



Agenda Item No.: 7

The Schools Budget
2016-17

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Report Format

This report is in two sections:

- Section 1 – Strategic Overview and executive summary
- Section 2 – Proposed schools budget 2016-17

1. Strategic overview and executive summary

- 1.1. On the 17th December 2015 the Department for Education (DfE) announced a one year Dedicated Schools Grant (DSG) settlement for 2016-17.
- 1.2. As part of the Autumn Statement and spending review the government confirmed that schools funding will be protected in line with inflation.
<https://www.gov.uk/government/news/spending-review-and-autumn-statement-2015-key-announcements>
- 1.3. The settlement, however, does not show any increases in per pupil funding in the schools block or early years block.
- 1.4. This means that schools, early years providers and Local Authorities (LA's) will continue to have to make efficiency savings in order to fund any inflationary increases such as pay awards.
- 1.5. The other headlines from the settlement are:
 - a. The minimum funding guarantee will continue to ensure that no school sees more than a 1.5% per pupil reduction in its 2016 to 2017 budget (excluding sixth-form funding and the Education Services Grant (ESG)) compared to 2015 to 2016, and before the pupil premium is added.
 - b. The government have provided an additional £92.5 million for the DSG high needs block. This amounts to £339,135 for North Somerset.
 - c. The pupil premium per pupil amounts for 2016 to 2017 are maintained at the current rates.
 - d. The ESG retained duties rate, given to LAs for their responsibilities for all children and young people, will remain at £15 per pupil. An efficiency saving has been applied to the ESG general funding rate, allocated to LAs and academies based on pupil numbers, for 2016 to 2017. The rate will reduce from £87 per pupil to £77 per pupil. Protection will continue to be provided to limit the reduction of academies' budgets as a result of changes to the ESG.
 - e. Devolved Capital funding was not published with the rest of the funding settlement on 17th December. There is currently no information on when this funding will be issued or about the level of funding.

Executive summary

- 1.6. Table 1a below provides a summary of all of the recommendations in this report.

Table 1a Recommen- dations	Detail	Paragraph number
	SSF are asked to:	
1	Note the estimated DSG for 2016-17 and the explanations for the changes	2.2 & Appendix A
2	Agree the estimated reduction in the early years block of the DSG for 2, 3 & 4 year olds	2.3 noted. & Appendix A
3	Note the additional resources added to the high needs block of the DSG	2.3 note f. & Appendix A
4	Note the overall levels of savings and growth built in to the proposed schools budget for 2016-17 when compared to 2015-16	2.5 & Appendix C
5	Agree that no inflation should be allocated within the schools budget	2.9
6	Note the inflationary pressures on providers during the 2016-17 financial year	2.10
7	Agree the proposed value of the delegated funding budget and the changes within it as detailed in Appendix D	2.13
8	Note the financial impact on the schools budget of new schools provision in the 2016-17 financial year	2.14 note b.
9	Consider any proposals recommended by the FRWG in relation to changes in IDACI data	2.14 note e.
10	Consider the value of the lump sum for NSETC if the DfE approve the disapplication request made	2.15
11	Agree the proposed early years pupil premium budget	2.16
12	Agree the proposed Learning Exchange budget	2.18
13	Agree the proposed delegated place funding budget	2.19
14	Note that the figures generated as a result of the new vision for the VLC will need to be reviewed once full costings have been calculated	2.21 note b.
15	Agree the proposed value of the top up funding budget	2.22
16	Agree the proposed budget for the vulnerable learners service	2.26
17	Agree the proposed budget for out of authority placements	2.27
18	Agree the proposed budget for commissioned resource bases	2.28
19	Agree the removal of the budget for the commissioned enterprise initiative for high needs pupils	2.29
20	Agree the proposed budget for SEN equipment and other resources	2.30
21	Agree the proposed budget for commissioned provision for students with no school place, subject to review following completion of the detailed costings	2.33
22	Agree the proposed budget for the prevention and re-engagement provision subsidy, subject to review following completion of the detailed costings	2.36
23	Agree the proposed budget for administration of the placement protocol, subject to review following completion of the detailed costings	2.40
24	Agree the proposed budget for the Assessment and Intervention Hub	2.43

25	Agree the proposed budget for support and advice to the SSF/Schools	2.46
26	Agree the proposed budget for licences and subscriptions	2.47
27	Agree the proposed budget for Admissions and FSM eligibility	2.48
28	Agree the proposed budget for early years administration	2.49
29	Agree the proposed budget for contingencies	2.50
30	Note the risk of having to cap allocations for exceptional pupil growth again in 2016-17	2.51
31	Agree the inclusion of pre opening new schools funding as part of the schools budget	2.52
32	Note the deficit in the proposed schools budget for 2016-17 of £284,279 and the need to find further savings to set a balanced budget	2.55
33	Agree that the schools budget is not reduced further, at this stage to recover the projected overspend from 2015-16	2.56
34	Agree that repaying the overspend should be the first consideration for any savings that have not already been committed elsewhere.	2.56
35	Agree further savings in order to agree a balanced budget	2.58 & Appendix E
36	Note the areas of the schools budget that are at most risk of overspend during the 2016-17 financial year	2.59
37	Agree all other budgets in the schools budget for 2016-17 as detailed in Appendix B	Appendix B
38	Note the de-delegations detailed in Appendix B	2.61
39	Agree to maintain the existing values for de-delegated items, other than those specifically noted, for the 2016-17 financial year	2.62
40	Note the limited scope for the SSF to amend the proposed schools budget after the meeting on 20 th January	2.63
41	Agree the Combined Services budget	2.66

2. **Proposed schools budget 2016-17**

Purpose of the report

- 2.1. The purpose of this section of the report is to:
- a. Inform the SSF of the estimated DSG for 2016-17,
 - b. Set the draft schools budget for 2016-17 (to be finalised at the meeting on 2nd March),
 - c. To carry out its responsibilities to:
 - Agree the value of each centrally retained budget
 - Confirm the combined services budgets

The DSG

- 2.2. Whilst the Autumn Statement and Spending review indicated that schools funding would be protected in line with inflation, the schools and early years block of the DSG remains the same as in 2015-16. A national increase has been applied to the high needs block. Appendix A demonstrates the changes in the DSG between 2015-16 and 2016-17.
- 2.3. Further details about the changes in the DSG, where referenced in the notes column on Appendix A, are provided in the paragraphs below:
- a. Base DSG. The base DSG for 2015-16 differs to the figures previously reported to the SSF. This is because this base data does not yet include anticipated data changes for 2015-16 for 2, 3 and 4 year olds as at January 2016. This will be adjusted in June 2016. The figures for 2015-16 presented to SSF include an estimate of these data changes.
 - b. Academy recoupment. Pupil numbers for academies are included as part of the LA's DSG allocation. Funding is then 'recouped' from the LA by the EFA and passed on to the academies directly. Academy recoupment has no financial impact on the schools budget.
 - c. The DSG for 2015-16 was adjusted to provide funding to support Newly Qualified Teachers (NQT's) and the estimated early years pupil premium (EYPP). It was also reduced to reflect changes in responsibility for high needs funding and the funding that the Education Funding Agency (EFA) allocates directly to institutions. These adjustments have been reversed to establish a sound base on which to calculate the 2016-17 DSG.
 - d. Schools block - The increase in pupil numbers in the schools block relates to the October 2015 School Census. The majority of these additional resources will be allocated to schools as part of their delegated budget shares. The remainder has been used to contribute to the costs associated with new school provision.

Whilst the DFE have now issued the DSG settlement for 2016-17, this is

still subject to change as detailed below:

Early years block - the DSG funding for 2, 3 & 4 year olds is currently based on the take up as at January 2015. During the year the DSG will be adjusted twice; once to reflect the actual January 2016 take up figures and again to reflect the January 2017 take up with an adjustment to reflect 7/12ths of the year. These figures are not yet known and an estimate has been built in to the budget. Whilst this reduces the resources available it also reduces funding allocations to early years providers and these have been built in to the draft budget as detailed in paragraph 2.13. The estimated level of take up for January 16 is significantly lower than previously expected for 2 year olds. This position could improve before the actual census date and the figures will be updated when this information is known. The approach taken so far is a prudent one, considering the current position.

- e. Funding, that was added or removed from the DSG to establish a base (detailed in note c.), has subsequently been replaced. This includes funding that has been allocated to the DSG for the early years pupil premium (EYPP). The DfE have said that they will update the funding received for the early years pupil premium in January 2017 but have not clarified whether the adjustment will fully reflect the costs incurred. At this stage the budget has been calculated on the assumption that the cost of the pupil premium is fully recovered. The budget built in for this area of provision is detailed in paragraph 2.16.
- f. The government have provided an additional £92.5 million for the DSG high needs block. This amounts to £339,135 for North Somerset.

2016-17 Budget

- 2.4. Included in Appendix B is a breakdown of the 2015-16 schools budget as presented to the SSF at this meeting.
- 2.5. Appendix B also demonstrates the draft schools budget for 2016-17, with further analysis of the changes from 2015-16 provided in Appendix C.
- 2.6. At this stage the schools budget is greater than the estimated funds available by £284,279 without incorporating the projecting overspend from 2015-16. Further information on areas to consider to balance the schools budget are provided in Appendix E.
- 2.7. The paragraphs below explain the assumptions and proposals included in the budget for 2016-17.

Inflation

- 2.8. The level of the DSG for 2016-17 does not include any allowance for inflationary pressures. The DfE expects schools, early years providers and LA's to make efficiency savings elsewhere within their budget in order to meet these pressures.

- 2.9. The budgets included in the proposed Schools Budget for 2016-17 do not, therefore, include any allowances for inflation.
- 2.10. However, there are inflationary pressures that will be incurred during the financial year as detailed below:
- a. Employer's superannuation for support staff is estimated to increase from 1st April 2015 from 23.25% to 24.95%. Although this does not apply in the same way to academies they are still likely to see an increase in the area. Employer's superannuation for teachers increased by 2.3% from the 1st September 2015. The full year impact of this increase will impact on school budgets in the 2016-17 financial year. No further increases in teachers' superannuation rates are known at this stage.
 - b. Pay awards - not all awards are confirmed for the financial year. An increase of 1% for support staff is expected from April 2015 and other changes to the pay structure will also be required to reflect the national living wage. The impact will vary from schools to school depending on individual staff pay levels. Schools will incur the full year effect of the 1% pay award for teachers from September 2015 but the implications of any further award from September 2016 are not yet known, although a further 1% increase is anticipated.
 - c. The removal of the NI rebate to employers (and staff) from April 2016 means that there will be a significant increase for schools, especially with regard to teachers. The actual bandings or rates changes are not yet known but an estimate has been made at 2% for teaching staff and 1% for support staff. However the increase could vary significantly between schools based on the profile of their staff.

Overall it is anticipated that schools will see inflationary pressures on their staffing costs of approximately 4% in the 2016-17 financial year, excluding increases for increments and performance.
 - d. Non staffing costs also face inflationary pressures although there is more flexibility in this area to take mitigating action. This pressure is currently estimated at approximately 2.0%.
- 2.11. Not providing an allowance for inflation in the Schools Budget, if agreed, will present a real reduction in the value of the budgets allocated to schools and other providers. The alternative would be to reduce elements of the schools budget in order to create some resources to be reallocated but this is not proposed and has not been built in to the figures provided.
- 2.12. The inflationary pressures will be felt by all areas of the Schools Budget. For early years providers they may be different as salary inflation, for example, will be determined by individual settings.

Delegated funding

- 2.13. There are a number of adjustments required to the level of delegated funding for 2016-17 including changes in pupil numbers, new school provision and

other data changes. The net effect of these changes amounts to an increase of £1,806,361 in 2016-17.

2.14. The proposed changes to the delegated funding budget are provided in Appendix D. Further details, where referenced in the notes column on Appendix D, are provided in the paragraphs below:

- a. Schools block - The increase in pupil numbers in the schools block relates to the October 2015 School Census. These additional resources will be allocated to schools as part of their delegated budget shares. Overall pupil numbers have increased by 1.5%, with a 2.5% increase in the primary sector and a 0.1% decrease in the secondary sector.
- b. The School block element of the budget includes estimated post opening provision for new schools. An analysis of the provision for new school provision included in the delegated funding budget is detailed in table 2a below:

Table 2a – New School Provision	Amount included in 2016-17 Delegated funding budget	Notes
Hayward Village Primary School	£135,458	Opening Sept 16 Estimated pupil no's 30
St Anne's Primary School	£56,645	For the next new year group in Sept 16 estimated at 30 pupils
NSETC	£374,513	Opened to pre 16 students in Sept 15 but LA responsible for funding from April 16. Based on 33 pupil April to August plus an additional 20 from September 2016
Total	£566,616	

In addition to the cost detailed above of £566,616, pre-opening costs of £45,000 have also been built into the budget for Hayward Village Primary School as detailed in paragraph 2.50. This brings the total cost of new school provision to £611,616. The only funding that North Somerset has received to support these additional costs is the 33 pupils at NSETC that were recorded on the October 2015 census. The shortfall of £469,272 is therefore a costs that falls on the rest of the schools budget and impacts the funding that can be provided to support all children and young people in North Somerset.

- c. Early years block 3 & 4 year olds – The change in pupil numbers for 2, 3 and 4 year olds is based on an estimate of the January 2016 and January 2017 hours taken up. This change will be reflected in the allocations to providers during the year based on their actual number of hours taken up. The estimated level of take up for January 16 is significantly lower than previously expected for 2 year olds. This position could improve before the actual census date and the figures

will be updated when this information is known. The approach taken so far is a prudent one, considering the current position.

- d. There is an overall increase of 0.4% in the number of children that meet the free school meals ever 6 criteria of 19 between the data provided by the DfE for 2015-16 and that for 2014-15. In the secondary sector the number of pupils that meet the free school meals ever 6 criteria has increased by 2.5%, despite a fall in secondary school pupil numbers. In the primary sector, however, the number of pupils that meet the free school meals ever 6 criteria has reduced by 1.1% despite the increase in primary school pupil numbers. This may be as a result of the introduction of the universal infant free school meal arrangements.
 - e. The IDACI (income deprivation affecting children index) data also shows an increase of 8.6% in the number of notional pupils. Nationally, however, there has been a shift away from the bands that reflect the highest levels of deprivation (bands 5 & 6) and into band 4. In North Somerset there has been a 32.7% reduction in bands 5 & 6 and a 162.7% increase in band 4. In North Somerset the FSM ever 6 factor has been used to give a proportionate allocation of social deprivation funding. Whereas, the IDACI factor has been used to deliberately target additional resources at schools with the highest levels of deprivation. The changes in data result in a shift in funding away from the schools that serve the most deprived areas. The Formula Review Working Group (FRWG) are considering this issue at their meeting on 12th January. The group may wish to propose some changes to the IDACI formula element as a result of the change in data. If this is the case a paper will be presented at the meeting on 20th January but it may not be possible to issue the paper in advance. Any change should not impact on the overall level of funding allocated for this factor, apart from any implications for the minimum funding guarantee (MFG), but will change the distribution between schools.
 - f. The budget for the SEN factor is cash limited for each phase. This means that if the data shows an increase in the notional number of SEN pupils in a particular sector, the amount allocated per notional SEN pupil will decrease, and vice versa. In October 2015, the SSF agreed that, whilst the SEN factor budget should remain cash limited it should change in line with the overall increase or decrease in pupil number. The increase of £123,665 in the SEN factor budget relates the overall increase in pupil numbers of 1.4%
 - g. This reflects known changes to rateable values and the increase in the multiplier applied to the rateable values with effect from 1st April 2016.
 - h. A number of other minor data changes have affected the value of allocations to schools
- 2.15. At the December meeting the SSF agreed to make a request to the DfE for a disapplication of the regulations to enable the lump sum payable to the NSETC to be reduced prorata to the number of pre 16 age groups. The results of the request are not yet known and as a result the full value of the lumps sum has been built in to the delegated funding budget. The results of the

request should be known at the SSF meeting which will enable the SSF to consider this issue. If the disapplication request is approved, and the SSF agree to reduce the lump sum for the NSETC, the delegated funding budget will be able to be reduced by £75,085.

Early years pupil premium

2.16. Funding has been allocated again in 2016-17 for the early years pupil premium. The DfE have provided an initial allocation and have said that they will update the funding in January 2017. They have not, however, clarified whether the adjustment will fully reflect the costs incurred. At this stage the budget has been established at the value of funding received and on the assumption that the cost of the pupil premium is fully recovered.

Formula recoupment for academies

2.17. Funding for academies from the DSG is calculated in the same way as any other school. Once calculated it is removed from the DSG by the Education Funding Agency (EFA) and then passported directly to academies. This adjustment reflects this funding being added back in to the LA's base budget. During the year this funding will be once again removed and passported to the academies through the EFA. This has no financial implications for the schools budget.

The Learning Exchange

2.18. The proposed budget for the Learning Exchange is provided in table 2b below:

Table 2b – The Learning Exchange	Budget 2015-16 £	Proposed budget 2016-17 £	Note
The Learning Exchange	419,697	404,879	See note a. below
Peer to Peer support for NLE, LLE, SLE, lead practitioners & early years	143,000	143,000	
Staffing to support the statutory 2 year old entitlement	92,957	9,768	See note b. below
Support for ethnic minorities in early years (0.2fte)	10,876	10,876	
Total proposed budget	666,530	568,523	

- a. In February 2015 business support for the council was transferred to Agilisys. As part of this arrangement a series of financial savings have been built into the contract which are reflected in a reduced budget for business support in the Learning Exchange.
- b. When the 2 year old entitlement was first launched, trajectory funding was provided to ensure that sufficient, high quality provision could be established. Some of this funding was used in North Somerset to employ staff to work with families and settings to support this work. The majority of these staffing arrangements have now come to an end,

apart from a small amount of ongoing capacity required to enable the administration of the 2 year old offer, e.g. eligibility checks.

Delegated place funding

2.19. This budget provides place funding for students under 16 years of age, with the national 16-19 funding formula providing resources directly to providers for those that are post 16.

2.20. The composition of this budget is detailed in table 2c below:

Establishment	2015-16			2016-17		
	No. of places funded	Amount per place £	Total £	No. of places funded	Amount per place £	Total £
Baytree	53	10,000	530,000	53	10,000	530,000
Ravenswood	84	10,000	840,000	84	10,000	840,000
Westhaven	90	10,000	900,000	90	10,000	900,000
Castle Batch resource base	20	10,000	200,000	20	10,000	200,000
Mendip Green resource base	8	10,000	80,000	8	10,000	80,000
Voyage Learning Campus (VLC)	124 April to August	8,000	413,333	106 April to August	10,000	441,666
	106 Sept to March	10,000	618,333	90 Sept to March	10,000	525,000
New alternative provision	18 Sept to March	10,000	105,000			
Allowance for pupils in excess of place numbers				7 April to August	10,000	29,167
Total budget	379		3,686,667	351.67		3,545,833

2.21. Overall it is proposed that the place funding budget is decreased by £140,834. This is made up of a number of elements:

- a. In September 2015 place funding for AP was increased from £8,000 to £10,000. This meant that more funding was given out as place funding and less as top up funding. The 2015-16 delegated places budget was adjusted to reflect the part year impact of this change and the full year impact is reflected in the proposed 2016-17 budget detailed above.
- b. At the meeting in December the SSF agreed the new vision for the Voyage Learning Campus (VLC) to take effect from September 2016. It was agreed that a fully costed model would be brought to the SSF meeting in January. Unfortunately it has not been possible to complete the

detailed costing work in time. The number of places that have been built into the delegated place funding budget are those proposed within the December SSF report. However, these may need to change when the detailed costing work has been completed. The overall proposals for the VLC (further areas are detailed in paragraphs 2.31 to 2.42) are within the envelope of the existing budget available and further information will be brought to a future SSF meeting.

- c. The transfer of the additional 18 AP places agreed by the SSF to fund the Assessment Hub. Further details of the Assessment Hub can be found in paragraph 2.43.
- d. The number of pupils attending the schools is currently greater than the planned place numbers in two of the Special Schools. An allowance has been built in to enable this arrangement to continue to be funded until the end of the academic year.

Top up funding

- 2.22. This budget provides top up funding for individual children and young people that schools and other providers receive on top of their delegated budget shares.
- 2.23. These arrangements apply to all settings i.e. mainstream schools, special schools, resource bases, PRU's, early years settings, FE colleges, independent specialist providers and non maintained special schools. They do not yet apply to independent schools but this is expected at some point in the future.
- 2.24. The composition of the proposed budget is detailed in table 2d below

Element	Budget 2015-16 £	Proposed Budget 2016-17 £	Notes
Mainstream schools (pre and post 16)	2,495,067	2,441,870	
Resource bases	20,000	25,000	
Special schools (pre 16)	1,627,323	1,650,000	See note a. below
Special schools (post 16)	346,380	397,935	
Early years providers	303,676	303,676	
FE (post 16)	2,936,641	2,845,644	See note b. below
Alternative Provision	832,259	764,720	See note c. below
Provision in other LA's (pre and post 16)	585,000	600,000	
Other Top up related costs	40,854	40,854	
Total budget	9,187,200	9,069,699	

2.25. In general the proposed budgets have been updated to reflect the level of allocation as at December 2015. Other specific changes are detailed below:

- a. The proposed change in the top up funding budget for special schools also reflects the current position where two special schools have exceeded their place numbers. In addition to the place funding implications of this change as detailed in paragraph 2.21d above, these additional students also receive top up funding.
- b. When the 2015-16 budget was set it was agreed to reduce the allocations for top up funding to Further Education providers (FE) by 10% from September 2015 to mitigate against the level of overspending on post 16 high needs provision. The full year effect of this change has been built in to this budget. Weston College is the main FE provider to North Somerset Students and a maximum top up funding budget for the 2015-16 academic year was agreed with the college following this decision by the SSF. This budget assumes that the same level of budget will continue into the 2016-17 academic year budget
- c. The proposed change to the top up funding budget for AP relates to the full year effect of the change in AP place funding that was implemented in September 2015. In September 2015 place funding for AP was increased from £8,000 to £10,000. This meant that more funding was given out as place funding and less as top up funding. The 2015-16 budget was adjusted to reflect the part year impact of this change and the full year impact is reflected in the proposed 2016-17 budget detailed above.

Vulnerable Learners Service

2.26. The Vulnerable Learners Service (VLS) is made up of a number of teams and functions that provide support for vulnerable children and young people in North Somerset. The budget is displayed in Appendix B as an overall total budget. Its component parts, and changes between the current budget and the proposed budget for 2016-17 can be seen in table 2e below:

Table 2e – Vulnerable Learners Service	2015-16 £	2016-17 proposed £	Notes
VLS delivery	495,035	491,541	See note a. below
Portage	66,840	66,840	
Safeguarding in schools coordination	37,500	37,500	
Sensory impairment service	216,630	278,440	See note b. below
Travellers service	114,000	96,000	See note c. below
Targeted mental health in schools	50,000	50,000	
Virtual School	136,551	135,190	See note a. below
Family support and support for vulnerable children (parenting)	72,671	12,671	See note d. below
SALT & SALSA	118,999	97,999	See note e. below
Domestic violence reporting	20,800	20,800	
Multi-language support in early	0	6,000	See note f. below

years			
Contribution towards VLS management	0	42,120	See note g. below
Total	1,329,025	1,335,101	

- a. In February 2015 business support for the council was transferred to Agilisys. As part of this arrangement a series of financial savings have been built into the contract which are reflected in a reduced budget for business support for the VLS and the Virtual School.
- b. The sensory impairment budget is anticipated to overspend by £61,810 in the current financial year due to the formula detailed within the contract to calculate the contribution from each local authority and due to additional resources that have been agreed to support pupils with hearing loss in the resource base. The increase in budget will fund the agreed contribution from North Somerset Council for the 2016-17 financial year.
- c. It is proposed to reduce the travellers budget by £18,000. £3,000 of this relates to the agreed actions following the review workshop in November. Further savings of £15k have also been built in to reflect changes in responsibilities for funding early college placements.
- d. It is proposed to reduce the family support and support for vulnerable children (parenting) budget by £60,000. This proposal was recommended following the review workshop in November and considered by the SSF at the December meeting. This reduction will end the provision of parenting support that has, to date, been funded by the SSF. The remaining budget will provide a limited amount of funding to provide crèche facilities for the most vulnerable families accessing parenting support delivered by Council funded staff.
- e. It is proposed to reduce the SALT & SALSA budget by £21,000. This proposal was recommended following the review workshop in November and considered by the SSF at the December meeting.
- f. The SSF have agreed temporary funding for multi-language support for early years. This builds continued funding for this purpose into the schools budget.
- g. In order to comply with the DfE operational guidance, the funding included in the schools budget to support the management of the VLS has been transferred to the VLS budget from the budget for advice and support to the schools forum. Further details are provided in paragraph 2.46c below.

Out of Authority placements

- 2.27. This budget currently funds placements for children and young people with high level need in out of authority independent schools and non maintained special schools. Details of the proposed but are in table 2f below:

Table 2f – Out of Authority placements	2015-16 £	2016-17 proposed £	Notes
Out of Authority placements	2,348,989	2,639,133	See note a. below
Independent specialist providers (ISP) post 16	630,759	678,811	See note a. below
Contingency	0	82,056	See note a. below
Total	2,979,748	3,400,000	

- a. This budget is currently projected to overspend by £250k in the 2015-16 financial year. The proposed budget has been calculated by forecasting the cost of currently placements for the 2016-17 financial year and building in known changes to placements. No allowance for further changes in places has been built in and therefore a small contingency has been incorporated. The SSF should note that, if a number of children and young people with social, emotional and behaviour needs can be returned to North Somerset provision, £275k (full year equivalent) has been committed from any savings to fund the new no exclusions agreement.

Commissioned resource bases

- 2.28. Reductions in spend have occurred in this budget and an underspend is projected in the current financial year. As a result it is proposed to reduce the budget by £55,000 in 2016-17.

Commissioned Enterprise initiative for high needs pupils

- 2.29. This budget used to provide funding to enable high needs pupils across North Somerset to take part in the Westhaven Horticulture Experience Project. Given the position of the schools budget the SSF agreed to end this funding with effect from August 2015. The full year effect of this reduction has been applied to the proposed 2016-17 budget.

SEN equipment and other resources

- 2.30. This budget is currently projected to overspend by £75,000 in the current financial year. The Vulnerable Learners Service are currently investigating different ways of procuring and funding these services as reported to the SSF separately on this agenda. It is proposed to increase the budget to the current level of spend in anticipation that it can be reduced in the 2017-18 financial year.

New arrangement for alternative provision

- 2.31. At the meeting in December the SSF agreed the new vision for the Voyage Learning Campus (VLC) to take effect from September 2016. It was agreed that a fully costed model would be brought to the SSF meeting in January. Unfortunately it has not been possible to complete the detailed costing work in time. The figures for alternative provision, detailed in paragraphs 2.33 to 2.42 below are, therefore, rough estimates that will need refinement. The proposals

are within the envelope of the existing budget available and further information will be brought to a future SSF meeting.

- 2.32. Budgets for 3 of the 6 strands of the new vision for the VLC are detailed in the paragraph below. The other elements are reflected in the delegated place funding budget and the commissioned tuition budget.

Commissioned provision for students with no school place

- 2.33. This is one of the 6 strands of the agreed new vision for the VLC. It will provide predominantly for students who have 'moved in' to North Somerset either with their families or looked after, or students who require 6th day provision following a permanent exclusion, where in all likelihood they will return to another mainstream setting.
- 2.34. These students will require a very short term place – i.e. a maximum of 6 weeks. The majority will have low end behaviour needs, however some may have a record of challenging behaviour in school. This provision will be commissioned from the VLC at set cost.
- 2.35. The proposed budget is £70,000 which reflects the period from September to March 2017. The full costs of £120,000 will be required in 2017-18. It is anticipated that the provision will be able to support up to 12 students at any one time.

Prevention and Re-engagement provision subsidy

- 2.36. This provision is another of the strands of the agreed new vision for the VLC which aims to support schools in avoiding permanent exclusions.
- 2.37. It will provide up to 3 terms of provision for students, of all key stages, where intervention through behaviour therapy, therapeutic input, anger management, work with families and other intervention strategies, will support the students successful re- engagement in learning and return to school
- 2.38. Students will remain on mainstream school roll and schools will be expected to contribute towards the cost of a place. The anticipated cost per student is £670 per term (based on a 6 term year) although this is subject to change when the detailed costings have been completed.
- 2.39. It is proposed that the SSF subsidise this provision to ensure that it is affordable for schools to access. The proposed budget is based on providing a set amount of subsidy to the VLC of £11,550 for the period from September to March 2017. The full costs of £19,800 will be required in 2017-18. It is anticipated that the provision will be able to support up to 10 students at any one time.

Administration of the placement protocol

- 2.40. A further strand of the agreed new vision for the VLC is the administration of placement protocol. This commissioned service is designed to mitigate the risk of schools performance data being adversely impacted by accepting

students with a history of challenging behaviour/difficulties or where there is a lack of information from previous school or LA.

2.41. The placement protocol has been agreed and this budget would provide resources to the VLC to ensure that they can carry out all the necessary data administration, tracking and monitoring requirements for students that are on their roll but attending mainstream schools.

2.42. It is proposed that the VLC are allocated a set budget of £11,666 for the period from September to March 2017. The full costs of £20k will be required in 2017-18

Assessment and Intervention Hub

2.43. Further details of the Assessment and Intervention hub are provided in the Alternative Provision paper that will also be considered at the January meeting.

2.44. The proposed budget of £180,000 is based on the hub opening in April 2016. If the opening is delayed beyond this point savings will be made within this budget but this could be considered to support any one off capital costs required. Some of the staffing that will be in the hub are already in post (the re-integration worker) and therefore costs for this post will be incurred from April regardless of when the hub opens.

2.45. The budget will provide the majority of the funding for the core costs of the hub. Schools will be expected to transfer the top up funding for any pupils attending to the hub to support the core costs and any additional costs to provide additional support for the pupil concerned.

Support and advice to SSF/Schools

2.46. Table 2g details the current budget and the proposed budget for 2016-17:

Table 2g – Support and advice to SSF/Schools	2015-16 £	2016-17 proposed £	Notes
Financial advice for the SSF	40,280	40,280	
Administration of the SSF	18,480	15,316	See note a. below
Strategic educational advice and contribution to the management of the Learning Exchange	42,120	42,120	
Strategic development of maximising impact of good nutrition in schools	34,002	10,000	See note b. below
Contribution towards VLS management	42,120	0	See note c. below
Support for broadband	0	75,000	See note d. below
Total	177,002	182,716	

- a. In February 2015 business support for the council was transferred to Agilisys. As part of this arrangement a series of financial savings have been built into the contract which are reflected in a reduced budget for administering the schools forum.
- b. In October 2015 the SSF agreed proposal to finance support for health and wellbeing, through good nutrition in schools, by increasing the school meals price to parents. As a result of this decision the contribution that the SSF currently makes to this area of work can be reduced.
- c. The DfE Operational Guidance for the use of the DSG specifies that that the budget for servicing schools forums 'cannot exceed the value agreed in the previous funding period'. As a result of including a budget for broadband, as detailed in note d below, this budget exceeds that set in the 2015-16 financial year. In order to comply with the operational guidance, the funding included within this budget to support the management of the VLS has been transferred to the VLS budget as detailed in paragraph 2.26 above.
- d. In December 2015 the SSF considered the arrangements for funding Broadband for the 2016-17 financial year. It was agreed that the SSF would make an increased contribution to reflect those schools that have left the central provision in order to not place the additional burden on those schools remaining within the central contract. The SSF also agreed that the subsidy for the dark fibre arrangements, which are currently funded through the broadband charges to primary schools, should also be funded directly from the centrally retained schools budget. This will also enable schools to move from the central contract arrangements that exist currently to a direct relationship with their chosen broadband supplier, as also agreed at this meeting.

Licences and subscriptions

- 2.47. In 2015-16 the DfE increased the number of licences that they purchase and manage nationally. The actual cost of these licences was significantly higher than expected and has resulted in an overspend in the current financial year. The DfE have already published the cost of these licences for the 2016-17 financial year and this is reflected in the proposed budget.

Admissions and FSM eligibility

- 2.48. In February 2015 business support for the council was transferred to Agilisys. As part of this arrangement a series of financial savings have been built into the contract which are reflected in a reduced budget for admissions and FSM eligibility.

Early years administration

- 2.49. In February 2015 business support for the council was transferred to Agilisys. As part of this arrangement a series of financial savings have been built into

the contract which are reflected in a reduced budget for early years administration.

Contingencies

2.50. Table 2h provides details of the current budget and the proposed budget for 2016-17:

Table 2h – School specific contingency	2015-16 £	2016-17 proposed £	Notes
Exceptional Pupil Growth	325,000	325,000	
Infant Class Size	20,750	20,750	
New school pre-opening costs	0	45,000	
	345,750	390,750	

2.51. It is not proposed to increase the exceptional pupil growth budget, despite the increased demand that resulted in the application of a cap in the current financial year. This is because it is difficult to estimate pupil numbers at individual schools at this stage. The SSF should note that the exceptional pupil growth policy would apply a cap to allocations from this budget again in 2016-17 if this budget is insufficient.

2.52. From April 2013 the Schools Budget is responsible for funding all pre-opening and all post-opening start-up costs associated with establishing new provision (to meet basic need), such as academies and free schools, on a sound financial footing. The policy for calculating these resources has been agreed and the proposed exceptional pupil growth budget has been increased to reflect this responsibility for the new primary school due to open in September 2017.

2.53. The SSF previously agreed that, as this funding is of a time limited nature, any funding required for this purpose should be funded from alternative sources of funding, such as any DSG underspend from previous years. As no underspend is projected to be brought forwards from the current financial year, provision for this funding has had to be made from within the 2016-17 schools budget.

2.54. Maintained, mainstream schools are able to 'de-delegate' funds to provide a further contingency fund for their use.

Overall schools budget

2.55. The proposals above result in the proposed Schools Budget being greater than the expected DSG by £284,279, even without incorporating the projected overspend that will be brought forwards from 2015-16. As a result the SSF need to find additional savings to balance the in year schools budget for 2016-17.

- 2.56. It is proposed that the schools budget is not reduced further, at this stage to recover the projected overspend from 2015-16, although this will have to be recovered at some point. Instead it is proposed that repaying the overspend should be the first consideration for any savings that have not already been committed elsewhere.
- 2.57. Attached as Appendix C is a summary of both the changes in budget and DSG for 2016-17.
- 2.58. Attached as Appendix E are some options for further savings that the SSF could make in order to set a balanced budget. The SSF are asked to agree which of these savings should be agreed, and any other areas that should be considered for reduction, in order to agree a balanced budget. It should be noted that these savings are on top of savings of £319k that are already included within the proposed budget.
- 2.59. The SSF should note that there are several areas of the schools budget that are overspending in 2015-16, mostly related to SEN. Increases in these budgets have been built in to the proposed budget for 2016-17 but they may not fully mitigate the risk of overspending. There continues to be a risk that these budgets will be insufficient and that overspending could occur again in 2016-17. This will need to be monitored closely during the year and action taken as necessary.
- 2.60. The final value of the DSG for 2016-17 is not yet known. This will depend on the actual take up of the free entitlement by 2, 3 & 4 year olds. An estimate of additional funding, and expenditure, for this area has been included in the proposed budget.
- 2.61. The SSF has agreed to de-delegate the resources for a range of services for maintained, mainstream schools. All of the information presented so far in this report is based on the position before de-delegation. The latter columns of Appendix B provide details of the agreed de-delegations and the schools block once this has taken place.
- 2.62. It is proposed to maintain the value of the de-delegations at the current level, with the exception of Supporting Skills 4 Learning (SS4L) and Recognised Teacher Professional Associations (RTPA), due to the level of underspend in the de-delegated items that is expected to be brought forward from the 2015-16 financial year.
- 2.63. The SSF have a further meeting on 2nd March where the Schools Budget for 2016-17 can be finally approved. This gives the SSF an opportunity to ask for further information or consideration of the provisional budget proposed in this paper.
- 2.64. However, the delegated funding element of the schools budget has to be agreed at the meeting on 20th January. This is because the final proforma is due back to the DfE on 21st January and schools have to receive their delegated budget shares by the end of February.
- 2.65. These timescales mean that the SSF has little scope to request further work to be carried out before agreeing the delegated funding budget. With the

delegated funding budget making up 85% of the overall Schools Budget it also restricts the SSF's ability to make material changes to the other elements of the Schools Budget after the meeting on 20th January.

Combined Services Budgets

2.66. The table below shows the value of combined services in 2015-16 and that proposed for 2016-17. The SSF are asked to agree to the level of combined services.

Table 2k –Combined Services	2015-16	2016-17
Safeguarding in Education (VLS)	£37,500	£37,500
Targeted mental health in schools (VLS)	£50,000	£50,000
Virtual School (VLS)	£136,550	£135,190
Family support and support for vulnerable children – parenting (VLS)	£72,671	£12,671
Learning Exchange (excluding 2 year old element)	£573,573	£558,755
Domestic violence reporting (VLS)	£20,800	£20,800
Support for Broadband	£0	£75,000
Total Combined Services	£891,094	£889,916