



Shropshire Council
Legal and Democratic Services
Shirehall
Abbey Foregate
Shrewsbury
SY2 6ND

Date: 9 March 2016

**Committee:
Schools Forum**

Date: Thursday, 17 March 2016

Time: 8.30 am

**Venue: Shrewsbury Training and Development Centre, Racecourse Crescent,
Monkmoor, Shrewsbury, SY2 5BP**

You are requested to attend the above meeting.
The Agenda is attached

Claire Porter
Head of Legal and Democratic Services (Monitoring Officer)

Members of Schools Forum

Bill Dowell (Chair)
Phil Adams
Austin Atkinson
Nicholas Bardsley
Michael Barrett
Mark Blackstock
Richard Bray
Hilary Burke
Colin Case
David Chantrey
Christine Harding
Christine Hargest
Ann Hartley
John Hitchings
Sandra Holloway

Colin Hopkins
Jo Humphreys
Peter Ingham
Pete Johnstone
Martin Jones
Sally Lill
Yvette McDaniel
Alan Parkhurst
Geoff Pettengell
Kay Redknap
Geoff Renwick
Mark Rogers
Philip Sell
Joy Tetsill
Ruth Thomas

Your Committee Officer is:

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AGENDA

- 1 **Apologies**
- 2 **Minutes and Matters Arising** (Pages 1 - 6)
- 3 **School National Funding Formula and High Needs Funding Reform Consultations (Gwyneth Evans)** (Pages 7 - 34)
- 4 **Schools Forum Task and Finish Group (Phil Wilson)** (Pages 35 - 50)
- 5 **Dedicated School Grant Monitoring (Stephen Waters)** (Pages 51 - 54)
- 6 **Communications**
- 7 **Next Meeting: Thursday 9 June 2016, 8.30 am, STDC, Monkmoor**

Future Meetings (please diary):

15 September 2016	8.30 am	STDC, Monkmoor
20 October 2016	8.30 am	STDC, Monkmoor
24 November 2016	8.30 am	STDC, Monkmoor
19 January 2017	8.30 am	STDC, Monkmoor
23 March 2017	8.30 am	STDC, Monkmoor
8 June 2017	8.30 am	STDC, Monkmoor



Schools Forum
Date: 17 March 2016
Time: 8.30 am
Venue: STDC, Monkmoor, Shrewsbury

Item/Paper
A
 Public

MINUTES OF SCHOOLS FORUM HELD ON 21 JANUARY 2016

Present

School Forum Members

Bill Dowell (Chair)
 Phil Adams – Academy Headteacher
 Michael Barratt – Secondary Academy
 Mark Blackstock Secondary Academy
 Richard Bray – Secondary Academy
 David Chantrey – Primary Governor
 Christine Harding – Early Years and Childcare
 Christine Hargest – Association of Secretaries
 John Hitchings – SSGC
 Sabrina Hobbs – Special/Academy Headteacher
 Sandra Holloway – Primary Governor
 Jo Humphreys – Primary Governor
 Martin Jones – Primary Governor
 Alan Parkhurst – Primary Headteacher
 Geoff Renwick – Secondary Academy
 Mark Rogers – Primary Headteacher
 Phillip Sell – Diocese Representative
 Ruth Thomas – Post 16

Members

Cllr David Minnery
 Cllr Nick Bardsley

Officers

Phil Wilson
 Gwyneth Evans
 Rob Carlyle
 Neville Ward
 Stephen Waters
 Gareth Proffitt
 Helen Woodbridge (minutes)

Observers/Visitors

Roger Evans

1. Apologies

Apologies had been received from Hannah Fraser (observer), Pete Johnstone, Yvette McDaniel, Phil Poulton, Kay Redknapp, Joy Tetsill and Karen Bradshaw. A subsequent apology was received from Colin Case.
 Cllr David Minnery (the new portfolio holder), Michael Barratt and Sabrina Hobbs were all welcomed to their first meeting. Schools Forum colleagues introduced themselves.
 The Chair advised that he will write to thank Ann Hartley (the previous portfolio holder) on behalf of Schools Forum.

ACTION

Chair

2. Minutes and Matters Arising (Paper A)

PS made a slight amendment on page 2 of the minutes which was agreed (some schools (not LAs) buy insurance).
 PW advised that re the Trades Union Duties funding he had contacted HR, had spoken with CHarg and attended an Association Secretaries meeting. He confirmed that he is working to ensure clarity around the use of the funding. The outcomes of his investigations will go to the Task & Finish Group. One of the issues is re academies buying in. HR had advised that they had written to all academies on this subject outlining the options re TU and HR support. (PA suggested that this hadn't been received). GR was keen to have this issue sorted and with a clear picture of

how the budget is being spent.

CHarg suggested recirculating a paper she had presented to Schools Forum as the position hasn't really changed. She added that work with academies continues as TUs cannot let members down.

CHarg

NW clarified the previous confusion re teacher led provision in EY when the provision is led by a school. In an LA maintained nursery there has to be a qualified early years teacher. If the provision is through a school's extended schools powers it does not need to be teacher led (although it is an Ofsted expectation for a teacher within the school providing oversight).

NW advised that more information is awaited from the DfE before an Early Years Block Task & Finish Group is established.

PW confirmed that the Schools Funding Task & Finish Group is up and running.

3. **Schools' Budget 2016-17 and October 2015 Dataset update**

GE went through the information paper. The key message is that the funding was confirmed largely as expected.

The Chair asked who provides information re residency (in the high needs block) – GE advised that there is no detail provided other than the reduction to funding within the DSG. GE agreed to ask DfE for the detail behind the Post 16 and NMSS adjustment to reflect a change from residency to location basis of funding.

GE

GE advised that within the schools dataset received from the EFA there is a significant NOR variation for several schools. There are also significant changes in IDACI data as updated from 2010 and there does not seem to be a pattern to the FSM reduction.

IDACI turbulence is at a manageable level in Shropshire (which is not the case in other LAs). FSM reduction is a general trend in the West Midlands. This is more of an issue for Shropshire than the reduction in IDACI data because more funding is allocated through the formula on FSM. It was confirmed that the Schools Funding Task and Finish Group had supported the approach taken to deal with the FSM reduction.

The Chair thanked GE for a clear report.

JHi asked when schools would receive budget details - GE is aiming for the end of January.

GE was asked if the overall drop of 65 pupils is indicative of a slowing down of the declining NOR trend. She commented that the situation is complex – NOR still falling but further analysis is required – the Task & Finish Group will consider in detail. There are still significant reductions in many areas and for many schools.

Chair requested the update by geographical area as this is important.

NB spoke of the continued need for governing bodies to be vigilant.

PW advised that there had been workshops for 15 financially vulnerable schools (based on falling rolls), looking at their financial data and sharing with them a refined budget planning tool.

MJ suggested that there is even a major difference re numbers within a locality.

PW thought that there is a need to talk to schools within a locality and this is already happening.

GE advised that the Minimum Funding Guarantee (MFG) has gone up for those schools who have lost FSM funding so there are some new MFG schools including for the first time, secondary schools. The cost of MFG in 2016-17 is almost twice the cost of MFG in 2015-16.

It was confirmed that to date there had been no response from the DfE re the disapplication request – it should arrive today.

RT asked about the mapping of high needs? PW advised that this should be covered later on the agenda and more work will be required as the SEND numbers are increasing.

SH added that it needed not to be just numbers but severity of need too.

DCh asked about the top up funding of £478k and asked if we would have had a reduction if that hadn't been the case.
GE advised that each year an amount of top up funding is received (it was £200k last year) but that it is captured in the budget base for the next year.
PW forecasted a predicted £5m loss in DSG if numbers drop as predicted.
DCh confirmed that planning ahead is difficult for schools.
PW advised that RC will begin to work on updating the planning tool when his budget setting work is completed. It was confirmed that it is a useful tool – it helps academy headteachers but there are other changes that have an effect.
PW spoke of a new government efficiency tool which the LA will consider.
MR and WJH were surprised at trend re FSM – the disproportionate impact is an issue.
PA advised that anecdotally FSM are more difficult to get.

4. Shropshire Schools Forum Constitution

PW went through the paper. Term of office end dates were flagged as an issue.
WJH and JHi agreed to consider the process for the appointment of governor representatives and how to attempt to stagger term end dates. They will write to governors and hold an election if necessary.
JHi reminded colleagues that the 19 school members are critical as they have a vote on key funding issues.
The Chair spoke of the desirability of a mix of continuity and freshness.
PA suggested that the profile (eg MATs) will change so will need to respond.
SH asked about teaching school representation.
PW advised that this is not in the constitution but that MB is from a teaching school.
MB wondered if a national fair funding formula and movement towards academisation may mean that representation becomes very different.
PW advised that he is anticipating new Schools Forum regulations and in future they could be EFA led.

WJH/JHi

5. Schools Forum Schools Block Task and Finish Group

PW advised that the group had met last week – it had been a good and useful meeting but issues were flagged up. Officers had been given work to undertake particularly re Early Help. One particular issue re a year end underspend/high needs block/centrally retained DSG was discussed.
The group will continue to report back to Schools Forum following the meetings.
The Chair advised of the need for preparatory work as these are complicated issues for officers who are already under pressure.
RT advised that she would like to join the group and it was agreed that both she and SH will join due to the complexities around high needs.
MR thought that the extra money coming in and reductions in other funding streams need to be fully considered. There may be implications of decisions on areas that are not fully understood so specialist help is vital and a Senior SEN officer should also attend.
The Chair spoke of the need for accurate forecasting.
SH concurred, stressing that forecasting is essential. Creative solutions are needed and collaborative ways of working together.
JHi reminded colleagues that Task & Finish Groups are there to prepare the way and not to make decisions.
PA advised that the SEN underspend is to be considered by the group.
DM spoke of the change in the administration at the LA. He reassured colleagues that new administration doesn't share all of the approach of previous administration. However there is tremendous financial pressure. Up to now the savings have not had too much impact but this cannot continue. Representations have been made to the PM. Shropshire MPs met with the administration last Friday re inadequacy of

HW

government intentions. DM undertook to support colleagues.

The Chair explained that Schools Forum did have some common policy with the previous administration which hopefully can continue.

6. Dedicated Schools Grant (DSG) Monitoring

Stephen Waters presented the information paper.

JHi was concerned about the underspends and asked if there is any indication that the budgets will be spent by end of financial year (adding however, a need to keep some flexibility within the budget).

PW advised that the projected outturn is of a similar degree but that the Task & Finish Group will consider.

PW highlighted the need to change the title of the reports as it is now largely not centrally retained. GE added the need to change so that it reflects the DSG report. MR was worried about the expectations of one Task & Finish Group (which seems to have merged from two groups) but understood the advantages of having one group. He asked when funding can be recycled.

GE advised that in 2014-15 half of the underspend was allocated to schools. This time should know the position in April and can decide allocation to high need areas at any point in the year. It would not be able to be put into AWPU until 2017-18. The high needs block budget is not submitted until end of March but then not set in stone. The Chair suggested that a small group needs to consider the work of the Task & Finish Group – there is significant work to be done before the next Task and Finish Group meeting.

SH thought that provision consideration is key and there should be a multi-agency approach.

MB asked to whom Schools Forum is accountable and it was confirmed as the EFA. He expressed concern that we do not know enough about national funding and that the landscape over next year will change. There are LA cuts and school cooperation. Strategic thinking is needed to work out structure as we don't want to be dictated to. SH agreed re the MAT drive and forcing collaboration. However, she felt that in Shropshire there is no need to be forced.

The Chair welcomed new contributions which were 'preaching to the converted' but sharpened some thinking.

NB suggested that there will always be some schools/governing bodies who are not on the same wavelength and that schools benefit hugely from working together. The Chair summed up by saying that the modelling tools are useful because of the data behind them. The data re special needs is not known so there is a need to work on this before further work is undertaken.

SH spoke of multi-agency approaches. High needs/SEN also social care and medical needs. In terms of sustainability there shouldn't be lots of resource being put into school age children and just delaying the inevitable. It would be a waste of money if there are no clear outcomes. She thought there is a need to involve other commissioners as SEND children need a different approach.

RT added EHCPs into the mix. Outcomes need to be written to enable opportunity post 25 and the biggest challenge is around social care and health.

AP stressed that this is not the role of Schools Forum which is there to allocate funding dedicated to schools.

The Chair thought it valuable to get others to give a view as to how their budgets can work with schools' funding.

DM thought that AP was correct but that someone else's funding could support schools and he would be talking to Rod Thompson on this subject.

AP was worried that Schools Forum was being asked to give £1m to Social Services. All are supportive of children with needs but need further information before that decision can be sanctioned.

RE spoke of the Shropshire Council children's services budget for next year (paper

on Friday) and a focus group for under 16s/18s. Schools Forum may need to respond as there will be some significant cuts to Council support for vulnerable children (outside schools).

7. Communications

The Chair suggested really careful thinking through of the work of the Task & Finish Group with a focus on high needs and to ensure decisions re underspend are brought to the table.

Members/MP discussions are ongoing.

GP suggested that some case studies could be planned for this year.

NB agreed that this would be good to stress the positives.

8. Next meeting

The next meeting will be held on Thursday 17 March 2016.

The meeting closed at 10.35 am

Future meetings: 9 June 2016

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Schools Forum

Date: 17 March 2016

Time: 8:30 a.m.

Venue: Shrewsbury
Training and Development
Centre

Paper

B

Public

SCHOOL NATIONAL FUNDING FORMULA AND HIGH NEEDS REFORM CONSULTATIONS

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Summary

This report provides the key headlines coming out of the consultations on the schools national funding formula and high needs funding reforms published by the Department for Education (DfE) on 7 March 2016. Consultation responses are required by 17 April 2016.

The full consultation documents can be found at www.consult.education.gov.uk.

The DfE will be consulting on a national funding formula and associated reforms for early years later this year.

Recommendation

That Schools Forum consider the report and compile responses to the consultation questions listed at Annex A.

REPORT

Background

1. The Government acknowledges that the current system for distributing the Dedicated Schools Grant (DSG) to local authorities and schools is out-dated, inefficient and unfair. From 2013-14 the Government has introduced significant reforms to the local funding formulae used by local authorities to distribute funding to schools to bring greater consistency across all schools nationally.
2. However it remains the case that similar schools in different parts of the country continue to receive very different levels of funding. This is due to local decision making within the limited flexibility of local funding formulae and more significantly to the variances in levels of DSG received by local authorities.

3. The Chancellor, in his autumn term statement, announced the Government's commitment to tackling this unfairness in funding and confirmed the intention to publish consultation on their proposals for a new national funding formula for schools early in 2016 for implementation from April 2017.
4. Consultation was published on 7 March 2016 along with consultation on proposals for reforms to the way funding for young people with high level special educational needs is distributed.
5. The chapters in this report relate to the chapters within the relevant consultation documents.

Schools National Funding Formula

6. This is the first of 2 planned consultations on the national funding formula for schools. This first consultation seeks views on:
 - the principles that underpin the formula
 - the building blocks to use to construct the formula
 - the factors to include in the formula
 - the structure of the formula.
7. The second stage of the consultation will cover how the Government proposes to balance different factors in the national funding formula, and the impact of the formula on funding for individual areas and schools.

Chapter 1: Reforming the funding system

8. The proposed reforms in this first consultation are underpinned by the following seven principles, that the funding system:
 - supports opportunity – should support schools and local authorities to extend opportunity to all pupils - funding should be based on pupil characteristics data.
 - is fair – based on characteristics of the pupils not on historic allocations based on out of date data - funding should be based on a single, national formula not 152 different local funding formulae
 - is efficient – greater consistency of funding across the education sector - direct resources to where they are most needed
 - is transparent – schools, academies and local authorities should be able to understand how their funding has been constructed and why it varies compared to other similar schools
 - is simple – a national funding formula would help to achieve a right balance between simplicity and a system that is able to respond to changes in need
 - is predictable – introduce change at a pace that schools and local authorities can manage and plan for.
9. The DSG is currently divided into 3 blocks: schools; high needs; and early years. The reforms propose creating a fourth block of the DSG, the 'central schools block'. This block would contain funding for central schools services, historic local authority spending commitments on schools and the retained rate of the Education Services Grant (ESG).

10. The proposals include calculating the schools block according to a national funding formula and intend that this would be at school level for 2019-20 (a 'hard' national funding formula). This means that the vast majority of funding each pupil attracts to their school would be determined nationally, not according to a local formula. For 2017-18 and 2018-19 the national funding formula would be used to calculate the schools block, but local authorities would continue to distribute this funding according to their local formula (a 'soft' national funding formula). There are no proposals to make significant changes to the factors that are currently allowable in the local formula in 2017-18.
11. The proposal is to require local authorities to pass on all of their schools block funding to schools from 2017-18

Chapter 2: The schools national funding formula

12. The proposed building blocks of the schools national funding formula are as follows:
- per- pupil costs – a core funding allocation per pupil
 - additional needs – based on pupil characteristics that are linked to a likely need for additional educational, pastoral or administrative support
 - school costs – to reflect fixed premises costs
 - geographic costs – inclusion of an area cost adjustment. A multiplier applied to every factor for schools in areas of higher costs.

These are explained in more detail in paragraphs 14 to 20 below.

13. The reforms propose to keep 11 of the 14 factors that local authorities can currently include in their local funding formula and to add a new factor to recognise in-year growth in pupil numbers. The 3 current optional factors that are proposed to be excluded from the national formula are looked after children, mobility and post 16. Shropshire's current local formula does not include these factors.
14. The proposed building blocks and factors of the schools national funding formula are shown in the table below.

A	Per-pupil costs	Basic per-pupil funding			
B	Additional needs	Deprivation	Low prior attainment		EAL
C	School costs	Lump sum and Sparsity	Rates	Premises (PFI, split sites, exceptional circumstances)	Growth (New)
D	Geographic costs	Area cost adjustment			

15. **Basic per-pupil funding** – intention to use 3 different year groupings in the national funding formula: basic funding for each primary pupil, basic funding for each Key Stage 3 pupil and basic funding for each Key Stage 4 pupil. Shropshire's local funding formula currently includes a single per-pupil rate for Key Stage 3 and Key Stage 4 pupils. The Government's view is that costs

increase with curriculum complexity, staffing requirements and the additional requirements of external assessment at Key Stage 4.

16. **Additional needs** – using pupil characteristics that can be clearly linked to a likely need for additional educational, pastoral or administrative support. The proposal is to use socio-economic deprivation – a combination of current FSM, Ever 6 FSM and IDACI data; low prior attainment – Key Stage 2 test data for secondary schools and Early Years Foundation Stage Profile (EYFSP) for primary schools until it becomes non-statutory from September 2016; and English as an additional language (EAL) – pupils with EAL who entered the state education system at any point during the previous 3 years. EAL is not currently used in Shropshire’s local funding formula.
17. **School costs** – funding to reflect costs associated with premises and overheads that do not vary in direct proportion to pupil numbers. The proposal, to recognise the challenges faced by small schools in particular, is to use lump sum and sparsity factors in the national funding formula.
18. Shropshire’s current local funding formula includes a primary lump sum of £59,500 and a secondary lump sum of £111,000 but lump sums used by local authorities vary significantly up to a maximum of £175,000. The consultation welcomes evidence for how much lump sum funding should be included in the national funding formula.
19. The proposals are to retain the sparsity factor in the national funding formula at the 2 mile crow flies measure for primary and all-through schools and the 3 mile crow flies measure for secondary schools. Shropshire’s local formula narrowed these mileage criteria to target limited resources at the most sparse schools in Shropshire. The proposals would see more Shropshire schools attracting sparsity funding. The consultation welcomes views on how well the sparsity criteria are operating locally.
20. Other school costs cannot easily be allocated on a formulaic basis and therefore it is proposed to allocate funding for rates, split sites, private finance initiatives (PFI), exceptional premises circumstances and pupil growth to local authorities on the basis of historic spend in 2017-18 and 2018-19. The Government want to explore whether this funding could be distributed on a formulaic basis from 2019-20 and welcomes views on how this could be achieved.
21. **Geographic costs** – area cost adjustment (ACA) to reflect higher costs incurred in some areas compared to others. The hybrid area cost adjustment consists of 2 elements: teacher pay costs and non-teaching staff costs. The hybrid ACA was designed and used in order to reflect that the costs of teachers are lower in high cost areas than the general labour market (GLM) indices would suggest.

Chapter 3: Transition to a reformed funding system

22. As explained earlier, the Government proposes implementing a hard national funding formula from 2019-20. For the first two years of the formula - 2017-18 and 2018-19 - schools block funding would continue to be allocated to local authorities according to the national formula. Local authorities would continue to determine funding according to local funding formula within the parameters set nationally. This is referred to as a soft national funding formula.

23. To fund the soft formula system in 2017-18 and 2018-19 the Government will carry out an exercise in March 2016 to re-baseline the 4 blocks of the DSG for each local authority, so that each block aligns with the pattern of each local authority's spending in 2016-17, rather than how the Government allocated funding to them.
24. Through this transition period, the local authority would continue to be responsible for allocating its schools block to schools through a local formula as now. The only change proposed to the local formula factors is the removal of the post-16 factor, which Shropshire's local formula does not include anyway.
25. The Government is proposing 2 changes to the process for calculating each school's funding in 2017-18 and 2018-19 however. Firstly local authorities will be required to pass on all of the funding they are allocated through their schools block to their schools. Secondly local authorities will be allowed greater flexibility in setting a minimum funding guarantee (MFG) that reflects local circumstances.
26. The Government sees a continuing role for Schools Forum in 2017-18 and 2018-19 in carrying out their current role of advising on the schools budget and local formula. Moving to a hard national formula in 2019-20 removes this role from Schools Forum.
27. It is proposed to withdraw current arrangements for de-delegation from 2019-20 with the introduction of the hard national funding formula to give schools greater responsibility for their budgets. Responsibility for services that can currently be de-delegated will rest with individual maintained school. These services include maternity costs.
28. The proposal is to phase in changes in funding over several years by applying MFG and caps on gains. There would be a national MFG and cap on gains from 2017-18 in order to set the 'shadow' formula, with arrangements for local authorities to use a local MFG and variable cap in 2017-18 and 2018-19.
29. Funding to schools gaining from the national formula could be capped in one of two ways. The first option is a simple cap allowing the maximum number of schools to reach their formula allocation in each year. It allows the Government to allocate each school the maximum proportion of their gains due in each year that they can afford. The second option requires the Government to set a lower cap so that there is funding left over to give greater gains to those most under-funded.
30. The Government will consult on proposals for the national MFG and cap on gains level in the second stage of the consultation.
31. In the run up to the introduction of the national funding formula the Government will continue to support schools to become financially healthier and more efficient through support tools, training and sharing best practice. They will also launch an invest to save fund in 2016-17 to allow schools to invest in ways to save money in future, helping them manage the transition to the national formula.

Chapter 4: Funding that will remain with local authorities

32. Local authorities currently receive funding from the Government for their responsibilities from 2 different funding streams – the DSG funding that is held centrally by the local authority and the retained duties element of the ESG. The proposal is to bring these 2 funding streams together into a new fourth block of the DSG the ‘central schools block’, distributed on a simple per-pupil formula.
33. ESG funding for retained duties is already allocated to local authorities according to a per pupil rate of £15 for all maintained school and academy pupils. Centrally retained DSG is not currently allocated on a formulaic basis. The Government plans to collect evidence from local authorities about their historic commitments within the centrally retained DSG, and the ongoing cost of these commitments, during the spring 2016 and to allocate funding for historic commitments on the basis of this evidence.
34. The second phase of the consultation will set out a proposal for a formula and the pace of transition.

Chapter 5: The future of the Education Services Grant (ESG)

35. The ESG is paid to local authorities and academies according to 2 national per pupil rates. The general funding rate (£77 per pupil in 2016-17) is paid to both academies and local authorities to fund duties that academies are responsible for delivering for their pupils and that local authorities deliver for maintained school pupils. The retained duties rate (£15 per pupil in 2016-17) is paid only to local authorities, to fund the duties that local authorities deliver for all pupils.
36. The Government’s plans are to remove the general funding rate from 2017-18 and to address this by school and local authority efficiencies and the removal of some statutory duties.
37. The Government’s expectation is that local authorities will step back from running school improvement for September 2017 and therefore will not require funding for this function. The introduction of a hard national funding formula in 2019-20 would mean local authorities would no longer be responsible for setting local funding formulae and hence savings can be achieved.
38. The Government is keen to receive suggestions for additional duties that could be removed or reformed to support the move to a school-led system and help with managing the savings.
39. The Government recognises that local authorities will need to use other sources of funding to pay for education services once the general funding rate has been removed. The proposal is to allow local authorities to retain some of their maintained schools’ DSG to cover the statutory duties that they carry out for maintained schools. This would need to be agreed by the maintained school members of the Schools Forum.
40. The proposal is for transitional arrangements for the removal of the ESG general funding rate for academies and local authorities. The general funding rate would

be removed completely for both academies and local authorities from September 2017.

High Needs Funding Formula and Other Reforms

41. The Government is seeking views on proposed improvements to the way that high needs funding is distributed.
42. The high needs reforms consultation published on 7 March 2016, alongside the schools national funding formula consultation, is also the first stage of two stages of consultation. This first phase covers high level principles, key proposals and options around:
 - allocating high needs funding to local authorities on the basis of a formula consisting of a number of factors
 - improving the funding arrangements and guidance to help local authorities, early years providers, mainstream schools, colleges and other institutions with students aged 16-25 who have SEN and disabilities.
43. The second phase of the consultation will set out detailed proposals on the formula factor weightings, the impact on local authorities and transitional protection
44. Apart from including the distribution of funding for Alternative Provision (AP) in the national to local government funding formula, there is no proposal to change the way that AP is funded locally but the government will keep this under review.

Chapter 1: Context for the proposed changes

45. The Children and Families Act 2014 introduced a significant set of reforms to improve provision for children and young people with SEN and disabilities and funding changes have played a part in supporting the outcome of these reforms.
46. The high needs funding block is allocated to local authorities as part of their DSG. Local authorities decide how that funding is used, in consultation with their Schools Forum. It covers funding for children and young people from 0 to 25 years of age.
47. High needs expenditure includes:
 - funding for places in specialist and post-16 institutions (e.g. special schools, special post-16 institutions and pupil referral units)
 - top-up funding for individual pupils and students with high needs, including those in mainstream schools and early years children
 - services that local authorities provide directly, or through contracts or SLAs with others.
48. Part of the high needs block is retained by the Education Funding Agency (EFA) for the place funding paid to colleges and other post-16 institutions. Some of the place funding is included in local authorities' initial DSG allocation and then deducted by the EFA to pay the funding direct, for example to academies.

Chapter 2: Why changes are needed

49. The previous coalition Government acknowledged that further changes to the distribution of high needs funding were required and commissioned Isos Partnership to undertake research. Isos published the results of their research in July 2015. A summary of Isos research proposals and the Government's response is included with the full consultation document and attached at Annex B to this report for information.
50. Isos made 17 proposals on how the SEN funding system might be improved, falling into 3 broad categories:
 - fairer and more transparent allocations - a more formulaic approach to distributing high needs funding from national to local level
 - better communication
 - better decision-making.
51. The Government acknowledges in particular that the distribution of funding between local authorities, based on historical spending patterns, is increasingly misaligned to needs across the country and therefore is not fair.
52. The Isos research showed that children and young people with a similar description of needs and circumstances might be assessed and attract very different levels of funding in different local authorities.
53. There is also considerable variety in the way different areas make special educational provision, organise their SEN services and spend their high needs budget.
54. The proposals within the consultation document are, from 2017-18, to move to a distribution of high needs funding from central government to local government that is more formula-driven, using proxy indicators of need.
55. The Government also proposes improvements to current funding arrangements at a local level, including changes to the way funding is distributed to various types of institution.
56. The reform proposals are underpinned by the following 7 principles for a funding system:
 - supports opportunity
 - fair – objective measures
 - efficient – delivers best outcomes
 - gets funding to the front line – decision making level
 - transparent – easy to understand and justify
 - simple – balanced with accuracy
 - predictable – ability to plan ahead - smooth transition to new funding levels.

Chapter 3: Distribution of high needs funding to local authorities

57. Local authorities are responsible for both assessing individuals' SEN and for commissioning provision to meet those needs. To ensure an efficient use of resources in managing the statutory assessment and planning process, the

Government is proposing a system that continues to distribute the majority of high needs funding to local authorities rather than directly to schools and other organisations.

58. The Government is proposing a high needs formula that is based on proxy measures rather than based on the number of statements of SEN and Education, Health and Care (EHC) plans which local authorities have issued. This avoids a perverse incentive to identify a higher level of need than is appropriate and will continue to allow local authorities discretion to provide high needs funding without going through the statutory assessment process, for example to meet urgent need.
59. The Government has used the Isos research as a starting point for the design of the formula for distributing high needs block funding to local authorities.
60. The proposed high needs funding formula is shown in the table below:

Basic unit of funding for pupils and students in specialist SEN institutions	
Population factor	
Health and disability factors:	Disability living allowance
	Children in bad health
Low attainment factors:	Key Stage 2 low attainment
	Key Stage 4 low attainment
Deprivation factors:	Free school meals
	IDACI
2016-17 spending level factor	

61. **Basic unit of funding per pupil/student** – an amount for each child or young person in a special school, special academy or special post-16 institution that is funded from the high needs block. There would be an adjustment to compensate local authorities that were net ‘importers’ of pupils and students from other areas into their schools, academies and colleges. The formula would also make adjustments in the case of authorities that were net ‘exporters’.
62. The per-pupil/student amounts would be determined each year on the basis of pupil and student numbers from the prior academic year.
63. **Population factor** – proposing a substantial child population factor to reflect that within any size of population there is a minimum number of children and young people with high level SEN and disabilities. The proposal is to base the factor on the number of children and young people aged 2 to 18.
64. **Health and disability factor** – in line with the Isos research the Government’s proposal is to include ‘children not in good health’ and disability living allowance (DLA) indicators within the formula as they provide a good correlation with the health and disability aspects of SEN.
65. **Low attainment factors** – proposing to use pupils not achieving level 2 in reading at the end of Key Stage 2 and pupils not achieving 5 A* - G GCSEs at Key Stage 4, or equivalent standards as changes are made, i.e. to reflect the new Key Stage 2 tests.

66. **Deprivation factors** – following Isos research, the proposal is to use both free school meals (FSM) and income deprivation affecting children index (IDACI) measures. This is in line with the proposals for the schools national funding formula. It is unclear if the proposal is to use current FSM eligibility or an Ever 6 FSM measure.
67. **2016-17 spending level factor** – to avoid sudden changes to high needs budgets as a result of the introduction of the new formula. Introducing changes gradually is a key priority of the Government. It is proposed to include an element of current spending on SEN in the formula based on 2016-17 planned spending levels, for at least the next five years.
68. Of the above formula factors the most relevant to alternative provision (AP) are deemed to be overall pupil population and deprivation. The government proposes to use the population and deprivation factors in the allocation of AP funding to local authorities. Because of the different ways that local authorities manage AP the Government recognises that local authorities will need time to discuss the implications of a new national formula. They are therefore proposing to include an element of 2016-17 planned spending on AP for at least the first five years as well.
69. The Government is exploring the possible use of hospital inpatient data to help inform the distribution of funding to local authorities for hospital education. In the meantime however they continue to distribute hospital education funding based on current spending levels and any adjustments needed to reflect changes in hospital provision.
70. To reflect the higher costs incurred in some parts of the country the proposal is to include an area cost adjustment in the formula. There are 2 options, a general labour market cost factor or a hybrid factor. As explained in the consultation of the schools national funding formula, the hybrid area cost adjustment consists of 2 elements: teacher pay costs and non-teaching staff costs. The hybrid ACA was designed and used in order to reflect that the costs of teachers are lower in high cost areas than the general labour market (GLM) indices would suggest.
71. The proposal is to limit any year on year reductions for each local authority by providing an overall minimum funding guarantee protection.
72. To support local authorities and institutions in reviewing and developing high needs provision the government is proposing the following 5 main forms of help including the scope for significant extra investment that enables them to reduce future costs – an invest to save approach:
- capital funding through the free school programme
 - capital funding to support the expansion of existing provision
 - collaborative working between local authorities
 - changes to encourage schools and colleges to include pupils and students with SEN
 - support for reducing costs – sharing best practice and support and guidance tools on efficiency.

Chapter 4: Changes to the way high needs funding supports institutions

73. The consultation document sets out proposals for improvements to the current funding arrangements at local level – how the funding is distributed to providers.
74. There are no plans for any fundamental changes to the way that schools are funded for their pupils with SEN and disabilities. The Isos research concluded that the current concept of a notional SEN budget should be removed because local authorities calculate it in varied ways and the budgets do not necessarily correlate well with the needs in schools.
75. The Government's proposal however is to retain the current concept of the notional SEN budget for the time being whilst they work with SENCOs, school business managers and head teachers to find out how best to help schools decide how much to spend on SEN support.
76. In relation to the local offer, the consultation seeks views on what should be included in national guidelines to create more consistency in what mainstream schools offer across the country.
77. The Government proposes a small change in the way that special units and resourced provision attached to mainstream schools are funded. Currently these units are funded at £10,000 per place plus top-up. The pupils educated in those units are excluded from the calculation of the schools' local formula budget. In future, the proposal is that they receive the per pupil amounts due to the school by including the pupils in their census, plus place funding of £6,000.
78. This change would bring pre-16 funding in line with the way that post-16 students with high needs in these units are currently funded.
79. Local authorities currently have flexibility to retain funding as part of their high needs budget for the purposes of encouraging collaboration between special and mainstream schools to enable children with SEN to engage in activities at mainstream schools. The Government intends to continue to allow this flexibility and welcomes examples of good practice in this area.
80. Local authorities can also retain funding in their high needs budget to support schools that are particularly inclusive and have a particularly high proportion of pupils with high needs which may be of a type that is not fully captured by the proxy measures in the formula. Isos research showed a lack of consistency and effectiveness in local authorities' use of this funding. The Government agrees that clearer guidance would be useful.
81. Shropshire currently uses high needs funding to target additional resources to schools where a school's notional SEN budget does not provide enough £6,000s towards meeting the needs of the number of high needs pupils in the school. Additional resources are also provided to Shropshire schools to ensure that they have at least 20% of their notional SEN budget remaining for pupils with lower level additional needs, after contributing £6,000 towards meeting the needs of their high needs pupils.
82. The Government welcomes examples of good practice as part of the consultation process.

83. Currently maintained special schools, special academies and non-maintained special schools receive funding of £10,000 per place from either the local authority or the EFA, plus top-up based on pupils needs. However, provision in independent schools is funded wholly by local authorities. From 2017-18 the proposal is to offer independent special schools on the section 41 approved list the opportunity of receiving a grant from the EFA for the place funding at the rate of £10,000 per place. This would reduce the top-up funding required from local authorities.
84. In relation to early years, Isos research concluded that local authorities should work with early years' providers to establish clear expectations about the support pre-school settings are expected to provide from within their core funding, and the circumstances in which additional advice, training or resources would be provided. The Government believes this should be done as soon as possible if not already done.
85. Later this year the Government will consult on specific measures that would help local authorities improve the support provided to early years' settings. In the meantime local authorities are allowed to use early years and high needs allocations to provide SEN support to early years' children.
86. In relation to post-16, Isos proposed that:
- mainstream post-16 providers should receive, through the post 16 funding formula, the funding that is currently paid to them as place funding of £6,000 per place
 - local authorities should have a role in determining approaches to distributing additional funding outside the formula to providers who admit a higher proportion of students with SEN, and to incentivise more inclusion
 - all specialist places in special post-16 institutions should be funded at £10,000 per place.
87. The Government considers that there is merit in these proposals and that these changes would complement others outlined in this consultation to bring better alignment throughout the funding system and would encourage better partnership working between local authorities and institutions as well as discourage over-identification of students with high needs.
88. The Government considers that a formulaic allocation would be most appropriate for institutions which have a small number of students with high needs. This would reduce the bureaucracy of collecting information on places required for very small numbers of students. They also consider that the proposals would fit well with the way they are proposing to allocate funding to local authorities.
89. The Government is proposing to introduce the concept of a special unit or resourced provision in FE and sixth form colleges. Such provision would attract funding of £6,000 per place in addition to the amount the national formula allocates for all the college's students. There would need to be a process for collecting information from local authorities about how many high needs places are to be funded each year in these institutions, to inform the EFA's funding allocations.

90. Under the Isos proposals, provision in specialist institutions that cater wholly or mainly for students with high needs would all receive a flat rate of £10,000 per place as their core funding. A flat rate amount per place would considerably simplify the funding for these institutions. As now, the Government envisages that the number of places to be funded in maintained special schools and special academies would be determined by local authorities as a result of their strategic planning and partnership with institutions. Non-maintained special schools and special post-16 institutions would be funded for their places using the latest available data on student numbers available to the EFA.
91. The Government acknowledges that before endorsing these proposals, FE and sixth form colleges, special post-16 institutions and other post-16 providers will want to know more about how such proposals would work in practice. The results of further work will be shared in the second phase of this consultation.

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Consultation Questions

Respond by 17 April 2016

Schools National Funding Formula

Chapter 1: Reforming the funding system

Question 1

Do you agree with our proposed principles for the funding system?

Question 2

Do you agree with our proposal to move to a school-level national funding formula in 2019-20, removing the requirement for local authorities to set a local formula?

Chapter 2: The schools national funding formula

Question 3

Do you agree that the basic amount of funding for each pupil should be different at primary, key stage 3 and key stage 4?

Question 4

- a) Do you agree that we should include a deprivation factor?
- b) Which measures for the deprivation factor do you support? Pupil-level only (current FSM and Ever6 FSM); Area-level only (IDACI); Pupil-level and area-level.

Question 5

Do you agree we should include a low prior attainment factor?

Question 6

a) Do you agree that we should include a factor for English as an additional language?

b) Do you agree that we should use the EAL3 indicator (pupils registered at any point during the previous 3 years as having English as an additional language)?

Question 7

Do you agree that we should include a lump sum factor?

Question 8

Do you agree that we should include a sparsity factor?

Question 9

Do you agree that we should include a business rates factor?

Question 10

Do you agree that we should include a split sites factor?

Question 11

Do you agree that we should include a private finance initiative factor?

Question 12

Do you agree that we should include an exceptional premises circumstances factor?

Question 13

Do you agree that we should allocate funding to local authorities in 2017-18 and 2018-19 based on historic spend for these factors? Business rates; Split sites; Private finance initiatives; Other exceptional factors.

Question 14

Do you agree that we should include a growth factor?

Question 15

Do you agree that we should allocate funding for growth to local authorities in 2017-18 and 2018-19 based on historic spend?

Question 16

- a) Do you agree that we should include an area cost adjustment?
- b) Which methodology for the area cost adjustment do you support? General labour market methodology; hybrid methodology.

Question 17

Do you agree that we should target support for looked-after children and those who have left care via adoption, special guardianship or a care arrangements order through the pupil premium plus, rather than include a looked-after children factor in the national funding formula?

Question 18

Do you agree that we should not include a factor for mobility?

Question 19

Do you agree that we should remove the post-16 factor from 2017-18?

Chapter 3: Transition to a reformed funding system

Question 20

Do you agree with our proposal to require local authorities to distribute all of their schools block allocation to schools from 2017-18?

Question 21

Do you believe that it would be helpful for local areas to have flexibility to set a local minimum funding guarantee?

Chapter 4: Funding that will remain with the local authority

Question 22

Do you agree that we should fund local authorities' ongoing responsibilities as set out in the consultation according to a per-pupil formula?

Question 23

Do you agree that we should fund local authorities' ongoing historic commitments based on case-specific information to be collected from local authorities?

Chapter 5: The future of the Education Services Grant

Question 24

Are there other duties funded from the education services grant that could be removed from the system?

Question 25

Do you agree with our proposal to allow local authorities to retain some of their maintained schools' DSG centrally – in agreement with the maintained schools in the schools forum – to fund the duties they carry out for maintained schools?

High Needs Funding Formula and Other Reforms

Chapter 2: Why changes are needed

Question 1

Do you agree with our proposed principles for the funding system?

Chapter 3: Distribution of high needs funding to local authorities

Question 2

Do you agree that the majority of high needs funding should be distributed to local authorities rather than directly to schools and other institutions?

Question 3

Do you agree that the high needs formula should be based on proxy measures of need, not the assessed needs of children and young people?

Question 4

Do you agree with the basic factors proposed for a new high needs formula to distribute funding to local authorities?

Question 5

We are not proposing to make any changes to the distribution of funding for hospital education, but welcome views as we continue working with representatives of this sector on the way forward.

Question 6

Which methodology for the area cost adjustment do you support?

Question 7

Do you agree that we should include a proportion of 2016-17 spending in the formula allocations of funding for high needs?

Question 8

Do you agree with our proposal to protect local authorities' high needs funding through an overall minimum funding guarantee?

Chapter 4: Changes to the way high needs funding supports institutions

Question 9

Given the importance of schools' decisions about what kind of support is most appropriate for their pupils with SEN, working in partnership with parents, we welcome views on what should be covered in any national guidelines on what schools offer for their pupils with SEN and disabilities.

Question 10

We are proposing that mainstream schools with special units receive per pupil amounts based on a pupil count that includes pupils in the units, plus funding of £6,000 for each of the places in the unit; rather than £10,000 per place. Do you agree with the proposed change to the funding of special units in mainstream schools?

Question 11

We therefore welcome, in response to this consultation, examples of local authorities that are using centrally retained funding in a strategic way to overcome barriers to integration and inclusion. We would be particularly interested in examples of where this funding has been allocated on an 'invest-to-save' basis, achieving reductions in high needs spending over the longer term. We would like to publish any good examples received.

Question 12

We welcome examples of where centrally retained funding is used to support schools that are particularly inclusive and have a high proportion of pupils with particular types of SEN, or a disproportionate number of pupils with high needs.

Question 13

Do you agree that independent special schools should be given the opportunity to receive place funding directly from the EFA with the balance in the form of top-up funding from local authorities?

Question 14

We welcome views on the outline and principles of the proposed changes to post-16 place funding (noting that the intended approach for post-16 mainstream institutions which have smaller proportions or numbers of students with high needs, differs from the approach for those with larger proportions or numbers), and on how specialist provision in FE colleges might be identified and designated.

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Summary of Isos research proposals and Government response

1. The Isos Partnership research report was published in July and is available on the GOV.UK website¹⁸. There is much useful commentary and analysis in the report, and we commend the way the research team tackled such a complex area so comprehensively.
2. The 17 proposals in the report have formed the basis of the proposals on which we are consulting in this consultation. This annex summarises each of the 17, shows which part of the consultation covers each proposal, and sets out the Government's response to those not covered in the main text of the consultation.

Proposals: these are numbered in the order that they appear in the report	Government response
<p>1 We propose that, subject to the more detailed modelling that is now required, the DfE should consider allocating the high needs block to local authorities on the basis of a formula. We propose that this might include factors related to deprivation, prior attainment, disability and general children's health. We believe that such a formula-based approach would be more objective, and easier to explain and understand, than the current arrangements. It could be rebased annually if desired, and would correlate better with a wider range of measures of need than the current funding distribution.</p>	<p>We agree with this proposal. Building on what Isos has proposed, the Department's proposals on a formula are set out in chapter 3.</p>
<p>2 Local authorities should publish, through their local offer, a local agreement on what all schools will provide for children and young people with SEN as a matter of course. The DfE should also consider publishing clearer national directions on this subject to provide a consistent national framework against which local offers and agreements might be developed. Greater local transparency, particularly if reinforced by sharper national direction, should have the effect of clarifying expectations on the system and create greater consistency in what schools should be looking to do within the first £6,000 of additional support.</p>	<p>We agree that local authorities should aim for transparency about what mainstream schools provide in the information about the local offer that they publish for parents and others.</p> <p>We are not yet convinced of the need for further national guidance, but would welcome views on this (chapter 4, paragraphs 4.8-4.9).</p>

¹⁸ Department for Education, '[Funding for young people with special educational needs](#)', July 2015

Proposals: these are numbered in the order that they appear in the report		Government response
3	To ensure that the base level of funding a school receives better reflects the needs of pupils with SEN, we propose that the DfE should consider modelling the impact of using the 0-15 DLA claimant measure as an additional factor in school funding formulae to better reflect the needs of children and young people with SEN. Our local authority level analysis suggests that this indicator is the most likely to offer significant explanatory power over and above measures of deprivation and low prior attainment which already feature in the formula, is available at post-code level and is regularly updated.	We have looked carefully at the possibility of including a DLA factor in the schools national funding formula. There are a number of reasons why we do not think it feasible at this stage to include a DLA factor in the schools funding formula, and this is therefore not included in the factors currently proposed for the formula – see chapter 2, paragraphs 2.77-2.78 of the schools national funding formula consultation.
4	We propose that the DfE should consider removing notional SEN budgets from the funding system for mainstream schools. We consider that any risk that the system is not yet mature enough in its approach to providing for SEN to enable notional SEN budgets to be removed could be addressed. We think that this mitigation would include clearer expectations for what all schools should provide for pupils with SEN, communicating clearly how core funding is calculated, and a simple financial planning tool to guide schools' decisions about spending on SEN.	We agree that that how local authorities currently calculate their schools' notional SEN budget is not particularly meaningful or helpful for schools. We propose to work with SENCOs, school business managers and head teachers to find out how best to help schools decide how much to spend on SEN support – see chapter 4, paragraphs 4.5-4.7 . A financial planning tool is one option that we will explore.
5	We propose that the DfE should consider providing clearer direction for local authorities on the circumstances in which they can provide additional funding outside the formula to schools, and a short menu of options for the criteria that may be used for allocating this. This would ensure greater consistency in practice and mitigate the risk that some highly inclusive or small schools are unable to meet the costs of the first £6,000 of additional support from their budgets.	Through the consultation and other feedback from local authorities, we intend to gather more information about the most effective ways that local authorities are helping their schools be more inclusive, and will produce revised guidance later this year – see chapter 4, paragraphs 4.15-4.17 .

Proposals: these are numbered in the order that they appear in the report		Government response
6	We propose that local authorities should work with providers to establish clear expectations about the support pre-school settings are expected to provide from within their core funding, and the circumstances in which additional advice, training or resources will be provided.	We agree that local authorities should do this, not least as part of developing their local offer, if there are gaps in the information for parents of young children and early years providers.
7	We propose that the DfE should set out, through existing published resources or webinars, a practical reminder of the ways in which local authorities can fund SEN provision in pre-school settings. Much of this information is already available, and some local authorities are using it effectively. Nevertheless, there would be value in providing practical reminders.	We are considering what extra information to make available, and how best to communicate appropriately to local authorities. We will consult shortly on specific measures to help LAs improve the support provided in early year settings – see chapter 4, paragraphs 4.21-4.25 .
8	We propose that there should be a more explicit role for local planning and commissioning of places in specialist settings, in which local authorities, in collaboration with schools, would play a central role. This would be in line with local authorities' statutory duties, and would provide scope to plan provision strategically to meet in-year changes and longer-term needs. The DfE may wish to consider the steps to be put in place to enable local education systems to develop such approaches.	We have already introduced this approach in the arrangements for 2016-17 allocations of high needs place funding, clarifying the flexibility that local authorities have and the process for making sure that academies and colleges are included in that. The proposals in chapter 3 envisage a continuation of this approach in future years.
9	We have also suggested that there should be a more explicit process for accessing capital funding to develop new SEN provision where it is needed. This last point applies equally to schools and post-16 institutions.	We agree. The availability of capital funding for more free schools, including special free schools, and for more specialist places for children and young people with SEN and disabilities, was confirmed in the 2015 spending review announcement – see chapter 3, paragraph 3.39 .

Proposals: these are numbered in the order that they appear in the report		Government response
10	We consider that there is sufficient flexibility within the current arrangements to support small, highly-specialist special schools, and those with highly-mobile pupil populations. We propose that local authorities should use these flexibilities, through their banding frameworks and partnership approaches, to prevent small specialist providers from becoming unviable due to short-term fluctuations in pupil numbers.	We agree that local authorities should consider the position of small specialist providers in their partnership and funding arrangements.
11	We propose that what is currently place-led funding for post-16 institutions (so-called 'element 2') should be included in the formula allocations for mainstream post-16 providers. This option would preserve the principle of equivalence in SEN funding, across the different pre- and post-16 funding systems. It is also aligned with what we are proposing in terms of reforming SEN funding in mainstream schools, and would thus ensure equivalence between the school and FE sectors.	We believe that there is merit in this proposal, though only for institutions that do not have large numbers or proportions of students with high needs, and are seeking views through this consultation – see chapter 4, paragraphs 4.26-4.30 .
12	We propose that places in special post-16 institutions should be funded at £10,000 per planned place, with top-up funding provided above this level, so that there is consistency with post-16 places in special schools. We suggest that the same approach is used to fund designated resourced provisions and units in mainstream post-16 institutions.	As above, we believe that there is merit in these proposals, including the introduction of the concept of special units in FE and sixth form colleges, and are seeking views through this consultation – see chapter 4, paragraphs 4.31-4.33 .
13	We propose that the DfE should develop and publish a set of principles or minimum standards for the effective operation of top-up funding. This could entail bringing together existing published material on top-up funding, but the DfE may wish to consider whether additional principles or standards would enable more effective approaches to top-up funding.	The latest edition of the EFA's operational guidance, published in September 2015, has helped to bring the published material on top-up funding together, and we will consider what further guidance would be helpful.
14	By the same token, we also propose that local authorities should publish information about their top-up funding arrangements, including both their banding or top-up values and their top-up <i>practices</i> , including named points-of-contact, timescales and review requirements.	We agree, and will include reference to the need for greater transparency in a future update of the EFA's operational guidance to local authorities.

Proposals: these are numbered in the order that they appear in the report	Government response
<p>15 We propose that local authorities should establish processes for accessing practical advice, capacity-building support, and top-up funding so that the statutory assessment process is not the sole means of accessing this support. Such approaches could be applied across early years settings, schools and post-16 institutions to foster dialogue, build capacity, and secure better outcomes.</p>	<p>We agree, and will include reference to the different ways that local authorities can provide this support in a future update of the EFA's operational guidance to local authorities.</p>
<p>16 We propose that the DfE should consider publishing joint guidance with the Department of Health (DH) / NHS England that clearly describes the role of clinical commissioning group leads in SEN and sets out which aspects of provision should normally be funded by education and which should be funded by health.</p>	<p>The Department of Health is exploring how future guidance to clinical commissioning groups (CCGs) can give a clearer indication of what health budgets would be expected to pay for.</p>
<p>17 We propose that the DfE should consider piloting sub-regional or regional approaches to joint strategic commissioning of provision for very high need low incidence SEN. Doing this in areas where there was a history of successful collaboration would provide a basis for testing more systematic regional partnerships.</p>	<p>We believe that collaboration between local authorities will become increasingly important. We are exploring existing practice and plans initially, and will consider how to share good practice that we identify and what other measures we can take to encourage successful partnership arrangements – see chapter 3, paragraph 3.39(c).</p>

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	Item	Paper
Schools Forum Date: 17 March 2015 Time: 8.30 am Venue: Shrewsbury Training and Development Centre, Monkmoor, Shrewsbury		C

SCHOOLS FORUM TASK & FINISH GROUP

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Summary

At their meeting on 26 November 2015 Schools Forum agreed to the re-establishment of the Schools Forum Task & Finish Group, drawn from Schools Forum membership, to undertake the detailed work in relation to the consultation on, and subsequent implementation of, the proposed national fair funding formula. The Forum received a report earlier this term from the first meeting of the group on 21 January 2016.

This report provides the notes from a further meeting of the group held on 2 March 2016 and a number of key recommendations in relation to High Needs and Early Help funding.

Recommendation

To note the minutes from the meeting of the School Forum Task & Finish Group on 2 March 2016 and to endorse the following recommendations of the group:

- the re-establishment of the High Needs Task & Finish Group to review the current application of High Needs funding and the arrangements for reporting and monitoring spend
- the release of £600k in 2016-17 from the High Needs Block funding to support Early Help
- the establishment of an Early Help Task & Finish Group to undertake a review of the current application of resources to support Early Help and how the additional £600k DSG funding released in 2016-17 will be applied to existing contracts and services, to review how it will be used in 2017-18, and to look at improvements in provision going forward.

REPORT

1. On 26 November 2015 Schools Forum agreed to the re-establishment of a Task & Finish Group to carry out the detailed work required in the spring and summer of 2016 in relation to the proposed consultation and subsequent implementation of the Government's proposed move to a national fair funding formula from the financial year 2017-18.
2. At their meeting on 21 January 2016 Schools Forum considered a report from the group which had been called to meet to consider, in the absence of information on the national fair formula consultation, the projected underspend in 2015-16 on the centrally retained Dedicated Schools Grant (DSG) in 2015-16. It was clear from this meeting that more detailed work was required on this issue and so the group met again on 2 March 2016. The notes of the meeting are attached at Appendix 1.
3. The group considered a number of papers produced by officers. The first paper provided an analysis of the High Needs budget for 2016-17 (attached at Appendix 2). This paper illustrated that there are forecast demographic pressures in 2016-17 which will require additional resources to support top-up funding for independent providers and academies, non-schools post-16 provision and place funding. Further analysis was undertaken following the meeting and so the attached Appendix 2 is an update to that presented to the Task & Finish Group.
4. These pressures will be offset by savings emerging from a review of the High Needs Block base budget in 2015-16 and a realigning of resources from budget lines that have underspent in 2014-15 and 2015-16 eg the contingency budget line. The other factor to take into account is that Shropshire will be receiving a share of an additional £92.5m top-up funding made available nationally for High Needs, equating to £478k in 2016-17, which will be built into the base budget. The net effect of growth, reductions and additional funding, is a projected in-year saving in 2016-17 of £300k.
5. When taking into account the projected carried forward underspend from 2015-16, estimated at £700k (the paper to the Task & Finish Group indicated a £900k underspend), the analysis indicates that there is sufficient funding in play to support the proposal to release £600k towards the targeted work for schools through Early Help services. While half of this could be funded from base budget, half would have to be met in 2016-17 from the one off carry forward of the underspend from 2015-16. The updated carry forward figure of £700k does not fundamentally alter the scope for releasing funding in 2016-17.

6. The group received additional papers on the current provision of support to Early Help and details on the range of support to schools (attached at Appendix 3 and Appendix 4). These highlighted that in 2015-16 elements of targeted Early Help services are currently part funded from DSG, via the 'Contribution to Combined Budgets' line within the Central Provision within School Budget part of centrally retained DSG. The release of the £600k in 2016-17 would effectively double the funding of what was recognised by the group as important work in safeguarding and promoting the welfare of children and young people.
7. The group acknowledged that the proposal to release the £600k from DSG in 2016-17 is a short term measure and that further work would be required to ensure that the funding available to support Shropshire's learners, through both High Needs and Early Help, needs to be fundamentally reviewed to ensure that it is being applied as effectively and efficiently as possible and is securing the highest possible outcomes.
8. It was therefore proposed that this urgent review work be undertaken through 2 separate Task & Finish Groups, one to look at High Needs funding, the other to look at targeted Early Help services. It was agreed that the groups need to be constituted and operational from early in the summer term.
9. The group concluded by recommending that Schools Forum endorse the proposals to:
 - re-establish the High Needs Task & Finish Group to undertake a review of the current application of High Needs funding and the arrangements for reporting and monitoring spend
 - the release of £600k in 2016-17 from the High Needs Block funding to support Early Help
 - establish an Early Help Task & Finish Group to undertake a review of the current application of resources to support Early Help and how the additional £600k DSG funding released in 2016-17 will be applied to existing contracts and services, to review how it will be used in 2017-18, and to look at improvements in provision going forward.

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Schools Forum Task & Finish Group

Notes of key points raised at the meeting held on 2 March 2016

In attendance

Bill Dowell (Chair of Schools Forum) [BD], Nick Bardsley (Deputy Portfolio Folder, Children's Services) [NB], Mark Rogers (Headteacher, Oxon CE Primary) [MR], Phil Adams (Headteacher, Corbet School Technology College) [PA], Kay Redknap (Head of Service, TMBSS) [KR], Sandra Holloway (School Business Manager, Meole Brace CE Primary) [SHol], John Hitchings (Vice Chair of Schools Forum) [JH], David Minnery [Portfolio holder – Children's Services] [DM], Sabrina Hobbs (Principal, Severndale Academy) [SHob], Yvette McDaniel (Headteacher, Prees CE Primary School) [YM].

Local authority officers:

Karen Bradshaw [KB], Tina Russell [TR], Gwyneth Evans [GE], Stephen Waters [SW], Phil Wilson [PW] and Julia Dean [JD].

1 **Welcome**

BD welcomed everyone to the meeting.

2 **Apologies**

Apologies had been received from Ruth Thomas, Pete Johnstone and Alan Parkhurst.

3 **Notes from the meeting held on 13 January 2016**

The notes were agreed as a true and accurate record of the meeting.

4 **Update on the national position**

PW circulated a copy of the 'Fair Funding PR Strategy 2016', drawn up by f40 in preparation for the launch of the fair funding consultation. The indication is that the consultation will be launched shortly and, due to political pressures, may be in 2 stages. The first stage will deal with the principles of fair funding and not the impact analysis on individual LA funding.

The second stage will probably follow the London Mayoral election on 5 May and is likely to see the widening of the scope of the consultation to include the impact analysis of national funding on individual authorities.

There are strong indications that the commitment from Government to the deadline of introducing national funding in 2017-18 remains, though it is clear that delivery will be extremely tight. There are suggestions that September 2017 rather than April 2017 might be the start date.

5 Work undertaken since the last meeting

High Needs Budget Analysis 2016-17

PW circulated and took the Group in detail through the paper 'High Needs Budget Analysis 2016-17' and explained that further detailed analysis would be undertaken to confirm the current estimated costs. The paper demonstrated that it was possible to release up to £600k from this budget to support the pressures on Early Help that had been highlighted at the meeting on 13 January.

The paper also proposed the re-establishment of the High Needs Task & Finish Group to undertake a review of the current application of resources and the arrangements for reporting and monitoring spending. The group will draw on representation from the pre and post 16 specialist providers, the primary and secondary mainstream settings and local authority SEN officers.

MR reported that Shrewsbury headteachers feel they have been misled and are not happy that there is an underspend in High Needs funding when they are being told that children cannot get ECHPs because there is not enough funding available.

JD advised that Shropshire has a very high percentage of statements, well above the national average. Ofsted will be challenging this. There is no evidence that Shropshire has a higher percentage of High Needs children.

SHob reported that there have been significant changes in the types of pupils her school is seeing. She stated that children should not be in alternative provision if they can be in mainstream schools. By not being placed in mainstream funding for pupils will be diverted to cover transport costs rather than provision. Her view was that support should be provided in a mainstream environment.

KB added that local hubs have been developed by the local authority. However, there is only a certain level of capacity in alternative provision. She felt that SENCos needed earlier and more consistent support in schools and that schools were potentially losing out through not being able to access an SEN adviser. It was noted that the role of a SENCo can be hard and lonely.

MR advised that he had explained to Shrewsbury headteachers that if they wanted more funding to be targeted towards High Needs it would need to be drawn from the Schools Block and therefore their

school budget shares. This highlighted a gap in the understanding among some school leaders on how school funding operates.

JD made the point that the issue was not only about the funding but about how support is being provided for young people.

PA asked how schools access additional funding for pupils who need greater support. He advised that secondary headteachers had similar concerns to their primary colleagues.

JH asked if the proposal was a short term measure. BD confirmed that it has to be a short term measure and needs to be reviewed, hence the proposal to re-establish the High Needs Task & Finish Group. He went on to advise that there are legacy issues within how the funding has historically been applied and that the increased scrutiny being employed will bottom out how to most effectively utilise the resources for the benefit of our children and young people.

JH suggested this was a decision of principle and questioned whether cross subsidisation is ever a good idea. A one step short term solution is always a concern.

YM asked if the proposed £600k wasn't committed to Early Help what other pressures could it be spent on.

At this point PW circulated a paper and attachment on Early Help, highlighting how the targeted element of the work is funded and the areas that are currently receiving support via the 'Contribution to Combined Budgets' line within the Central Provision within School Budget part of centrally retained DSG.

TR provided an overview of the Early Help service and the support for children and families. The local authority budget is reducing and so the focus has to be on the delivery of statutory services and not necessarily what is already in place. As a consequence there is a need to look to DSG, CCG and other sources for contributions towards the costs of non-statutory work.

JD added that the strong Early Help work is having an impact on reducing challenging behaviour in the classroom.

YM enquired whether headteachers are asked for their opinion on Early Help services. TR advised that the service had undertaken a number of surveys with schools which highlighted the general effectiveness of the provision.

MR stated that he had not been aware that Early Help was already receiving funding from DSG which he felt was positive. He asked how much funding was centrally retained in total. SW estimated that about £3.7m was retained out of a total budget of £155m.

There was some discussion on the percentage top-slice converting academies receive. It was confirmed that academies receive £140 per pupil on top of their budget share and so reference to a percentage top-slice is not relevant.

KB stated that there was a need for shared responsibility between the local authority and schools.

PA said that schools are facing unprecedented pressures dealing with the costs of the living wage, National Insurance contributions, pensions and the lack of funding for pay progression.

BD advised that the Council's Leader is putting pressure on the government for an improved funding settlement for Shropshire.

KR asked if the £600k was not put into Early Help, what would the consequence be. KB advised that the Early Help service would have to reduce.

BD advised that it is proposed that a separate Task & Finish Group be set up to review Early Help. KR added that there was a need for better collaborative working to support children. PA stressed that there was an urgency in getting the group up and running.

MR asked if other local authorities are using DSG to support Early Help. KB confirmed that they are. MR advised that it would be useful if the practice in other local authorities was better understood and shared. PW referenced that some interesting work is taking place in Derbyshire.

SH felt that the retained model potentially represented better value than if the funding was delegated.

MR asked if academies would contribute and GE confirmed that they would.

MR asked what the whole £6 million Early Help budget covered. TR advised it includes services like short breaks for children with disabilities and targeted special youth support.

JH referenced the need for Schools Forum to better understand the detail of the centrally retained budgets. He was dismayed that school leaders don't fully understand the high level finances. BD suggested that he and JH get together to work up a communications strategy.

6 **Ways forward**

BD summarised the meeting by proposing that the Task & Finish Group take forward the following recommendations to Schools Forum on 17 March 2016:

- The urgent re-establishment of the High Needs Task & Finish Group to review of the current application of High Needs resources and the arrangements for reporting and monitoring spending
- The release of £600k in 2016-17 from the High Needs Block of funding to support Early Help
- The urgent setting up of an Early Help Task & Finish Group to undertake a review of the current application of resources to support Early Help and to determine how the additional £600k DSG funding released in 2016-17 will be applied to existing contracts and services, to review how it will be used 2017-18, and to look at improvements in provision going forward through co-commissioning and exploring opportunities for pooling resources.

7 **Any other business**

There was no further business and so BD thanked all attendees for their time and contributions to the meeting.

8 **Next meeting**

No date was set for the next meeting. This will be determined by the timing of the launch of the consultation on national fair funding.

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Schools Forum Task & Finish Group - 2 March 2016

High Needs Budget Analysis 2016-17

	£	£	£	£
Estimated carry forward from 2015-16				-700,000
Budget Pressures in 2016-17				
Top-up Funding - Independent Providers	307,000			
Post 16 Funding - Non-schools	250,000			
Top-up Funding - Academies	212,000			
Place Funding	147,000			
		916,000		
Funded by:				
Uplift in High Needs DSG funding	-478,000			
Reductions in 2015-16 base budgets				
- contingency	-522,000			
- other	-217,000			
		<u>-1,217,000</u>		
In-year budget surplus in 2016-17			-301,000	
Contribution to Early Help			600,000	
In-year budget deficit in 2016-17				299,000
Initial one-off balance available in 2016-17				<u>-401,000</u>
Allowance for estimated budget pressure in 2017-18				299,000
Revised one-off balance available in 2016-17				<u>-102,000</u>

Notes:

1. The figures presented are current best estimates which will require further work
2. It is proposed to re-establish the High Needs Task & Finish Group, including key stakeholders, to review the current application of the resources and the arrangements for reporting and monitoring spending
3. The group will report back to the Schools Forum on their detailed work and recommendations

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Early Help

Early Help - means 'providing support as soon as a problem emerges, at any point in a child's life'.

The Early Help budget in Shropshire funds support across a wide range of areas - in partnership with schools and local agencies - to safeguard and promote the welfare of children and young people.

In the financial year 2015-16 spending on Early Help was as follows:

Gross Early Help Budget	<u>£6.087m</u>
Funded by:	
Local authority	£5.066m
Central Dedicated Schools Grant (DSG)	£0.593m
CCG & Public Health	<u>£0.428m</u>
	<u>£6.087m</u>

The funding through DSG is via the 'Contribution to Combined Budgets' line within the Central Provision within School Budgets part of centrally retained DSG. It should also be noted that the CCG- provide additional funding towards other areas of Children's Services particularly contributions towards external residential placements for Looked After Children. The figures above relate to direct support to a number of specific Early Help services.

The attached appendix provides further details on the particular areas of Early Help that currently receive financial support via centrally retained DSG and for which additional financial support through this funding stream is being sought in 2016-17 and future years. This illustrates the direct and indirect benefits to schools of the retained funds to support Early Help services.

At a meeting of the Schools Forum Task & Finish Group in January 2016 a proposal was tabled to secure further funding from centrally retained DSG to support Early Help services.

Childrens Services have prioritised the Early Help offer to Children and Families since the implementation of their Early Help strategy in 2014. This strategy seeks to ensure all children and families access good quality Early Help at the first sign of concern and that support is responsive to long term as well as short term needs. It has also invested in the role of social workers and other professional staff including youth worker and primary mental health workers in supporting partners, including schools, to deliver good quality early help assessments and targeted early help plans. Through the single point of contact "Compass" staff offer telephone consultations and community visits to support professionals in their "lead professional" role identifying and managing risk together.

As councils have received reduced government funding the need to prioritise funding to specialist safeguarding activities associated with children in care and children subject to child protection plans has increased. We want to continue our investment in Early Help to families and as such are looking at other funding streams to help us fund this provision which to date has largely been funded through LA budgets as a non-statutory requirement.

A separate paper analyses the financial position of the High Needs Budget within the centrally retained DSG. This demonstrates that there is scope to release £600,000 in 2016-17, in part through savings and reconfiguration of the base budget, but also through one-off savings from the forecast underspend carried forward from 2015-16.

It is acknowledged that this is a short-term fix but is an even-handed approach to what is a shared issue, ie the need to safeguard and promote the welfare of children and young people against a background of reducing financial resources.

Given the need for further close working between the local authority and schools, at both the strategic and local level, it is proposed that a separate Task & Finish Group be established to undertake a review of the current application of resources to support Early Help, to determine how the £600,000 DSG released in 2016-17 is applied and to look at improvements in provision going forward through joint commissioning and exploring opportunities for pooling resources. This group will report through to Schools Forum.

EARLY HELP

Early Help Function [funding from DSG in 2015-16]	What is funded	Benefits to Schools
Targeted Youth Support (TYS) [£22,240]	<p>Youth Workers providing 121 work and group work to vulnerable teenagers 11-19 years. TYS is a specialist early intervention and prevention service for vulnerable young people, providing a range of support in order to help them gain the resilience and skills they need to progress into adult life. Targeted work may include:</p> <ul style="list-style-type: none"> • child sexual exploitation and other risky behaviours • domestic abuse • emotional resilience including suicide prevention and self-harm • homelessness prevention • transition • working with young people with autism and mild to moderate learning needs • mediation and advocacy for young people i.e. between their parents or carers, education provision etc • developing independence skills • substance misuse, working closely with the young people's substance misuse team. <p>TYS works directly with young people, ensuring their voices are heard and understood by the adults in their lives, developing Early Help plans involving family members and other significant people to ensure that the progress made can be sustained by their wider support network beyond their Early Help involvement. This may also require direct working with parents and carers.</p> <p>TYS will also deliver targeted group work programmes where need has been clearly identified. For example the Empower programme which promotes young women's understanding of healthy relationships, having been referred through the Child Sexual Exploitation Panel.</p>	Support the child/young person to maintain school attendance and achieve in education as problems are addressed and have an outlet outside school. Also benefit from group work programme in local area impacting on peers in a community. In 2015-16 to date 74 new young people are receiving a service from this provision and there are 165 children in total open to the service. All are school age.
Youth Offending Service (YOS) [£48,180]	West Mercia YOS - staffing costs for school work.	
Action for Children (Short Breaks) [£15,000]	Short breaks for disabled children (assessed needs). Social and leisure activities for children with disabilities.	Provides support outside school times so pressure doesn't build up during this time and subsequently impact on the child's ability to engage and achieve in school. In 2014-15 138 children all of school age attended these activities. To date, in 2015-16, 129 children have accessed this provision.
Lifelines [£26,000]	Loss and bereavement counselling - referrals come from schools.	Minimises impact on children's ability to attend and achieve in school.
Young Carers (contract with British Red Cross) [£26,520]	Provide 121 support for young carers and group opportunity for children who are carers for parents to have time out with peers and other young carers. From this they get emotional support and a break from caring responsibilities.	This opportunity gives a balanced family life experience to the child as opposed to just school/caring pressures. This improves school attendance and engagement. 146 children open to the service and 31 new referrals received in 2015-16 to date. In process of commissioning new provider.
Parenting [£73,830]	Parenting Understanding Your Child's Behaviour (UYCB). Solihull Approach. Parenting courses delivered through schools and to targeted groups including UYCB for teenagers.	Most schools engaged in delivery of this programme.
Enhance Contract [£308,060]	Safeguarding - 121 work with young people and families on relationships, self-esteem and resilience in coping with pressures. Revised contract is looking to target children with multiple problems.	Support the children/young people to maintain school attendance and achieve in education as problems have an outlet outside school. Schools are primary referers. In 2015-16 to date 139 children received a service. 93 individual children open to the service end of December 2015. 70 on waiting list. Review of criteria and work with CCG to identify children more appropriate to receive alternative early mental health provision.
Looked After Children - Virtual Headteacher [£33,500]	Statutory Virtual Head teacher responsible for management of pupil premium and ensuring LAC achieve good outcomes in education.	Point of contact for schools in addressing needs of LAC children including LAC children placed by other LAs where Shropshire Virtual Headteacher liaises directly with the placing LA.
Child and Adolescent Mental Health Services (CAMHS) [£21,540]	CAMHS post - Compass/Early Help advice and consultation in schools. Compass duty - single point of contact providing referrers with risk and need analysis for tier 2/3 CAMHS.	Point of contact for schools to gather information and to get advice on concerns.
COMPASS - Early Help part [£17,980]		Child Sexual Exploitation.

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Schools Forum

Date: 17 March 2016

Time: 8:30 am

Venue: Shrewsbury Training
and Development
Centre

Item

Public

Paper

D

DEDICATED SCHOOLS GRANT MONITORING

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Summary

This report outlines to Schools Forum members the centrally retained Dedicated Schools Grant (DSG) forecast outturn position at the end of February 2016.

Recommendation

This report is for information only.

REPORT

Outturn 2015-16

1. The overall outturn against centrally retained DSG is forecast to be £709k in surplus at the end of February 2016.

Main reasons for a variation from budget of greater than £100k:

Line 1.2.1 – Top Up Funding – Maintained Providers

2. An underspend of £1,356k is currently forecast. £768k of this underspend relates directly to the top up payments the local authority makes to maintained schools. Following reforms to High Needs Pupils Funding in April 2013, the local authority has taken a prudent approach to budgeting for top-up funding particularly for maintained providers. This underspend is explained by this cautious approach and is projected where contingencies built into the budget for new starters or changes to bandings in year have not been required as much as anticipated. As the system becomes more established, monitoring of these budgets becomes more accurate and reliable and this can inform budget levels for future years.

3. In addition, the recoupments received from and paid to other local authorities for children attending schools out of area is currently showing a projected underspend of £588k. More detailed analysis has commenced to estimate how much recoupment expenditure will be paid or accrued for between now and the year-end. This work will continue with the service area leads over the course of the next few weeks.

Line 1.2.3 – Top Up Funding – Academies and Free School

4. A potential overspend has been identified in relation to top up funding for academies. This has been identified as projections have been reviewed following detailed analysis. The overspend relates to secondary academies rather than primary or special academy schools. This highlights the need to convene the High Needs Task & Finish Group as recommended in Paper C.

Line 1.2.4 – Top Up Funding – Independent Providers

5. A forecast overspend of £150k has been identified in relation to post 16 top up funding to further education establishments. This overspend is a direct result of changes in legislation which has seen local authorities having significant new statutory duties for students with special educational needs up to the age of 25 years under the Childrens and Families Act (September 2014). As a result, Shropshire has seen a sharp increase in students with SEN requiring additional support in further education and the local authority's SEN team are striving to address these rising costs through close working with local colleges to increase accessibility to education within mainstream colleges rather than more expensive independent specialist providers.
6. A large overspend is also forecast against top up funding to independent special schools. This budget is highly volatile and more detailed work is required through the High Needs Task & Finish Group to understand the pressures on this £4.546m budget.

Line 1.2.5 – SEN Support Services

7. The Joint Arrangement with Telford & Wrekin Council for the provision of a Sensory Inclusion Service is currently forecasting an underspend of £100k due to staffing vacancies in the service. It is not yet determined whether these vacancies will be required in the future. There are also temporary in-year vacancy management savings in relation to the Speech and Language Therapy Team and the SEN Team where posts will not be recruited to until the next financial year.

1.4.12 – Exceptions agreed by Secretary of State (Deficit Balance)

8. A cost of £168,141 is reported. As agreed by Forum last year this is the second year charge relating to a secondary school deficit balance incurred in 2014-15 at the point of conversion to a sponsored academy.

CENTRALLY RETAINED DEDICATED SCHOOLS GRANT FUNDING PERIOD (2015-16)

No:	Description	2015-16 Latest Budget £	2015-16 Projected Outturn £	2015-16 Variation £
1.01	Individual Schools Budget - Early Years PVI's	7,110,120	7,155,120	45,000
	DEDELEGATED ITEMS			
1.1.1	Contingencies	160,000	167,096	7,096
1.1.2	Behaviour Support Services			
1.1.3	Support to UPEG and bilingual learners			
1.1.4	Free school meals eligibility			
1.1.5	Insurance	24,460	24,460	0
1.1.6	Museum and Library Services			
1.1.7	Licences/subscriptions			
1.1.8	Staff costs Maternity supply cover	334,000	356,540	22,540
1.1.8a	Staff costs Trade Union Duties	53,180	62,316	9,136
	HIGH NEEDS BUDGET			
1.2.1	Top Up funding - Maintained Providers	5,352,000	3,995,672	-1,356,328
1.2.2	Top Up funding - Academies & Free Schools	3,987,610	4,148,599	160,989
1.2.3	Top Up funding - Independent Providers	5,424,480	6,086,053	661,573
1.2.4	Other AP Provision	200,820	175,418	-25,402
1.2.5	SEN Support Services	1,796,440	1,466,174	-330,266
1.2.6	Support for Inclusion	316,990	231,931	-85,059
1.2.7	Hospital Education Services	105,190	105,190	0
1.2.8	Special Schools and PRUs in financial difficulty			
1.2.9	PFI and BSF costs at special schools			
1.2.10	Direct Payments (SEN and Disability)			
	EARLY YEARS BUDGET			
1.3.1	Central Expenditure on children under 5	259,340	314,115	54,775
	CENTRAL PROVISION WITHIN SCHOOLS BUDGET			
1.4.1	Contribution to combined budgets	1,332,750	1,275,139	-57,611
1.4.2	Schools Admissions	211,460	230,416	18,956
1.4.3	Servicing of Schools Forums	11,000	8,563	-2,437
1.4.4	Termination of employment costs	1,024,920	1,024,920	0
1.4.5	Carbon reduction commitment allowances			
1.4.6	Capital Expenditure from Revenue (CERA)	605,550	605,550	0
1.4.7	Prudential Borrowing Costs	295,350	295,350	0
1.4.8	Fees to independent schools without SEN			
1.4.9	Equal Pay - Back Pay			
1.4.10	Pupil growth / Infant Class sizes			
1.4.11	SEN Transport			
1.4.12	Exceptions agreed by Secretary of State (Licences)	187,820	187,820	0
1.4.12a	Exceptions agreed by Secretary of State (Deficit)	0	168,141	168,141
14.6.1	TOTAL CENTRALLY RETAINED	28,793,480	28,084,584	-708,896
	Original 2015-16 Total Centrally Retained DSG	26,398,480		
	Latest 2015-16 Total Centrally Retained DSG	28,793,480		
	Latest 2015-16 DSG Allocation	135,363,000		

* taking account of academy recoupmnt including schools that converted to, and on 1 January 2016.

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