

Gloucestershire Schools Forum

Outcome Report from the meeting of 14 January 2021

1. Gloucestershire County Council Budget Consultation 2021/22

The Forum received a report on Gloucestershire County Council's budget proposals, and members were informed of the specific budget information relating to Children and Families. The Forum noted the report.

The Council's consultation on the proposed budget has now ended. Final approval of the budget will be considered at the Cabinet meeting on 27 January 2021 and at the Full Council meeting on 17 February 2021.

2. Dedicated Schools Grant 2021/22

The Forum received a report on the Dedicated Schools Grant (DSG) for 2021/22.

The DSG for 2020/21 announced on 17 December 2020 totals £524.114M, this represents an increase in funding of £22.898M (4.8%) from the current 2020/21 DSG. A further £20.648M (4.3%) has also been included for the movement of the teachers pay and pension funding from separate grants into the DSG, bringing the total change up to £43.546M (9.1%). This allows for the national funding formula factor rates for schools to be applied in full at their 100% level. The DSG total for each of the four allocation blocks (Schools, Central School Services, High Needs, and Early Years) is set out in the report.

One of the key changes between 2020/21 and 2021/22 is sparsity funding, whilst the distance thresholds remain the same as they were in 2020/21, funding has increased significantly for 2021/22 with an increase of 73% in the maximum primary sparsity factor from £26,000 to £45,000 and an increase of 11% in the maximum secondary factor from £67,600 to £75,000. This has resulted in an overall increase in the sparsity funding allocated of £0.419M (53%). A total of 33 schools (28 primary and 5 secondary) qualify for this funding.

The Minimum Per Pupil Funding (MPPF) rates have increased by £250 in primary and £150 in secondary. The MPPF rates including the teachers pay and pension grants are now: £4,180 for primary schools and £5,415 for secondary schools. A total of 78 schools (64 primary and 14 secondary) will be funded on the MPPF. The Minimum Funding Guarantee (MFG) rate has increased from £1.84% in 2020/21 to 2% in 2021/22. A total of 78 schools (74 primary and 4 secondary) will receive the MFG uplift. Further details on how those figures compare to 2020/21 and how schools in each sector are now being funded are outlined in the report.

The local authority has been able to deliver the National Funding Formula in full leaving a Schools block surplus of £0.643M in 2021/22.

For Early Years, the funding announcements on 17 December 2020 included an increase in the hourly funding rates by 6 pence for three and four year olds and 8 pence for two year olds resulting in an increase in the Early Years block of £476,895. In addition to this increase there is a reduction of £7,995 to the disability access fund, giving an overall increase to the Early Years block of £468,900 for 2021/22. There will be further updates in the summer 2021 and summer 2022 for the January pupil counts.

An urgent report on Early Years funding had been published on the Council's website and circulated to Forum members on 13 January 2021. The report outlined the urgent funding issues emerging within the Early Years sector, being driven by low attendance numbers in settings due to the COVID-19 pandemic, and the change in DfE guidance to only fund places based on attendance from 1 January 2021. The local authority was concerned that the funding approach outlined by the DfE did not go far enough to ensure the sustainability of providers - in many cases attendance would not have been high enough to reflect a normal year, resulting in a significant reduction in funding. This message had been made very clear to the local authority by the Early Years sector.

To take steps to mitigate the impact on providers and to ensure sufficiency of Early Years provision in the county, the local authority had been looking to seek approval from the Forum to fund Early Years providers, for the spring term, on the basis of eligible places and hours rather than attendance, taking account of the DfE measures to offset the financial shortfall set out in the report. The local authority had also proposed that the current surplus of £1.3M be used to offset the costs of continuing to fully fund eligible places.

However, just before the Forum meeting commenced, the DfE announced that local authorities could now complete the census based on what would be the normal expected pupil attendance, instead of actual pupil attendance from 1 January 2021. Consequently, the Head of Education Strategy and Development was able to confirm at the Forum meeting that this would ensure the normal level of income into the Early Years block to support places, and therefore the issues raised in the urgent report had been resolved by the DfE's announcement. The Early Years representatives on the Forum welcomed this news, and commented that they felt reassured that the local authority was proposing to fund on the basis of eligible places even if the DfE had not made the announcement. They emphasised however just how much extra pressure the Early Years sector was under in ensuring that settings could stay open during the current national lockdown.

The Forum considered the Central School Services block allocation information. This block includes funding for the on-going responsibilities of local authorities for the statutory duties that they hold for both maintained schools and academies. The allocation is based on a formula using pupil numbers (90%), free school meals (Ever 6, 10%) with an area cost adjustment applied. The indicative rate per pupil for 2021/22 is £31.94 and there has been an increase of £0.205M related to the net increase in pupil numbers and for teachers' pension employer contributions funding for centrally employed teachers.

The High Needs block has been allocated an additional £8.246M, bringing the total funding for 2021/22 to £74.622M. Included within this figure is £2.255M of funding for teachers' pay and pension costs that were previously funded through separate grants. There was a separate agenda item on the High Needs forecast and the draft budget for 2021/22.

Having considered all of the information presented:

- The Forum recommended that Council agree the school funding formula for 2021/22, as set out in Annex A to the report.
- The Forum agreed that the balance on the Schools block could be used at year end as a one off contribution to support the continuation of the 1 in 40 High Needs model.
- The Forum agreed to apply the £0.06 increase to the hourly rate for 3 and 4 years olds and the £0.08 to the formula for 2 year olds.
- The Forum agreed the allocation of the Central School Services block as set out in the report.

3. High Needs

The Forum received a report on the 2020/21 High Needs forecast and the draft budget for 2021/22.

There has been a number of movements in the reporting period, which are outlined in the report. One of the key movements is the use of independent school places from September 2020 onwards, this includes 2 highly complex residential placements starting in September and the need for 10 additional independent school placements between September and the new year. Consequently, there is now a forecast overspend of £204,000 on the independent school budget.

Overall the December financial forecast for the 2020/21 High Needs budget is broadly in-line with the planned year end deficit budget. The Head of Education and Strategy explained that this demonstrates that there is now a greater understanding of the level of need coming into the system and the growth trends, enabling more control of the budget and accurate forecasting.

The key drivers of the overspend continue to be the number of Education Health and Care Plans (EHCP) in the system, and the rate of permanent exclusions. As at 1 December 2020 there were 4,284 active EHCPs, which is a rise of 202 since August 2020. The number of new requests for EHCPs continue to rise, and the local authority is reviewing the data to determine whether the rise is a consequence of the impact of Covid-19; once complete this will be shared with the Forum. A further spike in the number of new requests for ECHPs is anticipated over the next 12 months, as a consequence of a further national lockdown.

The pressure on High Needs budgets continues to cause concern in local authorities across the country. The Society of County Treasurers (SCT) and the F40 group have recently surveyed members to get an up to date picture. The Forum considered the summary report from the SCT, which outlines that in terms of the cumulative High Needs deficits; by the end of 2020-21 forecasts from the 32 that responded show: 13 members with deficits between £0M and £10M; 9 members with deficits between £10M and £20M; 1 with a deficit in the £20millions and another just over £30M; and 3 with deficits between £40M and £50M.

Gloucestershire sits in the second group of 9 members with a deficit of between £10M and £20M. The local authority has reached out to find out which local authorities have no deficit or a very low position to understand the context and how they have maintained that position. Officers hope to be able to provide more information on this at the next Schools Forum meeting in June 2021.

There is some interesting emerging data on the national picture of High Needs deficit, and this was shared with the Forum. There are two bar charts attached at Annex A to the High Needs report, one chart shows the 2017-18 to 2020-21 estimated year end balance of the High Needs block across a number of local authorities. The second chart shows the 2020-21 estimated deficit as a proportion of the High Needs block funding, this provides a clearer picture of how the local authorities are managing their High Needs budget. It shows that Gloucestershire's High Needs deficit as a proportion of the budget overall is not as significant as many of the other local authorities - there are some local authorities that have a deficit in excess of their overall High Needs budget.

There is also concern about the inequity of High Needs funding, for example there is a significant disparity between Gloucestershire and Buckinghamshire - despite both local authorities having a similar pupil and school population, Buckinghamshire receives a total of £25M more High Needs block funding than Gloucestershire. It is recognised that whilst high needs recovery for many local authorities is underpinned by a need for central government to provide sufficient funding, the issue of how it is apportioned to local authorities also needs to be addressed, particularly the heavy dependence on historic funding. The F40 group will be undertaking a more detailed analysis of this, and aim to involve a larger percentage of the local authorities, to gain clearer picture. This analysis will help inform the debate with central government around how High Needs funding should move forward. The analysis will be shared with the Forum once complete.

The Forum receives regular updates on the activities being undertaken as part of the Joint Additional Needs and High Needs Transformation Programme which focuses on earlier interventions and reducing pressures on statutory processes. The programme however is not a panacea, and three areas were previously identified for further potential savings to be made. These are: an adjustment to the diseconomy of scale model of funding available to special schools; a reduction in High Needs expenditure on the '1 in 40' model to support schools with high numbers of EHCPs; and a reduction in direct expenditure on the Advisory Teacher Service. The Forum will receive an update on plans for moving those three areas forward at the June Forum meeting, following completion of the consultation exercise with schools.

The Head of Education Strategy and Development has made it clear to the Forum that while the local authority now has a better understanding of the budget, and while the activities under the Joint Additional Needs and High Needs Transformation Programme are now moving forward, the authority is not yet at a point of being able to recover the High Needs block deficit position of £14.5M, particularly when taking into account the financial impact of Covid this year. It is also likely that a similar budget deficit will be set for 2022/23. The Forum understands that the position will remain in future years unless there is a significant change to the funding system so that government funding matches the increased levels of need in the system.

The report on the outcome of the DfE's SEND review is due to be published this Spring Term, and the report on the DfE's review of the High Needs Formula and notional SEN Funding is due to be published in 2021. The outcome of both reviews are eagerly awaited as they should set out how the government will fund High Needs moving into the future. The Forum will be updated on any government announcements.

4. Gloucestershire Schools Forum Elections

The Forum received a report which outlined the plans for the Schools Forum Elections 2021. Information on the seats up for election and the nomination/election process can be found on the Schools Forum webpage: [LINK](#)

The Forum noted the report.

5. Gloucestershire Schools Forum Workplan 2021

In summary the key priorities for the Schools Forum in 2021 are: Mainstream, Early Years, and High Needs funding; the financial impact of Covid-19; and a reassessment of the role and impact of the Forum in light of its statutory responsibilities, current priorities in school funding and developments in government guidance.

The Forum noted the Workplan for 2021.

6. F40

The Head of Education Strategy and development reported that there are three key areas of focus for the F40 group in 2021, these are: continuing the campaign for a fairer school funding deal through the core national funding formula; the financial impact of Covid-19 on schools; and High Needs funding - not just the overall quantum of funding but reviewing and understanding the way in which High Needs funding is allocated across the country.

The reports and presentation slides for this meeting are available here: [LINK](#)

This meeting was held remotely and a recording of the meeting can be found here: [LINK](#)

Andrew Harris - Chair