

2015-16 Dedicated Schools Grant Settlement and Budget

Schools Forum

Date: 20th January 2015

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

1. Purpose and Reasons

- 1.1. This report provides Schools Forum members with an update on the estimated value of the Dedicated Schools Grant (DSG) and other funding that will be available in 2015/16. It also provides estimates of the level of expenditure that will be allocated to Early Years, Schools, Academies High Needs settings and centrally retained budgets.
- 1.2. The Local Authority is required to submit the Authority Proforma Toolkit on 20th January 2015 to the Education Funding Agency (EFA). This toolkit calculates individual Primary and Secondary School and Academy budgets for 2015/16. It uses the October Schools Census information and the formula funding rates agreed at the October Schools Forum in October 2014 (with minor adjustments referred to in this report). The Authority is also required to provide schools with budget information by 27th February 2015.
- 1.3. This report also includes expenditure proposals for all High Needs block funded items including; High Needs students in Mainstream schools, Special schools, Special Resourced Provisions, Alternative Provision, Post-16 and Further Education, Independent and Non-Maintained Special Schools and Other Local Authority Commissioned High Needs provision.
- 1.4. In July 2013 the LA established a High Needs Task and Finish Group (HNTFG). The group is made up of representatives from Special Schools, Special Resource Provisions (SRPs) and Alternative Provision (AP) settings to consult on the planning and implementation of a revised funding formula for high need pupils. The group has met 3 times since the summer 2014 to consider various proposals in relation to High Needs formula funding. The recommendations of the group are contained in this report.
- 1.5. Finally the Local Authority is required to submit the Section 251 Budget Statement to the EFA by 31st March 2015. An integral part of this financial statement is the use of the Dedicated Schools Grant. Schools Forum is required to agree various aspects of the DSG budget, and the Local Authority is required to consider the recommendations of the Schools Forum in setting the remainder of the Dedicated

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Schools Grant Budget. This report forms a critical part of that budget setting process.

2. Recommendations

2.1. Members of Schools Forum are now asked to note the following points relating to the 2015/16 DSG Settlement:

- 2.1.1. Swindon expects to receive a total DSG settlement of £161.003m in 2015/16.
- 2.1.2. The EFA will fund £0.510m for Uplands Post 16 places.
- 2.1.3. The estimated DSG balance at the end of 2014/15 is £1.154m
- 2.1.4. In total £162.667m of DSG / EFA funding is available and next year's spending proposals will need to be contained within this figure.
- 2.1.5. The early years block 2015/16 DSG settlement will be subject to revisions by DfE in light of early years census information in January 2016.

2.2. In respect of the 2015/16 DSG funded budget, Members of Schools Forum are now asked to:

- 2.2.1. Agree the proposed 2015/16 early years funding rates as shown in Table 6, which will take effect from 1st April 2015.
- 2.2.2. Agree a 2015/16 early years budget of £10.986m as shown in Table 6.
- 2.2.3. Note the 2015/16 mainstream school funding allocations as shown at Annex A of £122.520m, supporting 29,303 pre 16 pupils.
- 2.2.4. Note the Notional SEN funding top ups payable in 2015/16 (Shown in Annex B) at a total estimated cost of £0.350m.
- 2.2.5. Note Individual schools average pupil led funding (shown at Annex A), which will be used by the LA to claw back funding for excluded pupils during 2015/16.
- 2.2.6. Agree the following de-delegations and proposed length of agreement:
 - 2.2.6.1. Free School Meal eligibility administration will be charged at £4.80 per pupil in 2015/16 and is supported until 31st March 2016
 - 2.2.6.2. Trade Union release time will be charged at £1.25 per pupil in 2015/16 and is supported until 31st March 2018.
 - 2.2.6.3. Nylands Campus Outreach Team will be charged at £12.33 per primary pupil in 2015/16 and is supported until 31st March 2018.
- 2.2.7. Agree a total 2015/16 pupil growth budget of £0.281m, as shown at Annex C.

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- 2.2.8. Agree a total budget for Centrally Retained Services of £0.943m in 2015/16 as shown in Table 9.
- 2.2.9. Give a view on the funding changes to Special School and Special Resourced Provision budgets as described in paragraphs 8 and 9 of this report and which have been consulted on with the High Needs Task and Finish Group as shown in the minutes attached at Annex E.
- 2.2.10. Note the proposed Special School and Special Resourced Provision budgets shown at Annex D, subject to any agreement about how to treat Therapy Supplements.
- 2.2.11. Give a view on the on the best way to take forward changes to the Therapy supplement in 2015/16.
- 2.2.12. Note the impact of the Minimum Funding Guarantee on Special Schools and SRPs as shown at Annex D.
- 2.2.13. Give a view on the Local Authority's proposals for High Needs Budgets as described in paragraphs 12 to 18 of this report, summarised in Table 23 and listed below:
- Alternative Provision
 - Commissioned High Needs Services
 - Post 16 High Needs Budgets
 - Mainstream School Top Up Funding
 - External Placements (Pre 16)
 - High Needs Contingency
 - Other Centrally Retained High Needs Services
- 2.2.14. Support the following course of action:
- Members of Forum will note that table 24 identifies an under allocation of DSG of £0.278m. There is still work to be undertaken on the High Needs Budgets (particularly in relation to the Mainstream Schools SENRAP Budget. Officers propose to hold this balance for the time being and bring a further Budget report to Schools Forum in March with proposals for how this funding should be allocated.
- 2.2.15. Agree to the proposed use of £0.080m of DSG balances in 2014/15 as described in paragraph 22.2 of this report.

3. Dedicated Schools Grant Funding Settlement 2015/16

- 3.1. On 17th December 2014 the Education Funding Agency released information on the Dedicated Schools Grant Settlement for 2015/16. The DSG for 2015/16 comprises:

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- Early years block covering:
 - Funding for disadvantaged two year olds for which the hourly rates were announced in October 2014. Initial allocations will be made in June 2015.
 - The three and four year old entitlement - set at the same per pupil rate as 2014 /15 as announced in October 2014;
 - The early years pupil premium - a provisional allocation as announced in October 2014
 - Schools block - based on school block units of funding (SBUF) announced in July 2014 plus a cash transfer to bring non-recoupment academies into local authorities' overall budget calculations.
 - High needs block – based on 2014/15 plus an allocation of £195k from the national additional top-up of £47m (distributed using the 2-19 aged population).
- 3.2. The first part of this report describes the DSG settlement in more detail and attempts to add information on some of the aspects of the settlement that are still to be more formally announced. Further adjustments to the settlement information are expected for:
- Academies recoupment from the schools block;
 - Deductions for high needs places in academies and non-maintained special schools;
 - Changes to the non-recoupment academies cash transfer in relation to estimated pupil number and central budgets;
 - Deduction for national copyright licences;
 - Updates to the funding for three and four year olds;
 - Initial allocations for disadvantaged two year olds; and
 - Updates to the early years pupil premium.

Early Years - Disadvantaged 2 year old free nursery education DSG

- 3.3. This funding is moving from a nationally determined formula (which included substantial trajectory building funding) to a participation model whereby the level of grant paid to the LA is to be based on the January 2015 EY census (5/12) and the January 2016 EY census (7/12). The FTE census figure is then multiplied by a DfE determined hourly rate for Swindon of £4.97 which equates to £2,832.90 per child per year.
- 3.4. The LA will therefore need to revise its DSG estimate throughout the year and will not know the final 2015/16 grant value until February 2016. The latest estimate for 2015/16 is based on assumed increased take up arising from expansion plans:

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Table 1 - Disadvantaged 2 year old DSG estimate 2015/16

	Estimated census	Estimated DSG @ £2,832.90
January 2014 (for information)	630	
January 2015	957 x 5/12	£1,129,619
January 2016	1,000 x 7/12	£1,652,525
Total FTE and DSG	982.1	£2,782,144

Early Years - Free nursery education for all 3 and 4 year olds DSG

- 3.5. Funding will continue to be based on participation as measured by the January 2015 (5/12) and January 2016 (7/12) EY censuses. The FTE census figure is then multiplied by a DfE determined hourly rate for Swindon of £3,888.06 and again there will be a degree of uncertainty over the final 2015/16 grant value until February 2016.
- 3.6. The latest estimate for 2015/16 is higher than the figure provided at the October 2014 Forum following reconsideration of the January 2014 census and take up so far this year:

Table 2 - 3 and 4 year old DSG estimate 2015/16

	Estimated census	Estimated DSG @ £3,888.06
January 2014 (for information)	2,104	
January 2015	2,355 x 5/12	£3,815,159
January 2016	2,355 x 7/12	£5,341,222
Total FTE and DSG	2,355	£9,156,381

Early Years Pupil Premium

- 3.7. The DSG settlement includes an amount of **£0.165m** for the Early Years Pupil Premium. This is a new source of funding which will be paid to early years providers in support of 3 and 4 year olds whose parents are in receipt of various state funded income supplements. Providers will be paid at a rate of £0.53 per hour, which equates to £302.10 for every 3 or 4 year old that takes up the full 570 hours entitlement.

Schools Block DSG

- 3.8. This is the only area of DSG which can be determined accurately from the outset as funding for 2015/16 will be based on the October 2014 school census multiplied

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by a DfE determined rate per pupil for Swindon of £4,243.04. This is the area of the DSG which is increasing next year by 3.6% as a result of the increased funding of £390m in support of the least fairly funded LAs. Swindon received £4.3m from this allocation.

3.9. The factors and values payable to mainstream schools through the funding formula were agreed at the October 2014 Schools Forum and are shown later in this report and include an increase in the Basic per Pupil Entitlement (BPPE) of 4.15%. Letters were sent to all mainstream Headteachers on 10th November 2014 advising them of these details.

3.10. The F40 group Executive Committee has been seeking clarification from the Department about whether this additional funding in 2015/16 was a one-off payment or an amount that would be absorbed into the education budget for future years. The response from the funding team at the DfE is as follows:

'The position is that currently we do not intend the £390m to be a one-off, but an addition to baseline budgets. However the final position in 2016-17 onwards will depend on two things that are currently uncertain:

- 1 the total budget DfE has to spend, which will be agreed with Treasury in the next spending review.*
- 2 any funding policy changes that the government decides to make before we allocate 2016-17 funding. Those decisions will be taken after the general election.'*

3.11. Members of Forum should note that it is possible that after the General Election in 2015, the existing Government policy of protecting School and Education budgets may cease.

3.12. From 1st April 2015 pupils attending UTC Swindon and The Croft Primary school (both Non-Recoupment Academies) will be included within Swindon's pupil count for the purposes of calculating Dedicated Schools Grant. This means that SBC will also include UTCS and the Croft in its formula calculations. The October 14 school census shows 70 pre 16 pupils attending UTC and 151 attending The Croft. This would generate additional DSG of £0.938m. The anticipated cost of UTCS and The Croft through SBCs formula is likely to be in the region of £1.440m. The DfE has given a commitment that the transfer of Non-Recoupment Academies into the local formula will be fully funded and have included a baseline adjustment to the Swindon settlement for these establishments of £1.259m. This leaves a shortfall of £0.181m, which officers have had verbal confirmation that this will be included in later updates of the DSG in 2015/16.

3.13. The following table identifies the current 2014/15 and estimated 2015/16 Schools Block funding settlement. These figures use October 14 School Census.

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Table 3 – Schools Block DSG Estimate 2015/16			
Sector	School Census October 2013	School Census October 2014	Change
Primary	18,114	18,667	Plus 553
Secondary	10,568	10,312	Minus 256
Subtotal Pupil Numbers	28,682	28,979	Plus 297
Schools Block Unit of Funding	£4,102.23	£4,243.04	Plus £140.81
Schools Block Funding Estimate	£117.660m	£122.963m	£5.303m
Non Recoupment Academies Cash Transfer Announced Dec 14 (UTCS and Croft)	0	£1.259m	£1.259m
Additional Non Recoupment Academies Cash Transfer Unannounced		£0.181m	£0.181m
Total Estimated Schools Block DSG Settlement	£117.660m	£124.403m	£6.743m

High Needs Block DSG

- 3.14. This area of the grant settlement remains cash limited, based on historic levels of expenditure incurred by Swindon using the 2012/13 Section 251 Schools Budget Statement which in turn was used to allocate the DSG funding blocks in 2013/14. The DfE has acknowledged that this area of the DSG is in need of significant reform and they are committed to undertake this after the next election.
- 3.15. In 2014/15 Swindon's High Needs Block funding was £24.083m (before the £2.051m deduction for direct funding of Academy and Post 16 places by the EFA). Since 2013/14 the DfE / EFA has consistently cash limited the funding available to Local Authorities for SEN through the High Needs block.
- 3.16. In July 2014, the Minister for Schools, David Laws acknowledged that there could not be a fair education funding system until there was reform of the distribution of funding for pupils with high-cost SEN. He also said that this would be a priority for reform during the next parliament and that the government had no specific changes in mind. He suggested that an SEN distribution mechanism should be more formulaic, and less based on historic levels of expenditure. The DfE has commissioned research, and has invited all interested parties to provide examples of how SEN funding is allocated and used. This call for evidence closes on 27th February 2015 and more information can be found at the following link.

<https://www.gov.uk/government/consultations/funding-for-children-and-young-people-with-send>

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

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3.17. The LA was previously assuming a cash limited High Needs block settlement in line with the 2014/15 funding. This is despite a known additional requirement for 23 places in Special Schools and SRPs at an additional cost of £0.649m. The EFA permitted LAs to submit a bid for 'Exceptional Circumstances Funding'. This funding was to cover the additional costs of exceptional increases in High Needs places. The December DSG settlement showed that Swindon was not successful in this bidding process. However, the department has increased Swindon's High needs block by £0.195m from a national increase to High Needs funding of £47m. High Needs Block funding for 2015/16 is therefore **£24.497m**. Historically Swindon spends considerably more than this on High Needs budgets. More information on High Needs Expenditure is included later in this report.

DSG Balances

3.18. In accordance with DfE grant conditions the DSG must be treated by the LA as ring-fenced for specific educational purposes. The Local Authority is permitted to carry forward unused DSG between each financial year. Schools Forum received a monitoring report on the use of 2014/15 DSG to your October meeting. This report identified the following DSG balance position.

Table 4 – DSG Balances Estimate 2015/16	
Opening DSG balance brought forward from 2013/14	£2.470m
Less – Primary £54.77 BPPE increase payable in 2014/15 and included in delegated school budgets (January 2014 Forum)	(£0.970m)
Less – Additional double top up payments to Ridgeway ASC unit (March 2014 Forum)	(£0.058m)
Less – Red Oaks SRP premises alterations to expand unit places (July 2014 Forum)	(£0.029m)
Plus – projected in year surplus (as at December 2014)	£0.441m
Less - repayment of equal pay liabilities (agreed October 14 Schools Forum)	(£0.700m)
Projected DSG balance carried forward to 2015/16	£1.154.m

School Balances

3.19. Members of Schools Forum are reminded that Schools brought forward balances into 2014/15 of £5.533m (£5.025m into 2013/14 and £5.603 into 2012/13).

Post 16 Funding

3.20. Members of Schools Forum will recall from your October meeting that the EFA has agreed to fund Elements 1 and 2 for Post 16 pupils at Uplands Special School.

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Previously there had been some uncertainty about whether this would happen. This means that the Authority has an additional £0.510m of funding available.

Estimated DSG Settlement and balances In Summary

3.21. In Summary the total estimated Dedicated Schools Grant settlement for 2015/16 is estimated to be **£161.003m**, with an estimated carry forward from 2014/15 of **£1.154m**, as shown in the following table.

Table 5 – Total DSG / EFA Funding Estimate 2015/16	
Estimated DSG Settlement 2015/16	Estimated 2015 Settlement
Early Years 2 Year Olds	£2.782m
Early Years 3-4 Year Olds	£9.156m
EY Pupil Premium	£0.165m
Schools Block	£124.403m
High Needs Block	£24.497m
Estimated DSG Settlement 2015/16	£161.003m
EFA Funding for Uplands Post 16	£0.510m
DSG + EFA Funding	£161.513m
Estimated 2014/15 DSG Balance	£1.154m
Available for 2015/16	£162.667m

Members of Schools Forum are now asked to note that:

- Swindon expects to receive a total DSG settlement of £161.003m in 2015/16.
- the EFA will fund £0.510m for Uplands Post 16 places
- The estimated DSG balance at the end of 2014/15 is £1.154m
- In total £162.667m of DSG is available and next years' spending proposals will need to be contained within this figure.
- The early years block 2015/16 DSG settlement will be subject to revisions by DfE in light of early years census information in January 2016.

4. Early Years Expenditure Proposals 2015/16

4.1. At its October meeting Schools Forum agreed an inflationary increase to the 3 and 4 year old hourly rate from £3.75 to £3.85 from April 2015. In line with current

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practice a slightly higher rate, rising from £3.91 to £4.00 is proposed where provision is available over 48 weeks of the year.

- 4.2. The DfE have now confirmed Swindon's 2 year old DSG funding rate will be unchanged in 2015/16 which in turn means that the rate payable will need to stay at £4.95 per hour.
- 4.3. Finally the Local Authority will establish a budget of £0.165m to support the introduction of the Early Years Pupil Premium. This is a sum equivalent to the initial DSG allocation announced in the settlement.
- 4.4. The 2015/16 Early Years budgets (based on estimates of participation and the proposed funding rates) is shown in the table below. Spending proposals on 2 year old provision include continuation of a DSG contribution towards staffing and publicity costs as previously approved by Schools Forum.

Table 6 - 2015/16 Early Years Funding Rates and budget proposals			
Item	2014/15 Rates	2015/16 Rates	2015/16 Budget
3 and 4 year old children			
• Basic hourly rate - per child (38 wks)	£3.75	£3.85	£7.884m
• Basic hourly rate - per child (48 wks)	£3.91	£4.00	
Quality enhancement per setting			
• "Good" OFSTED rating	£250	£250	£0.050m
• "Outstanding" OFSTED rating	£500	£500	
Deprivation enhancement per setting (based on IDACI scores)	Up to £5,000	Up to £5,000	£0.100m
Total 3 and 4 year old budget (based on average take up of 3,660 children at 570 hours)			£8.034m
Disadvantaged 2 year old children			
• Basic hourly rate - standard per child	£4.95	£4.95	£2.724m
• Contribution to existing staffing and marketing costs at current levels			£0.063m
Total Disadvantaged 2 year olds budget (based on planned take up by approx. 985 children at 570 hours)			£2.787m
Early Years Pupil Premium			£0.165m
Total 2015/16 Early Years budget proposals			£10.986m

- 4.5. LAs are required to provide all early years' settings with indicative funding allocations prior to the start of each financial year. Schools and academies will be notified as part of their main school funding allocations. SBC is required to issue schools budgets by 27th February 2015. Other Early Years providers will receive letters from the Early Years team advising them of their indicative 2015/16 funding by the end of February.

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Members of Schools Forum are now asked to:

- agree the proposed 2015/16 early years funding rates as shown in Table 6, which will take effect from 1st April 2015,
- agree a 2015/16 early years budget of £10.986m as shown in Table 6.

5. Schools Budgets 2015/16

Formula funding factors 2015/16

5.1. The factors and values payable to mainstream schools through the funding formula were agreed at the October 2014 Schools Forum. These factors and rates include the 4.15% increase to the Basic per Pupil Entitlement (BPPE) that arose from the additional £390m national allocation for those poorest DSG funded Local Authorities. Swindon received a DSG increase of £4.3m from this allocation. Letters were sent to all mainstream Headteachers on 10th November 2014 advising them of these details.

5.2. Two adjustments have been made to rates since they were agreed in October as follows:

5.2.1. Following agreement by SAPH representatives on the Schools Forum the LA will continue to provide the Nylands Campus Outreach Team (NCOT) centrally. In order to do so the funds must first be delegated to primary schools and then de-delegated. Additional funding of £12.33 per primary pupil has been added to the Primary BPPE rate. This will then be de-delegated from maintained primary schools.

5.2.2. A £5.00 reduction to BPPE at KS3 / 4 arising from national adjustment to Base funding and Top Up rates for EOTAS (Riverside). This is described in more detail later in this report.

5.3. The final rates applied to the Schools Funding Formula for 2015/16 are shown in the following table;

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Table 7 - 2015/16 Primary and Secondary Schools and Academies Formula Factors			
Factor	Primary £	Secondary £	Changes
BPPE KS1-2 add £12.33 re NCOT	£2,754.40 £2,766.73		4.15% increase
BPPE KS3 Less £5.00 EOTAS Top Up / Base change		£3,607.24 £3,602.24	4.15% increase
BPPE KS4 Less £5.00 EOTAS Top Up / Base Change		£4,400.32 £4,395.32	4.15% increase
Lump sum values - per school	£106,700.00	£175,000.00	
EAL (1,2 & 3yrs)	£574.11	£700.00	
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	
Lower Prior Attainment – Proxy SEN	£701.57	£1,000.00	
NNDR (Business Rates) - per school	Actual cost	Actual Cost	
PFI Affordability Gap funding – per school	Actual cost	Actual Cost	

- 5.4. At the October 2014 Forum meeting the LA provided indicative funding allocations for individual schools which were based on October 2013 pupil numbers and their characteristics. Actual funding for 2015/16 will be based on October 2014 pupil data which the DfE made available to Local Authorities on 11th December 2014. The LA has used this information to calculate schools budgets for 2015/16 and have also included funding for 2015/16's NNDR and PFI affordability costs.
- 5.5. Attached at **Annex A** are the final 2015/16 Primary and Secondary Schools and Academy funding allocations **subject to EFA ratification**.
- 5.6. Where appropriate Minimum Funding Guarantee (MFG) protection has been provided to ensure no school receives a year on year reduction in funding per pupil of more than 1.5%. The total cost of MFG in 2015/16 is **£148,825**. 4 Schools (East Wichel, Bishoptone, South Marston and Tadpole Farm) are in receipt of MFG.
- 5.7. The formula now includes the UTC Swindon and The Croft Primary. The formula delivers £0.729m to UTCS and £0.701m to The Croft. The DfE has given a commitment that these additional costs will be fully funded in the DSG Settlement.
- 5.8. New regulations in 2015/16 require Local Authorities to fund schools that have opened in the last 7 years and are still growing on a composite pupil number. This takes account of 5/12ths of the October 14 School Census and 7/12ths of an estimate of the October 2015 school census (rather than funding just on October

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2014 school census as is currently the case for established schools and academies). This approach has been applied to East Wichel, Tadpole Lane, Croft, Holy Cross and UTC Swindon and has been built into the Individual Schools Budget Calculations.

- 5.9. The total funding payable to Primary and Secondary schools and Academies in 2015/16 is **£122.520m** (29,303 pupils).
- 5.10. Forum members are reminded that schools are not protected against the impact of falling pupil numbers and are expected to anticipate and take appropriate actions to reduce costs in these circumstances. Some schools will experience challenging funding settlements despite the 4.15% increase in BPPE. Schools with growing pupil numbers between October 2013 and October 2014 censuses will receive increased funding and schools which are expanding in October 2015 will also receive in year trigger funding as described in section 4 above.

Members of Schools Forum are now asked to:

- **Note the 2015/16 mainstream schools funding allocations as shown at Annex A of £122.520m, supporting 29,303 pre 16 pupils.**

Notional SEN Funding

- 5.11. Attached at **Annex B** is a statement showing the calculation of the notional SEN budget for each school. This calculation also shows whether a school is eligible to receive additional funding from the centrally retained high needs top up budget. The Local Authority holds a budget that is allocated to schools which, based on the October 2014 census, have relatively high proportions of statemented / high need pupils. In line with current practice a proportion of funding has been earmarked as a contingency for further payments that may be required following a recalculation of notional SEN funding and spending after the October 2015 census. The values shown at Annex B are in addition to the mainstream funding allocations shown at Annex A.

Funding per pupil

- 5.12. **Annex A** also includes columns that show for each mainstream school the average 2015/16 pupil led funding calculation i.e. excluding Rates, Lump Sum and PFI allocations. This calculation includes an estimate of the pupil premium allocations based on October 14 Census information (Free School Meal Ever 6) and the announced Primary and Secondary rates. It shows annual and daily values per pupil and these rates will be used to claw back funding during 2015/16 if pupils are excluded from schools.

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De-Delegation

5.13. Schools are reminded that their 2015/16 school budget includes funding for services that the Schools Forum has agreed to de-delegate. De-delegation is where funding is deducted from schools budgets to provide services centrally. The funding to be deducted and the services are as follows:

5.13.1. Free School Meals Eligibility Administration – there is continued support for this service from maintained schools and high levels of buyback from Academies. The service is provided by the LA Admissions team. The de-delegation value / charge in all sectors for 2015/16 will be £4.80 per pupil.

5.13.2. Trade Union Release time – there is continued support for this service provided by the LA Human Resources team and a high level of buy back from academies. For 2015/16 both primary and secondary maintained schools have agreed de-delegation and the de-delegation value / charge per pupil in all sectors for 2015/16 will remain at £1.25 per pupil.

5.13.3. Nylands Campus Outreach Team – the October 2014 Forum agreed that this service provided by the White Horse Federation from the Nylands campus should be delegated to schools from 2015/16. The Primary BPPE rate has been uplifted by £12.33 per pupil. In order to provide this service centrally as agreed by October Forum £12.33 will be de-delegated in 2015/16.

5.14. The amounts of funding that will be de-delegated from each school will be included with your final budget package.

5.15. Following discussions at the October Forum meeting regarding the importance of providing stability to service providers and the staff employed by them the LA wrote to each Headteacher Association seeking views on whether longer term funding could be agreed. SAPH, SASH and ASSSH have been consulted on whether they would be in agreement to continue funding for 1, 2 or 3 years, with agreements in excess of 1 year being subject to annual review in the Autumn and costs not increasing above 2.5% per annum. The outcome of the consultation is shown below:

Table 8 – Responses to the consultation about 3 year de-delegation approval			
Service	SAPH	SASH	ASSSH
FSM Eligibility	3 years	1 year	n/a
Trade Union	3 years	n/a	3 years
NCOT	3 years	n/a	3 years

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Members of the Schools Forum are now asked to:

- Note the Notional SEN funding top ups payable in 2015/16 (Shown in Annex B) at a total estimated cost of £0.350m
- Note Individual schools average pupil led funding (shown at Annex A), which will be used by the LA to claw back funding for excluded pupils during 2015/16.
- Agree the following de-delegations and proposed length of agreement;
 - Free School Meal eligibility administration will be charged at £4.80 per pupil in 2015/16 and is supported until 31st March 2016
 - Trade Union release time will be charged at £1.25 per pupil in 2015/16 and is supported until 31st March 2018.
 - Nylands Campus Outreach Team will be charged at £12.33 per primary pupil in 2015/16 and is supported until 31st March 2018.

6. Central Expenditure Proposals 2015/16

6.1. In recent years the LA has provided Schools Forum with a full breakdown of all centrally retained budget proposals. Under the school funding reform programme the DfE introduced various categories and the 2015/16 budget proposals below are broken down in accordance with the latest school finance regulations.

Pupil Growth

6.2. Under the school finance regulations the Schools Forum must agree the criteria by which pupil growth funding is allocated and the local policy and values payable next year were agreed in October. These values are shown below together with the associated 2015/16 budget requirements. School by School detail is shown at **Annex C**. All Figures are recalculated using October 2015 Pupil numbers.

6.2.1. Pre-opening start-up costs for a new primary school at £100,000 plus up to £20,000 where the school has a nursery which the LA has requested – **no budget requirement in 2015/16**.

6.2.2. Infrastructure set up costs at £35,000 per 1 Form of Entry primary school – **no budget requirement in 2015/16**.

6.2.3. Classroom set up costs at £11,500 per primary class – budget requirement of **£46,000**.

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6.2.4. Trigger funding is payable at the primary sector average of **£3,353** x 7/12ths per pupil providing a maximum of £58,680 (30 pupils) and minimum of £41,075 (21 pupils) – a budget requirement in 2015/16 of **£234,700**.

6.3. Since October the Local Authority has been informed that, where a school (other than a free school) is opening or has opened in the last 7 years, then authorities should estimate the pupil numbers expected to join the school in September and fund accordingly through the schools budget, rather than through the Growth Fund.. Tadpole Farm, East Wichel, The Croft Holy Cross and UTC fall into this category. Where previously the LA held funds in the Growth fund for the increase in pupil numbers at these schools, this money will now pass directly into the ISB and be paid as part of the Schools Budget Share.

Members of the Schools Forum are now asked to:

- **agree a total 2015/16 pupil growth budget of £0.281m, as shown at Annex C**

Other Central Costs

6.4. Commentaries on the other centrally held budget proposals for 2015/16 are as follows:

6.4.1. **Admissions** – regardless of increases in pupil numbers, pay awards or any other inflationary cost pressures the LA is unable to submit an increased budget request above 2014/15 levels and any shortfalls in the cost of providing the admissions service will need to be offset by spending cuts or provided from core funding. For 2015/16 the budget proposal is **£195,300** in line with the current year.

6.4.2. **School subscriptions and licenses** - Forum members may recall that DfE arranged for a number of licenses (Performing Rights, Copyright etc.) to be nationalised and recharged to LAs in respect of all their schools and academies from the start of 2013/14. In addition the LA still manages the CAPITA SIMS license for maintained schools on a traded service basis. For 2015/16 the budget proposal of **£95,000** is £5,000 greater than the 14/15 budget in recognition of increased pupil numbers and the inclusion of Swindon Academy and Croft within Swindon's DSG.

6.4.3. **Schools Forum** administration – this relatively minor budget is held to cover Forum meeting room hire and refreshments plus F40 subscriptions and attendance at regional and national school funding conferences. As with Admissions, budgets cannot be set above the 2013/14 level of **£2,000** and this is therefore the 2015/16 budget proposal.

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6.4.4. **Equal pay** - At the October Schools Forum meeting members agreed the substantial early settlement of £2m of central liabilities for equal pay which would reduce the annual repayment budget to £34,000 from 2015/16. This was based on using a number of sources of funding including £800,000 of NNDR refunds of which £655,000 had been brought forward from previous years. Shortly after the October Forum meeting it came to light that the brought forward balance quoted related to the 1st April 2013 figure which excluded further refunds received during 2013/14 of £121,000 and was therefore understated. Based on the 2014/15 NNDR position a further amount of £0.465m will be available taking the total available to £1.265m. Given the relatively low risk that substantial back dated NNDR increases could arise the LA is proposing that holding an NNDR reserve is unnecessary and that this is all used to reduce the central equal pay liability.

6.4.5. Subject to Schools Forum support this would allow the 31st March 2015 equal pay liability to be reduced from £2.5m to £0.080m. The projected 2014/15 DSG out-turn position suggests that it will be possible to fully repay the equal pay liability during 2015/16. A proposal to this effect is included in the paragraph about the use of DSG balances towards the end of this report. Forum members are reminded that these proposals do not affect individual schools and academies which are required to repay their 50% share of costs via long term loan or from their own balances. Clearing the central liability releases DSG that can be made available to schools and other DSG funded providers in future years.

6.4.6. **Central overheads** – For 2014/15 the cost of central overheads charged to the DSG as agreed by Schools Forum is £651,000 (of which an estimate of £98,000 relates to the EOTAS service). When the DSG was created in 2006/07 it was based upon spending decisions taken by schools forum in 2005/06, which included a budget for Corporate Overheads of £1.426m. This funding was for central support staff and other support costs for Early Years, schools and other DSG funded services. Since 2006/07 SBC staff and other costs have reduced in line with reduced government funding and some services have been delegated to schools. Consequently the corporate overhead recharge has also reduced. Rather than apportion these overheads across all DSG retained services the LA retains a single budget.

6.4.7. The EOTAS overhead enables the School Management Committee to buy back an appropriate level of support from LA departments from its delegated budget. The level of buy back was high in the first year because more support was required by the service to enable it to establish itself. The EOTAS Management Committee and the Local Authority have now reviewed the level of overhead and concluded that it should be significantly lower in 2015/16 (£35,500). The released overhead will revert back to the Central DSG budget.

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6.4.8. For 2015/16 Forum Members are now asked to agree the same overall Central Overhead budget of **£651,000 of which £35,500 relates to the EOTAS** service and £615,500 relates to other central services.

6.4.9. A Summary of the proposed Centrally retained DSG funded budgets is shown in the following table;

Table 9 – Summary of Proposed 2015/16 Centrally Retained Budgets			
Other Central Budgets	2014/15	2015/16 Proposal	Variance
Admissions	£195,300	£195,300	£0
Schools Subscriptions and Licenses	£90,000	£95,000	£5,000
Schools Forum	£2,000	£2,000	£0
Equal Pay	£170,000	£0	-£170,000
Central Overheads	£553,000	£615,500	+£62,500
Central Overheads – EOTAS	£98,000	£35,500	-£62,500
	£1,108,300	£943,300	-£165,000

Members of Schools Forum are now asked to:

- **Agree a total budget for Centrally Retained Services of £0.943m in 2015/16 as shown in Table 9.**

7. High Needs Expenditure Proposals 2015/16

7.1. On 11th March 2014 Swindon's Schools Forum agreed High Needs Budgets totalling £25.842m (£1.759m more than the DSG High Needs Block funding provided). Details of these budgets are shown in the following table.

Table 10 – Summary of High Needs Budgets 2014/15		
	£	£
Special Schools and Academies		
- Place Funding (Maintained Schools)	4,920,000	
- Top Up Funding (Maintained and Academy)	5,377,922	
- PFI Top Up Funding	274,080	
		10,572,002
Special Resourced Unit (SRP)		
- Place Funding (Maintained Schools)	1,830,833	
- Top Up Funding (Maintained and Academy)	2,326,522	
		4,157,355

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

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Alternative Provision		
- Place Funding (Maintained Schools)	720,000	
- Top Up Funding (Maintained and Academy)	481,500	
- CAMHS and Hospital Education Service	473,000	
- Exclusions Income	-350,000	
- Tuition Service	889,800	
		2,214,300
Other High Needs Provision		
- Commissioned High Needs Outreach and Support Services	1,200,600	
- Post 16 High Needs in ISP / NMSS / Mainstream / FE	3,058,100	
- Mainstream Top Up Funding (including equipment)	2,135,000	
- Independent and Non Maintained Special Schools	1,556,600	
- High Needs Contingency	550,000	
- Other High Needs Services	271,700	
		8,772,000
TOTAL HIGH NEEDS EXPENDITURE 2014/15		25,842,382

7.2. The remainder of this report will consider each of the budgets shown above, review any considerations and recommendations of the High Needs Task and Finish Group and the Local Authority and present recommendations to Schools Forum for consideration in the run up to the 2015/16 budget settlement.

8. Special Schools and Special Resourced Provision – Banding and Top Up Funding

8.1. The High Needs Task and Finish Group (HNTFG) met on the 22nd September 2014 to commence a consultation process aimed at recommending improvements to the 2015/16 allocation of high needs funding across specialist settings where the consensus view of the group is that this would improve fairness. At that meeting it was agreed that SBC officers would undertake financial modelling on the impact of a number of potential changes to the high needs banding system which would affect Special Schools and Special Resource Provisions.

- Equalise Band Values (which would raise MLD / SPLD to the same as other prime needs)
- Equalise BESD Band Values so that pupils with BESD attracted a supplement (probably SEMH) rather than higher band values
- Band 3 – Increasing the value from 50% (£6,700) to 60% (£7,980) of Band 1.
- Extend the Special Schools ASC Supplement from Band 1 Eligible pupils to all ASC pupils in Bands 1, 2 and 3

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- Introduce a further “Medium” level of need for all Therapy Supplements so that funding could be allocated at 3 values next year i.e. High / Medium / Low.
- 8.2. The HNTFG held a further meeting on 21st October where it received various financial models relating to the proposed changes detailed above. After much discussion the group agreed the following changes to the way in which Special School and SRP Top Up and Supplements should operate in 2015/16
- Equalise all band values
 - Increasing MLD and SPLD Band Values
 - Reducing BESD band values (and introduce an SEMH supplement to compensate)
 - Increase band 3 from 50% to 60% of Band 1
 - Introduce an SEMH supplement to effectively replace 95% of the current levels of BESD top up funding as follows;
 - High (Band 1) supplement at approximately £4,275
 - Medium (Band 2) supplement at approximately £3,040
 - Low (Band 3) supplement at approximately £1,900
 - Introduce 3 levels of Therapy Funding based on the number of 1 ½ hour sessions attended by students in each year as follows;
 - High: 38 Sessions
 - Medium: 6 Sessions
 - Low: 2 Sessions
 - The LA was asked to develop a model which broadly provided sufficient funding to meet the NHS subsidised costs charged by the SBC Therapy Providers
- 8.3. The LA modelled the indicative costs of the above changes based on 2014/15 pupil details and various options on how the changes could be funded. The group supported what was described as ‘option 5’ which produced the following indicative band values:

Table 11 – Revised Band and Supplement Values arising from consultation with High Needs Task and Finish Group			
	Percent	Primary	Secondary
Band Values		£	£
Band 1	100%	£12,029	£12,662
Band 2	90%	£10,826	£11,396
Band 3	60%	£7,217	£7,597
Band 4	37.5%	£4,511	£4,748
Band 5	30%	£3,609	£3,799
Band 6	15%	£1,804	£1,899
BESD Graduated Response Assessment Class		£2,550	£2,684

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Supplement Values			
Manual Handling		£1,500	£1,500
Medical Needs		£1,500	£1,500
ASC – SRPs		£6,000	£6,000
ASC – Band 1 Special Schools		£1,000	£1,000
Access to mainstream inclusion		£2,000	£2,000
SEMH High		£4,275	£4,275
SEMH Medium		£3,040	£3,040
SEMH Low		£1,900	£1,900
British Sign Language		£16,750	£16,750

- 8.4. Annex D2 (option 5) of the October HNTFG report showed that some settings gained and others lost funding but, more importantly, that the impact of changes described above would not have a significant negative financial effect. Where schools were effected by a reduction of greater than 1.5% per place then the Minimum Funding Guarantee (MFG) would come into effect.
- 8.5. The minutes of the October and November HNTFG are attached at **ANNEX E** of this report for information.

9. Special School and Special Resourced Provision - Place Numbers

- 9.1. **Annex D** of this report identifies the estimated budgets for Special Schools and Special Resourced Provision. It shows the comparison between 2014/15 and 2015/16, identifying where schools have a change in the proposed number of funded places, and it provides an estimate of whether a school will be in receipt of the Minimum Funding Guarantee. At this time the figures do not take account of whether any of the places will be filled by pupils from Other Local Authorities. This information will be added before budgets are sent out to schools.
- 9.2. The October HNTFG was informed of an anticipated increase in the number of places that the LA would be commissioning during 2015/16 from 675 to 698 (a net increase of 23 places). ANNEX D to this report identifies each establishment and where the increase of 23 High Needs places occurs. This increase has been self-assessed and moderated by the Local Authority to ensure that the numbers and levels of need are correct. An additional known 23 FTE places will require the Local Authority to find a further £230,000 (23 x £10,000) of place funding in 2015/16 from within the DSG / High needs block settlement. **In total Swindon will require £6.977m of place funding in 2015/16.**
- 9.3. As well as Place funding the Local Authority will need to identify sufficient additional resource to pay for the top up funding for each place. The following table compares the number and amounts of Banded Top Up funding paid in

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2014/15 with the outcomes of the moderated Self-Assessment. This table uses the Band rates and supplements that were agreed at the October HNTFG meeting and which will be discussed later in this report. **The table identifies a budget requirement of £8.406m of Top Up Funding, an increased cost in 2015/16 of £419,000.**

Table 12 – Change in funded places and cost of Top Up 2014/15 to 2015/16

	14/15 funded Places			15/16 Funded Places based on Moderated Self-Assessment			Variance		
	Apr 14	Sep 14	£	Apr 15	Sep 15	£	Apr	Sep	£
Bands									
Bespoke Packages	17	17	414,681	20	20	478,165	3	3	63,484
Band 1	159	161	2,291,217	164	167	1,949,065	5	6	-342,151
Band 2	176	177	2,235,600	207	220	2,445,360	31	43	209,760
Band 3	252	255	1,705,260	234	239	1,799,912	-18	-16	94,652
Band 4	62	63	312,917	55	55	261,155	-7	-8	-51,762
Band 5	4	4	16,000	5	4	16,777	1	0	777
Band 6	1	1	2,000	1	1	1,899	0	0	-101
Subtotal Bands	671	678	6,977,674	686	706	6,952,333	15	28	-25,341
Supplements									
Manual Handling	68	72	105,500	82	79	120,375	14	7	14,875
Medical Needs	86	87	129,875	92	88	134,500	6	1	4,625
ASC - SRP's	50	55	317,500	57	59	349,000	7	4	31,500
ASC - Band 1 Special Schools	36	31	33,083	45	44	44,417	9	13	11,333
Access to mainstream inclusion	154	161	316,167	176	176	352,000	22	15	35,833
British Sign Language	14	14	234,500	13	13	217,750	-1	-1	-16,750
SEMH	0	0	0	110	127	366,898	110	127	366,898
Total			8,114,299			8,537,273			422,973
Primary 95%	0	0	-127,086	0	0	-130,968			-3,882
Total			7,987,213			8,406,305			419,092

9.4. Based on the moderated self-assessment the overall additional cost of these pupils will therefore be **£649,092** as follows:

Increase in Base Funding (23 x £10,000 per place)	£230,000
Increase in Top up Funding as shown above	<u>£419,092</u>
Total cost of increased High Needs Places	£649,092

9.5. SBC submitted a request to the EFA for Exceptional Circumstances Grant (additional DSG funding) to cover an increase cost associated with these additional High Needs places. The Dedicated Schools Grant Settlement announcement on 17th December 2014 confirmed that SBC has not been successful in securing any additional funding for these places. However, the department has increased Swindon's High needs block by £0.195m from a national increase of £47m to their total High needs funding.

9.6. These additional places therefore represent a pressure to the DSG of £649,000. Recommendations will be bought later in the report on how to address this pressure within the context of the overall DSG settlement.

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10. Special School and SRP – Therapy Supplement

10.1. In 2014/15 the Local Authority allocated funding to Special Schools and Special Resourced Provisions for Speech and Language, Physio and Occupational Therapy as shown in the following table:

Table 13 –Therapy Supplements 2014/15				
	Need	Count	Rate	Total
SALT	HIGH	24	£1,250	£30,000
	LOW	328	£150	£49,200
PT	HIGH	14	£825	£11,550
	LOW	117	£100	£11,700
OT	HIGH	15	£825	£12,375
	LOW	119	£100	£11,900
				£126,725

10.2. The High Needs Task and Finish Group felt that there was a need to introduce a Medium Need band for Therapy funding. After considerable discussion it was decided that the banding should be modelled as follows:

Table 14 – Therapy Supplement Proposal			
	Number of Therapy Sessions per annum		
	LA Finance Team modelled best fit	PT / OT Provider Descriptor	SALT Provider Descriptor
HIGH	38 sessions	Weekly support or monthly to termly support	Weekly or twice weekly support
MED	6 sessions	Monthly to termly support?	Between 3 and 6 visits per year?
LOW	2 sessions	Yearly or Half Yearly Support?	Up to 2 visits per year?

10.3. The LA established that the NHS subsidised charges which will be levied by the SBC Therapy providers in 2015/16 will be £41.25 per 1.5 hour session (based on a day cost of £204 and 7.5 hrs. per day). This results in the following band values:

Table 15 – Therapy Supplement proposed Values			
Eligibility / Need	High	Medium	Low
Assumed annual provision	38 sessions	6 sessions	2 sessions
Band Value	£1,567.50	£247.50	£82.50

10.4. A school by school self-assessment of the number of pupils that fall into each Therapy band has been obtained and suggests the following:

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

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- There has been a significant increase in the number of pupils assessed as being in need of Occupational Therapy from the 135 funded in 2014/15 to 182.
- There has been a decrease in the number of pupils being assessed as in need of Physiotherapy.
- In both Occupational Therapy and Physiotherapy there has been a significant increase in the number of pupils requiring a high level of Therapeutic support.
- The numbers and profile of need in SALT has not changed significantly since the 2014/15 funding.

10.5. The financial impact of these changes is shown in the following table:

Table 16 – Financial Impact of Therapy Supplement Proposals

THERAPY	Band	Sessions per annum	Total Funding per band	Pupils numbers from Schools	Total Funding	2014/15 Allocations totals	Variance
SALT	High	38	£1,568	26	£40,755		
	Medium	6	£248	100	£24,750		
	Low	2	£83	228	£18,810		
SALT Sub				354	£84,315	£79,200	£5,115
PT	High	38	£1,568	46	£72,105		
	Medium	6	£248	30	£7,425		
	Low	2	£83	38	£3,135		
PT Sub				114	£82,665	£22,350	£59,415
OT	High	38	£1,568	45	£70,538		
	Medium	6	£248	43	£10,643		
	Low	2	£83	94	£7,755		
OT Sub				182	£88,935	£24,275	£64,660
TOTAL					255 915	£126,725	£129,190

10.6. The table identifies current levels of delegated Therapy funding of £126,725, but a doubling of the required funding to £255,915 in 2015/16. The assessment of SALT needs suggests that funding and demand are closely aligned. However, for Physiotherapy and Occupational Therapy schools are suggesting that there is a significant increase in numbers and need resulting in a need to increase funding by £124,075.

10.7. Various options for mitigating the cost have been considered as follows:

- Implement in Full as described above

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- Reduce Special Schools and SRP bands to reduce cost to 2014/15 levels
- Reduce the NHS levied rate of £41.25 to reduce cost to 2014/15 levels
- Significantly reduce the amount of funding payable for larger groups of pupils requiring Therapy in recognition of economies of scale
- Part Implementation – Implement SALT for 2015/16 and undertake further work on Physio and Occupational Therapies.

11. Summary of special School and SRP Expenditure and Minimum Funding Guarantee (MFG)

11.1. The Local Authority has modelled the impact of the changes to the Banded Top Up and Supplement system described in paragraphs 8 and 9 above. Details of these changes on an individual setting are shown at **Annex D** of this report. Please note that these figures currently exclude any funding relating to Therapies subject to the outcomes of Schools Forum discussions at paragraph 10 above, as such the calculations may be subject to change before final budgets are issued.

11.2. **Annex D** also identifies that 7 Special Resourced Provisions and St Luke's Special School will be in receipt of Minimum Funding Guarantee at a total cost of **£37,762**.

Members of Schools Forum are now asked to:

- Give a view on the funding changes to Special School and Special Resourced Provision budgets as described in paragraphs 8 and 9 of this report and which have been consulted on with the High Needs Task and Finish Group as shown in the minutes attached at Annex E
- Note the proposed Special School and Special Resourced Provision budgets shown at Annex D, subject to any agreement about how to treat Therapy Supplements.
- Give a view on the on the best way to take forward changes to the Therapy supplement in 2015/16.
- Note the impact of the Minimum Funding Guarantee on Special Schools and SRPs as shown at Annex D

12. EOTAS PLACE AND TOP UP EXPENDITURE / TUITION SERVICE AND EXCLUSIONS INCOME

12.1. At a meeting of the Schools Forum in January 2014 the Local Authority agreed to make budgetary provision available for EOTAS in 2014/15 as shown in the following table:

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Table 17 – EOTAS Budgets 2014/15			
AP Establishment	Places	Rate	Total
Hospital Education	10	Fixed Grant	£191,000
Marlborough House	12	Fixed Grant	£276,300
Stratton PRU - Places	45	£8,000	£360,000
Stratton PRU - Top Up	45	£10,700	£481,500
Riverside - Places	45	£8,000	£360,000
LA Centrally Held AP Funding Total			£1,668,800
Funds Delegated to Secondary for Riverside Top Up @ £32 BPPE Increase (Jan 2014 Schools Forum)	45	£7,500	£337,500
Total Funding			£2,006,300

12.2. In 2015/16 The planned place numbers for Stratton and Riverside will remain at 45 in each establishment in 2015/16.

12.3. The EFA has kept the level of funding for AP places under review. They have reviewed whether the current level of place funding (£8,000) provides the right balance between stability for institutions offering AP places and flexibility for commissioners to identify the right provision for an individual pupil. The EFA now intends to increase the funding of AP places from £8,000 to £10,000 per place per annum from September 2015 (in line with all other High Needs Places). This new funding level should be applied to all AP places, and must include those which schools can commission directly. The EFA has stated that they will expect to see equivalent reductions in the top-up funding rates so that this adjustment is cost-neutral overall.

12.4. Given that the proposal is to move to £10k per place from September 2015 the actual place funding rate payable to AP providers for the 2015/16 Financial Year will be as follows:

- £8,000 x 5/12ths = £3,333
- £10,000 x 7/12ths = £5,833
- **2015/16 FY Place Funding Total = £9,166**

12.5. This change will require a couple of adjustments to Local Authority budgets to move funding currently identified as Top up to Base Place budgets. For Stratton this requires a movement of $45 \times £1,166 = £52,470$ from top Up to Place funding. With a further movement to meet the full year effect of $45 \times £834 = £37,530$ in 2016/17.

12.6. For Riverside it is slightly more complicated. In 2014/15 the LA delegated funding for 45 Alternative Provision places at Riverside to Secondary Schools. The total

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delegation was based on a rate of £7,500 per place (£337,500). This was allocated to schools by way of a £32 per pupil increase to the BPPE.

12.7. Given the change in the place funding arrangements described above in 2015/16 the LA now needs to un-delegate funding of $45 \times £1,166 = £52,470$ (or £5 per secondary pupil) with a further $45 \times £834 = £37,530$ (or £3.50 per secondary pupil) in 2016/17. The un-delegated funding will transfer from the Individual Schools Budget to the LA's Place funding budget for Riverside to support the increase in place costs.

12.8. EOTAS cannot receive less than this sum and, although not prescribed by DFE, the LA may provide pro rata funding for any additional places above 90 at £666 per month from April to August and £833 per month from September 2013 onwards.

12.9. In summary EOTAS budgets for 2015/16 will be as shown in the following table. Schools Forum members will note that the overall level of funding has not changed.

Table 18 – EOTAS Budget Proposal 2015/16			
AP Establishment	Places	Rate	Total
Hospital Education	10	Fixed Grant	£191,000
Marlborough House	12	Fixed Grant	£276,300
Stratton PRU - Places	45	£9,166	£412,470
Stratton PRU - Top Up	45	£10,700 Apr to Aug, £8,700 Sep Onwards	£429,000
Riverside - Places	45	£9,166	£412,470
LA Centrally Held AP Funding Total			£1,721,240
Funds Delegated to Secondary for Riverside Top Up @ £32 - £5 = £27 BPPE Increase (Jan 2014 Schools Forum)	45	£7,500 Apr to Aug, £5,500 Sep onwards	£285,000
Total Funding			£2,006,240

12.10. In addition to the above budgets the Local Authority holds two further Alternative Provision budgets for the Tuition Service (**£0.890m**) and for Income received from exclusions (**-£0.350m**). The Authority proposes to maintain these budgets at their 2014/15 levels.

13. Local Authority Commissioned High Needs Services

13.1. The October meeting of the HNTFG was informed of a review of SBC Commissioned High needs Services. The review was prompted by concerns in previous years that the funding being allocated to these services was in some cases insufficient to support the needs and numbers of pupils in each service.

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13.2. Nigel Pickering wrote to each service on 16th October 2014 asking them to return a 3 year budget plan and, if there were issues around the level of funding, requiring services to request an increase they were also asked to return a business case / proposal.

13.3. The table below sets out for each service:

- the 2014/15 LA Budget
- Where a budget plan has been received whether it shows a balanced, surplus or deficit position

13.4. None of the Commissioned High Needs services submitted a business case for additional funding in 2015/16.

Table 19 – Local Authority Commissioned and Centrally Retained High Needs Services		
Service	2014/15 Allocation	Budget Plan shows a
LOCAL AUTHORITY COMMISSIONED SERVICES		
Nylands - Primary Behaviour Support Team	£232,700	£6,307 Deficit Due for delegation in 2015/16
Uplands – Visually Impaired Support Service	£240,650	£1,761 Deficit
Even Swindon - Speech and Language	£22,200	Balanced
Ruskin Junior – Autistic Spectrum Disorder	£87,000	£3,352 Surplus
Ridgeway - Education Audiologist	£11,100	Not Received
Redoaks Hearing Impaired Support Service	£239,700	£1,231 Deficit
Commonweal Physical Impairment Advisory Service	£77,100	Not Received
Millbrook Specific Learning Difficulties Support Service	£66,900	£1,188 Surplus
Ruskin Junior Autistic Spectrum Condition Support Service	£135,800	£14,348 Surplus
Nylands outreach service for emotionally vulnerable pupils	£87,410	Balanced
Total	£1,200,560	

13.5. Given the generally balanced nature of the 3 year budget plans submitted by Commissioned High Needs services and the absence of any Business Cases seeking additional funding, it is proposed that these services continue to be funded in 2015/16 at their 2014/15 levels. Whilst noting that the Nylands Behaviour Support Team will be delegated to Primary Schools as part of the Schools Budget. A further proposal around de-delegation of this service is contained in this report.

13.6. Officers will also undertake a review of the direct / indirect / overhead cost split by schools in receipt of commissioned services funding to ensure consistency across all providers.

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14. Post 16 Expenditure Proposals

14.1. The 2014/15 financial year budget for Post 16 High Needs pupils is £3.058m which is broken down as follows:

Table 20 – Post 16 High Needs Budgets			
Provision type	2014/15 Budget	Proposed Budget 2015/16	Variance
Independent Special Schools	£812,200	£782,900	-£29,300
Non Maintained Special Schools	£138,900	£86,300	-£52,600
Other Local Authority Special Schools	£54,900	£57,600	£2,700
Mainstream Top Ups	£30,100	£30,100	£0
New Responsibilities – FE / ISPs	£2,022,000	£2,022,000	£0
Total Post 16 Funding	£3,058,100	£2,978,900	-£79,200

14.2. The proposed budgets for 2015/16 are based upon known students and include a provision of 2% for inflation.

15. Mainstream Schools High Needs Top Up expenditure proposals

15.1. In 2014/15 SBC held the following budgets for mainstream schools SEN.

Table 21 – Mainstream Schools High Needs Budgets			
Service	2014/15 Budget	Proposed Budget 2015/16	Variance
Statemented Pupils Equipment	£130,000	£130,000	0
Notional SEN Additional School Funding	£350,000	£350,000	0
SENRAP Statemented Pupil Top Up	£1,467,000	£1,467,000	0
Early Years Top Up Funding	£188,000	£188,000	0
Total Top Up Funding	£2,135,000	£2,135,000	0

15.2. In another report on your agenda members will see that the mainstream statemented pupil budget is overspending by £0.450m in 2014/15. This overspend is supported by the High needs Contingency Budget. The principal reason for this overspend is due to the changes made to the way in which Statements are agreed which have resulted in a significant increase in the average cost of statements.

15.3. SENRAP budgets shown above will be subject to further ratification at March 2015 Schools Forum following consideration of a proposal to further change the way in which schools are funded for Statements to bring them more in line with the Special Schools and SRPs Banded Top up Funding system.

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16. External Placements - Pre 16

16.1. The LA aims to provide places for high need pupils in Swindon settings but there are a number of pupils for which external placements are agreed following consideration by the LA's Multi Agency Panel. In recent years there has been a significant reduction in the number of external placements because more places have been offered by Swindon schools which, even with bespoke levels of funding, are usually at a lower cost to the LA than if they were placed externally.

16.2. The 2014/15 centrally retained budget for Pre 16 external placements is £1,557,000. **The projected budget for 2015/16 is £1,654,800** This supports:

- 25 placements in Independent and Non-Maintained Special Schools @ an average net cost of £68,200 per place
- 12 placements in Other Local Authority Special schools at an average net cost of £13,500
- 18 placements in Other Local Authority mainstream schools at an average cost of £4,000.

17. High Needs Contingency

17.1. Currently the DSG supports **£550,000** of High Needs Contingency funding. This funding acts as a release valve for all of the High Needs costs that are not place or top up costs for Special Schools or Special Resourced Provisions. In particular it covers overspends on mainstream SENRAP Statemended expenditure, External Placements and Post 16 High needs expenditure.

17.2. It is not proposed to change this budget at this time, rather to review it in the light of the proposed change to the way in which statements are funded as outlined in paragraph 16 above.

18. Other Centrally Retained High Needs Budgets

18.1. In 2014/15 the Local Authority holds the following additional High Needs budgets. It is not proposed to make any changes to these budgets in 2015/16.

Table 22 – Other High Needs Budgets			
Service	2014/15 Budget	Proposed Budget 2015/16	Variance
Saltway Portage Service	£151,700	£151,700	£0
Education Support Services Monitoring	£10,000	£10,000	£0
Speech, Language and Occupational Therapy	£105,000	£105,000	£0
Travellers Children Support	£5,000	£2,000	-£3,000
TOTAL Other SEN Budgets	£271,700	£268,700	-£3,000

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Members of the School Forum are now asked to give a view on the Local Authority's proposals for High Needs Budgets as described in paragraphs 12 to 18 of this report, summarised in Table 23 and listed below:

- **Alternative Provision**
- **Commissioned High Needs Services**
- **Post 16 High Needs Budgets**
- **Mainstream School Top Up Funding**
- **External Placements (Pre 16)**
- **High Needs Contingency**
- **Other Centrally Retained High Needs Services**

19. Summary of High Needs Budgets (with Year on Year Comparison)

19.1. The following table summarises the 2014/15 and proposed 2015/16 High Needs Budgets and provides an explanation of the variances:

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Table 23 – Summary of High Needs Budgets 2014/15 and 2015/16 Estimate and Variation

HIGH NEEDS BUDGETS	2014/15	2015/16	Variance	Commentary
	£	£		
Special Schools and Academies				
- Place Funding (Maintained Schools)	4,920,000	5,066,667	146,667	14.67 additional Places
- Top Up Funding (Maintained and Academy)	5,639,922	5,937,018	297,096	Top Up for Additional Places
- Other Local Authority Pupils	-262,000	-262,000	0	
- PFI Top Up Funding	274,080	285,895	11,815	2% Increase and place / pupil number recalculation
Special Resourced Unit (SRP)				
- Place Funding (Maintained Schools)	1,830,833	1,910,000	79,167	7.9 additional places
- Top Up Funding (Maintained and Academy)	2,346,722	2,469,287	122,565	Top Up for Additional Places
- Other Local Authority Pupils	-20,200	-20,200	0	
Minimum Funding Guarantee	0	37,762	37,762	Minimum Funding Guarantee
Therapy Funding	126,725	255,915	129,190	Additional Resource to support PT / OT
Alternative Provision				
- Place Funding	720,000	824,940	104,940	National £2k Increase in Place Funding for AP, funded by reduction in AP Top Up Funding and ISB
- Top Up Funding	481,500	429,000	-52,500	Move £2k from Top Up to Place Funding
- CAMHS and Hospital Education Service	473,000	473,000	0	No Change
- Exclusions Income	-350,000	-350,000	0	No Change
- Tuition Service	889,800	889,800	0	No Change
Other High Needs Provision				
- Commissioned High Needs Outreach and Support	1,200,600	967,860	-232,740	Nylands Behaviour Team Delegate to Primary
- Post 16 High Needs in ISP / NMSS / Mainstream /	3,058,100	2,978,900	-79,200	Further work Required
- Mainstream Top Up Funding (including equipmen	2,135,000	2,135,000	0	Further Work Required
- Independent and Non Maintained Special School	1,556,600	1,654,800	98,200	Further Work Required
- High Needs Contingency	550,000	550,000	0	Underspend 2014/15
- Other High Needs Services	271,700	271,700	0	No Change
TOTAL HIGH NEEDS EXPENDITURE BUDGETS	25,842,382	26,505,344	662,962	

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

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20. Summary of overall DSG / EFA Settlement and Proposed Expenditure 2015/16

20.1. Based on the proposals included in this report the overall DSG position for 2015/16 can be summarised as follows:

Table 24 - Overall DSG Funding and Expenditure 2015/16		
Total DSG and EFA Funding receivable (Section 3)		£161.513m
Early Years Expenditure (Section 4)	£10.986m	
Mainstream School Expenditure (Section 5)	£122.520m	
Pupil Growth Expenditure (Section 6.2)	£0.281m	
Other central Expenditure (Section 6.4)	£0.943m	
High Needs Expenditure		
- Special Schools (Place / Top Up) (Section 8 and 9)	£11.028m	
- SRP (Place / Top UP) (Section 8 and 9)	£4.359m	
- MFG (Section 11)	£0.038m	
- Therapy (Section 10)	£0.256m	
- Alternative Provision (Riverside, Stratton, CAMHS, Marlborough, Tuition and Exclusions Income) (Section 13)	£2.267m	
- Commissioned Services (Section 14)	£0.968m	
- Post 16 (Section 15)	£2.979m	
- Mainstream SEN Top Up (Section 16)	£2.135m	
- External Placements Pre 16 (Section 17)	£1.655m	
- High Needs Contingency (Section 18)	£0.550m	
- Other High Needs Expenditure (Section 19)	£0.272m	
Total Expenditure		£161.235m
Unallocated DSG		£0.278m

Members of Schools Forum are now asked to support the following course of action:

Members of Forum will note that table 24 identifies an under allocation of DSG of £0.278m. There is still work to be undertaken on the High Needs Budgets (particularly in relation to the Mainstream Schools SENRAP Budget. Officers propose to hold this balance for the time being and bring a further Budget report to Schools Forum in March with proposals for how this funding should be allocated.

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DSG Funding Blocks / Expenditure comparison

20.2. The following table highlights the difference between the current DSG funding blocks and the expenditure proposals outlined in this report. Members are asked to not the continuing use of Early Years and Schools Block funding to support the High Needs Block.

Table 25 - DSG Block Funding v Expenditure			
Block	Estimated Settlement 2015/16	Estimated Expenditure	Variance
Early Years	£12.103	10.986	-£1.117
Schools	£124.403	123.744	-£0.659
High Needs	£24.497	25,995	£1.498
Total	£161.003	£160.739	-£0.278

21. DSG Balances

21.1. Paragraph 3.18 of this report identifies an estimated DSG balance at the end of 2014/15 of £1.154m, this represents 0.7% of the 2015/16 DSG estimated Settlement and 4.1% of the centrally retained DSG expenditure budget (Including High Needs). Officers consider this to be a prudent level of reserves, enabling the Local Authority to manage budgets if expensive, unforeseen items of expenditure occur.

21.2. Officers are proposing to use some of the reserves as follows:

- To repay the last of the Local Authorities Equal Pay Liability £0.080m as detailed in paragraph 6.4.5 above), in line with previous agreements reached by Schools Forum. This will release £170,000 of committed DSG expenditure (see Table 9 above).

Members of Schools Forum are now asked to:

- **Agree to the proposed use of £0.080m of DSG balances in 2014/15 as described in paragraph 22.2 of this report.**

22. Other Funding Streams

22.1. In addition to receiving a delegated allocation of DSG funding from the local formula schools and early years setting will receive other sources of funding which are determined by the EFA without any LA or Schools Forum influence. These are briefly described below for information.

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22.1.1. Pupil Premium (schools) – schools have experienced stepped increases in the funding per pupil values as DfE have increased the national Pupil Premium grant allocations since its introduction in 2011/12. The LA is not anticipating any further increases and will provide indicative estimates for schools of their 2015/16 grant levels based on October 2014 PLASC data (**Annex A**). Schools are reminded that their final Pupil Premium grant values will be determined by DfE based on January 2015 PLASC details. The following values are assumed for 2015/16;

- Looked After Child £1,900
- Disadvantaged (FSM6) child (primary) £1,320
- Disadvantaged (FSM6) child (secondary) £935

22.1.2. Universal Infants Free School Meals – As previously reported to the Schools Forum DfE will be providing funding for all infant meals at £2.30 per meal using the October and January censuses to determine take up levels and no increases are anticipated.

22.1.3. Devolved Formula Capital – Schools will continue to receive a fixed amount per school and an amount per pupil with different values for each sector which at the time of writing have still to be announced, but we expect little change on the 2014/15 values which were:

- Primary lump sum of £4,000 plus £11.25 per pupil
- Secondary lump sum of £4,000 plus £16.88 per pupil
- Special lump sum of £4,000 plus £33.75 per pupil

23. Alternative Options

23.1. There are various alternatives on how the additional DSG could be distributed as were described in the July and October Schools Forum reports. The LA has a statutory duty to manage and distribute the DSG in accordance with prevailing grant conditions and the school finance regulations. Although under the school funding reform programme DfE are more prescriptive in terms of options and approaches in most cases funding values are locally determined.

24. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

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

Legal and Human Rights Implications

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

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

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

Links to One Swindon, Plans and Policies

24.4. 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

24.5. As there are no proposals in this report, a DIA has not been completed.

Risk Management

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

25. Consulters

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

26. Background Papers

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

27. List of Annexes

- **Annex A** - Primary and Secondary Maintained and Academy Formula Budgets 2015/16, Pupil Premium Estimates and Average Funding per pupil calculations
- **Annex B** - Notional SEN funding within delegated budgets and calculation of additional central allocations
- **Annex C** - Pupil Growth Funding Calculations
- **Annex D** - Special School and Special Resourced Provision budgets 2015/16 and calculation of Minimum Funding Guarantee
- **Annex E** – Minutes of the High Needs Task and Finish Group for October and November 2014