

Swindon Borough Council

Schools Forum

Tuesday, 7 July 2015

Committee Room 6, Civic Offices at 4.00 p.m.

School Members:

Steve Colledge, Chair - Academy Headteacher
Janet Urban, Vice-Chair - Primary Headteacher
Rhian Cockwell, Primary Headteacher
Andrew Henstridge, Primary Headteacher
Ray Williams, Primary Governor
David Bell, Secondary Governor
Charles Law, Special Governor
Jackie Smith, Special Headteacher
Lauren Connor, Academy Headteacher
Wendy Conaghan, Academy Headteacher
Ben Slater, EOTAS
Alison Lowe, Primary Headteacher
Sharon Kirwan, Swindon Association of Secondary Heads
Sue Banks, Secondary Headteacher
Jane Wheatley, Primary Headteacher

Non-School Members:

Andrew Wild, Diocese - Bristol
Ruth Lee, Diocese of Clifton
Peter Smith, Trade Unions
Kate Adams, Early Years Representative
Andrew Miller, 16-19 Partnership
Graham Taylor, 16-19 Partnership
Ram Thiagarajah, BME

Observer Status

Beverley Pennekett, Education Funding Agency

Committee Officer: Rita Glen-Gallo

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AGENDA

- 1. Apologies for Absence**
- 2. Minutes of Previous Meeting** (Pages 3 - 6)
To receive the minutes of the meeting held on 17th March 2015.
- 3. Final Dedicated Schools Grant Outturn 2014-15** (Pages 7 - 18)
- 4. Actual 2014-15 Year End School Balances** (Pages 19 - 30)
- 5. 2015-16 Dedicated School Grant Retained Budget Monitoring Report**
(Pages 31 - 42)
- 6. 2015-16 Dedicated Schools Grant Budget** (Pages 43 - 78)
- 7. Post 16 High Needs Funding Update** (Pages 79 - 88)

Date of Despatch: 22 June 2015

Public Question Time - Swindon Borough Council remains committed to increasing its accountability to the public and to promoting active citizenship. 15 minutes will be allowed at the start of all Council meetings for questions to the Chair from the public about the work of the Committee (except for confidential matters, and matters relating to planning and licensing applications). We will give priority to those who submit questions in writing at least two days before the meeting. Questions must be relevant, clear, and concise. You may not use Public Question Time as an opportunity to make speeches or statements.

Questions in writing should be sent to the Committee Officer whose contact details appear on the agenda above or to the Director of Law and Democratic Services, we will publish it, along with the answer, alongside the Minutes. The process associated with asking a public question is set out in the "Public Question Time at Council Meetings Protocol and Guidance" available on the Council's Website (<http://www5.swindon.gov.uk/moderngov/ecCatDisplay.aspx?sched=doc&cat=13338&path=0>) or from the Committee Officer named above.

Access Arrangements – The Venue is wheelchair accessible and an infrared receiver hearing system is provided. If you would wish to attend the meeting but have any special requirement to enable you to do so please contact the Committee Clerk above, as soon as possible prior to the date of the meeting.

If you would like to receive any of the pages contained in this agenda in a larger print size please contact the Committee Officer whose name appears on the first page of this agenda.

SCHOOLS FORUM

TUESDAY, 17 MARCH 2015

PRESENT: -

School Members: Steve Colledge, Chair - Academy Headteacher
Rhian Cockwell, Primary Headteacher
Wendy Conaghan, Academy Headteacher
Ben Slater, EOTAS
Susan Banks, Secondary Headteacher
Alison Lowe, Primary Headteacher
David Bell, Secondary Governor
Ray Williams, Primary Governor
Charles Law, Special Governor
Kate Adams, Early Years
Jo Morris, Early Years

Non-School Members: Peter Smith, Trade Unions

Also Present: Councillor Fionuala Foley (Cabinet Member for Children's Services), Paddy Bradley (Head of Economy, Skills and Property Development), Ian Burbidge (Head of Finance, Schools), Anne Mackay (Finance Manager, Education).

Apologies for absence were received from Andrew Henstridge (Primary Headteacher), Ruth Lee (Diocese of Clifton), Andrew Miller (16-19 Partnership), Ram Thiagarajah (BME), Sharon Kirwan (Academy Headteacher), Janet Urban (Primary Headteacher), Jackie Smith (Special Headteacher), Jane Wheatley (Primary Headteacher) and Lauren Connor (Academy Headteacher).

21. Minutes of Previous Meeting

Resolved: That the minutes of the meeting held on 20th January 2015 be confirmed and signed as a correct record.

22. Public Question Time

The following question was asked in accordance with standing Order 28 –

Questioner

Alastair Dixon-Patterson, Lydiard Park Academy

Question

Mr Dixon-Patterson asked a series of questions relating to (a) the amount of the £522,000 Dedicated School Grant surplus that had been allocated to reduce equal pay liabilities had been transferred to academies, maintained schools and central services, and (b) how an academy would see its share reflected or received.

Response

The Chair thanked Mr Dixon-Patterson for his questions and advised that a written response had been prepared and circulated.

23. 2014-15 Dedicated Schools Grant Budget Position

Mr Ian Burbidge, Head of Finance, Schools, presented a report setting out the latest position of the 2014/15 Dedicated Schools Grant (DSG) budget.

Mr Burbidge advised that based on information at the end of February 2015, an underspend of £0.491m was projected against the retained DSG Budget for the current financial year. He confirmed that the DSG figures were submitted monthly to the Commissioning, Economy and Leadership team. He drew attention to the £0.095m additional Capital expenditure required to support the Capital budget to build capacity in the two year old provision.

Resolved: (1) That it be noted that the latest projection on the 2014/15 retained budget was an underspend of £0.491m.

(2) That the Schools Forum agrees the additional Capital expenditure of £0.095m to support the capital budget of £0.067m and build capacity in the two year old provision as referred to in the report

24. Projected 2014 - 15 Year End School Balances

Mr Ian Burbidge, Head of Finance, Schools, presented a report advising of the indicative position regarding the level of projected 31st March 2015 school revenue balances as compared to the levels expected when 2014/15 schools budgets were set in June 2014.

Mr Burbidge confirmed the end of financial year position was that 29 schools had been effective in their financial planning. Only 3 schools indicated a difference in their budgets as opposed to their estimates. The Forum noted that the forecast level for 31st March 2015 was expected to be £3.40m.

Resolved: That the Schools Forum notes:

(1) That 29 out of 42 (69%) of Swindon maintained schools current estimates of their year end balances for 2014/15 were close to the estimates provided when budgets were set as measured by the thresholds agreed by Schools Forum.

(2) That only 3 of 42 (7%) of Swindon schools had reported significant variances between their current and initial estimates of their projected year end balances and that the narrative explanations for the variances had been provided to members of the Forum.

(3) That the latest estimated school balances (adjusted to exclude in-year Academy conversions) were forecast to be £3.40m, which was 12% higher than initial estimates of £3.08m.

(4) That two maintained schools were anticipating being in deficit at 31st March 2015, though one now expects to be in surplus at 31st March 2015.

(5) That the Head of Finance, Schools, be requested to present further information on school balances at the July 2015 Schools Forum showing how each schools' estimate compared to their final year end positions.

The Forum considered a report by Mr Ian Burbidge, Head of Finance, Schools, updating the Forum on the 2015/16 Dedicated Schools Grant (DSG) settlement, including (a) notification of additional funding to the DSG Allocation to support the introduction of the Early Years Pupil Premium, (b) the submission of the Authority Proforma Toolkit to the Education Funding Agency, enabling mainstream budget to be calculated, (c) the reasons for the need of additional Trigger Funding within the Pupil Growth Fund (d) the increase of £40,000 over the budget approved by School Forum in January 2015 for the purchases of national copyright licenses through the Department for Education, (e) on the importance that schools verify licences they bought to ensure unnecessary double payments were not made (f) the transfer of £0.235m from High Needs Contingency Budget to the Special Educational Needs Resourcing and Assessment Panel (SENRAP) budget, enabling expenditure to remain on track, and (f) in-year adjustment to the Notional Special Education Needs (SEN) Top Up funding.

Mr Paddy Bradley, Head of Economy, Skills and Property Development and Mr Burbidge responded to questions particularly on the implications of all three options being considered by Forum members regarding the Notional SEN Top-up funding. Forum Members noted that the Swindon Association of Secondary Headteachers was yet to comment on the use of permanent exclusion income from schools to support the integration of permanently excluded pupils and agreed to defer voting on the item until the next meeting of the Forum.

Resolved: (1) That the Schools Forum agrees:

(a) A total 2015/16 Pupil Growth Budget of £0.436m, as shown at Annex A of the report.

(b) Approves an increase in the National Copyright Licenses budget of £40,000 in recognition of the change to the arrangements for purchasing Performance Rights Society (PRS), Photographic Performance Ltd (PPL), Mechanical Copyright Protection society (MCPS) and Christian Copyright Licensing International (CCLI) licenses.

(c) The transfer £0.235m of the High Needs Contingency budget to the Special Educational Needs Resourcing and Assessment Panel (SENRAP) budget which was currently overspending.

(d) In respect of the three options outlined in paragraph 9.5 of the report regarding the most appropriate use for the allocation of the £350,000 Notional SEN Top Up Funding budget, given that the current method was not affordable in 2015/16, Option C be agreed and implemented.

(e) The proposal to use the unallocated DSG of £0.165m to support Mainstream Schools High Needs Top Up Funding budget which was currently overspending.

(2) That, further to the decision in (1(d)) above, Notional SEN Top-Up Funding options be submitted to the Schools Forum in March 2016.

(3) That the Head of Finance, Education, be requested to submit a report to the School Forum's meeting in July 2015 to include the possibility of creating a ring-fenced budget of £30,000 to support the reintegration of permanently excluded pupils.

(4) That, further to the decision in (3) above, the Head of Finance, Education be requested to include the views of the Swindon Association of Secondary Headteachers on the subject in the proposed report.

26.

Schools Financial Value Standard Returns

Mr Ian Burbidge, Head of Finance, Schools, submitted a report (a) updating the Forum on the findings of the review of the 2013/14 Schools Financial Value Standard (SFVS) self-assessments, as required by the Department for Education, and (b) proposing a consistent process across all relevant schools for future submission.

The School Forum noted the IT issues arising when completing the self-assessment form. Mr Burbidge agreed to support schools in this and requested they contact the Finance department if they had any queries.

Resolved: That this Forum notes that:

(1) The Head of Finance is to issue guidance to schools on how best to complete the Schools Financial Value Standard (SFVS) self-assessment return.

(2) The Local Authority will be reviewing each Schools Financial Value Standard (SFVS) self-assessment response over the next few weeks in detail and may contact individual schools to verify evidence to support their assessments.

27.

Any Other Business

The Chair circulated a leaflet from the “f40” Group regarding school funding. He advised that the leaflet was circulated to parents and educationalists and drew members’ attention to the impact of funding formulas on schools, particularly secondary schools.

28.

Date of Next Meeting

Meeting dates for the next Municipal Year had not yet been finalised but it was anticipated that meetings would take place at similar times to this Municipal Year – that is in July, October 2015, and January and March 2016. Members would be informed of the dates when confirmed.

Final Dedicated Schools Grant Outturn 2014-15

Schools Forum

Date: 7th July 2015

Author:	Finance Manager – Education
Wards:	All
Locality Affected:	All
Settings Affected:	As the DSG is ring fenced funding provided by the DfE to meet the educational needs of early years, school age and all 0 to 25 year old high need pupils. Any decisions on how the grant is utilised indirectly affects all settings.

1. Purpose and Reasons

- 1.1 To advise Schools Forum members on the final 2014-15 Dedicated Schools Grant (DSG) outturn position following closure of the Local Authority's (LA's) 2014-15 final accounts.
- 1.2 This report provides Forum Members with information on the final spend against the 2014-15 centrally retained budget including commentaries on those areas of the budget where forecast figures proved to be inaccurate. Although there is demand-led pressure in many areas of the retained budget, the LA is continuing to take action wherever possible to reduce centrally retained budgets in order to maximise the value of DSG that can be distributed to Schools and Academies via the local fair funding formula.
- 1.3 The retained DSG budget is monitored in accordance with standard Swindon Borough Council (SBC) budgetary control procedures and a report is submitted to the Economy and Attainment Leadership Team each month. Updates are also periodically provided to Corporate Board, Cabinet and the Children and Young Peoples Overview and Scrutiny Committee.
- 1.4 The LA is required to report the position on the DSG budget to the Schools Forum throughout the year and at the financial year end. In accordance with grant conditions, the year-end DSG balance (whether positive or negative) is ring-fenced and must be carried forward to the following year, and the Schools Forum must be consulted on how the surplus or deficit is managed.

2. Recommendations

The Schools Forum is recommended to:

- 2.1 Note that the final outturn on the 2014-15 centrally retained DSG budget is an overspend of **£0.109m**.
- 2.2 Note that after taking account of the brought forward balance, the in-year overspend and allocations of funding previously agreed by the Schools Forum, the total DSG balance available for redistribution as at 31st March 2015 is **£1.098m**.

Further information on the subject of this report can be obtained from Anne Mackay on 01793 465742 or amackay@swindon.gov.uk.

Final Dedicated Schools Grant Outturn 2014-15

Schools Forum

Date: 7th July 2015

3. Detail

Final Outturn Position 2014-15

- 3.1 At the 17th March 2015 Schools Forum meeting members were advised that the LA had anticipated finishing the 2014-15 financial year with a surplus of £0.491m but the final in year position is an overspend of £0.109m which is £0.600m lower than was expected.
- 3.2 The significant variance of £0.600m is due in the main to an increase in the amount recouped by the EFA for Direct Funding of High Need Places £0.655m.
- 3.3 During 2014-15 the LA received an allocation of £0.510m of EFA Post 16 funding allocated for pupils at Uplands School. The LA believed the Post 16 funding was in addition to the DSG allocation and it was not clear that this funding would be matched by a reduction in the DSG of £0.486m by the EFA for Direct Funding of High Need Places for Post 16 pupils at Uplands School.
- 3.4 Further adjustments to the High Needs recoupment figure were for places in academies Pre 16 £0.049m & Post 16 £0.038m, non-maintained special schools Pre 16 £0.047m and Post 16 £0.031m and a small adjustment of £0.004m
- 3.5 The EFA adjustments will have an effect on future years funding as the LA will need to budget for an increase in the EFA recoupment to cover the cost of High Need places for Post 16 in all settings and Pre 16 in non-maintained special schools. This will be covered later in the Schools Forum Agenda.
- 3.6 As a result of the changes in funding detailed above, officers took the decision not to repay £0.500m of the equal pay liability and to add this amount to the DSG balance to help mitigate the impact of this funding change in 2015/16. This leaves £0.500m of equal pay liabilities to still be paid.
- 3.7 The unallocated DSG balance carried forward at 31st March is £1.098m and all expenditure funded from this balance will need to be allowed under the early years and school finance regulations and be agreed by Schools Forum.
- 3.8 Attached at **Annex A** is the report issued to the Education Leadership Team on 9th June which provides commentaries on the main under and overspends on 2014-15 budgets.
- 3.9 It is important that budgets are managed effectively and that forecasts are as reliable as possible. The variance on the DSG income was not anticipated but the majority of the other centrally retained budgets did not vary significantly to the end of February projections; the overall net variance for all other retained budgets was £0.056m. Is it clear to Forum members what the difference between centrally retained and all other retained budgets are?

Further information on the subject of this report can be obtained from Anne Mackay on 01793 465742 or amackay@swindon.gov.uk.

Final Dedicated Schools Grant Outturn 2014-15

Schools Forum

Date: 7th July 2015

- 3.10 In accordance with grant conditions, the year end DSG overspend was funded from reserves and the balance carried forward, Table 4 in Annex A shows the current position reflecting costs that were agreed by Schools Forum (a primary BPPE increase and the payment of double top up costs for the new Ridgeway ASC unit and Redoaks SRP alterations to leave an unallocated balance of £1.098m.

Schools Forum is asked to note the following:

- the reduction of the DSG by the EFA for Direct Funding of High Need Places for Post 16 Pupils
- the final position on the 2014-15 retained budget was an in year overspend of £0.109m
- that £0.500m equal pay liability is still outstanding and
- the final DSG balance carried forward and uncommitted is £1.098m.

4. Alternative Options

- 4.1 The LA could distribute the full value of the retained underspend in 2015-16 but an equitable method for allocation would need to be agreed which complied with the new school finance regulations. Furthermore use of the DSG balance can only really be on one off items and it is difficult to allocate this via the local formula without locking in commitments via the MFG mechanism.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 Various financial implications are included in this report relating to management of the retained DSG budget

Legal and Human Rights Implications

- 5.2 There are no legal or human rights implications arising from this report.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 This report does not make any recommendations that affect these areas.

Links to One Swindon, Plans and Policies

- 5.4 Utilisation of the DSG has a direct link to two of the Council's five priorities – "Right skills, right jobs in the right place" and "Make the best use of Swindon's resources inside and outside the Council".

Further information on the subject of this report can be obtained from Anne Mackay on 01793 465742 or amackay@swindon.gov.uk.

Final Dedicated Schools Grant Outturn 2014-15

Schools Forum

Date: 7th July 2015

Diversity Impact Assessment

- 5.5 As there are no proposals in this report, a DIA has not been completed.

Risk Management

- 5.6 There are no specific risk management implications not highlighted in the body of the report.

6. Consultees

- 6.1 The Board Director Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Annex A –Dedicated Schools Grant Final 2015-16 Outturn report issued to the Education Leadership Team on 9th June 2015

Report to: **Commissioning – Education Leadership Team**
 From: Anne Mackay, Finance Manager – Education
 Date: 28th April 2015
 Subject: **Budget Monitoring Report – DSG Services**
 Period: Period to end of March 2015

1) Background

The Council's corporate budget monitoring timetable requires each Group to report its forecast outturn position each month and this report is based on information provided at the end of the financial year, following year end. To improve the standardisation of reporting, a subjective analysis of the centrally retained budget is provided together with a full listing of all E and A service budgets showing the actual spend at the end of 2014/15 compared to the budget profiles loaded on the oracle system.

Although the DSG position is included in Corporate Board and Cabinet reports it is unlikely that elected members will be overly concerned as this is outside the SBC General Fund and is essentially an issue for the new Head of Education and his leadership team to manage in consultation with the Finance Team and Schools Forum.

A summary of how the total 2014/15 DSG was allocated is provided below.

Table 1 – DSG 2014/15 Overview

	<u>£m</u>	<u>£m</u>
<u>Delegated</u>		
Mainstream schools & academies	115.7	
Specialist settings (Special Schools and SRP's)	8.2	
Alternative provision settings	1.2	125.1
<u>Centrally retained for provision</u>		
Disadvantaged 2 year old nursery places	2.6	
Free Nursery Entitlement 3 & 4 year olds	7.8	
In Year Pupil Growth	0.7	
High Need SEN		
Portage, SEN equipment, Therapeutic services etc.	0.4	
SBC top ups – mainstream settings	1.7	
SBC top ups - high need specialist settings	8.3	
HN Contingency	0.6	
Tuition Service	0.9	
Out of Borough placements	2.6	
Post 16 provision (new responsibilities)	2.0	
Exclusions income	-0.3	27.3
<u>Centrally retained to cover SBC and other costs</u>		
Admissions, Free School Meal eligibility checks, school licences, equal pay etc.	1.2	1.2
Total DSG Allocation		153.6

2) DSG Funding Receivable

The introduction by the DfE of a three block approach to the allocation of DSG has made it harder for the LA to forecast annual DSG funding receivable. As previously reported the EFA have finally confirmed that the costs relating to Swindon Academy pupils will be matched by additional funding and as a result the position would be cost neutral for the LA.

The LA budgeted in 2014/15 for the full DSG allocated to Swindon by the EFA but the actual cash received is the DSG allocation less the amount allocated by the LA to mainstream academies and less High Need places funded directly by the EFA. The budgeted DSG allocation was £153.574m plus any additional funding for Early Years as per note 2.

Table 2 shows the actual DSG receivable is expected to be £78.726m, this is the EFA's allocation of £153.380m less Academy Recoupment of £72.960m less EFA Direct Funding of High Need places £2.055m plus an allocation for additional Early Years pupils that are not on the EFA allocation £0.361m. The allocation of £0.361m for additional DSG for Early Years pupils is higher than the value in Note 2 as the LA budgeted for in year growth of 119 pupils in Early Years pupils but the EFA allocation assumed no growth.

Table 2 – DSG receivable	
Allocation	£m
EFA's DSG allocation	153.380
Less Academy recoupment	(72.960)
Less EFA Direct Funding of High Need places	(2.055)
Plus Early Years Pupils not in DSG allocation	+0.361
DSG Receivable	78.726

3) Completion of Online Monitoring Forecasts

As part of the budget monitoring reporting process the LA is required to report to Corporate Board how active Budget Managers have been in contributing to the on line information used to collate period end information.

The Leadership Team is asked to remind Budget Managers of the importance of this exercise and to encourage continued high participation in the next financial year.

4) High Risk Areas and Latest Projections

Commentaries on all the main variances have been identified and those areas of the budget, which are inherently high-risk, and therefore have the potential to significantly affect the overall position, are provided below.

Table 3 has been expanded to show the budgets for maintained schools and academies and also the budget for High Needs places in academies so that the variance against each element can be explained further in the notes below.

Table 3 – Latest Budget Monitoring Position				
Item	Notes	Budget 2014/15 £'000	Projected Variance £'000	Projected Variance last month £'000
High-Risk Areas				
2 year old nursery place funding	1	2,158	(563)	(575)
2 year old nursery place capacity building	1	470	302	295
Free nursery education (3&4 year olds)	2	7,823	(63)	(35)
High Needs Top ups (Mainstream)	3	1,685	376	355
High Needs Top ups (Specialist)	4	8,313	78	119
Notional SEN supplements (Mainstream)	5	350	15	15
External Placement Fees	6	2,562	(317)	(210)
HN Contingency	7	550	(550)	(550)
Post 16 HN Provision - New Responsibilities	8	2,022	(154)	(139)

School Exclusions / Dual registrations	9	(350)	41	20
Tuition Service	10	890	20	16
Schools Equal Pay Claims	11	170	195	195
Subtotal High Risk Areas		26,643	(620)	(494)
Other Low risk retained budgets	12	1,900	125	48
Unallocated EFA place funding earmarked for Equal Pay		507	(7)	0
Total Retained Budgets		29,050	(502)	(446)
Maintained School Budgets (Mainstream)	13	44,233	(494)	n/a
Maintained School Budgets (Specialist Settings)	14	6,680	84	n/a
Commissioned Services		1,201	0	n/a
EFA recoupment for Academies	15	72,502	458	n/a
EFA direct funding of High Need places	16	1,400	655	n/a
Temp. Primary BPPE Increase School Budgets		0	0	970
Less costs of Temporary Primary BPPE increase agreed to be funded from DSG balance at the January 2014 Schools Forum		(970)	(0)	(970)
Total DSG Budgets		154,096	201	(446)
DSG Funding allocation receivable	2	(79,672)	(104)	(45)
DSG Funding recouped by the EFA		(73,902)	0	0
Total DSG Budgets		(153,574)	97	(491)
EFA 6 th Form Place Funding	11&16	(522)	12	0
Total DSG		0	109	(491)

The Leadership Team is asked to note the out-turn position, an overspend of £109,000; will be reported to Corporate Board this month and to note that the budgets for schools and academies were not monitored in this detail in previous months.

The main reasons for the overspend are provided below:

Note 1 – Disadvantaged two year old nursery funding **£0.261m underspend**
 The budget of £2.158m for 2 year old places is underspent by £0.560m. As explained in previous reports, the underspend has arisen because a number of infrastructure expansions of nursery provision have slipped much later than originally planned resulting in lower overall take up during the early part of the year.

It has been agreed at Schools Forum to use £0.200m of this underspend to support the existing £0.470m budget (£0.670m in total) for growing capacity in 2 year old provision. A number of projects have been tendered at 15% over the original estimates requiring a capital budget of £0.772m in total, this spend will produce the number of places required by the DfE before the October census target, enabling the early years team to concentrate on marketing the new provision and ensuring the places are filled.

The DfE have confirmed that participation funding will apply from 2015/16 onwards so it is important that take up is maximised and Schools Forum have agreed to support the employment of a temporary part time project support officer to help to promote the 2 year offer to disadvantaged parents and provide capacity to the team administering the increasing demand. This appointment has now been made and the cost to year end was £0.003m, a saving of £0.003m.

Note 2 – Free nursery education (3 & 4 year olds): **£0.063m Underspend**
£0.104m Increased funding

The 2014/15 outturn position is an underspend of **£0.063m**; at year end some schools were still carrying surplus places. The maintained setting Early Years numbers actual take up was lower than anticipated by 30 FTE (£0.111m). This was offset by an overspend of £0.046m 12

FTE in Private, Voluntary and Independent providers of Nursery Education. There was also a salary overspend of £0.002m as a result of staffing overlap at year end following a restructure, resulting in an overall underspend of £0.063m.

As reported in February, this element of DSG is based on participation and the LA anticipates that there will be an increase in the amount of Dedicated Schools Grant receivable. Early Years DSG is calculated based on 5/12ths of the January 2014 and 7/12ths of the January 2015 Early Years Census. The final projection on the January 2015 census has been received and the updated DSG calculation compared to the 2014/15 budget agreed by Schools forum in January 2014 is summarised below;

Table 3 – Early Years 3 and 4 year old 2014/15 DSG Funding		
	2014/15 Budget	2014/15 Year end position
January 2014 Census (5/12)	2,108	2,104
January 2015 Census (7/12)	2,227	2,263
Full Year Equivalent	2,177	2,197
3 and 4 year old funding rate	£3,888.06	£3,888.06
Total DSG receivable	£8,465,927	£8,541,095
Difference		£75,168

The increase in early years' pupils of 12 should attract additional DSG of **£0.075m**; this is an increase of £0.030m since the February report. The total DSG the LA received is **£0.029m** higher than expected as the DSG allocation is rounded but the actual receipts are not, when added to the additional Early Years DSG the total of increased funding is **£0.104m**.

In May we received notification from the EFA that the confirmed January 2015 Spring Census numbers were 2,231 as FTEs submitted by two academy providers were incorrect.

Note 3 – High Needs Top ups (Mainstream): **£0.376m Overspend**

The final position is an overspend of **£0.376m**; this reflects a slight increase compared with the indicated pressure identified in the end of February report. The large variance against plan is as a result of the new SENRAP policy implemented in September 2013 whereby monetary requests must be submitted to secure funding over and above the delegated notional SEN budget of £6,000. A £0.021m increase in the overall pressure in mainstream schools and academies has been identified this month.

As previously reported a review of the process indicates that there are inconsistencies in the amount of additional resource provided for pupils with similar levels of need and that average funding exceeds the values assumed when the budget was set. The 2014/15 budget assumed 384 pupils would be supported at an average annual cost of £3,818. The number of pupils has increased in year to 418 and average annual costs since September 2013 are £4,601 per pupil in schools.

Note 4 – High Needs Top ups (Specialist): **£0.078m Overspend**

The final position is an overspend of **£0.078m**. All specialist providers have been completing a self-audit and moderation exercise. The reduction in the overspend since last month of £0.041m is due to a risk not being realised.

Note 5 – Notional SEN: **£0.015m Overspend**

The final Notional SEN payments were made to schools in January based on the numbers of statemented pupils in the October 2014 census; this resulted in the pressure of **£0.015m** reported last month.

Note 6 – External Placement Fees:**£0.317m Underspend**

The final position is an underspend of **£0.317m**. The underspend follows the audit of every provider where individual pupils have been checked and education plans agreed. The latest month on month favourable movement of £0.107m reflects; where the risks were not realised in year for two placements (£0.045m), one placement lower number of terms than budgeted (£0.029m), two placements ended (£0.031m) and minor variances (£0.002m).

The full year variance (£0.317m) reflects the net positions for; placements that ended in year (£0.524m), new placements £0.315m, the extension of a secure placement (£0.049m), delay in start dates (£0.070m), receipt of funding from the EFA (£0.009m), additional support agreed £0.042m and other changes to placements (£0.022m). All placements are reflected on our monitoring reporting system which enables under and overspend to be more readily tracked.

Note 7 – High Needs Contingency:**£0.550m Underspend**

During the 2014/15 budget setting process Schools Forum agreed that a contingency of £550,000 would be held to cover additional top up and placements costs. The contingency was underspent in full. The **£0.550m** underspend was sufficient to cover the overspends at notes 3 £0.318m and note 4 £0.136m and which are partly offset by underspend at note 6 £0.317m above, i.e. a net overspend across these cost centres of £0.137m.

Note 8 – Post 16 HN Provision (New Responsibilities):**£0.154m Underspend**

The timescales for allocating budgets to FE colleges, ISP's and other post 16 training providers require academic year funding to be agreed and indicative figures were presented to the July 2014 Schools Forum. Since the July Forum the EFA have confirmed that they will be providing element 1 and 2 funding (estimated by the LA at £0.220m) directly to the UET which reduced the commitments that need to be met from the DSG. This provided an opportunity to boost the indicative post 16 band values after a review of likely ISP and other costs was undertaken including a realistic assessment of outstanding placements.

In ISPs (includes the UET), the final position is an underspend of **£0.009m** achieved through negotiating lower rates for individual placements and 0.8 FTE place number reduction.

In FE Colleges and Training providers, there has been an increase in the underspend by £0.025m and the total underspend is now **£0.213m**. The underspend relates to placements for 18 learners that were included in the budgeted spend but the costs were not realised (221 planned and 203 actual). These learners are in apprenticeships or mainstream 6th forms or ESF funded packages, 5 learners have also moved out of the LA and there are learners who are NEET or in unconfirmed placements. In addition a number of pupils had their band reduced through moderation.

There is a new pressure this month of £0.013m due to a reduction in social care recharges, some contributions towards UET placements are funded directly to the provider, the total recharges received is **£0.068m** less than budgeted. The net position for ISP and FE providers is an underspend of **£0.154m**.

Note 9 – School Exclusions / Dual Registrations**£0.041m Overspend**

The income received for School Exclusions was £0.008m higher than anticipated due to increase in exclusions towards the end of the year, offset by a pressure of £0.049m on Tuition Short term placement income, an overall pressure of **£0.041m**. Income is generated to the Tuition Service when it supports pupil's that remain on roll of their 'home school' (dual registration) as the 'home school' is charged an agreed daily rate. Pupils who are permanently excluded, move out of specialist provision or move into Swindon from elsewhere do not generate any funding to the Tuition Service as they are not dual registered.

Note 10 – Tuition Service:**£0.020m Overspend**

The Tuition Service final position was as currently projecting a **£0.020m** overspend. There were some changes in staffing but the overspend figure can be attributed to providing additional bespoke support to specific pupils, (complex needs, Education Health and Care Plan), over and above the usual allocation of small group placement and high staff to pupil ratio. This expenditure was closely monitored throughout the financial year. Bespoke pupil intervention will be a factor going forward as will the effect of using different commissioned providers.

Note 11 – Equal Pay:**£0.195m Overspend**

The October schools Forum had supported a request to use £2.0m from the following sources:

- £0.8m from NNDR reserves;
- £0.7m of the DSG balance and
- £0.5m from EFA funding towards SEN sixth form funding at Uplands,

to pay off £2.0m of outstanding DSG equal pay liabilities in the current financial year. This would improve the DSG annual central budget as the equal pay amount would reduce to £0.034m from £0.170m due to the repayment of the loan balance. This additional amount could then be freed up to allow a greater amount of DSG to be delegated to schools and other providers. This decision recognises the current overspend of **£0.195m**.

During the year end processes it was discovered that £0.510m EFA funding for 51 Post 16 students at Uplands School was not additional funding as the EFA had deducted £0.486m from the DSG for 49 Post 16 Students at Uplands School. The difference of 2 pupils is due to the EFA's policy for 2014/15 on recouping from LAs based on the pupil's residence and not the location of their education place, the policy will change to location basis in 2015/16. The deduction is part of the recoupment for EFA direct funding of High Needs places as explained further in Note 16.

To mitigate the effect of this unbudgeted DSG recoupment the LA made a decision at year end to reverse the payment of £0.500m Equal Pay liability, which had been agreed at the October Schools Forum, pending a discussion at the July Schools Forum meeting. The £0.500m EFA funding has been added to the DSG reserves rather than the Equal Pay reserve, so the overall outturn position reported is unchanged and remains an overspend of £0.109m.

Note 12 – Other Low Risk Items:**£0.125m Overspend**

The final position for all Other Low Risk items is an overspend of £0.125m, this has increased by £0.077m mainly due to Business Rates Savings costs £0.017m and payment of £0.080m Equal Pay liability as agreed by January 2015 Schools Forum, offset by small underspends in a number of budgets (£0.020m).

Note 13 – Maintained School Budgets (Mainstream)**£0.494m Underspend**

Mainstream maintained School Budgets underspent in the primary element as one primary school converted in year to academy status so their budget share was paid by the EFA post conversion. The secondary element overspent as the LA paid secondary academies part year delegation funding for Riverside and also paid place funding to an academy for SRP places. This underspend is offset by the higher than budgeted recoupment in Note 15 below.

Note 14 – Maintained School Budgets (Specialist Settings)**£0.084m Overspend**

Specialist maintained school budgets were overspent as the EFA only recoups Academy High Need places for Special Resource Provisions (SRP) in mainstream academies and High Need

places in Special academies based on the EFA's High Needs return dated December 2013. Where the LA has commissioned a higher number of places in an academy SRP or in a Special academy than the December 2013 return the additional places are paid to the academy by the LA. This overspend is offset by a reduction in the EFA direct funding of HN places budget in Note 16. In 2015/16 the academy High Need places to be paid to Academies by the LA are budgeted in the Specialist Settings budget.

Note 15 – EFA recoupment for Academies (Mainstream) £0.458m Overspend

The EFA directly fund academies but the academies are allocated DSG by the LA based on the local funding formula. The amounts calculated for Academies are included in the element of the DSG funding allocation that the LA does not actually receive, the EFA call this figure Recoupment. The recoupment budget for Primary academies was overspent £0.538m due to a primary school that converted to academy status in year and the recoupment budget for Secondary academies was underspent as per Note 13 for dedelegated funding paid by the LA rather than the EFA £0.125m plus adjustments for the Authority Proforma Toolkit £0.045m.

Note 16 – EFA direct funding of High Need Places £0.655m Overspend

The LA budgeted £1.400m for the recoupment of High Need Places for special school and SRP places in academies by the EFA but the amount recouped was £2.055m. The net increase of £0.655m additional funding recouped relates to; academies Pre 16 £0.049m & Post 16 £0.038m, maintained special school Post 16 as per note 11 £0.486m and non-maintained special schools Pre 16 £0.047m and Post 16 £0.031m and a small adjustment of £0.004m.

These adjustments will have an effect on future years funding as the LA will need to budget for the EFA recoupment of High Need funding for Post 16 places in all settings and Pre 16 places in non-maintained special schools. This will be covered in the Schools Forum Agenda for 7th July meeting.

The Leadership Team is asked to note the out-turn positions.

4) DSG Balance

In accordance with DfE grant conditions the DSG must be treated by the LA as being ring fenced for specified educational purposes and, in addition to consulting the Schools Forum on how each year's grant is allocated, the Forum must also be advised on any year end surplus or deficits. The final position incorporates agreements made at the October 2014 Schools Forum is as follows;

Table 4 – DSG Balance	Latest Position
Opening DSG balance bfwf from 2013/14	£2.470m
Less – reconcile to actual DSG balance bfwf	-£0.006m
Less – Primary £54.77 BPPE increase payable in 2014/15 and included in delegated school budgets (January 2014 Forum)	-£0.970m
Less – Additional double top up payments to Ridgeway ASC unit (March 2014 Forum)	-£0.058m
Less – Red Oaks SRP premises alterations to expand unit places (July 2014 Forum)	-£0.029m
Less – Repayment of equal pay liability (October 2014 Forum)	-£0.700m
Less – in year overspend funded from reserves (see table 2)	-£0.109m
Plus – Post 16 EFA funding not used for Equal Pay liability	+£0.500m
DSG balance unallocated	£1.098m

The Leadership Team is asked to note that the unallocated DSG balance is £1.098m and that all expenditure funded from this balance will need to be allowed under the early years and school finance regulations and be agreed by Schools Forum.

5) Subjective Analysis

A summary of the final outturn position of £0.109m across the £28.5m centrally retained budget by type of expenditure compared to the budget profiles is shown below. This presents a different view to the more traditional analysis by service area. This is a standard table used by the Finance Team which has been included in the DSG report to improve consistency.

6) Improving Forecasting

The Leadership Team is asked to note that although there is still room for improvement the forecasting of the centrally retained DSG has improved since 2013/14. Although the DSG recoupment was £0.655m higher than anticipated, the overall net change for the retained DSG between the end of February figure reported to the Schools Forum in March and the final outturn position was £0.056m compared to £0.500m last year.

Given that we are accountable to the Schools Forum regarding the effective management of the DSG, monthly meetings with senior Budget Managers (Gill and Sally) will continue to be scheduled through 2015/16 to take place shortly after the month end forecasting deadlines. This will enable all high risk forecast figures to be challenged and enable the wider budget position to be assessed, particularly on high need budgets, prior to reporting through to corporate board and in some months the Schools Forum.

The DSG receivable will be monitored closely in 2015/16 and the budgets on Oracle have been amended in May so that the receivable amount and not the total DSG allocation is monitored. Any changes notified through the monthly leadership report.

7) Summary of Key Recommendations

The Leadership Team is asked to:-

- *Note that the out-turn position, an overspend of £0.109m; will be reported to Corporate Board this month*
- *Note the risk areas above, the forecast out-turn positions and the suggested actions*
- *Note that the £0.500m Post 16 EFA funding was not used in 2014-15 to pay the LA's Equal Pay liability but was added to the DSG balance to be carried forward*
- *Note that after taking the overspend into account the unallocated DSG balance is currently £1.098m*

Actual 2014-15 Year End School Balances

Schools Forum

Date: 7th July 2015

Author:	Finance Manager – Education
Wards:	All
Locality Affected:	All
Parishes Affected:	All

1. Purpose and Reasons

- 1.1 The LA is required to monitor the level of school balances held by schools to provide assurance to the LA's Chief Financial Officer, Director of Children Services and Cabinet Member for Children Services regarding the financial sustainability of individual schools.
- 1.2 To advise Schools Forum members of the final position on 31st March 2015 school revenue balances compared with the estimated position as forecast by schools in December 2014.

Recommendations

- 1.4 The Schools Forum is recommended to note that:
 - Just over half, 23 of 42 (55%) of schools final year end reported balances were close to the estimates provided in December as measured by the thresholds agreed by Schools Forum.
 - 15 of 42 (36%) of schools were reasonably accurate in forecasting their year end balances
 - Only 4 of 42 (10%) schools have reported significant variances between their final and December estimates of their projected year end balances – commentaries on these schools are provided.
 - Final school balances (adjusted to exclude in-year Academy conversions) are forecast to be £4.6m which is 30% higher, than the December estimates of £3.6million.
 - The SRP until for one maintained school started the year in a deficit position and one maintained school and two SRP units were in deficit at the 31st March 2015. The maintained school is being supported by the LA as it works to balance its budget over the next three years.
 - The LA will present further information on the planned use of school balances to the October 2015 Schools Forum.

Further information on the subject of this report can be obtained from Anne Mackay, Finance Manager - Education, 01793 465742, amackay@swindon.gov.uk.

Actual 2014-15 Year End School Balances

Schools Forum

Date: 7th July 2015

2. Background

- 2.1 As part of the LAs control of balances scheme, schools are encouraged to embed effective financial management procedures so that their forecasting of year end balances is accurate and they have a clear understanding of the resources available to them. Schools are measured on how effective they are and this report provides a summary of the differences between the estimates provided in December and final year-end reported figures.
- 2.2 The January 2012 Schools Forum agreed the criteria for a revised scheme to monitor and manage Swindon schools balances. The main focus of the revised scheme is to improve forecasting and encourage schools with surplus balances to utilise them effectively for the benefit of pupils already in school as is expected by DfE. It is also very important for schools with relatively low balances to undertake accurate forecasting to avoid them encountering a deficit position.
- 2.3 The balances control scheme is made up as follows:
- Schools are asked to project their closing year-end balance in December – these estimates are compared to the initial estimates submitted when annual budgets were set in June. (This information is reported to Schools Forum in March).
 - After the year end when final school balances are quantified these values are compared to schools December estimates (this is the subject of today's report). Explanations have been sought from those schools whose estimates proved to be inaccurate as measured against the parameters agreed by the Forum which are proportionate to school budgets.
 - After setting their new year budget each June schools are asked to provide a summary of how and when they are planning to utilise their brought forward balances via a balances return. The LA reviews these plans to ensure funds are being committed against the areas which were approved by the Schools Forum and whether resulting uncommitted balances are in line with agreed target levels per pupil. (This information will be reported to Schools Forum in October).
 - The LA finance and internal audit teams also assess whether committed balances are actually being spent in accordance with school plans on an on-going basis, targeting specific schools which are exhibiting signs of poor financial health and/or are being audited and/or are of concern to the schools improvement team.
- 2.4 Given the uncertainty of medium term school funding and the need to implement substantial changes arising from the DfE school funding reform programme, the LA has not been overly concerned with the level of school balances over the last year. The focus of the LA balances control scheme is still essentially to
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Further information on the subject of this report can be obtained from Anne Mackay, Finance Manager - Education, 01793 465742, amackay@swindon.gov.uk.

Actual 2014-15 Year End School Balances

Schools Forum

Date: 7th July 2015

encourage effective financial planning so that all schools have an accurate understanding of whatever levels of balances they hold. In line with DfE expectations the local scheme has scope for the LA to claw back excessive balances which would then be made available for distribution across other schools in the following years funding allocations.

- 2.5 The LA therefore retains the right to implement claw backs but only in circumstances where a school
- Is consistently inaccurate (Red rated) in forecasting their year end balances for 2 consecutive years and does not provide adequate explanations
 - And holds relatively high balances .i.e. above 8%, 5% or 2% of ISB depending on the size of the school budget.
- 2.6 Where the LA believes that clawbacks may be applicable schools will be given an opportunity to defend their positions prior to any claw backs being proposed to the Schools Forum. No school has been inaccurate over each of the last two years. Forum Members are advised that proposing claw backs is not the LAs preferred course of action but it would be inappropriate and unfair if any school had high balances which were not being adequately managed when funds could be used to raise standards in that school or re-distributed to other schools where they could be spent on current pupils.
- 2.7 Letters reminding schools of the requirements of the scheme was issued with the balances return earlier this month and responses will be reviewed during the summer period and reported to the October 2015 Schools Forum meeting.

3. Detail

- 3.1 The initial part of the balances control scheme measures the effectiveness of schools in forecasting their year end balances. This exercise was completed by all maintained schools in December 2014 and estimates have now been compared with final figures arising from the school close down process in April 2015. The local scheme has a range of actions for the LA to follow depending upon the significance of the variance between final and forecast balances. Based on the difference between March 2015 actuals and December 2014 forecasts the results are as follows:

Actual 2014-15 Year End School Balances

Schools Forum

Date: 7th July 2015

Table 1 – Monitoring the accuracy of School financial forecasting			
Sector	Outturn compared to December Estimate	LA Assessment / Action	No.
Small / Medium Primary i.e. ISB up to £1.200m	Within £25k	• School highly commended	11
	Within £50k	• OK – reasonable accuracy	8
	Above £50k	• Review required understanding reasons – commentary provided to Schools Forum. • Supportive intervention by Finance/Audit team to help improve forecasting process. Potential Claw back after 2nd breach - where overall balances exceed 8% of annual funding	2
Large Primary i.e. ISB above £1.201m	Within £40k	• School highly commended	8
	Within £80k	• OK – reasonable accuracy	5
	Above £80k	• Review required understanding reasons – commentary provided to Schools Forum. • Supportive intervention by Finance/Audit team to help improve forecasting process. Potential Claw back after 2nd breach - where overall balances exceed 5% of annual funding	1
Secondary	Within £50k	• School highly commended	0
	Within £100k	• OK reasonable accuracy	0
	Above £100k	• Review required understanding reasons – commentary provided to Schools Forum. • Supportive intervention by Finance/Audit team to help improve forecasting process. Potential Claw back after 2nd breach - where overall balances exceed 2% of annual funding	1
Special	Within £40k	• School highly commended	4
	Within £80k	• OK reasonable accuracy	2
	Above £80k	• Review required understanding reasons – commentary provided to Schools Forum. • Supportive intervention by Finance/Audit team to help improve forecasting process Potential Claw back after 2nd breach - where overall balances exceed 5% of annual funding	0

The above table demonstrates that just over half (23 of 42 or 55%) of Swindon maintained schools were effective and are highly commended by the LA in forecasting their final 31st March 2015 positions when providing their projections in December. This is higher lower than the equivalent position reported to Schools Forum in July 2014 when 51% of schools were highly commended following closure of the 2013-14 accounts.

Further information on the subject of this report can be obtained from Anne Mackay, Finance Manager - Education, 01793 465742, amackay@swindon.gov.uk.

Actual 2014-15 Year End School Balances

Schools Forum

Date: 7th July 2015

- 3.2 When 2014-15 local formula funding allocations were issued to schools last February the LA also provided estimates of other funding that schools would receive (Nursery funding, SENRAP top ups, Set up Costs, Trigger Funding, Pupil Premium) and this information, should have enabled schools to become more accurate in projecting their year-end positions from the start of the year. The LA acknowledges that there is now less certainty on funding levels for specialist settings but occupancy projections should be reasonable by the end of December.
- 3.3 Over recent weeks the LA has contacted the 4 schools whose estimates proved inaccurate and is encouraged that, where closing balances were higher than anticipated, this mostly relates to staff restructuring and delays in premises improvement schemes which resulted in payments falling after, rather than before, the year end.
- 3.4 A summary showing the position across all schools is attached at Annex A. The level of each schools opening balances as at 1st April 2014 are also shown. Forum Members are asked to note that whilst the SRP unit at one maintained school opened the year with a deficit, one maintained school and two SRP units were in deficit at 31st March 2015. Overall year end balances of £4.6m are £1.1m (30%) higher than school forecasts provided in December. (These totals exclude 1 school where conversion to academy status occurred during the current financial year).

4. Narrative explanations

- 4.1 The four schools with a "Red" forecasting rating and significant variances between the revenue balances forecast in December 2014 and their actual year end balances as at 31st March 2015 were contacted and asked to provide Schools Forum with a narrative explanation and the explanations provided by the schools are at 4.2 below. The schools contacted are in Table 2 below:

Table 2 Schools with significant variances in their forecast balances			
School	Forecast Dec 14	Actual Mar 15	Variance
Grange Infant	£73,435	£171,146	£97,711
Oliver Tomkins CofE Junior	£26,390	£78,907	£52,517
Red Oaks Primary (school only)	(£41,812)	£90,841	£132,653
<i>Red Oaks incl. SRP</i>	<i>(£42,221)</i>	<i>£92,341</i>	<i>£134,562</i>
Isambard Community	£365,000	£480,324	£115,324

Further information on the subject of this report can be obtained from Anne Mackay, Finance Manager - Education, 01793 465742, amackay@swindon.gov.uk.

Actual 2014-15 Year End School Balances

Schools Forum

Date: 7th July 2015

- **Grange Infants - Actual balance was £171k (£98k above forecast)**

The premises projects planned for 2014/15 were delayed due to exceptional, unforeseen circumstances which arose in January.

- **Oliver Tomkins Church of England Juniors - Actual balance was £79k (£53k above forecast)**

The reasons for this variance were

i) Three members of support staff left in January due to taking retirement and family commitments. One of which was a HLTA, none of these posts were replaced.

ii) An additional teacher had been budgeted at Upper Scale to start in December 2014 however the teacher appointed was M3.

iii) A lottery grant of £10,000 for use of flourishing families project has only been partially invoiced as the project continues into September 2015 when the project costs will be invoiced June 2015.

iv) Money had been allocated for the refurbishment of the upper KS2 toilets. Due to LCVAP grant received in February from the Diocese for £40,000 only 10% needed to be met from the Junior School budget.

- **Red Oaks Primary - Actual balance was £92k (£135k above forecast)**

Funding from Access to Work for Interpreters for Deaf staff was being withheld and has now been resolved for one member of staff. Additional staff employed in KS2 for streaming pupils were withdrawn following the December balances survey to reduce costs. More income was raised than expected from absence insurance; high needs top up funding, notional SEN funding, pupil premium and extended hours clubs of £35K. Full on costs in the budget provision for all staff so the staffing budget was underspent.

- **Isambard Community - Actual balance was £480k (£115k above forecast)**

Even though our yearend balance was higher than anticipated in December and outside of the School Forum tolerance we do not feel our finances are out of control. As everybody knows Isambard has had a number of challenges over the past 12 months and we have been working hard to rectify these. As the accounts were closed a detailed breakdown of the variances was given to the LA Education Finance team.

Further information on the subject of this report can be obtained from Anne Mackay, Finance Manager - Education, 01793 465742, amackay@swindon.gov.uk.

Actual 2014-15 Year End School Balances

Schools Forum

Date: 7th July 2015

In summary some of the variance was due to the inexperience in education of our Business Manager (he has been in the job for less than 12 months), some due to changes in charges for the PFI from the LA and some down to the usual changes that affect any latest estimate. We are confident that next year we will be within the tolerances set.

- 4.2 It is important to acknowledge that forecasting is only one indication of how well schools are managing their balances and further information on school balances will be provided throughout the year to the Schools Forum as summarised at paragraph 2.3 above.
- 4.3 An additional schedule (Annex B) showing the opening and closing Devolved Formula Capital (DFC) balances held by all maintained schools is presented for the first time to give a full picture of year- end school balances. DFC year end balances totalled £0.728m and can be accumulated by schools for up to 3 years to support capital expenditure on defined areas such as premises improvements or ICT hardware, although the levels of DFC were substantially cut as part of the public sector austerity programme in 2010.
- 4.4 The level of DFC held doesn't form part of the LAs financial health assessment of schools but the LA would expect these balances to be held for specific purposes and not to be excessive.

5. Alternative Options

- 5.1 There are no alternative options presented in this report.

6. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 6.1 LAs and their Schools Forums are required to monitor the level of balances held by schools and to ensure local arrangements are in place which ensure excessive balances are not held

Legal and Human Rights Implications

- 6.2 There are no legal or human rights implications arising from this report.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 6.3 This report does not make any recommendations that affect these areas.

Links to One Swindon, Strategic Objectives, Plans and Policies

- 6.4 Utilisation of the DSG has a direct link to two of the Council's five priorities – "Right skills, right jobs in the right place" and "Make the best use of Swindon's resources inside and outside the Council".

Further information on the subject of this report can be obtained from Anne Mackay, Finance Manager - Education, 01793 465742, amackay@swindon.gov.uk.

Actual 2014-15 Year End School Balances

Schools Forum

Date: 7th July 2015

Diversity Impact Assessment

- 6.5 A Diversity Impact Assessment (DIA) has not been done as this report does not make any recommendations that affect services.

Risk Management

- 5.6 The key risks arising from this report are that ineffective monitoring by schools could lead to them encountering financial difficulties. Conversely the LA would not wish to see any individual school accruing excessive surplus balances which could have been used to improve standards and attainment for pupils currently in school.

7. Consultees

- 7.1 The Board Director Resources (Section 151 Officer), Director of Law and Democratic Services (Monitoring Officer) and Board Director Commissioning (Director of Children Services) are consulted in respect of all reports.

8. Background Papers

- 8.1 Annex A – Actual opening and closing 2014-15 school revenue balances compared to December 2014 forecasts
- 8.2 Annex B – Actual opening and closing 2014-15 Devolved Formula Capital balances

Schedule of Projected v Budgeted School Revenue Balances 2014/15

Annex A

Schools	Opening Balance 1st April 2014	Forecast Revenue Balances December 2014	Final Revenue Balances 31st March 2015	Variance between December Forecasts and actual balances	School Size	RAG Rating 2014/15	RAG Rating - 2013/14 Balances	RAG Rating - 2012/13 Balances
Abbey Meads Community Primary School	£102,281	£130,917	£116,404	(£14,513)	Large Pri	G	R - A	G
Abbey Meads Childrens Centre	(£4,007)	£6,006	£9,748	£3,742	Large Pri	n/a	n/a	n/a
Abbey Meads Sunshine Club	£30,642	£43,265	£43,669	£404	Large Pri	n/a	n/a	n/a
Abbey Meads Community Focused	£119,245	£122,636	£127,412	£4,776	Large Pri	n/a	n/a	n/a
Beechcroft Infant School	£120,314	£44,456	£81,467	£37,011	Sm/Med Pri	A	R	A
Bishopstone Church of England Primary School	£20,442	£18,506	£34,231	£15,725	Sm/Med Pri	G	G	G
Bridlewood Primary School	£75,966	£59,537	£101,456	£41,919	Sm/Med Pri	A	G	G
Brook Field Primary School	£145,737	£101,191	£162,300	£61,109	Large Pri	A	A	A
Catherine Wayte Primary School	£201,728	£163,830	£208,357	£44,527	Large Pri	A	G	R
Chiseldon Primary School	£25,253	£40,864	£19,077	(£21,787)	Sm/Med Pri	G	G	G
Colebrook Junior School	£155,566	£63,474	£89,220	£25,746	Sm/Med Pri	A	R	R
Covingham Park Primary School	£33,341	£39,825	£71,236	£31,411	Sm/Med Pri	A	G	G
East Wichel Primary School	£91,983	£48,974	£71,454	£22,480	Sm/Med Pri	G	R	G
Eldene Primary School	£53,037	£53,263	£48,269	(£4,994)	Large Pri	G	G	G
Eldene Primary School SRP (CLD)	£0	£1,777	£33,137	£31,360	Large Pri	n/a	n/a	n/a
Even Swindon Primary School	£417,947	£93,225	£170,309	£77,084	Large Pri	A	R - A	A
Even Swindon Primary School - Speech & Language	£0	£391	£0	(£391)	Large Pri	n/a	n/a	n/a
Even Swindon Primary School - SRP (SSL)	£0	£34,748	£0	(£34,748)	Large Pri	n/a	n/a	n/a
Ferndale Community Primary School	£25,608	£55,674	£65,553	£9,879	Large Pri	G	G	G
Grange Infant School	£213,681	£73,435	£171,146	£97,711	Sm/Med Pri	R	A	G
Grange Infant Community Focused	£4,071	£0	£0	£0	Sm/Med Pri	n/a	n/a	n/a
Grange Junior School	£96,558	£112,569	£147,094	£34,525	Sm/Med Pri	A	G	G
Greenmeadow Primary School	£145,240	£100,884	£114,865	£13,981	Sm/Med Pri	G	A	A
Haydonleigh Primary School	£144,771	£55,001	£67,864	£12,863	Large Pri	G	G	G
Lainesmead Primary School	£59,962	£43,337	£56,092	£12,755	Large Pri	G	A	G
Lawn Primary School	£28,891	£48,835	£53,016	£4,181	Large Pri	G	G	G
Liden Primary School	£30,292	£33,647	£31,287	(£2,360)	Sm/Med Pri	G	G	G
Nythe Primary School	£64,810	£36,833	£53,112	£16,279	Sm/Med Pri	G	A	A
Oakhurst Community Primary School	£140,103	£150,073	£146,806	(£3,267)	Large Pri	G	A	A
Oaktree Nursery and Primary School	£138,908	£65,555	£114,509	£48,954	Large Pri	A	G	A
Oliver Tomkins Church of England Infant School	£24,720	£19,351	£46,867	£27,516	Sm/Med Pri	A	G	G
Oliver Tomkins Church of England Junior School	£15,145	£26,390	£78,907	£52,517	Sm/Med Pri	R	G	G
Orchid Vale Primary School	£191,424	£87,697	£65,813	(£21,884)	Sm/Med Pri	G	R	A
Red Oak Primary School	£29,767	(£41,812)	£90,841	£132,653	Large Pri	R	G	G
Red Oaks Primary School - Hearing Impaired	£0	£0	£0	£0	Large Pri	n/a	n/a	n/a
Red Oaks Primary School - SRP (HI SL & LDD)	£0	(£409)	£1,500	£1,909	Large Pri	n/a	n/a	n/a
Robert le Kyng Primary School	£60,571	£101,550	£158,721	£57,171	Large Pri	A	G	G
Robert le Kyng Primary School SRP (PD)	(£25,336)	(£25,335)	(£41,172)	(£15,837)	Large Pri	n/a	n/a	n/a
Ruskin Junior School	£131,447	£88,470	£117,197	£28,727	Large Pri	G	R	A
Ruskin Junior School - SRP (ASD)	£0	£14,972	(£196)	(£15,168)	Large Pri	n/a	n/a	n/a
Ruskin Junior School - ASD Advisory & Outreach	£99,279	£53,370	£86,370	£33,000	Large Pri	n/a	n/a	n/a
South Marston Church of England Primary School	£132,777	£67,213	£95,713	£28,500	Sm/Med Pri	A	A	A
St Francis Primary School	£74,448	£89,937	£110,398	£20,461	Sm/Med Pri	G	G	G
Wanborough Primary School	£52,876	£37,041	£43,284	£6,243	Sm/Med Pri	G	A	G
Westrop Primary School	£57,225	£39,585	£59,915	£20,330	Sm/Med Pri	G	A	G
Westrop Community Focused	£0	£8,105	£15,764	£7,659	Sm/Med Pri	n/a	n/a	n/a
Wroughton Infant School	£75,975	£61,069	£92,995	£31,926	Sm/Med Pri	A	G	G
Wroughton Junior School	£59,344	£88,758	£90,033	£1,275	Sm/Med Pri	G	G	G
Isambard Community School	£667,830	£365,000	£480,324	£115,324	Secondary	R	G	R
EOTAS	£221,242	£162,990	£147,018	(£15,972)	Special	G	R	n/a
Brimble Hill School	£271,270	£134,706	£199,588	£64,882	Special	A	A	A
Crowdys Hill School	£263,068	£235,998	£258,161	£22,163	Special	G	R	G
St Lukes School	£168,256	(£77,839)	(£149,899)	(£72,060)	Special	A	R	R
The Chalet School	£59,531	£67,337	£70,904	£3,567	Special	G	A	G
Uplands School	£81,878	£105,647	£101,365	(£4,282)	Special	G	G	G
Sub Total Maintained Schools	£5,395,109	£3,552,519	£4,629,498	£1,076,979				

In year Academy conversions

Haydon Wick Primary School	£87,242
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Overall total

£5,482,350

Key	Red	Amber	Green
SMP- Small / medium primary - ISB up to £1.2m	> £50k	< £50k	< £25k
LP - Large primary - ISB above £1.2m	> £80k	< £80k	< £40k
SEC- Secondary	> £100k	< £100k	< £50k
SPE- Special	> £80k	< £80k	< £40k
Total Schools	42	15	23
	10%	36%	55%

The RAG rating measures apply to schools in surplus. The LA expects schools in or approaching deficit to exercise the highest levels of financial planning & monitoring until they are safely back in a sustainable surplus position.

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Schedule of Opening v Closing School Capital Balances 2014-15

Schools	Opening Capital Balance 1st April 2014	Closing Capital Balance 31st March 2015	Movement between Opening and Closing Balance
Abbey Meads Community Primary School	£5,982	£8,444	2,461
Beechcroft Infant School	£10,229	£26,557	16,328
Bishopstone Church of England Primary School	£73,418	£49,059	(24,359)
Bridlewood Primary School	£7,978	£449	(7,528)
Brook Field Primary School	£28,189	£33,219	5,030
Catherine Wayte Primary School	£0	£8,365	8,365
Chiseldon Primary School	£0	£0	0
Colebrook Junior School	£27,047	£18,698	(8,348)
Covingham Park Primary School	£18,501	£30,672	12,171
East Wichel Primary School	£5,710	£716	(4,994)
Eldene Primary School	£29,944	£0	(29,944)
Even Swindon Primary School	£24,740	£148,201	123,460
Ferndale Community Primary School	£12,473	£0	(12,473)
Grange Infant School	£66,304	£0	(66,304)
Grange Junior School	£38,915	£95,513	56,598
Greenmeadow Primary School	£20,201	£25,217	5,015
Haydonleigh Primary School	£8,204	£15,776	7,572
Lainesmead Primary School	£1,151	£2,814	1,663
Lawn Primary School	£13,225	£19,272	6,047
Liden Primary School	£49,627	£3,858	(45,770)
Nythe Primary School	£50,659	£9,143	(41,516)
Oakhurst Community Primary School	£23,134	£24,061	928
Oaktree Nursery and Primary School	£23,387	£23,780	394
Oliver Tomkins Church of England Infant School	£0	£0	0
Oliver Tomkins Church of England Junior School	£0	£0	0
Orchid Vale Primary School	£6,987	£9,806	2,819
Red Oak Primary School	£0	£0	0
Robert le Kyng Primary School	£0	£0	0
Ruskin Junior School	£16,697	£16,191	(507)
South Marston Church of England Primary School	£24,940	£19,819	(5,121)
St Francis Primary School	£0	£0	0
Wanborough Primary School	£0	£0	0
Westrop Primary School	£2,404	£0	(2,404)
Wroughton Infant School	£5,501	£17,680	12,180
Wroughton Junior School	£2,753	£5,852	3,099
Isambard Community School	£72,279	£48,299	(23,980)
Brimble Hill School	£10,294	£6,463	(3,831)
Crowdys Hill School	£38,009	£46,262	8,253
St Lukes School	£0	£6,295	6,295
The Chalet School	£28,019	£7,547	(20,471)
Uplands School	£7,551	£417	(7,135)
	£754,452	£728,444	(26,008)

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2015-16 Dedicated Schools Grant Budget Position

Schools Forum

Date: 7th July 2015

Author:	Finance Manager - Education
Wards:	All
Locality Affected:	All
Parishes Affected:	All

1. Purpose and Reasons

- 1.1 To advise Schools Forum members of the latest projected 2015-16 DSG retained budget position.
- 1.2 The LA is required to report the position on the DSG budget to the Schools Forum throughout the year and at the financial year end. This report provides Forum Members with the projected year end position against the 2015-16 retained budgets based upon available information at the end of May 2015.
- 1.3 The retained DSG budget is monitored in accordance with standard Swindon Borough Council (SBC) budgetary control procedures and a report is submitted to the Education Leadership Team each month. Updates are also periodically provided to Corporate Board, Cabinet and the Children and Young Peoples Overview and Scrutiny Committee.

2. Recommendations

The Schools Forum is recommended to:

- 2.1 Note that the latest projection on the 2015-16 retained budget is an **overspend of £0.201m**

3. Detail

Latest 2015-16 Retained Budget Position

- 3.1 At the 17th March 2015 Schools Forum meeting the overall value of the 2015-16 centrally retained DSG budget was agreed at £29.1m. As reported to 7th October 2014 Schools Forum Swindon will receive £0.510m of EFA funding to effectively reimburse the DSG for place costs at Uplands Sixth Forum but as in 2014-15 this is not additional funding because a reduction to the DSG settlement is made by the EFA. Including the EFA funding, the overall value of the 2014/15 centrally retained DSG budget is £29.6m.
- 3.2 Attached at **Annex A** is the report to be issued to the Education Leadership Team, it was produced on 12th June 2015 based on information at the end of May. This shows that an overspend of £0.201m is projected across the overall budget. The main reasons for the projected variances and commentaries on all high risk areas are provided in Annex A.

Further information on the subject of this report can be obtained from Anne Mackay, 01793 465742, amackay@swindon.gov.uk.

2015-16 Dedicated Schools Grant Budget Position

Schools Forum

Date: 7th July 2015

- 3.3 The LA Finance team has continued to work with Budget Managers to review the financial position to ensure robust forecasts are projected. In setting the retained budget officers included an element of contingency funding across some of the high risk budget areas to meet for any unexpected placements commissioned before 31st March 2016.
- 3.4 At this stage the LA is expecting that, although there continues to be a risk associated with the projection, an overspend of £0.201m (1.72%) will occur. An overspend will need to be funded from existing unallocated DSG balances. The financial position will continue to be monitored and the final 2015-16 outturn position (subject to external audit) will be represented to the July 2016 Schools Forum after closure of the LA's accounts.

Schools Forum is asked to:

- **note that the latest projection on the 2015-16 retained budget is an overspend of £0.201m**

4. Alternative Options

- 4.1 There are no proposals included within this report.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 Various financial implications are included in this report relating to management of the retained DSG budget

Legal and Human Rights Implications

- 5.2 There are no legal or human rights implications arising from this report.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 This report does not make any recommendations that affect these areas.

Links to One Swindon, Plans and Policies

- 5.4 Utilisation of the DSG has a direct link to two of the Council's five priorities – "Right skills, right jobs in the right place" and "Make the best use of Swindon's resources inside and outside the Council".

Diversity Impact Assessment

- 5.5 As there are no proposals in this report, a DIA has not been completed.

Further information on the subject of this report can be obtained from Anne Mackay, 01793 465742, amackay@swindon.gov.uk.

2015-16 Dedicated Schools Grant Budget Position

Schools Forum

Date: 7th July 2015

Risk Management

- 5.6 There are no specific risk management implications not highlighted in the body of the report.

6. Consultees

- 6.1 The Board Director Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Annex A – Economy and Attainment Leadership Team budget monitoring reports

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Report to: **Commissioning – Education Leadership Team**
 From: Anne Mackay, Finance Manager – Education
 Date: 12th June 2015
 Subject: **Budget Monitoring Report – DSG Services**
 Period: Period to end of May 2015

1) Background

The Council's corporate budget monitoring timetable requires each Group to report its forecast outturn position each month and this report is based on information provided at the end of May. In addition to financial forecasts, information is also provided regarding Budget Manager participation in the on line forecasting process. To improve the standardisation of reporting, a subjective analysis of the centrally retained budget is provided this month together with a full listing of all Education service budgets showing the actual spend at the end of May compared to the budget profiles loaded on the oracle system.

Although the DSG position is included in Corporate Board and Cabinet reports it is unlikely that elected members will be overly concerned as this is outside the SBC General Fund and is essentially an issue for the Head of Education and his leadership team to manage in consultation with the Finance Team and Schools Forum.

The introduction by the DfE of a three block approach to the allocation of DSG has made it harder for the LA to forecast annual DSG funding. The budget submitted to Schools Forum in March estimated the DSG to be £161.003m, and the Early Years block will not be finalised until June 2016, so there still remains a degree of uncertainty for the complete funding. Updates will be incorporated into future Leadership Team reports as and when they become known. A summary of how the 2015-16 DSG has been allocated so far is provided below.

Table 1 – DSG 2015-16 Overview

	<u>£m</u>	<u>£m</u>
<u>Delegated</u>		
Maintained Mainstream schools	45.43	
Maintained Specialist settings (Special Schools and SRP's)	6.47	
		51.90
Academy Mainstream Recoupment	77.10	
Academy Specialist settings (Special Schools and SRP's) Recoupment	1.47	
		78.57
<u>Centrally retained for provision</u>		
Disadvantaged 2 year old nursery places	2.79	
Free Nursery Entitlement 3 & 4 year olds	8.20	
In Year Pupil Growth	0.44	
Commissioned Services	1.07	
High Need SEN		
Portage, SEN equipment, Therapeutic services etc.	0.74	
SBC top ups – mainstream settings	8.82	
SBC top ups - high need specialist settings	2.08	
HN Contingency	0.32	
Tuition Service	0.89	
Out of Borough placements	2.58	
Post 16 provision (new responsibilities)	2.02	
Exclusions income	(0.35)	29.60
<u>Centrally retained to cover SBC and other costs</u>		
Admissions, Free School Meal eligibility checks, school licences, equal pay etc.	0.96	
		0.96
Total DSG Allocation (not including Early Years Pupil Premium of £0.164m)		161.03

3) Completion of Online Monitoring Forecasts

As part of the budget monitoring reporting process the LA is required to report to Corporate Board how active Budget Managers have been in contributing to the on line information used to collate period end information. For DSG service areas the end of May completion rate was 86% (36/42).

The Leadership Team is asked to remind Budget Managers of the importance of this exercise and to encourage continued high participation for the remainder of the year.

4) High Risk Areas and Latest Projections

Commentaries on all the main variances have been identified and those areas of the budget, which are inherently high-risk, and therefore have the potential to significantly affect the overall position, are provided below.

Table 2 – Latest Budget Monitoring Position			
<u>High-Risk Areas</u>	Notes	Budget 2015-16 £'000	Projected Variance £'000
Disadvantaged 2 year old place funding	2	2,787	(624)
Free nursery education (3 & 4 year olds)	3	8,199	82
High Needs Top ups (Mainstream)	4	2,084	48
High Needs Top ups (Specialist)	5	8,822	(48)
Notional SEN supplements (Mainstream)	6	350	0
External Placement Fees	7	2,582	(218)
HN Contingency	8	315	(315)
Post 16 HN Provision - New Responsibilities	9	2,022	(27)
School Exclusions / Dual registrations	10	(350)	0
Tuition Service	11	890	(20)
Schools Equal Pay Claims	12	0	31
Subtotal High Risk Areas		27,700	(1,091)
Other Low risk retained budgets	13	1,783	27
Total Retained Budgets		29,483	(1,064)
Maintained School Budgets (Mainstream)		45,429	0
Maintained School Budgets (Specialist Settings)		6,979	0
Commissioned Services		1,072	0
EFA recoupment for Academies		77,091	0
EFA direct funding of High Need places	1	1,460	561
Total DSG Expenditure Budgets		161,514	(503)
DSG Funding allocation	1	(82,453)	704
DSG Funding recouped by the EFA		(78,551)	0
Total DSG Funding Budgets		(161,004)	704
EFA 6 th Form Place Funding	1	(510)	0
Total DSG		0	201

The Leadership Team is asked to note that the forecast out-turn position, a projected overspend of £0.201m, will be reported to Corporate Board this month.

The main reasons for the overspend are provided below:

1) DSG Funding Receivable**£1.265m decreased funding**

The LA budgeted in 2015-16 for the full DSG allocation by the EFA but the actual cash received is less the amount allocated by the LA to mainstream academies and less High Need places funded directly by the EFA. The budgeted DSG allocation is **£161.003m** including

Table 3 shows the 2015-16 DSG receivable is budgeted to be **£82.452m** including Early Years pupils that are not on the EFA settlement but the funding the LA is now expecting to receive is £81.260m, a decrease of **£1.192m**. There are two elements to this decrease as per the paragraphs below:

The DSG receivable is **£0.631m** due to the Early Years pupil numbers being lower than budgeted as per Note 2 £0.481m and Note 3 £0.194m. The net additional £0.044m is for adjustments for Non Recoupment academies and Newly Qualified Teachers.

The deduction from the DSG for EFA Direct Funding of High Need places is **£0.561m** higher than budgeted. The LA receives EFA Post 16 funding for pupils at Uplands School £0.510m but this funding is matched by a similar value deduction of £0.493m from the DSG allocation so it is not additional funding as it was assumed to be in 2014-15 and when the DSG budgets were set. There are further reductions for Pre 16 and Post 16 pupils at Non-Maintained Special Schools and Post 16 pupils in SRPs of £0.068m

Table 3– DSG receivable			
Allocation	Budget £m	Estimated £m	Variance £m
EFA's DSG allocation (including Early Years Pupil Premium)	161.003	160.372	(631)
Less Academy recoupment	(77.091)	(77.091)	0
Less EFA Direct Funding of High Need places	(1.460)	(2.021)	(561)
DSG Receivable	82.452	81.260	1.192

In May the LA received notification from the EFA that the confirmed January 2015 Spring Census numbers were 2,231 and not 2,263 as anticipated as the FTEs submitted by two academy providers were incorrect. This has resulted in a **£0.073m** less DSG than anticipated at year end, affecting the forecast outturn position for 2015-16, when added to the £1.192m above the overall reduction in funding in 2015-16 is **£1.265m**.

Note 2 – Disadvantaged two year old nursery funding **£0.624m underspend**
£0.481m decreased funding

The budget of £2.787m for 2 year old places is projecting a £0.624m underspend. The underspend has arisen in part because the budget was set on the target participation of 957 rising to 1,000 by January 2016 but the current participation is not as high as expected. Slippage of building projects for infrastructure expansions of nursery provision has resulted in lower overall take up during the early part of the year.

A new Engagement Officer has been recruited and they will be promoting available places and a large number of projects are expected to come to fruition in the autumn.

From 2015/16 participation funding will apply and therefore it is important that take up is maximised. The funding will be paid by the DfE based on the actual pupil numbers at the spring census 2015 (5/12ths) and spring census 2016 (7/12ths). As per expenditure the budget was set on the target participation level of 957 and the underspend and decreased funding

Table 4 – Early Years 2 year old 2015-16 DSG Funding

	2015-16 Budget	2015-16 Projection
January 2015 Census (5/12)	957	618
January 2016 Census (7/12)	1,000	951
Full Year Equivalent	982	812
2 year old funding rate	£2,832.90	£2,832.90
Total DSG receivable	£2,782,144	£2,301,023
Difference		(£481,121)

The estimated net decrease in 2 year old pupils of 170 will result in a **£0.481m** reduction of DSG.

Note 3 – Free nursery education (3 & 4 year olds):

**£0.082m Overspend
£0.194m Decreased funding**

This is an estimate of the 2015-16 outturn position and a **£0.082m** overspend is forecast. The number of children is approximately 35 FTE higher than budgeted £0.077m and a pressure on staffing pressure of £0.005m due to an overlap in the leaver's end date and the starting date of new employee. Based on the recent payments, there is an increase in the forecast for Maintained settings £0.131m as the number of children is approximately 35 FTE higher than budgeted and a reduction in the forecast in Private, Voluntary and Independent settings of £0.054m.

This element of DSG is based on participation and the LA anticipates that along with the overspend there will also be a decrease in the amount of Dedicated Schools Grant receivable. Early Years DSG is calculated based on 5/12ths of the January 2014 and 7/12ths of the January 2015 Early Years Census. The latest DSG calculation compared to the 2015-16 budget agreed by Schools forum in January 2015 is summarised below:

Table 5 – Early Years 3 and 4 year old 2015-16 DSG Funding

	2015-16 Budget	2015-16 Projection
January 2015 Census (5/12)	2,355	2,231
January 2016 Census (7/12)	2,355	2,358
Full Year Equivalent	2,355	2,305
3 and 4 year old funding rate	£3,888.06	£3,888.06
Total DSG receivable	£9,156,381	£8,962,302
Difference		(£194,079)

The estimated net decrease in early years' pupils of 50 will result in a **£0.194m** reduction of DSG.

Note 4 – High Needs Top ups (Mainstream):

£0.048m Underspend

The projected underspend of **£0.048m** reflects a slight decrease compared with the budget. A pressure of £0.048m in primary schools and primary academies has been identified this month as there has been a significant rise in the number of applications for SENRAP funding compared to the same period (Apr-Jun) last year. The LA is currently reviewing SENRAP processes to ensure that they are as robust as possible and that there is rigorous moderation of the mainstream applications.

As agreed by Schools Forum March 2015 the High Needs Top ups budget (Mainstream/SENRAP) was increased by £0.400m for 2015-16.

Note 5 – High Needs Top ups (Specialist):

£0.048m Overspend

The latest projections indicate an overspend of **£0.048m**. All specialist providers are completing a self-audit and moderation exercise, the outcome of which is a reduction in costs

Schools Forum 7th July 2015 - DSG Retained Budget Monitoring Report Annex A
of £0.048m identified this month. Caution should therefore be applied to the current position as some pupils going through the current system may have to be re-banded and costs applied retrospectively.

Note 6 – Notional SEN:

Forecast on budget

The first 5/12ths Notional SEN payments were made to schools in May based on the numbers of stated pupils in the January 2015 census; further payments of 7/12ths will be made to eligible schools based on the October 2015 census. This change in policy is expected to keep the Notional SEN within budget.

Note 7 – External Placement Fees:

£0.217m Underspend

The latest projections indicate an underspend of **£0.217m**. The projected underspend follows the audit of every provider where individual pupils have been checked and education plans agreed. The favourable movement of £0.217m reflects changes in placements since the budget was set in January 2015, eight new placements £0.143m, ending of six placements (£0.197m), amendment of the move date for two placements (£0.161m), movement of one placement £0.026m and changes to other placements (£0.028m). All placements will be reflected on our monitoring reporting system which will enable under and overspend to be more readily tracked.

Note 8 – High Needs Contingency:

£0.315m Underspend

During the 2015-16 budget setting process Schools Forum agreed that a contingency of £315,000 would be held to cover additional top up and placements costs. At this stage in the year the contingency is expected to be underspent in full. The **£0.315m** underspend should prove sufficient to cover the projected overspend in note 5 £0.048m which at this point in the year is offset by an underspend at note 4 £0.048 with a further underspend at note 7 £0.217m above, i.e. a current net underspend across all of these cost centres of £0.532m. Should this prove not to be the case this could require use of the DSG balance unless offsetting savings occur in other parts of the retained budget.

Note 9 – Post 16 HN Provision (New Responsibilities):

£0.027m Underspend

The timescales for allocating budgets to FE colleges, ISP's and other post 16 training providers require academic year funding to be agreed and indicative figures will be presented to the July 2015 Schools Forum. The student numbers and banding are subject to moderation. The current underspend is in relation to the learner numbers in placements between April and July.

The LA anticipate an increase in projected number of students expected to be in placements in September is 397.6 compared to 246 as at June, due in part to a larger Year 11 cohort of 201 compared to 151 in September 14 and a larger number of students projected to continue in learning of 184 compared to 67 in September 14. The LA will review the banding values to ensure that the provision stays within its funding envelope. The allocations will be reviewed in October as the learning providers are expected to confirm pupil attendance in the Autumn term.

Note 10 – School Exclusions / Dual Registrations

Forecast on budget

The exclusion income budget is expected to be in line with budget. The budget was increased by £0.030m as agreed by Schools Forum in March 2015 to be used for the re-integration of pupils to mainstream schools.

Note 11 – Tuition Service:

£0.020m Underspend

The Tuition Service is currently projecting a **£0.020m** overspend. Part of the service is moving into The Platform from September 2015 and realising premises cost savings of £0.020m.

Note 12 – Equal Pay:**£0.031m Overspend**

Due to changes in the EFA funding £0.500m Equal Pay liability remains outstanding, the annual cost is **£0.031m**.

Note 13 – Other Low Risk Items:**£0.034m Overspend**

The projected overspend is **£0.027m** following the allocation of NNDR costs £0.018m and the reimbursement of costs relating to occupation of a building due to the delay in a school build £0.008m.

The Leadership Team is asked to note the risk areas above, the forecast out-turn positions and the suggested actions.

4) DSG Balance

In accordance with DfE grant conditions the DSG must be treated by the LA as being ring fenced for specified educational purposes and, in addition to consulting the Schools Forum on how each year's grant is allocated, the Forum must also be advised on any year end surplus or deficits. The latest position incorporates agreements made at the October 2014 Schools Forum is as follows:

Table 6 – DSG Balance	Latest Position
Opening DSG balance bfwf from 2014-15	£1.098m
Less – projected in year deficit (see table 2)	(£0.201m)
Projected DSG balance unallocated	£0.897m

The Leadership Team is asked to note that the unallocated DSG balance is £0.897m and that all expenditure funded from this balance will need to be allowed under the early years and school finance regulations and be agreed by Schools Forum.

5) Subjective Analysis

A summary of the latest projected year-end underspend of £1.064m across the £29.5m centrally retained budget by type of expenditure compared to the budget profiles is shown below. This presents a different view to the more traditional analysis by service area. This is a standard table used by the Finance Team which has been included in the DSG report to improve consistency.

Subjective analysis Delegated DSG May 2015

Group Budget position by expenditure type	Year to date budget £'000	Year to date actual £'000	Year to date variance £'000	Total Budget 2015/16 £'000	Forecast Variance 2015/16 £'000
Employees	205	204	(1)	1,228	5
Premises	927	945	17	1,036	(2)
Transport	2	2	(0)	12	1
Supplies & Services	378	380	2	1,757	(284)
3rd Party Payments	3,085	6,903	3,818	27,982	(578)
Internal Recharges	74	817	743	784	0
Capital Financing	0	0	0	0	0
Income	(1,237)	(1,029)	208	(3,315)	(206)
Total	3,434	8,221	4,788	29,483	(1,064)

To better understand the above table the following annexes are attached to this report.

- **Annex A** – this shows a breakdown of all the 2015-16 retained budgets by type of expenditure and income and produces the totals in the “Total budget 2015-16” column in table 7 above
- **Annex B** – this shows a breakdown of each services profiled budget to date compared with actual spend to date. This will present useful information for both year to date actuals and full year projections. The aim is to highlight and address variances now, rather than wait until nearer the year end where late changes undermine confidence in our reporting.

The Leadership Team is asked to note the addition of subjective analysis information and the need to agree realistic budget profiles for input to the oracle system.

6) Improving Forecasting

Managers across the LA will be regularly invited to attend discussions on what the barriers to effective forecasting are and how they can be alleviated.

Given that we are accountable to the Schools Forum regarding the effective management of the DSG, monthly meetings with senior Budget Managers (Gill and Sally) will be scheduled through to the end of 2015-16 to take place shortly after the month end forecasting deadlines. This will enable all high risk forecast figures to be challenged and enable the wider budget position to be assessed, particularly on high need budgets, prior to reporting through to corporate board and in some months the Schools Forum.

The Leadership Team is asked to note that the finance team will be inviting budget managers to discuss barriers to effective forecasting and that additional meetings have been scheduled to discuss key areas and the overall DSG position.

7) Summary of Key Recommendations

The Leadership Team is asked to:-

- *Note that the forecast out-turn position, a projected overspend of £0.201m, will be reported to Corporate Board this month.*
- *Note the risk areas above, the forecast out-turn positions and the suggested actions*
- *Note that the unallocated DSG balance is currently £0.897m*
- *Note the steps proposed aimed at improving forecasting*

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

Author:	Head of Finance – Education
Wards:	All
Locality Affected:	All
Settings Affected:	The Dedicated Schools Grant (DSG) is ring fenced funding provided by the DfE to meet the educational needs of early years, school age and all 0 to 25 year old high need pupils; any decisions on how the grant is utilised indirectly affects all settings.

1. Purpose and Reasons

- 1.1. The Schools Forum meeting on 17th March 2015 received a report on the 2015/16 Dedicated Schools Grant Settlement and Budget. This report provides members with an update on various unresolved budget issues. This report addresses:
 - Changes to DSG Allocation
 - Mainstream School Budgets
 - Pupil Growth Funding – A change to the overall budget requirement
 - Changes to various High Need commissioned provisions
- 1.2. The report then looks forward to the items that will need to be considered as part of the 2016/17 budget setting process.

2. Recommendations

- 2.1. Members of the Schools Forum are now asked to:
 - Note that due to the changes in the EFA funding £0.500m equal pay liability remains outstanding and this will result in an increase in central costs of £0.031m. (Para. 3)
 - Note the current position regarding Early Year's income and expenditure based on the current projection of take up. (Para. 4)
 - Agree to the proposal to recruit an engagement officer and to purchase an application portal to link with the Council's existing IT systems. (Para. 4.9 and 4.10)

Further information on the subject of this report can be obtained from Ian Burbidge on 01793 464384 or iburbidge@swindon.gov.uk

2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

- Note the current position with regard to former non-recoupment academies (Para. 5)
- Note the proposals to review the trigger funding policy to accommodate situations outside the current policy (Para 6.2)
- Note the proposal to start a consultation on a 6th form provision at Crowdy's Special School. (Para. 6.3)
- Note that £0.018m will be paid to Uplands Special School to maintain the current 138 places (Para. 6.4)
- Note the changes to the Ridgeway HI Unit (Para. 7)
- Note the changes to the Ruskin ASC Unit (Para. 8)
- Note the issues regarding the Nyland Campus Outreach Team (NCOT) service being caused by 6 academies choosing not to buy back the service. (Para. 9)
- Note the changes to the funding applications made to the Special Educational Needs Resource and Assessment Panel (SENRAP). (Para. 10)
- Agree the proposals to use £0.030m of the exclusions income to support reintegration (Para. 11)
- Note that there will be a further adjustment to Secondary School BPPE rates in 2016/17 to reflect the increase in place funding at EOTAS (Para. 12)
- Agree to the creation of a SRP Funding Review Task Group to review SRP funding and provide funding recommendations for the 2016/17 financial year. (Para. 13)
- Note and comment on the content of the report at Annex C. (Para. 13)
- Advise on the terms of reference and membership of the SRP Funding Review Task Group. (Para. 13)
- Nominate representatives from schools forum to the SRP Funding Review Task Group. (Para. 13)

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

Update on 2015/16 budget position

3. Changes to DSG Allocation

- 3.1. Swindon has been notified of an increase in the recoupment figure for post 16 high needs pupils in LA maintained Special Schools. As reported in the Outturn Monitoring report that is elsewhere on this agenda, although an additional £0.510m was received to fund sixth form places at Uplands Education Trust from the EFA, the DSG received by the LA was reduced by £0.486m to recognise that this funding should not form part of the DSG. This situation will be repeated going forward, so whilst future budgets can take account of this, the 2015/16 budget will be under pressure to accommodate this change. In light of the above LA officers took the decision to not repay £0.500m of the outstanding equal pay liability, leaving this in the year end reserves, and therefore making it available to be used in 2015/16. In addition to funding the additional recoupment there will also be a need to make a repayment against the outstanding equal pay liability in the sum of £0.031m.
- 3.2. In addition to the above, the EFA funding arrangements for High Needs Pre 16 students in non-maintained special schools were not clear. The funding for these settings is also deducted from the DSG as part of recoupment; and this will result in a cost pressure of circa £0.060m that needs to be managed in year.

Members of the Schools Forum are now asked to:

- **Note that due to the changes in EFA funding £0.500m of equal pay liability remains outstanding and this will result in an increase in central costs of £0.031m.**

4. Early Years Funding – Disadvantaged 2 year old free nursery education

- 4.1. As forum will be aware the funding model is based on participation where the LA will receive grant based on 5/12 of the January 2015 EY census and 7/12 of the January 2016 EY census. The FTE census figure is then multiplied by the DfE rate for Swindon of £2,832.90 per year (£4.97 per hour).
- 4.2. The LA therefore will keep the estimate of DSG receivable under review, with an update provided to forum at each meeting. The actual grant for 2015/16 will not be finalised until after the January 2016 EY census is completed. The latest estimate for 2015/16 income is given in the table below. There are significantly lower

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

numbers of children recorded on the census than was previously estimated. This change in uptake of places has resulted in an estimated income reduction of **£0.483m**. The reduction is due to the forecast estimating a full take up of the target (957 children) throughout the year. The plan to meet the 2 year old target is a phased increase in opening provision and there are proposals to promote and increase the take up of 2 year old places that are discussed later in the paper.

Table 1 - Disadvantaged 2 year old DSG income estimate 2015/16

	Estimated Census Per Jan 2015 SF report	Estimated DSG @ £2,832.90	Current Estimates	Estimated DSG @ £2,832.90
January 2014 (for information)	630		630	
January 2015 (actual)	957 x 5/12	£1,129,619	618 x 5/12	£729,472
January 2016 (estimate)	1,000 x 7/12	£1,652,525	950 x 7/12	£1,569,899
Income based on participation	982.1	£2,782,144	811.7	£2,299,371

- 4.3. There has been a delay in some of the new provision's being available to take children. The current proposals show that these new places will be available in September.
- 4.4. The table below shows the current assessment of the expenditure that will be incurred in supporting disadvantaged 2 year olds. This shows that whilst the income assessment has reduced, the expenditure has also reduced; the net result of these changes is that there is estimated to be £0.040m of funding distributed within the overall DSG, once the final DSG settlement is received. A proposal to use the £0.040m can be found at paragraph 4.10.

Further information on the subject of this report can be obtained from Ian Burbidge on 01793 464384 or iburbidge@swindon.gov.uk

2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

Table 2 - Disadvantaged 2 year old expenditure estimate 2015/16

	Estimated Census Per Jan 2015 SF report	Estimated Cost @ £2,821.50	Current Estimates	Estimated Cost @ £2,821.50
January 2015 (actual)	951 x 5/12	£1,118,019	618 x 5/12	£726,536
October 2015 (estimate)	958 x 4/12	£900,999	850 x 4/12	£799,425
January 2016 (estimate)	1000 x 3/12	£705,375	950 x 3/12	£670,106
Costs based on participation	965.6	£2,724,393	778.3	£2,196,068
Contribution to existing staffing and marketing costs at current levels		£63,000		£63,000
Total Disadvantaged 2 year olds budget		£2,787,393		£2,259,068
Funding redistributed within the overall DSG		(£5,250)		£40,303

Early Years - Free nursery education for all 3 and 4 year olds DSG

- 4.5. As with 2 year old funding the 3 & 4 year old funding will be based on the January 2015 and 2016 EY censuses. The latest estimates are included in table 2 below. This shows that the expected income for 2015/16 will be £0.196m less than previously anticipated.

Table 3 - 3 and 4 year old DSG income estimate 2015/16

	Estimated Census Per Jan 2015 SF report	Estimated DSG @ £3,888.06	Current Estimates	Estimated DSG @ £3,888.06
January 2014 (for information)	2,104		2,104	
January 2015 (actual)	2,355 x 5/12	£3,815,159	2,231 x 5/12	£3,614,276
January 2016 (estimate)	2,355 x 7/12	£5,341,222	2,358 x 7/12	£5,348,027
Total FTE and DSG	2,355.0	£9,156,381	2,305.1	£8,962,302

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

- 4.6. The updated estimates of costs for 3 & 4 year old provision is given in the table below, this shows that there is a £0.080m overspend predicted against the original budget, this is due to a larger cohort of children entitled to 3 & 4 year old provision.

Table 4 - 3 and 4 year old DSG expenditure estimate 2015/16

	Budget per Jan 2015 SF report	Estimated Costs
Staffing costs	£37,200	£42,817
Maintained - school nurseries	£1,937,700	£1,972,698
Private Nurseries & Child-minders	£6,059,100	£6,100,674
Sub-total Maintained & PVI Nurseries	£7,996,800	£8,073,372
Early years pupil premium	£164,600	£164,600
Main Total – 3 & 4 year old budget	£8,198,600	£8,280,789
Funding redistributed within the overall DSG	£957,781	£681,513

- 4.7. Forum members are reminded that although the funding is designated for the Early Years, Schools and High Need blocks, the LA can use its discretion in conjunction with Schools Forum to re-allocate the funding between the three blocks.
- 4.8. The DfE has altered the method used to assess 2 year old take up of places progress. The target for the LA is now to meet the number of families on a Department for Work and Pensions (DWP) list released six times a year.
- 4.9. In addition 2 year old funded children are not counted towards the target when they move into 3 & 4 year old funding, therefore, the need to grow places whilst losing a third of the cohort increases each term. An Early Years Engagement officer has been appointed, to be funded from the EYPP implementation grant and 2 year old marketing budget (£0.018m in total). This will target families and run promotion events to increase and maintain the level of take up. The role will also work to promote EYPP to parents and providers.
- 4.10. Linked to the development of the Early Year's Engagement Officer it is proposed to purchase a 2 year old application portal for Capita One at a cost of £0.032m. The portal will enable parents and providers to complete eligibility checks and

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

applications online to further increase the rate of take up through efficient processes. It is proposed to utilise the forecast 2 year old variance of £0.040m to purchase the software.

Members of the Schools Forum are now asked to:

- **Note the current position regarding early year's income and expenditure based on the current projection of take up.**
- **Agree to the proposal to recruit an engagement officer and to purchase an application portal to link with the Council's existing IT systems.**

5. Mainstream School Budgets – Non-Recoupment Academies

- 5.1. From 1st April 2015 pupils attending UTC Swindon and The Croft Primary school (both Non-Recoupment Academies) will be included within Swindon's pupil count for the purposes of calculating Dedicated Schools Grant. This means that SBC has included UTCS and the Croft in its formula calculations. The cost of UTCS and The Croft through SBCs formula is £1.431m. The DfE has given a commitment that the transfer of Non-Recoupment Academies into the local formula will be fully funded and have included a baseline adjustment to the Swindon settlement for these establishments of £1.419m. This leaves a shortfall of £0.012m, which officers are investigating with the DfE.

Members of the Schools Forum are now asked to:

- **Note the current position with regard to former non-recoupment academies.**

6. Pupil Growth Fund and Policy

- 6.1. At the March 2015 Schools Forum the current Primary Pupil Growth Policy was presented. This policy provides protection for schools that are opening new reception classes. The current schools planning data indicates that it may be necessary for some new schools to open all year groups from day 1. The current policy would not give these schools any guarantee of income for anything other than the reception class.

Further information on the subject of this report can be obtained from Ian Burbidge on 01793 464384 or iburbidge@swindon.gov.uk

2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

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- 6.2. It is proposed to establish a Task and Finish Group through the Admissions and Education Place Planning Forum to review the Pupil Growth Policy and propose to Schools Forum how it will work in future to support schools in different circumstances and to include secondary schools that expand or open.
- 6.3. Within the Council's Capital Programme there is a proposal to create a 6th form at Crowdy's Hill Special School. As a result of this planned provision the school will require initial start-up costs to plan and develop the curriculum offer between April 2016 and September 2016 opening. A proposal will be brought to October Forum for 16/17 pupil growth for the new provision.
- 6.4. In order to maintain the level of places at Uplands Special School and the UET for 11 to 19 year old students, £0.018m is required to prevent a reduction in capacity of 10 places. The potential reduction would be as a result of a clause in the UET set up loan to establish the provision. Currently, twenty, 16 to 19 year olds are placed in the UET to provide Uplands with a maximum capacity of 138 places. The funding is required to meet the capital implications from the loan variation in order for the places required to be maintained at 138 for September 2015 and beyond.

Members of the Schools Forum are now asked to:

- **Note the proposals to review the trigger funding policy to accommodate situations outside the current policy.**
- **Note the proposal to start a consultation on a 6th form provision at Crowdy's Special School.**
- **Note that £0.018m will be paid to Uplands Special School to maintain the current 138 places.**

7. Specialist Resource Provision (SRP) at The Ridgeway school for hearing impaired students
- 7.1. The Ridgeway HIU (Hearing Impaired Unit) is to close at the end of the current academic year. The model is unsustainable due to the small numbers of students currently needing this type of provision. This is unlikely to change for some years to come. Two pupils are currently supported; one however leaves at the end of this academic year. The remaining pupil will be Y10 in September and could potentially remain at Ridgeway until the end of his Y13 (July 2019). A request will need to go to SENRAP to continue with support for the remaining pupil (Y10) from

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

September 2015. This pupil will need an equivalent amount of specialised TA support and will access Advisory Teacher support from the HI Outreach Team.

- 7.2. It is agreed that the two existing teaching staff are subject to 'TUPE' in to the Advisory HI Team based at Red Oaks from September 2015 providing greater capacity for that team to meet the increasing number of children and young people who access the service across the Borough, as well as an increased flexibility of provision to include continuing support for the pupil who continues at the Ridgeway Academy.
- 7.3. The detail of this proposal can be found at: Annex A. The full year budget allocation for the SRP agreed for 2015/16 is £68,230.

Funding for HIU	
Current funding 2015/16	67,723 (£56,623 pupil funding plus £11,100 commissioned service audiologist).
The Ridgeway salary costs for the remainder of the academic year	5/12ths of £67,723 = £28,217.
Red Oaks salary costs for September 2015 to end March 2016	7/12ths of salary costs (based on protected pay rates) = £43,900.
Red Oaks - one off costs	Furniture/laptops/encrypted USB flash drives = £1,150.
Red Oaks 7/12 of anticipated expenses travel/mobile phone/mobile broadband costs	Estimated as £2,206 for a full year = £1,287.
Total cost of new provision	£74,554

- 7.4. In addition to these costs it is likely that the student remaining at The Ridgeway will need additional TA support. The student will receive funding based on the new SENRAP funding model at their current Band. If this is insufficient to meet the needs the school will need to request a bespoke package. This pupil will also access Advisory Teacher support from the HI Outreach Team.

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

Members of the Schools Forum are now asked to:

- **Note the changes to the Ridgeway HI Unit.**

8. Advise of change in Ruskin ASC / ARC provision

- 8.1. The LA currently commissions Ruskin Junior School to provide the ASC Advisory service, including the outreach services and the Autism Resource Centre (ARC). In December 2014 Ruskin was placed in special measures. It was agreed that the school's main priority was to focus on school improvement and therefore the LA sought a new provider to operate the service.
- 8.2. Following a competitive process, Uplands Schools was invited to be the provider of the ASC Advisory Service from September 2015. Uplands School demonstrated a commitment to both sustain the existing reputation of the service and to work with the Commissioners to shape the provision to meet the needs of service users in the future. Uplands School are currently undertaking due diligence checks in respect of finance and HR. There are no posts at risk and we anticipate that the service will be transferred in its entirety to the new provider effective from September 1st 2015. The funding levels for 2015/16 are £135,800, as advised in the January 2015 Schools Forum Report.

Members of the Schools Forum are now asked to:

- **Note the changes to the Ruskin ASC Unit.**

9. Nyland Campus Outreach Team (NCOT)

- 9.1. NCOT are currently commissioned by the LA to provide a behaviour outreach service to early year's settings and primary schools. Schools Forum noted in January 2015 that a meeting of Swindon primary heads in September 2014 indicated strong support to continue to make use of the NCOT service. It was therefore agreed to continue central funding of the service for maintained schools and NCOT to offer a traded services option for academies. Subsequent to these discussions, 6 academies have chosen not to "buy back" the service. As a result, the operational model will need to be revisited to ensure it is still affordable. The LA proposes to re-negotiate the current service level agreement and also review the funding model for 2015 -16.

Further information on the subject of this report can be obtained from Ian Burbidge on 01793 464384 or iburbidge@swindon.gov.uk

2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

Members of the Schools Forum are now asked to:

- **Note the issues regarding the Nyland Campus Outreach Team (NCOT) service being caused by 6 academies choosing not to buy back the service.**

10. Changes to applications for additional funds for mainstream pupils with SEND

10.1. The LA is committed to simplifying the application and allocation process and working towards the universal banding for mainstream schools and academies. We had hoped that we would be in a position to implement this new approach from April 2015 for all pupils currently in receipt of SENRAP funding and for new applicants. Unfortunately, due to inconsistencies in the various historical funding models that already exist, the exercise proved to be more complex than we had anticipated. To ensure we are striving to reach a level of equity across provision, further development is required before we can transfer existing pupils in receipt of additional SENRAP funds to the new universal banding.

10.2. We recognise that schools have found the requirement to complete a business case to request additional funds onerous. To reduce this burden we have introduced a pilot scheme for *new* funding applications from April 2015. This will give us the opportunity to “test” out a different model. Whatever we do needs to be affordable and a pilot will help us to determine the likely impact of any changes on the DSG.

The pilot model

10.3. If a school needs to request additional funding, they will need to assess the pupil using the existing banding descriptors. Schools will complete a very straightforward form which will only require the level the pupil has been “banded at”. As with special schools and SRPs there will still be scope for mainstream settings to submit a business case for bespoke levels of funding but this would only be for those pupils which have extremely complex or multiple needs which are not adequately reflected in the band descriptors.

10.4. Interim financial values for each “band” have been agreed in line with the funding available from the existing SENRAP budget. For the purpose of the pilot, if a school “bands” a pupil at a particular level then the amount of resource they will receive will equal the financial value currently in place for that level. Whilst most mainstream schools have not been involved in moderation of pupils banded at

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

various levels thus far (other than Y11) it is worth noting that, generally speaking, pupils attending mainstream schools will usually be banded at levels 5 and 6, whilst bands 1- 2 are more likely to be in our specialist settings.

- 10.5. If the model is to be rolled out we acknowledge that further work will need to be done on the financial values to create equity across provision. We will be seeking to do this but will need time to understand the impact this will have on both the DSG as a whole and for individual schools.
- 10.6. For pupils already in receipt of SENRAP top up funding prior to April 2015 individual pupil allocations will remain unchanged in line with current agreed funding rates until March 2016 or a previously agreed end date for an individual pupil. As part of our planning for the new model from April 2016 and to inform the transition of pupils onto the new universal banding descriptors we will be asking each school to complete a self-assessment. This will in effect be a summary of the pupils with SEND where they have a statement/EHC plan or additional resource and the level they have been banded at. From September 2015 we will be including mainstream schools in the moderation activity alongside specialist provision.
- 10.7. Early feedback from schools is that they find the new processes more helpful to quickly access additional resource for children. The SENRAP panel have also found the model to be far less bureaucratic but they are finding inconsistencies in the way the banding descriptors are used; this will need to be addressed through moderation.
- 10.8. There have been a much larger number of applications for additional resource than during the same period last year. This may be due partly to the implementation of the SEND reforms but is also likely to be as a result of making the process less cumbersome. The mainstream schools are yet to have their banding levels subject to moderation and the pilot has not been running for long enough to determine the full impact on the DSG. This will need to be closely monitored. Schools forum will be updated in October 2015 when we hope to be able to propose the model that will be operating from April 2016.
- 10.9. Full details of the pilot arrangements can be found on schools online at:

<http://schoolsonline.swindon.gov.uk/sc/sen/Pages/sendapr15.aspx>

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

Members of the Schools Forum are now asked to:

- **Note the changes to the funding applications made to the Special Educational Needs Resource and Assessment Panel (SENRAP).**

11. Use of Permanent Exclusion Income from schools to support reintegration

- 11.1. The January Schools Forum report (Annex A) identified the amount of funding (per pupil) that would be deducted from schools budgets if they permanently exclude. The following table shows the numbers of pupils in Swindon that have reached the point of permanent exclusion (either formal permanent exclusion or withdrawn permanent exclusion) over the last five academic years:

	2009/10	2010/11	2011/12	2012/13	2013/14
Formal Permanent Exclusions	17	10	15	13	13
Permanent Exclusions Withdrawn	28	19	23	29	31

- 11.2. All pupils that reach this point have to be supported within Stratton Education Centre or another Education Other than at School (EOTAS) setting within six school days of a head teacher's decision to permanently exclude. The most prevalent year groups are Y9 and Y10.

- 11.3. There is an established reintegration protocol that involves pupils ready for reintegration returning through the Fair Access Panel to be allocated a new school. Following a decision on which school there is a period of dual registration where the pupil is subject to an 8 week trial period with an interim and final review meeting before being taken on roll.

- 11.4. The numbers of pupils that have had an opportunity to be reintegrated in to mainstream schools during this period are noted in the table below;

2009/10	2010/11	2011/12	2012/13	2013/14
8	8	9	17	8

- 11.5. The position reflected above means that a significant number of pupils remain away from the mainstream in full time EOTAS provision until the end of Y11. Due

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

to this position - opportunities for EOTAS to undertake creative, flexible and proactive work with our schools in order to avoid the need for permanent exclusion are lost. The average cost of a full time place within EOTAS provision is approximately £0.020m. A place in a secondary school costs approximately £0.005m for a Year 10 pupil.

- 11.6. Swindon Secondary Behaviour and Attendance Leaders and EOTAS leads are working in partnership with officers to try and increase the numbers of pupils that are reintegrated successfully to a mainstream school following permanent exclusion.
- 11.7. Attached at Annex B is a draft reintegration guidance document which has been developed between the partners above to support increased numbers of pupils returning to another mainstream school as soon as possible. As part of this model to achieve the best chance of success funding is required to support the reintegration process with the aim of ensuring as far as possible a seamless transition. The funding would be used for such purposes as;
- Uniform and equipment for the new school
 - Transport costs during the period of reintegration
 - Cover for a member of staff from the school receiving the pupil to develop a relationship with the pupil/family prior to them starting at the new school. This will be achieved through visits to the home and the EOTAS setting
- 11.8. The BPPE funding provided to mainstream schools has increased by 4.15% when compared to the 2014-15 values. This has led to an increase in the charges that EOTAS will make for excluded pupils from an average of £24.02 to £24.79. This translates to an increase in the income budget for EOTAS of £0.030m.
- 11.9. It is now proposed to ring-fence this additional £0.030m of income expected for pupils permanently excluded in order to support an increase in the numbers of pupils that are reintegrated successfully to a new school. This funding would be held centrally within the authority. Colleagues at Stratton Education Centre would manage the financial processes in terms of reimbursement of funds to individual schools and would invoice the Local Authority at agreed intervals for the amount accrued in the period. Expenditure would be monitored to ensure that the amount of funding reimbursed to schools would not exceed £0.030m.

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

Members of the Schools Forum are now asked to:

- **Agree the creation of a ring-fenced budget of £0.030m to support the reintegration of permanently excluded pupils.**

12. EOTAS place funding 2016/17

- 12.1. Forum Members are reminded that the EFA increased the funding of AP places from £8,000 to £10,000 per place per annum from September 2015 (in line with all other High Needs Places). This new funding level should be applied to all AP places, and must include those which schools can commission directly. The EFA has stated that they will expect to see equivalent reductions in the top-up funding rates so that this adjustment is cost-neutral overall.
- 12.2. The first phase of this change takes effect from September 2015 providing place funding of £9,166 in 2015/16; the second phase will take effect in April 2016 bringing funding up to £10,000 per place for 2016/17.
- 12.3. This change will require some adjustments to Local Authority budgets to move funding currently identified as Top up to Base Place budgets. For Stratton this requires a movement of $45 \times £834 = £37,350$ from Top Up to Place funding.
- 12.4. For Riverside it is slightly more complicated. In 2014/15 the LA delegated funding for Top Ups for 45 Alternative Provision places at Riverside to Secondary Schools. The total delegation was based on a rate of £7,500 Top Up per place (£337,500). This was allocated to schools by way of a £32 per pupil increase to the BPPE. During 2015/16 an amount of £5 per secondary school pupil was un-delegated from individual school budgets to bring the place funding up to £9,166 for 2015/16.
- 12.5. Given the change in the place funding arrangements described above the LA will need to un-delegate funding of $45 \times £834 = £37,530$ (or £3.50 per secondary pupil) in 2016/17, to bring the place funding up to £10,000 per place. The un-delegated funding will transfer from the Individual Schools Budget to the LA's Place funding budget for Riverside to support the increase in place costs.

Members of the Schools Forum are now asked to:

- **Note that there will be a further adjustment to Secondary School BPPE rates in 2016/17 to reflect the increase in place funding at EOTAS.**

Further information on the subject of this report can be obtained from Ian Burbidge on 01793 464384 or iburbidge@swindon.gov.uk

2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

13. SRP Funding Review Task Group

- 13.1. The LA is aware that a number of SRP's are facing funding pressures to enable their provisions to remain viable. There is however inconsistencies in the way that costs incurred are measured which needs to be resolved to ensure that the funding and costing arrangements are clear and comparable. There are also some changes in the types of pupil that are accessing SRP provision. Annex C provides an overview of the current issues being faced by various SRP provisions.
- 13.2. In light of the above it is proposed to create a working group to review the current provisions against a standardised costing template and to bring forward proposals to reshape the funding from the financial year 2016/17. The task group will be required to consider the implications for the wider high needs budget of any changes that it proposes. The task group may also look at different models of provision such as units, special school satellite provision, or renegotiating the nature of current SRP's i.e. high and low needs PD etc.

Members of the Schools Forum are now asked to:

- **Agree to the creation of a SRP Funding Review Task Group to review SRP funding and provide funding recommendations for the 2016/17 financial year.**
- **Note and comment on the content of the report at Annex C**
- **Advise on the terms of reference and membership of the SRP Funding Review Task Group**
- **Nominate representatives from schools forum to the SRP Funding Review Task Group**

14. Alternative Options

- 14.1. Alternative options are described throughout this report where applicable.

15. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 15.1. Various financial implications are included in this report relating to management of the retained DSG budget.

Further information on the subject of this report can be obtained from Ian Burbidge on 01793 464384 or iburbidge@swindon.gov.uk

2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

Legal and Human Rights Implications

15.2. There are no legal or human rights implications arising from this report.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

15.3. This report does not make any recommendations that affect these areas.

Links to One Swindon, Plans and Policies

15.4. Utilisation of the DSG has a direct link to two of the Council's five priorities – “Right skills, right jobs in the right place” and “Make the best use of Swindon's resources inside and outside the Council”.

Diversity Impact Assessment

15.5. The proposals within this report are designed to allocate funding targeted at disadvantaged pupils and at pupils with low prior attainment and / or special education needs in order to narrow the attainment gap between these and other pupils.

Risk Management

15.6. There are no specific risk management implications not highlighted in the body of the report.

16. Consultees

16.1. The Board Director Resources (Section 151 Officer), Director of Law and Democratic Services (Monitoring Officer) and Board Director Commissioning (Director of Children Services) are consulted in respect of all reports.

17. Background Papers

17.1. Previous reports to the Schools Forum and documents posted on the DfE web site.

18. List of Annexes

Further information on the subject of this report can be obtained from Ian Burbidge on 01793 464384 or iburbidge@swindon.gov.uk

2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

- **Annex A** - Summary statement – Finance position Ridgeway HIU closure – expansion of HI Outreach Service 2015/16
- **Annex B** - Permanent exclusion / permanent exclusion withdrawal. Reintegration to mainstream school
- **Annex C** – Mainstream Specialist Resourced Provision: Issues Report

Further information on the subject of this report can be obtained from Ian Burbidge on 01793 464384 or iburbidge@swindon.gov.uk

2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

ANNEX A

Finance position Ridgeway HIU closure – expansion of HI Outreach Service 2015/16

Position Statement;

The Ridgeway HIU (Hearing Impaired Unit) is to close at the end of the current academic year. The model is unsustainable due to the lack of numbers of pupils who meet the criteria for an SRP place. This is unlikely to change for some years to come.

Two pupils are currently supported and one of these leaves in the summer of 2015. The remaining pupil will be Y10 in September and could potentially remain at Ridgeway until the end of his Y13 (July 2019).

It is agreed that the two existing teaching staff are subject 'TUPE' in to the HI Outreach Team from September 2015 providing greater capacity for that team and an increased flexibility of provision to include continuing support for the pupil who continues at the Ridgeway Academy.

Please see below an outline of the funding position for the 2015/16 financial year and

Current Allocation:

The Budget that has been agreed for the HIU for 2015/16 is £67,723 (56,623 pupil funding plus £11,100 commissioned service audiologist).

Ridgeway will require;

- Funding to meet established costs to support the HIU until the end of the academic year. 5/12ths of £67,723 = £28,217.

Notes:

- If additional support is required then a request will need to go to SENRAP for the remaining pupil (Y10) from September 2015. This pupil will need an amount of specialised TA support and will access Advisory Teacher support from the HI Outreach Team.

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

- An appropriate acoustically treated room will be required within Ridgeway as a base to support the specialised intervention as a continuing resource.

Red Oaks will require;

- Funding to support 7/12ths of salary costs (1.45fte teacher posts full year cost £75,273) = £43,900.
- One off costs – furniture/laptops/encrypted USB flash drives = £1150
- 7/12 of anticipated expenses travel/mobile phone/mobile broadband costs (estimated as £2206 for a full year) = £1287
- Total funding required for 1st September 2015 to 31st March 2016 = £46,337.

Future costs;

- Moving forward from April 2016 it is anticipated based on current figures that Red Oaks will require £75,273 salary costs plus full year expenses of approximately £2,210 = £77,483 to support the increase in service capacity.
- The FTE is 1.45 which is made up of 1.2FTE of teacher of the deaf time and a 0.25 element which is a responsibility payment for managing the provision. This is to be protected in the transfer arrangements.
- The actual salary costs are based on UPS3 + SEN2 and plus the 0.25 Responsibility point. Annual salary for UPS3 & SEN2 is £41,530, on costs are currently estimated at 25% which gives a total of £51,912.50 p.a.

Therefore 1.31FTE is equal to £68,005.38 p.a. and 1.45 FTE is equal to £75,273.13 p.a.

- There will also be an increase in the amount of NI that will have to be paid next year of 3.5%.

Further information on the subject of this report can be obtained from Ian Burbidge on 01793 464384 or iburbidge@swindon.gov.uk

2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

ANNEX B

Permanent exclusion / permanent exclusion withdrawal. Reintegration to mainstream school

Rationale

The review of Swindon Fair Access Panel 2013 highlighted the following in relation to the reintegration of pupils to mainstream school.

All incidences of unsuccessful reintegration do come back to the Fair Access Panel as part of a quality assurance model. There is opportunity to improve on the positive outcomes in relation to reintegration and the group considered the issues that can affect reintegration and provide a pupil with the 'best chance of success':

- *Some pupils struggle with adapting to a mainstream timetable when they have been used to an EOTAS model.*
- *Family support needs to be maximised throughout the process.*
- *It is agreed best to move pupils back to mainstream as soon as possible and appropriate to avoid them becoming too engrained in the EOTAS arrangements. The EFAP exercise of 2011/12 highlighted the additional challenges faced by pupils who have been away from a mainstream school for an extended period.*
- *It is a concern of noted by EOTAS members in their consideration of a pupil being 'ready to return' that once a pupil reaches KS4 the chances of successful reintegration are limited.*
- *A further piece of work for consideration is looking together to try improve how pupils are prepared to return to a mainstream environment.*
- *It is critical that pupils are returned to mainstream school at the earliest appropriate opportunity.*

For a school successful reintegration can be seen as a major indication of 'closing the gap' in terms of educational inclusion and achievement.

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

The following process has been developed to improve the frequency and success rate of pupils being subject to reintegration from EOTAS.

Please note that this guidance applies to Swindon secondary schools only.

Process

1 – The permanent exclusion

- Pupil is subject to a permanent exclusion and the Head Teacher/Principal is minded to offer a permanent exclusion withdrawal.

Please note that a permanent exclusion withdrawal should only be considered after a decision is made to permanently exclude. A permanent exclusion withdrawal should not be seen as part of the graduated response in supporting pupils with challenging behaviour, nor discussed with parent/carer /colleagues in this regard.

- Permanent exclusion withdrawal meeting is held and parent/carer accepts the offer or decides to follow the formal permanent exclusion route.
- If the formal permanent exclusion route is followed the case would not be referred to the Fair Access Panel. Should a formal permanent exclusion take place the pupil would still be eligible for reintegration in line with this process.

2 - EOTAS support

- Within 6 days of the decision to permanently exclude the pupil will be allocated a place within Education other than at School (EOTAS).
- An admission meeting will be organised by the Exclusion and Reintegration Officer and following the start date the EOTAS provision will begin to prepare the pupil for return to a mainstream school. The aim will be to achieve a readiness to return within eight school weeks of the start date at EOTAS.
- The programme within EOTAS will include bespoke intervention to address any specific issues that have led to permanent exclusion in addition to a more generic programme aimed at supporting reintegration. A written plan will be developed and shared with all stake holders and reviewed at agreed intervals.

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

3 - Fair Access Panel, (FAP):

- Following permanent exclusion withdrawal the case will automatically be referred by the excluding school to the next Fair Access Panel (FAP) that sits every two weeks during term time.
- If a formal permanent exclusion has taken place the same support programme will take place within EOTAS and the Exclusion and Reintegration officer will ensure that the pupils name is highlighted to the FAP to be placed on the agenda in consideration of a new school placement.
- In the case of a withdrawn permanent exclusion the FAP members will acknowledge that the pupil is deemed 'hard to place' and will vote on the question, 'PRU or mainstream at this time?'
 - If the vote supports, 'PRU at this time' the pupil will remain within EOTAs and will be considered in line with this reintegration process. The name of the pupil will automatically be placed on the next but one FAP agenda (4 weeks-time) for a choice of school to be agreed. This referral would then be considered by the same FAP members.
 - If the vote supports, 'mainstream at this time' a fast track reintegration will be organised facilitated by the LA Exclusion and Reintegration Officer in consultation with the EOTAS Reintegration Officer. Pupils who are recommended for a fast track return may need a specific targeted intervention but will move back to mainstream school as soon as is possible once a school is identified and agreed through the FAP.

4 - EOTAS support:

- The intervention within EOTAS will have begun and as part of this the EOTAS Reintegration Officer will work with the pupil and family to ascertain three choices of school in order of preference to be advised to the Fair Access Panel.
- By the end of the third week of intervention within EOTAS the Reintegration Officer will have obtained a view as to whether the pupil will be ready to return to a mainstream school within the original 8 week period. Where in

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

exceptional circumstances this is not thought appropriate the pupil will not be referred to the FAP at this point but will automatically be considered in a further four weeks.

- Where it is the view that the pupil should not be subject to reintegration at this time the EOTAS team will work to achieve a proposal to reintegrate in the following four weeks. Should this not be possible alternative arrangements including consideration of an EHCP should be discussed.

5 - Return to Fair Access Panel:

- At the panel where the pupils name is on the agenda the panel will vote to allocate a school.
- Once a school is decided upon that school will be informed and they will allocate a key worker to liaise with colleagues within EOTAS and the pupil and family in order to 'champion' the integration programme with the aim of starting full time within four school weeks. A reintegration plan should be developed that highlights key milestones/outcomes and dates of review.

6 – Preparing for re- integration.

- The following will be key indicators of readiness;
 - Positive relationship between key worker, pupil and family.
 - Uniform in place for start.
 - Visits to school to become conversant with the site and meet key personnel including tutor, head of year etc.
 - Time table agreed.
 - Any transport issues resolved.

7 - The reintegration

- Once the pupil starts at the receiving school they will be subject to an 8 week trial as is established current practice. The assigned key worker will monitor and support the pupil throughout this period.

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

- The designated school Behaviour and Attendance (B+A) Lead will have oversight and will be supporting the key worker in managing the process.
- Weekly progress reports should be provided to the pupil/family, key worker and EOTAS Reintegration Officer. These should feed in to the mid-term and final review meetings. These reports are important in that they will indicate whether the pupil is likely to be successful in coming on roll
- The final review meeting should confirm the school decision on whether to agree to take the pupil on roll or not supported by appropriate evidence.
- In exceptional circumstances an extension to the trial period may be proposed but this should not exceed four weeks.

8 – Finance;

- The EOTAS team will support the costs of preparing for a successful transition through ensuring that uniform equipment and transport for the period of reintegration is supported. The EOTAS team will also allocate £250 to the receiving school in order for them to be able to support the costs associated with reintegration process, back fill of key worker whilst off site etc.

Nigel Pickering

Additional Provision and Reintegration Manager

01793 46 5754

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February 2015

Further information on the subject of this report can be obtained from Ian Burbidge on 01793 464384 or iburbidge@swindon.gov.uk

2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

ANNEX C

Mainstream Specialist Resourced Provision: Issues Report

1. Purpose and Reasons

1.1. The purpose of this report is to alert members of Schools' Forum to budget pressures reported by some schools that host specialist resourced mainstream provision (SRP) and to propose the establishment of a SRP Funding Review Task Group charged with reporting back to Forum on the:

- Extent and nature of any budget pressures across all SRPs.
- Best options available to ensure that all SRPs have a secure financial and sustainable basis for the future.

2. Recommendations

2.1. School's Forum is recommended to:

- Note and comment on the issues raised in the report.
- Advise on the terms of reference and membership of the SRP Funding Review Task Group that is proposed.
- Nominate representatives from the Forum to the SRP Funding Review Task Group.

3. SRP Funding

3.1. Under the DfE school funding reform programme high need specialist settings such as the SRPs attract £10,000 of funding per planned place plus an element of funding determined by the LA (the top up value) which, together with the place funding, should provide sufficient funding to meet the costs of education for each pupil within the provision.

3.2. In July 2013 the LA established a High Needs Task and Finish Group (HNTFG), made up of representatives from Special Schools, SRPs and Alternative Provision (AP) settings to consult on the planning and implementation of a revised funding formula for high need pupils. The group met 3 times to consider various proposals in relation to High Needs formula funding designed to move towards a unified sys-

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

tem of banded top up funding. The Group's recommendations were contained within the report presented to Schools' Forum on 20th January.

3.3. The January 2015 report recommended a number of key changes aimed at harmonising the funding formula for SRPs and Special Schools:

- Equalise all band values
 - Increasing MLD and SPLD Band Values
 - Reducing BESD band values (and introduce an SEMH supplement to compensate)
- Increase band 3 from 50% to 60% of Band 1
- Introduce a supplement for pupils with social emotional and mental health need (SEMH) to effectively replace 95% of the current levels of BESD top up funding as follows;
 - High (Band 1) supplement £4,275
 - Medium (Band 2) supplement £3,040
 - Low (Band 3) supplement £1,900
- Introduce 3 levels of Therapy Funding based on the number of 1½ hour sessions attended by students in each year as follows;
 - High: 38 Sessions
 - Medium: 6 Sessions
 - Low: 2 Sessions
- The LA was asked to develop a model which broadly provided sufficient funding to meet the NHS subsidised costs charged by the SBC Therapy Providers

3.4. Implementing these proposals required a marginal reduction in Band values to maintain expenditure within the HNB at 2014-15 levels. While some settings gained and others lost funding, that the impact of changes did not initially appear to affect any setting enough to trigger the Minimum Funding Guarantee (MFG). However, a net increase of 23 in the number of places that the LA would need to commission in 2015-16 resulted in an additional cost pressure of £649,000. The HNB for 2015-16 agreed by Schools' Forum represents an overall increase of £682,686 from 2014-15, including a total MFG cost of £37,762.

3.5. The minimum funding guarantee has been triggered for 7 SRPs in 2015-16:

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

Redoaks HISL	£1,286
Ridgeway HI	£590
Ridgeway ASD	£8,018
Ruskin Jnr ASD	£5,973
Robert Le Kyng PD	£898
Westlea PD	£6,466
Commonweal PD	£872

4. Issues

- 4.1. A number of schools that host a SRP have reported concerns that their funding for 2015-16 is insufficient to make the same level of provision as in previous years. The LA's understanding of the current position is based primarily on reports from those schools that have raised a concern. Host academies are not obliged to share their financial returns with the LA. To date the financial pressures appear to be greatest for schools hosting SRP provision for pupils with a physical impairment (PI) and pupils whose needs are on the Autistic Spectrum (ASD).

SRPs for children with a physical impairment

- 4.2. Robert Le Kyng has reported a shortfall of approximately £25,000 in its SRP funding during 2014-15. This is projected to rise to around £35,000 in 2015-16. Discussions between the school, Education Commissioner and then Head of Finance (Education and Innovation) confirmed that the school makes appropriate use of its budget allocation and failed to identify any immediate savings. The head teacher and governors do not feel able, or that they should be expected, to carry its projected budget deficit throughout 2015-16 and beyond.
- 4.3. The other PI SRP host schools, Westlea Primary School and The Commonweal School have not approached the LA directly with concerns over their funding. However all 3 PI SRPs are in receipt of MFG funding while:
- Westlea currently projects a budget deficit of £21,277 in 2015-16 and £89,355 in 2016-17
 - The Commonweal estimates a budget shortfall of approximately £85,000.
- 4.4. Discussion with the 3 schools suggests that funding allocated through the current funding formula may not meet the full cost of existing provision. Further, there appears to be limited scope for each to secure the level of savings they require

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

acting alone. Work with the senior colleagues from the 3 schools, SRPs and the Head of the PI Advisory Service considered a number of potential options, including:

- Sharing resources across the 3 SRPs.
- Extending the offer/number of roll to accommodate a small number of pupils whose needs are primarily in the area of cognition and learning
- Strengthening the current outreach support service by developing the role of the SRPs
- Further review of the banding allocated to individual pupils
- Introducing an additional supplement to reflect the particularly high adult staffing ratio needed to meet pupils' support requirements.

Shared Resources

4.5. The large majority of SRP costs¹ are tied to staffing - 89-90%. Of the remainder, 7% is committed to supplies and services and the remaining 3% to premises. This being the case, staffing is the only area with the potential to release substantial savings across the 3 SRPs.

Potential benefit	Issues/risks
Save the cost of 1 leadership post across 2 or 3 provisions – approximately £50,000	Heads could see little scope for establishing a shared leadership arrangement. They highlighted significant demands made on their heads of SRP under current arrangements. They were concerned about the potential impact of an overall reduction of capacity across the SRPs, in terms of the quality of SRP provision and, potentially, increased demand on the school head.
Save the cost of 2 TAs across 2 or 3 provisions – approximately £40,000	Heads felt that the demands on staff were such that they could see little potential to reduce capacity by requiring them to work across 2 or 3 SRPs.

¹ Based upon returns submitted by Robert Le Kyng and Westlea

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

Extending the offer/number on roll at the SRPs

4.6. There are a small number of pupils, currently receiving or being considered for other provision, who could also benefit from placement in a PI SRP. This group includes:

- Pupils being considered for placement at primary SRPs with which the LA is currently consulting on more pupils than there are places available. While these pupils may not have physical impairment as their principal need, the LA is advised that some at least could be well suited to the kind of support available at Robert Le Kyng and Westlea schools;
- Pupils with physical impairment as their principal needs who attend mainstream provision supported by a (relatively expensive) bespoke package of support.

Potential benefit	Issues/risks
LA able to offer SRP placement for some of the pupils that would otherwise be without a SRP place; Approximately £20,000 per additional place offered (max 2 places per SRP)	The net benefit to a SRP is dependent upon the extent to which it can meet the needs of additional pupils from within existing resources; A potential impact on the specialism offered by the SRP; Parents may not accept a PI SRP as a suitable alternative.
Approximately £20,000 per additional place offered (max 2 places per SRP)	Parents of pupils currently in receipt of bespoke packages may be unwilling to accept SRP placement.

Strengthening the current outreach support service by developing the role of the SRPs

4.7. The PI SRPs already offer a limited service to mainstream schools, e.g. by hosting visits. There could be some potential to formalise this as an opportunity to generate some additional income.

Potential benefit	Issues/risks
Potential income equivalent of 0.1 FTE teacher and 0.1 FTE TA; Any additional income would be outside of the HNB funding formula	Any outreach work would need to be commissioned by the LA or traded at cost;

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

and have limited impact beyond the SRPs	Heads felt that the demands on staff were such that they could see little potential to extend their role.
Additional revenue through charging for visits	Schools may not be willing to pay for what was previously a goodwill offer

Further review of the banding allocated to individual pupils;

- 4.8. A recent moderation exercise did not result in any significant changes or uplift at any of the 3 SRPs. This suggests that there is little if any scope to increase funding in this way.

Introduce an additional supplement to reflect the particularly high adult staffing ratio needed to meet pupils' physical care/support requirements.

- 4.9. Heads argued strongly that the distinct needs of pupils within the SRPs are such as to justify an additional supplement in the same way as those provided for, e.g. BSL signing (£16,750), ASC (£6,000 for SRPs) and SEMH (£1,900 - £2,275)

Potential benefit	Issues/risks
Potentially significant additional income – depending upon the needs of individual pupils	Any additional supplement would have to be funded from within the (cash limited) HNB formula – this will have a knock-on effect on other specialist provision, e.g. through a further reduction of band values.

SRPs for children with needs on the autistic spectrum

- 4.10. Two of the 4 ASD SRPs are in receipt of MFG funding for 2015-16 – The Ridgeway School and Ruskin Junior School. While some concerns about funding were expressed at a recent meeting with the three secondary host schools, Lydiard Academy is the only school to make formal representations.
- 4.11. Lydiard Academy has expressed concerns that the funding they receive does not cover the cost of delivering the level and quality of provision set out in their contract with the LA. Meetings between LA officers and the Head and School Business Manager at Lydiard highlighted a number of differences between the LA's funding assumptions and those of the school. These relate to:

Further information on the subject of this report can be obtained from Ian Burbidge on 01793 464384 or iburbidge@swindon.gov.uk

2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

- 4.12. The contribution that the school assumes the SRP budget should make to the mainstream school budget
- 4.13. The level of Speech and Language Therapy provision that the school needs to purchase to meet the needs of their pupils
- 4.14. The level of expenditure that is reasonable to incur in securing an appropriate range of extra-curricular activities for SRP pupils.

5. SRP Funding Review Task Group

- 5.1. The LA is concerned that a number of SRPs are reporting significant budget pressures. It wishes to work with partners to:
- 5.2. Strengthen understanding of the extent and nature of any budget pressures across all SRPs;
- 5.3. Establish and develop the best options available to ensure that all SRPs have a secure financial and sustainable basis for the future.
- 5.4. The LA proposes to establish a SRP Funding Review Task Group to undertake the work and to report back to Schools Forum at its October meeting. Any implications for further revision to the high needs funding formula will then be brought forward in January for Forum to consider prior to implementation from April 2016.
- 5.5. Suggested terms of reference and membership for the SRP Funding Review Task Group are presented as appendix I for Forum's consideration and approval.

6. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 6.1. As this is essentially a financial report, the implications are explained throughout the document. Schools are protected by the Minimum Funding Guarantee which for 2015/16 prevents annual losses of more than 1.5% per pupil before taking account of any Pupil Premium funding unless exemptions are secured via DfE. While it is important to recognise that no setting is financially protected against reduced pupils or student numbers, the LA is concerned to ensure that it commissions SRPs on a financially sound and secure basis.

Legal and Human Rights Implications

- 6.2. There are no direct legal and human rights implications arising from this report.

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2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 6.3. The way in which the high needs block is distributed has implications for all schools, particularly those that might be detrimentally affected by current arrangements.

Links to One Swindon, Strategic Objectives, Plans and Policies

- 6.4. Utilisation of the High Needs Block has a direct link to the Council's priority to "Make the best use of Swindon's resources inside and outside the Council".

Diversity Impact Assessment

- 6.5. The high needs funding formula is designed to ensure that funding is used as effectively as possible to meet the needs of and improve outcomes for some of the most vulnerable learners in Swindon.

Risk Management

- 6.6. The key risk that this report is designed to mitigate is that some important specialist provision for children with SEN could become financially unviable, potentially leading to some host schools deciding to withdraw from the programme. However, it is also important to mitigate the risk that budget pressures within the high result in wider pressures within the schools and early years funding blocks.

7. Background Papers

- 7.1. 2015/16 High Needs Budgets (Report to Schools' Forum, 20th January 2015).

8. List of Appendices

- Appendix 1 – suggested terms of reference and membership of the SRP Funding Review Task Group

Further information on the subject of this report can be obtained from Ian Burbidge on 01793 464384 or iburbidge@swindon.gov.uk

2015-16 Dedicated Schools Grant Budget and Forward Look to 2016-17

Schools Forum

Date: 7th July 2015

Appendix 1

Terms of Reference

1. To strengthen understanding of the extent and nature of any budget pressures across all SRPs and propose options to ensure that all SRPs have a financially secure and sustainable future.
2. To consult with all SRPs to:
 - Ascertain how many are experiencing budget pressures of a scale likely to compromise the financial security of the SRP and/or host mainstream school or their ability to continue to deliver high quality specialist provision.
 - Understand the causes behind any budget pressures that are identified and the associated short, medium and long term risks to High Needs Block and DSG.
 - Identify options available to enable SRPs with significant budget pressures to secure the savings needed to ensure their long-term financial future.
3. To review the operation of the high needs block funding formula and consider any changes that might be needed to ensure that available funding is distributed in a fair and transparent way to meet the needs of vulnerable learners in Swindon.
4. To report back to Schools' Forum to inform the budget setting process for 2016/17.

Suggested Membership

Head of Education, SBC (Chair)

Head of Finance (Education and Innovation), SBC

Strategic Commissioner SEND, SBC

Nominees from Schools' Forum (early years, primary, secondary phase representative)

Heads of schools hosting a SRP for pupils with a physical impairment (primary, secondary)

Head of schools hosting a SRP for pupils with needs on the Autistic Spectrum (primary, secondary)

Head of schools hosting a SRP for pupils with complex learning difficulties (primary, secondary)

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Post 16 High Needs Funding Update

Committee: Schools' Forum

Date:

Authors:	Head of Finance (Education and Innovation) Commissioner – Routes to Employment
Wards Affected:	All
Locality Affected:	All
Settings Affected:	As the Dedicated Schools Grant is ring-fenced funding provided by the Department for Education to meet the educational needs of early years; school age and all 0 to 25 year old high needs pupils any decisions on how the grant is utilised indirectly affects all settings. This report specifically affects funding for High Needs post 16 students attending Further Education Colleges, Independent Specialist College Providers and other training providers.

1. Purpose and Reasons

- 1.1 The purpose of this report is to update Schools Forum on the level of funding available and proposes indicative funding allocations to providers for the 2015/16 financial year.

2. Recommendations

- 2.1 Members of the Schools Forum are now asked to:
- Note that the latest projected 2015/16 financial year costs arising from the LA new funding responsibilities for Post 16 High Needs Students is estimated at **£2.019m** for an estimated 386 FTE post 16 (excluding school sixth form) high needs students (Para. 5). This includes costs of 48 FTE placements at ISPs of **£0.579m** (Para. 6) and indicative allocations to FE colleges and training providers of **£1.439m** for 338 students (Para. 8.1).
 - Note indicative banding values for the academic year 2015 have reduced since 2014/15 academic year to fit within the available funding envelope as a result of a significant projected increase in student numbers (Para 8.4)

3. Background

- 3.1 Forum members will recall that this area of the DSG has been particularly difficult to manage since the transfer of commissioning responsibilities from the EFA to the LA in September 2013. The transfer of responsibility coincided with the capping of learner numbers and the introduction of a national funding formula. This resulted in Swindon being funded at a lower rate than it was historically.
- 3.2 The funding arrangement for the provision of education for high need students in FE colleges and ISPs is different to schools. Whereas all funding for maintained

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Post 16 High Needs Funding Update

Committee: Schools' Forum

Date:

schools and academies (Mainstream, Special Schools and Special Resource Provision) is provided from Swindon's DSG (via the local formula) for FE colleges and ISPs the position is as follows;

- **Element 1** - SBC has no involvement in what DfE refer to as element 1 funding which is paid direct to accredited providers on a lagged basis using previous year's learner numbers. This operates outside all DSG calculations and averages £4,977 per pupil. This is essentially the same as pupil based funding in a mainstream school although FE rates per student are set by the EFA for individual providers and will not be exactly £4,977.
- **Element 2** – This is paid on a lagged basis directly to providers by the EFA at £6,000 per place and is essentially the same as the notional SEN funding for pre 16 students. The EFA states that Element 2 does not align exactly to student numbers and the allocation is not LA specific.
- **Element 3** – This is the only funding that SBC receives DSG funding for to pay over to FE colleges and other high needs providers and should be paid based on meeting individual pupil needs' top up costs in a similar way to mainstream and specialist settings.

Update on 2015/16 Financial Year Allocation

4. Funding Available 2015/16

4.1 Although the Post 16 financial year runs from August – July, the DSG is allocated and reported on a financial year basis. Therefore this report is aligned to the financial year.

4.2 The total funding available for 2015/16 financial year for post 16 providers (excluding school sixth forms) is **£2.022m**.

5. Planned Placements 2015/16

5.1 The table below shows how the LAs latest 2015/16 commissioning plan compares to the EFA approved places;

Table 1 – Indicative 2015/16 Academic Year FTE Placements					
	EFA	Jun-15	Projected	Variance	Notes
	Approved Places2015	Actual Placements	Sep-15 Placements	To EFA Approved	
Cirencester College	14	6	12	-2	2
New College	45	37	64	+19	
Swindon College	148	105	180	+32	
Wiltshire College	3	10	20	+17	
Colleges Total	210	167	276	+66	1

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Post 16 High Needs Funding Update

Committee: Schools' Forum

Date:

Training Providers Total	3	33	36	+33	
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ISPs	19	28	15	-4	3
UET	20	18	33	+13	4
ISP's Total	39	46	48	+9	

Unknown destinations			26	+26	5
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Overall Total	252	246	386	+134	
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5.2 The LA expects to fund element 3 top ups for a total of 386 students during the 2015/16 academic year which is an increase of 134 over the EFA approved placements collated through the High Needs Return in October 2013. The LA had the opportunity in October 2014 to make a request to the EFA for exceptional circumstances to increase the place numbers. However the increase per provider did not meet the exceptional circumstances criteria and therefore requests made by the LA were not successful. The EFA have agreed to recognise and provide element 3 funding for 252 places;

- **Note 1** – The increase in projected learners in September 2015 is made up of a number of influencing factors. A larger Y11 cohort of 201 transferring in September 2015 compared to 151 in September 2014. A larger number of students expected to continue in learning in Y13 and above in FE Colleges, Training Providers and UET than in September 2014.
- **Note 2** – In previous years the number of placements taken up at the FE Colleges has been lower than the number commissioned in the High Needs Return resulting in the providers being over funded. This year we are projecting that numbers will exceed the commissioned places. Element 2 funding for approved providers is allocated on a lagged learner basis by the EFA in line with the October census data.
- **Note 3** – A total of 15 ISP placements are now expected which is 4 below the number commissioned. These 4 pupils are now having their needs met within the FE College setting or have now left the provision. There have been no new requests for ISP Placements for September 2015. Element 1 and 2 is funded on a lagged basis in the same way as FE Colleges and training providers.
- **Note 4** – The EFA currently fund 20 placements at UET. Element 1 and 2 is funded on a lagged basis in the same way as FE Colleges, training providers and other EFA approved ISPs.

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Post 16 High Needs Funding Update

Committee: Schools' Forum

Date:

- **Note 5** – There are 26 students identified as meeting the high needs criteria where a post 16 destination is not yet known.

6. Proposed 2015/16 ISP costs

- 6.1 For placements at Independent Specialist Provider Colleges (ISPs) including the UET, annual costs are at individually negotiated rates. Pupils attend ISPs when their needs cannot be met within the mainstream or special school 6th form, or mainstream FE College provision with additional support or a bespoke package. Where appropriate placements are jointly commissioned with social care and health agreeing contributions. ISP placements from September 2015 are estimated at 48 places with 2015/16 financial year costs of **£0.579m**.

7. Proposed 2015/16 FE College and Training Provider costs

- 7.1 In September 2014 the Universal Banding approach was implemented in all FE Colleges and Training Providers for High Needs students. The banding scheme was based on the model already used in special schools and SRPs. All students are funded at the same level and a range of supplements were agreed. Students have been allocated against the same 6 prime need bandings used for special school and SRPs and indicative post 16 banding values were calculated based on the funding envelope provided by the EFA for the new responsibilities as calculated below:

- Total funding envelope financial year **£2.022m**
- Less term 5 and 6 costs from the 14/15 academic year **£0.750m**
- Balance available for terms 1-4 of the 14/15 academic year **£1.272m** (September-March)
- Less ISP costs September – March (see table 2 below) **£0.306m**
- Balance available for FE Colleges and Training Providers September – March **£0.966m**

8. Indicative Funding Allocations 2015/16

- 8.1 At this stage in the year the LA is unable to confirm precise funding allocations for individual providers because some students have not confirmed their placements for the 2015/16 academic year yet. The table below provides the LA's best estimates which are as follows;

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Post 16 High Needs Funding Update

Committee: Schools' Forum

Date:

Table 2 – Indicative 2015/16 Academic Year Allocations

	Actual Places June 2015	Latest Estimated places Sept 2015	2015/16 Financial Year payment April – August	2015-16 Financial Year payment Sept - March	Financial Year Total April 2015 – March 2016
Cirencester College	6	12	£8,998	£24,589	£33,588
New College	37	55	£94,544	£235,311	£329,855
Swindon College	105	174	£206,157	£473,698	£679,855
Wiltshire College	10	20	£60,944	£61,173	£122,117
FE College Total	167	276	£370,645	£794,772	£1,165,417

Training Providers Total	33	36	£106,027	£98,609	£204,636
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ISPs	28	15	£225,869	£203,529	£429,399
UET	18	33	£47,366	£102,558	£149,925
ISP Total	46	48	£273,237	£306,088	£579,325

Contingency	0	26	0	£69,205	£69,205
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Overall Total	246	386	£749,908	£1,268,675	£2,018,583
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- 8.2 The projection based on the current known student numbers and the bandings allocated through the moderation process will mean a total financial year spend of £2.018m and will be on budget.
- 8.3 A contingency budget of £0.069m has been developed for the period September-March for the identified pupils who are high needs where a destination has yet to be confirmed.
- 8.4 A new local funding formula was devised and implemented in September 2014 to distribute the available funding to FE Colleges and Training Providers. Based on current projections of student numbers it is not possible to maintain the 14/15 banding values within the financial envelope. However this will be revised following enrolment in the new academic year. The resulting funding values for September 2015 are proposed as follows;

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Post 16 High Needs Funding Update

Committee: Schools' Forum

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Table 3 – Proposed 2015/16 post 16 post school High Need Band Values & Supplements

<u>Universal Banding Descriptor</u>	<u>Values 2014/15 AYR</u>	<u>Indicative Values 2015/16 AYR</u>	<u>Difference in Value</u>
Band 1 – 100%	£8,975	£7,550	-£1,425
Band 2 - 90%	£8,078	£6,795	-£1,283
Band 3 - 60%	£4,488	£4,530	+£42
Band 4 – 37.5%	£3,366	£2,831	-£535
Band 5 - 30%	£2,693	£2,265	-£428
Band 6 – 15%	£1,346	£1,133	-£213
<u>Supplements</u>			
Medical Needs	£750	£750	£0
Manual Handling	£500	£500	£0
Transition	£250	£250	£0
Workshop / High Risk Environment	£400	£400	£0
Open campus	£250	£250	£0

8.5 It is not possible to fund post 16 providers (excluding school sixth forms) at the same level as schools due to the funding levels available. However the % decrease between each band has been aligned. A summary of the rationale for the supplements is as follows;

- Medical Needs: for students with a significant medical need that would require a high level of medical assistance/supervision.
- Manual Handling: for students with a disability that would require a significant level of manual handling
- Transition: for students who are transferring from a Special School or Special Resource Provision on band 1 or 2, any pupil from the EOTAS/Tuition Service or a pupil that was formerly home educated. This supplement would only apply during the first year at College.
- Workshop / high risk environment: for students working in a higher risk learning environment that would require additional support/supervision
- Open campus: for students who are socially or emotionally highly vulnerable, as a result of their SEN needs, and require closer supervision when attending an open campus environment.

8.6 The self-audit and moderation of bandings and supplements process has developed to include all providers to ensure resources are allocated as equitably as possible. Moderation is an annual activity to consider changes to current banding allocation for pupils for whom the college is requesting a change of band. New pupils joining in September 2015 will have been banded by their current

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Post 16 High Needs Funding Update

Committee: Schools' Forum

Date:

provision. Colleges will have the opportunity to request a change of banding level for these pupils at a further moderation event schedule to take place at the beginning of term 2.

- 8.7 During Term 5 and 6 LA Commissioners are undertaking a monitoring and review of high needs students in a range of settings. This will include review of the Universal Banding Scheme allowing feedback to be gathered from providers and to gain understanding of how this is working for post 16 providers. The outcome will be shared with the October Schools Forum.
- 8.8 The providers have all engaged and participated in the self-assessment and moderation process of High Needs Students managed by the LA and will continue to be included within moderation in Term 2.

Members of the Schools Forum are now asked to:

- **Note that the latest projected 2015/16 financial year costs arising from the LA new funding responsibilities for Post 16 High Needs Students is estimated at £2.019m for an estimated 386 FTE post 16 (excluding school sixth form) high needs students. This includes costs of 48 FTE placements at ISPs of £0.579m and indicative allocations to FE colleges and training providers of £1.439m for 338 students.**
- **Note indicative banding values for the academic year 2015 have reduced since 2014/15 academic year to fit within the available funding envelope as a result of a significant projected increase in student numbers.**

9. Alternative Options

The LA has a statutory duty to manage and distribute the Dedicated Schools Grant (DSG) in accordance with prevailing grant conditions and School Finance Regulations. DfE have prescribed the options available to Local Authorities, some of which are mandatory whilst some are discretionary, but in most cases funding values are to be locally determined. The proposals in this report are aimed at containing costs within the level of funding provided by EFA to meet the LAs new responsibilities. As no elements of the DSG are ring fenced it is for individual LAs to decide how best to manage this funding via consultation with Schools Forum's. Higher or lower levels of post 16 high need funding could therefore be subject to the whole DSG budget being balanced, thus an increase in funding for Post 16 would require a compensatory saving elsewhere in the budget.

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Post 16 High Needs Funding Update

Committee: Schools' Forum

Date:

10. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

10.1 As this is essentially a financial report the implications are explained throughout the document. At this stage the impact of any funding changes on individual colleges and other providers cannot be precisely determined although the establishment of banding and supplement values should reduce financial uncertainty.

10.2 It is important to recognise that under the school finance regulations no setting is financially protected against reduced pupils or students although from 2014/15 the LA had an option to protect good and outstanding mainstream schools and academies from temporary falling rolls.

Legal and Human Rights Implications

10.3 There are no legal and human rights implications arising from this report.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

10.4 Although the impact on individual settings cannot be determined at this stage the school funding reform programme is causing a degree of volatility which may have implications for schools and other providers which are detrimentally affected by the redistribution of funding. In determining funding levels the LA is required to comply with the school finance regulations and providers are expected to manage their operations and spending within their available funding including brought forward balances.

Links to One Swindon, Strategic Objectives, Plans and Policies

10.5 Utilisation of the DSG has a direct link to two of the Council's five priorities – "Right skills, right jobs in the right place" and "Make the best use of Swindon's resources inside and outside the Council".

Diversity Impact Assessment

10.6 The DfE's funding reform programme is aimed at simplifying fair funding although funding changes at individual settings is inevitable. The reform programme is clearly aimed at ensuring funding is targeted at disadvantaged pupils and at pupils with low prior attainment and/or special education needs in order to narrow the attainment gap between these and other pupils.

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Post 16 High Needs Funding Update

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Date:

Risk Management

10.7 The key risks arising from this report are that local decisions relating to Post 16 funding could lead to an overspend on the 2014/15 DSG and/or that the EFA could deem that our funding arrangements do not comply with the school finance regulations requiring budgets to be recalculated.

11. Consultees

11.1 The Board Director Finance, Revenues, Benefits and Property (Section 151 Officer), Board Director, Commissioning (Director of Children Services) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

12. **Background Papers**

12.1 Various documents issued by the Department for Education which were summarised in previous reports to the Schools Forum

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