



Shropshire Council
Legal and Democratic Services
Shirehall
Abbey Foregate
Shrewsbury
SY2 6ND

Date: Date Not Specified

**Committee:
Schools Forum**

Date: Thursday, 18 March 2021

Time: 8.30 am

Venue: The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ

You are requested to attend the above meeting.
The Agenda is attached

Claire Porter
Director of Legal and Democratic Services

Members of Schools Forum

Bill Dowell (Chair)

John Hitchings (Vice-Chair)

Phil Adams

Michael Barrett

Mark Cooper

Alan Doust

Sabrina Hobbs

Sandra Holloway

Colin Hopkins

Marilyn Hunt

Shelley Hurdley

Samantha John

Sian Lines

Kerry Lynch

Stephen Matthews

David O'Toole

Alan Parkhurst

John Parr

Greg Portman

Revell

Darren Reynolds

Mark Rogers

Andrew Smith

Charles Thomas

Guy Verling

Your Committee Officer is:

Philip Wilson Service Manager Business Support People

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AGENDA

- 1 Apologies**
- 2 Minutes and matters Arising 28 January 2021 (Pages 1 - 6)**
- 3 Schools' Finance and COVID-19 (Phil Wilson) (Pages 7 - 12)**
- 4 Allocation of Early Years Block 2021/22 (Neville Ward) (Pages 13 - 16)**
- 5 High Needs National Funding Formula Consultation (Phil Wilson) (Pages 17 - 22)**
- 6 Changes to Sparsity Factor Consultation (Jo Jones) (Pages 23 - 26)**
- 7 Dedicated Schools Grant Recovery Plan (Stephen Waters and Julia Dean) (Pages 27 - 38)**
- 8 Communications**
- 9 Future meeting dates**

Future meetings (please note the new venue and diary):

Thursday 17 June 2021 (rescheduled due to erroneous booking in half term)	8.30 am	Microsoft (MS) Teams
Thursday 16 September 2021	8.30 am	Microsoft (MS) Teams
Thursday 4 November 2021	8.30 am	Microsoft (MS) Teams
Thursday 2 December 2021	8.30 am	Microsoft (MS) Teams
Thursday 13 January 2022	8.30 am	Microsoft (MS) Teams
Thursday 27 January 2022 (provisional)	8.30 am	Microsoft (MS) Teams
Thursday 17 March 2022	8.30 am	Microsoft (MS) Teams
Thursday 16 June 2022	8.30 am	Microsoft (MS) Teams

Agenda Item 2

	Schools Forum Date: 18 March 2021 Time: 8.30 am Venue: Via MS Teams	<u>Item/Paper</u> A Public
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MINUTES OF SCHOOLS FORUM HELD ON 28 JANUARY 2021 – HELD VIA MS TEAMS

Present

School Forum Members

Bill Dowell (Chair)
Mark Cooper – Secondary academy headteacher
Alan Doust – Secondary academy headteacher
John Hitchings – Academy governor
Sabrina Hobbs – Special academy headteacher
Sandra Holloway – Primary governor
Marilyn Hunt – Primary headteacher
Sian Lines – Diocese of Hereford
Kerry Lynch – Primary academy headteacher
Stephen Matthews – Primary governor
David O'Toole – Secondary academy headteacher
Alan Parkhurst – Primary headteacher
Michael Revell – Primary governor
Mark Rogers – Primary headteacher
Andrew Smith – Post 16
Charles Thomas – Professional association representative
Reuben Thorley – Secondary headteacher

Members

Ed Potter

Officers

Karen Bradshaw
Julia Dean
Jo Jones
Neville Ward
Stephen Waters
Phil Wilson
Helen Woodbridge

Observers

Roger Evans
David Vasmer

The Chair recognised the work of schools and early years providers during the pandemic. He acknowledged the wonderful work being done in keeping children engaged, despite the challenges.

Ed Potter added his and the Council's sincere thanks to all schools and providers. He undertook to continue to do whatever the Council can to provide support. He recognised the negative impact of lockdowns on the mental health of our young people.

Karen Bradshaw endorsed the thanks given. She added that the Council continues to lobby for additional finance.

Sabrina Hobbs thanked Shropshire Council for their support on getting special schools recognised as having a need to have their staff vaccinated.

Phil Wilson went through the protocols for the meeting.

1. Apologies

Apologies had been received from Cllr Nick Bardsley due to illness. The best

ACTION

wishes of Schools Forum were sent to Nick.
Donna Lewis and Darren Reynolds had declined the meeting.

2. Minutes and Matters Arising

The minutes of the meeting held in January were agreed as a true record and it was confirmed that the two items identified had been picked up in the agenda.

3. School Revenue Funding Settlement and School Arrangements 2021-22

Jo Jones presented her paper and the figures at point 6 were corrected - the 2020-21 figure states £977m – this should be £977,000. The 2021-22 figure states £959.933m – this should be £959,933.

Budget information is going out to schools before the Council meeting on 8 February but with the caveat that they are not yet formally approved.

Neville Ward gave a warning of a potential issue regarding the Early Years block, which is based on the January 20 census, whereas funding will be based on actuals for 2021 and 2022. However, due to COVID, attendance is not as high as normal so there may be an impact on 2021.

Phil Wilson recorded thanks to Jo Jones for her sterling work on the school budgets.

Marilyn Hunt asked Neville Ward if the January 2021 census included those on roll or registered and it was confirmed that they were all included based on expectations which helps.

Phil Wilson advised that following the government announcement yesterday advising that the earliest return to school will be 8 March 2021, there was a commitment to a further £300m for the National Tutoring Programme to support catch up. Schools are being funded for FSM for children at home extended beyond half term and the Covid Winter Grant Scheme continues to support FSM over school holidays including Easter.

Charles Thomas advised that the NEU and other organisation are putting in funding to schools too to support home learning.

4. Shropshire Schools Forum Constitution

Phil Wilson presented the paper. He advised that there is no requirement to adjust representation as there have been very few academy conversions.

Schools Forum agreed to keep a place for secondary maintained schools.

Alan Doust, Alan Parkhurst, Marilyn Hunt and Sandra Holloway advised (through the meeting chat) that they would be willing to continue as members of Schools Forum and it was agreed that their term of offices for should be extended for a

further four year period.

It was identified that there was a need for more representatives from academies. Bill Dowell (as a member of CSAT) volunteered to fill one of the academy places if it would be helpful. It was agreed that this would be helpful.

Schools Forum members unanimously agreed the constitution.

5. Dedicated Schools Grants Recovery Plan Update

Julia Dean presented the paper. She acknowledged that although it is good news that an extra £3 million is going into the High Needs Block, current needs are growing including a growth in challenging behaviour. A long-term impact of lockdown on SEN is expected. There are a number of ongoing pressures within the budget around post 16, top-up and 6th day provision.

There are some good news stories eg the successful work with TMBSS (although this has been delayed by COVID). Hubs are now established and around 50 pupils are accessing these. The new SEND free school based in Shrewsbury will open from September 2022.

The written statement of action following the recent Ofsted inspection will impact on the high needs budget in a positive way (eg reduction of exclusions of SEN children). There is a need to work on a neuro-development pathway which will hopefully reduce pressure on schools as SEN will have been diagnosed.

Post 16 pressures

Still year on year growth as more students are in the system up to an older age (up to 23) although the average cost per student has fallen. These older students tend to be the more complex and costly. There is a need to investigate the disparity of costs between providers.

6th day provision

There has been an increase in permanent exclusions and a High Needs Task and Finish Group had been considering this. The budget has increased but costs have risen rapidly. Christine Kerry is now leading the work in this important area which can affect life outcomes.

Top-up funding for mainstream schools

This is becoming more costly, but officers intend to continue to improve efficiency.

Alan Doust asked about exclusions and was worried about the language used around preventing permanent exclusions. He asked if the aim is for zero or to significantly reduce. His school only permanently excludes as an absolute last resort and there is a need to be mindful that this is what schools will want to do. Julia Dean explained that there is work ongoing which includes representative headteachers. The issue is that permanent exclusions are increasing rapidly and at more than the national rate. There are real issues to be addressed eg SEND make up 14% of school population yet in terms of permanent exclusion,

70% have SEND. Investigation should take place to ensure needs are recognised and met.

The LA will be working towards no permanent exclusions of children with EHCPs. If a school is not right for a child, the LA and school will work together to move.

Alan Doust advised that schools are struggling in this area and partnership working will be required.

The Chair wondered if this issue needs to be considered by CPG.

Alan Parkhurst advised that Christine Kerry's Inclusion Workstream Group (working under the written statement of action) includes himself, Claire Gaskin and Pete Johnstone. It will report back through CPG/heads briefings etc.

6. Dedicated Schools Grant Monitoring 2020-21

Stephen Waters presented his paper and went through the deficit and reasons for it. He advised that the DSG deficit recovery plan includes continuing to work to ensure that costs are kept as low as possible.

It was pleasing to note that for independent special schools, the forecast expenditure is less than expected due to reduction in high cost residential placements. This will reduce further as other hubs/free school come into use.

The Chair asked about the Deficit Recovery Plan and it was confirmed that it is the DFE who require this. However, their focus has not been directed on this due to the pandemic. Stephen Waters advised that guidance remains in place and the LA need to provide information as and when expected and update Schools Forum.

The Chair stressed that Schools Forum must understand this so it would be sensible to have an interim plan for the March meeting and this should be added to the agenda.

Phil Wilson made the point that this is an opportunity to state the position. The uplift in budget and transfer from Schools Block are helpful but there is a need to be realistic.

Mark Rogers was pleased to see the drop in Independent Special School costs. He found it hard to understand the post 16 issue and asked who was paying before. Julia Dean confirmed that 20-25 is a completely new cohort so they are additional numbers. Population figures have not increased significantly. There are more young people with higher needs progressing to college (rather than being NEET). There is an expectation that young people will continue in training. EHCPs were extended to include 16-25 year olds in 2014. Young people are getting a better deal, but it is more costly.

Mark Rogers suggested that the government needs to provide more funding. The Chair suggested that the deficit recovery plan could include these points. Phil Wilson advised that the three-year settlement alluded to a review of this – perhaps need to remind.

Julia Dean added that a SEND review is also happening nationally (although

delayed) as there has been a lot of unrest. All LAs are struggling in the same way.

7. Schools Forum Work Programme 2021-22

Phil Wilson presented his paper which provided an outline programme.

He intended to add (in June/September) Union funding discussion.

Also feedback from the Inclusion Workstream Group.

Schools Forum members were asked to add aspects of school finance to be discussed if they wish.

8. Communications

Lobbying continues and f40 continues to be active.

Pressures schools are under need to continue to be articulated.

Phil Wilson added that there had been a councillor meeting with MPs recently and issues were raised, particularly around unfunded COVID costs.

9. Future meeting dates:

Thursday 18 March 2021

Thursday 17 June 2021

Thursday 16 September 2021

Thursday 4 November 2021

Thursday 2 December 2021

Thursday 13 January 2022

Thursday 27 January 2022 (provisional)

Thursday 17 March 2022

Thursday 16 June 2022

The meeting closed at 09.45

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Schools Forum

Date: 18 March 2021

Time: 8:30 to 10.20am

Venue: Virtual Microsoft
(MS) Teams

Paper

B

Public

SCHOOLS' FINANCES AND COVID-19

Responsible Officer Phil Wilson

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Summary

Reports were presented to Schools Forum at their meetings on 25 June, 17 September and 5 November 2020 on the impact of the COVID-19 pandemic on Shropshire schools' finances, outlining the issues that had emerged and were being faced by schools and academies. As the anniversary of the initial lockdown of education settings is approached, this paper seeks to provide a summary of the financial support that has been provided to schools.

Recommendation

This report is for information only.

REPORT

Background

1. Schools were closed from 20 March 2020 as the Government escalated its efforts to curb the increasing spread of coronavirus across the country. Schools remained open, however, for the supervision of the children of critical workers and for vulnerable children. From 1 June primary schools were able to extend opening to children in nursery, Reception, Year 1 and Year 6, while from 15 June, secondary schools were able to welcome back students in Years 10 and 12. From the beginning of the Autumn term there was a full reopening of schools, operating within the Government's COVID safe guidelines.
2. A further lockdown to school-based education to all but vulnerable and critical worker children was reintroduced from 4 January 2021 and lifted on 8 March, with a staggered return for secondary schools as they carry out lateral flow testing of their pupil population.

3. Schools Forum has received reports at their meetings on 25 June, 17 September and 5 November 2020 on the impact on schools' finances at each stage of the national crisis and the issues that were emerging in the education sector at that time. This report summarises the range of financial initiatives that have been introduced in the last year.

COVID-19 Emergency Schools Fund

4. The COVID-19 Emergency Schools Fund provided support for exceptional costs associated with coronavirus for the period March to July 2020 only. These costs were for:
 - increased/additional premises related costs associated with keeping schools open during Easter and/or summer half-term
 - support for free school meals (FSM) for eligible children who are not attending school where these are not covered by the free school meals national voucher scheme
 - additional cleaning required due to confirmed or suspected Covid-19 cases.
5. Three rounds of payments have been received by the local authority for passporting to maintained schools – payment of academy school claims have been paid direct. The table below summarises the approved claims for maintained schools:

	August 2020	October 2020	February 2021	Total
Number of maintained schools receiving payments	32	21	23	76
Total payments to these schools	£84,711	£57,319	£95,648	£237,678
Analysed as:				
• Premises	£45,953	£22,403	£55,790	£124,146
• Free school meals	£23,495	£18,695	£7,930	£50,120
• Additional cleaning	£15,263	£16,221	£31,928	£63,412

6. While not specifically part of the COVID-19 Emergency Schools Fund, the Government has recognised the additional cost of provision of free school meals for pupils who were learning at home between 4 January and 5 March 2021 (excluding Spring half-term week).
7. Schools will be able to reclaim funding of:
 - £3.50 per eligible pupil, per week, where lunch parcels were provided
 - £15 per eligible pupil, per week, where vouchers for local shops or supermarkets were provided.

The period for reclaiming the cost of lunch parcels has been extended to the end of the spring term.

8. The claims window for schools will open in April 2021, with details yet to be published.

COVID-19 Catch-up Premium

9. On 20 July the Government announced £1 billion of funding to support children and young people to catch up. This included a one-off universal £650 million catch-up premium for the 2020 to 2021 academic year 'to ensure that schools have the support they need to help all pupils make up for lost teaching time'.
10. Catch-up premium has been calculated on a per pupil basis as follows:
 - £80 per for each pupil from Reception through to Year 11 in mainstream
 - £240 for each place in special, alternative provision and hospital schools.
11. Schools will receive the funding in three tranches: autumn 2020, spring 2021 and in the summer 2021. The autumn and spring payments will total £46.67 per pupil/£140 per place, and the summer payments will be £33.33 per pupil/£100 per place. The spring and summer term payments will be based on the October 2020 census data.
12. Shropshire schools will be receiving a total provisional allocation of £2,880,840 for the academic year 2020 to 2021. The payment for the autumn term 2020 was £720,210. The spring term payment for Shropshire has been confirmed at £1,030,410.

National Tutoring Programme

13. The balance of the £1 billion announced on 20 July - £350 million – has been earmarked for the National Tutoring Programme (NTP). The NTP is made up of at least three parts in the 2020 to 2021:
 - a 5 to 16 programme making high-quality tuition available to disadvantaged and vulnerable pupils in primary and secondary schools, from the second half of the autumn term
 - a 16 to 19 fund for school sixth forms, colleges and other providers
 - a reception year early language programme that will make training and resources available at no cost to schools.

Schools are able to use their catch-up premium to cover the subsidised costs of the programmes.

COVID Winter Grant Scheme

14. Shropshire Council was allocated £841,634 through the Government's COVID Winter Grant Scheme, with the majority of the funding used to support those children across the county in need of support with the cost of food during the school holiday periods. An estimated £560,000 was earmarked for this provision.

15. The grant has been used to support with the cost of food for disadvantaged children in education settings over the following holiday periods, totalling 5 weeks:
 - Christmas 2020/New Year 2021 (2 weeks)
 - Spring half-term 2021 (1 week)
 - Easter holiday 2021 (2 weeks).
16. The Government added a further £53.1 million nationally to the £170 million they had originally allocated to the scheme, primarily to support those local authorities who – unlike Shropshire - had not used the funding to support the provision of food over the Easter holidays. Shropshire was notified at the end of February of a further allocation of £292,592. Following a brief consultation with senior school leaders, it has been agreed that a significant part of this funding will be allocated as a ring-fenced grant to schools at the beginning of April to secure uniforms, shoes and stationery for their most disadvantaged pupils, who have generally been most impacted by the pandemic.
17. Shropshire Council has recently announced its commitment to extend this arrangement to cover the Whitsun half-term week in May, with the costs underwritten by the local authority.

COVID Workforce Fund

18. This fund aims to support state-funded schools and colleges who experienced high staff absence rates and significant funding pressures during the period 1 November to 31 December 2020. These will have been linked to positive COVID cases resulting in the partial or full closures of schools.
19. In order to secure funding schools have to demonstrate that they have taken a number of steps to manage absences using their existing staff and resources, including:
 - altering the way in which schools deploy their staff and using existing staff more flexibly
 - making best use of teaching assistants
 - hosting initial teacher training (ITT) trainees
 - using volunteers
 - engaging supply staff using in-year allocated budget
 - seeking support from the local authority or trust.

Having demonstrated that these options have been used, schools are then able to apply for support through the Workforce Fund.

20. Schools have until 23:59 on 31 March 2021 to submit claims for the COVID workforce fund, using the Department's online claim form.

Coronavirus Job Retention Scheme

21. This is more commonly referred to as the furloughing scheme. The guidance for schools indicated that there 'was an expectation that schools would not furlough staff'. However, it was acknowledged that some schools would be impacted by a reduction or loss in separate private income streams (for example, catering, breakfast and after school clubs and sports facilities lettings) and that staff paid from these private income streams may be furloughed. However, the guidance states that schools should first seek to make the necessary savings from their existing budget or consider options for redeploying these staff, before considering furloughing.
22. As the furlough claims for maintained schools are made by the local authority, there is data on the numbers of schools claiming and the sums recovered.

Month	Number of Schools Claiming	Amount Claimed
May to August 2020	9	£45,479
January 2021	17	£25,573
February 2021	19	£25,184

Free School Meals: Supplementary Grant 2020 to 2021

23. The Government is providing financial assistance to state funded schools in the form of a free school meals: supplementary grant (FSMS) for the financial year beginning 1 April 2020. Funding of £450 per pupil based on the variation in FSM pupils from the October 2019 census to the October 2020 census, will be paid into school budgets in the current financial year. For Shropshire this will see 115 schools receiving an aggregate total of £481,950, with 9 schools receiving over £11,000 each (3 primary schools and 6 secondary schools).

New Education Recovery Package

24. On 24 February 2021 the Government announced a new £700 million plan to help young people in England catch up on lost learning due to the pandemic. The new package includes:
- a one-off £302 million Recovery Premium, building on the pupil premium, to further support pupils who need it most – the average primary school will receive around £6,000 extra and the average secondary school around £22,000 – this will 'help schools bolster summer provision for their students, for example laying on additional clubs and activities, or for evidence-based approaches to supporting the most disadvantaged pupils from September'.
 - £83 million expansion of the NTP, £102 million extension of the 16-19 Tuition Fund and £18 million to support language development in the early years.

- £200 million for secondary schools to deliver face-to-face summer schools, with suggestions that they target this initially for incoming Year 7 pupils.

The details on this new package will no doubt follow in due course.

25. It is worth noting that this year the pupil premium allocations are being made using the October 2020 school census last year, rather than based on January as they were in previous years. This means that the allocations won't take into account those who have become eligible between the two census dates. For Shropshire, the estimated loss of pupil premium grant is £473,470 – £1,345 per pupil loss for 264 primary aged pupils, and £955 per pupil loss for 124 secondary aged pupils.



Schools Forum

Date: 18 March 2021

Time: 8.30 am to 10.30 am

Venue: Virtual via Microsoft
(MS) Teams

Item

Public

Paper

C

ALLOCATION OF EARLY YEARS BLOCK 2021-22

Responsible Officer Neville Ward
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Tel: (01743) 254552

Summary

This paper is to inform School Forum on proposals for the allocation of the Early Years Block funding in 2021-22.

Recommendation

This report is for information only.

Background

1. The Early Years Block funding covers the delivery of the following entitlements:
 - the 15 hours entitlement for disadvantaged two year olds
 - the universal 15 hours entitlement for all three and four year olds
 - the additional 15 hours entitlement for eligible working parents of three and four year olds
 - the Early Years Pupil Premium (EYPP)
 - the Disability Access Fund (DAF).
2. The funding for local authorities to provide the above entitlements from the Early Years Block of the Dedicated Schools Grant (DSG). The key requirements on local authorities in terms of how they use funding within the block are as follows:

Local authorities must:

- plan to spend at least 95% of their funding for the three and four year old entitlements on the delivery of the entitlements for three and four year olds
- must use a deprivation supplement in their local three and four year old formulae
- must not channel; more than 10% of their funding for the three and four year old entitlements through funding supplements
- provide a SEN fund for two, three and four year olds
- pass on EYPP and DAF funding in full to providers

Compliance with the above requirements is monitored through the Council's annual Section 251 return.

3. The 2021-22 Early Years Block allocation is provisional at this stage as it is based on January 2020 Early Years census data. This provisional allocation will be updated in July 2021 and July 2022 with the final allocation based on 5/12ths of January 2021 pupil numbers and 7/12ths of January 2022 pupil numbers.
4. The provisional Early Years Block allocation includes funding for the universal 15 hours free entitlement funding for three and four year olds, the additional 15 hours free entitlement for three and four year olds of working parents and the two year old free entitlement funding. In addition, the Early Years Block includes funding for the EYPP and the DAF.
5. For three and four year olds the funding allocation for the universal 15 hours free entitlement and the extended 15 hours free entitlement for pupils of working parents increases by 6p per hour to £4.44 per hour in 2021-22. The allocation for two year olds from the most disadvantaged backgrounds increases by 8p per hour to £5.36 per hour in 2021-22. Given the current economic difficulties across the sector the aim is to pass as much of this additional allocation on to settings through increases in the hourly rate of funding.

Report

6. The Initial 2021-22 Early Years Block allocation for Shropshire is as follows:

Funding for the two year old entitlement	£1,606,211
Funding for the two, three and four year old entitlements	£15,245,818
Funding for the EYPP	£112,164
Funding for the DAF	£63,960
Total	£17,028,153

The current budgeted spend of this initial allocation is as follows:

Funding for the two, three and four year old entitlements	£15,670,999
EYPP	£112,164
DAF	£63,960
Sustainability funding	£250,000
Deprivation funding	£250,000
SEN fund	£300,000
Central retained funds	£381,030
Total	£17,028,153

Further detail in relation to each of the above:

7. Universal and extended three and four year old entitlement

The hourly rate at which Shropshire is funded by the DfE for the provision of these hours is £4.44 per hour per child. The hourly base rate passed on to providers for the provision of the entitlements will be £4.03 per hour per child (91%) thereby meeting the requirement set out above not to channel more than 10% of the funding allocation through supplements

8. Two year old entitlement

The hourly rate at which Shropshire is funded by the DfE for the provision of these hours is £5.36 per hour per child. The hourly base rate which the authority passes on funding to providers for the provision of the entitlements will be £5.05 per hour per child (95%).

9. EYPP and DAF

The funding streams are passed on in full to providers based on claims made by them for those children meeting the relevant eligibility criteria.

10. Supplements to the base rates of funding

The funding formulae for Shropshire allows for two additional supplements to the universal base rate of funding for two, three and four year olds.

These are as follows:

a) Sustainability

We retain a statutory duty to ensure that we have sufficient, high quality, affordable and accessible early years places across the whole of the county so that parents and children are able to access their entitlement regardless of where they live. We are therefore continuing to retain funding for sustainability. This funding will be passed on to early years providers in line with our current policies and procedures and, at the end of the financial year, any unspent funding will be carried forward to the next year. We will constantly review this funding stream to ensure it remains appropriate and provides the best possible value for money. We have a small number of providers for whom we provide regular support each year dependant on their overall income – the equivalent of a minimum funding guarantee. We also retain some funding to provide support where providers fall into short term financial crises.

b) Deprivation

Under the requirements of the EYNFF we are required to provide additional financial support for our most deprived children. We do so by providing a one-off deprivation payment to providers based on the IDACI measure of those children attending the setting on census date in January. Whilst the amount that providers will receive will vary depending on their situation and circumstances this funding will be passed on in full to settings.

We are also use an element of the funding to provide specific, targeted support to children and families who are suffering disadvantage due to their family circumstances, i.e. not just those children who meet the economic eligibility criteria.

We plan to spend the remainder of the block as follows:

11. Central retained funds

The local authority intends to retain around £350,000 of the overall allocation of funding for the universal and extended free entitlement for three and four year olds. This is well

within the required 5% maximum amount which authorities can retain centrally under the new regulations.

This funding is primarily used for the following purposes:

- i. Salary costs for staff employed within the early years' service which includes staff to support SEN, safeguarding and collection of data and distribution of funding to early years providers
- ii. Provision and maintenance of Early Years funding portal
- iii. Repairs, maintenance and running costs for a small number of buildings still owned by the LA from which childcare is delivered
- iv. Provision of information, support and guidance to settings failing their Ofsted inspection
- v. Provision of statutory CPD and training including safeguarding and SEN.

12. SEN Fund

We provide additional targeted support to two, three and four year olds accessing their free entitlement who are identified as having special or additional needs. Providers can apply for funding on a case by case basis and applications are considered by the early years panel who allocate funding termly. As you may expect, and mirroring the situation we find in our schools, funding commitments in this area are increasing term by term and year by year as we identify more children in need of additional support.

Conclusion

13. In terms of how we intend to allocate and spend the Early Year Block of the DSG the local authority operates within the requirements set out by the ESFA. Whilst there are often pressures on different parts of the overall funding allocation at different times our overall aim is to pass on as much of the funding allocation to providers as we can whilst ensuring that we continue to meet all our statutory duties.
14. We are aware that many of our childcare providers are concerned at the overall level of funding they receive and whether they can continue to remain sustainable and offer the free entitlements given the rate at which they are reimbursed. We feel that we are doing everything we can at a local level to pass on the highest possible hourly rate to our providers but will continue to lobby nationally for more funding for Shropshire.



Schools Forum

Date: 18 March 2021
Time: 8.30 am to 10.30 am

Venue: Virtual via Microsoft
MS Teams

Paper

D

Public

High Needs National Funding Formula Consultation

Responsible Officer Phil Wilson

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Tel: 01743 254344

Summary

On 10 February 2021 the Government launched a consultation inviting responses to specific proposals for a small number of changes to the national funding formula (NFF) used to allocate high needs funding to local authorities in the 2022-23 financial year, as well as possible longer term to the formula that could be considered in the future.

The consultation is for local authorities, schools and colleges and any other interested organisations and individuals. Responses have to be submitted by 24 March 2021.

Recommendation

That Schools Forum consider and respond to the Government's High Needs National Funding Formula consultation.

REPORT

Background

1. The Government has launched a consultation on 10 February that is the first stage of a planned review of the high needs NFF, which was first introduced in 2018-19. There are wider reviews currently underway on the SEND systems and alternative provision (AP) arrangements that will impact on the way high needs funding is allocated, with a separate consultation proposed shortly linked to these reviews. On the back of this later consultation, there will be a further consultation on the distribution of high needs funding, which will impact beyond 2022-23.
2. The consultation survey can be accessed at: <https://consult.education.gov.uk/funding-policy-unit/high-needs-nff-proposed-changes/> , while the full consultation document is available at: https://consult.education.gov.uk/funding-policy-unit/high-needs-nff-proposed-changes/supporting_documents/High%20needs%20NFF%20review%20consultation%20document.pdf .

3. The short consultation is seeking views on two specific factors – historic spend and low attainment – as well as a general question on SEND and AP proxies. The consultation document is clear that the Government is seeking views specifically on the way that high needs funding is allocated through the NFF, and not about the overall level of funding.
4. The specific questions and initial draft responses are appended to this report. Schools Forum are invited to consider the draft response, with a view to informing the final version that will be submitted by the closing date of 24 March 2021.

HIGH NEEDS NATIONAL FUNDING FORMULA CONSULTATION QUESTIONS AND DRAFT RESPONSES

Historic spend factor - question 1

The historic spend factor in the high needs national funding formula is the main proxy we currently use for local circumstances that can significantly affect local authorities' levels of spending on high needs, and that take time to change. This formula lump sum is calculated using 50% of each local authority's planned expenditure on high needs in 2017-18, reported by local authorities.

We now have access to actual spending data from 2017-18. We therefore propose replacing the current lump sum included in the formula calculation with an amount calculated on the basis of actual expenditure in 2017-18, as reported by each local authority.

Before answering the question below, please read section 3 of the consultation document. Annex B to that document includes further information, and for each local authority the lump sum amount that we propose to use.

Do you agree that we should replace the current lump sum included in the formula calculation with an amount calculated on the basis of actual local authority expenditure, as reported by each local authority?

Options: Agree/Disagree/Unsure

Disagree. Using actual (2017-18 outturn) historic spend data could lock in any unfairness in the system at this specific point in time, for example through benefiting those local authorities who reported large overspends in 2017-18 over those who did not.

Historic spend factor - question 2

The historic spend element of the high needs national funding formula has remained at a cash-flat level since the introduction of the national formula in 2018-19, moving from 44% of the overall formula funding in 2018-19 to 34% in the 2021-22 formula as that total funding has increased. Some local authorities may not have been able to change their spending patterns to keep pace with the percentage reduction in this factor, despite the protection afforded by the funding floor minimum increase of 8% this and next year. We are therefore considering whether to increase the proportion of funding allocated through this factor, alongside using actual expenditure amounts.

Using actual expenditure from a more recent year, and leaving the percentage at 50%, would increase the amount of the lump sum, but we are not proposing to do this as we are clear that local authorities' actual spending now or in future should not determine how much funding they receive. We could, however, increase the significance of this factor in the 2022-23 formula, by increasing the percentage of 2017-18 spending that is applied, allowing for a more gradual rate of change in the local pattern of spending.

Before answering the question below, please read section 3 of the consultation document.

Do you think that we should increase the percentage of actual expenditure in 2017-18 included in the funding formula calculation, or leave it at 50%? Use

the comments box to propose a particular increase or reduction in the percentage.

Options: Increase the percentage/Keep the percentage at 50%/Decrease the percentage/Unsure or other

Decreasing the historic spend weighting because this feels like it perversely favours those who overspent through not managing budget as well.

Historic spend factor - question 3

We are aware that the continued use of historic spend is not the perfect long-term solution for reflecting the patterns of local demand and supply that affect spending on high needs, as those patterns will naturally change over time. As part of the funding formula review that we are carrying out, and for consideration as we develop that formula in the years after 2022-23, we are therefore seeking views on potential alternatives to the historic spend factor. Any new factors would need to be appropriate for a funding formula (e.g. the data used should be collected on a consistent basis) and would also need to avoid creating a perverse incentive (e.g. to spend more on a certain type of provision so as to gain more funding, rather than to improve the quality or appropriateness of provision).

Before answering the question below, please read section 3 of the consultation document.

To what extent do you agree that the funding formula should include factors that reflect historical local demand for and supply of SEND and AP provision? If you have any suggestions for such factors that could eventually replace the historic spend factor, please provide these in the comments box.

Options: Strongly agree/Agree/Neither agree or disagree/Disagree/Strongly disagree

Agree but this should relate to all provision including out of county rather than just Shropshire's provision i.e Shropshire children rather than just Shropshire provision

Low attainment factor - question 4

The high needs national funding formula uses low attainment at both key stage 2 and key stage 4 as a proxy indicator for SEND. This figure is calculated using an average of results over the most recent 5 years of tests and exams, which for the 2022-23 formula would have meant using test and exam results from 2016 to 2020. Due to the COVID-19 pandemic, the 2020 key stage 2 tests and GCSE exams were cancelled. This has resulted in no key stage 2 data, and GCSE data that would be inappropriate to use because of the inconsistencies with the results from previous years.

We have considered using the same data as used to calculate last year's attainment formula factors, but this would mean data from more than 5 years ago. Instead, we propose to calculate low attainment by using data from 2016 to 2019, but then to double the weighting of the most recent exam data from 2019. This method could be

used for a further year, assuming the 2021 test and exam results are also not able to be used for this purpose.

Before answering the question below, please read section 4 of the consultation document.

Do you agree with our proposal to update the low attainment factors using data from 2016, and to substitute the most recent 2019 data in place of the missing 2020 attainment data?

Options: Agree/Disagree – calculate the same way as last year/Disagree – other (please provide further details)/Unsure

Agree, it is better to use the most up to date data as possible but consideration needs to be given to low incidence, high need.
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SEND and AP proxies - question 5

The high needs national funding formula uses six indicators which together act as a proxy for the level of more complex SEND and need for alternative provision (AP) in an area. These indicators include: a measure of the local population of children and young people, the two low attainment measures (key stage 2 and key stage 4) referred to in question 4, two health and disability measures (the number of children in bad health and the number of families in receipt of disability living allowance), and two deprivation indicators (the number of children eligible for free school meals and a local area deprivation measure).

Numbers of EHC plans are not be used as a robust indicator of underlying need because the way they are used varies considerably across local areas, and the number of plans is therefore not necessarily directly associated with the local authority's need to spend. The ongoing SEND review is considering whether system changes are needed, to provide more consistency in EHC needs assessment and planning process, and to improve other aspects of the SEND arrangements.

Following the SEND review, we will consider whether consequent changes to these proxies that we use in the funding formula, as well as other funding changes, would be appropriate, as it is important that the proxies used support local authorities to deliver the outcomes of the review.

Before answering the question below, please read section 5 of the consultation document.

At this stage we are keen to understand whether there are new factors either that could replace existing factors that have become out of date or otherwise unreliable, or that could be added to the formula to address types or prevalence of identified need, and we would welcome views.

Comments – No factors that we can think of.

General comment - The more children in mainstream schools the more funding the LA should get. This approach would incentivise the inclusion of SEND pupils in mainstream settings. We feel a wider discussion is needed regarding how much funding is divided out between schools and local authority to be held centrally e.g.

could the schools have a ring-fenced SEN support budget within their budget share rather than just a SEN notional budget.

Equalities impact assessment - question 6

Please provide any information that you consider we should take into account in assessing the equalities impact of the proposals for change. Before answering this question, please refer to Annex C of the consultation document.

No further comments to make on this matter



Schools Forum

Date: 18 March 2021
Time: 8.30 am to 10.30 am

Venue: Virtual via Microsoft
(MS) Teams

Paper

E

Public

CHANGES TO THE SPARSITY FACTOR 2022-23 CONSULTATION

Responsible Officer Jo Jones
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Summary

The purpose of this consultation is to seek views on Department for Education (DfE) proposals to provide additional support to small, remote schools through further changes to the national funding formula (NFF) sparsity factor in 2022-23.

The consultation makes the following proposals:

- To begin measuring sparsity distances by road journeys rather than 'as the crow flies' distances, to better reflect the actual distance between schools, particularly in rural locations.
- To increase the maximum sparsity factor values by £10,000 across all phases in the 2022-23 schools NFF.

The consultation closes on 9 April 2021.

The full consultation documents can be accessed at
<https://consult.education.gov.uk/funding-policy-unit/schools-nff-changes-to-sparsity-factor-2022-23/>

Recommendation

Schools Forum is invited to consider the consultation document and offer comment to the DfE's proposals.

REPORT

Background

1. The introduction of the NFF in 2018-19 uses a system that allocates funding based on schools' and pupils' needs and characteristics – not accidents of geography and history. The DfE continue to keep the formula under review, so that it is responsive to schools' financial challenges and evidence of their needs.
2. One group of schools that evidence suggests are facing financial challenges are small, remote schools. The DfE recognise the vital role that such schools play in the rural communities they serve and that without them pupils could face long travel distances to school. They have considered ways to continue to improve how the funding system supports such schools, building on the commitment to

do more to support this group of schools and on increasing funding through the NFF's sparsity factor from 2021-22.

3. The NFF also recognises additional financial challenges faced by small schools in rural areas, due to such schools' particularly limited opportunities to attract more pupils, or to achieve efficiencies (eg shared senior leadership teams) and hold down costs compared to similar sized schools in less remote areas. In addition, such schools often play a significant role in the communities they serve and educate pupils who might otherwise have to travel unreasonably long distances to attend school. Therefore, the NFF allocates additional funding beyond the lump sum to small schools in rural areas through the 'sparsity factor'.
4. Eligibility for additional funding through the sparsity factor is determined by a school's size and remoteness. A school attracts sparsity funding if:
 - Its average year group size is below the appropriate year group threshold. This threshold is 21.4 for primary schools, 69.2 for middle schools, 120 for secondary schools and 62.5 for all-through schools; and
 - For all the pupils for whom it is the nearest compatible school, the average distance (currently calculated 'as the crow flies', using straight-line distances) from each pupil's home postcode to their second nearest compatible school (the sparsity distance) is equal to or more than three miles (for secondary schools) or two miles (for all other schools).
5. In the 2021-22 NFF approximately 1,200 schools across England are eligible to attract sparsity funding, 90% of which are primary schools. **In Shropshire for 2021-22 a total of 58 schools attracted sparsity funding: 52 primary schools, 1 all through school and 5 secondary schools.**
6. For 2021-22, the DfE increased the maximum amount that each eligible school can attract through the NFF's sparsity factor from £26,000 to £45,000 for primary schools, and from £67,600 to £70,000 for secondary schools.

Consultation on changes to the sparsity factor for 2022-23

7. To build on the increased sparsity factor values that will be introduced from 2021-22, the DfE aim to broaden the reach of the sparsity factor to a greater number of small schools serving rural communities from 2022-23. This is to increase the support for schools that are currently not identified as being sparse in the NFF, many of which are marginally below the factor's distance thresholds, but that are likely to face similar financial challenges to those that are.
8. The proposal is to begin measuring sparsity distances by road journeys rather than 'as the crow flies', which will better reflect the actual distance between schools and help to identify schools that warrant extra support more accurately. To illustrate the impact of this change, the DfE have measured schools' sparsity distances by the road using the same data as in the 2021-22 NFF. This would have seen approximately 900 more schools become eligible for sparsity funding. **For Shropshire this would mean an additional 16 schools would have been eligible for sparsity funding in 2021-22.**
9. Areas that would have seen the greatest increase in the number of sparse schools are largely those with many small schools currently close to the thresholds, and where the new measure will have more of an impact on schools' sparsity distances

due to road journeys being significantly longer than 'crow flies' journeys.

10. The proposal is to maintain the same distance thresholds as in 2021-22: two miles for primary, middle, and all-through schools and three miles for secondaries.
11. Given road-based sparsity distances between two points are always greater than straight-line-based sparsity distances, there would be an overall increase in the number of schools eligible for sparsity funding – there are nevertheless a very small number of exceptions to this because of the way the new methodology is calculated.
Looking at exceptions for Shropshire using the 2021-22 NFF, the new methodology would have no negative impact.
12. As in previous years, schools that are sparse one year but not the next – due to changes in methodology or changes in schools' and/or pupils' locations, and/or average year group size – would be protected from losses through the funding floor (or 'minimum funding guarantee').
13. In addition to improving the sparsity distance measure, the proposal is to further increase the maximum sparsity factor values by £10,000 across all phases in the 2022-23 NFF. When coupled with the lump sum, a £10,000 increase in the sparsity factor values would mean sparse primary and secondary schools could attract up to £172,800 and £197,800 respectively through these two factors, before taking account of funding based on pupils and their characteristics, or any increase to the lump sum in 2022-23.
14. Based on the DfE's illustration of the impact of these changes, measuring sparsity distances by the road and increasing the maximum sparsity factor values by £10,000, the total amount allocated through the sparsity factor would have increased nationally by £43m to £85m. This would result in significant amounts of additional funding and support for sparse schools.
15. **For Shropshire using this same illustration, these proposals would mean 16 additional schools being eligible for sparsity funding. Of those additional 16, 4 primary schools would be eligible for the maximum funding of £55,000. The funding under sparsity would increase by a total of £1.037m from £1.91m to £2.94m.**

Consultation Response

16. The consultation deadline is Friday 9 April 2021, individual schools may also wish to submit their own responses to the consultation.

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Schools Forum

Date: 18 March 2021

Time: 8:30 am

Venue: Virtual via Microsoft
(MS) Teams

Item

Public

Paper

F

DEDICATED SCHOOLS GRANT RECOVERY PLAN

Responsible Officer Stephen Waters

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Summary

This report updates Schools Forum members with the progress made by officers in producing a Dedicated Schools Grant (DSG) deficit management or recovery plan.

Recommendation

This report is for information only.

REPORT

1. The Education and Skills Funding Agency (ESFA) published their DSG guidance for 2020-21 in March 2020 and this removed the requirement for those local authorities overspent by more than 1% of their gross DSG budget to formally submit a DSG deficit recovery plan to the Department for Education by 30 June. Instead, the DSG guidance states further conditions relating to DSG deficits for those local authorities that have an overall deficit on their DSG as follows:
 - provide information as and when requested by the Department about its plans for managing its DSG account in the 2020 to 2021 financial year and subsequently
 - provide information as and when requested by the Department about pressures and potential savings on its high needs budget
 - meet with officials of the Department as and when they request to discuss the local authority's plans and financial situation
 - keep the Schools Forum regularly updated about the local authority's DSG account and plans for handling it, including high needs pressures and potential savings.

2. As was reported to Schools Forum on 28 January, Shropshire Council is forecasting an in-year deficit of £0.863m against Central DSG and a £2.573m cumulative deficit at the end of the 2020-21 financial year. This paper seeks to update School Forum members on how the Council proposes to bring its DSG account back into balance while ensuring the best possible outcomes for children and young people with SEND in Shropshire.

Context

3. In September 2014, the Government introduced the Children and Families Act, introducing a major transformation to the way services for children and young people with SEND are delivered. These changes included replacing SEN statements with Education, Health, Care Plans (EHCPs), and an extension of the SEN system up to the age of 25 years old, which together has placed greater financial pressures on local authorities.
4. In the years since these SEND reforms, published national data shows that demand for services for children and young people with SEND has increased dramatically. The number of children or young people with a statement of SEND or requiring an EHCP has risen by 35% between 2014 and 2018. The number of children and young people permanently excluded from school has risen by 67% in the same period. This has had a direct impact on high needs spending with an increasing number of local authorities now reporting a deficit on their DSG account.
5. Since the SEND funding reforms of 2014, there have also been significant reforms to the DSG including the introduction of a high needs National Funding Formula (NFF) from 2018-19. The high needs NFF was introduced with the intention of introducing a national funding formula, balancing the principles of fairness and stability. Shropshire Council, alongside other 140 local authorities, believed the introduction of the new high needs NFF did not strike the correct balance between these principles. This was based on the view at the time that the new formula was not fair on the basis that it locked in historic unfairness through an over-weighting of historic spend and was too rigid and inflexible in that it limited the transfer of funding between Schools Block and High needs Block to just 0.5%. This aspect limits Shropshire's ability to respond to local pressures without consultation.

High Needs DSG Allocation

6. The summary in the financial appendix shows that Shropshire's High Needs Block allocation has increased from £25.716m in 2018-19 to £28.016m in 2020-21.
7. In each of the financial years from 2018-19 to 2020-21, the Council has been aware of the growing pressures on the High Needs Block and has sought approval from Schools Forum to transfer 0.5% of the Schools Block to the High Needs Block after fully funding schools with the NFF factors and values. In 2018-19 and 2020-21 this resulted in the full 0.5% being transferred, but in 2019-20 a lower value which approximates to 0.25% of the Schools Block was

transferred to the High Needs Block. It is worth noting that had Schools Forum not approved these funding transfers, the High Needs Block financial position would be £2.023m worse off given this is the cumulative value of funds transferred across from the Schools Block.

High Needs Deficit Position

8. The financial summary appended shows the High Needs Block incurred in-year deficits of £0.618m in 2018-19, £1.127m in 2019-20 and is forecast to outturn a deficit of £0.765m in 2020-21. This indicates a cumulative High Needs Block deficit of £2.510m which is largely responsible for the overall DSG cumulative deficit forecast to be £2.573m at the end of the 2020-21 financial year.

Financial Plan

9. Attached to this paper is a financial template appendix which is the template that the Department for Education would expect to be completed to show how the deficit will be brought back into balance over the next few financial years, and a narrative summary which is a high level explanation of how Shropshire Council plans to manage the budget pressures to bring it's DSG deficit back into balance while still ensuring the best possible outcomes for Shropshire's children and young people with SEND.
10. There is a separate High Needs Block financial modelling appendix which shows how expenditure will grow from the 2018-19 financial year to 2021-22 projected levels if expenditure continues based on current trends, and the impact of certain high level strategies or mitigating actions (as referred to by the Department for Education).
11. Given the budget pressures outlined above, a financial plan is coming together to address these budget pressures. The ultimate aim of the plan, which is required to be shared with the Department for Education as per their guidance, is to bring Shropshire's DSG account back into balance while ensuring the best possible outcomes for children and young people with SEND in Shropshire.
12. It is important to note that any strategic actions taken to bring the DSG deficit back into balance are focused on reducing the current projected level of growth in expenditure and are not about reducing expenditure in certain areas.
13. Schools Forum members should note that Shropshire's High Needs Block allocation is increasing by £3.511m (13%) in 2021-22 from £28.016m to £31.527m. This is a significantly higher increase than the growth between 2019-20 actual expenditure (£27.293m) and 2020-21 projected expenditure (£29.623m) which was 9%. The upshot of this is that if expenditure was to grow at this level unmitigated, the deficit would reduce by £0.837m just through the High Needs Block allocation increasing by £3.511m and the projected expenditure increasing by £1.910m. This financial modelling to present this is appended to this paper.

14. In addition to this £0.837m, officers have reviewed the various high level strategies outlined in the previous DSG recovery plan paper and have estimated how much this unmitigated growth can be reduced by in each case. It is important to note that in each case the savings or growth reduction figures are targets or estimates. In total it is estimated that a further £0.220m can be realised which means that in 2021-22 the plan is to reduce the projected DSG deficit from £2.573m by £1.057m to £1.516m.
15. In the following year, 2022-23 it is assumed that the High Needs Block allocation will increase by 8% to £34.050m, while the projected expenditure would increase by the same percentage growth again. The upshot of this is a further reduction of the deficit by £0.951m to leave a cumulative DSG deficit of £0.565m at the end of March 2023.
16. In the year, 2023-24 it is assumed that the High Needs Block allocation will increase by 8% to £36.774m, while the projected expenditure mitigated would increase by the same percentage growth again. The upshot of this is a further in-year surplus of £1.787m to leave a cumulative DSG surplus of £1.222m at the end of March 2024.
17. In summary, the DSG deficit would be brought back into balance in the 2023-24 financial year. This assumes that the other blocks of DSG expenditure does not overspend against their allocation and the mitigations totalling £0.220m in 2021-22 continue to have an effect through the remaining financial years through reducing the baseline expenditure. The financial modelling appendix shows that if no mitigations were put in place or expenditure continued to increase as at current levels the DSG deficit would be £0.208m as at the end of the 2023-24 financial year rather than a surplus. It is therefore important that these strategies are continued or implemented as soon as possible in order to achieve the balances set out in the financial modelling appendix.
18. The strategies and the estimated growth reduction targets are briefly explained below.

Post 16 – FE College Placements

19. The local authority's SEN team are striving to address increase in Post 16 – FE College placement expenditure through close working with local colleges and aligning processes with those currently in place for schools. The priority will be to review post 16 expenditure to support colleges to recognise how they can achieve greater efficiency whilst maintaining high standards.
20. It is assumed that expenditure on Post 16 – FE College placements expenditure would increase from £2.711m to £3.512m (27%) based on a continuation of the current trend of increase from 2018-19 to 2020-21 projected spend. It is estimated that this growth of £0.741m can be reduced by £0.075m through the review described above.

Independent Providers

21. The local authority's high needs provision strategy and action plan (2017) aims to reduce reliance on Independent Special Schools through a focus on building the capacity of maintained school SEND hubs and the development of the new free Special School and associated outreach from September 2022. Further financial modelling is required to determine the level of savings that can be achieved through the new free school. This is a long term investment and will take a number of years to realise substantial savings.
22. High cost, independent specialist residential settings provide a holistic response to our most vulnerable children who require access to very specialist services across education, health and care. Joint-funded placements for the most complex children place a significant burden on the high needs block. There is a clear combined strategy to reduce costs across the partnership by developing a localised joint response through a number of social care and/or health led projects.
23. It is assumed that expenditure on Independent Providers would increase from £5.207m to £5.312m (2%) based on an assumption of stable numbers and 2% allowed for price inflation from providers uplifting their prices. It is estimated that this growth of £0.104m can be reduced by £0.075m through greater partnership working to ensure that a child's health, education and social care needs can be met at the level that best represents value for money.

Alternative Provision and Support for Inclusion

24. The High Needs Task and Finish group has explored new models of service delivery for behaviour intervention through TMBSS. The outcome of this work has led to a planned change in the model of service delivery to take effect from September 2021. The proposed model will provide an outreach element with the intention of enabling children to remain in their local school where this is appropriate. Intervention within a TMBSS centre will be time limited and there will be a school contribution made toward the cost of intervention. It is anticipated that this will provide a minimum saving of £0.070m to the high needs block.
25. A key priority is to continue to support schools to be inclusive and proactively manage the year on year increase in permanent exclusions that is resulting in sharp increase in expenditure on 6th day provision. This programme of work is being led at strategic level through the SEND Strategic Board and aims to realise a reduction in the number of children who are permanently excluded from their local school so that this is broadly in line with national expectations within 3 years.
26. It is assumed that expenditure on 6th Day provision would remain stable at approximately £0.300m based on a continuation of the current trend of increase from 2018-19 to 2020-21 projected spend. It is estimated that expenditure on this budget can be reduced through a combination of a review of the current delivery model of 6th day provision alongside a focused strategic approach that rewards inclusive practice and the development of centralised services. In the

first instance it is likely that this will require a spend to save initiative in order to realise longer term and more substantial savings into the future.

Summary: Financial / Children and Young People (CYP) narrative

Financial plan narrative

This is a brief description for managing the pressures on the DSG:

Strategic actions taken to bring the DSG deficit back into balance are focused on reducing the current projected level of growth in expenditure and are not aimed at reducing current expenditure

Shropshire's High Needs Block DSG allocation is increasing by £3.511m (13%) in 2021-22 from £28.016m to £31.527m. This is a significantly higher increase than the growth between 2019-20 actual expenditure (£27.293m) and 2020-21 projected expenditure (£29.623m) which was 9%. The upshot of this is that if expenditure was to grow at this level unmitigated, the deficit would reduce by £0.837m just through the High Needs Block DSG allocation increasing by £3.511m and the projected expenditure increasing by £1.910m.

In addition to this £0.837m, officers have reviewed various high level strategies and have estimated how much this unmitigated growth can be reduced by in each case. In total it is estimated that a further £0.220m can be realised which means that in 2021-22 the plan is to reduce the projected DSG deficit from £2.573m by £1.087m to £1.516m.

The DSG deficit would be brought back into balance in the 2023-24 financial year. This assumes that the other blocks of DSG expenditure do not overspend against their allocation and the mitigations totalling £0.220m in 2021-22 continue to have an effect through the remaining financial years through reducing the baseline expenditure

Post 16 – FE College Placements - Review post 16 expenditure to ensure greater efficiency with mainstream college providers. Close partnership working with colleges to support them to recognise how they can achieve greater efficiency whilst maintaining high standards and better aligning post 16 college funding with how schools are funded. Reduction in anticipated 2021-22 expenditure growth of £0.075m

Independent Providers - Reduce reliance on Independent Special Schools through focus on building capacity of maintained school SEND hubs and development of new free Special School and associated outreach from September 2022. Greater co-commissioning of provision with partners e.g Health and Social Care to meet the holistic needs of a child. Reduction in anticipated 2021-22 expenditure growth of £0.075m

Alternative Provision and Support for Inclusion - Continue to support schools to be inclusive and manage increase in permanent exclusions. A new delivery model for TMBSS. The proposed model will provide an outreach element with the intention of enabling children to remain in their local school where this is appropriate. Intervention within a TMBSS centre will be time limited and there will be a school contribution made toward the cost of intervention. Reduction in anticipated 2021-22 expenditure growth of £0.070m

High needs trends

Our strategy for managing the number of CYP receiving individual funding from the high needs block:

One of the strategies within mainstream settings is the graduated supported pathway payments. This strategy involves financial support for pupils with Special Educational Needs (SEN) over and above schools normally

available resources without the need for an Education, Health and Care Plan (EHCP):

- To provide timely, efficient and effective intervention for children identified as requiring SEN Support.
- To improve outcomes by identifying which agencies need to be involved at an early stage and ensuring a more holistic approach, to allow schools timely access to additional funding to continue to provide targeted support to individual pupils
- To provide the opportunity to be more flexible and creative in the way that support is delivered
- To support inclusion and equality of opportunity
- To ensure more efficient use of high needs funding and encouraging early intervention, thereby reducing the need to access specialist provision

We believe that because this is a more efficient use of high needs funding, more CYP can benefit from receiving individual funding

Outcomes

How our management plan will ensure the best possible outcomes for children and young people with special educational needs and disabilities (SEND) in the local area:

The plans in this document are focused on managing demand and controlling the growth in expenditure within the High Needs Block so not focused on removing funding for SEND children where there is an identified need

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Appendix - Paper F - Dedicated Schools Grant Recovery Plan - High Needs Block Financial Modelling

	2018/19	2019/20	2020/21 Projection	2021/22 Projection	Assumption
High Needs Block DSG Allocation	25,716,088	25,768,458	28,016,184	31,527,421	Based on provisional High Needs Block DSG Allocation for 2021/22
Transfer from Schools Block	784,019	397,050	842,400	842,400	Assumed same level as 2020-21
Total High Needs Block DSG Budget	26,500,107	26,165,508	28,858,584	32,369,821	

Increase in High Needs Block DSG Allocation		52,370	2,247,726	3,511,237
Increase in High Needs Block DSG Budget		334,599	2,693,076	3,511,237

	2018/19	2019/20	2020/21 Projection	2021/22 Projection	Assumption
Total Expenditure					
Place Funding – Special Academy	4,039,160	4,050,000	4,090,000	4,100,000	Based on provisional High Needs Block DSG Allocation for 2021/22
Place Funding – PRU	1,460,000	1,460,000	1,560,000	1,560,000	Assumed same level as 2020-21
Place Funding – Special Maintained	774,997	820,000	820,000	820,000	Assumed same level as 2020-21
Place Funding – Post 16 – FE Colleges	546,000	526,000	772,000	888,000	Based on provisional High Needs Block DSG Allocation for 2021/22
Place Funding – Post 16 – Mainstream	48,000	16,000	50,000	36,000	Based on provisional High Needs Block DSG Allocation for 2021/22
Place Funding – Mainstream Specialist	174,664	249,170	223,670	242,000	Based on provisional High Needs Block DSG Allocation for 2021/22
Place Funding - Maintained School SEND Hubs	-	226,156	240,000	240,000	Assumed same level as 2020-21
Total Place Funding	7,042,821	7,347,326	7,755,670	7,886,000	

Top-Up Funding – Mainstream Schools - Primary	2,351,584	2,248,729	2,581,954	2,697,139	Assumed continue to 2018/19 to 2020/21 trend
Top-Up Funding – Mainstream Schools – Secondary	1,839,819	1,735,651	1,911,833	1,947,840	Assumed continue to 2018/19 to 2020/21 trend
Top-Up Funding - Mainstream Schools	4,191,404	3,984,380	4,493,787	4,644,979	

Top-Up Funding – Special Schools - Academy	2,828,586	3,013,931	3,013,017	3,105,232	Assumed continue to 2018/19 to 2020/21 trend
Top-Up Funding – Special Schools – PRU	1,040,510	1,050,915	1,122,895	1,164,088	Assumed continue to 2018/19 to 2020/21 trend
Top-Up Funding – Special Schools – Maintained	903,044	941,140	1,019,155	1,077,210	Assumed continue to 2018/19 to 2020/21 trend
Top-Up Funding – Special Schools	4,772,140	5,005,986	5,155,067	5,346,530	

Top-Up Funding - Out of County (Net recoupment)	654,440	692,417	1,028,810	1,215,994	
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Post 16 – FE College Placements	1,290,119	1,808,473	2,771,287	3,511,872	Assumed continue to 2018/19 to 2020/21 trend
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Independent Special Schools	5,432,333	4,712,810	4,816,907	4,913,245	Assumed 2% growth for price inflation
Independent – SEN Nursery	225,091	303,173	262,521	267,772	Assumed 2% growth for price inflation
Independent – Non Special Schools	130,479	102,199	104,457	106,546	Assumed 2% growth for price inflation
Independent - Other	33,254	29,331	23,495	23,965	Assumed 2% growth for price inflation

Independent Providers	5,821,156	5,147,514	5,207,380	5,311,528	
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Additional Target High Needs	195,506	268,845	251,565	279,595	Assumed continue to 2018/19 to 2020/21 trend
SEN Support Services	1,744,218	1,585,866	1,487,743	1,517,498	Assumed 2% growth for price inflation
Hospital Education	149,112	165,084	199,819	225,173	Assumed continue to 2018/19 to 2020/21 trend
Other Alternative Provision Services	168,846	134,053	94,276	96,161	Assumed 2% growth for price inflation
Support for Inclusion - Other	788,995	862,156	877,945	922,420	Assumed continue to 2018/19 to 2020/21 trend
Support for Inclusion - 6th Day Provision	299,505	290,571	300,000	300,248	Assumed continue to 2018/19 to 2020/21 trend
Hospital education, AP teachers pay/pension and supplementary funding factor				274,906	Introduced in 2021/22 for the first time

Total Expenditure	27,118,261	27,292,670	29,623,349	31,532,903	
Increase in High Needs Expenditure		174,410	2,330,679	1,909,554	

In-Year Deficit	618,154	1,127,162	764,765	- 836,918	
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Cumulative DSG Deficit reported to Schools Forum (Includes other blocks of DSG)	879,465	1,709,923	2,572,994	1,736,077	
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% Increase 2018/19 Outturn to 2020/21 Projection	High Level High Needs Block strategy to manage demand and control costs	Impact of Strategy to manage demand and control costs	2021/22 Projection following mitigation actions
			31,527,421
			842,400
			32,369,821

% Increase 2018/19 Outturn to 2020/21 Projection	High Level High Needs Block strategy to manage demand and control costs	Impact of Strategy to manage demand and control costs	2021/22 Projection following mitigation actions
1.3%			4,100,000
6.8%			1,560,000
5.8%			820,000
41.4%			888,000
4.2%			36,000
28.1%	Build capacity of maintained and academy school SEND Hubs as a more cost effective, local provision		242,000
	Build capacity of maintained and academy school SEND Hubs as a more cost effective, local provision		240,000
10.1%			7,886,000

9.8%			2,697,139
3.9%			1,947,840
7.2%	Graduated Support Pathway and annual review of EHCP's through focused Annual Review Officers		4,644,979
6.5%			3,105,232
7.9%			1,164,088
12.9%			1,077,210
8.0%	Maximise capacity of Academy and Maintained Special Schools		5,346,530
57.2%	Building parental confidence in local provision		1,215,994

114.8%	Review post 16 expenditure to ensure greater efficiency with mainstream college providers. Close partnership working with colleges to support them to recognise how they can achieve greater efficiency whilst maintaining high standards and better aligning post 16 college funding with how schools are funded	- 75,000	3,436,872
-11.3%		- 75,000	4,838,245
16.6%			267,772
-19.9%			106,546
-29.3%			23,965
-10.5%	- Reduce reliance on Independent Special Schools through focus on building capacity of maintained school SEND hubs and development of new free Special School and associated outreach from September 2022 - Greater co-commissioning of provision with partners e.g Health and Social Care to meet the holistic needs of a child	- 75,000	5,236,528
28.7%			279,595

-14.7%	Continuous review of areas like Sensory Inclusion Service to realise efficiencies while maintaining high standards of provision Greater co-commissioning of provision with partners e.g Health and Social Care to meet the holistic needs of a child		1,517,498
34.0%			225,173
-44.3%	Continuous review of Alternative Provision		96,161
11.3%	Continue to support schools to be inclusive and manage increase in permanent exclusions. A new delivery model for TMBSS. Key priority and led at strategic level through the SEND Strategic Board		922,420
0.2%		- 70,000	230,248
			274,906

9.2%		- 220,000	31,312,903
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- 220,000	1,516,077
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Summary of 2020 to 2021 position

	£, 000s
Carry forward from 2019 to 2020	£1,710
Mitigated budget	£216,083
Unmitigated budget	£216,946
Saving (surplus is shown as a negative)	£863
Projected carry forward to 2021 to 2022	£2,573

Financial plan per funding block

	Date outturn last updated:											
Overall DSG position (pre recoupment total)	2018-19	2019-20	2019-20	2020-21	2020-21	2020-21	2021-22	2021-22	2022-23	2022-23	2023-24	2023-24
Income/surplus should be shown as negative	actual	budget	actual	Outturn	Mitigated budget	Unmitigated forecast	Mitigated forecast	Unmitigated forecast	Mitigated forecast	Unmitigated forecast	Mitigated forecast	Unmitigated forecast
1. Expenditure (Positive figures)												
Schools block	£156,868,395	£159,666,206	£159,570,605	£167,584,615	£167,638,011	£167,584,615	£182,540,316	£182,540,316	£199,603,149	£199,603,149	£217,258,299	£217,258,299
Central school services block	£3,408,336	£3,190,478	£3,212,255	£2,798,037	£2,790,980	£2,798,037	£2,599,582	£2,599,582	£2,421,310	£2,421,310	£2,255,264	£2,255,264
Early years block	£15,920,226	£16,102,068	£16,122,950	£16,940,342	£16,795,700	£16,940,342	£17,028,153	£17,028,153	£17,263,827	£17,263,827	£17,502,763	£17,502,763
High needs block	£27,118,261	£26,165,496	£27,292,670	£29,623,349	£28,858,580	£29,623,349	£31,312,903	£31,532,903	£33,098,821	£33,565,550	£34,986,597	£35,729,223
Planned spend from DSG reserves												
Total expenditure	£203,315,218	£205,124,247	£206,198,480	£216,946,343	£216,083,271	£216,946,343	£233,480,954	£233,700,954	£252,387,107	£252,853,836	£272,002,924	£272,745,549
2. DSG income (Negative figures)												
Schools block	£157,872,453	£160,063,256	£160,063,256	£168,480,411	£168,480,411	£168,480,411	£183,382,716	£183,382,716	£199,603,149	£199,603,149	£217,258,299	£217,258,299
Central schools services block	£3,160,389	£3,190,478	£3,190,478	£2,790,979	£2,790,979	£2,790,979	£2,599,582	£2,599,582	£2,421,310	£2,421,310	£2,255,264	£2,255,264
Early years block	£15,399,531	£16,102,068	£16,102,068	£16,795,696	£16,795,696	£16,795,696	£17,028,153	£17,028,153	£17,263,827	£17,263,827	£17,502,763	£17,502,763
High needs block	£25,716,088	£25,768,458	£25,768,458	£28,016,184	£28,016,184	£28,016,184	£31,527,421	£31,527,421	£34,049,615	£34,049,615	£36,773,584	£36,773,584
Total income	£202,148,462	£205,124,260	£205,124,260	£216,083,270	£216,083,270	£216,083,270	£234,537,872	£234,537,872	£253,337,901	£253,337,901	£273,789,911	£273,789,911
3. High needs block - other income (Negative figures)												
CCG contributions												
Other (Please specify)												
Total other income	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
4. Block transfers (Income/Block moved to as negative, Outgoing/block moved from as positive. Should net to 0)												
Schools block	£784,019	£397,050	£397,050	£842,400	£842,400	£842,400	£842,400	£842,400	£0	£0		
Central schools services block				£0								
Early years block				£0								
High needs block	£784,019	£397,050	£397,050	£842,400	£842,400	£842,400	£842,400	£842,400	£0	£0		
Total Block Transfers (should net to 0)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
5. In year net position deficit / (surplus)												
Schools block	£220,038	£0	£95,601	£53,396	£0	£53,396	£0	£0	£0	£0	£0	£0
Central schools services block	£247,947	£0	£21,777	£7,058	£0	£7,058	£0	£0	£0	£0	£0	£0
Early years block	£520,694	£0	£20,882	£144,646	£0	£144,646	£0	£0	£0	£0	£0	£0
High needs block	£618,154	£0	£1,127,162	£764,765	£0	£764,765	£1,056,918	£836,918	£950,794	£484,065	£1,786,987	£1,044,361
Total net	£1,166,757	£0	£1,074,220	£863,073	£0	£863,073	£1,056,918	£836,918	£950,794	£484,065	£1,786,987	£1,044,361
6. Other												
Council contribution (negative)												
Add brought forward deficit / (surplus) (net)	£531,054	£635,703	£635,703	£1,709,923	£1,709,923	£1,709,923	£2,572,996	£2,572,996	£1,516,078	£1,736,078	£565,284	£1,252,013
Brought forward earmarked amounts in other blocks (optional memorandum item, not used in calculation)												
Planned year end position	£635,703	£635,703	£1,709,923	£2,572,996	£1,709,923	£2,572,996	£1,516,078	£1,736,078	£565,284	£1,252,013	£-1,221,703	£207,652

Additional comments
£220,000 of mitigations against 2021-22 expenditure growth in the High Needs Block
Assumed 8% uplift in 2022/23 and 2023/24 High Needs Block Allocation
The mitigated forecast shows that the High Needs Block DSG savings strategies could potentially bring Shropshire's DSG deficit back into balance as at the end of the 2023/24 financial year based on forecasted expenditure compared to forecast income (DSG allocations)

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