



Schools Forum
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Item

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Paper

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DEDICATED SCHOOLS GRANT MONITORING

Responsible Officer Stephen Waters
e-mail: Stephen.a.waters@shropshire.gov.uk Tel: (01743) 258952

Summary

This report outlines to Schools Forum members the centrally retained Dedicated Schools Grant (DSG) forecast outturn position at the end of August 2017.

Recommendation

This report is for information only.

REPORT

Outturn 2017-18

1. The overall outturn against centrally retained DSG is forecast to be £0.060m in deficit as at the end of August 2017.

Centrally Controlled High Needs Budget

2. The centrally controlled High Needs Block is the largest budget area within central DSG accounting for £18.295m of the £32.723m central DSG budget in 2017-18. As at the end of August only a small underspend of £0.114m is forecast.
3. The main reasons for a variation from budget of greater than £0.100m falling within the High Needs Block are detailed below:

Line 1.2.1 - Top Up funding - Maintained Providers & Line 1.2.2 Top Up funding - Academies, Free Schools and Colleges

4. A projected underspend of £0.135m on top-up funding is reported as at the end of August 2017. This is a small percentage underspend on a budget of £10.398m across these two budget headings.

5. While there are small forecast overspends against the budgets for primary schools top-up funding and the net budget for inter-authority recoument of top-up fees, the underspend is explained by a forecast underspend across secondary schools top-up funding and special schools top-up funding. The forecast underspend across the two budget areas totals £0.287m.
6. This can be partially be explained by Shropshire Council's transition to a graduated pathway for SEND. This strategy aims to reduce the proportion of Education, Health and Care Plans (EHCPs) maintained by Shropshire so that it is in line with national average of 2.8% whilst supporting children at SEN support. This will encourage early intervention and therefore reduce the need for more costly specialist intervention at a later date. This should result in a more holistic, person centred approach to identifying and meeting need and result in better outcomes for children.
7. Shropshire is beginning to see a reduction in the proportion of children with an EHCP from 4.2% in 2014 to 3.6% (July 2017). The impact of this has been seen in financial terms with top-up funding forecasts at below budgeted levels as at the end of August. As the number of Shropshire children with an EHCP or statement further reduces from its current level of 3.6% towards the national average of 2.8%, this should result in less top-up funding distributed through the EHCP. There will be a need to review and reset budgets accordingly once Shropshire Council has considered and identified the budget commitments required to fund the additional support that will be generated by a move toward providing additional high needs funding for children at SEN support (graduated pathway). This will be monitored and reviewed termly.

Line 1.2.3 - Top Up funding - Non-Maintained and Independent Providers

8. An overspend of £0.147m is currently forecast against top-up funding to independent special schools.

Independent Special Schools

9. In 2017-18 the budget was set at £4.126m based on 84 placements at approximately £0.049m per placement. With most Summer term 2016-17 charges now paid for, the current number of placements stands at 94, 10 higher than anticipated. Using the placement tracker that estimates costs for these placements using known placement end dates the forecast overspend is approximately £0.147m, which indicates that the average cost per placement has decreased to approx. £0.045m.
10. The increase in placement numbers and decrease in cost per placement compared to the budgeted figures is explained by a number of new placements at two of Shropshire's lower cost, non-residential providers. This has occurred as these providers have extended their capacity to allow for a great number of placements. Demand for increased placements at these two providers is indicative of a bigger issue around challenging behaviour across the county which reflects the national picture. It is also a direct result of Shropshire's

maintained social and emotional mental health (SEMH) provision being at full capacity.

11. The other explanation for this overspend is an increase in contributions from education towards joint social care placements where there is a lack of clarity of what the primary cause for the need to move to an independent specialist provider is.
12. These trends follow the national picture being reported by the f40 group of local authorities during a recent survey of high needs costs pressures. The responses concluded increasing demand for independent special school placements, and higher contributions from education towards joint social care placements.
13. It is important to note that this budget is volatile since costs could increase significantly at short notice if 1 or 2 pupils with complex needs requiring high cost residential placements re-locate to the area or the needs of a child change.

SEN Nursery Placements

14. Although no overspend is forecast as at the end of August in relation to SEN nursery placements, it is worth highlighting that the budget has been significantly increased to £0.240m in anticipation of further ongoing cost pressures with the introduction from September 2017 of 30 hours free childcare for all 3 and 4 year olds with working parents.
15. A strategic change in the way the Council delivers provision for children with complex needs has been introduced so that more children with complex SEN can be supported to attend their local early years provision. Initially this has meant increased expenditure on as training is provided to settings to meet the needs of more complex children within their communities, however this should result in reduced costs on special school nursery placements and related reduced costs on SEN transport.

Line 1.2.5 – SEN Support Services

16. There is a forecast underspend of £0.111m in relation to SEN support services and much of this is explained by vacancies in the SEN team where key posts have recently been recruited to. The team continues to be stretched to capacity as the children and families act has extended statutory responsibilities from 0 to 25. There are additional pressures as schools are struggling to meet the needs of children who present with challenging behaviour - this has resulted in increased casework for SEN Team case managers. These vacancies have resulted in a forecast underspend of £0.111m but this underspend is not ongoing. Consideration will be given to building in additional capacity around inclusion services, particularly the need to support pupil-planning meetings. This is particularly required in light of the reported increase in challenging behaviour being presented across the county (and reflected nationally).

Central Provision within Schools Budget

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

17. A cost of £0.168m is reported. As agreed by Schools Forum in 2014-15 this is the fourth year charge relating to a secondary school deficit balance incurred in 2014-15 at the point of conversion to a sponsored academy.