

Swindon Borough Council

Schools Forum

Tuesday, 4 July 2017

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

Maintained School Members:

Janet Urban - Primary Headteacher (Chair)
Jackie Smith - Special School Headteacher (Vice-Chair)
Rhian Cockwell - Primary Headteacher
Alison Lowe - Primary Headteacher
Ray Williams - Governor - Primary
Mark Edwards – Governor - Secondary
Charles Law - Governor - Special
Ben Slater - Pupil Referral Unit Headteacher

Academy Representatives

Wendy Conaghan - Mainstream Academy (Secondary)
Andrew Henstridge - Mainstream Academy (Primary)
James Povoas - Mainstream Academy (Secondary)
Jane Wheatley - Mainstream Academy (Primary)
Clive Zimmerman - Mainstream Academy (Secondary)
VACANCY - Mainstream Academy
VACANCY - Mainstream Academy
VACANCY - Special Academy

Non-School Representatives

Ruth Lee (Clifton Catholic) / VACANCY (Bristol Church of England)
Jo Morris - Early Years Private, Voluntary and Independent Provider
Graham Taylor / Andrew Miller - 16 to 19 Partnership
Ram Thiagarajah - Black and Minority Ethnic (BME)
Peter Smith – Trade Union

Committee Officer: Rita Glen-Gallo

Telephone: 01793 463611 Email: rglen-gallo@swindon.gov.uk

Swindon Borough Council can be contacted at the Civic Offices, Euclid Street, Swindon, SN1 2JH (Telephone 01793 445500)

AGENDA

1. Apologies for Absence
2. Appointment of Chair
3. Appointment of Vice-Chair

4. Minutes of Previous Meeting (Pages 5 - 8)
To receive the minutes of the meeting held on 28th March 2017.
5. Public Question Time
See explanatory note below. Please phone the Committee Officer whose name and number appears at the top of this agenda if you need further guidance.

Members have previously agreed that public questions were to be submitted in writing at least 24 hours prior to a meeting to enable officers to provide a detailed response.

6. Post 16 High Needs Funding Update (Pages 9 - 16)
7. 2016-17 Actual Year End School Balances FME (Pages 17 - 28)
8. Final Dedicated Schools Grant Outturn 2016/17 FME (Pages 29 - 44)
9. 2017-18 Dedicated Schools Grant Budget Position FME (Pages 45 - 58)
10. 2017-18 DSG Budget and Forward Look HFT (Pages 59 - 64)

Date of Despatch: 21 June 2017

Key:

Officers:

HFT	-	Head of Finance – Technical
FME	-	Finance Manager – Education

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://ww5.swindon.gov.uk/moderngov/ecCatDisplay.aspx?sch=doc&cat=13338&path=0>) or from the Committee Officer named above.

At the meeting held on 21st January 2015, Schools Forum members agreed that public questions were to be submitted in writing at least 24 hours prior to a meeting to enable officers to provide a detailed report (Minute 22 refers).

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.

This page is intentionally left blank

SCHOOLS FORUM

TUESDAY, 28 MARCH 2017

PRESENT: -

School Members: Jackie Smith, Vice-Chair - Special Headteacher
Rhian Cockwell, Primary Headteacher
Wendy Conaghan, Academy Headteacher
Andrew Henstridge, Academy Headteacher
Charles Law, Special Governor
James Povoas, Academy Headteacher
Ben Slater, Pupil Referral Unit Headteacher
Jackie Smith, Special Schools Headteacher
Jane Wheatley, Academy Primary Headteacher
Ray Williams, Primary Governor
Clive Zimmerman, Academy Headteacher

Non-School Members: Peter Smith, Trade Unions

Officers: Ian Burbidge (Head of Finance, Schools)
Anne Mackay (Finance Manager, Education)
Peter Nathan (Head of Education)

Apologies for absence were received from Councillor Fionuala Foley, Cabinet Member for Children's Services, Andrew Ferguson (Head of Litigation and Personal), Mr Ram Thiagarajah (Black and Minority Ethnic Representative), Mr Mark Edwards (Secondary Governor), Janet Urban (Maintained Primary Headteacher), Alison Lowe (Maintained Primary Headteacher), Jane Wheatley, (Academy Primary Headteacher) and Ruth Lee (Diocese of Clifton).

26. Minutes of Previous Meeting

Resolved – That the minutes of the meeting held on 17th January 2017 be confirmed and signed as a correct record.

27. Public Question Time

No public questions were asked.

28. 2016-17 Dedicated Schools Grant Budget Position

The Finance Manager, Education, presented a report setting out the latest position of the 2016/17 Dedicated Schools Grant (DSG) budget. She advised that, based on information at the end of January 2017, an underspend of £0.424m was projected against the retained DSG Budget for the current financial year and an underspend of £0.633m against the unallocated DSG Budget. She drew attention to the main changes from the last report that included banding adjustments in High Needs Top ups and an increase in the risk forecast for external placements fees for

three placements. In response to a query regarding external placements, she confirmed that discussions were being conducted with Children Social Care and Health regarding tri-partite funding for these.

The Finance Manager, Education, advised that the DSG figures were submitted monthly to the Education Leadership Team and periodically to Corporate Management Team, Cabinet and the Children's Health, Social Care and Education Overview and Scrutiny Committee.

Resolved - That it be noted that:

(a) the latest projection on the 2016/17 retained budget was £0.424 below budget.

(b) following the projected out-turn position, the unallocated DSG balance will increase to £0.633m.

29. 2017_18 Dedicated Schools Grant Budget

The Head of Finance, Schools, submitted a report updating the Forum on the 2017/18 Dedicated Schools Grant (DSG) settlement, including (a) Tuition Service Review, (b) Alternative Learning Review, (c) High Needs strategic review, (d) Special School Support, (e) Early years deprivation criteria 2017/18, (f) Apprenticeship Levy, (g) High Needs Top-up for PI SRP units, (h) Post 16 update, (i) the Local Authority's response to the National Fair Funding consultation, (j) Admissions, and (k) School Place Planning.

The Head of Finance, Schools, guided members through the key points in the report, commenting on the most significant implications. He explained that the overall value of the 2016-17 centrally retained budget was £30.695m and that this had increased to £31.498m following receipt of £0.803m of 30 Hours Implementation Funding. He advised that a review of the baseline for the early years, high needs and centrally retained expenditure had been undertaken, resulting in the Education Funding Agency incorporating this into the DSG settlement for 2016/17. He drew attention to the increase in funding for disadvantaged 2 year olds which equated to £3,032.40 per child per year.

Following the introduction of the report, The Head of Finance, Schools, with the Head of Education, responded to members' comments and questions in respect of the following matters:

- The determination of the voluntary contribution expected from secondary schools, following the Alternative Learning Provision Review, and what the financial impact of this undertaking would be.
- The role of the part-time consultant undertaking the high needs strategic review.
- The list of stakeholders taking part in the high needs strategic review.
- Start date of the Apprentice Scheme and the number of apprentices being recruited.
- The Local Authority's responsibility to delegate the High Needs Budget and the determination of the Schools Blocks budget by Schools Forum members.
- The Local Authority's response to the National Funding consultation.

Resolved - That it be noted that:

(a) the outcomes and recommendations from the Tuition Service review are being implemented.

(b) there was a significant impact due to the Alternative Provision Review. This included the risk that an agreed voluntary contribution will be sought from all secondary schools in Summer 2017, to meet pupils' needs and reduce the requirement for additional pressures on the high needs budget for Alternative Provision.

(c) further to (b) above, following members' discussions with their respective Associations, another Schools Forum meeting be set up in May 2017 to discuss the matter further.

(d) the scope of the High Needs Strategic review was as set out in Appendix B of the report.

(e) further to (d) above, an update be submitted to the schools Forum meeting in October 2017.

(f) the Local Authority (LA) intends to use £42k of the current Dedicated Schools Grant (DSG) High Needs contingency funding to support St Luke's Special School.

(g) the Schools Forum members rejected the use of £10k of the 2017/18 DSG reserves to assist St. Luke's Special School with rebranding the school.

(h) Further to (g) above, the Head of Finance, School be requested to incorporate information regarding the purpose for this funding at the next meeting of the Schools Forums' in July 2017.

(i) the LA intends to allocate the Early Years deprivation enhancement at the end of the year as an hourly enhancement for pupils in receipt of Early Years Pupil Premium (EYPP).

(j) there would be potential impact on schools in Swindon due to the apprenticeship levy.

(k) the introduction of a Physical Impairment top-up fee to Commonweal Secondary School Special Resource Provision was £2,777.78 per annum.

(l) the Head of Education and Head of Finance, Schools, be requested to liaise with Human Resources Department regarding uniformity of pay bands within Special Resource Provision settings and report back to School Forum members.

(m) work was being undertaken to confirm the current location of 31 post 16 learners that have Education, Health and Care Plans.

(n) information on the Admissions Service and the overview of the Admission budget was considered by School Forum members.

(o) the Admissions Department undertook statutory and non-statutory work.

(p) information on the LA's School Place Planning function was submitted to the Schools Forum members.

(q) members of the Schools Forum responded to the Department for Education's consultation on Mainstream National Fair Funding and on High Needs funding.

30.

Any Other Business

The Head of Education reminded School Forum members that currently there were three vacancies from the Academy Representatives block. He requested that members include School Forum membership as an agenda item at the next Swindon Association of Primary Headteachers and Swindon Association of Secondary Headteachers meetings.

Resolved: That Membership of the School Forum be an agenda item at the next Swindon Association of Primary Headteachers and Swindon Association of Secondary Headteachers meetings.

This page is intentionally left blank

Post 16 High Needs Funding Update

Schools Forum

Date: 4th July 2017

Author: Strategic Commissioner SEND

Wards: All

Locality Affected: All

Parishes Affected: All

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 2017/18 financial year.
- 1.2 Utilisation of the Dedicated Schools Grant ('DSG') contributes towards delivering the Council Vision Priority "Offer education opportunities that lead to the right skills and right jobs in the right places" 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".

2. Recommendations

Schools Forum is recommended to:

- 2.1 Note the LA's latest estimate is that a total of 453 Full Time Equivalent ('FTE') post 16 (excluding sixth form) high needs students will need to be financed during the 2017/18 academic year, as detailed in Para. 3.1 – 3.5.
- 2.2 Agree the 2017/18 indicative banding values shown in table 2 and note that these will be reviewed if there is significant variance due to actual take up of places as detailed in Para. 3.6 – 3.12.
- 2.3 Note that the estimated annual net costs of 64 places at Independent Service Providers ('ISP') is £0.487m and will be charged to the 2017/18 financial year budget as detailed in Para. 3.6 – 3.12.
- 2.4 Note the annual allocations for Further Education ('FE') College and Training Providers totalling £1.207m will be charged to the 2017/18 financial year as detailed in Para. 3.6 – 3.12.
- 2.5 Note a contingency budget of £0.198m for 88 identified high needs students with no confirmed destination in the financial year as detailed in Para. 3.6 – 3.12.
- 2.6 Note that the current budgeted figures would result in an overspend of £17k, and that the banding values / contingency will be reviewed as part of the October Schools Forum paper as detailed in Para. 3.6 – 3.12.
- 2.7 Note the overall financial year and academic year budget position shown in Table 2 as detailed in Para. 3.6 – 3.12.

Further information on the subject of this report can be obtained from Lyn Frith, 01793 463217, LFrith@swindon.gov.uk

Post 16 High Needs Funding Update

Schools Forum

Date: 4th July 2017

3. Detail

Background

- 3.1 The responsibility for this area of funding was transferred to the Local Authority ('LA') from the Education and Skills Funding Agency ('ESFA') in September 2013. The funding arrangement for the provision of high need students in FE colleges, training providers and ISPs is different to schools. The position is as follows:
- Element 1 – Swindon Borough Council ('SBC') has no involvement in what Department for Education ('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 ESFA for individual providers and will not be exactly £4,977.
 - Element 2 – This is paid on a lagged basis directly to providers by the ESFA at £6,000 per place and is essentially the same as the notional Special Educational Needs ('SEN') funding for pre 16 students. The ESFA 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 2017/18 Financial Year Allocation

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

Funding Available 2017/2018

- 3.3 The total funding available for 2017/18 financial year for post 16 providers (excluding school 6th forms) is £1.875m

Planned Placements

- 3.4 Table 1 shows how the LA's latest 2017/18 commissioning plans compares to the ESFA approved places:

Post 16 High Needs Funding Update

Schools Forum

Date: 4th July 2017

Table 1 – Indicative 2017/18 Academic Year FTE Placements

	ESFA	Jun-17	Projected	Variance	Notes
	Approved Places2017	Actual Placements	Sep-17 Placements	To ESFA Approved	
Cirencester College	14	4	6	+8	1
New College	45	77	86	-41	
Swindon College	148	123	169	-21	
Wiltshire College	4	6	10	-6	
Colleges Total	211	210	271	-60	

Training Providers Total	36	42	41	-5	
---------------------------------	-----------	-----------	-----------	-----------	--

ISPs	19	4	4	+15	2
UET	41	41	49	-8	3
ISP's Total	60	45	53	+7	

Unknown destinations	0		88	-88	4
----------------------	---	--	----	-----	---

Overall Total	307	297	453	-146	5
----------------------	------------	------------	------------	-------------	----------

3.5 The LA expects to fund element 3 top ups for a total of 453 students during the 2017/18 academic year which is an increase of 146 over the ESFA approved placements collated through the High Needs Return in October 2013. Subsequent returns have only allowed limited amendments and our commissioned places remain largely fixed.

- Note 1 – 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 ESFA in line with the October census data.
- Note 2 – A total of 4 ISP placements are now expected which is 16 below the number commissioned. Element 1 and 2 is funded on a lagged basis in the same way as FE Colleges and training providers, funding for unused places cannot be rerouted back to the LA and this number was not subject to change through the High Needs Return annually.
- Note 3 – The ESFA currently fund 42 placements at UET. Element 1 and 2 is funded on a lagged basis in the same way as FE Colleges, training providers and other ESFA approved ISPs.

Further information on the subject of this report can be obtained from Lyn Frith, 01793 463217, LFrith@swindon.gov.uk

Post 16 High Needs Funding Update

Schools Forum

Date: 4th July 2017

- Note 4 – There are 88 students identified as meeting the high needs criteria where a post 16 destination is not yet known.

Members of the Schools Forum are now asked to:

- **Note the LA's latest estimate is that a total of 453 FTE post 16 (excluding sixth form) high needs students will need to be financed during the 2017/18 academic year**

Proposed 2017/18 ISP costs

- 3.6 For placements at Independent Specialist Provider Colleges (ISPs) including the Uplands Educational Trust ('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 2017 are estimated at 53 places with 2017/18 financial year costs of £0.487m.

Proposed 2017/18 FE College and Training Provider costs

- 3.7 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 (Special Resource Provisions ('SRPs') and indicative post 16 banding values were calculated based on the funding envelope provided by the ESFA for the new responsibilities as calculated below:

3.7.1 Total funding envelope financial year **£1.875m**

3.7.2 Less term 5 and 6 costs from the 16/17 academic year **£0.531m**

3.7.3 Balance available for terms 1-4 of the 17/18 academic year **£1.344m**
(September-March)

3.7.4 Less ISP costs September – March (see table 2 below) **£0.337m**

3.7.5 Balance available for FE Colleges and Training Providers September – March **£1.007m**

- 3.8 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

Post 16 High Needs Funding Update

Schools Forum

Date: 4th July 2017

placements for the 2017/18 academic year yet. The table below provides the LAs best estimates which are as follows;

Table 2 – Indicative 2017/18 Academic Year Allocations					
	Actual Places June 2017	Latest Estimated places Sept 2017	2017/18 Financial Year payment April – August	2017-18 Financial Year payment Sept - March	Financial Year Total April 2017 – March 2018
Cirencester College	4	6	£2,966	£8,701.36	£11,668
New College	77	86	£142,015	£285,128.75	£427,144
Swindon College	123	169	£162,765	£462,392.00	£625,157
Wiltshire College	6	10	£10,183	£22,940.00	£33,123
FE College Total	210	271	£317,929	£779,162	£1,097,091

Training Providers Total	42	41	£63,074	£47,179	£110,253
---------------------------------	-----------	-----------	----------------	----------------	-----------------

ISPs	4	4	£41,407	£58,932	£100,339
UET	41	49	£109,185	£277,640	£386,825
ISP Total	45	53	£150,592	£336,573	£487,165

Contingency		88	0	£198,000	£198,000
-------------	--	----	---	----------	-----------------

Overall Total	297	453	£531,595	£1,360,914	£1,892,509
----------------------	------------	------------	-----------------	-------------------	-------------------

- 3.9 The projection based on the current known student numbers and the bandings allocated would mean a total financial year spend of £1.892m, this is £17k above the current budget the banding values / contingency will be reviewed as part of the paper presented to Schools Forum in October.
- 3.10 A contingency budget of £0.198m has been developed for the period September-March for the identified pupils who are high needs where a destination has yet to be confirmed.
- 3.11 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 recommended that the 16/17 banding values are maintained. However, this will be revised following enrolment in the

Further information on the subject of this report can be obtained from Lyn Frith, 01793 463217, LFrith@swindon.gov.uk

Post 16 High Needs Funding Update

Schools Forum

Date: 4th July 2017

new academic year. The resulting funding values for September 2017 are proposed as follows;

Table 3 – Proposed 2017/18 post 16 post school High Need Band Values & Supplements			
<u>Universal Banding Descriptor</u>	<u>Values 2016/17 AYR</u>	<u>Indicative Values 2017/18 AYR</u>	<u>Difference in Value</u>
Band 1 – 100%	£7,910	£7,910	£0
Band 2 - 90%	£7,119	£7,119	£0
Band 3 - 60%	£4,746	£4,746	£0
Band 4 – 37.5%	£2,966	£2,966	£0
Band 5 - 30%	£2,373	£2,373	£0
Band 6 – 15%	£1,187	£1,187	£0
<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

3.12 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.

- 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. 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.

Members of the Schools Forum are now asked to:

- **Agree the 2017/18 indicative banding values shown in table 3 and note that these will be reviewed if there is significant variance due to actual take up of places**

Further information on the subject of this report can be obtained from Lyn Frith, 01793 463217, LFrith@swindon.gov.uk

Post 16 High Needs Funding Update

Schools Forum

Date: 4th July 2017

- Note that the estimated annual net costs of 53 places at ISPs is £0.487m and will be charged to the 2017/18 financial year budget
- Note the annual allocations for FE College and Training Providers totalling £1.207m will be charged to the 2017/18 financial year
- Note a contingency budget of £0.198m for 88 identified high needs students with no confirmed destination in the financial year
- Note that the current budgeted figures would result in an overspend of £17k, and that the banding values / contingency will be reviewed as part of the October Schools Forum paper.
- Note the overall financial year and academic year budget position shown in Table 2

4. Alternative Options

- 4.1 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 ESFA 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 Forums.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 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.

Legal and Human Rights Implications

- 5.2 There are no legal and 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 which affect these areas

Further information on the subject of this report can be obtained from Lyn Frith, 01793 463217, LFrith@swindon.gov.uk

Post 16 High Needs Funding Update

Schools Forum

Date: 4th July 2017

Diversity Impact Assessment

- 5.4 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.

Risk Management

- 5.5 The key risks arising from this report are that local decisions relating to Post 16 funding could lead to an overspend on the 2017/18 DSG and/or that the ESFA could deem that our funding arrangements do not comply with the school finance regulations requiring budgets to be recalculated.

6. Consultees

- 6.1 The Director of Finance (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 None

Actual 2016-17 Year End School Balances

Schools Forum

Date: 4th July 2017

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

1. Purpose and Reasons

- 1.1 The Local Authority ('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 2016 school revenue balances compared with the estimated position as forecast by schools in December 2015.
- 1.3 Utilisation of the Dedicated Schools Grant ('DSG') has a direct link to one of the Council's four priorities – "Offer education opportunities that lead to the right skills and the right jobs in the right places".

2. Recommendations

The Committee is recommended to:

- 2.1 The Schools Forum is recommended to note that:
 - 2.1.1 26 of 39 (66.7%) of schools final year end reported balances were close to the estimates provided in December as measured by the thresholds agreed by Schools Forum. (Para. 3.3)
 - 2.1.2 9 of 39 (23%) of schools were reasonably accurate in forecasting their year end balances. (Para. 3.4)
 - 2.1.3 Only 4 of 39 (10.3%) schools have reported significant variances between their final and December estimates of their projected year end balances – commentaries on these schools are provided. (Para. 3.5)
 - 2.1.4 Final school balances (adjusted to exclude in-year Academy conversions) are forecast to be £4.6m which is 32% higher, than the December estimates of £3.54million. (Para. 3.6)
 - 2.1.5 One maintained school and the Special Resource Provision ('SRP') unit at one maintained school opened the year with a deficit, two maintained schools and one SRP unit were in deficit at 31st March 2017. The two maintained schools will be submitting balanced approved budgets for 2017/18. (Para. 3.7)

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

Actual 2016-17 Year End School Balances

Schools Forum

Date: 4th July 2017

2.1.6 The LA will present further information on the planned use of school balances to the October 2017 Schools Forum. (Para. 3.8)

3. Detail

3.1 The background to the LA's Control of Balances Scheme can be found at Appendix A.

3.2 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 2016 and estimates have now been compared with final figures arising from the school close down process in April 2017. 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 2017 actuals and December 2016 forecasts the results are as follows:

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	12
	Within £50k	• OK – reasonable accuracy	2
	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	9
	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	2
Secondary	Within £50k	• School highly commended	1
	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	0

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

Actual 2016-17 Year End School Balances

Schools Forum

Date: 4th July 2017

Special and Alternative Provision	Within £40k	• School highly commended	4
	Within £80k	• OK reasonable accuracy	2
	Above £80k	<ul style="list-style-type: none"> • 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

- 3.3 The above table demonstrates that (26 of 39 or 67%) of Swindon maintained schools final 31st March 2017 positions were close to the estimates provided in December as measured by the thresholds agreed by Schools Forum. This is higher than the equivalent position reported to Schools Forum in July 2016 when 55% of schools were highly commended following closure of the 2015-16 accounts. The average variance for Green rated small primary schools is £7,170 and £7,139 for large primary schools. For special schools the average variance was £21,777.

Members of the Schools Forum are now asked to:

- **Note that 26 of 39 (66.7%) of schools final year end reported balances were close to the estimates provided in December as measured by the thresholds agreed by Schools Forum**

- 3.4 9 of 39 (23%) of schools were reasonably accurate in forecasting their year end balances. The average variance for Amber rated small primary schools is £32,326 and £45,019 for Large Primaries.

Members of the Schools Forum are now asked to:

- **Note that 9 of 39 (23%) of schools were reasonably accurate in forecasting their year end balances**

- 3.5 Only 4 of 39 (10.3%) schools have reported significant variances between their final and December estimates of their projected year end balances, commentaries on these schools are provided at Paragraph 3.13. The average variance for Red rated small primary schools is £64,054 and £127,855 for large primaries.

Members of the Schools Forum are now asked to:

- **Note that 4 of 39 (10.3%) schools have reported significant variances between their final and December estimates of their projected year end balances**

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

Actual 2016-17 Year End School Balances

Schools Forum

Date: 4th July 2017

- 3.6 Final school balances (adjusted to exclude in-year Academy conversions) are forecast to be £4.6m which is 32% higher, than the December estimates of £3.54million. (These totals exclude the school where conversion to academy status occurred during the current financial year).

Members of the Schools Forum are now asked to:

- **Note that Final school balances (adjusted to exclude in-year Academy conversions) are forecast to be £4.6m which is 32% higher, than the December estimates of £3.54million**

- 3.7 Whilst one maintained school and the SRP unit at one maintained school opened the year with a deficit, two maintained schools and one SRP unit were in deficit at 31st March 2017. The two maintained schools will be submitting balanced approved budgets for 2017/18.

Members of the Schools Forum are now asked to:

- **One maintained school and the SRP unit at one maintained school opened the year with a deficit, two maintained schools and one SRP unit were in deficit at 31st March 2017. The two maintained schools will be submitting balanced approved budgets for 2017/18.**

- 3.8 The LA will present further information on the planned use of school balances to the October 2017 Schools Forum. This information will be based on the summer balances returns submitted within the budget workbooks.

Members of the Schools Forum are now asked to:

- **The LA will present further information on the planned use of school balances to the October 2017 Schools Forum**

- 3.9 When 2016-17 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 continues to be less certainty on funding levels for

Actual 2016-17 Year End School Balances

Schools Forum

Date: 4th July 2017

specialist settings but occupancy projections should be reasonable by the end of December

- 3.10 Over recent weeks the LA has contacted the four schools whose estimates proved inaccurate and is encouraged that, as in previous years, 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.
- 3.11 A summary showing the position across all schools is attached at Appendix B. The level of each schools opening balances as at 1st April 2016 and the forecast balances as at June 2016 are also shown.
- 3.12 Forum Members are asked to note that whilst one maintained school and the SRP unit at one maintained school opened the year with a deficit, two maintained school and one SRP unit were in deficit at 31st March 2017. The two maintained schools will be submitting balanced approved budgets for 2017/18.

Narrative Explanations

- 3.13 The four schools with a “Red” forecasting rating and significant variances between the revenue balances forecast in December 2016 and their actual year end balances as at 31st March 2017 were contacted and asked to provide Schools Forum with a narrative explanation, the explanations provided by the schools are below. The schools contacted are in Table 2 below.

<u>Table 2 Schools with significant variances in their forecast balances</u>			
School	Forecast Dec 16	Actual Mar 17	Variance
Grange Infant	£115,608	£184,559	£68,951
Red Oaks Primary	£33,014	£180,110	£147,096
Robert le Kyng Primary	£123,149	£231,763	£108,614
Westrop Primary	£20,215	£79,373	£59,158

3.13.1 Grange Infants - Actual balance was £184k (£69k above forecast)

There was a delay in the school's planned projects following a restructure of the school's admin function that took place during the period between the December forecast and actual outturn in April. The restructure has now concluded and new personnel are in place. Project work is now in progress or planned to be carried out shortly utilising the funds that were

Actual 2016-17 Year End School Balances

Schools Forum

Date: 4th July 2017

allocated. The school also continues to make general savings in other budgetary areas.

3.13.2 Red Oaks Primary - Actual balance was £180k (£147k above forecast)

Red Oaks overall budget, is split into four budgets within the school to enable accurate accounting. The school have completed a significant amount of work in year to ensure the proportioning across the budgets is accurate, hence the variance between the June and December forecast balances. Work has also taken place to minimise spending where possible and review all recruitment as staff left during the financial year. The measures taken have led to a greater than forecast actual balance at the end of the financial year.

3.13.3 Robert le Kyng Primary - Actual balance was £232k (£109k above forecast) (SRP Actual deficit £57k (£35.5k above forecast))

There was a delay in replacing the School Business Manager and the school was without this post for two months. This led to a delay in completing several large projects and only essential day to day expenditure being processed. This also led to vacancy savings and the School Fund has also been moved into the main school budget, leading to an increase in balances.

The school has continued to push through efficiencies in the SRP budget. Following year end it was discovered that some staff contracts were miscoded to the main school during 2016/17 instead of the SRP leading to a decrease in the expected deficit of the SRP, this has been rectified in 2017/18. The SRP deficit balance also decreased through staff savings through natural wastage as two STAs left and other staff have reduced their hours. The school has reviewed the SRP support and has appointed entry level TAs as STAs leave, this is one of the school's long term strategies to reduce the staff costs in the SRP. Including the additional £40k of funding, the draft SRP budget currently shows a deficit balance of £64k in 2017/18. The mainstream budget has to be at least £64k in surplus to enable the school to continue to pay salaries and for cash flow.

3.13.4 Westrop Primary - Actual balance was £79k (£59k above forecast)

The school received additional Pupil Premium funding and High Needs Top Up funding for a number of pupils was agreed after the forecast was submitted in December.

- 3.14 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 Appendix A.

Actual 2016-17 Year End School Balances

Schools Forum

Date: 4th July 2017

- 3.15 Devolved Formula Capital (DFC) balances held by all maintained schools 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. 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.

4. Alternative Options

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

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 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

- 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.

Diversity Impact Assessment

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

Risk Management

- 5.5 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

6. Consultees

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

7. Background Papers

- 7.1 Appendix A – Background to the LA's Control of Balances Scheme
-

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

Actual 2016-17 Year End School Balances

Schools Forum

Date: 4th July 2017

8. Appendices

- 8.1 Appendix B - Actual opening and closing 2016-17 school revenue balances compared to December 2016 forecasts

Background information on the control of balances scheme

- 1.1. As part of the Local Authority's ('LA') 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.
- 1.2. 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 the Department for Education ('DfE') and the Education, Skills and Funding Agency ('ESFA'). It is also very important for schools with relatively low balances to undertake accurate forecasting to avoid them encountering a deficit position.
- 1.3. The balances control scheme is made up as follows:
 - 1.3.1. 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 usually reported to Schools Forum in March).
 - 1.3.2. After the year end when final school balances are quantified these values are compared to schools December estimates (Usually presented to Schools Forum in July and 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.
 - 1.3.3. 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).
 - 1.3.4. 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.
 - 1.3.5. 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 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.

1.4. The LA therefore retains the right to implement claw backs but only in circumstances where a school

1.4.1. Is consistently inaccurate (Red rated) in forecasting their year end balances for 2 consecutive years and does not provide adequate explanations

And

1.4.2. Holds relatively high balances .i.e. above 8%, 5% or 2% of ISB depending on the size of the school budget.

1.5. 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.

1.6. Two schools have been rated as Red for two consecutive years but they have provided narrative explanations on both occasions over each of the last two years and they are not holding high balances. 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.

1.7. Summer revenue balances returns are expected from maintained schools with their approved budget workbooks, responses will be reviewed during the summer period and reported to the October 2017 Schools Forum meeting.

Schedule of Projected v Actual School Revenue Balances held on 31st March 2017**Schools Forum 4th July 2017 - Appendix B**

Schools	Opening Balances 1st April 2016	Forecast Balances (June 2016)	Forecast Balances (December 2016)	Actual year end balance 31st March 2017	Variance between Dec Forecast and Actual	Category of school budget	Ratings
Abbey Meads Community Primary School	£187,124	£121,033	£112,977	£121,099	£8,122	LP	G
Abbey Meads Families Centre	£13,140	£890	£5,316	£26,599	£21,283	LP	n/a
Abbey Meads Community Focused	£116,355	£114,432	£117,857	£114,816	(£3,042)	LP	n/a
Beechcroft Infant School	£102,810	£49,053	£78,260	£99,361	£21,101	SMP	G
Bishopstone Church of England Primary School	£32,029	£26,831	£27,657	£26,553	(£1,104)	SMP	G
Bridlewood Primary School	£110,121	£57,548	£61,500	£78,324	£16,824	SMP	G
Brook Field Primary School	£170,778	£111,719	£120,329	£188,025	£67,696	LP	A
Catherine Wayte Primary School	£166,207	£151,363	£162,111	£178,295	£16,184	LP	G
Chiseldon Primary School	£10,800	£4,282	£15,454	£5,696	(£9,758)	SMP	G
Colebrook Junior School	£112,849	£90,212	£106,265	£122,192	£15,927	SMP	G
Covington Park Primary School	£75,794	£21,932	£42,723	£22,708	(£20,015)	LP	G
East Wichel Primary School	£61,072	£36,690	£68,012	£102,062	£34,050	SMP	A
Eldene Primary School	£34,226	£53,073	£34,649	£105,986	£71,337	LP	A
Eldene Primary School SRP (CLD)	£59,171	£14,982	£12,694	£30,015	£17,321	LP	n/a
Even Swindon Primary School	£366,219	£227,655	£283,507	£273,639	(£9,868)	LP	G
Even Swindon Primary School Outreach	£2,758	£2,212	£3,914	£817	(£3,097)	LP	n/a
Even Swindon Primary School SRP (SSL)	£12,649	£1,840	£5,707	£2,593	(£3,114)	LP	n/a
Grange Infant School	£196,489	£87,542	£115,608	£184,559	£68,951	SMP	R
Grange Junior School	£207,319	£214,409	£229,524	£308,190	£78,666	LP	A
Greenmeadow Primary School	£133,022	£115,307	£157,100	£177,345	£20,245	SMP	G
Haydonleigh Primary School	£103,344	£32,850	£48,994	£98,100	£49,106	LP	A
Lainesmead Primary School	£69,703	£33,904	£41,957	£56,778	£14,821	LP	G
Lawn Primary School	£28,561	£25,074	£22,420	(£19,291)	(£41,711)	LP	A
Liden Primary School	£32,623	£2,772	£8,284	£1,228	(£7,056)	SMP	G
Nythe Primary School	£32,730	£7,983	£20,365	£41,656	£21,291	SMP	G
Oakhurst Community Primary School	£160,906	£62,854	£128,684	£140,528	£11,844	LP	G
Oaktree Nursery and Primary School	£161,860	£38,770	£40,449	£78,062	£37,613	LP	G
Oliver Tomkins Church of England Infant School	£16,260	£15,532	£20,072	£18,247	(£1,825)	SMP	G
Oliver Tomkins Church of England Junior School	£63,911	£8,048	£20,003	£5,700	(£14,303)	SMP	G

Orchid Vale Primary School	£53,512	£12,254	£37,356	£43,446	£6,090	LP	G
Red Oak Primary School	£165,192	£116,052	£33,014	£180,110	£147,096	LP	R
Robert le Kyng Primary School	£99,885	£62,038	£123,149	£231,763	£108,614	LP	R
Robert le Kyng Primary School SRP (PD)	(£84,879)	(£92,178)	(£92,917)	(£57,376)	£35,541	LP	n/a
St Francis Primary School	£197,040	£143,684	£165,130	£164,589	(£541)	LP	G
Wanborough Primary School	£49,135	£14,691	£22,219	£26,822	£4,603	SMP	G
Westrop Primary School	£66,002	(£873)	£20,215	£79,373	£59,158	SMP	R
Wroughton Infant School	£47,733	£9,330	£53,403	£73,502	£20,099	SMP	G
Wroughton Junior School	£81,879	£74,328	£85,237	£115,839	£30,602	SMP	A

Isambard Community School	£470,880	£383,900	£383,900	£417,906	£34,006	SEC	G
---------------------------	----------	----------	----------	-----------------	---------	-----	----------

Education Other Than at School (EOTAS)	£169,097	£141,897	£152,425	£214,601	£62,176	PRU	A
--	----------	----------	----------	-----------------	---------	-----	----------

Brimble Hill School	£177,722	£118,356	£121,392	£167,405	£46,013	SPE	A
Crowdys Hill School	£224,369	£272,978	£282,607	£294,877	£12,270	SPE	G
St Lukes School	(£96,699)	(£58,556)	(£67,571)	(£49,782)	£17,789	SPE	G
The Chalet School	£57,819	£50,262	£43,669	£62,410	£18,741	SPE	G
Uplands School	£107,743	£112,533	£60,287	£98,594	£38,307	SPE	G
Uplands School - VI service	£392	£267	£2,865	£2,444	(£422)	SPE	n/a
Uplands School - ASD advisory service	£57,332	£16,513	£1,243	£7,134	£5,891	SPE	n/a

39

Total Maintained Schools and EOTAS	£4,684,984	£3,108,268	£3,540,015	£4,663,539	£1,123,524
					32%

<u>In year Academy conversions</u>		Key	R = Red	A = Amber	G = Green
South Marston Primary School	£51,327	SMP- Small / medium primary - ISB up to £1.2m	> £50k	< £50k	< £25k
		LP - Large primary - ISB above £1.2m	> £80k	< £80k	< £40k
Overall total	£4,736,311	SEC- Secondary	> £100k	< £100k	< £50k
		SPE- Special	> £80k	< £80k	< £40k

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

Final Dedicated Schools Grant Outturn 2016/17

Schools Forum

Date: 4th July 2017

Author: Finance Manager Education

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 To advise Schools Forum members on the final 2016-17 Dedicated Schools Grant (DSG) outturn position following closure of the Local Authority's (LA's) 2016-17 final accounts
- 1.2 This report provides Forum Members with information on the final spend against the 2016-17 centrally retained budget. 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 Education Leadership Team each month. Updates are also periodically provided to Corporate Management Team and Cabinet.
- 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
- 1.5 Utilisation of the DSG contributes towards delivering the Council Vision Priority "Offer education opportunities that lead to the right skills and the right jobs in the right places".

2. Recommendations

The Schools Forum is recommended to:

- 2.1 Note that the actual outturn position for the 2016-17 retained budget was £0.359m below budget.

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

Final Dedicated Schools Grant Outturn 2016/17

Schools Forum

Date: 4th July 2017

3. Detail

Final DSG Retained Outturn 2016-17

- 3.1 As reported to Schools Forum on 28th March 2017 the overall value of the 2016-17 centrally retained DSG budget was £31.498m, including £0.803m of 30 Hours Implementation Funding.
- 3.2 Attached at Appendix A is the report that was issued to the Education Leadership Team based on information at the end of the financial year. This shows that the final out-turn position was £0.359m below the overall budget (subject to external audit). The main reasons for the projected variances and commentaries on all high risk areas are provided in Appendix A.
- 3.3 The previous position reported to forum in March was £0.424m below budget, a movement of £0.065m when compared to the position in January. The main changes are an increase in High Needs Top ups following banding adjustments, plus costs for new tri-partite funded (with Children Social Care and Health) External Placements and an increase in pressure in the Tuition Service for pupils that are not funded. These additional costs are offset by a reduction in the Post 16 High Need Provision, a decrease in External Placement fees for a placement that did not begin before year end and . There was a significant decrease in the number of early year pupils following the Early Years census and a reduction in the expenditure on 30 hours Implementation.
- 3.4 Following the outturn position of £0.359m the value of the unallocated DSG balances is now £0.568m.

Members of the Schools Forum are now asked to:

- **Note that the final outturn position (subject to external audit) on the 2016-17 retained budget is £0.359m below budget**
- **Note that following the out-turn position the unallocated DSG balance will increase to £0.568m**

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.

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

Final Dedicated Schools Grant Outturn 2016/17

Schools Forum

Date: 4th July 2017

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.

Diversity Impact Assessment

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

Risk Management

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

6. Consultees

- 6.1 Director of Finance (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 Appendix A – Education Leadership Team budget monitoring report
- 8.2 Appendix B – DSG Budget analysis by expenditure type
- 8.3 Appendix C – DSG Profiled budget to date compared with actual expenditure to date

This page is intentionally left blank

Report to: **Commissioning – Education Leadership Team**
 From: Anne Mackay, Finance Manager – Education
 Date: 26th May 2017
 Subject: **Budget Monitoring Report 2016-17 – DSG Services**
 Period: Period to end financial year 2016/17

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 the information provided at the end of the financial year.

Although the DSG position is included in Corporate Management Team 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.

A summary of how the 2016-17 DSG has been allocated is provided below. As reported previously the table has been updated to take account of the 30 hours implementation grant which is now part of the budgets for the DSG allocation and 3 & 4 year old nursery entitlement.

Table 1 – DSG 2016-17 Overview – (budget update October 16)

	<u>£m</u>	<u>£m</u>
<u>Delegated</u>		
Maintained Mainstream schools	45.664	
Maintained Specialist settings (Special Schools and SRP's)	7.551	
Maintained Specialist Settings - £0.520m ESFA Post 16 funding	(0.520)	
Academy Mainstream Recoupment	77.104	
Academy Specialist settings (Special Schools and SRP's) Recoupment	2.022	
Commissioned Services	1.034	
		<u>132.855</u>
<u>Centrally retained for provision</u>		
Disadvantaged 2 year old nursery places	2.526	
Free Nursery Entitlement 3 & 4 year olds (+£0.803m, was £9.111m)	9.914	
In Year Pupil Growth	0.656	<u>13.095</u>
High Need SEN		
Portage, SEN equipment, Therapeutic services etc.	0.752	
SBC top ups – mainstream settings	2.672	
SBC top ups - high need specialist settings	8.986	
HN Contingency	0.252	
Tuition Service	0.881	
Out of Borough placements	2.182	
Post 16 provision (new responsibilities)	2.000	
Exclusions income	(0.335)	<u>17.390</u>
<u>Centrally retained to cover SBC and other costs</u>		
Admissions, Free School Meal eligibility checks, school licences, equal pay etc.	1.013	<u>1.013</u>
		<u>31.498</u>
Total DSG Allocation (including Early Years Pupil Premium of £0.164m) (was £163.550m)		<u>164.353</u>

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

2) 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

Item	Notes	Budget 2016-17 £'000	Actual Year-end Variance £'000	Projected Variance February £'000
High-Risk Areas				
2 year old nursery place funding	2	2,526	(658)	(683)
Free nursery education (3&4 year olds)	3	9,914	(1,027)	(688)
High Needs Top ups	4	11,658	235	222
Notional SEN supplements (Mainstream)		400	0	0
External Placement Fees	5	2,182	59	97
HN Contingency	6	252	(210)	(210)
Post 16 HN Provision - New Responsibilities	7	2,000	(372)	(355)
School Exclusions / Dual registrations	8	(335)	4	9
Tuition Service	9	881	42	26
Schools Equal Pay Claims		31	0	0
Subtotal High Risk Areas		29,508	(1,927)	(1,582)
Other Low risk retained budgets	10	1,990	(27)	5
Total Retained Budgets		31,498	(1,954)	(1,577)
Maintained School Budgets (Mainstream)	11	45,664	(3,023)	(3,024)
Maintained School Budgets (Specialist Settings)	11	7,551	(99)	(99)
Commissioned Services		1,034	(0)	0
ESFA 6 th Form Place Funding	12	(520)	10	10
Total DSG School Budgets		53,729	(3,112)	(3,113)
Total DSG Expenditure Budgets		85,227	(5,066)	(4,690)
Mainstream Academy budgets for recoupment	13	77,104	2,983	2,983
ESFA direct funding of High Need places	13	2,022	90	90
Total DSG Budget		164,353	(1,993)	(1,617)
DSG Funding allocation receivable	1	(85,227)	4,707	4,301
DSG Funding recouped by the ESFA for Academies	1	(77,104)	(2,983)	(2,983)
DSG Funding recouped by the ESFA for HN places	1	(2,022)	(90)	(90)
Total DSG Funding Budgets		(164,354)	1,634	1,228
Total DSG Forecast		(0)	(359)	(389)

The Leadership Team is asked to note the risk areas above and the actual out-turn position, £0.359m below budget, was reported to Corporate Management Team in May.

The main reasons for the variances from budget are provided below:

Note 1) DSG Funding Receivable

£4.707m decreased funding

Budget allocation

The DSG allocation has previously been updated to take into account the 30 hours early implementer funding for 3 & 4 year olds. The revised budgeted DSG allocation is now **£164.354m** including funding for Early Years Pupil Premium and an estimate of the DSG based on January 2016 and January 2017 census for 2 year olds and 3 & 4 year olds. As reported previously the LA budgets for the full DSG allocation from the Education and Skills Funding Agency (ESFA) but the actual cash received is the DSG allocation less Academy Recoupment and High Need places funded directly by the ESFA, a budgeted DSG receivable of **£85.228m**.

Actual receipt

As at **(A)** in table 3 below, after allowing for academy recoupment and ESFA Direct funding of HN places the 2016-17 DSG expected to be received is **£80.473m**, an overall variance in funding in 2016-17 of **£4.754m** when compared to budget. This reduction in funding is due to lower than anticipated census data for Early Years pupils for 2 year olds **£0.549m** (note 2) and 3 & 4 year olds **£0.672m** (note 3).

The budget was increased by £0.803m for the 30 Hours Implementation funding, the actual receipt was **£0.366m** below budget based on participation (note 3). The Early Years Pupil Premium allocation has been amended following the spring census to £0.109m, a decrease of **£0.056m**.

The other variances are due to an increase in Academy recoupment **£2.983m** (note 12 and offset by a reduction in mainstream primary school budgets of £3.024m note 10), and an increase in ESFA Direct Funding of HN places for the SRP places for a recent academy converter **£0.090m** (note 12), both of which reduce the value of the DSG funding receivable.

The ESFA have also finalised the spring census and the final numbers in both 2 year olds and 3 & 4 year olds were higher than anticipated at year end leading to the receipt of an additional **£0.047m**. As shown at **(B)** in Table 3 below, the total DSG expected to be received is **£80.927m**, an overall variance of **£4.301m** when compared to the DSG budget allocation.

<u>Table 3– 2016-17 DSG receivable</u>			
Allocation	Budget £m	Expected £m	Variance £m
ESFA's DSG Allocation	(151.521)	(151.482)	0.039
ESFA DSG Early Years for 2 year olds	(2.332)	(1.783)	0.545
ESFA DSG Early Years for 3 & 4 year olds	(9.532)	(8.861)	0.672
ESFA DSG Early Years 30 Hours implementation	(0.803)	(0.437)	0.366
ESFA DSG Early Years Pupil Premium	(0.165)	(0.109)	0.056
Total DSG allocation	(164.354)	(162.671)*	1.683
Less Academy recoupment	77.104	80.086	2.982
Less ESFA Direct Funding of High Need places	2.022	2.112	0.090
(A) DSG receivable 2016-17	(85.228)	(80.473)*	4.754
Early Years Spring 16 Census 2 yr olds	0.000	(0.008)	(0.008)
Early Years Spring 16 Census 3&4 yr olds	0.000	(0.039)	(0.039)
(B) DSG expected to be received in year 16-17	(85.228)	(80.520)	4.707*

*roundings £0.001m

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

**Note 2 – Disadvantaged two year old nursery funding £0.658m Decreased expenditure
£0.549m Decreased funding**

Following the release of the January 2017 census the total payments for the year were **£0.658m** lower than the budget of £2.526m for 2 year old places in line with a lower than budgeted January 2017 pupil census. Private, voluntary and independent settings were £0.917m lower than budgeted offset by a pressure of £0.245m for maintained nursery settings and operational cost variances of £0.014m.

The funding is based on the actual pupil numbers at the spring census 2016 (5/12ths) and spring census 2017 (7/12ths). The spring 2016 census numbers were lower than anticipated and have fallen further in the spring 2017 census so the funding forecast has been recalculated. The ESFA will not confirm the funding until July 2017 so the actual funding expected for 2016/17 is still an estimate.

Table 4 – Early Years 2 year old 2016-17 DSG Funding		
	2016-17 Budget	2016-17 Projection
January 2016 Census (5/12)	494	408.00
January 2017 Census (7/12)	494	356.00
Full Year Equivalent	494	377.67
2 year old funding rate for FTE	£4,721.50	£4,721.50
Total DSG receivable	£2,332,421	£1,787,487
Variance		(£544,934)

The estimated net decrease in 2 year old pupils of 116.33 FTE will result in a **£0.549m** reduction of DSG.

**Note 3 – Free nursery education (3 & 4 year olds): £1.027m Decreased expenditure
£0.672m Decreased funding**

The 2016-17 actual position was **£1.027m** lower than budget based on the spring 17 census take up, the breakdown for expenditure in Private, Voluntary and Independent (PVI) settings was **£0.535m** less than budget and in Maintained settings **£0.069m** less than budget. The budget was increased earlier this year by £0.803m as the LA is one of the authorities taking part in the 30 Hours Early Implementer scheme, the actual expenditure for this budget was **£0.395m** below budget. The Pupil Premium expected to be paid through the 3 & 4 year olds budget is also **£0.055m** less than budgeted.

This element of DSG is based on participation and the LA anticipates that along with the decrease in expenditure there will also be a decrease in the amount of Dedicated Schools Grant receivable as the FTE numbers are lower than budgeted based on the recent spring census. The ESFA will not confirm the funding until July 2017 so the funding projection is still provisional. Early Years DSG is calculated based on 5/12ths of the January 2016 and 7/12ths of the January 2017 Early Years Census. The latest DSG calculation compared to the 2016-17 budget agreed by Schools Forum is summarised below.

Table 5 – Early Years 3 and 4 year old 2016-17 DSG Funding		
	2016-17 Budget	2016-17 Projection
January 2016 Census (5/12)	2,380	2,328.00
January 2017 Census (7/12)	2,503	2,244.00
Full Year Equivalent	2,452	2,279.00
3 and 4 year old funding rate	£3,888.06	£3,888.06
Total DSG receivable	£9,532,551	£8,860,889
Variance		(£671,662)

The estimated net decrease in early years' pupils of approximately 172.75 FTE will result in a **£0.672m** reduction of DSG.

Note 4 – High Needs Top Ups:

£0.235m Pressure

The overall High Needs Top Ups actual expenditure increased by £0.013m to a pressure of £0.235m since February. The increase in pressure is as a result of increased top up payments following a number of minor banding adjustments for pupils across various settings.

The LA has established robust SENRAP processes and there is rigorous moderation of all applications.

Note 5 – External placements:

£0.059m Pressure

The pressure in external placements reduced by £0.038m to £0.059m. Expenditure increased by **£0.077m** due to tri-partite funded placement agreements offset by a reduction in costs of **£0.115m** due to the ending of the risk for placements that were included in the forecast but did not start before the end of the financial year and.

Note 6 – High Needs Contingency:

£0.210m Below budget

During the 2016-17 budget setting process Schools Forum agreed that a contingency of £0.252m would be held to cover additional top up and placements costs. The contingency is also providing £0.042k of bespoke intervention and support for pupils at a special school to avoid new placements being required at short notice for up to 28 pupils, some of who may have required costly out of borough placements. The support provided is from January to March and is an average of £1.5k per pupil. The remaining **£0.210m** budget is not spent but this saving is not enough to offset all of the emerging pressures in HN Top ups for all settings £0.235m (note 4) and External Placement fees £0.059m (note 5). There is an overall pressure between the three budgets of £0.084m.

Note 7 – Post 16 HN Provision:

£0.372m Saving

The final year-end position for Post 16 provision is a saving of £0.372m, all unplaced pupils were contacted during the year to identify if they were in a Post 16 setting, a number of pupils recently identified have been found on the Not in Education, Employment or Training (NEET) register. This final position included additional costs identified for an FE provider. Included in the overall saving of £0.372m in year savings from element 2 funding of £0.060m, which was paid directly to a special school by the ESFA rather than SBC.

Note 8 – Exclusions:

£0.004m Pressure

As reported previously, within the Tuition Service there is an increasing number of short term placements (at February 28/51) where a charge is not made resulting in a pressure of **£0.044m**. Charges are not made in a number of situations including permanently excluded pupils as Stratton Education Centre is full, pupils from an SEN specialist placement, pupils

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

from out of borough, pupils joining from Elective Home Education and those who have been supported within other areas of Education Other than at School (EOTAS). This pressure is offset by a significant increase in the number of permanent exclusions and therefore the income increased by **£0.050m**.

Note 9 – Tuition Service:

£0.042m Pressure

Salary pressure due to the service's requirement for staff cover and the support needed due to the long term absence of two colleagues, offset by a premises cost saving.

Note 10 – Other low risk retained budgets:

£0.027m Saving

The final position overall across all of the low risk budgets reduced to a saving of **£0.027m**, as new savings based on actual expenditure were identified following salary savings and the payments of pupil growth funding based on the actual increase in pupil numbers in agreed settings and other minor savings across a number of low risk budgets, totalling £0.078m. These reductions in actual costs are offset by a number of pressures including expected savings of £0.036m budgeted in relation to the NNDR credits for two academy conversions, which will now show in the variance between the reduction of mainstream school budgets (note 11) and academy recoupment (note 13). There were further pressures of £0.016m for increased NNDR costs for an expanded maintained school and a pre-school now run by a maintained school.

Note 11 – Maintained school budgets:

£3.122m Decreased expenditure

As reported previously the actual expenditure for maintained school budgets decreased as a result of an academy conversion £0.187m. The school budgets for two recent mainstream academy converters were recouped and paid directly to the academies by the Education and Skills Funding Agency (ESFA) £2.836m. The reduction in school budgets is £0.041m less than the recoupment to allow for the academy NNDR credit (note 10). There was been a minor adjustment to SRP place funding following the final payments as one additional place was budgeted but was not confirmed by the provision £0.009m.

The ESFA will also pay for the 9 SEN places at the academy with a special resource provision £0.090m, academy recoupment figures have been increased as a result (note 13).

Note 12 – ESFA 6th Form Place Funding:

£0.010m Decreased Funding

As reported previously the ESFA will be funding 51 and not 52 6th form places at a Swindon Special School **£0.010m**.

Note 13 – ESFA recoupment for academies and HN places:

£3.073m Pressure

The ESFA increased the amount of DSG funding they recouped by **£3.073m** for academies by **£2.983m** due three academy conversions. The ESFA also recouped 9 SEN places to pay the funding directly to an academy with a special resource provision **£0.090m**.

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

3) 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 actual year end position is as follows:

Table 6 – DSG Balance	Latest Position
Opening DSG balance b/fwd from 2015-16	£0.209m
Plus actual year-end position (see table 2)	£0.359m*
Actual DSG balance unallocated	£0.568m

*Actual amount transferred to reserves £359,754.79

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

The Leadership Team is asked to note that the unallocated DSG balance is expected to be £0.568m 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.

4) Subjective Analysis

A summary of the year-end position of £1.954m across the £31.498m 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 March 2017

Group Budget position by expenditure type	Year to date budget £'000	Year to date actual £'000	Year to date variance £'000	Total Budget 2016/17 £'000	Forecast Variance 2016/17 £'000
Employees	1,398	1,326	(72)	1,398	(29)
Premises	992	984	(9)	992	(5)
Transport	12	12	(0)	12	2
Supplies & Services	1,568	2,055	454	1,568	11
3rd Party Payments	29,844	27,249	(2,594)	29,844	(1,739)
Internal Recharges	942	996	54	942	50
Capital Financing	0	0	0	0	0
Income	(3,223)	(3,009)	214	(3,223)	133
Total	31,533	29,578	(1,954)	31,533	(1,577)

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

- **Annex A** – this shows a breakdown of all the 2016-17 retained budgets by type of expenditure and income and produces the totals in the “Total budget 2016-17” 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 continued need to agree realistic budget profiles for input to the oracle system.

5) Improving Forecasting

Given that we are accountable to the Schools Forum regarding the effective management of the DSG, all high risk forecast figures were regularly challenged and this enabled 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 overall actual year end position was £0.030m less than forecast the only significant variance was on 30 hours Implementation expenditure which was offset by a similar reduction in funding as they had been forecast to be in line with budget but due to participation were not.

6) Summary of Key Recommendations

The Leadership Team is asked to:-

- Note that the actual out-turn position (subject to audit), which is £0.359m below budget, was reported to Corporate Board earlier this month
- Note that the unallocated DSG balance is now £0.568m.

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

This page is intentionally left blank

DSG Budget Analysis by Expenditure Type

Appendix B

Service Area	2016/17 Budgets by Expenditure Type								
	Employees £'000	Premises £'000	Transport £'000	Supplies & Services £'000	3rd Party Payments £'000	Internal Recharges £'000	Capital Financing £'000	Income £'000	Total £'000
Free nursery education (3&4 year olds)	78.3	-	1.1	0.4	9,834.0	-	-	-	9,913.8
School subscriptions	-	-	-	190.6	-	-	-	(50.6)	140.0
Disadvantaged two year olds	22.8	-	-	-	2,462.5	40.2	-	-	2,525.5
Equal Pay	-	-	-	-	-	31.0	-	-	31.0
Central Charges	-	-	-	-	-	634.5	-	-	634.5
LAC Pupil Premium	-	-	-	378.1	-	-	-	(378.1)	-
DSG NNDR	-	904.7	-	-	-	-	-	(941.2)	(36.5)
Nyland Primary Behaviour Support	-	-	-	135.7	-	-	-	(135.7)	-
Trade Union Facilities	24.0	-	-	-	-	-	-	(24.0)	-
Schools' Forum	-	-	-	2.0	-	-	-	-	2.0
Trigger funding	-	-	-	-	524.0	-	-	-	524.0
Pupil Growth set up costs	-	-	-	-	131.8	-	-	-	131.8
Admissions	161.2	-	0.3	13.1	-	55.2	-	(34.5)	195.3
Free School Meals administration	-	-	-	2.4	-	19.4	-	(21.8)	-
Therapy	-	-	-	-	-	105.0	-	-	105.0
High Needs top ups	-	-	-	-	11,658.3	-	-	-	11,658.3
Statemented Pupils Equipment	-	-	-	130.0	-	-	-	-	130.0
Education Support Services Monitoring	-	-	-	10.0	-	-	-	-	10.0
Out of Borough fees	-	-	-	-	2,458.9	-	-	(277.3)	2,181.6
Travellers children	-	-	-	-	2.0	-	-	-	2.0
Tuition Services	634.0	28.3	6.5	37.9	123.6	59.9	-	(9.4)	880.8
Post 16 new responsibilities	15.1	-	-	-	2,248.7	-	-	(263.8)	2,000.0
Broadband Connectivity	-	-	-	383.8	-	-	-	(383.8)	-
The Oakfield project	288.5	47.4	2.2	11.1	-	-	-	(349.2)	-
Portage	158.2	11.7	2.1	2.7	-	-	-	(23.0)	151.7
Notional SEN	-	-	-	-	400.0	-	-	-	400.0
School Exclusions	15.5	-	-	17.6	-	(3.1)	-	(365.0)	(335.0)
High Needs Contingency	-	-	-	252.4	-	-	-	-	252.4
Expense Category Totals	1,397.6	992.1	12.2	1,567.8	29,843.8	942.1	0.0	(3,257.4)	31,498.2

This page is intentionally left blank

End of March 2017 Budget Monitoring

Appendix C

Service	Cost Centre	Budget to date	Actual to date	Variance to date	Full Year budget
Free Nursery Education Commissioning - three & four year olds	2000	£9,913,800	£8,887,162	(£1,026,638)	£9,913,800
DSG Premature Retirement & Redundancy Costs	2002	£0	£0	£0	£0
School subscriptions	2004	£140,000	£140,010	£10	£140,000
Free Nursery Education Commissioning - two year olds	2005	£2,525,500	£1,867,872	(£657,628)	£2,525,500
DSG Retained Equal Pay	2009	£31,000	£31,000	£0	£31,000
DSG Retained Contingency	2011	£634,500	£634,500	(£0)	£634,500
DSG NNDR	2015	(£36,500)	£22,089	£58,589	(£36,500)
Universal Infant Free School Meals	2016	£0	£0	£0	£0
Nyland Primary Behaviour Support	2019	£0	(£2)	(£2)	£0
Trade Union Facilities	2020	£0	(£9,141)	(£9,141)	£0
Schools' Forum	2021	£2,000	£1,462	(£538)	£2,000
Pupil Growth Trigger Funding	2023	£524,000	£514,791	(£9,209)	£524,000
Pupil Growth Set Up Costs	2024	£131,800	£121,750	(£10,050)	£131,800
Admissions	2025	£195,300	£165,562	(£29,738)	£195,300
Free School Meals administration	2026	£0	(£9,237)	(£9,237)	£0
Therapy	2027	£105,000	£105,000	£0	£105,000
SEN Resourcing Assessment Panel	2028	£11,658,300	£11,892,915	£234,615	£11,658,300
Statemented Pupils Equipment	2029	£130,000	£122,992	(£7,008)	£130,000
Quality Assurance of commissioned services	2032	£10,000	£10,000	£0	£10,000
Out of Borough School Fees	2033	£2,181,600	£2,240,489	£58,889	£2,181,600
Travellers Children	2034	£2,000	£210	(£1,790)	£2,000
Tuition Service	2035	£880,800	£922,631	£41,831	£880,800
Post 16 - New Responsibilities	2036	£2,000,000	£1,627,944	(£372,056)	£2,000,000
Broadband Connectivity	2039	£0	£9,545	£9,545	£0
The Oakfield Project	2040	£0	(£0)	(£0)	£0
Portage	2042	£151,700	£148,070	(£3,630)	£151,700
Notional SEN	2048	£400,000	£400,000	(£0)	£400,000
School Exclusions and short term placements	2049	(£335,000)	(£331,286)	£3,714	(£335,000)
High Needs Contingency	2055	£252,400	£42,000	(£210,400)	£252,400
OVERALL TOTAL		£31,498,200	£29,558,328	(£1,953,710)	£31,498,200

This page is intentionally left blank

2017-18 Dedicated Schools Grant Budget Position

Schools Forum

Date: 4th July 2017

Author: Finance Manager Education

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 To advise Schools Forum members on the latest projected 2017-18 Dedicated Schools Grant (DSG) retained budget position.
- 1.2 The Local Authority (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 2017-18 retained budgets based upon available information at the end of May 2017. 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
- 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 Management Team, Cabinet and the People's Services Leadership Team (PSLT).
- 1.4 Utilisation of the DSG contributes towards delivering the Council Vision Priority "Offer education opportunities that lead to the right skills and the right jobs in the right places".

2. Recommendations

The Schools Forum is recommended to:

- 2.1 Note that the latest projection on the 2017-18 retained budget is an out-turn position that will be **£0.142m** above budget.
- 2.2 Note that following the projected out-turn position the unallocated DSG balance will decrease to **£0.426m**

3. Detail

Latest 2017-18 DSG Retained Budget Monitoring Position

- 3.1 As reported to Schools Forum on 17th January 2017 the overall value of the 2017-18 centrally retained DSG budget is £33.346m, including £1.351m of 30 Hours Implementation Funding, which is included in the 3&4 year old budget.
-

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

2017-18 Dedicated Schools Grant Budget Position

Schools Forum

Date: 4th July 2017

- 3.2 Attached at Appendix A is the report that was issued on 14th June to the Education Leadership Team based on information at the end of May 2017. This shows that the final out-turn position was £0.142m above the overall budget. The main reasons for the projected variances and commentaries on all high risk areas are provided in Appendix A.
- 3.3 The main pressures are due to an increase in the overall numbers of pupils in External Placements and an increase in the Education, Skills and Funding Agency (ESFA) Direct Funding of High Needs recoupment for 26 additional Post 16 Element 2 payments that the LA needs to pay for academic year 2017/18. These additional costs are offset the High Needs Contingency, which is retained to offset pressures in External Placements and High Needs top ups. There was a significant decrease in the number of early year pupils aged 2 and 3&4 years olds taking up places following the Early Years spring census, this reduces both the expected expenditure for Early Years and the DSG funding expecting to be received. At this point in the year the reduction in expenditure and in funding does not affect the overall year end forecast position as the two values match.
- 3.4 Following the forecast overspent position of £0.142m the value of the unallocated DSG balances would be £0.426m.

Members of the Schools Forum are now asked to:

- **Note that the final outturn position (subject to external audit) on the 2016-17 retained budget is £0.142m above budget**
- **Note that following the out-turn position the unallocated DSG balance will increase to £0.426m**

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.

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

2017-18 Dedicated Schools Grant Budget Position

Schools Forum

Date: 4th July 2017

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

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

Diversity Impact Assessment

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

Risk Management

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

6. Consultees

- 6.1 Director of Finance (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 Appendix A – Education Leadership Team budget monitoring report
- 8.2 Appendix B – DSG Budget analysis by expenditure type
- 8.3 Appendix C – DSG Profiled budget to date compared with forecast and actual expenditure to date

This page is intentionally left blank

Report to: **Commissioning – Education Leadership Team**
 From: Anne Mackay, Finance Manager – Education
 Date: 12th June 2017
 Subject: **Budget Monitoring Report 2017-18 – DSG Services**
 Period: Period to May 2017

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 the information provided at the end of May 2017.

Although the DSG position is included in Corporate Management Team 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.

A summary of how the 2017-18 DSG has been allocated is provided below. The 30 hours implementation grant is now included in the budgets for the DSG allocation and 3 & 4 year old nursery entitlement.

Table 1 – DSG 2017-18 Overview

	<u>£m</u>	<u>£m</u>
<u>Delegated</u>		
Maintained Mainstream schools	43.164	
Maintained Specialist settings (Special Schools and SRP's)	7.854	
Maintained Specialist Settings - £0.510m ESFA Post 16 funding	(0.510)	
Academy Mainstream Recoupment	82.597	
Academy Specialist settings (Special Schools and SRP's) Recoupment	2.147	
Post 16 Transfer for FE Colleges	1.484	
Commissioned Services	1.034	
		137.769
<u>Centrally retained for provision</u>		
Disadvantaged 2 year old nursery places	2.059	
Free Nursery Entitlement 3 & 4 year olds (<i>incl. 30 hrs £1.351m</i>)	11.574	
In Year Pupil Growth	0.580	14.213
 High Need SEN		
Portage, SEN equipment, Therapeutic services etc.	0.809	
SBC top ups – mainstream settings	11.882	
HN Contingency	0.065	
Tuition Service	0.881	
Out of Borough placements	2.407	
Post 16 provision (new responsibilities)	1.875	
Exclusions income	(0.335)	17.582
 <u>Centrally retained to cover SBC and other costs</u>		
Admissions, Free School Meal eligibility checks, school licences, equal pay etc.	1.551	1.551
		33.346
Total DSG Allocation (including Early Years Pupil Premium of £0.128m)		171.115

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

2) 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 94.6% (35/37). There is one cost centre that cannot be confirmed due to system parameters.

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.

3) 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			
Item	Notes	Budget 2017-18 £'000	Projected Variance £'000
<u>High-Risk Areas</u>			
2 year old nursery place funding	2	2,059	(260)
Free nursery education (3&4 year olds)	3	11,574	(362)
High Needs Top ups (Mainstream and High Needs)	4	11,882	0
Notional SEN supplements (Mainstream)	4	400	0
External Placement Fees		2,407	102
HN Contingency		65	(65)
Post 16 HN Provision - New Responsibilities	5	1,875	0
School Exclusions / Dual registrations		(335)	0
Tuition Service		881	0
Schools Equal Pay Claims		31	0
Subtotal High Risk Areas		30,838	(585)
Other Low risk retained budgets	6	2,508	1
Total Retained Budgets		33,346	(584)
Maintained School Budgets (Mainstream)	7	43,164	0
Maintained School Budgets (Specialist Settings)	7	7,854	0
Commissioned Services		1,034	0
ESFA 6 th Form Place Funding	8	(510)	0
Total DSG School Budgets		51,541	0
Total DSG Expenditure Budgets		84,888	(584)
Mainstream Academy budgets for recoupment	9	82,597	0
ESFA direct funding of High Need places		2,147	104
ESFA direct funding of Post 16 transfer FE Colleges	9	1,484	0
Total DSG Budget		171,116	(480)
DSG Funding allocation receivable	1	(84,888)	726
DSG Funding recouped ESFA for Academies	1	(82,597)	0
DSG Funding recouped ESFA for HN places		(2,147)	(104)
ESFA Post 16 transfer FE Colleges	1	(1,484)	0
Total DSG Funding Budgets		(171,116)	622
Total DSG Forecast		0	142

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

The Leadership Team is asked to note the risk areas above and the actual out-turn position, £0.142m below budget, will be reported to Corporate Management Team this month.

The main reasons for the variances from budget are provided below:

Note 1) DSG Funding Receivable
Budget allocation

£0.726m decreased funding

The budgeted DSG allocation is **£171.116m** including funding for Early Years Pupil Premium and an estimate of the DSG based on January 2017 and January 2018 census for 2 year olds and 3 & 4 year olds. As reported in previous years the LA budgets for the full DSG allocation from the Education and Skills Funding Agency (ESFA) but the actual cash received is the DSG allocation less Academy Recoupment, High Need places funded directly by the ESFA and ESFA Post 16 Transfer for Further Education Colleges, new for 2017/18. The budgeted DSG receivable is **£84.888m**.

Actual receipt

As at **(A)** in table 3 below, after allowing for academy recoupment and ESFA Direct funding of HN places in Pre and Post 16 the 2017-18 DSG expected to be received is **£84.162m**, an overall variance in funding in 2017-18 of **£0.726m** when compared to budget. This reduction in funding is due to lower than anticipated census data for Early Years pupils for 2 year olds **£0.260m** (note 2) and 3 & 4 year olds **£0.362m** (note 3).

Included in the variance is **£0.104m** due to a late notification from the ESFA that the LA needs to fund the Element 2 for 26 places at a provision in a different local authority (note 12), which reduces the value of the DSG funding receivable.

As shown at **(B)** in Table 3 below, the total DSG expected to be received is **£84.162m**, an overall adverse variance of **£0.726m** when compared to the DSG budget allocation.

<u>Table 3– 2017-18 DSG receivable</u>			
Allocation	Budget £m	Expected £m	Variance £m
ESFA's DSG Allocation	(157.482)	(157.482)	0.000
ESFA DSG Early Years for 2 year olds	(2.059)	(1.799)	0.260
ESFA DSG Early Years for 3 & 4 year olds	(10.094)	(9.732)	0.362
ESFA DSG Early Years 30 Hours implementation	(1.351)	(1.351)	0.000
ESFA DSG Early Years Pupil Premium	(0.129)	(0.129)	0.000
Total DSG allocation	(171.116)	(170.494)	0.622
Less Academy recoupment	82.597	82.597	0.000
Less ESFA Direct Funding of High Need places	2.147	2.251	0.104
Less ESFA Transfer for Post 16 FE Colleges	1.484	1.484	0.000
(A) DSG receivable 2017-18	(84.888)	(84.162)	0.726
Early Years Spring 17 Census 2 yr olds – tbc	0.000	0.000	0.000
Early Years Spring 17 Census 3&4 yr olds - tbc	0.000	0.000	0.000
(B) DSG expected to be received in year 17-18	(84.888)	(84.162)	0.726

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

**Note 2 – Disadvantaged two year old nursery funding £0.260m Decreased expenditure
£0.260m Decreased funding**

Following the release of the January 2017 census the total payments for 2 year old places for the year are expected to be **£0.260m** lower than the budget of £2.059m in line with fewer places taken up than budgeted in the January 2017 pupil census.

The funding is based on the actual pupil numbers at the spring census 2017 (5/12ths) and spring census 2018 (7/12ths). The spring 2017 census numbers were lower than anticipated and have fallen further in the spring 2018 census so the funding forecast has been recalculated. The ESFA will not confirm the funding until July 2018 so the actual funding expected for 2017-18 is still an estimate. Funding for early years is now calculated on the number of part time equivalents rather than full time equivalent.

Table 4 – Early Years 2 year old 2017-18 DSG Funding		
	2017-18 Budget	2017-18 Projection
January 2017 Census PTE (5/12)	679	593.33
January 2018 Census PTE (7/12)	679	593.33
Full Year Equivalent	679	593.33
2 year old funding rate per PTE	£3,032.40	£3,032.40
Total DSG receivable	£2,059,000	£1,799,224
Variance		(£259,776)

The estimated net decrease in 2 year old pupils of 85.67 FTE will also result in a **£0.260m** reduction of DSG. These projections will be updated following the Summer Term payments and subsequently through the year.

**Note 3 – Free nursery education (3 & 4 year olds): £0.362m Decreased expenditure
£0.362m Decreased funding**

The 2017-18 forecast position for 3 & 4 year olds is **£0.362m** lower than budget based on the spring 17 census take up, the expenditure in Private, Voluntary and Independent (PVI) settings is expected to be **£0.362m** less than budget.

This element of DSG is based on participation and the LA anticipates that along with the decrease in expenditure there will also be a decrease in the amount of Dedicated Schools Grant receivable as the PTE numbers were lower than budgeted based on the recent spring census.

The budget for 3 & 4 year olds includes £1.351m for the 30 Hours Early Implementer scheme, the actual expenditure for this budget is currently expected to be in line with budget. The Pupil Premium expected to be paid through the 3 & 4 year olds budget is **£0.129m** and at this point in the year is also expected to be in line with budget.

The ESFA will not confirm the funding until July 2018 so the funding projection is still provisional. Early Years DSG is calculated based on 5/12ths of the January 2017 and 7/12ths of the January 2018 Early Years Census. The latest DSG calculation compared to the 2017-18 budget agreed by Schools Forum is summarised below and is now on Part Time Equivalent (PTE).

Table 5 – Early Years 3 and 4 year old 2017-18 DSG Funding		
	2017-18 Budget	2017-18 Projection
January 2017 Census PTE (5/12)	3,880	3,740
January 2018 Census PTE (7/12)	3,880	3,740
Full Year Equivalent number of PTE	3,880	3,740
3 and 4 year old funding rate	£2,587.38	£2,587.38
Total DSG receivable	£10,039,034	£9,676,801
Variance		(£362,233)

The estimated net decrease in early years' pupils of approximately 140.0 FTE will result in a **£0.362m** reduction of DSG.

Note 4 – External placements:

£0.102m Pressure

The overall pressure in external placements is expected to be £0.102m more than budget. Expenditure increased by **£0.698m** for 18 new placements agreed since the budget was calculated earlier this year. The cost of these additional placements are offset by a reduction in costs of **£0.596m** due to the ending high cost placements, delayed placement start dates and amendments to contributions for a number of placements.

Note 5 – High Needs Contingency:

£0.065m Below budget

During the 2017-18 budget setting process Schools Forum agreed that a contingency of £0.065m would be held to cover additional high need top up and external placements costs. The **£0.065m** budget is not spent but this saving is not enough to offset all of the emerging pressures in External Placement fees £0.102m (note 4), though the High Needs Top up budget is currently forecast to be in line with budget. There is an overall pressure between the three budgets of £0.037m, and there are inherent risks with these demand led budgets.

Note 6 – ESFA recoupment for academies and HN places:

£0.104m Pressure

The ESFA recouped Element 2 funding to pay directly to a High Needs setting, the LA was informed of this in March 2017 **£0.104m**.

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

3) 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 actual year end position is as follows:

Table 6 – DSG Balance	Latest Position
Opening DSG balance b/fwd from 2016-17	£0.568m
Less forecast year-end position (see table 2)	£0.142m
Actual DSG balance unallocated	£0.426m

The Leadership Team is asked to note that the unallocated DSG balance is expected to be £0.426m 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.

4) Subjective Analysis

A summary of the year-end position of £0.584m across the £33.346m 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 2017

Group Budget position by expenditure type	Year to date budget £'000	Year to date actual £'000	Year to date variance £'000	Total Budget 2017/18 £'000	Forecast Variance 2017/18 £'000
Employees	262	278	16	1,549	(0)
Premises	1,038	1,028	(9)	1,098	0
Transport	2	3	0	13	0
Supplies & Services	403	165	(238)	1,389	152
3rd Party Payments	3,486	7,257	3,771	34,668	(659)
Internal Recharges	1,666	3	(1,663)	1,805	4
Capital Financing	0	0	0	0	0
Income	(1,608)	(1,300)	308	(7,176)	(81)
Total	5,249	7,434	2,184	33,346	(584)

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

- **Annex A** – this shows a breakdown of all the 2017-18 retained budgets by type of expenditure and income and produces the totals in the “Total budget 2017-18” 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 continued need to agree realistic budget profiles for input to the oracle system.

5) Improving Forecasting

Given that we are accountable to the Schools Forum regarding the effective management of the DSG, meetings with senior Budget Managers will be scheduled through to the end of 2017-18 to take place shortly after the month end forecasting deadlines. This will enable all high risk forecast figures to be regularly challenged and this enabled 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.

6) Summary of Key Recommendations

The Leadership Team is asked to:-

- Note that the forecast out-turn position, which is a projection of £0.142m above budget, will be reported to Corporate Board this month
- Note the risk areas above, the forecast out-turn position and suggested actions
- Note that the unallocated DSG balance will be £0.426m.

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

DSG Budget Analysis by Expenditure Type

Appendix B

	2017/18 Budgets by Expenditure Type								
Service Area	Employees £'000	Premises £'000	Transport £'000	Supplies & Services £'000	3rd Party Payments £'000	Internal Recharges £'000	Capital Financing £'000	Income £'000	Total £'000
Free nursery education (3&4 year olds)	305.2	-	2.0	0.4	11,191.6	75.0	-	-	11,574.2
Pupil Premium and other grants	-	-	-	-	3,499.7	-	-	(3,499.7)	-
School subscriptions	-	-	-	194.5	-	-	-	(50.6)	143.9
Disadvantaged two year olds	-	-	-	-	2,059.0	-	-	-	2,059.0
Equal Pay	-	-	-	-	-	31.0	-	-	31.0
Central Charges	-	-	-	-	-	1,409.8	-	(277.1)	1,132.7
LAC Pupil Premium	-	-	-	378.1	-	-	-	(378.1)	-
DSG NNDR	-	1,014.8	-	-	-	-	-	(1,014.8)	-
Nyland Primary Behaviour Support	-	-	-	128.1	-	-	-	(128.1)	-
Trade Union Facilities	15.5	-	-	7.7	-	-	-	(23.2)	-
Schools' Forum	-	-	-	2.0	-	-	-	-	2.0
Target funding	-	-	-	-	533.9	-	-	-	533.9
Pupil Growth set up costs	-	-	-	-	46.0	-	-	-	46.0
Admissions	218.6	-	0.3	12.4	-	35.2	-	(35.4)	231.1
Free School Meals administration	-	-	-	-	-	22.3	-	(22.3)	-
Therapy	-	-	-	-	-	125.0	-	-	125.0
High Needs top ups	-	-	-	-	11,865.5	16.2	-	-	11,881.7
Statemented Pupils Equipment	-	-	-	130.0	-	-	-	-	130.0
Education Support Services Monitoring	-	-	-	-	-	10.0	-	-	10.0
Out of Borough fees	-	-	-	-	2,886.6	-	-	(480.0)	2,406.6
Travellers children	-	-	-	-	2.0	-	-	-	2.0
Tuition Services	626.6	25.8	6.5	44.7	119.9	80.3	-	(23.0)	880.8
Post 16 new responsibilities	-	-	-	-	2,063.3	-	-	(188.3)	1,875.0
Broadband Connectivity	-	-	-	383.8	-	-	-	(383.8)	-
The Oakfield project	222.2	47.4	2.2	11.1	-	-	-	(282.9)	-
Portage	161.0	10.4	2.1	1.8	-	-	-	(23.6)	151.7
Notional SEN	-	-	-	-	400.0	-	-	-	400.0
School Exclusions	-	-	-	30.0	-	-	-	(365.0)	(335.0)
High Needs Contingency	-	-	-	64.6	-	-	-	-	64.6
Expense Category Totals	1,549.1	1,098.4	13.1	1,389.2	34,667.5	1,804.8	0.0	(7,175.9)	33,346.2

This page is intentionally left blank

End of May 2017 Budget Monitoring

Appendix C

Service	Cost Centre	Budget to date	Actual to date	Variance to date	Full Year budget	Full year forecast	Full Year Variance
Free Nursery Education Commissioning - three & four year olds	2000	£177,778	£3,778,442	£3,600,664	£11,574,200	£11,212,000	(£362,200)
DSG Premature Retirement & Redundancy Costs	2002	£0	£0	£0	£0	£0	£0
DFE Additional Grants	2003	£583,282	£474,818	(£108,464)	£0	£1,000	£1,000
School subscriptions	2004	£143,900	(£937)	(£144,837)	£143,900	£143,900	£0
Free Nursery Education Commissioning - two year olds	2005	£0	£602,527	£602,527	£2,059,000	£1,799,200	(£259,800)
DSG Retained Equal Pay	2009	£31,000	£0	(£31,000)	£31,000	£31,000	£0
DSG Retained Contingency	2011	£1,132,700	£5,535	(£1,127,165)	£1,132,700	£1,132,700	£0
LAC pupil premium	2012	£0	(£67,830)	(£67,830)	£0	£0	£0
DSG NNDR	2015	£0	£11,153	£11,153	£0	£0	£0
Universal Infant Free School Meals	2016	£0	£0	£0	£0	£0	£0
Nyland Primary Behaviour Support	2019	(£106,750)	(£96,525)	£10,225	£0	£0	£0
Trade Union Facilities	2020	(£12,836)	(£14,926)	(£2,090)	£0	£0	£0
Schools' Forum	2021	£332	£0	(£332)	£2,000	£2,000	£0
Pupil Growth Trigger Funding	2023	£0	£0	£0	£533,900	£533,900	£0
Pupil Growth Set Up Costs	2024	£46,000	£0	(£46,000)	£46,000	£46,000	£0
Admissions	2025	£67,846	£10,025	(£57,821)	£231,100	£231,100	£0
Free School Meals administration	2026	£10,334	(£10,747)	(£21,081)	£0	£0	£0
Therapy	2027	£0	£0	£0	£125,000	£125,000	£0
SEN Resourcing Assessment Panel	2028	£1,980,268	£1,926,607	(£53,661)	£11,881,700	£11,881,700	£0
Statemented Pupils Equipment	2029	£110,000	(£376)	(£110,376)	£130,000	£130,000	£0
Quality Assurance of commissioned services	2032	£10,000	£0	(£10,000)	£10,000	£10,000	£0
Out of Borough School Fees	2033	£481,096	£221,204	(£259,892)	£2,406,600	£2,508,651	£102,051
Travellers Children	2034	£332	£0	(£332)	£2,000	£2,000	£0
Tuition Service	2035	£213,324	£141,186	(£72,138)	£880,800	£880,800	£0
Post 16 - New Responsibilities	2036	£343,880	£305,527	(£38,353)	£1,875,000	£1,875,000	£0
Broadband Connectivity	2039	£0	£1,560	£1,560	£0	£0	£0
The Oakfield Project	2040	£41,262	£105,108	£63,846	£0	£0	£0
Portage	2042	£13,142	£28,414	£15,272	£151,700	£151,247	(£453)
Notional SEN	2048	£0	£0	£0	£400,000	£400,000	£0
School Exclusions and short term placements	2049	(£17,500)	£13,085	£30,585	(£335,000)	(£335,000)	£0
High Needs Contingency	2055	£0	£0	£0	£64,600	£0	(£64,600)
New School start-up costs	2056	£0	£0	£0	£0	£0	£0
OVERALL TOTAL		£5,249,390	£7,433,849	£2,184,459	£33,346,200	£32,762,198	(£584,002)

This page is intentionally left blank

2017-18 Dedicated Schools Grant Budget and Forward Look

Schools Forum

Date: 4th July 2017

Author:	Head of Finance – Education
Wards:	All
Locality Affected:	All
Parishes Affected:	All

1. Purpose and Reasons

- 1.1 The Schools Forum meeting on 28th March 2017 received a report on the 2017/18 Dedicated Schools Grant Settlement and Budget. This report provides members with an update on various budget issues that remained unresolved after that meeting. This report addresses:
- High Needs Top-up for PD SRP unit
 - High Needs review
 - Special School Support
 - Oakfield Pre Exclusion Unit
 - New Schools Affecting Swindon's Mainstream Budget
 - Apprenticeship Levy
 - Nyland Campus Outreach Team (NCOT)
- 1.2 These proposals contribute towards delivering the Council Vision Priority "Offer education opportunities that lead to the right skills and right jobs in the right places."

2. Recommendations

The Schools Forum is recommended to:

- 2.1 Note the update relating to Robert Le Kyng PD SRP as detailed in Para. 3.1
- 2.2 Note the current state of the High Needs review as detailed in Para. 3.3.
- 2.3 Approve the use of £22k of reserves to support St Luke's school as detailed in Para. 3.4 – 3.5.
- 2.4 Note that the LA is looking for a sustainable financial model for the Oakfield project as detailed in Para. 3.6 – 3.9.
- 2.5 Note the forecasts of required pupil growth funding that will need to be considered as part of future budget setting processes as detailed in Para. 3.10 – 3.11.
- 2.6 Note the current review of the apprenticeship levy arrangements for maintained schools as detailed in Para. 3.12.

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

2017-18 Dedicated Schools Grant Budget and Forward Look

Schools Forum

Date: 4th July 2017

- 2.7 Discuss the views of SAPH in relation to the Nylands Campus Outreach Team as detailed in Para. 3.13 -3.14.

3. Detail

High Needs Top-up for PD SRP unit

- 3.1 At the March meeting of this forum members requested that the Head of Education review the Special Resource Provision ('SRP') provision (Physical Disabilities (PD)) at Robert Le Kyng School to ascertain why the SRP funding currently provided was not sufficient to meet the running costs of the SRP.
- 3.2 The Head of Education visited the school and met with the headteacher to review running costs. As has previously been reported, the key reason for the higher costs is that the school uses skilled support staff (HLTAs, known at the school as STAs) as opposed to less skilled teaching assistants. The school has explored restructuring the provision but removing the roles is not an option, as the roles would still remain largely the same (as advised by Schools HR). Reducing staffing was also explored but this would cause a safety risk for some pupils who cannot be left unattended due to their medical needs. Many of the pupils, have considerable additional needs to their PD requirements.
- 3.3 As noted in the Actual Year End School Balances report elsewhere in the agenda, the school have continued to push through efficiencies in the SRP budget. They have also reviewed the SRP support and appointed entry level TAs as STAs leave, this is one of the school's long term strategies to reduce the staff costs in the SRP. Including the additional £40k of funding, the draft SRP budget currently shows a deficit balance of £64k in 2017/18. The mainstream budget has to be at least £64k in surplus to enable the school to continue to pay salaries and for cash flow purposes.

Members of Schools Forum are now asked to:

- **Note the update relating to Robert Le Kyng SRP.**

High Needs review

Members of Schools Forum are now asked to:

- **Note the current state of the High Needs review.**

- 3.4 A verbal update will be provided at the meeting by the Head of Education

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

2017-18 Dedicated Schools Grant Budget and Forward Look

Schools Forum

Date: 4th July 2017

Special School Support

- 3.5 Members will be aware that St Luke's school is facing severe financial hardship and a number of measures have been put in place to support the school. The school has reviewed how it educates students, in order to address a number of safeguarding issues the school has started to use an offsite education facility. This is a short term arrangement whilst more permanent changes are made in the way the school is organised, this additional facility has left the school facing an additional one off cost of £22k this year
- 3.6 The alternative to this approach would have been to close the school which would have resulted in the need to relocate the pupils to alternative provisions, many of which would have been out of borough. Schools Forum are requested

Members of Schools Forum are now asked to:

- **Approve the use of £22k of reserves to support St Luke's school.**

to approve the use of reserves to meet this one off cost.

Oakfield Pre Exclusion Unit

- 3.7 Members may be aware that a consortium of secondary schools have been running the Oakfield project for year 10 & 11 pupils for the last few years. There is a recognition amongst secondary schools that the service provides a good educational outcome for pupils, and it is a good alternative to a permanent exclusion.
- 3.8 The project accommodates pupils from secondary schools in Swindon; the member schools provided a commitment before each academic year to fund a guaranteed number of places, any additional places were offered to non-members at a higher cost per place. This model has become difficult to sustain given the financial pressure that schools are facing, and currently there are only two member schools who feel they are able to sustain their historic level of support.
- 3.9 As members will also be aware there is a review currently being undertaken of all of the alternative provision and the way in which the exclusion process works going forward. The educational view is that the Oakfield project is an important part of the alternative provision within Swindon, however a sustainable financial model is required for the project in to future years.

2017-18 Dedicated Schools Grant Budget and Forward Look

Schools Forum

Date: 4th July 2017

- 3.10 The Head of Education is currently exploring alternative arrangements to sustain this project over the next year so that its future can be considered as part of the alternative provision review.

Members of the Schools Forum are now asked to:

- Note that the LA is looking for a sustainable financial model for the Oakfield project.

New Schools Affecting Swindon's Mainstream Budget

- 3.11 As members will be aware the LA has been successful in securing two new primary free schools at Badbury Park and Abbey Farm. There are also two new secondary free schools at The Great Western Academy (North Swindon) and The Deanery (Wichelstowe). The LA also requires another 2 Form of Entry ('FE') primary school in the vicinity of Tadpole Garden village. These new schools will need to be included on future years Authority Proforma Toolkit ('APT') returns and will need to be funded from the central support section of the Dedicated Schools Grant ('DSG') budget.
- 3.12 Current guidance from the Department for Education ('DfE') is not clear how funding for growth will be provided after 2017/18. The assumption in the DfE model assumes that the pupils will move within the LA area and therefore no additional funding is required for the LA. However as the schools noted above are all in new build areas the pupils that will be attending them are new to the Swindon area, and it is not clear how this will be reflected in Swindon's funding formula. In addition if the LA is required to build the new Tadpole school then setup costs will also be payable. The table below sets out the potential growth funding budget required in the next two years, members will see that the forecast shows that the budget rises from the current £580k to £3.68m in 2019/20.

School	Forms of Entry	Year of opening	No of pupils	Places funded @ 7/12	2017/18	2018/19	2019/20
Existing commitment					£579,910	£389,432	£273,357
Abbey Farm	2	2018	60	35		£183,735	£517,766
Badbury Park	1	2018	30	17.5		£124,419	£316,834
Great Western	5	2018	150	87.5		£533,835	£1,631,700
The Deanery	7	2019	210	122.5			£670,546
Tadpole 2	2	2019	60	35			£271,761
					£579,910	£1,231,421	£3,681,964

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

2017-18 Dedicated Schools Grant Budget and Forward Look

Schools Forum

Date: 4th July 2017

Members of the Schools Forum are now asked to:

- **Note the forecasts of required pupil growth funding that will need to be considered as part of future budget setting processes.**

Apprenticeship Levy

- 3.13 Members will be aware that if a school is required to pay apprenticeship levy then these will have commenced on the 1st April 2017. Maintained schools payroll providers have been making these deductions and payments to HMRC. The LA is currently working to ensure that these payments are correctly reflected in the LA's payment record and is reviewing the processes for schools to access the levy fund to support their apprentice training.

Members of Schools Forum are now asked to:

- **Note the current review of the apprenticeship levy arrangements for maintained schools.**

Nyland Campus Outreach Team (NCOT)

- 3.14 The October 2014 Forum agreed that this service provided by the White Horse Federation from the Nylands campus should be delegated to schools from 2016/17. The Primary Age Weighted Pupil Unit ('AWPU') rate was uplifted by £12.33 per pupil. In order to provide this service centrally the charge for 2017/18 remained at £12.33 per pupil.
- 3.15 This service was originally agreed to be supported for 3 years from 1st April 2015 to 31st March 2018, Swindon Association of Primary Head teachers ('SAPH') have discussed the service and wish to update members of this forum of their views on retaining this service beyond 1st April 2018.

Members of Schools Forum are now asked to:

- **Discuss the views of SAPH in relation to the Nylands Campus Outreach Team.**

4. Alternative Options

- 4.1 Members of the Forum may provide alternatives in the course of the meeting.

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

2017-18 Dedicated Schools Grant Budget and Forward Look

Schools Forum

Date: 4th July 2017

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 Legal and Human rights implications have been taken into account in preparing this report. It is considered that the recommendations are compatible with Convention Rights.

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

- 5.3 No additional implications were raised in the preparation of this report.

Diversity Impact Assessment

- 5.4 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

- 5.5 Any specific risk management implications are highlighted in the body of the report.

6. Consultees

- 6.1 Director of Finance (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 None