

Dudley Schools Forum – 8th July 2014

Report of the Interim Director of Children's Services

Financial Support from the High Needs Block for Rosewood Special School

Purpose of Report

1. To seek Schools Forum support for the local authority to provide financial assistance to Rosewood Special School in 2014/15 from the High Needs Block within the Schools Budget of the Dedicated Schools Grant.

Budget Working Group Discussed

2. Yes – 2 July 2014.

Schools Forum Role and Responsibilities

3. From 1 April 2006, the Schools Budget has been funded by a direct Department for Education (DfE) grant: the Dedicated School Grant (DSG).
4. Schools Forum is the 'guardian' of the local Schools Budget, and its distribution among schools and other bodies, and therefore must be closely involved throughout the development process.
5. The School and Early Years Finance (England) Regulations 2013 at Schedule 2 determines the classes or description of planned expenditure prescribed for the purposes of the School Budget of a local authority which maybe deducted from it to determine the Individual Schools Budget . Part 4 of Schedule 2 relates to Children and Young People with High Needs and paragraph 24 covers expenditure on special schools and pupil referral units in financial difficulty. The Regulation permits the use of the Schools Budget to be earmarked to cover expenditure on assisting special schools and pupil referral units (PRUs) in financial difficulty.
6. The Schools Forum Regulations 2012 include a section on the consultation on financial issues where the Authority may consult the forum on such other matters concerning the funding of schools as they see fit

Action for Schools Forum

7. For Schools Forum to note the information in the respect of Rosewood Special School's budget and to support the request for financial support for 2014/15 from the High Needs Block, as permitted by the Regulations.

Attachments to Report

8. None.

Huw Powell
Assistant Director for Education Services
23 June 2014

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Purpose of Report

1. To seek Schools Forum support for the local authority to provide financial assistance to Rosewood Special School in 2014/15 from the High Needs Block within the Schools Budget of the Dedicated Schools Grant.

Background

2. Implementation of the School Funding Reforms introduced from April 2013 resulted in a radical change in the way in which all special schools and pupil referral units are now funded. Special schools receive funding for a number of places as determined by the Local Authority at £10k per place and an additional amount for each actual pupil based on assessment of their educational which is funded on a "real time" basis; a methodology referred to as place plus top up.
3. In 2013/14 Rosewood School received funding comprising of £610k for an average of 61 planned places and £579k High Needs top-up funding for actual pupils in school therefore total funding received £1,189k. For 2014/15 Rosewood School will receive £575k for an average of planned 57.5 places and the latest estimate for top up funding is £563k , total funding of approximately £1,138k (estimated reduction in funding of approximately £51k in 2014/15).
4. School census shows that Rosewood School numbers have fluctuated significantly in recent years, rising from 37 on roll in 2006 when it moved to its new site to a peak of 66 in 2012, before declining in 2013 to 56 in 2013 and 50 in 2014. There were only 40 pupils at Rosewood school at the start of the financial year, however latest projections indicate that Rosewood will have approximately 48 pupils from September 2014.
5. Predicting Special School numbers is problematic as there is little pupil population data that can be used. Only pupils with a statement of special educational needs can be placed in a special school, so it is partly dependent on statement referral rates. In addition, the SEN statutory guidance means that there is significant cross border placement that is outside of the control of the Local Authority or the school. In the past Rosewood has often been the eventual destination of children permanently excluded by primary schools. However, there have been no primary permanent exclusions in recent years.

6. This wide variation in pupil roll has a significant impact on the budget of a special school like Rosewood that caters for more complex needs. The value of their top-up funding typically ranges from £7,084 to £17,406, so the gain or loss of a pupil has a considerable impact on the school budget. Rosewood school has already experienced a reduction in High Needs top-up funding received due to this reduction in pupils at the school and has utilised most of the financial reserves that were held by the school. Rosewood ended the 2013/14 financial year with an in year surplus of approximately £3k and reserves of approximately £11k. However, neither the Local Authority nor the school provide any certainty regarding future pupil numbers or the level of need. Consequently, it would be advantageous for the school to have sufficient reserves to fund an additional member of staff in the event that additional pupils are placed at Rosewood.
7. As a result of the reduction in pupils the school is currently in the process of implementing a revised staffing structure in order to deliver the required curriculum for pupils at the school but within the constrained funding available.
8. The revised staffing structure is based on delivering a curriculum to pupils at a teaching staff ratio of 1:7 and requires a reduction of 5.8 full time equivalent staff (f.t.e) in school as shown in Table 1 below. This will achieve reductions in expenditure of £103k in 2014/15 and £206k in 2015/16.
9. Despite a proposed staffing restructure Rosewood School Governors are currently unable to set a balanced budget for 2014/15 given the estimated funding available and the timescales for implementation of the revised staffing structure. It is therefore proposed that additional funding of £45k be set aside from within the High Needs Block to be made available to Rosewood School at the end of 2014/15 financial year in the event that no additional pupils are placed in school and therefore insufficient funding is available within school to deliver the curriculum to pupils.
10. Budget projections for 2015/16 indicate that if 48 pupils remain at Rosewood School alongside the full year effect of savings arising from implementation of the revised staffing restructure then it may be possible for the School to set a balanced budget. However the financial position of the School will continue to be monitored and reviewed throughout 2014/15 and a further update will be brought to a future meeting of Schools Forum.
11. It is proposed that the financial strategy to support Rosewood School from the High Needs Block contingency budget of up to a maximum of £45k will be allocated for the 2014/15 financial year only, with any future year requests being considered at that time. Schools Forum is therefore requested to note the financial difficulties of Rosewood School and support the funding strategy for 2014/15.

Finance

12. The funding of schools is prescribed by the Department for Education (DfE) through the School and Early Years Finance (England) Regulations 2013.
13. Schools Forums are regulated by the Schools Forums (England) Regulations 2012.

14. From 1 April 2006, the Schools Budget has been funded by a direct grant: Dedicated School Grant (DSG).

Law

15. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

Equality Impact

16. The Council's Equal Opportunities Policy is taken into account when considering the allocation of resources.

Recommendation

17. Schools Forum is requested to:

- a. Note the current financial difficulties of Rosewood School as outlined in this report; and
- b. To support the local authority's financial strategy to provide Rosewood School with funding of up to £45,000 for the 2014/15 financial year from the High Needs Block contingency budget, which is available to assist Special School and Pupil Referral Units in financial difficulties.



Pauline Sharratt
Interim Director of Children's Services

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