

SCHOOLS FORUM MEETING

10TH OCTOBER 2019

SCHOOLS FUNDING 2020/21

1 INTRODUCTION

- 1.1 The Government has announced in the Spending Round 2019 initial headline funding for schools. This paper updates Schools Forum with the latest information.

2 SPENDING REVIEW 2019 AND SCHOOLS FUNDING

- 2.1 In the Spending Round, the Chancellor made various announcements relating to Schools. This was then followed by a written statement to parliament. The key announcements included:
- 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.
 - 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 Schools National Funding Formula (NFF) for 2020/21 will continue to have the same factors as at present.
 - 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.
 - The mobility factor has had a technical change so that it allocates this funding using a formulaic approach, rather than on the basis of historic spend.
- 2.2 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.

2.3 An increase to early years spending of £66 million to increase the hourly rate paid to childcare providers through the government's free hours offers

2.4 The teachers' pay grant and teachers' pension employer contributions grant will both continue to be paid separately from the NFF in 2020/21. The rates for these grants have not yet been agreed.

3 OUR ASSESSMENT OF THE POSITION

3.1 Any notification of increased funding is always welcome (even if it does not compensate for below par funding over the last few years) but until we see individual allocations we remain cautious.

3.2 In simple terms, a £2.6bn increase overall could equate to anything between £1.1m - £1.7m for Rutland across the total DSG (all blocks). The method of distribution will of course be critical.

3.3 The funding announcement should see each school receive an increase in excess of £100 per pupil against last year's funding.

3.4 The additional High Needs funding could translate into funding of between £200k - £450k for Rutland. This would go some way towards funding our deficit (this will depend on the 2019/20 outturn) and might allow for investment in initiatives that help effect the systems change we have been discussing.

3.5 Whether any High Needs funding increase will be sufficient against a backdrop of increasing need remains to be seen. Irrespective of the funding position, the Council and School need to remain focused on delivering our SEND recovery plan.

3.6 The rising numbers of EHCP's mean that the Council is still proposing the transfer of 0.5% from the schools block to the High Needs Block in 2020/21. This is consistent with prior years. In light of the additional funding announced and the potential for further adverse impacts on schools, the Council is not proposing to ask the Secretary of State to approve a bigger transfer than 0.5%.

3.7 The increase in hourly rate for early years is positive and will help reverse cuts in previous years.

3.8 With the Brexit position unclear and the possibility of a General Election, the overall picture is still uncertain.

4 NATIONAL HIGH NEEDS UPDATE

- 4.1 The government announced, alongside the additional funding, a major review into support for children with Special Educational Needs.
- 4.2 The new review will look at the how the system has evolved since 2014 when EHC plans were launched, how it can be made to work best for all families and ensure quality of provision is the same across the country. Recognising the importance of joined-up support, it will also explore the role of health care in SEND in collaboration with the Department of Health and Social Care.
- 4.3 The review will look at
- the evidence on how the system can provide the highest quality support that enables children and young people with SEND to thrive and prepare for adulthood, including employment;
 - helping parents to make decisions about what kind of support will be best for their child;
 - making sure support in different local areas is consistent, joined up across health, care and education services, and that high-quality health and education support is available across the country;
 - how we strike the right balance of state-funded provision across inclusive mainstream and specialist places;
 - aligning incentives and accountability for schools, colleges and local authorities to make sure they provide the best possible support for children and young people with SEND;
 - understanding what is behind the rise in education, health and care (EHC) plans and the role of specific health conditions in driving demand; and
 - ensuring that public money is spent in an efficient, effective and sustainable manner, placing a premium on securing high quality outcomes for those children and young people who need additional support the most.
- 4.4 This review is timely as The National Audit Office (NAO) has recently published a report on Support for pupils with special educational needs and disabilities in England. The key findings are helpful and reinforce the issues we have seen locally. These include:
- The number of pupils identified as having the greatest needs has risen since 2014, increasing the demand for support.
 - The Department does not know the impact of the support provided for pupils with SEND. The Department has not specified, in measurable terms, the outcomes it wants to achieve from its support for pupils with SEND.
 - Estimated that the Department provided £9.4 billion in 2018-19 specifically to support pupils with SEND.
 - The Department has increased school funding, particularly for high needs, but funding has not kept pace with the rise in the number of pupils.

- Local authorities are increasingly overspending their budgets for supporting pupils with high needs.
- The main reason why local authorities have overspent their high-needs budgets is that more pupils are attending special schools. Possible reasons for this increase include greater parental involvement in decisions about choice of school, and funding pressures limiting mainstream schools' capacity to support pupils with high needs effectively
- The Department did not fully assess the likely financial consequences of the 2014 reforms. It expected, for example, that there would be fewer challenges to local authorities' decisions about support and that these could be resolved through mediation. In practice, the number of cases being taken to tribunal increased by 80.5%
- The ways in which the Department and local authorities are responding to overspending on high-needs budgets are not making the system sustainable.
 - i) In December 2018, the Department announced an additional £125 million of high-needs funding in both 2018-19 and 2019-20. This amount is less than the net overspend of £282 million in 2017-18 (paragraphs 2.10 and 2.29).
 - ii) Most local authorities have transferred money from their schools block to their high-needs block
 - iii) The main way that local authorities have funded overspending against their high-needs budgets is by using dedicated schools grant reserves.
 - iv) the Department announced an extra £100 million of capital funding for SEND provision for the period 2018-19 to 2020-21. Local authorities plan to use this money to increase the number of places suitable for pupils with SEND in mainstream schools and to create additional places in state special schools. Despite this, it forecasts that in September 2020 and September 2021 there may be insufficient places in state special schools to meet demand

4.5 The national review is a positive step and we would hope it would seek address the points raised by the NAO.

5 FUNDING TIMELINE

5.1 Although the Council is aware of the ministerial statement and can calculate estimates of what funding is available, the formal timeline for schools budgets requires additional information not yet published. The bullet points below show an outline timetable of when information will be issued

- October/November
 - a) Draft APT Issued to Local Authorities
 - b) NFF arrangements for Schools, High Needs and Central School Services are published

- December
 - a) Final APT Issued to Local Authorities, containing October 2019 Census data and factors
 - b) Publication of all DSG funding
- January
 - a) Individual schools budgets circulated to schools

6 RECOMMENDATIONS

- 6.1 Schools Forum is asked to note the position on the 2020/21 Funding Announcements.
- 6.2 Schools Forum is asked to approve the transfer of 0.5% from the Schools Block to the High Needs Block in 2020/21.