

Dear Colleague

LEICESTERSHIRE SCHOOLS' FORUM

I would like to invite you to a meeting of the Leicestershire Schools' Forum to be held on **Thursday, 21 February 2013 at 1.30 pm at Beaumanor Hall, Beaumanor Drive, Woodhouse, Leicestershire** with the room being available from 1.00pm.

Please see below for the agenda for the meeting.

Yours sincerely

Maria Bates (Tel. 0116 305 6667)

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AGENDA

<u>Item</u>	<u>Paper</u>
1. Apologies for absence/Substitutions.	
2. Minutes of the Meeting held on 4th December 2012 (previously circulated) and matters arising.	A
3. Early Years Single Funding Formula	B
4. 2013-14 Schools Budget	C
5. Review of 2013-14 School funding arrangements (Review information to be tabled)	
6. Any other business.	
7. Date of next meeting. 1:30pm, 20 th June 2013 at Beaumanor Hall.	

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Minutes of the Meeting of the Leicestershire Schools' Forum held on Tuesday 4th December 2012 at Beaumanor Hall

Present

Tim Moralee – in the Chair

Alex Green	}	Secondary Academy Headteachers
Brian Myatt		
Graham Bett		
Sonia Singleton		
Andrew Munro	}	Secondary Academy Governors
Heather Sewell	}	Maintained Primary Headteachers
David Lloyd		
Karen Allen		
Jean Lewis	}	Maintained Primary Governors
Tony Gelsthorpe		
David Thomas		
JoAnne Rees	}	Special Governor
Sue Horn	}	Special Headteacher
Andy Reeve	}	Trade Union Representative

In attendance: Lesley Hagger – Assistant Director, Strategic Initiatives
 Jenny Lawrence – Finance Business Partner
 Gareth Banks – Clerk to the Forum

1.	<p><u>Apologies</u></p> <p>Ivan Ould CC, Kathryn McGovern, Sam Backus-Graveling, John Bassford, Brenda Carson, John Herbert, Kirk Hayles.</p>
2.	<p><u>Minutes & Matters Arising</u></p> <p>The minutes of the meeting held on 20th September 2012 were agreed as a correct record, with the following amendments:</p> <p>Karen Allen gave apologies at previous meeting.</p>
3.	<p><u>Revised Schools Forum Constitution</u></p> <p>DfE laid new Schools Forum regulations in September 2012, these changes enact those requirements. Future role for Forum ensured to 2014/15. Role for 2015/16 and beyond will be determined by National Funding Formula.</p> <p>The following discussions took place:</p> <p>Leicestershire Primary Heads group to elect Primary Headteachers representatives for both maintained and academy schools. Constituent groups organise elections and nominations independently. Secondary academies have formed their own group. Suggestion that Academy Trust Boards should be involved.</p> <p>Tim Moralee, as part of the interim management of Oakfield School, will represent the PRU on Forum.</p>

	<p>Clarification given on Constitution paragraph 5) a) h), Library and museum services:</p> <ul style="list-style-type: none"> • Decision making limited to delegation of library budget to schools. <p>Action: JL to review Headteacher / Governor split for maintained primaries and clarify numbers. The Constitution has been amended accordingly and is reissued.</p>
4.	<p><u>School Funding Reform Update</u></p> <ul style="list-style-type: none"> • Special schools and units involved in discussions over implementation of High Needs Funding. Good long way on road to agreement on rates for top up funding which will be confirmed in the Council's budget setting process. • October dataset expected from DfE on 10th December 2012. • Adjustment of per pupil entitlement seen as area least likely to undermine work already done. • DSG reserve may help balance any High Needs adjustments. • Unable to track NQT Induction funding in Local Government settlement, £12m nationally. • Expectation to release budget tool next week. • Expecting cash flat settlement on free education for 2 year olds, will require movement of early years expenditure from the early intervention grant to DSG. • Need to monitor situation around high cost pupil changes. • Still no information on financial settlement from DfE. <p>The following discussions took place:</p> <p>Expectation that high needs pupils age 19-25 will receive additional support and continuation of section 139. EFA are using fixed pot for funding. JL in meeting later today over decision to either fund places directly or provide top-up as the EFA are stressing they cannot fund growth within their funding allocation, more places, less top up.</p> <p>A discussion to place around hospital school provision funding.</p> <ul style="list-style-type: none"> • LA previously paid for places as required and regardless of location, meaning pupils were double funded as children also on school role. Also charged against schools element but now unable to do so. School Admissions and Pupil Support team now have Medical Needs Co-ordinator to move situation forward. • City Hospital School places not funded by LA. • Review of placements increased to avoid continued placement. • Expectation is that only authorities with Hospital Schools will receive funding <p>Behaviour support provision in place for secondary schools via Youth Service. Possibility of primaries making use of provision queried.</p> <ul style="list-style-type: none"> • Issue involved in movement funding across phases. • Secondaries using different strategies to reduce behaviour problems. • Early intervention being looked at in different localities and across both phases. Still early days. <p>LA awaiting response from DfE over alleged NQT funding. This figure is unidentified in previous finance settlements.</p> <ul style="list-style-type: none"> • LA stays as awarding body until August 2013. Single NQT qualification costs between £300 and £400. <p>Issues with inconsistency over where EFA send information and correspondence to. Can cause delay in decision making processes. Emergency meeting would be called where decisions on major changes are required at short notice.</p> <p>LA aware of issues surrounding changes to school age ranges. EFA unclear on how to move forward but advised changes in academies would be dealt with through them. LA temporarily adds extra element to funding to replicate September movement with money compensated from those schools seeing reduced numbers, this is not permissible in the new funding formula and Leics hold no funding for pupil number growth. Pupil number growth in academies will need to be addressed by the EFA..</p>

	<p>A discussion took place on the £150,000 per school payment. Even small adjustments have considerable impact in all areas and levels of banding, insufficient time to rework.</p> <p>Clarification on recommendation 4g: Any decision to de-delegate would affect unit rates.</p> <p>Recommendations</p> <p>Recommendations voted on as 1 block and unanimously accepted. Zero abstentions or votes against.</p>
5.	<p><u>Funding Union Facilities Time</u></p> <p>Andy Reeve (JCC) provided additional paper representing views of all trade unions in Leicestershire, intended to provide information felt to be lacking during consultation process. Information not verified by Leicestershire County Council.</p> <p>2 main concerns:</p> <ol style="list-style-type: none"> 1. Concerns over message being sent to staff with abolition of established system where local officers were granted time in relation to number of staff being represented. 2. Feel that wrong message at time of growing number of independent DFE funded schools. Message given is that when schools change status there are significant changes to representation and negotiation. Feel these are negative messages. JCC appreciates Forum allowing this back for discussion. <p>The following discussions took place:</p> <p>Discussion took place around schools working together to fund activities</p> <ul style="list-style-type: none"> • Already being done in other areas. • Concerns raised that county wide secretary roles would be impacted. Scheme has been in operation since 1980. • Landscape changing into one of many independent schools. • Schools need to be aware of potential for substantial costs being incurred to meet employment and health and safety regulations. <p>Structure of funding settlement for Special Schools already includes funding for union activities.</p> <p>Recommendations</p> <p>Reversal of decision requires proposal from Forum member from school members group. TG proposed, no second. Decision stands to delegate.</p>
6.	<p><u>AOB</u></p> <p>No additional business.</p>
7.	<p><u>Next Meeting</u></p> <p>1:30pm, 17th January 2013 at Beaumanor Hall.</p>

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SCHOOLS FORUM**Early Years Single Funding Formula****21 February 2013****Purpose of Report**

1. The purpose of this paper is to set out the proposed changes to the Early Years Single Funding Formula (EYSFF). Changes are required in respect of the deprivation element which is mandatory as a result of school funding reform and for quality to reflect the views of providers.
2. The current EYSFF was approved by the Schools (Funding) Forum on 27th January 2011. Schools Forums remain responsible for approving changes to the formula.

Recommendation

3. That Schools Forum approves the implementation of Option 2 as set out in the report for funding three and four year olds.
4. That Schools Forum note the single rate to be paid in to providers for the two year old offer.

Introduction

5. Local authorities have a duty to review their EYSFF annually, for childcare providers in receipt of the Free Early Education Entitlement (FEEE – formerly known as Nursery Education Funding), ensuring it reflects changes in Government initiatives and remains relevant to the childcare sector. This report outlines mandatory changes to the deprivation supplement and some possible changes to the quality supplement.

Background

6. Leicestershire first implemented its EYSFF in April 2011, as part of a Government initiative to align the distribution of funding between the Private, Voluntary and Independent (PVI) sector with that of the maintained sector, moving away from place led to participation led funding. It also acknowledged the costs associated with operating a quality provision in a mixed market. Leicestershire currently has 380 PVI providers and one maintained, within the childcare sector.
7. The current formula gives a base rate for all PVI settings of £3.46 per child hour and a rate of £6.52 for its one maintained setting. Whilst, as for schools, the formula can differentiate between types of provider, all like providers must be funded in the same manner. The variation on these two rates, was required to ensure that for the maintained setting the rate reflected the differences in cost bases i.e a maintained setting must have a Headteacher that isn't required within a PVI setting.

The formula currently includes a mandatory Deprivation Supplement, using data from the Income Deprivation Affecting Children Index (IDACI) based on the

provider's address, School Funding Reform affects this requirement as the formula for 2013/14 must be based upon the child rather than the setting at which they receive their entitlement. The formula also includes a non-mandatory Quality Supplement implemented to ensure that quality provision was incentivised.

Current position

8. For PVI providers, the formula is made up as follows:
- | | |
|-------------------------|---|
| Base Rate: | £3.46 per hour |
| Deprivation Supplement: | between 0.01 and 0.10 pence per child hour |
| Quality Supplement: | between 0.00 to 0.06 pence per child hour |

Proposals

9. The School Funding Reform, requires local authorities to continue a deprivation factor within the formula but that it should be based upon data pertinent to the child rather than the setting at which they attend.
10. The Early Learning and Childcare Service (ELCS) consulted with childcare providers as part of its annual EYSFF review, to ensure that the quality supplement continued to reward quality in the most appropriate way. This resulted in option two (see Appendix 1). This option was seen by providers as a positive move to promoting and incentivising quality in early years provision.

Options

11. **Option 1**
The only change would be based on changing the deprivation factor to the child's postcode as required by school funding reform.
- | | |
|-------------------------|---|
| Base Rate: | £3.46 per hour |
| Deprivation Supplement: | between 0.01 and 0.10 pence per child hour |
| Quality Supplement: | between 0.00 to 0.06 pence per child hour |
12. 13 (3.4%) of Leicestershire's early years providers have closed or find themselves in significant financial difficulty during the period 2012-2013. By not reinvesting the proportion of the budget saved on deprivation, this situation is unlikely to improve. This evidenced through work undertaken by the ELCS Business Development Advisors and early years providers, where it has become apparent that there are an increasing number of provisions using reserve monies to support the day to day running of their business.
13. **Option 2**
(with the quality supplement refocused – see appendix one)
- | | |
|-------------------------|--|
| Base Rate: | £3.46 per hour |
| Deprivation Supplement: | between 0.01 to 0.10 pence per child hour |
| Quality Supplement: | between 0.00 to 0.07 pence per child hour |
14. Option 2 allows the local authority to support Leicestershire's early years sector by re-directing as much funding as possible to those providers who are making significant quality improvements. This option is cost neutral

15. The remodelling of the EYSFF has been completed within the current budget envelope. Should participation levels increase then additional cost arising from these changes will be offset against other savings within the overall ELCS budgets.
16. Option 2 appropriately reflects the changes mandatory requirement in respect of deprivation as required under school funding reform, it also reflects the comments of providers made within the formula review in relation to incentivising quality.

Funding 20% Most Deprived 2 Year Olds

17. Local authorities are required to offer free early learning to the 20% most deprived pupils from September 2013 and funding has been transferred from the early Intervention Grant (EIG) to DSG to meet the costs. Local authorities are able to adopt a formula to fund this provision, however given that this funding is targeted specifically at deprived children it is not appropriate to use the formula for funding three and four year olds given this has an element to reflect deprivation across the wider provider group. As such a single rate of £4.85 per child per hour will be paid.

Officers to Contact

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The Current formula:

The base rate for the current formula is £3.46. This applies to all PVI settings. The base rate for Leicestershire's maintained setting is £6.52.

Quality Supplement:

The current quality supplement looks at 4 distinct quality indicators:

- OfSTED Grading
- Level 6 qualified staff employed
- Quality Category (internal review)
- % of staff qualified to level 3

Providers are awarded points on an equal weighting basis for each of the four criterion, i.e. a minimum of 0 and maximum of 10 for each criteria therefore a maximum of 40 in total.

The points accumulated for quality are then converted into a monetary value, as illustrated below:

Score points	£ paid per child hr	Score points	£ paid per child hr
35 to 40	0.06	20 to 24	0.02
30 to 34	0.05	10 to 19	0.01
25 to 29	0.04	9 to 0	0.00

Deprivation Supplement:

The current formula has been developed to recognise that Leicestershire has fluctuations across the county in respect of deprivation and awards settings, based on their Income Deprivation Affecting Children Index (IDACI) rating on a sliding scale to represent the additional costs that working in a deprived area may incur:

30% most deprived: £0.10 per child hour

40% mid deprived: £0.05 per child hour

30% least deprived: £0.01 per child hour

Base Rate: **£3.46 per hour**
 Deprivation Supplement: **between 0.01 and 0.10 pence per child hour**
 Quality Supplement: **between 0.00 to 0.06 pence per child**

Mandatory changes to the EYSFF:

The DfE, have, via Schools Funding Reform required LA's to incorporate a deprivation supplement based on the child's post code. This is a distinct shift for Leicestershire who have previously awarded a sliding scale of funding based on the IDACI scoring of the early year's provider.

Leicestershire will continue to use IDACI data in order to establish each individual child's rating, assigning a monetary value to the individuals IDACI score. A lump sum total for each provision will then be calculated and awarded to the provision on a termly basis based on the headcount information supplied.

The following supplements will be applied to calculate a lump sum payment:

Child falls into the 30% most deprived bracket: £0.10 per child hour

Child falls into the 40% mid deprived: £0.05 per child hour

Child falls into the 30% least deprived: £0.01 per child hour

Information on child postcodes taken from the Summer and Autumn 2012 terms headcount data, show that the local authority could save approximately £90,000 per academic year.

Please note that all of the proposals below are based on implementing the above change to the way in which the deprivation supplement is awarded and the savings associated with doing so.

Proposed revisions to the EYSFF

Option 1

Maintain the current formula as described above, the only amendment would be the mandatory requirement to re- focus the deprivation supplement.

No changes would be proposed to the quality supplement, the only rise to the cost of implementation would be where provisions have increased their quality status.

Base Rate:	£3.46 per hour
Deprivation Supplement:	between 0.01 and 0.10 pence per child hour
Quality Supplement:	between 0.00 to 0.06 pence per child

Option 2

The ELCS recommends that the current base rate for the EYSFF, remains the same at £3.46 for PVI settings and £6.52 for Leicestershire's one maintained provision, with the following amendments to the way in which the Quality Supplement is formatted.

Quality Supplement:

Maintain the current quality supplement indicators with a view to reworking the scoring alignments and the weighting of the scoring in order to further support and incentivise quality in early years provisions

- OfSTED Grading
 - Outstanding = 10 points
 - Good = 5 points
 - Satisfactory / Inadequate = 0 points awarded
- Level 6 qualified staff employed
 - EYP / QTS Key Stage 1 = 10 points
 - Relevant foundation degree achieved / being undertaken and / or EYP status being undertaken = 5 points (all cases this supplement will be awarded to the setting where the relevant member of staff is leading on / influencing the delivery of the EYFS)
 - Where a member of staff may work across multiple settings they will be assigned to a maximum of 2 settings and the supplement will be awarded accordingly

- Quality Category (internal review)
 - QC of 1(Outstanding) = 10 points
 - QC of 2a-2c (Good) = 9-7 points
 - QC of 3a-3c / 4 (Satisfactory / Inadequate) = 0 points
- % of staff qualified to level 3
 - If 50% of staff are qualified to level 3 or higher = 10 points
 - If 49% of staff or lower are qualified to level 3 or above = 0 points
 - Staffing group to include volunteers if this is the predominant make up of staff.
 - Staffing group should not include administration or auxiliary staff

Providers are awarded points on an equal weighting basis for each of the four criterion, i.e. a minimum of 0 and maximum of 10 for each criteria therefore a maximum of 40 in total. The points accumulated for quality are then converted into a monetary value, as follows:

Score points	£ paid per child hr	Score points	£ paid per child hr
35 to 40	0.07	20 to 24	0.03
30 to 34	0.06	10 to 19	0.01
25 to 29	0.05	9 to 0	0.00

Recommendation

That Schools Forum are asked to approve the implementation of Option 2. If the above costs of implementing Option 2 are offset against the savings made due to the changes to the deprivation supplement this would still mean an overall saving of approximately £22,000, whilst the local authority would be seen to make significant concessions in the support of the delivery of high quality childcare, and would be seen to support the growing concern over the sustainability of early years providers and the increase in costs for over heads and staffing they all face.

SCHOOLS FORUM
21 FEBRUARY 2013
2013/14 SCHOOLS BUDGET

Purpose of the Report

1. The purpose of this report is to present the 2013/14 Dedicated Schools Grant Settlement for Leicestershire and proposed 2013/14 Schools Budget.
2. This report builds upon a number of reports presented through the 2012/13 financial year and specifically those relating to school funding reform. The decisions vested in Schools Forums as they relate to the school funding formula were taken at the meeting on 20 September 2012 in advance of the formula being agreed by the Councils Cabinet on 16 October 2012 and the Education Funding Agency in October 2012 and February 2013.

Recommendations

3. That Schools Forum notes the previous decisions taken on de-delegation of funding (para, item 1)
4. That Schools Forum note the non retention of a fund for pupil number growth (Paragraph 11, item 2)
5. That Schools Forum note the position in respect of budgets for prescribed historic commitments (Paragraph 11, item 3) and the decision of Schools Forum on 20 September 20 2012 to de-delegate.
6. That Schools Forum approve the retention of budgets to meet the prescribed statutory duties of the local authority (Paragraph 11, item 4)
7. That Schools Forum note the retention of the Dedicated Schools Grant Reserve and the purposes for which it will be used (Paragraphs 31-32)
8. That Schools Forum support the provision of one-off transitional funding for schools whose loss as a result of the high needs pupil funding changes exceeds 1% of their 2013/14 budget and the approach to be taken for special needs units. (Paragraphs 43-44)
9. That Schools Forum approve the centrally retained early years funding (Paragraph Item 5 and paragraphs 62-64)

Background

10. 2013/14 sees significant change in school funding both in terms of the manner in which local authorities receive Dedicated Schools Grant (DSG) and the manner in which schools receive their delegated budgets. This report sets out those changes, the decisions that have been taken prior to this point and sets out the decisions necessary in order that all financial matters relating to the 2013/14 Schools Budget are enacted.

Role of the Schools Forum in setting the 2013/14 Schools Budget

11. The Schools Forum has a defined decision making role in some aspects of the 2013/14 Schools Budget which are detailed in the following table together with the implications for Leicestershire;

<u>Item</u>	<u>Approval For</u>	<u>Action</u>
1.	De-delegation from mainstream school budgets	No further action necessary, decisions were taken by Schools Forum on 20 September 2012
2.	To create a fund for significant pupil number growth in order to support the local authority's duty for place planning and agree the criteria for maintained schools and academies to access this fund.	Schools Forum considered and rejected the retention of the former Key Stage 1 class size funding as pupil growth at its meeting on 20 September 2012. This funding is contained within the agreed formula for 2013/14. The local authority has not previously funded in year pupil growth and is making no budget provision for pupil number growth in 2013/14.
3.	Funding for prescribed historic commitments where the effect of delegating this funding would be destabilising	The budgets falling into this category within the 2013/14 budget proposals relate to primary schools only and are; <ul style="list-style-type: none"> • Licences and subscriptions £14,000 • Free school meal eligibility £12,000 De-delegation was approved by Schools

		Forum at its meeting on 20 September 2012. This will need to be reconsidered for 2014/15 given the academy conversion rate of primary schools
4.	Funding for the local authority In order to meet prescribed statutory duties placed upon it. Approval is required to confirm the amounts for each duty and no new commitments or increases in expenditure from 2012/13 are permitted.	<p>The budgets falling into this category are;</p> <ul style="list-style-type: none"> • Servicing the Schools Forum £8,570 (2012/13 £8,750) • Carbon Reduction Commitment £450,000 (2012/13 £450,000) • Premature Retirement Costs £729,890 (2012/13 £729,890) • Admissions £279,615 (2012/13 £325,570) • Miscellaneous £248,000 (2012/13 £248,000). This is the commissioning budget for schools causing concern <p>Schools Forum are asked to approve the retention of these budgets which have not increased over the 2012/13 budget provision</p>
5.	Funding for central early years expenditure, which includes funding for checking eligibility of pupils for an early years place and/or free school meals	Schools Forum are asked to approve this expenditure which arises as a result of the movement of funding from the former Early Intervention Grant to DSG
6.	Authorising a reduction in the Schools Budget in order to fund a deficit arising in central expenditure that is to be carried forward from a previous funding period	This situation does not exist within the 2013/14 budget so no decision is necessary

School Funding Reform

12. 2013/14 sets out the first stage of movement to the national funding formula which is expected to be introduced in 2015/16. This first stage of reform is charged with delivering a simpler, more consistent and transparent funding system which is delivered on three principles;
 - 1) that as many services and as much funding as possible is delegated to schools
 - 2) that the number of factors that can be taken into account within a local authorities funding formula to schools is reduced
 - 3) that Schools Forums should be more transparent and decisions better reflect the views of providers.
13. The new system applies equally to maintained schools and academies. It introduces arrangements for funding and commissioning places for pupils with high needs that are consistent across all providers. Dedicated Schools Grant (DSG) is also expanded to include services for children between two and twenty five through the extended offer to early learning for two year olds and post 16 students with learning difficulties and / or disabilities.
14. The changes however do not extend to the relative funding position of local authorities, the basis for DSG continues to be set at the level of local authority expenditure with the 2013/14 settlement based upon 2012/13 expenditure. The March 2012 consultation document did recognise the need for the national funding formula to move funding between schools and areas in order for a fair national system, however the proposals for 2013/14 begins the redistribution of resources in schools within individual local authorities only.
15. It should be noted that the Department for Education (DfE) do not view the national funding formula as being one where all pupils are funded at the same rate but one where local authorities and pupils with the same characteristics receive similar funding
16. The DfE have stated their intention to undertake a detailed review of the 2013/14 funding arrangements and that if the review identifies '*unacceptable consequences*' for schools then further changes will be made for 2014/15. It is uncertain when the review will commence, the form it will take and the involvement of local authorities within it. The Education Funding Agency (EFA) have however intimated that the review will be early in the new financial year, it will be necessary to link the review of the Leicestershire formula to this.

Dedicated Schools Grant

17. School Funding Reform sees significant structural changes to the DSG settlement for 2013/14 onwards. Since its inception in 2006 DSG has been funded at a flat rate per pupil for all pupils registered on the January census

and the January early years headcount. For 2013/14 the settlement moves to a three block settlement based upon different baselines. For 2013/14 the blocks are based upon 2012/13 expenditure, the school and early years blocks are uplifted for changes in pupil numbers. The settlement is a cash flat settlement with no growth.

18. Whilst DSG is governed by grant conditions the three blocks are not ringfenced and are not an assessment of expected expenditure. The settlement is provisional as the funding transfer in respect of the transfer of funding for post 16 high needs students has not been finalised and the early years block will be updated for new headcount data.
19. It is not possible to undertake a like for like funding comparison between 2012/13 and 2013/14 as a result of the transfers into DSG as the grant structure and content is significantly changed from the 2012/13 grant. Additionally the High Needs Block is no longer based on a funding rate per pupil. However, when comparing the total value of the overall DSG settlement and the pupil numbers used within it, Leicestershire remains the lowest funded education authority in England.
20. The provisional, one year, DSG settlement is £408.7m is analysed in the following table. The detail of the School and Local Authority Budgets is shown in Appendix 1.

Funding block	Areas Funded	Baseline for Settlement
<p>Schools Block £338.2m</p> <p>The proposed 2013/14 Schools Block Budget is £335.9m</p>	<p>Funds delegated budgets for maintained primary and secondary schools and centrally maintained budgets held with the approval of the Schools Forum or statutory functions of the local authority</p> <p>The DSG settlement includes funding for Leicestershire academies which is then recouped from the local authority and paid directly to academies by the EFA.</p>	<p>Settlement determined by a flat rate per pupil of £3,994.63 based upon numbers taken in the schools October school census.</p> <p>This places Leicestershire 3rd bottom of the funding table (out of 151 authorities) and compares to an England average of £4,550 per pupil.</p>
<p>High Needs Block £49.0m</p> <p>(provisional allocation, to be confirmed by the EFA in March</p>	<p>Funds the place-plus method of funding special schools and other specialist providers for high needs pupils and students, the pupil referral unit and other support services for high</p>	<p>The baseline for the settlement is the level of expenditure from 2012/13.</p> <p>The settlement is not made on a per pupil.</p>

<p>2013)</p> <p>The proposed 2013/14 High Needs Block Budget is £51.5m</p>	<p>needs pupils and also includes funding for top-up payments in maintained schools and academies.</p> <p>For 2013/14 this block includes funding transferred to local authorities for post 16 students with learning difficulties and disabilities previously held by the former Learning and Skills Council. The level of this funding is an indicative allocation by the EFA and will be adjusted following a data validation exercise being undertaken with local authorities which is expected to be completed in late February 2013</p>	<p>Converting the settlement to a per pupil basis using the October pupil numbers within the settlement, which is not an ideal measure given the post 16 changes, places Leicestershire 17th lowest funded at £578.71 per pupil.</p>
<p>Early Years Block £21.5m</p> <p>(Indicative allocation)</p> <p>The proposed 2013/14 Early Years Block Budget is £21.8m</p>	<p>Funds the provision of nursery education for 3 and 4 year olds plus an element of the early learning and childcare service.</p> <p>For 2013/14 this block now includes funding transferred from the early intervention grant into DSG for the extension of nursery education to 20% of disadvantaged two year olds which becomes a statutory duty from September 2013 and for 40% disadvantaged, two year olds in care and 2 year olds with special educational needs from September 2014</p>	<p>Settlement based upon the January 2012 school census to be updated by the January 2013 early years census and January 2014 census at the end of the financial year and £3,363.36 per early years pupil. This places Leicestershire 10th bottom of the funding table and compares to an England average of £4,282 per pupil.</p>
<p>£408.7m</p>	<p>2013/14 Provisional DSG Settlement</p>	

21. The Schools Budget reflects a movement of £2.5m from the Schools Block to the High Needs Block to ensure that there is capacity to address any financial pressures which may arise from a number of changes that can be expected to change the number of pupils accessing support from the High Needs Block, such as;

- Raising of the participation age to 17 from September 2013
- The Wolf report which advocates changes to the curriculum offer for vocational education
- The transfer of post 16 High Needs funding to DSG where volumes and costs cannot currently be robustly identified, including any financial shortfall on transfer given the transfer is based upon 2011/12 academic year expenditure
- Any changes in the number of high needs pupils that may arise from the move to a demand led funding system
- Any financial impact arising from the introduction of Education, Health and Social Care Plans which will replace the current statutory assessment process
- Increased charges from non-maintained special schools and academies. Two national providers have already indicated price increases as a result of the changes to the funding system and the SEN Green Paper.
- Any residual cost arising from the changes to the manner in which Hospital School provision is funded

A further movement of £283,000 has been made from the Schools Block to the Early Years Block to reflect budget movements in services and the reduction in the 90% floor funding.

22. A further transfer to DSG has been made by the DfE in respect of the movement of responsibility for the induction process for Newly Qualified Teachers (NQT's) away from local authorities to schools. This adds £129,000 to the 2013/14 DSG settlement. This funding is delegated to schools through the per pupil entitlement. The LA holds a contract for the provision of this service to the end of August 2013 the cost of which is £35,000. The proposed 2013/14 budget makes no provision for this cost which is proposed to be met from the DSG reserve, from September 2013 schools will need to make their own arrangements for this service.
23. The DSG settlement previously allocated local authorities floor funding to deliver nursery education to 90% of three year olds, in 2012/13 this equated to £1.3m for Leicestershire. This floor allocation is to be removed by the DfE over a two year period, the allocation for 2013/14 has therefore been reduced by 50% to £0.665m and funding will be fully removed for 2014/15. For 2013/14 onwards funding will be received purely on the number of three and four year olds participating and the overall funding reduction has been managed within the overall DSG funding.
24. Funding reform is charged by the DfE with delivering a fairer, simpler, more transparent and efficient funding system for schools, however it does not consider the relative funding position between local authorities. Thus the underlying issues that result in Leicestershire being the lowest funded education authority remain within the new settlement. It is expected that this funding structure will remain in place for 2014/15 until the expected introduction of a national funding formula in 2015/16.

25. The structure of DSG for 2013/14 extends the remit of the grant which now provides funding for two new statutory responsibilities for local authorities through;
- the transfer of funding for extending the entitlement to nursery education for two year olds (£3.798m).
 - the transfer of funding for 16-24 year old students with high needs (£2.269m provisional)

Both of these changes increase the level of financial risk within DSG in the medium to long term as the demand led elements of DSG are greater than in previous years. It is unclear how, or if, future DSG allocations will be adjusted to take account of increased demand and / or cost.

Dedicated Schools Grant Reserve

26. Schools Forum is aware that the terms and conditions of DSG require the allocation of any balance arising at the close of the financial year to be used to support future years budgets.
27. The 2012/13 budget was set below DSG by £1.3m in order to fund an anticipated overspend in special educational needs in both 2012/13 and 2013/14. As a result of stringent demand and cost management together with the delivery of invest to save schemes such as the expansion of Birchwood and the Braunstone Autism support service it has been possible to control costs in a manner not envisaged when Cabinet agreed to savings for at its meeting on 20 November 2011. Rather than the forecast overspend overall SEN budgets are forecast to underspend by £1.1m in 2012/13 which contributes significantly to the overall projected Schools Budget underspend of £1.017m.
28. The Leicestershire funding formula funds school rates at actual cost, an academy has charitable status and can claim 80% tax relief on its rates cost. As a result when the EFA recoup funding from local authorities on academy conversion they remove the amount that they need to pay them i.e. 20% of the actual cost, the remaining 80% funding is left with the local authority. It was anticipated that this reduction would cease but that hasn't been the case, this funding adjustment has also been contributing to the DSG underspend. For 2013/14 the expected adjustment is added to the funding delegated to schools and only any movement will feed into the DSG reserve.
29. Schools Forum agreed the carry forward of £1.5m from 2011/12 for any closure costs arising from the cessation of the embc contract. Recent financial information from embc suggests that costs can be met from a small overspend on the current budget and therefore this reserve can be released. The final reconciles cost for April to October is expected shortly.
30. As a result of these changes the position of the DSG reserve is much changed from that reported to the meeting of 18 June 2012. The very nature of the reserve as one off funding is that it cannot be used for recurrent expenditure and its use, under school funding reform, is very much more restricted. Where it has been possible in former years to use non recurrent funding to pump prime

activities such as school improvement, these budgets are now restricted to the same level as they were in 2012/13. Other areas are no longer able to be retained centrally, such as behaviour support service, and must be delegated.

31. The following table presents the updated position on the DSG reserve and its use;

	£,000	Narrative
Unallocated Balance 2011/12	530	Unallocated balance per 2011/12 Schools Budget Outturn Report – School Forum 18 June 2012
Embc Reserve	1,500	Funding was carried forward to meet any closure costs associated with the end of the embc contract in October. Whilst the contract has now expired the final reconciliation of services has yet to be completed. The service has slightly overspend the 2012/13 budget allocation and it is now anticipated that this reserve can be released.
Maternity Reserve	61	Following comments from schools after the decision to withdraw funding for school maternity costs it was agreed that a sum of £75,000 should be made available to cover schools in certain instances where it had not been possible to secure insurance, the value was based upon the level of budgetary pressure schools were reporting as a result of the changes. However only £14,000 was claimed and as a result £61,000 of the reserve is released.
Provision for school deficits – sponsored academies	(500)	Provision was made within the DSG reserve for any school deficits accruing to the local authority upon sponsored academy conversion. Given an increase in the expected number of sponsored conversions and an appeal to the DfE from one academy who are claiming they are not responsible for their deficit it is prudent to increase this reserve to £2m
Rates adjustment on academy conversion	725	The estimated rates adjustment on academy conversion is £725,000 greater than estimated. The total value of this adjustment for 2012/13 is estimated to be £1.748m
2012/13 Schools Budget projected Outturn	1,017	Management actions and changes in provision for SEN placements are largely responsible for a forecast 2012/13 underspend on the Schools Budget at period 9
Oakfield Action plan	(192)	The action plan following the OfSTED inspection requires additional resources.

Locality Support Service	(230)	Schools Forum will be aware that it has been necessary to extend the timescale for the dis-establishment of this service to the end of August 2013. As the saving has been removed from the 2013/14 budget reserves are required to meet these on-going costs.
Allocation to 2013/14 Schools Budget	(503)	In order to maintain the High Needs de-delegation in line with the funding consultations this amount has been withdrawn from the reserve to support the 2013/14 Schools Budget
KS4 Commissioning & Personalised Programmes	(276)	Discussions have begun with the Behaviour and Attendance Partnerships on full devolution of funding for the service following the dis-establishment of the Behaviour Support Services in August 2013. The service is currently spending in excess of its budget should this service transfer a commitment has been given it will be maintain the current level of expenditure
Pupil Referral Unit	(184)	Of the 2011/12 agreed budget reductions the Schools Budget contribution to the Central Maintenance Fund was removed. The movement to a delegated budget for Oakfield requires the establishment of a delegated property budget (£50k) which was previously met from this funding. It is also necessary to provide transitional funding (£134k) in order to deliver a sustainable provision until the future nature of service provision for excluded pupils and those at risk of exclusion is defined. For 2013/14 the funding will be withdrawn from the reserve in advance of being factored into the 2014/15 budget on a sustainable basis if appropriate
NQT Induction	(35)	The LA holds an external contract for the NQT induction which is required to be delegated to schools in 2013/14. This allows the LA to meet its financial commitment without charging schools for the remainder of the 2012/13 academic year
Total DSG Reserve	1,913	0.4% of 2013/14 DSG

32. It is recommended that this funding is retained in reserves in order to address any unforeseen financial implications arising from school funding reform. The notable risks are the transfer of funding responsibility for students aged 16-24, the introduction of the offer of nursery education to 20% of the most deprived 2 year olds and other risks identified at paragraph 21 plus any variation in

volumes from that estimated within the budget. The reserve will be taken into account in setting the 2014/15 Schools Budget.

High Needs Pupils

33. The new funding system has also required changes to the way in which schools are funded for meeting the needs of pupils with special educational needs, pupils with special educational needs are now categories as high needs pupils. The new funding system is shown in the following table and will result in all providers of specialist school places being funded in the same manner.

	Mainstream School or Academy	Special School/ Unit and Resourced Provision in Mainstream School or Academy
Element 1	Basic entitlement - per pupil of £4,000 within school delegated budget	Place funding £10,000 through delegated budget
Element 2	Additional funding through the schools delegated notional SEN budget – £6,000 of additional support per pupil	
Element 3	Further funding required above the £6,000 of Element 2 to meet the assessed needs of the pupil Budget centrally retained by local authority and allocated to schools on the basis of the individual need of pupils.	Further funding required above the place element of £10,000 to meet the assessed needs of the pupil Budget centrally retained by local authority and allocated to schools on the basis of the individual need of pupils.

34. Leicestershire had moved to a highly delegated system for funding SEN in schools whereby funding was allocated with reference to SEN proxy indicators through prior educational attainment and the Index of Multiple Deprivation. This change reinstates the former position whereby schools are funded for the individual needs of pupils. This reintroduces one of the issues that delegation sought to address i.e. to remove the resource commitment tied into the statutory assessment process and the perverse financial incentive within the statementing process.

35. In order to establish the significant administrative function necessary to implement and maintain this system it has been necessary to introduce new roles within the SEN assessment service. It has been necessary to extend a 0.6FTE contact to a full time basis and to recruit to an enhanced business support post that is currently a vacancy, this is funded from the high needs block. A provisional budget of £21,000 has been allocated which may need to be revised when the job description for the business support officer role has been finalised and subjected to job evaluation.
36. In order to move from the current delegated system to the new national structure it has been necessary to remove funding previously allocated to schools in their delegated budget, this funding is retained within the High Needs Block to be paid to schools as 'top-up' funding. The 2012/13 SEN allocation in the Individual Schools Budget was £15m, £3m of this funding has been removed from delegation. Future school budget exercises will need to consider whether more or less funding will need to be subject to future transfers, in a flat cash funding settlement position should top up funding exceed that available, school delegated budgets may need to be further adjusted by either removing more or less funding from delegation. This new system is in line with the report of the Scrutiny Review Panel on Special Educational Needs received by this Committee on 26 March 2012.
37. The revised SEN criteria and the moderation process, which agrees the level of need of pupils within specialist school settings, will ensure a consistent local authority approach and that effective processes are in place that do not allow providers to seek to increase individual levels of need for financial gain.
38. In funding these changes authorities are funded for the pupils for which it commissions provision for which removes the current system for inter-authority recoupment other than for looked after children. Leicestershire will pay top up funding only for Leicestershire children and where appropriate children in care in Leicestershire schools. For pupils from other authorities if top-up funding is payable schools will need to enter into discussions with that local authority.
39. Funding reform has required the total restructuring of budgets for special schools, mainstream schools with special needs units and the pupil referral unit. Work is complete for special schools and MLD units. For other units discussions are on-going and top up rates are to be confirmed prior to go live in April 2013. Whilst all providers are funded on the same basis the rates of funding reflect the differential cost base of providers such as satellite provision at special schools and the additional costs incurred by schools with SEN units. For post 16 students at special schools the £10,000 place funding will be provided by the EFA to academies and the local authority for maintained schools. The local authority will pay top up funding for all schools. Appendix 2 details top up rates for special schools and SEN units.
40. Two changes are relevant for pupil referral units. The first is that from April 2013 they should have a delegated budget, the second is a movement to the

place funding and top up arrangements as for other specialist providers, it is necessary to provide some funding to support the transition during the 2013/14 financial year. The 2013/14 budget proposals therefore maintain current financial commitments at the level of the 2012/13 budget, this will allow for the current commissioning and funding arrangements for fixed term exclusions and dual registrations to continue over the short term as an interim arrangement for the short term. The longer term position will need to reflect the commissioning arrangements required by funding reform and any changes in the local authority's future model for provision for excluded children and those at risk of exclusion.

41. The high needs changes cannot be moderated by the Minimum Funding Guarantee. Local authorities have the flexibility to target additional funding where the number of high needs pupils on roll cannot be adequately reflected through the funding formula, additionally the DfE recognises that local authorities may need to phase in the high needs changes. The position in relation to the DSG reserve permits the use of some funding for schools most affected by these changes on a one year only basis and could be used to ease the transition into the new system.
42. Three elements combine to create the overall impact;
 1. A reduction in delegation
 2. The removal of funding for enhanced packages
 3. The receipt of top up funding

A number of schools receive less funding overall when these elements are combined. This reduction is in addition to any reduction in funding through the MFG, or indeed any additional funding as a result of the ceiling mechanism.

43. A comparison has been undertaken on the value of the changes as a percentage of schools overall budgets. Using the latest snap shot of data the school with the greatest impact from these changes sees a reduction in their budget of 3.21% of their 2013/14 budget. Headteacher and Governor briefings have both identified that the high needs changes are the most difficult to plan for and the element of school funding reform where schools are showing the most concern. It is proposed one off financial support for 2013/14 is paid to those schools whose budget reduction as a result of the changes exceeds 1% of their overall budget. This payment will be based on the snapshot of the autumn term data and will not be adjusted in the financial year and will cost £207,000. The first call for this funding will be the high needs block, should there be insufficient capacity within the budgets then funding will be withdrawn from the DSG reserve.

44. Conversations are also taking place with schools with SEN units which are identifying particular issues such as the financial impact of under capacity, instances where numbers are distorted through either a bulge class within the units or where provision is expanding. In all these instances there are cost implications arising from the inability to realign staff in sufficient time to respond to the changes. Whilst it is not possible to protect funding levels from a fall in the number of places some short term transitional funding may need to be provided in exceptional circumstances. It is proposed that this will be undertaken on an individual business case basis.
45. Local authorities currently fund hospital school provision wherever that provision is made, the 2013/14 changes result in funding being removed from authorities with no direct provision to those that have. Leicestershire therefore has no funding for hospital school education in 2013/14, should costs arise as a result of non acceptance of a referral or where provision has to be made that cannot be provided by external provision, it will be necessary to fund this from budget flexibility within the high needs block

School Budgets

46. Schools Forum have been fully briefed on the changes to the school formula in previous meetings and endorsed the formula to the Councils Cabinet who agreed the proposals at its meeting on 16 October 2012.
47. The structure of the formula is unchanged from the position reported to Schools Forum on 4 December 2012 and reflects the comments of the EFA following the submission of the draft formula in October. The final formula was submitted to the EFA in line with their deadline of 22 January, confirmation was received on 1 February that '*.....the authority's adherence to the finance regulations and proforma appear to meet the required criteria*'. The unit values within the formula are shown in the pro-forma required by the EFA as Appendix 3
48. Two elements of the schools settlement are brought to the attention of Schools Forum and required adjustments to the formula and are outside the consultation process undertaken on the proposals;
- 1) Copyright Charges – The DSG settlement included changes to the funding mechanism for the cost of cost of the Copyright Licencing Agency and the Music Publishers' Association where the DfE have negotiated a contract on behalf of all schools and academies. Schools will need to continue to fund some licences, schools will be advised of the implications of this where they have been clarified with the DfE.

The DfE do not intend that this funding (£172,000) should be delegated and then de-delegated but retained centrally for both maintained schools and academies under a general dispensation granted by the DfE to the School and Early Years Finance (England) Regulations 2012. The proposed budget makes provision for this change.

- 2) Impact of DSG Settlement – Schools Forum agreed at the meeting of December of the process for any changes to the formula arising from the DSG settlement. The final proposals submitted to the EFA included an increase in the per pupil entitlement of 1% and an increase in the per pupil ceiling, or maximum increase, from 1.5% to 4%. The financial position of the 2012/13 Schools Budget, through the rate adjustment on academy conversion, also contributes to this additional funding allocation.
49. Further briefings on the changes have been delivered through the spring term Chairs of Governors meeting and LPH. Additionally the spring term Bursar Roadshows will focus upon the changes and provide support for school budget planning.
50. Data on high needs pupils is being finalised, the format for the information to be provided to schools has been considered and agreed by the SEN Operational Group consisting of school business managers, bursars, officers and a Schools Forum representative. This information will be released shortly, its release has been held up by further information on funding special schools and academies from the EFA on 6 February.
51. Budgets for special schools and SEN units attached to primary and secondary schools have been constructed using the new system for funding high needs pupils, schools have been engaged with the modelling throughout. Budgets largely replicate 2012/13 resources, as advocated by the EFA, and are protected through MFG and the ceiling on gains on the place led funding only as for primary and secondary schools but does not relate to the cash implications of any unoccupied places.
52. Work continues on some issues at SEN units where there are specific and unique circumstances, some of which may give rise to the need for some financial support where staffing levels cannot be aligned to the same timescales as the significant financial changes to these providers. The local authority is working with schools to identify solutions and Schools Forum will be advised of all instances where transitional funding has been necessary and the reason it has been made available.

School Level Protection

53. The extent of the changes required to respond to school funding reform would generate significant turbulence at school level if un-moderated. There are therefore a number of levels of protection for schools which are detailed in the following table;

Minimum Funding Guarantee (MFG) –	MFG remains in place for 2013/14 and 2014/15 and has been confirmed at minus 1.5% per pupil and is set nationally by the DfE. The DfE have also confirmed that MFG will remain
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	<p>in 2015/16 but have not stated at what level this will be. It can be assumed that the speed at which the DfE wish to move to the expected national formula will influence its future level.</p> <p>As in previous years the MFG is a per pupil protection, schools with falling rolls may therefore see their overall level of budget decrease by more than minus 1.5%</p>
<p>Impact of SEN delegation reduction</p>	<p>Turbulence at school level is generated as a result of removing a universal distribution from schools who are then allocated specific, targeted top-up funding dependent upon the needs of individual pupils, schools with no high needs pupils receive no top-up funding.</p> <p>Local variations to MFG are only permissible by the DfE if they affect less than 5% of schools, this change impacts upon all schools and is therefore unable to be protected by MFG.</p>
<p>Maximum Per Pupil Increase</p>	<p>School funding reform has been required to be delivered within a cash flat settlement therefore local authorities were given flexibility by the DfE to limit the per pupil increase in budgets in order to meet any additional costs arising from the MFG.</p> <p>The maximum per pupil increase for Leicestershire schools has been raised from the 1.5% level within the funding formula consultation to 4% per pupil. No commitment has been given for 2014/15 which will need to be revisited in the light of the 2014/15 DSG settlement and any further changes to the Leicestershire formula.</p>
<p>Impact of High Needs Changes</p>	<p>Local changes to the operation of MFG are only permissible by the DfE if they cover no more than 5% of schools, as the high needs changes affect all schools the impact of the changes can't be moderated by this mechanism.</p> <p>It is proposed that a one off payment to primary and secondary schools for 2013/14 only is made to limit the reduction in budget to a maximum of minus 1%. This will be made on the autumn term snapshot of data and will not be adjusted in year if pupil needs change.</p> <p>Any funding protection for schools with SEN units will be considered on an individual business case basis. Any such funding will only be paid for any costs arising from the transition from a fixed budget</p>

	to the participation led model within funding reform
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Pupil Premium

54. Nationally the funding through the Pupil Premium increases for 2013/14 by 50%. Pupil Premium is paid for all pupils who have been eligible for Free School Meals in the last six years (£900), children who have been continuously in care for more than six months (£900) and for pupils of service families (£300). This funding is additional to the school formula budget.
55. An indicative Leicestershire allocation of £12.579m has been published by the DfE which includes funding for both maintained schools and academies. This allocation will be updated for data extracted from the January school census and is unlikely to be confirmed until June 2013. Maintained schools receive their funding via the local authority and Academies directly from the EFA.
56. The DfE recently released details of the 2012/13 pupil premium for year 7 literacy and numeracy catch-up. Schools received £500 for each pupil in the year 7 cohort who did not achieve level 4 reading and/or maths. Funding for maintained schools totalled £121,500 and for academies £598,500. The DfE have stated that this funding will continue to 2015 but has not provided any further details of what the allocations may be.
57. For all elements of the pupil premium schools are required to report how the funding is being used and the guidance states that schools will be '*held to account*' through performance tables, the OfSTED framework and online reports to parents. Specifically in relation to the year 7 catch-up element there is an expectation that schools will inform parents that their child is receiving additional support and how the funding is being used.

Early Intervention Grant

58. The Early Intervention Grant (EIG) funds the Councils Children's Centres and Early Learning and Childcare service as well as other early intervention services including short breaks for disabled children and careers information and guidance for 16-19 year olds. This funding has either been transferred into the local government finance settlement or DSG and is no longer a specific grant for 2013/14.
59. Prior to transfer nationally £150m was top sliced by the DfE to be used for early intervention services nationally, the DfE have recently announced that this funding will be used to fund changes within the adoption process in 2013/14, a further £525m was transferred to DSG for early learning for disadvantaged two year olds. At a local level this means funding has been reduced by £5.2m from £20m to £14.8m. To a large extent this can be offset next year as;
 - £2.3m of uncommitted EIG resources have been released

- £3.8m of resources have been transferred from EIG to DSG. As a result £2.1m of early learning expenditure has also been transferred to DSG.

Overall the reduction in funding for 2013/14 is £0.8m.

60. In 2014/15 the forecast shortfall increases significantly as there is expected to be a further £1m transfer to DSG and there is not expected to be the opportunity to charge existing expenditure to DSG as both the offer of free education is expanded to include 40% of disadvantaged two year olds, two year olds in care and those with special needs and overall take up rates are expected to increase. The overall shortfall in funding could increase to c£4m.
61. The Councils Medium Term Financial Strategy makes good the £0.8m shortfall in 2013/14 using local authority budget resources. In 2014/15 further earmarked reserves of £3.2m are used to balance the budget.

Early Learning and Childcare

62. Local authorities are required to maintain an Early Years Single Funding Formula to fund all providers offering the Free Early Education Entitlement (FEEE) and Schools Forum are asked to approve changes to the formula in a further report on today agenda.
63. Schools Forum are also required to agree the central retention of any early years funding. Prior to 2013/14 early learning and childcare was largely funded from EIG, however the expenditure transfer from EIG to DSG and the introduction of the entitlement to disadvantaged two year olds means that the budget proposals now contain centrally managed funding early years expenditure.
64. The significant element of the 2013/14 centrally retained early years expenditure largely relates to the expenditure movement between EIG and DSG and for 2013/14 is £2,199,605 (£470,960 2012/13). It is anticipated that this expenditure will be displaced from DSG as the two year old offer is expanded.

Academies

65. Under the current funding system local authorities receive funding through the local government finance settlement for services that authorities are required to provide to all schools and for services it provides to the schools it maintains. At the point of academy conversion academies receive the Local Authority Central Spend Equivalent Grant (LACSEG) for the services local authorities are no longer required to provide to them. This has been funded by the DfE from a topslice from the local government finance settlement based upon the number of pupils within academies.
66. The DfE consulted in July 2012 on a replacement for LACSEG and has now confirmed that LA LACSEG will be replaced by the Education Services Grant from 2013/14. The grant is payable to academies for those functions that are no longer provided by the local authority and to local authorities for statutory functions and for services provided to maintained schools.

67. The Education Services Grant is funded through a transfer of funding from the local government funding settlement to the DfE, nationally the grant for 2013/14 is £1.04bn which decreases to £1.02bn in 2014/15. For Leicestershire the grant for 2013/14 is estimated at c£5.6m based on the expectation that 70% of pupils will be in academies by March 2013. In 2014/15 when 80% of pupils are expected to be educated in academies, the grant is estimated to reduce to c£3.0m. The exact level of grant is dependent upon the academy conversion rate and level of funding.
68. The amount removed from local authorities is based upon the 2012/13 national average budgeted expenditure of £131 per pupil, however Leicestershire's expenditure for 2012/13 expenditure was £90 per pupil. The impact of this is a reduction in overall Council funding of £3.8m as the grant transfers, this methodology severely penalises low funded authorities such as Leicestershire.
69. The structure of the grant and the purposes for which it is received is shown in the following table;

	Grant Receivable per Pupil	2012/13 LCC Cost per Pupil	
Mainstream schools	£116	£62	Received for each pupil within a maintain school for services provided only to maintained schools, adjusted pro-rata in year taken from the date that a school converts to academy status for items such as ICT infrastructure, property maintenance
LA Statutory duties	£15	£28	Received for each pupil within both maintained schools and academies to reflect the responsibility for statutory services local authorities are required to provide to all schools. Services include strategic planning of education services, finance & HR functions for services that do not transfer to academies, maintenance and development of the local authority funding formula, strategic capital planning

Total	£131	£90
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Academies will receive £150 per pupil for 2013/14 and £140 for 2014/15 academic years with the rate for local authorities and academies being brought together over a limited period of time.

70. Schools will no longer receive LACSEG funding for services previously funded through DSG as school funding reform has required those budgets to be delegated to schools.

The Local Authority Budget

71. The Councils Cabinet considered the budget proposals on 6 January and 16 January and by the Children and Young Peoples Overview and Scrutiny Committee on 21 January.

72. Growth and savings have been categorised in the following tables under the following classification;

- * item unchanged from previous MTFS
- ** item included in the previous MTFS, but amendments have been made
- No stars - new item

73. The local authority budget proposes growth in the following areas;

Ref		2013/14 £,000
*G1	<u>Increased Numbers of Children in Care</u> – This growth was approved through the 2012/13 MTFS. This growth funded an increase in internal capacity to respond to increased levels of case work and responsibilities, this increase for 2013/14 relates to the full year effect of appointments and incremental salary drift..	100
G2	<u>Unaccompanied Asylum Seeking Children</u> -The Home Office provides each Local Authority with a grant, paid in arrears, for the costs arising from caring for unaccompanied asylum seeking children. The grant is variable and dependent upon the number and age of children and young people being supported. The grant is no longer payable for the management and administration of the service or the first twenty-five 18 year olds and makes no allowance for any individual need. Leicestershire currently supports 67 children and young people, 49 of which are over 18.	300
G3	<u>Home to School Transport</u> - Budget provision for home to	280

	school transport for pupils attending the Pupil Referral Unit has previously been supported by Dedicated Schools Grant, it is no longer possible to do so.	
G4	<p><u>Children in Care – Residential Placements</u> - This growth request is necessary as the cost of residential placement budgets continues to increase and the capacity to manage increased expenditure within the overall CYPS budget is no longer available. Whilst number of children and young people in residential placements is relatively stable the cost of these placements has risen from £10.2m to £12m (17.6%) over a five year period.</p> <p>An amount of £80k is included here to address the volume of case work related to children in care completed by the Legal Services department which is required to increase staffing levels and capacity.</p>	1,580
G5	<p><u>School Based Redundancies</u> -Under the Education Act 2002 the local authority remains responsible for funding school based redundancies for maintained schools unless there is good reason to charge them to individual schools. Since 2006 these costs have been able to be charged to Dedicated Schools Grant, school funding reform to be implemented in 2013/14 does not permit any new commitments to be met from DSG and therefore growth is requested.</p> <p>A revised redundancy policy was introduced in 2012 which limited the funding available and also requires schools to submit a business case in order for schools to access a fixed amount of funding.</p>	250

74. Further growth of £350,000 was included in the budget proposals presented to Cabinet on 6 Feb to meet the cost of supporting the Educational Excellence Board and support for schools to improve educational performance.

75. The budget also makes provision for the following savings;

Ref		2013/14 £,000
*S1	<u>Service Reviews</u> – The final phase of the departments administration review is on schedule to be delivered in 2013/14	-80
S2	<u>Information, Advice and Guidance</u> – The responsibility for the provision of careers advice, information and guidance for 14-16 year olds transferred from local authorities to schools in September 2012. As a result a revised contract was procured which generates savings in both 2012/13 and 2013/14.	-1,030
**S3	<u>Terms and Conditions Review</u> – This saving reflects the Departments share of a range of changes to employee	-435

	terms and conditions were agreed, with trade unions, to deliver financial savings including stopping the essential car user allowance, reducing the rate of pay progression, reducing overtime rates and reducing pay protection.	
**S4	Whilst the 2013/14 MTFs consists of no unidentified savings the service has a shortfall in its savings target for the final three years of the budget which will need to be addressed through reshaping the service both in terms of structure and the services it delivers. Options will be developed over the short to medium term, the final solution may include some element of service reduction.	2014/15 -1,440 2015/16 -2,740 2016/17 -3,340

Conclusions

76. The 2013/14 school funding changes have been significant and challenging for both the authorities and schools, the precise financial implications of some of these changes cannot be precisely quantified at this point. The budget therefore carries some flexibility to address any unexpected financial implications arising from the transfer of additional responsibilities to the local authority, it may be possible to take a less prudent approach in future years as cost and demand patterns are established.
77. For 2013/14 the DSG reserve will be maintained to deal with any unexpected consequences on school funding reform that are unable to be met from the 2013/14 Schools Budget and be factored into the 2014/15 Schools Budget if unused.
78. It is not possible to give schools any certainty on future school funding given the anticipated formula review in 2013/14, which will affect budgets for 2014/15, and the national funding formula in 2015/16. Schools have been given planning assumptions to assist financial planning which takes on more importance in these uncertain times. It should also be noted that it is unlikely that there will be any change in Leicestershire's funding position in the short or medium term. Whilst the movement to objective funding allocations for authorities is to be welcomed, the DfE's objective for funding reform is not to provide all authorities with equal funding but to provide that for where pupils have the same characteristics they should be funded in the same manner.

Appendices

- Appendix 1 Proposed 2013/14 Children and Young People's Service Budget
- Appendix 2 Top-up Funding Rates – Special Schools and MLD Units
- Appendix 3 School formula pro-forma

Background Papers

School Forum Reports;

Schools Funding Reform	4 December 2012
2013/14 School Funding Formula	20 September 2012
School Funding Reform Update	7 September 2012
2011/12 Schools Budget Outturn	15 June 2012

Officer to Contact

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Proposed 2013/14 Children and Young People's Service Revenue Budget

APPENDIX 1

BASE BUDGET 2012/13 £	Budget Heading	Employees £	Running Costs £	External Income £	Internal Income £	TOTAL BUDGET (Outturn) £	Schools £	Early Years £	High Needs £	Schools Block Total £	LA Block Total £
	DIRECTORATE										
736,755	Directorate	823,158	61,070	(4,550)	(67,583)	812,095	1,532	6,246	150,287	158,065	654,030
13,940	Directorate - Legal Services		13,940			13,940	0	0	0	0	13,940
15,220	Directorate - Professional Development		15,220			15,220	0	0	0	0	15,220
52,010	Subscriptions		24,940			24,940	0	0	0	0	24,940
817,925	TOTAL DIRECTORATE	823,158	115,170	(4,550)	(67,583)	866,195	1,532	6,246	150,287	158,065	708,130
	UNIVERSAL SERVICES										
23,400	Primary Strategy		0	0		0	0	0	0	0	0
200,000	Schools Causing Concern		248,000			248,000	248,000	0	0	248,000	0
20,000	Right to Read		0			0	0	0	0	0	0
1,295,840	School Improvement	0	0	0	0	0	0	0	0	0	0
54,460	School Improvement - Foundation & Key Stage Audit		0			0	0	0	0	0	0
78,490	LLLO	0	0			0	0	0	0	0	0
95,128	School Development Grant Diplomas		0			0	0	0	0	0	0
1,767,318	TOTAL	0	248,000	0	0	248,000	248,000	0	0	248,000	0
	EARLY LEARNING & CHILDCARE										
16,379,861	Nursery Education Funding	80,921	17,459,259			17,540,180	0	17,540,180	0	17,540,180	0
60,110	Early Learning & Childcare (Support for SEN)		227,781	0		227,781	0	227,781	0	227,781	0
144,760	Early Learning & Childcare (ex-Yth & Comm.)		144,760			144,760	0	144,760	0	144,760	0
263,120	Early Learning & Childcare	233,352	28,781			262,133	0	0	0	0	262,133
1,704,973	ELCC (LA Funded)	962,909	813,488	(13,710)		1,762,687	0	0	0	0	1,762,687
0	Two Year Old Offer		1,706,800			1,706,800	0	1,706,800	0	1,706,800	0
0	ELCC (DSG Funded)	1,034,598	799,466	(7,000)		1,827,064	0	1,827,064	0	1,827,064	0
18,552,824	TOTAL	2,311,780	21,180,335	(20,710)	0	23,471,405	0	21,446,585	0	21,446,585	2,024,820
	EXTENDED SERVICES										
0	Arts Service	1,992,000	537,400	(2,067,400)	(462,000)	0	0	0	0	0	0
0	TOTAL	1,992,000	537,400	(2,067,400)	(462,000)	0	0	0	0	0	0
	OTHER										
123,007	School Re-Organisation	118,084	53,577	(1,880)	(46,774)	123,007	0	0	0	0	123,007
108,542	Local Support Services Grant		113,885	0		113,885	0	0	0	0	113,885
231,549	TOTAL	118,084	167,462	(1,880)	(46,774)	236,892	0	0	0	0	236,892
20,551,691	TOTAL UNIVERSAL SERVICES	4,421,864	22,133,197	(2,089,990)	(508,774)	23,956,297	248,000	21,446,585	0	21,694,585	2,261,712

Proposed 2013/14 Children and Young People's Service Revenue Budget

APPENDIX 1

BASE BUDGET 2012/13 £	Budget Heading	Employees £	Running Costs £	External Income £	Internal Income £	TOTAL BUDGET (Outturn) £	Schools £	Early Years £	High Needs £	Schools Block Total £	LA Block Total £
	TARGETED SERVICES										
253,871	CAF Support Team	337,001	40,537	(3,110)		374,428	0	0	0	0	374,428
253,871	TOTAL	337,001	40,537	(3,110)	0	374,428	0	0	0	0	374,428
811,366	Education of Children in Care (formerly support for LA	551,557	270,140		0	821,697	0	0	0	0	821,697
	<u>EDUCATIONAL PSYCHOLOGY SERVICE</u>										
1,378,664	Educational Psychology Service	1,283,893	110,197	(15,640)	(35,850)	1,342,600	0	0	0	0	1,342,600
1,378,664	TOTAL	1,283,893	110,197	(15,640)	(35,850)	1,342,600	0	0	0	0	1,342,600
382,551	EMTAS	0	0	0		0	0	0	0	0	0
382,551	TOTAL	0	0	0	0	0	0	0	0	0	0
	<u>PARENT PARTNERSHIP</u>										
123,450	Parent Partnership	53,488	19,107	0	(830)	71,765	0	0	0	0	71,765
123,450	TOTAL	53,488	19,107	0	(830)	71,765	0	0	0	0	71,765
	<u>SPECIAL NEEDS ASSESSMENT</u>										
3,438,660	Mainstream Top Ups	0	6,359,338	0		6,359,338	0	0	6,359,338	6,359,338	0
0	Special Units & ERP		4,018,041			4,018,041	0	0	4,018,041	4,018,041	0
14,547,510	Special Needs-Independent Schools		13,412,376	0		13,412,376	0	0	13,412,376	13,412,376	0
0	FE Colleges & ISP's		2,269,090			2,269,090	0	0	2,269,090	2,269,090	0
537,379	Top Ups at OLA Special Schools		983,800	0		983,800	0	0	983,800	983,800	0
(493,000)	Top Ups at OLA Mainstream Schools		340,900	0		340,900	0	0	340,900	340,900	0
78,060	SEN Equipment		78,060			78,060	0	0	78,060	78,060	0
(2,118,740)	EFA Funding For 16+ Special Needs			0		0	0	0	0	0	0
525,860	SEN Assessment Team	555,160	15,150			570,310	0	0	20,932	20,932	549,378
622,621	Hospital Schools		0			0	0	0	0	0	0
20,300	SEN grants		20,300			20,300	0	0	20,300	20,300	0
17,158,650	TOTAL	555,160	27,497,055	0	0	28,052,215	0	0	27,502,837	27,502,837	549,378
	<u>SPECIALIST TEACHING SERVICE</u>										
18,500	Mobility Officer		18,500			18,500	0	0	18,500	18,500	0
5,740	Autism Training		5,740			5,740	0	0	5,740	5,740	0
382,840	Autism Intensive Support	170,798	224,202	(860)		394,140	0	0	394,140	394,140	0
47,083	Portage	37,803	9,280			47,083	0	0	47,083	47,083	0
133,725	ICTAS (Micro Technology Equipment)	48,107	85,618			133,725	0	0	133,725	133,725	0
2,790,742	Specialist Teaching Service	2,959,086	231,394	(247,988)	(143,210)	2,799,282	0	0	2,799,282	2,799,282	0
3,378,630	TOTAL	3,215,794	574,734	(248,848)	(143,210)	3,398,470	0	0	3,398,470	3,398,470	0
	<u>BEHAVIOUR & ATTENDANCE</u>										
845,440	Attendance & Improvement	0	0	0		0	0	0	0	0	0
1,605,710	Behaviour & Attendance Short Stay School	0	0			0	0	0	0	0	0
1,137,235	Beha & Attendance KS4 Commissioning & Personalised P	0	0	0		0	0	0	0	0	0
940,632	Behaviour & Attendance Locality Support Service	0	0	0		0	0	0	0	0	0
0	PRU Transport	0	280,000	0		280,000	0	0	0	0	280,000
0	Alternative Provision	0	274,713	0		274,713	0	0	183,637	183,637	91,076
0	Behaviour Support Service - Out of School support	0	1,035,967	0		1,035,967	0	0	1,035,967	1,035,967	0
4,529,017	TOTAL	0	1,590,680	0	0	1,590,680	0	0	1,219,604	1,219,604	371,076
28,016,199	TOTAL TARGETED SERVICES	5,996,893	30,102,450	(267,598)	(179,890)	35,651,855	0	0	32,120,911	32,120,911	3,530,944

Proposed 2013/14 Children and Young People's Service Revenue Budget

APPENDIX 1

BASE BUDGET 2012/13 £	Budget Heading	Employees £	Running Costs £	External Income £	Internal Income £	TOTAL BUDGET (Outturn) £	Schools £	Early Years £	High Needs £	Schools Block Total £	LA Block Total £
	STRATEGIC INITIATIVES										
	<u>YOUTH & COMMUNITY</u>										
2,463,120	Youth Work	1,856,677	658,590	(7,440)	(47,760)	2,460,067	0	0	0	0	2,460,067
0	Foundation Learning	108,450	21,550	(130,000)		0	0	0	0	0	0
0	External Funding	25,000	5,000	(30,000)		0	0	0	0	0	0
0	District Accounts		43,200	(43,200)		0	0	0	0	0	0
51,520	Free Standing Centres		51,520			51,520	0	0	0	0	51,520
40,000	CYCLEe EIG		40,000	0		40,000	0	0	0	0	40,000
264,712	IYSS/Positive Activities for Young People	117,410	147,302	0	0	264,712	0	0	0	0	264,712
75,700	JITTY Youth Portal	66,960	8,740			75,700	0	0	0	0	75,700
0	Publicising Positive Activities		0	0		0	0	0	0	0	0
0	Free Standing Centres		0			0	0	0	0	0	0
2,895,052	TOTAL	2,174,497	975,902	(210,640)	(47,760)	2,891,999	0	0	0	0	2,891,999
	<u>EXTENDED SERVICES</u>										
6,444,900	Sure Start - Childrens Centres	2,685,800	3,722,051	(6,520)	0	6,401,331	0	0	0	0	6,401,331
572,460	Parenting Grants	353,935	214,440	0	0	568,375	0	0	0	0	568,375
7,017,360	TOTAL	3,039,735	3,936,491	(6,520)	0	6,969,706	0	0	0	0	6,969,706
	<u>STRATEGIC SERVICES</u>										
585,546	Planning & Commissioning	665,267	31,130	(39,160)		657,237	0	0	0	0	657,237
3,080,000	Information, Advice & Guidance		2,050,000	0		2,050,000	0	0	0	0	2,050,000
0	Educational Excellence Board (EEB)		350,000	0		350,000	0	0	0	0	350,000
184,650	EIG Income Changes/future transfers		184,650			184,650	0	0	0	0	184,650
3,850,196	TOTAL	665,267	2,615,780	(39,160)	0	3,241,887	0	0	0	0	3,241,887
	<u>ADMIN & COMMITTEES</u>										
720,310	Public & Employers Liability Insurance		75,640			75,640	0	0	0	0	75,640
21,780	Fidelity Insurance		2,280			2,280	0	0	0	0	2,280
21,120	Buildings Insurance		21,120			21,120	0	0	0	0	21,120
8,570	School Funding Forum		8,570			8,570	8,570	0	0	8,570	0
0	Schools Copyright		172,120			172,120	172,120	0	0	172,120	0
450,000	Carbon Reduction Commitment		450,000			450,000	450,000	0	0	450,000	0
329,400	Admin & Committees	238,352	112,790	(6,890)	(15,860)	328,392	0	0	0	0	328,392
1,551,180	TOTAL	238,352	842,520	(6,890)	(15,860)	1,058,122	630,690	0	0	630,690	427,432
	<u>FINANCE</u>										
551,010	School Budget Contingencies		0			0	0	0	0	0	0
10,450	Contribution to County Hall Library	9,110	1,340			10,450	0	0	0	0	10,450
120,000	Frameworki	40,000	80,000			120,000	0	0	0	0	120,000
681,460	TOTAL	49,110	81,340	0	0	130,450	0	0	0	0	130,450
	<u>HUMAN RESOURCES</u>										
1,741,970	Premature Retirement Costs / Teachers Super.		1,991,970			1,991,970	729,890	0	0	729,890	1,262,080
79,850	Red Circling / Teacher Protection	79,850				79,850	0	0	0	0	79,850
45,640	Criminal Records Checks		45,640			45,640	0	0	0	0	45,640
73,450	Occupational Health		73,450			73,450	0	0	0	0	73,450
0	TDA Golden Hellos		337,100	(337,100)		0	0	0	0	0	0
1,940,910	TOTAL	79,850	2,448,160	(337,100)	0	2,190,910	729,890	0	0	729,890	1,461,020

Proposed 2013/14 Children and Young People's Service Revenue Budget

APPENDIX 1

BASE BUDGET 2012/13 £	Budget Heading	Employees £	Running Costs £	External Income £	Internal Income £	TOTAL BUDGET (Outturn) £	Schools £	Early Years £	High Needs £	Schools Block Total £	LA Block Total £
	KNOWLEDGE MANAGEMENT										
546,530	Access & Welfare	578,585	58,910			637,495	279,615	0	0	279,615	357,880
0	LSC - Learner Support Transport		139,930	(139,930)		0	0	0	0	0	0
1,117,210	ICT Harnessing Technology	0	0	0	0	0	0	0	0	0	0
1,663,740	TOTAL	578,585	198,840	(139,930)	0	637,495	279,615	0	0	279,615	357,880
19,599,898	TOTAL STRATEGIC INITIATIVES	6,825,396	11,099,033	(740,240)	(63,620)	17,120,569	1,640,195	0	0	1,640,195	15,480,374
68,985,713	TOTAL EDUCATION NON-SCHOOLS	18,067,311	63,449,850	(3,102,378)	(819,867)	77,594,916	1,889,727	21,452,831	32,271,198	55,613,756	21,981,160
	SPECIALIST SERVICES										
1,676,000	Child Care Management	760,140	1,258,650	(7,310)		2,011,480	0	0	0	0	2,011,480
382,400	Specialist Services legal costs		462,400			462,400	0	0	0	0	462,400
1,241,030	Children's Residential	1,097,809	142,216	(100)		1,239,925	0	0	0	0	1,239,925
5,564,350	Children's Agency		6,234,350	(110,000)		6,124,350	0	0	0	0	6,124,350
797,050	Accommodation Costs 16+		797,050			797,050	0	0	0	0	797,050
268,370	Placements Team	246,110	15,132	(2,772)		258,470	0	0	0	0	258,470
1,289,760	Adoption	523,930	836,220	(83,400)		1,276,750	0	0	0	0	1,276,750
5,859,100	Fostering	1,129,772	4,760,462	(49,300)		5,840,934	0	0	0	0	5,840,934
663,300	Independent Fostering Agencies		1,263,300			1,263,300	0	0	0	0	1,263,300
1,439,870	Children in Care Service	1,396,602	149,045	(13,860)		1,531,787	0	0	0	0	1,531,787
3,353,170	Family Assessment & Safeguarding Service	2,805,064	196,230	(13,260)		2,988,034	0	0	0	0	2,988,034
2,978,940	Child Protection Service	3,311,268	123,474	(21,660)		3,413,082	0	0	0	0	3,413,082
226,500	Children in Need Payments		226,500			226,500	0	0	0	0	226,500
2,625,660	Disabled Children's Service	1,066,198	1,545,434	(7,400)		2,604,232	0	0	0	0	2,604,232
1,366,640	Safeguarding & Improvement Unit	1,219,249	204,488	(36,810)	(40,310)	1,346,617	0	0	0	0	1,346,617
177,938	LSCB/SAB	253,865	160,257	(238,732)		175,390	0	0	0	0	175,390
616,890	Youth Offending Team	369,427	245,085	(6,070)		608,442	0	0	0	0	608,442
1,014,430	TSWT, Family Steps & CAMHS	434,994	572,664	(5,440)		1,002,218	0	0	0	0	1,002,218
1,502,100	Strengthening Families	1,094,244	122,157	(7,060)		1,209,341	0	0	0	0	1,209,341
427,850	Grants to Vol. Bodies		427,850	0		427,850	0	0	0	0	427,850
156,470	Corporate Parenting & Children's Rights	85,660	70,300	(1,040)		154,920	0	0	0	0	154,920
0	Asylum Seekers Administration	138,250	1,351,050	(1,189,300)		300,000	0	0	0	0	300,000
879,980	Supporting People, Children & Families		879,980			879,980	0	0	0	0	879,980
525,010	Direct Payments		525,010	0		525,010	0	0	0	0	525,010
120,000	Homecare CPS		120,000			120,000	0	0	0	0	120,000
35,152,808	TOTAL SPECIALIST SERVICES	15,932,582	22,689,304	(1,793,514)	(40,310)	36,788,062	0	0	0	0	36,788,062
155,350	Unallocated Savings (Targeted Savings)				0	0	0	0	0	0	0
291,182	Inflation Contingency		272,951			272,951	0	0	0	0	272,951
446,532	TRANSFERS/CONTINGENCIES	0	272,951	0	0	272,951	0	0	0	0	272,951
	INDIVIDUAL SCHOOLS BUDGETS										
375,375,110	Mainstream Schools	0	347,080,042			347,080,042	347,080,042	0	0	347,080,042	0
17,000,760	Special Schools	0	17,177,603	0		17,177,603	0	0	17,177,603	17,177,603	0
100,520	Countesthorpe Nursery School	0	100,520			100,520	0	100,520	0	100,520	0
85,130	Oakfield School - PRU		1,560,000			1,560,000	0	0	1,560,000	1,560,000	0
0	Pupil Premium - mainstream schools			(4,767,900)		(4,767,900)	(4,767,900)	0	0	(4,767,900)	0
0	Pupil Premium - special schools			(85,800)		(85,800)	0	0	(85,800)	(85,800)	0
(38,789,890)	6th Form Grants - EFA			(8,350,000)		(8,350,000)	(8,350,000)	0	0	(8,350,000)	0
353,771,630	TOTAL INDIVIDUAL SCHOOLS BUDGET	0	365,918,165	(13,203,700)	0	352,714,465	333,962,142	100,520	18,651,803	352,714,465	0

Proposed 2013/14 Children and Young People's Service Revenue Budget

APPENDIX 1

BASE BUDGET 2012/13 £	Budget Heading	Employees £	Running Costs £	External Income £	Internal Income £	TOTAL BUDGET (Outturn) £	Schools £	Early Years £	High Needs £	Schools Block Total £	LA Block Total £
(353,686,500)	Dedicated Schools Grant - School Block delegated			(333,459,376)		(333,459,376)	(333,459,376)	0	0	(333,459,376)	
0	Dedicated Schools Grant - School Block non delegated			(1,950,100)		(1,950,100)	(1,950,100)	0	0	(1,950,100)	
0	Dedicated Schools Grant - High Needs Block			(51,509,035)		(51,509,035)	0	0	(51,509,035)	(51,509,035)	
0	Dedicated Schools Grant - Early Years Block			(21,799,489)		(21,799,489)	0	(21,799,489)	0	(21,799,489)	
(47,863,880)	Dedicated Schools Grant - Non Schools			0		0	0	0	0	0	
382,770	Dedicated Schools Grant - Non Schools set aside for academy recoupment			0		0	0	0	0	0	
1,288,740	Dedicated Schools Grant - set aside for savings			0		0	0	0	0	0	
42,859,450	DSG - Transferred to Academies for Mainstream pupils			203,469,880		203,469,880	203,469,880	0	0	203,469,880	
0	DSG - Transferred to Academies for Nigh Needs pupils			6,363,000		6,363,000	0	0	6,363,000	6,363,000	
(42,859,450)	ISB Transfer to Academies - Mainstream		(203,469,880)			(203,469,880)	(203,469,880)	0	0	(203,469,880)	
0	ISB Transfer to Academies - HNB		(6,363,000)			(6,363,000)	0	0	(6,363,000)	(6,363,000)	
1,619,360	Estimated Central Department Schools Block Apportionments		1,076,420			1,076,420	60,375	246,138	769,907	1,076,420	
0	Contribution to reach future DSG		0			0	0	0	0	0	
0	Balance to reach DSG		0			0	0	0	0	0	
0	Estimated DSG carry forward from 2012/13		(686,641)			(686,641)	(502,768)	0	(183,873)	(686,641)	
(398,259,510)	TOTAL DEDICATED SCHOOLS GRANT	0	(209,443,101)	(198,885,120)	0	(408,328,221)	(335,851,869)	(21,553,351)	(50,923,001)	(408,328,221)	0
60,097,173	TOTAL CYPS	33,999,893	242,887,169	(216,984,712)	(860,177)	59,042,173	0	0	(0)	0	59,042,173

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Top up £ per banded place 13/14 before MFG or Ceilings

	Forest Way	Dorothy Goodman	Ashmount	Birch Wood	Maplewell Hall	Birkett House	Menphys Wigston	Menphys Sketchley Hill	MLD UNITS
4	1,174	1,314	2,105	1,831	1,256	1,538	4,785	4,785	285
5	2,617	2,756	3,548	3,273	2,699	2,980	6,228	6,228	1,728
6	4,059	4,199	4,990	4,716	4,142	4,423	7,670	7,670	3,170
7	5,502	5,641	6,433	6,159	5,584	5,865	9,113	9,113	4,613
8	9,830	9,969	10,761	10,486	9,912	10,193	13,441	13,441	8,941
9	12,715	12,855	13,646	13,372	12,797	13,079	16,326	16,326	11,826
10	27,141	27,281	28,072	27,798	27,224	27,505	30,752	30,752	26,252
10+	individual need								

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**Education
Funding
Agency**

Local Authority Funding Reform Pro-forma

File Attachment :

LA_855_Jan13_Additional_Data_FINAL.v4 (1).xls

LA Name	Leicestershire	LA Identifier	855	Completed by	Marjorie Allen-Carter
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Pupil Led Factors

			Number of Pupils	Sub Total (£)	Total (£)	Proportion of funding (%)
	Reception Uplift	Yes No		£0.00		
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Amount (£) per pupil		Pupil Units			
	Primary (including reception)	£2,515.44	49,310	£124,036,346.40	£259,795,512.51	37.403
	Key Stage 3	£3,570.62435	21,009.7	£75,017,746.41		22.621
	Key Stage 4	£4,262.825	14,249.1	£60,741,419.71		18.316

	Primary amount per pupil (£)	Secondary amount per pupil (£)	Number of eligible primary pupils	Number of eligible secondary pupils	Sub Total (£)	Total (£)	Proportion of funding (%)
	2) Deprivation	£413.11	£413.11	5,180.370593	3,118.127056	£2,140,062.90	£18,508,986.65
Secondary FSM		£413.11		3,118.127056	£1,288,129.47		
IDACI Score 0.2 - 0.25	£625	£634	3,413.90475	2,348.463275	£3,622,616.19		
IDACI Score 0.25 - 0.3	£625	£634	2,081.904623	1,427.484664	£2,206,215.67		
IDACI Score 0.3 - 0.4	£937	£951	2,590.524695	1,894.33845	£4,228,837.51		
IDACI Score 0.4 - 0.5	£1,250	£1,268	1,013.861342	967.8912339	£2,494,612.76		
IDACI Score 0.5 - 0.6	£1,562	£1,584	422.6896817	438.3741238	£1,354,625.89		
IDACI Score 0.6 - 1	£1,875	£1,901	235.7003071	385.0332459	£1,173,886.28		

	Amount (£) per pupil	Pupil Units	Sub Total (£)	Total (£)	Proportion of funding (%)	
3) Looked After Children (LAC)	NOT APPLICABLE			£0.00	0.000	
4) Low cost, high incidence SEN	LowAtt_%_PRI_78	£506.67	9,172.20183	£4,647,279.50	£8,505,997.28	2.565
	Secondary pupils not achieving (KS2 level 4 English and Math)	£1,119.82	3,445.837528	£3,858,717.78		
5) English as an Additional Language (EAL)	NOT APPLICABLE		£0.00	£0.00	0.000	
	NOT APPLICABLE		£0.00			
6) Mobility	Primary pupils starting school outside of normal entry dates		£0.00	£0.00	0.000	
	Secondary pupils starting school outside of normal entry dates		£0.00			

Other Factors

	Description	Fixed Sum Per School (£)	Total (£)	Proportion of funding (%)
7) Lump Sum		£150,000.00	£41,400,000.00	12.484
8) Fringe Payments				0.000
9) Split Sites	A Split Site School is a school with two distinct campuses separated by a public highway where teaching and learning...		£139,746.00	0.042
10) Rates			£3,192,362.86	0.963
11) PFI funding	Not Applicable		£0.00	0.000
12) Historical Commitments of 6th Form Funding	Not Applicable		£0.00	0.000

from DSG			
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13) Exceptional circumstances (can only be used with prior agreement of EFA)				
Circumstance	Calculation	Details of Calculation	Total (£)	Proportion of Funding (%)
Rent	Lump Sum	In respect of actual rents where the total number of schools eligible for such payments is less than 5%.	£82,666.00	0.025

Total Funding for Schools Block Formula (excluding MFG Funding Total) (£) :	£331,625,271.31
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14) Minimum Funding Guarantee MFG is set at -1.5%	
MFG Funding Total (before capping or scaling) (£)	£4,270,028.82

15) Limiting gains Gains may be capped above a specific ceiling and/or scaled back	
Capping Factor (%)	4.000
Scaling Factor (%)	100.000

Explanation as to how capping and/or scaling has been applied	
The capping factor is 4% and is calculated in the same manner as the MFG	
If capped and/or scaling applied: Total deduction (£)	£1,933,158.31

Total Funding for Schools Block Formula (including MFG Funding Total) (£) :	£333,962,141.82
% distributed through basic entitlement :	78.340
% Pupil Led Funding :	86.486

Retained for Growth :	£0.00
Primary/Secondary Ratio :	1 :
Ratio based on pre MFG per pupil value (£). Primary pupil count should exclude Reception Uplift	1.24