

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Cabinet
2.	Date:	5th February 2013
3.	Title:	Schools Capital and Revenue Funding 2014/15
4.	Directorate:	Children and Young People’s Service

5. Summary

On 18 December 2013, the Department for Education (DfE) announced basic need capital allocations for 2015-17, as well as capital funding to support the provision of free school meals to infant pupils. Also announced was the School Funding Settlement for 2014-15, including allocations for the Dedicated Schools Grant (DSG) and for the Education Services Grant (ESG).

6. Recommendations

That Cabinet note the details of the announcements and the implications for Rotherham Schools, Academies and the Council.

That Cabinet notes the delegated authority of the Strategic Director of Children and Young People’s Services in determining the allocation of funding across the 3 funding blocks.

7. Proposals and Details

7.1 On 18 December 2013, the Department for Education (DfE) announced:

- Allocations of capital funding in relation to the continuing growth of the school population, with additional funding to expand existing maintained schools, free schools or academies and to establish new schools
- The policy decision to provide free school meals to all reception, year 1 and year 2 pupils, with capital being required to upgrade facilities
- Sebastian James' independent progress report, following on from a previous review of Education Capital in 2011, the purpose of which was to consider the DfE's existing capital expenditure approach (and, in particular, the Building Schools for the Future programme) and to make recommendations on future delivery models for capital investment, with a focus on achieving better value for money, higher quality and more rapid deployment.
- The main school funding allocations for 2014-15 through the Dedicated Schools Grant (DSG) and Education Services Grant (ESG).

7.2 Capital Allocations for School Places

The basic need funding announced was for 2015-17. Taken together with the 14-15 funding announced previously this allocation provides Rotherham with a 3 year planning horizon to support longer term strategic delivery of our capital programmes and the creation of additional school places.

The DfE capital allocation for school places was established using planning area data. This approach was used to ensure that funding was distributed more fairly across the country. This enabled Rotherham to receive a level of basic need funding in proportion to its needs as the funding was based upon on local data validated by Rotherham MBC School Organisation.

For Rotherham the funding over the 3 year period is allocated as follows:

Years 2014-15	£1,461,500
Years 2015-16	£2,300,357
Years 2016-17	<u>£2,415,375</u>
<u>Total</u>	<u>£6,177,281</u>

It's important to note that Rotherham has yet to receive notification from the DfE of the Capital Maintenance Budget allocation for 2014-15.

The above basic need funding is not ring fenced and can be allocated to support capital Maintenance projects where required.

7.3 Capital Allocations for School Meals

The provision of Universal Infant Free School Meals from September 2014 is supported by capital sums for both Local Authority, £600,152 and Voluntary Aided Schools, £70,739 with Academy schools receiving their own allocations.

The money available will be used to support the service provision and ensure that the kitchens have sufficient capacity to prepare, cook and serve the additional 2,900 lunches per day. Education Catering Services have forecast the additional meal requirements per school and are assessing which schools require new/additional ovens (including extraction canopies), servery counters, dining furniture, etc to use the capital funding most effectively.

It is anticipated that some schools will require minimal investment and others significant investment to meet the production requirements. The provision of new kitchens is beyond the resource available and the 14 schools without kitchens will continue to receive freshly prepared meals from other school kitchens on a daily basis.

7.4 Review of Progress on Education Capital

Education capital has provided the following:

- Expansion of Thornhill Primary (30 – 45) – 4 additional classrooms
- Expansion of Flanderwell Primary (30 – 45) – 4 additional classrooms and a mainstream attached Special Educational Needs resource for Y4-6 children with Autism Spectrum Condition and a statement of SEN
- Expansion of Aston Hall J & I (30 – 45) - 4 additional classrooms
- Expansion of Herringthorpe Infant and Junior schools (70 – 90) – 5 additional classrooms (2 Infant and 3 Junior)

Increase in Admission numbers at:

- Treeton Primary School (37 – 45) by addition of additional classrooms
- Catcliffe Primary School (25 – 30) by addition of additional classrooms
- Sunnyside Infant and Junior Schools (80 – 90)
- Bramley Grange Primary School (40 – 45)
- Kilnhurst Primary School (28 – 30)

Total number of eventual permanent through school places created = **665**

The following are projects undertaken or are planned

Herringthorpe Infant and Junior Schools

Permanent increase in admission number from 70 – 90 creating **140 through school places**. The cost of this project is £1.6 million to provide 5 additional classrooms planned for completion by Christmas 2013.

Listerdale J & I School

Proposals to expand the school from an admission number of 30 to 45 creating an additional **105 through School places** by the provision of 4 additional classrooms at a cost of approximately £900K and will be completed at the latest by August 2014, the project was approved by Cabinet on 27th November 2013 subject to a successful planning application.

Broom Valley Community Primary School

A temporary increase has been implemented in admission number from 60 to 90 in Y1/2 for 2013/14 and FS2 for 2014/15 creating **60 temporary places**. The additional pupils are to be accommodated by the installation of 2 temporary classrooms which will be located on site at an estimated cost of £150K. by December 2013. Places have been allocated for the start of the Spring term.

Targeted basic need funding

The CYPS Capital Projects Team submitted a funding bid to DfE to provide funding for the provision of a new centrally based Primary School close to the Eastwood area. Under new DfE guidance there is an Academy / Free School presumption in relation to the control of the new school. Confirmation was received from DfE in August 2013 that RMBC had been successful in relation to this bid, a sponsor has been approved by Cabinet for the school and work is on-going to move the project forward for a September 2015 opening. This will create an additional **315 through school places** once completed.

Monkwood Primary School / Thorogate J & I School (105 eventual through School places)

CYPS School Organisation and Asset Management Service are considering options at this present time. The outcome will be dependent on the Cabinet decision in relation to the proposal to close the Social, Emotional and Behavioural Difficulties (SEBD) unit at Thorogate. Longer term plans are to create up to an additional 105 through School places.

Wath C of E Primary

A proposal has been approved by the Cabinet Member to expand the school from an admission number of 30 to 45 **creating 105 through School places**. The permanent expansion to provide an additional 4 classrooms will cost approximately £1M and will be completed by August 2014. Funding for the project will be from Basic Need Funding and Section 106 funding and the expansion will be implemented on a phased basis.

Brampton the Ellis Junior School

The 2 feeder infant schools (Ellis and Cortonwood) have a combined admission number of 80 which is greater than that of the Junior School which is currently 70. Pre statutory consultation is currently being undertaken in relation to proposals to expand the school to an eventual admission number of 90. The estimated cost of expanding Ellis Junior School is £500k and funding will be from a combination of basic need funding and Section 106 funding subject to trigger points being reached. The completion date for this proposal is August 2017. This project will create an additional **80 junior school places**.

Brampton Cortonwood Infant School

Pre statutory consultation has commenced on proposals to expand the School from an admission number of 40 to 50 at an estimated cost of £250K to provide additional teaching and learning space. This expansion has a completion date of August 2017. Funding for the project will be from a combination of Basic Need Funding and Section 106 funding, subject to trigger points being reached. This project will create an additional **30 infant school places**.

Wickersley School and Sports College

Confirmation was received from DfE in August 2013 that RMBC had been successful in relation to a bid to expand this successful and popular school. Work has commenced with the School's Head teacher and Governing Body in relation to the expansion. A project is currently in progress to install 17 additional classrooms to accommodate the increasing future demand for places at the school from within the catchment area. There are also discussions around expanding special educational needs provision at the school for pupils with difficulties under the Communication and Interaction overarching type of need.

Brinsworth Howarth J & I

The Cabinet Member has approved a proposal to expand Brinsworth Howarth from an admission number of 30 to 45 on a phased temporary basis. A new Foundation Unit has been installed at the school and some internal modifications have been made to the main

school building to accommodate the additional pupils. The cost is £350K funded from Basic Need Funding and Section 106 funding. This project will create **105 through School places on a temporary basis** until the First Waverley Primary School is constructed. Should the expansion be made permanent, a full consultation will need to be undertaken to make the prescribed alteration.

Wales Primary School

The Cabinet Member has approved the temporary increase in admission number from 30 to 45 in FS2 for 2 years from 2014/15 onwards. A full consultation will need to be undertaken to make a prescribed alteration to the school on a permanent basis. The temporary increase will create **30 temporary through School places**

Thurcroft Infant School (60 to 75 = 45 eventual through School places)

Consultation is currently being undertaken to expand the School from its current admission number of 60 to 75 with effect from September 2014. The cost of the expansion is estimated at £200k to provide additional teaching and learning space funded from Basic Need Funding and Section 106 funding.

NB: Should all the above projects be approved and completed the combined total of permanent Primary School places to be created will be **945** with an additional **195** temporary places created.

7.5 Dedicated Schools Grant Allocations for 2014/15

School Funding for Local Authorities in England is provided by a ring-fenced grant rather than as part of the Revenue Support Grant settlement. For 2014/15 the allocations continue to be set out in three non-ring fenced spending blocks for each authority: an early years block, a schools block and a high needs block. The provisional total for Rotherham is £217.041m prior to recoupment in respect of academies. This is an increase of £3.195m on the current year allocation of £213.846m, largely due to an increase in pupil numbers and additional funding for new 2 year old education places.

Early Years Block

Rotherham will receive £3,870 per pupil for the Early Years Block which is the same as for 2013-14. This gives a total provisional allocation (based on the January 2013 Early Years Census) of £9.242m which funds 3 and 4 year old places in Rotherham maintained schools, private and voluntary/independent provision. This figure will be adjusted based on 2014 and 2015 census data.

The hourly rate which Rotherham providers currently receive is one of the lowest in Yorkshire and Humber. It is important that this full allocation is passported to providers. Any reduction in rate will have implications on the sustainability of provision in the borough and risk the ability to meet the statutory requirement to deliver early education places, and PVI Early Years and child care businesses may be forced to close.

There is also a further allocation of £4.091m which is provided to secure early learning places for two-year-olds from lower income households. From 1 September 2013, early learning became a statutory entitlement for around 20% of two-year-olds across England, and this will extend to 40% of two-year-olds from September 2014. This level of funding will enable the local authority to meet that national implementation requirements, as well as ensuring the most vulnerable children receive early education as soon as possible.

Schools Block

Rotherham will receive £4,844 per pupil which is the same as for 2013-14. This gives a total provisional allocation of £183.581 million (based on the pupil numbers from the October 2013 school census). The schools block funds the Individual School Budgets which are delegated to schools and allocated to academies. It also funds (either wholly or partly) the following services in Rotherham:

- Schools in Financial Difficulty Fund
- Behaviour Support Service
- Exclusion Officer Post
- Free School Meals Eligibility Assessment
- Trade Union Officer
- Pupil Growth Fund
- Winterhill and Rawmarsh City Learning Centres
- Children in Public Care
- Rotherham School Improvement
- Education Welfare
- Outdoor Education Co-ordinator
- Training for Children with Medical Needs
- Moving and Handling
- Sexual Exploitation Team
- Operational Safeguarding Unit
- Termination of Employment Costs
- Servicing of Schools Forum
- SEN Transport

High Needs Block

The High Needs Block is a single block for local authorities' high needs pupils/students aged 0-24. The provisional allocation for Rotherham (subject to the High Needs Places review which is being carried out by the DfE) is £20.126m. compared to £19.723m in the current financial year.

This level of funding will be insufficient to cover in year 2014-15 pressures arising and brought forward from 2013/14. The most significant pressure on the budget arises from increasing numbers of children and young people with complex and intensive health, care and educational needs requiring very expensive out of authority residential placements. Continuing increasing needs and under allocation in previous years gives rise to a carry over and further pressure on the 2014-15 budget. Projected net cost for this provision is set to rise to £2.613m. in 2014-15. The average cost of such placements is currently £98.4k and increasing; the aggregate cost of the last seven placements is £791k per annum.

The Strategic Director has proposed that approximately £1.2m of funding be moved from the Schools Block to the High Needs block for 2014/15 to offset the anticipated funding pressure. The affect of this will be to limit the funding allocated to individual schools delegated budgets from the Schools Block. Schools will continue to be protected by the Minimum Funding Guarantee (as required by the Department for Education), which requires that no school loses more than 1.5% per pupil compared to the previous financial year.

Further pressures arise from additional support provided via Statements of Special Educational Needs for individual children and young people across primary, secondary and special schools in Rotherham, (£788k) as well as additional special school places intended to reduce the need for, and cost of, 'education only' out of authority placements, (£600k).

Education Services Grant 2014/15

Before 2013-14, academies received funding from the Department for Education through the Local Authority Central Spend Equivalent Grant (LACSEG) to compensate for monies paid to local authorities to provide central services. From 2013-14, new funding arrangements for education services applied for local authorities and academies with the LA Block LACSEG for academies, and the corresponding element of local government revenue funding being replaced by the new **Education Services Grant (ESG)**. The ESG will continue to be allocated on a simple per-pupil basis to local authorities and academies according to the number of pupils for whom they are responsible as follows:

- A General Funding Rate for local authorities of £113.17 per pupil in mainstream schools and £424.38 and £480.97 per place in PRUs and special schools respectively . These rates have been reduced by 2.82% compared to 2013/14 rates.
- A general minimum per pupil Funding Rate for academies of £140 for mainstream academies and of £525 and £595 for Alternative Provision and special academies

For the 2014-15 the total indicative allocation of ESG to the Council is £4.547m. This is a reduction of approximately £200k compared to the current year allocation and is based on current pupil numbers in academies. Due to the opening of academies during 2014-15 this amount is estimated to reduce by a further c£700k.

7.6 Confirmation of Final Allocations

- Local authorities were required to return their submissions on the High Needs places review by 23 December 2013 and these will influence the final allocations for the High Needs Block.
- In February 2014, the High Needs Block will be confirmed, including deductions for places in academies and other non-maintained settings.
- In March 2014, the estimated DSG to be paid to local authorities net of recoupment for existing academies will be confirmed.
- In June 2014, the Early Years Block will be updated for Early Years pupils from the January 2014 Census (and again in June 2015 for Early Years pupils from the January 2015 Census).
- The Final DSG allocation to be paid to local authorities will be confirmed in August 2014.

8. Finance

The financial implications are contained within section 7 above.

9. Risks and Uncertainties

Risk that the funding allocated as a whole will be insufficient to cover in year 2014-15 pressures arising and brought forward from 2013/14. In particular this is a risk for High Needs Funding. However the SEND review will include a review of the allocation of resources alongside the improvement of the offer for SEND children.

10. Policy and Performance Agenda Implications

Corporate Plan Priority: Stimulating the local economy and helping local people into work

- We will focus on all children, young people and their families to improve their qualifications and skills and for them to be economically active through lifelong learning

11. Background Papers and Consultation

The link below gives further detailed information on:

- Written ministerial statement on education funding
- Letter to local authority Directors of Children's Services
- DSG allocations table for 2014 to 2015
- DSG technical note for 2014 to 2015
- Operational guide for 2014 to 2015
- DSG pupil number information for 2014 to 2015
- DSG pupil number tool 2014 to 2015
- ESG technical note for 2014 to 2015
- Table of ESG allocations for 2014 to 2015

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schools/revenuefunding/a00230728/schools-rev-fund-2014-2015>

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