

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

Schools Forum

Date: 6th October 2015

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

1. Purpose and Reasons

1.1. The Schools Forum meeting on 7th July 2015 received an update on the 2015/16 Dedicated Schools Grant Settlement and Budget. This report provides members with an update on various issues. This report addresses:

- An update on the central equal pay liability
- An update on the Notional SEN changes that were introduced in April
- Early Years update
- Pupil Growth Policy
- Feedback from the SENRAP modelling pilot
- An update on the SRP review
- An update on the general SEN strategy
- An update on the SEN forecasting model
- Trade Union Release Time
- F40 funding group update

1.2. The report then looks forward to the items that will need to be considered as part of the 2016/17 budget setting process.

2. Recommendations

2.1. Members of the Schools Forum are now asked to:

- Note that £0.031m of central funding is being retained to meet central equal pay liabilities and that repayment proposals will be brought to a future Schools Forum for discussion. (Para. 3)

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

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- Note the impact that the funding changes would have had on the 2014/15 notional SEN funding. (Para. 4)
- Note that where a claw-back of funding is required schools will be contacted by the Local Authority ("LA"). (Para. 4)
- Note the current position regarding the take up of early years' places. (Para. 5.1)
- Note that the budget for 2016/17 will need to be reviewed in light of the increasing numbers of students taking up early years' provision. (Para. 5.4)
- Note the potential impact on the number of early years places required following the Governments' announcement increasing early years' entitlement from 15 to 30 hours. (Para. 5.5)
- Note the contents of the letter received from the Early Years Representative (Para. 5.6)
- Note the proposed time table to review the trigger funding policy to accommodate situations outside the current policy. (Para 6)
- Note the changes to the funding applications made to the Special Educational Needs Resource and Assessment Panel (SENRAP). (Para. 7)
- Agree to the principles of universal banding model (Para. 7)
- Note the date of the extra schools forum on the 1st December. (Para. 8)
- Note the contents of the Specialist Provision for Special Educational Needs in Swindon report. (Para. 9)
- Note the work being undertaken to model SEN secondary school requirements. (Para. 10)
- Discuss the union letter with their head teacher associations so that forum can vote on this issue in January (Para. 11)
- Note the minutes of the F40 meeting with the DfE. (Para. 12)

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- Note that there is a need to increase the value of the DSG reserves as part of the 2016/17 budget setting process. (Para. 13)
- Note that as part of the 2016/17 budget setting process the £500k reduction in DSG funding for 6th forms will need to be addressed. (Para. 13)

Update on 2015/16 budget position

3. Update on central equal pay liability

- 3.1. At the July meeting of the forum the LA was requested to clarify the position surrounding the remaining equal pay liability of £0.5m. The current situation is that this is being repaid at the rate of £31k per annum; this loan does not incur any interest charges. However once this amount is repaid the £31k of funding can be included within the amount available for distribution within the wider DSG. When the final outturn figures are known at the end of 2015-16 a proposal will be brought to schools forum to agree the repayment arrangements for this sum.

Members of the Schools Forum are now asked to:

- **Note that £31k of central funding is being retained to meet central equal pay liabilities and that repayment proposals will be brought to a future Schools Forum for discussion.**

4. Update on Notional SEN changes

- 4.1. Forum requested an update on the impact that the Notional SEN changes may have on mainstream schools. In order to illustrate how the changes may affect each setting the funding for 2014-15 has been recalculated using the October 2013 and 2014 data for low prior attainment and statemented pupils. In overall terms this would have resulted in a reduction in spend of £27.6k, thus bringing the total payments to £337k instead of the actual payment of £365k.
- 4.2. Inevitably with the change in payment mechanism there will be an impact on the funding being received by each setting. The largest gain would have been £8k, where the number of Low Prior Attainments (LPA) students increased by 20.07. The biggest reduction was where the number of statemented students fell by 4 combined with a reduction of 3.42 LPA students. **Appendix A** contains a summary of the impact by school.

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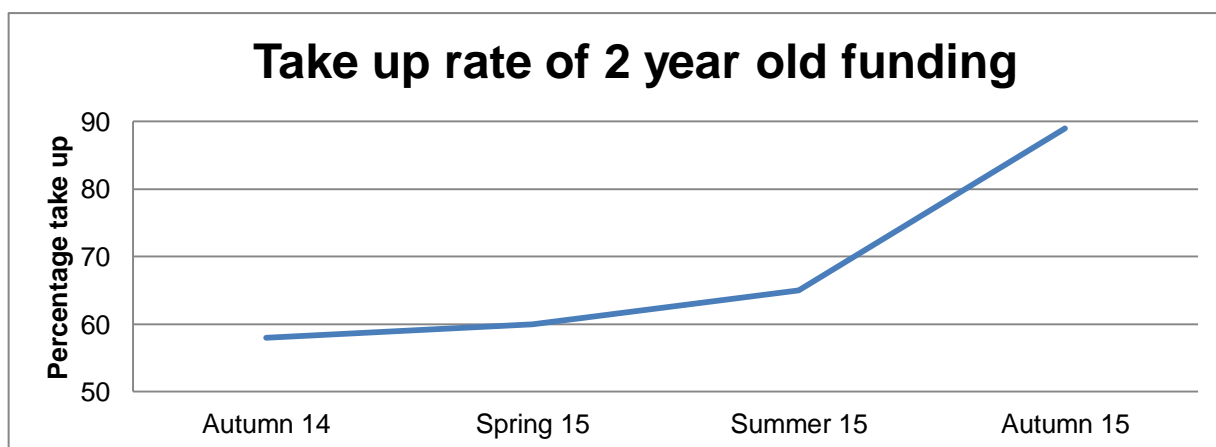
- 4.3. The forum are asked to note that the modelling exercise shows that there would have been a claw-back of funding from some settings where the initial top up was greater than would have been required for the full year.
- 4.4. Forum is asked to note that when the census figures are available later this year the notional SEN will be recalculated and schools will be contacted where a claw-back of funding is required. Any additional SEN funding required will be paid in January.

Members of the Schools Forum are now asked to:

- **Note the impact that the funding changes would have had on the 2014/15 notional SEN funding.**
- **Note that where a claw-back of funding is required, schools will be contacted by the LA.**

5. Early Years Update

- 5.1. Forum will recall that there was a request to use some of the 2 year old funding to recruit an Early Years Engagement officer, and this post has now been filled. During the autumn term the number of 2 year old places has increased significantly to a total of 972 with a further 120 spaces to be created in Autumn 2015 in Abbey Meads Village Centre. Alongside the opening of additional places, the initial work carried out by the Early Years Engagement officer has seen a rise in take up of funding (shown below) through engagement events, social media and encouraging families to take up their entitlement through home visits.



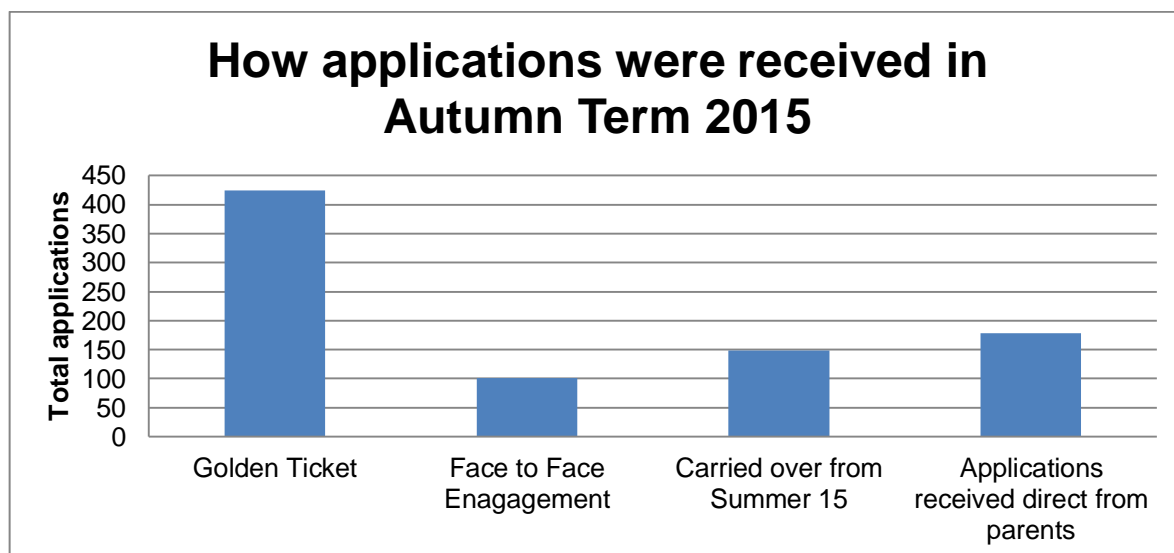
Further information on the subject of this report can be obtained from Ian Burbidge on 01793 464384 or iburbidge@swindon.gov.uk

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- 5.2. The following graph shows how the applications have been received specifically through the improvements made to the way hard to reach families are being engaged with directly.



- 5.3. The post approved by schools forum was a 1 year contract, but with the amount of work already undertaken to engage the economically disadvantaged families to access the funding, and the future increase in 3 & 4 year old funding, there could be a case for this role continuing beyond July 2016.
- 5.4. Forum will be aware from previous reports on this agenda that there has been an issue with setting the budget and estimating the income for the early years DSG funding, this will need to be addressed as part of the 2016/17 budget setting process.
- 5.5. Forum may be aware that the Government has announced the introduction of an increase in the early year's entitlement from 15 hours to 30 hours from September 2017. The DfE has asked for expressions of interest to be submitted for pilots running from September 2016. At present there has been no announcement on the availability of capital or revenue funding to deliver the new entitlement. The LA has conducted some early estimates and expects the new entitlement to require an additional 72 new nursery / pre-schools (each providing places for 26 students i.e. another 1,872 30 hour places) to meet the increase based on the current population of Swindon.
- 5.6. Attached at **Appendix B** is a letter received from Early Years Representative outlining their concerns about the issues that child-minders are currently facing.

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The letter also reflects on the wider concerns of ensuring that funding for staff wages etc. is paid at a rate that allows the national minimum wage to be paid, and allows for the employment of suitably trained managers to ensure that the best outcomes for the children are attained.

Members of the Schools Forum are now asked to:

- **Note the current position regarding the take up of early years' places.**
- **Note that the budget for 2016/17 will need to be reviewed in light of the increasing numbers of students taking up early years' provision.**
- **Note the potential impact on the number of early years' places required following the Governments' announcement increasing early years' entitlement from 15 to 30 hours.**
- **Note the contents of the letter received from the Early Years Representative.**

6. Pupil Growth Policy

- 6.1. At the July 2015 Schools Forum a recommendation was approved to request the School Admissions Forum to establish a task group to review the existing pupil growth policy, which is predominately set up for primary schools to expand on a phased basis. The task group will review alternative options for school expansion and how the policy should be adapted to manage pupil growth at special and secondary schools. The task group is likely to initially meet in November and submit recommendations for the policy to March 2016 forum.

Members of the Schools Forum are now asked to:

- **Note the proposed time table to review the trigger funding policy to accommodate situations outside the current policy.**

7. Feedback from the SENRAP modelling pilot

- 7.1. In April 2015 the LA implemented a pilot scheme to test the universal banding model to allocate top up funds to mainstream schools and academies. The pilot model accepted that all new applications for funding would apply the new mechanism and that this would be subject to a moderation process. As part of the

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pilot modelling the affordability for the SENRAP budget and the work load impact on schools completing applications and the SENRAP panel was assessed.

7.2. The LA remains committed to simplifying the funding application and allocation process, by moving towards a universal banding arrangement for mainstream pupils in receipt of SENRAP funding.

7.3. The principles of the universal banding model are:

- In order to introduce greater consistency and equity between mainstream settings a band based approach is introduced for all mainstream pupils who have a statement of SEN or an EHC Plan.
- The model in mainstream settings will follow the model established for specialist settings.
- The “banding” level will be assessed by the school setting and moderated on at least a bi-annual basis.
- All requests for increases in banding will be moderated.
- All new applications will be moderated.
- Once a banding has been agreed it is anticipated that this will follow the pupil from reception year through to year 11, and if appropriate in to post 16 education.
- The value of each band will be based on the funding available within the SENRAP budget and fixed on an annual basis.

Review of the pilot model

7.4. Schools have been able to request additional funding through an application to SENRAP based on the assessment of the pupil using the existing banding descriptors. As with special schools and SRPs there is scope for mainstream settings to submit a business case for bespoke levels of funding but this would only be for those pupils which have extremely complex or multiple needs which are not adequately reflected in the band descriptors.

7.5. Feedback from schools is that they find the new processes more helpful to quickly access additional resource for each pupil. The SENRAP panel have also found the model to be far less bureaucratic but they are finding inconsistencies in the

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way the banding descriptors are used which will need to be addressed through continued moderation.

- 7.6. There have been a much larger number of applications for additional resource than during the same period last year. This may be due partly to the implementation of the SEND reforms but is also likely to be as a result of making the process less cumbersome.
- 7.7. During the pilot, pupils already in receipt of SENRAP top up funding remained unchanged. As part of the planning for the roll out of the new model from April 2016, schools have been asked to complete a self-assessment using the new banding descriptors.

Moderation

- 7.8. In September 2015 mainstream schools were included in the moderation process alongside specialist provision. Samples from 10 mainstream schools were selected for moderation. Of the sample 66.7% were upheld, 21% increased and 12.5% decreased following moderation. The LA is recommending that on this basis the banding values submitted through the self-audit will be accepted and implemented from April 2016.
- 7.9. Guidance given to schools noted that, generally speaking, pupils attending mainstream schools will usually be banded at levels 5 and 6, whilst bands 1-2 are more likely to be in our specialist settings. The pilot and self-assessment has demonstrated that the highest proportion of pupils have a banding of 3, 4 or 5. The professionals involved in the moderation discussed the difficulties with comparing need across different types of provision, e.g. between mainstream and specialist settings. There was general acknowledgement that the banding was consistent between mainstream settings and the LA is satisfied with this in terms of equity.
- 7.10. The mechanism for moderation in mainstream schools going forward may need to be reviewed.

Affordability

- 7.11. Interim financial values for each "band" were agreed in line with the funding available from the existing SENRAP budget. For the purpose of the pilot, if a school "bands" a pupil at a particular level then the amount of resource they will receive will be based on the published banding funding level. On the basis of the

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self-assessment and pilot data, the current banding values are likely to be reduced from the current level to ensure that they remain within the budget available.

- 7.12. Officers are currently working to model the budget requirements for April 2016, whilst remaining within the budget available. The budget will need to include an element of contingency to meet funding requirements for new pupils entering the system and also to accommodate in year changes to banding levels. Once an appropriate contingency has been established the remaining balance will be allocated to the 6 bands based on the profile of existing students. The results of this exercise will be reported to January Schools Forum.
- 7.13. Full details of the new arrangements will be consulted on with the various head-teacher associations before the January Schools Forum.

Members of the Schools Forum are now asked to:

- **Note the changes to the funding applications made to the Special Educational Needs Resource and Assessment Panel (SENRAP).**
- **Agree to the principles of universal banding model**

8. SRP Funding Review Task Group update

- 8.1. All SRP settings have been sent a budget template to be completed to enable a standardised approach to be used to review the current SRP funding arrangements. The first meeting of this group will be on the 9th October. There is a further meeting planned for the 6th November with an extra Schools Forum meeting on the 1st December. A verbal update of the discussions at the September meeting will be provided to the forum.

Members of the Schools Forum are now asked to:

- **Note the date of the extra schools forum on the 1st December.**

9. SEN strategy update

- 9.1. The SEND reforms provide an opportunity to review and refresh our approach to SEN support in Swindon. Our priority will be to work with key stakeholders to develop a system-wide approach focused on reducing demand for specialist provision and on meeting that demand in the most cost-effective way possible.

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

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This will require significant culture change alongside changes to policy and practice. We aim to develop a culture and working practices that are inclusive by nature and have at their heart a focus on improving outcomes, person-centred practices and co-production.

9.2. Central to the approach will be:

- Strengthening the strategic overview and commissioning for SEND – based upon a rigorous analysis and monitoring of outcomes.
- Building capacity across the system, particularly in mainstream schools.
- Developing the workforce so that being outcomes focused and person-centred is at the heart of their practice.
- Refreshing SEND/EHCP processes, focusing particularly on the SEND Banding descriptors and the role of the SEN Panel.
- Promoting innovative responses to the SEND of children and young people, by working together with families to design the kind of help and support they need to exercise greater control over their lives, including the use of personal budgets.

9.3. Full details of the Specialist Provision for Special Educational Needs in Swindon report can be found at **Appendix C**.

Members of the Schools Forum are now asked to:

- **Note the contents of the Specialist Provision for Special Educational Needs in Swindon report.**

10. An update on the SEN forecasting model

10.1. The LA has been working on new methodology to estimate future SEN pupils in secondary special schools in Swindon. The purpose is to enable strategic and financial planning of provision and allow schools to make long term management decisions. The methodology used is known as the cohort survival method. To predict the number of special school places that will be needed the cohort survival method incorporates and assesses the following information for each primary school based area:

- The proportion expected to enter school based on past experience;

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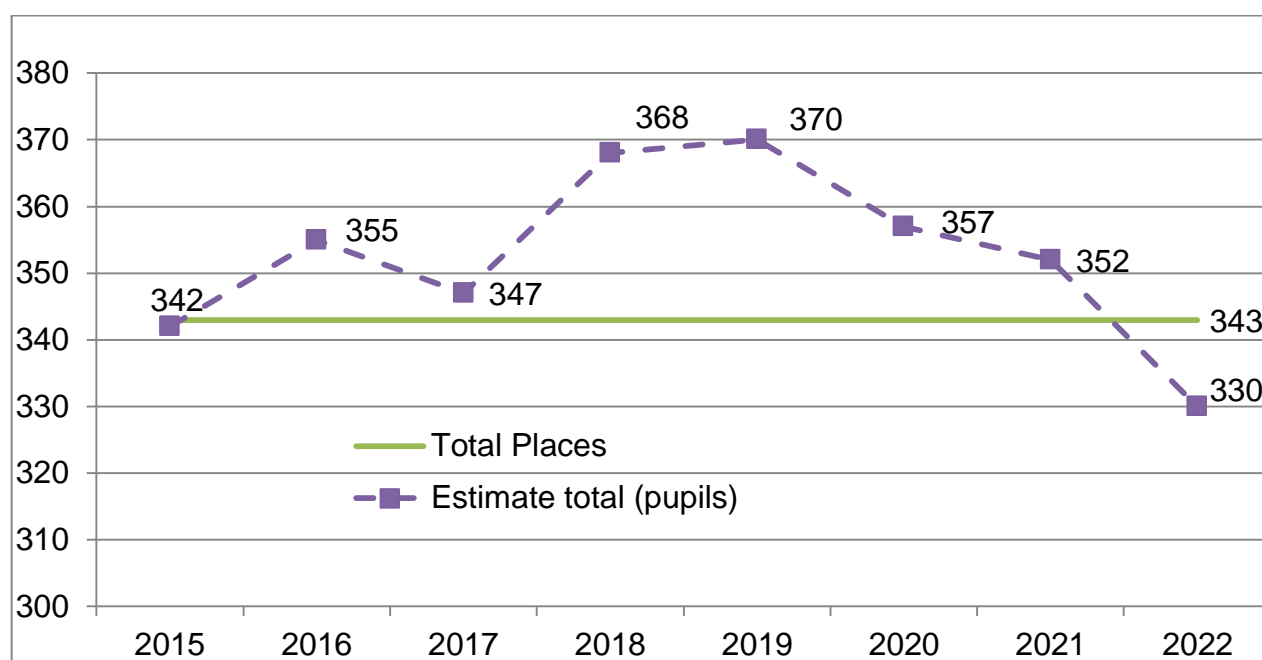
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- The “survival” of that cohort as it moves through school taking account of net migration which occurs in relation to schools’ popularity and the effects of development in their area
- The likely transfer to each secondary school;
- And, for each secondary school, a similar “survival” method, particularly taking account of transfer rates to the sixth form if there is one

10.2. At present the model is being tested with secondary special school head teachers during the autumn and if successful the model will be developed further to forecast special primary schools and special resource provision populations.

10.3. The chart below shows the estimate overall NOR at the secondary special schools up to September 2022 against the current level of capacity.



Members of the Schools Forum are now asked to:

- **Note the work being undertaken to model SEN secondary school requirements.**

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

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11. Trade Union Release Time

- 11.1. The LA has received a letter from four teaching unions regarding trade union release time of which a copy is attached at **Appendix D**. The unions have requested that the forum consider using de-delegation to enable the continuation of this service. A vote will be taken on this issue at the January Schools forum. This service is also provided as part of the traded services arrangements to enable all academies to access this service. Forum members are requested to review this letter with their various head teacher associations to enable this to be voted on at the January 2016 forum.

Members of the Schools Forum are now asked to:

- **Discuss the union letter with their head teacher associations so that forum can vote on this issue in January.**

12. F40 funding group update

- 12.1. Forum Members will be aware of the on-going F40 fairer funding campaign that has been in existence for a number of years. Members will also be aware that in 2014/15 an additional £350m was introduced into the national funding mechanism to address some of the inequalities nationwide. F40 representatives met with DfE colleagues on the 9th September to discuss the groups' proposed changes to the national funding formula. Copies of the minutes are attached at **Appendix E**.

Members of the Schools Forum are now asked to:

- **Note the minutes of the F40 meeting with the DfE.**

13. Look ahead to 2016/17 budget

- 13.1. As reported within the **2015/16 DSG Retained Budget Monitoring Report** on the agenda, there is a concern that the projected DSG reserves will have fallen to £360k by the end of the year. This would not be considered to be a prudent level of reserves given the on-going demand for high needs placements and the increases predicted in early years' place requirements. It is therefore proposed that as part of the 2016/17 budget setting process there will need to be a sum set aside to increase the reserves to a prudent level. The January 2015 Schools Forum report indicated that it was prudent to maintain reserves at £1.154m and

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therefore options will be explored to identify a strategy to restore reserves to a prudent level.

- 13.2. Forum are reminded that the DSG funding receivable was reduced by £486k to reflect the fact that 6th form students were now being funded by the EFA and not from the DSG. This reduction in funding has been funded from reserves brought forward in to 2015/16. It is not possible to repeat this in 2016/17, and therefore the 2016/17 budget will need to accommodate this funding reduction.

Members of the Schools Forum are now asked to:

- **Note that there is a need to increase the value of the DSG reserves as part of the 2016/17 budget setting process.**
- **Note that as part of the 2016/17 budget setting process the £486k reduction in DSG funding for 6th forms will need to be addressed.**

14. Alternative Options

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

15. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

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

Legal and Human Rights Implications

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

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

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

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Links to One Swindon, Plans and Policies

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

Diversity Impact Assessment

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

Risk Management

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

16. **Consultees**

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

17. **Background Papers**

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

18. **List of Appendices**

- **Appendix A** - Comparison of Notional SEN using the new funding model for 2014/15
- **Appendix B** - Reflection of the pressures within the Early Years Sector
- **Appendix C** - Specialist Provision for Special Educational Needs in Swindon
- **Appendix D** - Letter from trade unions regarding trade union release time.
- **Appendix E** - Minutes of F40 meeting of 9th September.