

Agenda Item 4



Regulatory and Other Committee

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| NAME OF COMMITTEE: | Lincolnshire Schools Forum |
| DATE OF MEETING: | 13 January 2016 |
| SUBJECT: | 2015/16 Section 251 Benchmarking Information |
| REPORT BY: | Lizzie Bowes (Strategic Finance Manager, Schools Finance Team) |
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| IS REPORT CONFIDENTIAL? | No |

SUMMARY

The purpose of this report is to share with the Schools Forum the latest s.251 benchmarking data published by the DfE in September 2015.

DISCUSSION

All Local Authorities (LA) are required to publish, prior to the start of the financial year, a statement showing their planned expenditure on Children's services. Lincolnshire traditionally presents a copy of its s.251 budget statement to the Schools Forum in April each year.

The statement is prescribed by the DfE and requires LAs to set out in a common format their planned spending on children's services for the forthcoming financial year. This has enabled the DfE to publish since 2003/04, comparative information for LAs and Schools Forum to consider. The latest s.251 benchmarking information was published by the DfE in September 2015 and is available at:

<https://www.gov.uk/guidance/section-251-2015-to-2016>

A copy of the benchmarking data from the LA Table of s.251 is attached at Appendix 1. This report looks mainly at the 27 Upper Tier authorities (i.e. counties), because they are similar in character to Lincolnshire.

Although this information is very useful, it is important to note the following points:

1. Despite extensive DfE guidance on how to complete the s251 budget statement, it is likely that LAs interpret the guidance in different ways, this can explain some of the apparent variations in planned spending between LAs.
2. The DfE has used different divisors when calculating the per pupil funding figures. For example, in some cases the DfE has used total pupils aged 3 – 19 for maintained schools only, in some cases the DfE has used total pupils aged 3 – 19 for maintained schools and recoupment academies and in others it has used the total pupils for pupil aged 3 – 19 in maintained schools *and* all academies. In many cases, the divisors do not take account of specific cohorts, such as the actual number of early years children placed in independent settings, or the number of children actually transported to and from school, etc. Care is therefore needed when interpreting the figures.
3. Variation between LAs spending plans can arise due to differences in approach to delegation of services, or how corporate overheads have been assigned to budgets.
4. The Schools Forum's principal role is to focus on the use of the Dedicated Schools Grant, i.e. those lines up to 1.6.1 or Column 40. The other budget lines and columns beyond that will nevertheless be of interest to the Schools Forum, because they support schools and, more broadly, children's services across the county.

The report considers the key subtotals within Appendix 1 and highlights a number of key issues relating to them.

Table 1

| Col | Budget line | Lincolnshire's funding per capita £ | Upper Tier average funding per capita £ | Lincolnshire's rank for Upper Tier authorities | England average (median) per capita £ |
|-----|---------------------------|--|--|--|--|
| 1 | Individual Schools Budget | 4,033 | 4,123 | 22 nd highest | 4,356 |

Comment: This budget line represents the funding delegated to schools, i.e. school budget shares. These figures are not surprising and are directly influenced by the fact that the DSG funding received by Upper Tier LAs from the DfE is the lowest in the country.

Table 2

| Col | Budget line | Lincolnshire's funding per capita £ | Upper Tier average funding per capita £ | Lincolnshire's rank for Upper Tier authorities | England average (median) per capita £ |
|-----|--------------------|--|--|--|--|
| 11 | De-delegated items | 12 | 19 | 19 th highest | 29 |

Comment: This budget line represents the funding that has been de-delegated from maintained schools. De-delegation was introduced for the first time in 2013/14 as part of the DfE's school funding reforms. From the figures in Appendix 1 it is clear that LAs and Schools Forums across the country have adopted very different approaches in relation to de-delegation. Some LAs are de-delegating significantly greater sums than Lincolnshire which has traditionally been a high delegator and one that gives schools greater freedom to procure services directly. The table shows that Lincolnshire's total sum for de-delegation is below the national average, this is a result of recent

underspends which were used to offset the de-delegation budget for 2015/16 and the decisions made by the Schools Forum at its meetings on 8 October 2014. This budget reduction is temporary until de-delegation reserves have been utilised.

Table 3

| Col | Budget line | Lincolnshire's funding per capita £ | Upper Tier average funding per capita £ | Lincolnshire's rank for Upper Tier authorities | England average (median) per capita £ |
|-----|-------------------|--|--|--|--|
| 24 | High Needs budget | 290 | 280 | 10 th highest | 302 |

Comment: This budget line represents the top-up funding for special educational needs (SEN) that is given to special and maintained schools, the Teaching and Learning Centre and independent providers. It also includes various SEN support services. Lincolnshire's figure is between the Upper Tier average and the England average.

Table 4

| Col | Budget line | Lincolnshire's funding per capita £ | Upper Tier average funding per capita £ | Lincolnshire's rank for Upper Tier authorities | England average (median) per capita £ |
|-----|----------------------|--|--|--|--|
| 40 | Total Schools Budget | 4,567 | 4,677 | 25 th highest | 4,943 |

Comment: This budget line represents the total for those lines preceding it. It essentially represents the total DSG funding that each LA receives from the DfE and the earlier budget lines simply demonstrate how each LA uses it. Schools Forum will recall that the DfE launched a consultation entitled 'Fairer Schools Funding in 2015/16', the report highlighted that a new national fair funding formula would not be introduced in 2015/16, however changes to LA funding for schools would be introduced to begin to address the unfairness of the current system and to provide some help to authorities that were least fairly funded. In 2015/16 an additional £390m was allocated to LAs who were most in need, Lincolnshire received an additional £4.5m, however this has had little impact on Lincolnshire's relative position and the county continues to receive one of the lowest levels of DSG funding in the country.

Table 5

| Col | Budget line | Lincolnshire's funding per capita £ | Upper Tier average funding per capita £ | Lincolnshire's rank for Upper Tier authorities | England average (median) per capita £ |
|-----|------------------------|--|--|--|--|
| 52 | School transport - SEN | 84 | 73 | 9 th highest | 63 |

Comment: This budget line shows the cost of home to school transport for pupils with SEN. Although s.251 requires LAs to separate SEN transport, it may not always be easy to do that accurately. Lincolnshire's spending is above the Upper Tier average and above the national average. This can be explained through an increase in numbers and the complexity of Higher Needs pupils in Lincolnshire. This has placed a significant financial cost on to the LAs budget.

Table 6

| Col | Budget line | Lincolnshire's funding per capita £ | Upper Tier average funding per capita £ | Lincolnshire's rank for Upper Tier authorities | England average (median) per capita £ |
|-----|------------------|--|--|--|--|
| 53 | School transport | 164 | 66 | 3 rd highest | 16 |

Comment: Lincolnshire also receives a relatively low level of government funding for services that sit outside of the DSG. As previous reports to the Schools Forum have highlighted, the county has to fund a much greater transport cost per pupil than many Upper Tier authorities. The differential with the England average is even greater. So, not only does the county receive less funding than most other LAs, it also has to use a significantly greater element of its funding to pay for school transport. This means that there is less funding available to provide other support services to schools and children.

Table 7

| Col | Budget line | Lincolnshire's funding per capita £ | Upper Tier average funding per capita £ | Lincolnshire's rank for Upper Tier authorities | England average (median) per capita £ |
|-----|-----------------------|--|--|--|--|
| 81 | Looked After Children | 164 | 228 | 27 th highest | 283 |

Comment: This line represents a range of services relating to children's social care, including fostering, adoption and residential care. The table indicates that not only is Lincolnshire's spending on these pupils the lowest of all the Upper Tier authorities, the level of spending is considerably below the levels of most other Upper Tier authorities. Despite this, a number of these services in Lincolnshire are judged to be outstanding. The level of Lincolnshire's spending is low due to Lincolnshire's Early Intervention Agenda and how the LA provides support to Looked After Children in particular through the use of their strong in-house foster carers. The LA places a relatively low number of Looked After Children out of county, which has allowed the per capita costs to be kept low.

Table 8

| Col | Budget line | Lincolnshire's funding per capita £ | Upper Tier average funding per capita £ | Lincolnshire's rank for Upper Tier authorities | England average (median) per capita £ |
|-----|--------------------|--|--|--|--|
| 86 | Total Safeguarding | 156 | 140 | 9 th highest | 169 |

Comment: This line represents a range of services relating to safeguarding. The table indicates that Lincolnshire's spending is between the Upper Tier average and the national average. Spending is above the Upper Tier Authorities average as the LA has a strong Early Intervention Agenda to try to reduce the number of Looked After Children.

Further comparisons can be made by referring to Appendix 1.

The s.251 benchmarking data will continue to be used by the LA each year to inform its future spending plans.

Once again, Lincolnshire's overall position has not changed significantly since last year. £390m was added to LAs 2015/16 budgets, this additional funding was allocated to 69 LAs but as this was only c.1% of the DSG it will not have had a dramatic impact on the benchmarking. The relatively minor changes in per capita spending and the ranking of LAs will be due to the modest re-alignment of budgets within LAs as they seek to respond to reduced government funding and their own priorities

and local service pressures. Lincolnshire's DSG funding remains low and as indicated in Table 4 above, the 'per pupil' spending on the Schools Budget is £376 less than the England average (median). This adverse situation continues to be compounded by the fact that Lincolnshire also spends £148 per pupil more on school transport than the England average (median).

On the 25th November 2015 the Chancellor announced the outcome of the Spending Review 2015. The government intends to introduce the first ever national funding formula for schools, high needs and early years, so that funding is transparent and fairly linked to a child's needs. The Government aims to end the unfair system where a child from a disadvantaged background in one school attracts half as much funding as a child in identical circumstances in another school, simply because of where they live. The government will launch a detailed consultation in 2016 and implement the new formula from 2017/18. Once this has been introduced the comparative figures may start to change materially.

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| RECOMMENDATIONS |
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The Schools Forum is asked to note the content of the report.

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| APPENDICES - these are listed below and attached at the back of the report. |
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| Appendix 1 – 2015/16 Section 251 benchmarking data for Upper Tier Authorities (LA Table - net) |
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