

**DSG 2015/16 - OPTIONS APPRAISAL BUDGET WORKING GROUP**

High Needs Budget Options	£'000
Savings from transfer of school funding	-186
Proposed savings from PRU delegation	-50
Additional Primary SEN protection at £90 cap	75
Estimated cost re £6,000 threshold re VI/HI	15
High Needs tariff increases re pensions	138
Exception needs - unfunded top ups	93
Predicted unfunded places	157
unfunded Nursery growth re special schls	73
growth re 2YOs re SEN grants	10
Brookfield request re tariff increases	80
less 20% uncertainty	-128
<b>Unfunded expected high needs cost pressures</b>	<b>277</b>

Note : Savings on post-19 care contributions will help fund future increases in post-19 places which will not be known until March at the earliest. There 17 post-19 leavers from Barrs Court destinations unconfirmed.

**Option A: In principle primaries and secondaries pay for own on-going schemes**

	£'000
A1. Reduce primary school funding by £12 per pupil to pay for SEN threshold protection at £90 cap per pupil	150
A2. Reduce secondary funding by £17 per pupil to pay for PRU delegation ( 1/3 pupil, 1/3 FSMEver6,1/3 LPA)	150

Option A maintains reserves at £554k to cover for significant high needs uncertainty

**Option B: Use reserves to support the high needs budget**

B1. Reduce primary school funding by £6 per pupil to pay for SEN threshold protection at £90 cap per pupil	75
B2. Reduce secondary funding by £9 per pupil to pay for PRU delegation ( 1/3 pupil, 1/3 FSMEver6,1/3 LPA)	75
B3. Reduce High Needs Block Reserves from £554k to £400k this matches the unfunded places in 2015/16 at £157k on assumption that actual places funded in 2016/17	150

Option B uses reserves to a reasonable degree to avoid "high balances" and retains £400k to cover uncertainties.

**Option C: Reduce costs for SEN protection and PRU delegation to what we can afford**

C1. Set Primary protection cap at £120 per pupil as in 2014/15	75
C2. Further reduce PRU delegation to high schools to £75k	75

C3 Reduce High Needs Block Reserves from £554k to £400k 150  
this matches the unfunded places in 2015/16 at £157k on  
assumption that actual places funded in 2016/17

**Option D: Reduce support for special schools for both years**

D1. The proposal to fund special schools to avoid service reductions from increased pension costs could be reduced to save £35k by reducing by -1% for all tariffs i.e. A+0%, B+1%, C+2%, D+3%, E+4%, F+5%

This proposal would save £35k which could be used to reduce the per pupil contribution in option A or B by £1.60 per pupil 35

D2. Ideally the same funding solution is required in both 2015/16 and 2016/17 to fund the two years of increased pension costs. Adopting the above proposal at £105k will be easier to fund next year - from £65k savings from Leominster Primary one-off lump sum and a potential £2 per pupil reduction for all pupils in 2016/17.

Note 1

The latest DSG forecast for 2014/15 indicates an underspend of £927,000 which is almost entirely from an underspend on 2YO spending of £910,000. The High needs block is forecast to overspend by £108,000. It is expected that the 2YO grant will be reduced in 2015/16 by an assumed underspend because DfE has specifically delayed announcing the DSG for 2YO until June 2015.

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