

2014-15 Dedicated Schools Grant General Updates

Schools Forum

Date: 11th March 2014

Author:	Head of Finance – Education and Innovation
Wards:	All
Locality Affected:	All
Parishes Affected:	All

1. Purpose and Reasons

- 1.1 To provide Schools Forum members with a few general updates relating to the 2014/15 DSG including revised trigger funding estimates, notional SEN funding details and mainstream funding per pupil values.

2. Recommendations

The Schools Forum is recommended to:

- 2.1 Note the latest position regarding the implications of Swindon Academy pupils being included in our schools block DSG and funded from the local formula
- 2.2 Note that a revised (reduced) 2014/15 trigger funding budget of £0.373m is required
- 2.3 Note that notional SEN too up allocations are calculated at £0.280m and will be paid to relevant schools in April from the £0.350m agreed budget.
- 2.4 Note the 2014/15 per pupil funding rates that will be used by the LA to recover funding where pupils are permanently excluded or have been referred to the Tuition Service.

3. Detail

Swindon Academy

- 3.1 At the 21st January 2014 Forum meeting members were advised of changes to the scope of Swindon's DSG and in particular that the inclusion of all Swindon Academy pupils within our DSG calculation and local formula could have a detrimental effect. On 19th February the EFA advised that this was the case and that the additional DSG coming into Swindon would be based on the existing schools block funding rate of £4.102 per pupil.
- 3.2 The problem with this approach is that most of the Academy pupils are key stage 3 and 4 and that relatively high levels of deprivation and other funding are payable from the local formula. Overall additional costs charged to the local formula for the Academy's 918 pupils are estimated at £4.556m which equates to £4,962 per pupil. There is therefore a gap between costs and funding of £860 per pupil which equates to £0.8m.

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- 3.3 The LA Finance team subsequently contacted EFA suggesting that this was unfair and that if SBC was effectively having to find an extra £0.8m of funding, someone must be gaining by the same amount. Clarity was also sought as to whether mainstream school budgets could/should be recalled and recalculated although in practise the only pragmatic solution would be to meet the additional cost by utilising the unallocated DSG balance, currently estimated at £1.001m. This would however only be a temporary solution.
- 3.4 Based on a subsequent telephone call on 20th February the LA is now reasonably confident that the end of partial recoupment academies was not intended to cause any disadvantage for SBC schools and that a more equitable solution will be put in place to avoid this. As this has yet to be formally resolved there remains a risk that some of the unallocated DSG balance may need to be used in 2014/15 and Schools Forum will be updated on this at the July meeting.
- 3.5 This issue has highlighted a potential future cost pressure for Swindon arising from the expected reversal in pupil trends. Over recent years there has been an overall increase in pupil numbers with increasing primary pupils and reducing secondary pupils. On average an additional primary pupil costs the local formula £3,502 whilst an average secondary pupil costs £4,683 (see annex B). DSG per pupil is fixed by DfE at £4,102 so there is currently a net overall benefit from primary expansions which helps balance the overall DSG position. In future this benefit will become a strain unless DfE introduce changes (such as a new nationally set school funding formula) from 2015/16 onwards.

<p>Schools Forum is asked to note the latest position regarding the implications of Swindon Academy pupils being included in our schools block DSG and funded from the local formula</p>

Pupil Growth - Trigger Funding Budget 2014/15

- 3.6 At the last Schools Forum in January members agreed a revised policy for the payment of trigger funding and a 2014/15 budget of £0.515m. Following a query from Oakhurst school regarding the LAs calculations of 2013/14 trigger funding a full review has been undertaken which highlighted that the over estimations also apply to the proposed 2014/15 budget proposals presented to the Schools Forum in January.
- 3.7 The error only applies to Oakhurst and East Wichel (the two schools which opened in all year groups) and funding has now been correctly calculated in accordance with the agreed policy (referred to during the consultation process as option 2A) which provides part year funding based on actual additional pupils in all expansion classes but with break-even protection funding to ensure expanding schools receive funding for at least 21 pupils in their expanded reception classes. For Oakhurst and East Wichel due to the nature of their opening arrangements

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the entire school consists of expanding classes. The original and revised 2014/15 trigger funding estimates are as follows;

School	Option 2A original 2014/15 estimate	Option 2A revised 2014/15 estimate	Difference
Drove	£61,709	£61,709	£0
East Wichel	£123,417	£74,050	-£49,367
Even Swindon	£46,281	£46,281	£0
Haydonleigh	£46,281	£46,281	£0
Oakhurst	£97,191	£4,628	-£92,563
Orchid Vale	£46,281	£46,281	£0
St Francis	£47,824	£47,824	£0
Holy Cross	£46,281	£46,281	£0
Totals	£515,266	£373,336	-£141,930

- 3.8 This means that the LA can reduce the 2014/15 retained pupil growth budget by £142,000 freeing up funding for high need or other cost pressures.

Schools Forum is asked to note that a revised (reduced) 2014/15 trigger funding budget of £0.373m is required

Notional SEN Budget Top Ups 2014/15

- 3.9 Under the school funding reform programme each LA must establish the elements of funding within their local formula which make up the notional SEN budget. Mainstream schools are required to meet the first £6,000 of additional costs for their high need pupils from their notional SEN budget and it is important that the LA takes steps to ensure sufficient funding is delegated to meet these costs. In March 2013 the Schools Forum agreed the LAs approach to this which was that;

Notional SEN funding would be made up as

- 40% of deprivation funding (excluding Pupil Premium)
- 100% of Low Prior Attainment funding

Notional SEN spending would be made up as

- Number of statemented pupils at a cost of £6,000 per pupil
- Number of LPA pupils (less the number of statemented pupils) at a cost equal to the LPA funding rate

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- 3.10 In some schools which have relatively high numbers of statemented pupils and / or relatively low levels of deprivation funding notional costs can exceed notional funding. Where this occurs the LA provides a cash top up and the 2014/15 calculations based on October 2013 pupil details and totalling £280,049 are attached at **Annex A**. Schools Forum agreed a 2014/15 budget of £350,000 in January which provides a contingency of £69,951 to meet additional costs that may be payable after the notional calculations are revisited after October 2014 PLASC details are reviewed.
- 3.11 Total costs in 2013/14 were originally £256,000 plus a further £67,500 which was allocated after October 2013 PLASC details were reviewed. .

Schools Forum is asked to note that notional SEN too up allocations are calculated at £0.280m and will be paid to relevant schools in April from the £0.350m agreed budget.

2014/15 Funding per Pupil and Clawback values

- 3.12 The LA is pleased to report that the EFA have confirmed that our mainstream funding formula is in compliance with the school finance regulations. This means that the 2014/15 funding allocations issued at the 21st January 2014 Schools Forum are also confirmed and detailed breakdowns of delegated and other LA funding have recently been sent to individual schools.
- 3.13 Under the school finance regulations the LA is required to recover pupil based funding from schools and academies under certain circumstances. Rather than calculate individual pupil values Schools Forum agreed last year that it would be pragmatic for the LA to set annual average values for each school which reflected the characteristics of their pupils. Attached at **Annex B** is a schedule showing 2014/15 mainstream funding per pupil adjusted to;
- exclude non pupil related funding (lump sum, NNDR and PFI)
 - include Pupil Premium funding
- 3.14 The resulting values per pupil are the amounts that will be clawed back from schools where pupils are permanently excluded (or where permanent exclusion notices are withdrawn) or where schools have referred pupils to the Tuition Service. Values are expressed as annual values but actual funding will be clawed back based on the appropriate number of days.

Schools Forum is asked to note the 2014/15 per pupil funding rates that will be used by the LA to recover funding where pupils are permanently excluded or have been referred to the Tuition Service.

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4. Alternative Options

- 4.1 There are no alternative proposals included within this report.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

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

Legal and Human Rights Implications

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

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

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

Links to One Swindon, 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 As there are no proposals in this report, a DIA has not been completed.

Risk Management

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

6. Consultees

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

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Annex A – Notional SEN funding and spending 2014/15 with Top Ups
8.2 Annex B – summary of 2014/15 School Budgets and Per Pupil Funding Values