



Schools Forum

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Item

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Paper

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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.