

## **CABINET MEMBER DECISION**

### **29 APRIL 2020**

## **PROPOSED CHANGES TO THE CAPPING ARRANGEMENTS FOR SPECIAL SCHOOLS**

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### **Relevant Cabinet Member**

Mr M J Hart

### **Relevant Chief Officer**

Director of Children's Services

### **Recommendation**

- 1. The Director of Children's Services recommends that the Cabinet Member with Responsibility for Education and Skills:**
  - (a) notes the issues raised by special schools on funding matters as detailed in the Appendix to the report;**
  - (b) approves a change to the existing arrangements for the funding of special schools in 2020-21 as detailed in paragraph 5; and**
  - (c) authorises the Director of Children's Services to make the necessary arrangements to implement the change.**

### **Background**

2. In March 2014, Cabinet considered the key issues in the light of Department for Education (DfE) reforms of the funding for Higher Needs Pupils (HNP). There was no specific national prescription on the banding system to be used and local authorities were free to develop their own.
3. Cabinet considered all the issues, feedback from consultation and the national statutory requirement for Higher Needs Pupil policy and funding and noted that the required national changes at the time could create budget turbulence. Cabinet agreed to support transitional protection for 2014-15 and authorised the Director of Children's Services to implement the changes for the new banding system, allocation rates and any transitional protection arrangements, in consultation with the Cabinet Member with Responsibility for Children and Families.
4. It is timely for the funding arrangements to be reviewed and agreed for 2020 to enable certainty for the providers, with a review of the High Needs Banding and Funding System being undertaken during the year to inform future policy. This decision is outside the original delegation and the Leader has authorised the Cabinet Member to agree the approach.
5. Following discussion with representatives of the special schools, it is recommended that the Cabinet Member with Responsibility for Education and Skills **approves** a

change to the existing arrangements, so that the funding cap that had been applied to some schools to ensure the Minimum Funding Guarantee for all schools, is disapplied in the local special schools funding formula from April 2020. The background details of the transitional arrangements and the funding cap are set out in the Appendix.

6. During the discussion with representatives we discussed the proposed changes to the cap and review of the banding was welcomed, however the schools requested that the removal of the cap was backdated for 2018-19 and 2019-20. The cost of this request would have to be applied to all special schools and would be at a cost to the High Needs Budget (HNB) of £750k (£340k 2018-19 and £411k in 2019-20).

7. Whilst the Cabinet Member is sympathetic to the financial position special schools, it would not be appropriate to retrospectively amend the policy. The funding allocated was following the approved policy at the time. Furthermore, the accounts for 2018-19 have been fully signed off and 2019-20 accounts are complete. Therefore, it would not be appropriate to allocate additional financial resource for the previous two financial years given the significant and ongoing overspend to the High Needs Budget. Removing the cap for 2020-21 adds additional cost pressures but is justified to allow special schools to provide appropriate support to current pupils. There is no compelling argument for backdating for 2018/19 and 2019/20, particularly as those services have already been delivered.

8. The County Council position on High Needs Dedicated Schools Grant (DSG) was overspent by £8.72m at the end of 2019/20. The financial position is extremely challenging, and demand continues to increase.

### **Legal, Financial and HR Implications**

9. The Council is required to adhere to the DfE prescribed arrangements for school and LA funding in 2020-21. These are contained within the School and Early Years Finance (England) Regulations 2020.

10. The proposed change to lift to the cap will create a further budget pressure of £0.2m for the High Needs DSG but will be mitigated by additional admissions to special schools as opposed to more expensive potential additional admissions.

### **Joint Equality, Public Health, Data Protection and Sustainability Impact Assessments**

11. Not applicable in this case.

### **Risk Implications**

12. The proposed change will provide for further funding for pupils with higher needs attending special schools in Worcestershire and as such there are no such implications for them.

### **Supporting Information**

- Appendix – Issues Raised by Special Schools on Funding Matters and Council's response

## **Contact Points**

### County Council Contact Points

County Council: 01905 763763

### Specific Contact Points for this report

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## **Background Papers**

In the opinion of the proper officer (in this case the Director of Children's Services) the following are the background papers relating to the subject matter of this report:

Cabinet Decision March 2014 – Implementation of a Banded Funding Model as part of the Higher Needs Pupils Funding Scheme with effect from April 2014.