

DEDICATED SCHOOLS GRANT FINANCIAL POSITION 2017-18

To: Cambridgeshire Schools Forum
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 From: Martin Wade - Strategic Finance Business Partner

1.0 INTRODUCTION

- 1.1 This report provides a summary of the overall 2017-18 Dedicated Schools Grant (DSG) financial position to the end of December 2017.

2.0 UPDATED 2017-18 DSG

- 2.1 Following revised announcements to reflect in-year funding changes and recoupment for academies and High Needs Places the table below shows the revised level of DSG to be received in 2017-18:

	Revised 2017-18 DSG as at Oct 2017	Revised 2017-18 DSG as at Dec 2017
Schools Block DSG	£337,587,337	£337,587,337
3&4 YO Early Years Block DSG Universal	£24,254,776	£24,254,776
3&4 YO Early Years Block DSG Extended Entitlement	£4,707,583	£4,707,583
Indicative Early Years Pupil Premium	£247,907	£247,907
2YO Early Years Block DSG	£3,775,477	£3,775,477
Disability Access Fund	£110,100	£110,100
Maintained Nursery School Supplementary Funding	£1,301,115	£1,301,115
Total Estimated Early Years Block	£34,396,958	£34,396,958
16/17 HNB Baseline	£62,755,620	£62,755,620
Population based uplift	£1,096,072	£1,096,072
Population growth based uplift	£486,896	£486,896
Total High Needs Block	£64,338,588	£64,338,588
Total Estimated DSG Pre-Recoupment	£436,322,883	£436,322,883
less High Needs Place Funding	-£9,739,819	-£9,739,819
less Academy Recoupment Estimate	-£191,889,425	-£192,157,464
less Copyright Licence Adjustment	-£481,023	-£481,023
16/17 High Needs Adjustment	£283,000	£283,000
16/17 EY DSG Adjustment	-£778,000	-£778,000
Estimated DSG to be received by LA*	£233,717,616	£233,216,249

*subject to further academy conversions

- 2.2 The change between the October and December estimated DSG is due to further academy conversions in-year.

3.0 2017-18 IN-YEAR BUDGETARY CONTROL POSITION

- 3.1 At the end of December 2017, there is a forecast in-year pressure of **£1,158k** against available DSG allocations (including the £134k deficit brought forward from 2016/17.) The

full DSG Budgetary Control Report (BCR) can be viewed in section 3.2 below, with detailed narrative available in 3.3, but the main pressures/underspends can be summarised as:

- There is a forecast pressure of £350k against the budget allocations to Special Schools. This is primarily as a result of an overall increase in commissioned places and actual pupils.
- There is a forecast pressure against the High Needs top-up budget of £200k mainly due to the increase in Post-16 pupils.
- It is estimated that the SEN Placements budget will have a pressure of £850k.
- It is estimated that the Out of School Tuition Budgets will have a pressure of £600k
- These pressures are offset in part by a forecast underspend of £943k on Financing DSG due to a combination of rates and recoupment adjustments, vacancy savings and one-off balances to be applied in-year. This line also includes the £134k deficit brought forward from 2016/17.

3.2 DSG BCR to the end of December 2017:

Finance & Performance Report for DSG - December 2017

Note	Budget for 2017/18	Outturn Forecast as at end of Dec 17	
	£000's	£000's	%
Director of Commissioning			
Strategic Management - Commissioning	84	0	0.0%
Director of Commissioning Total	84	0	0.0%
Director of Children & Safeguarding			
Children's Centres Strategy	90	0	0.0%
Support to Parents	741	0	0.0%
<u>SEND Specialist Services (0 - 25 years)</u>			
SEND Specialist Services	5,979	54	0.9%
Children's Disability Service	0	0	0.0%
3 High Needs Top Up Funding	13,573	200	1.5%
1 SEN Placements	8,973	850	9.5%
Early Years Specialist Support	965	88	9.1%
2 Out of School Tuition	1,119	600	53.6%
<u>District Delivery Service</u>			
Early Help District Delivery Service - North	363	-15	-4.1%
Early Help District Delivery Service - South	380	-15	-3.9%
Director of Children & Safeguarding Total	32,183	1,762	5.5%
Director of Education			
Strategic Management - Education	68	-8	-11.1%
Early Years Service	218	-4	-1.8%
Schools Partnership Service	107	0	0.0%
Childrens' Innovation & Development Service	68	0	0.3%
Redundancy & Teachers Pensions	13	0	0.0%
<u>0-19 Place Planning & Organisation Service</u>			
0-19 Organisation & Planning	3,178	0	0.0%
Education Capital	158	0	0.0%
Director of Education Total	3,810	-11	-0.3%

Executive Director				
	Central Financing	9	-9	-100.0%
	Executive Director Total	9	-9	-100.0%
Total				
		36,086	1,743	4.8%
Grant Funding				
	Financing DSG	0	-943	-4.4%
	Grant Funding Total	0	-943	4.4%
Contribution to Combined Budgets				
		3,579	0	0.0%
<u>Schools</u>				
	Primary Schools	133,140	0	0.0%
	Secondary Schools	1,027	0	0.0%
	EOTAS Devolution	4,867	0	0.0%
4	Special Schools	14,645	350	2.4%
	Special Schools Outreach	271	0	0.0%
	Nursery Schools, Classes and PVI Providers	34,296	0	0.0%
	High Needs Units	2,168	0	0.0%
	PRUs	870	0	0.0%
	Schools Financing (including recoupment adjustments)	376	0	0.0%
	Broadband & Copyright	1,860	0	0.0%
	Pools and Contingencies	39	0	0.0%
	Schools Total	193,560	350	0.2%
Overall Total				
		233,216	1,158	0.5%

- 3.3 Narrative is given below where there is an adverse/positive variance greater than 2% of annual budget or £100,000 whichever is greater:

Service	Current Budget for 2017/18	Forecast Variance Outturn	
	£'000	£'000	%
1) Special Educational Needs (SEN) Placements	8.973	850	8%
<p>The SEN Placements budget is reporting an over spend of £850k, This is due to an increase in the number of commissioned placements, and one case that went to Appeal where County could not meet need.</p> <p>Overall there are rising numbers of children and young people who are LAC, have an EHCP and have been placed in a 52 week placement. These are cases where the child cannot remain living at home. Where there are concerns about the local schools meeting their educational needs, the SEN Placement budget has to fund the educational element of the 52 week residential placement; often these are residential schools given the level of learning disability of the young children, which are generally more expensive.</p> <p><u>Actions being taken:</u></p> <ul style="list-style-type: none"> • Special Educational Needs and Disability (SEND) Sufficiency work is underway to inform future commissioning strategy. This will set out what the SEND need is across Cambridgeshire, where it is and what provision we need in future, taking account of demographic growth and projected needs. The SEND Sufficiency work will be completed in January 2018. A series of workshops are being planned for Spring 2018; • Three new special schools to accommodate the rising demand over the next 10 years. One school opened in September 2017 with two more planned for 2020 and 2021. Alternatives such as additional facilities in the existing schools, looking at collaboration between the schools in supporting post 16, and working with further education providers to provide appropriate post 16 course is also being explored in the plan; • SEND Commissioning Strategy and action plan are being developed with a focus on children and young children with SEND in Cambridgeshire accessing mainstream education; • Work on coordination of reviews for Independent Specialist Education Placements (ISEPs) to look at returning in to county; and • A full review of all High Needs spend is required due to the ongoing pressures and proposed changes to national funding arrangements. 			
2) Commissioning Services – Out of School Tuition	1,119	600	54%
<p>The Out of School Tuition budget is now forecasting a pressure of £600k.</p> <p>There are several key themes emerging which are having impact on the need for children to receive a package of education, sometimes for prolonged periods of time:</p> <ul style="list-style-type: none"> • Casework officers are not always made aware that a child's placement is at risk of breakdown until emergency annual review is called. • Casework officers do not have sufficient access to SEND District Team staff to prevent the breakdown of an education placement in the same way as in place for children without an Education, Health and Care Plan (EHCP). • There are insufficient specialist placements for children whose needs cannot be met in mainstream school. • There is often a prolonged period of time where a new school is being sought, but where 			

schools put forward a case to refuse admission.

- In some cases of extended periods of tuition, parental preference is for tuition rather than in-school admission.

There has been an increase in the number of children with an EHCP who are awaiting a permanent school placement. The delay is due to the nature and complexity of the needs of these children. Many of these children are in Key Stage 1 and do not have a permanent placement due to a lack of provision for this cohort of children. In addition, there are a number of children and young people who have a Statement of SEN/EHCP and have been out of school for some time. A smaller cohort of Primary aged children who are permanently excluded, or those with long term medical absence from school, sometimes require external tuition packages when SEND Specialist Teaching capacity is full.

A new process has been established to ensure all allocations and packages are reviewed in a timely way and that there is oversight of moves back into full time school. The transfer of the Out of School Tuition budget to the SEND Services (from November 17) enables more opportunities to use resources differently and to have more cost effective in-house tuition. There have been discussions with the Transformation Team and following the outcomes and recommendations of several large scale provision and funding reviews, we aim to look at the extension of the existing team in order to prevent placement breakdown more effectively and provide high quality teaching to a smaller number of children who need tuition.

Immediate interim controls have been placed on access to this budget. Casework officers and Statutory Assessment Team Leaders must request new packages or increases to existing packages with the budget holder. This is vital in order to understand the nature of requests and bring in swift additional support from SEND District Teams. This is not a long term solution and the budget holder is working with the Transformation Team to investigate whether the pump-priming of the SEND District Teams with additional staff could either prevent the breakdown of placement (and therefore reduce the need for packages of education) or provide in-house tuition at a cheaper rate.

The current Tuition Provider Framework is up for recommissioning in March 2018. It has been agreed to extend the framework by 12 months in order to give time to look at more sustainable and in-house provision. These decisions and a business case will be formulated using the data and recommendations given through the Social, Emotional and Mental Health (SEMH) Review, High Needs Block Review and SEND Sufficiency Review, which will close in January 2018. The Tuition Provider Contract is zero-based and requires no minimum fulfilment.

3) High needs top-up

13,573

200

1.5%

Please note the £13,573k High needs top-up budget is net of £1,557k adjustments for academy and Post-16 college recoupment. The overall gross budget is £15,130k and is currently forecast to overspend by £200,000. The main reason for this is the continuing increase in the number of Post-16 pupils.

Numbers of young people with Education Health and Care Plans (EHCP) in Post-16 Further Education providers continue to increase and as a result a year-end pressure of £200k is currently forecast. Placements for the 2018/19 academic year are still being finalised and as such the overall cost for the remainder of the financial year could increase further as more young people remain in education.

4) Special Schools Quantum

14,645

350

2.4%

Please note the £14,645k Special School Quantum is net of £6,582k adjustments for academy recoupment. The overall gross budget is £21,227k, an increase of £735k (3.6%) from 2017/18 levels.

It is expected that the Special Schools budget will overspend by approximately £350,000. This is due to the increasing number of children in Special Schools, an increase of 40 pupils between

the October 2016 and May 2017 census points, and with the new school at Littleport which opened in September these numbers will only increase further.

Alongside the increase in numbers there is a continuing increase in the complexity of need reflected by the rising value of the average top-up per pupil despite top-up amounts and criteria remaining constant:

	17/18	16/17	15/16	14/15
Average Special School Top-Up per pupil	£10,248	£10,199	£9,955	£9,755

4.0 FUTURE POSITION

- 4.1 The final year end position will be presented to Schools Forum at the next available meeting following the closure of the 2017/18 accounts.
- 4.2 As in previous years it is the intention to carry-forward the deficit and manage alongside other pressures in-year. The work being undertaken as part of the wider SEND review is essential to ensuring budgets are sustainable on an ongoing basis.
- 4.3 Based on the DSG conditions of grant there are 3 options when there is a DSG deficit:
- a) The local authority may decide to fund all the overspend from its general resources in the year in question.
 - b) The local authority may decide to fund part of the overspend from its general resources in the year in question and carry forward part to the schools budget in the next year or the year after that.
 - c) The local authority may decide not to fund any of the overspend from its general resources in the year in question and to carry forward all the overspend to the schools budget in the next year or the year after that.

A local authority needs to obtain the consent of the Schools Forum or, failing that, the Secretary of State for Education to fund this deficit from the schools budget.

5.0 RECOMMENDATION

- 5.1 **Members of Schools Forum are asked to note the contents of the report and provide comment on key areas.**