

TO: SCHOOLS FORUM
DATE 17 JANUARY 2013

SETTING THE BASELINE FOR THE 2013-14 SCHOOLS BUDGET
(Director of Children, Young People and Learning)

1 PURPOSE OF REPORT

- 1.1 This report sets out the changes being made from April 2013 by the Department for Education (DfE) to the structure of education funding through a re-configuration of the Dedicated Schools Grant (DSG). It is a technical paper that explains the implications and confirms that a new budget baseline needs to be established and that the approved BF Schools Budget needs to be aligned with the new baseline before the 2013-14 budget setting process can commence.

2 RECOMMENDATIONS

- 2.1 **The changes being made to the composition of the DSG, as set out in the supporting information are NOTED;**
- 2.2 **The provisional amounts in each DSG Block for Bracknell Forest, as summarised in Table 3 at paragraph 5.28 are NOTED;**
- 2.3 **The Executive Member is requested to agree:**
- i. **the amount that the adjusted DSG for 2012-13 exceeds the current approved budget by is allocated as set out in paragraph 5.26;**
 - ii. **the consequential budget virements that are summarised in Annex 5.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 **To ensure that the baseline for the 2013-14 Schools Budget properly reflects the new funding framework.**

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 None.

5 SUPPORTING INFORMATION

Introduction

- 5.1 Whilst there are no plans to change the way that LAs are funded for the responsibilities that fall within the Schools Budget before the next spending review (to be implemented from April 2015), the DfE intends to make some changes to the composition of the DSG, including making transfers of funds to follow new responsibilities. These changes are important as they will set the short term funding

base for Education Services and will require some budget adjustments to correctly set the Bracknell Forest baseline for the 2013-14 Schools Budget.

- 5.2 LAs currently receive funding for schools and education through the ring-fenced DSG, the local authority Formula Grant and the Pupil Premium. These elements will continue, subject to the adjustments set out below:
- a) The DSG will be split into three notional blocks (high needs, early years and schools);
 - b) The DSG will be based on an earlier count of pupil numbers; i.e. October rather than January, and,
 - c) There will be a transfer of funding from LAs into the DfE for central education services. The DfE will administer this money as a separate grant, paying relevant amounts on a per pupil basis to authorities and to Academies on a national funding rate.
- 5.3 Until such time as national funding arrangements change, the DfE intends to continue to fund LAs for each pupil on roll through the DSG. For BFC, the uniform amount of per pupil funding for 2012-13 is £4,861.

Reconstructed DSG

- 5.4 From 2013-14 the DSG will be split into three notional blocks – high needs, early years and schools. In 2013-14 these will be calculated based on individual LAs 2012-13 budgets, constrained to the total DSG received in 2012-13. Therefore, in the first instance, each block will be based on previous spending decisions. The blocks will not be ring-fenced but a ring-fence will continue on the DSG as a whole so that it can only be spent on the functions for which it has been allocated. Annex 1 reproduces the relevant DfE text on how the different blocks of the DSG will be calculated for 2013-14.

High Needs Block

- 5.5 The High Needs Block will cover funding for education provision for high needs pupils and students from birth to 25. This is in line with the proposals set out in the Green Paper on SEN and disability. Members of the Forum will recall that High Needs Pupils are defined by the DfE as those requiring more than £10,000 of support each year.

A broad outline of the services falling within the High Needs Block is set out in Annex 2.

- 5.6 The High Needs Block will use as a baseline the 2012-13 budgeted spend on high need pupils and students. This will be determined from the 2012-13 Section 251 Budget Statements – the national expenditure returns that the DfE uses to produce the financial benchmarking tables that are reported to the Forum each year. Additionally, there will be a funding transfer from the Education Funding Agency (formerly the Young People's Learning Agency (YPLA)) in respect of SEN students aged 16-25 in further education providers and independent specialist providers which are currently funded outside the DSG through a specific grant.
- 5.7 This EFA grant for 2012-13 was confirmed at £0.516m, but this was after the BF Schools Budget was set using the 2011-12 amount of grant, which was ultimately £0.026m less than the revised actual grant receipt. This shortfall will need to be funded from the overall DSG income.

- 5.8 The new funding arrangements will also remove the current inter authority SEN recoupment arrangements where LAs charge each other for non-resident SEN pupils attending their special schools where their cost of education exceeds their per pupil DSG funding rate. This is a complex adjustment and requires resetting budgets for each LA to ensure that the resident LA has the £10,000 per place core funding in its base budget to meet the new mandatory payments to specialist providers. Where other LAs are currently paying a recoupment charge, they need to transfer appropriate funds to the home LA. However, it is not a straightforward £10,000 per place adjustment as this too is amended to take account of the core funding rate received by LAs. Therefore it is the net amount that needs to be transferred and this has been confirmed with the DfE as a deduction of £0.197m. A funding reduction was expected, reflecting the Council's position as a net exporter of SEN pupils.
- 5.9 A similar adjustment needs to be made between LAs and the EFA to reflect the £10,000 core per place funding that the EFA will in future make to private, voluntary and independent (PVI) sector Special Schools. The DfE has yet to propose the amount of deduction for this part of the High Needs Block, so it remains outstanding.
- 5.10 Whilst these changes will reduce annual fee payments paid by £10,000, the funding transfers are based on historic placement data, and therefore the full financial implications can not be determined with complete accuracy until placements required in 2013-14 are known. Furthermore, specialist providers will be revising their charges in the light of the new arrangements and this may result in higher or lower payments being required than is funded in the High Needs Block.
- 5.11 For maintained Pupil Referral Units (PRUs), special schools and mainstream schools with designated special units or specially resourced provision, base funding will be "passport" through the home LA at the prescribed £8,000 or £10,000 per place.
- 5.12 Further net nil effect changes are required as adjustments to the originally submitted Section 251 Budget Statement are needed as there are a number of budget allocations that will need to be accounted for differently in the new framework. For example, the budget for the Autistic Spectrum and Social Communication Service managed at Kennel Lane Special School (KLS) will need to be re-classified on the Section 251 Budget Statement as it is currently paid to KLS to provide an outreach service to mainstream schools, but does not directly benefit the pupils at KLS. Therefore the funding needs to move from the Special School line where it currently sits on the Section 251 Budget Statement to the line relating to SEN Support Services as it will need to be delivered in future through a formal commissioned service. Relevant adjustments are summarised at Annex 5, based on the Section 251 Budget Statement format.
- 5.13 The High Needs Block will be adjusted for new places in maintained schools and academies, and this data is currently being checked and reviewed which could result in changes to the level of DSG. There is also the potential for further adjustments on the post-16 SEN funding as the DfE continues to work towards the new arrangements for August 2013, and is not expected to confirm final funding amounts on this element of the DSG until March. However, at this stage provisional figures for these outstanding adjustments indicate a reduction in funding of £0.063m. As set out above, the High Needs Block will be notional – local authorities and Schools Forums will be able to move resources flexibly between the different notional blocks within the DSG, subject to the existing central spend limit. Services within the High Needs Block are experiencing significant cost pressures which can not be managed without additional resources, and this is further discussed on the next agenda item.

- 5.14 The DfE envisage that the creation of the notional High Needs Block will facilitate the more personalised approach to funding proposed in the SEN and disability Green Paper. The Green Paper pathfinders are currently testing what provision could be included in a SEN personal budget, including through the use of direct payments to individuals for education and health provision. Further information about this will be made available by the DfE as the pathfinder programme develops. The reforms of high needs education funding are intended to enable any provision funded from the local authority's notional High Needs Block, above elements 1 (core education funding) and 2 (additional support funding), to be included in a SEN personal budget. This would mean parents and students becoming commissioners of services from schools.

Early Years Block

- 5.15 The Early Years Block will initially cover 3 and 4 year olds receiving the entitlement to 15 hours a week free education and childcare that is paid to providers – maintained schools and private, voluntary and independent sectors – through the Early Years Single Funding Formula (EYSFF). It will also cover the early years contingency, central expenditure on under 5s and high needs pupil funding where this is not included in the High Needs Block. As previously reported to the Forum, the DfE intends to widen the free entitlement to the most deprived 2 year olds, and a funding addition to the 2013-14 Early Years Block of £0.894m has been confirmed by the DfE.
- 5.16 Early Years is currently funded in the DSG from the January count, with top up funding to a minimum of 90% of the relevant population in LAs below this threshold. BFC participation is above 90% so is funded on actual January head count data. The DfE propose to construct funding for the Early Years Block through continuing to use the January count (taking the relevant pupil numbers from the School Census and all pupils on the Early Years Census), but then updating in-year to reflect actual pupil numbers. This adjustment is proposed because early years funding differs from main school funding with providers having to be funded for the pupil numbers that they actually have during the financial year, rather than fixed to the January census as is the case for schools. This is because there are many small providers which need to be paid promptly for increases in numbers of children in order to be able to cope with cash-flow.
- 5.17 This means for 2013-14, the initial notional Early Years Block would be based on each LAs planned early years spending for 2012-13 and on the January 2012 count. This would be updated for the January 2013 count in summer 2013 and the allocations would be adjusted at the end of the financial year using the January 2014 count. This is intended to more accurately reflect the children that LAs have to fund during the financial year and reduces financial risks to the BF Schools Budget as in-year increases in take up will result in additional funding.

- 5.18 The DfE plan to phase out the 90% funding floor for 3 year olds from 2013-14.

Schools Block

- 5.19 The Schools Block will cover funding delegated to primary and secondary schools (not special schools as these are in the High Needs Block), including the new delegations required under the new framework, and a the consequential smaller range of central services which will be drawn from the 2012-13 Section 251 Budget Statements. The notional funding in the Schools Block will be determined from deducting the notional High Needs and Early Years Blocks from each authority's final Dedicated Schools Grant, and is therefore a balancing figure.

A broad outline of the services falling within the Schools Block is set out in Annex 3.

- 5.20 The main change for the notional Schools Block relates to using a different census point for funding purposes. Currently the DSG is not confirmed until three months into the financial year (for example, the 2012-13 DSG allocations were not confirmed until the end of June 2012). This is because DSG allocations are based on pupil numbers from the January School Census. To enable earlier budget setting from 2013-14, the notional Schools Block will be calculated using pupil numbers from the October School Census (so for 2013-14, pupil numbers from the October 2012 School Census). In order to ensure that all schools are funded on the same data point, the change would also apply to the setting of maintained school and Academy budgets.
- 5.21 Using data from the October Census rather than the January Census for the notional Schools Block was expected to allow the DSG to be confirmed in December, subject to DfE decisions on national spending levels. However, the complications with the determination of the High Needs Block means that only the Schools Block and initial Early Years Block amounts have been confirmed. Whilst the DfE believe this will then “enable maintained school and Academy budgets to be notified by 31 March, or earlier”, as shown in the short indicative timetable in Table 1 below, it creates uncertainty over the affordability of High Needs liabilities.

Table 1: DfE indicative timetable for the calculation of 2013-14 school budgets

Date	Action
4 October 2012	School Census Day
31 October 2012	Local authorities submit provisional Schools Budget pro-forma to the Education Funding Agency (EFA).
28 November 2012	School Census database closed.
10 December 2012	EFA confirms DSG allocations for 2013-14 (prior to recoupment of funding for Academies).
22 January 2013	Local authorities submit final data for Schools Budget pro-forma.
February – March 2013	Local authorities confirm budgets for their maintained schools. EFA confirms Academy budgets.

Setting the funding level for each DSG Block

- 5.22 The DfE has undertaken an exercise with LAs to validate the baseline funding to be made available in each DSG Block for 2013-14. This started in August and with the exception of parts of the High Needs Block has now been completed.
- 5.23 As well as reflecting the adjustments set out in the above sections, there also needs to be an adjustment to the starting budget in respect of the future funding of hospital education. In certain circumstances pupils will receive their education in hospital rather than in school, and current arrangements are for the LA where the hospital school resides to charge the resident LA for any pupil placements during the year. These arrangements are to change, whereby in future, full funding for hospital education will be provided to the LA the hospital school resides in which would in future pay for the cost of service and not charge other LAs. A funding transfer is

therefore required to relevant LAs, which the DfE has determined will be on a per capital amount per LA, equivalent to £8.50 per pupil. This equates to £0.128m for BF but with current costs estimated at £0.030m represents a loss of funding of £0.098m. The DfE has justified this approach to funding on the “assumption that over time, demand for hospital services should be roughly even across the country”.

- 5.24 Table 2 below summarises the core funding from the DfE compared to the approved Schools Budget which shows the DfE allocating £0.157m more than in the current base budget. This reflects the fact that the original 2012-13 Schools Budget was set before the DSG level was confirmed in June at £76.487m, £0.387m below the actual amount of DSG. In setting the budget £0.243m was set aside as a contingency for in-year cost pressures. Furthermore, £0.086m was set aside for the LACSEG deduction for the academy school. The remaining £0.058m variance is accounted for by slight differences between DfE census numbers and BFC calculated equivalents. Using the final DSG as the starting point for next year’s budget, rather than that approved by the Forum, also absorbs the £0.230m one-off funding from the 2011-12 under spending which would otherwise have had to be removed from the funding envelop, creating a consequential pressure.

Table 2: Core funding from DfE for 2012-13

Budget Area	Provisional Funding £m
Final DSG for 2012-13	76.487
Total DfE baseline	76.487
Agreed Bracknell Forest Schools Budget:	
Estimated DSG	76.100
Under spend from 2011-12	0.230
Approved base budget	76.330
Amount baseline exceeds approved budget	0.157
Amount baseline exceeds on-going approved budget	0.387

- 5.25 There is one further adjustment being made to the Schools Block DSG and this relates to funding for induction for Newly Qualified Teachers (NQTs). The induction regulations have changed so that teaching schools can act as the ‘appropriate body’ for the induction of newly qualified teachers in maintained schools. Before these changes were made, only local authorities could act as the appropriate body for maintained schools for which a charge for carrying out this role could not be made. The DfE has made a funding transfer between the LA Formula Grant and DSG for this change, which amounts to £0.022m for BFC. This funding must be delegated to schools, with LAs now able to charge where schools commission them to carry out the role.
- 5.26 Table 2 above indicates additional funding of £0.157m, which increases to £0.387m when the £0.230m one-off budget funded from the 2011-12 under spend is excluded, as this amount is not part of the on-going base budget. In addition to this, there is the £0.022m added to meet the cost of NQT induction, and this is proposed to be ring-

fenced for the purpose it has been allocated. The funding increase is therefore recommended to be applied as follows:

- a) £0.230m to make permanent the funding added from 2011-12 balances, initially for one-year only;
- b) £0.128m to finance the hospital education top slice being removed by the DfE from the DSG baseline;
- c) £0.026m to finance the shortfall in the current budget compared to the actual grant receipt to be received from the EFA to support post 16 students with SEN;
- d) £0.022m added to school budgets in respect of NQT induction;
- e) The remaining £0.003m is considered as unallocated funding, the use of which is to be agreed when setting the 2013-14 Schools Budget.

5.27 In respect of item d) above, cost of NQT induction, it is proposed to allocate the funds to primary and secondary phases in proportion to the average number of NQTs recruited over the last 3 years, which is 33.8 and 34 respectively, at a fixed amount per pupil, by phase. The estimated per pupil rate under this proposal would be £1.22 and £1.97 respectively.

5.28 Table 3 below summarises the totals expected in each DSG Block, before the outstanding adjustments in the High Needs Block. Annex 4 maps the detailed budget on the Section 251 Budget statement format to the new DSG Blocks.

Table 3: DSG re-basing to 2013-14 price base

Para ref	Budget Area	Provisional Funding £m	Provisional per pupil funding £
5.24	Final DSG for 2012-13	76.487	4,861
5.25	Add 'appropriate body' role in induction for NQT	0.022	
5.7	Add EFA post 16 SEN grant	0.516	
5.8	Less High Needs Pupils in other LA schools	-0.197	
5.23	Less funding transfer for hospital education	-0.128	
5.9	Deduction for High Needs Pupils in private /voluntary/ independent settings etc.	TBC	
5.13	Less provisional deduction for new places and post-16 high needs pupils	-0.063	
5.15	Addition for free entitlement for 2 year olds	0.894	
	Total provisional funding baseline	77.531	
	Provisional High Needs Block	12.193	N/A
	Provisional Early Years Block – 3 and 4 year olds	4.576	3,928
	– 2 year olds *	0.894	
	Provisional Schools Block – Core amount	59.846	4,187
	– Induction of NQT *	0.022	

* These items are classified by the DfE as adjustments to the DSG base as they have been added for new responsibilities arising from 2013-14 and are not therefore part of the initial published baseline amounts.

- 5.29 The final amounts used in the Early Years and Schools Blocks will be divided by relevant pupil numbers to determine the new per pupil funding rates for 2013-14 which will be multiplied by new pupil numbers to determine the amount of DSG. Therefore, it is important that the funding Blocks are correctly stated.
- 5.30 It can be seen from Table 3 that the per pupil funding rates for Early Years and Schools Block budgets are below the current uniform rate, which means that increases in per pupil numbers, which current trends indicate will continue, will be funded at a lower amount than in the past. The impact on these changes on the High Needs Block will not be known until the DfE confirms how the High Needs Block will be funded. As set out above, services within the High Needs Block are experiencing significant cost pressures which can not be managed without additional resources.
- 5.31 There are a number of consequential budget virements required from these changes to move approved budgets in the council's accounts to the areas that they now need to be held in. These have a net nil effect and the Forum is requested to recommend to the Executive Member that these virements are agreed, as summarised in Annex 5.
- 5.32 As budget decisions are taken, over time, the expectation should be that budgets by each notional DSG Block will not equate to published levels of DSG funding.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The relevant legal issues are addressed within the main body of the report.

Borough Treasurer

- 6.2 The financial implications arising from this report are set out in the supporting information.

Impact Assessment

- 6.3 Not applicable.

Strategic Risk Management Issues

- 6.4 The most significant issues from the DSG re-configuration are expected to be:
1. The separate funding blocks will change the way LAs are funded for changes in pupil numbers, with LAs experiencing significant pupil growth, like BFC, likely to receive smaller increases in funding than under the current DSG allocation.
 2. Paying all specialist providers a core £10,000 per place, either from the home LA or EFA could cloud the charges raised, which may result in an overall cost increase.

7 CONSULTATION

7.1 Not applicable.

Background Papers

None:

Contact for further information

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Arrangements for calculating the baseline of the Dedicated Schools Grant blocks from 2013-14

1. We will use information from 2012-13 Section 251 statements to calculate the baseline for each of the blocks. The notional High Needs and Early Years Blocks will be subtracted from each authority's final Dedicated Schools Grant (DSG), before recoupment of DSG for Academies was deducted, and the balance will be shown as the notional Schools Block. We will give authorities the chance to confirm that these figures are correct before using them in the new system. We will also need a separate data collection to confirm the number of places funded for special educational needs and alternative provision within the notional High Needs Block.
2. As we will be balancing back to final DSG allocations, the blocks will exclude sixth form funding and any additions to the schools budget from local authority resources and previous years' DSG underspends. These adjustments will be applied to the notional Schools Block unless authorities specifically request an adjustment to one of the other blocks.
3. A move to the October Census will mean that we need to use a different baseline for 2012-13. For most authorities there is a difference in numbers between the October and January School Censuses, though for 90% of authorities it is less than 0.5%.
4. To neutralise the impact of this change, we propose to rebase the current Guaranteed Unit of Funding (GUF) i.e. the current £4,861 per pupil paid to BFC. A new 2012-13 GUF will be calculated for each local authority using October 2011 pupil numbers: the final 2012-13 DSG allocation (prior to recoupment of funding for Academies) would be divided by the October 2011 pupil numbers. In local authorities where fewer pupils are counted in October than January, this will create a higher GUF, and vice versa. The October 2012 pupil numbers would then be applied to the reset GUF to determine the DSG allocation (prior to recoupment) for 2013-14.

Note that this would not change the current GUF announced for 2012-13, which will continue to be used to calculate the 2012-13 DSG allocations.

5. Currently local authorities are allowed 15 weeks to complete the January Census, whereas the October Census only allows 8 weeks. This means that pupil numbers can be provided by the first week of December, allowing the Education Funding Agency (EFA) to confirm the DSG before the end of the autumn term. However, schools, local authorities and the Department for Education will have less time to spend on cleaning the data. The main issue resulting from this reduced timetable is un-resolved duplicate pupils, for example where two schools are claiming to be the main registration of a dual registered pupil. Discussions with local authorities about duplicate pupils can be quite lengthy, so the shorter time-scale in the October Census may not give enough time for all the duplicate issues to be resolved. However, we believe that the advantages of earlier budget certainty for schools and Academies make this change worthwhile. We will, of course, work with local authorities and schools to ensure that data issues are resolved as quickly as possible.

DSG Reform: Composition of the High Needs Block

High Needs Block

- Delegated budgets of special schools
- Centrally funded provision for individual pupils
- Special Educational Needs (SEN) support services
- Support for inclusion
- Independent special school fees
- Inter-authority SEN recoupment
- Pupil referral units
- Education out of school
- Delegated allocations relating to individual pupils – Individually Assigned Resources
- Delegated allocations relating to special units and specially resourced provision in mainstream schools
- Post-16 SEN expenditure
- Adjustments will be made for base funding of high needs places in provision not maintained by the authority, but to which it sends pupils.
- Additions will be made for budgeted spend on high needs students aged 16-25 in further education (FE) providers and independent specialist providers held by the Young People's Learning Agency.

DSG Reform: Composition of the Schools Block

Notional Schools Block	
<p>Mandatory delegation: Responsibility of Schools and Academies</p> <p>Staff costs*</p> <p>Premises costs*</p> <p>Learning resources*</p> <p>Supplies and services*</p> <p>Finance*</p> <p>HR*</p> <p>Payroll*</p> <p>ICT support*</p> <p>Legal services*</p> <p>Caretaking and cleaning*</p> <p>Building maintenance*</p> <p>Day to day health and safety compliance*</p> <p>Training and professional development*</p> <p>Governor training*</p> <p>Grounds maintenance*</p> <p>Staff absence cover* (except for limited central retention)</p> <p>Premature retirement costs (unless agreed otherwise by LA)</p> <p>Funding threshold and performance pay**</p> <p>14-16 practical learning options**</p> <p>School meals**</p> <p>Extended services/community facilities (other than joint use)**</p> <p>Admissions authority functions (where a school is its own admissions authority)</p> <p>Securing careers guidance</p> <p>Support for pupils with low cost high incidence SEN below the threshold</p>	<p>Optional delegation or centrally retained for maintained schools, but within academy budgets</p> <p>Support for schools in financial difficulties</p> <p>Allocation of contingencies</p> <p>Free school meals eligibility</p> <p>Insurance</p> <p>Licences/subscriptions</p> <p>Supply cover – long-term sickness, maternity</p> <p>Support for minority ethnic pupils or underachieving groups</p> <p>Support for low cost high incidence SEN</p> <p>Behaviour support services</p> <p>Library and museum services</p> <p>Supply cover for LA-wide trade union and other public duties</p>

Notional Schools Block (continued)

Central Services

Co-ordinated admissions scheme

Servicing of schools forums

Carbon Reduction Commitment

Schools forum approved DSG funding of non-schools budget items:

Contribution to combined budgets

SEN transport

Termination of employment costs

Capital expenditure funded from revenue

Prudential borrowing costs

* - already within delegated budgets

** - currently optional central retention

Re-stated 2012-13 Section 251 budget statement with new DSG Funding Blocks

ELEMENT OF THE SCHOOLS BUDGET	Net £k	Early Years Block £k	High Needs Block £k	Schools Block £k	Total £k	Differ- ence £k
1.0.1 (a) Individual Schools Budget - Primary pre statutory aged	1,284	1,284	0	0	1,284	0
1.0.1 (b) Individual Schools Budget - Primary statutory aged	31,904	0	0	30,942	30,942	-962
1.0.1 (c) Individual Schools Budget - Secondary statutory aged	27,159	0	0	26,176	26,176	-983
1.0.1 (d) Individual Schools Budget - Special schools	3,645	0	3,561	0	3,561	-84
1.0.1 (e) Individual Schools Budget - PVI pre statutory aged	2,768	2,768	0	0	2,768	0
1.0.2 Pupil premium allocated to schools	0	0	0	0	0	0
1.0.3 Pupil premium - managed centrally	0	0	0	0	0	0
1.0.4 Threshold and Performance Pay (Devolved)	0	0	0	0	0	0
1.0.5 Central expenditure on education of children under 5	224	224	0	0	224	0
1.1.1 Support for schools in financial difficulty	304	10	14	280	304	0
1.1.2 Contingencies	304	120	3	392	515	211
1.2.1 Provision for pupils with SEN (including assigned resources)	722	0	1,699	0	1,699	977
1.2.2 SEN support services	1,006	0	1,090	0	1,090	84
1.2.3 Support for inclusion	0	0	0	0	0	0
1.2.4 Fees for pupils with SEN at independent special schools & abroad – original budget reduced by £26k to reflect overstated EFA post 16 SEN grant	3,982	0	3,919	0	3,919	-63
1.2.5 SEN transport	0	0	0	0	0	0
1.2.6 Fees to independent schools for pupils without SEN	30	0	0	30	30	0
1.2.7 Inter authority recoupment	966	0	769	0	769	-197
1.2.8 Contribution to combined budgets	563	157	0	406	563	0
1.3.1 Pupil Referral Units	782	0	782	0	782	0
1.3.2 Behaviour Support Services	496	0	1	495	496	0
1.3.3 Education out of school	289	0	289	0	289	0
1.3.4 14-16 More practical learning options	220	0	20	200	220	0

Unrestricted

ELEMENT OF THE SCHOOLS BUDGET	Net £k	Early Years Block £k	High Needs Block £k	Schools Block £k	Total £k	Differ- ence £k
1.4.1 Support to underperforming ethnic minority groups and bilingual learners	128	0	1	127	128	0
1.5.1 School meals/milk - nursery, primary and special schools	11	11	0	0	11	0
1.5.2 Free school meals eligibility	0	0	0	0	0	0
1.5.3 School kitchens repair and maintenance	0	0	0	0	0	0
1.6.1 Insurance	0	0	0	0	0	0
1.6.2 Museum and Library Services	0	0	0	0	0	0
1.6.3 School admissions	176	0	0	176	176	0
1.6.4 Licences/subscriptions	91	0	1	90	91	0
1.6.5 Miscellaneous (not more than 0.1% total of net SB)	40	2	1	37	40	0
1.6.6 Servicing of schools forums	21	0	0	21	21	0
1.6.7 Staff costs supply cover (including long term sickness)	358	0	13	345	358	0
1.6.8 Termination of employment costs	54	0	2	52	54	0
1.6.9 Purchase of carbon reduction commitment allowances	80	0	0	80	80	0
1.7.1 Other Specific Grants	0	0	0	0	0	0
1.8.1 Capital Expenditure from Revenue (CERA) (Schools)	0	0	0	0	0	0
1.8.2 Prudential borrowing costs	0	0	0	0	0	0
Adjustment by DfE for high needs pupils in other LAs at line 1.2.7	-197	0	0	0	0	197
Adjustment by DfE for high needs pupils in non-maintained schools at line 1.2.4	-63	0	0	0	0	-63
Adjustment by DfE for 2 year old education and childcare	892	892	0	0	892	0
Adjustment to EFA post 16 grant at line 1.2.4	26	0	26	0	26	0
Remove EFA funded sixth form budgets at community schools in line 1.0.1 (c)	-4,057	0	0	0	0	4,057
Add academy school budget not in line 1.0.1 (c)	3,297	0	0	0	0	-3,297
Induction of NQT / unallocated as per paragraph 5.26	25	0	0	22	0	-3
1.9.1 TOTAL SCHOOLS BUDGET	77,531	5,470	12,193	59,868	77,531	0

Summary of required budget virements – taken from Annex 4

Service Area NB all figures £k	Autism outreach (1)	State ments over £6k (2)	SEN contingency (3)	Academy school statements below £6k (4)	SEN Resource units to £10k per place (5)	New school contingency (6)	Key Stage 1 contingency (7)	Remove EFA funded 6th forms (8)	Add excluded academy budget (9)	Baseline change for other LA SEN pupils (10)	Difference
1.0.1 (b) Individual Schools Budget - Primary statutory aged		-355	-82		-314	-100	-111				-962
1.0.1 (c) Individual Schools Budget - Secondary statutory aged		-224	-108	158	-52			-4,057	3,300		-983
1.0.1 (d) Individual Schools Budget - Special schools	-84										-84
1.1.2 Contingencies						100	111				211
1.2.1 Provision for pupils with SEN (including assigned resources)		579	190	-158	366						977
1.2.2 SEN support services	84										84
1.2.4 Fees for SEN pupils on non-maintained schools										-63	-63
Adjustment by DfE for high needs pupils in other LAs at line 1.2.4									63		63
1.2.7 Inter authority recoupment										-197	-197
Adjustment by DfE for high needs pupils in other LAs at line 1.2.7									197		197
Remove EFA funded sixth form budgets at community schools in line 1.0.1 (c)								4,057			4,057
Add academy school budget not in line 1.0.1 (c)									-3,300		-3,300
1.9.1 TOTAL SCHOOLS BUDGET	0	0	0	0	0	0	0	0	0	0	0

Notes to explain the changes are shown on the next page.

Notes to the budget virements:

1. The **autism outreach** service is operated by Kennel Lane Special School and delivered to mainstream settings. It is not therefore part of the core provision at KLS and should not be included in the funding provided through the Council, but instead be a contracted services, which the Council pays for and KLS receives income. The funding therefore needs to move from KLS (1.0.1 9d)) to SEN support services (1.2.2).
2. **Statements over £6k** relates to moving funding above the new £6k threshold that is currently allocated to schools in their delegated budget for named pupils to a separate budget that will pay “top up” funding on a named pupil basis where the assessed cost of need exceeds £6k.
3. **The SEN contingency** was agreed at the last meeting of the Schools Forum and is to be established to allocate additional funding to schools that admit a disproportionate number of high incidence, low cost pupils where the normal operation of the Funding Formula does not allocate sufficient funds. The money needs to be moved from mainstream school budget (1.0.1 (b) / (c)) to provision for pupils with SEN (1.2.1).
4. The **academy school statements below £6k** adjustment is required because the Section 251 statement requires this budget to be held as a provision for pupils with SEN (1.2.1) which the Council pays to the academy during the year. In future, funding for these costs will be included in the delegated budget, so the funding needs to be moved accordingly (to 1.0.1 (c)).
5. **SEN Resource Units at £10k per place** requires the relevant funding to be moved from the Individual Schools Budget (lines 1.1.1 (b) / (c)) to provisions for pupils with SEN as under the new framework, these establishments are no longer included within a school’s delegated budget allocation.
6. **New school contingency** relates to additional payments required to new schools to reflect the rapid increase in pupil numbers between the census point used for funding and the actual number on roll at the start of the academic year.
7. **The Key Stage 1 contingency** was agreed at the last meeting of the Schools Forum. It would be used to allocate funds to schools meeting qualifying criteria in relation to additional costs arising from class size legislation. It is being funded from “small” primary schools.
8. **Remove EFA funded 6th forms** is required as the Section 251 statement requires this funding to be included, although it is from a specific grant and not the DSG. The new baseline reflects only DSG funded expenditure so needs to be removed.
9. **Add excluded academy budget** is required as the Section 251 statement requires this funding to be excluded, although it is funded from the DSG, so in establishing the new baseline, it needs to be added on.
10. **Baseline change for other LA SEN pupils** is required as set out above in paragraph 5.8 where the current inter authority SEN recoupment arrangements where LAs charge each other for non-resident SEN pupils attending their special schools where their cost of education exceeds their per pupil DSG funding rate are to cease, with funding adjustments between LAs to reflect the new financial responsibilities.