

Schools Forum – 27 November 2018

Paper 2 - Consultation on the Schools Budget

1. Introduction

At its meeting on 1 October 2018, the Schools Forum received three proposals from the local authority relating to the Schools Budget and noted that the local authority proposed to consult schools on the proposals before bringing them back to a special meeting of the Schools Forum at the end of November for further consideration and decisions.

The three proposals are:

1. A proposal to fund some services, previously funded from the Education Services Grant, from the budget shares of maintained primary and secondary schools.
2. A proposal to increase De-delegation from maintained school budgets in order to continue the school improvement (LNI) service in its current form.
3. A proposal to transfer 0.5% of the Schools Block to the High Needs Block.

Consultation documents were issued on 1 November to headteachers and chairs and vice-chairs of governing bodies. The proposals were then presented to and discussed at:

- the termly Director's meeting with headteachers on 1st November;
- an extraordinary meeting of Chairs and Vice-chairs of school governing bodies on 14th November 2018;
- the meeting of the Secondary Headteachers Forum on 15th November.

Separate consultation documents were sent to maintained schools and Academies/Free Schools, the former covering all three proposals and the latter covering only the third proposal relating to the proposed transfer of funds to the High Needs block.

Only primary and secondary maintained schools were consulted on proposals 1 and 2 (funding ESG services and school improvement de-delegation), in line with DfE guidance.

All schools were consulted on proposal 3 (transfer of funds to the High Needs block), again in line with DfE guidance.

Schools were asked to submit one response per school, based on consultation between the headteacher and the chair of governors, for each of the questions relevant to them.

Schools were able to access the consultation survey by clicking on the link on page one of the consultation document.

The consultation period was from 1st to 23rd November. The deadline for responses was 5pm on 23rd November. The outcomes of the survey will be reported at the meeting of the Schools Forum on 27th November.

2. Summary of proposals

The full details of the proposals are set out in the consultation documents (Appendices 1 and 2 attached). The following are lifted from the summary sections of those documents.

Proposal 1: To fund services, previously funded from the Education Services Grant, from the budget shares of maintained primary and secondary schools.

Summary

The proposal is a consequence of the removal of Education Services Grant from the council. The council has lost £2.8m of funding of statutory services to maintained schools. If the proposal to charge maintained school budgets £1m towards the cost of these services is

agreed, along with the proposal to increase de-delegation of school improvement funding to £0.3m (Proposal 2 below), the council will still have faced a net loss of around £1.5m.

In summary the central services are:

- Statutory and regulatory duties
- Asset management
- Premature retirement and redundancy
- Monitoring national curriculum assessments

The total amount it is proposed to use for funding these services is £1m.

Benefit of the proposal: The proposal will mean that the council can continue to provide the statutory services to maintained schools without having to make further cuts to other front-line services that have already faced significant budget reductions.

Disadvantage of the proposal: The proposal will mean money is deducted from the budget shares of maintained schools.

What happens if this is not agreed?

The council cannot legally stop providing these services. They all relate to statutory duties.

If the proposal is not agreed, the council would have to find £1m of savings elsewhere, in addition to the £1.5m it has already had to find.

As budget limits have been set by the council for each service committee, it is expected the savings would have to come from other front-line services in education or children's social care, which have already faced significant cuts in funding.

Proposal 2: To increase De-delegation from maintained school budgets in order to continue the school improvement (LNI) service in its current form

Summary

In summary, the council proposes to ask the maintained schools' representatives on the Schools Forum to agree to increase the amount of Dedelegated funding for the school improvement service from £101,000 to £310,000. The request for additional De-delegation is to cover the loss of the 'school improvement grant' and enable the school improvement (LNI) service to continue in its current form.

Benefit of the proposal: The proposal is designed to ensure the continuation of the current non-traded school improvement (LNI) service (described in Appendix B of the consultation document), in the event that the current DfE school improvement grant ceases in August 2019.

Disadvantage of the proposal: The proposal will mean money is deducted from the budget shares of maintained schools.

What happens if this is not agreed?

If the proposal is not agreed, it will be necessary to reduce the budget of the non-traded school improvement service and reduce the council funding for the Learning Network Inspector team to a single post, tasked with carrying out the core statutory functions envisaged by the DfE, with significant reliance on the use of data, as the resource is unlikely to be sufficient to allow for regular visits to schools.

Proposal 3: To transfer 0.5% of the Schools Block funding to the High Needs Block in 2019-20

Summary

There is an overall shortfall in the High Needs Block nationally as a result of demographic growth, the increasing complexity of needs and the impact of the government's SEN reforms (in particular extending funding for pupils with special educational needs from 0 to 18 year olds to 0 to 25 year olds). Across 27 London Boroughs there is an overall overspend on High Needs budgets of £55.7 million. These pressures have impacted on Barnet's High Needs budget this year, which is now forecasting an overspend despite £1.2m of savings having already been achieved. Further measures have been agreed but the impact will not be felt until 2019-20. The transfer from the schools block is therefore needed to remove the deficit and to prevent cuts in provision and support for pupils with special educational needs and disabilities. *Schools Forums in 14 London boroughs have agreed such a transfer already.*

Benefit of the proposal: The proposal is designed to avoid cuts to funding or services for SEN pupils and/or ongoing overspend in the High Needs budget.

Disadvantage of the proposal: The proposal will mean less money will be distributed to schools through the school funding formula, albeit the money will mainly be re-allocated to schools as SEN funding.

What happens if this is not agreed?

If the proposal is not agreed, there will need to be direct cuts in SEN funding. This is likely to be for top-ups or other direct funding of provision in schools, or cuts in therapy services or specialist inclusion services. The council does not have the discretion to refuse to fund individual pupils with EHCPs, but it would mean schools getting less money or less support for these pupils.

3. Decision to be taken by the Schools Forum

Proposal 1: To fund some services, previously funded from the Education Services Grant, from the budget shares of maintained primary and secondary schools. The total amount the local authority proposes to retain is £1m.

The proposal, if approved, would mean a deduction from the budgets of maintained primary and secondary schools of £32.37 per pupil.

Voting: The DfE Operational Guidance on School Funding prescribes that the relevant *maintained schools members of the schools forum (primary, secondary, special, and pupil referral units)* should agree the amount the local authority will retain.

Those members of the Schools Forum representing the schools listed above will be asked to consider a recommendation from the local authority on this proposal.

The local authority's recommendation will be tabled at the meeting.

Proposal 2: To increase De-delegation from maintained school budgets for the school improvement service from £101,000 to £310,000 in order to continue the school improvement (LNI) service in its current form.

The proposal, if approved, would mean a deduction from the budgets of maintained primary and secondary schools of £11.28 per Primary pupil, £5.83 per Secondary pupil.

Voting: The DfE Operational Guidance on School Funding prescribes that Schools Forum members for *primary maintained schools and secondary maintained schools must decide separately* for each phase whether the service should be provided centrally; the decision will apply to all maintained mainstream schools in that phase.

Those members of the Schools Forum representing the schools listed above will be asked to consider a recommendation from the local authority on this proposal.

The local authority's recommendation will be tabled at the meeting.

Proposal 3: To transfer 0.5% of the Schools Block (£1.26m) to the High Needs Block.

If this is agreed, the £1.26m has to be taken from the overall school block before the formula funding distribution, not as a 0.5% deduction at school level. As a consequence, the Minimum Funding Guarantee (maximum loss per pupil) and the associated cap on gains means that the 0.5% is not evenly distributed at school level. The calculations in the appendices to the consultation documents are as a result of applying the National Funding Formula factors after the deduction of the 0.5% transfer, but with MFG protection factored in where schools trigger this.

Voting: The DfE Operational Guidance on School Funding states that local authorities are able to transfer up to 0.5% of their schools block funding with the agreement of their schools forum. Schools forum discussions should include appropriate representation from special schools and other specialist providers. Voting is by *all members of the Schools Forum*.

The local authority's recommendation will be tabled at the meeting.

4. What happens next?

Proposal 1 (ESG-funded services): If the local authority's recommendation is not approved, the recommendation will be considered by the council's Children, Education and Safeguarding (CES) Committee at its meeting on 29th November.

DfE guidance indicates that local authorities can fund some services relating to maintained schools only from maintained school budget shares, with the agreement of maintained school members of the schools forum. If the local authority and schools forum are unable to reach a consensus on the amount to be retained by the local authority, the matter can be referred to the Secretary of State.

The CES Committee will be asked to decide whether to refer the matter to the Secretary of State.

Proposal 2 (De-delegation of school improvement service): Decisions on de-delegation are matters for the maintained school representatives on the Schools Forum from the relevant phase. Their decision cannot be over-turned.

Proposal 3 (Transfer from the schools block to the High Needs block): If the local authority's recommendation is not approved, the recommendation will be considered by the council's Children, Education and Safeguarding (CES) Committee at its meeting on 29th November.

Local authorities must submit a 'disapplication request' to the Secretary of State by 30 November 2018 in cases 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

The CES Committee will be asked to decide whether to refer the matter to the Secretary of State.

5. Consultation and Responses - Appendices

The consultation documents issued respectively to maintained schools and Academies are included as Appendices 1 and 2.

In addition to the individual responses to the consultation, headteachers, governors and other stakeholders have made the following submissions to the council. These are listed below as Appendices 3 to 6.

Appendices:

- **Appendix 1 - Consultation on the Schools Budget – Maintained Schools**
- **Appendix 2 - Consultation on the Schools Budget – Academies and Free Schools**
- **Appendix 3 – Paper submitted by the Barnet Primary and Secondary Headteacher Forums, entitled ‘Responses from 53 Barnet schools regarding 2019-20 budget projections and any impact on school resources’.**
- **Appendix 4 – A letter submitted by a group of Barnet Governors, entitled ‘Key Points and Questions from Governors’, annotated with the council’s responses to the questions raised.**
- **Appendix 5 – A letter from Barnet Secondary Headteachers Forum to the Secretary of State concerning funding for SEN provision and the council’s proposal transfer 0.5% of the schools block funding in to the high needs block**
- **Appendix 6 – A petition submitted to the council, entitled ‘Oppose London Borough of Barnet’s proposal to charge every child in every borough school’ by lead petitioner, Simon Moore, with 2223 signatures of Barnet residents. The petition is due to be considered at the CES Committee at its meeting on 29th November.**

6. Recommendations

The council’s recommendations in relation to the three proposals will be tabled at the meeting of the Schools Forum on 27th November.