

## **Update on children's services and education funding**

### **Purpose of report**

For discussion.

### **Summary**

This report summarises recent announcements and developments in children services and education funding

### **Recommendation**

That the report be noted.

### **Action**

Officers to take action as directed arising out the discussion.

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### **Children's Services Funding**

1. The Autumn Budget allocated an additional £410 million for adult and children's social care in 2019/20, in addition to £84 million over five years to expand children's social care programmes aimed at helping more children to stay at home safely with their families in 20 local authorities.
2. We understand that the £410m 'social care grant' for either adult or children's social care services in 2019-20 will be distributed using adult social care relative needs formula and is not ring-fenced, with no conditions or reporting requirements. It will therefore be for individual councils to decide how to use this resource.
3. Meanwhile, £84 million will be focussed on expanding three projects, previously funded through the children's social care innovation programme, to 20 further councils with "high or rising" numbers of children in care over the next five years. The precise criteria for selecting these 20 authorities has not been announced, but the three projects being extended as part of the budget announcement are:
  - 3.1. Family Safeguarding in Herefordshire, where targeted work with a parents has halved the number of days children in the county spend in care
  - 3.2. Family Valued in Leeds, which uses family group conferencing to keep families together
  - 3.3. No Wrong Door in North Yorkshire, which supports teenagers in care and those on the edge of care
4. The LGA has also submitted evidence to the upcoming Housing, Communities and Local Government Committee inquiry into the funding and provision of children's services. A copy of this submission is attached at Appendix X. As this is a submission to a Parliamentary Select Committee, it is confidential until formally published by the Committee.

### **Education and High Needs funding**

5. The Secretary of State for Education announced on the 16 December that an additional £350 million is to be made available to support children with Special Educational Needs and Disabilities (SEND). This comprises an additional £250 million over the next two years for high needs budgets and £100 million for SEND capital to create more specialist places in mainstream schools, colleges and special schools.
6. While this additional funding is welcome, research commissioned by the LGA has found that councils are facing a high needs funding shortfall of £472 million this year, which

could rise to an estimated £806 million next year and between £1.2 billion and £1.6 billion in 2020/21, based on historical trends.

7. The research also found that across the four years since 2015 -16, to meet rising demand around £450 million of schools' block money has been transferred into the high needs block and around £240 million of DSG reserves, but that this money had now run out. The report calls for a "fundamental reboot" of council powers to commission support for children with special needs to tackle the high needs funding crisis.
8. As part of the announcement, the Secretary of State set out the Government's expectation that councils should review proposals to move funding from the schools to the high needs block of the DSG, to take account of the additional funding they will receive.
9. The LGA also responded to a DfE consultation on the implementation of new arrangements for reporting deficits of the dedicated schools grant. The key proposed change is that councils with a 1% deficit on their DSG will be required to notify DfE and provide a recovery plan to bring the budget back to balance. Previously a 2% deficit was the trigger, so council flexibility is being further reduced.
10. We also strongly raised our concerns that the consultation document neither sought to address or acknowledge the main driver for the increase in the number of councils that are reporting a cumulative DSG deficit - that there is insufficient high needs funding available to meet the increase in demand for support from children, young people and their families. These pressures are becoming unsustainable for many councils.

### **Implications for Wales**

11. These announcements and consultations relate directly to English councils. Education and children's services are devolved to the Welsh Assembly.

### **Financial Implications**

12. Any work required will be met from existing budgets

### **Next steps**

13. Officers to take any actions arising from the discussion.