

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

Author: Head of Finance – Education and Innovation

Parish / Wards Affected: All

Purpose

- To update Schools Forum Members on various issues relating to the 2013/14 Dedicated Schools Grant settlement and to seek approval to a number of budget changes.
- To advise Schools Forum Members on the latest Department for Education (DfE) consultation “Review of 2013-14 School Funding Arrangements” which closes on 26th March 2013 and which is likely to have implications for school funding in 2014/15.

Recommendations

The Schools Forum is requested to:

DSG Update (Section 2)

- 1) Note that the estimated value of the **2013/14 DSG** notional funding blocks has been revised to **£145,014,351**, an increase of £429,807 to the 15th January 2013 estimate (Table 1).

Centrally Retained Budget Update (Section 3)

- 2) Note the new arrangements relating to **School Licences** (paragraphs 3.2 – 3.3)
- 3) Note that the LA has delegated the centrally related budget of £22,300 which has been used to fund **Trade Union release time** and to note the options available regarding this matter (paragraph 3.4)
- 4) **Agree** the LA proposal to increase the **centrally retained high needs budget** by **£256,750** in order to enhance notional SEN budgets to the 18 settings which have high proportions of statemented pupils (paragraphs 3.13-3.14 and Annex A)
- 5) Note that the LA has reclassified the **Nylands Outreach Service for Emotionally Vulnerable primary age pupils** as a Borough wide commissioned high needs service and agree the 2013/14 funding (paragraphs 3.15-3.16).

Early Years Funding Update (Section 4 and see separate report)

- 6) **Note** an increase of £200,000 to the 2013/14 budget for **3 and 4 year old** nursery provision bringing the total to **£7,500,000**, which it is anticipated will be met from additional grant.

High Need Settings Funding Update (Section 5)

- 7) Agree that 2013/14 funding for **post 16 pupils at Uplands** should be at the same rate as pre 16 pupils thereby confirming the indicative funding allocation reported at the January Forum at £2,947,266 (paragraphs 5.3 to 5.4)
- 8) Agree 2013/14 top up fees as follows:
 - **Mountford Manor SRP - £11,760** (see paragraphs 5.5 and 5.6)
 - **Stratton Pupil Referral Unit - £8,200** (see paragraph 5.12)
 - **Riverside Anxious and Vulnerable Unit - £8,400** (see paragraph 5.12)

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

- 9) Note that the LA has agreed with EFA that the **Marlborough House CAMHS** provision managed by the EOTAS can be funded as Hospital Education via a separate element of DSG which for 2013/14 is £276,315 (paragraph 5.9).
- 10) Note the **2013/14 pupil funding values** that will be recovered from mainstream settings for both permanently excluded pupils place at Stratton PRU and short term provision at Riverside, Nylands PRU and the Tuition Service (paragraphs 5.13 to 5.14 and Annex B).

Mainstream Funding Update (Section 6)

- 11) Note the **final 2013/14 mainstream formula funding factor values** (Table 3) and **allocations to mainstream settings** (Table 4 and Annex C).
- 12) Note the LA's intention to review the issue of deferred admissions prior to 2014/14 budget setting (paragraphs 6.4 to 6.6).

New Post 16 Funding Responsibilities (Section 7 and separate report)

- 13) Note that the LA is in contact with the EFA regarding a potential shortfall in post 16 funding of £823,000 (see separate report) and agree the LA proposal on how, if necessary, this shortfall will be funded in 2013/14 (paragraph 7.4).

DfE consultation (Section 8)

- 14) Note the scope and timescale of the latest DfE consultation "Review of 2013-14 School Funding Arrangements" (see Annex D) and agree an approach to the submission of a response (paragraph 8.4).

1. Background

- 1.1 At the last meeting of 15th January 2013, Schools Forum members were presented with a detailed report setting out the Local Authority's (LA's) proposals for 2013/14 relating to centrally retained, early years, mainstream and pre 16 high need funding. These proposals had been formulated to meet the requirements of the new Department for Education (DfE) School funding reforms and reflected feedback from various local consultation events.
- 1.2 Forum members approved mainstream funding factor values for 2013/14 including LA proposals to permanently enhance low prior attainment funding and to temporarily increase primary BPPE funding subject to a further benchmarking exercise being undertaken. Following EFA confirmation that the revised local formula complied with the new School Finance regulations, all mainstream settings received their 2013/14 funding allocations (with scope to project 2014/15 and 2015/16 funding) together with a detailed covering letter on 13th February. Although there is a potential shortfall on post 16 funding (which is explained below and in a separate report) the LA does not envisage these allocations changing and schools can therefore plan their 2013/14 budgets (and three year financial plans) two months earlier than previous years. In addition this report includes proposals to provide additional

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

central funding to meet SEN costs in those mainstream settings which have high numbers of statemented pupils.

- 1.3 Funding for pre16 individual High Needs settings was agreed at the last Forum meeting subject to final confirmation of place numbers and funding values. On 12th February the LA sent details of 2013/14 funding to each Special school and SRP (with scope to project 2014/15 and 2015/16 funding) and as no adverse feedback has been received the LA does not envisage that these allocations will change. These settings can also plan their 2013/14 budgets and three year financial plans, albeit with the inherent uncertainties arising from the “place plus” funding model.
- 1.4 This report explains minor changes to the Mountford Manor SRP, Nylands PRU and EOTAS service top up values which will not affect their overall funding but will minimise administration requirements arising from charging host schools. The LA has also been able to reclassify the Nylands Outreach service for emotionally vulnerable pupils as a commissioned service which also avoids the need to implement the risks and administration associated with place plus funding.
- 1.5 Further updates and proposals are included in this report relating to early years.
- 1.6 As explained in a separate report on today’s agenda the LA has, over recent weeks, focussed on understanding the implications of the new post 16 Special Education Needs funding responsibilities. This has raised concerns that there may be a significant shortfall between the costs of meeting new responsibilities and the additional DSG that has been provided. This report provides proposals on how this shortfall can be addressed in 2013/14 and 2014/15 without amending any of the 2013/14 school allocations, although this remains a significant longer term risk.
- 1.7 As anticipated by the LA in the 15th January 2013 DSG report, the DfE are concerned that there are still wide differences between funding levels and allocations between LAs and on 14th February they launched a new consultation which ends on 26th March 2013. This provides a clear indication of the areas in which the LA may need to implement changes in 2014/15, prior to the introduction of a national school funding formula in 2015/16. This is attached at Annex D. There are various options on how a consultation response could be formulated which are described below in Section 8.
- 1.8 This report is structured as follows:
 - Section 2 – DSG Funding Update
 - Section 3 – Centrally Retained Budget Update
 - Section 4 – Early Years Update
 - Section 5 – High Needs Settings Update

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

- Section 6 – Mainstream Settings Update
- Section 7 – Addressing the post 16 high needs funding shortfall
- Section 8 – DfE Consultation

2. Estimated DSG Funding Update

- 2.1 In January the LA provided its estimate that based on the 19th December 2012 DfE announcement, DSG funding in 2013/14 would be approximately £144.585m subject to further changes arising from the finalisation of post 16 high needs funding. The LAs budget proposals presented at the last Forum meeting were based on an assumption that the additional costs of meeting its new post 16 high needs costs would be fully met from an additional DSG allocation of £432,000. Our projected DSG calculation has been revised as follows:

Table 1 – Calculation of Estimated DSG Funding 2013/14	
January 2013 DSG estimate	£144,584,544
Notified DSG Adjustments since January 2013	
• Hospital School Grant Funding – the LA has secured additional DSG to cover costs of operating the Marlborough House CAMHS service	£276,315
• NMSS Baseline Adjustment – SBC DSG has been reduced to reflect reducing payment liabilities for non-maintained special schools	-£90,000
• NMSS Grant Addition – SBC DSG has been increased to provide a contribution to top up funding currently paid direct by the EFA	£19,825
DSG Settlement @ 26 February 2013	£144,790,684
Further anticipated DSG Adjustments	
• Growth In High Needs Places – EFA will provide “place funding” for an additional 22.8 Special/SRP/PRU places	£223,667
• Early Years Numbers Adjustment on Jan 13 Count	TBC
Latest DSG Settlement @ 5th March 2013	£145,014,351

- 2.2 Although the overall estimated value of 2013/14 DSG has increased since the January 2013 estimate by £0.429m the position on post 16 high need responsibilities has become clearer and appears to be unfavourable. As reported elsewhere on today's agenda the LA has sought a review of our post 16 funding position as our costings have identified that there is a substantial shortfall between additional costs and additional funding of £0.823m.
- 2.3 It is relevant to note that whilst the overall DSG is still ring-fenced for education purposes, the individual DSG blocks are not ring fenced and LAs continue to be responsible for taking decisions on the use of DSG in consultation with their Schools Forum. Given that pre 16 DSG is already heavily subsidising the costs of post 16 high needs provision, the LA does

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

not believe that a further subsidy is appropriate. The implications of the estimated shortfall on post 16 funding are addressed in Section 7. Fortuitously a surplus position is projected on early years DSG for disadvantaged 2 year olds which can cover the post 16 shortfall if necessary.

Schools Forum is asked to note that the value of 2013/14 DSG is estimated at £145,014,351.

3. 2013/14 Centrally Retained Budget Update

- 3.1 The majority of items which are to be included in the 2013/14 centrally retained budget were agreed in principle by the Forum in October and confirmed at the 15th January 2013 meeting. Updates are provided below in respect of Licencing arrangements, Funding for Trade Union Facilities, Increased SEN funding and a reclassification of the Nylands Outreach service for emotionally vulnerable primary age pupils.

School Licenses

- 3.2 On 19th December 2012 LAs were unexpectedly advised that licenses for Copyright Licensing Agency and Music Publishers Association would be managed centrally by DfE on behalf of all Schools and Academies. This replaces existing arrangements whereby local contracts are managed by LAs on behalf of all schools in their areas. The LA has therefore made provision of £60,000 in the retained budget to meet the costs of directly paying subscriptions on behalf of all Swindon Schools and Academies.
- 3.3 Letters were sent to all Headteachers on 7th February 2013 explaining the above changes and also advising them of the 2013/14 costs of other blanket licences administered by the LA for Capita SIMS software, Phonographic Performance License (allowing schools to use music), Performing Rights Society license (allowing schools to perform music), and Education Recording Agency (allowing schools to record and use TV recordings).

Schools Forum is asked to note the arrangements for administering and funding school licenses in 2013/14.

Trade Union Release Time

- 3.4 At recent Schools Forum meetings there has not been a consensus view on whether the LA should continue to centrally fund Trade Union release time. Maintained settings were generally happy to continue with the current arrangement (which would provide £9,600 of funding) whilst Secondary Academies were generally not supportive of this and would not voluntarily de-delegate or agree to pool their share of funding (£12,700) back to the LA. The LA has therefore deleted the central budget (as this would not have

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

provided sufficient funding to cover existing release time arrangements) and all schools will receive a pupil based share (£0.81 per pupil) of the £22,300 budget in their 2013/4 funding allocation.

- 3.5 This means that to continue current arrangements those schools which employ the Trade Union representatives would need to establish pooling arrangements with whichever schools or Academies wish to support this. In terms of contributions there are two options:
- To maintain existing level of release time – contributing schools will have to pay over higher levels of funding than the value delegated to them (although the cost per school would be relatively small at approximately £1.88 per pupil).
- OR
- The level of release time needs to reduce from a cost of £22,300 to £9,600 which would require maintained settings to pass over £0.81 per pupil - the value of delegated funding.
- 3.6 There is scope for a compromise between these two options and the LA will help to administer whatever new pooling arrangements are required in liaison with relevant settings. At present only three Trade Unions are included but this could be extended and the latest position regarding representation is as follows:
- Churchfield Academy (NUT) – the employee's contract for the TU duties has been reduced and this setting is not financially affected by the withdrawal of central funding
 - EOTAS (ATL) – the employee is paid on a supply teacher contract as and when TU duties were required and this setting is not financially affected by the withdrawal of central funding
 - Supply Teacher (NASUWT) – the employee is not attached to any setting and is paid on a supply teacher contract as and when TU duties were required and no Swindon setting is financially affected by the withdrawal of central funding.
- 3.7 As things stand, from the employing school's perspective, there would not appear to be any need for the pooling of funding but the LA will administer any new arrangements should they be required in liaison with the Headteacher Associations. In order to continue existing arrangements for the remainder of the Academic year or throughout the 2013/14 financial year the LA could fund Trade Union release time from the retained underspend which will be carried forward at the end of this year without the need for any school or Academy contributions. Alternatively, as all the central funding has been delegated from 2013/14, individual settings will have to make their own arrangements as and when Trade Union consultations are required.

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

Schools Forum is asked to note that the LA has deleted the central Trade Union release budget from 2013/14 but will administer any pooling arrangements that are required.

High Needs Funding – Notional Mainstream SEN Budget

- 3.8 Under the new school funding reform arrangements each LA must establish the elements of funding within their local formula which make up the notional SEN budget. Under the new school funding reform changes mainstream schools are required to meet the first £10,000 of costs for all pupils. There is a general DfE assumption that the BPPE and lump sum funding will provide the first £4,000 but LA's are required to ensure that a further £6,000 of funding has been delegated in the "notional SEN budget".

Delegated High Needs Funding – 2012/13

- 3.9 For primary settings, in addition to the long standing delegation of SEN funding based on low prior attainment, the LA increased delegation in 2011/12 to provide sufficient funding to meet the first 15 hours of SEN support (£8 x 15 hrs per week = £120 x 47 weeks = £5,640) previously paid by the LA from the retained SENRAP budget. In 2012/13 the LA delegated the majority of SEN funding to primary settings based on their recent high needs pupils, but from 2013/14 the restricted formula changes mean that this has had to cease, effectively breaking the link between needs and funding.
- 3.10 Delegated SEN funding for secondary schools is currently based on historic prior attainment and EAL information which was aimed at covering the first 15 hours of SEN support. As there is no direct link between needs and funding at present, the transfer of SEN funding to low prior attainment does not represent a significant change in secondary school funding.

Delegated High Needs Funding – 2013/14

- 3.11 For 2013/14 the LA has, in accordance with the new School Finance Regulations, transferred all SEN funding into the low prior attainment funding factor which, after the addition of the £1.5m headroom funding agreed in January provides £701.57 per pupil. Forum members are reminded that the LA was not allowed to recognise statemented pupils or school action / school action plus data to allocate SEN funding in 2013/14.
- 3.12 From 2013/14 it is for individual LAs to establish the make-up of the notional SEN budget and DfE guidance on this is not definitive. The LA can deem that any of the elements of funding in the new formula (other than NNDR and PFI Affordability funding) can make up the notional SEN budget. For 2013/14 the notional SEN budget will be made up as follows:

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

- 100% of Low prior attainment funding
- 40% of Deprivation funding

3.13 For the majority of Swindon settings the LA has estimated that this does provide sufficient funding assuming that additional SEN costs per school are:

- Number of statemented pupils at a cost of £6,000 each
- Number of low prior attainment pupils (less the number of statemented pupils) at a cost of £701.57 each i.e. the level of delegated funding

3.14 There are, however, 18 settings (15 primary and 3 secondary) which have relatively high numbers of statemented pupils and/or a relatively low levels of deprivation funding which means that under the notional calculation above, their costs will exceed funding. The LA intends therefore to allocate high incidence SEN top up funding to these settings from the central SENRAP budget at a cost in 2013/14 of £256,750. A schedule of the position for all Swindon settings is attached at Annex A. This approach is not intended to incentivise the statementing process and applications will be carefully monitored. On the basis that any funding problem on post 16 high needs provision will either be corrected by the EFA or met from disadvantaged 2 year old funding, this should be affordable from the additional DSG reported in table 1 of £429,000.

Schools Forum is asked to note the makeup of the notional SEN budget and agree the proposal for the LA to provide additional funding in 2013/14 totalling £256,750 to the 18 settings whose notional costs are likely to exceed their notional SEN funding.

Nylands Outreach Service for Emotionally Vulnerable Pupils

3.15 The Nylands Outreach service is provided in conjunction with health care professionals to primary age emotionally vulnerable pupils across the Borough. The number of pupils receiving support varies throughout the year as does the length of time individual pupils are supported. This is included by the LA as an Alternative Provision service and under the DfE arrangements should be funded under the new Place Plus funding model with the LA paying to secure a number of places and individual settings paying a pre-determined top up fee direct to Nylands.

3.16 During discussions to establish top up fees with the White Horse Federation the complexities of setting and administering top up fees for this service and individual schools being invoiced are significant. To alleviate these issues the LA is able to classify this as a commissioned LA high needs service which means we can continue to fully fund it without any top up fees or recharging. The estimated annual costs will be reported at the meeting.

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

Schools Forum is asked to note that the Nylands Outreach Service for Emotionally Vulnerable pupils is to be treated as a Borough Wide High Need Commissioned Service at a cost in 2013/14 of £XXXX(to be advised at the meeting).

SENRAP Top Up Funding – Mainstream Settings

- 3.17 The LA will need to provide high needs top up funding to meet all SEN costs above £10,000 from the central SENRAP budget. As the DfE imposed £10,000 limit is very close to our current practice of funding needs above band D it is likely that payments to cover existing levels of demand will continue. As agreed at the consultation events the LA will be retaining increased funding to end the current practice of only funding TA costs at £8 per hour when the cost to schools is closer to £12 per hour.
- 3.18 There will be minor changes to processes through SENRAP which Gill Illic and Emily Heaton will issue to schools in due course. An update is attached at Annex E. The new arrangements will essentially require schools to submit bids for funding which show the total costs of provision and demonstrate that £10,000 has already been provided from the delegated budget. In considering applications for top up funding schools are asked to bear in mind that the LA needs to manage the overall cost of meeting all SEN needs from a finite pot of DSG funding. All requests must therefore be challenged as any overspends in 2013/14 will need to be recovered by reducing top up fees in 2014/15. Please be advised that for those children already receiving SENRAP funding this will continue but will be reviewed at each Annual Review and may be subject to moderation. New arrangements will be implemented from 1st September 2013 and funding for the period 1st April to 31st August 2013 will be allocated based on current levels of support but at £12 per hour.
- 3.19 The LA is still considering whether to pay all top up fees monthly (as is required for Special Schools and SRP's) or to pay mainstream settings on a termly basis or to continue current practice whereby payments are made in May (for the April to August period) followed by a payment in October (for the September to March period) with monthly adjustments as and when required to reflect pupil changes. This will be confirmed prior to the start of 2013/14 when the LA SEN team will issue indicative SENRAP top up funding allocations to each setting.

4. Early Years Funding Update

- 4.1 As previously announced by the DfE and reported to the Schools Forum, all early year's funding including nursery education for disadvantaged 2 year olds is moving to the DSG from 2013/14. This reflects legislative changes which place a duty on LAs to secure early years provision for disadvantaged 2 year olds as well as all 3 and 4 year old children.

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

Disadvantaged 2 Year Olds

- 4.2 At the last Forum meeting in January the LA provided details of the additional DSG funding that is being provided for disadvantaged 2 year olds but the LA was unclear on some of the implications and did not propose a 2013/14 hourly rate. In terms of managing the overall DSG position the key issue is that during 2013/14 and 2014/15 there is a strong likelihood that spending will be significantly lower than the additional funding that is being made available as explained in a separate report on today's agenda. This is in direct contrast to the position on post 16 high needs funding which is also the subject of a separate report on today's agenda.

Three and Four Year Olds

- 4.3 At the last Forum meeting both the hourly rates and the resulting annual budget of £7.3m were agreed. As explained in January, the DfE is moving to participation funding in 2013/14 which means that funding levels will be determined by actual take up. This means that the LA has not needed to establish any contingency budget for increased demand next year. The budget of £7.3m agreed by Schools Forum in January 2013 has been updated to reflect the spring term take up rates and costs are now estimated to £7.5m (an increase of £200,000). The LA is anticipating that this will be covered by additional DSG funding and, unlike previous years, has no implications on the overall DSG budget.

Schools Forum is asked to note that early years spending in 2013/14 on 3 and 4 year old free nursery entitlement is estimated at £7,500,000 and that additional DSG is anticipated to fully fund this.

5. High Needs Setting Update

- 5.1 As previously reported the LA is required to introduce "place plus" funding for Special Schools, Special Resource Provisions and Alternative Provision settings and has consulted with relevant Schools and Academies. At the January Forum meeting high needs places, top up rates and indicative funding allocations for each setting were approved subject to the LA not receiving adverse feedback from these settings.
- 5.2 Letters were sent to relevant Headteachers on 12th February 2013 together with detailed 2013/14 indicative funding allocations based on the information agreed at the 15th January 2013 Schools Forum. The LA has not received any feedback and the only outstanding matters relating to Special Schools and SRP's are Uplands Post 16 place plus funding and Mountford Manor SRP charging and top up rates. Further work has also been undertaken regarding the funding of Alternative Provision.

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

Uplands Special School Post 16 Funding

- 5.3 During the special school place planning and banding exercise the LA did not differentiate between pre and post 16 pupils and the number of places and funding for Uplands included all pupils. There are 46 post 16 planned places at Uplands and whilst the LA has a significant concern regarding the overall level of post 16 funding that is being provided by the DfE, this essentially relates to the costs and funding of the LA's new responsibilities. On the basis that any shortfall in overall post 16 funding will be met from either additional DSG or using surplus disadvantaged 2 year old funding, the LA would wish to give Uplands the security of knowing their 2013/14 indicative funding as soon as possible.
- 5.4 Indicative 2013/14 funding for Uplands, as reported to the January 2013 Schools Forum, is based on 114 places from April 2013 rising to 128 places in September 2013 and totalled £2,947,266.

Schools Forum is asked to support the funding of post 16 placements at the same rates as pre 16 placements and to confirm the indicative 2013/14 funding allocations for Uplands Special School at £2,947,266.

Mountford Manor SRP Funding

- 5.5 As reported in January it has been necessary to review the Mountford Manor SRP funding position which the EFA has advised should ideally be reclassified as an Alternative Provision setting. As an interim measure the LA can fund top ups directly so that direct charges to home schools can be waived. Annual costs for this 6 place unit have been estimated at £118,800, of which £60,000 will be funded directly by the LA.
- 5.6 Due to the nature of this service which operates by providing 3 days per week at Mountford Manor and 2 days per week outreach at the host school (typically for 14 to 21 weeks per pupil) and the high turnover of pupils the top up fee needs to reflect daily occupancy levels. Based on information covering the last 12 months the service estimates that occupancy has equated to 5 FTE pupils which would require a top up rate of £11,760.

Schools Forum is asked to agree a top up fee for Mountford Manor SRP which equates to £11,760 per pupil for 2013/14 at a total estimated cost (including place funding) of £118,800.

- 5.7 The LA will consider the implications of registering the Mountford Manor as an Alternative Provision setting prior to the determination of 2014/15 funding.

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

Alternative Provision – Education Other than at School

- 5.8 With regard to Alternative Provision settings the number of places and provisional top up rates were agreed at the January Forum meeting. The EOTAS Management Committee met on 29th January 2013 to establish a 2013/14 budget which was affordable based on the provisional top up fees presented to the 15th January 2013 Schools Forum. As part of this process the 2013/14 spending plan was analysed to provide costings for each service and new top up values have been calculated accordingly. The LA has been able to attract additional DSG to meet the costs of the Marlborough House CAMHS provision which avoids the needs to implement 'place plus' funding for this service.

<u>Table 2 Summary of 2013/14 EOTAS budgets</u>			
Location	Total Places	Total Costs	Annual Cost per placement
Stratton - permanent exclusions	48.3	£860,982	£17,826
Riverside - short term anxious & vulnerable	42	£709,232	£16,886
Marlborough House - short term mental health issues	12	£276,803	£23,067
GW Hospital - short term medical conditions	10	£192,545	£19,254
Total	112.3	£2,039,561	£18,162

- 5.9 A separate element of DSG funding of £191,000 was included in our original DSG allocation which will cover the costs of the Hospital Service and the LA has also secured additional DSG of £276,315 which will cover the provision at Marlborough House. Place plus funding need not therefore be established for either of these services.
- 5.10 For the Stratton PRU annual operating costs are estimated at £861,000 and funding of £8,000 per place must be provided by the LA totalling £386,400. After accounting for estimated pupil based exclusion income from schools and other income net costs of providing the 48.3 FTE places are estimated at £394,000. Occupancy is generally high and this equates to a top up rate of £8,200.
- 5.11 For Riverside annual operating costs are estimated at £709,000 and funding of £8,000 per place must be provided by the LA totalling £336,000. After accounting for estimated pupil based exclusion income from schools and other income net costs of providing the 42 FTE places are estimated at £352,000. Occupancy is generally high and this equates to a top up rate of £8,400.

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

Alternative Provision – Nylands PRU

- 5.12 The Nylands PRU primarily provides services to pupils which are aimed at preventing permanent exclusions and the LA has agreed to provide £8,000 funding for 8 places in 2013/14, at £64,000. Information from the White Horse Federation is that annual costs are £61,600 and no top up is therefore required.

Schools Forum is asked to agree 2013/14 top up rates for Stratton PRU at £8,200 per pupil and Riverside at £8,400 per pupil and to note that the costs of the Marlborough House CAMHS and Great Western Hospital Education service will be funded by specific DSG allocations.

Non Exclusion Top ups

- 5.13 Strictly speaking where schools place pupils at Riverside, Nylands PRU or the Tuition Service for any reason other than permanent exclusion they should pay the full top up charge which is likely to be considerably higher than the pupil led funding that the LA would claw back for a permanent exclusion. From 2014/15 the LA will assess the implications of increasing delegations to schools so that they have sufficient funding (in total) to meet full top up costs. For 2013/14 the LA has however secured agreement from the EFA that only pupil based funding will be recovered for short term and fixed term placements and the 2013/14 charge per pupil for each setting is shown at Annex B.
- 5.14 In order to minimise administration, as explained and supported at the January Forum meeting, the LA will not calculate individual pupil funding but will base the clawbacks for permanent exclusions and short term placements on an average funding per pupil specific to each setting. This reflects the inclusion of all pupil led formula funding including BPPE, EAL, deprivation etc. and, in accordance with the new school finance regulations, the Pupil Premium. As the value of deprivation and other funding varies across schools the daily charges also vary but average charges are in line with the LA's January estimates of £17.50 per primary and £24.00 per secondary pupil.

Schools Forum is asked to note the 2013/14 per pupil funding rates that will be used by the LA to recover funding where pupils are permanently exclude or placed in other Alternative Provision settings for fixed or short term periods as shown at Annex B.

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

6. Mainstream Funding

Final Funding Values 2013/14

- 6.1 At the last Forum meeting in January members agreed increases to low prior attainment (£1.5m) and primary BPPE funding (£0.9m) which have been funded from reduced central spending. The LA has also distributed the NQT Induction funding (£0.043m) and Trade Union Funding (£0.022m) across BPPE rates and the table below shows the final funding factors which were submitted to EFA on 22nd January. These values have been used to allocate 2013/14 mainstream funding allocations;

<u>Table 3 - 2013/14 Mainstream Formula Factors</u>		
Factor – per pupil unless otherwise stated	Primary £	Secondary £
BPPE KS1-2	2,644.65	
BPPE KS3		3,661.97
BPPE KS4		4,467.08
Lump sum values - per school	106,700.00	106,700.00
EAL (1,2 & 3yrs)	574.11	574.11
IDACI Band 1	434.00	434.00
IDACI Band 2	529.00	529.00
IDACI Band 3	608.00	608.00
IDACI Band 4	781.00	781.00
IDACI Band 5	955.00	955.00
IDACI Band 6	1,215.00	1,215.00
FSM Ever 6	865.86	865.86
Low Cost High Need SEN (lower prior attainment)	701.57	701.57
NNDR (Business Rates) - per school	Actual cost	Actual Cost
PFI Affordability Gap funding – per school	Actual cost	Actual Cost

- 6.2 Based on the above factors and values the reduced LA central spending has allowed overall school funding allocations to increase next year by an average of 3.3% with 60 schools gaining and only 11 schools losing (primarily due to reducing pupils). In order to fund MFG protection costs of £285,000 those schools which gained very significantly from the formula review changes have had their gains capped at 11.7% per pupil. A statement showing each settings mainstream funding in 2013/14 compared to 2012/13 is attached at Annex C and is summarised in the table below:

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

Table 4 - 2013/14 Proposed Funding compared to 2012/13 Actual Funding

	Primary	Secondary	Total
2012/13 Total Delegated Funding - Jan 2012 PLASC & current formula	£59,052,870	£48,085,463	£107,138,333
2013/14 Final Delegated Funding - Oct 2012 PLASC & new formula	£62,921,667	£47,718,135	£110,639,802
Year on Year change – average increase of 3.3%	£3,868,797	-£367,328	£3,501,469
Number of Gaining Schools	57	3	60
Number of Losing Schools	5	6	11
Average Gain - after capping	£69,722	£68,310	
Average Loss - after MFG protection	-£16,183	-£99,451	
Maximum Gain - after capping	£205,248	£134,494	
Maximum Loss - after MFG protection	-£35,903	-£273,881	
Total Formula and Pupil Increases - Gaining Schools	£3,974,158	£204,929	£4,179,086
Total Formula and Pupil losses - Losing Schools	-£80,913	-£596,705	-£677,617
MFG Protection costs @ -1.5% included above	£276,046	£8,549	£284,595
Topslice of gaining schools to fund MFG protection @ 11.7%	-£284,595	£0	-£284,595

- 6.3 Based on regional discussions the position in Swindon would appear to be significantly better than other areas despite DSG funding rates being frozen again and no changes being made to the DSG distribution system which means Swindon Borough Council remains the 25th lowest funded LA.

Schools Forum is asked to note the final funding rates and overall position on 2013/14 mainstream school funding.

Deferred Admissions

- 6.4 At the last Forum meeting the financial implications of moving from a January to October PLASC count were noted and the Headteacher at Lawn Primary school quite rightly pointed out that his schools funding for 2013/14 would have been higher under the old system. This matter has been reviewed by the Admissions and SENAT Manager and the issue is that parents of children starting school for the first time in Reception in September have a right to defer their entry (or start date) depending on their age until they are Statutory School age. This is a legislative requirement arising from the School Admissions Code which at section 2.16 says:

“Admission of children below compulsory school age and deferred entry to school – Admission Authorities must provide for the admission of all

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

children in the September following their fourth birthday. The authority must make it clear in their arrangements that parents can:

- a. Request that the date their child is admitted to school is deferred until later in the academic year or until the term in which the child reaches compulsory school age, and
- b. Request that their child takes up the place part time until the child reaches compulsory school age.

- 6.5 This has been in the Admission Code for approximately 3 years and is not something that the LA has discretion over. However there is scope within the School Finance Regulations to amend the Pupil Growth policy so that pupil increases between October to January and/or from October to May could trigger extra funding. Forum members will however recall that a simplified approach has been agreed for 2013/14 trigger funding such that extra allocations will only be made in respect of planned expansions. This has reduced the amount of DSG that has had to be top sliced.
- 6.6 Given that the EFA have recently agreed the trigger funding policy the LA would not wish to reopen this for 2013/14 but will be pleased to consider this prior to 2014/15 budget setting proposals. Any funding set aside for deferred admissions will of course have to be included within the retained budget but the LA would be pleased to propose a system which for example provided additional funding where deferred entry levels were above a certain percentage as a setting should not forego a full years BPPE funding.

<p><i>Schools Forum is asked to note the financial implications of deferred admissions and agree to receive a report on proposals to allocate additional funding from 2014/15 onwards.</i></p>

7. Post 16 – Managing the shortfall in funding for new responsibilities

- 7.1 As reported to the January Forum meeting the LA has historically funded post 16 high needs provision in Special Schools (Uplands) and in Out of Borough placements by using an element of DSG funding plus the notional SEN Block Grant. The 2013/14 budget proposals presented to the January Forum already included these items but from September 2013 the LA will also have to fund high needs post 16 provision in Further Education Colleges and Independent Specialist Providers.
- 7.2 Over recent weeks the LA has been reviewing the position regarding post 16 high need costs and funding and particularly whether the level of additional funding provided to meet the new responsibilities (£432,000) is sufficient to meet the associated costs. This is explained in detail in a separate report on today's agenda which includes a letter sent to the EFA which explains the existing level of DSG subsidy and also shows our estimate that an increase

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

in subsidy of £0.823m will be required in 2013/14. A number of other LAs are also in this position and pressure will be put on the EFA to ensure sufficient funding is passed over to LAs in accordance with the new burdens directive. If necessary the matter will be raised with local MP's.

- 7.3 In terms of managing this risk, somewhat fortuitously there is a surplus of DSG in our 2013/14 grant settlement relating to disadvantaged 2 year olds and the LA is provisionally assuming that this will be used to offset post 16 costs if no further DSG can be secured. This approach is also being taken in other LAs although this is unlikely to be a sustainable solution beyond 2014/15. Without the disadvantaged 2 year old funding the next option available would be to use the balance of one-off funding arising from underspends on the retained budget (estimated at £1m – see separate report) which will be carried forward at the end of 2012/13. This is however provisionally earmarked to maintain the temporary Primary BPPE increase subject to benchmarking of 2013/14 funding rates across the South West.
- 7.4 Although there would appear to be a relatively straightforward solution to the post 16 shortfall for 2013/14 and 2014/15 (even if no further DSG is received) there is a structural problem in the longer term if post 16 costs exceed the level of funding received. The LA will strive to achieve value for money in all its commissioning activities including negotiations with Further Education Colleges and Independent Specialist Providers.

Schools Forum is asked to note that the LA is challenging the level of funding allocated to cover new post 16 responsibilities in 2013/14 which appears to be £823,000 less than the new costs will be and that the intention is to fund this from the surplus disadvantaged 2 year old funding throughout 2013/14 and 2014/15 if necessary.

8. DfE Consultation

- 8.1 At the January 2013 Forum meeting the LA advised that, despite the more prescriptive school finance regulations, there were still wide implementation differences even across the South West region and it was possible that further changes may be imposed by the DfE in 2014/15. The DfE advised that it would be using the LA January 2013 proformas to look for patterns and anomalies between 2012-13 and 2013-14 and, as opposed to a further consultation, was seeking to work with 11 LAs (including 4 F40 Authorities) between mid-January and mid-February to review a range of school funding issues.
- 8.2 On 14th February 2013 the DfE launched a further consultation "Review of 2013-14 School Funding Arrangements" which is attached at Annex D and contains 23 questions. In the Annex to the consultation document are a series of graphs showing the range of values and % ages which LAs were

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

planning on using in their initial October 2012 EFA returns. Swindon's latest figures, some of which changed between October and January, are included for comparisons but it is likely that other LAs will also have changed their details.

8.3 The LA has submitted responses to all previous school funding reform consultations which have been reported to the Schools Forum and wishes to participate in the current exercise. Responses must however be submitted by 26th March and options available to achieve this deadline are:

1. LA officers prepare and submit a response
2. LA officers and the chair of the Schools Forum submit a response
3. LA officers and the chairs of the School Forum, SAPH, SASH and ASSSH submit a response
4. LA officers and a Schools Forum Sub-Group submit a response

8.4 Although it is unlikely that any individual responses will significantly influence DfE decisions the LA would wish to develop a response with input from Schools Forum representatives and/or Headteachers but the timescales are challenging. Whichever option is chosen the final response form will be reported to the 5th July 2013 Schools' Forum meeting.

Schools Forum is asked to agree how and when the Swindon consultation response is to be formulated.

Alternative Options

The LA is required to implement the changes detailed in this report from 2013/14 and any scope for local discretion has been highlighted throughout this and previous reports to the Schools Forum on the school funding reform programme.

Risk Management

Financial and Procurement Implications

- These are set out through the report and in the Annexes attached.

Legal / Human Rights Implications

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

Links to Corporate Plans and Policies (in particular One Swindon Priorities)

- Scheme for Financing Swindon Schools and the local fair funding formula.

Diversity Impact Assessments

- The DfE School funding reform is aimed at simplifying fair funding and although funding changes at individual settings are inevitable the DfE believes that the Minimum Funding Protection scheme will be sufficient.

Dedicated Schools Grant and School Funding Reform 2013-15

Schools Forum

5th March 2013

Consultees

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

Background Papers and Annexes

Annexes to this report:

- Annex A – Statement showing notional SEN costs and funding
- Annex B – Statement of pupil based funding in every setting
- Annex C – Summary of final 2013/14 mainstream funding
- Annex D – School Consultation
- Annex E – Update on SENRAP

Separate reports on today's agenda:

- Retained Budget Update 2012/13
- Early Years Disadvantaged 2 year old funding
- Post 16 High Needs funding