

ROYAL BOROUGH OF WINDSOR & MAIDENHEAD SCHOOLS FORUM

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| DATE: | 28 January 2013 | AGENDA ITEM: | 6 |
| TITLE: | 2013-14 DSG SETTLEMENT AND FINAL SCHOOLS BUDGET | | |
| Responsible officer: | Angela Wellings – Acting Director of Children’s Services | | |
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1 SUMMARY AND PURPOSE

1.1 This paper presents the final budget for the Dedicated Schools Grant (DSG) for 2013/14. In summary it discusses the following issues.

FUNDING

- Final 2013/14 DSG Settlement
- A summary of surplus funding available in 2013/14 arising from under spends of DSG in prior years.
- A presentation of other funding streams available in 2013/14 (Pupil Premium and Education Funding Agency (EFA) Post 16 funding and DSG surplus balances)

EXPENDITURE

- The impact of DSG baseline adjustments on expenditure budgets
- Individual Schools Budgets (delegation formula changes)
- Impact of Pupil Number Growth on the ISB
- De-Delegation of funds from ISB
- Creation of High Needs ISB for Special Schools, Resourced Units and PRU
- Creation of High Needs Top-Up Funding Budgets
- Other SEN Budgets (Independent Special Schools, Post 16 and SEN support services and services supporting Inclusion)
- Other centrally held Schools Block budgets (Historic Commitments and Statutory functions)
- Early Years block budget
- Expenditure Summary

SAVINGS AND GROWTH

- An analysis of structural under spends in existing budgets and proposals for using released funding in support of the Schools Budget.

2 RECOMMENDATIONS

- 2.1 Schools Forum is now asked to approve the following recommendations
- 2.2 To note the contents of this report, and give a view on any matters that may arise from it.
- 2.3 To approve the budgets as set out below (para 2.4 - 2.6) as required by Regulations
- 2.4 To approve specific centrally held budgets totalling £851,980 as set out in paragraph 30 and Table 20 of this report and shown in summary below;

| Centrally Held Budget | Proposed 2013/14 budget |
|--|-------------------------|
| Admissions | £306,020 |
| Schools Forum | £51,230 |
| Carbon Reduction Commitment | £100,000 |
| Capital Expenditure from Revenue | £96,000 |
| Contribution to combined budgets | £298,730 |
| TOTAL CENTRALLY HELD AND SCHOOLS FORUM APPROVED BUDGETS | £851,980 |

- 2.5 To approve a central budget for Significant Pupil Number Growth as described in paragraph 25 and Annex A. **RBWM is proposing a budget of £301,940 in 2013/14.**
- 2.6 To approve the budgets for Early Years Expenditure as set out in Paragraphs 23 and 30 of this report and shown in summary below;

| | Proposed Budgets for 2013/14 |
|--|-------------------------------------|
| Funding for 3 / 4 year olds | |
| Maintained Nursery Schools | £980,522 |
| Nursery Classes in Maintained Schools | £1,257,964 |
| Private, Voluntary and Independent providers of Nursery Education | £4,162,661 |
| Subtotal Free Education for 3 & 4 year olds | £6,401,147 |
| | |
| Funding for 2 year olds | |
| Existing budget for direct provision of 2 year old free entitlement | £270,000 |
| Extension of the 2 year old free entitlement | £376,380 |
| Staff Budgets in support of cross borough Early Years provision | £80,000 |
| Subtotal 2 Year Old Free Entitlement | £696,380 |
| | |
| Other Central Early Years Budgets | |
| The Early Years elements of the following budgets which have been delegated to mainstream schools; Free School Meals, Maternity Cover and Union Representation, Licenses, Behaviour Support | £62,000 |
| Subtotal Other Centrally Held Early Years Budgets | £62,000 |

3 BACKGROUND

- 3.1 The last meeting of the Schools Forum on 6th December 2012 received a report setting out the provisional expectations of the Local Authority (LA) with regards to the Dedicated Schools Grant (DSG) settlement for 2013/14. The report also set out the LA's proposals in relation to the various budgets that fall under the remit of the DSG.

These budgets included the funding for Primary and Secondary schools included in the first submission of the Individual Schools Budget (ISB) to the Education Funding Agency (EFA) on 31st October 2012.

- 3.2 On 19th December the EFA provided LAs with their Final DSG budget settlement for 2013/14. This settlement was based upon the October 2012 school census information. With this information the LA has been able to finalise its budget proposals for the DSG for 2013/14. These proposals include budgets for
- the Mainstream Schools ISB
 - budgets de-delegated by maintained schools for management by the LA
 - budgets that are permitted to be centrally retained by the LA
 - Early Years funding for 2, 3 and 4 year olds
 - The introduction of new funding arrangements for Post 16 SEN
 - High Needs Students including;
 - Place Funding and Top Up Budgets for
 - Special Schools
 - Resourced Units
 - Alternative Provision
 - Independent Special Schools and Non Maintained Special Schools
 - Central Services in support of SEN and Inclusion
- 3.3 The 2013/14 DSG budget includes significant change from the way in which budgets have been constructed in the past. There will be significant turbulence in delegated Schools budgets arising from the EFA prescribed changes to LA formulae for funding schools, albeit mitigated in the short-term by the continuation of Minimum Funding Guarantee at -1.5%. There is also significant change to the way in which LAs manage all the centrally retained funding for SEN to reflect the introduction of the new commissioning role imposed on LAs for High Needs SEN. Also, the extension to the free offer of early year's provision for 2 year olds along with the increase in funding levels and transfer of funding from Early Intervention Grant (EIG) present challenges to the LA. Finally, the changing arrangements for Post 16 SEN are complex and challenging and represent the most significant risk to the DSG budget for 2013/14.

FUNDING

4 Final 2012-13 DSG settlement

- 4.1 At the December meeting of the Schools Forum members will recall reviewing a provisional DSG allocation for 2013/14 of £99.123m. The final settlement announced on 19th December 2012 identified a DSG for 2013/14 of £99.324m, built as follows;

| Table 1: 2013/14 DSG Settlement announced 19th December 2012 | | | |
|--|--------------------|------------------|-------------------------|
| Block | Pupil Count | Unit Rate | Total Allocation |
| High Needs Block | Cash Limited | Cash Limited | £14.671m |
| Early Years Block | 1,559.0 | £4,247.85 | £6.622m |
| Schools Block | 17,548 | £4,324.81 | £77.120m |
| Other Adjustments | | | |
| - 2 Yr Old Funding | | | 0.884m |
| - NQT Induction | | | 0.027m |
| TOTAL DSG | | | £99.324m |

- 4.2 The following table analyses the movement between December Schools Forum provisional settlement and the final settlement received on 19th December 2012.

| |
|--|
| Table 2: DSG Settlement Movement between December School Forum report and final |
|--|

| settlement announced on 19th December 2012 | | | |
|--|----------------------------|-------------------------|---|
| | Dec 12 Schools Forum | Final DSG Settlement | Variation from December Schools Forum |
| | £m | £m | |
| Final 2012/13 DSG Settlement | 96.512 | 96.512 | |
| Base Line Adjustments | | | |
| - Hospital Education Topslice | -0.161 | -0.161 | |
| - SEN Block Grant | 0.363 | 0.363 | |
| - Recoupment Adjustment | 0.316 | 0.316 | |
| Pupil Number Growth | 0.808 | 1.229 | +0.421 |
| Transfer or Responsibilities | | | |
| - 2 Year Old Funding, as announced by DfE Nov 2012 | 0.711 | 0.884 | +0.173 |
| - Provisional Post 16 High Needs DSG baseline increase | 0.574 | 0.154 | -0.420 |
| Induction of NQT (for delegation) | 0.000 | 0.027 | +0.027 |
| TOTAL DSG ANNOUNCEMENT 19TH DEC 2012 | 99.123 | 99.324 | +0.201 |
| Further DSG adjustments as yet unannounced | | | |
| Growth to reflect overall increase in High Needs Places | 0 | 0.146 | 0.146 |
| Baseline adjustment for Non Maintained Special Schools | 0 | -0.460 | -0.460 |
| Final DSG settlement after unannounced adjustments | 99.123 | 99.010 | -0.113 |

- 4.3 In addition to the £99.324m settlement announced on 19th December officers anticipate a further 2 adjustments to reflect, summarised above:
- an increase of £145k for the change in the number of High Needs Places reported by the LA to the EFA as announced in a letter from Dugald Sandeman of the EFA dated 19th December 2012
 - a reduction of £460kn in relation to the proposal to allocate the first £10k of place funding directly to Non-Maintained Special Schools. RBWM has identified that it has 46 NMSS placements, at £10,000 = £460k baseline transfer of funding.

4.4 The variances since the December report are as follows

- **Increase in Pupil Number Growth (£0.421m)**
The December report omitted to include in the count an increase of 75 reception pupils between October 2011 and January 2012. In addition there were 23 more pupils in the final analysis of schools October returns than was estimated in the report. In total this equates to an additional 99 pupils at a unit rate of £4,324.81 a pupil, or £0.421m.
- **Increase for Two Year Old Early Years Provision (£0.173m)**
The final announcement of the increase in DSG for 2 year old funding identified a grant allocation of £0.884m against an initial estimate of £0.711m, an increase of £0.173m.
- **Decrease in the estimated transfer of funding for Post 16 SEN (-£0.420m)**
Estimating the amount of transfer of funding to the DSG for the change in responsibilities for Post 16 SEN has proven to be a very complex exercise. Initial estimates have proven to be based on incorrect assumptions about the final calculation. Information from the EFA has been slow in coming out and the final DSG calculation was the first time that technical guidance on the funding transfer

had been published. Consequently officers had included an assumed transfer amount of £0.574m, the final transfer is £0.154m, a reduction of £0.420m on the final settlement. Members should note that this does not represent the final position with regards to the funding transfer for Post 16 High Needs Pupils. Officers expect further adjustments before the start of the financial year.

- **Transfer to DSG from Formula grant for NQT Inductions (£0.027m)**
Funding previously included within the local government grant settlement for NQT inductions has now been transferred to the DSG for delegation to all schools through the local formula to allow them to pay for the services of their preferred appropriate body. This transfer of funding follows the September 2012 change to induction regulations for Newly Qualified Teachers (NQTs) where teaching schools became eligible to monitor and quality assure NQT inductions. The allocation for RBWM is £27,228 which is the LA's pupil based share of the national allocation of £10.2m. Officers were unaware of this baseline adjustment at the time of writing the December report. In 2013/14 this funding will be allocated to schools as an equal uplift per pupil to the Primary, KS3 and KS4 Basic Per Pupil Entitlement.
- **Growth to reflect overall increase in High Needs Places (£0.145m)**
Initial information from the EFA suggested that funding from the High Needs block would be cash limited to the amount of budget shown in the 2012/13 Section 251 budget statement. A more recent letter from Dugald Sandeman of the EFA now appears to suggest that where Local Authorities are showing an overall growth in the numbers of High Needs Places in Special Schools and Resource Units then the EFA will now fund the first £10,000 (element 1 and 2) costs of these places. RBWM has reported growth in its Special School Places and a minor offsetting reduction in the number of Resourced Unit Places that it will be supporting in 2013/14. The net impact is a change in High Needs places in these provision of plus 14.6 places, which at £10,000 per places suggests a DSG increase of £0.146m. At the time of writing this baseline adjustment has not been included in the DSG Settlement.
- **Non-Maintained Special Schools (NMSS) £10,000 baseline funding transfer (minimum £460k)**
The EFA has confirmed that Non-Maintained Special Schools will now be allocated the first £10,000 of funding for High Needs Pupil placed in their provision. RBWM has identified that it has 46 pupils placed in NMSS provision. Note that this transfer does not apply to independent special schools. The first £10k of each of these placements will now be transferred from RBWM DSG baseline to the commissioned NMSS. This means that whilst RBWM will lose £460k of DSG, it will also lose £460k of cost associated with these placements. This should be a cost neutral adjustment.

5 DSG Projected Outturn for 2012/13 DSG

- 5.1 At the December meeting Schools Forum agreed to allocate £500,000 of DSG surplus from 2012/13 to support the 2013/14 DSG budget. Members of Forum will recall that the 2012/13 Schools Budget already includes support from DSG surpluses of £316,000. Increasing support from balances to £500,000 will mean a further one-off in year increase in spending power of £184,000.
- 5.2 Members will also recall that the use of carried forward DSG surplus to support Schools Budgets is a one-off / non-recurring funding source. Using these funds in schools budgets will reduce the extent of the protection required from the Minimum Funding Guarantee, and also the level of the topslice required from gaining schools.

Once the balances have been depleted (in 2015/16) then this funding will need to be withdrawn from the Individual Schools Budget. This in turn will increase the required protection from the Minimum Funding Guarantee and also the consequent topslice required from gaining schools. Officers are unclear at this time about the operation of National Funding Formula in 2015/16 and the MFG.

6 Pupil Premium

- 6.1 In 2012/13 schools received an initial allocation of £600 for each pupil that had been registered as entitled to Free School Meals at any point over the previous 6 years. More recently the DfE has confirmed that this funding will increase to £623 in 2012/13 and in total schools will receive approximately £1.478m. Members of Forum will be aware that the DfE has announced that the Pupil Premium will increase to £900 per eligible pupil (FSM Ever 6 and LAC) and £300 per pupil for Service Families in 2013/14.
- 6.2 Whilst the final Pupil Premium will be based on the January School Census, the DfE has released an indicative Pupil Premium estimate for 2013/14 as shown in the following table.

| Table 3: DfE Provisional Estimate of Pupil Premium for 2013/14 | |
|---|-------------------|
| Number of RBWM pupils eligible for the Deprivation Pupil Premium 12-13 | 2,603 |
| Illustrative Pupil Premium Allocation 13-14 | £2,343,024 |
| Number of RBWM pupils eligible for the Service Child Pupil Premium 12-13 | 295 |
| Illustrative Pupil Premium Allocation 13-14 | £88,500 |
| Number of RBWM children eligible for the Looked After Child Pupil Premium 12-13 | 70 |
| Illustrative Pupil Premium Allocation 13-14 | £63,000 |
| Total RBWM pupils eligible for the Pupil Premium 12-13 | 2,970 |
| Total illustrative allocation for the Pupil Premium 13-14 | £2,495,000 |

7 Funding for post 16 pupils (Education Funding Agency)

- 7.1 Funding for sixth form pupils in mainstream schools will continue to be calculated by the Education Funding Agency and passported directly to schools by the LA. In 2012/13 £8.999m was included in the Section 251 statement for Sixth forms. In addition to this funding the LA allocated a further £0.086m of surplus DSG funding to sixth forms as a result of a late announcement of sixth form funding settlement. At this time the authority does not have detailed information on the EFA settlement for 2013/14. Because this funding is allocated directly to schools and until further information is received from the EFA, no adjustment has been made to the provisional DSG Budget.

8 Summary of total funding

8.1 The following table summarises the various funding streams described above.

| | £m |
|---|----------------|
| DSG settlement announced 19 th December 2012 | 99.324 |
| Unannounced DSG Adjustments | -0.314 |
| DSG surplus from 2012/13 applied in 2013/14 | 0.500 |
| Pupil Premium | 2.495 |
| EFA Post 16 Funding 2013/14 (based on 12-13 figures) | 8.999 |
| TOTAL FUNDING AVAILABLE 2013/14 | 111.004 |

EXPENDITURE

9 Expenditure Introduction

9.1 The next section of this report goes on to discuss the various expenditure budgets supported by the DSG and related funding streams described in the preceding paragraphs. The following paragraphs attempt to summarise the changes arising from adjustments made to:

- Changes arising from DSG Baseline Adjustments
- Individual Schools Budgets
- Other changes to the delegated ISB arising from national changes on Copyright Licenses and NQT Induction
- Impact of Pupil Number Growth on the ISB
- De-Delegation of funds from ISB
- Creation of High Needs ISB for Special Schools, Resourced Units and PRU
- Creation of High Needs Top-Up Funding Budgets
- Other SEN Budgets (Independent Special Schools, Post 16 and SEN support services and services supporting Inclusion)
- Other centrally held Schools Block budgets (Historic Commitments and Statutory functions)
- Early Years block budget
- Expenditure Summary

10 Changes arising from DSG baseline adjustments.

10.1 Table 2 identified a number of necessary changes to the DSG funded baseline;

- A reduction of £161,202 for Hospital Education.
- An Increase of £362,841 to transfer post 16 SEN block grant to the DSG
- A net increase £315,533 to reflect the changed arrangements for Recoupment arising from the proposals for High Needs / Low Incidence SEN and the new Place Plus funding arrangements.

10.2 At the December meeting Schools Forum members agreed to reflect these changes by adjusting various budgets relating to Recoupment and the SEN Block Grant. The majority of these changes remain as they were described in the December report. However, there has been a minor adjustment to the way in which officers propose to treat the adjustment relating to the Hospital Education topslice.

11 Changes to Individual Schools Budget (ISB).

- 11.1 At the meeting of the Schools Forum on 16th October 2012 members approved a number of significant changes to the way in which Individual Schools budgets will be delegated in the future. These changes included the additional delegation of centrally held schools block budgets and further delegation of funding for SEN. The changes were included in the initial return to the Education Funding Agency submitted on 31st October 2012.
- 11.2 All of these changes have an impact on the overall level of the Individual Schools Budget, the new total of which is £74.947m. These changes were presented to and agreed by the Schools Forum on 6th December 2012 and are shown below for information;

| Table 5: Changes to the ISB approved by Schools Forum 6th December 2012 | |
|--|------------------------------|
| | TOTAL ISB EXPENDITURE |
| Total 2012/13 Mainstream ISB as per S251 and Agresso | 76,566,996 |
| Individually Assigned Resources to High Needs to create Mainstream High Needs Top Up budget | -1,330,951 |
| Resource Units funding to High Needs to create Resource Units Base Funding and Top Up Budget | -705,077 |
| Sixth Day Exclusion Funding to High Needs (PRU) | -27,567 |
| Topslice 12/13 delegated 'significant growth' funding in ISB to create central Pupil Growth Fund | -167,155 |
| Additional topslice of BPPE to create additional Pupil Growth funding. | -71,786 |
| Delegation of central budgets as required by DfE (agreed Forum 16/10/12) - Contingency (NQT, Schools Causing Concern, Contingency Panel), Behaviour Support, Kitchen R&M (Primary), residual Museum / Library Services budgets, Licenses and Subscriptions, Supply Cover / Trade Union Duties | 790,658 |
| Additional SEN Delegation (agreed Forum 16/10/12) – to increase delegated funding to the DfE strong recommendation of £6,000 | 149,129 |
| Take Out Resource Unit Pupil delegated funding from ISB – double funded delegated funding for RU pupils – passed to High Needs, Resource Unit Top Up Budget | -257,063 |
| FINAL ISB SUBMITTED TO EFA | 74,947,184 |

12 Changed arrangement for the Delegation of Copyright Licenses

- 12.1 On 19th December 2012 LAs were unexpectedly advised that licenses for Copyright Licensing Agency (CLA) and Music Publications Agency (MPA) would be managed centrally by DfE on behalf of all Schools and Academies. In 2012/13 RBWM held a central budget for Licenses and Subscriptions which included funding for these licenses. The National Funding changes had required Local Authorities to delegate this funding to all schools. This is the position that was agreed in both the October and December Schools Forum.
- 12.2 The new arrangement is that the DfE will charge Local Authorities centrally for the provision of this new national arrangement. The anticipated cost of this arrangement is £36,824. It is now necessary to remove this funding from the newly proposed delegation and continue to retain it centrally. This will result in a reduction of the rates in Primary, KS3 and KS4 by £2.07

13 Newly Qualified Teacher Induction

- 13.1 Members will recall that as part of the £790k of additional delegation of funding from central schools block budgets (shown in table 5 above) the LA allocated £90k of contingency funding for supply cover costs arising from NQTs training courses. This was originally allocated to schools with NQTs at a rate of £400 per term per NQT and was delegated through Basic Per Pupil entitlement at a rate of £5.07 per pupil.
- 13.2 As described in paragraph 4.4 above, funding previously included within the local government grant settlement for NQT inductions has now been transferred to the DSG for delegation to all schools through the local formula to allow them to pay for the services of their preferred appropriate body. This transfer of funding follows the September 2012 change to induction regulations for Newly Qualified Teachers (NQTs) where teaching schools became eligible to monitor and quality assure NQT inductions.
- 13.3 The allocation for RBWM is £27,228 (the LA's pupil based share of the national allocation of £10.2m). In 2013/14 this funding will be allocated to schools as an equal uplift of £1.50 per pupil to the Primary, KS3 and KS4 Basic Per Pupil Entitlement. The residual funding of £600 will be allocated to the High Needs and Early Years block to support Special Schools and Nursery Schools NQT induction costs.

14 Impact of Pupil Number Growth arising from October 2012 School Census

- 14.1 Since the 6th December 2012 Schools Forum the Local Authority has received information from the DfE about the October 2012 School Census. This information includes a School by School analysis of the actual October 2012 pupil numbers and a new Data Set of information to be included in the 2013/14 School Budget calculations. Officers have now modelled this information and calculated the actual cost of Pupil Number Growth in 2013/14 as shown in the following table.

| Table 6: Adjustments to ISB arising from the October 2012 School Census and new DfE Dataset | | | |
|--|---|---|-----------------------|
| | Unit Rate Submitted to EFA on 31 st October 2012 | Change in Count between October 2011 and October 2012 | Cost of change to ISB |
| Primary Basic Per Pupil Entitlement (BPPE) | £2,794.14 | 304 | £849,419 |
| KS3 BPPE | £3,885.47 | -23 | -£89,366 |
| KS4 BPPE | £4,551.25 | 2 | £9,103 |
| Primary FSM Ever 6 | £387.62 | 38 | £14,619 |
| Secondary FSM Ever 6 | £336.33 | 111 | £37,452 |
| Primary IDACI | £242.41 | 5 | £1,090 |
| Secondary IDACI | £271.74 | 14 | £3,534 |
| Primary SEN - Low Prior Attainment | £1,626.23 | -125 | -£203,698 |
| Secondary SEN - Low Prior Attainment | £3657.54 | -58 | -£211,007 |
| Primary EAL | £323.12 | 246 | £79,638 |
| Secondary EAL | £987.92 | -32 | -£31,502 |
| TOTAL VALUE OF PUPIL NUMBER CHANGE TO ISB | | | £459,760 |

- 14.2 Primary BPPE - Schools Forum Members will note the increase in Primary pupil numbers. This reflects the demographic pressure that the Borough is experiencing in primary places.
- 14.3 SEN - Members will also note the fall in funding for SEN as a result of the reduction in the percentage of the pupil population who trigger the indicator of Low Prior Attainment (and the consequent reduction in the number of funded pupils). Members will recall that the indicators used to fund Low Prior Attainment are;
- Primary - Early Year Foundation Stage Profile (achieving less than a score of 78 points)
 - Secondary – Key Stage 2 SATS – Underachieving Level 4 in both English and Mathematics
- 14.4 These proxy indicators of SEN deliver funding to schools for the first £6,000 of delegated SEN responsibility. The implication of a reduction in the number of Low Prior Attaining pupils is that there is a reduced need for SEN funding. However, officers believe that despite the reduction in the count of Low Prior Attaining pupils there has not been an equivalent reduction in the levels of SEN in schools across the borough. A proposal for the reallocation of this funding is included in the Growths and Savings section of this report.
- 14.5 In consultation with service managers, the funding released as a result of the reduction in the percentage of pupils underachieving has now been allocated back through the SEN formula by an increase in the Unit Rate for SEN as shown in the following table;

| | SEN Reduction on Pupil Numbers (Table 6) | LPA count | Required increase in Unit Rate to reallocate reduction | Original LPA rate | New LPA rate | Total Uplift |
|------------------|---|------------------|---|--------------------------|---------------------|---------------------|
| Primary | 203,698 | 1,380 | £147.59 | £1,626.23 | £1,773.82 | £203,698 |
| Secondary | 211,007 | 658 | £320.72 | £3,657.54 | £3,978.26 | £211,007 |
| | 414,705 | 2,038 | | | | £414,705 |

This uplift to the SEN rates, has been built into the final funding formula pro forma and will ensure that the total quantum of funding that was delegated to schools for the first £6,000 of SEN responsibility is maintained for 2013-14.

- 14.6 Rates - When a school converts to Academy status it receives an 80% rates relief (except when the school was previously a VA church aided school already in receipt of 80% rates relief). The formula factor that allocates funding to schools for rates is based upon actual costs. This means that, where schools converted during 2012/13 they received a budget allocation for rates at 100% In 2013/14 these schools will only require a 20% rates allocation. The residual 80% rates relief funding therefore becomes available for reallocation to all schools through the formula in 2013/14.
- 14.7 Since Individual Schools Budgets were set in 2012/13 more RBWM Academies have been created, a number of which receive the 80% rates relief. A total of £205,000 of Academy Rates Relief can now be reallocated through the formula. A proposal is bought later in this report to redistribute this funding amongst schools.

14.8 Resourced Unit Pupil Numbers - From 2013/14 delegated funding for Resourced Unit pupils needs to be excluded from individual schools budgets because of the changed arrangements for funding High Needs pupils. Initial estimates of the numbers of pupils in Resourced Units were based upon the January 2012 School Census. These numbers resulted in a movement in funding (shown in table 5 above) of £257k from the ISB to the High Needs block. The actual numbers of pupils in Resource Units on the October Census is some 10 less than on the January 2012 school census. This requires a reduction in the movement of funding from the ISB to the Schools Block of £0.042m

15 6th Day Exclusion Funding Add Back £27,567

15.1 Table 5 above identified that one of the changes approved by Schools Forum at its October and December 2012 meetings was to reduce the Secondary ISB by £27,567 of Sixth Day Exclusion funding. In 2012/13 this funding was allocated to Secondary schools using a count of the number of pupils in ACORN bands 4 and 5. It is now recognised that this was an incorrect proposal and that this funding should remain delegated to schools rather than transfer to the Local Authority. Officers have therefore allocated an additional £27,567 through the Secondary IDACI factor by way of an increase at each band of £13.03 per deprived pupil. This increases the per pupil rate for Secondary IDACI as reported on the 31st October EFA proforma from £270.74 to £283.77.

16 ISB movement in summary

16.1 The following table summarises the changes proposed in the paragraphs above and presents a revised ISB total. This total will be further revised as a result of decisions that will be taken in the Growth and Savings paragraphs later in this report.

| Table 8: Movement in ISB before allocation of Growths / Savings / Headroom | |
|--|---------------|
| | £m |
| ISB Total submitted to EFA 31/10/12 (Table 5) | 74.947 |
| Copyright Licenses Adjustment | -0.037 |
| NQT Induction Adjustment | +0.027 |
| Pupil No Growth and DfE Dataset Oct School Census Change (Table 6) | +0.459 |
| Add back SEN reduction arising from Oct 12 census / DfE Dataset (Table 7) | +0.414 |
| Reduce ISB for NNDR relief on New Academy conversions (para 14.6) | -0.205 |
| Correction for delegated funding for Resourced Unit Pupil number count | 0.042 |
| Reallocate 6 th Day Exclusion funding through Secondary IDACI (para 15.1) | 0.028 |
| Revised ISB total BEFORE Growths and Savings Proposals | 75.675 |

17 De-Delegation

17.1 The Schools Forum meeting of 16/10/12 agreed to de-delegate a number of budgets associated with the new delegation of funds. De-delegation enables schools to pool and return delegated funding to the centre so that certain services can be managed centrally, at no additional cost to the schools concerned, in a more targeted and efficient way. The de-delegation only applies to the remaining Local Authority maintained schools i.e. it does not apply to Academies (although Academies may be able to purchase some of these services on a traded basis from the Local Authority if it is able to offer them).

- 17.2 These de-delegated items reduce the total ISB shown in table 8 by £0.431m and the budgets are returned to the Local Authority to manage centrally. Centrally retained budgets have been created using the October 2012 pupil count information and the new dataset. Figures have changed slightly since the December report to reflect the changed arrangements for Copyright Licenses:

| DE-DELEGATED BUDGETS | Primary | Secondary | TOTAL |
|--|-----------------|------------------|-----------------|
| - Contingency o £3 per pupil Pri, KS3 / KS4 BPPE | £25,960 | £12,770 | £38,730 |
| - Licenses and Subscriptions o £5 Primary BPPE o £2.50 KS3 / 4 BPPE | £43,270 | £10,640 | £53,910 |
| - Maternity Cover / Trade Union Duties etc. o £4,600 lump sum o Plus £1 per pupil in Pri and Sec | £201,850 | £41,050 | £242,900 |
| - Behaviour Support o IDACI Pri £34 / Sec £28 | £64,180 | £31,400 | £95,580 |
| TOTAL DE-DELEGATED BUDGETS | £335,260 | £95,860 | £431,120 |

18 Individual Schools Budgets – High Needs establishments – Place Budgets

- 18.1 The ISB will support Place funding for Special Schools, Resource Units and Pupil Referral Units. Place funding for Special Schools and Resource Units will be at £10,000 whilst for PRUs it will be at £8,000. At the December meeting Schools Forum agreed to allocate funds for the High Needs places as shown in the following table. There has been no change to these proposals since the December meeting;

| INDIVIDUAL SCHOOLS BUDGET – HIGH NEEDS | April 2013 Place Numbers | Sep 2013 Place Numbers | Composite Place Number | Funding per place | Total ISB |
|---|---------------------------------|-------------------------------|-------------------------------|--------------------------|-------------------|
| Manor Green Special School | 192 | 205 | 199.6 | £10,000 | £1,995,833 |
| Resource Units | | | | | |
| - Ellington Primary | 16 | 16 | 16.0 | £10,000 | £160,000 |
| - Wessex Primary | 17 | 16 | 16.4 | £10,000 | £164,166 |
| - Altwood | 8 | 3 | 5.1 | £10,000 | £50,833 |
| - Furze Platt | 10 | 12 | 11.2 | £10,000 | £111,666 |
| - Charters | 10 | 10 | 10.0 | £10,000 | £100,000 |
| Subtotal Resource Unit Place Funding | | | | | £586,666 |
| PRU | | | | | |
| Primary | 10 | 10 | 10.0 | £8,000 | £80,000 |
| Secondary | 20 | 20 | 20.0 | £8,000 | £160,000 |
| Subtotal PRU Place Funding | | | | | £240,000 |

- 18.2 Members of forum should note that these figures include a growth allocation of £180,000 base place funding for the increase in the number of funded places at Manor Green Special School from 1st April 2013. This budget increase was

previously identified as a growth item in the December report but has now been moved to the base budget.

19 Other High Needs – Top Up Funding budgets

- 19.1 In order to support the payment of Top-Up funding to SEN providers for RBWM pupils the Local Authority now needs to create a Top-Up funding budget. The funding to pay for this budget already exists within the delegated budgets for Mainstream, Special and Resourced Units and within the centrally held budgets for PRUs. At the December meeting, Schools Forum agreed to allocate funds for Top-Up as shown in the following table. There have only been minor changes to these budgets since the December meeting.

| Table 11: Proposed LA retained High Needs Top Up funding for RBWM pupils | |
|---|-------------------|
| RBWM High Needs Pupils in RBWM schools | £1,182,090 |
| RBWM High Needs pupils in Other Local Authority Mainstream | £195,560 |
| Other High Needs Top Up Funding | £47,730 |
| | |
| Resourced Units Top UP Funding (adjusted from December report to reflect additional funding allocated to ISB for change in Resourced Unit Pupil count – see paragraph 14.8 above) | £176,900 |
| | |
| Special School Top Up Funding (RBWM Pupils in Manor Green) | £1,435,700 |
| Special School Top Ups (RBWM pupils in OLA provision) | £884,210 |
| Exceptional Need Top Up Funding | £418,000 |
| | |
| PRU Top Up Funding | £559,100 |
| | |
| Special School elements of the following budgets which have been delegated to mainstream schools; Maternity Cover and Union Representation, Licenses, Behaviour Support | £8,700 |
| | |
| TOTAL SEN TOP-UP FUNDING RETAINED | £4,907,990 |

20 Transfer of Post 16 SEN funding for FE / Sixth Form Colleges and Independent Service Providers to DSG (£154k)

- 20.1 Members of the Forum will recall that in 2013/14 the DSG is being uplifted to reflect the transfer of responsibility for 16-25 SEN funding for FE / Sixth Form colleges and Independent Service providers. At the time of the last meeting it was anticipated that RBWM will see a DSG increase of some £574,000. This calculation was incorrect. The provisional increase that will be allocated to the DSG (above the existing transfer of SEN block grant) is £154,340. It is anticipated that there will be a further DSG adjustment as Post 16 SEN numbers and commissioning agreements are finalised with the EFA.
- 20.2 This funding will be allocated in full to support Top-Up Funding for pupils between 16 and 25 with High Needs in Post 16 establishments. Further work is being undertaken to assess the incidence of High needs in this population and the level of required

resource commitment. Further information will be brought to the March meeting of Forum.

21 Top Up Funding for Independent Non Maintained Special School Providers of SEN (£5.366m)

- 21.1 In 2012/13 RBWM budgeted to spend £5.926m on providing places for pupils with High Needs SEN in Independent Special Schools, of this £100k was funded from Healthy Authority income (net £5.826m). The DfE have proposed that the base £10k funding for Non-Maintained Special School providers (but not independent special schools) will be paid directly to these providers by the EFA and that commissioning Local Authorities would only contribute the top up funding as they do for their own providers. This will result in a baseline DSG transfer of £460,000 (relating to 46 places) although at the time of writing this report this baseline adjustment to the DSG allocation has yet to be confirmed. It is proposed that an equal reduction be made to the Out of Borough special school budget to reflect the transfer, which in turn should result in an equal reduction in the level of cost expected to be paid for by the Local Authority). The net residual budget for Top Up funding in Independent and Non-maintained Special schools is therefore £5.366m.
- 21.2 On 16th January the DfE also notified Local Authorities of a further baseline adjustment (not yet quantified) that will uplift the DSG for Non-Maintained Special schools top-up). This additional funding reflects a transfer of funding currently held by the DfE for Standards Fund and Schools Standards Grant in Non-Maintained Special Schools. Once the amount is known it is proposed to allocate this funding directly to the Out of Borough Placements budget in anticipation of an increase in the amount of top-up that will be charged for pupils in Non-Maintained Special schools.

22 Other SEN Support Services and Services supporting Inclusion

- 22.1 The Local Authority is permitted to retain a number of High Needs SEN Support Services and services in support of Inclusion, based upon the Section 251 budget statement for 2012/13. Table 12 identifies these 2013-14 service budgets prior to any growth and savings proposals discussed at section 25. These budgets were discussed and agreed at the December Schools Forum. Since that time there has been little change to this proposal

| Table 12: SEN Support Services and Services Supporting Inclusion | |
|---|-----------------|
| SEN Support Services | |
| Specialist Autism Mainstream Service | £182,500 |
| Sensory Consortium Joint Arrangement (RBWM contribution) | £315,790 |
| Exceptional Needs Outreach Service (managed by Manor Green) (EJ53) | £76,220 |
| Subtotal SEN Support Services | £574,510 |
| Services Supporting Inclusion | |
| Cognition and Learning (EC23) | £314,080 |
| Virtual School | £45,680 |
| Other Services Supporting Inclusion | £38,490 |
| Literacy / Numeracy Central Co-ordination | £22,000 |
| Berkshire Adolescent Unit | £69,400 |

| | |
|---|-------------------|
| Behaviour Support Partnership | £61,800 |
| Permanently Excluded Pupils and Non Census Pupils | £16,340 |
| Pre-School Counselling Service (shown as Early Years in December) | £156,820 |
| Subtotal Services Supporting Inclusion | £724,910 |
| | |
| TOTAL SEN SUPPORT SERVICES AND INCLUSION RETAINED | £1,299,420 |

23 Early Years (including transfer of EIG for 2 year olds)

23.1 Schools Forum considered Early Years budgets as part of their December meeting. These budgets support

- Funding for 3 and 4 year olds through the Early Years Single Funding Formula (in Nursery Schools, PVIs and Maintained Nursery Classes)
- New expenditure to reflect the national requirement to provide free entitlement for 2 year olds.
- Central held funding in support of Early Years support

Early Years Single Funding formula for 3 and 4 year olds

23.2 The provisional 2013/14 Early Years Single Funding Formula budgets are as follows and have been based upon the existing 2012/13 expenditure levels.

| | |
|---|-------------------|
| Maintained Nursery Schools | £980,522 |
| Nursery Classes in Maintained Schools | £1,257,964 |
| Private, Voluntary and Independent providers of Nursery Education | £4,162,661 |
| Subtotal Free Education for 3 & 4 year olds | £6,401,147 |

23.3 Information on the rates and pupil numbers within the Early Years Single Funding Formula for 3 and 4 year olds will not be confirmed until the January 2013 early year's census has been finalised. Further information will be brought to the March Schools Forum.

2 Year Olds

23.4 Members of the Forum will recall that in 2013/14 the DSG is being uplifted to reflect the transfer of Early Intervention Grant for the free entitlement for 2 year old Nursery provision. In November it was identified that the DfE would uplift the DSG by £884,000. This uplift is shown in table 2 above. This increased DSG will in part go to support the following services;

| | |
|---|-----------------|
| Existing budget for direct provision of 2 year old free entitlement | £270,000 |
| Extension of the 2 year old free entitlement | £336,380 |
| Staff Budgets in support of cross borough Early Years provision | £80,000 |
| Subtotal 2 Year Old Free Entitlement | £696,380 |

23.5 Members of Forum will note that the anticipated cost of implementing the 2 year old entitlement in 2013/14 is less than projected increase relating to 2 year old funding in the Borough's Dedicated Schools Grant by £187,400. At this time it is proposed to allocate this funding to Headroom and redistribute it amongst the various DSG

budget headings. In part this is because officers consider that the numbers of pupils taking up of the new free 2 year old entitlement will be less than is provided for in the Borough's DSG settlement.

- 23.6 Further information on the rates payable to providers and numbers of pupils expected to take up the service will be brought to the March schools forum. It will be important to set a rate that will be sustainable in the long term as the free entitlement to two year olds is extended further in September 2014.
- 23.7 Members should be aware that if expenditure pressures arise in future years within the 2 year old sector then it will be necessary to consider how best to reduce other areas of the DSG funded budget in order to support them.

Centrally Held Budgets in support of Early Years

- 23.8 The Early Years block also contains a number of other central budgets relating to Early Years Provision as follows;

| Table 15: Other Centrally Held Early Years Budgets | |
|--|----------------|
| The Early Years elements of the following budgets which have been delegated to mainstream schools; Free School Meals, Maternity Cover and Union Representation, Licenses, Behaviour Support | £22,200 |
| Subtotal Other Centrally Held Early Years Budgets | £22,200 |

24 Historic Commitments and Statutory Services.

Historic Commitments

- 24.1 In the past, some local authorities have agreed with their Schools Forums that the budget for schools can be used for the provision of some central services that would normally be funded from wider local authority funds. Examples include redundancy costs, borrowing for capital expenditure, and contributions to combined services that have an educational benefit. In addition, local authorities have funded capital from revenue in this way – for example the capitalised costs of equal pay arrears or to supplement capital funding.
- 24.2 To recognise that these commitments have been made in good faith on the basis of local decisions, the DfE are permitting the continuation of this funding – not to do so could be destabilising. Expenditure of this kind will only be allowed for existing commitments and to the level budgeted for in 2012-13. No new commitments or additional expenditure will be allowed.

Statutory functions of the local authority

- 24.3 Some services relating to the statutory functions of the local authority have also been met through the budget for schools. These include the co-ordinated admissions scheme, the Carbon Reduction Commitment and the administration of the Schools Forum. Expenditure on these lines will be allowed up to the limit of levels budgeted in 2012-13 but no new commitments will be allowed.
- 24.4 Table 16 sets out the budgets that are currently held for Historic Commitments and Statutory Services. Subject to proposed savings and growth proposals discussed in section 26, the intention is to continue to hold central DSG funding for these services in 2013-14 but to delegate to schools the funding for educational psychology, welfare, and parent partnership in 2014-15. These proposals comply with the

requirement that budgets for these services are set at a level no larger than the level of budgeted expenditure in 2012/13. There has been no significant change to these budgets since they were considered by Forum in December.

| Table 16: Historic Commitments and Statutory Services | |
|--|-----------------|
| HISTORIC COMMITMENTS | |
| Contribution to Combined Budgets | |
| Education Welfare Contribution | £42,000 |
| Education Psychology Contribution | £104,000 |
| Contribution to Parent Partnership | £48,730 |
| Manor Green Respite Unit Contribution | £249,800 |
| Subtotal Contribution to Combined Budgets | £444,530 |
| Capital Expenditure From Revenue – (previously Harnessing IT Technology) | £136,000 |
| TOTAL HISTORIC COMMITMENTS | £580,530 |
| STATUTORY SERVICES | |
| School Admissions (including Fair Access protocol) | £306,020 |
| Servicing of Schools Forums | £51,230 |
| Carbon Reduction Commitments | £100,000 |
| TOTAL STATUTORY SERVICES | £457,250 |

25 Establishment of a Pupil Number Growth Fund.

- 25.1 Members of Schools Forum will recall from the October meeting agreeing to establish a budget to fund pupil growth expansion in Primary schools. This budget was created by topslicing the existing funding of £167,100 in the 2012/13 ISB. This funding was augmented by a further topslice of £72,700 by way of a £7.35 reduction in the 2013/14 Primary Basic Per Pupil Entitlement. These budgets combined create a base budget of £239,800.
- 25.2 Members will recall agreeing to new arrangements for the allocation of this funding to schools. These new arrangements are set out for information at **Annex A** of this report.
- 25.3 Members will note that as part of the Growth proposals outlined below there is a further growth requirement to supplement this budget for the expansion of one further class in 2013/14. The effect of this additional requirement would ensure a total central growth fund of £302k for 2013-14.

26 SUMMARY OF DSG BUDGET BEFORE GROWTH AND SAVINGS

- 26.1 The paragraphs above present the existing package of budgets for 2013/14. They are summarised in the table below

| Table 17: Summary of DSG Budgets | | |
|---|----------------|-------------------------|
| EXPENDITURE | £m | Table / Para Ref |
| <i>Baseline Adjustment</i> | | |
| Hospital Recoupment Budget retained | 0.023 | |
| Hospital DSG Baseline Adjustment | -0.161 | |
| <i>Individual Schools Budgets</i> | | |
| Individual Schools Block Budget at October 12 Pupil Numbers with DfE Dataset | 75.675 | Table 8 |
| ISB De-Delegation | -0.431 | Table 9 |
| Create Central De-Delegation Budgets | 0.431 | Table 9 |
| Copyright Licenses centrally retained | 0.038 | Paragraph 12 |
| <i>High Needs Pupils - Place Funding</i> | | |
| Special School Place Funding (Including Place Number Growth) | 1.996 | Table 10 |
| Resourced Unit Place funding | 0.587 | Table 10 |
| PRU Place Funding | 0.240 | Table 10 |
| <i>High Needs Pupils - Top Up Funding</i> | | |
| Top Ups funding for High Needs Pupils in Mainstream, Special Schools, Resourced Units and Mainstream schools in Other Local Authorities | 4.907 | Table 11 |
| Post 16 SEN Funding for FE and ISP | 0.154 | Paragraph 20 |
| Top Up Funding – Independent Special and Non-Maintained Special Schools | 5.366 | Paragraph 21 |
| SEN Services and Services Supporting Inclusion | 0.575 | Table 12 |
| Services Supporting Inclusion | 0.725 | Table 12 |
| <i>Early Years</i> | | |
| Early Years Single Funding Formula | 6.401 | Table 13 |
| Early Years – 2 Year Old Funding | 0.696 | Table 14 |
| Early Years Other Centrally Held Budgets | 0.022 | Table 15 |
| <i>Local Authority</i> | | |
| Historic Commitments | 0.581 | Table 16 |
| Statutory Services | 0.457 | Table 16 |
| Pupil Growth | 0.239 | Paragraph 25 |
| Miscellaneous Other Budgets (PRU Property, EMA, EK91, Spare Contingency, etc.) | 0.103 | |
| SUBTOTAL EXPENDITURE | 98.625 | |
| SUPPORTING INCOME | | |
| Dedicated Schools Grant Settlement 2013/14 | -99.01 | Table 2 |
| Dedicated Schools Grant Surplus 2012/13 | -0.317 | Table 4 |
| SUBTOTAL INCOME | -99.327 | |
| UNALLOCATED INCOME / HEADROOM | 0.702 | |

SAVINGS AND GROWTH

27 Savings

27.1 A List of savings was presented to the last Schools Forum meeting. This has now been revised in the light of the final DSG settlement and further discussions about the Local Authority Budget Settlement process.

| Table 18: DSG Budget Savings and Headroom | | | |
|---|------------------------------|-------------------------------|---|
| Area of Budget Saving | December 2012 Forum £ | Updated Saving Total £ | How will saving be achieved |
| Secondary PRU Top Up Funding | -70,000 | -200,000 | Efficiency and restructure savings. Increased savings arise from a more radical proposal for the restructuring of PRU behaviour services |
| School Contingency | -35,000 | -35,000 | Residual Contingency no longer required |
| Early Years Contingency | -40,000 | -40,000 | Residual contingency for Early Years no longer required as DSG funding will be adjusted for actual take-up |
| Central SEN budget for exceptional need (EF25 K70) | -140,000 | -140,000 | Structural Under spend – budget for SEN panel allocations for additional exceptional need funding |
| DSG Contribution to respite provision | -146,000 | -146,000 | Structural Under spends – Costs of provision at MG Respite Unit to be funded from LA budget from Sep 2013. |
| Out borough Independent Special Schools | -326,000 | -326,000 | Structural Under spends based on known placements continuing in 2013-14 and assumption for in-year additional placements. Budget under spent in 2011-12 and 2012-13. |
| Behaviour Support Partnership | -62,000 | -62,000 | Structural Under spends – Partnership no longer exists. Funding available for redistribution. |
| Contribution to IT (previously Harnessing Technology) | -40,000 | -40,000 | Structural Under spends – reduced IT team costs. |
| Additional funding from DSG Surplus | -270,000 | -183,000 | Further funding allocated from DSG 2012/13 Surplus |
| DSG Headroom | -185,000 | -702,000 | Difference between increase in DSG for additional pupils and funding required by ISB allocation, Increase relates to additional DSG arising from increased pupil count not included in December Schools Forum paper |
| TOTAL | -1,314,000 | -1,874,000 | |

28 Growth

28.1 It is proposed to use the savings identified in the paragraph above in the following ways.

| Table 19: Proposals for Growth in DSG budgets | | | |
|---|------------------------------|----------------------------------|---|
| Proposal for Growth | December 2012 Forum £ | Updated Growth Proposal £ | How will growth be spent |
| Pupil Growth Fund | 63,000 | 63,000 | Additional budget for pupil growth (above the existing £239k topsliced from the ISB) to reflect one further class (see paragraph 25 and Annex A) |
| SEN Top Up for delegated Schools SEN Notional Budget | 150,000 | 150,000 | Centrally held contingency for additional funding for schools where the cost of delegated SEN provision exceeds the delegated funding provided. |
| Additional SEN Top-Up Funding to reflect increase in October 2012 Pupil Numbers | 100,000 | 100,000 | Additional top-up funding for Mainstream schools to pay for increased demographic SEN pressures |
| Growth in Special School Place Numbers | 180,000 | 0 | Now Built into the Base |
| Special School Top Up Funding for growth in places | 175,000 | 175,000 | Additional funding to pay for the RBWM Top-Up contribution arising from the additional places planned for Manor Green Special School |
| Special School Top Up Funding to reflect increased needs of RBWM Pupils | 0 | 250,000 | Increase in the number and level of needs of High Needs RBWM pupils placed in the school that might otherwise need to be placed in more expensive Independent / Non Maintained Special schools at potentially higher cost |
| Hospital Education | 138,000 | 161,000 | Funding to offset the reduction in DSG arising from the baseline adjustment for Hospital Education services |
| Special Needs Equipment | 31,000 | 31,000 | Establishment of a budget for SEN equipment that is correctly a DSG funded budget previously paid for from LA funding |
| Inclusion | 70,000 | 70,000 | Expenditure on the management of Inclusion currently charged to LA Budget that should be appropriately charged to DSG |
| Speech and Language Services | 0 | 310,000 | Expenditure on provision of speech & language therapy to statemented pupils currently charged to LA Budget that should be appropriately charged to DSG |
| Family Key Workers, inclusion support, and SEN | 0 | 100,000 | Expenditure on inclusion and SEN, relating to Family Key Worker and Early Years SEN, to ensure access to education services previously charged to LA Budget that should appropriately be charged to DSG. |
| Virtual School | 0 | 10,000 | To support the advocacy of SEN Statementing process of LAC in Other Local Authorities |
| Balance of funding remaining | 406,000 | 454,000 | To be delegated to Individual Schools Budgets |
| TOTAL | 1,314,000 | 1,874,000 | |

29 Growth Proposal - £454k additional Individual Schools Block Budget.

- 29.1 The last growth proposal described above is to allocate a further £454,000 of funds to schools. This will increase the ISB from £75.675m as shown in Table 8 above to £76.129m (before the reduction of £0.431m for de-delegated services)
- 29.2 The minutes of schools forum meeting in October identify the following areas of concern raised by schools during the recent consultation on formula changes. Members agreed to consider these issues if there were any headroom funding within the DSG in 2013/14:
- The ratio between Primary and Secondary BPPE funding
 - The impact on smaller schools from Lump Sum Changes and
 - The impact on Infant and first schools of using FSM ever 6
- 29.3 Officers have considered various ways in which to allocate the additional £454,000 to schools to best support the desires of Schools Forum. The bullet points above indicate a desire to support Primary schools funding. The best way to do this would be to allocate the full amount of Headroom to Primary schools Basic Per Pupil Entitlement. Officer considered this to unfairly disadvantage Secondary schools.
- 29.4 In submitting the EFA proforma on 22nd January Officers have allocated headroom by increasing the Basic Per Pupil entitlement by an equal amount in Primary, KS3 and KS4. This equates to a £25.57 per pupil increase. Because Primary BPPE is less than KS3 and KS4 the proportional increase is greater in primary than secondary and therefore goes some way to support the wishes of the Schools Forum as discussed in the October meeting.
- 29.5 This methodology reduces the number of schools requiring support from the Minimum Funding Guarantee and also as a consequence it reduces the extent of the required top slice to those schools that gain funding from the National funding changes. It is expected that the final top slice of gaining schools will be 2.97% per pupil.
- 29.6 The following table summarises the final unit rates, pupil numbers and total allocation to each formula factor within the ISB. These unit rates include all of the adjustments described in this report.

| Table 20: Final Formula Unit Rates, Pupil Numbers and Total Allocations as submitted to the EFA on 22nd January 2013 | | | | | |
|--|---------------------|-----------------------------|-------------------------------------|---------------------------|-----------------------------|
| Factor | Factor Value | Pupil / School Count | Total Allocation⁴ | Primary Allocation | Secondary Allocation |
| Primary BPPE | £2,819.14 | 10,070 | £28,388,740 | £28,388,740 | |
| KS3 BPPE | £3,910.47 | 4,537 | £17,741,802 | | £17,741,802 |
| KS4 BPPE | £4,576.25 | 3,161 | £14,465,526 | | £14,465,526 |
| Primary FSM Ever 6 | £387.62 | 1,301 | £504,336 | £504,336 | |
| Secondary FSM Ever 6 | £336.33 | 1,231 | £414,183 | | £414,183 |
| Primary IDACI | £242.41 | 2,241 | £543,231 | £543,231 | |
| Secondary IDACI | £283.77 | 2,116 | £600,509 | | £600,509 |
| Primary SEN | £1,773.82 | 1,381 | £2,450,487 | £2,450,487 | |
| Secondary SEN | £3,978.26 | 658 | £2,618,683 | | £2,618,683 |
| Primary EAL | £323.12 | 1,208 | £332,049 | £332,049 | |
| Secondary EAL | £987.92 | 183 | £180,647 | | £180,647 |
| Lump Sum | £120,478 | 58 | £6,987,724 | £5,421,510 | £1,566,214 |
| Rates | | | £902,010 | £391,570 | £510,440 |
| TOTAL | | | £76,129,927 | £38,031,923 | £38,098,004 |

- 29.7 These totals were included in the EFA proforma that was submitted on 22nd January 2013. A separate report on this Agenda sets out the complete EFA Proforma and provides a School by School analysis of this budget distribution. The Local Authority is not allowed to change the unit rates after the 22nd January submission so to all intents and purposes this represents as good an Indicative schools budgets as the authority can present at this time.
- 29.8 The LA will be writing to schools after this meeting with more information on this indicative budget and providing a timetable of when information on the remaining allocations will be provided. Remaining allocations include
- High Needs Top Up Funding (previously NWPU)
 - Resourced Unit Base Funding
 - Pupil Premium Allocations
 - Post 16 EFA funding
 - Funding for pupil growth expansion

30 Impact of Growth and Savings proposals on budgets to be agreed by Schools Forum

- 30.1 The Schools Forum regulations require forum members to decide on specific centrally held budgets funded by DSG. The Local Authority is required to propose these budgets up to a maximum of the value committed in 2012/13. After savings and growths the Local Authority proposes the following budgets.

Schools Forum is now asked to agree the following budget proposals

| Table 21: Budgets for which Schools Forum has a statutory responsibility to decide | | | |
|---|---|------------------|-------------------------|
| Centrally Held Budget | 2012/13 Budget Section 251 Budget Statement | Growth / Saving | Proposed 2013/14 budget |
| Admissions | £306,020 | £0 | £306,020 |
| Schools Forum | £51,230 | £0 | £51,230 |
| Carbon Reduction Commitment | £100,000 | £0 | £100,000 |
| Capital Expenditure from Revenue | £136,000 | -£40,000 | £96,000 |
| Contribution to combined budgets | | | |
| - Education Welfare Contribution | £42,000 | £0 | £42,000 |
| - Education Psychology Contribution | £104,000 | £0 | £104,000 |
| - Contribution to Parent Partnership | £48,730 | £0 | £48,730 |
| - Manor Green Respite Unit Contribution | £249,800 | £-145,800 | £104,000 |
| TOTAL CENTRALLY HELD AND SCHOOLS FORUM APPROVED BUDGETS | £1,037,780 | -£185,800 | £851,980 |

- 30.2 Forum Members will recall the proposal set out at December 2012 Schools Forum to move towards the full delegation of funding held centrally for the contribution to combined budgets in 2014/15
- 30.3 Schools Forum Members are also required to decide on the budgets held centrally to fund Significant Pupil Number Growth as described in paragraph 25 above and Annex A. **RBWM is proposing a budget of £301,940 in 2013/14.**
- 30.4 Finally, Schools Forum Members are required to approve the budgets for Early Years Expenditure. These budgets are set out in the Early Years section of this report

(paragraph 23 above). After the impact of Growths and Savings these budgets are as follows;

| | Budget shown in para 23 | Growth and Savings | Proposed Budgets for 2013/14 |
|--|--------------------------------|---------------------------|-------------------------------------|
|--|--------------------------------|---------------------------|-------------------------------------|

| Table 13: Funding for 3 and 4 Year Olds | | | |
|---|-------------------|-----------|-------------------|
| Maintained Nursery Schools | £980,522 | £0 | £980,522 |
| Nursery Classes in Maintained Schools | £1,257,964 | £0 | £1,257,964 |
| Private, Voluntary and Independent providers of Nursery Education | £4,162,661 | £0 | £4,162,661 |
| Subtotal Free Education for 3 & 4 year olds | £6,401,147 | £0 | £6,401,147 |

| Table 14: Allocation of the Increase in DSG arising for the implementation of the Free Entitlement for 2 Year olds | | | |
|---|-----------|-----------|-----------------|
| Existing budget for direct provision of 2 year old free entitlement | £0 | £0 | £270,000 |
| Extension of the 2 year old free entitlement | £0 | £0 | £376,380 |
| Staff Budgets in support of cross borough Early Years provision | £0 | £0 | £80,000 |
| Subtotal 2 Year Old Free Entitlement | £0 | £0 | £696,380 |

| Table 15: Other Centrally Held Early Years Budgets | | | |
|---|----------------|----------------|----------------|
| The Early Years elements of the following budgets which have been delegated to mainstream schools; Free School Meals, Maternity Cover and Union Representation, Licenses, Behaviour Support | £22,200 | 40,000 | £62,000 |
| Subtotal Other Centrally Held Early Years Budgets | £22,200 | £40,000 | £62,000 |

31 Draft Section 251 Schools Budget Statement 2013/14 and Modelling to Early Years, High Needs and Schools Blocks.

31.1 The DfE has issued a draft template for the Section 251 Schools Budget Statement for 2013/14. Officers have modelled the changes described in this report into this template (**Annex B**). This Annex also shows how the DSG expenditure budgets break down in to the three main funding blocks; High Needs, Early Years and Schools Block, and how this expenditure aligns with the notional apportionment of the blocks by the DfE. Members of forum will be aware the notional DSG blocks are NOT ringfenced.

32 Impact of Academy Schools

32.1 If Members of Forum agree the proposals contained in this paper then there will be a DSG reduction of £22.401m in relation to Academy Schools as shown in the following table. This relates to the delegated funding which academies would receive through the funding formula if they were maintained schools and which now includes all central schools funding, such as contingency funding, funding for behaviour support, and funding for licenses, which previously academies received through their Schools Block LACSEG grant. A separate MFG applies to academies that takes account of the change year on year in their total funding, including their delegated

and Schools block LACSEG funding. The EFA will use the RBWM funding formula, as submitted on 22 January 2013, to calculate academy budgets, and the EFA remains responsible for both calculating academy budgets and notifying them of their final allocations.

| Table 22: Estimated reduction in DSG arising from Academy status | |
|---|--|
| School Name | DSG Reduction = ISB Total Allocation before De-delegation £ |
| Datchet St Marys | 869,705 |
| Lowbrook | 845,031 |
| White Waltham | 727,618 |
| Altwood | 3,412,664 |
| Charters | 5,519,980 |
| Cox Green | 3,811,973 |
| Desborough | 2,532,259 |
| Furze Platt | 4,682,049 |
| TOTAL | £22,401,259 |

NEW ARRANGEMENTS FOR FUNDING PUPIL NUMBER EXPANSION

In the final guidance on the operation of the formula for 2013/14 the DfE set out some guidance on how the LA should manage any funding topsliced from the ISB to fund Pupil Growth as follows:

- Funding for significant pupil growth can be topsliced from delegated budgets and retained centrally before the formula is calculated.
- The growth fund can be used only for the purposes of supporting growth in pre-16 pupil numbers to meet basic need
- The fund must be used on the same basis for the benefit of both maintained schools and recoupment Academies
- Any funds remaining at the end of the financial year must be added to the following year's DSG and reallocated to maintained schools and Academies through the local formula;
- Local authorities will be required to produce criteria on which any growth funding is to be allocated. These should provide a transparent and consistent basis (with differences permitted between phases) for the allocation of all growth funding. The criteria should both set out the circumstances in which payment could be made and provide a basis for calculating the sum to be paid.
- Local authorities will need to propose the criteria to the Schools Forum and gain its agreement before growth funding is allocated. The local authority will also need to consult the Forum on the total sum to be topsliced from each phase and must regularly update it on the use of the funding.

RBWM SPECIFIC QUALIFYING FACTORS

- Schools will be funded for part year growth in pupil numbers where the increase in pupils is part of a planned increase agreed with or requested by the LA.
- Any agreement to take on extra pupils in September would normally be agreed well in advance of the start of the academic year, as part of the admissions planning process (Jan to March).
- Schools admitting above their standard number unilaterally without LA agreement would not normally be eligible for funding.
- Funding allocated through the growth fund would normally be linked to the need to respond to local shortages in places.
- Agreed increases in pupils would normally be limited to the entry year group, not spread across different year groups.
- Funding would continue for as long as there is a need, which could be up to 6 years in a primary or just one year if the increase in pupils is to accommodate a one-off 'bulge' class.
- Funding will not be allocated if the expansion is for less than 10 pupils

FUNDING METHODOLOGY

- Schools qualifying for funding will receive an additional allocation of funding based upon the number of agreed additional places provided multiplied by the relevant phases' Basic Per Pupil Entitlement.
- Funding will be allocated for 7/12ths of the financial year to reflect the part year effect of the Academic year

PROVISIONAL SECTION 251 STATEMENT ANALSED BY FUNDING BLOCKS

| | Description | Budget post Growth and Savings | Early Years Block | High Needs Block | Schools Block |
|--------------|---|--------------------------------------|----------------------|------------------------|--------------------|
| 1 | SCHOOLS BUDGET | | | | |
| 1.0.1 | Individual Schools Budget (before Academy recoupment) | £78,522,481 | | £2,823,667 | £75,698,814 |
| | De-Delegated Items | | | | |
| 1.1.1 | Contingencies | £49,873 | | | £49,873 |
| 1.1.2 | Behaviour support services | £103,323 | | | £103,323 |
| 1.1.7 | Licences/subscriptions | £105,168 | | | £105,168 |
| 1.1.8 | Staff costs supply cover | £242,908 | | | £242,908 |
| | HIGH NEEDS BUDGET | | | | |
| 1.2.1 | Top up funding - maintained providers | £5,390,329 | | £5,390,329 | |
| 1.2.3 | Top up funding - independent providers | £5,039,570 | | £5,039,570 | |
| 1.2.5 | SEN support services | £915,767 | | £915,767 | |
| 1.2.6 | Support for inclusion | £802,638 | | £802,638 | |
| 1.2.8 | Hospital education services | £23,300 | | £23,300 | |
| | EARLY YEARS BUDGET new header | | | | |
| 1.3.1 | Free education on 3 & 4 year olds | £6,401,147 | £6,401,147 | | |
| 1.3.2 | Spending on 2 year olds new | £696,380 | £696,380 | | |
| 1.3.3 | Central expenditure on children under 5 | £62,000 | £62,000 | | |
| | CENTRAL PROVISION WITHIN SCHOOLS BUDGET | | | | |
| 1.4.1 | Contribution to combined budgets | £298,730 | | £298,730 | |
| 1.4.2 | School admissions | £306,020 | | | £306,020 |
| 1.4.3 | Servicing of schools forums | £51,230 | | | £51,230 |
| 1.4.5 | Carbon reduction commitment allowances | £100,000 | | | £100,000 |
| 1.4.6 | Capital expenditure from revenue (CERA) | £96,000 | | | £96,000 |
| 1.4.10 | Pupil growth/ Infant class sizes new | £301,941 | | | £301,941 |
| 1.6.1 | TOTAL SCHOOLS BUDGET (before Academy recoupment) | £99,508,805 | £7,159,527 | £15,294,001 | £77,055,277 |
| | DSG | £99,009,673 | | | |
| | DSG SURPLUS | £500,000 | | | |
| | ROUNDINGS ETC | £(868) | | | |
| | TOTAL FUNDING | £99,508,805 | | | |