



Walsall Council

Walsall Children's Services

Report to:	Schools Forum
Date:	31 st January 2012
Subject:	Prior Year Adjustments for Individual Assigned Resources (SEN Statemented Funding)
Contact:	Dawn Morris (dawn.morris@walsallcs.serco.com)
Purpose of the report:	To inform Schools Forum of the change required to the timing of the processing of year end SEN statemented budget adjustments for schools and Academies and the concession allowed under the Balance Control Mechanism.
Recommendation:	To note the content of the report and the resultant concession to the Balance Control Mechanism.

1. Introduction

- 1.1** The School Finance Regulations allows local authorities to have a budget adjustment factor within their local funding formula. The purpose of such a factor is to reflect the actual funding required by a school, as opposed to a sum identified via an indicative budget factor.
- 1.2** In 2005, following a review in the funding of Special Educational Needs (SEN) provision, a decision was taken to delegate all SEN statemented funding to mainstream schools. As statemented SEN funding is attached to individual pupils and is sometimes referred to as Individual Assigned Resource (IAR).
- 1.3** SEN statemented funding is delegated based upon the number of hours of support identified on pupils' statements, on a school by school basis. This information is maintained by the SEN team, and at school budget preparation time, the latest statemented data set is provided to the School Finance Team and used to build school budgets for the next financial year.
- 1.4** Following consultation with head teachers, it was agreed that SEN statemented funding should be subject to reconciliation at the end of the financial year. The year end reconciliation process reflects any in-year increases/decreases in SEN statementing hours and facilitates the calculation of budget adjustments to reflect the changes in provision.
- 1.5** Head teacher views were also invited in regard to the timing of any adjustments to their SEN statemented budget allocations. There was a general consensus amongst head teachers that such adjustments should be undertaken in April and form part of the budget setting process for the new financial year. The appropriate sum for each school is currently identified on the new year budget statement as a Prior Year Adjustment.
- 1.6** As more schools have taken up Academy status the number of funding formula queries from the YPLA has increased. One particular issue encountered, when replicating the LA's formula, is the SEN Prior Year Adjustment. There have been examples of over/under funding as the Prior Year Adjustment has not been deducted/added, as required, to the budget share for the following financial year. Consequently, Academy finance staff also experience difficulties agreeing with the YPLA their correct budget figures.

2. Recommendation

- 2.1** The LA aims to improve the YPLA's understanding of the Walsall local funding formula by completing the SEN Prior Year Budget Adjustment in-year, that is, during March.

As a result of this timing change, the 2011-12 in-year SEN stated budget adjustment for each school, will be included in schools' final budget share payments due in March 2012.

- 2.2** The Schools Finance Team have not yet received the data required to calculate the SEN Prior Year Adjustments for 2011-12, however, this information will be available by February half term. All schools will be notified at the earliest opportunity of their SEN Prior Year budget adjustment. Where this funding change impacts negatively on a school's planned balances to be carried forward (that is increases balances) under the Balance Control Mechanism, allowances will be made, if brought to the attention of the School Finance Team.