

DERBYSHIRE COUNTY COUNCIL**CABINET****24th March 2015****Report of the Acting Strategic Director for Children & Younger Adults****Early Years and High Needs Funding 2015-16 – (Children and Young People)**1. Purpose of the Report

This report seeks approval to a number of issues relating to the High Needs and Early Years budgets within the Dedicated Schools Grant (DSG) for 2015-16.

2. Information and Analysis2.1 DSG income

The indicative DSG allocations for 2015-16 were announced by the DfE on 17th December 2014. The Schools Block allocations were considered by Cabinet at its meeting on 20th January 2015 and the High Needs and Early Years budgets now need to be considered. A summary of the headline changes to the High Needs and Early Years DSG allocations, and comparisons with 2014-15, are provided in Table 1 below:

Table 1 – DSG Settlement 2015-16

Item	2014-15	2015-16	Change
High Needs Block:			
Original HNB baseline 2014-15	61.524	61.524	-
Places review - 2014-15 impact	0.299	0.299	-
Revised HNB baseline 2014-15	61.823	61.823	-
2014-15 places review - 2015-16 impact		0.205	+0.205
Exceptional places cases for 2015-16		0.191	+0.191
Additional allocation		0.628	+0.628
High Needs Block DSG (£m)	61.823	62.847	+1.024
Early Years Block:			
Pupils	6,112	6,467	+355
Early Years per pupil	£4,294.88	£4,294.88	£0.00
Sub total (£m)	26.250	27.775	+1.525
Early Years Pupil Premium Grant	0.000	0.575	+0.575
Early Years Block DSG (£m)	26.250	28.350	+2.100

2.2 High Needs Block (HNB)

The HNB DSG settlement included an extra £1.024m as a result of increased places for 2014-15 (£0.205m), together with funding for further new places in 2015-16 (£0.191m) and a share of the extra resources released to LAs by the DfE on the basis of overall pupil populations (£0.628m).

The £0.205m is already committed as it represents the additional cost in 2015-16 of places agreed for some or all of 2014-15. There is therefore £0.819m available to meet new pressures in the High Needs Block for 2015-16.

2.2.1 Places

In October 2014 Derbyshire made an application for additional funding for exceptional increases in the number of places funded in one mainstream Enhanced Resource School (ERS), three special schools, and one college. The application was only partially successful. The Service has subsequently reviewed its places requirements for 2015-16 and can now confirm the changes at each institution that it would wish to apply from either April or August 2015. Details of the changes are set out in Appendix 1a.

A complete list of the proposed places for 2015-16 is attached as Appendix 1b.

2.2.2 Existing High Needs Profiles

The net cost of the additional places is £0.414m. In addition to the place values, top ups sums will be payable to institutions based on the individual pupil profiles and these could cost an extra £0.2-£0.25m depending on the actual profiles of the children and occupancy levels during the year.

2.2.3 New special school profiles

The national changes to special schools' funding from April 2013 resulted in some funding anomalies, in terms of relativities, which need to be revised for 2015-16.

High Dependency Profile - over the past year there have been several requests for support for pupils who require very close, constant individual support for learning, care and health and safety needs which may require more than one adult. The Extreme Learning Difficulty (ELD) profile (£17,165 for 2015-16) gave an insufficient allocation whereas the Multiple Sensory Impairment (MSI) profile, the only alternative with a value of £49,105, is potentially too high. An intermediate "High Dependency" profile with a value of £24,000 is proposed to fund the limited number of children with needs that fall into the current gap.

Behaviour Profile – similar to the High Dependency profile, there are pupils who require additional support above the current Severe Emotional & Behavioural Difficulty (SEBD) profile (£16,076 for 2015-16) but not requiring the higher Extremely Challenging Behaviour (ECB) profile of £49,105. A similar value of £24,000 is proposed which should enable the school to enhance the support for this limited number of children.

The extra cost would be between £6,835 and £7,924 per child and it's expected that up to 40 children would potentially be eligible for the new higher rates. The maximum full year cost is therefore estimated to be approximately £0.295m, although a lower figure is likely for 2015-16 as the new profiles are phased in.

At its meeting on 18th February 2015 the Schools Forum supported the creation of the new profiles.

The proposals in section 2.2 effectively utilise all of the additional uncommitted HNB funding for 2015-16.

2.3 High Needs – Schools Block funded increases

At its meeting on 20th January 2015, Cabinet agreed several allocations from the Schools Block increase which impact on High Needs budgets as shown in Table 2 below:

Table 2 – High Needs increases – funded from Schools Block

	Allocation
	£m
Enhanced Resource Schools (ERS) - 2% increase in funding	0.094
Pupil Referral Units (PRUs) - 2% increase in funding	0.087
Inflation/other changes – central high needs budgets	0.636
Special Schools – Embed support for Single Status	0.316
Special Schools – 2% increase in funding	0.328
Special Schools – Share of Residual Schools Block DSG	0.750
Total – High Needs allocations funded from Schools Block	2.211

Cabinet approval to the basis for allocating these further resources is now sought.

2.3.1 Pupil profile top ups – special schools

The Cabinet report of 20th January 2015 confirmed several increases in the funding for special schools for 2015-16, namely:

- (i) Embedding the 2014-15 funding in respect of Single Status (£0.316m);
- (ii) 2% funding uplift (£0.328m, estimate based on the 2014-15 S251 data); &
- (iii) Share of residual Schools Block DSG (£0.750m).

The proposed basis for allocating this additional funding is as follows:

- a) Single Status increase – allocated as a school specific factor to align funding, as far as possible, with individual schools' increases in costs; N.B. in addition, special schools will receive a second and final allocation of Single Status cash for 2015-16;

- b) 2% uplift in funding - allocated as a pro rata increase in the overall value of the pupils for funding purposes, including the £10,000 place value; and
- c) Residual DSG – to be allocated as either a pro rata percentage increase in all the pupil profiles, a flat cash increase in all the pupil profiles or a flat rate increase in the lowest pupil profiles.

The views of special schools were sought regarding the allocation of the residual DSG and, of the 8 responses received, 7 preferred a cash flat increase. The Schools Forum considered the issue at its meeting on 18th February 2015 and was generally supportive of the flat rate increase.

In the light of the above responses the cash flat increase is now recommended to Cabinet for approval; Appendix 2 sets out the proposed pupil profiles for 2015-16 and the comparison with 2014-15 rates.

2.3.2 Pupil profile top ups – PRUs/Enhanced Resource Schools (ERS)

The 20th January 2015 Cabinet meeting also agreed to increase the funding for Pupil Referral Units (PRUs) and Enhanced Resource Schools (ERS) by 2% from the Schools Block DSG. It is proposed that these increases, which have an estimated value of £0.181m, be allocated by a pro rata increase in overall pupil funding values, including the place element.

There is one further technical change to note: in the current year PRUs receive their funding on the basis of the national place value (£8,000) together with a variable per pupil profile (top up). From September 2015, the national place value rises to £10,000 and the DfE expect LAs to fund the increased cost by reducing the pupil profile element.

The decision to increase the national place-led value is welcomed as it gives greater stability to PRUs' funding; it is proposed that the additional cost be offset by a £2,000 reduction in each of the pupil profiles as recommended by the DfE.

The current and proposed pupil profiles for 2015-16 for both PRUs and ER Schools are set out in Appendix 3.

2.4 Early Years Block

The Early Years Block per pupil funding rate for 3 and 4 year olds is unchanged at £4,294.88; the overall increase in funding is due to an increased number of pupils and this funding will be largely needed to meet increased payments to schools and PVI providers. Any residual funding will help reduce the overall DSG reliance on cash which stood at £4.721m in 2014-15.

The settlement also includes, for the first time, an Early Years Pupil Premium Grant. The initial allocation of £0.575m is based on an estimate of 3 & 4 year old eligibility and will be revised during 2015-16 on the basis of a mandatory mid-year survey. The Pupil Premium is worth up to £302.10 per eligible child (based on 570 hours @ 53p per hour). The Authority is required to passport the grant to eligible providers in accordance with DfE requirements.

2.5 Early Years – Schools Block funded increases

At its meeting on 20th January 2015, Cabinet agreed several allocations from the Schools Block increase which impact on Early Years budgets as shown in Table 3 below:

Table 3 – Early Years increases – funded from Schools Block

	Allocation
	£m
Primary Schools - Early Years Single Funding Formula (EYSFF) 2% increase in funding for three and four year olds	0.216
Nursery schools – 2% increase in funding	0.054
Nursery Schools – Embed support for Single Status	0.050
Private Voluntary and Independent (PVI) Early Years provision – 3.5% increase in funding rate for 3 and 4 year olds	0.426
Sub total – delegated funding	0.746
Early Years – business support officers two year old programme	0.100
Inflation/other changes – central early years budgets	0.050
Total – Early Years allocations funded from Schools Block	0.896

2.5.1 Delegated Funding

It is proposed that the overall funding for 3 and 4 year olds in nursery and primary school provision be increased by 2% at an estimated cost of £0.270m. This would be consistent with the proposals set out in the Authority's consultation document last summer. Nursery schools' funding would be further enhanced to embed the costs of Single Status - no such amendment is required for mainstream school providers as their Single Status support has already been delegated via the mainstream funding formula.

It is further proposed that the basic hourly Early Years Single Funding Formula (EYSFF) rate for Private, Voluntary and Independent (PVI) providers be lifted from £3.79 to £3.92 per hour from April 2015, an increase of over 3.4%. The higher percentage increase reflects PVI providers' greater reliance on this funding stream to meet increases in the Minimum Wage and is consistent with the Authority's long term aspiration for its partners to become Living Wage employers.

Both of these proposed increases are supported by schools and the Schools Forum.

It should be noted that, in order to keep the increase in funding for nursery and mainstream school providers at 2%, the non-term time supplement has been reduced slightly.

The proposed EYSFF multipliers for 2015-16 are set out overleaf:

	Nursery Schools	Nursery Units	PVI Settings
Basic Hourly Rate – 38 weeks	£3.92	£3.92	£3.92
Additional Nursery School/Unit Allowance – 38 weeks	£0.80	£0.61	-
Lump Sum	£91,248.21	-	-
Social Deprivation (IMD)	£25.29	£25.29	£25.29
ERS SENTA	£692.96	-	-

The cost of the above changes in rates/multipliers will ultimately be driven by the number of children accessing provision. However, the best estimate at this time is an increase of around £0.746m which would be met from the increase in Schools Block DSG funding; a further £0.050m would also be allocated being the sector's share of the Single Status cash for 2015-16.

2.6 Early Years – Centrally Retained Funding

The proposed central Early Years budgets for 2015-16 are set out in Appendix 4. The figures are in line with 2014-15, the main change being an increase in support to help increase the take up of Early Years provision by vulnerable two year olds.

Decisions on the level of retained Early Years funding are a matter for the Schools Forum and consideration of the level of central budgets took place at its meeting on 18th February 2015. Schools Forum agreed to the Authority's proposals and Cabinet is now asked to approve the allocations in Appendix 4 for 2015-16.

3. Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime & disorder, equality of opportunity, environmental, financial, health, human resources, legal & human rights, property and transport considerations.

4. Background Papers

Working files held in CAYA Finance.

5. Acting Strategic Director's Recommendations

Cabinet is asked to:

- (i) Agree the changes to the High Needs Places as set out in Appendix 1a;
- (ii) Approve the High Needs Places for 2015-16 as set out in Appendix 1b;
- (iii) Agree the pupil profiles for special schools as set out in Appendix 2;
- (iv) Agree to the establishment of new profiles for high dependency and behaviour as set out in section 2.2.3; and
- (v) Agree the PRU & ERS pupil profiles as set out in Appendix 3;
- (vi) Agree the Early Years Single Funding formula multipliers for 2015-16 as set out in section 2.5.1; and

- (vii) Agree to retain centrally the Early Years budgets set out in Appendix 4.

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Proposed changes in High Needs Places 2015-16**Appendix 1a**

Institution	Increase/ (Decrease)	Effective date	Cost in 2015-16 £k	Full year cost Ongoing £k	Notes
Secondary Schools:					
Hope Valley College (Post 16 ERS)	12	Aug 15	48	72	Fully funded by Exceptional Case**
Chapel ERS	2	Apr 15	20	20	
Special Schools:					
Holly House	(1)	Apr 15	(10)	(10)	
Holbrook Centre for Autism*	19	Apr 15	190	190	5 funded by Exceptional Case**
Ashgate Croft*	(16.7)	Apr 15	(167)	(167)	
Stubbin Wood*	12	Apr 15	120	120	
Peak	(2)	Apr 15	(20)	(20)	
Alfreton Park	4	Apr 15	40	40	
Stanton Vale*	7.3	Apr 15	73	73	
Colleges:					
Chesterfield (Post 16)	30	Aug 15	120	180	26 funded by Exceptional Case**
Total	64.6		414	498	

* The change in places for these schools includes the effect of the increase in Post 16 places in August 2014 for 4/12ths of the 2015-16 financial year.

** Exceptional cases: there is additional HNB funding specifically to pay for these places

Proposed HNB places for 2015-16**Appendix 1b**

Institution	Proposed High Needs Places Financial Year 2015-16	Notes
ERS Places:		
Brampton Primary	14	
Chapel en le Frith Primary	20	
Aldercar Infant	8	
Langley Mill Junior	8	
Pilsley Primary (Chesterfield)	8	
Springfield Junior	16	
Whaley Bridge Primary	15	
New Whittington Primary	10	
Elmsleigh Infant	16	
Dunston Primary	6	
Chapel High	40	
William Allitt	8	
Aldercar Language College (HI)	7	
Aldercar Language College (PHYS)	6	
Tibshelf	15	
Glossopdale	5	
Whittington Green	6	
The Pingle (Area)	29	
The Pingle (Autism)	12	
Outwood Newbold	14	
Long Eaton	10	
Hope Valley College	20	12 Places Apr-Jul, 24 places Aug-Mar
Queen Elizabeth's Grammar	23	
Total	316	

Institution		Proposed High Needs Places Financial Year 2015-16	Notes
Special School Places:			
Holly House		40	See Appendix 1a with regard to changes since 2014-15
Holbrook		85	
Brackenfield		72	
Ashgate Croft		138	
Swanwick Sports		78	
Stubbin Wood		120	
Bennerley		84	
Peak		53	
Alfreton Park		82	
Stanton Vale		90	
Total		842	
PRU Places:			
Amber Valley	Kirk Hallam	12	
	Sawley	60	
	Breadsall	20	
	Alternative Provision Team	90	
South Derbyshire	Granville	6	
	Newhall	10	
North East Derbyshire	Barrow Hill	10	
	Hasland	20	
	Bolsover	55	
	Formerly Chapel	20	
	Formerly Buxton	8	
TOTAL		311	

Institution	Proposed High Needs Places Financial Year 2015-16	Notes
Colleges:		
Chesterfield	85	65 places for Apr-Jul, 95 places Aug-Mar
University of Derby	13	
Total	98	
Post 16 High Needs Element 2 Places:		
Swanwick Hall	3	<p>These places have been effective since August 2013 and are based on historic SENTA data.</p> <p>There is currently no mechanism to vary these numbers.</p>
Alfreton Grange	1	
Tupton Hall	2	
New Mills	1	
Aldercar Language College	5	
Highfields	5	
Glossopdale	1	
Buxton	2	
Belper	2	
Lady Manners	1	
The Pingle	2	
Ormiston Ilkeston	3	
Long Eaton	1	
Brookfield Academy	7	
Queen Elizabeth's Grammar	11	
Ripley Academy	1	
Total	48	

Proposed Special School pupil profiles (top ups) 2015-16

Appendix 2

Profile	Descriptor	2014-15 Top Up	2015-16 Top Up (with 2% increase*)	2015-16 Top Up (with residual DSG)	% Increase on Top Up rates	Notes
		£	£	£		
MSI	Multi-Sensory Impairment	46,995.11	48,189.59	49,104.97	4.5%	*2% increase applied to 2014-15 top up rates including the £10,000 place element. £54.57 also added to top up rates by transfer from the school's site specific allocations.
ECB	Extremely Challenging Behaviour	46,995.11	48,189.59	49,104.97	4.5%	
ELD	Extreme Learning Difficulty	15,681.48	16,249.68	17,165.06	9.5%	
SEBD	Severe Emotional & Behavioural Difficulty	14,613.72	15,160.56	16,075.94	10.0%	
ECOM	Extreme Communication Difficulty	13,820.19	14,351.17	15,266.55	10.5%	
COM	Autism/Communication Difficulty	9,751.24	10,200.83	11,116.21	14.0%	
EBD	Emotional & Behavioural Difficulty	9,497.88	9,942.41	10,857.79	14.3%	
D&A	Specialist Nursery (FTE)	8,484.44	8,908.70	9,824.08	15.8%	
SSI	Severe Sight Impairment	4,430.68	4,773.87	5,689.25	28.4%	
PHYS	Severe Physical Impairment	4,430.68	4,773.87	5,689.25	28.4%	
SHI	Severe Hearing Impairment	4,430.68	4,773.87	5,689.25	28.4%	
SLD	Severe Learning Difficulty	4,430.68	4,773.87	5,689.25	28.4%	
OLD	Other Learning Difficulty	376.93	639.04	1,554.42	312.4%	
HD	High Dependency (new)			24,000.00		
BE	Behaviour (new)			24,000.00		
	Other Special School Funding/Top Ups which may apply:					
	All schools: Places, Site Specific, Single Status					
	Some schools: Post 16, Post 16 Bursary, Residential, Extended Day, Protection, Early Years Single Funding Formula, Service Level Agreements					

Proposed PRU and ERS pupil profiles (top ups) 2015-16

Appendix 3

PRU	2014-15 Top Up £	Apr-Aug 2015-16 Top Up £	Sept-Mar 2015-16 Top Up £	Notes
Kirk Hallam	17,423.38	17,931.85	15,931.85	2 % increase applied to 2014-15 top up rates including the £8,000 place element for the period April to August 2015. Place Element increases from £8,000 to £10,000 from September 2015 and all top up rates reduced by £2,000
Sawley	3,418.20	3,646.57	1,646.57	
Breadsall	9,979.39	10,338.98	8,338.98	
Alternative Provision Team	3,384.73	3,612.43	1,612.43	
Granville	19,030.05	19,570.65	17,570.65	
Newhall	19,913.15	20,471.42	18,471.42	
Barrow Hill	16,534.61	17,179.22	15,179.22	
Hasland	6,408.58	6,696.75	4,696.75	
Bolsover	3,741.78	3,976.62	1,976.62	
Chapel	6,171.88	6,479.64	4,479.64	
Buxton	22,894.89	23,512.79	21,512.79	
ERS	2014-15 Top Up £	2015-16 Top Up £	Notes	
A – Area ERS	2,277.55	2,523.10	2% increase applied to 2014-15 top up rates including the £10,000 place element. Post 16 pupils are funded an additional £4,000 to take account of the lower level of place funding (£6,000)	
(Whaley Bridge Primary, Chapel High, William Allitt, Glossopdale, Pingle, Hope Valley, QEGS)				
B – Deaf/Hearing Impaired ERS	3,584.06	3,855.74		
(Aldercar Infant, Langley Mill Junior, New Whittington Primary, Aldercar Language College, Whittington Green)				
C – Autism ERS	4,812.40	5,108.65		
(Brampton Primary, Chapel Primary, Pilsley Primary, Springfield Junior, Elmsleigh Infant, Tibshelf Community, Pingle, Outwood Newbold, Long Eaton)				
D – Physical Impairment ERS	15,239.68	15,744.48		
(Dunston Primary, Aldercar Language College)				

Summary of retained Early Years Budgets**Appendix 4**

		15-16	14-15	
	Service		£k	Description of services
1	Early Years Improvement Service	1,486	1,356	Provides support and quality review of PVI settings – includes £100k for additional support for vulnerable two year olds funded from Schools Block increase
2	Pre School Educational Psychology service	597	573	Assessment of EY children
3	Every Child a Talker	132	130	Support for initiative – approved at Schools Forum Feb 2014
4	Behaviour Support Service	15	15	Provision of service to Nursery Schools
5	Staffing costs (Maternity/TU/Public Duties)	14	14	Backfill of staff absent for these reasons
6	Catering	63	55	Estimated cost of provision of service to Nursery Schools
7	Broadband subsidy	25	25	Nursery Schools share of central subsidy
8	CRB checks	3	3	Estimated costs based on pupil numbers
9	Sports	2	2	Share of Sports Service costs
10	Capital Maintenance	30	30	Estimated share based on pupil numbers
11	Contingency	15	56	Retained in case of nursery schools need
12	Licensing	2	2	Estimated cost for Nursery Schools
13	Insurance	10	10	Notional share of corporate premiums
	Total	2,394	2,271	