

West Northants Schools Forum: 14 December 2021

Agenda Item 5 - Annex C

LA Commissioned Outreach Services: Proposed funding from 1 April 2022

1 Background

- 1.1 This annex sets out the LA's recommendation that the provision made by West Northants specialist services and the visual and hearing impairment service (hosted in by North Northants council) is funded through a 'top-slice' from mainstream maintained and academy schools.
- 1.2 As reported to the October schools forum meeting, both services focus on assisting schools to meet the needs of pupils with additional needs who attend state-funded schools in West Northants (henceforth 'the council').
- 1.3 The council currently funds these services, mainly from the high needs block of the dedicated schools grant, but also using the council's general fund. While the council has the legal power to fund these services, the budget and the duty to fund them sits with schools.
- 1.4 Both the high needs block (HNB) and the council's general fund budget are under considerable pressure. The HNB budget is projected to overspend by £2.4 million this year, having been about £2.7 million overspent on 31 March 2021, immediately before the vesting day of the new council.
- 1.5 The overspend was reduced to zero through the use of underspends and contingency, but is still overspent this year as it is structural in nature. This means if nothing changes i.e. spending is not reduced – the overspend will continue to grow year on year, with deficits forecasted to increase in size each year.

2 Responses from the consultation

- 2.1 The consultation offered three options to respondents for funding: option 1 – through individual school subscription; option 2 – through a 'top-slice of all mainstream school budgets; and option 3 – traded services.
- 2.2 there were only nine responses to the consultation – from a trust, and eight schools.
 - 6 of the schools selected option 2
 - 1 - the trust - selected option 3
 - 1 school selected "other", commenting either option 1 or option 3 and
 - 1 with no response to that question.

2.3 Most responses, therefore, supported council proposed option 2, the top-slicing of budgets by £2.1m (approximately 0.68 per cent of the schools block); moreover, the small number of responses might indicate a low level of concern about the proposed option of the council.

2.4 Before voting, members of schools forum should be reminded about the **gross** (actual) cost of the top slice **on average** for primary and secondary schools. The **net** cost – which deducts the cost of the 0.5 per cent top slice of maintained schools' budgets to reduce the HNB deficit is in column 9. Note that the council will not propose a 0.5 per cent contribution should the top-slice to fund specialist services be agreed.

	1	2	3	4	5	6	7	8	9
Year Group	Pupil Nos	% pupils	Funding Share £	%	£1.5m	£PP	£2.1m	£ PP	diff
Primary (y r-6)	35,945	60.7%	163,081,752	54.8%	821,930	22.87	1,150,703	32.01	9.14
Key Stage 3	14,389	24.3%	134,537,880	45.2%	678,070	29.14	949,297	40.80	11.66
Key Stage 4	8,879	15.0%							
	59,213	100.0%	297,619,632		1,500,000		2,100,000		

3 Recommendations for schools forum

3.1 Schools forum members are asked to agree the second option for inclusion in the Schools Funding Consultation, as set out in paragraph 3.4 above – to top-slice £2.1m (approximately 0.68per cent), on the understanding that if it does so, the council will not ask for the 0.5 per cent top-slice allowed by funding regulations.

4 Next steps

4.1 If schools forum agrees the recommendation, arrangements for top-slicing budgets for the 2022-23 budget will be put into the proposed local formula for agreement by the council's cabinet in February 2022.

4.2 If the top-slice is not agreed, council officers and the lead member will need to determine whether schools should be approached to determine interest in an insurance-based approach. It is probable that traded arrangements will also need to be put in place for schools not in the insurance-based system should be prepared for offer for 2022/23.

5 Financial implications

5.1 Should schools forum agree the top-slice, the services will remain available to schools and on the same basis as at present. The HNB will be assisted in coming back to balance.

6 Legal implications

6.1 Under funding arrangements introduced in 2012 and implemented in April 2013, (see [here](#)), local authorities can still fund specialist SEN support services, such as services to support children with a visual or hearing impairment. This therefore remains a power. However, local authorities can hold back funding from schools for 'expenditure on support services for pupils who have a statement (now an education and

healthcare plan or EHCP) of special educational needs and for pupils with special educational needs who do not have such a statement’.

- 6.2 From 1 April 2013, local authorities have been required to give mainstream schools a notional SEN budget from the schools block. This might be made up of funding from the basic per-pupil entitlement, deprivation and low cost, high incidence SEN factors. It is from this notional budget that mainstream schools will be expected to: a) meet the needs of pupils with low cost, high incidence SEN; and b) contribute, up to a certain level set by the local authority, towards the costs of provision for pupils with high needs (including those with high cost, low incidence SEN) (paragraph 35, the notional SEN budget).
- 6.3 It should be noted that mainstream maintained schools and academies have recourse to top-up funding should the support required for an individual pupil or group of pupils exceed the £6,000 notional funding as set out in paragraphs 108 and 109 of the school funding reform arrangements (see the hyperlink in paragraph 7.1).

7.1 Risks

7.1 The main risks arising should schools forum not agree the top slice are:

- the specialist services becoming unviable if insufficient schools and academies either subscribe or buy the service on an ad-hoc basis for the recoupment of the services’ costs; and / or
- pupils receiving a diminished or poorer services through new arrangements.