

BRIEFING PAPER

SUBJECT: DEDICATED SCHOOLS GRANT SAVINGS PROPOSALS 2015-16
DATE: 25TH JUNE 2014
RECIPIENT: SCHOOLS FORUM

THIS IS NOT A DECISION PAPER

SUMMARY:

1. The City Council continues to face very challenging savings targets over the next two years:
 - 2015-16 £31 million
 - 2016-17 £55 million
2. The People Directorate has been asked to make significant savings and in particular has a target to save £1 million from Dedicated Schools Grant (DSG) funded services in 2015/16. The Forum's views are sought on the best way of doing this.

BACKGROUND and BRIEFING DETAILS:

3. DSG blocks
The Forum will be aware that the DSG funds three blocks:
 - School Block
 - Early Years Block
 - High Needs Block
4. **Schools block** - funds Primary and Secondary school budget shares (the Individual Schools Budget) and central services that can be retained by the local authority with the approval of the Schools Forum.
5. **Early Years block** – funds the Early Years Single Funding Formula and central services that can be retained by the local authority with the approval of the Schools Forum.
6. **High Needs block** - funds Special schools, units in maintained schools and Pupil Referral Units (PRUs) plus all other local authority budgets for high needs pupils.
7. Flexibility

The main rules around the use of Dedicated Schools Grant are as follows:

- Allowable expenditure is defined in Schedule 2 of the School and Early Years Finance (England) Regulations.
- Central expenditure from the Schools block and Early Years block must be approved by the Schools Forum
- Central expenditure from the Schools block cannot increase to more than the previous year's figures

8. However, an authority can move money between the blocks following only consultation with the Schools Forum, for example funding High Needs Block pressures from a reduction in the Early Years Block.
9. The regulations define eligible expenditure from the High Needs and Early Years block in very loose terms:

Expenditure on support services for pupils who have a statement of special educational needs and for pupils with special educational needs who do not have such a statement.

Expenditure on early years provision.

10. Therefore, if a saving can be identified from an area currently funded from DSG, this could be replaced by expenditure in relation to the MASH and Early Help service for example, which fit the description above, thereby releasing a saving to the Council.
11. 2014/15 updated DSG allocation

Since January's Forum the Education Funding Agency has issued updated DSG figures, plus the January 2014 Early years count has been completed. Fortuitously, Southampton's DSG allocation has increased as follows:

- **£89,500 14/15 places growth funding for High Needs places.** Mainly relating to the expansion of Great Oaks School
 - **£248,000 full year growth funding in Special Schools and PRUs.** The EFA has awarded schools 5/12ths of the growth money given in 2013/14 for additional places at Springwell School and the Compass School (PRU). The EFA has given about £210,000 of this money to Southampton in error as the Compass School expanded on 1st April 2013 and therefore was funded for a full year of 160 places in 2013/14. However the EFA has confirmed that this money will not be reclaimed in 2014/15. It is recommended that it is treated as a one off allocation however.
 - **£147,200 Additional High Needs Block allocation.** Headroom funds allocated to all authorities on a formulaic basis.
 - **£686,000 Early Years Growth.** Still to be confirmed but based on an increase in the January 2014 pupil count of 140 pupils funded at a rate of £4,893 per FTE pupil.
12. Priorities for this additional funding for this financial year are:
 - Expansion of early years places – see Appendix A.
 - Expansion of Great Oaks and Springwell special schools
 - Top up funding for Special Schools. Latest estimates suggest that there are more Southampton pupils with higher need than budgeted for.
 13. This does give some flexibility to make savings in 2015/16. In addition a significant carry forward of unspent grant (£906,000 from 2013/14) continues to occur each year which could be held in contingency.

14. Suggested savings/efficiencies

A savings target of £1 million has been given for DSG funded services. The first thoughts on how this could be achieved are shown in Appendix B.

15. Forum members are asked to give their views on which savings would be supported or suggest other areas for investigation.

Appendices/Supporting Information:

Appendix A - Plans for expansion of two year old places

Appendix B - Potential savings from DSG 2015-16

Further Information Available From:

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Appendix A

Funding to support two year old expansion 2014/15

Outcome to be achieved	Description	Cost
Families who need individual support to access the entitlement receive it.	Continuation of the contract with the Workers Education Authority to provide outreach workers for 2015-2016. The service makes contact with parents /carers of potentially eligible 2 year olds providing support to complete paperwork/find and access provision.	£71,000
Reaching eligible families and supporting them to access provision.	Increased outreach for 3 week period that HMRC list is "live". 2/3 more lists between now and 31 st March 2015. Last list contained 1,300 names and WEA did not have capacity to follow up on all.	£4,320
The take up of places for disadvantaged 2 year olds in the City is one of the 3 lowest in the South East Region. We are being asked by DfE to focus on increasing take up substantially as soon as possible.	Director of People has agreed to work with the communications team to design a multi layered publicity campaign to raise awareness and increase take up.	Max £20,000
Children have improved speech, language and communication skills on entry to Year R	Pressures on the Portage service have resulted in them withdrawing the 21 groups attended by parents/carers and children previously provided in children's centres to support children with speech, language and communication delay.	£60,000
Continued strategic support, oversight and monitoring of initiative.	Maintain increase in part time hours of EY Commissioner by 7 hours per week until 31 st March 2015.	£9,200
LA required to review Single Funding Formula in response to revised statutory guidance for 2, 3 and 4 year olds. To have in place a system for checking economic eligibility criteria. Adequate capacity to manage increased demand for processing placements/finance	Additional staff time until 31 st December 2014 to support consultation with providers in relation to the Single Funding Formula and for manual verification of applications against financial criteria until the DfE have updated the online checking tool to take into account the extended economic criteria. Additional staff time in the children's data team until 31 st March 2015	£40,000
Families with most complex needs take up the entitlement for their 2 year old.	Continuation of funding for the MASH Early Years Navigators post for 2015-2016 to ensure that as part of the MASH assessment process the most vulnerable 2 year olds access the entitlement.	£36,000

Outcome to be achieved	Description	Cost
2 year olds in the process of being assessed for an Education Health and Care Plan are appropriately supported within their setting.	Additional support funded during the assessment process.	£153,000 (based on numbers assessed 13-14)
All practitioners encourage parents/carers to take up their entitlement with a childminder. More two year olds are placed with a childminder.	Currently take up with childminders is low. The City will only have sufficient places for all eligible two year olds if more are placed with childminders. Many two year olds would be more appropriately placed in a home environment. It is proposed that an experienced childminder works with practitioners and families to increase take up of childminding places.	£10,000
Total		£403,520

Potential savings from DSG 2015-16

Service	2014/15 Budget	Comments
<u>High Needs Block</u>		
Special School outreach	£616,600	Special Schools could introduce charging for outreach service
Pupils with Statements	£1,098,100	Could reduce hourly rate to schools
High Needs staffing teams	£985,800	These costs are being reviewed as part of phase 2 of the restructure of Children's Services.
Emotional Well-being Development Officers	£133,000	Could charge schools for the service
Children Looked After Packages	£113,800	Could look at budget reductions
Out of City placements	£1,160,000	Better commissioning/reduction in number of expensive placements
Disability provision	£699,100	Better commissioning/reduction in number of expensive placements
<u>Early Years Block</u>		
Additional Early Years allocation	£686,000	Could use some of this towards the saving but will need to budget for the move to participation funding for two year olds in 15/16
Early years contracts	£221,500	Cease/retender contracts with National Childminding Association, Pre-school Learning Alliance and MENCAP
Early Years Development Team	£312,800	These costs are being reviewed as part of phase 2 of the restructure of Children's Services.
Early Years intervention	£282,300	Could reduce intervention budget