

# Update on 2013/14 DSG Funding and Related issues

Schools Forum

Date: 9<sup>th</sup> July 2013

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

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## 1. Purpose and Reasons

- 1.1 The purpose of this report is to update Schools Forum on the final 2013/14 DSG settlement. The report provides an update on the post 16 high needs funding position and provides information on various cost pressures that have been identified so far this year. The report seeks Forum support to establish a new top up band for high needs pupils, revised top up bands for Alternative Provision pupils and to make additional funding available in some cases.
- 1.2 Under the Swindon Borough Council (SBC) scheme of delegation decisions relating to the local school funding formula are made by the Director of Children Services subject to consultation with the Schools Forum. As in previous years the LA intends to seek Schools Forum support for all such decisions.

## 2. Recommendations

The Schools Forum is recommended to:

- 2.1 Note the final 2013/14 DSG settlement of **£145.554m** which reflects a significant reduction in the level of post 16 High Needs funding compared to previous years (para 3.2)
  - 2.1.1 Note the latest position regarding Disadvantaged 2 year old funding and that a year-end underspend of up to **£1.067m** is projected based on current take up (para 3.6)
  - 2.1.2 Note that the level of post 16 funding for high needs students has been cut as part of the school funding reform programme and that the LA continues to negotiate with providers to secure appropriate placements at the lowest possible cost to the DSG (para 3.13)
  - 2.1.3 Note that approximately **£77,135** of unplanned spend will need to be met from the 2013/14 pupil growth fund to provide trigger funding to Croft Academy and that further payments will need to be budgeted for in future years (para 3.14A)

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Further information on the subject of this report can be obtained from Steve Haley, Head of Finance (Education & Innovation), 01793 465794, [shaley@swindon.gov.uk](mailto:shaley@swindon.gov.uk).

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- 2.1.4 Support the payment of **£10,000** additional funding to Orchid Vale School to cover additional teaching costs arising from the capital programme delay (para 3.14B)
- 2.1.5 Support the payment of enhanced top ups for the first two years of a new SRP opening and that **£43,284** is allocated to Ridgway ASC SRP in the current financial year (para 3.20)
- 2.1.6 Support the payment of additional funding of **£14,300** to the Redoaks Hearing Impaired SRP to enable the training of in house staff (para 3.23)
- 2.1.7 Support the payment of additional annual funding of **£18,000** to the Ridgeway HI SRP of which **£10,500** would fall in 2013/14 (para 3.25)
- 2.1.8 Note the requests for additional funding from the White Horse Federation totalling **£15,774** and to offer views on the treatment of leadership and management costs for funding purposes (para 3.28)
- 2.1.9 Support the payment of enhanced top ups by the Commissioner for Education, based on recommendations by the SENRAP panel, backdated to 1<sup>st</sup> April 2013 where appropriate (para 3.32)
- 2.1.10 Note that, where additional places are required above planned numbers, the LAs default position is that only top up fees will be payable although individual cases will be considered (para 3.33).
- 2.1.11 Note the revised treatment of exclusions and other income and the revised 2013/14 top up fees payable to EOTAS of **£9,750** for Stratton and **£9,500** for Riverside (para 3.36)
- 2.1.12 Note the revised treatment of non-exclusions income from 2014/15 and to support the LA's proposal to consult on the basis of increasing delegation via an uplift of approximately **£383.93** to the secondary Low Prior Attainment factor (para 3.39)
- 2.1.13 Agree to the creation of a new centrally retained high need budget of **£5,000** to commission education provision for children of fairground and circus workers (para 3.42)

## 3. Detail

### Final 2013/14 DSG Settlement

- 3.1 At the 5<sup>th</sup> March 2013 Schools Forum the LA advised that the overall 2013/14 DSG settlement for Swindon had been estimated at £145,014,351 and that the LA was still negotiating to secure additional funding to meet a gap between the estimated costs of our new post 16 high needs commissioning responsibilities and the additional funding that had been provided. The gap was provisionally estimated at £823,000.

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- 3.2 The LA has since secured additional funding of £540,000 made up of £190,232 to directly fund the EOTAS hospital provision and £349,650 which partially addresses the post 16 high needs shortfall. This brings the final 2013/14 DSG settlement up to £145,554,233 but still leaves a substantial shortfall on post 16 high needs funding which is explained later in this report. Fortuitously there is still scope to offset this shortfall against the surplus disadvantaged 2 year old funding which is also explained below. The DSG value for 2013/14 is now fixed other than for termly updates of the 3 and 4 year old early years' element which will be made to reflect actual take up of provision. Any changes in this funding should be matched by increased or decreased spending from the early years single funding formula.

**Schools Forum is asked to note that the 2013/14 DSG settlement for Swindon has been confirmed at £145.554m.**

## Update on Disadvantaged 2 Year Old Funding

- 3.3 At the 5<sup>th</sup> March 2013 Schools Forum the LA advised that the additional funding included within our overall 2013/14 DSG settlement to fund nursery education for disadvantaged 2 year olds was relatively generous. 2013/14 allocations are actual figures included in the DSG settlement whilst 2014/15 allocations are LA estimates which assume similar levels of formula funding will be provided – this has yet to be confirmed by the DfE.

<b><u>Table 1 – Calculation of the amount of DSG allocated for 2 year olds</u></b>		
	2013/14	2014/15
Number of 2 Year olds in the borough populations based upon birth rates	3,000	3,000
20% / 40% national expectation in 2013/14 and 2014/15 as per DfE rounded calculations	600	1,100
DfE assumed 84% take up	503	924
Multiplied by 570 hours per annum per Full Time place	286,710	526,680
<b>Multiplied by £4.97 (the Area Cost rate for Swindon)</b>	<b>£1,425,387</b>	<b>£2,617,600</b>
<b>Add Trajectory funding 2013/14</b>	<b>£559,569</b>	<b>?</b>
<b>Annual Funding Allocations</b>	<b>£1,984,956</b>	<b>£2,617,600</b>
<b>Total Formula Driven Funding Allocations 2013/15</b>	<b>£4,602,556</b>	

- 3.4 Schools Forum supported the payment of £4.95 per hour plus a 40p retrospective financial year end supplement and the LA's initial projected take up assumed 206,350 hours in 2013/14 and 318,000 hours in 2014/15 which is considerably below the 20% / 40% targets. This has been refined based on the current level of applications received during the Summer term and the number received ready to start in September 2013 to 179,250. In financial terms this means that an

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underspend of £1.181m is forecast in the current year - £0.357m higher than the initial forecast.

- 3.5 The DfE have however relaxed the eligibility criteria from September and the revised criteria are expected to rapidly increase take up during the Autumn and Spring terms in parallel with a wide ranging marketing campaign, press releases, direct work with Job Centre Plus and development of an online eligibility checker for parents. In addition, the Grow2gether capital project is expecting to open seven new providers offering additional 2 year old places. In addition to places the following projects costed at £114,000 have been identified so far:
- Workforce development training of £16,000 specific for 2 year old providers
  - There is a requirement to provide Early Years provision at the North Swindon Primary School which was not included in the provisional budget estimates previously provided to Cabinet in February. Provision of such a facility is expected to cost £150,000 and there is Section 106 planning funding available of £52,000 leaving a shortfall in funding of £98,000 which will be met from the 2 year old funding.
  - The LA is also reviewing whether other school sites in areas of high deprivation could be expanded to provide nursery provision for 2 year olds
  - Development of a proposal to utilise empty or under used assets in Council or private ownership and offer the facility to providers for 2 year olds to open, including start up incentives such as discounted rent until March 2015. The proposal will be presented to the Asset Management Groups within the Council and the outcome will be reported back to the Schools Forum in October 2013 and costs cannot be quantified at this time.
- 3.6 Given that disadvantaged 2 year old funding was originally provided to LAs as part of the Early Intervention Grant and aimed at improving life chances for children from deprived backgrounds the LA is keen to maximise use of this trajectory building funding. As previously reported to the Forum from 2015/16 it is most probable that this element of DSG funding will be provided based on participation and there is therefore a 2 year window of opportunity for the LA to provide funding for innovation in order to increase local capacity.

<b>Schools Forum is asked to note that an in year underspend of up to £1.067m is forecast based on current take up and existing spending plans</b>
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## Update on Post 16 High Need Students Costs and Funding

- 3.7 At the January 2013 Schools Forum the LA presented a summary of the DSG position on the basis that the additional funding of £432,000 included in our grant settlement to meet the LA's new post 16 responsibility to fund provision in FE Colleges and Independent Specialist Providers (ISP's) would match new costs.

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This assumption enabled the LA to meet EFA deadlines with regard to the establishment of mainstream funding rates in the local formula.

- 3.8 By the time of the 5<sup>th</sup> March 2013 Schools Forum meeting, based on preliminary discussions with FE Colleges, the LA reported that anticipated costs of meeting new responsibilities would be substantially higher than the extra DSG provided by approximately £823,000. Fortuitously the LA had however received a relatively generous settlement in the Disadvantaged 2 year old element of the DSG settlement which Schools Forum agreed, an allocation could be used, if necessary, to offset the post 16 shortfall in the short term.
- 3.9 The LA subsequently submitted a request for EFA to review our post 16 position which resulted in a one-off allocation additional DSG totalling £349,650. This still left a considerable gap between costs and funding of approximately £500,000. Since that time the LA has exchanged correspondence and met with EFA post 16 representatives and FE college staff to develop a greater understanding as to why there is a post 16 funding shortfall. There are two key factors which have been confirmed by EFA as follows:
- Regardless of the level of demand for post 16 places Swindon's learner numbers in 2013/14 for funding purposes has been capped at 270. Initial information from providers enabled the LA to pre-book 248 places as provision other than ISPs, but subsequent indications were that the number would be nearer 290 and latest projections indicate a much higher level of demand.
  - Transfers of funding to the DSG have been based on a national average value per student of £12,124 whereas the average value paid by the EFA to Swindon providers in 2011/12 was £17,188. This effectively imposes a 30% cut in post 16 funding per student before the impact of inflation on costs is considered.
- 3.10 Furthermore the new funding arrangements have done nothing to address the long standing subsidy of post 16 provision at Uplands Sixth Form and Out of Borough settings from the DSG. Annual costs of £1.85m already exceed the LA's SEN block grant of £0.6m requiring a subsidy of £1.25m to be made. This level of subsidy will not change in 2013/14 and is highly unlikely to improve in 2014/15.
- 3.11 Negotiations have taken place with FE colleges and other providers over recent weeks to try to reach agreement on how to meet increasing demand from within a reduced post 16 funding envelope. Based on the estimates from providers they deem that approximately 410 high need students have applied for further education placements (289 in colleges, 24 in ISP's, 19 in non-maintained special schools, 6 in other LA special schools, 7 in Swindon sixth forms, 44 at Uplands sixth form and a further 21 post 19 students at Uplands Adult Education Trust.
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The annual level of funding requested by providers to meet the LAs new funding responsibilities in September exceeds the DSG allocation by well over £2m.

- 3.12 The LA has therefore had to impose strict criteria, in line with EFA guidance, which excludes approximately 100 students from being eligible for high needs funding. Those students in FE colleges who are not High Needs under the LA criteria should have any additional needs funded through the low level Additional Learning Support which is included within college base funding allocations from the EFA. For those students who are acknowledged as meeting the criteria, the LA has moderated costs to ensure the packages of support meet the needs outlined in the students Statement of Education/ Moving On Plan, are reasonable and are costs that the EFA have advised cannot be met within Element 1 funding. (EFA assume that FE colleges can provide education to high incidence low cost high need students from their element 1 base funding of approximately £4,977 per student).
- 3.13 Both these factors represent very significant challenges for providers and the LA will continue to negotiate with a view to securing appropriate placements for all high needs students which meets needs and represent best value for money given the financial constraints. This will require providers in some cases to lower their costs although Forum members are advised that unlike pre 16 school funding, there is no MFG type protection provided for colleges. Even with a compromise solution over funding it would seem inevitable that a substantial amount of 2 year old funding will be required to bridge the gap in 2013/14 and the LA is mindful that the additional funding of £349,650 provided in this year's DSG is unlikely to be repeated in 2014/15. A verbal update on the post 16 funding position will be provided at the Schools Forum meeting.

<p><b>Schools Forum is asked to note that the level of post 16 funding for high needs students has been cut as part of the school funding reform programme and that the LA continues to negotiate with providers to secure appropriate placements at the lowest possible cost to the DSG.</b></p>
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## Update on Mainstream Cost Pressures

- 3.14 2013/14 mainstream funding levels were set at the 5<sup>th</sup> March 2013 Schools Forum but some issues have since arisen which require additional funding as explained below.

### A) Croft Academy Trigger Funding

- Whilst the LA was required to provide all funding to construct and set up the new Croft school, unlike converter academies, revenue funding is dealt with directly by the EFA entirely outside Swindon's DSG. Despite receiving assurances that the LA would not be responsible for providing anything other than early years and SEN revenue funding to Croft school (as is the case with



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Swindon Academy) recent DfE guidance is that all settings which are essentially meeting basic need must have equal access to the LA's pupil growth fund. The LA accepts the logic of this as it would not be possible for Croft to operate without in year funding being received as the school expands.

- The position is now therefore that whilst the level of Swindon's DSG is unaffected by Croft pupils, we are required to top slice this grant to provide funding to meet in year pupil growth. The Academy has advised the LA that it will received funding from the EFA for 40 pupils currently on roll and anticipates this rising to 90 in September. To fund this extra provision the LA will therefore need to allocate BPPE funding in 2013/14 of approximately  $50 \times £2,644.65 \times 7/12 = £77,135$ . The LA does not have access to academy balances but as a new school Croft will not have accrued any surplus balances.
- This will also have implications for the LA In setting the pupil growth fund in future years as Croft Academy is expected to continue expanding its pupil numbers and trigger funding will need to be set aside for the next 6 years.

**Schools Forum is asked to note that approximately £77,135 of unplanned spend will need to be met from the 2013/14 pupil growth fund to provide trigger funding to Croft Academy and that further payments will need to be budgeted for in future years.**

## B) Orchid Vale Expansion

- Orchid Vale has been identified as a setting which will be expanded to meet increased pupil demand in the North Swindon area and trigger funding has been set aside of £46,800 to meet estimated increased pupils in September 2013.
- Unfortunately the project to expand Orchid Vale has been subject to delays. The Council has been informed by the PFI project team that the temporary classroom solution (proposed to bridge September 2013 to the permanent building) had "timed out" and would not be habitable by the school until December 2013. The barriers to the project are the various approvals required for planning, bank approval and procurement. Therefore, the following solution is being developed:
  - September 2013 –the additional 30 children with places at Orchid Vale will be absorbed within the existing school (ICT room/Library/Tranquillity Room). Approvals are being sought to allow for the 3 classroom temporary provision to be on site for December 2013.

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- In parallel, the approvals are being sought to allow for the permanent buildings to be completed for September 2014, and the 3 classroom temporary provision will be decommissioned.
- The school has requested additional funding of £10,000 to meet additional temporary staffing costs arising from the need to split a class in September. The delay in the build is due in large part to the PFI Contractor. It has nothing to do with the school and so the governing body should not have to fund a revenue shortfall.

**Schools Forum is asked to support the payment of £10,000 additional funding to Orchid Vale School to cover additional teaching costs arising from the capital programme delay.**

## Update on SRP and other High Need Setting Cost Pressures

- 3.15 Since 2013/14 funding allocations based on the new place plus funding model were agreed and issued to high need settings in February the LA has received a number of requests for additional funding. A fundamental review of the bandings and top up values will be undertaken in order for the Schools Forum to consider new funding applications from 2014/15 (see separate report on 2014/15 funding).
- 3.16 Whilst the LA is hopeful that the new scheme will provide fair funding to all high needs settings from the start of 2014/15 a number of individual cases have been considered some of which the LA believes should attract additional funding although it is disappointing that funding shortfalls are being identified so soon after the consultation process which resulted in the 2013/14 funding allocations. The LA had hoped that individual settings would be willing and able to absorb in year cost pressures from their own surplus balances. With hindsight the LA may have over delegated high needs funding this year and, in setting 2014/15 high needs funding levels, the LA may need to top slice top up values to ensure sufficient contingency funding is retained to meet in year requests for additional funding from schools.
- 3.17 These cases are summarised below:
- a) The Ridgeway ASC SRP Unit - pump priming for set up and early operating costs for the first two years.
- 3.18 It has been acknowledged that additional resources to support start-up costs need to be made available to support the establishment of a new SRP(Special Resource Provision). The Ridgeway ASC (Autistic Spectrum Conditions) SRP opens in temporary accommodation and the permanent build is not yet underway. Advice and guidance from the ASC Advisory Teacher is that for high



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functioning ASC pupils with issues around high anxiety (as with all pupils described above destined to attend new Ridgeway SRP), uncertainty and unpredictability are significant factors contributing to placement difficulty/failure. For the early stages of the provision's development sufficient funding is required to provide appropriate levels to enable the pupils to be well supported.

- 3.19 The recommendation for Ridgeway, which would equally be applied to all new SRPs is:
- In the first 12 months of each placement we increase the top up funding by 100%
  - In the second 12 months of each placement we increased the top up funding by 50%
  - At the start of the third year after opening standard top up funding is paid at the prevailing rate
- 3.20 Based on the planned places at Ridgeway, which are 4 from September 2013 rising to 8 in September 2014, the additional costs over and above the agreed top up band values are estimated at **£43,284** in the current year rising to **£95,842** in 2014/15 before falling to **£68,017** in 2015/16 and **£15.458** in 2016/17 as the subsidy is phased out. The LA does not have access to Academy balances and is unable to assess whether these costs can be absorbed although the school closed with a significant deficit which it is assumed is being repaid by the Academy.

<p><b>Schools Forum is asked to support the payment of enhanced top ups for the first two years of a new provision opening and that £43,284 is allocated to Ridgeway ASC SRP in the current financial year</b></p>
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b) Redoaks SRP British Sign Language (BSL) Provision

- 3.21 At Red Oaks, children have access to BSL support throughout the school day (including break and lunchtimes). In order to ensure this full inclusion all staff in Communication Support Worker roles within the BSL team are required to have at least NVQ 3 BSL. This level is needed to ensure staff have the skills and confidence to enable them to fluently translate and provide access to the day to day activities within a primary school. Due to the specialist nature of this qualification the number of training providers for NVQ at Level 3 is limited and often learners who get to this level decide to move on to study to become a BSL interpreter which can be significantly more financially rewarding. Consequently, there is a scarcity of people with these skills who want to work as communication support workers. As the provision at Red Oaks has expanded over time it has become increasingly difficult to find and employ the suitably qualified and

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experienced staff needed to support the growing number of children in the provision.

- 3.22 Since September 2011 Red Oaks has developed its role as a community training provider for BSL in Swindon as there are no other opportunities to gain accredited training in the town. Training opportunities are made available to staff from mainstream and specialist provision. Further investment would enable Red Oaks to train staff to NVQ Level 3 BSL. This project needs to be seen as a long term investment with a rolling programme of moving staff through the required levels. There are currently thirteen pupils in the provision. It is anticipated that two further pupils will join the Red Oaks nursery in September 2013 and there are potentially four additional children the following year. We estimate that to meet the needs of the known pupil population over the next two years we need to fund the training of 15 staff. This would be at a cost of **£14,300**. As at 31<sup>st</sup> March 2013 Redoaks carried forward a relatively low balance of £21,242.
- 3.23 The LA is currently reviewing its provision strategy for Hearing Impaired (HI) pupils across the Borough and will bring to Schools Forum a paper summarising the key issues and making recommendations for provision development in the autumn term.

<b>Schools Forum is asked to support the payment of additional funding of £14,300 to the Redoaks Hearing Impaired SRP to enable the training of in house staff</b>
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c) Ridgeway Hearing Impaired SRP

- 3.24 The numbers at the HI SRP based at the Ridgeway School will unexpectedly drop from a planned 4 pupils to 3 by September 2013. Although this will not affect place funding, the staffing levels that can be provided based on the place and tops up funding will not provide the level of support the pupils need. This raises questions about the viability of such a small specialist provision that relies on a high level of adult: pupil contact time both in the unit and in the mainstream school.
- 3.25 As part of the overall review of provision for the HI students the LA intends to consider alternative options to support non BSL HI pupils but this leaves a short term problem. To maintain stability for pupils, whilst we consider the long term viability of the HI unit, we propose to provide from the retained high needs contingency £10,500 to support the placements for the remainder of 2013/14. As mentioned at paragraph 3.19 the LA does not have access to information regarding Ridgeway's balances. Following the funding review of SRPs and specialist provision additional resource may be available in 2014/15, if deemed

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appropriate, through an increased level of top ups. A different model to support non BSL HI pupils may be considered as a more cost effective

**Schools Forum is asked to support the payment of additional annual funding of £18,000 to the Ridgeway HI SRP of which £10,500 would fall in 2013/14**

d) White Horse Federation Issues

- 3.26 Shortly after 2013/14 allocations were issued the White Horse Federation raised concerns that this did not provide sufficient funding to fully cover the costs of provision and that costs were actually being subsidised from the Nylands special School and Mountford Manor mainstream budgets respectively. The table below summarises actual funding allocations in 2012/13 compared to the LA's proposed 2013/14 allocations and the levels requested by the Federation:

<b>Table 2 - Summary of White Horse Federation Funding</b>			
	2012/13 actual funding	2013/14 proposed funding	2013/14 requested funding
Nylands CAMHS Outreach	£95,855	£102,685	£102,685
Nylands PRU	£61,549	£64,000	£69,305
Nylands Primary Behaviour Support Service	£209,873	£220,400	£232,698
Mountford Manor SRP	£102,918	£118,800	£116,971
Total Funding	£470,195	£505,885	£521,659
Additional funding requested			£15,774
Year on year increase		7.6%	10.9%

- 3.27 To support their request the Federation has provided breakdowns of the annual budgeted costs of each service which, in terms of direct staffing and apportioned operating costs, the LA feels are appropriate. The costings also include a total of £21,530 for "contributions to Leadership and Central Services" which the LA does not however feel are appropriate. It is the LA's view that any such costs should be fully met from the Nylands special school budget (place plus) and the Mountford Manor mainstream school budget (£106,700 lump sum) although this may need to be reviewed if the Schools Forum feels that this is an unreasonable assumption. As both settings are academies the LA does not have current information on the level of surplus balances held. At the end of the 2011/12 financial year, surplus balances were £203,995 (Nylands) and £102,957 (Mountford Manor) although it is possible that these relatively healthy positions may have worsened since conversion to academy status, although the Federation has not provided any evidence to illustrate that a subsidy is being provided to support the high need services listed above.

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- 3.28 The Federation has indicated that unless it receives funding at the levels they feel are appropriate they may not continue to provide the services which would be disruptive and not in the best interests of pupils. Whilst the LA does not feel that Leadership and Management contributions should be included in any of the above services, if this view is not shared by the Schools Forum, the LA will develop a policy for such costs to be included by all settings and that increased funding would be payable from 2014/15 onwards. The costs of any additional funding would however need to be met from permanent off-setting reductions in other areas of the local formula.

<p><b>Schools Forum is asked to note the requests for additional funding from the White Horse Federation totalling £15,774 and to offer views on the treatment of leadership and management costs for funding purposes</b></p>
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## Proposed Introduction of new High Needs Top Up Rate

- 3.29 Under the current high needs funding policy the maximum annual funding per pupil in a special school is Band 1 plus which equates to £30,183. For an SRP the maximum funding is Band A plus with values ranging from £18,650 to £41,450 depending on the type of setting or prime need of the pupil.
- 3.30 For the vast majority of cases these levels of funding are considered sufficient to meet needs but in very exceptional cases, when the needs of a student are very complex, the LA acknowledges that this may not be the case. This has been evidenced by providers submitting detailed business cases which have been reviewed by the SENRAP panel. Latest guidance from DfE is that LA top up values should be set to cover the needs of most pupils but that it is appropriate to have mechanisms in place to provide additional funding particularly where this will enable a pupil to be kept in a local specialist provision rather than have to be placed out of borough.
- 3.31 The LA proposes therefore that the SENRAP panel is given flexibility to allocate additional funding on a case by case basis without any upper limit based on the individual business cases submitted. Applications will need to detail the additional funding requirements and their anticipated impact for each pupil. The SENRAP panel would make a recommendation to the Commissioner who would take the final decision in respect of additional funding being allocated which may be for a temporary or recurring basis.
- 3.32 Clearly this arrangement will need to be carefully monitored but would appear to be a pragmatic approach to achieving best value for money whilst also being in the pupil's best interests. This process will be reviewed as part of the introduction of a more universal banding and funding system and updates will be provided to the Schools Forum.

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**Schools Forum is asked to support the payment of enhanced top ups by the Commissioner for Education, based on recommendations by the SENRAP panel, backdated to 1<sup>st</sup> April 2013 where appropriate.**

## Funding of additional SEN places

- 3.33 As the various cost pressures listed above indicate, the LA is concerned that the level of contingency funding retained in the 2013/14 budget for high need pupils may not be sufficient. This means that whilst the LA would wish to provide additional place funding wherever an individual Special School or SRP is asked to take a pupil above their planned number, this may not be affordable. The LA must pay additional top ups and in accordance with DfE guidance, may also pay additional place funding. Schools Forum is advised that the LA will need to review requests on a case by case basis but with an expectation that additional place funding will not be paid. Schools or academies will therefore need to demonstrate that they would experience financial difficulties if place funding was not provided. The LA will be revising planned place numbers each year and any perceived shortfall in funding would be for a short term period only.

**Schools Forum is asked to note that, where additional places are required above planned numbers, the LA's default position is that only top up fees will be payable although individual cases will be considered.**

## Revised EOTAS Alternative Provision Top Up Fees

- 3.34 At the 5<sup>th</sup> March 2013 Forum meeting members agreed to the setting of top up fees of £8,200 for pupils attending Stratton and £8,400 for pupils attending Riverside. These rates had been calculated to provide EOTAS with the level of funding required to meet their £2.039m spending plan after taking account of the receipt of place funding and estimated income recovered from schools arising from exclusions (£74,400) and dual registrations (£46,100). Having fully digested the requirements for Alternative Provision under the schools funding reform programme the LA needs to change the top up rates for EOTAS and the administration of exclusions income. There are two changes that must be made. one in the current year and one from the start of 2014/15.
- 3.35 Firstly from the start of 2013/14 any income recovered from schools must be credited to a new centrally retained budget with an income target of £74,400 plus £46,100 = £120,500. Whether this budget is under or over achieved is a risk to the LA in managing the overall DSG and should not have any impact on the EOTAS service. Where an excluded pupil is reintegrated into a mainstream setting BPPE and other pupil based funding will be allocated to the school or academy from the central budget to ensure funding follows the pupil. The EOTAS service is entitled to receive top ups to meet full costs of provision based on the number of pupils they are required to educate. Furthermore as an education provider, whilst it has been logical in the past for EOTAS staff to be

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involved in the collection of exclusions and other income from schools, this is a statutory service that must be provided and funded from the LAs core budget. Steps are therefore being taken to reallocate duties and responsibilities so that EOTAS staff are not involved in this process.

- 3.36 It is necessary therefore for EOTAS top up fees to be increased as they will not be credited with any income recovered from schools. This does not affect their overall income. Individual schools and academies are also unaffected by this change and providing that the estimates of income from schools is reasonably accurate this should also not have any impact on the overall DSG. The change to EOTAS income is illustrated below.

<b>Table 3 Revised EOTAS Top Up Fees 2013/14</b>			
	Stratton Budget	Riverside Budget	New LA Central Budget
Existing top up rates	£8,200	£8,400	N / A
Estimated FTE pupils	48.3	42	N / a
Estimated Top Up Income	£396,060	£352,800	N / A
Exclusions & dual registration income	£74,400	£46,100	N / A
Total EOTAS income	£470,460	£398,900	
New central budget created			£120,500
Revised top up rates	£9,750	£9,500	N / A
Estimated top up income	£470,925	£399,000	N / A

**Schools Forum is asked to note the revised treatment of exclusions and other income and the revised top up fees payable to EOTAS of £9,750 for Stratton and £9,500 for Riverside**

- 3.37 A further change is also required to fully meet the school funding reform programme requirements although EFA has agreed that this can be implemented from the start of 2014/15. Under the new arrangements the LA is required to fully fund top up fees for excluded pupils and to recover BPPE and other funding from the excluding school. For short and or fixed term provision of services by EOTAS which are requested by schools, they, as the commissioner, are required to pay the full top up fees but would not have any BPPE or other funding recouped.
- 3.38 From the start of 2014/15 the LA will therefore delegate funding to secondary schools to match the newly created central budget for non-exclusions income of £46,100 and the current top up fees budget for non-excluded pupils of £352,800. The LA must agree with the secondary sector how funding should be delegated and rather than using BPPE the LA proposes to enhance the secondary low prior attainment factor as it is felt that it is these pupils which are most likely to require short term EOTAS provision. In 2013/14 a total of 1,039 secondary pupils



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attracted LPA funding and, based on this number, the impact of delegating £398,900 in 2014/15 would be an increase of approximately £383.93 per pupil.

- 3.39 Further work is required to determine whether increased delegations are required in respect of the Nylands Primary PRU and Mountford Manor SRP – both of which provide education to non-excluded pupils. Similarly the funding of the Tuition Service will also need to be reviewed.

**Schools Forum is asked to note the revised treatment of non-exclusions income from 2014/15 and to support the LA's proposal to consult on the basis of increasing delegation via an uplift of approximately £383.93 to the secondary Low Prior Attainment factor.**

## Proposal to enter into a Service Level Agreement for Travellers' Children

- 3.40 In order to maximise delegation of funding to schools it was agreed at Schools Forum in January 2013 that the LA would cease to centrally retain funds to support Travellers' Children as schools have the responsibility to support these pupils. In delegating the full budget value of £77,000 the LA does not however have any funds to support the children of fairground and circus workers who will at times move in to Swindon for short periods (one or two weeks) before moving on with the fair or circus that employs the adults in the families.
- 3.41 It would be logistically not practical or meaningful to support these children into a school in such a small window of time. These people are part of a recognised vulnerable group and the DfE have identified the importance of improving achievement by these pupils.
- 3.42 We are able to commission Wiltshire's Traveller Education Service to support children of fairground and circus workers when they come to Swindon for short periods of time. Legislation in the Education Act 1996 Section 19 (3A) and (3B) requires that LAs "make arrangements for the provision of suitable education at school or otherwise for each child of compulsory school age who, for reasons of illness, exclusion *or otherwise*, would not receive it unless such arrangements were made". We therefore need to make sure that suitable arrangements are in place to support these pupils and anticipate that we will need an annual budget of £5,000 to deliver this provision.

**Schools Forum is asked to agree to the creation of a new centrally retained high need budget of £5,000 to commission education provision for children of fairground and circus workers**

## 4. Alternative Options

- 4.1 The LA has a statutory duty to manage and distribute the Dedicated Schools Grant (DSG) in accordance with prevailing grant conditions and the School Finance Regulations. Although the DSG is ring fenced in its entirety for

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education purposes it is for LAs to consult with their Schools Forums on how funding can most appropriately be allocated. The options available are described throughout this report.

## **5. Implications, Diversity Impact Assessment and Risk Management**

### Financial and Procurement Implications

- 5.1 As this is essentially a financial report the implications are explained throughout the document.

### Legal and Human Rights Implications

- 5.2 There are no legal and human rights implications arising from this report.

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

- 5.3 Although the impact on individual settings cannot be determined at this stage the school funding reform programme is causing a degree of volatility in school finance which may have implications for schools and other providers which are detrimentally affected by the redistribution of funding.

### Links to One Swindon, Strategic Objectives, Plans and Policies

- 5.4 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

- 5.5 The DfE's school funding reform programme is aimed at simplifying fair funding and although funding changes at individual settings are inevitable the DfE believes that the MFG protection scheme for schools will be sufficient to minimise any adverse impacts. The reform programme is clearly aimed at ensuring funding is targeted at disadvantaged pupils and at pupils with low prior attainment and/or special education needs in order to narrow the attainment gap between these and other pupils. .

### Risk Management

- 5.6 The key risks arising from this report are that local decisions relating to school funding could lead to an overspend on the 2014/15 DSG and/or that the EFA could deem that our funding arrangements do not comply with the school finance regulations requiring budgets to be recalculated.

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## **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 Previous Schools Forum reports leading up to the allocation of 2013/14 funding.