

Agenda Item 5



REGULATORY AND OTHER COMMITTEE REPORT

NAME OF COMMITTEE:	Lincolnshire Schools' Forum
DATE OF MEETING:	12 January 2017
SUBJECT:	2016/17 Section 251 Benchmarking Information
REPORT BY:	Mark Popplewell (Head of Finance – Children's Services)
NAME OF CONTACT OFFICER:	Mark Popplewell
CONTACT OFFICER TEL NO:	01522 553326
CONTACT OFFICER EMAIL ADDRESS:	mark.popplewell@lincolnshire.gov.uk
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 2016.

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 2016 and is available at:

<https://www.gov.uk/guidance/section-251-2016-to-2017>

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, and in some cases the DfE has used total pupils aged 3 – 19 for 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 (DSG), 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	3,985	4,100	25 th highest	4,358

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. The schools national funding formula planned for 2018/19 (a year later than expected) is intended to provide greater consistency and fairness in funding across 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	14	22	21 st highest	30

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 however is a result of the Schools Forums decision on October 2015 to use de-delegation underspends to offset the de-delegation budget for 2016/17. 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	321	284	7th highest	308

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 school providers. It also includes various SEN support services include the newly commissioned behaviour outreach support service. Lincolnshire's figure is marginally above the England average and represents Lincolnshire's position to provide county-wide support services to its schools.

A high needs national funding formula planned for 2018/19 is being consulted on (with a closing date for responses by the 22 March 2017). The objective is to provide a better distribution of funding to Local Authorities, which is much more closely matched to need. The Local Authority will be respond to the consultation to ensure Lincolnshire receives a fair level of funding.

The consultation documentation is available at:

<https://consult.education.gov.uk/funding-policy-unit/high-needs-funding-reform-2/>

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	4,554	4,690	21 st highest	4,942

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 be aware that the DfE has launched a 'schools national funding formula' consultation, but the planned implementation of this formula has been pushed back to 2018/19. The DfE has released on the 14 December 2016 the second stage of the Government consultation (with a closing date for responses by the 22 March 2017). An additional Schools Forum meeting date is planned for February 2017 to discuss the consultation documents. The consultation documentation is available at:

<https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/>

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	10 th highest	64

Comment: This budget line shows the cost to the Council 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 and is kept under constant review.

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	148	63	4 th highest	14

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. So, not only does the county receive less funding than most other LAs nationally, 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 £
80	Looked After Children	163	232	26 th highest	289

Comment: This line represents a range of services relating to children's social care, including fostering, adoption and residential care. The table indicates that Lincolnshire's spending on these pupils is the 2nd lowest of all the Upper Tier authorities, and 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 Help strategy and preventative services, 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	157	144	11 th highest	174

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 Help strategy and preventative services 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.

Lincolnshire's overall DSG position has not changed significantly since last year. Lincolnshire received £1.142m share of the £92.5m additional funding provided nationally by Government for the High Needs block to contend with growth.

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 £388 less than the England average (median). This adverse situation continues to be compounded by the fact that Lincolnshire County Council spending is £134 per pupil more on school transport than the England average (median).

On the 7 March 2016, the Government announced a stage 1 consultation for a schools and high needs national funding formula, which outlined the principles that would underpin the proposed formula and the pupil characteristics and factors to be included within the formula. The publication of stage 2 of the consultations for schools and high needs were delayed until the 14 December 2016 with the proposed implementation being pushed back to 2018/19 (a year later than planned). The consultation documents can be found from the links contained within this report and the consultation closing date is 22 March 2017. An additional Schools Forum meeting date is planned for February 2017 to discuss the consultation documents. The LA encourages schools to respond to the consultations (via the portal) considering the implications to the schools national funding formula from a school level perspective in particular.

RECOMMENDATIONS

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

APPENDICES - these are listed below and attached at the back of the report.

Appendix 1 – 2016/17 Section 251 benchmarking data for Upper Tier Authorities (LA Table - net)

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