

NORFOLK SCHOOLS FORUM

AGENDA

Meeting on Friday 10 May 2019 09:00 – 12:00 hours at South Green Park Mattishall
Tea/Coffee available from 08.30 hours

Individual members, named below, are asked to provide verbal reports for these items.

09:00 - 09:05	1 Welcome and Introductions Apologies		
09:05 - 09:10	2 Minutes of Last Meeting		3 - 7
09:10 - 09:15	3 Matters Arising		
	<ul style="list-style-type: none">• Staff Costs Update• Pupil Variance – this is an agenda item• Teacher pension increases – letter to MPs Sarah Shirras• Maintained Special Schools Buy back Sally Cutting		
09:15 – 09:40	4 Dedicated Schools Grant Final Outturn 2018/19 Paper attached – Dawn Filtness	Agree	8 - 17
09:40 – 10:30	5 Dedicated Schools Grant recovery plan	Information/ Feedback	18 - 34
	<ul style="list-style-type: none">- Covering report (attached) – v3- Annex A: DfE guidance – available here: https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-deficit-recovery-plans- Annex B: DfE template– available here: https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-deficit-recovery-plans- Annex C: DSG DRAFT recovery Plan with embedded appendices (attached) – v5		
	Michael Bateman/Sally Cutting		
10:30 – 10:50	COFFEE		
10:50 – 11:10	6 Pupil Variance – Paper attached Jane Blackwell/Eric Clarke/Samantha Williams	Decision	35 - 38
11:10 – 11:15	7 Agree next year plan and meeting dates	Agree	39

8 Communication

9 Future Agenda Items

10 Dates of Meetings

School Forum

Friday 5 July 2019 09:00 – 12:00

South Green Enterprise Centre Mattishall

Norfolk Schools Forum

Minutes of Meeting held on Friday 15 March 2019
09:00 – 11:15 hours
South Green Park Mattishall

Present:

Keith Bates, Eaton Hall Specialist Academy
Chris Caddamy, (Vice Chair) City College
Ian Clayton
Carol Dallas, Taverham High School
Alan Evans
Mike Grimble, Avenue Junior School
Bob Groome
Carole Jaques (substitute for Holly Bowman)
Clare Jones
Howard Nelson
Peter Pazitka
Sarah Porter (substitute for Christina Kenna)
Sarah Shirras, (Chair) St Williams Primary
Joanna Tuttle
Vicky Warnes
Martin White
Michael Bateman

Martin Brock
Sally Cutting
Marilyn Edgeley
Dawn Filtness
Chris Snudden

Apologies:

John Banbury
Holly Bowman
Fyfe Johnston
Christina Kenna
Sara Tough

Representing

Special School Academy
16 – 19 Representative
Academies
Secondary Academies
Academies
Primary Governors
JCC
Nursery School
Academies
Diocesan Board of Education
Academies
Academies
Primary Schools
Maintained Secondary
JCC (primary phase)
Primary Governors
Head of Education HN SEND
Service
Accountant
Senior Accountant
Admin Officer
Finance Business Partner
Assistant Director (Education)

Early Years
Nursery Schools
Maintained Special Schools
Academies
Executive Director Childrens Services

1. Welcome

The Chair welcomed new members:

Ian Clayton – Academies
Peter Pazitka – Academies
Joanne Philpott – Academies
Glyn Hambling – Alternative Provision

The Chair explained that it was important that members represent their whole peer group and not individual institutions. Members must send substitutes if they are unable to attend a meeting. Anyone sent as a substitute needs to understand the way Schools Forum operates.

Sally Cutting will hold induction sessions for new members and designated substitutes and is the key contact for any questions members may have on subjects discussed at Forum.

2. Minutes of Last Meeting

The minutes were accepted.

3. Matters Arising

Staff Costs

At the last meeting members asked for clarification on who meets the costs of redundancy when a school has a red RAG rating.

Members were concerned that there is a financial advantage to a school getting a red RAG rating.

The annual increment was not clear – this is built into planners, schools should ask their Finance Support Officers if they want clarification.

Chris Snudden, Sally Cutting and Sarah Shirras will meet to discuss this issue with Carole Human HR Business Partner on 2 April 2019.

Support Staff Pay Increases

A communication was sent out during the autumn term to schools.

Sports Grant

No further information to date however an announcement is due.

Pupil Variance

Effect of Pupil Variations circulated.

Budget figures were not available at the last meeting. There is a £1m difference due to pupil variation. Figures are based on using 5/12 of the October census and 7/12 of September figures. Attleborough was an incorrect entry and has been removed.

Comments:

Free Schools could be a cost to the system if places are unfilled in other schools.

Officers replied that this is paid for out of the built-in growth factor.

Based on estimates there is a clawback system if it has been agreed with the school and is for a significant number of pupils.

Members suggested there should be a percentage of change in the future and that this needs to be specific.

Members suggested that if we are processing retrospective pupil variations to update the estimated numbers of one particular school, then we should look at doing this for all schools so that there is a consistent approach”

Options to be modelled for 2020/21 and brought back to forum for discussion.

Action: Jane Blackwell to be asked to attend meeting in May to provide more detail and state how much funding is given for growth

Action: Martin Brock to discuss with the Pupil planning team and bring back options to next meeting.

4. Dedicated Schools Grant Recovery Plan

Officers explained Norfolk has been asked to take part in a trial and complete the DfE Recovery Plan template (document tabled).

The government require the Deficit Recovery Plan and Year end Accounts approved by Schools Forum.

The High Needs Recovery Plan is in place and Council agreed last October £120m of capital borrowing as part of a wide-ranging SEND Transformation Programme. This is funding for new buildings and to work with maintained schools to adapt existing buildings. The authority will build up to 4 special schools 3 of which are planned.

There will be more targeted information to forum on a regular basis.

The HN Recovery Plan will consist of 5 work streams:

- SEN Support
- Education Plan Performance
- Infrastructure
- Alternative Provision
- Financial Recovery – Sarah Shirras will join this work stream

The recovery Plan will be over a 3 – 5-year period.

Norfolk has been successful in a Special Free school bid for £17m towards the programme.

School Forum members asked why this paper was tabled not giving members adequate time to consider the issues. Officers had only received the template to work on from the DfE the week prior to the meeting – members were given time to read through the paper prior to forming an opinion on the contents.

Comments:

The plan does not cover all the savings that need to be made and as it only shows 3 years, does not show the recovery.

Officers said that this was in the Committee papers and a link to these could be added to agenda and papers, as they are a helpful source of information.

Officers reported that a judicial review has been logged to the government's approach to funding of High Needs and if found unlawful there could be a national review of the SEN funding system

The chair summarised the feelings of the meeting saying it was hard to make decisions without papers in advance of the meeting.

Comments:

The template needs to identify give a more detailed summary of the pressures and how the money is spent.

Reflect on-going pressures more.

Need to know how pressures are arrived at.

Not a long enough plan, needs to have 5 years and needs to have the assumptions attached.

More information on savings and methods implemented over the next three years.

Forum said it would be helpful for the authority to have feedback from members on impact in schools.

Summary of points School Forum asked to be taken into consideration in relation to the DSG recovery plan:

The DSG recovery plan needs to recover the position more quickly

The DSG recovery plan needs to consider the impact on school budgets

Needs more detail in each category of what the pressures are

They want to see the full 5-year recovery plan – not 3 years

3 years doesn't show the full picture

Need full costs and places

Need a detailed recovery plan in advance of the next meeting and a detailed background paper to assist new members on the current financial position.

Action

- **Link to committee papers included with agenda and papers**
- **A detailed plan in advance of the May meeting circulated to School Forum members**
- **A reduced agenda to give more time for discussions on the Recovery Plan.**

5. Nursery School

At the last meeting a discussion took place as to whether the authority should continue to give the three nursery schools top-up funding to the level that was agreed in 2017/18.

Funding from the DfE had decreased following the introduction of the Early Years National Funding Formula. The authority has taken the decision to continue with protection and will send written confirmation to the three Nursery schools.

Carole Jaques representing nursery schools said that they appreciated the decision taken.

6. Increase to school meal prices for NCC Group Catering Contract

It was noted that there is a presumption at the beginning of this paper that Schools Forum had accepted the reasons for the increase in prices before the item was discussed.

Norse Catering are proposing to increase the price of school meals for those schools in the NCC Group Catering Contract, due to the ongoing impact of the National Living Wage on the cost of providing school meals and the impact in the rise of the cost of food.

Currently the cost is £2.20 per meal and it is proposed this will rise to £2.30.

There will be an increase of 15p + VAT for adult meals.

Decision

Schools Forum noted the information provided and the reasons for the rise in the price of school meals.

7. Maintained Special Schools – buy back services

At the last meeting maintained schools voted on de-delegation of central services. This option does not apply to Special Schools, so a decision is required by the Special Schools representative

Maintained Special Schools are allowed to buy back into the same services and last year voted to buy back into all services apart from contingencies and behaviour support.

In the absence of any representative from maintained Special Schools being present the decision is deferred.

This highlights the need for Forum Members to send substitutes if they are unable to attend a meeting.

Action

It was agreed that Martin Brock will email the Special School representative for a decision on buy back of central services.

Individual organisations are asked to give a list to Marilyn Edgeley of designated substitutes that can be asked to step in if a member is unable to attend a meeting. It was suggested substitutes could attend a meeting to observe before acting as substitutes. It will be up to organisations to vote in suitable colleagues to act as substitutes.

8. Themed Audits

The purpose of this paper is to raise the awareness of themed audits. Norfolk Audit Services (NAS) as the County Council's internal auditors, carry out an annual programme of themed audits, visiting a representative sample of schools. There is a link in the paper to the latest themed audit.

Schools Forum noted the information provided.

9. Any Other Business

It was highlighted that from September, schools' contributions to teacher pension costs are going up from 16% to 23%. The grant to cover this is only promised for one year so far so could have a massive impact on schools. LA schools have been asked to prepare 2 budgets, one with and one without this grant in it in the longer term.

Comment made that it is important the Government understand the pressures school budgets are under and that it will become intolerable for schools to maintain sustainability if the grant does not continue.

Action

- **Standardised letter to MP's highlighting the issue that if the grant does not continue schools could become unsustainable.**

10. Dates of Meetings

Friday 5 July 2019 – 9am-12pm – South Green Park Mattishall

Schools' Forum

Item No 4

Report title:	DSG Final Outturn and Balances 2018-19
Date of meeting:	10 May 2019

Executive summary

The overall DSG outturn position for all four blocks is £2.800m overspend for 2018/19, constituted of a significant overspend within the High Needs Block offset by underspends within the other three.

The combined, cumulative year-on-year overspend on the Dedicated Schools Grant is now £10.8m

Recommendation:

Norfolk Schools' Forum are asked to agree that they acknowledge and understand the Dedicated Schools Grant outturn position, and comment on the content of this report, specifically:

- 1) The £2.800m overspend on the Dedicated Schools Grant;**
- 2) The current level of school and cluster balances.**

1. Introduction

This report outlines the final outturn for the dedicated schools grant for 2018/19.

The Dedicated Schools Grant funds the Schools Block, Central Schools Services Block, the High Needs Block, and the Early Years Block.

The Schools Block has two main elements, the amounts delegated to schools and the amounts held centrally for pupil related spending, this includes de-delegated budgets. Once delegated to schools any over or underspend is shown within school balances.

The Dedicated Schools Grant Budget and schools local funding formula for 2018/19 was agreed at January 2018 Childrens Services Committee. An update at the end of February 2019 was presented to March 2019 Childrens Services Committee. These papers can be viewed at:

https://norfolkcc.cmis.uk.com/norfolkcc/Committees/tabid/62/ctl/ViewCMIS_CommitteeDetails/mid/381/id/8/Default.aspx

The Dedicated Schools Grant can only be used for specified purposes and must be accounted for separately from the other Children's Services spending and funding.

2. Variations on Dedicated Schools Grant Funded Budgets

The overall DSG outturn position for all four blocks is £2.800m overspend for 2018/19, constituted of a significant overspend within the High Needs Block offset by underspends within the other three.

For 2018/19 there is an overspend on the High Needs block of £6.894m. This is as a result of the pressure on demand for high needs placements in independent and out of county special schools and maintained special schools. The increase in exclusions has led to an increase in demand for Alternative Provision placements and pressure on places at the Short Stay School for Norfolk, which has led to an overspend on both budgets. Additionally, there has been an increase in demand for high needs funding for post-16 students attending Further Education colleges.

There was a large movement in the Schools Block since prior reporting due to rates revaluations on Academy property that were not known previously. The £1.568m underspend on the Schools Block and Central Schools Services Block is to be used to fund the overspend on the High Needs Block as there is insufficient funds on the Dedicated Schools Grant reserve.

Norfolk had anticipated an underspend within the Early Years Block and the final outturn was 2.526m underspend, which has been used to offset the overspend on the high needs block

The funding for Early Years Block is allocated by the Education Skills and Funding Agency using January 2018 census headcount data. This funding will be adjusted in July 2019 once the January 2019 headcount data has been authorised by DfE, resulting in the final allocation being a combination of both census. Unlike 2017-18, it is anticipated that the adjustment will be an additional allocation to the LA which should include an alteration to the amount allocation for early years pupil premium.

Despite an overall underspend, the take up of the early education for 3 and 4-year olds remains consistent at approx. 94%. Whilst the 2 years old take-up continues to be between 80 and 85%, the number of families meeting the criteria is falling overall. The number of children in a 30-hour place (Spring 2019) has increased to 4126, which is 90% of the total number of eligibility codes issued by HMRC.

The Early Years SEN Inclusion Fund budget whilst underspent also supports the cost for applications received for children with complex need or an agreed/issued EHCP. The Disability Access Fund has been maximised in line with the principles and aims of DAF as advised by the Agency for 2018-19.

The summary tables that follow show the centrally retained Schools Block, Central Schools Services Block, High Needs Block and Early Years Block budgets and the actual spend for the year. The tables show the variance from the approved budget both in terms of a cash sum and as a percentage.

Table 1: Schools Block

	Approved Budget £m*	Outturn £m*	Over +/Underspend (-) £m*	Over +/Underspend (-) as a % of the budget
Schools Block-Centrally retained items				
Growth Fund	0.950	0.971	0.021	2%
Supply Special	0.130	0.116	-0.014	-11%
Maternity	0.782	0.762	-0.020	-3%
Suspended	0.223	0.044	-0.179	-80%
Disabled	0.031	0.000	-0.031	-100%
Redeployment	0.090	0.077	-0.013	-14%
Licences	0.026	0.028	0.002	8%
Free Schools Meal Eligibility	0.028	0.028	0.000	0%
Prior year rates refunds		-0.476	-0.476	n/a
Academy conversions/ closing schools		-0.815	-0.815	n/a
Centrally Retained Schools Block	2.260	0.731	-1.529	-67%

*All figures are shown rounded to 3 d.p.

Table 2: Central Schools Services Block

	Approved Budget £m*	Outturn £m*	Over +/Underspend (-) £m*	Over +/Underspend (-) as a % of the budget
Central Schools Services Block				
Independent Schools	0.100	0.100	0.000	0%
Schools Forum**	0.070	0.029	-0.041	-59%
Termination of employment costs	0.065	0.065	0.000	0%
Admissions	0.487	0.487	0.000	0%
Miscellaneous	0.175	0.177	0.002	1%
ESG retained	1.771	1.771	0.000	0%
Central School Services Block	2.667	2.629	-0.039	-1%

*All figures are shown rounded to 3 d.p.

** Breakdown of Schools Forum at Appendix 1

Table 3: High Needs Block

	Approved Budget £m*	Outturn £m*	Over + /Underspend (-) £m*	Over+ /Underspend (-) as a % of budget
High Needs Block				
Special Schools	30.500	31.587	1.087	4%
Special Schools Milk	0.000	0.014	0.014	n/a
Short Stay School	5.748	6.129	0.381	7%
FE and 6th form top up funding	5.517	6.440	0.923	17%
Specialist Resource Bases	3.042	3.089	0.047	2%
Cluster and Learning Support Funding	5.689	6.075	0.386	7%
Alternative Education	4.916	6.455	1.539	31%
Morley House	0.357	0.357	0.000	0%
Youth Offending Team	0.290	0.290	0.000	0%
PEX income	-0.900	-0.999	-0.099	-11%
Non-Maintained Special Schools	23.030	25.246	2.216	10%
Inter Authority Recoupment	0.630	0.734	0.104	17%
Personal Budgets	0.250	0.451	0.201	80%
PATHS Programme	0.100	0.081	-0.019	-19%
Speech and Language Therapy	0.774	0.771	-0.003	-4%
Moving and Handling	0.036	0.041	0.005	14%
Specialist Equipment	0.000	0.147	0.147	n/a
SEN invest to save	0.200	0.164	-0.036	-18%
Sensory support, Learning Support Service & ATT posts	2.397	2.397	0.000	0%
Contribution to CAHMS	0.251	0.251	0.000	0%
Total High Needs Block	82.827	89.721	6.894	8%

*All figures are shown rounded to 3 d.p.

Table 4: Early Years Block

	Approved Budget £m*	Outturn £m*	Over +/underspend (-) £m*	Over +/Underspend (-) as a % of the budget
Early Years Block				
2-Year-Old Place Funding	5.581	5.394	-0.187	-3%
3 and 4-year-Old funding	30.587	28.312	-2.274	-7%
Maintained Nursery Classes	3.979	3.695	-0.284	-7%
SEN Inclusion Fund	0.800	0.460	-0.340	-43%
SEN Complex Need	0.185	0.138	-0.047	-25%

SEN EHCP	0.000	0.137	0.137	n/a
SEN No Available Place	0.000	0.005	0.005	n/a
Disability Access Fund	0.170	0.170	0.000	0%
Early years pupil premium	0.438	0.526	0.087	20%
Early Years Funded Services	1.872	1.872	0.000	0%
Adjustment to 2017/18 EY	0.000	0.376	0.376	n/a
Total Early years block	43.613	41.087	-2.526	-6%

*All figures are shown rounded to 3 d.p.

3. Schools Balances

The Scheme for Financing Schools in Norfolk sets out the local framework within which

School type	at 31/03/2018			Balance b'fwd for schools Academised during year	Balance b'fwd for schools Closed/ Amalgamated / Federated during year	at 31/03/2019			Change between years	
	Balance (£000)	Over-spend (£000)	Total (£000)			Balance (£000)	Over-spend (£000)	Total (£000)	Balance (£000)	Over-spend (£000)
Nursery	77	84	-7	0	0	87	14	73	10	-70
Primary	11,545	206	11,339	868	289	11,236	143	11,093	848	-63
Secondary	607	28	579	215	0	273	0	273	-119	-28
Special	1,214	0	1,214	0	0	1,237	0	1,237	24	0
Clusters	1,272	41	1,231	0	426	729	2	727	-117	-39
Other	0	0	0	0	0	0	0	0	0	0
Totals	14,715	359	14,355	1,083	716	13,562	159	13,403	646	-201

delegated financial management is undertaken.

Schools accounts have been closed, however balances are in the process of being reconciled. This paragraph sets out in summary terms the position of Norfolk schools balances at 31 March 2019 and compares them with balances at 31 March 2018.

It should be noted that the balances shown in this paper are still draft as there needs to be a final reconciliation to the schools' submission of balances to be held under the scheme for financing schools. Appendix 2 provides details of the Balance Redistribution Mechanism for information.

Table 5 compares the value of school balances at 31 March 2019 with 31 March 2018: It should be noted that the cluster balance of £0.727m includes £0.511m of 2 teaching alliances and the School2school support service.

Table 6 shows the average level of positive and negative balances held by Norfolk schools analysed by school type as at 31 March 2019:

Type of school	Balance (£000)	Overspend (£000)	Total (£000)
Nursery	43	14	30
Primary	70	20	49
Secondary	137	0	137
Special	137	0	137
Clusters	41	1	40
Total	71	14	66

Table 7 shows the average value of balances by each type of school the level of balances compared with the overall budget:

Type of School	Position at 31/03/2019 (%)
Nursery	9.29
Primary	7.03
Secondary	2.60
Special	5.12
Clusters	19.32
All Schools	6.81

Table 8 compares the number of schools with surplus and deficit balances at 31 March 2019 with 31 March 2018:

School balances - number of schools

School type	at 31/03/2018			No. of schs Academised during 2018-19	No. of schs Closed/ Amalgamated/ Federated during 2018-19	at 31/03/2019			Change between years	
	Balance	Overspend	Total			Balance	Overspend	Total	Balance (£,000)	Overspend
Nurseries	1	2	3	0	0	2	1	3	1	-1
Primary	178	13	191	15	8	161	7	168	6	-6
Secondary	6	1	7	5	0	2	0	2	1	-1
Special	9	0	9	0	0	9	0	9	0	0
Clusters	46	3	49	0	28	18	3	21	0	0
Other	0	0	0	0	0	0	0	0	0	0
Totals	240	19	259	20	36	192	11	203	8	-8

Please note that schools with negative balances have received advice and support to help them recover their overspend in 2019-20

4. Financial Implications

The combined, cumulative year-on-year overspend on the Dedicated Schools Grant is now £10.8m; the transformation programme, including the planned increases in sufficiency, are anticipated to initially result in a reduction in annual overspends prior to being in a position to return the cumulative position to a balanced position. However, this is expected to take a number of years and will be dependent upon future decisions by central government regarding Dedicated Schools Grant funding, and particularly the High Needs Block. In the meantime, NCC is cash-flowing the deficit.

There continues to be significant pressure on the HNB due to ongoing increases in demand and challenges of sufficiency. The primary reason for the reduction in the High Needs Block outturn is lower than anticipated spend in relation top-up funding to mainstream schools. As referenced in the Budget Monitoring report to Children's Services Committee in March, early in the financial year a pressure relating to High Needs SEND (Special Educational Needs and Disability) top-up funding to mainstream schools was identified following changes to the previous funding arrangements. This took account of the expected level of growth in plans requiring mainstream top-up funding anticipated during the year. As this is the first year (and indeed only part of a year) of this funding approach it has been a challenge to predict uptake, and a review has now been undertaken of those top-ups already agreed and those in the pipeline.

Alongside this, the HNB only has the part year effect of each top-up and so the combined effect is a one-off underspend in 2018-19. It is anticipated that the mainstream top-up funding required will be in line with the original estimates for future years to ensure that demand resources are available within the most appropriate part of the wider system.

Officer Contact

If you have any questions about matters contained or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

If you have any questions about matters contained in this paper please get in touch with:

Officer Name:	Tel No:	Email address:
Dawn Filtness	01603 228834	dawn.filtness@norfolk.gov.uk



If you need this report in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

SCHOOLS FORUM
BUDGET STATEMENT 2018/19

Budget		£69,690.00
Expenditure		
Employee Related Expenses	24,968	
Hire of Premises	3,252	
Travel Expenses	48	
Printing	0	
Internal Room Hire	432	
Total Net Expenditure	28,700	
Underspend	(40,990)	

Appendix 2: Balance Redistribution Mechanism

Introduction

The Scheme for Financing Schools in Norfolk sets out the local framework within which delegated financial management is undertaken.

Schools are able to hold revenue balances for: -

- School contingency funding, not exceeding 8% of the final budget share or £20,000 whichever is the greater.
- An exception based on a school by school justification.
- Surpluses derived from sources other than the budget share e.g. YPLA sixth form funding, contributions from parents for school trips where expenditure will not be incurred until the following year or surpluses arising from providing community facilities.
- Unspent cluster funding activities.
- In exceptional circumstances, with the authorisation of the Head of Schools Finance, where an individual allocation amounting to more than 1% of the final budget share was allocated after 1st February.
- Voluntary Aided schools are allowed to hold revenue monies to fund governors' liabilities towards DFE grant aided capital work.

The following is a clarification of the procedure that came into effect from 1 April 2014, whereby a balance analysis mechanism became applicable to ALL funds held by clusters.

The legitimate purposes that balances may be held for are: -

Cluster general funding:

- To allow clusters to make provision for general cluster staffing costs for the following Summer term.
- To allow clusters to retain funds for any future costs associated with staffing adjustments for general cluster-related posts e.g. cluster PSA, admin staff etc. The sums carried forward to be a reasonable estimate of the potential redundancy payment due if the post(s) were to be removed.
- To allow clusters to retain any general cluster-related funds earmarked for specific projects.
- Any balance of general cluster funds that cannot be justified should be returned to the member schools and would therefore be subject to the analysis of school revenue balances mechanism.

Cluster trading income:

- Surpluses derived from sources other than the cluster SEND budget share or from contributions from cluster member schools to fund general cluster posts e.g. income from provision of activities to other clusters or schools from other clusters etc. The sums retained to be no greater than that received during the year.

Cluster SEND funding:

- To provide the cluster with a SEND-related contingency funding, the amount not exceeding 8% of the delegated cluster SEND budget for the 2018/19 financial year, or £20,000, whichever is the greater.
- To allow clusters to make provision for SEND-related staffing costs for the following Summer term.
- To allow clusters to retain funds for any future costs associated with staffing adjustments for SEND-related posts, TUPE or contractual obligations to third parties e.g. cluster SENCO, etc. The sums carried forward to be a reasonable estimate of the potential redundancy payment, TUPE costs or contracted payments due if the post(s) or services were to be removed.
- To allow clusters to retain any SEND-related funds earmarked for specific projects linked to improving outcomes for identified pupils. This category can only to be used in exceptional circumstances.

Cluster additional in-year funding, outside the capacity and development fund:

- Any additional SEND funding allocated to clusters by the Local Authority after the 1 January each year is outside the balance analysis mechanism.

Schools' Forum

Item No 5

Report title:	DSG Deficit Recovery Plan
Date of meeting:	10 May 2019

Executive summary

All local authorities that have a cumulative DSG deficit of 1% or more at the end of a financial year are required to submit a Recovery Plan to the Department for Education (DfE) outlining how they will bring their deficit back into balance in a three-year time frame. If the Recovery Plan is longer than 3 years, the Local Authority is required to provide detailed evidence explaining why this timescale is not achievable.

Local authorities are required to submit a recovery plan by 30 June 2019 and the DfE expect that the Recovery Plan has been presented to Schools' Forum prior to submission. The DfE will then provide feedback to local authorities by 30 September 2019 and decide whether to accept the recovery plan or not.

The recovery plan projects that the High Needs Block will balance in-year from Year 3 onwards. The cumulative deficit position will have reached £19m by the end of 2020-21, and as this is a ring-fenced grant, the deficit will need to be repaid over a number of future years. This deficit will be identified separately within the Council's accounts from the Council's general reserves, as per the DfE guidance.

Recommendations:

- 1. Does Schools Forum understand the key principles and assumptions of the recovery plan, including the timescale and expected scale of placements based on expected trends?**
- 2. Provide specific feedback upon any principles or plans that schools' forum would like NCC to provide further detail of to aid understanding**

1. Context

Dedicated Schools Grant (DSG) funded high needs Special Educational Needs and Disabilities (SEND) provision in Norfolk continues to operate in a challenging context, reflecting the national picture, where the huge majority of areas are seeing pressures and net increases in spending due to the demand-led nature of the spend. This pressure has intensified over the years following previous national reforms that strengthened the rights of parents and have driven big rises in requests for Education, Health and Care plans and high needs (SEND) provision. There has also been resulting increased transport requirements due to the increased demand for specialist SEND provision, including a continuing increase in the number of children and young people requiring individual transport and / or accompanied journeys. The costs of the transport requirements are a pressure upon Norfolk County Council's General Fund.

The County Council is responsible for ensuring that every child has a school place. For children with Special Educational Needs and Disabilities there are additional duties on the local authority that mean the local authority must ensure that appropriate educational provision is available to meet the child's educational needs. The local authority is further

responsible for planning for future demand in terms of places of the right type, in the right place across the county. The current trajectory indicates that there is likely to be further pressure on revenue funding for SEND places and specialist support, which will be challenging to meet, given the current level of provision across the county. As a result, NCC must therefore plan for more of the right kind of school places and support to meet SEND need, slow down the demand by meeting need earlier, and enabling the High Needs Block (HNB) for Norfolk to return to a balanced position.

To achieve this, significant development has been undertaken of the SEND and Alternative Provision workstream of the Children's Services Transformation Programme. As previously reported to Schools' Forum, this workstream will focus on SEND assessment and support to schools and providers to increase the numbers and complexity of children that can be appropriately supported to be educated in the mainstream sector, and will run alongside the (up to) £120m capital investment in new provision programme previously approved by the Council's Policy and Resources Committee

2. Recovery Plan Requirements

All local authorities that have a cumulative DSG deficit of 1% or more at the end of a financial year are required to submit a recovery plan outlining how they will bring their deficit back into balance in a three-year time frame. If the recovery plan is longer than 3 years, the Local Authority is required to provide detailed evidence explaining why this timescale is not achievable.

In previous years Local Authorities with a cumulative deficit of 2% or more were required to provide plans outlining how they will bring their deficits back into balance. However, the Department for Education (DfE) have made the decision to move the threshold to 1% in recognition of the increase in local authorities recording a DSG deficit over the last two years.

Local authorities are required to submit a recovery plan by 30 June 2019. The guidance and the template has now been issued by the DfE and can be viewed at: <https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-deficit-recovery-plans>

The DfE will provide feedback to local authorities by 30 September 2019 and decide whether to accept the recovery plan or not.

A recovery plan template has been provided by the department that local authorities should complete. At the March 2019 Schools' Forum, NCC presented a draft completion of the template as a pilot for the DfE. Feedback was gathered and, combined with NCC's feedback, was provided to the DfE prior to the final template and guidance being issued. This has enabled the local authority to agree with the DfE that Norfolk can prepare its own recovery plan which demonstrates the full 5-year recovery and that shows the total expenditure each year rather than just savings and pressures. This has also enabled the local authority to provide the Forum with additional details as part of the plan that are not part of the DfE's template. The local authority will then utilise the final Recovery Plan to complete the DfE template for approval by the DfE, and the Recovery Plan will be provided to the DfE as supporting evidence.

3. Requirements of the Recovery Plan

Local Authority is required to produce a DSG recovery in line with the guidance issued by the DfE (annex A). The guidance requires that the report and any evidence referred to is presented to Schools Forum prior to the submitting to the DfE. Annex B provides the DfE's template for reference purposes.

The DfE expect the recovery plan to include the following evidence

- Full breakdown of specific budget pressures on DSG funded services locally
- Changes in demand for special provision over the last 3 years, how the LA has met the demand by commissioning places in difference sectors and any reductions in provision for mainstream pupils with high needs
- Assessment and understanding of the local factors that have caused high needs costs to exceed funding allocations
- Plan to change the pattern of provision to achieved greater efficiency and better value for money in other ways
- Extent to which the plan is supported by schools and other stakeholders
- Detailed recovery plan as to how the LA intends to bring the DSG reserve into balance within 3 years and, if the LA judges that it cannot recover the whole cumulative DSG deficit within 3 years, the reasons for this should be explained and evidence provided of expected timescales and that the in-year position is balanced by the end of the 3rd year
- Previous movements between funding blocks, the pressures these covered and why the transfer were not adequate to counter the cost pressures
- Assumed future transfers between funding blocks and evidence of support from Schools' Forum and the wider school community

Annex C contains the draft Local Authority Dedicated Schools Grant Recovery Plan, as proposed by the Norfolk County Council, along with the relevant appendices providing supporting evidence.

4. Financial Implications and Risks

The financial assumptions, modelling and implications are contained with the draft Recovery Plan. The key elements are:

- 1% increase per annum in the High Needs Block allocation;
- Increasing the number of maintained specialist provision to increase quality and reduce placement costs;
- Increased investment in early invention funding and Specialist Resource Base provision to reduce needs escalating and, therefore, reduce demand on places in special school provision;
- Continued movement between the Schools' Block and the High Needs Block of 0.5% plus the additional £4.58m agreed by the Secretary of State for 2019/20;
- Continued NCC General Fund support to the High Needs Block of £3m per annum.

The recovery plan projects that the High Needs Block will balance in-year from Year 3 onwards. The cumulative deficit position will have reached £19m by the end of 2020-21, and as this is a ring-fenced grant, the deficit will need to be repaid over a number of future years. This deficit will be identified separately within the Council's accounts from the Council's general reserves, as per the DfE guidance.

It should be noted that if the application to move the funding from the School's Block to the High Needs Block is not agreed, or is only partially agreed, or if NCC is unable to continue investment from its General Fund beyond 2019-20, then there will be a significant delay as to when an in-year sustainable position will be achieved. This will, in turn, result in significant additional accumulated deficit over that period requiring future repayment. NCC are aware that there is significant risks with both of these assumptions given the uncertainty surrounding local government funding settlements and Schools funding.

In addition to these risks, as with any medium-to-long term plan, there are risks around the validity of assumptions.

The financial modelling is based upon the best available information at the time of preparation and some elements of the transformation planned are further through the planning cycle than other elements. For example, detailed plans for new Special School provision is well-underway allowing the financial modelling to take account of the planned movement of places from independent to maintained special schools

There are updates on both the transformation programme and the DSG Recovery Plan scheduled within the Schools' Forum Forward Plan for the 2019-20 academic year. As detailed planning continues, the local authority will review the validity of the assumptions made and will make appropriate updates to the place and financial modelling for future years. These will be shared with Schools' Forum.

5. Background

There have been a significant number of papers and discussions regarding the High Needs Block pressures at Norfolk Schools' Forum. These are available online as part of the Schools Forum agenda, papers and minutes:

<http://www.schools.norfolk.gov.uk/School-administration/Finance/Norfolk-schools-forum/Agendas-and-Papers/index.htm>

16 March 2016	Item 2 High Needs Budget for 2016/17 and Places Commissioned
16 March 2016	Exclusions – removal of funding as a disincentive and cover AP costs
27 May 2016	Item 2 Permanent Exclusion Charging
27 May 2016	Item 5 Final DSG Outturn Budget Monitoring
27 May 2016	LDD (SEN) Funding Sub-group - Minutes of meeting 21.4.16
14 October 2016	Item 3 Fair Funding
14 October 2016	Item 4 PEX charges
14 October 2016	Item 8 LDD (SEN) Funding sub-group Minutes of meeting 27.9.16
14 December 2016	Item 3 High Needs Block Pressures
11 January 2017	Item 6 National Funding Formula Stage 2 Schools and High Needs Block
19 May 2017	Item 6 Final Outturn Dedicated Schools Grant
19 May 2017	Item 9 High Needs Block 2017/18
19 May 2017	Item 10 Excluded Pupil Charges – proposals to reduce exclusions and cover AP costs
7 July 2017	Item 4 PEX charging update
18 October 2017	Matters Arising - Impact on HN overspend
18 October 2017	LDD Minutes 28 Sept

24 October 2017	Item 4 High Needs Block Budget
10 January 2018	Item 4 Final Outturn
10 January 2018	Item 6 High Needs Budget and Places update
10 January 2018	Item 7 DSG
18 May 2018	Item 5 Final DSG
18 May 2018	Item 7 HN Budget
12 September 2018	Item 5 HN Block
12 September 2018	Item 6 Options for Consultation
17 October 2018	Item 6 DSG and High Needs Block update
17 October 2018	Item 8 Schools Block consultation
11 January 2019	Item 5 Dedicated Schools Grant 2019/20 Paper
15 March 2019	Item 4 Dedicated Schools Grant recovery plan Paper – DfE pilot template

There are also a number of relevant papers to Norfolk County Council's Childrens' Services Committee and Policy and Resources Committee, all of which are available here: <https://norfolkcc.cmis.uk.com/norfolkcc/Committees.aspx>

Officer Contact

If you have any questions about matters contained or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

If you have any questions about matters contained in this paper please get in touch with:

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Norfolk's Dedicated Schools Grant Recovery Plan: 2019-20 to 2022-23

1. Introduction

For 2018-19, all local authorities that have a cumulative Dedicated Schools Grant (DSG) deficit of 1% or more at the end of a financial year are required to submit a recovery plan outlining how they will bring their deficit back into balance in a three-year time frame. If the recovery plan is longer than 3 years, the Local Authority is required to provide detailed evidence explaining why this timescale is not achievable.

Local authorities are required to submit a recovery plan by 30 June 2019. The guidance and the template has now been issued by the DfE and can be viewed at:

<https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-deficit-recovery-plans>

The DfE will provide feedback to local authorities by 30 September 2019 and decide whether to accept the recovery plan or not.

Norfolk Children's Services has undertaken a major review of SEND provision over the past 12 months and has produced a detailed, evidence based, SEND Sufficiency Strategy. This strategy has been co-produced with partners and stakeholders and has received Member approval through the County Council's Policy and Resources Committee for up to £120m capital investment to enable SEND Transformation over 5 years. Since Member approval, we have been successful in securing Central Government capital funding for one of the new special schools through the DfE Wave 2 Free School programme.

The planned transformation programme will see the development of more maintained special schools and Specialist Resource Bases, and a step change for mainstream school support and challenge for inclusion. Our strategy will support mainstream inclusion as well as ensuring that, when necessary, children and young people are supported to move to Good and Outstanding maintained specialist placements. The SEND Transformation Programme is now fully scoped and up and running.

There has already been significant documentation of the pressures upon Norfolk's High Needs Block Funding, including:

- the 2019-20 Disapplication Request to the Secretary of State for more than 0.5% from Schools Block to High Needs Block
- multiple papers to Children's Services committee relating to the sufficiency, transformation and the DSG budget
- multiple papers to Norfolk's Schools' Forum relating to funding allocations, transformation and movements between Blocks

Links to some of the most recent and relevant papers are provided in Appendix A for background information. This recovery plan is consistent with the previously published information.

2. Norfolk's Strategic Financial Plan for SEND

The Council has developed a strategic financial plan to bring High Needs Block expenditure to levels that can be sustained within anticipated future High Needs Block funding.

In July 2018, the Council's Children's Services Committee received a report in relation to the development of the Council's SEND strategy. This is available at [Meeting SEND - Quality, Sufficiency and Funding](#). A presentation was subsequently made to the September 2018 Forum.

On the 28 October 2018, the Council's Policy and Resources Committee received a report developing the strategy further: 'Transforming the System for Special Educational Needs & Disability (SEND) in Norfolk'. The Council agreed to support up to £120m of capital borrowing as part of an ambitious SEND Transformation Programme. The strategy will see both the landscape and cultural transformation across Norfolk's SEND system; parents will have 'first refusal' for children to move from high cost independent provision to Good & Outstanding special school placements, sufficiency of provision is planned to ensure that future need will be met, and reductions in travel time – all of which are intended to improve the outcomes for, and improve the lives of, children and young people. This strategy will also enable both reduction of the High Needs Block funding pressures and SEND home to school transport pressures. The Council agreed to the capital investment based upon initial sufficiency and financial modelling: the 'Transforming the System for Special Educational Needs & Disability (SEND) in Norfolk' report to the Council's Policy and Resources Committee is available as part of the meeting's [agenda](#).

3. Governance Arrangements

Norfolk County Council has agreed to move to a Cabinet system for governance from May 2019 and it is anticipated that Cabinet will receive reports in relation to progress with the SEND & AP Transformation Programme as well as the DSG recovery plan, with the focus of updates upon key themes throughout the 5-year transformation programme:

1. Overall progress with the five workstreams of the programme

- Workstream 1 – SEN Support & Inclusion
- Workstream 2 – EHCP performance improvement
- Workstream 3 – Infrastructure and new provision
- Workstream 4 – Alternative Provision & Inclusion
- Workstream 5 – SEND finance recovery plan: High Needs Block and SEN Transport

2. Capital schemes developments, both special school and specialist resource bases

The Shadow Corporate Board of Norfolk County Council received an update on the planned capital investment into special schools in April 2019, and this update included details of the draft High Needs Block financial recovery plan.

4. History and Background – How the budget pressures have arisen

There has been a 10% increase in pupils with an EHCP transferring from mainstream to special school provision, which has led to an increased demand for high cost specialist placements. Year-on-year detail of this movement are shown in appendix B. In addition to this movement between mainstream and special school provision, Norfolk schools are also permanently excluding significant numbers of young people who then require alternative provision, which has led to further pressures on the High Needs funding, with a cumulative year-on-year effect where pupils have remained in this alternative provision. The numbers of excluded pupils since 2015/16 can be seen in appendix C.

The increase in demand for specialist High Needs placements over the last four years is set out in table 1 below. This table shows how the Local Authority has met that demand by commissioning places in all sectors (mainstream and special schools, further education and sixth form colleges, independent specialist provision and alternative provision). Table 2 then shows the financial impact of the increase in the provision of these places to ensure that the local authorities statutory duties are met.

Table 1: Year-on-Year Historic Demand Change

Provision	2015/16	2016/17	2017/18	2018/19
Mainstream special school places	1246	1301	1386	1550
Independent Special schools places	371	500	544	615
Alternative Provision	168	258	326	336
Post 16 FE college places (New responsibility from 2017/18)			460	592
Specialist Resource Bases (Reduction in places due to move to an outreach model through the transformation programme)	274	264	248	242
Pupil Referral Unit	330	350	350	350
Total	2389	2673	3314	3685

Table 2: Year-on-Year Financial Spend by Type of Provision

Provision	2015-16	2016-17	2017-18	2018-19
Mainstream Special Schools	£25.290m	£26.603m	£28.632m	£31.587m
Independent Special Schools	£16.147m	£18.136m	£23.120m	£25.246m
Alternative Provision	£2.819m	£3.368m	£5.945m	£6.455m
Post 16 FE college Places (New responsibility from 2017/18)			£2.890m	£2.734m
Post 16 FE top up funding	£2.667m	£2.929m	£3.404m	£3.706m
Specialist Resource Bases (Reduction in places due to move to an outreach model through the transformation programme)	£3.907m	£3.907m	£3.682m	£3.089m
Pupil Referral Unit	£5.580m	£5.719m	£6.000m	£6.129m
Total	£56.410m	£60.662m	£73.673m	£78.946m

NB These tables include placements only; i.e. they do not include support for pupils receiving Early Intervention SEND support in mainstream schools.

Maintained special schools and Pupil Referral Units have reached full capacity; the increased demand has resulted in commissioning from the independent sector at a higher price. The table above shows the increased revenue cost of provision for each financial year.

The transfers in funding from the Schools Block to the High Needs Block is detailed in table 4 below; this funding has been used to fund the additional special school places and to commission additional Alternative Provision places for excluded pupils. In these areas of provision, the cost has increased since 2015/16 by £22.536m.

Norfolk's total High Needs Block allocation, prior to movements between blocks, has only increased between 2015/16 and 2018/19 by £13.842m. This suggests a shortfall between demand on placements and funding in the region of £9m.

Table 3 below shows how the overspend has built up each financial year, as demand has exceeded the High Needs block allocations combined with movement from the Schools Block to the High Needs Block. The table includes a breakdown of the previous movements from the Schools Block to the High Needs Block since 2015/16. Despite these movements, the pressure on placements and, therefore, funding has continued. For reference purposes, appendix D shows the additional income received from health and the Council's Children's Services social care budgets to help fund the cost of joint and tripartite specialist placements.

Table 3: Prior Year High Needs Block Funding and Expenditure

	2015/16	2016/17	2017/18	2018/19
High Needs Block Allocation				£80.462m
Movements from Schools Block	1.434m	1.434m	1.8m	2.365m
Total High Needs Block Budget	£68.055m	£68.914m	£77.048m	£82.827m
Expenditure	£72.667m	£77.039m	£87.642m	£89.721m
Overspend	£4.612m	£8.125m	£10.594m	£6.894m

Despite the transfer from the Schools Block to the High Needs Block in previous years, this has not been sufficient to meet the pressure. Part of the overspend each year has had to be met by underspends on the Early Years Block and the Schools Block and use of the DSG reserve, until it was exhausted, as shown in table 4 below.

Table 4: Prior Year Application of Reserve and other Block Underspends

	2015/16	2016/17	2017/18	2018/19
High Needs Block Overspend	£4.612m	£8.125m	£10.594m	£6.894m
Funded by:				
Early Years Block underspend			£3.527m	£2.526m
Schools Block underspend	£1.059m	£0.584m	£1.559m	£1.568m
DSG reserve	£3.553m	£4.962m		
Cumulative overspend		£2.579m	£8.087m	£2.800m

Table 5 provides a breakdown of the overspend position for 2018/19. The demand on places across all types of provision continues to cause cost pressures above the level of funding available. Changes have been implemented to the system of allocating SEN top up funding to mainstream schools to improve the targeting to individual pupils and cohorts. The use of personal budgets has also increased, to promote inclusion, early intervention and reduce demand on high cost specialist placements.

Table 5: 2018-19 Cost Pressures

Cost pressure	2018/19
Independent special school places	£2.216m
Maintained special schools places	£1.101m
SEN top up funding to mainstream schools	£0.386m
SEN top up funding to FE colleges	£0.923m
Alternative Provision places	£1.539m
Personal budgets	£0.201m
Other	£0.528m
Total	£6.894m

5. Financial Recovery Plan

Norfolk County Council's financial model to balance the High Needs Block is summarised in the table 6 below. It is a 5-year recovery plan, due to the scale of the demand for specialist educational provision and support within the County and acknowledgement of

the scale of the transformation of the system that is required. Central to the recovery plan is increasing the number of maintained specialist provision to increase quality and reduce placement costs.

The 5-year financial recovery plan is reliant upon the continued movement between the Schools' Block and the High Needs Block of 0.5% plus the additional £4.58m agreed by the Secretary of State for 2019/20. If the application to move the funding from the School's Block to the High Needs Block is not agreed, or is only partially agreed, then there will be a significant delay as to when an in-year sustainable position will be achieved resulting in significant additional accumulated deficit over that period requiring future repayment.

In addition, the plan assumes that the local authority will continue to support the High Needs Block with the Council's General Fund. The scale of demand, is such that the pressure cannot be contained within the Dedicated Schools Grant. £2m of NCC general council funds have been committed to support the High Needs block for 2019-20 plus an additional £1m transformation revenue investment. As clarified in the DfE guidance for the preparation of the recovery plan, there is no obligation upon the County Council to use other funding to support this ring-fenced grant. However, the current Medium Term Financial Strategy for the Council does assume that there will be continued investment of £3m per year for the remaining four financial years. There is significant risk with this assumption given the uncertainty surrounding local government funding settlements and this assumption may need to be reconsidered if it is clear that it is unaffordable to the Council.

The recovery plan projects that the High Needs Block will balance in-year from Year 3 onwards. The cumulative deficit position will have reached £19m by the end of 2020-21, and as this is a ring-fenced grant, the deficit will need to be repaid over a number of future years. This deficit will be identified separately within the Council's accounts from the Council's general reserves, as per the DfE guidance.

Significant Amendments to Modelling Assumptions

The placement sufficiency and financial modelling are under ongoing review as detailed plans are developed and assumptions become more refined. A key difference within the recovery plan presented in this paper and the model utilised within the business case to the October 2018 Policy and Resources Committee, is the updated modelling of savings linked to the growth of existing Norfolk maintained special schools. In addition to the three new special schools that are planned, the Council has also continued growth within other maintained special schools through refurbishment and expansion. The key amendments are:

Ongoing increase in the number of places available with the previous new school developments:

- Fen Rivers (Kings Lynn)
- Chapel Green (Old Buckenham)
- Wherry (Norwich)

Refurbished and/or expanded special school places:

- 20 places at Sheringham Woodfields (Sheringham)
- 40 paces at Fred Nicholson (Dereham)
- 40 places Norwich special schools (10 Hall School, 30 TBC)

High Needs Block 5-Year Financial Plan

Annex C: DRAFT Local Authority Dedicated Schools Grant Recovery Plan

Table 6 below shows the high-level financial assumptions built into Norfolk County Council's Dedicated Schools Grant 5-year recovery plan. The financial and place modelling is based upon the best available information at the time that this plan is being prepared and will be subject to review and amendment as plans crystallise and as further, improved information and data becomes available. The Council has presumed that the DSG funding will increase by 1% per annum for the purposes of this plan.

Please note that within the 5-year plan there is an increase in expected funding for Early Intervention SEND Funding from the 2018-19 funding of £6.075m to £8.439m in 2019-20. At this stage this level of funding is presumed for the remainder of the 5-year recovery period and underlines the commitment to invest further in early intervention to reduce the reliance upon specialist provision. The transformation programme has initially focussed on forecasting, at cohort level, the planned movement from high-cost independent sector into maintained special school sector; this informs the reduction in that area of the budget. However, the programme is still developing the Early Intervention strands and so is not yet at the stage where future years' forecasts can be provided for 'step-down' from specialist to mainstream. Future iterations of the recovery plan will provide more accurate forecasting to illustrate this as more detailed plans develop. This review and detailed planning will also include the review of the budgets and contributions to partnerships and other funded services to assess whether the level of investment is appropriate to achieve the desired outcomes.

Table 7 then shows the cumulative deficit on the basis of the 5-year plan. This takes account of the cumulative deficit of £8.087m brought forward from 2017-18 (and previous years) that the Council is currently holding within a ring-fenced reserve.

Appendix E provides the associated breakdown of placement numbers and costs, assumed demographic demand and savings.

Table 6: 5-Year Financial Plan

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
High Needs Block Allocation	80.462	81.822	81.839	82.664	83.492	84.324
0.5% Schools' Block Transfer	2.365	2.410	2.434	2.459	2.483	2.508
Additional Schools' Block Transfer	0.000	4.580	4.580	4.580	4.580	4.580
NCC General Fund Contribution		2.000	3.000	3.000	3.000	3.000
Schools, Early Years and Central Services Blocks Underspend	4.090					
Total Resources Available	86.917	90.812	91.854	92.702	93.555	94.412
Placement Budget brought forward		80.488	83.478	82.765	78.285	76.865
Demographics and unmet demand		5.196	6.748	5.206	5.206	5.206
Demand Management *		0.000	0.000	-1.080	-2.931	-4.620
Savings *		-2.207	-7.411	-8.556	-3.644	-1.853
Sub-Total Placement Costs	80.488	83.478	82.815	78.385	77.015	75.749
Early Intervention SEN funding	6.075	8.439	8.439	8.439	8.439	8.439
Start-up Costs		0.500	0.500			
Speech and Language	0.771	1.004	1.004	1.004	1.004	1.004
Sensory Support	1.624	1.624	1.624	1.624	1.624	1.624
YOT	0.290	0.290	0.290	0.290	0.290	0.290
CAMHS	0.251	0.251	0.251	0.251	0.251	0.251
LA Posts	0.774	0.774	0.774	0.774	0.774	0.774
Fines Income *	-0.999	-0.900	-0.900	-0.900	-0.900	-0.900
Other services	0.447	0.447	0.447	0.447	0.447	0.447
Repay overdrawn position				2.300	4.600	6.700
Total expenditure	89.722	95.907	95.244	92.614	93.545	94.378
Surplus (+)/Deficit (-)	-2.804	-5.095	-3.390	0.089	0.011	0.034

*These 3 rows are income/savings with a positive effect on the High Needs block.

Table 7: Cumulative Deficit

	Brought Forward	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Cumulative Deficit	-8.087	-10.887	-15.982	-19.372	-16.983	-12.373	-5.639

6. Appendices

Appendix A: Background Documentation

Appendix B: Movement of pupils from Maintained to Special Schools

Appendix C: Norfolk Permanent Exclusions Data

Appendix D: Health and Social Care Budget Historical Contributions to Placements

Appendix E: Placements and costs behind the recovery plan

Appendix A: Background Documentation

De-delegation, growth fund and central services budget (Item 4, 17 October 2018 Norfolk Schools Forum):

<http://www.schools.norfolk.gov.uk/School-administration/Finance/Norfolk-schools-forum/Agendas-and-Papers/NCC182085>

[Meeting SEND - Quality, Sufficiency and Funding:](#)

http://norfolkcc.cmis.uk.com/norfolkcc/Decisions/tabid/67/ctl/ViewCMIS_DecisionDetails/mid/391/Id/b3d70c61-cf16-42aa-a169-51ebf3fa2429/Default.aspx

Transforming the System for Special Educational Needs & Disability (SEND) in Norfolk:

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1421/Committee/21/Default.aspx>

2019-20 Dedicated Schools Grant (Item 11, 22 January 2019 Children's Services Committee):

<https://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1473/Committee/8/Default.aspx>

2019-20 Disapplication Request
TO BE ADDED

Appendix B: Movement of pupils from Maintained to Special Schools

The table below shows the movement of pupils. In 2012, 73.6% of pupils in mainstream schools had a statement, in 2017 this figure had reduced by 10% to 63.9%. In correlation the number of pupils in the special school’s sector with an EHCP increased by 10%. The table below shows in 2012, 26.4% of pupils with a statement were in a special school, by 2017 this had increased by 10% to 36.1% of pupils with an EHCP.

Year	Statement/EHCP	Mainstream		Special	
2012	4783	3520	73.6%	1263	26.4%
2013	4754	3440	72.4%	1314	27.6%
2014	4452	3142	70.6%	1307	29.4%
2015	4369	2826	64.7%	1553	35.5%
2016	4385	2826	64.4%	1559	35.6%
2017	4806	3070	63.9%	1736	36.1%
2018	5116*	3025	59.1%	2091	40.9%

*total EHCP for Norfolk 5502, however, balance of 386 are within a 20-25-year-old cohort

Please note: prior to the SEND reforms in September 2014 the average referral rate for Statement of SEN / EHCP assessment was 650 per year, the referral rates reported for 2017 was 1015 and for 2018 was 1054

Appendix C: Norfolk Permanent Exclusions Data

The table below shows the high numbers of excluded pupils from mainstream schools requiring Alternative Provision at an average cost of £16-18k per place. This has resulted in a cumulative year on year effect on the demand on places, as the majority of pupils remain in Alternative Provision.

Academic Year	Number of Permanent Exclusions
2015-16	288
2016-17	259
2017-18	255
2018-19	186*

*autumn and spring term actual, therefore, summer term cumulative not included

Appendix D: Health and Social Care Budget Historical Contributions to Placements

Additional income from Health and from the Council's Childrens' Services social care budgets is received to help fund the cost of joint and tripartite specialist placements. The funding split of the placement is agreed at a panel between partners working collaboratively together and depends on whether the needs that the placement is expected to meet are education, social care or health led. The contributions received since 2015-16 are shown below. The Council is currently carrying out a review of arrangements with our health partners to ensure that the processes in place guarantee that a health contribution is agreed at the correct point in the procurement of the placement.

Contributions of health and social care budgets to special provision 2015/16 to 2018/19		Total cost £'000	Health Contribution £'000	Social Care Contribution £'000	Education Contribution £'000	Education contribution %
Year	Number of Joint and tripartite Places					
2015/16	49	7,443	557	4577	2,309	31%
2016/17	61	8,411	518	4834	3,059	36%
2017/18	66	10,306	591	4778	4937	48%
2018/19	63	10,908	420	6141	4348	40%

Appendix E: Placements and costs behind the recovery plan

The table below provides the breakdown of placement and pupil numbers, costs, assumed demographic demand and savings to build the overall financial model for the Recovery Plan.

Financial Year		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Special Schools	Places	1,550	1,751	1,905	2,037	2,123	2,197
	Cost (£m)	31.587	33.906	36.647	39.797	42.417	43.965
Independent	Places	615	673	508	396	342	337
	Cost (£m)	25.604	26.799	24.011	16.769	13.240	10.375
Early Intervention SEND funding	Pupils	2,515	2,515	2,515	2,515	2,515	2,515
	Cost (£m)	6.075	8.439	8.439	8.439	8.439	8.439
Alternative Provision	Places	810	752	652	552	510	510
	Cost (£m)	6.455	5.741	4.516	3.291	2.780	2.780
Post-16 (FE etc)	Places	616	616	616	616	616	616
	Cost (£m)	6.440	6.440	6.440	6.440	6.440	6.440
SRB/DRBs	Places	242	242	365	412	412	412
	Cost (£m)	3.089	3.279	3.838	4.675	4.675	4.675
Personal Budgets	Pupils	55	55	55	55	55	55
	Cost (£m)	0.451	0.451	0.451	0.451	0.451	0.451
Pupil Referral Unit	Places	350	350	350	350	350	350
	Cost (£m)	6.129	6.129	6.129	6.129	6.129	6.129
Other Local Authority	Places	74	74	74	74	74	74
	Cost (£m)	0.734	0.734	0.734	0.734	0.734	0.734
Total Funded Places / Pupils		6,827	7,027	7,040	7,006	6,997	7,066
Total Funded		86.563	91.917	91.204	86.724	85.304	83.988

Please note: the number of pupils identified in relation to the Early Intervention SEND funding for 2018-19 is based upon the numbers supported since October 2018.

Schools' Forum

Item No 6

Report title:	Pupil Variations
Date of meeting:	10 May 2019

Executive summary

A decision is required as to whether to make retrospective adjustments to schools relating to pupil variations in the future. Forum are asked to look at the current pupil variations and to consider the financial and other effects of making retrospective adjustments to schools when making this decision.

Recommendations:

To decide on whether retrospective adjustments should be made to schools in relation to pupil variations and the methodology that would be adopted, or to continue with the current method of variation and no subsequent adjustment (unless otherwise agreed as per St. Clement's Hill Primary Academy).

1. Proposal

Current method vs retrospective adjustments

The Authority Proforma Tool (APT) is completed in January of each year and we use 5/12ths of the October census of the financial year we are currently in to calculate April - August plus a 7/12ths estimate for the period September to March.

The estimate is a combination of information received from the Admissions team after having liaised with the school in question, plus any other information that has been published on the school reorganisation web page. We use an estimate for the 7/12ths because the census data for October of the financial year we are calculating is not yet available.

We are allowed to make retrospective adjustments but currently choose not to and the schools are expected to manage the budget that has been allocated to them.

A recent exception to this was St. Clement's Hill Primary Academy which had a retrospective adjustment made in the 2019/20 APT. It was agreed that a clawback system would be actioned if the estimated numbers used for 2018/19 were significantly different when compared to actual numbers following the October 2018 census.

If a decision was made to adjust retrospectively, the adjustment would be made in the following financial year and could increase or decrease a school's budget for that financial year, so schools would have to plan ahead for any potential adjustment.

We must fund schools using the same principles of estimates for pupil growth, in both schools with growth recognised by the LA, and growth in centrally delivered free schools that are growing. There are many variables that can affect the difference between

numbers on roll from one year to the next in growing/re-organising schools so it would be difficult to apply a principle that would work for all.

Modelling

2018/19 data has been used to model the effects of pupil variation and the difference between estimated numbers for September 2018 to March 2019 compared with the October census 2018 numbers for this same period. The spreadsheet attached shows the outcomes.

Of the ten schools modelled, four of the schools' budgets would have decreased when using the census data, compared with six schools that showed an increase in budget. However, the total decreases in funding amounted to -£280,945 compared with increases in budget of £93,981, giving an overall retrospective adjustment figure of -£186,964.

Forum suggested looking at the percentage increase/decrease of September numbers, comparing estimated to census, and deciding on a fixed percentage threshold amount when deciding whether to make a retrospective adjustment. It was thought that 10% and 20% would be sensible threshold starting points for modelling. Using the figures in our model, all schools would fall into the 10% threshold and half of schools over 20%. One disadvantage of using this method is that it creates a cliff edge for those on the cusp of the threshold.

Another suggestion would be to look at what the actual additional intake was compared to estimated numbers. It could be that a school has been given an estimate of 60 pupils intake (an additional 2 classes) and actually only gets 28 (just one class). If this was the case, it would not justify the additional class costs and therefore a retrospective adjustment would seem appropriate.

Advantages and Disadvantages

This additional funding is based on NCC estimate of new pupils arriving at the school due to re-organisation (schools growing from infant or junior to all-through primary or new schools that are growing year by year. NCC rely on schools to work with us with proposals to re-organise and/or to grow year by year and funding to be able to do this is essential to schools. Any likelihood of funding being removed at a later date could mean a school would not agree to NCC proposals.

The only advantage to this proposal is that in some circumstances money would come back into the budget.

Further comments

As mentioned above, it would be difficult to apply a simple principle that would work for all different scenarios. A simple model would be as suggested above, to apply funding for proposed additional Forms of Entry. This funding would only be clawed back if the school in question did not admit that number of Forms of Entry and took less children.

2. Financial Implications and Risks

If a decision was made to reduce funding in the following financial year, where there has been a significant drop in pupil numbers, this would have a significant impact on school budgets. Schools would need to financially plan ahead for this scenario, when the actual pupil numbers became available in October.

Any funding would be returned to the Schools Block, for use within the schools' financial regulations.

3. Background

This item was previously discussed at School Forum on Friday 11 January 2019 and 15 March 2019.

Officer Contact

If you have any questions about matters contained or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

If you have any questions about matters contained in this paper please get in touch with:

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If you need this report in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.

School	Oct '17 Census	Sept '18 Estimate Variation	Oct '18 Census	APT 2018/19 Total 5/12ths Oct '17 census 7/12ths Sept Estimate	Actual NOR for 2018/19 Oct '17 census 5/12ths & Oct '18 census 7/12ths	Difference in actual NOR and APT	Difference in funding if actual nos. used instead of estimated £	Difference in Sept 2018 numbers est. v oct 18 census %
St Clement's Hill Primary Academy	0	60	30	35	18	-18	-59,891	50%
Jane Austen College	676	180	140	781	758	-23	-118,227	22%
Charles Darwin Primary	102	68	76	142	146	5	17,550	-12%
Ashleigh Primary School and Nursery	385	60	73	420	428	8	24,486	-22%
Browick Road Primary School	184	30	35	202	204	3	9,718	-17%
Northgate Primary School	348	60	67	383	387	4	17,140	-12%
St George's Primary and Nursery School	166	30	38	184	188	5	21,586	-27%
Drake Primary School and Nursery	295	60	51	330	325	-5	-17,577	15%
Rosecroft Primary School (Attleborough Infant)	365	72	28	407	381	-26	-85,250	61%
Attleborough Primary School	391	19	21	402	403	1	3,502	-11%

NOR Number on Roll
APT Authority Proforma Tool (the DFE's return that calculates individual schools funding)

SCHOOLS FORUM YEAR PLAN 2019-20

	Autumn Term		Spring Term		Summer Term
<p>11/09/19 (Wednesday) 09:00 – 13:00 Venue South Green Park Mattishall</p>	<p>September Final draft of Fair Funding Consultation Paper</p>	<p>10/01/20 (Friday) 09:00 – 13:00 South Green Park Mattishall</p>	<p>January Election of Chair/Vice Chair Review Membership Proposed Schools Budget including central costs Update on High Needs Recovery Plan Outcome of Fair Funding Decisions Revision to Scheme for Financing Schools Arrangements for free school meals</p>	<p>15/05/19 (Friday) 09:00 – 13:00 Venue South Green Park Mattishall</p>	<p>May Dedicated Schools Grant 2019/20 Outturn Update on High Needs Recovery Plan Proposals of work needed on issues for inclusion in Fair Funding consultation document</p>
<p>16/10/19 (Wednesday) 09:00 – 13:00 Venue South Green Park Mattishall</p>	<p>October Results of Fair Funding Consultation SEND and Alternative Provision Transformation Programme Annual Audit Report (Norfolk Audit Service) High Needs specialist places commissioning plan.</p>	<p>13/03/20 (Friday) 09:00 – 13:00 South Green Park Mattishall</p>	<p>March Agree next year's plan</p>	<p>08/07/20 (Wednesday) 09:00 – 13:00 Venue South Green Park Mattishall</p>	<p>July Discuss proposals to include in Fair Funding consultation document</p>