

**SOUTHWARK CHILDREN'S SERVICES
SCHOOLS FORUM**

Members are requested to attend a meeting to be held at:

Notre Dame High School, 118 St George's Rd, London SE1 6EX

Thursday 21st November 2019 3.45pm – 4.45pm

All documents distributed in advance will be taken as read

AGENDA

ITEM

1. Apologies for Absence
2. Confirmation that Meeting is Quorate
3. Declaration of Interests – the Education (Schools Government) Regulations 1989 (as amended) oblige members with a pecuniary interest in a contract or other matter to disclose the fact, to withdraw from the meeting when it is being discussed and not vote on it.
4. High Needs Working Group Final Report
5. Date of Meeting: 5 December 2019, 16 January 2020, 19 March 2020 and 9 July 2020

Note that it is probable that the meeting scheduled for 16th January may be required to be moved to 15th January 2020

Date: 21 November 2019	Item 4	Type of report: Information
Report title:	Report of the High Needs Working Group November 2019	
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Officers to present the report:	Russell Dyer/ Dave Richards	

1. Executive Summary

This is the final report from the High Needs Sub Group of the Schools Forum that was set up to support the Local Authority in the assessment of the funding from the High Needs Block of the Dedicated Schools Grant and makes particular recommendations for the 2020-21 financial year.

2. Recommendations

A) The Schools Forum supports the requirement that the Local Authority carries out the required consultations and equalities impact assessments with the relevant stakeholders where necessary.

B) The Schools Forum supports in principle for the LA to apply for the relevant provisional disapplication requests for the block transfer from the schools block to high needs block of:

- i) £3.1m existing and
- ii) £1.9m additional

C) To reduce the Minimum Funding Guarantee (MFG) for Special Schools by the relevant due deadlines.

D) The Schools Forum requests the Local Authority to respond to the recommendations related to central retentions where the decision rests with them.

E) The Schools Forum thanks the sub-group for their work and agrees to a further extension of the remit and timescale of the sub-group given the ongoing need to identify further savings measures and carry out the detailed monitoring of the implementation of the changes.

3 Background

- 3.1 The High Needs Working Group (referred to as “the Group” in this report) was set up at the request of the LA to review the costs of funding high needs pupils. In particular the Group was asked to consider how the

spending in the High Needs Block could be brought back in line with the allocation from the Department for Education while maintaining the outcomes for children. The Terms of Reference and membership of the Group are set out in Appendix B.

- 3.2 The Group was initially asked to complete its work by the end of December 2019 and to provide the Schools Forum with an interim report in December 2018 with a final report in December 2019. The attached report as Appendix A is under the current terms of reference and is its final report.
- 3.3 Both the LA and the current members of the Group believe their work is not concluded. Firstly, some reviews are still on-going, secondly, future growth will create the need for further efficiencies and thirdly the current proposals will need to be monitored. One of the recommendations in their report is for the Schools Forum to consider an extension to the work of the Group and, it is suggested this is for a further two years.

4. Details

- 4.1 The Group has met on four occasions to consider the current progress on the implementation of the proposals agreed last year for 2019-20 and to draw up further proposals to address the funding situation for 2020-21. The Group have agreed in total 8 recommendations. Although there was much discussion on recommendations 1 and 2 around the transfer of funding between the schools block and the high needs block and the minimum funding guarantee for Special Schools.
- 4.2 Whilst the members felt that the recommendations were fit to go forward to the Schools Forum and out to schools for consultation, the representatives of the Group felt as they were such a small group that the wider feedback from schools on the proposals would be necessary before a firm decision on support by the Group could be made.
- 4.3 The first recommendation is built around transfer a further £1.9m from the schools block to the high needs block making a transfer in total of £5m after last years agreement of a transfer of £3.1m. The impact on each school is determined significantly by the operation of the minimum funding guarantee (MFG) mechanism, whereby if a school is on the MFG, then no funding can be taken.
- 4.4 The following table shows the increase through the extra funding anticipated in the settlement offset by the proposed school block transfer for a typical school. For convenience figures are given for no transfer, a transfer of £1.9m and £2.9m. The latter which was considered by the Group as well, but not taken forward.

5 Statutory Responsibility

- 5.1 Under the current regulations the central spend on high needs block is a decision for the Local Authority but the regulations say it is good practice for the Local Authority to inform the Schools Forum.

Impact of the likely extract funding in the 2020/21 schools settlement offset by a potential schools of the school block transfer did not take place				
School	Typical budget	No Transfer	£1.9m Transfer	Reduction in Funding
	£'000	£	£	£
Primary – 1 Form Entry	1,114	24,100	14,100	10,000
Primary – 2 Form Entry	2,100	43,700	24,800	18,900
Primary – 3 Form Entry	2,873	59,600	32,900	26,700
Secondary – 600 pupils	5,000	89,000	52,700	36,300
Secondary – 1800 pupils	12,647	229,200	124,600	104,600

- 5.2 The procedure for transferring of funding from the schools block and the high needs block is slightly different. Local authorities wishing to make a transfer should consult with all local maintained schools and academies, and the Schools Forum should take into account the views of the schools responding before giving their approval. The Local Authorities must then submit a so-called disapplication request using the disapplication proforma to the Secretary of State, to give final approval.
- 5.3 If the Schools Forum agreed in principle to the transfer then officers would undertake a consultation with schools and bring the results back to the Schools Forum in January 2020.
- 5.4 For Financial issues relating to arrangements for pupils with special educational needs, in particular the places to be commissioned by the Local Authority and schools and the arrangements for paying top-up funding, the Local Authority must consult annually with the Schools Forum, who must give a view and inform the governing bodies of all consultations.

6 Conclusion

- 6.1 The financial constraints that the public sector are operating under are not expected to ease over the short to medium term period. The problems faced by the high needs block is that the growth in expected pupil numbers is higher than the changes in the pupil population. It is believed nationally that the level of funding will be capped or only a small amount of growth allowed for. The proposals in the report if they are all taken would balance the High Needs block over the medium term, however any growth in numbers would need to be addressed as well as how the accumulated deficit is paid back and this means that a longer-term approach is required.

outhwark
Schools Forum
High Needs Sub Group
Report to the Schools Forum
November 2019
Group Members

Kate Wooder	The Bridges Primary Federation (with a Resource Base)
Simon Eccles	Spa Academy Special School
Teresa Neary	Cherry Garden Special School
Catherine May	St Saviour's & St Olave's Secondary School
Eleanor Prestage	Alfred Salter Primary School
Lisa Butcher	Beormund Special School
Yomi Adewoye	Pupil Referral Units
Lydia Frankenburg	Crampton Primary School
Lynne Cooper	Ann Bernadt and Nell Gwyn Nursery Schools

Officer Support

Yvonne Ely	Assistant Director, SEND
Ian Morris	Senior Advisor SEN/Inclusion
Russell Dyer	Departmental Finance Manager
Dave Richards	Finance Manager

Executive summary

Across the country there are significant financial pressures facing the provision of children with special educational needs. A significant number of Local Authorities are reporting deficits. Southwark is no different with a forecast cumulative deficit of at least £18m at the end of this financial.

The national regulations provide that if the deficit is higher than 1% of the Dedicated Schools Grant then a deficit recovery plan has to be submitted to the Department for Education. Southwark were one of thirty-two local authorities submitting a recovery plan this year.

The proposals in this report are the second phase of our work to bring the high needs budget back into balance. Last year the Schools Forum supported recommendations for efficiencies of £6.5m which would address the structural deficit at that time. These proposals were to be achieved over the medium to long term. It was always expected that future growth would increase costs further and this will need to be addressing on an ongoing basis.

This report proposes further efficiencies and funding adjustments to address this growth in numbers of children with SEND.

The recommendations in this report will need to be closely monitored to ensure the appropriate reviews take place to ensure services can still be delivered to meet the outcomes of the children but delivered in a way that is more efficient. These proposals have been brought together by ensuring that the outcomes of the children are paramount but recognise that the council needs to live within its means.

It is recognised that the shape and type of provision offered to SEND children will need to change, but in doing so the local authority must undertake equalities impact assessments for all the proposals. Additionally, the local authority will need to consult schools and stakeholders (including parents where relevant) on the proposals.

There are questions still about whether the quantum of funding in the whole system is sufficient to meet needs of the children and young people despite the recent investment made by central government and this will be taken forward separately from the work of the Group.

1. Recommendations

That the Schools Forum:-

	To Note that Southwark will need, where appropriate:
	to undertake equalities impact assessments for all the proposals listed below
	to consults schools and stakeholders (including parents where relevant) on these proposals
Proposal	
1	A request to the secretary of state is made for a further transfer of £1.9m from the schools block to high needs block.
2	For Special schools the minimum funding guarantee be set at - 1.5%.
3	The SENDIF budget be charged to the Early Years block rather than the High Needs block in accordance with the regulations from April 2020.
4	That the Dyslexia provision be transformed from September 2020 to provide A) a traded service and B) A contingency be set aside out of the saving of £70,000 for Strategic Leadership and Coordination including a contingency amount for complex and contentious cases .
5	That the council seek to reduce corporate overheads (by a further £0.5m) and central retentions further in 2020-21 as noted in Appendix 1.
6	To note that a review of LAC Education is being undertaken and will continue over the coming months.
7	Note that a review of SILS is being undertaken and will continue over the coming months.
8	That the LA will continue to prioritise work to identify savings/cost reductions for independent and NMSS commissioning and also for 19-25 as planned for 2020-21 as noted in Appendix 1
9	That the Group continues its work to monitor the proposals on the high needs block and make any further recommendations as and when required to ensure that the spending is brought back into balance.

2. Context

The High Needs Sub Group (referred to as “the Group” in this report”) was set up at the request of the Local Authority to the Schools Forum to review the costs of funding high needs pupils. In particular the Group was asked to consider how the spending in the High Needs Block could be brought back in line with the allocation from the Department for Education while maintaining the outcomes for children. The Terms of Reference and Membership of the Group are set out in Appendix A.

The Group was asked to complete its work by the end of November 2018 and to provide the Schools Forum with an interim report in December 2018 and a final report in December 2019.

3. Current financial position

3.1 Locally

The Dedicated Schools Grant had a deficit carry forward from 2018/19 of £11.5m. The current forecast for this financial year shows this growing by at least a further £6.5m to leave a deficit of at least £18m by the end of the financial year. Given the demand led nature of the budget there can be a risk to the accuracy of the forecast of expenditure. Therefore, this overspend still needs to be viewed with caution.

The overspend has been building over the last few years, however before 2017/18 there was sufficient in the Dedicated Schools Grant reserves to meet the cost. The underlying overspend has been £6.5m.

Broadly the overspend has been the result of growth in the number of pupils being supported with settlements that are cash frozen and only allow for limited growth in numbers and the additional responsibilities for SEND pupils aged 0 to 2 and 19 to 25. It is noted that central government have acknowledged this to some extent and put extra funding into the system. Southwark's share is £5.1m for 2020/21 although this does not address all the pressures.

In Southwark and nationally the overall number of pupils with a statement or EHC plan has been increasing year on year. The number of children and young people with EHCPs in need of additional, different or specialised provision has increased by 38% nationally since the Children and Families Act 2014 came into force. Over three years between 2014-2017 (1,515 13-14 to 2,200 at present) with a 10% increase between 2016-17. Prior to 2014/15 the numbers of children were stable at 1,500 pupils. The numbers of young people in the 16-25 age range has been the area of most rapid growth. The LA now supports 622 young people in this age range. The number of young people receiving alternative provision has also increased from 85 in 2014-15 to 125 in 2018/19.

This Special Educational Needs and Disability (SEND) code of practice provides statutory guidance on duties, policies and procedures relating to Part 3 of the Children and Families Act 2014. It relates to children and young people with special educational needs (SEN) and disabled children and young people. A 'young person' is now defined as a person over compulsory school age and under 25 which Local Authorities have to provide support. This is an extension of the age range and accounts for most of the growth that has been experienced.

3.2 London

London Councils last year surveyed London boroughs. Their findings are shown below

- £68.8 million shortfall in high needs – every borough recording a shortfall
- £50.2 million budget overspend across 26 boroughs
- 6 boroughs have a shortfall of over 10% (including one with a 44% shortfall)
- Since 2013/14, spending has increased by 17%, allocations have increased by 11% (across 25 boroughs)
- Fewer resources transferred to the high needs block to fund the shortfall, other methods of making up the shortfall are used
- EHCPs rise by a third
- 75% of EHCPs cost up to £20,000, 25% cost over £20,000
- The average cost per EHCP in independent special schools is more than double the average cost in maintained/academy special schools
- Three quarters of boroughs are overspending in SEN transport averaging £0.8 million per borough

3.3 Nationally

In September 2017, ADCS issued a survey to all directors of children's services in order to develop a better understanding of the pressures on high needs funding. The survey aimed to quantify the financial pressures on high needs budgets while also identifying the key contextual drivers creating the demand for high needs funding.

Across the 85 local authorities who responded to the survey, the actual spend in the high needs block for 2016/17 was £3.08 billion.

A small number of authorities (17) reported that their actual spend was within budget. 68 local authorities reported an overspend on the high needs block budget, this totalled £139.5 million.

The national regulations provide that if the deficit is higher than 1% of the Dedicated Schools Grant then a deficit recovery plan has to be submitted to the Department for Education. Southwark were one of

thirty-two local authorities submitting a recovery plan this year. This recovery plan is shown in Appendix 1. It is noted that central government have acknowledged this general overspend to some extent and put extra funding into the system. Southwark's share is £5.1m for 2020/21 although this does not address all the pressures.

4 Approach

4.1 Overall

Last year it was felt that due to the size of the overspend, in the first year (2019-20) the task would be to bring the high needs block structural deficit of £6m into a in-year balanced position. There was always potential growth that is not accounted for in the £6m and this would create a further pressure of at least £1.7m (100 placements).

Further, the overspend at the end of last year was higher than the £6m forecast than original plan last year was built around. The proposals last year did not consider repaying the deficit that will have grown to £18m by the end of this year or manage the growth. The work of this year has focused on the latter.

4.2 Statutory Responsibility

The Group wanted to review the current statutory responsibilities in relation to High Needs.

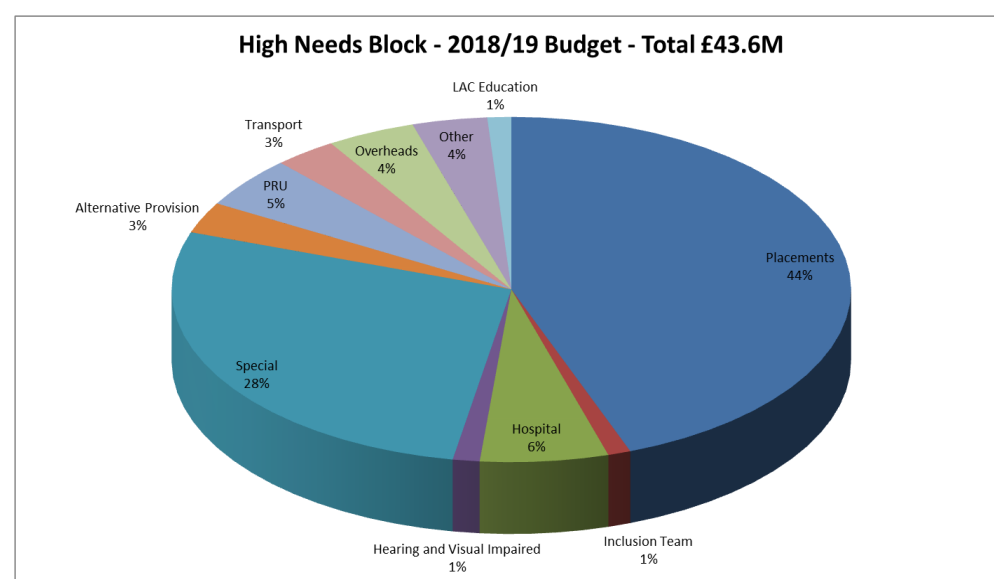
Under the current regulations the central spend on high needs block provision is a decision for the Local Authority but it is noted that the regulations say it is good practice for the Local Authority to inform the Schools Forum.

However, on Admissions funding the Schools Forum makes the final decision on whether to support the local authority proposal on spend. For financial issues relating to arrangements for pupils with special educational needs, in particular the places to be commissioned by the local authority and schools and the arrangements for paying top-up funding the Local Authority must consult annually with the Schools Forum who must give a view and inform the governing bodies of all consultations.

4.3 Financial Considerations

The Group approach was firstly to understand each component of the High Needs budget and then analyse each area to consider whether the spending was appropriate or could be made more efficiently. This included benchmarking and reviewing the regulations. This year's focus has been a combination of seeing whether past efficiencies can be extended and reviewing those areas that have not been considered previously. As well as monitoring the progress on the last years savings.

4.4 Budget Structure of the high needs block



	Number of Children		Cost of placements	
Southwark Special Schools*	368	16%	6,360	17%
Southwark Mainstream Schools	407	18%	4,410	12%
Independent Schools	179	8%	7,740	20%
Other out of borough placements	1,370	59%	19,788	52%
	2,324	100%	38,298	100%

*This excludes academies which are based in Southwark. There are 170 places in Southwark academies.

4.5 Detailed approach

The proposals that the Schools Forum supported last year were as follows:

Proposal	
1	That the council seek to reduce the corporate overhead charge by £0.5m in 2019-20 with a further reduction of £0.5m in 2020/21.
2	That the DSG contribution to the council for transport be reduced by £0.2m in 2019-20 with a further reduction of £0.2m in 2020/21.
3	That a review takes place to the Hearing & Visual Impairment Teams to consider whether it is viable to implement efficiencies to the service by 2020/21.
4	That a review takes place to the SEN Inclusion Team to consider whether it is viable to implement efficiencies to the service by 2020/21.
5	That a review takes place to the Autism Support Team to consider whether it is viable to implement efficiencies to the service by 2020/21.
6	That a review takes place to the Speech and Language contract to

	consider whether it is viable to implement efficiencies to the service by 2020/21.
7	That the contribution to the council for residential placements be reduced by £0.100m in 2019-20 with a further reduction of £0.175 in 2020/21.
8	That the contribution to the council for Early Help be reduced by £0.107m in 2019-20 with a further reduction of £0.107 in 2020/21.
9	Alternative funding of £0.194m should be found for the NEET service from April 2019.
10	Alternative funding of £0.05m should be found for the Alternative provision service from April 2019.
11	For Education Health and Care plans A) The new banding system be introduced over the next two years B) The protection for inclusive schools.
12	The review of resource bases are carried out with the target implementation date set at September 2019.
13	For Special schools the minimum funding guarantee be set at - 1.5%.
14	10 Independent places are brought back in-house.
15	A review of the SENDIF fund be undertaken.
16	Officers have drawn up proposals and options to balance the Alternative Provision budget and these to be further considered by the LA.
17	The current savings on the Admissions budget of £0.05m be transferred to the High Needs Block.
18	A request to the Secretary of State is made for a further transfer of £1m from the schools block to high needs block.

Appendix 1 highlights the progress on these savings. Largely they are on course to be delivered although the timescales by which they are being delivered are longer than expected. This is especially true of the acceleration of introduction of the new banding system, where it has been difficult to attract the appropriate staff to undertake the work and the resource base review.

5 Reviews for 2020-21

5.1 Dyslexia unit – review

Assessments for pupils with specific learning difficulties/dyslexia are commissioned by the Local Authority and individual schools. Additional provision for specific learning difficulties/dyslexia is based at Lyndhurst primary school. The provision currently provides training and supports students on the Lyndhurst school roll. Unlike other additionally resourced provisions not all supported pupils have EHC plans. A principal focus of the review has been to build on the strengths of the

provision widen access to support develop a clear pathway from assessment to provision.

5.1.2 Consultants' Report

In order to undertake the review an outside consultant was brought in. The recommendations from the report were as follows:

	Option	Pros	Cons
1.	No Change Continue to fund Lyndhurst Dyslexia Centre as now	<ul style="list-style-type: none"> • 1:1 support in Dyslexia Centre is high quality. • Children achieve well. • Parents are confident. 	<ul style="list-style-type: none"> • Significant pressure on High Needs (HN) Budget. • HN budget should add value and be for most complex needs across Borough.
2.	Reduce HN Top Up funding to Lyndhurst	<ul style="list-style-type: none"> • Savings help reduce budget deficit. • Limits change for Lyndhurst children 	<ul style="list-style-type: none"> • Doesn't add value or address gaps across Borough
3.	LA manage admissions to Lyndhurst Dyslexia Centre with place and EHCP Top Up funding	<ul style="list-style-type: none"> • Access for pupils across Borough • Monitor placement and impact via EHCPs • Likely to be gradual change for Lyndhurst pupils 	<ul style="list-style-type: none"> • Very few children with EHCP & SpLD • No impact on broader mainstream offer
4.	Lyndhurst provide 1:1 tutoring on site, specialist assessments and outreach to build capacity across Borough	<ul style="list-style-type: none"> • 1:1 tutoring available without EHCP • Makes use of skills and training of current Lyndhurst DC staff across Borough 	<ul style="list-style-type: none"> • Limited opportunities for LA co-ordination and oversight • Practical difficulties for children accessing this from other schools
5.	Recommission SpLD provision across Borough with small amount of funding for co-ordination, strategic activity and contentious casework plus a more substantial trading target	<ul style="list-style-type: none"> • Lyndhurst could tender or contribute to offer • Allows clarification of SLA/ contract and monitoring • Allows for area-based hubs or networks and primary/ secondary/ college pathways • Draws on specialist expertise in SpLD across wider group of schools 	<ul style="list-style-type: none"> • Potential significant change for Lyndhurst pupils that may require transition support

6.	Use HN funding at Lyndhurst for other priorities	<ul style="list-style-type: none"> • Lyndhurst could develop Resource Base provision for Autism • May assist LA with increased demand for placements for autism 	<ul style="list-style-type: none"> • Doesn't address gaps in provision for SpLD • Potential loss of significant SpLD staff experience and expertise at Lyndhurst • May be costs to developing provision at Lyndhurst • May not fit with other plans across the Borough
7.	Stop HN funding for Lyndhurst Dyslexia Centre and make savings	<ul style="list-style-type: none"> • Helps reduce budget deficit 	<ul style="list-style-type: none"> • LA likely to need to support Lyndhurst with transition to new arrangements and managing parental expectations • Doesn't address gaps in provision for SpLD

Consultants' recommendation

The consultants felt that Recommissioning SpLD provision (Option 5) would be the closest option to deal with the issues raised by the review, including the funding pressures, achieve best value and equity across the Borough and the gaps identified in building capacity and strategy, as well as providing opportunities to retain the skills and expertise at Lyndhurst School.

It could be used in combination with reducing HN Top Up funding to Lyndhurst (Option 2) to help manage the transition for Lyndhurst School from resource base provision to within school provision with potential for outreach and trading.

They felt that the ideas for recommissioned LA provision generated by the review that could be included in a specification are as follows:

SpLD Coordinator

- 60 to 70 days a year employed centrally within EPS or a school used flexibly as part of another role
- Named person for contact by schools & colleges for signposting, information
- Strategic activities including
 - Developing Literacy/ SpLD Position Statement for the Borough
 - Further analysis of data and evidence of impact

- Oversight of training programme
- Developing area hubs, pathways and networks to pilot evidence based interventions, identify and draw on staff with expertise within schools, share practice & resources including guidance for schools in supporting parents and the offer in Colleges
- Small amount of funding to respond to contentious issues with individual children and young people across the Borough and allowing equitable access to specialist assessments including Disabled Students Allowance (DSA) and 1:1 tutoring
- Trading target to include training, modelling and follow up support and intervention as part of a strategic framework

5.1.3 Group Recommendation

After discussions the sub support option 5 with retaining a contingency of £70,000 for Strategic Leadership and Coordination which includes an amount for complex and contentious cases.

5.2. Special Schools – Budget £10.6m

The funding system operates by giving each special school £10,000 for each place commissioned prior at the start of the year. These places are commissioned by the LA. This is regardless of the number of pupils within the special school. For each pupil who attends the school during the year an additional sum or top-up is given. The rates are based on a band of need that the pupil is judged to have. It is this top-up rate that varies for each school.

	Forecast Funding 2019-20 £'000	Top-up £	Pupils Commiss- ioned places	Pupils Top- up	Need met by the school
Beormund School	842	£17,568	35	28	BESD
Cherry Garden	2,001	£21,634	66	62	PMLD / SLD
Haymerle Sch	2,169	£18,906	77	74	autism
Highshore	3,448	£13,212	140	155	SLD/ MLD
Tuke School	2,107	£19,629	77	68	PMLD / SLD
	10,567				

- BESD - behavioural, emotional and social difficulties
- autism = autism and social communication difficulties
- PMLD / SLD) = Physical, severe, profound and complex learning disabilities.
- MLD= moderate or severe learning difficulties.

Special schools are also covered by the minimum funding guarantee. If it was set at -1.5% this would reduce the funding by £140k. The £10k place funding cannot be reduced.

5.2.1 Benchmarking

Local Authority	Social, Emotional & Mental Health (SEMH)	Mild Learning Disabilities (MLD)	Severe, Profound & Multiple Learning Disabilities (PMLD / SLD)	Autistic Spectrum Disorder (ASD)
Local Authority 1	£27,107		£21,089	£11,762
Local Authority 2	£18,441	£3,584	£22,705	
Local Authority 3	£13,438	£9,496	£15,478	£14,000
Local Authority 4	£13,923	£9,501	£24,481	£17,189
Local Authority 5	£30,000	£11,878	£21,878	
Local Authority 6			£31,730	£14,728
Local Authority 7		£11,000		£16,572
Local Authority 8				£18,726
Local Authority 9	£19,207	£7,388		£19,370
Local Authority 10				£20,858
Local Authority 11	£15,160	£9,288	£11,746	£10,881
Local Authority 12	£16,300			
Local Authority 13	£16,553			
Local Authority 14	£21,825		£14,419	£15,802
Local Authority 15	£21,000			£13,300
Local Authority 16	£22,000	£8,129	£17,671	£13,917
Average	£19,580	£8,783	£20,133	£15,592

Comparisons on special schools are quite difficult as the rate of funding on special schools is dependent on the level of needs of the children which can vary considerable despite the child have the same primary need diagnosed.

One school has asked whether there should be two or more banding rates for their pupils as the needs vary so much. Over the past few years there has been a move away by Local Authorities of multi banding rates

which this would re-introduce. Time has not permitted a full review of this and this issue could be considered next year.

5.2.2 Special schools' financial position

DFE no.	School Name	Budget forecast at end of 2019.20	Carry Forward
		£'000	£'000
7007	Highshore School	375	659
7126	Haymerle School	14	334
	Beormund Primary		
7167	School	3	92
7174	Tuke School	-89	-33
7186	Cherry Garden School	277	426

The benchmarking indicates that some of our rates of funding are on the high side especially for autism

5.2.3 Past reductions in schools' budgets

Comparison with the financial reductions faced by primary/secondary schools and special school funding over the last four years the following table looks at the MFG and lump sum.

Financial Year	Primary and secondary Schools		Special
	MFG	Lump Sum	MFG
	-		
2016/17	1.50%	£150,000	0%
	-		
2017/18	1.50%	£150,000	0%
	-		
2018/19	1.50%	£137,400	0%
2019-20	0	£137,400	0%

(Note The MFG for 2020/21 has to be set with a range of 0.5% and 1.84% for primary and secondary school, the exact rate will need to be determined by the Schools Forum and will be influenced by the level of the schools block transfer. The special schools MFG has been set at 0.0%)

The above table indicates that the primary and secondary schools have faced a greater burden than special schools over the last few years. Discussions have been around whether special schools should take a lower this year of -1.5% to even out the burden.

Under the national regulations an application has to be to the Secretary of State to set the MFG for special schools at -1.5%, this has to be submitted by the 20 November 2019. A provisional application has been made while a decision of the Forum is awaited.

5.2.4 Recommendation

The special schools minimum funding guarantee be set at -1.5%

5.3 The SEND Inclusion Fund (SENDIF) £250k

All local authorities are required to establish a SEND inclusion fund for 3 and 4 year olds with SEND whose parents/carers are taking up the free entitlement to a pre school place. The purpose of the fund is to support local authorities to work with providers to address the needs of individual children.

The fund will also support local authorities to undertake their responsibility to strategically commission SEND services under the Children and Families Act 2014. It provides support for a child in their care who may have SEND and may require Early Years SEND Support. These are children who do not have an Education, Health and Care Plan (EHCP).

The normal practice across Local Authorities is to charge this to the Early Years block rather than the High Needs Block. This will not impact on the funding rates paid to Early Year providers.

5.3.1 Recommendation

The cost will be met in the future from the Early Years block

5.4 Schools block transfer

The Dedicated Schools Grant is split into four blocks (2019-20 figures).

Funding Blocks	Total	After Academy Recoupement
	£m	£m
Schools Block	247.3	123.6
Central Block	1.7	1.7
High Needs Block	44.5	42.32
Early Years Block	26.7	26.7
Total	320.2	194.3

5.4.1 Overall Funding Announcement for 2020-21

The Minister of State for School Standards made an announcement on school funding in parliament on the 9 September 2019 which confirmed that 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).

The High Needs NFF for 2020-21 will have the same factors as at present and of the funding announced there will be £700 million of additional funding for High Needs.

5.4.2 On the 11 October the Department for Education released the high needs national funding formula high needs block allocations for Local Authorities as for 2020 to 20-21.

The 2019-20 allocation for Southwark is £44.5 under the latest announcement this will rise to £49.6m for 2020-21, an increase of £5.1m or 11.5%.

It must be noted that these are provisional figures and they will be updated in December. Included in the calculations is a basic entitlement element for each pupil and these allocations will be updated with January 2019 AP and October 2019 school census data, the import/export adjustment updated with January 2020 school census and February R06 individualised learner record (ILR) data for 2019-20.

5.4.3 The position across London is as follows

	2019-20 Allocation	Share of total HN 2019-20	2020-21 Allocation	Share of total HN 2020-21	19-20 to 20-21 Change £m	19-20 to 20-21 Change %	% Share of change
Barking and Dag.	31.7	0.50%	37.3	0.53%	5.6	17.6%	0.7%
Barnet	50.1	0.80%	54.5	0.78%	4.5	8.9%	0.6%
Bexley	32.4	0.52%	35.5	0.50%	3.0	9.4%	0.4%
Brent	56.3	0.90%	61.2	0.87%	4.9	8.7%	0.6%
Bromley	49.0	0.78%	53.3	0.76%	4.3	8.8%	0.6%
Camden	36.6	0.58%	39.9	0.57%	3.3	8.9%	0.4%
Croydon	61.1	0.97%	66.5	0.95%	5.4	8.8%	0.7%
Ealing	54.5	0.87%	59.0	0.84%	4.5	8.2%	0.6%
Enfield	47.3	0.75%	54.2	0.77%	7.0	14.7%	0.9%
Greenwich	47.2	0.75%	51.4	0.73%	4.3	9.1%	0.6%

Hackney	43.1	0.69%	47.5	0.68%	4.4	10.1%	0.6%
Hammesmith +Fulham	21.7	0.35%	24.6	0.35%	2.9	13.5%	0.4%
Haringey	36.1	0.58%	40.5	0.58%	4.4	12.0%	0.6%
Harrow	32.1	0.51%	35.0	0.50%	2.9	8.9%	0.4%
Havering	25.3	0.40%	29.4	0.42%	4.1	16.1%	0.5%
Hillingdon	40.5	0.64%	45.4	0.65%	4.9	12.1%	0.7%
Hounslow	49.0	0.78%	53.3	0.76%	4.3	8.7%	0.6%
Islington	30.1	0.48%	33.5	0.48%	3.3	11.1%	0.4%
Kensington&Chelsea	17.2	0.27%	18.4	0.26%	1.2	7.3%	0.2%
Kingston upon Thames	23.3	0.37%	25.3	0.36%	1.9	8.3%	0.3%
Lambeth	42.7	0.68%	46.9	0.67%	4.2	9.8%	0.6%
Lewisham	51.5	0.82%	56.2	0.80%	4.7	9.2%	0.6%
Merton	33.1	0.53%	36.0	0.51%	2.9	8.9%	0.4%
Newham	48.1	0.77%	54.8	0.78%	6.7	14.0%	0.9%
Redbridge	42.8	0.68%	46.7	0.66%	3.9	9.1%	0.5%
Richmond upon Thames	25.0	0.40%	27.1	0.39%	2.2	8.7%	0.3%
Southwark	44.5	0.71%	49.6	0.71%	5.1	11.5%	0.7%
Sutton	38.3	0.61%	41.9	0.60%	3.5	9.2%	0.5%
Tower Hamlets	50.8	0.81%	58.1	0.83%	7.3	14.3%	1.0%
Waltham Forest	37.4	0.60%	42.3	0.60%	4.9	13.2%	0.7%
Wandsworth	44.0	0.70%	47.5	0.68%	3.6	8.1%	0.5%
Westminster	26.4	0.42%	29.1	0.41%	2.6	10.0%	0.4%
London total	1,269.2	20.22%	1,401.8	19.94%	132.6	10.4%	17.6%
England	6,277.0	100.00 %	7,030.3	100.00 %	753.4	12.0%	100.0 %

5.4.4 School Block transfer

Background – Draft Deficit Recovery Plan

Currently before this schools block transfer and the extra funding provided by the Department the draft deficit recovery plan for the high needs block was showing a shortfall in funding for 2020/21 of £8.3m. This is after all the other current saving plans are delivered.

Once the £8.3m is found none of the cumulative deficit, forecast to be £18m at the end of this year is found. The departments requirements is this is paid back over a three year period but have allowed a longer than normal period of 5 Years

For this year (2019-20) Southwark transferred £3.1m from the schools block to the high needs block. In percentage terms this was 1.25%, due to its level Secretary of State approval was required.

The draft deficit recovery plan submitted to the department moved the school block transfer to £5.0m. This was included in the deficit recovery presented at the Schools Forum in July 2019

The current funding announcement to schools suggests the settlement will allow for a 1.84% increase, which equates in cash terms to £4.5m. Transferring the £1.9m amounts to 0.77% of the schools block. Leaving schools with an increase of 1%.

The LA has now updated the draft deficit recovery plan following the latest information particularly the additional funding. This is attached as Appendix 1 to the report. Despite this it is still apparent that the proposals within this report, including the block transfer are still required. This is important given that the cumulative deficit which is ring fenced to the DSG under the latest consultation should not be added to as it is already large and will need to be recovered over time.

5.4.5 Details

One main question arises out of making a transfer from the schools block to the high needs block, can schools afford the transfer.

The current funding rates of schools budget in Inner London are as follows:

		2019-20 schools block primary unit of funding (£s)	2019-20 schools block secondary unit of funding (£s)
		[A]	[B]
212	Wandsworth	5,068.14	6,334.56
203	Greenwich	4,907.34	6,598.44
209	Lewisham	5,041.65	6,722.65
207	Kensington and Chelsea	5,324.58	6,749.35
213	Westminster	5,283.58	6,775.56
202	Camden	5,389.25	6,928.20
206	Islington	5,250.48	6,962.29
205	Hammersmith and Fulham	5,208.92	7,011.63
208	Lambeth	5,471.45	7,394.57
210	Southwark	5,537.79	7,756.04

211	Tower Hamlets	5,922.81	7,861.06
204	Hackney	5,908.79	7,872.97
		5,359.57	7,080.61

On a per pupil basis Southwark schools are the 3rd best funded schools in the country. If Southwark schools were funded at the average for inner London this would reduce the funding by £19m or 8%.

Off setting this is the school block transfer of £3.1m which is a £1.0m more than the inner London average. Further the amount de-delegated by Southwark is high that Inner London average by £1.9m.

The original deficit recovery plan that was agreed recommends to transfer an extra £1.9m on top of last years figure of £3.1m, making an overall total of £5.0m. The funding announcement by the Department allows this to happen. It would be possible to increase this transfer and re-align schools to the level of funding for inner London schools. It would not be possible to reduce the budgets by the £19m mentioned above, as the minimum funding guarantee would prevent this. However, it would be possible to transfer another £1m making a total extra transfer of £2.9m or £6m in total.

5.4.6 Details of process

The schools block will again be ring-fenced in 2020 to 2021, but local authorities may transfer up to 0.5% of their schools block funding into another block, with the approval of their schools forum.

As noted above for this year (2019-20) Southwark transferred £3.1m from the schools block to the high needs block. In percentage terms this was 1.25%, due to its level Secretary of State Approval was required.

The Department for Education feel that due to the increases in funding to the high needs block, this will now require a new disapplication if it is above the 0.5% limit.

In cases where local authorities make any transfer for 2020 to 2021, the Department want to see evidence of new discussions with the Schools Forum. This includes cases where Schools Forums have agreed recovery plans, submitted to the department, assuming future year transfers. Any requests to transfer above 0.5% therefore require a disapplication, regardless of any previously agreed transfer amounts.

Local authorities wishing to make a transfer should consult with all local maintained schools and academies, and the Schools Forum should take into account the views of the schools responding before making their

decision. It is important that any consultation sets out the full amount of the proposed transfer, not just further transfers in addition to 0.5% or previous years' transfers.

Three options were discussed in length, no further increase and the £19m and £2.9m addition it was felt that the £1.9m which left an increase next year for schools of 1% was the better option.

5.4.7 Recommendation

A request to the Secretary of State is made for a further transfer of £1.9m from the schools block to high needs block, leaving an increase for schools of 1%

5.5 Corporate overhead - Budget £1,341k

5.5.1 Details

In last year's report the Group recommended that the Local Authority reduce the corporate overhead charge to the High Needs Block by £1m. This was phased over two years, £0.5m in 2019-20, with a further reduction of £0.5m in 2020/21.

Originally the fully charge (£1,840) was made up as follows:

	£,000
1 Facilities Management	701
2 Insurance s	170
3 Human Resources	85
4 Legal Services	18
5 Property Services	317
6 Corporate IT	312
8 Media &Comms	53
9 I&D	137
10 Customer Services	47
TOTAL	1,840

5.5.2 Review

Officers last year provided information from our statistical neighbours that would suggest that the charge is around £370k higher than the average. The charge should also be reducing over time as schools convert to academy and 2 schools converted recently in September and therefore a reduction should flow from that as well. With the continuing pressures on the High Needs block the Group feel it appropriate to ask for a further reduction in 2021-22 of another £0.5m

5.5.3 Recommendation

That the council seek to reduce further the corporate overhead charge to the DSG by £0.5m in 2021-20

5.6 LAC Education

The virtual school provides support towards good educational outcomes to pupils who are Looked After by the Local Authority. The virtual school also provides support for schools with multi agency professionals to ensure an appropriate education or training placement is in place and that additional resources, such as the Pupil Premium, are used to overcome barriers to learning or to support the pupil's progress.

The service is for children and young people of school age who are Looked After by the Local Authority. 57% of Southwark children looked after are recorded as having Special Educational Needs.

The funding support from the high needs totals £500k (34%) but further funding comes, from the LAC pupil premium (62%), the remaining comes from London Borough of Southwark core funding(4%) from core funding.

Sixty percent of the High Needs budget supports staffing costs. Staffing for the Virtual school(VS) is a Head Teacher, Deputy Head, 7 Education advisers, 2 project officers, 2 IAG officers and .5 business support officer. Non staffing expenditure includes funding additional support for young people such as who have supplementary tuition.

To support early interventions, the VS buy EP and Speech and language service through Southwark. Outcomes are available in the HT's report published every year.

<http://moderngov.southwark.gov.uk/documents/s81349/Appendix%201%20Virtual%20School%20Headteachers%20Report.pdf>

There was a £50,000 reduction this financial year in DSG funding due to a vacancy that has had an effect to the service.

The Group at this time have asked for further information. This includes comparative data with similar boroughs in terms of spend, staffing and what is offered as well as understand details/breakdown of non-staffing cost of the DSG

At the time of writing the reporting it is too early to suggest efficiencies and this work will need to continue over the coming months.

5.7 Southwark Inclusive Learning Service (SILS)

The Southwark Inclusive Learning Service (SILS) offer full time education to:

- permanently and dual registered pupils at Key Stage 3 (KS3)
- permanently excluded pupils at Key Stage 4 (KS4)

SILS also offers outreach support for mainstream schools and academies, including 'Day-Six' provision (SILS 6), which provides continuity of education for pupils on fixed-term exclusions of over 6 days. SILS provides flexible learning for permanently excluded students and/or those at risk of exclusion.

SILS is funded for 100 places and has a total funding of £2.1m. A review of the provision is due to take place.

5.8 High Needs Sub Group

As noted in Appendix 1 there are further areas within the draft DSG recovery plan that need to be shaped by the LA and it will be helpful for the Group to have an oversight of the development of these areas. Recommendation 8 in the report refers.

As noted in the terms of reference of the Group it had a fixed term of 2 years which concludes with this report. The focus of the Group has been to balance the high needs block while engaging stakeholders. This has been no easy task and while largely the savings have been agreed on not all have been implemented and growth in numbers continues to be an issue and outstrips growth despite the extra funded from central government. The focus now needs to be monitoring those savings to ensure delivery and also to consider how the accumulated deficit is paid back.

In this the work of Group feels incomplete and it is suggested the Schools Forum allows the Group to continue to operate over the next two years to support and advise the local authority on its delivery and strategic planning of the high needs block.

TERMS OF REFERENCE AND MEMBERSHIP OF THE HIGH NEEDS SUB GROUP

1. Purpose of the Group

To consider how the expenditure on high needs children can be contained within the High Needs block funding both in the short term and the medium term.

2. Objectives of Group

Evaluate

- To review all funding within the High Needs block to ensure it is delivering value for money funding,
- Consider the capacity and funding of resource bases
- Consider the capacity and funding of Special Schools
- Funding levels of Education, Health and Care plans
- Consider the capacity and funding of Alternative Provision
- Review the funding of early year post 16 places to assess the level of needs and resources
- Review of centrally managed items
- Secure the support of the Schools Forum for its proposals

3. Membership

- two representatives of primary school headteachers, one representative to be from a school with a resource base, the other representative to come from a school with a high proportion of pupils with ECHP.
- two representatives of secondary school headteachers, one representative to be from a school with a resource base, the other to come from a school with a high proportion of pupils with ECHP.
- a representative from the PRU
- two representatives of special school headteachers,
- a representative from the nursery providers

At least two members have to be a representative of the Schools Forum

Local Authorities Officers will include:

- Head of SEN
- Finance Officer

Other officers of the authority will be in attendance as and when required. Officers will be available to assist the Group with research.

4. Chairing Meetings

An Officer will chair the meeting

5. Conduct and frequency of meetings

The Group will meet as appropriate, it's first meeting will be to scope its programme of work. It is anticipated it will then need to meet monthly. The Group will wish to arrive at decisions by consensus; where this is not possible the paper to the Forum will record the differing views.

6. Timescales

The Group will complete its work by the 15 November 2018. The Group to provide the schools forum with an interim report in December 2018 and a final report in December 2019.

7. Required Outcomes

A report with recommendations, practical implementation and business cases to address the shortfall in the funding allocation on the high needs block.