
Meeting: Schools Forum
Date: 20 January 2014
Subject: Use of centrally retained Dedicated Schools Grant (DSG) in 2013/2014
Report of: Edwina Grant, Deputy Chief Executive and Director of Children's Services
Summary: The report outlines how the centrally retained DSG has been used in 2013/14 and recommends use of centrally retained High Needs Block for 2014/2015.

Advising Officer: Edwina Grant, Deputy Chief Executive and Director of Children's Services
Contact Officer: Helen Redding, Assistant Director School Improvement
Public/Exempt: Public
Wards Affected: All
Function of: Council

RECOMMENDATION(S):

The Schools Forum is asked to:

- 1. Note how the centrally retained High Needs Block has been used in 2013/2014 to support high needs provision**
- 2. Give a view on the allocation of High Needs Block for 2014/2105**
- 3. Give a view on the distribution of unspent DSG in 2013/2014**

Introduction

The Council is required by the School Forum Regulations to report on the use of Centrally retained DSG to the Schools Forum. The content of this report provides the detail of this in relation to the High Needs Block. High Needs Block is not ring-fenced.

Budget agreed in 2013/2014 and adjustments made in year following final allocations

	Apr-13	Dec-13
Early Years children with SEN and disability allocation support function	23,970	23,970
Area SENCOs	113,680	113,680
Visual Impairment Service	218,120	218,120
Early Years SEN Funding	169,800	169,800
Therapies	70,000	70,000
Statements	449,900	245,561
Academy statements	2,322,948	2,967,238
High Cost Pupils	199,900	199,900
Out of County Placements	1,689,330	1,689,330
SEN and Additional Pupil Support	219,050	219,050
High needs Post 16	1,761,598	1,761,601
Access and Inclusion	95,660	95,660
Virtual School	160,000	160,000
PRU	397,690	408,942
Commissioned Services	1,417,480	1,417,480
Other Authority Top Up Payment	1,176,288	2,011,360
Special School Union Duties	4,255	4,255
SEN Contingency	275,670	275,670
DSG & ESG Contribution to Central overheads	1,567,280	718,846
Total CE	12,332,619	12,770,463

Services funded by High Needs Block

Early Years Children With Disabilities retained panel and support function (£23,970)

1. The service was commissioned to be run by Ivel Valley and The Chiltern Area Special Schools in 2013, at which point the DSG required to run this service was transferred to them through a contract. The panel process and support function has been retained centrally, and ensures that children are allocated support when required. This element of DSG supports the salary costs of the member of staff who coordinates this process. Salary costs have now increased to £26,011 and so this allocation needs to be increased to reflect this. This could be moved from the Top Up element. Core budget has supplemented the DSG this year.

Advisory Support Teachers retained within the Psychology and Advisory Support Team (£113,680)

2. This supports 2 Area Special Educational Needs Coordinators who support Early Years settings in meeting the needs of children with SEN and Disabilities. This no longer covers the actual staffing costs of the service which have had to be supplemented by core budget, and so this allocation needs to increase this by £7,531 to cover the actual costs in 2014/2015

Visual Impairment Service (£218,120)

3. This budget supports the peripatetic function of the visual impairment service.
4. The visual impairment team consists of 2 teachers, 2 specialist support staff and a specialist resource Technician. They work with pre school and school age children within their local context, advising families, schools and settings, and providing direct support to blind and severely visually impaired children and young people and those with multi sensory impairments and who are multiply disabled with a visual impairment.
5. The service has been successfully commissioned to the Harlington Area Schools Trust (HAST) from January 2014. In 2014 the budget for this contract will therefore become part of the 'Commissioned Services' budget.
6. There continues to be an increase in the number of young children with severe visual impairments who will require specialist support including Braille as they move into and through the school system. Staffing levels have been reviewed with HAST and increased to support this. The contract price has been agreed at £252,576. 3 months of the contract price has been paid from this cost centre to cover the contract for the rest of this financial year. As a consequence of the small delay in transfer, this budget is likely to underspend by £10,000 in 2013/2014.

Other Functions supported by High Needs Block

7. **Support for high needs children in Early years:** £169,800 supports children in settings and nurseries with high needs who do not yet have a statement of SEN but require additional support. This was increased by £19,800 from £150,000 in year to meet increased demand. £121,000 has been spent to date and a further £53,676 is committed for the Spring Term. This would bring it to an overspend of £4,876. Any requests approved at panel during the Spring Term would increase the overspend. It is estimated to overspend by £10,000 by the end of the financial year, should the anticipated requests be approved at Panel. It is suggested that this budget is increased to £190,000 for 2014/2015.
8. **Therapies:** £70,000 is used to support therapies such as Speech and Language Therapy and Occupational Therapy where it has been specified as an assessed need on a Statement of SEN that therapy is required on a more regular basis than can be accessed through Health Services. This is a needs led budget. £48,936 has been allocated to date, but with Spring Term payments and any new referrals it is expected to fully spent by the end of the financial year.
9. **Statements:** £449,900 DSG is used to fund new statements in all schools across the year. This is a needs led budget and is monitored monthly. It is anticipated that this will underspend by £158,900. Any unspent budget will be redistributed to schools in 2014.
10. **Academy statements:** £2,967,238 is used to fund the cost of statements in Academies. £2,094,641 has been allocated to end of November.

11. **High Cost pupils:** £199,900 supports the additional exceptional needs of the most complex pupils in our special schools who have evidenced assessed needs that requires additional support to maintain them in our local special school provision (for example additional Teacher Assistant support for our most challenging pupils). This is a needs led budget. £166,098 has been allocated to date, and it is expected that more pupils will require additional support during the Spring Term.
12. **Pre 16 Out of County Placements:** £1,689,330 is allocated to fund Out of Authority Specialist Placements. Some of these pupils have been placed as we have been unable to meet needs locally, and some are at the direction of the SEN and Disability Tribunal (SENDIST). Health and Social Care services pay a contribution towards some placements. Currently there are 13 pupils who are 16 and under placed out of Authority by education, 2 by Social Care and 1 by Health where DSG funds the education element. 4 of these pupils transferred into post 16 provision in September 2013 and so only the term in which they were in Year 11 is funded from this budget. Of the education led placements, we receive a health contribution to 1 pupil, and a social care contribution to 2 pupils. Post 16 pupils are funded through the Post 16 Cost Centre. While this is currently underspending by £468,387.45, it is offsetting an overspend in the Post 16 high needs budget which is insufficient to meet Post 16 costs. Historically, Pre 16 DSG has supplemented insufficient Post 16 funding for High Needs pupils.
13. **Additional Pupil Support:** £219,050 is allocated to support pupils with additional needs for fixed periods of time. Many of these pupils are undergoing statutory assessment and this budget supports schools in supporting these pupils' needs until the end of this process. A significant number of pupils who require this support are at risk of permanent exclusion, and specialist agencies are always involved. This is a needs led budget. £140,000 is likely to be allocated for existing pupils until the end of this term. Any new requests get approved at Panel weekly and on the basis of historical information I would anticipate a further £15,000 to accommodate this. Additionally this budget funds any educational provision for pupils in Independent Hospital facilities. There is one known pupil identified to require this in the Spring Term at a cost of £20,000. This budget is forecast to underspend by £44,050 this year some of which will offset the overspend in support for high needs children in the early years.
14. **High needs Post 16:** £1,761,601 This function and budget was transferred to Councils in April 2013. This budget funds all provision for pupils who are post 16 and high needs college placements (previously funded through the YPLA). This includes out of authority placements, top ups funding for statemented pupils who are placed in other Local Authorities' schools, high needs college and post school placements, including independent specialist providers. 4 pupils transferred from pre-16 provision so only 2 terms of costs are funded from this budget, and 4 post 16 pupils left school at the end of the summer term and so only 1 term of provision was funded from this budget. There are currently 9 post 16 pupils in out of Authority Independent or Non-Maintained Special Schools. This is forecast to overspend by £296,294 which is offset by an underspend in the Out of County budget. The amount allocated to Post 16 Provision is determined by the Education Funding Agency. Pre 16 DSG has historically supplemented the shortfall.

15. **Access and Inclusion:** £95,660 supports the staffing costs of the management of advice and process for exclusions and elective home education. This will be reduced in 2014/2015 due to the increase in Academy Schools who buy back the exclusions advice aspect of the service, and the fact that the post is now part time. It is forecast to underspend by £18,955 this year, and it will be reduced accordingly in 2014/2015.
16. **Virtual School management and delivery:** £160,000 supports the staffing costs and functions of the Virtual School for Looked After Children. This will need to be increased to £200,000 in April 2014 to take account of the need for a permanent Virtual School Headteacher. All other costs will remain the same.
17. **PRU:** £408,942 supported the running costs of the PRU for excluded pupils until it closed in August 2013. From September 2013 the Council has commissioned a different service for excluded pupils and those at serious risk of exclusion through the Academy of Central Bedfordshire (Alternative Provision Free School)
18. **Commissioned Services:** £1,417,480 supports the costs of commissioned services to schools and other providers. This has included:
 - £145,632 for the peripatetic and management element of the Hearing Impaired Service commissioned through HAST.
 - £270,548 for the Early Years Children with Disabilities Service commissioned through Ivel Valley and Chiltern Area Special Schools.
 - £444,539 for the Medical Needs Service commissioned through HAST.
 - £556,761 for the alternative to the PRU provision being commissioned through the Academy of Central Bedfordshire.

£414,645 funded the Jigsaw Centre Provision and this was paid directly into the school's budget in 2013/2014. This will not be delegated to Hawthorn Park in 2014, but will be held centrally (in the same way as the other contracts) from April 2014.

All High Needs teaching and support services that were previously centrally retained are now commissioned out to school based providers. In line with School Forum Regulations, School Forum is asked to give a view on all commissioned services contracts.

19. This is forecast to overspend by £92,000 due to an error in the calculation for supply cover for the Medical needs Service plus a significant increase in demand due to an increased number of pupils medically signed off from school requiring the service. The additional requirements have been funded outside of the contract price as numbers can fluctuate in either direction. This overspend is offset by an underspend in the Top Up budget, which was the budget that school Forum agreed should hold the balance of High Needs Block. We are currently seeking clarity from the EFA regarding whether this service can be included in the high needs return as Alternative Provision.

20. The increase in caseload for the Medical Needs Service is set out below. Additionally the regulations changed in 2013 requiring teaching hours to be calculated on what a pupil can manage based on medical advice. Previously it had been identified as 5 hours per week, or 6 hours per week for pupils with a statement of SEN. HAST is not able to provide for these requirements within the current contract price, which means that without additional resource the Council is not able to fully deliver its statutory responsibilities for these pupils. It is recommended that the correction is made to the contract price regarding actual supply costs in previous years, while HAST continues to work with the Council to determine more efficient and effective ways of delivering the service in partnership with schools. A cushion of £90,000 is required in the commissioned services budget (moved from the Top Up budget) to cover the actual supply costs while this work is completed.

	Active cases	Year 11 students
Nov-11	40	
Feb-12	45	
Apr-12	49	20
Sep-12	57	
Nov-12	72	
Mar-13	76	
May-13	81*	23
Sep-13	67	

21. There has also been a significant increase in caseload in the Hearing Impaired Service, particularly those pupils who are seen termly and annually, although there has also been a significant decrease in the numbers of pupils seen half termly, which will require an adjustment to the contract price in 2014/2015. Regularity of visits is determined using the nationally approved best practice criteria. All pupils in the specialist provisions continue to receive support on a daily basis. The changes are illustrated in the table below:

	March 2012	December 2013
Weekly	2	2
Fortnightly	3	1
Monthly	0	2
Half-termly	32	11
Termly	17	57
Twice a year	0	10
Annually	8	32
Other	0	4
TOTAL	62	119

The Council is working with HAST to determine the increase in staffing required to meet this demand which will impact on the price of the contract. An allocation of £50,000 will be moved in 2014/2015 from 'Top Ups' to 'Commissioned Services' in preparation for this.

22. **Other Authority Top-Up payments (Pre-16)** £2,011,360 This was a new budget requirement in 2013. This was previously identified as recoupment. This budget is used to fund mainstream statements in other Local Authorities' schools, and the top up element of the statement for pupils placed in other Local Authorities' special schools. At the time of last years report, the figure had not been determined, and it was agreed to use this cost centre to locate any balance. Additional budget was received from the DfE in year, and the central overheads retained by the Council were reduced as a consequence of the increase in commissioned services and therefore central overheads. Each contract has overheads costed within the contract price. Overheads elements within all of the commissioned services currently total £132,055. There will be unspent DSG in this cost centre of £967,478 mainly as a consequence of £848k relating to the calculation of overheads against allowable services, resulting in a reduced level of overhead that can be recovered this way.
23. **SEN Contingency:** £275,670 supports the provisions of Outreach Services from Special Schools and other identified excellent SEN practice
24. **DSG contribution to Central Overheads:** £1,567,280 This was reduced in year by £848,434 to £718,846 to take account of the reduction of centrally retained services and the increase in commissioned services. The balance was moved to the top-up budget, as identified in paragraph 22 above.
25. The difference between the High Needs Block allocation in 2013/2014 and the forecast spend is £1,164,600 (see table in paragraph 27). This should be transferred to the Schools Block and redistributed to maintained schools and academies on a one off basis via the AWPU through the funding formula for 2014/2015.
26. The High Needs Block will be finalised by the DfE in March 2014. This will provide information on the allocation for Post 16 and Pre 16, and will enable the figures proposed for 2014/2015 to be finalised. This will then determine the balance to be allocated to statementing.

Proposals for Centrally retained High Needs Block in 2014/2015

27.	Final DSG 2013/14	Allocated spend to date	Forecast to Year End	Initial 14/15
Early Years children with SEN and disability allocation support function	23,970	23,970	23,970	26,011
Area SENCOs	113,680	113,680	113,680	121,211
Visual Impairment Service	218,120	218,120	208,120	0
Early Years SEN Funding	169,800	174,676	184,676	190,000
Therapies	70,000	48,936	70,000	70,000
Statements	449,900	245,561	291,000	449,900
Academy Statements	2,967,238	2,094,641	2,967,238	2,967,238
High Cost Pupils	199,900	166,098	199,900	199,900
Out of County Placements (Pre 16)	1,689,330	1,220,943	1,320,943	1,689,330
SEN Additional Pupil Support	219,050	160,000	175,000	198,850
High needs Post 16	1,761,601	2,057,895	2,057,895	estimated 1,761,601
Access and Inclusion	95,660	76,705	76,705	76,705
Virtual School	160,000	160,000	160,000	200,000
PRU	408,942	408,943	408,942	0
Commissioned Services (Incl Jigsaw Centre £414,645)	1,832,125	1,509,480	1,924,125	2,255,601
Other Authority Top Up Payment	2,011,360	1,043,882	1,043,882	1,043,882
Union Duties Special Schools	4,255	4,255	4,255	0
SEN Contingency	275,670	275,670	275,670	275,670
DSG Contribution to Central overheads	718,846	718,846	718,846	718,846
Total	13,389,447	10,722,300	12,224,847	12,244,745

28. The High Needs Block settlement for 2014/2015 will not be received from the DfE until March 2014. It will be retained until the following issues have been resolved with the EFA, and any unspent will then be redistributed to school in 2015/2016:

- The resource implications of changes in SEND provision through the implementation of the Children and Families Bill in 2014 is determined.
- The funding mechanism for the the Academy of Central Bedfordshire to be clarified by the EFA.
- Whether Medical Services can continue to be identified as Alternative Provision as they were previously, and so count as £8,000 per place.
- The impact of Post 16 changes are known.
- How the EFA plans to top slice Local Authorities and whether that will impact on the initial settlement.
- How the EFA plans to apply growth in 2014/2015.

29.

Summary Commissioned Services

The table below sets out the centrally retained High Needs Block to be paid to schools for commissioned services through a contract (new and continuing commissions)

	2013/2014	2014/2015	Comment
HAST Hearing Impairment Service peripatetic element	£145,632	£195,632	Proposed increase to take account of the increase in caseload. This will fund increase in staffing levels.
Jigsaw Centre (Hawthorn Park)	£414,645	£414,645	
Early Years Children With Disability - Ivel Valley and The Chiltern	£270,548	£270,548	
HAST Medical Needs Service	£444,539	£467,539 plus £67,000 held centrally outside of the contract to support the actual supply costs submitted with evidence by HAST on a monthly basis while demand is high.	Contract price increased to rectify error with contract information regarding actual supply costs in previous year. Additional capacity required currently outside of the contract as numbers of pupils taught has increased significantly.
HAST Visual Impairment Service	£0	£252,576 plus £6,200 as per comment	Additional capacity agreed outside of the contract for 6 months to support induction of new staff and the short term resource adaptations required due to the change in the braille system. £6,200.
AP Free School	£556,761 for commission part year (part year percentage of place element and top up element for 50 places)	£581,461 top up element for 50 places commissioned by the Council	This is the previous PRU budget with £400,000 top sliced by EFA for £8k x 50 places— this may change and will be confirmed following discussions with EFA about the Place element for the ACB
Total	£1,832,125	£2,255,601	

Summary

All spending using DSG is carefully monitored to ensure it is spent appropriately and in line with the requirements that are set out in the School Funding Regulations. Some elements are needs led and are reviewed monthly. Unspent High Needs Block is now released and redistributed to schools in the following year.