



Date: Wednesday, 15 November 2017

Time: 8.30 am

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

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SCHOOLS FORUM

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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 October 2017.

Recommendation

This report is for information only.

REPORT

Outturn 2017-18

1. The overall outturn against centrally retained DSG is forecast to be £0.163m in deficit as at the end of October 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 £32.766m central DSG budget in 2017-18. As at the end of October only a small underspend of £0.038m 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 £0.189m on top-up funding is reported as at the end of October 2017. This is a small percentage underspend on a budget of £10.398m across these two budget headings.

5. Forecast underspends relating to top-up funding to mainstream settings and Special Schools combined totals £0.455m.
6. This can be partially explained by Shropshire Council's transition to a graduated pathway for SEND. This strategy aims to reduce the proportion of 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 EHC Plan 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.
8. Although there is an underspend of £0.189m on this budget line it is worth noting that this masks a projected overspend of £0.160m against inter-authority recoupment, and a further £0.083m projected overspend on the Post 16 Further Education Colleges budget as a result of an increase in Post 16 cohort and increased provider unit cost. This overspend has been identified as the Autumn Term charges have been finalised and this highlights a growing pressure in the High Needs Budget that is being reported nationally.
9. In 2017-18 the budget for Post 16 Further Education College fees was increased from £1.150m to £1.160m having been increased in 2016-17 from £0.900m to £1.150m. The projected spend for 2017-18 of £1.243m evidences the continued expenditure growth experienced as 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). 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.

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

10. An overspend of £0.233m is currently forecast against top-up funding to Independent Special Schools.

Independent Special Schools

11. In 2017-18 the budget was set at £4.186m based on 84 placements at approx. £0.050m per placement. 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 approx. £0.187m which indicates that the average cost per placement has decreased to approx. £0.046m.
12. 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 2 of our 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 2 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 SEMH Provision being at full capacity.
13. 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.
14. 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.
15. 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

16. Although no overspend is forecast as at the end of October 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. Further work is required to understand the forecast outturn position.
17. 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.

Central Provision within Schools Budget

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

18. 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.

APPENDIX

CENTRALLY RETAINED DEDICATED SCHOOLS GRANT FUNDING PERIOD (2017-18)

	2017-18 Latest Budget £	2017-18 Forecast Spend £	2017-18 Variance £	
DEDELEGATED ITEMS				
1.1.1	Contingencies	240,000	240,000	0
1.1.2	Behaviour Support Services	0	0	0
1.1.3	Support to UPEG and bilingual learners	0	0	0
1.1.4	Free school meals eligibility	0	0	0
1.1.5	Insurance	22,760	22,760	0
1.1.6	Museum and Library Services	0	0	0
1.1.7	Licences/subscriptions	0	0	0
1.1.8	Staff costs Maternity supply cover	410,000	411,884	1,884
1.1.9	Staff costs Trade Union Duties	50,020	48,529	-1,491
	DEDELEGATED ITEMS SUB TOTAL	722,780	723,173	393
CENTRALLY CONTROLLED EARLY YEARS BUDGET				
1.0.1	Individual Schools Budget - Early Years PVI's	10,309,690	10,309,690	0
1.3.1	Central Expenditure on Children under 5	317,290	317,290	0
	CENTRALLY CONTROLLED EARLY YEARS SUB TOTAL	10,626,980	10,626,980	0
CENTRALLY CONTROLLED HIGH NEEDS BUDGET				
1.2.1	Top Up funding - Maintained Providers	4,904,790	4,813,674	-91,116
1.2.2	Top Up funding - Academies, Free Schools and Colleges	5,493,570	5,395,387	-98,183
1.2.3	Top Up funding - Non-Maintained and Independent Providers	4,634,320	4,867,157	232,837
1.2.4	Additional High Needs Targeted Funding for Maintained Schools and Academies	127,280	127,280	0
1.2.5	SEN Support Services	1,768,630	1,707,120	-61,510
1.2.6	Hospital Education Services	170,190	170,190	0
1.2.7	Other Alternative Provision Services	174,720	157,169	-17,551
1.2.8	Support for Inclusion	1,021,480	1,018,540	-2,940
1.2.9	Special Schools and PRUs in Financial Difficulty	0	0	0
1.2.10	PFI / BSF Costs at Special Schools and AP / PRUs	0	0	0
1.2.11	Direct Payments (SEN and Disability)	0	0	0
1.2.12	Carbon Reduction Commitment Allowances (PRUs)	0	0	0
	CENTRALLY CONTROLLED HIGH NEEDS BUDGET SUB TOTAL	18,294,980	18,256,517	-38,463
CENTRAL PROVISION WITHIN SCHOOLS BUDGET				
1.4.1	Contribution to combined budgets	852,110	854,080	1,970
1.4.2	Schools Admissions	211,460	227,734	16,274
1.4.3	Servicing of Schools Forums	10,000	10,000	0
1.4.4	Termination of employment costs	994,920	994,920	0
1.4.5	Falling Rolls Fund	0	0	0
1.4.6	Capital Expenditure from Revenue (CERA)	0	0	0
1.4.7	Prudential Borrowing Costs	295,350	295,350	0
1.4.8	Fees to independent schools without SEN	0	0	0
1.4.9	Equal Pay - Back Pay	0	0	0
1.4.10	Pupil growth / Infant Class sizes	0	0	0
1.4.11	SEN Transport	0	0	0
1.4.12	Exceptions agreed by Secretary of State (Deficit)	0	168,141	168,141
1.4.13	Other Items (Copyright Licensing Agency fee)	187,820	202,106	14,286
Former Retained		570,000	570,000	0
	CENTRAL PROVISION WITHIN SCHOOLS BUDGET SUB TOTAL	3,121,660	3,322,330	200,670
	TOTAL CENTRAL DSG	32,766,400	32,929,001	162,601
	TOTAL CENTRAL DSG	32,766,400		
	DELEGATED EARLY YEARS BUDGET - Maintained Nursery Provision	2,944,530		
	DELEGATED HIGH NEEDS BUDGET - Place Funding	6,784,000		
	INDIVIDUAL SCHOOLS BUDGET SHARES	152,371,070		
	TOTAL DSG	194,866,000		

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