

Wiltshire Council

Schools Forum

10 October 2019

Annual Schools Consultation
Delegation of Central Expenditure 2020/21
Transfer of Schools block to High Needs Block 20/21

Purpose of report

1. To brief Schools Forum and agree a set of questions to be sent out to all schools in October 2019.

Background - De-Delegation of Central Expenditure

2. In order to give schools greater choice over how to spend their budgets LAs are required to work on the basis that services within the notional Dedicated Schools Grant (DSG) Schools Block, and the funding for them, should be delegated to schools in the first instance. This means that a number of DSG funded budgets that have previously been retained centrally must now be delegated to schools. There are a number of exceptions to this and there are also a number of budgets that maintained primary and/or secondary schools can agree to de-delegate so that they continue to be provided centrally.
3. De-delegation cannot be applied to amounts delegated to academies or to special schools. Delegation or de-delegation cannot be agreed on an individual school basis for maintained schools but can be agreed by phase so a different outcome can be agreed for primary and secondary schools. Approval for de-delegation is by the relevant phase members of Schools Forum following responses to this consultation.
4. A consultation document will be sent out to all maintained schools in the middle of September to seek views on the delegation of central budgets. The budgets/services being consulted on are as follows:
 - Schools contingency
 - Free School Meal Eligibility Service
 - Licences and Subscriptions (including SIMS, HCSS)
 - Trade Union Facilities costs
 - Maternity costs
 - Ethnic Minority Achievement Service
 - Travellers Education Service
 - Behaviour Support Service
5. There are a number of outcomes that could flow from the proposals to delegate the budgets. These include:
 - a. Following consultation with all schools, maintained schools agree that budgets should be de-delegated and retained centrally with services provided to all maintained schools;

- b. Schools agree that budgets should be delegated and schools make/purchase their own provision as appropriate;
 - c. Schools agree that budgets should be delegated and they then cluster together to purchase or deliver services.
6. Under scenario (a) the LA would be able to retain a level of service to provide to maintained schools, this service may be reduced from current levels unless there is also buyback from academies. The size of the service may also need to reduce over time as the number of academies increases.
7. Under scenarios (b) and (c) the LA would not be able to continue to deliver a service unless there is sufficient buy back on a traded basis from schools (maintained or academy) to enable retention of sufficient staff. This will be difficult to predict and the LA will need to decide whether it can afford to continue to deliver services centrally on a fully traded basis with full cost recovery. This would require a risk assessment.
8. **Appendix 1** lists the consultation questions.

Background – Transfer of Schools Block to High Needs Block 20/21

9. Schools Forum will recall a transfer of 0.8% (£2.2m) of School Funding was agreed to contribute to the High Needs Block recovery plan in 19/20 financial year. Schools Forum will recall that £1.2m of this came from the growth fund which, was estimated to be at a lower level of need than the DfE assessment.
10. The Update of Schools Revenue Funding 20/21 outlines the recent announcements regarding significant national increases in Schools Funding and funding for High Needs and Early Years blocks. More information around local authority allocations are anticipated in October. Whilst we welcome these announcements (summarised at national level in the table below) it must be treated with caution until the December Funding allocations are received. No further information on what this will mean for Wiltshire has been received at the time of writing this report.

	20/21 National Increase	21/22 National Increase	22/23 National Increase	TOTAL	Notes
Schools Funding	£2.6bn	£4.8bn	£7.1bn	£14.5bn	5-16 schools
Inflation / Schools Teacher Pay & Cond				£3.2bn	Nationally quoted: £34.6 > £52.2 bn
High Needs Block	£700m				Actual allocations due Oct 2019
Early Years Block	£66m				No detail received

11. The High Needs Block update section of the agenda today has covered the journey so far and the presentation from ISOS has shown the detailed work and recommendations together with an overview of the next steps.

12. The overspend for 2018/19 was £4.8m and this correlates to the continuing rise in request for new EHCPS and banding / funding increases from heads. The DSG reserve is in a £2.6m deficit position which, requires a recovery plan.

	Number of EHCPS	Increase	% Increase
Sept 2019	3646	386	12%
Sept 2018	3260	332	11%
Sept 2017	2928	298	11%
Sept 2016	2630		

13. The forecast overspend for 2019/20 is £4.864m. Should this come to fruition the DSG deficit reserve will be £7.130 million which is unsustainable and requires a recovery plan.
14. For this reason, it is recommended that we seek views of all schools on the questions in **Appendix 2** which cover a range of options ranging from transferring funding from Schools Block – using the growth fund estimated surplus in the first instance to reducing the unit values of direct funding levels of support for children and young people. The pledge from the Government is not yet quantified or confirmed for Wiltshire and so we must aim to plan for the unknown quantity.

Proposals

15. That Schools Forum decide on the consultation questions for maintained schools around delegation/de-delegation of budgets for central services within the schools' block. Appendix 1.
16. That Schools Forum decide on the consultation questions for all schools around setting the 20/21 Schools Budget. Appendix 2.

Report author:
Marie Taylor
Head of Finance for Children and Education
01225 712539
marie.taylor@wiltshire.gov.uk

Appendix 1 – De-Delegation Questions

DfE Heading	Wiltshire Budget	Delegate?	Retain Centrally?
Free school meals eligibility	Free School Meals Eligibility Service		
Licences/subscriptions	HCSS Licence		
Staff costs – supply cover	Trade Union Duties		
	Maternity Costs		
Support for minority ethnic pupils and underachieving groups	Ethnic Minority Achievement Service (EMAS)		
	Traveller Education Service		
Behaviour support services	Primary Behaviour Support Service		

Appendix 2 –2019 Schools Consultation:

Background

- *The High Needs block overspent by £4.8m in 2018/19 and is forecast to overspend by £4.864M in 2019/20.*
- *There is a £2.6M deficit DSG reserve in the Council's balance sheet – the forecast 19/20 overspend will push this up a deficit of £7.130m which needs to be part of a recovery plan.*
- *EHCPs are still rising by an average of 14.85 EHCPs per month, 11-12% per annum which is above the national level.*
- *An external review and report from ISOS form the basis of a collaborative approach and action plan (detail will be attached.) Many of these actions require a partnership approach and require planning and change management in order to achieve long term success.*

The DSG is ringfenced and therefore to manage this overspend, it is suggested an amount is transferred from the Schools Block, initially the growth fund (as 19/20)

Q1 a) Taking the factors above into account, do you support a transfer of funding from the School Block to the High Needs Block?

Yes	
No	

b) If you support a transfer, please indicate the amount (based upon 2019-20 funding)

£1.0m (0.36%)	
£1.5m (0.545%)	
£2.0m (0.72%)	
£2.5m (0.901%)	
£3.0m (1.08%)	
£3.5m (1.27%)	

c) No transfer of funding from the Schools Block to the High Needs Block for 2020-21 on the understanding that devolved budgets to schools including top-up and Named Pupil Allowance (NPA) funding levels would have to be reduced to keep the High Needs Block within budget?

Yes	
No	

d) Would you prefer to see a hybrid of the above with a transfer from Schools Block to top up the High Needs requirements of pupils in school together with reduced values of devolved funding for vulnerable pupils e.g. named pupil allowances and top ups?

Yes	
No	

2) If you do not agree to the transfer of funds or the reduction of top-up funding levels, how else do you suggest that we fill the funding gap that we have for High Needs?

--
