

## BWG Summary

1. Draft school budgets sent to schools in October based on estimated pupil numbers
2. Overspend forecast in high needs for 2016/17
3. Consultation with schools about outstanding issues in early December before DSG settlement known
4. DSG settlement slightly better than expected - no need to top slice school budgets to fund high needs
5. Proposed saving plan agreed by high needs task group/ BWG to balance high needs budget
6. Preferred option for spending additional funds recommended by BWG

## BWG – guiding principles

1. Act promptly on financial issues
2. Retain integrity of DSG funding blocks for schools, high needs and early years
3. Funding drives improved outcomes for all children
4. Final school budgets set at published values
5. Listen to school views
6. Financial stability whilst moving to national formula
7. Clear approach to supporting vulnerable pupils

# High Needs – guiding principles

- Funding delegated to schools/settings for majority of SEN children

For those with individually assigned resources:

- System is transparent with accountability for funding
- Needs met with lowest level of intervention/highest degree of inclusion
- System is not overly complicated/costly to administer
- Pupils funded equitably and consistently on individual basis not setting
- Removal of any perverse incentive to seek funding
- Health and safety of pupils and staff must be maintained
- Funding sustainable within High Needs Block

(subject to approval by High Needs Task Group)

# DSG Settlement

## 1. Schools Block - £96.133m + £0.031m NQT

1. Schools budget with published Oct 15 funding values is £95.785m + £0.332m for schools forum (£5k), Admissions (£127k), DfE licences (£125k), MASH (£75k)
2. Surplus of £47k to allocate

## 2. High Needs Block

- |                                      |          |
|--------------------------------------|----------|
| 1. Final High Needs 15/16 allocation | £13.596m |
| 2. Additional funding                | £0.342m  |
| 3. Total HN Block                    | £13.938m |
| 4. Less academy place deductions     | -£2.0m   |

## 3. Early Years – no change provisional £6.276m

# High Needs Forecast 2016/17

£'000

|  |            |
|--|------------|
| • Mainstream school top-ups  | 126        |
| • Special school top-ups   | 217        |
| • Post-16 top-ups  | 151        |
| • Primary SEN threshold protection*  | 201        |
| • Secondary PRU additional delegation*   | 75         |
| • Special school places  | 58         |
| • Special school LGPS pension costs  | 195        |
| • Home hospital cost pressures   | 50         |
| Less savings on Bishop's grant, contingency,<br>managed moves ,resource unit top-ups | (167)      |
| <b>Total Forecast Overspend</b>  | <b>906</b> |

# High Needs Proposed Savings 2016/17

|   | £'000        |
|---|--------------|
| • Fund special schools at actual places               | (28)         |
| • Retain 7/12 <sup>th</sup> for 4 places from Sept 16 | 23           |
| • Medical/VI/HI £6,000 threshold from April 16        | (60)         |
| • Independent special school savings                  | (50)         |
| • SEN support teams – vacancy savings                 | (50)         |
| • Reduction in Bishop's grant over 3 years (110/55/0) | (55)         |
| • Mainstream top-ups – greater rigour- save 10%       | (100)        |
| • Special school LGPS pension costs                   | (195)        |
| • Primary SEN protection scheme – fund by schools     | (276)        |
| • Secondary PRU delegation - fund by schools          | (150)        |
| <u>TOTAL SAVINGS IDENTIFIED</u>                       | <u>(941)</u> |

# Outstanding decisions

How best do we fund these issues with the extra DSG?

- Funding for special school pension costs, in part or full
- Funding for primary SEN threshold protection scheme
- Funding for secondary PRU - extra delegation to reduce exclusions
- MASH funding not yet agreed by Secretary of State (£75k i.e. £3/pupil)
- Need more in-county places to reduce future costs
- Is there anything else of concern?

# Summary of schools consultation

1. Primary SEN Protection
  2. Special school pension costs
  3. High schools - SEN Protection/Kielder at Bishop's
  4. High Schools - PRU charges – extra delegation
- In summary replies from primary schools and discussions with HASH both indicate a significant reluctance to fund any of the above by cuts to school budgets.
  - And if necessary only at the minimum level.



# Results of primary schools consultation

## 1. Primary SEN Protection

|  |    |
|--|----|
| A: £90 cap x NOR (cost £21/pupil)                  | 2  |
| B: £120 cap x NOR (cost £13/pupil)                 | 8  |
| C: £120 cap x NOR x sliding scale (cost £10/pupil) | 23 |

## 2. Special school pension costs

|   |               |
|---|---------------|
| D: Full cost at £198k (cost £10/all pupils) | 3             |
| E: Half cost at £98k (cost £5/all pupils)   | 16            |
| F: Neither option (nil cost)                | 8+8 (not E/F) |

# Responses to high schools consultation

## 1. High schools SEN Protection/Kielder at Bishop's

A: taper down Bishop's grant 2

B: top slice £570k and reallocate 0

## 2. Special school pension costs

D: Full cost at £198k 0

E: Half cost at £98k 0

F: Neither option

## 3. PRU charges – extra delegation

1: £20 per pupil charge share LPA/FSME6/pupil 0

2: £13.67 per pupil charge share LPA/FSME6 0

## Preferred option – Retain separate blocks

### Funding available: high needs block £342k, schools block £47k

|   |              |
|---|--------------|
| Special school pensions – half funded (option E)                                | £98k         |
| Invest in more in-county places to save on costly out-county residential places | £100k        |
| Primary SEN protection* – all schools at £120 cap                               | £150k        |
| High schools PRU delegation   | £0k          |
| <u>Schools block contribution</u>   | <u>£0k</u>   |
| <u>Total Cost</u>   | <u>£348k</u> |

- High school funding formula improved by £47k (+ additional £7k in MFG) propose increase in Low Prior Attainment by £22 i.e. £1,099 to £1,121 ✓
- Maintains funding block principle ✓
- Something for all schools ✓ ✓ - \*for 2016/17 and review for 2017/18

# Alternative 1: transfer from schools block & future investment

Funding available: high needs block £342k, schools block £47k

|   |               |
|---|---------------|
| Special school pensions - half funded (option E)                                | £98k          |
| Invest in more in-county places to save on costly out-county residential places | £100k         |
| High schools – some PRU delegation  | £41k          |
| Primary SEN protection – all schools at £120 cap                                | £150k         |
| <u>Transfer funds from schools block</u>  | <u>(£47k)</u> |
| <u>Total Cost</u>   | <u>£342k</u>  |

- School funding formula confirmed at consultation values ✓
- Breaks DSG funding block principle X
- meets all options and provides for development of new in-county places. ✓ ✓

## Alternative 2: transfer from schools block, full pension and no investment

Funding available: high needs block £342k, schools block £47k

|   |               |
|---|---------------|
| Special school pensions – fully funded (option D) | £195k         |
| No development of new places                      | £0            |
| High schools - PRU delegation on FSM & LPA only   | £97k          |
| Primary SEN protection - but at £142 x NOR        | £97k          |
| <u>Transfer from schools block</u>                | <u>(£47k)</u> |
| <u>Total Cost</u>                                 | <u>£342k</u>  |

- School funding formula confirmed at consultation values ✓
- Breaks DSG funding block principle X
- Less generous primary SEN threshold protection ✓
- no investment for future X
- pensions fully funded for high needs pupils ✓

# Forum's Decisions - 1

1. Approve high needs savings plan
2. Allocate additional high needs funding
  1. Half fund LGPS pension costs £98k
  2. Primary SEN protection 16/17 £150k
  3. No extra funding high schools re PRU charges
  4. Start up development funding for more in-county places £100k
3. Confirm school funding formula at October consultation values i.e. no reductions
4. Add £22 to Low Prior Attainment for high schools

## Forum's Decisions - 2

5. MASH funding – choices
  - If DfE decline application by School Forum date then add £3 to per pupil funding and progress SLA to schools for MASH services. Either buy back SLA at approx £4 per pupil or pay consultancy fees of £50 per hour from MASH or other suppliers. Admin costs and invoicing costs will be extra at £25 per school.
  - If no DfE reply by Schools Forum meeting then School Forum should either agree to proceed as above or agree an extension to noon 21<sup>st</sup> January i.e. the date of submission of the school funding formula.

# Forum's Decisions - 3

## 6. Looking to the future letter 3 re school budget plans

Forum is asked to confirm the BWG proposal to write a 3<sup>rd</sup> letter to all schools asking for school budget proposals. Letter to include a single A4 pro-forma that asks

- a. Scope of budget difficulties
- b. Proposed plan of action
- c. Impact on standards

The review of school budget plans is on work programme for 11 March and BWG will review the plans prior to Forum

7. **Principles** - Forum is asked to agree BWG principles and to note the high needs principles have been referred to the high needs task group for later agreement as part of their interim report