

MUNICIPAL YEAR 2014/15 REPORT NO. 19

MEETING TITLE AND DATE:
Schools Forum on 2 March 2016

REPORT OF:
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Customer Services

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Agenda – Part:	Item 4a
Subject: Schools Budget 2016-17	

1. EXECUTIVE SUMMARY

In December 2015 the DfE announced the initial 2016-17 Dedicated Schools Grant (DSG) and also the data set to be used to calculate 2016-17 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 21st January 2016.

The draft Schools Budget 2016/17 was recommended by Cabinet to be considered by Council at their meeting on 24th February 2016, as part of the 'Budget 2016/17 and Medium Term Financial Plan 2016/17 to 2019/20 (General Fund)' report (See appendix A)

The report seeks the support of Schools Forum to the recommended application of the DSG in 2016-17, based on the initial DSG allocation.

A further update of the final DSG application for 2016-17 will be presented at the next meeting. This will include any final adjustments to school formula allocations and delegated SEN budgets.

The report seeks the support of Schools Forum to the recommended application of the DSG in 2016-17, based on the initial DSG allocation.

2. RECOMMENDATIONS

The Schools Forum is asked to note and support the proposals for allocating the DSG for 2016-17 within the Schools, Early Years and High Needs blocks.

3. DEDICATED SCHOOLS GRANT 2016-17

At the January meeting it was reported that the initial DSG allocation had been announced on 17th December 2015 and that Enfield had received an initial allocation of **£306.724m** which included an increase of £0.660m in the High Needs Block. The final DSG has yet to be confirmed as the Early Years Block will be adjusted in June 2016 following the January 2016 Census. The December announcement also included an allocation for the early years Pupil Premium for 2016-17 of £0.418m which is the same as the 2015-16 allocation.

The total DSG available to fund expenditure in 2016-17 is forecast to increase to **£310.207m**, as set out in **Appendix A**. This includes our forecast of the increase in Early Years funding for places for two, three and four year olds.

4. PROPOSED ALLOCATION OF DSG FUNDING 2016-17

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 21st January 2016. 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 £249.554m. Following discussion at the January meeting, a package of savings was agreed for 2016-17 in order to achieve a balanced budget position. Following this exercise, central budgets totalling £2.575m were approved by Schools Forum. At the December meeting the continuation of the Growth Fund was agreed at the sum of £1.163m. This represented a slight reduction in the estimated demand on the Growth Fund due to the completion of some of the earlier primary expansion projects. There were no changes proposed to the methodology of allocating funding for growth.

The notifications of individual schools budget allocations are due to be issued to schools during the first week of March. These will also include estimates of funding for post 16 pupils, Early Years funding, ARPs, Exceptional Needs and Devolved Formula Capital.

4.3 Early Years Block

The Early Years funding formula has not changed for 2016-17. The final application of funding for two, three and four 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 £19.996m. There have been some in year fluctuations in these budgets during 2015-16 so these budgets will be monitored closely during 2016-17.

Following the savings exercise mentioned above, central budgets of £0.604m are included in the Early Years Block.

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 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 2015-16 the 97% funding protection for special schools was removed so in 2016-17 schools will only receive top ups for the number of pupils on roll.

The 2016-17 budget allocations are based on agreed place numbers for each school as at 1st April 2016. The cost of current place numbers and pupils on roll is estimated to cost **£13.033m**. Where the number of places may change during the year due to developments at individual schools a funding adjustment will be made in year to reflect this change.

In 2016/17 outreach work in special schools will continue to operate as a commissioned service and funding allocations are not automatic. A block allocation of £112k will be allocated to schools whose expenditure plan has been approved. There is total provision of £0.672m for outreach work in the 2016-17 budget.

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 2016-17.

Provision has been made in the draft budget for one new ARP, within the total budget of £2.336m.

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 2016-17 is £0.955m

4.4.4 SEN Exceptional Needs

The number of high needs pupils has now been confirmed by schools and the position as at the January 2016 census indicated a significant increase both in the number of EHCPs issued over the previous 3 months and the number of hours support included in these plans. This has resulted in an increased budget pressure for 2016-17.

In the January 2016 budget update, a pressure of £0.153m had been identified for 2016-17 but this is now estimated to be £0.655, an increase of £0.501m. This increase is not included in the figures in Appendix A at this stage but this will be funded from the high needs contingency and reflected in figures presented at the next meeting. This budget will be monitored closely during 2016-17 to identify any trends and increased budget pressures.

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 2016-17 is £1.4m which reflects an overspend in 2015-16 which is expected to be ongoing. There had been increased demand in this area due to the increase in offer to 25 years old and the development of bespoke provision to cater for the complex needs to some young people.

4.4.6 Home and 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 2016-17.

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

This service is now co-ordinated by West Lea School based on an SLA agreement with the Local Authority.

4.4.7 Pupil Referral Unit (PRU)

Funding is delegated to PRUs is on the same basis as the "Place-Plus" methodology applied to special schools and the unit is allocated £10,000 for the numbers of places on roll.

It is proposed to continue funding in 2016-17 based on 100 places. Pupil numbers 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 increases in costs in 2015-16 and these are expected to continue to increase in 2016-17 due the increasing demand for high needs places and limited availability of in borough provision. Estimated costs for 2016-17 suggest that an increase of at least £0.5m is expected based on the full year effect of current placements but this is likely to increase in year due to new and changed placements.

At the January meeting, following the savings exercise, central budgets of £15.031m were approved for the High Needs Block. A significant proportion of this budget relates to the outborough SEN placements mentioned above. The 2016-17 budget also includes a high needs contingency to allow for increased demand and cost variations in all the areas detailed above.