

MUNICIPAL YEAR 2014/2015 REPORT NO. 25

MEETING TITLE AND DATE:

Schools Forum – 4 March 2015

REPORT OF:

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Item: 4a

Subject:

Schools Budget 2015/16

Wards: All

1. EXECUTIVE SUMMARY

In December the DfE announced the initial 2015-16 Dedicated Schools Grant (DSG) and also the data set to be used to calculate 2015-16 Individual Budget Shares for primary and secondary schools. At the January meeting the Schools Forum noted and agreed the formula factors and units rates used in the Schools Block funding formula and these were submitted to the DfE by their deadline of 20th January 2015.

The report seeks the support of Schools Forum to the recommended application of the DSG in 2015-16, based on the initial DSG allocation.

2. RECOMMENDATIONS

The Schools Forum is asked to agree:

- The allocation of funding from DSG reserves as detailed in para 5

The Schools Forum is asked to note and support:

- The proposals for allocating the DSG for 2015-16 within the Schools, Early Years and High Needs blocks.

3. Dedicated Schools Grant 2015-16

At the January meeting it was reported that the initial DSG allocation had been announced on 17th December 2014 and that Enfield had received an initial allocation of £299.062m, including funding for Non-Recoupment Academies (NRAs) which come into the DSG from 2015-16. The final DSG has yet to be confirmed as the Early Years Block and the High Needs block will be adjusted in March and June 2015 following the January Census and the High Needs Place Return. Two Year Old funding was not included in the initial allocation and will be announced in June. An initial allocation of new funding for early years pupil Premium was also announced in the sum of £0.418m

The total DSG available to fund expenditure in 2015-16 is forecast to increase to **£311.123m**, as set out in **Appendix A**. This includes our forecast of the increase in Early Years places for

three and four year olds; estimated funding for the revised Two Year Old offer and estimates for pupil number growth in NRAs (which will be funded in retrospect for 2015-16 only.)

4. Proposed Allocation of DSG Funding 2015-16

4.1 Summary of Budget Requirements and Funding

Draft Budget requirements and funding are summarised in **Appendix A**. The following paragraphs provide some background detail to the budget allocations.

4.2 Schools Block

The formula factors and unit rates were approved by Schools Forum in January and have been included in the Proforma submitted to the DfE by their required deadline of 20th January 2015. The proposed application of funding to the individual schools' budgets resulting from the application of the formula factors is shown in **Appendix A** and totals £244.874m. Central Budgets totalling £4.418m were approved by Schools Forum in December as was the continuation of the Growth fund in the sum of £1.4m. There were no changes proposed to the methodology of allocating funding for growth.

The notifications of individual schools budget allocations are due to go out to schools by the first week of March. These will also include estimates of funding for post 16 pupils, Early Years funding, ARPs, Exceptional Needs and Delegated Capital.

4.3 Early Years Block

The Early Years funding formula has not changed for 2015-16. The final application of funding for 3 and 4 year olds is based on the latest available data and is shown in **Appendix A**, broken down by Maintained schools or PVI providers, with a total cost of £13.157m. An estimate of the cost of funding the Two Year Old free entitlement based on the new methodology has been included based on latest forecasts of places that will be filled. The budget of £6.524m has been set based on an assumption that Two Year old costs will be fully funded by DfE grant in 2015-16, however as the grant is based on numbers on roll at the January or October census dates there remains a risk that if numbers increase after the census date the costs may exceed funding.

4.4 High Needs Block

High Needs block funding includes provision for delegated budgets to Special Schools, Enfield Secondary Tuition Centre, ARPs and Nurture units and Special Educational Needs (SEN) Exceptional Needs places in schools, as well as central budgets which provide funding for (SEN) placements and support services. This is detailed in **Appendix A**. The method of allocating funding to these budgets is as set out below.

4.4.1 Special Schools

Funding allocations to special schools have been calculated based on the 'place plus' methodology and the latest data on places.

From 2013-14 following the school funding reforms, special schools have been funded on a place plus approach. Each special school is allocated £10,000 for each agreed place plus a top up to the full cost of the place for every pupil placed at the school. The top up funding follows the pupil and is only paid whilst the pupil is on the school's roll.

In 2013-14 and 2014-15 protection arrangements were put in place as a transitional measure which guaranteed full funding up to 97% of the places at special schools whether or not the places were full. It was agreed that this would be reviewed once the new arrangements were embedded. As part of the budget process for 2015-16 this protection arrangement was reviewed and reported to Schools Forum in December. It was agreed that the protection arrangements would cease from 2015-16.

Special schools all currently receive £112k for outreach work with other schools. This level of funding has been continued but following a review, schools were asked to submit proposals in order to continue to receive this funding, as detailed in the High Needs report elsewhere on this agenda. The total budget allocation for outreach is £0.672m in 2015-16

4.4.2 ARPs (including Speech & Language Units)

Funding allocations for ARPs are based on the 'place plus' methodology in the same way as special schools. School funding is allocated in 2 stages, place led and top up funding, as detailed for special schools. ARP places have been reviewed and are detailed in the High Needs report. This forms the basis of funding for 2015-16.

Provision has been made in the draft budget for one new ARP, within the total budget of £2.327m.

Schools with ARPs should be aware that their pupil numbers, used to calculate their formula budget shares, will be reduced by the number of places in their ARP regardless of whether these are filled.

4.4.3 Nurture Groups

Nurture Groups are funded as a commissioned service. Schools with Nurture Groups are currently allocated a block allocation of £59,700 to provide this service, and it is proposed to continue this arrangement. The total budget for 2015-16 is £1.015m

4.4.4 SEN Exceptional Needs

The numbers have now been confirmed by schools and have resulted in a significant pressure. This has resulted in an increase of £0.580m in the budget for 2015-16 to an estimated total of £4.628m

4.4.5 Post 16 - High Needs Provision

Local authorities are responsible for funding Post 16 high needs pupils in FE establishments from the High Needs element of the DSG. The estimated full year cost of funding this provision in 2015-16 is £1.005m which has not been changed from 2014-15.

4.4.6 Hospital Provision

Local Authorities are responsible for providing hospital tuition services to all pupils in our hospitals irrespective of their home local authority. Similarly Enfield pupils will be able to access hospital tuition in other boroughs should they require this provision without charge. It is proposed to continue funding at the same level, £0.308m in 2015-16.

This funding is expected to cover the running costs of tuition service at Chase Farm and North Middlesex Hospitals and other support for sick pupils provided by the Home and Hospital Tuition Service.

4.4.7 Pupil Referral Unit (PRU)

From 1st April 2013 the Schools Finance Regulations 2012, Section 45 gave all PRUs community school type freedoms and they now operate in the same manner as a community school including compliance with the Scheme for Financing Maintained Schools. The new regulations also define PRU provision as high needs. This means that the funding delegated to PRUs is based on the same "Place-Plus" methodology as applied to special schools. The key difference is that a place is defined as £8,000 for PRU provision compare to £10,000 for special schools. The place values are set by the DFE as part of the Schools Funding Regulations.

It is proposed to continue funding in 2015/16 based on 100 places. Pupil numbers do vary quite considerably through the year but without some degree of certainty over funding it is very difficult for the PRU to operate as required. When the new arrangements were introduced it was also agreed to guarantee the top-up funding as a transitional arrangement and it has subsequently been agreed to continue with this arrangement pending the completion of the planned new school, at which time funding arrangements will be reviewed.

4.4.8 Special Educational Needs (SEN)

As previously reported there are significant pressures in the SEN budgets which have resulted from increased numbers and complexity of cases. External day and residential placements and other support costs have shown sharp increases in costs in 2014-15 and these are expected to continue and increase in 2015-16. Estimated costs for 2015-16 suggest that an increase of £1.5- £2m is likely and it is proposed to increase the High Needs contingency to £2m in 2015-16 to account for this.

5.0 Allocation of DSG Reserves

Schools Forum in December agreed in principle to allocate uncommitted balances brought forward from previous years in order to balance the budget in 2015-16. It is estimated that approximately £2.6m will be needed in order to balance the budget and create an adequate contingency to address SEN pressures in 2015-16.

Recommendation:

Schools Forum are asked to agree the application of available balances up to £2.6m in order to balance the budget in 2015-16.