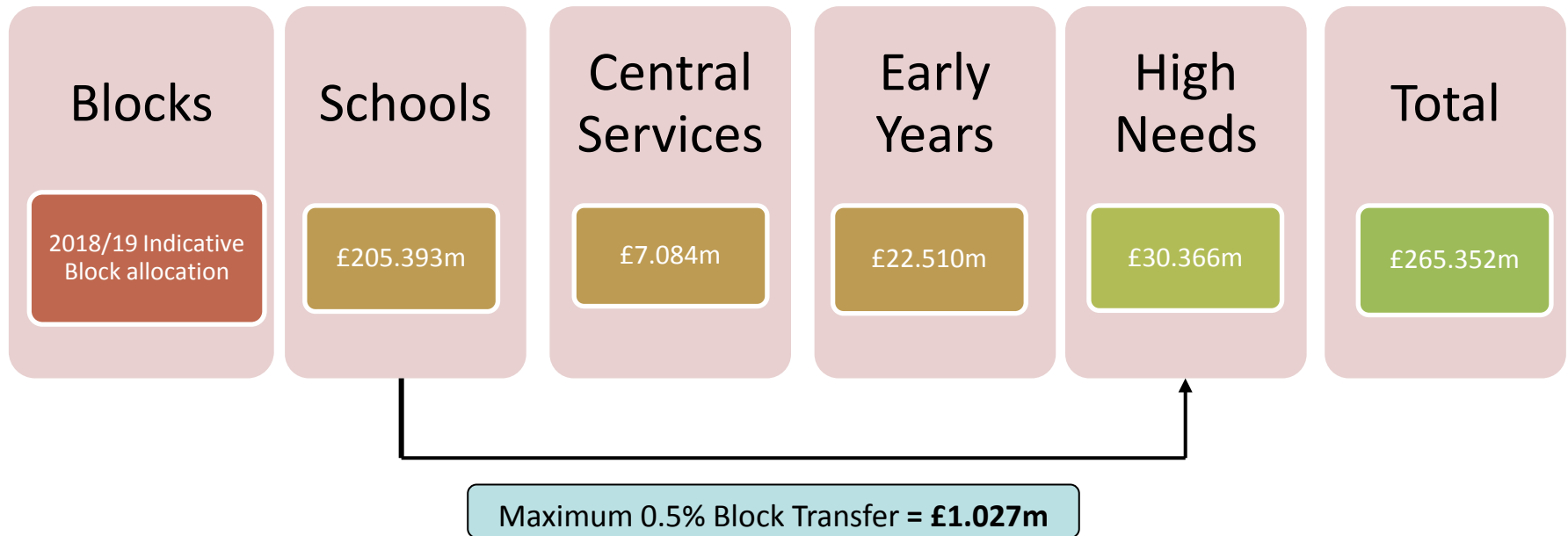


Proposals for a schools block transfer in 2019/20

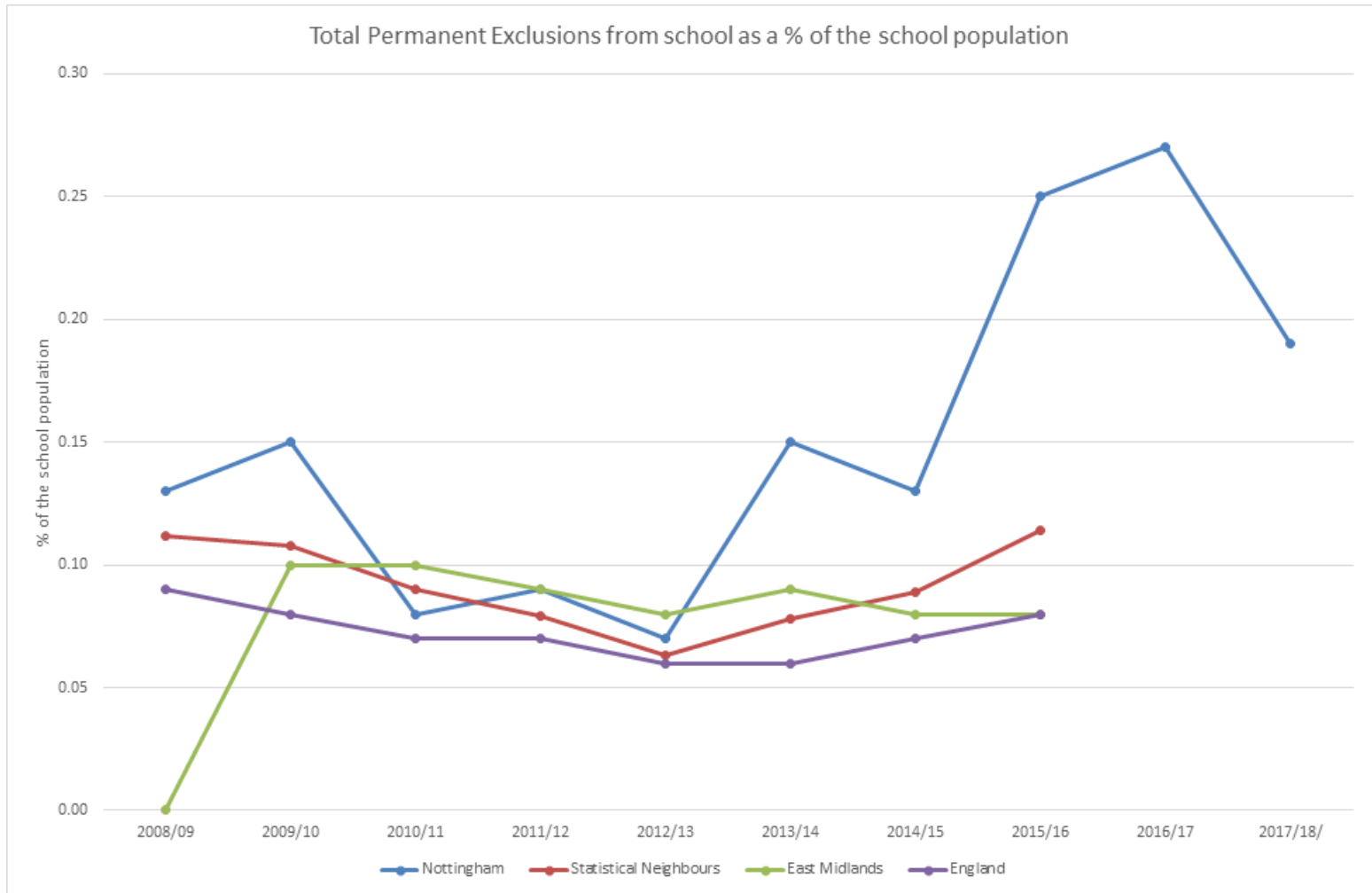
Schools Forum
9 October 2018

What is a “schools block transfer”?



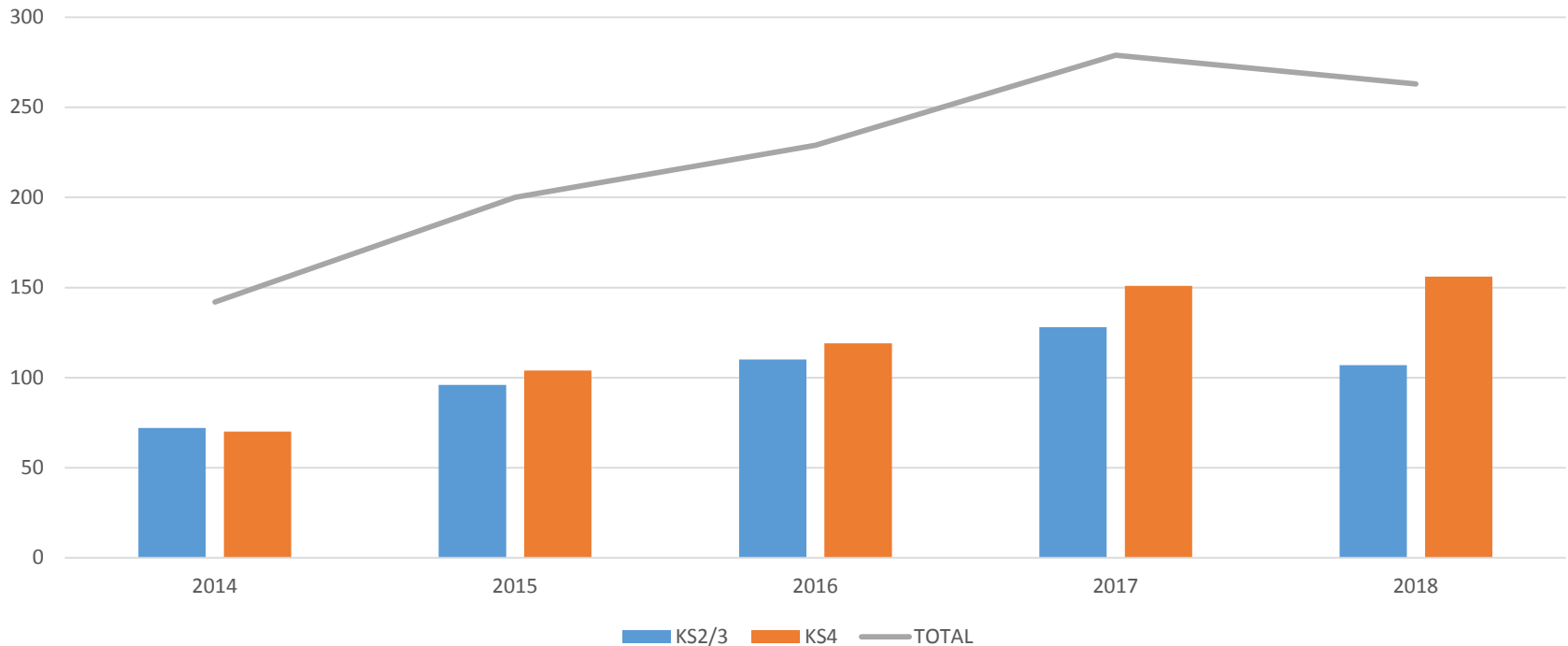
- Results in delegated budgets for schools being lower than they would have been.
- Requires consultation with schools & Schools Forum (SF) approval
- Requests for transfers in excess of 0.5% or that do not have support of SF can be submitted to Secretary of State

Why we need a schools block transfer



Impact on PRU pupils on roll

Pupils on roll at May census



- Doubling of PRU pupil numbers between 2014 and 2017, an increase of 137 pupils to be funded from high needs budget
- This represents a shift in responsibility between schools and the high needs budget, that was not reflected in the block baselines



Why we need to act now

- Up to now we have been plugging the gap in the high needs budget with funding from DSG reserves:

Financial Year	Draw on DSG reserve
2015/16	£1.6m
2016/17	£2.5m
2017/18	£2.4m
2018/19 (budgeted)	£2.8m

- There is only c£3m left uncommitted in DSG reserves so this approach is not sustainable
- Risks to our SEND strategy and provision – nationally 10% of HN funding is for AP, we’re spending nearly 20% on this (including reserves)
- A schools block transfer may not be possible under the “hard” implementation of the NFF – this was delayed by a year to 2021/22 during our consultation period

Consultation Proposals

We recommended an approach that;

- a) limited the impact to the secondary phase (1.5% cut in funding per pupil)
- b) recognised those schools that have signed up to the devolved AP model (35% reimbursement through devolved allocation)

BUT, both aspects would require Secretary of State approval

- a) in order to set the MFG at a different level for secondary compared to primary
- b) for a higher than 0.5% block transfer, partly so we can afford the reimbursement to participating schools

So we also consulted on a fall-back proposal which could be agreed locally, affecting all mainstream schools in the City

Consultation Response

- We received 23 responses; 16 from primary schools, 7 from secondary
- Only 3 schools responded in support of a proposal that would result in a reduction in funding for their school
- 61% of schools responding supported Proposal A
- Only 2 schools (9%) supported fall-back Proposal B



Revised Proposal

A **0.5% block transfer**, implemented by reducing the minimum funding guarantee % for secondary schools with a **35% reimbursement** of the impact from the high needs block for schools participating in the devolved AP model.

- Follows the same principles as the consultation proposal A
- Now within the permitted 0.5% block transfer that can be approved locally
- Estimated impact on secondary schools is a -0.75% cut in funding per pupil instead of -1.5%
- Still relies on Sec of State approval for differential MFG for secondary schools
- Withdrawal of fall-back option for 2019/20
- May need to consider a block transfer for 2020/21



Financial Implications

- After a £0.2m reimbursement to AP devolved schools, it is estimated this proposal will raise around £0.8m to cover the cost of excess exclusions beyond the level in the AP model.
- Latest projections suggest this may cost £1.247m to the end FY19/20 based on future exclusions at the same level as the last 12 months
- Will need to consider a further block transfer in 2020/21 to cover the potential £0.348m shortfall in 2019/20 and additional risks in 2020/21
- If in 2018/19 we'd cut funding by -0.75% for secondaries instead of the +0.5% increase;
 - Secondary schools would have been worse off on average by £60k
 - Impact per pupil between £63 & £85 (average £71)
 - AP devolved schools would have above impact mitigated by 35%



Longer term plan

- Initiatives are in place to help reduce exclusions, including launch of Routes to Inclusion
- Continuing dialogue with secondary schools not yet signed up to devolved model
- 2017/18 academic year saw start of downward trend in exclusions, with a **20% reduction** compared to the previous year
- Scrutiny on Nottingham's figures from ministers
- National focus on reducing exclusions from Government & Ofsted
- Future high needs funding increases are anticipated, but needed to address issues raised as part of SEND strategy consultation



Actions & Timescales

Date	Action
9 October	SF to vote on whether to agree the LA's disapplication request for a differential MFG for secondary schools in 2019/20
	SF to vote on whether to approve the 0.5% schools block transfer for 2019/20
	LA to advise ESFA on outcome (and provide link to minutes once published)
December	ESFA will advise LA on outcome of Secretary of State's decision
15 January	LA will present 2019/20 Schools Budget report to Schools Forum
Summer 2019	LA to review impact of latest exclusion trends and update SF on potential requirement for a further block transfer in 2020/21

