

Public Document Pack

Education Board
(formerly referred to as the Schools Forum)
Date: Tuesday, 4th June, 2019
Time: 8.15 am
Place: Tickfield Centre, Johnson Room
Contact: Robert Harris, Clerk to the Board
Email: committeesection@southend.gov.uk

AGENDA

| Agenda | Item | Lead | Time |
|---------------|---|----------------|-------------|
| 1. | Apologies for absence | Chair | 5mins |
| 2. | Minutes of the meeting held on 26th March 2019 – Minutes attached | Chair | 5mins |
| 3. | Matters arising (not covered elsewhere on the agenda) Item 8(c) Refers – Data-sharing | Chair BM/TD | 5mins |
| 4. | Education Board Membership, Vacancies (including attendance) Papers for discussion (to follow) | RH | 10mins |
| | <u>Schools Forum Matters</u> | | |
| 5. | Dedicated School Grant (DSG) Final Outturn 2018/19 Report attached for decision | PG | 20mins |
| 6. | Dedicated School Grant (DSG) High Need Detailed Budget Allocations 2019/20 Report attached for decision | PG/GB | 20mins |
| 7. | Maintained and Academy School Year End Balances Resources Sub Group feedback (no papers) | RB | 5mins |
| 8. | Public Duties Update Verbal update (no papers) for decision | RB | 10mins |
| 9. | Commissioning and Procurement of Service Level Agreements Verbal update (no papers) for noting | BM | 10mins |

| | | | |
|------------|--|----------------------------------|--------|
| | | | |
| | <u>Education Board Matters</u> | | |
| 10. | Inclusion Report for discussion and awareness (to follow) | BM | 10mins |
| 11. | Written Statement of Action (WSOA) Verbal update for noting (no papers) | BM | 10mins |
| 12. | Schools and other updates (a) Southend Council Update following local elections and appointment of Cabinet, etc Verbal update (no papers) (b) National Announcements and Consultations (Verbal update – no papers) (c) School Updates (verbal – no papers) (d) Children’s Services Inspection (e) Cecil Jones (verbal update – no papers) | RH BM BM BM | 15mins |
| 13. | Report back from Sub Groups (a) VLSG – draft minutes attached (b) RSG – draft minutes attached | SG Chairs | 10mins |
| 14. | Consideration of Annual Plan for Education Board Agenda Paper attached for decision/discussion | ALL | 10mins |
| 15. | Any other business (to be notified to the Chair/Clerk prior to the meeting) | ALL | 10mins |
| 16. | Date and time of future meetings 22 nd October 2019 at 08.15am 17 th December 2019 at 08.15am 21 st January 2020 at 08.15am 17 th March 2020 at 08.15am | RH | 5mins |

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Public Document Pack
SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Education Board

Date: Tuesday, 26th March, 2019

Place: Darwin Room - Tickfield

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- Present:** Mr M Sweeting (Chair)
Mrs N Banister, Mr T Barrett, Dr R Bevan, Ms L Clark, Mr J Glazier,
Dr P Hayman, Mr J Johnson, Mr A McGarel, Ms J Mullan,
Mr S Reynolds and Ms V Wright
- In Attendance:** Councillor H Boyd
Ms C Hickey, Mr P Grout, Mr R Harris, Mr B Martin, Mrs C Braun and
Mr G Bloom.
- Start/End Time:** 8.15 - 10.45 am

1 Apologies for absence

Apologies were received from J. Jones, D. Woollard, L. Yelland, A. Turner and S. Leftley.

2 Minutes of the meeting held on 18th December 2018

Resolved:

The minutes of the meeting held on Tuesday 18th December 2018 were agreed as a correct record.

3 Matters arising

There were no matters arising at this meeting.

4 Dedicated School Grant (DSG) Growth Fund application 2019/20 and Future Years

The Board considered a report from the Senior Finance Officer presenting the proposed and revised funding methodology for the application of growth fund to be awarded to the applicable schools from September 2019 (the start of the 2019/20 academic year).

The Board noted that the change in funding methodology for award of growth funding has been driven by the Department for Education (DfE) DSG future years growth fund announcement in July 2018. Effectively the basis for growth funding allocations awarded to DSG funding allocations from 2019/20 onwards will be part of the National Funding Formulae.

The Board asked a number of questions which were responded to by the Finance Officer.

Resolved:

1. That to remain affordable within Southend's DSG funding allocation, the growth funding awarded to schools from September 2019, will be distributed on the basis of £1,866 per primary place and £2,213 per secondary place for a class size of 30 places, awarding total equivalent funding for a full year of £55,979 per primary class and £66,397 per secondary class.

2. That the delegated power/authority to the Director of Learning and Senior Finance Business Partner (DSG Financial Lead) be approved, that from September 2020, given the volatility in nature of predicting growth funding allocations to future years DSG resources, and therefore to also remain affordable with local DSG allocations, to the local growth rates can be reduced by a maximum 10% from the rates set out in resolution 1 above if required, but also with no upper limit for increased funding to those rates.

3. That it be noted that in relation to both resolutions above, these applied growth funding rates for the following financial year are proposed to be made available in the annual "January DSG Education Board budget setting report" which is then timed with the final DSG school block – mainstream school funding allocations.

5 High Need Block 2019 Detailed Budget Allocation and 2018/19 Outturn

The Board received a verbal update from the Senior Finance Officer and Head of SEND Officer concerning the High Need Block 2019 detailed budget allocation and 2018/19 outturn.

In respect to the High Need Block 2019 and the 2018/19 outturn the officers reported on the reasons for the delay in bringing a report to the Board. The Resources Sub Group will be considering this matter and will bring a report back to the Board in June 2019.

The Board discussed a number of specific issues regarding the capacity and sustainability and emphasised that the level of funding was inadequate to support need/demand, particularly within the special school sector. There were also significant pressures within the independent provider sector. The Board also stressed the need for greater/stronger collaboration with health.

The Director of Learning drew attention to ISOS who have been invited to carry out diagnostic research into high needs costs in the borough.

Resolved:

1. That the verbal update be noted.

2. That a report on the DSG Final Outturn 2018/19 and DSG High Need detailed budget allocations 2019/20 be presented to the Board in June 2019.

6 Public Duties

The Board considered a report from the Director of Learning providing context in respect of the Education Board setting aside de-delegated funding each year to and the option for Academy schools to buy in provide a fund to reimburse all Maintained Schools within the Borough for the cost of allowing staff to have paid absence to undertake Public Duties (i.e. Jury service or sitting as a Magistrate) and Trade Union activities in work time in accordance with the Facilities Agreement for Schools. The report also presented a number of options on the way forward given that the current situation was not sustainable.

The Board asked a number of questions which were responded to by officers. The Board also commented that there was a general lack of understanding amongst Academies concerning the fund for Public Duties activities and what it is for and it would be helpful if the Directors Briefing / SOPHA / SOSHA were provided with a briefing on the subject, including the benefits for both Trade Unions and employers in contributing to the fund.

Resolved:

That the views of SOSHA/SOPHA be sought on the options detailed in the report on the way forward in respect of the Public Duties fund and the outcome be reported back to the next meeting of the Board. In conjunction with this the Vice Chair of the Education Board provides a briefing to SOSHA/SOPHA to clarify the purpose of the Public Duties fund and the associated benefits.

7 Feedback from Operational Review Task and Finish Group (including recommendations)

The Board considered a report of the Clerk presenting the outcomes and recommendations from the Task & Finish Group set-up to review the operational practice of the Board in line with the Education & Skills Funding Agency publication, 'Schools Forum: Operational and Good Practice Guide' and relevant legislation.

The Board noted that in relation to the legislation and good practice the Board was carrying out its functions effectively and appropriate. However, the Board was asked to consider and provide their views on three key areas:

- Direct consultation from the Board with stakeholders on matters of importance;
- Does the Board wish to see MATs represented in any way going forward, and if so, how?
- How do delegates/Board members represent and canvas views of their respective constituencies.

The Board discussed the above matters and suggested that:

- More effective communication with the Chief Executive Officers of MATs (both directly / collectively by the Board and individually as their constituent representatives, particularly in respect of the key decisions taken by the Board;
- Impractical to include the Chief Executive Officers of MATs on the Board – the respective Trusts are represented by their nominated constituent representative;
- Board members actively canvas views on areas of importance;

Resolved:

That the report be noted and nominations be sought to fill the three governor vacancies, as set out in Appendix 2 to the report.

8 School Matters

The Board received an update on a range of school matters, summarised below:

(a) Vulnerable Secondary Schools Support

The Board noted that one-off funding had been approved by the Council to provide some support to the three vulnerable secondary schools. The Director of Learning will be bringing together the relevant Head teachers and CEOs, along with the Regional Schools Commissioner to determine collectively what support is needed and develop a programme of support with clear outcomes.

The Board suggested that the 'feeder' primary schools for the three vulnerable secondary schools should be involved.

(b) Schools Update

The Board noted the following information:

- The YMCA had recently been inspected and had been judged a 'strong good';
- The delay in the formal handover to the new Trust for Cecil Jones school which will now take place on 1st April 2019; The Director of Learning was in regular discussions with the Regional Schools Commissioner and the incoming Headteacher;
- The SEND Written Statement of Action (WSOA) had been submitted and feedback would be received shortly;
- Update on the secondary school expansion provided – Shoebury was currently on hold for 2019/20 and expansion plans at St Bernard's and Eastwood were progressing; In terms of primary schools there has been a lower birth-rate in some area and discussions are taking place with two primary schools about putting in place a lower PAN;

The Board asked a number of questions concerning secondary school expansions which were responded to by officers. The officers also provided a brief explanation of the process regarding the PAN London system and some of the complications for forecasting numbers (i.e. changes happen on a daily/weekly basis).

(c) Data-sharing

The Board noted that not all schools have signed up to and/or have adhered to the data-sharing protocol. There were some technical issues with systems not communicating with each other which were being resolved.

The Board noted that there was statutory information which schools must be sharing but also non-statutory information which helps inform actions around safeguarding. It was stressed that without information from schools it puts children at risk of harm.

Resolved:

That the Chair write to those schools who have not signed-up or are adhering to the data-sharing protocol requesting/urging them to comply with the protocol and share information / data on pupils and setting out that the lack of data-sharing significantly puts children at risk of harm.

9 Report back from Sub Groups

The Board received the minutes of the Sub Groups relating to Resources, Vulnerable Learners and School Performance.

The Board discussed the minutes in general and asked that the minutes included an 'actions dashboard' and for the membership of each sub group to be reviewed.

Resolved:

That the minutes of the various Sub Groups be noted and that the membership of each group be reviewed and reported back to the Board in June 2019.

10 Consideration of Annual Plan for Education Board Agenda

The Board received a verbal update on the development of an Education Board Annual Plan for 2019/20.

Resolved:

That a draft Annual Plan be considered by the Board in June 2019.

11 Any other Business

Exclusions and Independent Review Panel Training

The Board was informed that a one-day training session on exclusions and Independent Review Panels (IRP) has been arranged for 23rd September 2019. The detailed programme for the training was being developed and would be provided by an expert external provider. Further details of the training would be provided to all Headteachers (and those responsible for exclusions, including School Governors) and advertised on the schools network.

Resolved:

That the exclusions and IRP training event on 23rd September 2019 be noted.

12 Date and time of future meetings

The following dates for the 2019/20 year were noted as follows (all to start at 8.15am and will be held at the Tickfield Centre):

4th June 2019
22nd October 2019
17th December 2019
21st January 2020
17th March 2020

Southend-on-Sea Borough Council

Report of Deputy Chief Executive – People
and Strategic Director of Finance and Resources

To
Education Board

On
4th June 2019

Agenda
Item No.

5

Report prepared by:
Paul Grout, Senior Finance Business Partner

Final Outturn for Dedicated Schools Grant 2018/19

1 Purpose of Report

To update the Education Board on the Dedicated Schools Grant (DSG) final outturn for the 2018/19 schools budget, high needs, early years and centrally retained.

2 Recommendations

Education Board (EB) are asked to

- 2.1 Note the final 2018/19 outturn, and agree the subsequent DSG reserve balances for each funding block to be carried forward into 2019/20 (as referenced in 4.15).

3 Background

- 3.1 This report sets out the final outturn (spend position) compared to the 2018/19 DSG budget set for schools, high needs, early years, central and the resultant impact on DSG reserve balances.

4 2018/19 Dedicated Schools Grant Budgets

- 4.1 Appendix 1 provides the detail of the allocated DSG Budget, final outturn and final variance for the schools block, high needs, early years, central and DSG income.
- 4.2 The budget and outturn are presented as gross figures which include allocations which are recouped from the Schools and the High Needs Block by the Department for Education (DfE) in order to pass funding directly onto academies, including high need place funding for free schools and further education colleges. This report summarizes the final spend variances to budget.

Schools Block total - £69,000 overspend, of which:

Schools Block individual school block allocations – (£71,000) underspend

- 4.3 The Schools block contains the £116.221M budgeted for mainstream schools in Southend including Academies. The Budget and final outturn columns show the amount allocated directly to maintained primary and secondary schools and the amount recouped for Academies by the DfE. In line with previous reporting, there is a small variance of a (£71,000) underspend. This reflects the final and reduced in year business rate reduction applied that the DSG is able to retain, where further Schools have converted to an Academy status in 2018/19.

Schools Block centrally retained – £140,000 overspend

- 4.4 School block centrally retained contains both the maintained de-delegated provision, and growth fund. In line and as explained in full in the EB DSG October 2018 report, the £140,000 overspend was not unexpected and is due to the current and required application of growth funding (school funding for new intake classes) to support Southend's growing school age population.
- 4.5 And, as agreed by the EB in the last EB DSG March 2019 report, the growth funding methodology from Sept-19 will now be administered on a revised and longer term funding methodology updated each January as required.

Early Years Block – (£297,000) underspend against the provisional Early Years DSG funding allocation.

- 4.6 Early years block DSG funding for 2018/19 remains provisional until the DfE have revised the final funding allocation based on both the January 2019 and January 2018 early years census. This will be announced by the DfE in July 2019, and the DSG Early years funding will be adjusted in accordance with that announcement. Therefore any in year residual early years under or over spend should be isolated within final DSG reserve balances, this then also provides a funding provision that can be firstly called upon should the final 2018/19 DfE early years DSG allocation seek to reclaim any of the unspent funds.

- 4.7 Of the (£297,000) underspend, (£165,000) is attributable to the direct funding allocations for Early years providers as shown:

| | 2018/19 Provisional funding allocation | | Variance £m (under) / over |
|---------------------------|--|----------------|----------------------------|
| | PTE* | Budget £m | |
| 2 year old | 422 | £1.260m | £0.194m |
| 3 & 4 year old Universal | 2,739 | £6.869m | £(0.386)m |
| 3 & 4 year old Additional | 660 | £1.655m | £0.034m |
| Disability Access Fund | | £0.043m | £(0.019)m |
| Pupil premium | | £0.126m | £0.013m |
| Total | | £9.953m | £(0.165)m |

*PTE (Part Time Equivalent). DfE defined as the number of children taking up 15hours per week over 38 weeks.

- 4.8 Southend's model for the distributing of Early years DSG funds to Early providers is a targeted 100% passport through rate. Therefore as previously explained, any underspend for Early Years providers will be due to a lower average distribution of PTE paid out across the year for the 3 terms, compared to the provisional DSG funding awarded based on the January 2018 and January 2017 census alone. Therefore, as we also await the final 2018/19 DSG funding allocations for Early years, this underspend has to be treated as a one off, and can therefore also assist DSG reserve balances should a subsequent funding year see a higher average of PTE paid out to Early Years providers over the 3 terms/funding periods than funding received in.
- 4.9 The remaining underspend of (£132,000), of the total (£297,000) is on the historical and final year £500,000 transfer of funds from the Schools block to Early Years, which is used to sustain, support and train the high quality of early years provision provided in Southend. As this was the last year of that funding transfer within DSG, the Early Years team have therefore been seeking to minimize this spend where possible in order to carry residual available funds forward through the DSG reserve.

High Needs Block – (£219,000) underspend

- 4.10 The final underspend on the high needs block is a (£219,000) underspend, and this is mainly as a result of the additional national high need funding announced in December 2018 by the DfE, and of which £410,000 was awarded to Southend's high need block funding. Aside from the welcome additional funding announcement, final spend positions are broadly in line with the previous reported EB spend forecasts but also reflect the efficiencies savings the EB has previously agreed and adopted in order to target High Need DSG funding balance.

4.11 The following table summarises the current final spend to budget position.

| | 2018/19 Final Budget | 2018/19 Final Outturn | 2018/19 Final (under) / over |
|--|----------------------------|-----------------------------|------------------------------------|
| Place funding | £7.171m | £7.171m | - |
| Special and PRU provision top up funding | £5.077m | £5.225m | £0.148m |
| EHCP top up provision schools and post-16 | £3.190m | £3.335m | £0.145m |
| Independent Providers | £1.314m | £1.375m | £0.061m |
| Other Provision including SLA's | £1.272m | £1.308m | £0.035m |
| Subtotal – service line allocation | £18.024m | £18.414m | £0.390m |
| Funding allocated to restore depleted DSG High Need reserve balances | £0.200m £0.410m | - | £(0.609)m |
| Final Total | £18.633m | £18.414m | £(0.219)m |

4.12 The final underspend of (£219,000) is a welcome underspend position that will reduce the 2018/19 bought forward high need deficit DSG reserve balance of (£567,000) to now (£348,000), and therefore when also considering the £782,000 additional high need 2019/20 funding compared to the 2018/19 final funding allocation also further alleviates, in part, some of the funding pressure's moving forward when considering the following EB DSG High Need detailed budget allocation report. However, it must also remain minded Southend's High Need block allocation still remains below an uncapped funding formulae, and therefore further evidences the tight constraints that are required on the distribution of High Needs funding.

Central block – (£39,000) underspend

4.13 A small but welcome net underspend of (£39,000) on the Central Block. This one off funding can therefore provide a small level of buffet into 2019/20 to support DSG central block funded services. The (£39,000) is mainly attributable to a small underspend on the Schools Admission team, servicing of the school forum and the DSG combined budget allocation.

DSG funding income – online to budget

- 4.14 The Latest DfE advised allocation for 2018/19 is now (£147.540M) including the additional (£410,000) for High Needs funding, the Early years 2017/18 funding adjustment applicable in 2018/19 of £205,000 (which was also funded from an equivalent drawdown against the DSG Early Years reserve), and the final recoupment contained within for further schools that have converted to an Academy in 2018/19.

Overall Position for the 2018/19 DSG Final Outturn and Reserve balances

- 4.15 The table below summarises the current forecast outturn position for 2018/19 and now DSG reserve balances allocated to each block as at the 31st March 2019.

| Block | Schools £000 | High Needs £000 | Early Years £000 | Central £000 | Total £000 |
|-------------------------------------|-----------------|--------------------|---------------------|-----------------|------------------|
| Expenditure | | | | | |
| Budgeted | 116,921 | 18,634 | 10,452 | 1,738 | 147,745 |
| Outturn | 116,990 | 18,414 | 10,156 | 1,699 | 147,259 |
| Variance | 69 | (219) | (297) | (39) | (486) |
| Income | | | | | |
| Budgeted | (117,421) | (18,634) | (9,748) | (1,738) | (147,540) |
| Outturn | (117,421) | (18,634) | (9,748) | (1,738) | (147,540) |
| Variance | 0 | 0 | 0 | 0 | 0 |
| Reserves surplus / (deficit) | | | | | |
| 1 April 2018 | 0 | (567) | 502 | 0 | (65) |
| 17/18 Early years adj | 0 | 0 | (205) | 0 | (205) |
| 18/19 variance | (69) | 219 | 297 | 39 | 486 |
| Transferred in year | 0 | 0 | 0 | 0 | 0 |
| 31 March 2019 | (69) | (348) | 594 | 39 | 216 |

5 Conclusion

- 5.1 A very welcome closing 2018/19 position for DSG balances now returning a final DSG surplus reserve balance of £216,000 to be rolled forward into 2019/20. We of course must remain minded if it wasn't for the additional £410,000 high need funding announcement in December 2018, we would have still returned an overall deficit as forecast previously. However, this should not divert from the significant work the EB, Resource Sub group, High Need task and finish group and settings involved, to agree and deliver High Need efficiencies savings over the last 3 financial years that have contributed to this now positive DSG reserve position overall and has reduced the reserve deficit balance attributable to High Needs alone.

5.2 Of course, we await any DfE funding adjustment to be applied to the provisional 2018/19 Early years funding which will be announced in July 2019, but very helpful and welcome that there is provision available within the Early Years DSG reserve balance to absorb any required returned funds.

6 Appendices

Appendix 1 - DSG Final Outturn 201819

| | | | A | B | C = A + B | D | E = D - C |
|---|-------------------|---|----------------------|----------------------------|----------------------|----------------------|----------------------------------|
| | | | £ | £ | £ | £ | £ |
| | | | 2018/19 | | | | |
| Block | S251 19/20 Line | Summary Line | Original Budget | In Year Budget adjustments | Final Budget | Final Outturn | Forecast Variance Over / (under) |
| Schools Block - Individual School Block allocations | 1.0.1 | Maintained - Primary | 29,375,114 | (5,453,048) | 23,922,066 | 23,850,997 | (71,069) |
| | 1.0.1 | Maintained - Secondary | 3,079,139 | (2,309,202) | 769,937 | 769,602 | (335) |
| | 1.0.1 | Academy Recoupment - Primary | 30,646,584 | 5,453,048 | 36,099,632 | 36,099,632 | - |
| | 1.0.1 | Academy Recoupment - Secondary | 53,120,878 | 2,309,202 | 55,430,080 | 55,430,080 | - |
| | | Subtotal Individual School Block allocations | 116,221,715 | - | 116,221,715 | 116,150,311 | (71,404) |
| Schools block - Centrally retained | 1.1.7 | De-delegated - Governor subscriptions | 1,015 | - | 1,015 | 1,015 | - |
| | 1.1.8 | De-delegated - Staff costs (Trade Union duties) | 8,070 | - | 8,070 | 8,070 | - |
| | 1.4.10 | Growth Fund *5 | 690,000 | - | 690,000 | 830,806 | 140,806 |
| | | Schools Block Total | 116,920,800 | - | 116,920,800 | 116,990,203 | 69,403 |
| Early Years | 1.0.1 | 2 year old provision | 1,422,015 | (161,685) | 1,260,330 | 1,454,078 | 193,748 |
| | 1.0.1 | 3 and 4 y/o provision - Universal | 6,881,534 | (12,493) | 6,869,041 | 6,482,741 | (386,300) |
| | 1.0.1 | 3 and 4 y/o provision - Additional | 1,924,138 | (269,025) | 1,655,113 | 1,689,376 | 34,263 |
| | 1.0.1 | Disability Access Fund | 42,435 | - | 42,435 | 23,370 | (19,065) |
| | 1.0.1 | Early Years Pupil Premium | 106,450 | 19,217 | 125,667 | 138,301 | 12,634 |
| | 1.3.1 | Central Expenditure on Children under 5 | 500,000 | - | 500,000 | 367,949 | (132,051) |
| | | Early Years Block Total | 10,876,572 | (423,986) | 10,452,586 | 10,155,814 | (296,772) |
| High Needs | 1.0.2 | Place Funding - Special Schools | 120,000 | - | 120,000 | 120,000 | - |
| | 1.0.2 | Place Funding - Special Schools Recouped | 5,180,000 | - | 5,180,000 | 5,180,000 | - |
| | 1.0.2 | Place Funding - PRU Recouped | 810,000 | - | 810,000 | 810,000 | - |
| | 1.0.2 | Place Funding - Special Units | 120,000 | (17,500) | 102,500 | 102,500 | - |
| | 1.0.2 | Place Funding - Special Units Recouped | 198,000 | 17,500 | 215,500 | 215,500 | - |
| | 1.10.2 | Place Funding - Free School Recouped | 430,000 | (250,819) | 179,181 | 179,181 | - |
| | 1.0.2 | Place Funding - CCP and FE Recouped | 564,000 | - | 564,000 | 564,000 | - |
| | | Subtotal Place funding | 7,422,000 | (250,819) | 7,171,181 | 7,171,181 | - |
| | 1.2.2 | Special School - flexible place funding | 80,000 | - | 80,000 | 79,995 | (5) |
| | 1.2.1 / 1.2.2 | Special School Top ups | 4,300,000 | - | 4,300,000 | 4,483,424 | 183,424 |
| | 1.2.1 / 1.2.2 | Special Units Top ups | 225,000 | - | 225,000 | 231,785 | 6,785 |
| | 1.2.2 | PRU Top ups | 300,000 | 110,500 | 410,500 | 368,770 | (41,730) |
| | 1.2.2 | Preventative Pathway AP top ups | 172,000 | (110,500) | 61,500 | 61,497 | (3) |
| | | Subtotal Special School and PRU / AP provision top up funding | 5,077,000 | - | 5,077,000 | 5,225,471 | 148,471 |
| | 1.2.1 / 1.2.2 | EHCP Early years Top ups | 44,000 | - | 44,000 | 90,435 | 46,435 |
| | 1.2.1 / 1.2.2 | EHCP Inborough Mainstream - Primary Top ups | 1,380,000 | - | 1,380,000 | 1,449,735 | 69,735 |
| | 1.2.1 / 1.2.2 | EHCP Inborough Mainstream - Secondary Top ups | 490,000 | - | 490,000 | 468,883 | (21,117) |
| | 1.2.1 / 1.2.2 | EHCP Top ups - out of Borough | 440,000 | 175,500 | 615,500 | 622,110 | 6,610 |
| | 1.2.2 | EHCP Top ups - post 16 providers | 660,000 | - | 660,000 | 703,365 | 43,365 |
| | | EHCP top up provision schools and post-16 | 3,014,000 | 175,500 | 3,189,500 | 3,334,528 | 145,028 |
| | 1.2.3 | EHCP funding - Independent providers | 1,223,520 | 90,319 | 1,313,839 | 1,374,523 | 60,684 |
| | 1.2.4 | HN targeted LCHI funding | 10,000 | - | 10,000 | - | (10,000) |
| | 1.2.6 | Hospital Education provision | 100,000 | (32,000) | 68,000 | 59,580 | (8,420) |
| | 1.2.7 | Individual Tuition service | 153,100 | 32,000 | 185,100 | 185,100 | - |
| | 1.2.5 | SEN Team - DSG Contribution | 422,480 | - | 422,480 | 422,480 | - |
| | 1.2.5 | SEN Support Services | 212,900 | (7,963) | 204,937 | 204,937 | - |
| | 1.2.8 | Behaviour & Reintegration Support (outreach) | 322,000 | (46,667) | 275,333 | 275,333 | - |
| | 1.2.8 | Outreach Harbour Development Centre | 161,000 | - | 161,000 | 161,000 | - |
| | 1.2.5 | Elective Home Education Costs | 8,000 | - | 8,000 | 14 | (7,986) |
| | 1.2.11 | Direct payments | - | - | - | - | - |
| | | 2018/19 High needs SLA savings target | (117,001) | 54,630 | (62,371) | - | 62,371 |
| | | Other High Need funding provision including SLA's | 1,272,479 | - | 1,272,479 | 1,308,444 | 35,965 |
| | | Total High Need Non-Place funding | 10,586,999 | 265,819 | 10,852,818 | 11,242,966 | 390,148 |
| | | 2019/20 Service lines to be allocated | - | - | - | - | - |
| | | High Needs block service lines total | 18,008,999 | 15,000 | 18,023,999 | 18,414,147 | 390,148 |
| | | High Need budget allocation targetted to restore High DSG reserve balances | 200,000 | 409,626 | 609,626 | - | (609,626) |
| | | High Needs Block total | 18,208,999 | 424,626 | 18,633,625 | 18,414,147 | (219,478) |
| Central block | 1.4.1 | Contribution to combined budgets | 941,288 | (4,720) | 936,568 | 923,650 | (12,918) |
| | 1.4.14 | CLA/MPA License | 122,297 | 4,720 | 127,017 | 127,017 | (0) |
| | 1.4.2 | School Admissions | 236,300 | - | 236,300 | 216,816 | (19,484) |
| | 1.4.3 | Servicing of School Forums | 18,700 | - | 18,700 | 12,000 | (6,700) |
| | 1.5.1/1.5.2/1.5.3 | ESG Retained | 419,562 | - | 419,562 | 419,562 | - |
| | | Central Block total | 1,738,147 | - | 1,738,147 | 1,699,045 | (39,102) |
| | | Grand Total | 147,744,518 | 640 | 147,745,158 | 147,259,209 | (485,949) |
| DSG - Funding | | Schools Block - ISB Retained | (32,463,338) | 7,762,250 | (24,701,088) | (24,701,088) | - |
| | | Schools Block - ISB Academy Recoupment | (83,767,462) | (7,762,250) | (91,529,712) | (91,529,712) | - |
| | | Schools Block - ISB subtotal | (116,230,800) | - | (116,230,800) | (116,230,800) | - |
| | | Growth fund *5 | (1,190,000) | - | (1,190,000) | (1,190,000) | - |
| | | Schools Block subtotal | (117,420,800) | - | (117,420,800) | (117,420,800) | - |
| | | Central Block | (1,738,147) | - | (1,738,147) | (1,738,147) | - |
| | | Early Years Block (2 year olds) | (1,422,015) | 161,685 | (1,260,330) | (1,260,330) | - |
| | | Early Years Block (3&4 yr olds - Universal) | (6,881,534) | 12,493 | (6,869,041) | (6,869,041) | - |
| | | Early Years Block (3&4 yr olds - Additional) | (1,924,138) | 269,025 | (1,655,113) | (1,655,113) | - |
| | | Early Years Disability Access Fund | (42,435) | - | (42,435) | (42,435) | - |
| | | Early Years Pupil Premium | (106,450) | (19,217) | (125,667) | (125,667) | - |
| | | Early Years DSG funding adjustment 17/18 | - | - | - | 204,798 | 204,798 |
| | | DSG reserve - Early Years budget draw down | - | 204,798 | 204,798 | - | (204,798) |
| | | Early years subtotal | (10,376,572) | 628,784 | (9,747,788) | (9,747,788) | - |
| | | High Needs Funding Block | (11,026,999) | (657,945) | (11,684,944) | (11,684,944) | - |
| | | High Needs Recoupment | (7,182,000) | 233,319 | (6,948,681) | (6,948,681) | - |
| | | High Needs total | (18,208,999) | (424,626) | (18,633,625) | (18,633,625) | - |
| | | DSG Funding Total | (147,744,518) | 204,158 | (147,540,360) | (147,540,360) | - |
| | | Total Net DSG Budget | - | 204,798 | 204,798 | (281,151) | (485,949) |
| DSG Reserves in totality | | DSG B/FWD Surplus / (Deficit) | (65,356) | - | (65,356) | (65,356) | - |
| | | (Issued to Above) / Drawn from above | 200,000 | (204,798) | (4,798) | 281,151 | - |
| | | DSG Expected C/Fwd Surplus / (Deficit) | 134,644 | (204,798) | (70,154) | 215,795 | - |

DSG Reserves £'000

1st April Surplus / (Deficit) Original
 Early Years Funding adjustment for prior year
 1st April Surplus / (Deficit) Revised

In year Final Outturn Surplus / (Deficit)
 Transfer in Year
 31st March Surplus / (Deficit) forecast

| | Schools | | Early years | High Needs | Central | Total |
|---|-------------|--------|-------------|------------|---------|-------|
| | Schools ISB | Growth | | | | |
| 1st April Surplus / (Deficit) Original | 0 | 0 | 502 | (567) | 0 | (65) |
| Early Years Funding adjustment for prior year | 0 | 0 | (205) | 0 | 0 | (205) |
| 1st April Surplus / (Deficit) Revised | 0 | 0 | 297 | (567) | 0 | (270) |
| In year Final Outturn Surplus / (Deficit) | 71 | (141) | 297 | 219 | 39 | 486 |
| Transfer in Year | (71) | 71 | 0 | 0 | 0 | 0 |
| 31st March Surplus / (Deficit) forecast | 0 | (69) | 594 | (348) | 39 | 216 |

1% of DSG reserve, DfE recovery explanation now required when the deficit is greater than 1% of totality of DSG budget

(148)

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Southend-on-Sea Borough Council

Report of Deputy Chief Executive - People
and Strategic Director of Finance and Resources

To
Education Board

On
4th June 2019

Agenda
Item No.

6

Report prepared by:

Paul Grout, Senior Finance Business Partner – Financial Management
and
Gary Bloom, Head of Special Educational Needs (SEND)

High Needs Block detailed budget allocation 2019/20

1 Purpose of Report

To present the High Need's Block detailed budget allocations for 2019/20.

2 Recommendations

Education board are asked to agree:

- 2.1 To both reverse the required funding cuts imposed in 2017/18 and recognise inflationary funding pressures within mainstream schools, that the EHCP hourly top up funding rate passed over to support pupils within in borough mainstream schools is returned to the 2017/18 funded level from Sept 2019 (circa. 4% increase). (As referenced in section 8.2)
- 2.2 To assist with the safeguarding of enhanced provisions within mainstream schools, to award compensation funding from the 1st April 2019 of £4,000 per annum per pupil place to cover the equivalent funding loss a school would incur due to the changes administered under the National Funding Formulae. (As referenced in section 6.3)
- 2.3 To both further assist with the safeguarding of enhanced provisions and recognise inflationary funding pressures within mainstream schools, that the high needs top funding rates awarded to enhanced provisions are uplifted by 4% from Sept 2019. (As referenced in section 7.4)
- 2.4 Although the number of commissioned places in Special School have now been updated from September 2019, that the historic flexible place top up funding allocation will continue to exist to further aid funding pressures above place number allocation (As referenced in section 7.1)

- 2.5 That the 2018/19 high needs top up funding rates passed over to Special schools and the Alternative Provision / Pupil Referral Unit from September 2019 are held to their same respective banded rates as the 2018/19 academic year, which is also based on consideration with the additional place funding allocations the applicable special schools will now receive from September 2019 and affordability within the overall high needs block. (As referenced in section 7.3)
- 2.6 And in consideration of recommendations 2.1 to 2.5, agree and adopt the detailed High need budget allocations for 2019/20 as presented in this paper.

3 Background

- 3.1 The Department for Education (DfE) announced the Dedicated Schools Grant (DSG) funding allocations for 2019/20 on the 17th December 2018. The “Dedicated Schools Grant 2019/20 budget paper” was presented to the Education Board on the 22nd January 2019, providing the totality of funding for each of the 2019/20 DSG funding blocks.
- 3.2 And, as consistently reported for the two financial years 2016/17 and 2017/18, the High Needs block had overspent considerably, with overspends in both years of £827,000 and £677,000 respectively. Those overspends therefore contributed to total depleted DSG reserves deficit bought forward at the start of 2018/19 financial year of (£65,000). And note, of which £502,000 had been put aside for Early Years provision from the 2017/18 Early Years underspend, and a net (£567,000) deficit attributable to High Needs DSG reserve balances.
- 3.3 These funding pressures are due to a combination of increased demand and therefore award of funding for Education Health and Care Plans (EHCP), as well as, complexity of cases requiring more places in special schools, higher levels of funding in mainstream schools and independent provider placements. This is also a picture that is being experienced in all other local authorities.
- 3.4 The latest 2018/19 high spend to budget position, as presented, in the “EB DSG Final Outturn 2018/19 EB” June 2019 closed with a welcome in year DSG underspend of (£219,000), and therefore reducing the attributable High Need DSG reserve position bought forward into 2019/20 to now (£348,000). A position, that was only made possible by both the receipt of the additional £410,000 high need 2018/19 DSG funding announced by the DfE on the 17th December 2018, as well as the efficiency savings the Education Board have previously agreed and adopted, driven by the significant work undertaken by the respective Local Authority Officers, High Need task and finish group members, and Resource Group members and applicable settings, all in order to seek to contain those funding pressures, which is as demonstrated in both the EB high need detailed budget allocation papers, setting both the “2018/19 High need budget allocations” and the “2017/18 High need budget allocations”, approved at the previous June 2018 and July 2017 EB boards, respectively.

- 3.5 It must also remain minded Southend's high need DfE DSG funding allocation has also remained considerably under an uncapped National Funding Formulae since its introduction from 2018/19, including the current 2019/20's funding allocation. Which therefore further strongly demonstrates why Southend has been struggling to contain high need funding pressures within its allocation.
- 3.6 And note - It is still a requirement that a longer term revised funding model is developed to ensure a consistent and balanced distribution of local high needs top up funds, using both defined and formulated top up banding descriptors with attached funded levels. This work will also include a full review of any current gaps in High Need provision, as well, as any inefficiency in current provision. The results of those reviews will be expected to ensure High Needs funding is targeted to ensure the best use of the funds, whilst also achieving sustainability of provision within funding allocations moving forward.
- 3.7 This work is progressing under the local authority Head of SEND with the aim of completion and implementation at the start of 2020/21 academic year, it is therefore also key that full funding balance is returned by the end of 2019/20 to allow some head room moving forward within allocation to re-distribute and allow growth for high need targeted funding as required.

4 2019/20 High Needs DfE funding allocation

- 4.1 The detailed and proposed high needs budget allocation for 2019/20 is presented in Appendix 1.
- 4.2 As presented at the January 2019 Education Board in the "Dedicated Schools Grant budget 2019/20" paper, the total provisional DSG funding allocation for the 2019/20 High Need block is £19.416M, which is an increase of £782,000 from the final 2018/19 High Need block allocation of £18.634M (including the £410,000 additional DfE funding announcement in December 2018 for both years 2018/19 and 2019/20). The High Needs block is still provisional, as the DfE have yet to announce (due in July 2019) the final 2018/19 import and export adjustments relating to local authority home pupils placed in another local authority setting. However, this funding adjustment is not expected to cause any material difference to the current allocations and should therefore not hold up the required budget planning.
- 4.3 The 2019/20 awarded funding increase of £782,000 is as result of the DfE High Needs revised national funding formula implemented in 2018/19, where it is recognised within that the formula if there was no cap applied on funding gains Southend would actually be in receipt of £20.111M. The DfE funding formula is calculated according to statistical expected local demand and demographics as well as historic funded levels. However, given the DfE's national 3% cap on funding gains in any given year, the funding formula has capped the gain for Southend's meaning the 2019/20 funding allocation is £19.416M, which is still £695,000 below an uncapped funded amount.

- 4.4 The DfE have also made no current announcements about High Need funding allocations from 2020/21, and therefore it is impossible at this current time to assume Southend will receive from 2020/21 the full national funding formula suggested amount or further 3% increased capped amount. Therefore all current DSG budget planning can only be acted upon with a degree of certainty up until the end of 2019/20.

5 Summary table of proposed budget allocations between 2018/19 to 2019/20 as illustrated in Appendix 1

| Summary Heading | 2018/19 Final Budget (A) | 2018/19 Final Spend | 2019/20 Opening Budget (B) | Budget movement Increase / (decrease) (B – A) |
|--|--------------------------|---------------------|----------------------------|---|
| Place funding free school only | £0.179m | £0.179m | - | (£0.179m) |
| Place funding (excl free school) | £6.992m | £6.992m | £7.281m | £0.290m |
| Special and PRU/AP top up funding | £5.077m | £5.225m | £5.380m | £0.303m |
| Subtotal | £12.069m | £12.217m | £12.661m | +£0.593m |
| Schools, early years, post-16 top up funding | £3.190m | £3.335m | £3.540m | £0.351m |
| Independent Providers | £1.314m | £1.375m | £1.506m | £0.193m |
| 2018/19 SLA outstanding saving target | (£0.062m) | - | £0.000m | £0.062m |
| Other Provisions including SLA's | £1.334m | £1.308m | £1.360m | £0.026m |
| Total services line total | £18.024m | £18.414m | £19.068m | +£1.044m |
| Targeted payback to fully restore the high need DSG deficit reserve balance b'fwd to 19/20. (Funding not allocated to service lines – but only achieved if spend is contained with the service allocations above) | £0.610m | - | £0.348m | (£0.262m) |
| Total | £18.634m | £18.414m | £19.416m | +£0.782m |

6 Place Funding

- 6.1 Appendix 2 – provides the place funding allocations and funded pupil numbers for each School from September 2019, including the commissioned place funded number movement from 2018/19.
- 6.2 As shared in previous EB DSG reports, the place funded numbers from September 2019 to August 2020 have been agreed and revised by the Head of SEND in accordance with the estimated and expected pupil numbers from the start of that academic year, and note this is required to be registered with the DfE in the November of the previous year for the revised commissioned pupil numbers.

- 6.3 With particular reference to the Enhanced Provisions, and changes imposed on the place funding allocations of those provisions as part of the National Funding Formulae in 2018/19 where by the first annual £4,000 place funded amount (of the total £10,000 place funded amount) was moved to be funded from the Schools Block as oppose the High Needs block, and therefore those applicable special base pupils registered as part of the numbers on roll at that school (as per the October school census). This paper, in order to assist with the safeguarding of this provision of high need service is requesting from the 1st April 2019 that any school whose number on roll within that enhanced provision are below the commissioned place numbers are awarded compensation funding of £4,000 per place per annum. An additional allowance of £20,000 has therefore been built into the 2019/20 place funded budget to administer this funding where expected and applicable.
- 6.4 As result of both the revised and increased place funded numbers as shown in Appendix 2 and requested further £20,000 provision (referenced in 6.3), this derives the additional 2019/20 place funding to be awarded of £290,000 compared to 2018/19. And note - the actual place funded amounts per pupil are defined by the DfE and set at £10,000 per annum per place for Southend's special schools, pupil referral unit and alternative provision free school. And Further Education post 16 providers are set at £6,000 per place per annum.
- 6.5 The final budget allocation awarded to place funding in 2018/19 is therefore £7.281M, which as stated is an increase of £290,000 across Special Schools / Pupil referral unit and Further Education providers from 2018/19, offset by a reduced (£179,000) place funded allocation for the Alternative provision free school (specifically referenced in Appendix 2).

7 Top up funding for Special Provisions

- 7.1 Flexible place funding top up - A budgeted funding provision of £61,000 has been set aside which will continue to honour the annual and historic agreement of £20,000 for every 7 additional pupils above a special schools commissioned funded place number allocation, which of course will now cease where the applicable schools will be below the additional 7 from Sept-2019 due to the revised commissioned place funded allocation. However, in recognition that a school may still be required to go over the additional 7 place funded numbers, this paper is requesting to continue with this arrangement where required and applicable, and £20,000 (within the £61,000) provision has been accounted for to continue with this arrangement.
- 7.2 The current number of Southend pupils expected to attend a special school in 2019/20, and their associated top up banded amount has been formulated to calculate the overall annual expected amount for distribution. The workings of this calculation are shown in Appendix 3. These figures are of course a best estimate for the year as a School will be highly likely to admit additional pupils during the year. The final funding allocation for special school top ups has therefore been increased by a further £98,000 from Appendix 3 to account for the likely increase to current estimate pupil numbers.

- 7.3 After taking into account, that both place funding allocations have been updated from Sept 2019 awarding additional funding to those applicable and required schools, and that the expected top up banded funded amounts are not currently projecting a significant spend increase from 2018/19, it is proposed that all the current top up funded banded amounts for the Special Schools and the Alternative provision / Pupil Referral Unit are held to their current funded levels from September 2019. And please also note – the combined budgeted funding of the special schools and pupil referral unit account for 59% of the total available funding of the High Needs Block (53% special schools and 6% PRU). Therefore any further funded top up banded amount increase would have a higher impact on continuing to maintain the affordability within the High Needs block, so it is therefore a fortunate and welcome position that the top up funded amounts are able to remain at the same funded rates from Sept 2019 as at the current level.
- 7.4 Enhanced Provisions within Mainstream Schools account for 3% of the total available High Needs funding in 2019/20, they are therefore a small but very key part of the current provision available. Therefore, to further assist with the sustainability of that provision it is proposed that the top up funded amounts from September 2019 are increased by 4% as illustrated in Appendix 4, this will therefore contribute to inflationary pressures within the special base units, but at a relatively small cost to the total funding available within the high needs block of £4,000 circa in the 2019/20 financial year.
- 7.5 The final budget allocation awarded Special School / Enhanced Provision and PRU top up provision in 2019/20 is £5.380M, this is an increase of £300,000 from the 2018/19 allocation, the majority of which is the revised funded budget allocation for Special School top ups to meet the 2019/20 spend projection.

8 Top up funding for early years provider, mainstream schools and post 16 providers

- 8.1 The budget allocation attached to Early Years ages 2 to 5 SEND top ups has been increased to £100,000. This therefore awards additional funding in 2019/20, to fund the over spend in both 2017/18 and 2018/19 and allow a further £10,000 provision for growth.
- 8.2 Due to the historic funding pressures on the high needs block, the EHCP hourly funded top up rate awarded to In-borough mainstream schools was reduced in 2017/18 to £11.39 per hour from £11.89 per hour, and continued to be held at £11.39 per hour in 2018/19, and therefore savings were delivered. To assist on the stability with this funded and key provision, but whilst also considering the balance of the affordability to High Needs funding and inflationary pressures within Schools, it is proposed that the EHCP top up hourly rate from Sept 2019 is returned to £11.89 per hour (circa 4% increase). High Need funding awarded to in borough mainstream schools (both primary and secondary) equates to 11% of the total high need funding available. The 2019/20 financial year cost of this price increase contained within the revised funding allocations is circa £50,000. The remaining budget allocation has been increased to reflect the 2018/19 spend position moving forward, and allow some small head room for further growth which the SEND team will need to manage funding within.

- 8.3 Out of borough Mainstream or Special Schools. Where Southend children are placed in schools in another authority, guidance by the DfE expects the top up funding rate of that authority where the child is placed to be honoured. Therefore there is no control in terms of price's to be paid for that child where this occurs. The 2019/20 funding allocation has therefore been re-based to the match the 2018/19 spend position, which has increased the required budget provision by £24,500, but also allows a further small provision for expected growth.
- 8.4 The final budget allocation awarded to this top up funding provision in 2019/20 is £3.540mil, this is an increase of £350,000 from the 2018/19 budget allocation.

9 Independent providers

- 9.1 School age children whose educational needs are unable to be met through a mainstream school, special school, PRU or the AP free school have to be met through the use of Independent providers. Although the independent provider allocation was overspent in 2018/19, it also needs to be noted that Southend has significantly fewer independent school placements than most local authorities.
- 9.2 Independent provider provision is only used where there is no viable alternative available within Southend or where directed by SEND Tribunal and therefore these costs are largely unavoidable. Southend has also been experiencing a rise in the required numbers of looked after children (which is also being experienced in other authorities nationally). The educational cost of independent provider placements tend are more expensive than children educated through either a mainstream or special school provision and particularly when they are required to be placed in a residential school. It is therefore a requirement that this funded allocation is increased to both fund the current levels of expenditure and allow some head room within the funding allocation for likely further growth.
- 9.3 The final budget allocation awarded to this funding provision in 2019/20 is £1.507M, this is an increase of £0.193M from the 2018/19 budget allocation.

10 Other funding provision including SLA's

- 10.1 A small £10,000 budget to support low cost high incidence SEND placements within mainstream school will continue to be set, as well as now a £20,000 budget allocation to reflect that some pupils and their families/carers are choosing to receiving there high need funding allocation through a personal budget.
- 10.2 The budgeted allocation for education services provided to Southend children in hospitals has been increased to £100,000 from £70,000. Whilst in 2018/19 less was spent than the £100,000 in 2016/17 more was spent at £100,000. It is therefore prudent to ensure funding is adequately sufficient to meet this provision as the High need block is statutorily required to meet these costs.

- 10.3 The SEN team DSG allocation has been set to be maintained at £422,000. This is a historic contribution to the staffing costs of the SEND team.
- 10.4 All service level agreements including Individual tuition service' s and outreach services have been set at the same funded levels for 2018/19 (including savings delivered) rolled into 2019/20, with the exception of a small £6,500 increase to fund an additional SENCO.
- 10.5 The final budget allocation awarded to this funding provision is £1.360mil, this is a net increase of £87,000 from the 2018/19 budget allocation. And mainly now reflecting, the formal budget clearance of the residual (£63,000) SLA saving undelivered in 2018/19.

11 High Need budget allocation to restore DSG reserve balances

- 11.1 Whilst this paper sets out a mechanism to allocate a balanced High Needs budget for 2019/20. There is still a requirement to restore the residual deficit DSG reserve balance bought forward into 2019/20 of (£348,000). Residual funding has therefore been allocated away from service lines to target the full restoration of DSG high need reserve balances by the end of 2019/20. It however, must remain minded this will only be delivered should the spend within the service allocations be contained within the budgeted allocation. It is therefore recognised, given the demand and spend pressures within High Needs this remains at risk of full delivery.

12 2020/21 future High Needs planning

- 12.1 This paper sets out a mechanism to allocate a balanced High Needs budget for 2019/20 but also allowing some welcome and much needed funding growth , whilst also considering the requirement to fully restore depleted High need DSG reserve balances. However, some of these spend provisions do still carry a fair degree of risk around affordability within their funding allocations, and this is mainly due to the ever increasing demand for EHCP statements.
- 12.2 The longer term aim of the High Needs budget and plan remains to apply a revised and consistent top up funding approach, as well as a full review of all high need funded area's including their effectiveness to deliver the required outcomes for those pupils and any gaps in required high need provision. The implementation date for this revised funding approach is expected from September 2020, and therefore this is another key requirement as to why high needs funding must be retained to balance including the restoration of the depleted High Need DSG reserve by the end of 2019/20. This will therefore support both a sustainable, funded and planned targeted growth with the distribution of high needs funding from 2020/21 supporting Southend children with SEND needs.

- 12.3 However, it must continue to be acknowledged that high needs pupils are those whose needs cannot be met by resources delegated via the schools block. Further reduction in inclusive practice, increased requests for EHCPs, pupil exclusions, parents of SEN pupils electively home educating and placements in special schools all put further funding pressure on the high needs block. Therefore, future and current High Needs budget pressures cannot be sustained without the support of the wider schools community.

13 Conclusion

- 13.1 The high needs budget was significantly overspent in 2016/17 and 2017/18 resulting in depleted DSG reserves bought forward to 2018/19. Whilst the DfE have also awarded additional funding to the High Needs Block for Southend, this is still unfortunately below Southend's full funding allocation if there were no caps on funding gains applied. Whilst this paper does allocate a balanced budget for 2019/20 with limited growth where affordable, there remains constraints on funding distribution, and therefore risk on returning full restoration of depleted high need DSG reserves by the end of 2019/20.

14 Appendices

Appendix 1 – DSG High Need Budget detail allocation 2019/20

Appendix 2 – Place funded pupil numbers per school or college from Sept-19

Appendix 3 – Special school top up funding for 2019/20 est. schedule

Appendix 4 – Special base unit top up funding 2019/20 est. schedule

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| Block | S251 19/20 Line Summary Line | A | B | B - A | C | D = C - A | E | F = E - C |
|---|---|----------------------|----------------------|--|----------------------------|--|----------------------|--|
| | | £ | £ | £ | £ | £ | £ | £ |
| | | 2018/19 | | | 2019/20 | | | |
| | | Final Budget | Final Outturn | Forecast Variance Over / (under) | 2019/20 Original Budget | Budget Variation from previous year increase / (decrease) | Forecast Outturn | Forecast Variance Over / (under) |
| Schools Block Total | | 116,920,800 | 116,990,203 | 69,403 | 119,089,568 | 2,168,768 | 118,914,760 | (174,808) |
| Early Years Block Total | | 10,452,586 | 10,155,814 | (296,772) | 9,955,046 | (497,540) | 9,955,046 | - |
| High Needs | 1.0.2 Place Funding - Special Schools | 120,000 | 120,000 | - | 50,000 | (70,000) | 50,000 | - |
| | 1.0.2 Place Funding - Special Schools Recouped | 5,180,000 | 5,180,000 | - | 5,506,648 | 326,648 | 5,506,648 | - |
| | 1.0.2 Place Funding - PRU Recouped | 810,000 | 810,000 | - | 775,002 | (34,998) | 775,002 | - |
| | 1.0.2 Place Funding - Special Units | 102,500 | 102,500 | - | 110,000 | 7,500 | 110,000 | - |
| | 1.0.2 Place Funding - Special Units Recouped | 215,500 | 215,500 | - | 228,000 | 12,500 | 228,000 | - |
| | 1.10.2 Place Funding - Free School Recouped | 179,181 | 179,181 | - | - | (179,181) | - | - |
| | 1.0.2 Place Funding - CCP and FE Recouped | 564,000 | 564,000 | - | 612,000 | 48,000 | 612,000 | - |
| Subtotal Place funding | | 7,171,181 | 7,171,181 | - | 7,281,650 | 110,469 | 7,281,650 | - |
| | 1.2.2 Special School - flexible place funding | 80,000 | 79,995 | (5) | 61,000 | (19,000) | 61,000 | - |
| | 1.2.1 / 1.2.2 Special School Top ups | 4,300,000 | 4,483,424 | 183,424 | 4,600,000 | 300,000 | 4,600,000 | - |
| | 1.2.1 / 1.2.2 Special Units Top ups | 225,000 | 231,785 | 6,785 | 227,000 | 2,000 | 227,000 | - |
| | 1.2.2 PRU Top ups | 410,500 | 368,770 | (41,730) | 320,000 | (90,500) | 320,000 | - |
| | 1.2.2 Preventative Pathway AP top ups | 61,500 | 61,497 | (3) | 172,000 | 110,500 | 172,000 | - |
| Subtotal Special School and PRU / AP provision top up funding | | 5,077,000 | 5,225,471 | 148,471 | 5,380,000 | 303,000 | 5,380,000 | - |
| | 1.2.1 / 1.2.2 EHCP Early years Top ups | 44,000 | 90,435 | 46,435 | 100,000 | 56,000 | 100,000 | - |
| | 1.2.1 / 1.2.2 EHCP Inborough Mainstream - Primary Top ups | 1,380,000 | 1,449,735 | 69,735 | 1,540,000 | 160,000 | 1,540,000 | - |
| | 1.2.1 / 1.2.2 EHCP Inborough Mainstream - Secondary Top ups | 490,000 | 468,883 | (21,117) | 510,000 | 20,000 | 510,000 | - |
| | 1.2.1 / 1.2.2 EHCP Top ups - out of Borough | 615,500 | 622,110 | 6,610 | 640,000 | 24,500 | 640,000 | - |
| | 1.2.2 EHCP Top ups - post 16 providers | 660,000 | 703,365 | 43,365 | 750,000 | 90,000 | 750,000 | - |
| EHCP top up provision schools and post-16 | | 3,189,500 | 3,334,528 | 145,028 | 3,540,000 | 350,500 | 3,540,000 | - |
| | 1.2.3 EHCP funding - Independent providers | 1,313,839 | 1,374,523 | 60,684 | 1,506,500 | 192,661 | 1,506,500 | - |
| | 1.2.4 HN targeted LCHI funding | 10,000 | - | (10,000) | 10,000 | - | 10,000 | - |
| | 1.2.6 Hospital Education provision | 68,000 | 59,580 | (8,420) | 100,000 | 32,000 | 100,000 | - |
| | 1.2.7 Individual Tuition service | 185,100 | 185,100 | - | 185,100 | - | 185,100 | - |
| | 1.2.5 SEN Team - DSG Contribution | 422,480 | 422,480 | - | 422,480 | - | 422,480 | - |
| | 1.2.5 SEN Support Services | 204,937 | 204,937 | - | 211,500 | 6,563 | 211,500 | - |
| | 1.2.8 Behaviour & Reintegration Support (outreach) | 275,333 | 275,333 | - | 242,000 | (33,333) | 242,000 | - |
| | 1.2.8 Outreach Harbour Development Centre | 161,000 | 161,000 | - | 161,000 | - | 161,000 | - |
| | 1.2.5 Elective Home Education Costs | 8,000 | 14 | (7,986) | 8,000 | - | 8,000 | - |
| | 1.2.11 Direct payments | - | - | - | 20,000 | 20,000 | 20,000 | - |
| | 2018/19 High needs SLA savings target | (62,371) | - | 62,371 | - | 62,371 | - | - |
| Other High Need funding provision including SLA's | | 1,272,479 | 1,308,444 | 35,965 | 1,360,080 | 87,601 | 1,360,080 | - |
| Total High Need Non-Place funding | | 10,852,818 | 11,242,966 | 390,148 | 11,786,580 | 933,762 | 11,786,580 | - |
| 2019/20 Service lines to be allocated | | - | - | - | 19,068,230 | - | 19,068,230 | - |
| High Needs block service lines total | | 18,023,999 | 18,414,147 | 390,148 | 19,068,230 | 1,044,231 | 19,068,230 | - |
| High Need budget allocation targetted to restore High DSG reserve balances | | 609,626 | - | (609,626) | 347,733 | (261,893) | - | (347,733) |
| High Needs Block total | | 18,633,625 | 18,414,147 | (219,478) | 19,415,963 | 782,338 | 19,068,230 | (347,733) |
| Central Block total | | 1,738,147 | 1,699,045 | (39,102) | 1,747,728 | 9,581 | 1,747,728 | - |
| Grand Total | | 147,745,158 | 147,259,209 | (485,949) | 150,208,305 | 2,463,147 | 149,685,764 | (522,541) |
| DSG - Funding | | | | | | | | |
| | Schools Block subtotal | (117,420,800) | (117,420,800) | - | (119,089,568) | (1,668,768) | (119,089,568) | - |
| | Central Block | (1,738,147) | (1,738,147) | - | (1,747,728) | (9,581) | (1,747,728) | - |
| | Early years subtotal | (9,747,788) | (9,747,788) | - | (9,955,046) | (207,258) | (9,955,046) | - |
| | High Needs Funding Block | (11,684,944) | (11,684,944) | - | (12,294,313) | (609,369) | (12,294,313) | - |
| | High Needs Recoupment | (6,948,681) | (6,948,681) | - | (7,121,650) | (172,969) | (7,121,650) | - |
| | High Needs total | (18,633,625) | (18,633,625) | - | (19,415,963) | (782,338) | (19,415,963) | - |
| DSG Funding Total | | (147,540,360) | (147,540,360) | - | (150,208,305) | (2,667,945) | (150,208,305) | - |
| Total Net DSG Budget | | 204,798 | (281,151) | (485,949) | - | (204,798) | (522,541) | (522,541) |
| DSG Reserves in totality | | | | | | | | |
| | DSG B/FWD Surplus / (Deficit) | (65,356) | (65,356) | - | 215,795 | - | 215,795 | - |
| | (Issued to Above) / Drawn from above | (4,798) | 281,151 | 276,353 | - | - | 522,541 | - |
| | DSG Expected C/Fwd Surplus / (Deficit) | (70,154) | 215,795 | 145,641 | 215,795 | - | 738,336 | - |

DSG Reserves £'000

| Schools | ISB | Growth | Early Years | High Needs | Central | Total |
|---|-----|--------|-------------|------------|---------|-------|
| 1st April Surplus / (Deficit) Original | 0 | (69) | 594 | (348) | 39 | 216 |
| Early Years Funding adjustment for prior year | 0 | 0 | 0 | 0 | 0 | 0 |
| 1st April Surplus / (Deficit) Revised | 0 | (69) | 594 | (348) | 39 | 216 |
| Current In year forecast expected Surplus / (Deficit) | 0 | 175 | 0 | 348 | 0 | 523 |
| Anticipated transfer in Year | 0 | 0 | 0 | 0 | 0 | 0 |
| 31st March Surplus / (Deficit) forecast | 0 | 105 | 594 | 0 | 39 | 738 |

1% of DSG reserve, DfE recovery explanation now required when the deficit is greater than 1% of totality of DSG budget

Appendix 2 - Place funded pupil numbers per school or college from Sept-19

For 2019/20 Academic year

| School name | | No. of Places funded | | Annual amount per place £'s | Total Annual Amount £'s |
|-------------------|----------------------------------|---------------------------|------------------|-----------------------------|-------------------------|
| | | incr / (dec) from 2018/19 | Total No. funded | | |
| Special School | St Christophers (pre and post16) | 18 | 230 | 10,000 | 2,300,000 |
| Special School | St Nicholas (pre16) | - | 92 | 10,000 | 920,000 |
| Special School | Lancaster (pre and post16) | 5 | 82 | 10,000 | 820,000 |
| Special School | Kingsdown (pre16) | 15 | 120 | 10,000 | 1,200,000 |
| Special School | Sutton House (pre16) | 6 | 50 | 10,000 | 500,000 |
| PRU | Victory Park | (6) | 75 | 10,000 | 750,000 |
| AP Free School* | YMCA | - | 50 | 10,000 | 0 |
| Special base Unit | Chase | - | 12 | 6,000 | 72,000 |
| Special base Unit | Shoeburyness | - | 18 | 6,000 | 108,000 |
| Special base Unit | Temple Sutton | - | 5 | 6,000 | 30,000 |
| Special base Unit | Fairways | - | 15 | 6,000 | 90,000 |
| Special base Unit | Hamstel | - | 3 | 6,000 | 18,000 |
| Further Education | South Essex College | 7 | 77 | 6,000 | 462,000 |
| Further Education | Adult College / Westcliff Centre | 5 | 29 | 6,000 | 174,000 |
| | | 50 | 858 | | 7,444,000 |

* AP Free School YMCA is funded at 50 places paid directly by the DfE, in the 2017/18 academic year Southend was charged at 43 places (or equivalent £179,000 for the 2018/19 financial year - which is 5/12ths of £430,000 (43*£10,000 per place)) which then ceased from September 2018 the 2018/19 academic year, the DfE have confirmed within the funded DSG 2019/20 allocations as at May 2019, that again, this will not be shown against Southend's own high need funding block allocation for the 2019/20 academic year

Appendix 3 - Special School top up funding for 2019/20 est. schedule

If printed, recommend to print in A3 Landscape

Data set updated April 2019

Months funding applicable in each term:

Southend home resident pupils numbers only

| | Band 1 | | | | Band 2 | | | | Band 3 | | | |
|--|------------------|--------|--------|---------|------------------|--------|--------|---------|------------------|--------|--------|---------|
| | summer | autumn | spring | summer | summer | autumn | spring | summer | summer | autumn | spring | summer |
| | 5 | 4 | 3 | 5 | 5 | 4 | 3 | 5 | 5 | 4 | 3 | 5 |
| | Apr-19 to Mar-20 | | | 2020/21 | Apr-19 to Mar-20 | | | 2020/21 | Apr-19 to Mar-20 | | | 2020/21 |
| | Term3 | Term1 | Term2 | Term3 | Term3 | Term1 | Term2 | Term3 | Term3 | Term1 | Term2 | Term3 |
| Top up Funding - SP - St Christopher's Academy (Pre 16) | 150 | 152 | 152 | 152 | 34 | 37 | 37 | 37 | 2 | - | - | - |
| Top up Funding - SP - St Nicholas Special School | 17 | 20 | 20 | 20 | 47 | 48 | 48 | 48 | 12 | 9 | 9 | 9 |
| Top up Funding - SP - Kingsdown Special School | 72 | 69 | 69 | 69 | 36 | 38 | 38 | 38 | - | - | - | - |
| Top up Funding - SP - Lancaster Special School (Pre 16) | 10 | 12 | 12 | 12 | 8 | 11 | 11 | 11 | - | - | - | - |
| Top up Funding - SP - St Christopher's Academy (Post 16) | 8 | 7 | 7 | 7 | - | - | - | - | - | 1 | 1 | 1 |
| Top up Funding - SP - Lancaster Special School (Post 16) | 31 | 27 | 27 | 27 | 19 | 22 | 22 | 22 | - | - | - | - |
| Top up Funding - SP - Sutton house - Special School | 11 | 9 | 9 | 9 | 39 | 36 | 36 | 36 | - | - | - | - |

summer autumn spring summer

5 4 3 5

| | Apr-19 to Mar-20 | | | 2020/21 |
|-----|------------------|-------|-------|---------|
| | Term3 | Term1 | Term2 | Term3 |
| | 186 | 189 | 189 | 189 |
| 76 | 77 | 77 | 77 | |
| 108 | 107 | 107 | 107 | |
| 18 | 23 | 23 | 23 | |
| 8 | 8 | 8 | 8 | |
| 50 | 49 | 49 | 49 | |
| 50 | 45 | 45 | 45 | |

Total 496 498 498 498

Annual Top up rates £'s

| | Apr-19 to Mar-20 | | | 2020/21 | Apr-19 to Mar-20 | | | 2020/21 | Apr-19 to Mar-20 | | | 2020/21 |
|--------|------------------|--------|--------|---------|------------------|-------|-------|---------|------------------|-------|-------|---------|
| | Term3 | Term1 | Term2 | Term3 | Term3 | Term1 | Term2 | Term3 | Term3 | Term1 | Term2 | Term3 |
| | 9,746 | 9,746 | 9,746 | 9,746 | 6,337 | 6,337 | 6,337 | 6,337 | 1,590 | 1,590 | 1,590 | 1,590 |
| 10,870 | 10,870 | 10,870 | 10,870 | 7,072 | 7,072 | 7,072 | 7,072 | 1,774 | 1,774 | 1,774 | 1,774 | |
| 10,966 | 10,966 | 10,966 | 10,966 | 7,133 | 7,133 | 7,133 | 7,133 | - | - | - | - | |
| 10,890 | 10,890 | 10,890 | 10,890 | 7,086 | 7,086 | 7,086 | 7,086 | - | - | - | - | |
| 9,670 | 9,670 | 9,670 | 9,670 | 6,553 | 6,553 | 6,553 | 6,553 | - | - | - | - | |
| 10,921 | 10,921 | 10,921 | 10,921 | 7,105 | 7,105 | 7,105 | 7,105 | - | - | - | - | |
| 14,695 | 14,695 | 14,695 | 14,695 | 9,548 | 9,548 | 9,548 | 9,548 | 2,461 | 2,461 | 2,461 | 2,461 | |

Total Top up funding £'s

| | Apr-19 to Mar-20 | | | 2020/21 | Apr-19 to Mar-20 | | | 2020/21 | Apr-19 to Mar-20 | | | 2020/21 |
|---------|------------------|---------|---------|---------|------------------|--------|---------|---------|------------------|-------|-------|---------|
| | Term3 | Term1 | Term2 | Term3 | Term3 | Term1 | Term2 | Term3 | Term3 | Term1 | Term2 | Term3 |
| | 609,125 | 493,797 | 370,348 | 617,247 | 89,774 | 78,156 | 58,617 | 97,695 | 1,325 | - | - | 6,653 |
| 76,996 | 72,467 | 54,350 | 90,583 | 138,493 | 113,152 | 84,864 | 141,440 | 8,870 | 5,322 | 3,992 | - | |
| 328,980 | 252,218 | 189,164 | 315,273 | 106,995 | 90,351 | 67,764 | 112,939 | - | - | - | - | |
| 45,375 | 43,560 | 32,670 | 54,450 | 23,620 | 25,982 | 19,487 | 32,478 | - | - | - | - | |
| 32,233 | 22,563 | 16,923 | 28,204 | - | - | - | - | - | - | - | - | |
| 141,063 | 98,289 | 73,717 | 122,861 | 56,248 | 52,103 | 39,078 | 65,129 | - | - | - | - | |
| 67,352 | 44,085 | 33,064 | 55,106 | 155,155 | 114,576 | 85,932 | 143,220 | - | - | - | - | |

a b c = a + b + c

| | Apr-19 to Mar-20 | | | 2020/21 | Apr-19 to Mar-20 | Sept-19 to Aug-20 | Total |
|---------|------------------|---------|---------|-----------|------------------|-------------------|-------|
| | Term3 | Term1 | Term2 | Term3 | | | |
| | 700,224 | 571,954 | 428,965 | 714,942 | | | |
| 224,359 | 190,941 | 143,206 | 238,676 | 558,505 | 572,822 | | |
| 435,975 | 342,569 | 256,927 | 428,212 | 1,035,471 | 1,027,708 | | |
| 68,995 | 69,542 | 52,157 | 86,928 | 190,694 | 208,626 | | |
| 32,233 | 22,563 | 16,923 | 28,204 | 71,719 | 67,690 | | |
| 197,311 | 150,392 | 112,794 | 187,990 | 460,497 | 451,177 | | |
| 222,507 | 158,661 | 118,996 | 198,326 | 500,164 | 475,983 | | |

Total 1,881,605 1,506,622 1,129,967 1,883,278 4,518,194 4,519,867

Appendix 4 - Special base units top up funding 2019/20 est. schedule

2019/20 Academic Year

Assuming full occupancy

| School | A | | | | | B | | | | | | B-A Total Gain / loss £'s |
|-------------------------------------|--------------------|-------------------|-------------------|---------------|-----------------------------|-------------------|-------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------------|
| | 2018/19 - FYI only | | | | Total Annual cost £'s | 2019/20 | | | Annual Band2 rate £'s | Annual Band1 rate £'s | Total Annual cost £'s | |
| | Band2 Profile* | Band1 rate £'s | Band2 rate £'s | Annual £'s | | Band1 Profile* | Band2 Profile* | % increase / (Decrease) | | | | |
| Chase | 6 | 6 | 6,574 | 1,818 | 50,355 | 6 | 6 | 4% | 6,837 | 1,891 | 52,369 | 2,014 |
| Shoeburyness | 9 | 9 | 6,574 | 1,818 | 75,532 | 9 | 9 | 4% | 6,837 | 1,891 | 78,553 | 3,021 |
| Subtotal - Secondary Schools | | | | | 125,887 | | | | | | 130,922 | 5,035 |
| Temple Sutton | 5 | | 7,411 | | 37,055 | 5 | | 4% | 7,707 | 0 | 38,537 | 1,482 |
| Fairways | | 15 | | 2,435 | 36,525 | | 15 | 4% | 0 | 2,532 | 37,986 | 1,461 |
| Hamstel | 3 | | 7,443 | | 22,329 | 3 | | 4% | 7,741 | 0 | 23,222 | 893 |
| Subtotal - Primary Schools | | | | | 95,909 | | | | | | 99,745 | 3,836 |
| Grand Total | | | | | 221,796 | | | | | | 230,668 | 8,872 |

* based on assumed full occupancy

Draft work programme for the Education Board 2019/20

| Date | 4/6/19 | 22/10/19 | 17/12/19 | |
|---|---|--|---|--|
| Matters arising from previous Board | 1. Consultation by EB members re facilities time | | | |
| Schools Forum matters | | | | |
| Finance | 2. DSG Final Outturn 2018/19 (PG) 3. DSG High Need detailed budget allocations 2019/20 (PG/GB) | 1. DSG 2020/21 Indicative budget planning including ISB allocations (PG) | 1. DSG 2020/21 Budget planning including ISB allocations (PG) 2. DSG Forecast Outturn 2019/20 (PG) 3. DSG Early years funding 2020/21 (EH/PG) | 1. DSG 2020/21 Final Budget including ISB allocations (PG) |
| Standing items: Key performance indicators | | | | |
| Standing discussion/scrutiny items | | 2. Scrutiny paper on all SLAs and commissions | | |
| Education board matters | | | | |
| Substantive items: | 3. Awareness of procurements and tenders | 3. Initial scrutiny of outcomes 2019 | | |
| Operational | 4. Scrutiny of WSoA progress | 4. Initial consideration of inclusion project 5. Alternative provision 6. Update on place planning | 4. Progress report on WSoA 5. Consideration of Children's Centres utilisation | |
| Feedback from sub groups | | | | |
| Matters to be fed back to next sub group | | | | |
| Matters escalated from previous sub group | | | | |
| AO extraordinary business | | | | |

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