

TO: SCHOOLS FORUM
DATE: 12 MARCH 2015

**PROPOSALS FOR THE 2015-16 EARLY YEARS AND
HIGH NEEDS BLOCK ELEMENTS OF THE SCHOOLS BUDGET**
Director of Children, Young People and Learning

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek comments from the Schools Forum on proposals from the Council for the 2015-16 Early Years and High Needs Block elements of the Schools Budget. There are also a small number of decisions for the Forum to consider in line with the statutory funding framework.
- 1.2 Recommendations agreed from this report will form the basis of proposals to be presented to the Executive Member for Children, Young People and Learning, who has responsibility for agreeing most aspects of the Schools Budget.

2 RECOMMENDATIONS

That the Forum AGREES:

2.1 That the Executive Member makes the following decisions:

For the Early Years Block funded budgets:

1. That funding rates for the free entitlement to early years education and childcare for 2, 3 and 4 year olds remain unchanged from those paid in the 2014-15 financial year (paragraph 5.14);
2. The total initial budget is set at £5.183m, it incorporates the changes set out in the supporting information, and relevant budgets are therefore updated to those set out in Annex 2.

For the High Needs Block funded budgets:

3. The total initial budget is set at £13.829m, it incorporates the changes set out in the supporting information, and relevant budgets are therefore updated to those set out in Annex 4.

2.2 In its role of statutory decision maker, that there are appropriate arrangements in place for:

1. Early years provision (paragraph 5.15);
2. The education of pupils with SEN (paragraph 5.36), and
3. The use of pupil referral units and the education of children otherwise than at school (paragraph 5.36).

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the 2015-16 Schools Budget is set in accordance with the funding framework, the views of the Schools Forum and the anticipated level of resources.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 A range of options have been presented for consideration as part of the budget setting process.

5 SUPPORTING INFORMATION

Background

- 5.1 The last meeting of the Forum received a budget report that concentrated on the Schools Block element of Dedicated Schools Grant (DSG) which in essence funds delegated school budgets and the small number of services that the Department for Education (DfE) allows LAs to manage centrally on behalf of schools. Members will recall that this highlighted the significant financial difficulties being experienced in setting the 2015-16 Schools Budget and that £2.093m of pressures on the cost of supporting pupils with high needs would have to be funded from Schools Block income.
- 5.2 This report presents proposals on the remaining elements of the Schools Budget; the Early Years Block that funds provisions and support for children up to 5, including those in maintained school nurseries; and the High Needs Block that supports pupils with additional needs above £10,000, which is the national funding threshold set by the DfE. Clearly, setting these elements of the budget will also need to take account of the current financial difficulties.
- 5.3 This two staged approach to setting the budget reflects the different timescales that relevant budget information becomes available, with Early Years Block DSG being partly set on January 2015 census, and the High Needs Block DSG not being confirmed until March 2015, whereas Schools Block DSG funding was announced in late December 2014.
- 5.4 The statutory regulatory framework also requires the Council to consult with the Schools Forum each year relating to the arrangements proposed to be put in place to meet various Schools Budget functions and where relevant, this is also included within the report.

Early Years Block

Provisional estimate of Early Years Block DSG income

- 5.5 The Early Years Block income for the universal entitlement to 15 hours a week free education and childcare for 3 and 4 year olds is calculated in the same way as that for the Schools Block; an amount per child multiplied by headcount numbers. The DfE has confirmed that per child funding rates for each LA will remain unchanged from 2014-15, meaning no allowance for inflation or other pressures. The BF per child Early Years funding rate therefore stays at £3,928.30. Whilst the free

Unrestricted

entitlement is for 15 hours provision per week, the DfE convert this to their standard full time education rate of 25 hours a week for 38 weeks a year. This means the £3,928.30 annual funding rate is equivalent to £4.13 per hour.

- 5.6 The initial DfE allocation of Early Years Block DSG for 2015-16 has been made based on the January 2014 Early Years Census and equates to £4.518m. This will be updated during 2015-16 for January 2015 and January 2016 pupil numbers which means that the final Early Years Block will be based on 5/12ths January 2015 numbers, to cover likely costs between April and August 2015, and 7/12ths January 2016 numbers, to cover likely costs between September 2015 and March 2016.
- 5.7 To ensure that the most accurate and up to date information is used in budget calculations, rather than using the initial DfE funding allocation, it is proposed to use the LAs estimate of actual take up at January 2015. Therefore, the funding allocation for budget purposes is proposed to be based on 1,133 eligible pupils, 17 lower than at January 2014, which will generate £4.451m. As set out above, this will be subject to change once relevant census data becomes available, which is expected to be confirmed by the DfE in June 2015 and June 2016 respectively. If a significant change in income is anticipated, there is likely to be a need for an in-year review of budgets.
- 5.8 The Early Years Block also includes funding for the 40% most deprived 2 year olds who are established from meeting at least 1 of the following criteria:
- Their family gets 1 of the following:
 - Income Support
 - Income-based Jobseeker's allowance
 - Income-related Employment and Support Allowance
 - Support under part VI of the Immigration and Asylum Act 1999
 - The guaranteed element of State Pension Credit
 - Child Tax Credit (provided they're not also entitled to Working Tax Credit and have an annual gross income of no more than £16,190)
 - Working Tax Credit 4 week run on
 - Working Tax Credits and earn £16,190 a year or less
 - they have a current statement of SEN or an Education, Health and Care plan
 - they attract Disability Living Allowance
 - they are looked after by a local authority
 - they have been adopted from care in England or Wales
 - they have left care through special guardianship order, child arrangements order or adoption order.
- 5.9 For 2015-16, there is a change to the way that the DfE calculate LA funding for 2 year olds. Rather than providing two funding elements; one for places, which is expected to be passed on to providers; and the other for trajectory projects which are intended to help develop sufficient high quality local provision and support services during the initial roll out of the new policy for funding disadvantaged 2 year olds, head count data only will be used. This will be calculated by the DfE in exactly the same way as 3 and 4 year olds are funded, as set out above in paragraph 5.6, although a

Unrestricted

different funding rate of £5,215.50 will be used. Again, the DfE base this rate on 25 hours a week take up for 38 weeks a year, which is equivalent to £5.49 per hour.

- 5.10 Based on the 128 eligible 2 year olds taking up the provision at January 2015 remaining unchanged through to January 2016, £0.668m of funding would be received. This compares to £0.964m in the current year when additional resources were included as short term trajectory start-up funding by the DfE to support a successful roll out of the new policy.
- 5.11 For 2015-16, the scope of the Pupil Premium has been extended to cover 3 and 4 year olds that aren't already receiving funding in a maintained school reception class. The DfE will require all LAs to pay providers a universal supplement of £0.53 per hour, equivalent to £302.10 a year for each eligible child who takes up the 570 free hours of entitlement. In the first instance, an allocation of £0.064m will be received which is based on a DfE estimate of eligible numbers. This will be subject to update once actual take-up from the autumn term becomes available, with funding then adjusted up or down in January 2016 to reflect actual numbers. The LA has a duty to pay the supplement for all eligible children, irrespective of the amount of funds allocated by the DfE.
- 5.12 Taking account of the initial DSG funding estimate for 3 and 4 year olds of £4.451m and £0.668m for 2 year olds, together with Pupil Premium income of £0.064m, the initial Early Years Block DSG income is forecast to be £5.183m, and the initial budget is recommended to be set at this level.

Proposed use of Early Years DSG income

- 5.13 There are three main areas that BF use Early Years Block DSG income to fund:
1. The local Early Years Single Funding Formula (EYSFF), which must be used to fund providers delivering the free entitlement of 15 hours a week of childcare and early years education for 3 and 4 year olds. The EYSFF is a sub-Formula to the main BF Funding Formula for Schools. Funds are allocated each term on actual participation levels, on an hourly funding rate basis, consisting of a base rate paid to providers (£3.17 for maintained schools, £3.71 for private, voluntary and independent (PVI) sector providers), supplemented by hourly rates where qualifying criteria is met for High Deprivation (ranging from 0p - 32p) and High Quality (ranging from 0p - 48p). Funding rates are set out in full at Annex 1, with an average provider funding rate of £3.84.
 2. Provision of free childcare and early education for eligible 2 year olds (see paragraph 5.8 above for relevant criteria). To replicate the way LAs are now funded for 2 year olds, providers can no longer be funded on the basis of planned places – it must be actual participation levels. So in a similar way to 3 and 4 year olds, funds will have to be allocated each term on actual participation levels, at the previously agreed universal funding rate of £5.10. The one exception to this being additional supplements paid for children with Special Educational Needs (SEN) at an additional rate of £7.20 and a second, higher additional hourly rate of £9.00 for those with severe or complex needs.
 3. Central support services for 2, 3 and 4 year olds. Subject to agreement of the local Schools Forum, LAs are permitted to retain funds centrally to support early years providers. The current year budget includes agreement

Unrestricted

from the BF Forum to centrally retain funds for a contingency, designed to meet in-year cost increases from rising participation rates, SEN etc, a multi-professional assessment centre, specialist SEN support, the cost of providing free milk to children and supporting the development of provisions for 2 year olds through funding outreach support, delivery of sufficient places, workforce development, publicity and marketing expenses.

5.14 Taking account of the significant financial difficulties being experienced by the council and the cash flat funding settlement from the DfE, all funding rates as set out above in paragraph 5.13 are proposed to continue into 2015-16 unchanged, including retaining base funding rates and supplements at 2014-15 levels. However, some changes to budget amounts are proposed, and these are set out below:

1. Resetting the 2014-5 base budget to reflect temporary, one-year funding allocations. In setting the 2014-15 base budget, the Forum agreed that:
 - a. £0.259m of unspent 2013-14 Early Years budget should be rolled forward into 2014-15 to assist with the roll out of the new duty relating to provisions for the most disadvantaged 2 year olds. This needs to be removed for 2015-16.
 - b. £0.265m revenue funding used to develop sufficient places for 2 year olds in 2014-15 would be returned to finance payments to providers for 2 year olds in 2015-16. There is no overall effect from this change, but budget provisions need to be moved to the correct areas in the accounts.
2. Updated budget provision for payments to providers to reflect:
 - a. Estimated actual participation rates for 3 and 4 year olds by provider using May 2014, October 2014 and January 2015 data as a proxy for 2015-16, using current funding rates. Note: this is the most up to date data available to forecast the likely budget requirement next year, but payments will be adjusted in-year to reflect actual participation together with revised hourly rates should provider supplement payments for deprivation and quality change. Any differences in payments will be funded through the contingency. This equates to a saving of £0.123m.
 - b. Actual participation rate for 2 year olds by provider, based on January 2015 data only. This reflects the on-going increase in take-up during the year and to use earlier actual termly data would most likely under estimate cost. Again, payments will be adjusted in-year to reflect actual participation and be funded through the contingency. This equates to a saving of £0.148m.
3. The new Early Years Pupil Premium allocations to providers are at this stage assumed to be equivalent to the provisional DfE funding assessment of £0.064m, and a new budget needs to be created accordingly.
4. To reflect the withdrawal of trajectory funding from the DfE for the roll out of funding for 2 year olds together with other changes, the range of central support services have been reviewed and a number of changes are proposed that aggregate to a net saving of £0.091m:
 - a. The LA Budget Proposals for 2015-16 paper presented to the Forum in January set out the intention to remove funding for a 1 FTE post of Early Years Development Supervisor as the role supports childcare providers delivering free early education by

Unrestricted

ensuring high quality early learning experiences for all children and should therefore be charged to the Schools Budget. This post is critical to ensuring early years providers are tracking and monitoring children's early years progress to ensure school readiness and equates to a pressure of £0.035m.

- b. A review of recent calls on the provider contingencies for 2, 3 and 4 year olds has indicated the opportunity to reduce budgetary provision. These contingencies fund in-year increases in take-up and other support to providers e.g. SEN children, providers in financial difficulty and have spent on average £0.071m in the last three years, although this figure is likely to increase as a result of the new entitlement for 2 year olds. It is also proposed to amalgamate these separate amounts into one contingency for 2015-16 of £0.115m. This is considered an appropriate amount, which represents 2.5% of the expected spend on the free entitlement. This equates to a saving of £0.050m.
- c. With the withdrawal of trajectory funding to support the free entitlement for the most disadvantaged 2 year olds, it is proposed to delete 1 of the current 2 Outreach Workers that ensure eligible children are identified and encouraged to take up the free entitlement, and all other support to providers. Retention of 1 Outreach Worker is considered essential at this stage to continue supporting successful placements of eligible 2 year olds. Placing these vulnerable children at an early stage is key to effective school readiness, improved outcomes and narrowing the achievement gap. This equates to a saving of £0.076m.

- 5.15 The Forum is recommended to agree this approach to setting the Early Years Block related budgets to the Executive Member and also confirm that as a consequence, appropriate arrangements are in place for Early Years provisions, which the LA is required to consult with the Forum on each year. Annex 2 identifies the resultant breakdown of the Early Years budget if the proposals in this report are agreed.

The High Needs Block

- 5.16 This section of the report builds on the information provided at the previous meeting of the Forum in relation to the cost pressures being experienced on high needs pupils and the decision that £2.093m of Schools Block DSG funding would be used to finance the cost of supporting pupils with high needs.

Coverage and outline of High Needs Funding

- 5.17 In line with the special educational needs and disabilities (SEND) reforms that were introduced from September 2014, the High Needs Block is intended to fund a continuum of provision for pupils and students with SEN, learning difficulties and disabilities, from their early years to age 25.
- 5.18 The DfE has determined that where the cost of provision is above £10,000 it will be classified as high needs. In such circumstances, a "place-plus" approach to funding will be used which can be applied consistently across all providers that support high needs pupils and students as follows:

Unrestricted

- a. **Element 1, or “core education funding”**: equivalent to the age-weighted pupil unit (AWPU) in mainstream schools, which the DfE has stated the national average is around £4,000.
- b. **Element 2, or “additional support funding”**: a budget for providers to deliver additional support for high needs pupils or students with additional needs of up to £6,000.
Specialist and Alternative Providers (AP), such as special schools and Pupil Referral Units (PRUs) only cater for high needs pupils and therefore receive a minimum £10,000 (Element 1 funding plus Element 2) per agreed place. AP providers were previously funded at £8,000 per place but from September 2015 will move to the same rate as other specialist providers. The change is expected to be cost neutral with the extra place funding being financed from a deduction to the DSG funding LAs receive to make top up payments.
- c. **Element 3, or “top-up funding”**: funding above elements 1 and 2 to meet the total cost of the education provision required by an individual high needs pupil or student, as based on the pupil’s or student’s assessed needs. This element is paid to all provider types, for pupils with assessed needs above the £10,000 threshold.

5.19 Additionally, High Needs Block DSG is also intended to be used where high needs provisions are not arranged in the form of places e.g. specialist support for pupils with sensory impairments, or tuition for pupils not able to attend schools.

Provisional estimate of High Needs Block DSG income

- 5.20 The High Needs Block is the most complex area of DSG funding with the EFA intending to assist LAs and schools with their budget planning by moving to a system that confirms funding levels in December prior to the relevant financial year. This will also result in removing the burden of an annual full high needs place review to set each LAs lagged funding to a system that uses the school census and the individualised learner record maintained for post-16 students.
- 5.21 However, the EFA has determined that the quality and timeliness of the data available from the school census and individualised learner record that colleges complete would not allow for accurate allocations in time for the 2015-16 financial year DSG settlement in December 2014.
- 5.22 As the desired data source is not considered sufficiently robust and accurate, in order to avoid the full high needs place review, the EFA will roll forward the published 2014-15 academic year high needs place numbers as the basis for place funding allocations in the 2015-16 academic year. Therefore, the starting point for High Needs DSG funding in 2015-16 will be the allocation received in 2014-15 adjusted for the full year effect of funded pupil places as these are initially funded on an academic, rather than financial year basis. Provisional information from the EFA indicates that funding of £12.818m will be received, a reduction of £0.033m on the current amount.
- 5.23 As reported at the last meeting of the Forum, the EFA considered exceptional cases where using published 2014-15 academic year places as the basis for the 2015-16 academic year could fail to provide the place funding that institutions need. The following criteria was used to determine bids:

Unrestricted

- The actual number of pupils or students occupying high needs places in 2014-15 academic year is **significantly** higher than the 2015-16 place numbers, either in aggregate at local authority level or for one or more institutions, and this is expected to continue and increase in the 2015-16 academic year;
- There is a **significant** number of new places resulting from infrastructure change (e.g. new school);
- There is a **significant** infrastructure change involving high needs places for the 2015-16 academic year, but not an increase in overall numbers e.g. institution closures, mergers and new institutions; or
- There is a **significant** change to hospital education provision.

Note: specialist post-16 institutions (previously known as independent specialist providers) and non-maintained special school place numbers are determined directly by the EFA and are therefore excluded from the exceptional places process.

5.24 Taking account of the forecast increase in high needs pupils for next year, the Council made a bid for additional places at the new Autistic Spectrum Disorder Unit at Garth Hill College and Bracknell and Wokingham College. The EFA have determined that no additional places will be funded at Garth Hill College as "there is no certainty that the places will be required" but 43 extra places will be funded at Bracknell and Wokingham College.

5.25 These extra places will be funded from September 2015 which equates to £0.251m in 2015-16 financial year. As a Further Education Institution, Bracknell and Wokingham College will be funded directly by the EFA, so this has no overall effect on the BF High Needs Block DSG allocation. However, there will be a saving from not needing to purchase directly the shortfall in places that would otherwise have occurred.

Overall, the EFA have allocated £7.8m for extra places as a result of the exceptions process.

5.26 There is one change from the EFA to the way places are planned which may have a financial impact. Rather than being planned on a residency basis, with each LA bidding for places for their students in relevant institutions in other LAs, this has moved to a system where the LA that the institution is located in bids for places for all LAs. This is expected to result in a change in financial risks in that the home LA will become financially responsible for the purchase of any shortfall in places in an institution in its area, but will no longer need to fund a shortfall of places for their students in institutions located in other LAs. This position has yet to be confirmed between LAs but at this stage it is the expected outcome. This change relates to place funding only at maintained schools and FE Institutions. LAs will remain responsible for funding element 3 top up payments for resident students attending institutions in other LAs and the purchase of additional places in non-maintained specialist providers.

5.27 In terms of the total funding available in the 2015-16 High Needs Block, the EFA has confirmed an increase of £47m which has been distributed to LAs based on the 2 to 19 year old population in each area. BF will receive £0.109m from this allocation, which is in line with the £0.1m assumed on the update on High Needs cost pressures reported to the last Forum meeting.

Unrestricted

- 5.28 On the basis of this information, the EFA has calculated an initial 2015-16 High Needs Block allocation for BF of £12.927m (£12.818m base funding plus £0.109m share of £47m growth money).
- 5.29 There remains one significant outstanding adjustment which is due to be confirmed in March but remained outstanding at the publication deadline for this report. This relates to deductions to be made for high needs places in relevant institutions, including those in resident academies. With the EFA rejecting the exceptional cases bid for extra DSG funded places, and adjusting for the 2015-16 full year effect of the academic year funding of places, the expectation is that the deduction in 2015-16 will be slightly lower than that applied in 2014-15 which suggests a deduction of around £1.208m, £0.054m less than the current year.
- 5.30 As previously reported, the number of places that the EFA will fund in relevant institutions is financed from an equivalent deduction to each individual LAs High Needs Block DSG. So the more places that are funded, the less money remains within the DSG to finance Element 3 top up payments.
- 5.31 Taking account of the assumptions set out above, the High Needs Block DSG is estimated to total £11.719m to which £2.093m of Schools Block DSG needs to be added as a consequence of the earlier decision in respect of use of Schools Block DSG income. There is also the remaining £0.017m balance in the Job Evaluation Reserve that is recommended is drawn down to part finance the £0.023m forecast cost to be incurred by Kennel Lane Special (KLS) School to pay the BF Supplement (equivalent to the Living Wage), making total available funds for High Needs costs of £13.829m, which is the amount that associated budgets need to be set at.

Proposed use of funding

- 5.32 In essence there are no changes proposed in the use of available funding from those reported to the Forum in January. The £2.093m of Schools Block DSG funding will be applied to the SEN specific contingency that is allocated in-year to qualifying BF mainstream schools (0.1m), placement costs for pupils and students attending specialist out of borough providers (£1.656m), a contribution to the SEN Unit Reserve (£0.055m) to fund start-up costs and to finance the 2014-15 reduction in DSG (£0.282m).
- 5.33 The previous report set out the expectation that savings of £0.2m could be made on the range of specialist and targeted support services which would then be added to the places budget, although at that stage precise areas for making the savings had yet to be determined. More work has now been undertaken on this with Annex 3 setting out the proposed budget adjustments.
- 5.34 In terms of profiling the other budget changes detailed above:
- 1 the £0.017m funding from the Job Evaluation Reserve (paragraph 5.31) needs to be added to the budget to pay KLS top-ups which will part fund the cost of the Living Wage;
 - 2 there £0.033m full year effect deduction in DSG for 2014-15 academic year place funding (paragraph 5.22) needs to be adjusted against the budget for specialist providers;

Unrestricted

- 3 the £0.054m addition from a lower DSG deduction for places in 2015-16 (paragraph 5.29) needs to be adjusted against the budget for specialist providers;
- 4 the £0.109m addition for the BF share of £47m growth in the High Needs Block DSG needs to be adjusted against the budget for specialist providers (paragraph 5.27).

These changes aggregate to a net addition of £0.147m and the impact on individual budget lines is shown in the Annex 4 column titled "other changes".

- 5.35 In terms of Pupil Referral Units and the education of children otherwise than at school, no changes are proposed to current arrangements or budget allocations, other than those set out in Annex 3, where the budget changes relate to re-setting amounts to those expected to be required to meet anticipated demand.
- 5.36 The Forum is therefore recommended to agree this approach to setting the High Needs Block related budgets to the Executive Member and also confirm that as a consequence, appropriate arrangements are in place for the education of pupils with SEN and use of pupil referral units and the education of children otherwise than at school. Annex 5 identifies the resultant breakdown of the High Needs Block budget if the proposals in this report are agreed.

Monitoring spend on High Needs pupil

- 5.37 To reflect the significance of the cost increase on supporting High Needs pupils, and the requirement to deliver savings in future years, quarterly progress reports will be produced by the SEN Team for review by the Children, Young People and Learning Departmental Management Team and the Council's overall Corporate Management Team. This will track progress against the actions set out in the SEN cost report presented to the Forum at its last meeting and clearly show the financial impact on the current and future years anticipated spending. It will also report on any other significant matters. These updates will also be presented to the Schools Forum.

Next steps

- 5.38 The views of, and decisions taken by the Schools Forum at this meeting are expected to be adopted by the Executive Member in making final decisions for the 2015-16 Schools Budget.

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. At this stage the amount of High Needs Block DSG has yet to be confirmed. If a funding shortfall does materialise, it will need to be dealt with through the introduction of a programme of in-year savings.

Equalities Impact Assessment

- 6.3 The budget proposals ensure funding is targeted towards vulnerable groups and an EIA is not required.

Strategic Risk Management Issues

- 6.4 The funding reforms, tight financial settlement and the demographic growth pressures present a number of strategic risks, most significantly:
1. Insufficient funding to cover increases in the required number of high needs places.
 2. Price increases by providers.
 3. The ability to absorb an increasing number of high needs pupils.
- 6.5 The additional funding in the Schools Block will be used to mitigate these risks and if costs exceed current estimates, further savings will need to be identified in year across the whole Schools Budget.

7 CONSULTATION

Principal Groups Consulted

- 7.1 None.

Background Papers

Previous budget reports to the Forum

Various DfE guidance notes and letters

Contact for further information

David Watkins, Chief Officer: SR&EI

(01344 354061)

David.Watkins@bracknell-forest.gov.uk

Paul Clark, Head of Departmental Finance

(01344 354054)

paul.clark@bracknell-forest.gov.uk

Doc. Ref

G:\Executive\Schools Forum\71) 120315\2015-16 Schools Budget Preparations - EY and HN Blocks.docx

**Provider funding rates for 3 and 4 year olds
(including eligibility criteria for supplements)**

<u>Funding rates - breakdown of hourly rate</u>	<u>Maintained Schools</u>	<u>PVI providers</u>
Hourly base rate (minimum amount, no eligibility criteria)	£3.17	£3.71
Deprivation Supplement (where eligibility criteria met)		
Band 3 Deprivation ranking within the 10% most deprived settings. Top up at 3 times the basic rate.	£0.32	£0.32
Band 2 Deprivation ranking below the 10% most deprived settings but still within the 35% of most deprived settings. Top up at 2 times the basic rate.	£0.21	£0.21
Band 1 Deprivation ranking below the 35% most deprived settings but still within the 60% of most deprived settings. Top up at basic rate.	£0.11	£0.11
Band 0 Deprivation ranking outside the 60% most deprived settings. No top up.	£0.00	£0.00
Quality Supplement - as measured by workforce qualifications (where eligibility criteria met)		
Band D Qualified Teachers on Upper Pay Scale 2 or higher cost with 75% of staff at level 3 or above.	£0.48	£0.48
Band C Graduate (level 5 or 6) leading the EYFS Practice and 60% of staff at level 3 or above.	£0.27	£0.27
Band B Level 4 or above leading the Early Years Foundation Stage (EYFS) and 35% of staff with a level 3 or above	£0.21	£0.21
Band A Other, lower qualification levels. No top up.	£0.00	£0.00
Maximum hourly rate	£3.97	£4.30
Minimum hourly rate	£3.17	£3.71
Average hourly rate	£3.62	£3.97

From April 2015, a Pupil Premium supplement will be paid at £0.53 per hour to eligible children.

Early Years Block Budgets

Budget Item	2014-15 Budget £	2015-16 Changes £	2015-16 Budget £
Free entitlement to early years education and childcare for 3 and 4 year olds:			
Maintained school nurseries	£1,348,080	£44,370	£1,392,450
PVI provider settings	£2,760,020	-£166,790	£2,593,230
Provider Contingency – for in-year increases in take-up and other support to providers e.g. SEN children, providers in financial difficulty (3%)	£130,550	-£15,550	£1115,000
Multi professional assessment centre – Currently provided through contract with Action for Children, based at Margaret Wells Furby Children’s Centre	£156,850	£0	£156,850
Free milk – net cost of free milk to eligible children.	£11,210	£0	£11,210
Special Educational Needs and other support e.g. Special Educational Needs Co-ordinators.	£147,390	£0	£147,390
Early Years Development Officer funding for 1 fte development officer supporting early years providers in tracking and monitoring children’s early years progress to ensure school readiness.	£0	£35,000	£35,000
Free entitlement to early years education and childcare for 2 year olds:		£	
Payments to providers (including SEN supplements) (1) and (2)			
- Prior year adjustments (1) and (2)		£5,700	
- Estimated change in take-up	£782,200	-£147,740	£640,160
Trajectory funding: Outreach support, delivery of sufficient places, workforce development, publicity and marketing.	£104,000	-£76,000	£28,000
Provider Contingency – for in-year increases in take-up and other support to providers e.g. SEN children, providers in financial difficulty (reduce to 3% from 5%)	£35,000	-£35,000	£0
Development of sufficient places – convert revenue funding to capital (2)	£264,700	-£264,700	£0
Early Years Pupil Premium	£0	£63,710	£63,710
Total Early Years Block Budget	£5,740,000	-£550,570	£5,183,000

(1) £0.259m one-off balance brought forward from 2013-14 removed;

(2) £0.265m revenue funding used to develop sufficient places for 2 year olds in 2014-15 returned to finance payments to providers for 2 year olds in 2015-16.

Savings of £200k proposed against 2013-14⁽¹⁾ High Needs Budgets

Service	Current 2014-15 Budget £	Proposed Change Change £	Provisional 2015-16 budget £	Comment
---------	-----------------------------------	-----------------------------------	---------------------------------------	---------

SEN Provisions and Support Services

Secondary Academies - SEN Units	50,000	-50,000	0	Paid direct to Ranelagh by EFA. DSG adjusted to reflect this.
BF academy Element 3 top up	105,000	-60,000	45,000	
BF schools Element 3 top up	660,000	-22,000	638,000	
Element 3 top up short term interventions	0	15,000	15,000	To prevent exclusions. Generally high cost for short period of time.
BF Primary Resource Units - Element 3 top up	54,050	13,000	67,050	
Non-BF schools Element 3 top up	950,000	-108,000	842,000	
SEN - share of Head Targeted Services	0	32,200	32,200	Previously approved by Forum, 12 September 2013.
Language and Literacy Service	113,610	-11,000	102,610	
Equipment for SEN Pupils	25,070	-5,000	20,070	
Medical support to pupils	16,660	25,000	41,660	
Paediatric Occupational Therapy in schools	51,300	-14,000	37,300	
Sensory Consortium	280,780	-20,600	260,180	
TASS Learning Support	32,830	-11,000	21,830	
SEN Tribunals	5,000	5,000	10,000	
TASS - Other Building Codes	13,000	-13,000	0	

Total SEN Provisions and Support Services	2,357,300	-224,400	2,132,900
--------------------------------------------------	------------------	-----------------	------------------

Education out of School

Home Tuition	220,460	-5,000	215,460	
Outreach work	99,130	-5,000	94,130	
EOTAS - Share of Head of Targeted Services	0	21,400	21,400	Previously approved by Forum, 12 September 2013.
Services from BFC	14,090	13,000	27,090	

Total Education out of School	333,680	24,400	358,080
--------------------------------------	----------------	---------------	----------------

TOTAL	2,690,980	-200,000	2,490,980
--------------	------------------	-----------------	------------------

- (1) Current budget is 2013-14 approved amount. The 2014-15 budget profile was not updated due to the delay in announcing the High Needs Block DSG until after initial budget proposals were made by the Council and the subsequent £0.282m funding cut that prevented budget changes being approved as income was below expected spend and therefore preventing a balance budget.
- (2) Unless otherwise stated, all of the changes have been proposed on the basis that sufficient budget will remain to fund forecast future costs. However, these are demand led services that are subject to fluctuation at short notice.

High Needs Block Budgets

Budget Item	2014-15 base budget	Schools Block Funding Transfer	£200k savings transfer	Other changes (1)	Initial 2015-16 Budget
Element 3 top up payments					
BFC maintained schools and academy	£819,050	£0	£-54,000	£0	£765,050
Non-BFC maintained schools	£950,000	£0	£-108,000	£0	£842,000
Kennel Lane Special School	£1,213,650	£0	£0	£17,000	£1,230,650
Other specialist providers - pre 16	£4,082,670	£-664,250	£200,000	£130,000	£3,748,420
Other specialist providers - post 16	£315,000	£2,320,250	£0	£0	£2,635,250
Specialist places					
Kennel Lane Special School	£1,850,000	£0	£0	£0	£1,850,000
BFC maintained schools	£292,000	£0	£0	£0	£292,000
BFC academy	£50,000	£0	£-50,000	£0	£0
Education out of school					
College Hall Pupil Referral Unit	£711,490	£0	£0	£0	£711,490
Home Tuition	£252,160	£0	£8,000	£0	£260,160
Family Outreach Work	£99,130	£0	£-5,000	£0	£94,130
Other support to high needs pupils					
Teaching and support services	£704,350	£0	£-55,600	£0	£648,750
Sensory Impairment services	£226,470	£0	£0	£0	£226,470
Autism support service	£84,000	£0	£0	£0	£84,000
Traveller education	£75,140	£0	£0	£0	£75,140
Medical support, specialist equip etc.	£146,010	£0	£64,600	£0	£210,610
SEN high needs contingency	£0	£100,000	£0	£0	£100,000
SEN Resource Unit	£0	£55,000	£0	£0	£55,000
2014-15 reduction in DSG	£-282,000	£282,000	£0	£0	£0
Total DSG funded	£11,589,120	£2,093,000	£0	£147,000	£13,829,120
EFA sixth form grant for KLS	£412,170	£0	£0	£0	£412,170
Total gross funding	£12,001,290	£2,093,000	£0	£147,000	£14,241,290

(1) Relates to £0.109m increase in DSG as share of £47m growth, £0.033m reduction due to full year effect of 2014-15 academic year places funding, £0.054m reduction in DSG places deduction, and £0.017m increase from the Job Evaluation Reserve to part fund the cost of the Living Wage at KLS. See paragraph 5.34).