 – MID YEAR UPDATE REPORT
3.	Directorate:	CYPS

1. SUBJECT: DSG 2019/20 – MID YEAR FUNDING UPDATE REPORT

2. PURPOSE OF REPORT

To update all members of Schools Forum on the the wider dedicated schools grant (DSG) position for 2019/20.

3. RECOMMENDATION (S)

That members note the current position.

4. REASON FOR RECOMMENDATION (S)

To ensure Schools Forum members are aware of the current year position of the wider dedicated schools grant (DSG) and the impact this has on the DSG reserve.

5. BACKGROUND INFORMATION

5.1 The 2018/19 outturn provided the closing DSG reserve balances to be;

High Needs Block	-£15.791m
Early Years Block	£ 0.599m
Schools Block	£ 0.234m
Central Schools Block	£ 0.044m
Pupil Referral Units	-£ 0.200m
TOTAL	-£15.114m

On closure of the 2018/19 accounts the local authority had not been notified of the final early year's adjustment for 2018/19 as a result of the January schools & early year's census. The local authority estimated that this would be £26k clawback. On the 16th July 2019 the ESFA provided the final allocations to local authorities and for Rotherham the adjustment was an increase in funding of £64k.

The overall impact of the ESFA final allocations is that the LA received £90k of additional income than initially anticipated and this has been analysed below;

	Variance	No. PTE pupils
3&4yo universal funding	£51k	21
3&4yo extended funding	£47k	19
EY Pupil Premium	-£ 8k	-27
TOTAL	£90k	13

The spring 2019 census is also used to re-run the allocations for 2019/20 financial year as outlined further in 5.2 below.

The additional £90k has been used to increase the Early Years Reserve carry forward Budget for the 2019/20 financial year.

5.2 2019/20 overall DSG position

The initial allocations were issued in December 2018 and the latest July 19 allocations have been updated as follows;

	Dec 2018 (£m)	Jul 2019 (£m)	Movement (£m)
Schools block (incl. academy allocations)	£189.876m	£189.876m	Nil
Central schools block	£1.112m	£1.112m	Nil
High Needs block (incl. EFA funded places)	£31.441m	£31.621m	£0.180m
Early Years block (inc. estimated Jan19 Census Adjustment)	£17.144m	£17.336m	£0.192m
Total	£239.573m	£239.945m	£0.372m

The above table excludes block transfers

The High Needs adjustment can be analysed as:

Additional Funding for Imported Places (Jan 19 Census)	£180k
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This adjustment is to reflect any changes either in the placement by a local authority of pupils in schools and colleges located in other local authority areas (exports), or in the funding required by schools and colleges accepting pupils and students resident in other local authority areas (imports).

The Early Years adjustment (following Jan 19 census) can be analysed as:

3 & 4 year old universal funding	£107
3 & 4 year old extended funding	£80k
2 year old funding	£15k
Early Years Pupil Premium Grant	-£12k
Disability Access Fund	£2k
Total	£192k

Excluding EFA direct funding of academies (and high needs places) the revised DSG allocations are;

	Allocation	Additional information
Schools block	£41.636m	After recoupment for all conversions as notified by the DfE in July 2019
Central schools block	£1.112m	
High Needs block	£25.757m	Allocation less £5.863m for ESFA direct funded places
Early Years block	£17.336m	Incl. EYPP & DAF funding allocations
Total	£85.841m	

- 5.3 As at the end of August (period 5), the anticipated outturn position is as follows:

Early Years are currently forecasting a breakeven position at year end.

High Needs DSG has a forecast overspend of £1.388m based on the DSG recovery plan and included anticipated growth on EHDs numbers and the implementation of new developments linked to the SEND Sufficiency Strategy see table below for details:

High Needs Block Budget Monitoring 2019/20 as at 31st July 2019						
Area of Spend	Original Budget 2019-20	Budgeted Place Numbers April - August 2019	Budgeted Place Numbers September - March 2020	Revised Budget 2019-20	Forecast Outturn 2019-20	Forecast Variance 2019-20
	£				£	%
Special Schools	13,526,593	675	682	13,526,593	13,526,593	0
Primary Schools	126,990	15	15	126,990	126,990	0
Secondary Schools	194,719	20	15	194,719	194,719	0
Top-Up Funding	5,712,280	1,299	1,292	5,712,280	5,704,348	-7,932
Alternative Provision	4,238,806	198	198	4,238,806	4,411,877	173,071
External Residentials	1,980,227	41	40	1,980,227	3,039,758	1,059,531
Independent Service Providers	4,585,374	155	132	4,757,374	4,920,377	163,003
Inclusion Services	2,333,618			2,333,618	2,355,571	21,953
Other Education Services	469,150	24	24	469,150	455,091	-14,059
CCP & FE Places	1,126,000	362	380	1,134,000	1,126,000	-8,000
Total	34,293,756	2,810	2,795	34,473,756	35,861,323	1,387,567

The key areas of focus to reduce the current High Needs Block pressures are:

- A review of high cost, external education provision to reduce cost and move children back into Rotherham educational provision;
- Develop additional SEN provision in Rotherham linked to mainstream schools and academies;
- Work with schools and academies to maintain pupils in mainstream settings wherever possible;
- A review of inclusion services provided by the Council

Based on the above, the level of DSG central reserves deficit will increase from a deficit of £15.114m (carried forward from 2018/19) to £16.502m at the end of 2019/20 as outlined below;

Reserve brought forward	-£15.114m
Plus: in-year overspend	-£1.388m
Anticipated reserve at 31.03.20	-£16.502m

This would equate to 6.88% of the overall DSG allocation.

In summary, the financial sustainability of the high needs block remains a significant cause for concern for the borough which will require addressing for 2020/21

Name and contact details

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Schools Forum Briefing

1.	Date of meeting:	27th September 2019
2.	Title:	New Funding Announcement (HM Treasury Spending Round 2019)
3.	Directorate:	CYPS

1. SUBJECT: NEW FUNDING ANNOUNCEMENT**2. PURPOSE OF REPORT**

To inform Schools Forum members of the recently announced School Funding Update

3. RECOMMENDATION (S)

That members note this information and ensure they make school/academies that they represent aware of this information.

4. REASON FOR RECOMMENDATION (S)

To ensure Schools Forum members are aware of the latest announcements relating to funding.

5. BACKGROUND INFORMATION

5.1 On 4th September the Secretary of State for Education set out the government's spending plans for 2020/21.

5.2 To fulfil the government commitment to increase the schools budget by £7.1 billion by 2022/23 the spending round exceptionally sets budgets for schools until 2022/23.

6. SCHOOLS AND HIGH NEEDS

6.1 The 5-16 core schools and high needs budget will, compared to 2019/20 rise by the following:

- £2.6 billion in 2020/21
- £4.8 billion in 2021/22
- £7.1 billion in 2022/23

6.2 Separate to this, the government have also committed to provide £1.5 billion of funding to compensate schools for the increased cost of employer pension contributions.

6.3 The minimum per pupil amounts are also set to increase; the current levels are £3,500 for primary and £4,800 for secondary schools. In 2019/20 no Rotherham school received additional funding through this factor as they were all already receiving above the levels set. For 2020/21 the minimum per pupil amounts are to increase to £3,750 and £5,000 for primary and secondary respectively. A further uplift to primary rates in 2021/22 will increase the minimum per pupil amount to £4,000.

6.2 In addition for 2020/21 the minimum funding guarantee will be between +0.5% and +1.84% (for 2019/20 the MFG was between -1.5% and +0.5%).

Local authorities will only be able to transfer 0.5% of their Schools block with School Forum approval. To transfer more than this or any amount without Forum approval, they will have to submit a request to the DfE.

6.3 For 2020/21, provisional national funding formula allocations will be published at local authority level in early October 2019.

7. Final dedicated schools grant allocations will be released in December 2019 (following the October 2019 census).

7.1 Within the allocations announced above, £700m has been included in 2020/21 to support children & young people with special educational needs.

8. **EARLY YEARS**

8.1 The spending round has also announced an increase to early years spending of an additional £66m to increase the hourly rate to childcare providers.

9. **FURTHER EDUCATION**

A £400M investment in further education has also been announced for 2020/21. The government has stressed that this is in recognition of the vital role this sector plays in delivering the skills needed for the wider economy.

Included with the above is £190m to increase core funding for 16-19 year olds and £210m of funding for targeted interventions such as high cost programmes, English and Maths resits and the Advanced Maths Premium,

Name and contact details

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Department for Education

Table 2.2: Department for Education

	£ billion	
	2019-20	2020-21
Resource DEL excluding depreciation	64.0	67.8

2.5 This Spending Round delivers on the government's commitment to increase the schools budget by £7.1 billion (£4.6 billion above inflation) by 2022-23, compared to 2019-20 funding levels. To fulfil this commitment, the Spending Round exceptionally sets budgets for schools until 2022-23.

2.6 The schools budget will rise by £2.6 billion in 2020-21, £4.8 billion in 2021-22 and £7.1 billion in 2022-23, compared to 2019-20 funding levels. Separate to this, each year the government will provide almost £1.5 billion of funding to compensate schools for the increased cost of employer pensions contributions. Table 2.3 sets out the schools budget for each year.

2.7 The government will use part of this funding to continue to implement the schools National Funding Formula. The government will ensure that per pupil funding for all schools can rise in line with inflation (1.8 per cent) in 2020-21. For schools already on their National Funding Formula allocation, the per pupil values in the formula will increase by at least 4 per cent in nominal terms in 2020-21. The minimum per pupil amount for 2020-21 will increase to £3,750 for primary schools and £5,000 for secondary schools, with the primary schools minimum then rising to £4,000 in 2021-22 in line with the government's commitment.

2.8 This settlement also provides over £700 million more in 2020-21 compared to 2019-20 funding levels to support children and young people with special educational needs to ensure all receive a high-quality education and reach their potential.

Table 2.3: Schools settlement

	£ billion			
	2019-20	2020-21	2021-22	2022-23
Schools Resource DEL excluding depreciation	44.4	47.6	49.8	52.2
<i>of which pensions funding¹</i>	0.9	1.5	1.5	1.5
<i>of which Spending Round 2019 cash uplift compared to 2019-20 funding levels²</i>	n/a	2.6	4.8	7.1

¹ The rise in pensions funding from £0.9 billion in 2019-20 to £1.5 billion from 2020-21 onwards reflects that in 2019-20 the government begins paying pensions compensation from September 2019, when the costs start to accrue. From 2020-21 the funding covers the full year cost.

² The core 5-16 schools budget, excluding pensions compensation funding, in 2019-20 is £43.5 billion. *Spending Round 2019 cash uplift compared to 2019-20 funding levels* is calculated by comparing the schools resource DEL for years 2020-21 onwards, excluding the pensions compensation funding, to this baseline.

2.9 The government is also making a £400 million investment in Further Education in 2020-21, recognising the vital role of this sector in delivering the skills needed for our economy. This package includes £190 million to increase core funding for 16-19 year-olds at a faster rate than core schools funding, and £210 million of funding in targeted interventions such as high-cost programmes, English and Maths resits, T Levels, the Advanced Maths Premium and workforce investments.

2.10 The government will also increase early years spending by £66 million to increase the hourly rate paid to childcare providers through the government's free hours offers.

2.11 The Department for Education settlement, taking into account the schools, Further Education and early years funding, represents a 3.3 per cent increase in real terms to the overall resource budget from 2019-20 to 2020-21 and also includes:

- funding to deliver high-quality apprenticeships;
- funding to support world-class higher education;
- funding to develop the National Retraining Scheme to equip people with the skills they need for the future; and
- funding for programmes supporting local authorities to deliver high-quality children's social care services to support and protect children. The local government settlement includes an additional £1 billion for adult and children's social care to help local authorities meet rising demand in social care services and continue to help stabilise the system.

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School Funding Update :Written statement - HCWS1828

WS Department for Education

Made on: 09 September 2019

Made by: Nick Gibb (The Minister of State for School Standards)

Commons HCWS1828

School Funding Update

Today I am confirming detailed aspects of schools and high needs funding arrangements for 2020-21. This follows a statement by the Secretary of State for Education on 3 September, which confirmed to Parliament that the funding for schools and high needs will, compared to 2019-20, rise by £2.6 billion for 2020-21, £4.8 billion for 2021-22, and £7.1 billion for 2022-23.

In 2020-21, this funding will be distributed using the Schools and High Needs National Funding Formulae (NFF). We will be publishing provisional NFF allocations at local authority and school level in October, including local authorities' final primary and secondary units of funding for the Schools Block. Alongside this, in the usual way, we will publish technical documents setting out the detail underpinning the formulae. We will then publish final schools and high needs allocations for local authorities in the Dedicated Schools Grant (DSG) in December.

The Schools NFF for 2020-21 will continue to have the same factors as at present, and we will continue to implement the formula to address historic underfunding and move to a system where funding is based on need. The key aspects of the formula for 2020-21 are:

- The minimum per pupil funding levels will be set at £3,750 for primary schools and £5,000 for secondary schools. The following year, in 2021-22, the primary minimum level will rise to £4,000.
- The funding floor will be set at 1.84% per pupil, in line with the forecast GDP deflator, to protect per pupil allocations for all schools in real terms. This minimum increase in 2020-21 allocations will be based on the individual school's NFF allocation in 2019-20.
- Schools that are attracting their core NFF allocations will benefit from an increase of 4% to the formula's core factors.
- There will be no gains cap in the NFF, unlike the previous two years, so that all schools attract their full core allocations under the formula.
- As previously set out, we will make a technical change to the mobility factor so that it allocates this funding using a formulaic approach, rather than on the basis of historic spend.
- Growth funding will be based on the same methodology as this year, with the same transitional protection ensuring that no authority whose growth funding is unwinding will lose more than 0.5% of its 2019-20 schools block allocation.

The Secretary of State confirmed on 3 September the government's intention to move to a 'hard' NFF for schools – where budgets will be set on the basis of a single, national formula. We recognise that this will represent a significant change and we will work closely with local authorities, schools and others to make this transition as smoothly as possible.

In 2020-21 local authorities will continue to have discretion over their schools funding formulae and, in consultation with schools, will ultimately determine allocations in their area. However, as a first step towards hardening the formula, from 2020-21 the government will make the use of the national minimum per pupil funding levels, at the values in the school NFF, compulsory for local authorities to use in their own funding formulae.

In addition, two important restrictions will continue:

- Local authorities will continue to set a Minimum Funding Guarantee in local formulae, which in 2020-21 must be between +0.5% and +1.84%. This allows them to mirror the real terms protection in the NFF, which is the Government's expectation.
- Local authorities can only transfer up to 0.5% of their School Block to other blocks of the DSG, with schools forum approval. To transfer more than this, or any amount without schools forum approval, they will have to make a request to the Department for Education, even if the same amount was agreed in the past two years.

The High Needs NFF for 2020-21 will also have the same factors as at present. With over £700 million of additional funding, the formula will:

- Ensure that every local authority will receive an increase of at least 8% per head of 2 to 18 population through the funding floor. This minimum increase in 2020-21 allocations will be based on local authorities' high needs allocations in 2019-20, including the additional £125 million announced in December 2018.
- Above this minimum increase, the formula will allow local authorities to see increases of up to 17%, again calculated on the basis of per head of population.

The teachers' pay grant and teachers' pension employer contributions grant will both continue to be paid separately from the NFF in 2020-21. We will publish the rates that determine the 2020-21 allocations in due course.

This statement has also been made in the House of Lords: HLWS1791

Committee Name and Date of Committee Meeting

Cabinet – 16 September 2019

Report Title

Special Educational Needs and Disability (SEND) Phase 2 – New Education Places

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

Jon Stonehouse, Strategic Director of Children and Young People's Services

Report Author(s)

Mary Jarrett, Head of Inclusion Services
01709 822434 or Mary.Jarrett@rotherham.gov.uk

Ward(s) Affected

Borough-Wide

Report Summary

On 20 May 2019, Cabinet approved a report setting out the Local Authority's proposals to utilise capital funding to increase the sufficiency of school places for children with Special Education Needs and Disabilities (SEND) in Rotherham.

Consultation has now taken place with schools and settings in accordance with Department for Education guidance and a number of projects have been identified across Rotherham to meet the needs identified within the 2019 SEND Sufficiency Strategy.

This report, seeks approval to utilise £1.186 million of available capital funding to create 111 additional school places in Rotherham starting from 2020, for children with special education needs and disabilities.

Recommendations

1. That approval be granted to the increase in education provision by 111 places to be achieved by September 2020.
2. That approval be granted to utilise the £1.186 million available capital funding to create the additional infrastructure required to deliver the projects as set out at paragraph 2.8.

List of Appendices Included

Appendix 1 Equalities Impact Assessment

Appendix 2 Cabinet Report May 2019

Appendix 3 Sufficiency Strategy

Background Papers

Children and Families Act 2014

Care Act 2014

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Special Educational Needs and Disability (SEND) Phase 2 – New Education Places

1. Background

- 1.1 The Dedicated Schools Grant (High Needs Budget) in Rotherham has been under significant pressure since the introduction of the SEND Code of Practice in 2015. There is now increased demand for statutory assessments and for placements within specialist education provision. An increase in places in Rotherham for children with autistic spectrum conditions, moderate learning difficulties and social, emotional and mental health issues will reduce the pressure caused both by the predicted rise in numbers of children with education, health and care plans but also on the pressure to place children in high cost independent specialist provision because of a lack of appropriate local resources.
- 1.2 In recognition of the national rise in numbers of children with SEND, the Department for Education (DfE) announced that there would be additional funding made available. In May 2018 the government announced national funding of £50m and later in December 2018 a further £100m (nationally) for capital investment for school places for children and young people with SEND. In Rotherham this funding amounts to an additional £348k allocated from DfE Special Provision Capital Fund.
- 1.3 On 20 May 2019, Cabinet approved a report setting out the Local Authority's proposals to utilise capital funding to increase the sufficiency of school and setting places for children with Special Education Needs and Disabilities (SEND) in Rotherham. (Appendix 2)
- 1.4 Consultation was undertaken with schools via Schools Forum, Rotherham Education Strategic Partnership, an organised market development day and head teachers meetings. All schools and settings received documentation setting out the requirements and seeking proposals.
- 1.5 The sufficiency data indicates that Rotherham has a particular need for education provision for children and young people with autism spectrum conditions, moderate learning difficulties and social, emotional and mental health issues, the places identified via consultation will address these identified needs.
- 1.6 This provision would be in addition to the provision of the 125 places already being developed following Cabinet approval on 19th February 2019 (SEND Sufficiency phase 1) and in some instances (Milton and Wales schemes) these additional places will be created by combining with places already in development to build larger units and create economies of scale.

2. Key Issues

- 2.1 There is increased demand for specialist placements for children and young people in Rotherham with special education needs. Insufficient places within Rotherham increases pressure on the already challenged High Needs Budget and results in young people being placed outside Rotherham in high cost independent special schools.

- 2.2 The creation of additional in borough provision will lead to a longer term saving on high needs funding as in borough placements cost on average £30k per annum less than out of authority placements.
- 2.3 There is a particular need in Rotherham to respond to increased demand for places within mainstream schools for children and young people with a range of autism spectrum conditions, moderate learning difficulties and social, emotional and mental health difficulties.
- 2.4 Initially the parameters of the consultation were fixed to the proposals to increase places by 50 across Rotherham. However, the response from schools and post-16 providers was both creative and enthusiastic, resulting in realistic proposals to increase education provision for children and young people with special education needs and disabilities by an additional 111 places within the funding parameters available. This approach will allow the Local Authority to advance forward planning in relation to the next stage (phase 3 SEND sufficiency) to meet further future need due to demographic growth and support activity to reduce the deficit of the High Needs Budget.
- 2.5 The responses to consultation and subsequent submitted proposals were scrutinised by a specialist panel which included representation from Rotherham Parent Carers Forum, SEND specialists, Education, Rotherham Clinical Commissioning Group, Commissioning, Finance and Capital Projects Professionals.
- 2.6 All bids were evaluated using criteria that includes evidence of:
- Reduction in Permanent Exclusions across Trust/ Academy
 - Inclusive Practice
 - MAT/ Academy investment in Project
 - A clear business plan and project lead
 - Deliverable outcomes from September 2019
 - Borough-wide approach (consideration of feeder schools and geography)
 - Developing good practice and expertise in SEN
 - Multi-agency working and development of partnership approaches
 - Proven track record of delivering at least good or outstanding education.
 - Financial stability.
- 2.7 Rotherham schools are passionate about supporting young people with a range of needs. Consequently a range of schools and provision has been identified to respond to the Local Authority's request for increased provision in Rotherham; with 10 different projects within 10 schools being identified via a commissioning process to increase their provision to meet the range of identified needs. The short-listing panel considered a range of proposals from a number of providers with the decision made not to progress a total of 6 Projects because they required further development. It is likely that some of these projects will be revisited as SEND Sufficiency is reviewed in future years.

2.8 The shortlisted proposals for Cabinet consideration and approval are detailed below:

School / Setting and type of provision	Number of places created	Capital Investment
Wales High School: Additional capacity within proposed Autism Unit	10 places in addition to those identified in phase 1. (Operational by September 2020)	£200,000
Milton School: Additional specialist places for children with Autism	10 places in addition to those identified in phase 1. (Operational by September 2020.)	£200,000
Brinsworth School: Additional unit for children with MLD including 6 th Form provision	15 places plus 5 sixth form. (September 2020.)	£250,000
Thomas Rotherham College: Unit for post 16 Learners with Autism	20 places over 2 years. (2020/2021)	£150,000
Wickersley Partnership Trust: Primary SEMH unit	10 places (September 2020)	£41,000
James Montgomery Academy Trust (School in north of Borough) : Primary Autism Unit	10 places- (September 2020)	£100,000
Aspire: Primary SEMH provision	10 places (September 2020)	£20,000
Kelford: Highly Specialist Autism provision	5 places (October 2019)	£65,000
Hilltop: Highly Specialist Autism provision	6 places (October 2019)	£90,000
Willow Tree Academy: Primary SEMH 'turnaround' unit.	10 places (September 2021)	£70,000
Total	111	£1,186,000

2.9 The Local Authority has submitted a recovery plan to the Department for Education detailing how it will reduce the pressures caused by the rise in demand, the need for specialist provisions and the impact of these issues on the Designated Schools Grant (High Needs Budget). The proposals to create additional specialist resources, schools places and provision have been incorporated into the proposed recovery plan.

- 2.10 The sufficiency plan will be refreshed annually to take account of the changing picture of demand. This will be reviewed and monitored annually to assist forward planning in relation to the phase 3 identification of additional provision needed from 2025 onwards.

3. Options considered and recommended proposal

- 3.1 **Option 1** – Retain current level of provision, however as the number of Education, Health and Care Plans for pupils increases the pressure on the High Needs Block of the Dedicated Schools Grant will continue to rise.

The option not to proceed would place the authority at risk of being unable to meet its statutory duties and would place the Designated Schools Grant (High Needs Budget) under even further pressure.

- 3.2 **Option 2** - It is recommended that Cabinet approve the proposal to increase specialist provision in Rotherham by the identified 111 places as described within this report, to address the gaps in provision and ongoing demand for specialist resources identified within the Sufficiency Strategy.

The option to proceed with the creation of the additional places would consequently mitigate the impact of the increased provision both in reducing out of area placements and absorbing the ongoing increased demand for SEND provision in Rotherham

4. Consultation on proposal

- 4.1 There have been a series of targeted consultation events undertaken following Cabinet approval to consult obtained on 20 May 2019. These included a formal market development event for schools; a series of presentations at head teachers meetings held in May, a presentation to Schools Forum, a presentation to the Children and Young People's Partnership Board in June and SEND Strategic Board also held in June. This consultation included a significant number of schools, strategic partners (CCG, adult services and TRFT). There was also an open question and answer session hosted by the Rotherham Parent Carers Forum in May attended by the Strategic Director of Children & Young People's Services, the Head of Inclusion and the Joint Assistant Director for Performance, Commissioning and Inclusion, specifically to address issues around SEN needs and provision in Rotherham, arising as a result of the original Cabinet paper regarding this initiative (April 2019) with parents able to ask any questions they had about services for disabled children in Rotherham. This event was attended by 15 parents, with a larger number contributing to questions and debate via the Rotherham Parent Carers Forum web-site.

- 4.2 The Rotherham Parent Carer's Forum have been involved in the Sufficiency Board and contributed to the short-listing panel that identified the bids being submitted for Cabinet approval. Feedback from these 6 events, demonstrated the need for additional places and resources in Rotherham, the need for education provision to be supported by therapeutic provision from health services and identified some additional gaps in services for disabled children and young people, for example childcare issues which are being addressed via a separate working group.
- 4.3 The proposals contained in this report reflect the requests from parents that their children have access to specialist resources in Rotherham and that health and education services work more closely together. Schools consultation reflected an appreciation of the demand in services for children with special education needs, the enthusiasm for schools to support children with a range of needs and the need for the local authority to support these initiatives with funding but also with shared expertise. Consequently a number of initiatives have begun in advance of the capital spending project to build expertise around delivery of services for children and young people with autism and ensure consistency and equity of service across the Borough, for example developing closer working relationships between Milton Special School and Swinton School Autism Resource.
- 4.4 The Local Authority consulted with interested parties in line with the guidance from the department for education with the outcomes informing the Cabinet approved phase 1 projects and the phase 2 proposals in this report. Good practice dictates that SEND Sufficiency should be kept under review as pupil numbers and needs can change over a period of time.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The timetable for implementation for the majority of these building proposals is over the Academic Year from October 2019 until September 2020.
- 5.2 The cohorts of children will be phased into the provision over academic years 2020 and 2021 to ensure that teaching and learning provision is appropriately allocated and children are integrated fully into the life of the schools.
- 5.3 The project management work with individual schools and academies will be overseen by the SEND Sufficiency Board who report directly to the SEND Strategic Board (Overseen by the Children and Young People's Partnership Board).

6. Financial and Procurement Advice and Implications

- 6.1 There are no direct procurement implications arising from the proposals contained in this report
- 6.2 The CYPS programme has school capital funding which could be used to support the SEND proposals received from schools and academies where capital works are required. A business case has been received from each interested party that forms the capital developments.

- 6.3 The Dedicated Schools Grant (DSG) has an overall deficit of £15.1m at the end of 2018/19 and includes a 2018/19 in-year overspend of £5.1m. The proposals outlined in the report are part of the financial recovery plan to operate the Dedicated Schools Grant High Needs Block within the annual funding allocation, which is £31.44m in 2019/20.
- 6.4 The projected annual cost savings on the High Needs budget of developing the SEN units on mainstream school and academy sites is estimated to be in the region of £1.5m (based on a cost saving of £30k per place per annum) through reduction in the number of high cost placements. The new provision will also at the same time be absorbing growth in the number of EHC plans and avoiding the need for high cost placements. The savings are expected to reduce current spend against the Dedicated Schools Grant (DSG) and will not impact on the Council's revenue budget.
- 6.5 The savings will be achieved in two ways. Firstly, through reducing the need for high numbers of newly assessed children and young people to be educated outside Rotherham, and being able to offer high quality provision in borough. Secondly, for those children and young people currently placed in provision outside Rotherham, investigation with families about whether a child's needs can be better met in a Rotherham provision at annual review of the Education Health and Care plan. This will significantly reduce the escalating costs to the Dedicated Schools Grant High Needs Block.
- 6.6 The proposals are also expected to have a positive impact on the Councils Home to School Transport budget, due to a reduction in the number of out of authority placements and the additional transport journeys incurred.

7. Legal Advice and Implications

- 7.1 Should any of the proposals brought forward to create additional SEND capacity meet the requirement threshold to complete a full prescribed alteration under, the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 (guidance dated April 2016), then separate proposals would be brought forward for Cabinet determination as part of the delivery programme.
- 7.2 Section 14 Education Act 1996 requires a local authority to have regard to securing SEN provision is made for pupils with SEN Needs. Following enactment of The Children and Families Act 2014, the local authority retains responsibility for commissioning services for vulnerable children and young people with SEN and to keep such provision for children and young people with SEN and disabilities under review including its sufficiency (s.315 Education Act 1996), and to promote wellbeing and improve quality, working in concert with parents, young people, and providers. The Act is clear that, when considering any re-organisation of provision, decision makers must be clear how they are satisfied that the proposed alternative arrangements will lead to improvements in the standard, quality and/or range of educational provision for children with SEN.

8. Human Resources Advice and Implications

- 8.1 There are no Human Resources implications for RMBC as a result of this proposal. Any additional staffing required as a result of the proposals would be for the relevant governing boards of schools and academies to determine.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 Improved RMBC Services and support will achieve the council's aims to give every child the best start in life and to build better futures for vulnerable adults.

10. Equalities and Human Rights Advice and Implications

- 10.1 An Equality Impact Assessment (Appendix 1) was completed for the initial Sufficiency Report in 2018 (phase 1) and revised and updated as part of the consultation on phase 2 proposals). The increase in education provision for children and young people with SEND will increase equity of service provision for children and young people with protected characteristics under the Equality Act.

11. Implications for Partners

- 11.1 The post-16 provision identified within this paper has been shared with Adult Services.

12. Risks and Mitigation

- 12.1. There are always risks and uncertainties when school place provision is considered, since future pupil numbers are based on estimations. Over provision at one school could influence pupil numbers at other schools. However, current provision is full or over-subscribed and this trend is set to continue, meaning that more pupils are being placed in provision out of authority increasing the financial burden on the High Needs Block.

The SEND Sufficiency Project Group will maintain a risk register throughout the project implementation phase.

13. Accountable Officers

Mary Jarrett, Head of Inclusion Services
Jon Stonehouse, Strategic Director, CYPS

Approvals obtained on behalf of Statutory Officers:-

	Named Officer	Date
Chief Executive	Sharon Kemp	02/09/19
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	22/08/19
Head of Legal Services (Monitoring Officer)	Bal Nahal	27/08/19

Report Author: Mary Jarrett, Head of Inclusion Services
01709 822434 or Mary.Jarrett@rotherham.gov.uk

This report is published on the Council's [website](#).

Appendix 1

RMBC - Equality Analysis Form for Commissioning, Decommissioning, Decision making, Projects, Policies, Services, Strategies or Functions (CDDPPSSF)

<p>Under the Equality Act 2010 Protected characteristics are age, disability, gender, gender identity, race, religion or belief, sexuality, civil partnerships and marriage, pregnancy and maternity. Page 6 of guidance. Other areas to note see guidance appendix 1</p>	
<p>Name of policy, service or function. If a policy, list any associated policies:</p>	<p>Proposal to increase SEND provision sufficiency in the Borough</p>
<p>Name of service and Directorate</p>	<p>Education and Skills (CYPS)</p>
<p>Lead manager</p>	<p>Jenny Lingrell / Pepe Dilasio</p>
<p>Date of Equality Analysis (EA)</p>	<p>30.11.17 / 7.1.19 (revised)</p>
<p>Names of those involved in the EA (Should include at least two other people)</p>	<p>Dean Fenton Paula Williams (initial assessment only) Jo Smith Rob Holsey Steve Harrison</p>
<p>Aim/Scope (who the Policy /Service affects and intended outcomes if known) See page 7 of guidance step 1</p> <p>Proposals to increase SEND sufficiency in Borough by 125 places to reduce the number of out of authority placements and to address the rising demand for places through demographic growth.</p>	
<p>What equality information is available? Include any engagement undertaken and identify any information gaps you are aware of. What monitoring arrangements have you made to monitor the impact of the policy or service on communities/groups according to their protected characteristics?</p> <p>Consultation has sought the views of all stakeholders including parents and carers, elected Ward, Parish and Parliamentary members, all schools and governing bodies, staff and union representatives, neighbouring local authorities, children and young people, specialists in SEND and employees .</p>	
<p>Engagement undertaken with customers. (date and group(s) consulted and key findings) See page 7 of guidance step 3</p>	<p>A full consultation has been undertaken with all relevant stakeholders and the summary outcome was presented to Cabinet in February 2018 and published on the local offer website. Cabinet approved the investment of £1.3m in total to create 50 new SEND places between 2018 and 2021 (the timeline is linked to the SEND grant – payable over 3 years from DfE) A period of consultation will take place during 2019 in relation to the refreshed SEND/SEMH place need and investment of a further £1.3m capital to create additional capacity.</p>
<p>Engagement undertaken with staff about the implications on service users (date and</p>	<p>Consultation has included seeking the views of staff.</p>

Appendix 1**RMBC - Equality Analysis Form for Commissioning, Decommissioning, Decision making, Projects, Policies, Services, Strategies or Functions (CDDPPSSF)**

group(s) consulted and key findings) See page 7 of guidance step 3	
The Analysis	
<p>How do you think the Policy/Service meets the needs of different communities and groups? Protected characteristics of age, disability, gender, gender identity, race, religion or belief, sexuality, Civil Partnerships and Marriage, Pregnancy and Maternity. Rotherham also includes Carers as a specific group. Other areas to note are Financial Inclusion, Fuel Poverty, and other social economic factors. This list is not exhaustive - see guidance appendix 1 and page 8 of guidance step 4</p> <p>The number of pupils being placed out of authority and the rising number of new SEND cases requiring specialist provision has put significant pressure on existing provision. The proposal to create 50 new SEND places is intended to ease current pressure on provision, create more options for parents locally, reduce transport costs, enable children to be educated closer to home.</p> <p>The securing of an additional £1.3m capital and revision of SEND/SEMH demand for places analysis has led to the commencement of a further piece of work to consult widely during 2019 in relation to type of Additional capacity required, invite expressions of interest from schools and settings in relation to proposals to meet need and inform investment of capital.</p>	
<p>Analysis of the actual or likely effect of the Policy or Service: See page 8 of guidance step 4 and 5</p> <p>Does your Policy/Service present any problems or barriers to communities or Group? Identify by protected characteristics Does the Service/Policy provide any improvements/remove barriers? Identify by protected characteristics NO</p> <p>The proposal is designed to create more places, increase choice, mirror good practice from existing provision, offer more varied provision, reduce travel and placement costs and increase parental satisfaction.</p> <p>There will be more places funded by the High Needs Budget as a result of this development. As Rotherham schools are relatively well funded, this will not have an adverse effect on their ability to provide a suitable education for the majority of their pupils.</p> <p>What affect will the Policy/Service have on community relations? Identify by protected characteristics</p> <p>The proposal to create additional places in borough has been consulted on with local stakeholders who have and continue to be involved with the process and parents forum and the relationships with the LA and providers has been regarded as a national model of good practice.</p>	

Appendix 1

RMBC - Equality Analysis Form for Commissioning, Decommissioning, Decision making, Projects, Policies, Services, Strategies or Functions (CDDPPSSF)

Please list any **actions and targets** by Protected Characteristic that need to be taken as a consequence of this assessment and ensure that they are added into your service plan.

Consultation on the proposals

Identification of funding streams

Identification of premises / providers / infrastructure needs

Report to Cabinet

Implementation of projects

Website Key Findings Summary: To meet legislative requirements a summary of the Equality Analysis needs to be completed and published.

Appendix 1

RMBC - Equality Analysis Form for Commissioning, Decommissioning, Decision making, Projects, Policies, Services, Strategies or Functions (CDDPPSSF)

Equality Analysis Action Plan - See page 9 of guidance step 6 and 7

Time Period October 2017 to December 2018 / January 2019 to December 2021

Manager Dean Fenton / Mary Jarrett

Service Areas: Education and Inclusion

Tel: 01709 382121

Title of Equality Analysis:

If the analysis is done at the right time, i.e. early before decisions are made, changes should be built in before the policy or change is signed off. This will remove the need for remedial actions. Where this is achieved, the only action required will be to monitor the impact of the policy/service/change on communities or groups according to their protected characteristic.

List all the Actions and Equality Targets identified

Action/Target	State Protected Characteristics (A,D,RE,RoB,G,GI O, SO, PM,CPM, C or All)*	Target date (MM/YY)
Seek approval to commence consultation	A, D,	October 2017
Consultation period	“	December 2017
Seek approval from Cabinet	“	February 2018.
Publish details on Local Offer website		March 2018
Submit required information to DfE by statutory return		March 2018
Commence implementation programme and capital projects		April 2018
Form task and finish group		January 2019

Appendix 1

RMBC - Equality Analysis Form for Commissioning, Decommissioning, Decision making, Projects, Policies, Services, Strategies or Functions (CDDPPSSF)

Establish sufficiency and needs analysis		April 2019
Report to Cabinet seeking approval to consult on sufficiency and place need		June 2019
Consult on sufficiency and needs analysis and seek proposals for provision		June /July 2019
Report to Cabinet detailing the outcome of consultation and seeking approval of proposals to add to capacity		2019
Name Of Director who approved Plan	Dean Fenton (Acting Strategic Lead for Education	Date 30.11.17

*A = Age, C= Carers D= Disability, G = Gender, GI Gender Identity, O= other groups, RE= Race/ Ethnicity, RoB= Religion or Belief, SO= Sexual Orientation, PM= Pregnancy/Maternity, CPM = Civil Partnership or Marriage.

Website Summary – Please complete for publishing on our website and append to any reports to Elected Members, SLT or Directorate Management Teams

Appendix 1

RMBC - Equality Analysis Form for Commissioning, Decommissioning, Decision making, Projects, Policies, Services, Strategies or Functions (CDDPPSSF)

Completed equality analysis	Key findings	Future actions
<p>Directorate: CYPs</p> <p>Function, policy or proposal name: Proposals to increase SEND capacity</p> <p>Function or policy status: Consulting on proposals to add new, or changing of or adding to existing provision</p> <p>Name of lead officer completing the assessment: Dean Fenton</p> <p>Date of assessment: 30.11.2017 / 4.1.2019</p>	<p>Proposal to increase SEND provision.</p> <p>Stakeholder feedback.</p> <p>Capital highlighted and aligned to projects.</p>	<p>Post approval DLT oversight and governance of implementation.</p>

Committee Name and Date of Committee Meeting

Cabinet – 20 May 2019

Report Title

Special Educational Needs and Disability (SEND), Sufficiency and increase in educational provision - Phase 2

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

Jon Stonehouse, Strategic Director of Children and Young People's Services

Report Author(s)Mary Jarrett, Head of Inclusion - Performance, Commissioning and Inclusion.
Dean Fenton, Head of Service - School Planning, Admissions and Appeals, Education.**Ward(s) Affected**

Borough-Wide

Report Summary

This report contains the proposed second phase of the Council's plans to increase and develop special education needs provision in Rotherham and outlines the available capital budget allocated by central government to enable these developments to be implemented.

The report recommends that the Council consults with providers in relation to new provision to meet the needs identified within the sufficiency strategy.

Recommendations

1. To approve publication of the refreshed Special Education Needs Strategy (2019) as part of the Borough's Local Offer for Children with SEND.
2. To approve a period of consultation with schools and settings in relation to the additional capacity required in borough and seek proposals to increase educational provision for Special Education Needs and Disability (SEND) across the Borough.

3. To receive a further report following consultation with schools and settings, seeking approval of the proposals recommended for implementation and the associated allocation of capital investment to support the proposals.

List of Appendices Included

Appendix 1 SEND Sufficiency Strategy 2019 refresh.
Appendix 2 Implementation table for Phase 1 (2017-2020)
Appendix 3 Equalities Impact Assessment

Background Papers

Yes

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

Yes

Exempt from the Press and Public

No

Special Educational Needs and Disability (SEND), Sufficiency and increase in educational provision - Phase 2**1. Background**

- 1.1 Phase 1 of the Rotherham SEND sufficiency planning began in 2017. A report was approved by Cabinet on 16th October 2017 to begin a period of consultation on proposals to increase SEND capacity of provision across the Borough by 125 places by 2021. On 19th February 2018 following consultation, Cabinet approved proposals to complete phase 1 of SE which will create 125 additional permanent Special Educational Needs places for children with SEN between 2018 and 2021. Appendix 2, to this report shows the progress made to date.
- 1.2 The sufficiency data was refreshed in October 2018 and like other Local Authorities in England this showed that Rotherham continues to see a rise in the numbers of children and young people with SEND and that this growth is likely to continue.
- 1.3 The Council want children and young people with SEND to learn in Rotherham at good or outstanding schools. This can be delivered either by specialist resource units based within local schools or by special schools.
- 1.4 Mainstream schools will receive support from a range of inclusion services and from receiving specialist targeted support delivered by primary and secondary outreach teams specialising in Social Emotional and Mental Health and supporting children and young people with autistic spectrum conditions.
- 1.5 This work will include post-16 provision to ensure that pathways are in place to prepare young people for adulthood including independence, employment opportunities and Further and Higher Education provision.
- 1.6 In recognition of the national rise in numbers of children with SEND, the Department for Education (DfE) announced that there would be additional funding made available. In May 2018 the government announced national funding of £50m and later in December 2018 a further £100m for capital investment for school places for children and young people with SEND. In Rotherham this funding amounts to an additional £348k allocated from DfE's – Special Provision Capital Fund.
- 1.7 Increasing SEND school places in Rotherham will reduce the need for children to travel longer distances to school. The number of pupils currently placed outside the Local Authority is approximately 189. The population data suggests that this will continue to grow unless there is on-going investment to develop new provision in Rotherham.
- 1.8 The Dedicated Schools Grant (High Needs Budget) is significantly overspent and the Council are currently developing a recovery plan to address this. Indications are that there will continue to be significant increases in out of authority placements should local capacity not be increased. This will lead to

further pressure on high needs funding as 'out of authority' placements are significantly more expensive than 'in authority' placements.

- 1.9 The SEND Sufficiency Strategy 2017-19 (Phase 1) has resulted in the development of an additional 125 new places within Special Schools and Inclusion Units. These developments will be finalised by September 2020 and whilst some places have been used during 2018 the majority will be accessed during the academic year 2019-2020 (see Appendix 2) and should begin to reduce the numbers of children and young people being placed in out of authority placements.
- 1.10 The SEND Sufficiency Strategy 2019 Phase 2 (Appendix 1) outlines the population data and projected growth over the next 10 years. The data demonstrates a significant increase in the number of children and young people with autism, moderate learning difficulties and social, emotional and mental health difficulties who will require additional support.
- 1.11 Therefore the SEND Sufficiency Strategy 2019 Phase 2 (Appendix 1) specifically proposes developing the use of SEND Inclusion Units within mainstream school settings to ensure that vulnerable pupils can access a mainstream curriculum but also receive high quality support, care and preparation for adulthood alongside this curriculum.

2. Key Issues

- 2.1 The increase in SEND provision within the Authority is necessary due to the increased pupil population since 2010 as outlined in the needs analysis contained within the appended SEND Sufficiency Strategy. (Appendix 1)
- 2.2 The SEND Sufficiency Strategy sets out Rotherham's strategic intentions which are:
 - 2.2.1 For Academies and Local maintained schools to receive high quality support to enable them to become as inclusive and resilient as possible; so that children receive a high quality education which differentiates learning and teaching to support the diverse needs of individual children and young people.
 - 2.2.2 To ensure that there is a high quality programme of workforce development to train education, health and care staff to meet the needs of Rotherham's children, young people and their families.
 - 2.2.3 To ensure that Rotherham schools can deliver a high quality graduated response from health, social care and teaching staff to ensure that inclusion support from specialist inclusion services are available at the point of identified need.
 - 2.2.4 To ensure sufficiency of school places within Rotherham for children aged 0-19 who have identified special education needs and whose

education, health and care plans identify that only special school provision can meet their identified education, health and care needs and reduce dependence on high cost out of area placements which remove children and young people from their local communities.

- 2.2.5 To ensure a sufficient range of provision for young people aged 16-25 to ensure that there are a variety of pathways to support young people to become confident, independent adults.
- 2.3 The creation of additional in borough provision will lead to a longer term saving on high needs funding as in borough placements cost on average £30k per annum less than out of authority placements.
- 2.4 The sufficiency plan will be refreshed annually to take account of the changing picture of demand. This will be reviewed and monitored annually to assist forward planning in relation to the phase 3 identification of additional provision needed from 2025 onwards.

3. Options considered and recommended proposal

- 3.1 **Option 1** – retain SEND sufficiency at the current level. This will mean that pupil numbers with SEND continue to rise without a linked rise in ‘in borough’ provision, increasing the number of out of authority placements and increasing further the pressures that exist on the High Needs Block of the Dedicated Schools Grant.
- 3.2 **Option 2 – Recommended** option, to seek Cabinet approval of the Special Education Needs Strategy 2019 for publication. To approve a period of consultation with schools and settings in relation to the additional places required and seek proposals to increase educational provision for Special Education Needs and Disability (SEND) across the Borough linked to the allocation of available capital funding from central government. Following identification of the preferred projects, to seek approval to deliver the projects and allocate capital investment where necessary to support delivery.

4. Consultation on proposal

- 4.1 Ahead of receiving this funding, the DfE asked local authorities to complete and publish a concise plan to show how they would invest their share of the fund on their local offer page, and the DfE are now asking local authorities to refresh that plan to receive the additional funding announced in May and December 2018.
- 4.2 A condition of receiving the additional capital funding is that authorities prepare and publish strategic plans setting out how the special educational needs of children and young people in their area should be met and, in particular, how the special provision capital fund will be used in accordance with the overall strategic plans that authorities have drawn up.

4.4 DfE - Special provision capital fund Guidance (extract):

Local authorities will need to:

- **Consult with parents and carers.** *Effective engagement with parents and carers is crucial in building and implementing a strategy that develops support for changes. This helps local authorities ensure that services will meet the needs of children and families.*
- **Consult with schools, FE colleges and other institutions which offer special educational provision.** *Local authorities should work with providers to identify how capital investment can best improve the quality of provision available for children and young people with EHC plans.*
- **Consider how to invest revenue and capital funding strategically** *to maximise the benefit of both in the context of the current infrastructure and programmes. This might include looking at how to expand participation in an existing learning programme by making capital adjustments so that children and young people with SEN and disabilities can also attend.*
- **Collaborate with other local authorities** *to form partnerships to work effectively across borders.*

Before receiving the SEND funding allocation, local authorities need to:

- *Consult with parents and carers of children with SEN and disabilities and young people with SEN and disabilities.*
- *Work with education providers to agree how the capital can best be targeted.*
- *Fill in the short plan template, confirming that the requirement to consult with parents, carers and young people has been met, and including information about the other groups that they have consulted.*
- *Publish a plan on their local offer page showing how they plan to invest their funding, before the deadline specified below.*
- **Note:**
 - *Where local authorities work collaboratively on projects, these must be listed on each local authorities' plan with an explanation of which other local authorities they have collaborated with and how.*
 - *Where a project will both create additional places and improve facilities for current and future pupils, local authorities should show on the plan how much funding will be spent on each of the two objectives. This may involve estimating how much of the project's investment would go towards each of these two aims.*

*Local authorities do **not** need to send the completed form to the Department for Education.*

APPENDIX 2

*Local authorities **should not** include costings where this would have a negative commercial impact. Where not all costings are included in the first publication of the plan, local authorities should re-publish the plan as soon as it is no longer commercially sensitive to publish this information.*

- 4.5 The Local Authority consulted with interested parties in line with the guidance from the Department as above with the outcomes informing Phase 1 proposals approved by Cabinet. Good practice dictates that SEND sufficiency should be kept under review as pupil numbers and needs can change over a period of time.
- 4.6 This report seeks permission to begin a period of consultation with schools and settings regarding the additional places required in response to the SEND Sufficiency Strategy refresh, and to seek proposals to increase SEND capacity across the Borough linked to the allocation of available capital funding from central government.

5. Timetable and Accountability for Implementing this Decision

5.1 Implementation timetable:

May 2019	Seek Cabinet approval to publish the SEND sufficiency strategy update and consult with schools and settings in relation to proposals to create additional capacity.
September 2019	Seek Cabinet approval of recommended proposals to create additional SEND capacity and the allocation of capital funding to deliver approved projects.
October 2019 to September 2020	Delivery of capital projects approved by Cabinet to create additional capacity.

- 5.2 Individual capital projects will be project managed by the Council's Asset Management Service with accountability for delivery to the Strategic Director of Regeneration and Environment.
- 5.3 Project implementation work with respective schools and Academy Trusts to implement the proposals will be led by officers in education and overseen by the Strategic Director of Children and Young People's Services.

6. Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)

- 6.1 The CYPS programme has school capital funding which could be used to support the SEN proposals received from schools and academies where capital works are required. A business case will be required from each interested party that will outline the proposal and benefits of the scheme, both financial and operational.

- 6.2 Any investment proposals or cost implications that may result from the analysis of the consultation feedback will be subject to future reports and approval mechanisms in the context of the Council's Budget and Medium Term Financial Strategy.
- 6.3 The High Needs Block has an overall deficit of £15.8m at the end of 2018/19 and includes a 2018/19 in-year overspend of £5.1m. The proposals outlined in the report are part of the financial recovery plan to operate the Dedicated Schools Grant High Needs Block within the annual funding allocation, which is £31.44m in 2019/20.
- 6.4 The projected annual cost savings on the High Needs budget of developing the SEN units on mainstream school and academy sites is estimated to be in the region of £1.5m (based on a cost saving of £30k per place per annum) through reduction in the number of high cost placements. The savings will reduce current spend against the Dedicated Schools Grant (DSG) and will not impact on the Council's revenue budget.
- 6.5 The savings will be achieved in two ways. Firstly, through reducing the need for high numbers of newly assessed children and young people to be educated outside Rotherham, and being able to offer high quality provision in borough. Secondly, for those children and young people currently placed in provision outside Rotherham, investigation with families about whether a child's needs can be better met in a Rotherham provision at annual review of the Education Health and Care plan. This will significantly reduce the escalating costs to the Dedicated Schools Grant High Needs budget.
- 6.6 The proposals are also expected to have a positive impact on the Councils Home to School Transport budget, due to a reduction in the number of out of authority placements and the additional transport journeys incurred.
- 7. Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)**
- 7.1 Should any of the proposals brought forward to create additional SEND capacity meet the requirement threshold to complete a full prescribed alteration under, the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 (guidance dated April 2016), then separate proposals would be brought forward for Cabinet determination as part of the delivery programme.
- 7.2 Section 14 Education Act 1996 requires a local authority to have regard to securing SEN provision is made for pupils with SEN Needs. Following enactment of The Children and Families Act 2014, the local authority retains responsibility for commissioning services for vulnerable children and young people with SEN and to keep such provision for children and young people with SEN and disabilities under review including its sufficiency (s.315 Education Act

1996), and to promote wellbeing and improve quality, working in concert with parents, young people, and providers. The Act is clear that, when considering any re-organisation of provision, decision makers must be clear how they are satisfied that the proposed alternative arrangements will lead to improvements in the standard, quality and/or range of educational provision for children with SEN.

8. Human Resources Advice and Implications

- 8.1 The proposals will create teaching and learning and support staff employment opportunities and recruitment to these posts will be required following Rotherham Metropolitan Borough Council recruitment procedures for Local Authority maintained provision and Academy Trust recruitment procedures where proposals are linked to Academy status schools.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 The additional SEND places created within the borough will give more children and young people the opportunity to access high quality provision closer to home to meet their educational needs.

10. Equalities and Human Rights Advice and Implications

- 10.1 Section 149 of the Equality Act 2010 requires that public bodies, in exercising their functions, have due regard to the need to:
- i. eliminate discrimination, harassment, victimisation and other unlawful conduct under the Act,
 - ii. advance equality of opportunity and
 - iii. foster good relations between persons who share a protected characteristic and persons who do not share it.
- 10.2 An Equalities Impact Assessment (EIA) (Appendix 3) was completed following Cabinet approval of the Send sufficiency phase 1 proposals. This was refreshed in January 2019 and will be refreshed again during the consultation with schools and settings and seeking of proposals to create additional capacity period and details of the revised EIA will be included within the follow-up Cabinet report scheduled for September 2019 seeking approval of projects and allocation of capital to provide the facilities needed.
- 10.3 The Council must ensure it meets its public law duties when making decisions, including meeting its public sector equality duty. It must consider all relevant information, disregard irrelevant information, act in accordance with the statutory requirements and make its decision in a fair and transparent manner.

- 10.4 The additional specialist provision provided in phase 2 would allow more parents and carers to access education for their child in accordance with their wishes within the local area in future years, in an inclusive and innovative learning environment.

11. Implications for Partners

- 11.1 There will need to be further involvement and engagement with Planning Department, Asset Management Services, Transport services, SEND Specialist Services, Finance Section and Schools and Academies, who will all be engaged and involved in the development of the new provision. This will be overseen by the Strategic School Organisation Group and SEND Board, reporting to the Strategic Director of Children and Young People's Services, Chief Executive and Elected Members as necessary and appropriate.

12. Risks and Mitigation

- 12.1 There are always risks and uncertainties when school place provision is considered, since future pupil numbers are based on estimations. Over provision at one school could influence pupil numbers at other schools. However, current provision is full or over-subscribed and this trend is set to continue, meaning that more pupils are being placed in provision out of authority increasing the financial burden on the High Needs Block.

13. Accountable Officer(s)

Jon Stonehouse – Strategic Director CYPS

Approvals obtained on behalf of:-

	Named Officer	Date
Chief Executive		Click here to enter a date.
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	01/05/19
Head of Legal Services (Deputy Monitoring Officer)	Bal Nahal	26/04/19
Assistant Director of Human Resources (if appropriate)		Click here to enter a date.
Head of Human Resources (if appropriate)	Amy Leech	26/03/19

Report Author: Mary Jarrett (Head of Service – Inclusion Services)
Dean Fenton (Head of Service – School Planning, Admissions and Appeals)

This report is published on the Council's [website](#).

SEND Sufficiency Strategy Refresh

February 2019

Draft V3

Section

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1. Introduction and Vision

- 1.1 This SEND Sufficiency refresh is designed to up date and inform the 2017-2021 Strategy at its midway point as Rotherham Metropolitan Borough reviews data and forecasting in relation to need and to inform planning for the allocation of increased government funding.
- 1.2 Phase One of Rotherham’s SEND sufficiency strategy focussed on creating additional places within Rotherham Special Schools including 20 additional places at Abbey School, the creation of Rotherham Opportunities College and additional places at the Rowan and Aspire Centres. Phase 2 will focus on developing support for mainstream schools by reviewing Inclusion Services; developing Specialist Resource Units for children and young people with SEND based within mainstream provision and improving preparation for adulthood via a strategic review and development of Rotherham’s post-16 offer for children with SEND.
- 1.3 The Vision:
Rotherham Metropolitan Borough Council’s vision is to give every child the best start in life. The vision and priorities for Children in Rotherham with SEND is described within our Voices work:
- Believe me and believe in me
 - Get me help quicker
 - Plan for my adulthood with me
- 1.4 We want to improve the life chances of children and young people with SEND by offering them wherever possible an opportunity to study in Rotherham within good or outstanding schools with education and support delivered either by specialist resource units based within their local schools or by special education provision delivered by a special school.
- 1.5 Mainstream schools will benefit from a holistic review of Inclusion Services and from receiving specialist targeted support delivered by Primary and Secondary Outreach teams specialising in Social Emotional and Mental Health and supporting children and young people with Autistic Spectrum Conditions.
- 1.6 Finally Rotherham will review its post-16 provision to ensure that it is ambitious for all young people and offers a range of pathways for children and young people with SEND to optimise a range of nationally recognised preparing for adulthood outcomes including increasing independence, employment opportunities and Further and Higher Education provision.
- 1.7 Special Education Needs are defined within the Code of Practice 2015 as:
- “A child or young person has SEN if they have a learning difficulty or disability which calls for special educational provision to be made for him or her”.

“A child of compulsory school age or a young person has a learning difficulty or disability if he or she has a significantly greater difficulty in learning than the majority of others of the same age, or has a disability which prevents or hinders him or her from making use of facilities of a kind generally provided for others of the same age in mainstream schools or mainstream post-16 institutions”.

1.8 Developing the Analysis for this Strategy

The methods used to develop the needs assessment were through the development of data by Children and Young Peoples (CYPS) Performance team based on the following key lines of enquiry of:

- Rotherham children and young people with an Education Health and Care Plan.
- Key transition points at Early Years Foundation Stages to KS1, KS2, KS3 KS4 to Post 16 identifying projected cohort size by age and primary need.
- Post 16 Population
- SEND Primary need and future requirements by projections against Rotherham 0-25 years Population data. The focus for Primary Needs were;
 - Social Emotional and Mental Health
 - Autism
 - Severe Learning Difficulties
 - Moderate Learning Difficulties
- Current provision and future requirements by projections against Rotherham 0-25 years population data.

1.9 School Census Information from the Spring Returns for Children and Young People who are identified as SEN Support for the following years: 2015,2016,2017,2018.

1.10 Rotherham’s 0-25yr population projection figures available from the Office for National Statistics (ONS) 2016 based population projections.

1.11 The forecasts and projections of need/demand are based on an ‘as is’ approach without any additional support or intervention being introduced.

1.13 Therefore the purpose of this document is to determine the needs identified from a range of local data regarding current SEN education provision and provide an evidence base to develop the authority’s response to meet the SEN needs of children and young people of Rotherham.

1.14 The Department for Education Code of Practice Statutory Guidance (2015) states:

'A child or young person may have special educational needs when a learning difficulty or disability means that they require support that is different or additional to that which is normally available to pupils of the same age.'

SEN can be characterised by a range of needs and difficulties. There are four broad areas of need identified:

- Communication and interaction - speech, language, and communication needs and difficulties with interaction with others. This includes Autism Spectrum Disorder.
- Cognition and learning - learning difficulties vary in severity and may make it difficult to learn everything or just certain things.
- Social, emotional and mental health difficulties - this covers a wide range of needs and these may be seen in a child or young person as withdrawn and isolated behaviours, or as challenging and unsafe behaviours.
- Sensory and/physical needs - these include visual and hearing impairment and physical and mobility needs.

2. National and Local Context

2.1 This Needs Analysis is informed by a wide range of current national legislation, the most relevant of which are:

- Education Act 1996 and 2011
- SEND Code Of Practice 2015
- Working Together to Safeguard Children 2015
- Carers and Disabled Children Act 2000;
- Children and Young Persons Act 2008;
- Children and Families Act 2014;
- Care Act 2004;
- Human Rights Act 1998;
- Care Standards Act 2000;
- Children Leaving Care Act 2000;
- Freedom of Information Act 2000;
- Sexual Offences Act 2003;
- Children & Adoption Act 2002 and 2006;
- Equality Act 2010;

2.2 Rotherham Borough Council has a statutory duty under The Education Act 1996 Section 14(1) to ensure that it provides sufficient school places for all pupils who are resident within the Borough. It has specific duties to ensure that there is sufficient provision for pupils with SEND, an Education Health and Care (EHC) plan; and where an EHCP has determined that the provision should be met in designated specialist provision.

- 2.3 As well as mainstream schools and colleges, currently, specialist placements in Rotherham consist of four main types of provision:
1. Enhanced resource provision located on mainstream school sites.
(These include Speech and Language Units, Primary and Secondary Hearing Impairment Units; Specialist Autism Resource.)
 2. Academies and maintained special school provision located in Rotherham (for children and young people best placed in mainstream schools) (Rotherham has 2 Schools for children and young people with SLD;
 3. Schools for children with Moderate Learning Difficulties and 1 school for children with physical disabilities with a specialist Autism unit and 2 Pupil Referral Units which are developing their provision for children and young people with complex social, emotional and mental health difficulties.
 4. Academies and maintained special school provision located in other local authorities.
 5. Special Schools in the independent non-maintained sector.
- 2.4 The special provision fund allocations first announced by the government on 4th March 2017, supported local authorities (LAs) to make capital investments in provision for pupils with special educational needs and disabilities. Local authorities can invest in new places and improvements to facilities for pupils with education, health and care (EHC) plans in mainstream and special schools, nurseries, colleges and other provision.
- 2.5 Further to that on 29th May 2018, the government announced a further £50 million additional grant funding and on 16th December 2018, a further £100 million. It is envisaged that these allocations will support local authorities to create new places and improve facilities at existing schools. This funding is primarily intended to develop provision for pupils with more complex special educational needs (i.e. an EHC plan or a statement of special educational needs) in mainstream and/or special schools
- 2.6 The most relevant local guidance documents/strategies are:
- The Rotherham Joint Strategic Needs Assessment (JSNA)
 - The Rotherham Children & Young Peoples Plan
 - The Looked After Children's Strategy 2016-2019
 - CYPS Sustainability Plan 2016-2021
 - The Early Help Strategy 2016-2019
 - The Rotherham Voices Strategy.
 - SEND Sufficiency Strategy 2017-2021

3. A Demographic Profile of Rotherham 2018/19

3.1 Geography

Rotherham is one of four metropolitan boroughs in South Yorkshire and lies at the centre of the Sheffield City Region. The Borough is divided into 21 wards covering a wide diversity of urban, suburban and rural areas. Rotherham developed as a major industrial centre of coal mining and steel making which have shaped the Borough's character. Following the decline of traditional industries, regeneration has brought new opportunities to the area including service industries and advanced manufacturing. Rotherham is also proud of its environment where 70% is open countryside; there are 3 country parks and numerous urban parks.

3.2 The Borough covers 110 square miles and can be divided into three main areas. In the north are the Dearne Valley, Wentworth and Rawmarsh, featuring a number of small industrial communities, rural areas around Wentworth Woodhouse and regenerated industrial area at Manvers. Central Rotherham is a densely populated urban area with a range of commercial, industrial and residential uses, and an ethnically diverse population. The southern half of the Borough has a scattering of former mining communities and suburban villages set in an extensive rural area, which has strong commuting links to the nearby city of Sheffield. Sheffield and Rotherham form a single travel-to-work area with a large joint economy and overlapping housing markets.

3.3 Population and Age Structure

Rotherham has a steadily growing population which reached a record level of 263,400 in 2017. The population is growing as a result of natural increase (more births than deaths), net inward migration and increased life expectancy. Rotherham has 161,400 people of working age (61%) which is slightly lower than the English average.

3.4 Rotherham has an ageing population whereby the number of older people is increasing fastest, and their health and social care needs place increasing pressure on care and support services at a time of prolonged financial constraint. There are 51,000 people aged 65+ including 6,000 people aged 85+ whose numbers are projected to increase by a third over the next 10 years.

3.5 There are 50,900 children aged 0-15 in Rotherham and 26,100 young people aged 16-24. Whilst the majority get a good start in life, child poverty is highly polarised across the Borough and life chances can vary greatly. In the most deprived areas, 25% of the population are aged 0-15 but in the least deprived, the proportion is only 16%. Rotherham has a lower proportion of young people aged 18-24 than the national average due to people moving elsewhere to study or work. The number of Looked after Children in the Borough has increased from 380 in 2012 to 610 in 2018.

3.6 Gender

Of Rotherham's population of 134,000 (50.9%) are female and 129,400 (49.1%) are male. There are more males than females up to the age of 24 as more boys are born

than girls. Amongst those aged 69 years and over, women outnumber men as a result of longer life expectancy, so that two thirds of people aged 85+ are women.

3.7 Race/Ethnicity

According to the 2011 Census, 20,842 people in Rotherham identified themselves as belonging to Black and Minority Ethnic (BME) groups, or 8.1% of the population. This proportion is well below the national average although the number of BME residents doubled between 2001 and 2011. The number in 2016 probably exceeds 26,000 or 10% of the population. The largest BME group is Pakistani and Kashmiri who numbered 7,900 in 2011.

3.8 At the time of the 2011 Census, there were 13,147 people born outside the UK and living in Rotherham or 5.1% of the population, compared with 6,473 in 2001. The number has since increased further through migration, especially from Slovakia, Poland and latterly Romania. New migrant communities and growing ethnic diversity have brought challenges to public services in ensuring equality of access to people from different cultural backgrounds. Pupils from Black and Minority Ethnic (BME) groups made up 16.6% of the school population.

3.9 Health and Longevity

Life expectancy for males in Rotherham is 1.4 years below the national average and for females the gap is greater at 1.9 years. However, the gap in healthy life expectancy is over 5 years for both males and females. Health inequalities within the Borough are illustrated by the 9.5 year gap in life expectancy for men living in the most deprived areas and the least deprived, and a 7 year gap for women. Particular health and lifestyle concerns in Rotherham are obesity, alcohol and smoking related illness, cancer smoking in pregnancy and low breastfeeding initiation. Older people in Rotherham are far more likely to be disabled and be in poor health than average.

3.10 Disability

The 2011 Census showed that 56,588 (21.9%) of Rotherham's population had a long term health problem or disability and 11.3% said their day-to-day activities were limited a lot by long term conditions (8.3% nationally). In November 2016, 30,306 Rotherham residents (11.6%) claimed Disability Living Allowance (16,680), Personal Independence Payment (6,100) or Attendance Allowance (7,516).

3.11 Social Deprivation and Economic Inequality

According to the Indices of Deprivation 2015, Rotherham is the 52nd most deprived district in England, amongst the 16% most deprived. A key feature of deprivation since 2007 is polarisation with deprivation increasing in the most deprived areas and reducing in the least deprived. The 2015 index showed 20% of people in Rotherham living in areas amongst the 10% most deprived in England compared with only 12% in the 2007 index. The central areas of Rotherham and pockets in other parts of the town are very deprived whilst many suburban and rural areas are quite affluent.

3.12 Of the working age population, 121,100 (76.1%) are economically active and 114,400 people (71.9%) are in employment, both below the national average. 6,750 people, or 4.2% of working age residents regard themselves as unemployed of which 2,700 were claiming JSA in November 2017. 8.7% of the working age population have no qualifications, above the national average. In 2017, gross weekly pay for Rotherham residents was £494 (full-time) compared with £502 in Yorkshire and Humber and £556 in England (median earnings). Levels of pay are lower than in the region and nationally, especially for women who earn an average of £283 (full and part time) per week compared with £494 for men. Rotherham women earn only 57% of men’s pay compared with 66% nationally.

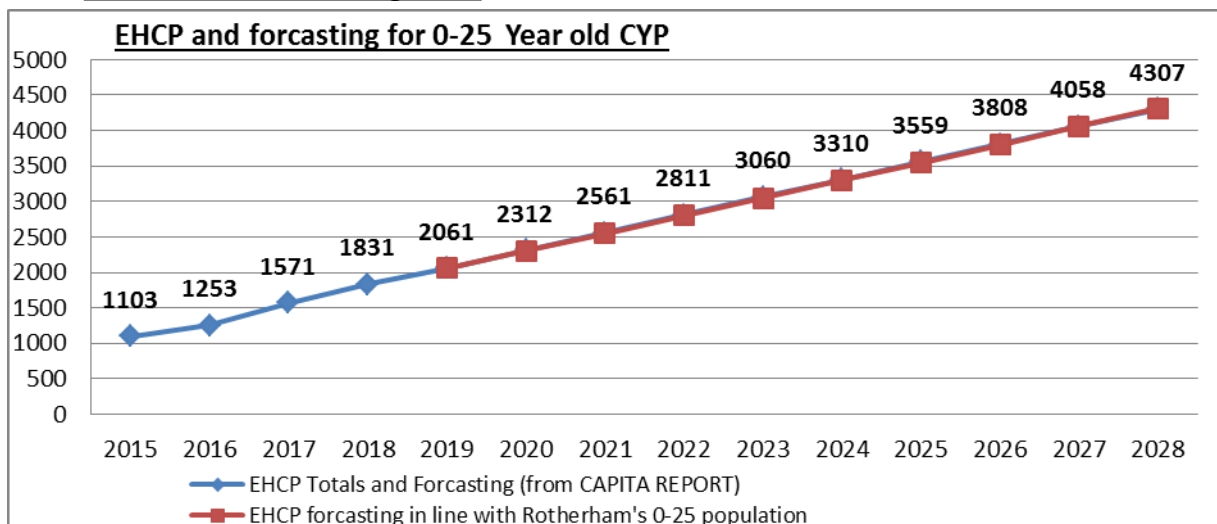
3.13 Rotherham is a borough of contrasts and different parts of the community have been affected by economic change over the long and short term. One in nine people aged 16-64 are workless as a result of either unemployment or long term sickness. The latter affects 10,900 people or 6.9% of the working age population, well above the national average of 4.6%.

4. The Needs of Young People in Rotherham

4.1 Education, Health & Care Plan Data

The methodology for the following forecasts is outlined at para 1.2. The data sets used for the analysis were derived from a Capita report covering Children & Young People who have an Education and Care Health Plan (EHCP) in place at the end of January for the following years: 2015, 2016, 2017, and 2018.

4.2 Chart 1. Forecast EHCP growth

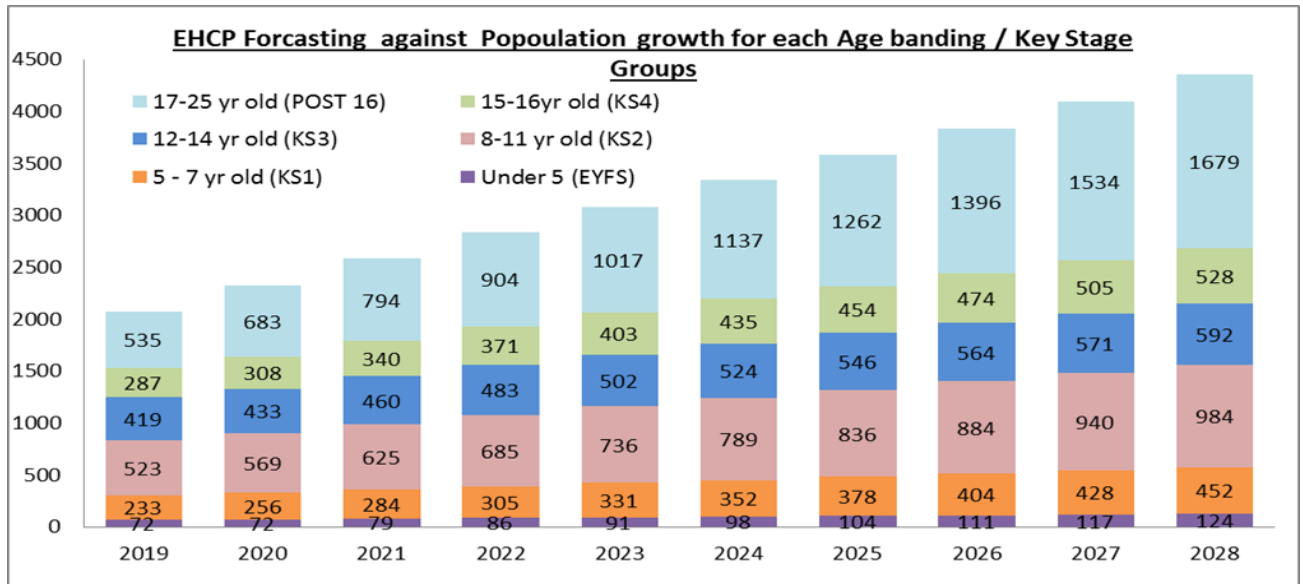


The Number of CYP on EHCP’s is currently at 2095 (as at 11/02/19) – forecasting over the next ten year period would see a potential increase of over 700 EHCP’s in the next 2 years. Forecast projection for the next 4 to 5 years would see a potential rise of over

1000 additional CYP on EHCP's , while looking long-term to 8-9 years ahead the number of CYP on EHCP's could potentially double in numbers to be over 4000.

Over the 10 year forecast this is an increase of 105%.

4.3 Chart 2. Forecast Population Growth Age/Key Stage Groups



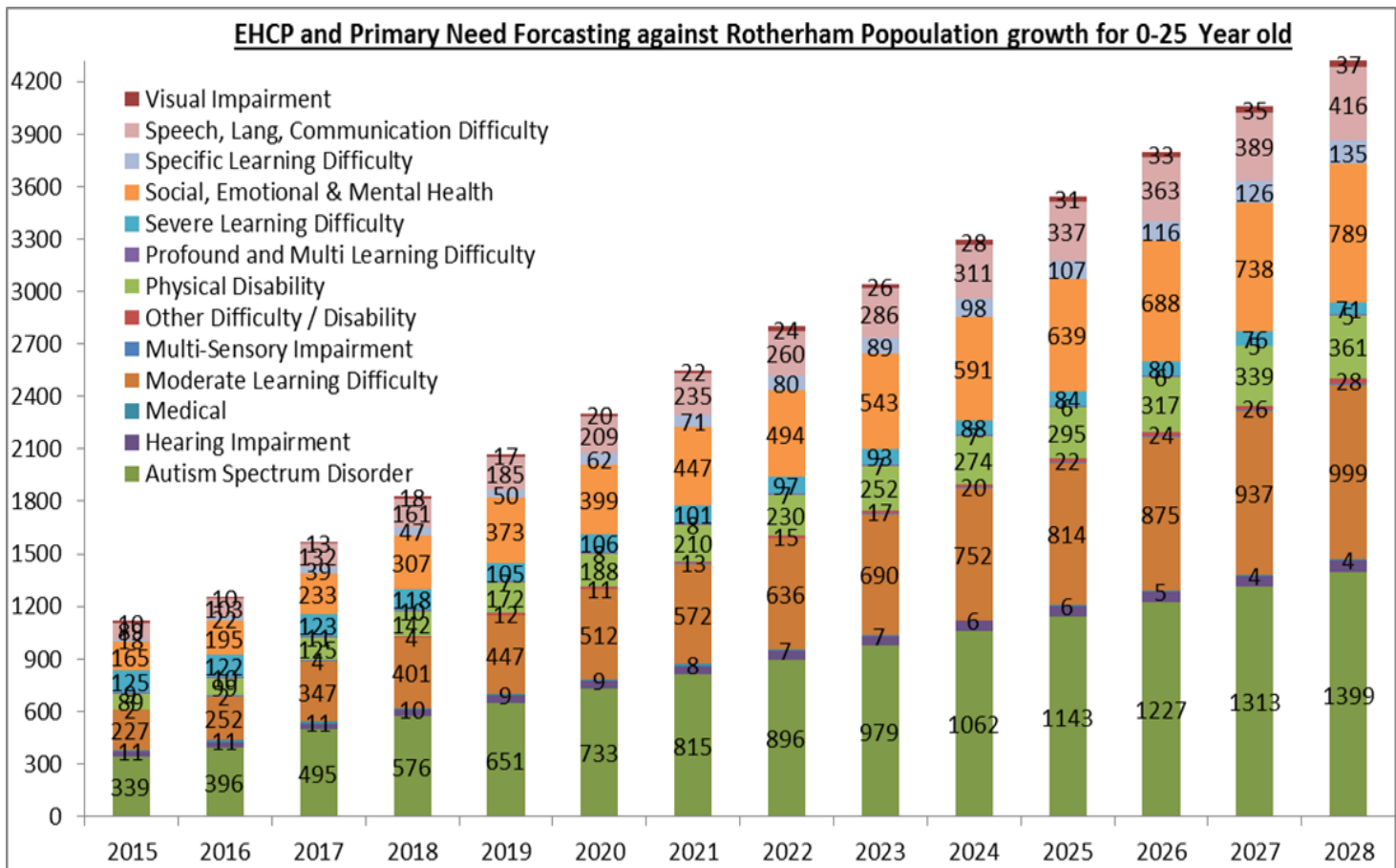
In accordance with Rotherham population projections, future forecasting analysis was completed by 'Age banding splits and transition groups (Key stage groups)'. This indicated that children and young people :-aged 8-11 years old (covering Key Stage 2 phase) and children and young people who are of Post 16+ age are the most affected cohort now and will continue to be the most affected CYP that require support.

Aged 5-7 years (KS1) cohort indicates an increase from 233 to 452 CYP with an EHCP over a 10 year period, seeing an increase in need of 93%

Aged 8-11 years (KS2) cohort indicates an increase from 523 to 984 CYP with an EHCP over a 10 year period, seeing an increase in need of 88%.

Aged 17-25 years (Post 16) cohort indicate an increase from 535 to 1679 CYP with an EHCP over a 10 year period, seeing an increase in need of 213%

4.4 Chart 3. Forecast Primary Need growth



Primary Needs for CYP with EHCP’s shows the 2019 cohort three highest primary needs in Rotherham being: -

- Autism Spectrum Disorder – 651 CYP-32% of 2019 cohort
- Moderate Learning Difficulty -447 CYP -22% of 2019 cohort
- Social, Emotional & Mental Health – 373 CYP-18% of 2019 cohort

Analysis on forecasting projections of primary needs shows that within the next 10 years, the number of CYP with a primary need of ASD, MLD, SEMH increase as follow;

- MLD cohort indicates an increase from 447 to 999 CYP with an EHCP over a 10 year period, seeing an increase in primary need of 123%
- ASD cohort indicates an increase from 651 to 1399 CYP with an EHCP over a 10 year period, seeing an increase in primary need of 114%
- SEMH cohort indicates an increase from 373 to 789 CYP with an EHCP over a 10 year period, seeing an increase in primary need of 111%

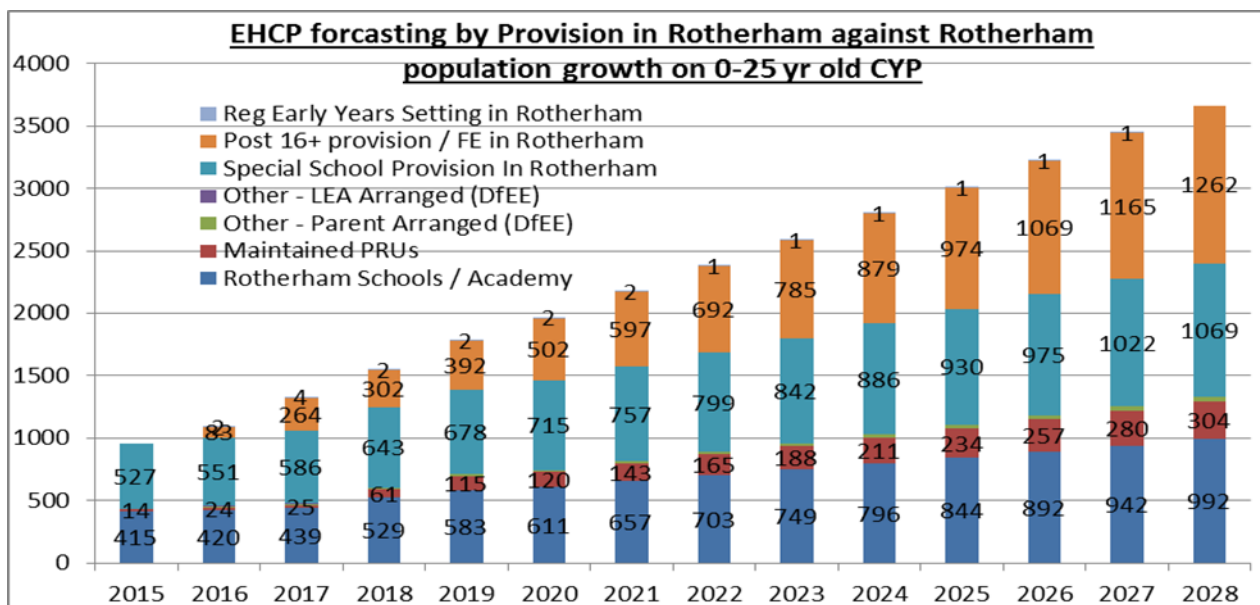
These needs are our largest primary needs now and projected for the future.

Further analysis indicates that for children with MLD the potential increase in need will be most significant at age 8-11years KS2 and Post 16.

For children with ASD the potential increase in need will be most significant at KS1, KS2 and Post 16.

For children with SEMH the potential increase in need will be most significant at KS2 and Post 16.

4.5 Chart 4. Forecast for School/College Provision



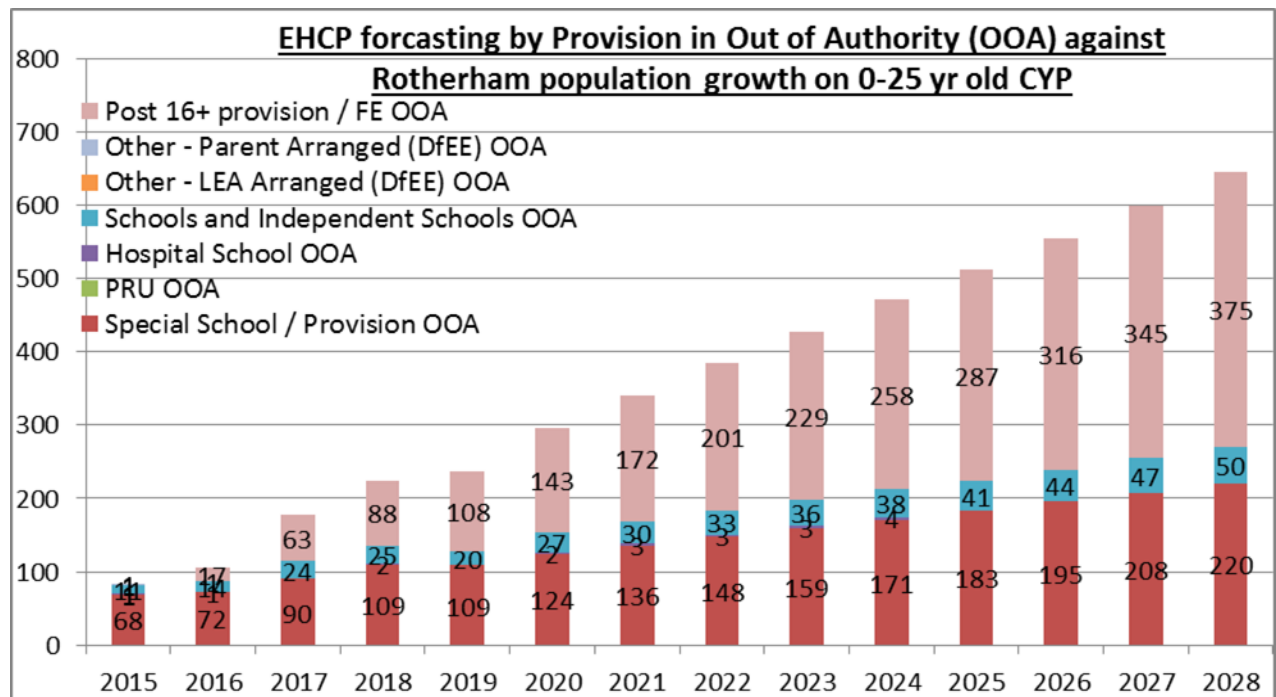
The forecast indicates that ‘Rotherham Special Schools’ and ‘Post 16+ places in Higher / Further Education’ are the most affected provisions with a sharper increase in need identified with the highest number of children attending these school types.

Growth in demand for school/FE places for children with EHCPs is projected as follows:

Post 16 Provision - currently 392 to 1262 CYP with an EHCP over a 10 year period, seeing an increase in demand by 870 (221%)

Special School Provision - currently 678 to 1069 CYP with an EHCP over a 10 year period, seeing an increase in demand by 391 (57%)

Rotherham Schools/Academy - currently 583 to 992 CYP with an EHCP over a 10 year period, seeing an increase in demand by 409 (70%)

4.6 Chart 5. Forecast for School/College provision Out Of Authority area

As part of the 'Provision' data analysis, the 'Out Of Authority' (OOA) education of children and young people with an EHCP, where children attend schools not within the Rotherham borough, was also taken in to account.

5. Education Offer in Rotherham and Use of Out of Area Placements:

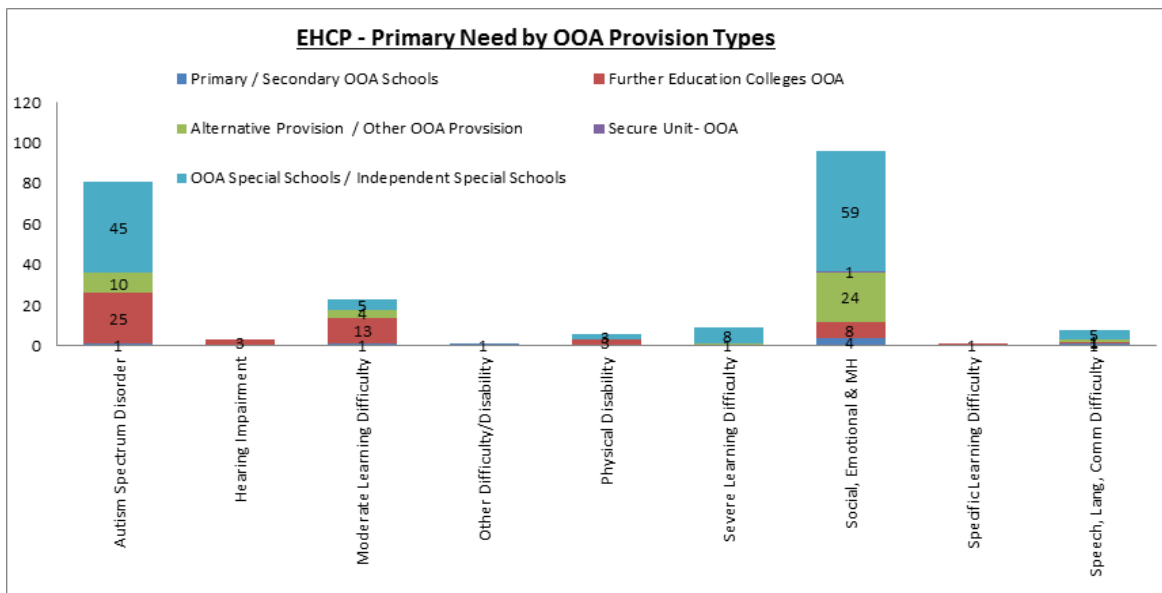
5.1 Rotherham has embarked on a continuing education sufficiency program and increased education provision for both new Secondary and Primary school places as well as SEND places since April 2012, resulting in the addition of 2,222 school places being made available up to 2021.

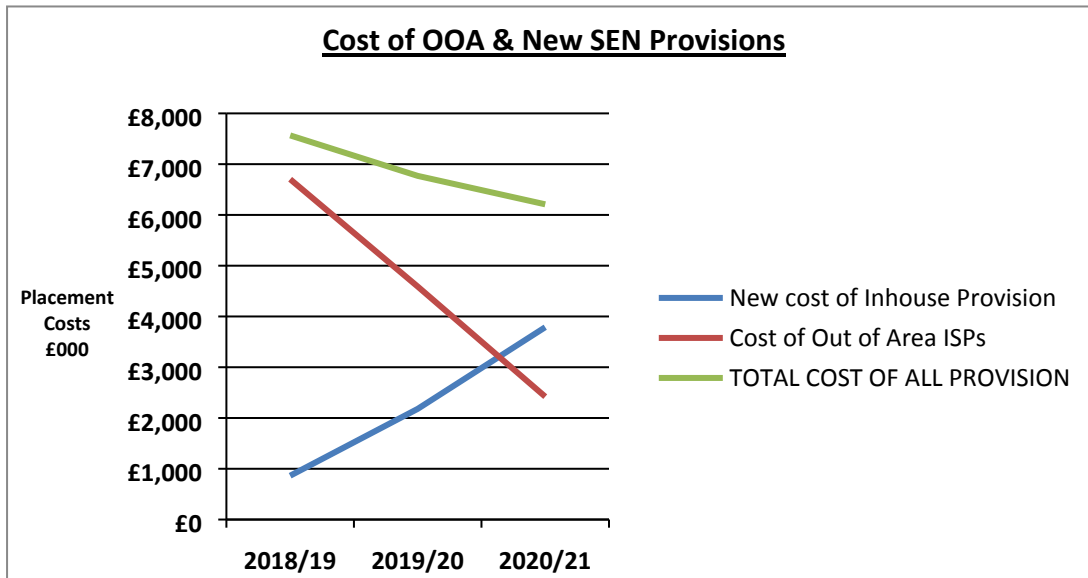
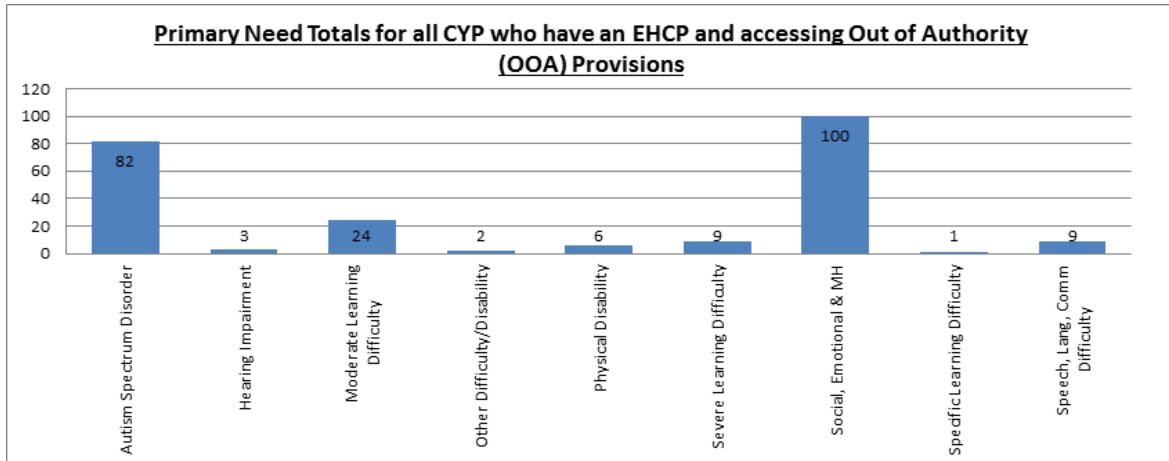
- 155 SEND places (including current projects completed 2018-2021)
- 575 Secondary School places
- 1,492 Primary School places

5.2 The Spring School Census data January 2018, showed that of the 45,028 pupils on role at all schools in Rotherham, 7,513 (16.7%) pupils were identified as having SEND, either an EHCP, Statement or SEN Support.

- 4117 pupils with SEND in a Nursery or Primary setting
- 2,550 pupils with SEND in a Secondary setting

- 5.3 Of the 44,176 pupils in a mainstream school setting, 6,667 (15%) pupils were identified as having SEND.
- 5.4 Of the 852 pupils on role at special schools or Pupil Referral Units in Rotherham, 846 (99.3%) were identified as having SEN.





5.5 The current forecast cost of SEN Placements for the financial year 2018/19 is £7.6m with £6.7m of these costs incurred through commissioned out of area placements with specialist Education providers. Following the increase in capacity of in borough local provision through the SEND Sufficiency strategy, 229 places over the 2 year period from September 2018 to 2020 the forecast cost of out of area provision falls to £2.4m. This is based on the assumption that OOA places reduce from 185 to 100 and that growth of 169 places are accommodated in the new resources. The cost of In house provision increases from £863k to £3.8m over the same period due to the increase in capacity in local provision. The shift in provision from expensive out of area placements to lower cost in house provision would generate cost reductions of £1.4m over the 2 year period which is reflected in a reduced overall placement cost of £6.2m in 2020/21.

5.6 This clearly demonstrates that a reduction in dependence on out of area placements for children with SEMH and Autism will not only create a cost saving for the Local Authority but also enable children to be educated within their communities, with friends and peers.

5.7 Use of Special Provision Capital fund

As part of the vision for children and young people with special educational needs (SEN), local authorities are required to ensure that there are sufficient good school places for all pupils including those with SEN. From 2018-2021 the government has now invested a total of £365 million.

5.8 Authorities are able to utilise the funding in a way that ensures improved special provision for children with Education, Health and Care Plans.. The funding can be invested across mainstream schools, academies, special schools, special units, early years and FE Colleges. It can also be used for other provision for children and young people aged 0-25.

5.9 Local authorities are encouraged to spend the additional funding in ways that enhance facilities and the number of places available to young people with complex needs. The government has given guidance that this can be achieved through:

- *Creating new (additional) places at good or outstanding provision*
- *Improving facilities or developing new facilities*

This can be through:

- *Expansion(s) to existing provision, including at the same site or at a different site.*
- *Reconfiguring provision to make available space for additional places or facilities.*

- *Re-purposing areas so that they meet the needs of pupils with special educational needs and disabilities.*
- *Other capital transactions that result in new (additional) places or improvements to facilities.*
- *Investing in provision that is located in another local authority where this supports providing good outcomes for children in their area.*

6. Strategic Intentions:

- For Academies and Local maintained schools to receive high quality support to enable them to become as inclusive and resilient as possible; so that children receive a high quality education which differentiates learning and teaching to support the diverse needs of individual children and young people.
- To ensure that there is a high quality programme of workforce development to train education, health and care staff to meet the needs of Rotherham's children, young people and their families.
- To ensure that Rotherham schools can deliver a high quality graduated response from health, social care and teaching staff to ensure that inclusion support from specialist inclusion services are available at the point of identified need.
- To ensure sufficiency of school places within Rotherham for children aged 0-19 who have identified special education needs and whose education, health and care plans identify that only special school provision can meet their identified education, health and care needs and reduce dependence on high cost out of area placements which remove children and young people from their local communities.
- To ensure a sufficient range of provision for young people aged 16-25 to ensure that there are a variety of pathways to support young people to become confident, independent adults.

7. Measures of Success:

- Reviews of Education, Health and Care plans indicate that needs are being met, children and young people with SEND in Rotherham demonstrate academic attainment in accordance with or exceeding that of nearest neighbours.
- Fewer children are sent out of area to be educated.
- Reduction in budget spend on out of area placement

8. Milestones (Academic Year 2020-2021):

1. To develop 2 additional Specialist Resource Units of up to 15 places each within mainstream Schools to deliver support, education and outcomes for children with Autism and/ or SEMH, some of whom may demonstrate challenging behaviours. Units to be operational for start of September 2019. Both units to be developed within mainstream secondary schools which are either Ofsted

'Good' or 'Outstanding', who can offer post-16 provision and who can evidence a long term commitment to inclusion which can be demonstrated by their existing outcomes for children and young people with EHCPs, their rates of exclusions and their evidence of investment in an infrastructure to support children and young people with SEND. The Local Authority will pay Element One, Two and Three funding during Year 1 with a view to schools then registering this provision during academic year 2019-20. It is expected that each place will receive funding of £15,000. There will be funding of up to £250,000 per school for capital costs.

2. To develop two specialist primary resource of an additional 20 places (10 per school) to offer specialist teaching and support to vulnerable children with ASD or MLD who via behaviours or learning are unable to be taught within a fully mainstream curriculum, it is planned that this primary provision will feed into either of the secondary provisions described above. Both units to be operational by September 2019. These places will be funded at £10,000 per place with the expectation that the schools who develop the units can demonstrate their commitment to inclusive practice via outcomes for children and evidence of preventing exclusions. There will be funding available of up to £250,000 for capital costs.
3. To develop a Primary Outreach SEMH Team which will work with primary schools to develop behaviour management within schools to support specific children and young people as identified via the primary partnerships with a view to reducing exclusions of primary aged children and developing best practice models across Rotherham. The Primary Outreach Team will also deliver specialist learning and training packages to disseminate good practice and consistency of approach across the borough.
4. To undertake a full commissioning review of post-16 provision in Rotherham to identify a range of support for post-16 learners including provision for vulnerable young people who wish to continue in formal education, to develop supported apprenticeships and workplace learning for older young people and ensure that these are correctly resourced and pathways are understood across the borough. To report back to SEND Strategic Board by December 2019 so that recommendations can be implemented by September 2020 in accordance with Year 2 Implementation.
5. To undertake a full service review of RMBC Inclusion Services and their traded models to ensure that the requisite support is made available to meet the identified needs of children and young people as appropriate and to ensure that an holistic package of support is made available to children, young people and their families and that services begin to deliver Services in accordance with the Rotherham Voices Strategy. The Review to report back to the SEND Strategic Board by July 2019 to ensure that any necessary adjustments required supporting the delivery of services described above can be made.

Year 2 (Academic Year 2021-2022)

1. To develop a Secondary SEMH Outreach team: To develop a 'crisis' response to support secondary schools where older children and young people are escalating into crisis or who need off-site support and a bespoke curriculum. This Resource to be supported by development of alternative provision in Rotherham.
2. To implement the outcomes of the post-16 review and create a post-16 sufficiency strategy which develops and promotes preparation for adulthood and ensure that young people across Rotherham have a range of options post-16 and post-19 that support them into further learning, careers and independent adult life.
3. To review and rerun the data analysis as above in January 2020 to identify whether the strategic plan is delivering the anticipated outcomes, to identify or develop new trends and to review progress of sufficiency strategy.

9. Consultation and Advice

The contents of this strategic plan have been shared with

- The Rotherham SEND Strategic Board
- Rotherham CCG
- RESP
- Rotherham Children's Service Directorate
- Rotherham Parents Carers Forum

The Plan is available for download on the Rotherham Local Offer.

Financial transparency of local authority maintained schools and academy trusts

Government consultation

Launch date: 17 July 2019

Respond by: 30 September 2019

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1. Introduction

1.1 We are inviting interested individuals and organisations to comment on proposed new measures that aim to improve transparency of the financial health of LA maintained schools.

1.2 The purpose of this consultation is to outline the current financial transparency arrangements for maintained schools, and to consider possible changes. In doing so, this consultation also outlines the current arrangements for academy trusts. While both academy trusts and maintained schools are now funded through DfE specific grants – the Dedicated Schools Grant (DSG) for maintained schools and General Annual Grant (GAG) for academy trusts – current financial transparency arrangements are different and provide different levels of assurance. Current arrangements for academy trusts therefore provide a useful comparison against which to consider maintained schools. We believe that the current transparency measures used in academies are generally stronger than those in the maintained school sector, which is why this consultation will focus on using or adapting existing academy measures to help change and improve maintained schools' financial transparency and financial health.

1.3 We would welcome views on the new measures that we are proposing to implement across the local authority maintained schools sector, as well as any other changes to financial transparency that you believe would be of benefit to maintained schools or local authorities. We are interested to hear views from local authorities on whether you believe any of the new measures would constitute a New Burden on authorities and, if so, how much the cost would be. The department will assess the New Burdens issue as part of considering how to go forward after the consultation.

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 so easy to analyse. Before you respond to the online survey questions, please read the rest of this document. You don't have to answer all the questions, but 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.

Who this is for

1.5 This consultation is for:

- Local authorities
- Maintained schools
- Any other interested organisations or individuals

Issue date

1.6 The consultation was issued on 17 July 2019.

Enquiries

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

Lafinancialaccountability.Consultation@education.gov.uk

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

Additional copies

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

The response

1.10 The results of the consultation and the Department's response will be [published on GOV.UK](#) later in 2019.

2. About this consultation

2.1 Since the start of the academies programme there has been a significant focus on the financial transparency of the academy sector and the department has introduced a number of measures that have improved the transparency and accountability of trusts. It has been reported by a number of trusts that they feel more accountable for their academies' financial position, now that they are in the academy sector, than they did previously as a local authority maintained school. Transparency measures such as the requirement for them to publish independently audited accounts each year, with particular scrutiny on any related party transactions, provide public assurance of the financial health and probity of trusts.

2.2 Maintained schools, like academies, are funded by grant from the Department for Education (the Dedicated Schools Grant). Local authorities (LAs) are the accountable body for maintained schools and, in line with national frameworks and guidance set by the department, monitor and intervene in these schools to reduce the risk of financial failure or misuse of funds. Each local authority has a scheme for financing schools which sets out the financial relationship between it and its maintained schools, and the department publishes guidance setting out what is required or permitted in schemes.

2.3 The table in Annex A outlines current financial transparency arrangements for the academy and maintained school sectors. Current arrangements for academies are generally stronger than those in place for maintained schools. We recognise that many local authorities do a good job in overseeing the financial affairs of their maintained schools, but financial data collected in 2016-17 and 2017-18 showed that across England as a whole a larger percentage of maintained schools had an accumulated deficit compared to academy trusts, and the rise in 2017-18 continued to be higher in maintained schools. For this reason, we believe that there is a strong case to consider whether the current academy transparency measures can be adapted and successfully implemented across the maintained school sector, in order to strengthen the arrangements for maintained schools and so reduce the future likelihood of growing deficits or misuse of funds in those schools.

2.4 We recognise that some new measures may potentially create additional burdens on local authorities and schools, and we are including that aspect in the consultation. We will ensure that the benefits of any new measures introduced outweigh potential burdens on local authorities and schools.

2.5 This consultation outlines the measures we are proposing to implement. In identifying them, we have looked at the financial measures that are already successful in the academy trust sector. Where, following the consultation, new transparency measures are to be introduced, they will be implemented in the financial year 2020-2021.

3. Proposed new financial transparency measures

3.1 This chapter sets out proposals for what we might do to strengthen current maintained school financial transparency arrangements by bringing them more closely in line with the arrangements for academies.

3.2 Issue 1: Making public where local authorities are failing to comply with deadlines for completing assurance returns and financial collections

Background:

3.3 Local authorities, and maintained schools, are obliged to complete the following assurance returns and financial collections:

- Schools Financial Value Standard
- Dedicated Schools Grant

3.4 **Schools Financial Value Standard:** Schools complete the standard at the end of the financial year, with LAs submitting a signed Chief Financial Officer (CFO) statement of assurance to the department to show the number of schools that complied with the standard. For the financial year 2017 to 2018 0.20% of schools (29 out of 14,395) failed to complete/submit the SFVS. The 29 schools were across 11 LAs.

3.5 The Directed Revisions made in 2012 to the [Schemes for Financing Schools](#) make it a mandatory requirement for all LA maintained schools to complete the SFVS assessment form, other than in agreed exceptional cases – for example when a school is about to convert to academy status.

3.6 **Dedicated Schools Grant:** We require local authorities to provide an annual Dedicated Schools Grant (DSG) assurance statement signed by the chief financial officer (CFO). This is a key statement that forms part of our overall management of the DSG. The assurance statements are issued on the 31st July to coincide with the closing and publishing of LA accounts. However, 32 LAs for the 2017-18 collection failed to submit their assurance statement before the deadline of 14th September due to late internal audit.

3.7 In addition to the assurance statements above, we think that we should consider compliance over a range of other annual returns to more closely replicate the ESFA approach to academy trusts. This would include the statutory funding returns such as:

- Section 251 Budget/Outturn

- Consistent Financial Reporting

3.8 We have reviewed the approach to late returns that the ESFA has adopted this year for the academy sector, whereby they publish (on GOV.UK) the names of trusts who are late in submitting more than 2 out of 4 annual returns.

3.9 We have considered whether it would be appropriate to publish the name of schools that failed to comply with the SFVS without a good reason. As local authorities are the accountable body for maintained schools, however, we think it would be more appropriate to consider publishing compliance data at a local authority rather than school level.

Proposal 1:

3.10 Following the same principle as with academy trusts, if a local authority fails to comply with more than two deadlines from the following collections, we propose to publish the name of the local authority on GOV.UK:

- School Financial Value Standard (SFVS)
- Dedicated Schools Grant CFO assurance statement
- Consistent Financial Reporting
- Section 251 Budget
- Section 251 Outturn

This should not involve any cost burden to local authorities.

3.11 Issue 2: Strengthening DSG annual assurance returns

Background:

3.12 Local authorities can withdraw delegation from schools for financial reasons or issue a notice of financial concern. We do not currently collect this information. The department publishes notices of financial concern it issues to academies on the gov.uk website. It would be possible to require local authorities to publish equivalent information on their websites; however, we cannot mandate the format or structure of local authority websites and in practice it would not therefore be particularly easy for the public to find the information.

3.13 Currently, local authorities recover funds from fraud investigations but only publish the number and value of reported cases, not the value of money recovered.

Proposal 2a:

3.14 We propose to collect the number of schools with suspended budgets and notices of financial concern through the existing DSG assurance statement signed by the local authority CFO at the end of the financial year. This will enable the Department to devote further support to authorities that report a high number of suspended delegations or notices of financial concern.

Proposal 2b:

3.15 We propose to add a new section to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud. Monies recovered from fraud reported in different financial years would be reflected in the statement. The Department would analyse responses and request further details from local authorities that reported the highest incidence/value of fraud. Further details would include the nature of the case, including the steps the LA has put in place to prevent further misuse of the DSG. We would also challenge those that we think have not made sufficient efforts to recover the DSG.

We do not think that these small additions to the DSG assurance statement would place any significant cost burdens on local authorities.

3.16 Issue 3: Maintained schools are not required to provide local authorities with 3-year budget forecasts

Background:

3.17 Local authorities are required to maintain schemes for financing schools, which set out the financial relationship they have with their maintained schools. These cover areas such as the submission of budget plans, loans and deficits, and procurement rules. We publish statutory guidance which authorities must have regard to when determining or revising their schemes. We can only require them to incorporate specific wording, however, by making a directed revision.

3.18 The scheme guidance currently allows authorities to require multi-year budget plans from maintained schools. Some already do so, and others provide modelling software as part of their traded finance service; schools should in any case be making their own plans over several years.

3.19 We have recently introduced a requirement for academies to send us a three-year budget plan and we propose to extend the requirement to maintained schools in the form of sending a three-year budget plan to their maintaining authority.

3.20 We understand that schools will not have complete information on future levels of funding. This is no different to other parts of the public sector, however, and schools should plan on a range of scenarios. For example, it is usually the case that changes in pupil numbers have a greater effect on budgets than changes in overall levels of per pupil funding, and schools should therefore be considering the range of likely changes to their intake in future years and planning accordingly.

Proposal 3:

3.21 We are proposing a directed revision of the schemes for financing schools to make it a requirement for maintained schools to provide local authorities with three-year budget forecasts. Whilst this might take maintained schools slightly longer to complete than a single year forecast we believe that any costs associated with this would be more than recouped by enabling LAs to have early sight of emerging financial issues, enabling preventive action which is almost always less costly than remedial action.

3.22 Issue 4: Strengthening Related Party Transaction arrangements in maintained schools

Background:

3.23 Academy trusts must report all Related Party Transactions (RPTs) to ESFA in advance of the transaction taking place, using ESFA's on-line form. This requirement applies to transactions made on or after 1 April 2019. Since April 2019, all academy trusts have had to seek approval from the ESFA for RPT payments of more than £20,000 and all transactions below £20,000 must be declared. These changes avoid unnecessary administrative burdens to the sector whilst strengthening accountability and transparency. Any transactions with related parties, over a de minimis level, must be "at cost" (i.e. must not involve any element of profit).

3.24 The arrangements for reporting RPTs in maintained schools are not as stringent as those in academy trusts. The 2019-20 version of SFVS contains only two specific questions in relation to RPTs, so we believe that it would be appropriate to strengthen the arrangements to bring them more in line with what is asked of academy trusts.

Proposal 4:

3.25 We are making a number of alternative proposals for comment that could be added separately or introduced in combination with each other.

Proposal 4a: Making schools append a list of RPTs to their response to the new question in the Schools Financial Value Standard (SFVS) about their arrangements for managing RPTs, so that the information goes to the local authority and can then be passed on to the department

3.26 This option is the least resource intensive for both schools and authorities, as the SFVS must be discussed and agreed by the Governing Body, so there should be little additional burden if a list of RPTs was attached to the completed SFVS. The local authority would then be in a position to analyse the RPTs submitted across all maintained schools, using this information to determine audit requirements.

3.27 We propose also to insert additional columns into the SFVS CFO Assurance Statement to request the number of RPTs and value for each.

Proposal 4b: Making a directed revision to the statutory Scheme for Financing Schools to require schools to report all RPTs, or RPTs above a certain threshold, directly to the local authority.

3.28 An alternative reporting option would be to amend the scheme for financing schools to require schools to report all RPTs, or RPTs above a certain threshold, directly to the local authority. The benefit of this option would be that local authorities would have immediate visibility of the RPTs as soon as they had been agreed, though it would be more difficult for authorities to police than if it was in the SFVS, which is an annual return with a set reporting deadline.

Proposal 4c: Making a directed revision to the statutory Scheme for Financing Schools to require schools to seek permission from the local authority to enter into RPTs above a certain amount.

3.29 Academies now have to gain approval from the department for RPTs above £20,000. To mirror this for maintained schools, we would amend schemes to require schools to seek permission from the authority to enter into RPTs above a threshold.

3.30 Issue 5: Maintained Schools internal audit is too infrequent

Background:

3.31 Schools are within the overall audit arrangements determined by the local authority's statutory section 151 officer (CFO). Authorities operate internal audit teams whose work is then relied on by their external auditors. Most audit plans use a risk-based approach with some themed audits.

3.32 We have learned in discussion with local authorities that the cycles for auditing-maintained schools vary a great deal and, in some cases, have fallen into disuse. Consequently, we think there is a case for action.

3.33 We would prescribe a minimum frequency of audit visits by making a directed revision to the scheme guidance.

Proposal 5:

3.34 Making a directed revision to the scheme guidance to require that every maintained school be subject to internal audit at least every 3 years.

3.35 Issue 6: Strengthening arrangements to help schools that are in financial difficulty

Background:

3.36 The scheme for financing schools includes a requirement for schools to manage their resources effectively to maximise pupil outcomes. LAs are also required to have a deficit and a surplus policy within their scheme for financing schools and monitor their schools' compliance with these. Across the LA schemes, there is a variance in the levels of deficit that trigger the submission of a recovery plan to LAs. There is currently no requirement for LAs to report to the department their actions to address financial difficulty and effective resource management in specific schools. We consider that this evidence base would help us to increase visibility of best practice across the whole schools sector, highlight any inconsistencies in LAs' approach and target additional support from the department. The department's monitoring of schools' financial health to date has included approaching LAs directly to find out more about their approach to managing schools' financial health. Since the end of 2018 we have also offered LAs the support of a school resource management adviser where they agree that this would help them to support or challenge schools. We have not specified thresholds of deficit that would lead to contact with the department. To ensure we work consistently with LAs, we consider that it would be helpful to clearly communicate to authorities a more structured approach at the beginning of the year.

Proposal 6:

3.37 To strengthen the arrangements to help schools in financial difficulty we propose that we should introduce the following measures, either separately or in combination:

Proposal 6a: Make a directed revision to the scheme for financing schools requiring schools to submit a recovery plan to their maintaining authority when their revenue deficit rises above 5%.

Proposal 6b: Collect information on the number of recovery plans in each LA through the DSG annual assurance return from the CFO.

Proposal 6c: Formalise the approach to working with LAs and include a request for high level action plans from some LAs:

- **Data-sharing and monitoring:** share published data on the school balances in each LA - highlighting the number and proportion with a revenue deficit of over 5% - and the available support from the department.
Share published data with LAs on their schools' financial, educational performance and pupil/school characteristics.
Timing: after publication of Consistent Financial Reporting (CFR) data
- **Targeted monitoring and support:** use of the above data and evidence-based requests for help from LAs to ensure support is focused where it is most needed (including school resource management advice) and challenge from the department where it is needed most.
Timing – throughout the year
- **Action plan and increased monitoring:** Request high level action plans from LAs in which the number or proportion of school revenue deficits over 5% is above a certain level. We would review the thresholds each year, but an example might be LAs that had more than 10 schools or more than 10% of their schools with revenue deficits of over 5% in the previous year. We would consider contextual information - such as the school balances in the LAs in previous years - when deciding the LA action plans required.
Timing: after publication of CFR data

3.38 Issue 7: There is not enough transparency when it comes to reporting high pay for school staff

Background:

3.39 Currently there is a disparity between public access to information on high salaries within maintained schools and academies. Salary ranges within the national pay framework are published annually in the School Teachers Pay and Conditions Document – these apply to teachers and leaders in maintained schools and we know that the majority of academies tend to mirror these arrangements. Information on individual leadership salaries is collected annually

through the School Workforce Census and a national summary of salaries is published in the annual statistical release – however, the individual salary information is collected through the census on the understanding that it is not published at an individual level.

3.40 Academy trusts must disclose in their published financial statements information about each individual earning over £100k - specifically (i) their total FTE salary in £10k bandings, e.g. £100k - £110k, (ii) their job role and description and (iii) whether they are predominantly focussed on curriculum and education leadership or school business management leadership.

Proposal 7:

3.41 We propose that all LA maintained schools should be required to publish annually on their websites the number of individuals earning over £100K in £10K bandings.

3.42 Issue 8: There is not enough transparency when it comes to reporting maintained school income and expenditure

Background:

3.43 Local authority school accounts are part of the local authority statements of accounts that are published at a gross level for income and expenditure. .

3.44 While individual schools are not included on the LA balance sheet, individual maintained schools are required to produce annual income and expenditure statements, known as Consistent Financial Reporting (CFR), or else local authorities produce them on the schools' behalf. The department publishes all the information from CFR in a spreadsheet, but we believe it would add significantly to transparency if there were a requirement for individual schools to publish annually on their websites their latest CFR statements.

Proposal: 8:

3.45 We propose that all LA maintained schools should be required to publish annually on their website their latest Consistent Financial Reporting statement of income, expenditure and balances.

Academy Self-Assessment Tool and the Schools Financial Value Standard (SFVS)

4.1 There is one area in which arrangements for maintained schools are currently more rigorous than for academy trusts. Maintained schools are required to complete annually the Schools Financial Value Standard (SFVS) - signed by the chair of governors and returned to the local authority. The SFVS comprises 29 questions in relation to value and governance, and with effect from 2019-20 it also includes a dashboard enabling schools to look at where they stand on a range of measures compared to similar schools. The SFVS has been designed with local authorities and schools to help schools in managing their finances and to give assurance that they have secure financial management in place. In 2018 we launched a similar tool for academies, the Self-Assessment Tool for academy trusts. This has been widely used by academies but is currently not mandatory. We said publicly in the SRM strategy published in August 2018 that we would consider making the use of this tool mandatory for academies.

4.2 We have now decided to make the Self-Assessment Tool mandatory for academies with effect from the end of the academic year 2018/19. This will ensure that there is no area in which we are requiring a weaker accountability of academies than of maintained schools.

5. Annex A: Financial Transparency Comparison Table

	Local Authority Maintained Schools	Academies
Accountable body	<p>LOCAL AUTHORITY = ACCOUNTABLE BODY</p> <p>Departmental frameworks, guidance and conditions of funding agreements apply at LA level. LAs are then responsible for setting local frameworks for their schools. Required to maintain <i>schemes for financing schools</i> (School Standards and Framework Act 1998).</p>	<p>ESFA = ACCOUNTABLE BODY</p> <p>Academies Financial Handbook (AFH) and conditions of individual funding agreements apply.</p> <p>The prime responsibility sits with the board of trustees, but the Secretary of State (SoS) acts as charitable regulator and this regulation is communicated through the ESFA's Academies Financial Handbook and conditions of individual funding agreements apply.</p> <p>The funding agreements set out the overall relationship with the SoS and provide for the AFH to detail financial management and governance the requirements. The AFH is effectively an appendix to the FA.</p>
Annual Accounts	<p>LA submits annual accounts at LA level. These do not contain any details relating to individual schools.</p> <p>Maintained schools, or LAs on their behalf, make annual Consistent Financial Reporting returns to DfE giving details of their income, expenditure and balances.</p>	<p>All academy trusts must produce an annual report and accounts in a format prescribed by the ESFA in its annual Accounts Direction and based on accounting standards which reflect their status as companies and charitable trusts.</p> <p>Academy trusts are also required to submit an annual accounts return, which the ESFA will consolidate into an annual Sector Annual Report and Accounts (SARA).</p>

<p>Annual assurance returns to Department</p>	<p>LA Chief Financial Officers submit signed annual assurance statement and notes to accounts. They gain assurance from schools via the schools financial value standard (SFVS) described below.</p>	<p>The accounting officer must complete and sign a statement on regularity, propriety and compliance each year and submit this to ESFA with the audited accounts. The accounting officer must also demonstrate how the trust has secured value for money via the governance statement in the audited accounts</p>
<p>Self-assessment</p>	<p>The ESFA requires all LAs to return a signed CFO statement to confirm the number of schools that have complied with the SFVS.</p> <p>For the 2017/18 cycle LAs had until 31/5/2018 to return their SFVS assurance statements to the ESFA.</p> <p>From 2019 to 2020 the SFVS is being updated to match the academy school resource management self-assessment tool.</p> <p>The new version of the SFVS is split into two sections:</p> <ul style="list-style-type: none"> • A checklist, which asks questions in six areas of resource management to provide assurance that the school is managing its resources effectively. • A dashboard, which shows how a school's data compares to thresholds on a range of statistics that have been identified as indicators for good resource management and outcomes. 	<p>Academy trusts are required to submit Financial Management and Government Self-assessment (FMGS) in their first year followed by annual Accounting Officer value for money statements from there on.</p> <p>Tailored version of the revised self-assessment was developed this year for academies.</p> <p>The academy version of the school resource management self-assessment tool went live in September 2018 and is available here https://www.gov.uk/government/publications/school-resource-management-self-assessment-tool</p>

<p>Budget Setting and Monitoring</p>	<p>Our guidance states that the scheme of finance “should contain a provision requiring each school to submit a plan to the authority by a stipulated date showing its intentions for expenditure in the current financial year and the assumptions underpinning the budget plan. The provision may require the submission of revised plans throughout the year.”</p> <p>It also says the school’s formal annual budget plan must be approved by the governing body or a committee of the governing body.</p> <p>LAs may insert in their schemes a requirement that provisional budget plans be submitted by a certain date; but these should be differentiated from the formal budget plan which should not be required before 1 May.</p>	<p>Academies must set a balanced budget and must produce monthly management accounts which must be shared with the chair of trustees each month and other trustees at least six times a year</p>
<p>Forecasts</p>	<p>LAs submit annual forecasts of their planned spend on children’s services including schools. These are published in a statistical release.</p> <p>Our guidance for local authority schemes for financing schools states the LA “may require schools to submit a financial forecast covering each year of a multi-year period.” We ask LAs to consider and explain how forecasts will be used and to ensure requirements are “proportionate to need.”</p> <p>We don’t specify the timelines for forecasts or collect information on what is requested.</p>	<p>It is a requirement for academy trusts to submit three-year financial forecasts. The ESFA, using financial data supplied by trusts, is also generating wider improvements and delivering value for money for the taxpayer by working with trusts to support effective school resource management, three-year financial forecasting and developing buying hubs and national deals for all schools.</p>

<p>Audit</p>	<p><u>Internal Audit</u></p> <p>The LA will determine an annual risk-based audit programme by reviewing the SFVS. Therefore, not all maintained schools will be subject to internal audit each year. The period within which all schools would be audited at least once will vary between LAs.</p> <p><u>External Audit</u></p> <p>Maintained schools are allowed but not required to procure independent external audits. Maintained schools are included in the remit of the LA statutory external audit but will not be individually audited.</p>	<p>All academy trusts must have an audit committee or equivalent.</p> <p>Academies are required to have an annual independent external audit of their annual report and accounts.</p>
<p>Fraud prevention and reporting</p>	<p>Both academies and maintained schools have a duty to prevent and detect fraud</p>	
	<p>Both academies and maintained schools are required to have whistleblowing policies and procedures in place</p>	
	<p>The LA are required to report instances of fraud (no minimum threshold) to the ESFA on an annual basis via the assurance statement. They provide value and description of fraud and action taken to address the issue: they do not report amounts recovered Amounts reported in the last 5 years are:</p>	<p>The trust must notify ESFA, as soon as possible, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year. They are required to provide full details of the event(s) with dates, the financial value of the loss, measures taken by the trust to prevent recurrence, whether the matter was referred to the police (and if not why), whether insurance or the RPA have offset any loss. Amounts reported in the last 5 years are:</p>

Year	Total (£ million)
2013-14	1.7
2014-15	2.8
2015-16	1.6
2016-17	1.4
2017-18	0.5

Fraud definition – included in footnote in the CFO assurance statement.

“We define fraud as an intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss. We include cases where management authorised action has been taken, including, but not limited to, disciplinary action, civil action or criminal prosecution. Further information about fraud can be found in Cabinet Office guidance”

Year	Total (£ million)
2013-14	2.8
2014-15	1.0
2015-16	1.4
2016-17	1.1
2017-18	0.9

ESFA may conduct or commission its own investigation into actual or potential fraud, theft or irregularity in any academy trust, and involve other authorities, including the police. ESFA will publish reports about its investigations and about financial management and governance reviews at academy trusts.

ESFA also publishes guidance on reducing fraud in academy trusts. Trusts are required to refer to this and to the findings from ESFA’s investigation reports, as part of its risk management approach.

Proven fraud since 2012 totals £4.9m. This involved theft of money by a member of staff over a substantial period.

Last year the value of reported fraud committed against academy trusts was **£778,894** and the amount recovered by academy trusts was £429,681

Reporting of Related Party Transactions (RPTs)

The 2019-20 version of SFVS contains specific questions relating to RPTs:

Question 4: “Are business interests of governing body members and staff properly registered and taken into account so as to avoid conflicts of interest?”

Question 24: “Are there adequate arrangements in place to manage conflicts of interest or any related party transactions?”

Trusts must report all RPTs to ESFA in advance of the transaction taking place, using ESFA’s on-line form. This requirement applies to transactions made on or after 1 April 2019.

From April 2019, all academy trusts have to seek approval from the ESFA for RPT payments of more than £20,000 and all transactions below £20,000 will be declared. These changes will focus on high-risk transactions, but will avoid unnecessary administrative burden to the sector whilst strengthening accountability and transparency. Any transactions with related parties, over a de minimis level, must be “at cost” (i.e. must not involve any element of profit).

Reporting on high pay

LAs are required to list the salaries of all senior officer posts by job title in their statutory accounts. They are also required to list the total number of salaries in pay bands from £50k.

Maintained schools are not required to publish salary levels

Academy trusts are required to make an anonymised disclosure of any staff earning over £60,000 in their annual report and accounts. It should be noted that this is a charity accounting requirement rather than something the ESFA has imposed.

Effective from the 2018/19 Accounts Return, academy trusts will be required to report the total salary expenditure, broken down into teachers, leadership, and administration and support. For individuals whose full-time equivalent emoluments exceed £100,000, the job title and role description should be disclosed per £10,000 bands; and whether the role is predominantly curriculum and education leadership, (e.g. improving pupil attainment and examination performance), or school business management leadership, (e.g. HR and facilities management functions).

<p>Governance and personal liability</p>	<p>In all types of maintained school the governing body is responsible for selecting, appointing and holding the head teacher to account, and for overseeing the financial performance of the school and making sure its money is well spent.</p> <p>Individual maintained schools have autonomy over the use of their budgets and their governing bodies are responsible and accountable in law and in practice for all of their schools' major decisions.</p> <p>It is the overall governing body that in all cases remains accountable in law and to Ofsted for the exercise of its functions.</p>	<p>Academies differ in three key ways:</p> <ol style="list-style-type: none"> 1. trustees have additional duties under the Companies Act, which reflect their parallel status as company directors, including acting in the public interest, exercising independent judgement and avoiding conflicts of interest. 2. trusts must appoint a senior executive as accounting officer who is personally responsible for the proper stewardship of public funds, including the securing of propriety, regularity and value for money. This is personal responsibility which cannot be delegated. These arrangements ensure that there is a chain of accountability for public money. This chain runs from parliament to the Permanent Secretary as Principal Accounting Officer, through the Chief Executive and Accounting Officer of the Education and Skills Funding Agency to each individual accounting officer of an academy trust. 3. Academies have a greater degree of flexibility in determining the make-up of boards (governed by their Articles of Association) and the prime responsibility for determining the suitability of individuals joining academy trusts rests with trusts themselves.
	<p>The Department's Governor's Handbook applies to both academies and maintained schools and sets out in detail the responsibilities and required high standards, behaviours and skills for all members of governing bodies.</p>	
<p>Intervention and powers to remove governing bodies</p>	<p>Local authorities can:</p> <ul style="list-style-type: none"> - Issue a notice of concern which may place restrictions, limitations and prohibitions on the governing body. - Require the governing body to appoint additional governors. 	<p>Where an academy breaches its terms and conditions the ESFA may issue a Financial Notice to Improve (FNtI).</p> <p>The ESFA can require a trust to dismiss an individual. If the trust refuses to act on such requirements the ESFA ultimately reserves the right to withdraw the academy's funding agreement. Because academy trusts are a charity, they are subject to intervention by the Charity Commission in certain circumstances</p> <ul style="list-style-type: none"> • Number of FNtIs issued (Total): 79 • Number of live FNtIs (Total): 42

	<p>- Suspend the delegated budget of a school.</p> <p>- Suspend a governing body and appoint an Interim Executive Board</p> <p>The DfE does not collect data on how often LAs use these powers.</p>	<ul style="list-style-type: none"> • Number of FNtIs issued (since October 2013 – last 5 years): 76 • Number of live FNtIs (since October 2013 – last 5 years): 42
<p>Procurement</p>	<p>Both academies and LA schools operate within the public sector and are required to follow public sector procurement rules concerning free and full competition.</p>	

6. Annex B: Consultation Questions

About You

A) Please provide your name:

Neil Hardwick

B) What is your email address?

Neil.hardwick@rotherham.gov.uk

C) Are you responding as an individual, or as **part of an organisation**? (Circle)

D) What is your role?

Head of Finance - CYPS

E) What is the name of your organisation?

Rotherham MBC

F) What type of organisation is this?

Local Authority

G) Which local authority are you responding from?

Rotherham MBC

H) Are you happy to be contacted directly about your response?

Yes

I) How did you hear about the consultation?

ESFA Bulletin

Information provided in response to consultations, including personal data, may be subject to publication or disclosure under the Freedom of Information Act 2000, the Data Protection Act 2018 or the Environmental Information Regulations 2004.

If you want all, or any part, of a response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department for Education will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 2018, and your personal information will only be used for the purposes of this consultation. Your information will not be shared with third parties unless the law allows it.

You can read more about what the DfE does when we ask for and hold your personal information in our [personal information charter](#).

I) Do you wish for your response to remain confidential?

No

Proposals

Proposal 1: Making public where local authorities are failing to comply with deadlines for completing assurance returns and financial collections

Please refer to **paragraphs 3.2 - 3.10** of the consultation document before responding to this proposal.

Local authorities, and maintained schools, are obliged to complete the following assurance returns and financial collections:

- Schools Financial Value Standard
- Dedicated Schools Grant

We have reviewed the approach to late returns that the ESFA has adopted this year for the academy sector, whereby they publish (on GOV.UK) the names of trusts who are late in submitting more than 2 out of 4 annual returns and believe similar measures could be used in the LA maintained schools sector.

**1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
<p>We propose to publish the names of local authorities on GOV.UK who fail to comply in any financial year with more than two deadlines from the following collections:</p> <ul style="list-style-type: none"> ▪ School Financial Value Standard (SFVS) ▪ Dedicated Schools Grant CFO assurance statement ▪ Consistent Financial Reporting ▪ Section 251 Budget ▪ Section 251 Outturn 	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		

Comments

Proposal 2a: Strengthening DSG annual assurance returns: Collecting the number of schools with suspended budgets and notices of financial concern through existing DSG assurance statement

Please refer to **paragraphs 3.11 - 3.14** of the consultation document before responding to this proposal.

**1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose to collect the number of schools with suspended budgets and notices of financial concern through the existing DSG assurance statement signed by the local authority CFO at the end of the financial year.	✓		

Comments

Proposal 2b: Strengthening DSG annual assurance returns: Adding a new section to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud

Please refer to **paragraphs 3.11 - 3.15** of the consultation document before responding to this proposal.

Currently, local authorities recover funds from fraud investigations but only inform DfE of the number and value of reported cases, not the value of money recovered

**1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose to add a new section to the DSG assurance statement that captures the amounts that LAs have recovered from investigating fraud	✓		

Comments

Proposal 3: Requiring maintained schools to provide local authorities with 3-year budget forecasts

Please refer to **paragraphs 3.16 – 3.21** of the consultation document before responding to this proposal.

Local authorities are required to maintain schemes for financing schools, which set out the financial relationship they have with their maintained schools. We have recently introduced a requirement for academies to send the department a three-year budget plan and we believe that this could be extended to maintained schools in the form of sending a three-year budget plan to their maintained authority.

1) Please indicate whether you agree or disagree with the proposal below.

Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose a directed revision of the schemes for financing schools to make it a requirement for maintained schools to provide local authorities with three-year budget forecasts	✓		

Comments

This will enable us to ensure all schools complete a three year budget plan and identify future year issues earlier.

Proposals 4 (a,b,c): Strengthening Related Party Transaction arrangements in maintained schools:

Please refer to **paragraphs 3.22 – 3.29** of the consultation document before responding to these proposals. The three proposals are alternatives to one another.

Academy trusts must report all Related Party Transactions (RPTs) to ESFA in advance of the transaction taking place, using ESFA's on-line form. This requirement applies to transactions made on or after 1 April 2019. Since April 2019, all academy trusts have had to seek approval from the ESFA for RPT payments of more than £20,000 and all

transactions below £20,000 must be declared. The arrangements for reporting RPTs in maintained schools are not as stringent as those in academy trusts.

Proposal 4a: : Making schools append a list of RPTs to their response to the new question in the Schools Financial Value Standard (SFVS) about their arrangements for managing RPTs, so that the information goes to the local authority and can be passed on to the department

**1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose to make schools append a list of RPTs to their response to the new question in the SFVS about their arrangements for managing RPTs.	✓		
In addition, we would insert additional columns into the CFO Assurance Statement, to request the number of RPTs and value for each to be disclosed.	✓		

Comments

Would a lower threshold than £20,000 be more useful?

Clear, concise guidance for schools would be of great benefit.

Proposal 4b: Making a directed revision to the statutory Scheme for Financing Schools to require schools to report all RPTs, or RPTs above a certain threshold, directly to the local authority

1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose to amend the scheme for financing schools to require schools to report all RPTs, or RPTs above a certain threshold, directly to the local authority.	✓		

Comments

Proposal 4c: Making a directed revision to the statutory Scheme for Financing Schools to require schools to seek permission from the local authority to enter into RPTs above a certain amount.

Please indicate whether you agree or disagree with the proposal below. Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose to amend schemes to require schools to seek permission from the authority to enter RPTs above a threshold.	✓		

Comments

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Proposal 5: Requiring maintained schools to be subject to internal audit at least every 3 years

Please refer to **paragraphs 3.30 – 3.34** of the consultation document before responding to this proposal.

Schools are within the overall audit arrangements determined by the local authority's statutory section 151 officer (CFO). Authorities operate internal audit teams whose work is then relied on by their external auditors. Most audit plans use a risk-based approach with some themed audits. We have learned in discussion with local authorities that the cycles for auditing-maintained schools vary a great deal and, in some cases, have fallen into disuse. Consequently, we think there is a case for action.

**1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose to make a directed revision to the scheme guidance to require that every maintained school be subject to internal audit at least every 3 years.	✓		

Comments

Additional funding to enable the local authority to undertake audits to all schools every three years will be required

Proposals 6 (a,b,c): Strengthening arrangements to help schools that are in financial difficulty:

Please refer to **paragraphs 3.35 – 3.37** of the consultation document before responding to these proposals. These proposals are additive, and we could implement all three together.

There is currently no requirement for local authorities to report to the department their plans for addressing financial difficulty in specific schools. Local authorities include both a deficit and surplus policy within their scheme for financing schools and monitor their schools' compliance with these. We have not previously collected information from authorities on the number of schools they intervene in but consider that this evidence base would help us to understand any variances in the level of support provided and target additional support from the Department.

Proposal 6a: Requiring schools to submit a recovery plan to their maintaining authority when their deficit rises above 5%

- 1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
We propose to make a directed revision to the scheme for financing schools requiring schools to submit a recovery plan to their maintaining authority when their deficit rises above 5%.	✓		

Comments

The LA currently works with schools on recovery plans but welcome the DFE's recognition of this as a necessary part deficit recovery.

Proposal 6b: Collecting information on the number of recovery plans in each LA through DSG annual assurance returns from the CFO

1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose to collect information on the number of recovery plans in each LA through the DSG annual assurance return from the CFO.	✓		

Comments

As per question 6a this proposal will identify that the local authority are taking position action in working with schools that are in financial difficulties.

Proposal 6c: Writing to local authorities each year when the end-year data is published, specifying the threshold of deficit that would trigger contact with the Department

**1) Please indicate whether you agree or disagree with the proposal below.
Please Tick (✓)**

Statement	Agree	Disagree	Neither agree nor disagree
<p>We propose to formalise the approach to working with LAs and include a request for high level action plans from some LAs. This will be achieved by:</p> <ul style="list-style-type: none"> • Sharing published data on the school balances in each LA • Use this data and evidence-based requests from LAs to ensure support is focused where it is needed • Request high level action plans from LAs in which the number or proportion of school revenue deficits over 5% is above a certain level. 	<p>✓ ✓ ✓</p>		

Comments

Proposal 7: Increasing transparency in the reporting of high pay for school staff

Please refer to **paragraphs 3.38 – 3.41** of the consultation document before responding to this proposal.

Currently there is a disparity between public access to information on high salaries within maintained schools and academies. Salary ranges within the national pay framework are published annually in the School Teachers Pay and Conditions Document – these apply to teachers and leaders in maintained schools.

Academy trusts must disclose in their published financial statements information about each individual earning over £100k - specifically (i) their total FTE salary in £10k bandings, e.g. £100k - £110k, (ii) their job role and description and (iii) whether they are predominantly focussed on curriculum and education leadership or school business management leadership. We believe that this measure should be introduced for LA maintained schools and would require them to publish annually on their websites the number of individuals earning over £100K in £10K bandings.

1) Please indicate whether you agree or disagree with the proposal below. Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose that all LA maintained schools should be required to publish annually on their websites the number of individuals (if any) earning over £100K in £10K bandings	✓		

Comments

Perhaps a lower threshold as £100,000+ salaries will likely not apply to the majority of the sector, perhaps there should be different thresholds for Primary and Secondary Schools, etc..

Proposal 8: Increasing transparency in reporting maintained school income and expenditure

Please refer to **paragraphs 3.42 – 3.45** of the consultation document before responding to this proposal.

Local authority school accounts are part of the local authority statements of accounts that are published at gross level for income and expenditure. While individual schools are not included on the LA balance sheet, individual maintained schools are required to produce annual income and expenditure statements, known as Consistent Financial Reporting (CFR), or else local authorities produce them on the schools' behalf. The department publishes all the information from CFR in a spreadsheet but we believe it would add significantly to transparency if there were a requirement for individual schools to publish annually on their websites their latest CFR statements.

Please indicate whether you agree or disagree with the proposal below. Please Tick (✓)

Statement	Agree	Disagree	Neither agree nor disagree
We propose that all LA maintained schools should be required to publish annually on their websites their latest Consistent Financial Reporting statement of income, expenditure and balances.	✓		

Comments

New financial burdens on local authorities

Local authorities are invited to fill in the table below to indicate and quantify any new burdens they believe would arise from the proposals in this document. Please specify in as much detail as possible what costs you believe would arise and provide figures.

Proposal	Yes/No	Details and quantification of cost
2a		
2b		
3		
4a		
4b		
4c		
5		The resources required to undertake an internal audit of all schools will require additional funding.
6a		Whether the establishment of a Schools in Financial Difficulties contingency fund must be established from DSG in all local authorities to enable funding to be available to support maintained schools with exceptional costs to help expedite their recovery plan eg interim head teachers
6b		
Other proposals (please specify)		

Additional costs for schools

Respondents are invited to fill in the table below to indicate and quantify any additional costs they believe would arise for schools from the proposals in this document. Please specify in as much detail as possible what costs you believe would arise and provide figures.

Proposal	Yes/No	Details and quantification of cost
----------	--------	------------------------------------

3		
4a		
4b		

4c		
5		
6a		
7		
8		
Other proposals (please specify)		

7. Respond Online

7.1 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

7.2 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, please email or write to the addresses below and we will send you a word document version.

By email

- LAFinancialTransparency.CONULTATION@education.gov.uk

By post

LA Financial Transparency Measures
Department for Education
5th Floor
2 St Pauls Place
125 Norfolk Street

Sheffield
S1 2JF

Deadline

7.3 The consultation closes on 30 September 2019



Department
for Education

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download: www.gov.uk/government/consultations

Reference: [DfE-00146-2019]



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Department
for Education

Implementing mandatory minimum per pupil funding levels

Government consultation

Launch date: 10 September 2019

Respond by: 22 October 2019

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Introduction

The Department for Education is consulting on how to implement the minimum per pupil funding levels in the National Funding Formula (NFF) on a mandatory basis in 5 to 16 school funding. This means that every local authority will have to use the factor in their local funding formulae from 2020-21, which we intend to reflect in the School and Early Years Finance (England) Regulations following this consultation.

About the change

The government recently [announced](#) that funding for schools and high needs will rise to over £52bn by 2022-23. This considerable investment will benefit every school. It will ensure that per pupil funding for all schools can rise at least in line with inflation next year; and faster than inflation for most. The majority of schools – those attracting their core NFF allocations – will benefit from a 4% increase to the basic per pupil factors and the funding the formula provides for additional needs. We will remove the cap on gains for schools not yet attracting their full gains under the NFF, so that funding flows through in full. The investment also delivers on the Prime Minister’s pledge to ensure every secondary school receives at least £5,000 per pupil, and every primary school will be allocated at least £3,750 – putting primary schools on the path to receiving at least £4,000 per pupil the following year.

The government has also confirmed that it plans to implement a ‘hard’ NFF as soon as possible, whereby schools receive what they attract through the national formula, rather than through different local authority funding formulae. This will complete our reforms to make the funding system fair, consistent and transparent for every school in the country. We will work closely with local authorities and other stakeholders in making this transition, including to carefully consider the issues that we would need to resolve under a hard formula, such as where funding relies on local intelligence or is tied to local duties. Further detail will be announced in due course, but we will be mindful not to introduce any significant change without adequate lead-in times.

Currently, local authorities have flexibility over how they distribute the funding they receive through the NFF locally, in consultation with schools. This has allowed them to manage the transition towards the NFF, which we have seen significant progress towards in its first two years. The majority of local authorities have chosen to move towards the NFF locally, with 81 authorities this year moving every one of their factor values in their own local formulae closer to the national formula since its introduction. 121 authorities chose to use the factor for minimum per pupil funding levels this year.

In 2020-21, while local authorities will continue to have discretion over the design of the majority of their funding formulae, we have [announced](#) that we intend to make the minimum per pupil funding levels a mandatory factor to use. This factor supports the

lowest funded schools by ‘topping up’ any school that, under funding formulae, would otherwise receive below the minimum levels. Through the NFF, all local authorities receive at least the minimum levels for every school in their area – the majority of schools attract above these levels. By making this factor mandatory, the minimum levels that are provided for in the NFF will be delivered locally, reassuring school leaders and parents that every school will receive at least this funding.

While it is important that the NFF supports the lowest funded schools, it will rightly continue to provide significant extra funding for schools that have more pupils with additional needs, using measures of deprivation and low prior attainment. The minimum levels recognise that there are pupils requiring additional support in every school in the country, including in the lowest funded schools. This is a message we heard in consultation ahead of the introduction of the NFF, and have heard from schools and educational professionals since.

About this consultation

Local authorities and schools should plan on the basis that the minimum per pupil levels will be mandatory this year. This consultation focuses on how best to implement this change, seeking views on technical and operational arrangements, while also providing an opportunity for respondents to raise any wider issues. The consultation questions cover:

- the methodology used to calculate the minimum per pupil levels in local funding formulae;
- the circumstances in which local authorities can request to disapply the use of the minimum per pupil levels;
- any other considerations for delivering this change at local level;
- with regard to the public sector equality duty, the impact of the proposals on different groups of pupils, particularly those with protected characteristics.

Who this consultation is for

This consultation welcomes views from anyone with an interest in school funding. However, it specifically focuses on how we implement the minimum per pupil funding levels in 5 to 16 school funding, through local authority funding formulae. It will therefore be most relevant to local authorities, who hold responsibility for those formulae, and maintained schools and academies, as recipients of the funding.

For more detailed information about 5 to 16 school funding arrangements you can refer to the Operational Guide for 2020-21, to be published on GOV.UK shortly.

Responding to this consultation

Online

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

By email

Minimum.FUNDING@education.gov.uk

By post

Funding Policy Unit, Department for Education
4th floor, Sanctuary Buildings
Great Smith Street
SW1P 3BT

Enquiries

If your enquiry is related to the policy content of the consultation you can contact the department's Funding Policy Unit by email:

Minimum.FUNDING@education.gov.uk

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the DfE Ministerial and Public Communications Division by email:

Coordinator.CONULTATIONS@education.gov.uk or by telephone: 0370 000 2288 or via the [DfE Contact us page](#).

Additional copies

Additional copies are available electronically and can be downloaded from GOV.UK DfE consultations.

Deadline

The consultation closes at 11.45pm on 22 October 2019.

The response

We will publish the results of the consultation on GOV.UK in November 2019.

We are mindful of the need to confirm final arrangements with as much notice for local authorities as possible.

Consultation questions

1. Calculating the minimum per pupil funding levels

For information: how the calculation works in the NFF

The minimum per pupil funding factor refers to the level of per pupil funding that schools receive. It differs from the funding floor in the NFF, or the minimum funding guarantee in local formulae, which provide a minimum increase over individual school baselines.

To calculate whether a school attracts additional funding as a result of the minimum per pupil factor (i.e. if it needs to be ‘topped up’) we compare the minimum per pupil funding levels to the school’s per pupil funding (before the minimum per pupil funding levels and funding floor are applied). This calculation is set out in Figure 1 below.

Figure 1. Calculation of the minimum per pupil funding factor in the NFF

Calculation step	Description	Example
1) Pupil-led funding (before the minimum per pupil factor and funding floor)	We start with the pupil-led funding before applying the minimum per pupil funding or funding floor.	A secondary school’s pupil-led funding (before the minimum per pupil factor and funding floor) is £4,500 per pupil.
2) School-led funding	We need to add together the total funding through the pupil-led and school-led factors to calculate total funding (before the minimum per pupil factor and funding floor). Premises factors are exempt from the school-led factors	The school-led funding for the school is £110,000 Lump Sum.
3) Adjusted pupil count in the Local Authority funding formula submission (i.e. the Authority Proforma Tool)	We use this to calculate the per pupil funding for the minimum per pupil funding factor calculation.	Secondary school’s pupil count is 1,200.

<p>4) Per pupil funding used for the minimum per pupil funding calculation</p>	<p>The per pupil funding (before the minimum per pupil factor and funding floor) is equal to:</p> <p>Pupil-led funding (before the minimum per pupil factor and funding floor) (Step 1)</p> <p>Multiplied by APT adjusted pupil count (Step 3)</p> <p>Plus school-led funding (Step 2)</p> <p>Divided by APT adjusted pupil count (Step 3).</p>	<p>School's per pupil funding (before the minimum per pupil factor and funding floor) is equal to:</p> <p>£4,500 multiplied by 1,200 (£5,400,000)</p> <p>Plus £110,000 (£5,510,000)</p> <p>Divided by 1,200, which equals £4,592.</p> <p>i.e.</p> $(([1] \times [3]) + [2]) \div [3]$ $= ((£4,500 \times 1200) + £110,000) \div 1200$ $= £4592$
<p>5) School's individual minimum per pupil funding level</p>	<p>The calculation of the minimum per pupil funding level for each school is set out below (p.8)</p>	<p>School is a secondary with three KS3 year groups and two KS4 year groups, so minimum per pupil funding level is £5,000.</p>
<p>6) Does the school receive funding through the minimum per pupil funding factor?</p>	<p>If a school's per pupil NFF funding (Step 4) is less than the school's individual minimum per pupil funding level (Step 5), then the school receives extra funding through the minimum per pupil funding factor.</p>	<p>School's per pupil funding (before minimum per pupil factor and funding floor) is £4,592.</p> <p>This is less than the school's individual minimum per pupil funding level, £5,000. Therefore, the school receives a funding uplift through the minimum per pupil funding factor.</p> <p>This is equal to £408 per pupil (£5,000 minus £4,592).</p> <p>i.e.</p> $= IF [4] < [5], \text{ then } [5] - [4], \text{ ELSE } 0$ $= £5,000 - £4,592$ $= £408$

7) Per pupil funding after applying the minimum per pupil funding factor	We add per pupil funding through the minimum per pupil funding factor (step 6) to the NFF per pupil funding (step 4), and multiply by the proportion of the financial year for which the school is open.	School is open for the full financial year. The NFF per pupil funding is £4,592 plus £408 multiplied by 100%, i.e. the minimum £5,000. i.e. $= ([6] + [4]) \times 100\%$ $= £5000$
8) Pupil-led funding per pupil (after the minimum per pupil funding but before the funding floor).	For the NFF funding floor calculation, we take the NFF per pupil funding reached in Step 7, then multiply this by pupil numbers (Step 3), and subtract the school-led funding (Step 2). We then divide this by pupil numbers (Step 3) to reach a per pupil value to use before the application of the funding floor	School's NFF per pupil funding minimum per pupil is £5,000. The per pupil value of £5000 is multiplied by the pupil count of 1,200, i.e. 6,000,000. We subtract the school-led funding of £110,000 and divide by the pupil count of 1,200. i.e. $= ([7] \times [3] - [2]) \div [3]$ $= £4,908.$

For information: changes to the calculation in 2020-21

Compared to the NFF of the previous two years, in 2020-21 there are two technical changes which will affect the minimum per pupil calculation.

Firstly, to ensure consistency for all schools, including those with non-standard year groups, this year we have simplified the calculation for a school's individual minimum per pupil levels within the NFF, i.e. Step 5 in Figure 1 above. For all schools, we will now apply the following calculation:

$$\frac{(\text{No. of primary year groups} \times \text{£3,750}) + (\text{No. of KS3 year groups} \times \text{£4,800}) + (\text{No. of KS4 year groups} \times \text{£5,300})}{\text{Total number of year groups}}$$

Total number of year groups

This calculation will provide per pupil funding of at least £3,750 for each primary school, and £5,000 for each secondary school with standard structures of 7/5 year groups respectively. For middle schools, all-through schools and other schools with a non-standard year group structure this will produce a specific minimum per pupil value that relates to the number of year groups in each phase.

Secondly, from 2020-21 we are introducing a formulaic approach to the mobility factor in the NFF, rather than funding this on the basis of historic spend. We confirmed this intention in response to our consultation on the introduction of the NFF in 2017, and have since worked closely with local authorities and other stakeholders on its development. Further detail will be provided in the 2020-21 NFF technical note, which will be published shortly. For the purpose of the minimum per pupil levels, it means that mobility is now included in the calculation as part of per pupil funding before applying the minimum per pupil factor and funding floor, i.e. Step 4 in Figure 1 above. The only factors not included in per pupil funding for the purpose of the calculation are premises and growth funding. Further detail on premises and growth funding is available in the 2020-21 Operational Guide.

Proposal

We propose that the simplest and most effective way to implement mandatory minimum per pupil funding levels is for every local authority to follow the same methodology used in the NFF, described above, in their local funding formula.

This means that local authorities would calculate the minimum per pupil levels on the basis of the school's total core funding – that is all the funding they receive from the schools block – excluding funding through the premises and growth factors. As explained above, in 2020-21 we are formularising the mobility factor in the NFF, so mobility funding will be included in the calculation of the minimum per pupil levels both in the NFF and in local formulae.

The Authority Proforma Tool (APT), which we ask local authorities to use in order to specify and model their funding formulae, will allow authorities to check that each school's funding per pupil is above the relevant minimum per pupil funding level. Any capping and scaling would not be able to take the school below the minimum values.

The only further calculation that authorities would be able to make once their formula has provided the minimum per pupil level for a school is, for maintained schools only, to deduct funding for de-delegated central services if the schools forum has agreed this can be taken from their budget shares in 2020-21. Further detail on de-delegation is available in the 2020-21 Operational Guide.

Question 1: Do you agree that, in order to calculate mandatory minimum per pupil funding levels, all local authorities should follow the NFF methodology? If not, please explain your reasons.

2. Disapplying the mandatory minimum per pupil funding levels

All local authorities will receive at least the minimum per pupil levels for every school in their area through the NFF. The principle of making the levels mandatory is that we expect local funding formulae to ensure that no school receives less than these per pupil amounts. We therefore intend to set out in the School and Early Years Finance (England) Regulations that all local authority funding formulae must use the minimum per pupil factor, set at the values in the NFF.

However, we recognise that there may be exceptional circumstances in which a local authority finds it difficult to deliver the minimum per pupil funding levels at the same value provided in the NFF. We therefore propose to stipulate in the School and Early Years Finance (England) Regulations that authorities can make a request to the department to disapply the use of the full NFF per-pupil values.

While we would consider each disapplication request on its own merit, we would expect such requests to be exceptional. Our proposed policy is that affordability would be the only acceptable circumstance in which a local authority could disapply the use of the mandatory minimum per pupil levels. The only clear reasons that an authority would be in this position are:

- if they do not use all the funding they receive through the NFF in their local schools funding formula, having transferred funding from the schools block to another DSG block or held back more funding for their growth fund than the NFF has provided for growth;
- if the more recent pupil characteristics data used in their local formula has changed significantly enough from the data used in the NFF that the use of national factor values becomes unaffordable.

In addition, it will not always be the case that an authority experiencing *any* pressure as a result of the above would be unable to afford the minimum per pupil levels – it would need to be a significant enough pressure in the context of the authority's own formula. We would consider evidence in disapplication requests that the authority had designed their formula on the presumption of using the full minimum per pupil levels. We would expect them to have considered a range of alternative options with their schools forum on how to implement them, including modelling the impact on all schools, but concluded that they could not do so without having a significant adverse impact on other schools in the area. Furthermore in 2020-21 we expect there to be less need to make transfers from the schools block in light of the considerable additional high needs funding that each local authority will receive.

We will confirm details for disapplication related to the minimum per pupil levels in the response to this consultation.

Question 2: Do you agree that any requests from local authorities to disapply the use of the mandatory minimum per pupil levels should only be considered on an exceptional basis and in the context of the grounds described above? If not, please explain your reasons.

3. Additional comments

We want to give respondents to this consultation the opportunity to raise any additional points which have not been covered above, with regards to potential issues that need to be considered when local authorities implement mandatory minimum per pupil funding levels in 2020-21.

You are not required to provide additional information if you do not have any further comments.

Question 3. Please provide any additional comments you wish to make on the implementation of mandatory minimum per pupil levels.

4. Public Sector Equality Duty

The Public Sector Equality Duty places a legal obligation on the department to consider how its decisions impact differently on different people. The relevant protected characteristics under the duty are:

- age
- disability
- gender reassignment
- pregnancy and maternity
- race (including ethnicity)
- religion or belief
- sex
- sexual orientation

Under Section 149 of the Equality Act 2010, the Secretary of State is under a duty to have due regard to the need to:

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, in particular the need to:
 - remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic

- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
 - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, in particular the need to:
- tackle prejudice
 - promote understanding.

We are committed to ensuring equality of opportunity for all children and it is important for us to consider the possible impact that consultation proposals could have on different groups. We are seeking views through this consultation on whether any of the proposals would have a disproportionate impact on specific pupils, and if so, what could be done to mitigate this impact.

Question 4a: Do you think that any of our proposals could have a disproportionate impact, positive or negative, on specific pupils, in particular those who share a protected characteristic? Please provide evidence to support your response.

Question 4b: How could any adverse consequences be reduced and are there any ways we could better advance equality of opportunity between those pupils who share a relevant protected characteristic and those who do not? Please provide evidence to support your response.



Department
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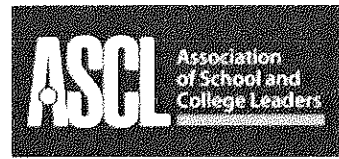
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Dear Director

We are writing on behalf of all employees working in your local authority area who are members of NAHT, ASCL and the National Education Union (NEU).

You will recall that, last year, local schools decided through your Schools Forum to delegate funding for supply cover costs, which included funding for trade union facilities time. We were disappointed with this decision – it is at odds with the overwhelming majority of local authorities in England and the advice issued by the Local Government Association and National Employers' Organisation for School Teachers.

Discussions are now taking place in your authority on funding arrangements for supply cover costs from April next year and we are asking you to support the view taken by the vast majority of other Schools Forums that funding for trade union facilities time should be retained at local authority level through de-delegation.

Successive governments have recognised the importance of good industrial relations and have legislated to provide a statutory basis for facilities time as follows:

- Paid time off for union representatives to accompany a worker to a disciplinary or grievance hearing.
- Paid time off for union representatives to carry out trade union duties.
- Paid time off for union representatives to attend union training.
- Paid time off for union 'learning reps' to carry out relevant learning activities.
- Paid time for union health and safety reps paid time during working hours to carry out health and safety functions.

These provisions are contained within the Employment Relations Act 1999, the Trade Union Labour Relations (Consolidation) Act 1992, and the Safety Representatives and Safety Committees Regulations 1977.

De-delegation of funding to compensate schools for the cost of providing this facilities time will help maintain a coherent industrial relations environment where issues and concerns whether individual or collective can be dealt with more effectively. In other local authorities, de-delegation of this funding has allowed trade union representatives who understand the local context to continue to deal with issues arising within schools, without necessarily being a member of staff of the particular school. It has also allowed experienced trade union representatives to seek to resolve problems at an early stage, often informally. Well organised trade union representation has helped to support morale, reduce staff turnover and lower recruitment costs.

We believe that co-operation and co-ordination between schools on these matters assists school leaders and governors in arranging the trade union representation to which staff are entitled.

Irrespective of the funding arrangement, our chosen representatives are still entitled to be released to represent our members. Each employer is still required to consult and negotiate

separately with trade unions on employment procedures. Without a central pool of funding, each employer is required to negotiate, fund and manage separate arrangements for trade union facilities and time off with pay for each trade union with membership at the school. And without a central pool all schools face paying the costs of having to release trade union representatives from each union at the school to undertake their trade union duties and attend relevant union training in order to perform the role effectively.

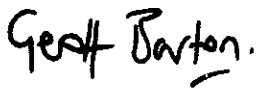
Further, despite having delegated the funding to schools, the local authority retains the statutory duty to ensure paid release for trade union officers to carry out their trade union duties in respect of its employees. We expect our officers to be released from maintained schools as and when necessary to exercise their statutory rights. The funding delegated to a single school is not sufficient to meet the cost of releasing a local officer for their trade union duties, for example to allow them to negotiate with the local authority on the terms and conditions of teachers in the maintained schools within the authority. The local authority is therefore required to refund the school the release time or it will need to explain to the school that it must release our officers whether it is reimbursed or not.

We believe that co-operation and co-ordination between schools on these matters assists school leaders and governors to cost-effectively arrange the trade union representation to which staff are entitled.

All these arguments regarding cost-effectiveness and efficiency are echoed in the advice issued by the LGA and NEOST.

We hope that you will now reflect that your local authority should establish a central pool to cover staffing costs for trade union facility time and other civic responsibilities (including service as a magistrate and jury service), and accordingly that you will pass this information on to Schools Forum members advising them to vote for de-delegation.

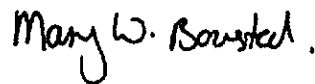
Yours sincerely



**General Secretary
ASCL**



**General Secretary
NAHT**



**Joint General Secretary
NEU**



**Joint General Secretary
NEU**