



SCHOOLS FORUM
10 December 2019

Report of the Strategic Director for People
Services

ITEM

Proposed Schools Block Transfer 2020 21

SUMMARY

- 1.1 The purpose of this report is to set out the proposal to transfer 0.5% of the Schools block of the Dedicated Schools Grant to the High Needs Block in 2020/21 and to launch the consultation of the proposed transfer to seek the views of schools in Derby.
- 1.2 Consultation will commence on 11th December 2019 and close on 10th January 2020. A decision on the consultation will be considered by the Schools Forum on 21 January 2020. The impact of the transfer on individual schools budgets are shown in the appendices to the School Forum Reports
<https://www.derby.gov.uk/education-and-learning/schools-and-colleges/schools-forum/>

No further transfer request for a decision from the Secretary of State on a 2020/21 transfer is planned.

RECOMMENDATIONS

- 2.1 To consider the proposal for a 0.5% from the Schools Block to the High Needs Block in 2020 21.

SUPPORTING INFORMATION

3.1 Dedicated Schools Grant

Local authorities receive Dedicated Schools Grant (DSG) which funds schools and other pupil related services. The grant is provided in Blocks:

Schools Block – has two separate allocations and funds delegated budgets to mainstream schools and academies and also provides local authorities with funding to meet the revenue costs arising from the basic need to provide additional mainstream school places.

High Needs – funds provision for pupils with special educational needs and other services such as the Specialist Teaching Services, provision for pupils unable to attend school because of medical needs or exclusions.

Early Years – the entitlement to free early years education for disadvantaged 2 year olds and for 3 & 4 year olds and the service that supports that provision

Central Schools Services Block – introduced in 2018 this block funds local authority statutory duties on behalf of pupils in maintained schools and academies and certain costs incurred on behalf of schools such as copyright licences for maintained schools and academies.

- 3.2 Prior to 2018/19 local authorities had full flexibility to transfer funding between blocks, this has largely been from Schools to High Needs. Under the 2018/19 school funding reform, which saw the introduction of the National Funding Formula (NFF) for schools and High Needs, the Department for Education (DfE) limited the ability to transfer funding from the Schools Block to High Needs.
- 3.3 Since 2018/19 local authorities are able to transfer up to 0.5% of the gross Schools Block to High Needs following consultation with schools and the approval of the Schools Forum. Should the Schools Forum not approve a transfer approval can be sought from the Secretary of State. A transfer of greater than 0.5% of the gross Schools Block can only be made with the approval of the Secretary of State. There are no restrictions on transfers between other blocks. Approval for a transfer is only for the year it is enacted, further approvals are required annually.
- 3.4 It is not possible for the local authority to fund any DSG deficit. The current terms and conditions for the DSG state that local authorities can carry forward DSG deficits with the approval of the Schools Forum and are therefore able to carry forward a deficit on the DSG reserve.
- 3.5 It is expected that proposals within a current consultation launched by the DfE on 11 October 2019 '*Clarifying the Specific Grant and Ring-Fenced Status of the Dedicated Schools Grant (DSG)*' will be adopted on 1 April 2020. This proposes to remove the need for Schools Forum to agree the carry forward a deficit. It also proposes to set out in the terms and conditions of grant that '*the local authority may not fund any part of the overspend from its general resources, unless it applies for and receives permission from the Secretary of State*'. In setting out the background to the consultation the government state its intention is that DSG deficits should not be covered from local authority general funds but that over time they should be recovered from DSG income. It is therefore important that a deficit is avoided in order that future schools budget allocations are not affected.

3.6 **School Funding**

The Secretary of State announced on 9 September that funding for the core school budget (Schools, High Needs and Central School Services Blocks) will rise by £2.6bn in 2020/21, £4.8bn for 2021/22 and £7.1bn in 2022/23. A further increase of £700m of additional high needs funding has been made for 2020/21.

The announcement confirms the following points in relation to the National Funding Formula (NFF);

- Increased minimum per pupil funding levels of £3,750 in 2020/21 rising to £4,000 in 2021/22 for primary schools and £5,000 for secondary schools. It will be mandatory for local authorities to use these amounts in their funding formula. How this will operate in practice is subject to the outcome of a Department for Education (DfE) consultation
- The value of most formula factors has been increased by 4%
- The funding floor has been raised from 0.5% per pupil to 1.84% per pupil Funding gains will not be capped

Local authorities remain responsible for the funding formula, they are free to set local values to the formula factors.

- 3.7 The announced national increase in the Schools Block is around 5% although allocations to individual Local Authorities will be different as the National Funding Formula will be used to distribute the growth. Provisional allocations for Derby indicate that there are considerable gains in the region of £10 million.

The High Needs Block is increasing nationally by an average of 11%. Allocations to individual LAs will rise by at least 8% with a maximum increase of 17%. Allocations will be based on the High Needs National Funding Formula; Derby, unlike the Schools Block, will receive average gains of circa £4 million.

- 3.9 The DfE have also announced that 5 years since the implementation of SEND reform a major review will be undertaken into support for children with Special Educational Needs and Disabilities (SEND). The review aims to improve the services available to families who need support, equip staff in schools and colleges to respond effectively to their needs as well as ending the 'postcode lottery' they often face. It will conclude with actions to boost outcomes and improve value for money, so that vulnerable children have the same opportunities to succeed, as well as improving capacity and support for families across England. The timescale for this review is unconfirmed.

Whilst the additional High Needs funding is welcomed in the medium term, the short term position remains one of significant concern and expenditure exceeds funding.

4 **The Proposal – High Needs Block**

- 4.1 It has been recognised that the additional funding for the High Needs Block will only really prevent the DSG falling into a deficit in the short term and that the medium to longer term will require some transformational changes to the system to ensure that outcomes are improved within the constraints of the funding envelope.

Currently the system in Derby is facing significant pressure in terms of meeting the needs of children with SEND. The demand for Education, Health and Care Plans (EHCPs) in Derby has seen an increase of 49% to 1,895 EHCPs since 2016 and newly made EHCPs has more than doubled to 444. Mainstream schools are challenged by a greater complexity of need than they have historically dealt with, and there are clear trends in terms of increased EHCPs for autism and social and emotional behavioural needs.

Demand is perceived as being driven by a natural increase in complex needs and incentives in the system to apply for EHC funding at a time when schools are facing significant funding pressures and parental confidence in mainstream provision appears variable across the system as a *whole*.

Schools Forum, at its meeting on the 15 October 2019, agreed to support a consultation with schools regarding the transfer of 0.5% from the Schools Block to the High Needs Block, circa £980,000 in 2020-21.

It is the intention that this is used in two ways; firstly to provide some contingency to the DSG falling into deficit as there will be no DSG reserves by the end of the 2019 20 and secondly to invest into making some transformational changes to the sector that will support the inclusion agenda and some of the areas for development as identified within the recent SEND Inspection.

- 5 There are two proposed areas for Investment.

5.1 **Improving the quality of provision for children and young people with Special Educational Needs through cross-sector collaboration**

In terms of provision and resourcing the current system for supporting children with SEND in Derby faces significant challenges:

- Children and young people with SEND disproportionately face risks around later life chances and social mobility. The attainment gap is greatest for this group and they are more likely to be NEET (not in education, employment, or training) than others.
- Addressing this means ensuring that the educational provision they receive will enable them to progress in school and develop the skills for later life.

It is acknowledged that while greater collaboration across the specialist and mainstream sector will not address all of the challenges, it would lead to improvements in provision and better value for money from existing resources

within schools. The proposal is also designed to improve provision for all pupils with SEND allowing for a graduated response and potentially reduced need to apply for EHCP funding.

- 5.2 The proposal is that investment is made to support school to school collaboration across the mainstream and specialist sector through a proposal overseen by teaching schools which span a number of schools.

The aims of the proposal are to:

1. Implement new ways of working across the mainstream and specialist school sectors so that children and young people with SEND make good progress in their education and are well supported from the earliest stage *in mainstream settings*.
2. Improve staff confidence in mainstream settings in meeting the needs of children identified as SEN support and those with EHCPs – including deepening knowledge of effective strategies to meet particular needs and by providing quality first teaching.
3. Develop Specialist Teaching Assistants who have specialist subject knowledge and are deployed effectively within schools, responding to need and providing strength and expertise
4. Provide wider learning for the City's SEND Strategy and its response to the financial pressures caused by increased demand for EHCPs.
5. Develop the school workforce across mainstream and specialist provision through a new team of specialist leaders in SEND provision and create long term centres of excellence that can support other local schools.

The delivery model and its design principles

The pilot will test a new collaborative school inclusion improvement structure across which is based on the following principles:

- That one of the strongest drivers of greater school inclusion is high quality professional development that builds staff confidence and expertise in response to changing patterns of need.
- That collaboration across sectors will lead to improvements in provision, earlier support for children and families, and better use of resources.
- That sustainability will come from developing the expertise of leaders and staff in schools and changing the culture of schools in respect of SEND provision.
- That this is a further area where Derby could develop focused locality working in order to maximise impact for children and families.

5.3 **Phase 1: working with a sample of lead schools across sectors**

SENCOs, teachers and support staff would have access to SEND expertise and evidence-based approaches to enable them to review (audit) rethink (vision) and improve (plan and deliver) policy, leadership and teaching

approaches for pupils with SEND. This phase would involve:

- School to school support to be provided by Specialist Leaders of Education (SLEs)/Lead Practitioners SENCOs will be supported to review current provision, advise on the delivery of EHC Plans and identify and implement effective approaches to meet the needs of children with SEND (SEND provision mapping). The support would be differentiated model– Intensive, targeted and Universal support.
- Schools being supported to develop an action plan for developing SEND provision based on the audit. As part of the action plan, a bespoke workforce development package will be offered to the schools, based on identified areas of need. This will involve development programmes and mentoring for leaders, teachers and teaching assistants at the schools being supported delivered by the partnership.
- These programmes would include a specialist TA programme for support staff working with children with the most complex needs. They would also include a programme that creates a framework for quality first teaching within a mainstream inclusive school.

This phase consists of the following steps:

- Diagnostic assessment of whole school systemic issues around provision for children with SEND and school specific development priorities. This could include how schools engage with multi-agency systems and teams in supporting children and families with SEND.
- Allocation of SLEs/Lead Practitioners and other resources to address identified whole school systemic needs, in co-ordination with other partners working with the schools (including LA services).
- Design of bespoke SEND workforce professional development programme to reflect individual school needs which also fits within the whole school improvement programme. (There will be a strong focus on looking to ensure developments improve the whole school culture and approach to SEND, as well as individual staff member expertise).
- City wide, quality assured programmes aimed to teachers and teaching assistants/support staff.

5.4 **Phase 2: building a locality model based on increased expertise**

- Best practice would be embedded within the school and then disseminated through locality working, with continuing support from the specialist sector. Phase 1 schools would be identified as potential *centres for excellence* for supporting other schools in the locality in year 2.
- Learning from the implementation of the first phase will then determine the best route for future sustainability, with options around localities commissioning support directly; further dedicated funding from the High Needs Block; or further Government funding.

6 **Social Emotional Mental Health Support**

- 6.1 Consideration on how to support schools and children at the highest risk of exclusion by providing for both SEMH and SEND needs at the earliest point in the child's journey through life. The At Risk Registers both primary and secondary will be used to identify children across the city in all localities. It must be acknowledged that many children and young people are already in the system all the way up to Y11 and that they must be prioritised as a matter of urgency. Recent discussions with heads, SENCOs and behaviour leads indicate that this is one of the most important areas of need across the city. Exclusion rates and those on registers at risk of exclusion are increasing year on year and the PRUs are full to capacity.

The behaviour support currently provided by the PRU will be central in leading the strategy alongside the Behaviour Support Groups in both sectors. The secondary group has already been established and the primary to commence in the New Year. Behaviour leads in the secondary sector are a key group and together all stakeholders will form a renewed drive to meet the needs of our most troubled children and young people.

Training and development of school staff plus the intelligent use of existing resources will enable us to leave a lasting legacy for the city, but the significant needs of many of our children and young people needs this additional resource to reset the system. There is a clear link to the SEND strategy which we will ensure is operated alongside work on SEMH support. This work could be intensified if additional funding became available, particularly in the area of therapeutic support for individuals and families.

- 6.2 Areas for Consideration for additional investment

- Commissioning sector leadership on secondary and primary behaviour strategies
- An SEMH and SEND crossover conference in 2020
- Additional behaviour support workers primary and secondary (temporary) to focus on highest risk of exclusion with SEND needs
- Adverse Childhood Experiences (ACES) training and support in primary and secondary schools, building on successful practice in some Derby schools
- Parental support worker to support PRU with turnaround , returning pupils to mainstream schools
- Consider additional support for secondary school to implement effective internal therapeutic approaches and alternative provision on or off site.

- 7 The proposal to topslice the Schools Block is open for consultation. The impact of such on individual schools budgets is detailed in the modelling provided with this document. The consultation closes on 10th January 2020.

Please send responses to the proposal of top slicing the Schools Block by 0.5% to:

schoolsfinance@derby.gov.uk

Please state name, role and representation.

For more information contact:	Alison Parkin 01332 642674 alison.parkin@derby.gov.uk
Background papers:	
List of appendices:	Illustrative Schools Budgets and the impact of a 0.5% transfer