

2018/19 Dedicated Schools Grant Update

Schools Forum

Date: 18th July 2018

Author: Finance Manager – Education

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

1.1 The Schools Forum meeting on 17th January 2018 received a report on the 2018/19 Dedicated Schools Grant Settlement and Budget. This report provides members with an update on various issues that have arisen since that meeting. This report addresses:

1. The Oakfield Project
2. High Needs update including the impact of September 2018 increase in places and an update on Special Free School Place funding
3. Advisory Teaching Services (previously referred to as Commissioned Services)
4. Post 16 budget update
5. Early Years Funding
6. Notional SEN
7. Termination of employment costs
8. SEND Capital
9. Basic Need Funding
10. Free Schools
11. Consultation on 2019/20 Local Funding Formula for Schools and Academies

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.”

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2. Recommendations

The Schools Forum is recommended to:

- 2.1 Note that the Oakfield project will transfer as an entity to EOTAS and this will take place by the 2018/19 academic year (July 2019) (Para. 3.3)).
- 2.2 Note the High Needs update on the intended actions in 2018-19 (Para. 3.5 – 3.12)
- 2.3 Agree to set up a High Needs Sub Group (Para. 3.10)
- 2.4 Note the 2019/20 full year impact of the increased places in September 2018 (Para. 3.13 – 3.15)
- 2.5 Note the change in responsibility for funding places in Special Free Schools from April 2019 (Para. 3.16 – 3.18)
- 2.6 Note that a full review of the Advisory Teaching Services will be reported to Schools Forum in October (Para. 3.19)
- 2.7 Note the LA's latest estimate is that a total of 353 FTE post 16 (excluding sixth form) high needs students will need to be financed during the 2018/19 academic year (Para. 3.23)
- 2.8 Note the annual allocations for categories of providers and the overall financial year and academic year budget position shown in Table 3 (Para. 3.27)
- 2.9 Note a contingency budget of £0.230m for 88 identified high needs students with no confirmed destination in the financial year (Table 3)
- 2.10 Note that the current budgeted figures would result in an underspend of £380k, and that the banding values / contingency will be reviewed as part of the October Schools Forum report (Table 3)
- 2.11 Agree the 2018/19 indicative banding values shown in Table 4
- 2.12 Note that the indicative banding values will be reviewed if there is significant variance in actual take up of places (Para. 3.29)
- 2.13 Agree a stakeholder consultation by the Early Years team to assess the impact of reducing the number of Tasks per term, and to increase the funding paid up front for 3 and 4 year olds from 50% to 75% and also to assess demand for monthly payments (Para. 3.33)
- 2.14 Note that following the consultation the outcome will be reported to January's Schools Forum meeting for implementation prior to the commencement of the summer term 2019 (Para. 3.36)

Further information on the subject of this report can be obtained from Anne Mackay, Finance Manager - Education on 07795 256545 or amackay@swindon.gov.uk

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- 2.15 Agree a stakeholder consultation assessing the impact of amending the middle rate funding criteria for 3 and 4 year old funding (Para. 3.39)
- 2.16 Note that a consultation will take place on options for the 2018/19 Notional SEN formula (Para. 3.43)
- 2.17 Agree that the LA can offset any termination of employment costs against the savings made in each DSG service area, where the termination of employment costs are less than the savings incurred (Para. 3.45)
- 2.18 Note that if agreement is given the LA will apply to the Secretary of State for a Disapplication of the Finance Regulations in autumn 2018 (Para. 3.45)
- 2.19 Note the update on SEND Capital (Para. 3.46 – 3.48)
- 2.20 Note the update on Basic Need Funding (Para. 3.50)
- 2.21 Note the update on Free Schools (Para. 3.52 – 3.54)
- 2.22 Note that the LA will arrange a consultation event for all schools and academies in November (Para. 3.57)
- 2.23 Note that an Extraordinary Schools Forum meeting may be required to agree on principles of the new formula for 2019/20 (Para. 3.58)

3. Detail

Settings

- 3.1 The Dedicated Schools Grant (DSG) is ring fenced funding provided by the Department for Education (DfE) to meet the educational needs of early years, school age and all 0 to 25 year old high need pupils, any decisions on how the grant is utilised indirectly affects all settings.

Alternative Provision – Oakfield Project

- 3.2 The Oakfield project has been a successful Key Stage 4 pre-exclusion setting which has provided for between thirty to thirty five pupils at risk of exclusion. It was due to close in 2010 as the local authority felt it could no longer run the provision on financial grounds. At the time though, secondary schools felt that it should continue and took over the management of the project in the belief that they could reduce costs and still run it effectively. Since September 2017, the project has come back under local authority control with a management committee temporarily managing the provision. At the school's forum meeting in December 2017, it was agreed to ensure that additional funding was provided to Oakfield to enable it to have a balanced budget. A budget of £0.150m has been established in 2018/19 and this will be used to partially offset the cost of places commissioned by Swindon Schools and Academies.

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- 3.3 The Oakfield project will move into the EOTAS provision in the academic year 2018/19. This will involve a transition period which is necessary due to the complexities of the site itself and integrating staffing into EOTAS. Once this has been achieved, a further report will be presented to Schools Forum (Spring 2019) to review the funding that will be required to support the project within EOTAS, it is expected that the current budget may be reduced as there should be some efficiencies due to economies of scale.
- 3.4 More information may be obtained from Peter Nathan, Head of Education pnathan@swindon.gov.uk.

Members of Schools Forum are now asked to:

- **Note that the Oakfield project will transfer as an entity to EOTAS and this will take place by the 2018/19 academic year (July 2019) (Para. 3.3)**

High Needs update

- 3.5 The transfer of 0.5% schools block (£0.659m) to the high needs block was approved in the expectation that schools forum would be appraised of the intended action in 2018-19 to address the issues around sufficiency for high needs provision within the future envelope of the high needs budget allocation.
- 3.6 The growth in child population continues to be out-matched by the growth in demand for high needs funding at SEN Support and EHCP level. There is multi-agency senior leader engagement with the impact of Swindon's level of demand. There are early indications that the rate of increase in new statutory plans is reducing and that numbers at SEN Support are stabilising.
- 3.7 EHCP data indicates that Swindon continues to identify complex needs at an early age and cessation of plans over time, is not yet a significant or consistent feature.
- 3.8 Based on January 2018 data, new EHCP issued during the 2017/18 year rose by 19.4%, nationally by 14.4%. We refuse initial requests for assessments at a far lower percentage (0.5%) compared with National 22.6% and only a low proportion do not proceed to an issued EHCP 1.7% compared to National 6.7%. The planned review of guidance and decision making criteria will support a better understanding of whether this is appropriate for our local context.
- 3.9 The SEND Strategic Board to underpin the strategic direction of SEND in Swindon, agreed to a strategic action plan with seven work streams.

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Work stream <i>What is working well and why, identifying and enabling what needs to change and how we know it is better.</i>	Governance lead <i>Challenge, monitoring, accountability</i>	Key tools/documents
1. Governance and Strategy	SEND Strategic Board	SEND Strategy
2. Performance and accountability	Quality and Improvement sub group	Self evaluation framework (SEF)
3. Joint commissioning and Local Offer	Joint Commissioning Group, ASD Strategy & Early Help Board Quality and improvement sub group	Joint Commissioning Strategy Local Offer compliance & annual reports
4. Participation and engagement	Participation and engagement SEND Board sub-group	Self-evaluation framework
5. Whole system approach to SEND 5a. High Needs Review implementation	SEND Strategic Board & Schools Forum	High Needs Review Report
6. Sufficiency and accessibility planning	SEND Strategic Board Participation and engagement sub group	Sufficiency plan Schools Forum HN paper Accessibility plan
7. Transfers & transitions, preparation for adulthood	Transition Board Participation and engagement sub group	HE and SI strategies

Further information on the subject of this report can be obtained from Anne Mackay, Finance Manager - Education on 07795 256545 or amackay@swindon.gov.uk

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- 3.10 Work streams 5 & 6 are of particular relevance to Schools Forum and are likely to carry financial implications. They are a follow up to the High Needs review carried out in July 2017. The LA recommends establishing a High Needs subgroup for a period of two years, Schools Forum are asked to agree to this proposal. Volunteers for the High Needs subgroup will then be sought. This is to oversee and support options appraisal in order to deliver the recommendations set out in the High Needs review and the operational implementation delivered by the work streams. The High Needs review is attached at Appendix A.
- 3.11 The Local Authority review of Special Educational Needs & Disabilities Assessment & Commissioning Team ('SENDACT') have identified potential for both efficiencies and development through work with a new platform and management system provider. This is expected to support a more dynamic and accessible Local Offer platform and potentially a more accessible statutory assessment process for parents and young people, providers and officers.
- 3.12 Further information may be obtained from Roz Pither, Strategic Commissioner Special Educational Needs and Disability (SEND) 07823 525243
rpither@swindon.gov.uk

Impact of September 2018 increase in places

- 3.13 In 2018/19 the number of specialist places in Special Schools and Special Resource Provision is a net increase of thirty nine from September 2018, to 826. Twenty of the places are in the new Special Free School, Churchward which opens in September 2018, the place funding is currently funded directly by the ESFA. From 2019/20 the place funding will be included in the LA's High Needs budget as per Para. 3.16, this will require a place funding budget of £0.200m in 2019/20 but the change in responsibility is expected to be fully funded in 2019/20 by the ESFA for 2018/19 places.
- 3.14 To maintain the September 2018 provision through 2019/20 it is expected that a further budget of £0.67m of place funding will be required for the net increase of nineteen additional places. Based on budgeted average bandings a further budget in excess of £0.580m for High Needs top ups is estimated to be required for the thirty nine places. All additional places commissioned after September 2018 will increase the pressure on the High Needs block.
- 3.15 The DSG High Needs budget allocation is expected to increase as the pupils filling the September places will be included in the £0.004m per pupil basic entitlement funding. The additional 19 places should increase the 19/20 DSG High Needs allocation by £0.076m.

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Update on Special Free School Place funding

- 3.16 ESFA currently hold the budget and provide place funding for Special Free Schools but from April 2019 the responsibility for funding places at Special Free Schools moves to Local Authorities DSG High Needs Block.
- 3.17 The ESFA will provide additional High Needs block in 2019/20 by including the Special Free School commissioned places filled in September 2018 in the basic entitlement (as above) and they will also adjust the 2019/20 DSG High Needs block by £0.006m for each 2018/19 Special Free School place. The LA will notify the ESFA of the number of places to be funded and the ESFA will deduct the place funding from the DSG High Needs Block and pay it to the Special Free School.
- 3.18 Churchward Free School opens in September 2018 with 20 places and is expected to rise to 36 in September 2019. £0.200m place funding will be required in 2019/20 to fund the 20 places open in September for the full year as per the funding requirement in Paragraph 3.13. A further place funding budget of £0.093m is required for the additional 16 places from September 2019. The ESFA's expectation is that the new responsibility for Special Free School place funding in LA's budget will be cost neutral but they are yet to establish how place funding for Special Free Schools growing to capacity will be funded and how to mitigate the cost pressure that significantly increasing place numbers will put on LAs' budgets. The High Needs top up budget will need to be increased for the additional places from September 2019 from within the overall 2019/20 DSG allocation.

Members of Schools Forum are now asked to:

- **Note the High Needs update on the intended actions in 2018-19 (Para. 3.5 – 3.12)**
- **Agree to set up a High Needs Sub Group (Para. 3.10)**
- **Note the 2019/20 full year impact of the increased places in September 2018 (Para. 3.13 – 3.15)**
- **Note the change in responsibility for funding places in Special Free Schools from April 2019 (Para. 3.16 – 3.18)**

Advisory Teaching Services (previously referred to as Commissioned Services)

- 3.19 A full review of Advisory Teaching Services will be on the agenda for the October Schools Forum meeting. The services were previously referred to as Commissioned Services but they are commissioned for and on behalf of schools, so the change in name better reflects this. The October Schools Forum report is
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expected to bring the outcome of monitoring and review of the services, benchmarking exercise and an options appraisal for consideration for April 2019 and beyond. This is in context of the need to review and rationalise the high needs block expenditure in line with the DSG statutory regulations relating to the ring-fencing of the DSG Schools Block. The 2018/19 Advisory Teaching Services budget can be found in the table below.

Table 1 – Advisory Teaching Services (Previously referred to as Commissioned Services) Budget 2018/19	
Service	2018/19
Commonweal – Physical Impairment Advisory Service	£77,100
Even Swindon – Speech and Language	£22,200
Millbrook – Specific Learning Difficulties Support Service	£66,900
Nylands – Therapeutic services primary SEMH support	£87,410
Red Oaks – Hearing Impaired Support Service (£239.7k) & HI Outreach (£77.5k)	£317,200
Uplands – Autistic Spectrum Disorder	£87,000
Uplands – Junior Autistic Spectrum Condition Support Service	£135,800
Uplands - Visually Impaired and Assistive Technology Support Service	£240,650
Total	£1,034,260
Nylands – Outreach Service - NCOT	Delegated to Primary Schools

- 3.20 Further information on Para. 3.19 may be obtained from Carey Tulloch, SEND Commissioning Manager ctulloch@swindon.gov.uk

Members of Schools Forum are now asked to:

- **Note that a full review of the Advisory Teaching Services will be reported to Schools Forum in October (Para. 3.19)**

Further information on the subject of this report can be obtained from Anne Mackay, Finance Manager - Education on 07795 256545 or amackay@swindon.gov.uk

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Post 16 budget update

- 3.21 The Post 16 academic year runs from August to July, however the DSG is allocated and reported on a financial year basis. Therefore this report is aligned to the financial year.
- 3.22 The total funding available for 2018/19 financial year for post 16 providers (excluding school 6th forms) is £1.875m. Table 2 below shows how the LA's latest 2018/19 commissioning plans compares to the ESFA approved places.

Table 2 – Indicative 2018/19 Academic Year FTE Placements					
	ESFA	Jun-18	Projected	Variance	Notes
	Approved	Actual	Sep-18	Sept To ESFA	
	Places 2018	Placements	Placements	Approved	
Cirencester College	14	6	6	(8)	1
New College	45	81	87	+42	
Swindon College	144	103	78	(66)	
Wiltshire College	4	6	3	(1)	
Colleges Total	207	196	174	(33)	
Training Providers Total	36	24	30	(6)	
ISPs	5	5	4	(1)	2
UET	51	48	58	+7	3
ISP's Total	56	53	62	+6	
Unknown destinations	0	88	87	+87	4
Overall Total	299	361	353	+54	5

- 3.23 The LA expects to fund element 3 top ups for a total of 353 students during the 2018/19 academic year which is an increase of 60 over the ESFA approved placements collated through the High Needs Return. Returns have only allowed limited amendments and our commissioned places remain largely fixed, we are

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not able to control high needs places at provisions out of area such as Cirencester College or at independent provision such as UET.

3.23.1 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.

3.23.2 Note 2 – A total of 4 ISP placements are now expected. 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 is not subject to change through the High Needs Return annually.

3.23.3 Note 3 – The ESFA currently fund 45 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. The college had put forward an exceptional case for additional Element 2 funding to account for continued growth, however this has been refused by the ESFA.

3.23.4 Note 4 – There are 87 students identified as meeting the high needs criteria where a post 16 destination is not yet known. This is normal at this time of the year.

Members of the Schools Forum are now asked to:

- **Note the LA's latest estimate is that a total of 353 FTE post 16 (excluding sixth form) high needs students will need to be financed during the 2018/19 academic year (Para. 3.23)**

Proposed 2018/19 ISP costs

- 3.24 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 2018 are estimated at 62 places with 2018/19 financial year costs of £0.338m.
- 3.25 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

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have been allocated against the same 6 prime need bandings used for special school and SRPs and indicative post 16 banding values were calculated based on the funding envelope provided by the ESFA for the new responsibilities as calculated below:

3.25.1 Total funding envelope financial year **£1.875m**.

3.25.2 Less term 5 and 6 costs from the 17/18 academic year **£0.425m**

3.25.3 Balance available for terms 1-4 of the 18/19 academic year **£1.450m**
(September-March)

3.25.4 Less ISP costs September – March (see table 3 below) **£0.316m**

3.25.5 Balance available for FE Colleges and Training Providers September – March **£1.134m**

3.26 At this stage in the year the LA is unable to confirm precise funding allocations for individual providers because some students have not confirmed their placements for the 2018/19 academic year yet. The table below provides the LAs best estimates which are as follows

Table 3 – Indicative 2017/18 Academic Year Allocations					
	Actual Places June 2018	Latest Estimated places Sept 2018	2018/19 Financial Year payment April – Aug	2018-19 Financial Year payment Sept - March	Financial Year Total April 2018-March 2019
Cirencester College	6	6	£6,427	£8,998.15	£15,425
New College	81	87	£189,228	£264,919.44	£454,148
Swindon College	103	78	£173,719	£145,568.17	£319,287
Wiltshire College	6	3	£10,183	£8,306.57	£18,490
FE College Total	196	174	£379,557	£427,792	£807,349
Training Providers Total	24	30	£23,235	£95,446	£118,682
ISPs	5	4	£78,215	£151,384	£229,600
UET	48	58	£226,131	£385,298	£611,429
Income from Social Care			(£282,187)	(£220,486)	(£502,673)
ISP Total	53	62	£22,159	£316,197	£338,355

Further information on the subject of this report can be obtained from Anne Mackay, Finance Manager - Education on 07795 256545 or amackay@swindon.gov.uk

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Contingency	88	87	0	£230,362	£230,362
Overall Total	361	353	£424,951	£1,069,798	£1,494,749

- 3.27 The projection based on the current known student numbers and the bandings allocated would mean a total financial year spend of £1.495m, this is £0.380m below the current budget of £1.875m. This is partly because of an increase in special school 6th form places. The banding values / contingency will be reviewed as part of the report to be presented to Schools Forum in October.
- 3.28 A contingency budget of £0.230m has been established for the period September-March for the identified pupils who are high needs where a destination has yet to be confirmed.
- 3.29 A 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 17/18 banding values are maintained. However, this will be reviewed following enrolment in the new academic year if there is a significant variance in actual take up of places. Table 4 below shows the proposed funding values for September 2018.

<u>Table 4 – Proposed 2018/19 Post 16 High Need Band Values & Supplements</u>			
<u>Universal Banding Descriptor</u>	<u>Values 2017/18 Academic Year (AYr)</u>	<u>Indicative Values 2018/19 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

- 3.30 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.

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- 3.30.1 Medical Needs: for students with a significant medical need that would require a high level of medical assistance/supervision.
- 3.30.2 Manual Handling: for students with a disability that would require a significant level of manual handling.
- 3.30.3 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.
- 3.30.4 Workshop / high risk environment: for students working in a higher risk learning environment that would require additional support/supervision.
- 3.30.5 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.
- 3.31 More information on Para. 3.21 – 3.30 may be obtained from Carey Tulloch, SEND Commissioning Manager ctulloch@swindon.gov.uk

Members of the Schools Forum are now asked to:

- **Note the annual allocations for categories of providers and the overall financial year and academic year budget position shown in Table 3 (Para. 3.27)**
- **Note a contingency budget of £0.230m for 88 identified high needs students with no confirmed destination in the financial year (Table 3)**
- **Note that the current budgeted figures would result in an underspend of £380k, and that the banding values / contingency will be reviewed as part of the October Schools Forum report (Table 3)**
- **Agree the 2018/19 indicative banding values shown in Table 4**
- **Note that the indicative banding values will be reviewed if there is significant variance in actual take up of places (Para. 3.29)**

Early Years Funding Processes

- 3.32 Early years funding is currently paid to providers via a digital solution supplied by Capita One. Providers submit headcount information through Tasks; Interim Task submitted prior to start of term and equates to 50% of 3 and 4 year old funding and 75% of 2 year old funding paid up front, Actual Task which is the balance (remaining 50% of 3 and 4 year old funding and 25% of 2 year old funding) and finally an Amendment Task which allows for any changes to be

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accounted for such as increase in hours or new starters. Each Task takes places each term (Summer, Autumn and Spring). In total there are nine Tasks over a financial year.

- 3.33 Each Task involves time and resource commitment from providers, early years funding team, finance team and ICS team to administer. Schools Forum Members are asked to approve a consultation with stakeholders to explore the possibility of removing one Task from each term. The proposal is to replace the Interim Task with the Actual Task. The Amendment Task would remain unchanged. This would leave two Tasks per term, reducing the total tasks over a financial year by three.
- 3.34 To ensure providers are not financially burdened by this change the proposal is to increase the funding paid up front at the start of term for 3 and 4 year olds to 75%. This is in line with the rate 2 year old funding is paid. With the introduction of 30 hours free childcare policy providers are now more dependent on the income received through early years education funding and therefore this should be recognised.
- 3.35 As part of the consultation providers will be given the opportunity to provide feedback with regards to demand for monthly payments as opposed to a percentage of whole terms funding paid up front. This is in line with Department for Education recommendations that local authorities should give providers the option of being paid monthly from September 2018.
- 3.36 The proposal is to carry out a consultation during the autumn, reporting findings to January's Schools Forum meeting for implementation of any changes prior to commencement of the summer term 2019.

Members of the Schools Forum are now asked to:

- **Agree a stakeholder consultation by the Early Years team to assess the impact of reducing the number of Tasks per term, and to increase the funding paid up front for 3 and 4 year olds from 50% to 75% and also to assess demand for monthly payments (Para. 3.33)**
- **Note that following the consultation the outcome will be reported to January's Schools Forum meeting for implementation prior to the commencement of the summer term 2019 (Para. 3.36)**

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Early Years Funding Rates – 3 and 4 year olds

- 3.37 Since April 2017 Early Years providers have been given the option of selecting three different funding rates for 3 and 4 year olds. The three rates are dependent on flexibility as follows:
- 3.37.1 Base rate £3.86 + £0.14 enhancement which equals £4.00 per hour for Providers who deliver funded places term time only, and offer funded sessions for fewer than 10 hours per day.
- 3.37.2 Base rate £3.86 + £0.14 enhancement + £0.35 flexibility supplement, which equals £4.35 per hour for providers who deliver funded places all year round (at least 48 weeks of the year), and offer funded sessions for fewer than 10 hours per day
- 3.37.3 Base rate £3.86 + £0.14 enhancement + £0.70 higher flexibility supplement = £4.70 per hour Providers who deliver funded places all year round (at least 48 weeks of the year), and offer funded sessions consecutively for 10 hours per day or more
- 3.38 There are a number of providers who could operate flexible all day sessions (at least 10 consecutive funded hours per day) however are prohibited from offering all year round (at least 48 weeks per year) sessions due to lack of premises out of term time, for example PFI schools. These providers are offered no incentive to offer this so are limited to the lower funding rate which doesn't make offering the flexibility financially viable.
- 3.39 The proposal is to consult on a change to amend the middle funding rate to include providers who offer funding sessions consecutively for at least 10 hours per day OR at least 48 weeks per year.
- 3.40 The consultation would be included as part of the wider consultation proposed to cover Early Years Funding Processes.
- 3.41 More information on Para.3.32 – 3.40 may be obtained from Danielle Maundrell, Strategic Commissioning Manager – Early Years Planning 07769 281726 dmaundrell@swindon.gov.uk

Members of Schools Forum are now asked to:

- **Agree a stakeholder consultation assessing the impact of amending the middle rate funding criteria for 3 and 4 year old funding (Para. 3.39)**

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Notional SEN formula

- 3.42 The new local formula for financing maintained Swindon schools and academies (as if they were maintained schools) is expected to impact on the Notional SEN formula calculation. The current Notional SEN formula includes the funding allocated for Low Prior Attainment and 40% of Deprivation funding (Free School Meals allocation based on Ever 6 ('FSM') and Income Deprivation Affecting Child Indices ('IDACI')) is deemed to be SEND related. The formula also includes a small percentage, 0.23% in January 2018, of the Age Weighted Pupil Unit funding, this element is flexed to ensure the budget of £0.400m is maximised but not overspent.
- 3.43 The values for all of these formula factors have changed significantly in 2018/19 and there is a new FSM factor. Modelling of options for the 2018/19 Notional SEN formula will be shared in consultation with mainstream schools and academies at the start of the autumn term. The outcome of the consultation will be presented to Schools Forum for deliberation and agreement of the 2018/19 Notional SEN formula.

Members of Schools Forum are now asked to:

- **Note that a consultation will take place on options for the 2018/19 Notional SEN formula (Para. 3.43)**

Termination of employment costs

- 3.44 In Swindon we are transforming our services through a number of work streams in the Swindon Programme. We would like to drive out efficiencies and savings in all service areas, however due to the current School Funding Operational guidance and Finance Regulations. In the School and Early Years Finance (England) Regulations 2017 it states that Schools Forum can approve the charging of termination of employments costs to the DSG in year if the savings achieved are equal or greater than the costs incurred and approved by Schools Forum or the Secretary of State before April 2013, however Statement 3 of the same regulations states that the costs cannot exceed that of the previous year. Swindon have not charged any termination of employment costs to the DSG since before 2013.
- 3.45 The LA asks for Schools Forum's approval to offset any future DSG termination of employment costs against the savings made in each DSG service area, where the termination of employment costs are less than the savings incurred. This will enable the LA to apply to the Secretary of State for a Disapplication of the Finance Regulations, the disapplication process is expected to be available in November 2018 for 2019/20.

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Members of Schools Forum are now asked to:

- **Agree that the LA can offset any termination of employment costs against the savings made in each DSG service area, where the termination of employment costs are less than the savings incurred (Para. 3.45)**
- **Note that if agreement is given the LA will apply to the Secretary of State for a Disapplication of the Finance Regulations in autumn 2018 (Para. 3.45)**

SEND Capital

- 3.46 On the 4th March 2017 the Department for Education (DfE) announced capital allocations specifically for capital investment in provision for pupils with Special Educational Needs and Disability. Swindon was allocated £977,620 over three years from April 2018 (£325,873 per year). Through this SEND Capital Investment Fund the Local Authority wanted to invest in as many schemes as possible that meet the priorities to enable a greater proportion of children with SEND to benefit from this fund. The Local Authority opened a bidding round for match funded projects in order to increase the overall level of investment in SEND provision, but also meet as wide a range of needs as possible.
- 3.47 The Local Authority received a good response of nineteen bids in total. Within these bids there were a lot of nurture/sensory rooms and well-being spaces, a greenhouse and purchase of laptops. Thirteen of the bids were approved and six bids were declined.
- 3.48 Taking into account the thirteen successful bids the total amount of Capital investment funding comes to a total of £279,811.69 with the schools contributing a further 25%. A summary of the bids is set out in Appendix B.
- 3.49 Further information may be obtained from Gareth Cheal, Education Place Planning and Admissions Manager gcheal@swindon.gov.uk

Members of Schools Forum are now asked to:

- **Note the update on SEND Capital (Para. 3.46 – 3.48)**

Basic Need Funding

- 3.50 In May 2018 the Government announced a nationwide allocation of £630m to Local Authorities to provide a basic need of places for 19/20. However, due to

Further information on the subject of this report can be obtained from Anne Mackay, Finance Manager - Education on 07795 256545 or amackay@swindon.gov.uk

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the number of new settings planned to open and offer capacity, Swindon were not allocated any basic need funding along with approximately a third of LAs across the country. Officers will review the school place planning requirements for 2019/20, but with additional secondary places opening at the Deanery and additional primary school places opening at William Morris School and potentially Badbury Park, the initial indications are that there will be sufficient capacity.

- 3.51 Further information may be obtained from Gareth Cheal, Education Place Planning and Admissions Manager gcheal@swindon.gov.uk

Members of Schools Forum are now asked to:

- **Note the update on Basic Need Funding (Para. 3.50)**

Free Schools

- 3.52 In May 2018 the Government announced a new free school wave, which will enable Multi Academy Trusts ('MAT') to apply for new provision in November 2018. The LA has been in discussion with a number of MATs and are actively promoting bids for four new schools in new housing developments around Blunsdon and to the East of Swindon. The Free School wave aims to prioritise thirty five schools in areas of basic need and low standards, but also wants to increase the number of new free schools in the North of England.
- 3.53 It is likely that Swindon will have strong bids submitted and the indication is that the successful schools will be announced in early 2019.
- 3.54 In addition the free school guidance included information about a specific primary/Alternative Provision ('AP') free school wave, with more information being released in summer 2018. The guidance states the DfE will invite local authorities to submit Expressions of Interest (EOI) in summer 2018. Once they have decided which EOIs should be taken forward, the DfE will run competitions in the successful areas and invite applications to open around thirty special and AP free schools. Further information will be reported to Schools Forum in October 2018.
- 3.55 Further information may be obtained from Gareth Cheal, Education Place Planning and Admissions Manager gcheal@swindon.gov.uk

Members of Schools Forum are now asked to:

- **Note the update on Free Schools (Para. 3.52 – 3.54)**

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Consultation on 2019/20 Local Funding Formula for Schools and Academies

- 3.56 In setting the 2018/19 and 2019/20 individual school budgets (ISB) the LA has the option to either use the National Funding Formula ('NFF') formula school funding allocations or to agree a local formula with Schools Forum to enable the LA to deal with local issues including Pupil Growth, subject to consultation with schools and academies. In anticipation of the 2019/20 NFF technical guidance and funding allocation and the timetable information being released by the ESFA, the LA is expecting to hold a consultation on 2019/20 local funding formula with schools, academies and other stakeholders in the autumn.
- 3.57 The LA will arrange a consultation event for all stakeholders to be held in November (provisional date is Tuesday 20th November in the Council Chambers).
- 3.58 The LA anticipates that it will need to arrange an extraordinary Schools Forum meeting in December to agree the formula and principles that will be applied to the funding allocated to Swindon for 2018/19. This will enable the decision on the final formula for 2019/20 to be made at the January Schools Forum meeting. Further information will be presented at the October Schools Forum meeting.

Members of Schools Forum are now asked to:

- **Note that the LA will arrange a consultation event for all schools and academies in November (Para. 3.57)**
- **Note that an Extraordinary Schools Forum meeting may be required to agree on principles of the new formula for 2019/20 (Para. 3.58)**

4. Alternative Options

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

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.

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

7. Background Papers

- 7.1 None.

8. Appendices

- 8.1 Appendix A - High Needs Review
8.2 Appendix B – SEND Capital summary