

PART 1 - PUBLIC

Decision Maker: **Schools Forum**

Date: **9 January 2012**

**TITLE: THE SCHOOL FUNDING SETTLEMENT FOR 2012/13
USE OF THE DEDICATED SCHOOLS' GRANT**

Contact Officer: David Bradshaw, Head of Children and Young People Finance
Tel: 020 8313 4807 E-mail: david.bradshaw@bromley.gov.uk

Chief Officer: Gillian Pearson, Director of Children and Young People Services

Ward: Boroughwide

1. Reason for report

1.1 This report provides an interim update on the usage of the Dedicated Schools' Grant.

2. RECOMMENDATION(S)

2.1 The Schools Forum is asked to discuss the proposals and provide any comment and consideration for the consultation process.

3. COMMENTARY

3.1 Background

3.1.1 The Schools Forum report of the 12th January 2012 set out the funding of the Dedicated Schools Grant (DSG) and Pupil Premium. The report gave an early indication of how the DSG could be spent and allocated across all services.

3.1.2 This report gives an update on the financial position and allocations and invites comments from the Forum.

3.1.3 It is intended that a final report be brought back to the Forum in March with the proposed allocation of the DSG.

3.1.4 Appendix one shows the current position of the DSG and where allocations are proposed.

3.1.5 Appendices two to five give further details behind these figures.

4. POLICY IMPLICATIONS

4.1 These proposals support the delivery of priorities identified in "Securing the best possible future for all children and young people in Bromley", the Children and Young People's Plan 2009-2011.

5. FINANCIAL IMPLICATIONS

5.1 These are included in the body of this report.

6. LEGAL IMPLICATIONS

6.1 The Local Authority is obliged to account for and distribute funding received from central government, for the purposes of education in accordance with the relevant legislative accounting provisions.

6.2 Where the Local Authority seeks to exercise any discretion that it may have on the distribution of funding that is received, it is prudent to consult on the outcomes with all relevant stakeholders.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	

USE OF DEDICATED SCHOOLS GRANT 2012/2013

	£'000	£'000	
Estimated DSG figure (to be confirmed)		219,469	
Estimated future LACSEG Adjustment		-250	See Note 1
Available DSG		219,219	
Central Schools Budget		35,064	
Delegated Budgets (MFG)			
Primary	71,077		
Secondary	8,352		
Special	10,011		
		89,440	
Academy Recoupment			
SBS Primary	17,156		
SBS Secondary	72,445		
		89,601	
LACSEG Primary	335		
LACSEG Secondary	884		
		1,219	
Contingency		1,000	
Behaviour service - income target		-400	
FLAG - removal		-400	
Other staff costs – reduction in supply cover		-300	
Allocated DSG		215,224	
Unallocated DSG		3,995	
Items for Consideration for unallocated DSG			
Floor area costs - CFC		100	
Funding for bulge classes		150	
SEN		2,200	See Appx 5
Increased Carbon Reduction Contributions		150	
EBD Provision for Primary		290	
Home and Hospital Education		100	
Funding for Early Years PVI payments		470	
Special School Meal Contract		40	
Contribution to Capital/Invest to Save		800	
Balance over allocated		(305)	
		3,995	

Note 1

This amount would be held as part of the contingency to mitigate any in year adjustments for further conversions to academies during 2012/13.

Potential other uses of DSG**Action/Action plus/EAL**

- Suggested by a member of the Forum – This was investigated by officers – outcome is that these are not recommended as detailed below:
 - EAL funding is currently allocated to reflect buy back of support from the local authority. Any changes to the current process would require a full consultation process
 - School Action/Action plus is structured as part of the current banded funding model and any increases to action and action plus could destabilise the balance against the matrix levels.

Targeted funding for Early Years

- Suggested by a member of the Forum – would have a positive impact on performance in the short and long term
- Needs further investigation with officers as to the potential of this.
- How would it be targeted? Increase in blanket funding across all settings would not improve performance necessarily – would this need to be focussed on some kind of quality factor?

FURTHER INFORMATION ON THE USE OF THE DEDICATED SCHOOLS GRANT**Estimated Future LACSEG reduction**

Funding for the schools budget portion of LACSEG will be recovered from LAs' DSG allocations in 2012/13 through recoupment the current methodology including the additional element regarding contingency. This amount allows for future in year academy conversions

Central Schools Budget

This provides for the centrally retained elements of the Schools Budget not delegated to schools. It includes Special Educational Needs, the Behaviour Service, payments to Early Years providers and capital expenditure financed by revenue.

Delegated Budgets Minimum Funding Guarantee

This relates to all maintained schools. The Minimum Funding Guarantee has been adjusted to ensure that no school will have its budget reduced by more than 1.5% per pupil, before the pupil premium is added.

Academy recoupment

This is the amount top sliced from Bromley's DSG which is given to the YPLA to fund Academies. This assumes two Secondaries and three Primaries converting in 2012/13.

Contingency

It is prudent to keep an amount in contingency to cover any unforeseen eventualities and to avoid unnecessary turbulence. Notionally £250k is being set aside for redundancy and retirement costs (as per 2011/12). S251 returns require this to sit in contingency. A further £750k is set aside for final adjustments to DSG once the final pupil numbers are known. Any unused allocation could be used for other purposes.

Behaviour service – Income Target

The behaviour service has been given an income target to sell services to academies. This was not in the budget in 2011/12

Flexible Learning Advisory Group (FLAG)

This expenditure was ceased in the summer of 2011. Therefore the funding available for this activity is released.

Other staff cost reductions

Reduction in costs of supply cover costs due to academy conversions. The funding is released.

Floor area costs

Additional floor area costs in schools with children and family centres attached which will now be run by the school.

Funding for bulge classes

Funding for bulge classes in Primary Schools that will start in September 2012 and will otherwise go unfunded as they will not be picked up in the January 2012 count

Special Education Needs

See Appendix 5.

Carbon Reduction Commitment

The Carbon Reduction Commitment (CRC) scheme imposes a statutory duty on the Council to take certain actions in relation to purchasing carbon allowances and reporting on emissions associated with energy use in buildings. The Council is required to bear the cost of administering the CRC scheme and to purchase carbon allowances on behalf of schools. 2011/12 data shows that additional funding will be required to cover the full costs.

EBD Provision for Primary Girls

Provision for primary aged EBD children. This provision has been agreed by the executive working group as an invest to save.

Home and Hospital Education

Increased provision and costs in this area.

Early Years funding

Statutory entitlement to provide sufficient places for all three and four year olds. Predicted increase in costs and entitlement over current budget levels.

Special School Meal Contract

Schools meal contract retendered. Additional costs incurred for special schools. Funding needed to meet new contract.

Contribution to Capital/Invest to Save

Potential for an invest to save project for Secondary ASD provision. Potential for Government grant to offset some of the build costs. Remaining costs may have to be funded form DSG. Unlikely that this would take effect from 2012/13. However this would need to be built into the budgets in the medium term. In the interim the funding could be allocated to Basic Need projects which would benefit all schools including Academies.

Has the [potential to help negate ongoing pressures in SEN by diverting costly out of borough placements into in borough provision.

Balance over allocated

This would need to be balanced off to get DSG expenditure in line with the overall allocation.

ADDITIONAL INFORMATION ON SPECIAL EDUCATIONAL NEEDS

Pressures on the Special Educational Needs and Disabilities budget arise from the remarkable advances in medical science of the last decade resulting in more children with the most serious and multiple disabilities surviving birth and living longer. Thus the resource requirements for complex special educational needs require growth to meet the special educational needs, health and social needs of the child and his/her family. This trend is demonstrated locally (see Pre-School Specialist Support Audit).

Special Educational Needs and Disability Service spend has increased due to the numbers of children with severe and complex special educational needs entering the statutory school system. Increase in spend can be identified in independent day placements, increase costs of matrix and costs of alternative programmes (reduction in funded pupil numbers and increase in unit cost). There is also an increase in the volume of statements of SEN in 2012 compared to 2011. This bid for an increase in budget aims to identify and take action to address this demand and meet needs within borough wherever possible.

Children born and surviving with a greater level of complex needs have increased nationally and locally and are entering the education system. (Pre-school Specialist Support Services Audit p4) highlights this increase in volume (from 2005-2011) of an extra 89 children with highly complex SEN have been identified in the London Borough of Bromley. Educational placement for these children is predicted to be costly due to the need for smaller class ratios and/or small group or 1:1 intervention required to meet needs. This is reflected in the higher level of matrix spend in primary provision and increase in specialist places.

Whilst the new Riverside, Beckenham ASD Provision has helped to alleviate the pressure on pupils with ASD requiring out of borough provision, there is still a need for provision for secondary school pupils with severe social communication difficulties (ASD/Aspergers) and those with Social and Emotional Behaviour Difficulties (SEBD) where the local authority often have to resort to expensive out-borough placements, when mainstream options are not appropriate to meet needs. The Member Officer Working Party for SEN is currently considering the development of in-borough provision to meet this demand.

Management Controls - Statutory Assessment of SEN

There continues to be stringent control mechanisms in place to ensure that schools utilise the resources they have available to them both from within their own budgets. Scrutiny of interventions at school level are undertaken regularly and skilled outreach support professionals are used to challenge and support schools in meeting needs. All schools and settings are expected to follow the 4 stage process laid out in the Department for Education (DfE) guidelines – “The SEN Code of Practice.” Bromley SEN Services have written guidelines/thresholds for all schools and settings. Thresholds are monitored through an annual audit of all special schools and specialist provisions.

When a school or parent/carer request that the local authority makes a statutory assessment the Local Authority Moderating Panel (consisting of professionals from a range of agencies ensuring a check and balance and consistency across the local authority) assess the level of difficulty a child may have. They also ensure interventions have taken place by the school, assess whether the school have exhausted the use of additional local resources and whether the child meets the threshold for a statutory assessment (as laid out in the SEN Code of Practice). This ensures consistency of decision-making.

Equally additional support without recourse to a statement has a robust system of interrogation and is subject to agreement by the multi-agency Specialist Support and Disability Panel chaired by the Head of Service. It is only agreed for a limited period subject to a review. This process provides carefully planned resource without the bureaucracy of a statement and is reviewed regularly in a formal manner allowing changes to be made to the provision without having to change the contents of a Statement. Thus not obliging the LA to be tied in to what is sometimes support for the duration of the child's schooling. Also it ensures that the resource is provided when it is needed and not four to six months after identifying the needs as is the case for a Statement of SEN.

If a residential placement is felt to be needed to due to very complex needs/circumstances this is subject to the approval of both the Assistant Director for Social Care and Safeguarding and the Assistant Director Access and Inclusion via a Complex Case Panel. Independent day placements in out of borough schools require the approval of the Interim Assistant Director Education.

PRE-SCHOOL SPECIALIST SUPPORT SERVICES AUDIT AUTUMN 2011

Children with Profound Severe or Very Complex Needs	Destinations	2005	2009	2010	2011
Profound and multiple learning difficulties including complex medical needs (PMLD)	Riverside/Orpington	28	24	36	39
Severe learning difficulties (SLD)	Riverside/Orpington/ units attached to mainstream	38	43	46	45
Sensory support (SS)	HIU Unit (Darrick Wood) or mainstream with support	20	35	40	41
Severe or profound social communication difficulties/ASD (SSCD)	Riverside Orpington/ Beckenham/units attached to mainstream	55	68	87	84
Speech and language difficulties (SpALD)	Language Units (Green Street Green/Raglan) or mainstream with support	78	69	70	95
Physical difficulties (PD)	Marjorie McClure or mainstream with support	22	17	20	18
Behaviour, emotional and social difficulties (BESD)	M/S with support/Nuture Provision Manor Oak	5	14	10	13
Subtotal		246	270	309	335

The table above shows the growth of numbers of children with complex special educational needs between 2005-2011. Between 2010-2011, there has been an increase of 26 children at pre school level identified with complex and enduring needs who require specialist provision.

GROWTH BID FOR SEN RELATED AREAS USING DSG

Item for Growth	Funded Pupil Numbers or Places	Budget for 2011/12 £	Budget you are anticipating for 2012/13 £	Funded Pupil Numbers or Places	Growth Bid Required £
Transport contractors -DSG (Riverside Beck and Hayes DSG)		90,000	320,000		230,000
SEN Matrix	915.6	7,253,985	7,831,449	1,014	577,464
SEN Independent Day	112.0	3,866,300	4,573,158	130	706,858
SEN Independent Boarding	84.3	5,823,680	5,637,759	83	-185,921
Alternative Provision	79.9	600,520	740,378	83	139,858
Maintained Day	50.5	1,125,720	1,228,809	57	103,089
Maintained Boarding	13.2	599,610	713,470	16	113,860
Support in Mainstream	124.3	1,056,350	957,033	111	-99,317
Equipment		14,000	14,000		0
Contingency added to Budget		500,000	0		-500,000
Development of 8 Key Stage 1 Placements (Crofton) 7/12 only		0	63,467		63,467
Development of 6 Key Stage 2 Placements (Riverside) 7/12 only		0	77,000		77,000
Increase of place led funding for unit provisions (complexity of need)		0	50,000		50,000
Grovelands Development		0	70,000		70,000
Sub Total		20,930,165	22,276,523		1,346,358
Primary provision for children with complex needs		0	200,000		200,000
Speech and Language Contracts		65,160	311,166		246,006
Health Needs without Recourse to statements		181,000	346,000		165,000
Sub Total		246,160	857,166		611,006
Pupil Resource Agreements		130,000	286,000		156,000
Transition for PRA		0	80,000		80,000
Sub Total		130,000	366,000		236,000
Total		21,306,325	23,499,689		2,193,364