

SLOUGH SCHOOLS FORUM
4th July 2012

Summary of and Distribution of Headroom
(Director of Education & Children's Services)

1 PURPOSE OF REPORT

- 1.1 To present to Schools Forum a summary of the funds available together with proposals on the distribution of those funds.

2 RECOMMENDATIONS

- 2.1 That Schools Forum notes the headroom of £4,365,000 for 2012-13.
- 2.2 That Schools Forum endorses the proposals set out in paragraphs 5.13 to 5.19:
- That £1,000,000 is distributed to schools and the PVI through the current formula.
 - That £1,000,000 is allocated to support St. Joseph's Catholic High School.
 - That £190,000 is allocated to Slough Learning Partnership.
 - That £150,000 (one-off) and £230,700 (ongoing) is allocated to Haybrook College to support alternative provision places.
 - That £30,000 is allocated to develop the new secondary school project.
 - That £253,000 (£393,000 ongoing) is retained to support the implementation of the SEN Review.
 - That £613,000 is retained to fund places in new resource units.

3 REASONS FOR RECOMMENDATIONS

- 3.1 It is appropriate for Schools Forum be aware of the amount of headroom and to agree to the retention and distribution of any funds.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Not applicable.

5 SUPPORTING INFORMATION

- 5.1 Schools Forum will recall that in April 2012 a preliminary indication was provided which outlined the budgets for 2012-13 together with an estimate of the ongoing headroom available. In addition, potential one-off headroom was also identified as a result of projected underspends on school specific contingency and LA managed budgets. The

headroom is based upon funds available from both 2011-12 and 2012-13 financial years.

- 5.2 Appendix A shows both the information provided previously to Schools Forum together with an updated calculation based upon the final figures for Slough.
- 5.3 Schools Forum will recall that, in issuing funding allocations for 2011-12, the DfE did not make any allocation for the 5th term Standards Fund payment for the academic year 2010-11. The final DSG allocation 2011-12, issued in March 2012, included £516,227 in respect of 5th term Standards Fund. This one-off funding is now available for distribution.
- 5.4 At their meeting on 6th July 2011, Schools Forum received a report on distribution of headroom 2011-12. Following closure of the accounts for 2011-12, the sum of £1,326,474 is still held by the Local Authority. Part of this balance is headroom which has not yet been distributed, mainly £355k for the Key Stage 2 project approved as part of the £700k headroom pot. After taking into account commitments totalling £427k, the remaining £900k is now available for distribution.
- 5.5 There is a report on the agenda which explains the difference in the Central DSG Budgets between what was previously projected (-£740k) and the final position (-£1,793k). The most significant reductions in the anticipated outturn are in the budgets for placements in Independent and Other Local Authority Schools.
- 5.6 The Independent and Other Local Authority School budgets support the costs of pupils with highly complex Special Educational Needs. These are volatile budgets as high costs can be incurred through the placement of a single child. These budgets under spent by £1,023,519 in 2011-12. The primary reason for this is a reduction in the number of pupils attending this type of provision but as this is potentially a volatile budget it was felt appropriate to be prudent in projecting the outturn. This underspend was partially offset by an overspend on the budget for new statements as more pupils are placed in Slough provision.
- 5.7 These budgets will be closely monitored in 2012-13 as it will be necessary to allocate funding from these budgets to support the opening of the planned SEN Resource Units.
- 5.8 After taking into account known commitments totalling £310k, the remaining £1,483,000 underspend on the LA managed budgets is now available for distribution.

On Going Headroom

- 5.9 On going headroom is that funding which officers anticipate will be available on an annual basis. This assumes that the funding mechanism remains broadly in line with how it currently operates.
- 5.10 Schools Forum will note that when the Schools Budget was approved at the meeting on 16 April, headroom of £729,000 was identified as available for distribution at a later date.

Headroom Available

- 5.11 The result of these changes is to make **£4,365,000** immediately available for redistribution.
- 5.12 Following discussions with Slough Schools Education Forum (SSEF) and with head teacher phase groups it is proposed that this funding be distributed to meet a number of one-off and ongoing priorities.
- 5.13 The first proposal is that **£1,000,000** is distributed through the current funding formula to all schools, Academies and the PVI. Appendix B illustrates the distribution of this amount for each school, Academy and PVI provider. Officers are in discussion with the Education Funding Agency (EFA) to determine whether payments are made direct to Academies or recouped and paid by the EFA.
- 5.14 Governors at St. Joseph's Catholic High School have requested additional, one-off funding (**£1m**) for the school to support the implementation of a 3 year plan to address specific issues. Although this is a significant allocation, given the circumstances, it is believed to be in the best interests of all Slough pupils.
- 5.15 Previously Schools Forum has agreed to provide support to Slough Learning Partnership (SLP). A proposal has been received requesting **£140,000** funding for the period September 2012 to August 2013. The funding would support SLP as it moves towards becoming self sufficient by September 2014 by moving to a subscription basis which is also consistent with the increased commissioning role of schools from April 2013. Additional one-off funding, **£50,000**, has also been requested by SLP to support primary schools in 2012-13 as they move to true costs for broadband provision.
- 5.16 Members of Schools Forum are aware that issues with the funding of Alternative Provision at Haybrook College have been identified. During 2011-12, the College used available balances and ended the financial year with a deficit albeit lower than expected as a result of prudent financial management. It is proposed that **£150,000** one-off allocation is made to Haybrook College in respect of provision in 2011-12. Although it had been anticipated that the SEN review would provide a mechanism for addressing the ongoing funding issue, on reflection it is

more appropriate to implement all the funding changes from 1 April 2013. In order to ensure that Haybrook College has the funding to provide the current level of provision in 2012-13, it is proposed that each alternative provision place is funded at £12,000. This will deliver funding £1,104,000 (92 places at £12,000), representing an annual increase of **£230,700**. The College will continue to recoup AWPU from schools making fixed term / preventative exclusions and to receive additional funding from centrally managed budgets.

- 5.17 The current pressure on primary school places will generate pressure on secondary school places in the coming years. Work is already underway to explore the options for delivering additional secondary school places. The next proposal is that a small one-off allocation, **£30,000**, is made towards the ongoing work being undertaken by secondary headteachers.
- 5.18 There is a report on the agenda which explains the outcome of the consultation on the Banded Funding Formula proposals and the financial implications. In order to fully fund implementation of the proposals in 2013-14, the next proposal is to retain £393,000 ongoing headroom. In order to fund the implementation from 1 September, and to ensure that schools are protected from the impact of change in 2012-13, it is proposed that **£253,000** is allocated in the current financial year.
- 5.19 The final priority is to open additional Resource Units in early years, primary and secondary provision across Slough. Proposals to add 80 places have been developed and provision has been made within capital resources to build the Resource Units. The 80 places would all be at new Band 3 (£15,000 per place). Revenue funding to a maximum £1,200,000 would be required if all places were commissioned and filled in a full financial year. The financial implications of this need to be reviewed further. Some pupils will already be funded through the individually assigned budgets and there will be an interaction with the funding for Independent and Other Local Authority Schools as the expectation would be that a large proportion of the increased need for places would be met within Slough. In the meantime, it is estimated that 70 places will be filled from 1 September at a cost of **£612,500** in 2012-13. It is proposed that this is funded through retention of £153k ongoing headroom and £460k one-off headroom pending further review of all budgets for provision for pupils with High Needs.
- 5.20 The remaining £161,000 headroom available will be carried forward to 2013-14.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The relevant legal provisions are contained within the main body of this report.

Section 151 Officer – Strategic Director of Resources

- 6.2 The financial implications of the report are outlined in the supporting information.

Access Implications

- 6.3 There are no access implications.

7 CONSULTATION

Principal Groups Consulted

- 7.1 None.

Method of Consultation

- 7.2 Not applicable.

Representations Received

- 7.3 Not applicable.

Background Papers

Appendix A – Summary of Headroom

Appendix B – Distribution of Headroom to Schools

Contact for further information

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