

Decision maker:	Director of Children and Families
Decision date:	Monday, 16 November 2020
Title of report:	Dedicated Schools Grant 2020/21 additional in-year expenditure
Report by:	Strategic Finance Manager

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

To approve additional in-year expenditure within the Dedicated Schools Grant for 2020/21 for

- (a) revenue pupil growth funding for 33 pupils from September 2020 for Fairfield High School; and
- (b) to commission 15 additional places for the Pupil Referral Unit from September 2020 to provide secondary intervention places.

Recommendation(s)

That:

- (a) **Revenue growth funding of £77,731.50 funded from Dedicated Schools Grant reserves for Fairfield High School be approved for 33 pupils over the school's Planned Admission Number (PAN) for the autumn and spring terms at the per pupil funding amount of £4,038 pa pro-rata for the seven month period; and**
- (b) **An additional 15 places be commissioned at the Pupil Referral Unit from September 2020 for the autumn and spring terms at a cost of £87,500 funded from Dedicated**

Schools Grant reserves at the mandatory Department for Education place funding amount of £10,000 pa pro-rata for the seven month period.

Alternative options

1. The only alternative for the growth funding is not to fund Fairfield High school and this is unfair as the school will be pushed into deficit due to no fault of its own.
2. The alternative option of requiring secondary schools to fully fund the intervention places has been frustrated due to COVID-19 and a new approach is necessary. The introduction of the additional places from September provides a service that schools have been asking for and will help schools meet their responsibilities to those pupils potentially at risk of exclusion in a cost effective way that meets COVID-19 distancing requirements.

Key considerations

Revenue growth funding for Fairfield High School

3. Herefordshire first received a share of the national growth fund in 2019/20 as an extra allocation of Schools Block funding within DSG. The growth fund is intended to meet the revenue costs of essential long term expansion of schools arising from factors such as increasing birth rates and housing growth and requires the introduction of new school pupil planning processes to ensure accurate targeted allocation.
4. The new allocation process requires the education planning team to advise on areas where the council exceptionally requires schools to increase numbers above their published admission numbers. As part of a review of September 2021 school places in the Golden Valley, at the local authority's request, Kingstone Academy have agreed to admit 120 pupils (30 above Planned Admission Number - PAN) and an offer has been made to Fairfield High School to admit 100 (10 above PAN). Academy schools act as their own admission authorities and both schools are able to admit above the agreed numbers but growth funding is limited to meeting the council's requirements as numbers above this limit are deemed parental preference and hence not eligible for growth funding.
5. Growth funding allocations for September 2020 were agreed in January 2020 for Kingstone High School. However after school budgets were approved by the Cabinet member in January 2020, the council became aware that pupil growth at Fairfield High school was also necessary and was subsequently agreed by the school admissions team. However all DSG funding had been allocated; had the growth been identified as part of budget planning then funding would have been made available to Fairfield High School in accordance with the policy. The headteacher of the school has written asking for growth funding to be made available to the school as they will incur a deficit taking the additional pupils without funding.
6. The growth policy agreed with School Forum funds the additional number of agreed pupils at the Age Weighted per Pupil Unit set by the national funding formula. As determined by the policy the council is required to fund the additional 33 pupils admitted over PAN at £4,038 for the 12 months from September 2020. The 5/12th cost of £55,522.50 is provided for the 2021/22 DSG budget however the 7/12th funding of £77,731.50 can be funded from DSG reserves to ensure that the school, and most importantly, the pupils do not lose out.
7. Where growth funding was allocated this would be yearly until the new PAN applies to all year groups through the school. Section 106 contributions from housing developments was designed to address capital funding requirements for expanded accommodation. It is

recognised that a clearer process is required and this has been put in place for September 2021 and will be further developed through the schools capital programme and communicated to all schools.

Additional commissioned places at the Pupil Referral Unit (PRU)

8. Like many councils, we have to make difficult decisions about how we spend money. Schools Forum plays a key role in determining how the high needs budget is allocated and in particular how alternative provision is funded. We can no longer afford to deliver Alternative Provision in the same way as in the past. We have explored how we could deliver education to vulnerable pupils differently and, over a two year implementation period the council has reduced the number of places at the PRU from 80 to 50 in order to only provide places for permanently excluded pupils to meet the council's statutory duty. The agreement with Schools Forum and the Herefordshire Association of Secondary Head teachers (HASH) was that secondary schools would meet the full cost of discretionary intervention places that the school required.
9. It is highly unfortunate that the agreed arrangements have been overtaken by the coronavirus pandemic before the PRU could effectively introduce the trading activities with schools. Soundings have been taken from headteachers who have indicated that meeting the full cost of £16,750 for a discretionary is too high particularly when / if the school has to meet additional transport costs.
10. Securing provision for those students that the Council may become responsible for and minimising permanent exclusions is important in meeting our commitment to enabling every child and young person to have the best start in life and the intervention programme at the PRU is a key part of ensuring that every pupil has the maximum opportunity to stay in mainstream school education. It is necessary to ensure a viable Pupil Referral Unit that retains the confidence of secondary schools to provide discretionary intervention places that are affordable yet continue to meet each party's statutory responsibilities.
11. The 2021/22 high needs budget will commission an additional 15 places at £10,000 pa each from April 2021 and funding is built into the budget proposals. In order to meet the demand from schools at a cost that is affordable and permit the PRU to begin trading with secondary schools for the full academic year from September 2020, the additional 15 places must be commissioned in advance of the 2021/22 budget. Without a cost effective and supported intervention programme being available to secondary schools it is highly likely that the number of permanently excluded pupils will increase significantly. Not only does this have a financial cost but more importantly a substantial personal impact on the education and life chances of those pupils at risk of exclusion. These new proposals strike a balance between schools meeting their statutory responsibilities whilst sustaining an affordable provision that provides headteachers with options for pupils to maintained in their host school.
12. The additional 15 places will cost £87,500 for the autumn and spring terms for the academic year 2020/21 and can be funded from DSG reserves.

Community impact

13. Increasingly school and high needs funding is directed by government and the council can only allocate funding given by government. School governing bodies retain the responsibility to spend the school budget on meeting pupil needs. Schools, colleges and post-16 provider and potentially parents will need to be consulted on any changes to the high needs services.

Environmental Impact

14. Whilst this is a consultation with Schools Forum on school and high needs funding and will have no direct environmental impacts. School governing bodies and trustees are responsible for deciding on expenditure and they will be encouraged to minimise waste and resource use in line with the Council's Environmental Policy.

Equality duty

15. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:
16. A public authority must, in the exercise of its functions, have due regard to the need to –
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
17. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. In relation to school finance it is the responsibility of individual governing bodies to commit expenditure according to individual pupil need. Changes in high needs provision will require consultation with users and further advice from legal services will be sought should this be necessary. However the decisions of the school forum should have regard to this duty and the potential implications of any decisions made.

Resource implications

18. The schools and high needs budgets are fully funded by Dedicated Schools Grant (DSG). As the DSG grant was fully allocated prior to the start of the financial year, additional expenditure must be funded from DSG reserves. At the start of the 2020/21 financial year uncommitted DSG reserves were £630,000 and due to a forecasted overspend of £350,000 in 2020/21, reserves are forecasted to be £280,000 at year end. Approval of this expenditure will further reduce the DSG reserves to £165,000.

Legal implications

19. The Schools Forum is a decision making and consultative body in relation to matters concerning schools' budgets as defined in the School and Early Years Finance Regulations (2018) and the School Forums (England) Regulations 2010. The School and Early Years Finance (England) Regulations 2018 determine those matters on which the council must or may consult Schools Forum and those in respect of which the Schools Forum can make decisions. These Regulations make provision for the financial arrangements of councils in relations to the funding of schools.

- 20 As Schools Forum at its meeting on 23 October 2020 has been consulted on the growth funding for Fairfield High School the council is legally entitled to take this decision. The high needs budget does not require the same formal consultation as school funding. However, Schools Forum is aware that the high needs budget planning for 2021/22 will increase commissioned places at the PRU from April 2021, this decision brings forward the additional places for the full academic year from September 2020.

Risk management

21. There is no risk as the cost in this financial year will be met from DSG reserves. In future years the costs of both pupil growth in the golden valley and the 15 additional commissioned places at the PRU will be fully funded on an on-going basis in the 2021/22 DSG budget

Consultees

22. Schools Forum have been consulted on the additional growth payment for Fairfield and are aware that the commissioning of the 15 additional PRU places is included in the 2021/22 DSG high needs budget on as a full year cost which they will be formally consulted in March 2021.

Appendices

None

Background papers

None

Please include a glossary of terms, abbreviations and acronyms used in this report.

BWG	Budget Working Group (of Schools Forum)
CAMHS	Children and Adolescent Mental Health Service
DSG	Dedicated Schools Grant
DfE	Department for Education
EHCP	Education Health Care Plan
ESFA	Education and Skills Funding Agency
PRU	Pupil Referral Unit
H3	Home and Hospital Teaching Team (Hub, Home, Hospital)
SEN	Special Education Needs
SEND	Special Education Needs and Disability

S106 Contributions:

Planning obligations are legal obligations entered into to mitigate the impacts of a development proposal. This can be via a planning agreement entered into under section 106 of the Town and Country Planning Act 1990 by a person with an interest in the land and the local planning authority; or via a unilateral undertaking entered into by a person with an interest in the land without the local planning authority. Planning obligations run with the land, are legally binding and enforceable.

S106 agreements are often used to fund necessary education infrastructure arising from new housing developments.

