

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

Date: March 2018

**Committee:
Schools Forum**

Date: Thursday, 22 March 2018

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
Michael Barrett
Christine Hargest
John Hitchings
Sandra Holloway
Colin Hopkins
Pete Johnstone

Alan Parkhurst
Geoff Pettengell
Kay Redknap
Geoff Renwick
Mark Rogers
Philip Sell
Joy Tetsill
Ruth Thomas

Your Committee Officer is:

Philip Wilson Service Manager Business Support People


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AGENDA

- 1 Apologies**
- 2 Minutes and Matters Arising (Paper A)**
- 3 Paper A - Minutes from 18 January 2018 Meeting (1) (Pages 1 - 4)**
- 4 High Needs Benchmarking - Phil Wilson (Paper B) (Pages 5 - 26)**
- 5 Secondary School Deficit - Phil Wilson (Verbal Report)**
- 6 Dedicated Schools Grant Monitoring - Stephen Waters/Julia Dean (Paper C) (Pages 27 - 32)**
- 7 Communications**
- 8 Future Meeting Dates**

7 June 2018	8.30 am	STDC, Monkmoor
13 September 2018	8.30 am	STDC, Monkmoor
8 November 2018	8.30 am	STDC, Monkmoor
6 December 2018	8.30 am	STDC, Monkmoor
17 January 2019	8.30 am	STDC, Monkmoor
31 January 2019 (provisional)	8.30 am	STDC, Monkmoor
21 March 2019	8.30 am	STDC, Monkmoor
6 June 2019	8.30 am	STDC, Monkmoor

 Shropshire Council	Schools Forum Date: 22 March 2018 Time: 8.30 am Venue: STDC, Monkmoor, Shrewsbury	<u>Item/Paper</u> <div style="font-size: 48pt; text-align: center;">A</div> Public
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MINUTES OF SCHOOLS FORUM HELD ON 18 JANUARY 2018

Present

School Forum Members

Bill Dowell (Chair)
 Phil Adams – Academy Headteacher
 John Eglin – Primary Headteacher
 Sabrina Hobbs – Academy Headteacher
 Marilyn Hunt – Primary Headteacher
 Sam John – Academy Representative
 Pete Johnstone – Secondary Headteacher
 Alan Parkhurst – Primary Headteacher
 Geoff Pettengell – Academy Headteacher
 Michael Revell – Primary Governor
 Mark Rogers – Primary Headteacher
 Philip Sell – Hereford Diocese
 Guy Verling – Primary Headteacher

Members

Cllr Nick Bardsley
 Cllr Clare Aspinall

Officers

Gwyneth Evans
 Jo Jones
 Neville Ward
 Stephen Waters
 Phil Wilson
 Julia Dean
 Helen Woodbridge (Minutes)

Observers

Cllr Roger Evans

1. Apologies

Apologies had been received from Michael Barratt, Alan Doust, John Hitchings, Sandra Holloway, Colin Hopkins, Shelly Hurdley, Karen Bradshaw and Chris Mathews

2. Minutes and Matters Arising (Paper A)

The Chair welcomed everyone to the meeting.
 The minutes were accepted as a true record.
 Phil Wilson confirmed that:

- information re the Multicultural Development Team had been sent to schools
- he had communicated the decisions made at the last meeting to schools.

3. School Revenue Funding Settlement and School Funding Arrangements 2018-19

Gwyneth Evans went through the paper.
 She pointed out that it is difficult to make a like for like comparison to last year on the Schools Block funding as this year it is based on the national funding formula (NFF).
 Neville Ward confirmed that the early years funding arrangements are not ideal and make it impossible to match spend and budget. Schools Forum registered their concern with this situation.
 High Needs Block – the additional pressure caused by the loss of £0.816 million was highlighted.
 Sabrina Hobbs suggested that it had been a questionable decision to change the

ACTION

funding basis for placements.

School Funding Arrangements 2018-19

Gwyneth Evans explained that because Schools Block units of funding were worked out on the NFF based on the October 2016 census number - allocating the Schools Block to schools through the NFF based on October 2017 will not be an exact match to the funding received (a national issue). The result is an underspend in 2018-19 against the Schools Block of approximately £800k. She further explained the unfair effect if it was allocated to all schools through the funding formula. Given the pressures on the High Needs Block, the recommendation is to transfer up to 0.5% of the Schools Block to the High Needs Block, as allowed within Dedicated Schools Grant (DSG) regulations.

The chair explained that if the £800k was not used it could be allocated back to schools the following year.

Phil Adams suggested that as all LAs seem to be struggling with high needs funding, it does need to be raised. The chair confirmed that f40 are active in this area but Shropshire Schools Forum could add to this.

Sabrina Hobbs confirmed that special schools are lobbying for a change in how high needs funding is allocated. There is simply not enough money being put in.

Mark Rogers suggested that the proposal in the paper seems sensible and the recommendation to transfer the funding for the High Needs Block was unanimously approved.

The chair thanked Gwyneth Evans who is coping well despite the obstacles she is facing.

4. Early Years Funding Formula – Disadvantaged Supplement

Neville Ward went through the paper which was for information only.

Schools Forum acknowledged that a sensible approach is being taken.

5. Shropshire Schools Forum Constitution

Phil Wilson went through the paper.

Phil Adams suggested putting this as an agenda item on the secondary headteacher briefing.

It was identified that academies need to put further representation forward.

Phil Adams asked about the future of School Forum from 2020. It was confirmed that there would still be a need for decisions for other blocks eg high needs so there will be an ongoing role.

Mark Roger pointed out that there are still large/small, deprived/non-deprived school issues so a balanced membership needs to be maintained, particularly when voting in separate categories.

Marilyn Hunt stressed the importance of the small school view but added that it is hard to get out of small schools to join the meeting.

Phil Adams commented that the pool of available people is reducing as schools federate.

Schools Forum unanimously agreed to the re-apportionment of Schools Forum membership from April 2018.

6. Dedicated Schools Grant Monitoring

Stephen Waters and Julia Dean went through the paper which is for information only. Behaviour is a huge issue and there has been a significant increase in placement in ISPs. Exclusion from schools has increased this year (doubled) and the consequent six day provision needs to be paid for out of the High Needs Block. Assessment then takes place (and often this has not been done). Ongoing costs for ISPs,

PW

sometimes until the age of 18. The LA is working hard to ensure provision in our schools.

A high needs review is ongoing, funded by DfE. It is highly likely that a hub and spoke provision will be put into place long term.

Other factors include the impact of the Children and Families Act and the extension of the age range to 25. Some pressure is being put on re more use of high needs funding for areas currently being funded from social care. The Graduated Support Pathway may also add slightly to early costs.

Mark Rogers agreed that this area is a challenge and there is a need to prevent long term placements that are not necessary. The school system needs to be more flexible.

Chair thanked colleagues for an interesting strategic overview.

Phil Adams could see how part of problem is the diminishing support services.

Sabrina Hobbs confirmed that there are revenue pressures around required provision. At Severndale, if there is a required change in nursery places they will need consultation as a projection adjustment will be required. Severndale is currently struggling to accommodate PMLD.

She added that in terms of inclusion, changes to the national curriculum have not helped. Pressure on mainstream schools means there is a threat of system collapse.

7. Funding SEN in Schools – Shropshire Local Offer

Julie Dean went through the paper which is for information only.

She particularly highlighted residential overnight schools, independent mainstream schools, personal budgets and elective home education.

Schools Forum noted the report.

8. Communications

The chair advised that f40 continue to be active.

Nick Bardsley confirmed that Cabinet appreciates the work of Schools Forum and the chair and do not question the judgements made by Schools Forum. He added that the meetings with MPs continue and issues around funding are raised.

The chair suggested that £4.30 for early years is not enough and that high needs and exclusions also add to budget pressures. There is a need to engage more with schools and governing bodies.

Phil Adams suggested that the reduction of funding to LAs (eg ESG) is contributing to the funding issues.

The meeting closed at 10.00 am.

Future meetings (please diary):

The chair confirmed that the provisional meeting scheduled for 1 February is not necessary.

22 March 2018	08.30	STDC, Monkmoor
7 June 2018	08.30	STDC, Monkmoor

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Review and benchmarking of the high needs funding arrangements for Severndale Specialist Academy and Woodlands School

Introduction

Shropshire Schools Forum has requested an independent review in relation to the funding arrangements for Shropshire Council's specialist schools, namely Severndale Specialist Academy and Woodlands School. The banding levels for two schools have not been reviewed and updated for a number of years and there is a need to secure a justifiable, transparent and sustainable arrangement for funding provision into the future.

Requirements

1. To gain a clear indication of the total 'revenue' income for each school consistent with the income streams available to all schools, including in particular any financial support from the health sector.
2. To determine an accurate cost per pupil based on this total amount, for each school.
3. To complete an analysis of national benchmarking data for similar schools and give an indication of where each schools sits compared to other similar providers in term of overall cost per pupil.
4. To complete a further analysis, taking into account the cost of staffing as a percentage of total income, which should give an indication of overall cost effectiveness.
5. To review the staffing structures in each school, to determine the balance between leadership, management and front line delivery, and report accordingly.
6. To provide a summary judgement for each school, based on the evidence presented, of the overall levels of income and whether these appear low, broadly in line with other similar schools, or high, for the type of school.
7. To report on each schools' use of its budget, with emphasis on the deployment of personal, staffing structures and other stand out budgetary features.

Deliverables

- A draft review report for the Council's initial consideration and discussion with the report writer. The draft review should include any sensitive or contentious issues, together with potential solutions.
- A final report with recommendations, together with a summary PowerPoint presentation, to be completed and available for consideration at the Schools Forum meeting on 7 December 2017.

Timeline and resources

This is a time-limited review with two key milestones:

- Draft report to Council by Friday 3 November 2017.
- Final report and summary PowerPoint presentation to be completed by Friday 24 November, in time for the Schools Forum meeting on Thursday 7 December 2017.

The commission will be largely undertaken remotely as a desktop exercise but will, if required, involve visits to the two school sites.

The providers will be required to be completely transparent and co-operative in presenting the necessary budgetary and school organisation information necessary to undertake the comprehensive review of funding arrangements.

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Provisional Funding Statement 2018-19

34850

Woodlands

Commissioned places		56	x	£ 10,000	=	£ 560,000
Provisional Top up funding	Band A	6	x	7,192.09	=	43,153
Provisional Top up funding	Band B	21	x	12,034.34	=	252,721
Provisional Top up funding	Band C	12	x	18,358.25	=	220,299
Provisional Top up funding	Band D	7	x	24,053.04	=	168,371
Provisional Full Year Top Up funding		46				684,544
Total Provisional Funding						1,244,544
Please note - Top Up funding follows the pupil						

Acorns - North & South

Commissioned places	Summer	18	x	£ 10,000		£ 75,000
	Aut & Spr	22	x	10,000	=	128,330
						203,330
Provisional Top up funding	Band A	9	x	7,192.09	=	64,729
Provisional Top up funding	Band B	3	x	12,034.34	=	36,103
Provisional Top up funding	Band C	1	x	18,358.25	=	18,358
Provisional Top up funding	Band D	0	x	24,053.04	=	0
Provisional Full Year Top Up funding		13				119,190
Total Provisional Funding						322,520
Please note - Top Up funding follows the pupil						

Summary

Commissioned places	Summer	74	x	£ 10,000		£ 308,330
	Aut & Spr	78	x	10,000		455,000
						763,330
Provisional Top up funding	Band A	15	x	7,192.09	=	107,881
Provisional Top up funding	Band B	24	x	12,034.34	=	288,824
Provisional Top up funding	Band C	13	x	18,358.25	=	238,657
Provisional Top up funding	Band D	7	x	24,053.04	=	168,371
Provisional Full Year Top Up funding		59				803,734
Total Provisional Funding						1,567,064

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Provisional Funding Statement 2018-19

22/02/2018

35110

Severndale

						£		£
Commissioned places - Pre and Post 16 (Summer term)						x	10,000	= 1,687,500
Commissioned places - Pre and Post 16 (Autumn/Spring terms)						x	10,000	= 2,362,500
								4,050,000
Commissioned places - Pre 16 and Post 16								
		Summer	Autumn	Spring	Total		Top Up £	
Provisional Top up funding	Band A	45.00	45.00	45.00	45.00	x	0.00	= 0
Provisional Top up funding	Band B	138.00	138.00	138.00	138.00	x	2,946.54	= 406,623
Provisional Top up funding	Band C	129.00	129.00	129.00	129.00	x	8,969.31	= 1,157,041
Provisional Top up funding	Band D	72.50	72.50	72.50	72.50	x	14,392.92	= 1,043,487
Provisional Top up funding	Nursery A	0.00	0.00	0.00	0.00	x	787.77	= 0
Provisional Top up funding	Nursery B	7.00	7.00	7.00	7.00	x	1,473.27	= 10,313
Provisional Top up funding	Nursery C	3.00	3.00	3.00	3.00	x	4,484.65	= 13,454
Provisional Top up funding	Nursery D	1.00	1.00	1.00	1.00	x	7,196.46	= 7,196
Please note - Top Up funding follows the pupil								
Provisional Full Year Top Up funding								2,638,114
Total Provisional Funding								6,688,114
Please note - Top Up funding follows the pupil								

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SPECIAL SCHOOL FINANCIAL BENCHMARKING REVIEW

SEVERNDALE SPECIALIST ACADEMY & WOODLANDS SCHOOL

Introduction

1. Since April 2013, all maintained special schools and special academies have been subject to funding arrangements whereby a sum of £10,000 per published place is awarded, in addition to an agreed 'top-up' amount for each new admission. This additional sum can be fixed to provide the same level of income for every pupil, or disaggregated in some way, typically through a banding model.

2. Shropshire Schools Forum has requested an independent review in relation to the funding arrangements for the council's two special schools, namely Severndale Specialist Academy and Woodlands School. Severndale provides for children and young people aged 2 to 19 who have a range of special needs, including moderate, severe, complex and profound learning difficulties, those with autism, complex medical conditions and physical and mobility difficulties. Alternatively, Woodlands, which includes primary provision at Acorns, caters for pupils aged 9 to 16 who have social, emotional and mental health (SEMH) issues that typically manifest themselves in challenging and often severe behavioural problems.

3. The banding levels for the two schools have not been revised and updated for a number of years and there is a need to secure a justifiable, transparent and sustainable future funding arrangement. The main requirements of the review were set out as follows:

- a. To gain a clear indication of the total 'revenue' income for each school consistent with the income streams available to all schools.
- b. To determine an accurate cost per pupil based on this total amount, for each school.
- c. To complete an analysis of national benchmarking data for similar schools and give an indication of where each school sits compared to other similar providers in terms of overall cost per pupil.
- d. To complete further analysis, taking into account the cost of staffing as a percentage of total income, which should give an indication of overall cost effectiveness.
- e. To review the staffing structures in each school, to determine the balance between leadership, management and front-line delivery, and report accordingly.
- f. To provide a summary judgement for each school, based on the evidence presented, of the overall levels of income and whether these appear low, broadly in line with other similar schools, or high, for the type of school.
- g. To report on each schools' use of its budget, with emphasis on the deployment of personal, staffing structures and other stand out budgetary features.

Benchmarking

4. The government provides an online financial benchmarking service, <https://schools-financial-benchmarking.service.gov.uk>, which allows comparisons to be made between schools sharing similar features, such as, size, phase, type, age range and location. There are limitations, which for special schools starts with the challenge of matching providers catering for pupils with similar needs. However, the new online format does allow for schools and data to be continually verified and refined, which means that comparisons are generally reliable.

5. The age of benchmarking data can also be an issue as it tends to lag behind the most recent information available directly from local authorities, schools and academies. With this in mind, the most recent budget statements from each of the host schools have also been used to support the online process and determine confidence levels. The specific details of this are included within the analysis for each organisation.

Process

6. Two measures are being used to explore levels of funding and cost effectiveness for Severndale and Woodlands;

- a. the total revenue income per admission, and
- b. the cost of staffing as a percentage of total revenue income, which includes items such as, supply costs, staff expenses and insurances.

7. Both methods take into account the DfE's Guidance on [Schools Financial Health and Efficiency](#) and together are believed to give an effective like-for-like comparison of income and efficiency. If a school has a lower than average per pupil income, for example, and relatively low staffing costs as a percentage of this, then it is reasonable to assume that achieving further meaningful efficiencies is unlikely. Similarly, if the per pupil income is significantly above average and staffing costs are proportionately high, then savings are more likely.

8. Finally, it should be noted that benchmarking is based on actual admissions and not the published admissions number (PAN) for the school. As will become evident, this is a critical point and confirms the notion that schools are most efficient when they operate a near capacity.

N.B. Sections e. & g. of the original specification, which included a review of the staffing structures in each school and a report on each schools' use of its budget, have not been fully developed in this paper. In part, this was owing to timescale, but was also due to a desire to maintain as much objectivity as possible in the process. Data has been provided concerning costs per pupil and staffing as a percentage of income, which have then been compared to similar schools. How each school has then chosen to design its staffing, or apportion aspects of its budget, has been left for future debate, which will undoubtedly be subjective, particularly where good outcomes are being achieved, using different approaches, at a similar cost.

SEVERNDALE SPECIALIST ACADEMY

Cost Per Pupil

9. Severndale is a large academy special converter that provides for children and young people aged 2 to 19 who have a range of learning disabilities. The most recent statement of publicly available accounts for Severndale are for the financial year ending August 31st 2016. National benchmarking data is older than this and covers the period 2014/15. Schools used for comparison, in the same benchmarking 'basket', are showing data either from 2014/15 or 2015/16, with the older information mostly representing academies.

10. Severndale does have access to 2016/17 accounts, but these are still being processed and so are not yet freely available. A conversation with the school, however, suggests that there is not a wide deviation covering this and the budgets of the last two years, which fits with the profile of most special schools where 'top-up' amounts have remained broadly static since 2014.

11. Set out in the table below is the funding position for the school, initially from 2014/15, as indicated by national benchmarking data, and then from 2015/16 using the school's published accounts.

Year	Total Income	Source	PAN	Admissions	Pupil Cost
2014/15	£7.69m	Benchmarking	415	367.5	£20.9k
2015/16	£7.54m	Severndale/LA	415	408	£18.5k

Benchmarking Process

12. Analysis of Severndale, in relation to other special schools, has been completed using national benchmarking data, with supplementary financial information from 2015/16 being considered to determine possible trends and shape overall advice.

13. To generate an effective sample of schools, two sets of filters were applied based on a generic search of all special schools. The first of these was based on 'size' and covered all special schools in England with a pupil population greater than 232, which was the lowest figure to generate a 'basket' no greater than the limit of 28 schools. The second data set was created by filtering 'academy special converters' and then reducing the basket size by adjusting the age range.

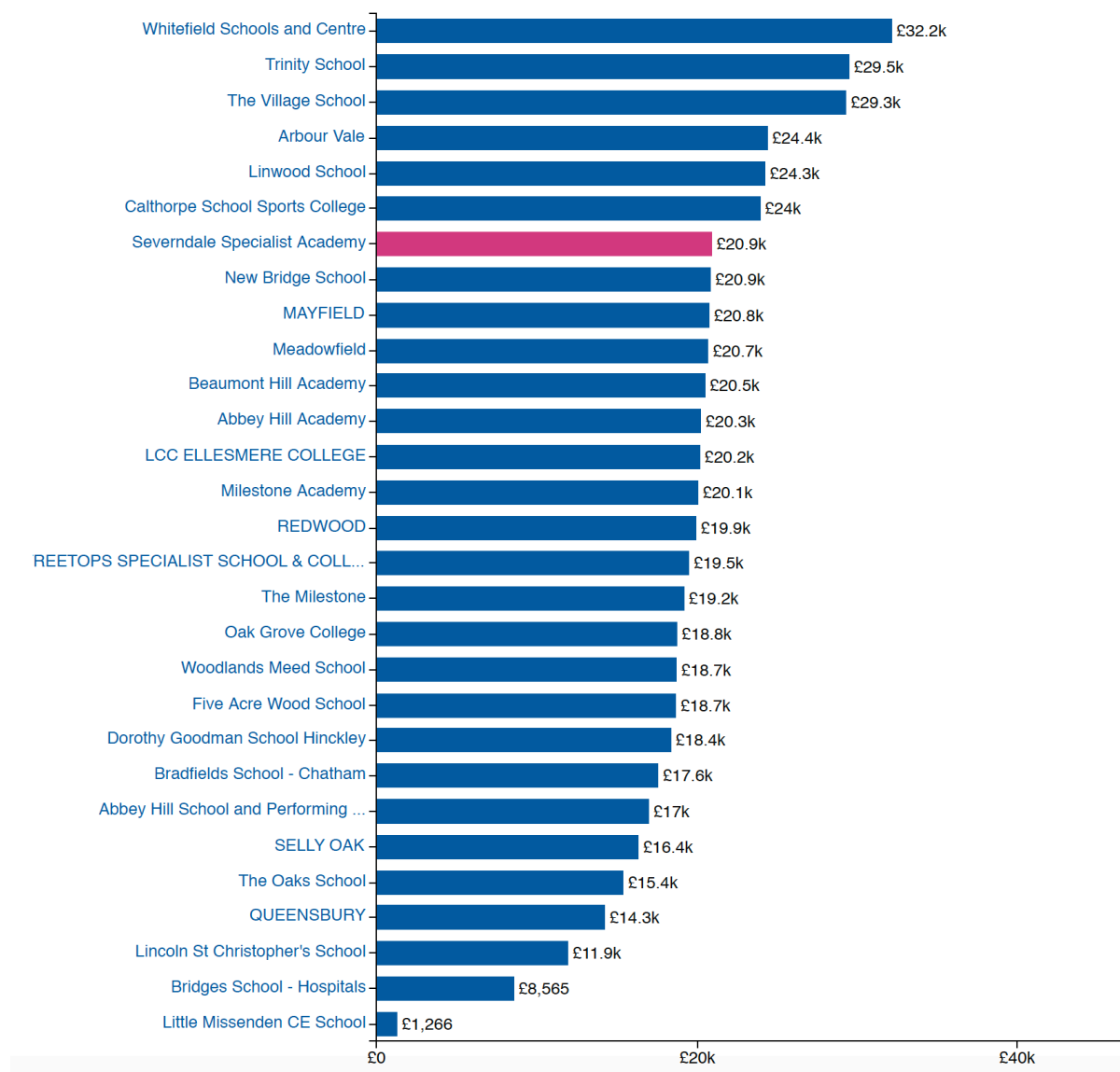
14. For information, there are only 3 special schools larger than Severndale based on 2014/15 admissions and, against published admission numbers (PAN), it is the largest special school in England. Larger special schools tend to be more generic in nature, typically catering for a range of learning disabilities across all ages, very similar to Severndale. This is the case for data set S1 and is an important point because it is not possible, using this system, to filter schools directly based on the type of special educational need they cater for, e.g. SLD, PMLD, SEMH. This also explains the fact that in data set S2, which still mostly covers generic learning disabilities, there will be smaller schools included that are less broad and more focused on a specific condition or area of need.

Benchmarking Analysis

Data Set S1: Income per Pupil - 'Large Special Schools'

This benchmark was created using the following criteria. You can [change these](#)

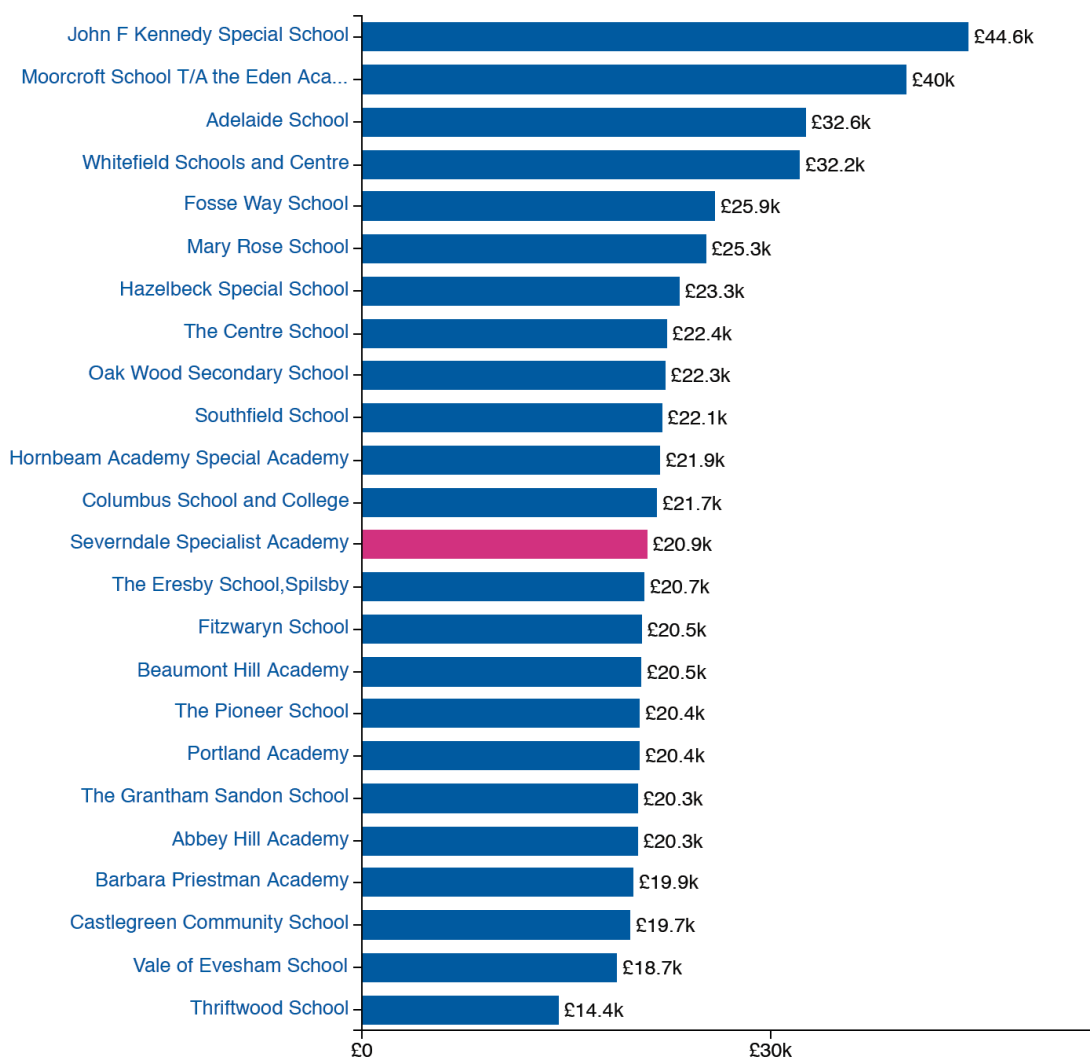
Characteristic	Default school value	Comparison criteria
School type	Academy	All
Area	Shropshire	All England
School overall phase	Special	Special
School phase	Special	Special
Number of pupils (minimum)	367.5	232
Number of pupils (maximum)	367.5	450



Data Set S2: Income per Pupil – 'Academy Special Converters'

This benchmark was created using the following criteria. You can [change these](#)

Characteristic	Default school value	Comparison criteria
School type	Academy	All
Area	Shropshire	All England
School overall phase	Special	Special
School phase	Special	Special
School Type	Miscellaneous	Academy Special Converter
Lowest age of pupils (minimum)	2	2
Lowest age of pupils (maximum)	2	11
Highest age of pupils (minimum)	18	16
Highest age of pupils (maximum)	18	19



Large Special Schools

15. Data set S1 shows the average income per pupil for Severndale Specialist Academy, relative to 28 other special schools nationally with a pupil population greater than 232, based on either 2014/15 or 2015/16 submissions.

16. According to the benchmark, Severndale at £20.9k received the 7th highest sum per pupil compared to all large special schools in England, placing it in the top 25%. However, the difference between Severndale in 7th place and Redwood in 19th is just £1000 and approximately 50% of the data set, including Severndale, is separated by £2.4k, which is less than the difference between Severndale in 7th place and Calthorpe in 6th at £3.1k.

17. Taking this wider analysis into account, it seems reasonable to look beyond place position and determine that, based on this particular chart, Severndale is receiving marginally 'above average' income per pupil compared to other large special schools nationally, which is confirmed by the precise average income of all the schools in this data set being calculated at £20.1k.

Academy Special Converters

18. Data set S2 contains a smaller sample of 24 academy special converters, which combined, cover an age range of 2 – 19 years.

19. According to this benchmark, Severndale receives the 13th highest sum per pupil (54th centile), significantly lower than the previous ranking. However, as before, approximately 50% of the schools, including Severndale, are once again separated by just £2.4k per pupil which, in this case together with place position, would suggest that the funding for Severndale is broadly typical. That said, the precise average income of all the schools in this data set is higher than before at £23.2k, which is likely due to the economies of scale for larger schools being more favourable (average admission numbers in this data set are 156 compared to 285 previously).

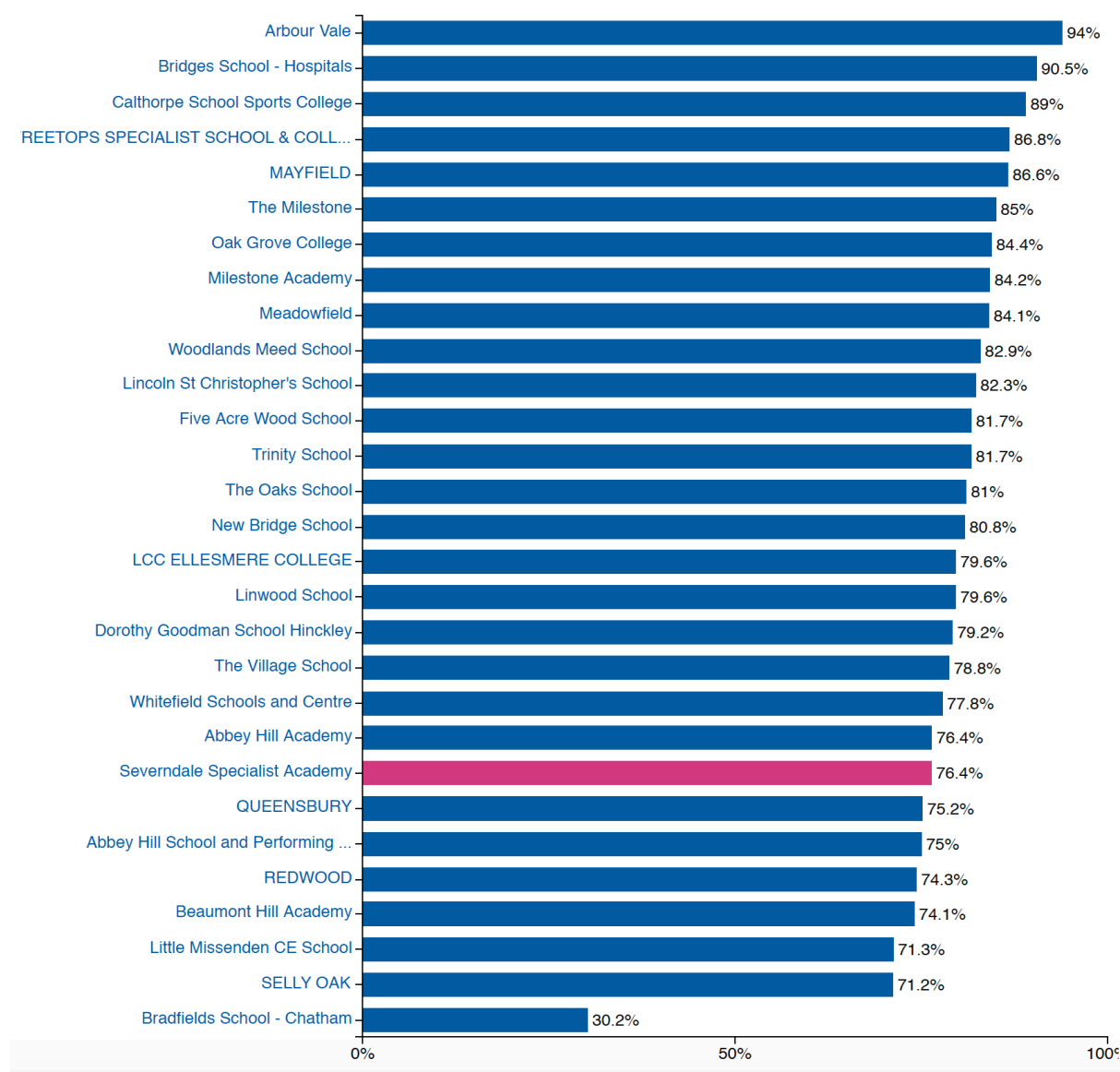
20. Considering this additional information, there is perhaps a case for revising the initially judgement of Severndale being marginally above average to at best 'average' and possibly slightly 'below average' compared to a wider sample of similar schools.

Additional Factors

21. Before a more complete 'value for money' judgement can be made, there are two additional factors that are worth considering. The first of these is how the revenue per pupil has progressed since the 2014/15 benchmarking submission and, the other, is how effectively funds are deployed, particularly in relation to staffing.

Revenue Trends

22. Information presented earlier suggests that the total revenue funding for Severndale dropped by approximately 2% in 2015/16 from £7.69m to £7.54m. This was matched by an increase in average admissions from 367.5 to 408, which resulted in the per pupil amount decreasing from £20.9k to £18.5k. If this revised figure was substituted into the above data sets, then Severndale would fall into the bottom third of large special schools and would become the second lowest funded academy special converter, based on the age ranges specified. However, applying new data in this way is not particularly reliable because other schools in the data sets may have also undergone changes in revenue and numbers, and the submission process itself may not produce identical calculations. That said, if there were to be any adjustments since 2014/15, it is probable that these would reflect a lower funding position overall, which gives confidence to the judgement that Severndale's funding is probably slightly below average compared to all similar schools nationally.

Data Set S3: Staffing as % of Expenditure - 'Large Special Schools'**Staffing**

23. Data set S3 shows staffing as a percentage of total expenditure for large special schools and, in so doing, attention is given to the DfE's Guidance highlighted earlier, which states, "staffing costs over 80% of total income are considered high" and that "costs as a percentage of total expenditure can appear artificially low when a school is overspending and expenditure is higher than income, hence this question in addition to the one above."

24. Income and expenditure at Severndale for the 2014/15 benchmarking submissions were the same and, as such, the school not only compares favourably against 75% of other providers, but easily falls within 80% of the total income threshold, as suggested by the DfE. This is even more noteworthy on the understanding that special schools, in general, struggle to meet this target. With this in mind, it would be reasonable to conclude that staffing levels at Severndale are proportionate and that, in very broad terms, the school offers good value for money, with likely limited scope for further efficiency.

Summary

25. The most recent national benchmarking data for Severndale (2014/15), is based on a total income of £7.69m and an average intake 367.5 pupils, which is approximately 88% of stated capacity. This resulted in a cost per pupil of £20.9k, which is above the average figure for 'large special schools' at £20.1k and below that of academy special converters at £23.2k.

26. In subsequent years, including 2016/17, admissions to Severndale have been much closer to published capacity, which means that based on 'raw' data, i.e. data that has not gone through benchmarking, the average cost per pupil has dropped to approximately £18.5k. Applying this figure to the same benchmarking tables would indicate Severndale is now receiving below average funding in each case, and is likely justified in expecting additional income as a consequence of this review, particularly when staffing levels also imply the school is being run efficiently. However, there are additional factors that should be considered, which may suggest otherwise.

27. As mentioned previously, transposing current 'raw' data into historical benchmarking models is unlikely to give fair comparisons, and is only really helpful in determining the confidence level of the original information. For example, if benchmarking indicates that a school is one of the lowest funded of similar schools, but more recent 'raw' data actually places it near the top, then it would be reasonable to assume low levels of confidence in the original analysis and the need to act accordingly. In the case of Severndale, however, although more recent data is different, it is still broadly in line with benchmarking and so provides sufficient confidence that the original findings are indicative of the school's overall funding position.

28. Also, average funding has been used as a comparator for Severndale which, understandably perhaps, might be interpreted as a target for what 'correct' levels of income should be. However, there is clearly no requirement for a commissioner to fund any school at an 'average rate', not least because there are examples of schools, across all aspects of special needs, that are funded below national averages and yet still achieve outstanding outcomes and judgements.¹ In light of these variations, therefore, commissioners will justifiably seek to achieve the best value for money in their regions, with average funding acting only as a guide in this process, not a target.

Conclusion

29. Taking all the above factors into account, the higher number of admissions in recent years probably does mean that Severndale is receiving a slightly lower than average per pupil amount, compared to other large special schools nationally. At the very least, therefore, it should be concluded that Severndale is currently offering Shropshire good value for money. However, even applying £18.5k per pupil retrospectively, there is still no automatic justification for an increase in funding, particularly as there are similar schools, receiving equivalent amounts, who continue to achieve outstanding outcomes and judgements.

¹ Five Acre Wood School in Essex, at £18.7k per pupil, is listed in the bottom third of 'large special schools' financially. It admits 309 pupils, aged 4-19, and covers the full spectrum of learning disabilities and difficulties. It is currently judged by Ofsted (2015) as 'outstanding' across all aspects.

WOODLANDS SCHOOL

Cost Per Pupil

30. Woodlands caters for pupils aged 9 to 16 who have a social, emotional and mental health issues, which includes primary provision at Acorns. The most recent statement of publicly available accounts for the school are for the financial year ending March 31st 2017. National benchmarking data is older than this from 2015/16, which is the same for all schools included in the comparison 'baskets'.

31. Set out in the table below is the funding position for Woodlands using benchmarking data and the school's most recent published accounts. There is also included the current financial position that predicts admissions up to 31st March 2018.

Year	Total Income	Source	PAN	Admissions	Pupil Cost
2015/16	£1.69m	Benchmarking	46	46	£36.7k
2015/16	£1.27m	Revised Figures ²	56	46	£27.6k
2016/17	£1.32m	Woodlands/LA	56	52	£25.4k
2017/18	£1.59m	Woodlands/LA	74*	61	£26.1k

* includes new provision at Holy Trinity CE Primary (12) and Bishop's Castle Community College (6)

Benchmarking Process

32. Analysis of Woodlands, in relation to other special schools, has been completed using national benchmarking data, with supplementary financial information from 2016/17 and 2017/18 being considered to demonstrate possible trends and shape overall advice.

33. The benchmarking database does not support the direct filtering of schools according to the types of pupils they cater for, e.g. MLD, SLD, SEMH. However, when a special school is selected for comparison, i.e. Woodlands, markers are used to provide a functional range that can be further enhanced and reduced by manual filtering which, in the case of data set W1, was determined by the size of the school, followed by age range and selecting community provision only. This created a 'basket' of 28 schools, mostly but not exclusively SEMH.

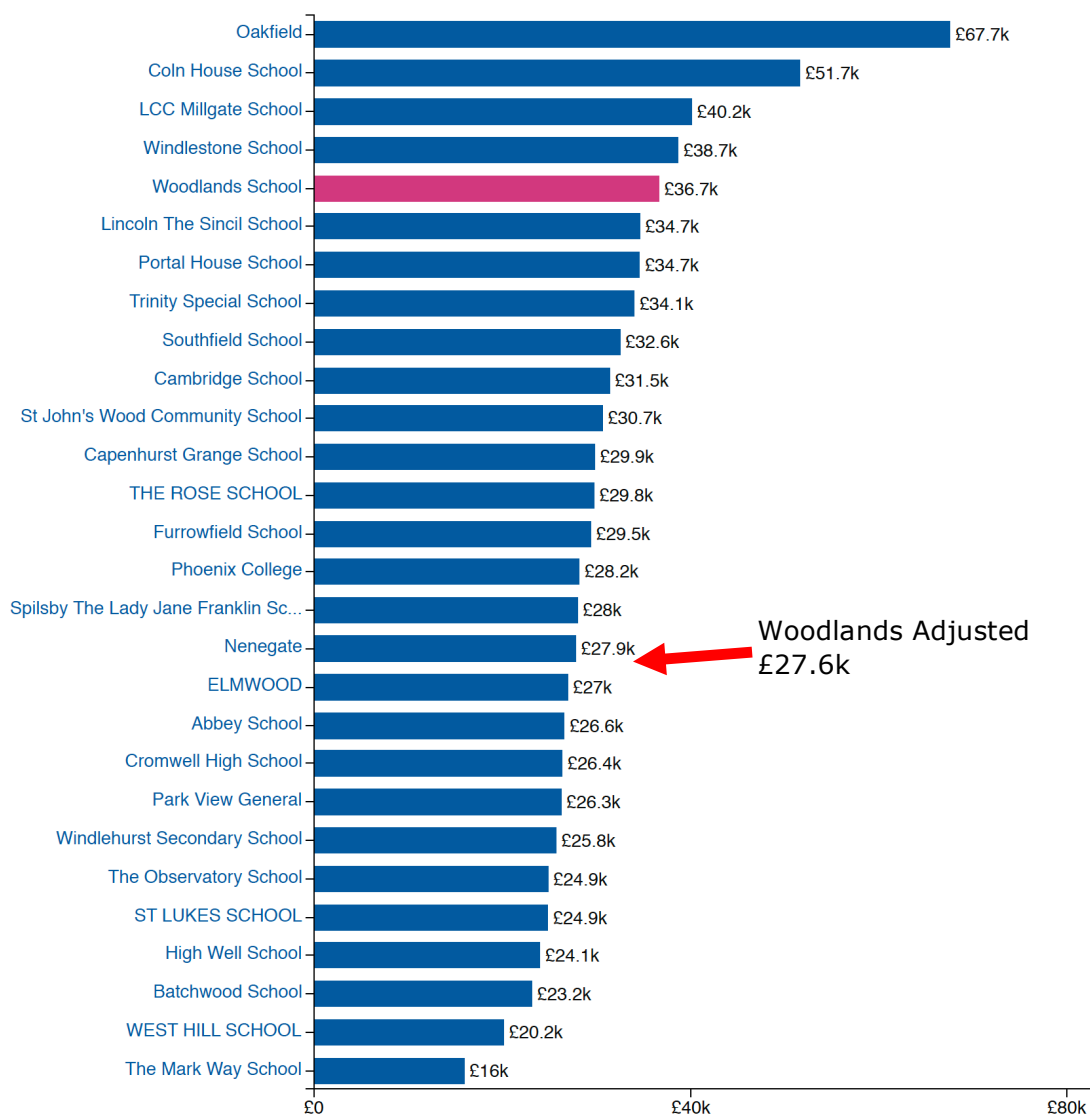
34. Due to there being a very small number of non SEMH special schools included in the first comparison, an additional data set W2 was created, this time using schools filtered via Edubase. In this second set are included SEMH special schools only that are also providing mixed education between the ages of 9 to 16 years in a maintained community setting. Essentially, therefore, the difference between the two sets is that the first is broadly, but not exclusively, SEMH with a 'capped' admission number, and the second is only SEMH, but the size, which cannot be specified in Edubase, is variable.

² It should be noted that the original 2015/16 national benchmarking figures included income and staffing relating to the funding of an outreach team, which is distinct from school based provision. The actual income that relates to the admission of 46 pupils, therefore, is £1.27m, which makes the average pupil cost £27.6k as indicated. This impacts directly on the tables below where both the original school position is shown, which is automatically generated, alongside an arrow that indicates the amended place. Subsequent analysis is then given in relation to this adjusted state.

Data Set W1: Income per Pupil - 'SEMH/Other 30 – 75 Pupils'

This benchmark was created using the following criteria. You can [change these](#)

Characteristic	Default school value	Comparison criteria
School type	Maintained	Maintained
Area	Shropshire	All England
Gender of pupils	Mixed	Mixed
School overall phase	Special	Special
School phase	Special	Special
School Type	Community	Community
Number of pupils (minimum)	46	30
Number of pupils (maximum)	46	75



Data Set W2: Income per Pupil - 'SEMH Edubase'

N.B. To confirm, this sample has been manually entered into benchmarking from a the Edubase database, filtered as follows:

School Type: Maintained Community

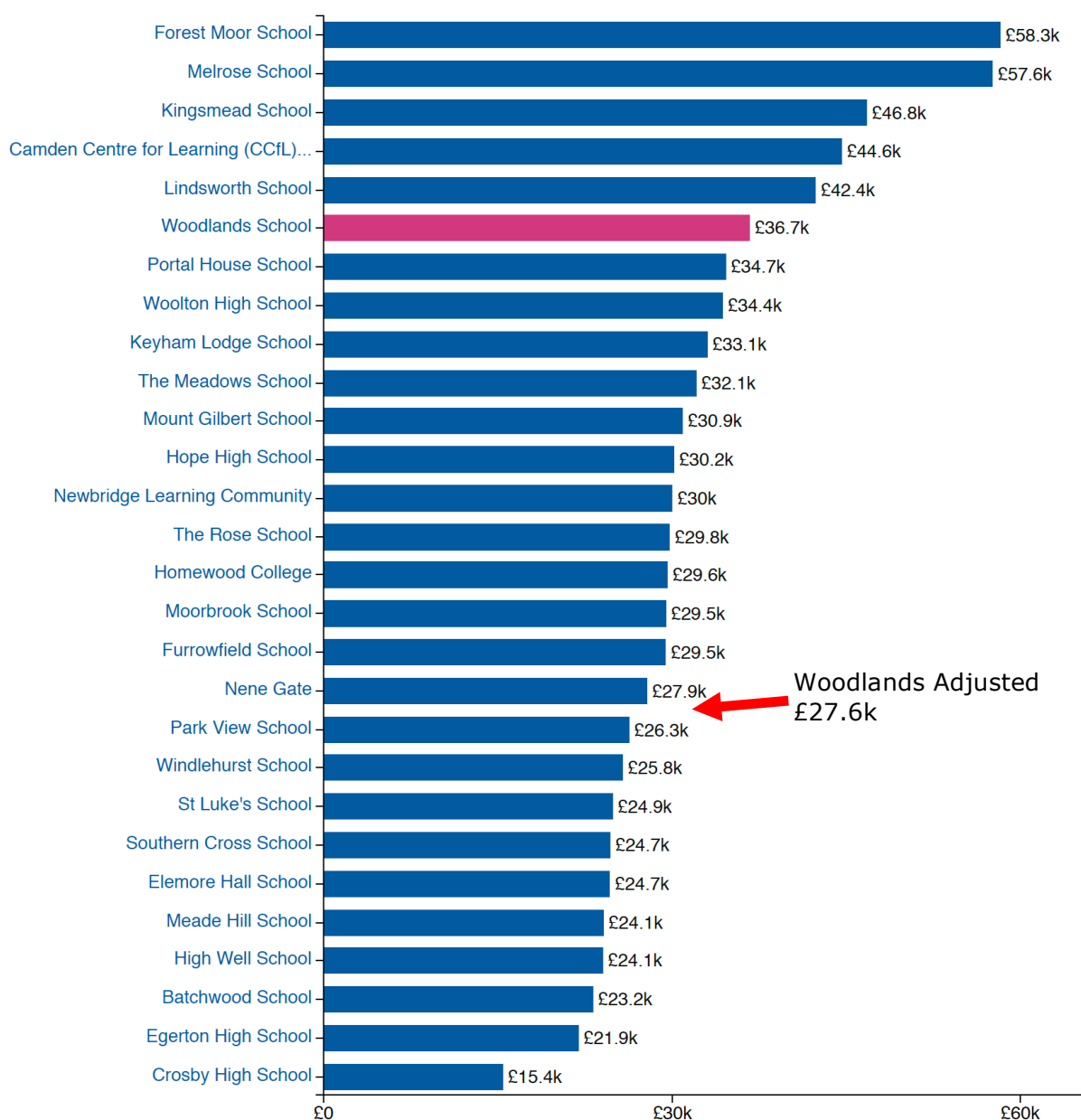
Area: All England

Gender: Mixed

School Phase: SEMH Special

Number of Pupils: Uncapped

Age Range: 9 – 16 years



Benchmarking Analysis

35. Both the above data sets show the average income per pupil for Woodlands School, relative to 28 other special schools nationally. Based on the adjusted figure of £27.6k, which does not include outreach funding, the first table places Woodlands in 17th position and the second in 18th, which are both in the bottom half of similar schools.

36. The funding increments between all the schools, in both data sets, are broadly consistent and progressive, with the only exceptions being at the very top of each list where much larger gaps appear. Compared to the 'median', therefore, i.e. the schools that sit just above the midway point of each list in 14th place, the per pupil amount for Woodlands is either £0.6k or £2.0k below these approximate middle values of £28.2k (W1) and £29.6k (W2). This contrasts with gaps using to the 'mean' for each data set of £2.3k and £3.0k, which is based on overall averages of £29.9k (W1) and £30.6k (W2). These higher 'means' are due to the increased levels of funding at the top end, which are not indicative of the majority.

Additional Factors

37. Before a more complete 'value for money' judgement can be made, there are two additional factors that are worth considering. The first is how the revenue per pupil has progressed since the 2015/16 benchmarking submission and, the other, is how effectively funds are deployed, particularly in relation to staffing.

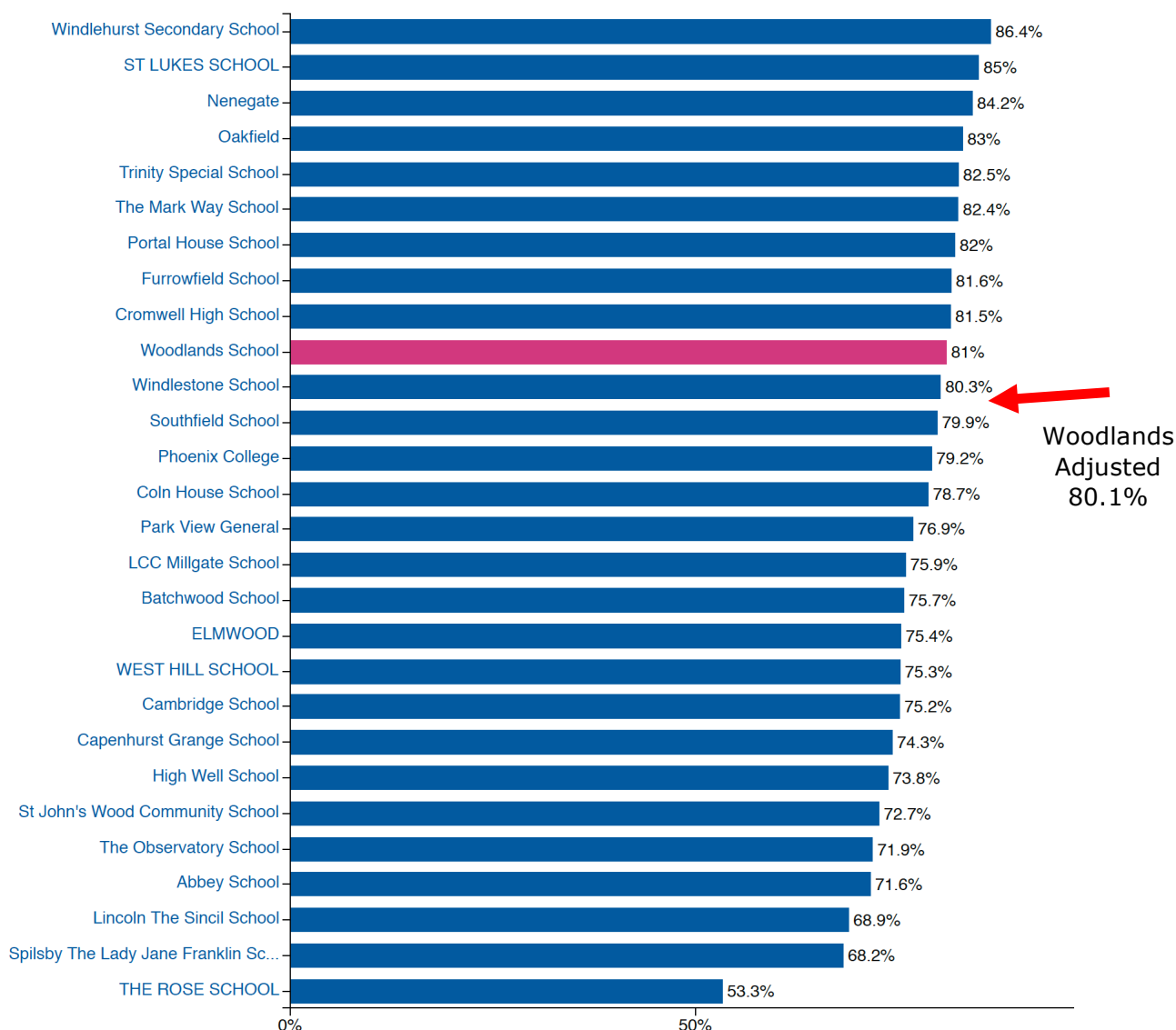
Revenue Trends

38. The above information indicates that the total revenue funding for Woodlands increased by approximately 4% between 2015/16 and 2016/17 from £1.27m to £1.32m, with an increase of just over 20%, to £1.59m, occurring in the current financial year. These uplifts, however, have coincided with a growth in pupil numbers, which means that the per pupil amount has remained relatively stable at £27.6k, £25.4k and £26.1k, over the same time period, albeit that for the current financial year this is an estimate.

39. It stands to reason that the lower per pupil amounts since 2015/16, would place Woodlands further down the original data sets, falling between 1 and 5 places depending on which figures are transposed. It is reasonable to conclude, therefore, that based on any measure the school is likely currently funded at a lower amount per pupil than the majority of SEMH special schools nationally which, although less discernible when a 'median' or approximate midway point is used, might still be regarded as a significant.

40. Having made this case, merging up to date 'raw' data with historical benchmarking tables should be treated with caution for two reasons. The first is that the data collection process itself allocates and aligns spending in particular ways that might not be replicable outside of the online system and, secondly, other schools in the data sets may have also undergone significant changes in revenue and numbers.

41. It is also worth noting that the current financial position shows a significant difference between the expected average intake for Woodlands this year at 61 and commissioned places (PAN) at 74, which would suggest the school is receiving 13 places worth of additional 'base' funding without needing to meet this demand. If the school were to admit up to the figure of 74 then, even with an additional top-up income of around £16k x 13, the average cost per place would probably fall to approximately £24.2k, which would certainly strengthen the argument for an uplift. As things stand, however, an income figure of around £25k to £27k per place, albeit below average, would require further scrutiny before an increase in revenue might be recommended.

Staffing**Data Set W3: Staffing as % of Expenditure - 'SEMH/Other 30 – 75 Pupils'**

42. Data set W3 shows staffing as 81% of total expenditure compared to mostly SEMH schools limited to between 30 and 75 pupils. However, because some staffing is dedicated to outreach, this has been adjusted down slightly to 80.1%, as indicated by the arrow. The analysis in general reflects the DfE's Guidance highlighted earlier, whereby "staffing costs over 80% of total income are considered high" and that "costs as a percentage of total expenditure can appear artificially low when a school is overspending and expenditure is higher than income, hence this question in addition to the one above."

43. Staffing at 80.1% of income is at the very limit recommended by the DfE, however, it is the case that special schools in particular are over represented in this higher category and so it should not cause unnecessary concern. That said, the financial information from 2016/17 and 2017/18 seems to indicate that staffing relative to income has remained at the higher end, which would suggest greater efficiencies could be explored.

Summary

44. The most recent national benchmarking data for Woodlands (2015/16), is based on a total income of £1.27m and an average intake of 46 pupils. This resulted in a cost per pupil of £27.6k, which is in the bottom half of funding for 'SEMH special schools' nationally, thought to average around £30k.

45. In subsequently years, including predications for 2017/18, admissions to Woodlands have increased alongside the budget, which means that based on 'raw' data, i.e. data that has not gone through benchmarking, the average cost per pupil has dropped to somewhere around £26k. Applying this figure to the same benchmarking tables suggests that Woodlands is probably now funded either in, or close to, the bottom third of all SEMH special schools and, as such, may feel justified in putting forward an argument for increased levels of revenue. However, as explained earlier, there is an issue with simply transposing current 'raw' data into historical benchmarking models and there should be no assumption, anyway, that average funding, in any form, is somehow a target to be reached.

Conclusion

46. The budget for Woodlands since 2015 has been changeable, which is due to an increase in commissioned places and a growth in admissions year on year. These changes mean the per pupil amount has fluctuated, but the position overall is that the school is receiving less per pupil in 2017/18 than it was in 2015/16 and, if it were to admit up to the current published capacity, this figure is likely to reduce further. Also, 2015/16 benchmarking suggests Woodlands is funded in the bottom half of similar schools nationally, with the school possibly falling into the bottom third based on figures from subsequent years, all of which would seem to support a case for increased funding.

47. Having said this, Woodlands is still viable, as are a number of similarly funded SEMH special schools that are managing to achieve good outcomes for their pupils. There is also the matter of all schools and local authorities currently, having to face budget pressures and implement efficiencies, which may indeed result in a fall in SEMH funding overall as new benchmarking information is released. As such, there should be no automatic expectation for an uplift, but it would seem prudent to review the current intake and consider whether there has been a drift towards funding at the lower available bands, with a view to at least ensuring no further reductions occur and possibly find a way to achieve more alignment with the figures from 2015/16.

 Shropshire Council	Schools Forum Date: 22 March 2018 Time: 8:30 am Venue: Shrewsbury Training and Development Centre	<u>Item</u> Public	<u>Paper</u> C
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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 2018.

Recommendation

This report is for information only.

REPORT

Outturn 2017-18

1. The overall outturn against centrally retained DSG is forecast to be £0.168m in deficit as at the end of February 2018.

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 February an overspend of £0.041m 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

4. A projected underspend of £0.105m on top-up funding to maintained providers is reported. This budget of £4.904m covers top-up funding to primary and secondary schools for pupils with high needs in mainstream classes, special schools and in PRUs and sixth forms.
5. The £4.904m also contains a high needs contingency budget of £0.178m to cover expenditure such as high needs pupils moving into the county in year, increases to EHC plans in year, barrister fees, independent psychology assessments and exceptional payments to TMBSS. With only one month remaining of the financial year, a £0.092m underspend against this budget is being forecast.

Line 1.2.2 - Top Up funding – Academies, Free Schools and Colleges

6. A projected underspend of £0.101m is being reported. This budget of £5.494m covers top-up funding to primary, secondary and special academies, however the significant variation from budget within this area relates to Post 16 Funding at Further Education Colleges and Sixth Form Colleges where the forecast expenditure of £1.002m is £0.158m less than the budgeted figure of £1.160m.
7. In 2017-18 this budget was increased to £1.160m. This was to allow for two things. Firstly, continued expenditure growth expected 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). As a result, Shropshire has seen a sharp increase in students with SEN requiring additional support in further education year on year. 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.
8. Secondly, some consideration was given in the budget to reflect the SEN team's intention of ensuring that the Council are developing routes to employment including training and supported internship opportunities..
9. The underspends reflects that ratio of post 16 pupils in mainstream colleges to independent specialist providers is higher than anticipated and is also a consequence of not requiring this element of budget to support SEND internships since the government have recently allocated specific grant funding to support local authorities to achieve this aim.

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

10. An overspend of £0.454m is currently forecast against top-up funding to independent providers.

Independent Special Schools

11. In 2017-18 the budget was set at £4.186m based on 84 placements at approximately £0.050m per placement. Using the placement tracker that estimates costs for these placements using known placement end dates the forecast overspend is £0.563m. After the majority of spring term invoices have been paid there are 74 Education led placements where the average cost per placement is £0.052m. Of these 74 placements, 49 children are placed in either one of 2 low cost non residential settings where the average cost of placement is considerably lower at £0.034m. The average cost per placement is brought up to £0.052m by a small number of high cost residential placements where the child's level of need is far greater. In addition to the 74 placements, there are 22 placements where Education makes an annual contribution towards a joint funded placement. The average Education contribution towards these costs is £0.045m.
12. The increase in placement numbers 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 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, emotional and mental health (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. An underspend of £0.103m is forecast 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. It is expected that costs will continue to rise in this area and the forecast underspend is due to not seeing the full effect of the introduction of 30 hours free childcare in the first year of implementation. Further work is required to understand the forecast financial position in the longer term.

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 as training is provided to settings to meet the needs of more complex children within their communities. In the longer term it is anticipated that there will be a reduction in the spend on special school nursery placements and related reduced costs on SEN transport. However, this needs to be considered alongside health led data provided by the Child Development Centre (CDC) which will enable more accurate forecasting for children with the most complex SEN whose needs cannot be met within a mainstream setting.

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. 2018-19 will be the last financial year to incur a charge.

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	192,236	-47,764
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	394,374	-15,626
1.1.9 Staff costs Trade Union Duties	50,020	51,719	1,699
DEDELEGATED ITEMS SUB TOTAL	722,780	661,089	-61,691
CENTRALLY CONTROLLED EARLY YEARS BUDGET			
1.0.1 Individual Schools Budget - Early Years PVI's	10,309,690	10,293,747	-15,943
1.3.1 Central Expenditure on Children under 5	317,290	317,290	0
CENTRALLY CONTROLLED EARLY YEARS SUB TOTAL	10,626,980	10,611,037	-15,943
CENTRALLY CONTROLLED HIGH NEEDS BUDGET			
1.2.1 Top Up funding - Maintained Providers	4,904,490	4,799,592	-104,898
1.2.2 Top Up funding - Academies, Free Schools and Colleges	5,493,570	5,392,414	-101,156
1.2.3 Top Up funding - Non-Maintained and Independent Providers	4,634,320	5,088,570	454,250
1.2.4 Additional High Needs Targeted Funding for Maintained Schools and Academies	127,280	126,866	-414
1.2.5 SEN Support Services	1,768,630	1,691,954	-76,676
1.2.6 Hospital Education Services	170,190	130,190	-40,000
1.2.7 Other Alternative Provision Services	174,720	147,487	-27,233
1.2.8 Support for Inclusion	1,021,480	958,938	-62,542
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	18,294,680	18,336,011	41,331
CENTRAL PROVISION WITHIN SCHOOLS BUDGET			
1.4.1 Contribution to combined budgets	852,110	853,303	1,193
1.4.2 Schools Admissions	211,460	232,922	21,462
1.4.3 Servicing of Schools Forums	10,000	9,680	-320
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	3,326,421	204,761
TOTAL CENTRAL DSG	32,766,100	32,934,558	168,458
TOTAL CENTRAL DSG	32,766,100		
DELEGATED EARLY YEARS BUDGET - Maintained Nursery Provision	2,903,840		
DELEGATED HIGH NEEDS BUDGET - Place Funding	6,784,000		
INDIVIDUAL SCHOOLS BUDGET SHARES	152,412,060		
TOTAL DSG	194,866,000		

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