

Local Government Association Briefing

Estimates day: spending of the Department of Education

House of Commons

3 July 2018



Schools funding

- All children deserve access to the best possible education. Data shows that council-maintained schools receive better Ofsted ratings, and underperforming schools are more likely to improve when supported by their local council than by an academy sponsor. LGA research shows that ninety-one per cent of maintained schools are now rated as either good or outstanding.
- We were pleased that the Government recognised concerns raised by the LGA and announced in July 2017 that an additional £1.3 billion would be allocated to schools during 2018-19 and 2019-20, meaning that no school would lose out under the new National Funding Formula.
- While the introduction of the National Funding Formula will see the budgets of 22,000 schools set in Whitehall, we are pleased that until 2020 at least, councils and schools will retain some flexibility to agree a slightly different allocation to reflect local needs and circumstances.
- We remain concerned, however, that the introduction of the National Funding Formula, combined with changes to High Needs Funding, will exacerbate existing shortfalls in funding to support children and young people with SEND. We want to see funding for High Needs increased to meet sharply increasing demand for SEND support.

Children's social care

- Finding loving homes for children is one of the most important jobs that councils do, and local authorities have been central to recent improvements in the timeliness and availability of adoptive placements for children.
- The National Audit Office has found that local government funding has been cut by 50 per cent in real terms since 2010.ⁱ The LGA has calculated that children's services are facing a funding gap of around £2 billion by 2020 just to maintain services at their current level.
- Although local authority spending on children's social care has increased, it is not keeping pace with demand, which has risen dramatically in recent years. On average, 90 children entered care every day last year, the largest annual increase in care numbers since 2010. Over the past decade, the number of children on child protection plans has increased by 83 per cent.

Bright Futures

- The LGA's Bright Futures campaign makes a number of commitments from the LGA, including the development of an enhanced sector led improvement offer, research into the factors that support effective early intervention and further research and campaigning on a sustainable funding solution for children's services.

Briefing

- Bright Futures calls on the Government to plug the growing £2 billion funding gap for children’s services by 2020 and reverse the cuts to early intervention funding to local councils.
- We have also called for a stronger cross-government commitment to children’s services as all Whitehall departments should consider the likely impact of their policies on children and families via a Children and Young People Impact Assessment.

BACKGROUND INFORMATION

Schools funding

The Government’s announcement last year that £1.3 billion had been allocated to ensure that no school would lose out under the National Funding Formula, for 2018-19 and 2019-20 was positive. Schools should also be given greater certainty of future funding, to help them better plan for the spending pressures they face. Three-year budgets should replace annual budgets.

Further to this we are concerned that part of the £1.3 billion per year has been found by taking money from other important education budgets. £315 million is coming from the soft drinks levy, which had previously been allocated to capital projects to boost healthy eating and physical activity in schools.

Local government leaders are supportive of the national funding formula, but are clear that setting 22,000 school budgets on a ‘one size fits all’ national approach decided remotely in Whitehall will not work. Councils know and work closely with their local schools and they are uniquely placed with up to date local knowledge to ensure funding is distributed fairly. They must retain some flexibility to agree with schools a slightly different allocation of funding from that dictated by the national formula if that produces better outcomes for schools and pupils.

Councils are particularly concerned about the proposed changes to High Needs funding. This will reduce council and school flexibility to make additional funding available where there are rising demand pressures for special educational needs and disability (SEND) support. Since 2014 the number of children and young people with statements or Education, Health and Care Plans (EHCP) increased by 21.1 per cent, from 237,111 to 287,290.ⁱⁱ The proportion of pupils with SEND who attend special schools has increased from 5.6 per cent in 2012 to 8.8 per cent in 2017.ⁱⁱⁱ

Bright Futures campaign

We launched the [Bright Futures](#) campaign in 2017.^{iv} It is a two-pronged campaign prioritising children’s social services and children’s mental health services. Our asks as part of this campaign are:

1. Plug the growing £2 billion funding gap for children’s services by 2020

Children’s services are absolutely vital for many families, and must be fully funded to ensure vulnerable children get the appropriate support and protection they need.

2. Reverse the cuts to early intervention funding to local councils

Without this funding, councils have found it increasingly difficult to invest in the early help services, such as children’s centres and family support, that can prevent

children entering the social care system, and help to manage needs within families to avoid them escalating.

3. Share the Department for Education's £300 million budget for improvement and innovation in children's services with councils

Devolving a proportion of this budget to councils would help deliver an enhanced programme of sector-led support for children's services, offering everything from regular 'health checks' and training for lead members and senior officers, to specific support for those councils judged to require improvement.

4. Release the promised £1.7 billion to ensure adequate and sustainable funding

Mental health services for children and young people are buckling under rapidly increasing demand – local areas urgently need the funding they have been promised to be released and for funding to be guaranteed after this Parliament.

5. Improve standards and make sure funding is spent wisely

It is critical that the Government ensures care pathways and services are quickly accessible and appropriate for all, including those with complex needs. They must also strengthen governance over how funding is spent, recognising that health and wellbeing boards are best placed to ensure that funding reaches the right services.

6. Prioritise prevention and early intervention; provide funding to councils to allow them work with schools to commission independent school based counselling in every secondary school

Children and young people's chances of thriving dramatically increase the earlier we provide help as well as saving money in the longer term. Cuts to the Early Intervention Grant must be reversed, counselling introduced in all secondary schools as part of an integrated whole-school approach and funding spread across all services.

ⁱ National Audit Office, Financial sustainability of local authorities 2018, March 2018

ⁱⁱ (https://www.local.gov.uk/sites/default/files/documents/5.20%20budget%20submission_06.pdf)

ⁱⁱⁱ <https://www.gov.uk/government/statistics/statements-of-sen-and-ehc-plans-england-2017>

^{iv} <https://www.gov.uk/government/statistics/special-educational-needs-in-england-january-2017>

^v <https://www.local.gov.uk/about/campaigns/bright-futures>