

Dear Colleague

## **LEICESTERSHIRE SCHOOLS' FORUM**

I would like to invite you to a meeting of the Leicestershire Schools' Forum to be held on **Wednesday, 28 February 2018 at 2.00 pm at Beaumanor Hall, Beaumanor Drive, Woodhouse, Leicestershire** with the room being available from 1.30 pm.

Please see below for the agenda for the meeting.

Yours sincerely

**Karen Brown / Bryn Emerson (Tel. 0116 305 6432)**

*E-Mail*      **karen.m.brown@leics.gov.uk / bryn.emerson@leics.gov.uk**

### **AGENDA**

<u>Item</u>	<u>Paper</u>
1. Apologies for absence/Substitutions.	
2. Minutes of a Meeting held on 4 December 2017	2
3. High Needs Update	3
4. 2018/19 Schools' Budget	4
5. Any other business.	
6. Date of next meeting.	

This page is intentionally left blank

**Minutes of a meeting of the Leicestershire Schools' Forum held at Beaumanor Hall on Monday 4 December 2017 at 2.00 pm**

**Present**

Kath Kelly	Secondary Academies Headteacher
Callum Orr	Secondary Academies Headteacher
Chris Parkinson	Secondary Academies Headteacher
Suzanne Uprichard	Secondary Academies Governor / PRU
Steve McDonald	Secondary Academies Governor
Chris Swan	Secondary Academies Governor
Martin Towers	Secondary Academies Governor
Karen Rixon	Primary Academy Headteacher
Jane McKay	Primary Academy Headteacher
Jean Lewis	Primary Academy Governor
David Thomas	Primary Academy Governor
Heather Hall	Primary Maintained Headteacher
Karen Allen	Primary Maintained Headteacher
Martin Turnham	Primary Maintained Headteacher
Vanessa Jones	Primary Maintained Governor
Chris Davies	Roman Catholic Representative

**In attendance**

Ivan Ould, Lead Member, Children and Family Services  
 Jane Moore, Assistant Director, Education and Early Help  
 David Atterbury, Head of Service, Education Sufficiency  
 Alison Bradley, Head of Service, Education Quality and Inclusion  
 Jenny Lawrence, Finance Business Partner, Corporate Resources

		<b>Action</b>
<b>1.</b>	<b>Apologies for Absence/Substitutions</b>  Apologies for absence were received from Paul Meredith, Dave Hedley (Martin Towers substituting), Jo Blackburn, Kathryn McGovern, Catherine Drury, Graham Bett, Nick Goforth and Edy O'Connor.	

2.	<p><b>Minutes and Matters Arising</b></p> <p>The minutes of the meeting held on Monday 6 November 2017 were agreed.</p>	
3.	<p><b>2018/19 School Funding Formula –outcome of consultation</b></p> <p>Jenny Lawrence presented an analysis of the consultation outcome to gain final views of the Schools’ Forum to inform the recommendations for Cabinet on 9 January 2018. A copy of the consultation unabridged comments submitted by schools during the consultation period were circulated to members of the Forum.</p> <p>Jenny stated that 95 schools responded to the consultation; 55 primary and 40 secondary.</p> <p>Two options were presented for Primary Schools and one for Secondary Schools:</p> <p><b>Primary Option 1:</b> To adopt the NFF principles but local variation in respect of prior attainment, lump sum and deprivation.</p> <p><b>Primary Option 2:</b> Move as close to the NFF as possible excluding sparsity.</p> <p><b>Secondary Option:</b> To align to NFF as close as possible excluding the sparsity factor.</p> <p>Jenny commented that the local authority had replicated what sparsity looked like through the working group. The responses for Option 1 were 42 and for Option 2 were 37. Based on the primary responses only Option 1 was more favourable across Leicestershire schools. Jenny asked the Schools’ Forum for any comments.</p> <p>David Thomas commented that he would go against the formula with the local variations as it failed to demonstrate a clear benefit from deviation from the National Funding Formula proposals, which was the remit against which the modelling had been done.</p> <p>A primary maintained headteacher made it clear he would lose out over this formula and was uncertain if this was a transition to a NFF in two years’ time. This was a time risk and ‘cliff edge’ argument.</p> <p>Jenny commented that it was impossible to speculate on what year 3 would be as the DfE had not made any information available. Moving on the next steps would be based on the spending review – difficult to know where the cliff edge is, if indeed there will be one. The baseline budget for 2019/20 will be 2018/19 school budgets. There is growing</p>	

	<p>speculation that it will not be possible to implement a hard formula in 2020/21.</p> <p>Callum Orr asked if Year 3 was near to the NFF or the existing Leicestershire formula. Jenny said that the expectation would be that with a hard formula Year 3 would be the NFF, if a soft formula, it would be the adopted formula for Leicestershire. Mr Ould commented that he had attended a F40/DfE meeting recently and whether the additional £1.6 billion over the next 2 years was baselined would depend on the next spending review.</p> <p>Following a vote 14 members did not support the Local Authority proposal to adopt the NFF principles but local variation in respect of prior attainment, lump sum and deprivation for primary schools and there were 2 abstentions.</p> <p>A Forum member asked what the next stage was. Jenny commented that this was the final stage in consultation. Jane Moore emphasised that if Forum are proposing not to agree with the LA proposal they need to be really clear around the decision and be transparent about the decision the Schools' Forum is recommending.</p> <p>Jenny referred to the one option for the Secondary Formula. Jenny added there was only one school that triggered sparsity funding but its position at the funding floor resulted in no more funding if included.</p> <p>Jenny referred to the two areas where it would be necessary to rebalance the Leicestershire formula to ensure it did not exceed the funding available. They were:</p> <ul style="list-style-type: none"> <li>• Balance the cost of any pupil characteristic changes in the school sector in which they arise and;</li> </ul> <p>Forum members agreed with the local authority proposal to balance the cost of any pupil characteristic changes in the school sector in which they arise.</p> <ul style="list-style-type: none"> <li>• The local authority's intended approach to balance the cost of changes in rent, rates, existing age ranges changes and pupil growth through a universal adjustment to the AWPU rate</li> </ul> <p>A Forum member asked why this does not come from all schools instead of individual schools. Jenny commented that this had been dealt with in the budget and headroom in previous years but this was not possible in the new method of calculating DSG allocations. The Forum discussed this in detail and it was agreed to defer any decision on this due to uncertainty on costs. A more suitable approach would be looked at in the autumn term when costs would be clearer.</p>	
--	---	--

	<p>Jenny referred to Question 10 which asked about supporting the retention of any DSG surplus in 2018/19 to meet increased cost in 2019/20.</p> <p>Forum members expressed concern about the level of funding required in 2019/2020 and said that the 2018/19 surplus should be distributed to schools. There was a significant view from the secondary schools that any surplus should be used to support KS3. Jenny commented that any surplus cannot be targeted at KS3 as the floors and ceiling mechanism in the NFF would not allow this. A Forum member asked if this was a 2 year programme or a rolling programme. Jenny commented that information was only available for 2 years. Discussion took place on the number of respondents to the consultation and the classic division of responses. Concern was expressed about the communication mechanism of the consultation.</p> <p>Jane Moore asked Forum Members to vote on whether they agreed that the LA should use the adjustment in AWPU:</p> <p>Agree: 7 Disagree: 6 Abstained: 3</p> <p>Jane asked Forum members whether they supported the retention of any DSG surplus in 2018/19 to meet increased cost in 2019/20:</p> <p>Agree: 0 Disagree: 14 Abstained: 1</p> <p>A Forum representative commented that members were uncertain about making decisions where the impact arising from them could not be quantified. Suzanne Uprichard expressed concern that there was no organisation governors could refer to. Jenny commented that it was difficult for governors to communicate with their groups. Alison Bradley agreed to speak to Governor Development Service about the communication with governors.</p> <p><b>The Forum unanimously agreed that the Local Authority should implement the NFF from 2018/19 for both primary and secondary school budgets.</b></p> <p><b>It was agreed that in respect of the balancing adjustment for the school led factors this would be revisited at the beginning of the autumn term.</b></p>	<b>AB</b>
4.	<p><b>Any Other Business</b></p> <p>There was no further business.</p>	

<b>5.</b>	<b>Date of Next Meetings</b>  Wednesday 28 February 2018 at 2.00 pm  Dates to be agreed:  Wednesday 20 June Monday 24 September Monday 26 November  All dates from 2.00 – 4.00 pm at Beaumanor Hall	
-----------	---	--

This page is intentionally left blank



# Schools Forum

## High Needs Update

**February 2018**

9

Agenda Item 3

# SEND Strategy

## Priorities 2017 to 2020

1. Improve multi agency working and coordination of services
2. Increase support for and involvement of parents and carers, young people and families and safeguarding
3. Improving the quality and sufficiency of SEND education provision and services →
  - a) Supporting mainstream schools and settings to develop their SEN provision
  - b) Developing local specialist services to ensure sufficiency of places across a continuum of needs
4. Improve the transition to adulthood

# High Needs block - Background

- Budget overspent by £2.5m in 2016/17 - an improvement from the October 2016 forecast of an £3.8m overspend.
- Placement costs for CYP with SEND account for most of the budget
  - In 2016/17 budget was £60.9m with placement costs of £54.4m
  - Placement costs accounted for £1.9m of the overspend ⇒
  - However 157 more pupils were supported than were budgeted for – LA has additional duties for post 16
  - Average cost per child reduced from £16,835 budgeted to £16,525 actual.
- For 2017/18 - budget increased by c£3m and forecast at Period 9 is £1.5m and £717k is placement costs

# High Needs block – Background

- SEND Placement costs include:
  - Payments to mainstream settings, schools and colleges for CYP with a Statement of SEN or an Education, Health and Care Plan
  - Payments to maintained special schools and independent special schools
- Leicestershire in the top eight of LAs using independent special school provision.
- In 2016/17 - 366 pupils costing £19.5m (12% of our young people 36% of total cost)
- Key groups in independent provision are higher functioning ASD and SEMH
- Projected spending on Independent provision reduced during 2016/17 with an underspend of £952,630 in this area

# High Needs Project group

- Other services funded from the High Needs Budget include the specialist teaching service, behaviour partnerships, primary PRU provision and medical provision.
- A High Needs Project has been established to lead the work to identify where savings can be achieved whilst improving outcomes:
- There are 6 Work- streams
  - Case Planning and Review
  - Specialist Teaching Service
  - Independent Placement Commissioning
  - Sufficiency and Provision
  - Behaviour and Inclusion
  - Children with Medical Needs

- Increased capacity with SEN Assessment Service.
- Updated Criteria Document and ‘banding document’ to be trialled Feb to October 2018.
- Equality Impact Assessment and finalised criteria from October half-term
- Transition Planning Documentation updated.
- SEND Quality Assurance and Decision Oversight Panel from Feb half-term.
- Multi-agency quality audits to be reported to SEND Board.
- Peer Review Feb 2018

- Review underway
- New staffing structure to be in place for 1<sup>st</sup> September 2018
- Looking at minimal savings but more effective model
- Further work will need to be taken forward to develop the traded offer, integrate the teams etc
- Also Autism Intensive support provision and links with medical needs

- 362 Individual Placement Agreements issued and tracked
- KPI dashboard developed and circulated to all ISP's for February return
- Tableau dashboard developed with all ISP data and performance summary
- East Midlands Regional SEND Project Manager recruited and hosted in LCC
- Regional fee increase annual review completed
- Quality & Contract Management frameworks developed
- ISP review process to be developed



- Inclusion Bids
- Higher functioning ASD Specialist provision:
  - Spring 2018, 127 pupils higher functioning ASD in independent provision - 23 primary, 104 secondary.
  - Of the £19.1m cost for independent provision in 2016/17, £7.6m relates to ASD pupils with mainstream abilities in independent provision
  - This has stabilised in 2017/18 because of the development of the Maplewell and Birchwood provision in Sept 16 - currently forecast at £7.9m for 127 pupils.
  - Prior to this, costs and numbers were increasing year on year

- Secondary Resource bases already in place – Wigston and Shepshed
- DMT have agreed further resource bases at Rawlins Academy (10 place) Hinckley Academy (10 up to 20 places) and All Saints Primary Wigston (10 place) from April/Sept 2018
- Co production with parents to design the provision
- Further work
  - Detailed assessment of need for the County
  - HI resource provision
  - ESMH provision
  - Learning needs
  - Early Years and Post 16

## Current

- To renew SEIP agreement from September 2018 for 2 years – with some refinements.
- During the 2 years, will work with the SEIPs to co-produce new arrangements
- Working on proposals to strengthen link between Careers IAG and Inclusion
- Putting in place support for Early Years transition to Primary

## Future Priority:

- Supporting SEND / vulnerable needs capacity building in the schools system (various activities)

- Significant increase in demand for support, particularly in relation to mental health issues.
- Excessive dependence on private sector provision, and very limited capacity at Willowbank School.
- Inconsistent application of LA medical needs policy e.g most support provided on a one to one home visit basis rather than in school.
- Current budget position unsustainable (£165k overspend)
- Review in progress encompasses; improved performance reporting, analysis of all open cases to establish good practice and potential for early re-integration, variations to provider framework agreement e.g cancellations policy, revision of CMN policy and potential for partial cost recovery.
- Development of longer term strategic options for CMN provision



## SCHOOLS FORUM

**28 FEBRUARY 2018**

### **2018/19 SCHOOLS BUDGET**

Content Applicable to;		School Phase;	
Maintained Primary and Secondary Schools	X	Pre School	X
Academies	X	Foundation Stage	X
PVI Settings	X	Primary	X
Special Schools / Academies	X	Secondary	X
Local Authority	X	Post 16	X
		High Needs	X

Content Requires;		By;	
Noting	X	Maintained Primary School Members	
Decision	X	Maintained Secondary School Members	
		Maintained Special School Members	
		Academy Members	
		All Schools Forum	X
<b>Actions arising from the recommendations in this report are for all Schools Forum Members</b>			

### **Purpose of the Report**

1. The purpose of this report is to present the 2018/19 Dedicated Schools Grant Settlement for Leicestershire and the 2018/19 Schools Budget.
2. This report builds upon a number of reports presented through the 2017/18 financial year and specifically those relating to the introduction of the National Funding Formula (NFF).

### **Recommendations**

3. That Schools Forum approves the establishment of a budget to fund school growth (Paragraph 17, Item 2)

4. That Schools Forum approve the retention of budgets to meet the prescribed statutory duties of the local authority and to meet historic costs (Paragraph 17, Items 3 & 4)
5. That Schools Forum approve the centrally retained early years funding of (Paragraph 17 Item 5)
6. That Schools Forum notes the number and average cost of commissioned places for children and young people with High Needs (Paragraph 28)
7. That Schools Forum note the 2017/18 school funding rates (Paragraph 39)
8. That Schools Forum approve the action to be taken in respect of schools where the Special Educational Needs (SEN) notional budget is insufficient to meet the aggregated value of High Needs Funding Element 2 (Paragraph 59)
9. That Schools Forum note the average per pupil funding to be taken into account for recoupment for excluded pupils (Paragraph 60)
10. That Schools Forum note the payment rates for the Early Years Funding formula (Paragraphs 64 & 65)
11. That Schools Forum note the retention of the Dedicated Schools Grant Reserve and the purposes for which it will be used (Paragraphs 66 -69)

### **Background**

12. This report builds upon those presented to Schools Forum during 2017 and sets out the local authority's Schools Budget for 2018/19.
13. The Schools Budget is the term given overall to the services funded from Dedicated Schools Grant (DSG). Local authorities are required to set the Schools Budget at least equal to the amount of DSG received. The local authority makes no contribution to DSG, the Schools Budget is therefore set at the level of grant and must contain all its spending pressures within that grant.
14. For 2018/19 DSG is divided into four separate funding blocks;
  - Schools Block – funds delegated budgets for maintained schools and academies and school growth.
  - The Central Services Block – funds historic costs and other prescribed local authority areas of expenditure including the local authorities statutory duties for all schools previously funded through the Education Services Grant.
  - Early Years – funds the free entitlement to early education for disadvantaged 2 year olds and 3 & 4 year olds, including the 30 hours

of provision for eligible parents and the services that support the early years sector

- High Needs – funds provision for pupils with SEN, the PRU and other services for vulnerable children such as the behaviour partnerships and specialist teaching services

15. The 2018/19 Children and Family Services Budget was considered by the Children and Family Services Overview and Scrutiny Committee on 15 January 2018, by the Cabinet on 9 February 2018 and the County Council on 21 February 2018 and is shown as Appendix A.

### **Role of the Schools Forum in setting the 2018/19 Schools Budget**

16. The Central Services Block now holds the retained budgets for a number of areas of expenditure centrally retained by the local authority through provisions contained within the School and Early Years Finance (England) Regulations, these budget are subject to restrictions and some are subject to some decisions for the Schools Forum.
17. The purpose and scope of these budgets is detailed below;

<b>Item</b>	<b>Approval For</b>	<b>Action</b>
1.	De-delegation from mainstream school budgets	No decision to be taken, no budgets are subject to de-delegation.  De-delegation affects maintained primary and secondary schools only, all budgets for academies are required to be fully delegated.
2.	To create a fund for 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 approved the policy for funding school growth at its meeting on 14 January 2016  A budget is established for 2018/19 to meet cost arising from an increased number of school places provided as basic need in both 2018/19 and some provision for 2019/20. The proposed budget is £1.3m (2017/18 £0)
3.	Funding for the local authority in order to meet prescribed statutory duties placed upon it.  This funding now includes funding for local authority statutory duties for all schools previously funded through the retained duties element of ESG	The budgets falling into this category are; <ul style="list-style-type: none"> <li>• Servicing the Schools Forum £8,570 (2017/18 £8,570), this budget meets the cost of operating the Schools Forum. It appears on the Admin and Committees line on the budget statement</li> </ul>

		<ul style="list-style-type: none"> <li>• Admissions £318,020 (2017/18 £318,020). This meets the local authorities statutory responsibilities for admissions and is funded from both the Schools Block funded from the Schools Block £279,615 and £38,405 from the High Needs Block. This appears on the Education Sufficiency line of the budget statement</li> <li>• Local Authority Statutory / Regulatory Duties, Asset Management and Central Support Services £2.378m. This is made up of central recharges to DSG budgets (unchanged from £922,000 in 2017-18) plus services previously funded from ESG which was transferred to DSG in 2017-18 (£1.456m). This appears on the Central Charges line of the budget statement</li> </ul> <p>Schools Forum are asked to approve the retention of these budgets which have not increased over the 2017/18 budget provision</p>
4.	<p>Funding for historic costs met by the local authority. Following the baselining exercise undertaken to determine the 2017/18 DSG baselines the DfE have set out their expectation that these costs should unwind over time and that funding released in 2018/19 should be recycled to school budgets. This may be the case for the element relating to schools causing concern but no funding will be released from premature retirement for significant periods of time given that the local authority remains supporting such costs arising from pre 1997</p>	<ul style="list-style-type: none"> <li>• Premature Retirement Costs £674,900 (2017/18 £674,890), these are historic costs relating to school staff where the commitment remains with the local authority and relates to both maintained schools and academies. This appears on the Human Resources line of the budget statement</li> <li>• Miscellaneous £248,000 (2017/18 £248,000). This is the commissioning budget for maintained schools causing concern, whilst the number of maintained schools has reduced overall the number of schools requiring LA support is largely unchanged. This appears on the</li> </ul>



		5-19 Learning line of the budget statement
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 in addition to the local authorities statutory responsibilities in this area. For 2018/19 this must not exceed 5% of the Early Years DSG	Schools Forum are asked to approve expenditure of £1,677m (2017/18 £1.604m )
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 so no decision is necessary, the DSG overspend from 2017/18 will be funded from the DSG reserve

18. Where the decision making power is vested in the Schools Forum, the local authority may seek adjudication from the Secretary of State should approval not be granted. This would be sought should Schools Forum not approve the centrally funded items, there is no other source of funding for the local authority to meet these commitments which are all incurred as a result of the local authorities role in schools. Retention of these budgets is consistent with that of previous years with the exception of retaining a budget for new school growth which is discussed in further detail later in this report.
19. A further budget for school copyright is held centrally under provisions within the School and Early Years Finance (England) Regulations. This funds copyright licences within a nationally negotiated contract by the Secretary of State for all academies and maintained schools, as a result of this national contract individual schools no longer meet these costs directly. The 2018/19 cost for Leicestershire is confirmed at £484,124.

### **Dedicated Schools Grant**

20. For 2018/19 the Dedicated Schools Grant (DSG) structure has changed and is now calculated in four separate blocks as set out below;

<b>Funding Block</b>	<b>Areas Funded</b>	<b>Basis for Settlement</b>
Schools Block £380.144m	Individual budgets for maintained schools and academies and school growth  DSG is notionally allocated	2018/19 sees the implementation of the National Funding Formula for schools which attributes units of funding to pupil characteristics. The grant

	<p>to Leicestershire for all maintained schools and academies. A locally agreed funding formula is applied to this to determine school budgets, for maintained schools these are allocated directly by the local authority, for academies the funding is recouped from the settlement by the Education and Skills Funding Agency (ESFA) who then directly fund academies.</p>	<p>settlement is based on the aggregate of pupil led characteristics for each individual school plus an allocation for school led factors based on 2017/18 expenditure.</p> <p>Overall the pupil led element of the grant allocation is increased by 3% per pupil for 2018/19, the school led element of the grant is funded on the basis of 2017/18 expenditure.</p>
<p>Central School Services Block £3.284m</p>	<p>This is a separate block for the first time in 2018/19. It funds historic financial commitments related to schools such as premature retirement costs, some budgets related to schools that are centrally retained e.g. admissions, servicing the Schools Forum and school copyright licences. This block now includes funding from the retained duties element of the former Education Services Grant for the responsibilities that local authorities have for all pupils such as school place planning and asset management.</p>	<p>90% is distributed through a per pupil allocation based on previous expenditure and the former rate of the Education Services Grant plus an element based on actual 2017/18 expenditure.</p> <p>Overall this is an increase of 1.8% over the 2017/18 baseline.</p>
<p>High Needs Block  Est £65.980</p>	<p>Funds special schools and other specialist providers for high needs pupils and students, the pupil referral unit and support services for high needs pupils including high needs students in further education provision.</p> <p>As with the Schools Block</p>	<p>This DSG Block moves to a formulaic allocation for the first time in 2018/19. The formula is based upon population of 0 -19 year olds and proxy indicators for additional educational need including deprivation, ill health, disability and low attainment. Also included is</p>

	<p>this includes funding for special academies and post 16 providers which is recouped by the ESFA who then directly fund academies.</p> <p>Confirmation of the 2018/19 grant is not expected until May 2018.</p>	<p>an element based on historic spend.</p> <p>The formula also includes a funding floor to ensure that local authorities do not receive a funding reduction as a result of the introduction of the formula, Leicestershire receives £3.98m through this element. No information on protection arrangements for 2020/21 is currently available</p>
<p>Early Years est £30.917m ( 3 &amp; 4 year olds)</p> <p>2 year old disadvantaged places £3.428m (est)</p>	<p>Funds the Free Entitlement to Early Education (FEEE) for 2, 3 and 4 year olds and an element of the early learning and childcare service.</p> <p>The grant is based on the universal hourly base rate plus additional needs measured with reference to free school meals, disability living allowance and english as an additional language. The factors as recorded on the early years census in January 2018 and updated for the January 2019 census, final grant is not expected to be confirmed until May 2019.</p>	<p>The allocation is based on individual pupil characteristics and converted to a rate per hour of participation. Leicestershire receives the lowest rate of £4.30 per hour for 3 and 4 year olds and the lowest rate of £5.20 per hour for disadvantaged 2 year olds.</p>
<b>£483.753m</b>	<b>2018/19 Estimated DSG</b>	

21. The 2018/19 MTFs sets the overall Schools Budget at the level of DSG received and is therefore shown as a net nil budget at local authority level. There are no contributions to DSG from the County Council.

#### Schools Block

22. For 2018/19 and 2019/20 a 'soft' formula is in place. A soft formula is the terminology to describe a situation whereby notional school allocations are calculated at a national level based upon pupil characteristics. Local authorities then apply their own local funding formula to generate individual school budgets.

23. The 2018/19 Schools Block DSG settlement to local authorities is a value per primary and secondary pupil based upon pupil characteristics recorded within the October 2016 school census plus a fixed sum for school led factors. The figures confirmed within the DSG figures published by the DfE in December for Leicestershire are;

<b>2018/19 DSG</b>	
Number of Primary Pupils x	£3,783
+	
Number of Secondary Pupils x	£4,730
+	
Funding for school led factors – Rent / Rates / New School Growth	Per 2017/18 expenditure
<b>Total Schools Block DSG</b>	
<b>£380.144m</b>	

24. In terms of ranking the above values places Leicestershire 23<sup>rd</sup> lowest funded for the primary pupil rate and 3<sup>rd</sup> lowest for secondary. This is reflected in the outcome of the NFF calculations for individual schools where a large number of primary schools are funded at the floor and conversely secondary schools at the ceiling. Whilst the NFF at school level will fund all pupils with the same characteristics at the same rate irrespective of where they are educated, local authorities will be funded at different rates as the proportions of pupils with additional factors will be unique for each authority.
25. Despite the overall increase in budget, at individual school level a number of schools are on the funding floor with the minimum increase of 0.5% per pupil for these schools despite additional funding they may experience a real term decrease in funding. It is expected that responsibilities for setting a school funding formula will be removed from local authorities at some point in the future with all school budgets being calculated nationally by the ESFA. It was expected that this change would be implemented in 2020/21 although there is growing uncertainty on whether this can be achieved.

#### High Needs Block

26. The High Needs formula allocates funding according to a basket of pupil related indicators but also includes an allocation based on current spend. For Leicestershire this results in a minor increase in funding for 2018/19 but includes c£4 million of protection funding, this protection is not guaranteed in the long term. The December 2017 consultation set out that the formula would be reviewed within 4 years and DfE officials have informally stated that the formula, including the protection, will remain until such point it is reviewed. It is however essential that a financial strategy, including the development of a contingency, is established.

27. The following table sets out the summarised income and expenditure position based on current estimated service demand, it includes the assumption that the 2018/19 level of protection within the high needs settlement is maintained;

	<b>2017/18 £,000</b>	<b>2018/19 £,000</b>	<b>2019/20 £,000</b>	<b>2020/21 £,000</b>
High Needs Placements	60,213	60,448	61,192	61,622
Other High Needs Costs	6,051	6,211	6,211	6,211
<b>Total High Needs Expenditure</b>	<b>66,265</b>	<b>66,659</b>	<b>67,403</b>	<b>67,833</b>
High Needs Grant	-65,301	*-64,844	-65,146	-65,146
<b>Projected Overspend</b>	<b>964</b>	<b>1,815</b>	<b>2,257</b>	<b>2,687</b>

\* The introduction of the High Needs Funding Formula for 2018/19 included a baseline change and the DfE have transferred element 1 funding for SEN Units in mainstream schools from the High Needs Block to the Schools Block

28. The number of High Needs places commissioned from DSG and their average unit costs are shown at Appendix C. Costs at individual school and unit reflects the needs of pupil at that provision, as such there is a significant variation between, and within, groups of providers.
29. The High Needs Inclusion Project is charged with identifying long term and sustainable solutions that ensure that the level of expenditure is able to be contained within the High Needs Grant both in the short term, whilst the grant is relatively stable, and in the longer term should the level of protection within the current system be reduced. The loss of protection would increase the savings requirement in 2020/21 from £2.7 million to £6.7 million.

The project has a number of workstreams that include the development of a financial strategy to address fluctuations in both expenditure and grant. This will allow the creation of a contingency, allowing the service to manage financial issues in a planned way.

30. The High Needs Project Board has already implemented a number of changes leading to a reduction in the overspend on the High Needs Block. These include more robust assessment of need, leading to children being placed in appropriate more cost effective provision, and the development of local lower cost autism provision within mainstream schools.
31. The SEND Strategy will be considered by Cabinet early in 2018 and will set out a number of areas of development. A key area of this that will contribute to the savings and a robust financial strategy for the High Needs block is improving the quality and sufficiency of SEND education provision and services. This will be through supporting mainstream schools and settings to develop their SEN provision alongside developing local specialist services to ensure sufficiency of places across a continuum of needs.

32. Savings proposals are being developed and include:
- The development of further autism provision. Additional enhanced resource bases within mainstream schools being developed at two secondary academies and at one maintained primary school which will become available from September 2018 for pupils with autism. The cost avoidance per pupil of this type of provision, as opposed to independent provision, is in the region of £20,000 per pupil per year.
  - The department is currently reviewing the structure and service offer within Specialist Teaching Services, which will also consider the future model for early years' provision including the delivery of the Free Entitlement to Early Education (FEEE) and for pre-school children with special educational needs and disability. An action plan is due to launch.
  - Options are being developed to reduce the cost of supporting children and young people unable to attend schools as a result of medical conditions. This is an area where expenditure has been growing over recent years and alternative service options that will decrease cost and increase pupil outcomes are being investigated.
33. The County Council has a statutory responsibility to support children and young people with special educational needs (SEN). The direct consequence of this is that if expenditure cannot be contained within the available grant, including earmarked funds, and if the Schools Forum do not approve a carry forward of a DSG deficit, then other resources will need to be diverted to fund the shortfall. For 2017/18 the projected overspend on the High Needs Block is c£1.4m, £0.7m of which relates to SEN Placements, and DSG earmarked funds are available to fund the forecast overspend. It is estimated that the DSG earmarked fund will total £1.7m at the end of the current financial year, however this will be also required to fund any costs reverting to the local authority at the point maintained schools converting to academies under sponsored arrangements meaning that this will not be possible to fund any DSG overspend in future years

#### Central Services Block

34. A Central Service Block is introduced in 2018/19. This block funds a number of school related expenditure items such as existing school based premature retirement costs, copyright licences under a national DfE contract for all schools and other historic school related costs.
35. For 2018/19 this block also includes funding for the retained duties that local authorities have for its statutory duties for all schools such as ensuring sufficient supply of school places and asset management previously funded through the retained duties element of the former Education Services Grant..

Year	Historic commitments	On-going Functions	Total	Overall Change
2017/18	£1.0m	£2.1m	£3.1m	
2018/19	£1.0m	£2.2m	£3.3m	+ 1.8%
2019/20	£1.0m	£2.3m	£3.3m	+ 3.4%

### Early Years Block

36. There are no changes to the Early Years Block. Grant remains determined by the number of children participating in early years' education and rates remain as for 2017/18. The funding will support the first full year of the 30 hours FEEE which was introduced nationally in September 2017 (April 2017 in Leicestershire) for eligible parents and continued delivery of the early years offer for disadvantaged two year olds. Of the grant at least 95% must be delegated to providers.

### 2018/19 School Budgets

37. Schools Forum have considered the introduction of the National Funding Formula and the Leicestershire approach for 2018/19 and 2019/20 at meetings throughout 2017.
38. A report setting out the proposals for the 2018/19 and 2019/20 school funding formula was considered and approved by the County Council's Cabinet on 9 January 2017. This confirms;
- a) The adoption of the national funding formula with the exclusion of the sparsity factor for both 2018/19 and 2019/20 for primary and secondary schools.
  - b) A balancing adjustment in each school phase to account for cost changes arising from movement in pupil characteristics between the census dates.
  - c) The retention of the 2018/19 surplus within the school-led factors as the first funding for increased costs in 2019/20.
  - d) Further consideration of the balancing adjustment for 2019/20 when costs for school growth and any potential age range changes are more certain.
39. School budgets were submitted to the ESFA in accordance with their deadline on 19 January. A query was received from the ESFA in respect of the funding held as growth as the formula passes through 99.65% of the DSG allocation. The position of the local authority has been provided to the ESFA who have now confirmed that the formula '*appears to meet the required criteria*'. Provisional budgets were published on the LTS website on 1 February 2018. School funding rates are included at Appendix C.

40. School budgets are required to be calculated on the October 2017 census, pupil characteristic changes result in a positive adjustment to balance the primary and secondary NFF allocation, consultation was undertaken on 2016 school census data. Remodelling the formula for the updated pupil data identified that the proposal to rebalance the formula on the Age Weighted Pupil Unit (AWPU) required a significant adjustment as a result of the floors and ceiling within the formula for 2018/19 and was not the optimal solution. For 2018/19 there is a positive adjustment which has been reflected in the formula by an increase in the ceiling to 3.2% (3% within the National Funding Formula)
41. The consultation responses on the balancing adjustment in respect of changes in the cost base arising from rates, new school growth and potential further age range changes, included a number stating that any surplus should be directed at schools with KS3 pupils only who under the new funding arrangements were expected to receive a lower per pupil minimum increase than schools with KS3 and KS4 pupils.
42. The illustrative NFF figures issued by the ESFA in October (and used in the calculation of the Leicestershire DSG funding units in July) included schools with only KS3 pupils receiving the higher per pupil minimum funding as for KS4 which was thought to be an error. However, the receipt of the October 2017 census data confirms the higher rate of funding.
43. The funding guidance sets out a weighted calculation for secondary schools with no KS4 pupils based on weighting the primary and secondary minimum per pupil funding rates, however Leicestershire high schools have no primary year groups. This position was queried with the ESFA who have concluded that there is ambiguity in the wording of the guidance, they have stated that they would 'prefer' that the KS3 minimum per pupil entitlement be funded and not the higher rate but cannot insist on this. They also allude to changing the wording of the guidance to remove ambiguity for 2019/20 and require a lower KS3 guarantee.
44. Given that Leicestershire has been funded at the secondary minimum per pupil level for high schools, and that one of the principles adopted in the development of the formula was that primary pupil funding should be received by primary schools and secondary funding received by secondary schools, the higher guarantee has been passed through to high school budgets. The affected schools have been contacted to advise that this may be a windfall for 2018/19 only.

### **Inflationary Pressures**

45. The DfE published information on expected inflationary pressure on school budgets over 2018/19 and 2019/20 in February 2018. The document reaffirms the DfE's view that there is scope for schools to improve efficiency and that the initiatives set out in the Schools Buying Strategy published in January 2017 will deliver best value for money from non-staff expenditure.
46. The document set out the following high level inflation assumptions;



- National Living and Minimum Wage and non-staff costs +0.3% of overall expenditure in 2018/19 and +0.4% in 2019/20.
- An assumption that staffing costs in total could rise 2.2% in 2018/19 and 1.4% in 2019/20 before schools would face real term financial pressures

It concludes '*However, there are other activities and priorities school could choose to spend money on, and schools will need to prioritise their spending on teachers' pay against other needs, such as school improvement, teacher CPD, pastoral support and teaching resources*'

47. Based on the limited level of information on school staffing costs available within the local authority we estimate that the total cost of support staff, i.e. pay award, NI and superannuation, could increase by 4.5% in 2018/19 and a further 4.5% in 2019/20.
48. No information is available currently on the 2018 teacher pay award however there is much speculation that this will exceed the current 1% public pay cap;
- The National Education Union submission to the Schools Teachers Review Body (STRB) sets out a 5% pay award
  - The STRB have been given flexibility to award a pay increase above 1%

The STRB are expected to report in May 2018.

49. It is essential that schools consider their approach to medium term financial planning within a strategic framework based upon the school vision for the future and alongside effective workforce strategy and pupil outcomes.
50. Whilst the DfE has a view that school efficiencies can continue to be found, Headteachers, Governors and Business Managers across Leicestershire report a very different view and that little in terms of efficiency savings can now be achieved. Schools will therefore need to think innovatively to respond to the funding challenges ahead through, for example;
- Considering new operational structures within and across schools
  - Collaborative arrangements sharing expertise and cost i.e. establishing areas of excellence, joint contracts
  - Leadership and management structures, differing models shared across groups of schools
  - Considering schools to be a business with two key areas of activity - teaching and learning and business management – and ensuring that the appropriate skills and responsibilities are vested in those most able to deliver

### **Funding School Growth**

51. Growth funding is contained within the school led element of Schools Block DSG and for 2018/19 is explicitly identified as such for the first time. In setting the baselines for funding the ESFA have determined two distinct elements of growth;

- a) Explicit i.e. funding to be given to schools increasing as a result of the basic need for school places; and,
  - b) Implicit i.e. the cost of protection and pupil number adjustments as a result of age range changes.
52. The 2018/19 Schools Block surplus is the result of a reduced cost of age range changes in 2018. It is anticipated that a further new primary school will open in September 2019, with further schools in the medium term. The local authority is also aware that the secondary schools who have to date not undertaken age range changes to establish 11 -16 / 19 schools are engaged in early discussions on change. Whilst it is not currently possible to quantify the costs they will increase for 2019/20. It should be noted that the cost of protection should the remaining 11-14 schools undertake age range changes could be in excess of £1.5m.
53. School growth is the most significant financial risk for the schools block and whilst the ESFA have yet to set out their approach to funding this past 2018/19 it must be assumed that costs will fall to be met by local authorities. The ESFA is engaging with local authorities on the approach to be adopted, Leicestershire has agreed to contribute to this work.
54. The floors and ceiling mechanism with the funding formula prevent the delegation of the surplus to all schools. The 2018/19 formula has been submitted to the ESFA, the surplus cannot now be delegated in 2018/19. The surplus is one off as the expectation is that the level of growth for 2019/20 will be based on the actual cost for 2018/19 although this has not yet been confirmed.
55. It should be noted that the NFF pupil led budgets are fully allocated to each school phase and school budgets contain funding equal to the actual costs of rent and rates payable for each school for 2018/19.
56. The surplus growth funding should be retained to establish a budget for growth, both explicit and implicit. The appropriate method to be applied to funding school growth for 2019/20 will be considered as school intentions with regard to age range change, and the ESFA's approach to funding school growth in 2019/20, become known. For 2018/19 a growth fund of £1.3m has been established.
57. Schools Forum is charged with the decision on approval of a retained budget of £1.3m for school growth, this has not been previously necessary as Leicestershire is one of very few authorities where this has not been required in the past, any unspent 2018/19 budget will be carried forward to meet the increased costs in 2019/20. The local authority will seek adjudication from the Secretary of State should approval not be granted.

### **Notional SEN Budget**

58. The Notional SEN budget is a subset of the funding delegated to all schools and academies and was established to guide schools in the allocation of resources to meet additional needs of pupils. In terms of high needs the funding

system sets out that element 2 funding is met from the notional SEN budget. The basis of the calculation is locally defined and is unchanged for 2018/19. The proportions and funding factors it relates to are detailed out in the following table:

<b>Funding Factor</b>	<b>2018/19 % to Notional SEN</b>
Age Weighted Pupil Unit	4%
Prior Attainment	50%
IDACI	67%
<b>Total Notional SEN Budget Contained within the Funding Formula</b>	<b>£32.018m</b>

59. The local authority will continue to assess schools where the notional SEN budget is insufficient to meet commitments to element 2 funding through a comparison of costs and notional SEN budget in October following pupil movements at the commencement of the academic year. Where the budget is shown to be insufficient to meet commitments an additional payment will be made.

#### **Excluded Pupils**

60. The arrangements for reclaiming funding from schools excluding pupils no longer solely refer to the deduction being based upon the age weighted pupil unit and refers to the average per pupil funding value for primary, Key Stage 3 and Key Stage 4. These values are detailed in the following table and will be applied as the deduction to school budgets from April 2018;

<b>School Phase</b>	<b>Annual Rate £</b>	<b>Daily Rate £</b>
Primary	3,211.62	16.90
Key Stage 3	4,515.98	23.77
Key Stage 4	5,127.63	26.99

#### **Pupil Premium**

61. The DfE have not formally issued a full pupil premium settlement for 2018/19 although rates for each category of pupil have been released, these are unchanged from 2017/18 with the exception of the Pupil Premium Plus for Looked after children which has increased from £1,900 to £2,300. The increase arises from the introduction of the NFF where nationally the funding previously allocated within local funding formulae for looked after children has been removed from DSG and added to the national quantum of pupil premium. As an authority not using looked after children in the funding formula Leicestershire has a marginal gain as a result of this change.

62. Pupil premium will be based on the January 2018 school census and schools will need to make reference to that in order to determine their individual grant allocations and inform the 2018/19 budget setting process.
63. The allocations are passported by the local authority to maintained schools for eligible pupils on the school roll but are retained by the local authority for looked after children which is allocated by the Head of the Virtual School, academies receive funding directly from the EFA. The rates for pupil premium are;

<b>Pupil Premium Payable for;</b>	<b>2018/19 £</b>
Primary Free School Meals Ever 6 (any pupil eligible for free school meals in the last 6 years)	1,320
Secondary Free School Meals Ever 6 (any pupil eligible for free school meals in the last 6 years)	935
Children from service families	300
Looked after children	2,300
Children adopted from care, left care under a special guardianship or residence order	2,300

### **2018/19 Early Years Provider Budgets**

64. Consultation with providers was undertaken between December and January to consider the re-introduction of a quality factor within the early years funding formula. The outcome of the consultation was to not introduce a new factor and the following hourly funding rates will be applied for 2018/19:

	Per Hour
3 and 4 Year Base Rate	£4.03
3 and 4 Year Deprivation top-up	£0.04 - £0.08
3 and 4 Special Needs top-up	£6.99

65. 2 year old funding rates will be;

	Per Hour
2 Year Old Base Rate	£4.93
2 Year Old Special Needs top-up	£6.99

### **Dedicated Schools Grant Reserve**

66. The Schools Budget must be set at the level of DSG received plus / minus any carry forward from previous years. In Leicestershire the reserve is earmarked to allow the local authority to meet the cost of deficits where schools convert to sponsored academy arrangements and to fund growth arising from new schools.

	<b>£,000</b>	<b>Narrative</b>
DSG Reserve 1/4/17	2,794,957	Confirmed reserve at close of the 2016/17 financial year
<b><u>Reserve Utilised 2017/18</u></b>		
2017/18 Dedicated Schools Grant Budget Overspend	1,400,000	Forecast overspend recorded at Period 9, the overspend largely related to increased cost and volume of SEN placements
<b>Estimated Reserve 31/3/18</b>	<b>1,394,957</b>	

67. The DSG reserve has historically been utilised to meet any overspend within the High Needs Block, to meet the cost of any deficits reverting to the local authority as maintained schools enter into sponsored academy arrangements and new school growth.
68. For 2018/19 school growth funding is included within the school led factors within the schools block. As discussed earlier within this report the approach to such in 2019/20 will be subject to more discussion in the approach to the 2019/20 budget setting exercise. Currently there is no expectation of any school deficits reverting back to the local authority. The reserve will held to mitigate any overspends within the high needs and early year's blocks.
69. The DSG reserve has been generated by underspends within the Early Years and High Needs Blocks, only minimal contributions are received from the Schools Block which is either delegated to schools or subject to expenditure restriction.

### **The Local Authority Budget**

70. In order to set out the full context of the financial challenges facing the department the provisions for growth and savings set out in the Children and Family Services budget for 2018/19 to 2021/22 are summarised below;

References	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
------------	-----------------	-----------------	-----------------	-----------------

#### References used in the following tables

\* items unchanged from previous Medium Term Financial Strategy

\*\* items included in the previous Medium Term Financial Strategy which have been amended

Eff - Efficiency saving

SR - Service reduction

Inc - Income

### GROWTH

**	G1	<b>Demand &amp; cost increases</b>				
	G2	Demographic growth- Social Care Placements	5,900	8,700	11,500	14,700
	G3	Social Worker Agency premia / recruitment & retention	500	500	500	500
	G4	Turnover factor: Social Workers	580	580	580	580
*	G5	Post OfSted action plan	2,000	2,000	2,000	2,000
	G28	Removal of time-limited growth - One-off contribution to Supporting Leicestershire Families	-300	-300	-300	-300
		Early Help/Supporting Leicestershire Families - contributions in 2018/19 and 2019/20 to create a fund of £2m to allow transition to a new model when other funding ceases.	1,000	1,000	0	0
	<b>Total</b>		<b>9,680</b>	<b>12,480</b>	<b>14,280</b>	<b>17,480</b>

### SAVINGS

**	CF1	Eff	<b>Transformation</b>				
	CF2	Eff	New Departmental Operating Model	190	190	90	90
	CF3	Eff	Growing Mainstream Internal Foster Carer Provision	-300	-800	-1,300	-1,800
	CF4	Eff	Growing Specialist Internal Foster Carer Provision	-400	-600	-900	-1,100
*	CF5	Eff/SR	Develop Wrap Around Therapeutic Support Services			-700	-700
**	CF6	Eff/SR	Admin / Business Support Review	-150	-150	-150	-150
	CF7	Eff	Early Help Review		-1,500	-1,500	-1,500
	CF8	Eff	Disabled Children's Respite Care		-100	-100	-100
			Review of staff absence		-75	-150	-150
	<b>Total</b>			<b>-660</b>	<b>-3,035</b>	<b>-4,710</b>	<b>-5,410</b>
*	CF9	Eff/Inc	<b>Departmental</b>				
**	CF10	SR	Review the Educational Psychology Service	-125	-225	-225	-225
**	CF11	Inc	Reprocurement of Contract for Careers Information, Advice & Guidance	-700	-700	-700	-700
	CF12	Eff	Academy conversion (reduced numbers)	40	40	40	70
			Education of Children in Care		-200	-200	-200
	<b>TOTAL</b>			<b>-785</b>	<b>-1,085</b>	<b>-1,085</b>	<b>-1,055</b>
	<b>TOTAL</b>			<b>-1,445</b>	<b>-4,120</b>	<b>-5,795</b>	<b>-6,465</b>

### Capital Programme

71. The draft Children and Family Services capital programme totals £43.460m over the next four years including £17.3m in 2018/19. The draft programme and funding are outlined below and summarised in Appendix C. The programme for 2018/19 is set out in more detail than that for future years where both the need for school places and the grant funding from the DfE is less certain. It is envisaged that over the four years of the MTFS that an additional 2,500 school places will be created.

72. The programme is fully funded by external grant and developer S106 contributions:

Basic Need Grant - is received from the DfE based upon the need to create additional school places, grant of £16.939m is confirmed for 2018/19 and £11.516m for 2019/20, announcements of grant for the latter two years of the MTFS are expected in early 2018 and 2019. The grant reflects the overall place need across the County and will be in both maintained schools and academies.

The programme is being delivered ahead of schedule in 2017/18. This has allowed £6m of Basic Needs grant for 2018/19 to be accelerated into the 2017/18 capital programme.

Strategic Maintenance Grant – is received from the DfE for the maintenance of maintained schools only. Grant is based on a formula that considers pupil numbers and overall condition of the school estate. Allocations for the MTFS period are yet to be confirmed. It is expected that the grant will reduce as schools convert to academies.

S106 Contributions – it is estimated that a total of £1.818m of S106 contributions will be received in 2018/19 rising to £7.801m in 2019/20. This estimate is based on the current estimates of developer activity for the first two years of the MTFS only, estimates will be revised in the light of actual development rates over the MTFS period.

SEND Provision Capital Grant – this grant was announced during 2017/18 by the DfE and in response to the introduction of the National Funding formula for High Needs to provide local authorities with capital to develop cost effective SEN provision and is confirmed at £0.709m for the first three years of the MTFS. Release of the grant is dependent upon the approval of a SEN Strategy which was considered by Cabinet on 9 January.

#### Draft Capital Programme 2018-22

	<b>2018/19 £,000</b>	<b>2019/20 £,000</b>	<b>2020/21 £,000</b>	<b>Total</b>
Provision of Primary Places	12,390	19,120	TBC	31,510
Address structural changes to the pattern of education – 10+ retention	300	0	0	300
DDA Compliance / Schools Access / Safeguarding	200	200	TBC	400
SEND Programme	1,230	710	710	2,650
Strategic Capital Maintenance (Est)	2,500	2,300	2,000	6,800
<b>Sub Total</b>	<b>16,620</b>	<b>22,330</b>	<b>2,710</b>	<b>41,660</b>
Schools Devolved Formula Capital (Est)	700	600	500	1,800
<b>Total</b>	<b>17,320</b>	<b>22,930</b>	<b>3,210</b>	<b>43,460</b>

73. The programme has been developed on a priority basis and within that schemes are at different stages of development. For some schemes contractors' prices have been obtained for others costs are indicative and based on exemplar and / or similar schemes. In order to minimise risk where contractors prices have not yet been obtained contingency is held to mitigate against any increase in cost, as prices are confirmed schemes will be re-evaluated and re-prioritised as necessary.

74. Anticipated S106 contributions have been included in the capital programme for 2018/19 and 2019/20 and based upon expected developer build rates and the number of additional pupils expected within those developments and as such may be subject to change.
75. The programme is largely focused upon the need to provide additional primary school places based on the assessed need through the annual school capacity assessment which also provides the basis for the Basic Need capital grant. It is estimated that 2,500 additional places will be delivered over the MTFs period, the location and number of the additional places can only be confirmed following the confirmation of school admissions.

#### 2018/19 Capital Programme

Schemes are focused on the need to develop additional primary school places. Significant schemes include primary provision in the Barwell area at Burbage Sketchley Hill, Shepshed Newcroft and a contingency for funding to address any unforeseen issues arising from September 18 admissions data.

Provision is also made for the completion of works in the Oadby area from the change in the 10+ pattern of education, provisions for capital works to support the schools developing enhanced resource bases for children with autism.

The programme also allocates the first tranche of the capital grant for SEND initiatives, the use of this funding will be confirmed following approval of the SEND strategy and after consultation with schools and parents.

#### 2019/20 Capital Programme

The programme for 2019/20 is subject to change as the pattern of future admissions becomes known but also in respect of S106 schemes which are subject to sufficient housing growth to generate the additional pupils but also in regard to developments triggering payment. Schemes will remain focused upon the provision of additional primary school places which will be delivered from the Basic Need grant and from specific s106 schemes including a potential new school at Ashby and major developments at Hugglescote.

The programme also includes the second tranche of the SEND Initiatives capital grant, schemes will be defined in line with the SEND strategy.

### **Appendices**

Appendix A – 2018/19 Children and Family Services Revenue Budget

Appendix B – Summary of Commissioned High Needs Places

Appendix C – 2018/19 School Funding Rates



**Background Papers**

Report to Schools Forum, 25 September 2018 – 2018/19 School Funding

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1018&MId=5088&Ver=4>

Report to Cabinet, 9 January 2018 – 2018/19 and 2019/20 School Funding Formula

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=135&MId=5176&Ver=4>

Report to Children and Families Overview and Scrutiny Committee, 15 January 2018  
– Medium Term Financial Strategy 2018/19 to 2020/21

<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1043&MId=5321&Ver=4>

Schools' Costs 2018-19 to 2019-20, DfE February 2018 -

<https://www.gov.uk/government/publications/schools-costs-technical-note>

**Officer to Contact**

Jenny Lawrence, Finance Business Partner CYPS

Email; [jlawrence@leics.gov.uk](mailto:jlawrence@leics.gov.uk)

Tel: 0116 3056401

This page is intentionally left blank

## CHILDREN &amp; FAMILY SERVICES DEPARTMENT

## REVENUE BUDGET 2018/19

Budget 2017/18		Employees	Running Expenses	Internal Income	Gross Budget	External Income	Net Total 2018/19	Schools	Early Years	High Needs	Dedicated Schools Grant	LA Block
£		£	£	£		£	£					
832,410	<b>C&amp;FS Directorate</b>	1,033,900	133,770	0	1,167,670	0	1,167,670	18,500	44,230	153,950	216,680	950,990
1,969,270	C&FS Safeguarding	2,056,060	247,660	-48,700	2,255,020	-130,000	2,125,020	0	0	0	0	2,125,020
136,960	LSCB	263,850	138,340	-53,100	349,090	-212,130	136,960	0	0	0	0	136,960
<b>2,106,230</b>	<b>Total Safeguarding, Improvement &amp; QA</b>	<b>2,319,910</b>	<b>386,000</b>	<b>-101,800</b>	<b>2,604,110</b>	<b>-342,130</b>	<b>2,261,980</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,261,980</b>
320,520	Asylum Seekers	267,570	802,960	0	1,070,530	-750,000	320,530	0	0	0	0	320,530
2,498,520	C&FS Fostering & Adoption	2,609,320	342,440	0	2,951,760	-49,950	2,901,810	0	0	0	0	2,901,810
1,527,760	Childrens Management	2,945,100	35,300	0	2,980,400	-63,000	2,917,400	0	0	0	0	2,917,400
23,289,840	C&FS Operational Placements	28,421,060	68,780	0	28,489,840	0	28,489,840	0	0	0	0	28,489,840
2,521,760	Children in Care Service	2,277,730	634,540	-104,500	2,807,770	-500	2,807,270	0	0	0	0	2,807,270
<b>30,158,400</b>	<b>Total Children in Care</b>	<b>36,520,780</b>	<b>1,884,020</b>	<b>-104,500</b>	<b>38,300,300</b>	<b>-863,450</b>	<b>37,436,850</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37,436,850</b>
1,493,180	CPS North	1,492,570	174,130	0	1,666,700	0	1,666,700	0	0	0	0	1,666,700
1,103,080	CPS South	1,069,680	139,160	0	1,208,840	0	1,208,840	0	0	0	0	1,208,840
2,517,600	First Response	2,380,560	48,830	0	2,429,390	-29,000	2,400,390	0	0	0	0	2,400,390
1,541,730	CPS North/South	1,509,820	161,670	0	1,671,490	0	1,671,490	0	0	0	0	1,671,490
1,667,560	Strengthening Families	1,906,080	117,190	0	2,023,270	0	2,023,270	0	0	0	0	2,023,270
574,180	CSE	510,580	63,610	0	574,190	0	574,190	0	0	0	0	574,190
<b>8,897,330</b>	<b>Field Social Work</b>	<b>8,869,290</b>	<b>704,590</b>	<b>0</b>	<b>9,573,880</b>	<b>-29,000</b>	<b>9,544,880</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,544,880</b>
<b>41,161,960</b>	<b>TOTAL CHILDRENS SOCIAL CARE</b>	<b>47,709,980</b>	<b>2,974,610</b>	<b>-206,300</b>	<b>50,478,290</b>	<b>-1,234,580</b>	<b>49,243,710</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>49,243,710</b>
4,117,510	Children's Centre	2,731,790	1,247,080	0	3,978,870	0	3,978,870	0	0	0	0	3,978,870
2,082,690	Early Help Support Services	2,285,940	417,650	-572,730	2,130,860	-280	2,130,580	0	0	0	0	2,130,580
2,384,810	SLF Pooled Budget	3,484,420	815,330	-1,085,020	3,214,730	-1,129,920	2,084,810	0	0	0	0	2,084,810
1,720,110	Youth Offending Service	2,064,300	592,620	-168,100	2,488,820	-768,710	1,720,110	0	0	0	0	1,720,110
482,010	Community Safety	192,020	324,770	0	516,790	-36,000	480,790	0	0	0	0	480,790
<b>10,787,130</b>	<b>Total Targeted Early Help</b>	<b>10,758,470</b>	<b>3,397,450</b>	<b>-1,825,850</b>	<b>12,330,070</b>	<b>-1,934,910</b>	<b>10,395,160</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,395,160</b>
<b>1,203,560</b>	<b>Education Sufficiency</b>	<b>1,140,740</b>	<b>538,720</b>	<b>-224,900</b>	<b>1,454,560</b>	<b>-211,000</b>	<b>1,243,560</b>	<b>341,740</b>	<b>0</b>	<b>621,290</b>	<b>963,030</b>	<b>280,530</b>
34,366,710	C&FS 0-5 Learning	1,475,160	33,255,080	0	34,730,240	-297,380	34,432,860	0	34,090,490	0	34,090,490	342,370
2,079,980	C&FS 5-19 Learning	464,070	1,233,230	-114,780	1,582,520	-488,690	1,093,830	248,000	0	0	248,000	845,830
2,148,410	C&FS Education of Vulnerable Groups	0	2,204,410	0	2,204,410	-62,640	2,141,770	0	0	1,991,770	1,991,770	150,000
<b>38,595,100</b>	<b>Total Education</b>	<b>1,939,230</b>	<b>36,692,720</b>	<b>-114,780</b>	<b>38,517,170</b>	<b>-848,710</b>	<b>37,668,460</b>	<b>248,000</b>	<b>34,090,490</b>	<b>1,991,770</b>	<b>36,330,260</b>	<b>1,338,200</b>
58,112,800	C&FS SEN	704,480	57,330,940	-56,710	57,978,710	-356,100	57,622,610	0	0	57,005,400	57,005,400	617,210
3,404,300	C&FS Specialist Services to Vulnerable Groups	3,258,000	1,222,640	-336,590	4,144,050	-447,800	3,696,250	0	0	3,696,250	3,696,250	0
889,440	C&FS Psychology Service	1,061,870	56,180	-154,610	963,440	-199,000	764,440	0	0	0	0	764,440
3,144,650	C&FS Disabled Children Service	1,089,610	1,897,180	0	2,986,790	0	2,986,790	0	0	0	0	2,986,790
<b>65,551,190</b>	<b>Total SEND &amp; Children with Disabilities</b>	<b>6,113,960</b>	<b>60,506,940</b>	<b>-547,910</b>	<b>66,072,990</b>	<b>-1,002,900</b>	<b>65,070,090</b>	<b>0</b>	<b>0</b>	<b>60,701,650</b>	<b>60,701,650</b>	<b>4,368,440</b>
1,157,200	C&FS Admin & Committees	844,760	573,040	0	1,417,800	0	1,417,800	8,570	0	0	8,570	1,409,230
636,100	Commissioning	694,990	43,640	-47,240	691,390	-55,300	636,090	0	0	0	0	636,090
467,880	C&FS Finance	0	484,120	0	484,120	0	484,120	484,120	0	0	484,120	0
1,519,910	C&FS Human Resources	0	1,567,410	0	1,567,410	-47,500	1,519,910	674,900	0	0	674,900	845,010
4,180	C&FS Sub Transformation	96,020	63,500	-159,520	0	0	0	0	0	0	0	0
<b>3,785,270</b>	<b>Total Business Support and Commissioning</b>	<b>1,635,770</b>	<b>2,731,710</b>	<b>-206,760</b>	<b>4,160,720</b>	<b>-102,800</b>	<b>4,057,920</b>	<b>1,167,590</b>	<b>0</b>	<b>0</b>	<b>1,167,590</b>	<b>2,890,330</b>
<b>119,922,250</b>	<b>TOTAL EDUCATION &amp; EARLY HELP</b>	<b>21,588,170</b>	<b>103,867,540</b>	<b>-2,920,200</b>	<b>122,535,510</b>	<b>-4,100,320</b>	<b>118,435,190</b>	<b>1,757,330</b>	<b>34,090,490</b>	<b>63,314,710</b>	<b>99,162,530</b>	<b>19,272,660</b>
362,201,820	Total Individual Schools Budget	0	393,669,420	0	393,669,420	-13,465,320	380,204,100	380,144,210	0	59,890	380,204,100	0
1,694,000	Dedicated Schools Grant Recoupment	0	-263,693,430	0	-263,693,430	265,485,430	1,792,000	0	0	1,792,000	1,792,000	0
2,378,700	Central Charges	0	2,378,700	0	2,378,700	0	2,378,700	1,508,420	210,850	659,430	2,378,700	0
-465,778,780	Dedicated Schools Grant	0	0	0	0	-483,754,010	-483,754,010	-383,428,460	-34,345,570	-65,979,980	-483,754,010	0
<b>-99,504,260</b>	<b>TOTAL DSG ITEMS</b>	<b>0</b>	<b>132,354,690</b>	<b>0</b>	<b>132,354,690</b>	<b>-231,733,900</b>	<b>-99,379,210</b>	<b>-1,775,830</b>	<b>-34,134,720</b>	<b>-63,468,660</b>	<b>-99,379,210</b>	<b>0</b>
<b>62,412,360</b>	<b>TOTAL CHILDREN &amp; FAMILY SERVICES</b>	<b>70,332,050</b>	<b>239,330,610</b>	<b>-3,126,500</b>	<b>306,536,160</b>	<b>-237,068,800</b>	<b>69,467,360</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>69,467,360</b>

This page is intentionally left blank

**2018/19 High Needs Commissioned Places****Appendix B**

Special School	Category	Total High Needs Places 18/19	Average top up per place
Forest Way	Academy	211	6,505
Dorothy Goodman	Academy	276	5,884
Ashmount	Maintained School	159	7,758
Birch Wood	Maintained School	148	8,750
Maplewell Hall	Maintained School	184	3,436
Birkett House	Academy	202	7,214

Special Unit	Category	Total High Needs Places 18/19	Average top up per place
Brookside Primary School	Maintained School	20	2,624
Hugglescote Community Primary School	Maintained School	10	3,611
Newbold Verdon Primary School	Maintained School	24	7,763
Shepshed High School	Maintained School	16	19,983
St Denys Church Of England Infant School	Maintained School	10	4,829
Westfield Infant School	Maintained School	20	2,494
Westfield Junior School	Maintained School	23	2,646
Sherard Primary School And Community Centre	Academy	33	4,404
Wigston Academy Trust	Academy	11	19,983
Glenfield Primary School	Academy	30	3,651
Beacon Academy	Academy	38	3,680
Rawlins Academy	Academy	38	3,536
The Beauchamp College	Academy	3	659 plus HI teachers supplied by STS
Gartree High School Oadby	Academy	7	2,611 plus HI teachers supplied by STS
The Cedars Academy	Academy	25	4,017

Further Education Provider / Alternative Provision	Category	Total High Needs Places 18/19	Average top up per place
Brooksby Melton College	Further Education	70	2,472
Leicestershire County	Further Education	6	21,143
Loughborough College	Further Education	35	3,241
Stephenson College	Further Education	24	2,154
Oakfield School	Maintained Alternative Provision-Pru	30	10,023

Post 16 in mainstream	Category	Total High Needs Places 18/19	Average top up per place
Charnwood College (Upper)	Academy	2	£4,098
Hind Leys Community College	Maintained School	0	NA
Ashby School	Academy	0	NA
Bosworth Academy	Academy	1	£8,585
Groby Community College	Academy	3	£7,463
Wigston Academies Trust	Academy	1	732
Hinckley Academy and John Cleveland Sixth Form Centre	Academy	4	£4,846
King Edward VII Science And Sport College	Academy	0	NA
Lutterworth College	Academy	2	£1,854
The Robert Smyth School	Academy	0	NA
Rawlins Academy	Academy	0	NA
Wreake Valley Community College	Academy	0	NA
Countesthorpe College	Academy	3	£6,678
The Cedars Academy	Academy	0	NA

Special Independent Schools - Primary Need	Category	Number budgeted 18/19	Average cost of day placement
ASD	Independent	144	£63,979
BESD / SEMH	Independent	177	£68,630
Dyslexia	Independent	10	£26,210
SLD	Independent	1	£68,847
VI	Independent	3	£53,157
HI	Independent	5	£28,385
Epilepsy	Independent	1	£84,517
<b>Total / Average</b>		<b>341</b>	<b>£56,246</b>
Independent Specialist Provision (16+)		78	£28,164

--	--	--	--	--	--	--	--

Special School top up rates incorporating outreach, fixed allowances, split site and satellites	Band 5	Band 6	Band 7	Band 7A	Band 8	Band 9	Band 10
Forest Way	£3,105	£4,933	£6,760	£8,587	£12,244	£15,899	£19,555
Dorothy Goodman	£3,227	£5,055	£6,882	£8,709	£12,366	£16,021	£19,677
Ashmount	£3,260	£5,088	£6,915	£8,742	£12,399	£16,054	£19,710
Birch Wood	£3,806	£5,634	£7,461	£9,288	£12,945	£16,600	£20,256
Maplewell	£3,115	£4,943	£6,770	£8,597	£12,254	£15,909	£19,565
Birkett House	£3,492	£5,320	£7,147	£8,974	£12,631	£16,286	£19,942

## Local Authority Funding Reform Proforma

LA Name:	Leicestershire
LA Number:	855

Premises costs to exclude from allocation when calculating the minimum funding level	Mobility	Rates	PFI	Split Sites
	Yes	Yes	Yes	Yes
Primary minimum per pupil funding level	Middle school minimum per pupil funding level for secondary pupils		Secondary minimum per pupil funding level	
3300	4000		4600	

## Pupil Led Factors

Description	Reception uplift	No	Pupil Units		0.00				
	Description	Amount per pupil	Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)	
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Primary (Years R-6)	£2,746.99	54,012.10		£148,370,699	£295,475,869	38.88%	4.00%	
	Key Stage 3 (Years 7-9)	£3,862.65	22,238.70		£85,900,315		22.51%	4.00%	
	Key Stage 4 (Years 10-11)	£4,385.81	13,955.20		£61,204,856		16.04%	4.00%	
Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
	FSM	£440.00	£440.00	3,987.32	2,802.27	£2,987,424	£18,950,088	4.97%	0.00%
FSM6	£540.00	£785.00	7,694.98	6,745.94	£9,450,852	0.00%			0.00%
IDACI Band F	£200.00	£290.00	4,149.93	2,681.65	£1,607,665	67.00%			67.00%
IDACI Band E	£240.00	£390.00	2,125.32	1,504.83	£1,096,960	67.00%			67.00%
IDACI Band D	£360.00	£515.00	1,757.29	1,097.55	£1,197,863	67.00%			67.00%
IDACI Band C	£390.00	£560.00	941.16	808.09	£819,581	67.00%			67.00%
IDACI Band B	£420.00	£600.00	917.43	1,027.37	£1,001,742	67.00%			67.00%
IDACI Band A	£575.00	£810.00	497.45	619.71	£788,000	67.00%			67.00%
Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
3) Looked After Children (LAC)	LAC X March 17	£0.00	390.03		£0	£1,862,858	0.00%	0.00%	
4) English as an Additional Language (EAL)	EAL 3 Primary	£515.00	2,679.83		£1,380,112		0.49%	0.00%	
	EAL 3 Secondary		£1,385.00	348.55	£482,745				0.00%
5) Mobility	Pupils starting school outside of normal entry dates	£0.00	£0.00	349.44	545.72	£0	0.00%	0.00%	0.00%
Description	Weighting	Amount per pupil	Percentage of eligible pupils	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
6) Prior attainment	Low Attainment % new EFSP	100.00%	£1,050.00	38.00%	18,575.72	£31,673,142	8.30%	50.00%	
	Low Attainment % old FSP 78			15.79%					
	Secondary low attainment (year 7)	58.05%	£1,550.00	22.28%	7,850.74				
	Secondary low attainment (year 8)	48.02%		22.74%					
	Secondary low attainment (years 9 to 11)			21.12%					50.00%

## Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
7) Lump Sum	£110,000.00	£110,000.00			£29,920,000	7.84%	0.00%	0.00%
8) Sparsity factor	£0.00	£0.00	£0.00	£0.00	£0	0.00%	0.00%	0.00%

Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum for one or both of the phases.

Primary distance threshold (miles)	2.00	Primary pupil number average year group threshold	21.40	Fixed or tapered sparsity primary lump sum?	Tapered
Secondary distance threshold (miles)	3.00	Secondary pupil number average year group threshold	120.00	Fixed or tapered sparsity secondary lump sum?	Tapered
Middle schools distance threshold (miles)	2.00	Middle school pupil number average year group threshold	69.20	Fixed or tapered sparsity middle school lump sum?	Tapered
All-through schools distance threshold (miles)		All-through pupil number average year group threshold		Fixed or tapered sparsity all-through lump sum?	Fixed

9) Fringe Payments					£0	0.00%		
10) Split Sites					£93,164	0.02%	0.00%	
11) Rates					£3,162,442	0.83%	0.00%	
12) PFI funding					£0	0.00%	0.00%	

## 13) Exceptional circumstances (can only be used with prior agreement of ESFA)

Circumstance	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
Additional lump sum for schools amalgamated during FY17-18	£77,000	0.02%	0.00%	0.00%
Additional sparsity lump sum for small schools	£0	0.00%	0.00%	
Additional funding under the minimum per pupil level of funding factor	£0	0.00%	0.00%	
Rent 18/19	£80,430	0.02%	0.00%	
Exceptional Circumstance5	£0	0.00%	0.00%	
Exceptional Circumstance6	£0	0.00%	0.00%	
Exceptional Circumstance7	£0	0.00%	0.00%	

Additional funding to meet minimum per pupil funding level	£304,822
--	----------

<b>Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)</b>	<b>£381,599,814</b>	<b>100.00%</b>	<b>£32,018,520</b>
--	---------------------	----------------	--------------------

14) Minimum Funding Guarantee	0.50%	£2,623,943
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)	Yes	
Capping Factor (%)	2.70%	Scaling Factor (%)
		100.00%
Total deduction if capping and scaling factors are applied	-£5,396,046	
	Total (£)	Proportion of Total funding(%)
MFG Net Total Funding (MFG + deduction from capping and scaling)	-£2,772,103	-0.73%

Please note that the total deduction for capping and scaling is greater than the total MFG

High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)	£0.00
Additional funding from the high needs budget	£0.00
Growth fund (if applicable)	£0.00
Falling rolls fund (if applicable)	£0.00

<b>Total Funding For Schools Block Formula</b>	<b>£378,827,711</b>
<b>% Distributed through Basic Entitlement</b>	<b>77.43%</b>
<b>% Pupil Led Funding</b>	<b>91.19%</b>
<b>Primary: Secondary Ratio</b>	<b>1 : 1.28</b>

Total funding for schools block formula contains funding from outside of the 2018-19 Schools Block allocation?	No
--	----

This page is intentionally left blank