

2018/19 Dedicated Schools Grant Budget

Schools Forum

Date: 20th March 2017

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. Alternative Provision and Learning Review
 2. High Needs update
 3. Early Years and Childcare Sufficiency update
 4. The Oakfield Project update
 5. 2018/19 SRP supplement funding
- 1.2 The LA is required to submit the Section 251 Budget Statement to the ESFA by 30th April 2018. An integral part of this financial statement is the use of the Dedicated Schools Grant. Schools Forum is required to agree various aspects of the DSG budget, and the LA is required to consider the recommendations of the Schools Forum in setting the remainder of the Dedicated Schools Grant Budget.
- 1.3 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 significance and continuation of the Alternative Provision Review as detailed in (Para 3.2 - 3.4).
 - 2.2 Note the update on the intended actions in 2018-19 to address the issues around sufficiency for high needs provision within the future envelope of the high needs budget allocation (Para. 3.5 – 3.11)
 - 2.3 Note the update on bid applications for the Early Years and Childcare Sufficiency Grant (Para. 3.12 – 3.16)
 - 2.4 Note the update on the Oakfield Project (Para. 3.17 – 3.25)
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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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- 2.5 Note that the projected in year project deficit is expected to be lower than previously predicted (Para. 3.19)
- 2.6 Agree that the project's year-end balance which will include the current in year balance already agreed plus the historic financial deficit is funded by the DSG (Para. 3.20)
- 2.7 Agree that commissioned places at the Oakfield Project from September 2018 are charged to Swindon schools and academies at £0.012m per place for the academic 2018/19 year (Para. 3.23)
- 2.8 Note the LA proposal in relation to the new SRP supplement funding (Para. 3.27)
- 2.9 Note the calculation of funding due to schools and academies (Appendix A) and the anticipated payment dates (Para. 3.30)

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 Review

- 3.2 The Alternative Provision review and consultation with schools is still underway and as part of the review officers are developing a town wide inclusion protocol. An update will be provided to the July Schools Forum meeting.
- 3.3 Currently Alternative Provision is struggling to meet demands for its service in both the primary and secondary sectors. There is a need to develop inclusive SEMH practice and expertise in mainstream schools and academies and reduce the demand for Alternative Provision.
- 3.4 More information may be obtained from Marie Horton, Education Commissioner 07341 077537 mhorton@swindon.gov.uk.

Members of Schools Forum are now asked to:

- **Note the significance and continuation of the Alternative Provision Review (Para. 3.2 – 3.4)**

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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.
 - 3.7 The SEND Strategic Board is developing a broad programme of activity to address sufficiency and quality for the local offer for Special Educational Needs and Disability in Swindon.
 - 3.8 Seven work streams have been proposed which includes work stream five which is a whole system approach to SEND. A key programme within this work stream is the implementation of the high needs review report which will need to address banding methodology and moderation, and the application of guidance regarding decision making at the point where an EHC assessment is being considered. The Strategic Commissioner - Special Educational Needs and Disability (SEND) and her leadership team are currently exploring how this work can be resourced.
 - 3.9 The following reviews and strategy developments are underway:
 - 3.9.1 Review of the advisory services.
 - 3.9.2 Quality review of the specialist resource provisions.
 - 3.9.3 Development of a SEND Sufficiency strategy (place planning).
 - 3.9.4 Work to maximise the opportunities made available through successful applications for new Free schools/nurseries.
 - 3.9.5 Increased capacity in mainstream for social, emotional and mental health ('SEMH') needs.
 - 3.9.6 A head teacher's focus group is scheduled for the 19th April to review the proposed action plan for the high needs review implementation.
 - 3.10 The strategic action plan also includes work on joint commissioning, early help and a consistency in approach to the education offer for universal and targeted (SEN Support).
 - 3.11 Further information may be obtained from Roz Pither, Strategic Commissioner Special Educational Needs and Disability (SEND) 07823 525243
rpither@swindon.gov.uk
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Members of Schools Forum are now asked to:

- **Note the update on the intended actions in 2018-19 to address the issues around sufficiency for high needs provision within the future envelope of the high needs budget allocation (Para. 3.5 – 3.11)**

Early Years and Childcare Sufficiency Grant

- 3.12 At 17th January meeting Schools Forum members approved the use of the 2017/18 extended hours entitlement for 3&4 year olds retained funding or any reserves created from an underspend of the Early Years to a maximum total of £0.350m. This funding will be used to create additional Early Years places as identified by the Childcare Sufficiency Assessment report.
- 3.13 To update forum members, as this paper was being prepared bids applications were being invited for the Early Years and Childcare Sufficiency Grant with a deadline of 5pm, Thursday 8th March 2018.
- 3.14 Following this deadline, bids received will be assessed against criteria and a complete list of approved bids will be produced.
- 3.15 A verbal update will be provided during the meeting outlining the total number of bids received, those which have been successful and total number of places to be created.
- 3.16 More information 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:

- **Note the update on bid applications for the Early Years and Childcare Sufficiency Grant (Para. 3.12 – 3.16)**

Oakfield Project Update

- 3.17 The Oakfield project has been a successful Key Stage 4 pre-exclusion setting which has provided for between 30 to 35 pupils at risk of exclusion. Until 2010 the Oakfield Project was the Youth Education Project but at that time the LA forecast that it was no longer cost effective to run so it planned to close the provision. At the time secondary schools felt that it should continue so in discussion with the LA six schools agreed to continue the service. The staff are still employed by the local authority but the finances and running of the project

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have been led by the schools. The financial lead has been through St Joseph's Catholic College with the Head of Commonweal chairing and organising the management committee. The Head of the Tuition Service has had nominal management responsibility for the project. The academies involved in 2010 were St Joseph's Catholic College, The Dorcan Academy, The Commonweal School, Nova Hreod Academy, Lawn Manor Academy and Lydiard Park Academy. St Joseph's College as the financial lead academy was regularly invoiced by the LA for the employer and premises costs to date. No legal agreements were signed at the time between the local authority and schools or between the secondary schools involved in the Oakfield management committee

- 3.18 As notified in the Oakfield Project report to 5th December Schools Forum the project became financially unsustainable last year due to financial challenges faced by schools in recent years leading to the level of funding decreasing as partner academies were less willing to commit to funding places. Although there was an increase in overheads and salary costs the level of funding received for each commissioned place remained at the same level as 2010 and places are now purchased on an ad hoc basis by commissioning schools and academies.
- 3.19 Swindon Borough Council put in place a management committee to manage The Oakfield Project at the start of the 2017/18 academic year and recently notified Schools Forum of a potential in year overspend of £0.120m. Schools Forum are requested to note that it is now anticipated that the projected overspend will be lower following a review of costs and due to savings made by the project.
- 3.20 The project also has a historical deficit that has now been confirmed at £0.140m that was accrued to August 2017 and St Joseph's Catholic College, the financial lead academy, has paid over the net funding they have received and has endeavoured to recoup the historical deficit from the previous partners. At the close of the 2017/18 accounts in April, it is likely that the LA will need to make a provision for this amount as it appears doubtful that the invoices raised will be settled in full. The staffing and premises costs for the Oakfield Project are within the DSG and although to 2016/17 the costs were repaid in full by the lead academy, the 2017/18 year end provision means that there is a further financial implication for the DSG. Schools Forum members are asked to agree that the Project's year-end balance which will include the current in year deficit already agreed plus the historic financial deficit is funded by the DSG.
- 3.21 In 2018/19 a budget of £0.150m has been allocated to complement the commissioned place income to enable the Oakfield Project to remain financially sustainable for the financial year while a long term solution for the project is agreed.
- 3.22 Based on the current model the cost of a place at Oakfield is estimated to be approximately £0.015m, however the project's staffing establishment needs to be

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urgently reviewed as it has been maintained at a minimum since September 2017.

- 3.23 It is anticipated that the true cost of a place will be nearer £0.018m, which is in line with other Alternative Provision. It is proposed that the £0.150m budget is used to partially offset the cost of a place for Swindon academies and maintained schools and that they will be charged £0.012m per place from September 2018. This annual charge will be for all places taken up in the project by a Swindon pupil from September 2018. A charging policy for places commissioned by other LAs is being considered by the management committee, but are expected to be at least £0.018m per place. Schools Forum are asked to agree that commissioned places at the Oakfield Project from September 2018 are charged to Swindon schools and academies at £0.012m per place for the academic 2018/19 year.
- 3.24 It is proposed that an updated charging protocol is drawn up by the LA, this will be shared with schools and academies in due course.
- 3.25 A further update on the Oakfield Project will be reported to Schools Forum in July 2018.

Members of Schools Forum are now asked to:

- **Note the update on the Oakfield Project (Para. 3.17 – 3.25)**
- **Note that the projected in year project deficit is expected to be lower than previously predicted (Para. 3.19)**
- **Agree that the project's year-end balance which will include the current in year balance already agreed plus the historic financial deficit is funded by the DSG (Para. 3.20)**
- **Agree that commissioned places at the Oakfield Project from September 2018 are charged to Swindon schools and academies at £0.012m per place for the academic 2018/19 year (Para. 3.23)**

2018/19 SRP supplement funding

- 3.26 At 17th January meeting it was proposed that a new supplement be provided for pupils in Special Resource Provisions ('SRP') that do not receive an average of £4,000 of mainstream funding as calculated by the Authority Pro-forma Tool ('APT'), which is the government issued tool used to calculate school and academy budgets. In 2018/19 a budget of £0.057m has been created for the new supplement.

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- 3.27 The Education and Skills Funding Agency ('ESFA') have confirmed that the change in SRP funding will apply to maintained schools with an SRP from April 2018 and to academies from September 2018. The LA proposes that the SRP supplement funding is allocated to eligible schools and eligible academies from the date of the change of funding, therefore a full year for maintained schools and for pro-rata (7/12ths) for academies.
- 3.28 As previously notified to Schools Forum the 2018/19 schools funding formula for secondary age pupils to be funded at a minimum per pupil funding level of £4,600, so it is anticipated that only primary schools will be eligible as the minimum per pupil funding for a primary pupil is £3,300.
- 3.29 The 'Post MFG minimum per pupil funding per pupil rate' as calculated by the APT has been used to decide the eligible schools and academies. Primary and secondary schools and academies with SRPs have been included in the check. Only commissioned places filled by SRP pupils in Reception to Year 11 and in receipt of mainstream funding as well as £6,000 place funding will be on the APT and therefore checked for eligibility
- 3.30 The schedule at **Appendix A** details the calculation of funding due to schools and academies with SRPs. It is anticipated that payments will be made to maintained schools in May 2018 and to academies in September 2018.

Members of Schools Forum are now asked to:

- **Note the LA proposal in relation to the SRP supplement funding (Para. 3.27)**
- **Note the calculation of funding due to schools and academies (Appendix A) and the anticipated payment dates (Para. 3.30)**

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.

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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 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 Appendix A - 2018/19 SRP Supplement for SRP provisions not funded at average of £4,000 mainstream funding per pupil