

## Schools Forum

27th November 2018

### Transfer from Schools Block to High Needs

#### Introduction

1. Dedicated School Grant (DSG) to Local Authorities is allocated in blocks. There are blocks of funding for Early Years, Schools, High Needs and Central School Services. The blocks are ringfenced for 2019-20, however, the DfE guidance allows for some transfer between blocks.
2. It is possible to transfer up to 0.5% of schools block funding with the agreement of the Schools Forum. Transfers of more than 0.5% of the schools block require the local authority to make a Disapplication Request to the Secretary of State as does the position where the Schools Forum has turned down a proposal from the authority to move funding out of the Schools Block, but the authority wishes to proceed with the transfer.
3. At the last Schools Forum on 23<sup>rd</sup> October 2018 a report was presented which set out the financial position on High Needs and the intention to seek schools views on the transfer of funding from the School Block to High Needs block.
4. This paper sets out the results of the recent local consultation on which schools were asked for their views on transferring £1.4m (ie above 0.5%) from the Schools Block to support pressures in the High Needs block for 2019/20. The schools forum should take into account the views of the schools responding before making their decision.

#### Background

5. Stockton experienced a £2.5m in year overspend on High Needs in 2017/18. At the last meeting the Forum noted the projected £2.327m overspend at the end of 2018/19 (including the net £1.413m overspend b/fwd on DSG from 2017-18). The view of the local authority is that there is insufficient High Needs funding and we continue to lobby for an increased funding deal for children and young people in Stockton. However, in the absence of additional funding being provided by central government, the local authority must take necessary action to reduce costs and to live within the funding envelope available.
6. Given the significant pressures the management of demand is proving challenging. Also, as mentioned previously, the extent of the deficit makes it difficult recovering this from on-going spend.

7. The Forum also noted that given the significantly increasing costs, the local authority will seek to transfer funding in 2019-20. After that, this funding would revert back to the Schools Block.

## High Needs

8. To address the situation a number of measures are being undertaken for example:-
- a. Introduction of Enhanced Maintained Schools EMS, to support provision more locally and reduce pressure on more specialist placements. The Council has supported the programme with capital investment and capacity building to ensure provision is appropriate. As part of these arrangements we also continue to support pupils remaining in the previous Additional Resource Provision as part of the transition.
  - b. Local special school places have been further increased by 20 In order to reduce the number of children which would have otherwise gone out of area.
  - c. The Authority is currently working on the implementation of a High Needs plan following the strategy supported at the Schools Forum in July.
  - d. We are currently reviewing contract arrangements incl fees on childrens placements
9. Within the Operational Guidance, the DfE lists the expected evidence that will be presented to Schools Forum to enable a decision on transfer to take place. This information is explained in the following paragraphs.
10. Details of any previous movements between blocks. For 2018-19, following approval by Schools Forum, 0.5% of Schools Block funding was transferred to the High Needs Block. This equated to £0.6m. This proved insufficient to counter the significant cost pressures being experienced from the key drivers in the table below.

	2013/14	2014/15	2015/16	2016/17	2017/18
EHCP's/Statements	918	929	1,049	1,193	1,328
Permanent exclusions	18	17	18	35	43
Pre-16 base places in special academies and mainstream units	744	765	781	785	809
<u>Pre-16 top-ups</u>					
No. of top-ups	n/a	1,018	1,047	1,078	1,135
Average cost of top-ups (£)	n/a	5,059	4,865	4,697	5,588

11. A breakdown of the specific pressures over three years that have led to the requirement for a transfer are shown in the table below.

High Needs Spend				
	Actual		Projection	
	2016/17	2017/18	2018/19	% change since 2016/17
<u>Top-ups</u>				
Mainstream Schools - pre-16	1,759,531	2,726,006	2,705,114	53.7%
Special Academies	3,313,903	3,618,953	3,435,085	3.7%
AP (incl. PRU / Exclusions)	892,868	1,109,729	1,101,033	23.3%
Early Yrs PVI	110,392	153,713	172,957	56.7%
Post-16	2,008,248	1,912,381	1,918,000	-4.5%
Place funding*	9,608,500	9,992,167	9,083,505	-5.5%
Agency Placements	2,630,202	2,920,892	2,785,000	5.9%
Other out of area placements	991,105	1,498,823	1,325,584	33.7%
SEN Support**	1,970,571	2,086,290	2,059,000	4.5%
Support for Inclusion	345,000	345,000	345,000	0.0%
Recoupment of FE places	n/a	774,000	756,000	n/a
<b>Total HN expenditure</b>	<b>23,630,321</b>	<b>27,137,954</b>	<b>25,686,277</b>	<b>8.7%</b>
* HN Funding	21,309,781	24,616,954	23,864,877	
Transfer from Schools Block	1,686,000	387,000	617,000	
Other DSG savings		721,400	290,000	
In-Year overspend	634,540	1,412,600	914,400	
<b>Cumulative Overspend</b>		<b>1,412,600</b>	<b>2,327,000</b>	
<b>Notes</b>				
* In 2018/19 the ESFA transferred £1.2m from the High Needs Block into the Schools Block. This represented £4k of the £10k place funding for each pupil in a school SEN Resource Base reflecting the National Funding changes.				
** SEN Support - This includes the costs of non-delegated centrally retained specialist SEN support services for pupils with or without EHC plans (including Early Support Nursery, services for visual and hearing impairment)				

12. It should be noted that the provision of top up funding to mainstream schools and academies has increased by over £0.9m. Also increased cost of funding provision for 19 to 25 year olds, which is a relatively new financial commitment, was £308k in 2017/18.
13. Specific reference is drawn to the challenge the Council has faced regarding the rising number of exclusions with national coverage from some of our schools being in the top 10 for high exclusions. Additional costs due to permanent exclusions is approx. £0.2m. The Council's Children and Young People Select Committee undertook a review of inclusion making recommendations around six main areas. As a Local Authority we challenge every permanent exclusion but the increased number is putting pressure for more places at our PRU and other alternative provision.

14. There are also significant increases in state funded out of area provision (eg Other Local Authority maintained Special Schools and out of area academies) and lesser but still significant increase in Agency Placements.
15. There have been only small increases in the amount of DSG funds allocated to the High Needs block meaning it has not kept pace with significant cost pressures.
16. Strategic financial plan setting out how the local authority plans to bring high needs expenditure to levels that can be sustained within anticipated high needs funding level. The Council is clear that a range of plans need to be in place to address the short / medium term funding gap and also a long term solution requiring a full partnership approach with the whole school family. The LA ran a High Needs Funding event in March 2018 which gave all relevant parties an opportunity to understand the funding issues facing the LA and also to contribute their ideas to help develop a more affordable funding solution. Following this and subsequent discussions at the Stockton Strategic Education Board and Schools Forum, the LA has developed and is in the process of implementing a High Needs action plan. The link to the High Needs Action Plan considered by the Forum is <http://www.egenda.stockton.gov.uk/aksstockton/users/public/admin/kab14.pl?operation=SUBMIT&meet=37&cmte=SCH&grpId=public&arc=71>
17. The approach to manage demand will not provide an instant solution hence we envisage a medium term programme to implement the relevant changes needed. The transfer of £1.4m will in effect repay the deficit that was brought forward at the commencement of this financial year. The LA is working to develop costed plans to bring high needs expenditure to levels that can be sustained within anticipated future high needs funding levels. The funding gap represents a significant unfunded pressure from DfE. The Council wishes to see a financially sustainable, inclusive and effective system is a priority. The review is being overseen by the Authority's Childrens Board and further plans will be brought to the Schools Forum for consideration.
18. As already mentioned, Stockton is seeking to support high need pupils closer to home by investing in local Enhanced Mainstream Provision and special schools. This should over time reduce the overall costs of provision for children and young people with SEND. There should be less need for more expensive other local authority and independent and non-maintained special schools placements as well as a reduction in transport costs. Alongside this the Council is working to strengthen good inclusion practice and revise arrangements prior to accessing top up funding. The growth in High Needs Learners will need to be kept under close review. As High Needs is funded from a DSG ringfenced grant, any overspends will initially be covered by looking to utilise underspends in other blocks.
19. At this stage, the local authority can only seek Schools Forum approval for a transfer from 2019-20 budgets. Based on current information, the local authority will have a £2.3m accumulated deficit on High Needs by 31st

March 2019 with a provisional projected in-year shortfall in 2019-20 of a further £1.7m. A transfer of 1.1% would reduce the £4m by £1.4m leaving an accumulated deficit of £2.6m. As the transfer would be applicable for 2019/20 only the position will be kept under review and it maybe that local authority would seek Schools Forum approval for subsequent year transfers.

20. Collaborative working is taking place with other neighbouring local authorities for example a special free schools bid has been developed. Close liaison with other LA's is also evident around post 16 commissioning following cross border merger of two local colleges. There is also work on-going with a specialist national provider to be sited locally and under which both improved outcome and reduced fees would benefit the high needs budget. Parents and carers are well represented as stakeholders on a number of local groups. In expanding the available places through Enhanced Maintained Schools and special schools, the sector has worked closely together.

21. The Health and Wellbeing Board and the Council have recently agreed a Special Education Needs and Disability Joint Strategy. The SEND Joint Commissioning Group has developed a 3 year shared strategy, involving partners from Children's Services, Adult Social Care, Public Health, Schools and Hartlepool & Stockton on Tees Clinical Commissioning Group. Parents, carers, children and young people have been integral to developing our priorities for action. The strategy:-

- i. Identifies a set of key commitments and priorities that will underpin all joint planning and commissioning decisions around SEND
- ii. Forms the basis for a review of SEND service provisions (including Emotional Health and Wellbeing Services, Speech and Language Therapy, physiotherapy and equipment provision) to be taken forward by the SEND Development Joint Commissioning subgroup, which will develop an action plan from this. It also provides a framework for effective joint planning, understanding and review of SEND services in the borough

22. Contributions from Health & Social Care are agreed at multi-agency panel meetings when specialist provision is needed.

	<b>Health &amp; Children Social Care</b>
Education agency placements budget - 2017/18 Actual	£3,465,885
Education agency placements budget - 2018/19 Forecast	£2,568,229

23. Within the Schools Block funding has been needed to support the growth in the two free schools as they rise to capacity across their year groups. This will no longer be required in 2019/20 and thus will provide some headroom. As per para 9 above, over £0.6m was earmarked in the current year to transfer to High Needs. The combination of the two factors, estimated at approx. £1.4m, could be used in 2019/20 to partially offset the High Needs deficit.
24. Initial calculations based on indicative DfE DSG 2019/20 allocations show if we transferred £1.4m to High Needs from the schools block, schools would still receive a 1.3% increase in overall budget through the school funding formula and allow us to move closer to the DfE published national funding formula values. The transfer proposed is within available DSG and would still enable the increase in the Schools Block between 2018/19 and 2019/20 to be passported through to schools delegated budgets.
25. The tables in **Appendix 3** detail the impact of the transfer of the following options - £1.4m (1.1%) transfer, £0.6m (0.5%) transfer and no transfer to High Needs on individual schools if the funding were to be distributed through the schools funding formula. **Please note that these figures are for illustration purposes only and are not the actual budget shares that schools will receive for 2019/20.** The models have been prepared using the ESFA funding formula modelling tool for 2018/19 which uses the October 2017 school census. The actual school budget shares for 2019/20 will be determined using the October 2018 census data and new EFSA model.
26. Even if nothing else changes (ie. no further increases in the incidence of high needs, which seems very unlikely in the context of recent history and continuing pupil growth) there are significant pressures. Also, given the extent of the deficit and the difficulty of recovering this from on-going spend.

### Outcome of Local Consultation

27. At its meeting in October the Schools Forum agreed that a consultation exercise be undertaken with schools/academies to transfer £1.4m (1.1%) of the Schools Block to the High Needs Block.
28. A copy of the consultation is attached in **Appendix 1**. There were 16 responses (which is a 21% response rate) as shown below:-

LA Primary	5
LA Secondary	1
PRU	1
Primary Academy	7
Secondary Academy	2
TOTAL	16

29. Of the 16 responses, 10 (equating to 63%) agreed to the proposal to the transfer and 6 (37%) did not. 62 schools did not respond to the consultation.
30. When reaching a decision Schools Forum must take into account the views of schools. In addition to the above full details of consultation responses alongside views given by officers to address and respond to these are set out in **Appendix 2**.
31. The Local Authority has a corporate and strategic duty to address the forecast budget overspend of £2.3m on the High Needs budget. Whilst a number of proposals are being progressed to address this, it is unlikely that these proposals will fully address this overspend and further actions will be required over the next few years. Any accumulated overspend on the High Needs budget will be required to be repaid from future High Needs funding allocations. The current projections indicate a continued increasing demand for High Needs support and services. Against this background, and in order to mitigate the impact of current forecast overspends on the future funding position, the LA is of the view that it is necessary to submit a disapplication request to the Secretary of State to transfer £1.4m (1.1%) from the Schools Block to the High Needs budget. Therefore, Schools Forum is asked to indicate their support for the decision to submit a disapplication request to the Secretary of State to request a transfer of £1.4m from the Schools Block funding to the High Needs budget.
32. In the event that the disapplication request to the Secretary of State is unsuccessful, it is recommended that 0.5% of the Schools Block funding is transferred to the High Needs budget. The Schools Forum is asked to approve this recommendation in the event of the disapplication being turned down.
33. An initial Equalities Impact Assessment suggests there is no evidence to suggest that the proposal causes significantly disadvantage but rather it will assist in supporting funding to children with Special Education Needs & Disabilities.

## **Recommendation**

34. In recognition of the significant pressure on the High Needs budget, the Forum support the request for a transfer of £1.4m (1.1%) of the Schools Block to the High Needs budget and that a disapplication request will be submitted to the Secretary of State to this effect.
35. In the event that the disapplication request to the Secretary of State is unsuccessful, the Forum agree a transfer of 0.5% funding from the Schools Block to the High Needs budget.

David New

Senior Finance Manager



## **Consultation on the proposed transfer of resources from the schools block to the high needs block in 2019-20**

### **Purpose**

To seek views from maintained schools, academies and free schools on the proposal to transfer 1.1% of the 2019/20 schools block to the high needs block. This will equate to approximately £1.4m. This consultation ends on **Monday 19 November 2018**.

### **Introduction**

As you will be aware the DfE originally intended that a “hard” National Funding Formula would be in place by 2020/21. However, they have now confirmed that funding will be distributed to local authorities via a national funding formula for 2019/20 and 2020/21 with Local Authorities able to determine allocations to schools using their existing local schools formula (this approach is referred to by the DfE as a “soft formula”).

For financial year 2018-19 SBC wanted to ensure that all schools would gain from the increased level of funding but also had to ensure that the funding formula was affordable given that the growth in the 2 Free Schools was not included in the DfE allocation and also that pressures on the High Needs budget were increasing. Therefore the LA undertook a consultation exercise with all schools. Based on the overwhelming number of positive responses the LA implemented the National Funding Formula factors (with factor values scaled for affordability), implemented the minimum funding amounts of £3,300 and £4,600 per pupil (primary and secondary respectively), ensured that the growth in the Free Schools was supported, transferred 0.5% to High Needs (£617k) and still ensured that all schools received a minimum increase of 0.25% per pupil.

One of biggest changes arising from the funding reforms has been the way in which support for pupils with Special Educational Needs and Disabilities (SEND) is funded. Since the introduction of the SEND Code of Practice in 2015, there has been a year-on-year increase in the demand placed on the High Needs Budget. To continue to meet the requirements of children with High Needs, we are required to seek school leaders’ views on a proposal to transfer 1.1% of the DSG from the Schools Budget to the High Needs Budget. The 1.1% is made up of the 0.5% already transferred from the Schools Budget in 2018-19 and a further 0.6% available headroom in 2019-20. In total we estimate this transfer to equate to £1.4m.

The transfer proposed is within available DSG and would still enable the increase in the Schools Block between 2018/19 and 2019/20 to be passported through to schools delegated budgets.

## **2019-20 and High Needs pressures**

At local level, provisional DfE figures suggest a 1.3% increase in the Schools Block baseline in 2019/20 – in cash terms this is approx. £1.6m. However, this does not include the further anticipated growth funding associated with free schools of approx. £0.7m. For the high needs block the percentage increase is lower at 0.8% and equates to approx. £190k.

It is also expected the pupil numbers will continue to rise and this will further increase the funding to be delegated via the schools block in 2019/20. The exact impact of pupil number increase will not be known until after the October 2018 census.

Locally and nationally, high needs budgets have rapidly become a major challenge. In respect of demographics the Borough has seen an increase in the population of children and young people, with an associated increase in high needs. Also an increase in the proportion of the population with high needs / greater complexities and rising numbers of pupil exclusions.

Over recent years there has been an increase in the age at which high needs funding can be allocated, from 19 to up to 25. Likewise, at the other end of the age spectrum, we have also seen an increase from nursery age top ups. The introduction of Education, Health and Care Plans (EHCPs) have arguably significantly raised the profile and expectations around SEN support and the provision of independent tribunals, to which parents can appeal local authority decisions. Tribunal decisions nationally are running at a very high rate in favour of applicants. There have been only small increases in the amount of DSG funds allocated to the high needs block meaning it has not kept pace with significant cost pressures.

The Council is clear that a range of plans need to be in place to address the short / medium term funding gap and also a long term solution requiring a full partnership approach with the whole school family. The LA ran a High Needs Funding event in March 2018 which gave all relevant parties an opportunity to understand the funding issues facing the LA and also to contribute their ideas to help develop a more affordable funding solution. Following this and discussions at the Stockton Strategic Education Board and Schools Forum, the LA has developed and is in the process of implementing a High Needs action plan. We, along with many other local authorities, are via the LGA and other avenues lobbying Government to accept that the current funding settlement for High Needs is insufficient to address the needs of the most vulnerable children.

To this effect this consultation is seeking views regarding the transfer of funds from the Schools Block to the High Needs Block in 2019/20 in order to support this pressure, alongside implementation of a strategy to manage demand more effectively within the DSG financial envelope. The approach to manage demand will not provide an instant solution hence we envisage a medium term programme to implement the relevant changes needed.

The LA has also introduced Enhanced Mainstream Schools to support provision locally and reduce the pressure on more specialist placements.

In the meantime however, High Needs expenditure has continued to rise and in the current year is projected to be £2.327m overspent (including the net £1.413m overspend b/fwd from 2017-18). This is mainly as a result of the increased cost of top-ups (including those out of area), excluded pupils, home tuition and independent assessments and therapy sessions plus the high

cost of Agency placements. This is illustrated in the current Medium Term Financial Plan in the **Appendix**.

The local authority is responsible for the allocation of the high needs block and the majority of the funding in this block is delegated to / used to support mainstream schools or paid directly to establishments.

There are a number of factors that are putting pressure on the High Needs budget, examples of which are:-

- a) Between 2015 and 2018 the number of children and young people with EHCPs or statements has increased from 939 to 1,328 which is a 43% increase.
- b) The total number of permanent exclusions has increased from 18 in 2015/16 to 43 in 2017/18, an increase of 238%.
- c) The number of pre 16 base places in special academies and mainstream units between 2013/14 and 2018/19 has increased from 744 to 794 which equates to 7% increase
- d) Between 2014/15 and 2017/18 the number of pre 16 top ups has increased from 1018 to 1135 which is an 11% increase. The overall average cost per top up increased by £891 (or 19%) between 2016/17 and 2017/18.
- e) The cost of provision in independent and non-maintained special schools has risen from £1.9m in 2014/15 to £2.9m in 2017/18. Likewise spend on out of area state funded specialist provision has increased by £0.6m during the same period.
- f) The extension of pupils' statutory SEND from 0-25, where previously it was 5-18, was not funded by the Government and it is contributing to the pressure on HNB funding.

### **High Needs Block indicative funding 2019-20**

The DfE has published provisional allocations of high needs funding to local authorities. For Stockton, the figures show an allocation of £24.05m in 2019/20 compared to £23.86m in 2018/19 meaning an increase of £0.19m (or 0.8%) which is below the national average rise of 2%. Unfortunately this does not reflect the ongoing increase in demand for High Needs funding and will not enable the LA to address the overspend b/fwd from 2017/18.

The DfE intend to require a report from any local authority that has a DSG deficit of more than 1% as at 31 March 2019 and although the High Needs Strategy is looking at a number of potential solutions to affordability, in the short term, the LA needs to be able to recover the overspend position brought forward from 2017/18.

### **Proposal for 2019/20**

In response to these increasing pressures, decisive action is required. Processes and practices need to be reviewed and made as efficient and effective as possible, as well as a culture change to a more collaborative and integrated working ethos with all partners, especially families, other LA services and health partners. However, it needs to be noted that even with some actions already being put in place, it may take some time for the actions to have a marked effect on some of the pressures.

Over the medium term this transfer, along with management action, will place us in a stronger position so that we are more able to bridge the anticipated future High Needs funding demand within the anticipated funding levels.

Within the Schools Block funding has been needed to support the growth in the two free schools as they rise to capacity across their year groups. As this will no longer be required in 2019/20 this will provide some headroom. Also £0.6m was earmarked in the current year to transfer to High Needs. The LA proposes that the combination of these two factors, estimated at approx. £1.4m, could be used in 2019/20 to contribute to the High Needs overspend. It should be emphasised that this funding is not in schools budget formula baselines going into 2019/20 and so it can be used for High Needs without any unexpected detriment to the schools block budget.

Initial calculations based on indicative DfE DSG 2019/20 allocations show if we transferred £1.4m to High Needs from the schools block, schools would still receive a 1.3% increase in overall budget through the school funding formula and allow us to move closer to the DfE published national funding formula values.

The Council consider this proposal a fair balance where the transfer will be minimised to ensure schools receive the maximum possible increase in their budgets to reflect the pressures that they have identified in recent years, whilst the shortfall in the HN budget is partially addressed.

However, as a £1.4m transfer is above the 0.5% stated in the DSG Conditions of Grant, the LA is required to submit a disapplication request to the Secretary of State by 30<sup>th</sup> November 2018. In order to meet this deadline, it only allows for a short timeframe for consultation.

The outputs from the consultation will be reported to the School Forum meeting on 27 November 2018.

The table below summarises the next steps

<u>Date</u>	<u>Process</u>
<b>19 November 2018</b>	<b>Consultation closes</b>
27 November 2018	Consultation outcomes to Schools Forum
30 November 2018	Deadline for SoS Disapplication request to be submitted.
21 January 2019	Latest date for decision by SoS re – Disapplication Request



## Appendix

Summary High Needs MTFP							
	Actual			Projection			
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Top-ups	7,913,968	9,090,198	8,887,364	9,302,941	9,760,181	10,263,947	10,819,684
Place funding *	9,608,500	9,992,167	9,083,505	8,659,500	8,358,833	8,143,833	8,021,667
Agency Placements	2,630,202	2,920,892	2,785,000	2,701,940	2,715,837	3,002,395	3,232,718
Other Out of Area and Other Specialist provision	3,477,651	4,360,697	4,174,409	4,330,234	4,621,128	4,943,310	5,300,307
Recoupment of FE places		774,000	756,000	756,000	756,000	756,000	756,000
<b>Total HN expenditure</b>	<b>23,630,321</b>	<b>27,137,954</b>	<b>25,686,277</b>	<b>25,750,615</b>	<b>26,211,979</b>	<b>27,109,486</b>	<b>28,130,376</b>
HN Funding	21,309,781	24,616,954	23,864,877	24,052,638	24,052,638	24,052,638	24,052,638
Transfer from Schools Block	1,686,000	387,000	617,000				
Other DSG savings		721,400	290,000				
In-Year overspend	634,540	1,412,600	914,400	1,697,977	2,159,341	3,056,848	4,077,738
<b>Cumulative Overspend</b>		<b>1,412,600</b>	<b>2,327,000</b>	<b>4,024,977</b>	<b>6,184,319</b>	<b>9,241,167</b>	<b>13,318,905</b>
<i>Notes</i>							
<i>* In 2018/19 the ESFA transferred £1.2m from the High Needs Block into the Schools Block. This represented £4k of the £10k place funding for each pupil in a school SEN Resource Base reflecting the National Funding changes.</i>							

**LOG OF CONSULTATION RESPONSES**

<b><u>RESPONSE NO.</u></b>	<b><u>COMMENT</u></b>	<b><u>STOCKTON BOROUGH COUNCIL RESPONSE</u></b>
1	As the head of an EMS I witness first hand many of the symptoms of the pressures placed on the system currently. I agree that this decisive action is necessary.	
2	Whilst I completely agree that the High Needs budget requires additional funds due to the increasing student needs across Stockton. The consultation lacks some key details that ultimately limit the response required to make an informed and balanced decision.	
	The consultation paper clearly gives an overview of the budgetary pressures and associated factors. However, the date ranges for each of the factors on page 3 compare one factor between 2013/14 to 2018/19 and another 2015/16 to 2017/18. This therefore does not equitably show the impact over the past 4 years against each factor. Therefore, I would suggest each factor has the number for each year over a 4 years period in order that the reader can see the yearly impact and associated impact.	The consultation document intended to highlight the key significant upward trends at high level. The table shown in para 10 shows a more detailed year on year analysis over the last 3 years.
	Alongside this, the consultation does not have any clarity over expenditure associated with the Out of Area and Other Specialist Provision which has a year on year increase in expenditure	Please see breakdown shown in the table in para 11.
	A review of the out of area provision, other specialist provision and placements for excluded students should be addressed as a matter of urgency rather than request additional funds from the DSG. The holistic analysis and review of the 3 areas mentioned above is essential before make a judgement on the approval of this consultation to transfer £1.4m from the schools block to high needs. The document does not show whether the centralised SEND team employee costs are part of the expenditure or whether they are part of the SBC employee costs.	This is being undertaken as part of the High Needs Action Plan and CioC Review but savings are not immediate as the holistic needs of the child must take precedent in bringing them back and the local provision being available. In respect of excluded pupils a review of Alternative Provision is currently underway. These will take time to have an impact. The SEND Team dealing with assessment, monitoring & top up payments is funded by the Council.
	Schools are now facing ever increasing budget constraints and shortfalls and as such are implementing a number of strategies to implement efficiencies and address deficit positions. Therefore, the need for a proposed review of provision and transparency of associated costs is necessary as the proposed increased contribution from the main schools block may result in staffing reductions in some schools.	The proposals tried to provide for a balance between delivering an increase for individual schools budgets whilst partially addressing the High Needs deficit. A large part of the High Needs overspend relates to funding going into schools.
3	Whilst we appreciate the financial pressures inherent to the High Needs Block, we are also	The transfer still allows schools budgets to rise. The majority of the

	<p>under extreme financial pressure as a maintained school with a significant deficit budget projected for 2019/20. The proposed transfer from Schools Block would make the difference between being able to retain staff and having to make redundancies as a result of these budget pressures. Given that we are no means the only schools who faces these pressures, the savings related to the headroom created from the Free school funding (believed to be c £800k) could be included within the Schools Block funding to help alleviate some of the problems we all face as leaders rather than being used to accommodate overspend elsewhere within the HNB.</p>	<p>High Needs Budget goes back to schools.</p>
4	<p>We disagree with the transfer because there is no indication that the department has taken other measures to remediate the deficit such as decreasing back office staff etc. As a school, we were in a similar position and had to make staff redundant to avoid a deficit budget. Schools especially small ones are already under tremendous financial pressure and the staff pay awards which were not fully funded have caused additional pressures. If this was repeated next year further redundancies may need to be considered. Additionally £1.4m does not appear to solve the problem as the deficit is projected to increase considerably over the next 5 years.</p>	<p>As above</p>
5	<p>Happy to support this as I think we all need to contribute to the solution.</p>	
6	<p>Whilst I agree to the increase, my concern is that this is funding a deficit from 17/18 and there is a need for reassurance that this deficit will not grow in 18/19 and require a greater contribution in 19/20.</p>	



## Appendix 3

<b>Illustrative impact on school budgets for 2019/20</b>								
<b>School</b>	<b>Current 2018/19 Post MFG Budget</b>	<b>2019/20 Post MFG Budget £1.4m transfer to HN Block</b>	<b>2019/20 Post MFG Budget £0.629m (0.5%) transfer to HN Block</b>	<b>2019/20 Post MFG Budget - No transfer to HN Block</b>	<b>Increase from 2018/19 Transf £1.4m to HN Block</b>	<b>Increase from 2018/19 Transf £0.629m (0.5%) to HN Block</b>	<b>Increase from 2018/19 No transf to HN Block</b>	
<b>Primary Schools</b>								
Bader Primary School	1,433,057	1,439,533	1,439,533	1,442,951	6,476	6,476	9,893	
Barley Fields Primary	2,011,527	2,072,000	2,072,000	2,072,000	60,473	60,473	60,473	
Bewley Primary School	1,557,963	1,569,024	1,585,141	1,590,810	11,062	27,178	32,847	
Billingham South Community Primary	1,595,898	1,607,339	1,621,938	1,627,764	11,441	26,040	31,866	
Bowesfield Primary School	1,160,489	1,165,653	1,165,653	1,165,653	5,164	5,164	5,164	
Christ The King Roman Catholic Primary	1,121,052	1,128,953	1,141,601	1,176,812	7,901	20,549	55,760	
Crooksbarrow Primary School	944,328	949,393	955,039	958,293	5,065	10,711	13,965	
Durham Lane Primary School	665,665	668,359	668,359	668,359	2,693	2,693	2,693	
EGGLESCLIFFE CE PRIMARY SCHOOL	681,212	684,053	684,053	684,053	2,841	2,841	2,841	
Fairfield Primary School	1,522,677	1,533,472	1,550,751	1,560,532	10,794	28,074	37,855	
Frederick Nattrass Primary Academy	1,065,827	1,073,308	1,081,774	1,085,616	7,480	15,947	19,789	
Hardwick Green Primary Academy	1,223,211	1,231,906	1,242,981	1,247,373	8,695	19,771	24,162	
Harewood Primary School	1,758,933	1,771,717	1,792,183	1,849,156	12,785	33,250	90,224	
Harrow Gate Academy	1,721,484	1,734,094	1,754,278	1,765,451	12,609	32,794	43,967	
Hartburn Primary School	1,784,285	1,806,000	1,817,719	1,839,453	21,715	33,434	55,168	
High Clarence Primary School	587,110	589,425	589,425	589,425	2,315	2,315	2,315	
Holy Trinity Rosehill CofE VA Primary School	1,375,192	1,428,000	1,428,000	1,428,000	52,808	52,808	52,808	
Ingleby Mill Primary School	1,863,797	1,914,500	1,914,500	1,921,787	50,703	50,703	57,990	
Junction Farm Primary School	1,189,246	1,207,500	1,209,639	1,213,981	18,254	20,394	24,735	
Kirklevington Primary School	514,970	516,925	516,925	516,925	1,955	1,955	1,955	
Layfield Primary School	722,829	727,472	733,910	736,298	4,643	11,080	13,469	
Levendale Primary School	730,584	735,264	741,469	743,876	4,681	10,885	13,292	
Mandale Mill Primary School	1,427,833	1,437,535	1,449,856	1,454,851	9,702	22,023	27,018	
Mill Lane Primary School	1,017,145	1,021,910	1,028,133	1,031,641	4,764	10,988	14,496	
Myton Park Primary School	953,953	960,316	964,899	967,543	6,363	10,946	13,590	
Norton Primary Academy	1,447,972	1,458,426	1,472,513	1,477,811	10,454	24,541	29,838	
Oakdene Primary School	1,172,880	1,181,080	1,191,774	1,195,979	8,199	18,894	23,099	

<b>School</b>	<b>Current 2018/19 Post MFG Budget</b>	<b>2019/20 Post MFG Budget £1.4m transfer to HN Block</b>	<b>2019/20 Post MFG Budget £0.629m (0.5%) transfer to HN Block</b>	<b>2019/20 Post MFG Budget - No transfer to HN Block</b>	<b>Increase from 2018/19 Transf £1.4m to HN Block</b>	<b>Increase from 2018/19 Transf £0.629m (0.5%) to HN Block</b>	<b>Increase from 2018/19 No transf to HN Block</b>
Our Lady of the Most Holy Rosary RC Primary	728,526	733,358	741,093	747,520	4,832	12,567	18,994
Oxbridge Lane Primary School	1,584,665	1,596,083	1,613,112	1,619,039	11,419	28,447	34,375
Pentland Primary School	1,251,347	1,260,279	1,271,750	1,276,321	8,931	20,402	24,973
Preston Primary School	762,450	765,598	769,166	771,690	3,148	6,715	9,240
Prior's Mill	1,590,073	1,634,500	1,634,500	1,634,500	44,427	44,427	44,427
Roseberry Primary School	1,548,823	1,559,907	1,577,648	1,620,853	11,083	28,825	72,030
Rosebrook Academy	1,785,473	1,798,561	1,819,512	1,841,867	13,088	34,040	56,394
St Bede's Catholic Academy	893,595	899,721	908,202	911,331	6,126	14,607	17,736
St Cuthbert's RC Voluntary Aided Primary	908,435	914,678	922,793	926,024	6,242	14,358	17,588
St Francis of Assisi CofE School	1,111,929	1,148,000	1,148,000	1,148,000	36,071	36,071	36,071
St Gregory's Catholic Academy	955,680	962,279	971,122	974,458	6,599	15,443	18,778
St John the Baptist CE	1,011,902	1,016,321	1,016,321	1,016,321	4,418	4,418	4,418
St John the Evangelist RC VA Primary	751,753	756,768	764,797	787,149	5,016	13,045	35,396
St Joseph's RC Norton	1,094,032	1,101,731	1,114,055	1,119,071	7,699	20,023	25,038
St Joseph's RC VA Primary School, Billingham	777,145	782,360	790,707	799,892	5,214	13,561	22,747
St Mark's Church of England Primary School	1,139,712	1,147,758	1,158,819	1,162,945	8,045	19,107	23,233
St Mary's Church of England Aided Primary	444,968	446,591	446,591	446,591	1,622	1,622	1,622
St Patrick's RC	954,645	961,245	971,291	974,685	6,601	16,646	20,040
St Paul's Roman Catholic VA Primary	756,337	761,379	768,037	770,628	5,042	11,700	14,291
St Therese of Lisieux Catholic Primary	750,085	753,261	753,261	754,117	3,176	3,176	4,032
St. Patrick's Roman Catholic Primary	1,375,071	1,384,967	1,400,808	1,444,907	9,896	25,737	69,836
The Glebe Primary School	1,373,353	1,383,026	1,396,887	1,401,842	9,673	23,534	28,488
The Links Primary School	707,163	711,832	718,757	721,165	4,669	11,594	14,002
The Oak Tree Academy	1,638,888	1,650,850	1,667,441	1,673,565	11,962	28,553	34,676
The Village Primary	887,386	891,184	891,184	891,184	3,799	3,799	3,799
Thornaby-on-Tees CE	1,365,016	1,374,461	1,389,580	1,409,975	9,445	24,564	44,958
Tilery Primary School	1,216,233	1,224,746	1,235,914	1,240,224	8,514	19,681	23,992
Whinstone Primary School	1,865,887	1,921,500	1,921,500	1,921,500	55,613	55,613	55,613
Whitehouse Primary School	1,469,747	1,480,136	1,496,765	1,508,336	10,388	27,018	38,588

<b>School</b>	<b>Current 2018/19 Post MFG Budget</b>	<b>2019/20 Post MFG Budget £1.4m transfer to HN Block</b>	<b>2019/20 Post MFG Budget £0.629m (0.5%) transfer to HN Block</b>	<b>2019/20 Post MFG Budget - No transfer to HN Block</b>	<b>Increase from 2018/19 Transf £1.4m to HN Block</b>	<b>Increase from 2018/19 Transf £0.629m (0.5%) to HN Block</b>	<b>Increase from 2018/19 No transf to HN Block</b>
William Cassidi CE Aided Primary School	642,657	645,303	645,303	645,303	2,646	2,646	2,646
Wolviston Primary School	455,795	457,472	458,415	459,754	1,677	2,621	3,959
Wynyard Church of England Primary School	697,264	748,084	748,084	748,084	50,820	50,820	50,820
Yarm Primary School	1,195,642	1,225,000	1,225,000	1,225,000	29,358	29,358	29,358
<b><u>Secondary Schools</u></b>							
All Saints Academy	3,497,343	3,514,152	3,533,436	3,547,274	16,809	36,093	49,931
Conyers School	5,006,124	5,068,800	5,105,489	5,131,507	62,676	99,365	125,384
Egglescliffe School	5,414,200	5,649,600	5,649,600	5,649,600	235,400	235,400	235,400
Ian Ramsey Church of England Academy	5,706,834	5,742,314	5,780,273	5,804,620	35,481	73,440	97,786
Ingleby Manor Free School and Sixth Form	2,535,537	2,808,000	2,813,799	2,841,953	272,463	278,263	306,416
North Shore Academy	4,050,049	4,069,512	4,069,512	4,069,512	19,462	19,462	19,462
Northfield School and Sports College	6,922,282	6,974,599	7,042,762	7,072,024	52,317	120,479	149,742
Our Lady & St. Bede Catholic Academy	4,178,769	4,210,620	4,261,606	4,283,296	31,851	82,837	104,527
Outwood Academy Bishopsgarth	2,957,920	2,972,083	2,972,083	2,972,083	14,163	14,163	14,163
St Michael's Catholic Academy	4,471,723	4,505,724	4,560,153	4,583,339	34,001	88,430	111,616
St Patrick's Catholic College	2,780,934	2,794,230	2,796,818	2,808,417	13,296	15,884	27,483
The Grangefield Academy	3,518,949	3,545,571	3,582,472	3,597,447	26,622	63,523	78,498
Thornaby Academy	2,238,864	2,249,425	2,249,425	2,249,425	10,561	10,561	10,561
<b><u>Assumptions/Notes</u></b>							
1) The calculations shown above have been modelled using the 2019-20 APT which is currently based on the October 2017 school census and are for illustrative purposes only. Actual allocations for 2019/20 will be based on the October 2018 school census plus revised rates and PFI factors.							
2) Funding calculations for the 2 free schools have been amended to reflect a full financial years growth.							
3) For academies, the funding will be calculated by DfE and therefore the figures shown above represent illustrative DfE recoupment.							
4) APT assumptions used in the illustrative calculations.							
	NFF Factors values	Scaled back	FULL	Scaled up NFF values	Scaled up NFF values		
	Primary minimum funding per pupil level	£3,300	£3,500	£3,500	£3,500		
	Secondary minimum funding per pupil level	£4,600	£4,800	£4,800	£4,800		
	MFG	0.25%	0.50%	0.50%	0.50%		
	Cap on gains	4.04%	0.29%	1.54%	5.04%		