

2020/21 Schools Funding Update

Schools Forum - February 2020

Introduction

The purpose of today's presentation is to update Schools Forum on the latest position in relation to the 2020/21 budget setting round:

1. Latest Funding Position
2. Local Budget Proposals
3. High Needs Block Proposals
4. Insurance De-delegation / Risk Protection Arrangement
5. Summary and Next Steps

Latest Funding Positon

- Since the last Schools Forum meeting in January:
 - The Service Director: Education has met with a number of local MPs to discuss the funding issues facing Cambridgeshire Schools
 - We have met with the DfE SEND Advisor and the ESFA to review our recovery plan. Feedback in the meeting was positive.
 - Met with Nick Gibb – Minister for Schools Standards to highlight the particular pressures in respect of High Needs.
 - The LA received notification on 11th February that the disapplication request to transfer 1.8% of the Schools Block to support High Needs pressures has been declined.
 - Based on information from other LA's we understand only 2 of 29 transfer requests were accepted due to very unique area specific circumstances.

Latest Funding Positon

- The DfE have confirmed that the Minimum Per Pupil Levels (MPPL) of £3,750 for Primary and £5,000 for secondary will be mandatory and as such LA's will have no flexibility to amend
- The number of EHCPs and associated cost has continued to increase resulting in a revised forecast cumulative deficit in the region of £18m to the end of 2019/20 (excluding Early Years).
- The DfE have updated statutory guidance to make it clear that a DSG deficit must be carried forward to be dealt with from future DSG income, unless the Secretary of State authorises the LA not to do this.
- The DfE have also confirmed that where a local authority has a substantial in-year overspend or cumulative DSG deficit balance at the end of the financial year, its management plan should look to bring the overall DSG account into balance within a timely period.

Local Budget Proposals



- After allowing for the £2m centrally retained growth fund the total available Schools Block for distribution (prior to any block transfers) is £368.2m.
- This compares to the £345.1m distributed in 2019/20.
- As a result of the decisions detailed on the previous slides there are now only 2 potential scenarios still being considered in respect of the main Schools budgets:
 - 1) - 0% / £0 block transfer – 1.84% MFG – 5.96% CAP
 - 2) - 0.5% / £1.85m block transfer - 1.84% MFG – 4.05% CAP

Local Budget Proposals

Source of Funding	Scenario 1 – 0% Block Transfer £m	Scenario 1 – 0.5% Block Transfer £m £m
2020/21 Base Schools Block	£370.204	£370.204
Less Retained Growth Fund	(£2.000)	(£2.000)
Proposed Transfer to High Needs Block	£0	(£1.851)
2020/21 Schools Block for distribution	£368.204	£366.353
2020/21 Base High Needs Block	£75.013	£75.013
Agreed Transfer from CSSB	£1.217	£1.217
Proposed Transfer from Schools Block	£0	£1.851
2020/21 High Needs Block for distribution	£76.230	£78.081

Local Budget Proposals

- The **illustrative** impact of each of these scenarios at Primary and Secondary school level can be seen in **Appendix B**.
- Figures have been updated slightly since the previous version to reflect the latest business rates information where available.
- High Needs 19/20 in-year forecast spend in excess of £82m.
- **Adjusted Deficit b/fwd from 18/19 = £7.15m**
- **Forecast DSG Deficit to c/fwd to 20/21 = £18m+ (excluding Early Years)**

Local Budget Proposals

- Please note:
 - These figures are still illustrative at this stage and are subject to change as final data validation is undertaken.
 - Actual amounts to be received by academies will be notified directly by the ESFA for the 20/21 academic year and may differ due to pupil numbers, protections and business rates applied.

High Needs Block Proposals



- The total available HNB in 19/20 totals £71.041m (including transfers from Schools Block and CSSB, but excluding £0.5m EY SENIF)
- As highlighted on previous slides in-year demand on the High Needs Block continues to increase with revised forecasts in the region of £82m+
- The table on the following page shows the main areas of increased expenditure compared to 2018/19.

High Needs Block Proposals

- Year on Year comparative spend on main High Needs Budgets:

Expenditure Area	2018/19 Expenditure £000	2019/20 Forecast Expenditure £000	% Increase
Special Schools (Place and Top-Up Funding)	23,733	25,488	7.39%
Mainstream Top-Up	11,585	12,201	5.32%
Education Placements	9,753	10,273	5.33%
Further Education Top-Up	7,281	8,453	16.10%
BAIP and AP	6,017	6,443	7.08%
SEND Specialist Support	5,982	5,487	-8.27%
High Needs Units	3,579	4,160	16.23%
Out of School Tuition	3,144	4,969	58.05%
Sensory Support	1,436	1,461	1.74%
Early Years Top-Up	444	631	42.12%

High Needs Block Proposals

■ SEN2 Data:

Description	2016	2017	2018	2019	2020	% Change From 2019 to 2020
Number of EHCPS (and statements) maintained at census day - Under 5	134	127	157	192	215	11.98%
Number of EHCPS (and statements) maintained at census day - 5 to 10	1119	1129	1192	1304	1482	13.65%
Number of EHCPS (and statements) maintained at census day - 11 to 15	1443	1424	1408	1419	1563	10.15%
Number of EHCPS (and statements) maintained at census day - 16 to 19	484	671	871	1001	1054	5.29%
Number of EHCPS (and statements) maintained at census day - 20 to 25	24	78	194	282	376	33.33%
Number of EHCPS (and statements) maintained at census day - Total	3204	3429	3822	4198	4690	11.72%

High Needs Block Proposals

■ SEN2 Data:

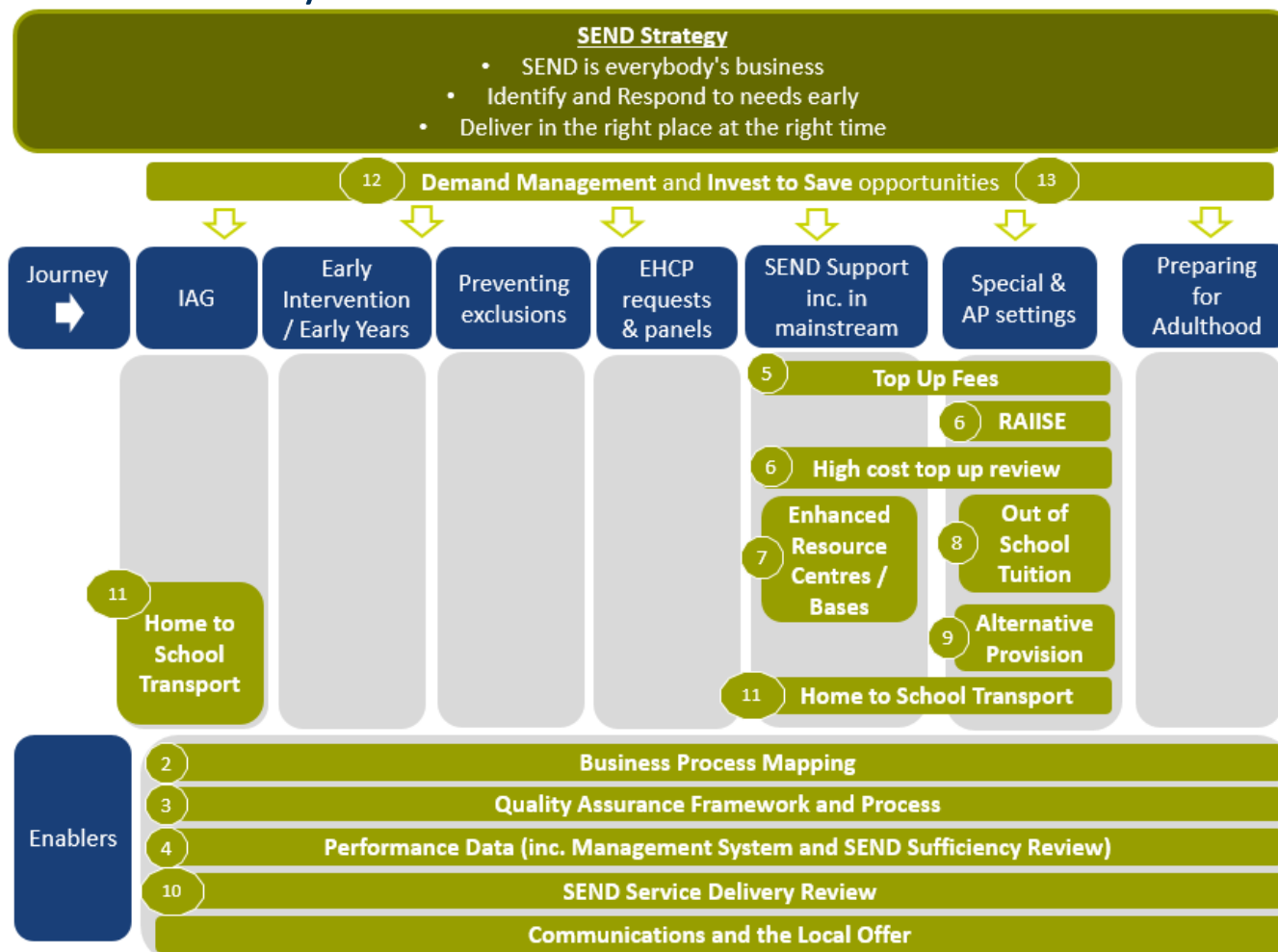
Description	2016	2017	2018	2019	2020	% Change From 2019 to 2020
Number of EHCPs issued in last calendar year (including exception cases)	245	303	484	471	573	21.66%
Number of EHCPs issued in last calendar year issued in timescale (including exception cases)	200	265	333	290	453	56.21%
Number of EHCPs issued in last calendar year (excluding exception cases)	245	303	482	464	573	23.49%
Number of EHCPs issued in last calendar year issued in timescale (excluding exception cases)	200	265	331	287	453	57.84%

High Needs Block Proposals



Cambridgeshire
County Council

- As previously shared with Schools Forum there are a number of initiatives and workstreams underway:



High Needs Block Proposals

- However as a result of the continued increasing deficit and decision not to approve the transfer of 1.8% from the Schools Block to the High Needs block a number of these initiatives will need to be accelerated. Options include:
 - Reducing Top-up funding for mainstream schools, units and special schools* from April 2020.
 - Reducing spot purchase support
 - Reducing tuition packages to cases only statutory cases.
 - Immediate cessation of current High Needs Block contingency arrangements
 - Reduction in BAIP funding from September 2020
 - Reduction in central support through SEND District teams

High Needs Block Proposals

- The table below shows the illustrative impact of reductions of top-up and BAIP funding based on 2019/20 allocations:

Illustrative Impact	% Reduction	Estimated 12 month Saving £000	Estimated 20/21 Saving £000 (5/12th)	Estimated 20/21 Saving £000 (7/12th)
Reduction in Mainstream Top-Up	10.00%	£1,141	£475	£665
Reduction in Unit Top-Up	10.00%	£225	£94	£131
Reduction in BAIP Funding	10.00%	£497	£207	£290
Reduction in Special Top-Up*	5.00%	£597	£249	£348
Total		£2,459	£1,025	£1,435

- Any changes in funding will only become live once the appropriate consultation takes place.

High Needs Block Proposals



- *Annex 1 of the updated High Needs operation guide provides details of the minimum funding guarantee which applies to special schools and is set at 0% compared to the minus 1.5% applicable in 2019/20.
- Therefore, in order to implement a reduction in funding, LA's are required to apply for an exemption to the MFG using the disapplication request form. Any such request will be expected to have the agreement of the local schools forum and the schools concerned.

Required Actions

- *Schools Forum are asked to:*
 - *Comment on the proposals raised in previous slides.*
 - *Reconsider a block transfer of 0.5% / £1.85m from the Schools Block to the High Needs Block*
 - *Approve a submission of a disapplication request to reduce the Special School MFG to minus 5%*

Insurance & RPA

- At the last Schools Forum maintained primary representatives approved a continuation of the de-delegation for insurance at a cost of **£22.51 per pupil** (alongside the required catch-up of £2.21 per pupil), subject to confirmation of the DfE Risk Protection Arrangements (RPA).
- The cost of the RPA for 2020/21 will be **£18 per pupil**.
- Uncertainties in respect of the equivalent levels of cover and the support provided to schools including:
 - the cost of the statutory engineering inspections (pressure vessels and lifting equipment).
 - motor cover for those schools which require it.
- These could result in significant additional costs for schools as a result of not being provided via LA block policies.
- Question mark around potential costs associated with existing contractual agreements if maintained schools were to move to the RPA due to how late the details have been announced.

Insurance & RPA

- The Officer recommendation at this time, based on potential additional costs and uncertainties around cover is for maintained schools to continue with the LA scheme for 20/21 to allow the outstanding points of clarification with the RPA to be resolved and to allow schools to make an informed decision for 21/22.
- What this does mean however is that individual maintained schools will not be able to choose to leave the LA scheme and join the RPA as this would destabilise the current arrangements and result in an overall unfunded pressure in 20/21.

Next Steps

- 28th February – budgets to be issued to Primary and Secondary Schools (academy budgets will be illustrative only as final budgets will be confirmed by the ESFA).
- Spring 2020 – High Needs Consultation to be launched.