

TO: SCHOOLS FORUM
DATE: 8 DECEMBER 2016

**2017-18 SCHOOLS BLOCK ELEMENT OF THE SCHOOLS BUDGET –
INITIAL MATTERS**

Director of Children, Young People and Learning

1 PURPOSE OF REPORT

- 1.1 To set the current scene on the Schools Block element of the Schools Budget and to update the Schools Forum on the initial matters that need to be dealt with now in order for the timely preparation of the 2017-18 budget. Further decisions will be required in January when all of the required information will be available.
- 1.2 There is a tight timetable to meet, with the Department for Education (DfE) setting the 20 January as the deadline for Local Authorities (LAs) to submit the Funding Formula for Schools they will use in 2017-18, together with associated units of resource and the total cost.

2 EXECUTIVE SUMMARY

- 2.1 The current financial climate continues to create difficulties in setting a balanced Schools Budget. This relates to the cash flat financial settlement from the DfE that does not include funding for £1.7m of known cost pressures – equivalent to 2.1% of current spending - and the emerging long term pressure arising from new / expanding schools. To finance the budget changes considered necessary, it seems likely that a one-off draw down of around £0.256m from the general balances of the Schools Budget will be required.
- 2.2 The Spending Review 2015, whilst indicating that per pupil funding for the Dedicated Schools Grant and Pupil Premium will be protected in real terms, also announced the introduction of a national funding formula for schools, which is expected to be implemented from 2018-19. Until the details of the proposed formula are confirmed, uncertainties will exist for medium term budget planning

3 RECOMMENDATIONS

Items for all Members

To AGREE

- 3.1 **That subject to relevant provisions being contained within DfE Funding Regulations, the funds being transferred from the Education Services Grant to the Dedicated Schools Grant for ‘retained’ education related statutory and regulatory duties can be held centrally by the Council within the Schools Budget (paragraph 6.22).**
- 3.2 **On going central retention by the Council of Schools Block funding for the services set out in Annex 4 (paragraph 6.32).**
- 3.3 **The provisional budget changes for 2017-18, as set out in Table 4, subject to sufficient resources being available (paragraph 6.47).**

To NOTE:

- 3.4 That schools are again likely to face significant unfunded cost pressures next year that are currently estimated at £1.7m an average of 2.1% (paragraph 6.49).**

Item for Primary School representatives only:

- 3.5 To AGREE the continued de-delegated of budgets for the services permitted by the DfE (paragraph 6.17).**

Item for Secondary School representatives only:

- 3.6 To AGREE the continued de-delegated of budgets for the services permitted by the DfE (paragraph 6.17).**

Item for all School representatives only

- 3.7 To AGREE that subject to relevant provisions being contained within DfE Funding Regulations, a £20 per pupil contribution is made by maintained schools towards the cost of delivering 'general' education related statutory and regulatory duties (paragraph 6.28).**

4 REASONS FOR RECOMMENDATIONS

- 4.1 To ensure that the 2017-18 Schools Budget is developed in accordance with the views of the Schools Form, the anticipated level of resources and the statutory funding framework, including the requirement to submit summary details of individual 2017-18 school budgets to the DfE by 20 January 2017.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 These are set out in the supporting information.

6 SUPPORTING INFORMATION

Background

- 6.1 The Schools Budget is funded by a 100% ring fenced government grant called the Dedicated Schools Grant (DSG). The DSG comprises 3 funding Blocks, each with a separate calculation and funding allocation; the Schools Block (SB); the High Needs Block (HNB); and the Early Years Block (EYB).
- 6.2 The DSG can only be spent on the purposes prescribed by the DfE and funds delegated school budgets and a range of centrally managed pupil and school related budgets. Any under or overspending in a year must also be ring fenced and applied to a future Schools Budget. Whilst there is a general ring-fence in place on what the DSG can be spent on, there is no ring-fence on the individual funding Blocks meaning money can be freely moved between services in each Block.
- 6.3 LAs can add to the DSG from their own resources to increase the size of the Schools Budget but are not permitted to plan to spend at a lower amount. The policy of the Council is for the Schools Budget to be funded to the level of external funding, with the

Executive Member authorised to agree the budget allocation between schools and centrally managed budgets, which is scheduled to take place on 17 January 2017.

The Schools Block

Overview

- 6.4 This report concentrates on the Schools Block element of DSG which is intended to fund delegated school budgets and the small number of services that the DfE allows LAs to manage centrally on behalf of schools. HNB and EYB funding matters will be subject to a later report.
- 6.5 In terms of the services where budgets can be managed centrally by LAs, these are defined in the DfE Funding Regulations and are currently divided into 4 parts as follows:
- Part 1 - Schools Block. Items where spending is limited to the amount agreed in the previous financial year
 - Part 2 - Schools Block. Items with no restrictions on annual increases.
 - Part 3 - Early Years Block. Items with no restrictions on annual increases.
 - Part 4 - High Needs Block. Items with no restrictions on annual increases.

More information on the services included in Parts 1 and 2 are set out in the following paragraphs, with the amount of any budgets that are to be centrally managed and the services they will deliver having to be agreed by the Schools Forum. Parts 3 and 4 will be subject to a later report.

Funding reforms for 2017-18

- 6.6 In March 2016 the DfE announced proposals for significant changes in school and education funding most notably:
- the introduction of a Schools National Funding Formula (SNFF), to be operated by the Education Funding Agency (EFA), directly funding all schools with no involvement of LAs;
 - withdrawal of most of the funding currently paid through the Education Services Grant (ESG) to LAs for financing education related statutory and regulatory duties, which comprises two parts:
 - complete withdrawal of the 'general' statutory and regulatory duties element that is paid to LAs for the delivery of relevant support services to maintained schools, including services such as School Improvement and Asset Management, or direct to academies to make their own arrangements for these duties. LAs will receive transitional ESG funding from April to August 2017, at a reduced amount that has yet to be confirmed. The current funding rate for these duties is £77 per pupil and in a full year, this change will reduce BFC income by £1.23m.
 - a funding transfer from the ESG into DSG in respect of the 'retained' statutory and regulatory duties element, that is only paid to LAs for relevant school support services that are provided to both maintained and academy schools, and which is intended to fund services such as whole service planning, budget preparation and aspects of Education Welfare Services. LAs are funded at £15 per pupil for these duties and

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this change will result in a £0.26m funding transfer from the ESG to the DSG.

- 6.7 At the end of July, the DfE announced a 1 year delay to April 2018 for the starting point for implementing the SNFF, although a number of changes will still proceed as originally planned, including withdrawal of ESG. The DfE has yet to publish the Regulations that will specify how all the required changes can operate. However, further delay in budget preparations would put in jeopardy a successful implementation of 2017-18 budget arrangements and therefore some decisions are being sought now.

DfE funding announcements

- 6.8 In terms of the overall quantum available next year, the DfE has incorporated a number of changes to DSG allocations to reflect the new arrangements that will be in place. These are:
- 'Re-basing' DSG funding Blocks to the amounts individual LAs are actually spending, rather than the amounts distributed by the DfE that are based on historic spending amounts. For BFC, this results in a £2.093m transfer out of the SB into the HNB. This transfer has been in place locally for 2 years, following agreement of the Schools Forum and therefore has no impact on the ability to continue to fund schools at current levels;
 - Adding the £15 per pupil 'retained duties' element of the ESG into DSG funding at £0.26m. This funding is intended to finance education related LA statutory and regulatory duties that apply to both maintained schools and academies. The expectation of the DfE is that this funding continues to be made available to LAs to finance these duties.

No financial implications are anticipated from these changes as the £2.093m transfer from the SB to the HNB is already in place locally, with individual school budgets calculated on available funds after this transfer, and the DfE has indicated that Funding Regulations will be updated to allow relevant LA spend to in future be charged to the SB budget for the 'retained' duties.

- 6.9 The key headline budget decisions from the DfE are:
- Core per pupil funding through the Schools Block DSG from the DfE to remain at 2016-17 prices, so no funding for inflation or other cost pressures. The actual per pupil funding amount will be £4,167, down from the £4,284 received in 2016-17 due to the cost neutral adjustments made in paragraph 6.8 above.
 - Pupil numbers to be funded will be those recorded on the October 2016 census, meaning changes from last year will be reflected in the DSG.
 - To provide a degree of funding protection to individual schools, the Minimum Funding Guarantee (MFG) at individual school level will remain unchanged at a maximum decrease in per pupil funding of 1.5%. The cost of the MFG is met from placing a cap on the amount that schools with funding increases can retain.
- 6.10 These changes are in line with the Spending Review 2015 which set out government budget plans up to 2019-20. In respect of education services, the key headlines are:
- Education budget to remain protected.

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- The Government will protect the schools budget in real terms, enabling a per pupil protection for the Dedicated Schools Grant and the pupil premium.
 - The government will reduce the local authority role in running schools and remove a number of statutory duties. Note; whilst most of the funding for statutory responsibilities will be removed, all of the actual duties will remain in place.
 - Free childcare entitlement will double from 15 hours to 30 hours a week for working families with three and four year olds from September 2017.
 - From 2017-18 an investment of £300m will be made to increase the average hourly rate childcare providers receive, and at least £50m of capital funding to create additional places in nurseries. A separate agenda item considers this initiative in more detail.
 - Investment of £23 billion in school buildings, 500 new free schools, 600,000 new school places, rebuild and refurbishment of over 500 schools.
- 6.11 As no changes to the operation of the Funding Formula for Schools have been proposed by the DfE that impact on BF, at this stage the local Funding Formula for Schools is expected to continue unaltered into 2017-18.
- 6.12 The DfE closely monitors the progress of LAs in setting their individual school budgets and requires the completion and submission of a template that sets out the Funding Formula to be used, associated units of resource and total cost. The deadline for return has been set at 20 January 2017. This is the key deadline in setting the budget although the DfE do not release the data sets that must be used to calculate school budgets until the middle of December.
- 6.13 To ensure schools have the best available information for their initial financial planning, indicative budget statements are intended to be sent to schools based on the council's provisional data from the October 2016 school census. These notifications will reflect the proposals agreed today, and include an update letter which will set out the detail of what is again expected to present significant, unfunded, cost pressures for schools to manage. School Bursars have already received a briefing on 2017-18 budget prospects.

Key issues to be aware of or requiring a decision

De-delegated budgets

- 6.14 Forum members will be aware that national funding arrangements require all LAs to delegate funding for the same services and functions, with a general presumption of maximum delegation. However, where relevant representatives on a Schools Forum agree that the whole budget for their phase e.g. primary or secondary, should be returned to the Council for central management, this is allowed, but only in respect of a small number of services. This recognises that there are reasons of cost effectiveness, risk sharing or ease of organisation / management that a strategic approach can bring.
- 6.15 The DfE term this approach “de-delegation” and requires annual approval from the school representatives on the Schools Forum for it to be implemented for maintained schools. Academy schools are responsible for providing these services and therefore receive their share of “de-delegated” budgets direct, with some being available for purchase from the council. The relevant services affected are summarised below in Table 1, including the impact of schools that were academies as at 1 December 2016.

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Table 1: Services subject to de-delegation again at April 2016

Ref	Item	£k
1	Contingencies; support to schools in financial difficulty and exceptional costs in primary schools (1)	290
2	Support to underperforming ethnic minority and bi-lingual pupils	127
3	SIMS (1) licence fees	89
4	CLEAPSS licence fees	1
5	Behaviour and Education Support Team	300
6	Anti-bullying co-ordinator	25
7	Staff supply cover for official absences (1, 2)	345
8	Premature retirement / dismissal costs (1)	52
9	Free school meals eligibility checking	20
	Gross Total	1,249
	Less estimated deduction for academy schools	-145
	Net funding retained by BFC	1,104

- 1 Not available for buy-back by academy schools
 2 Includes maternity leave, trades union and staff suspensions.

Annex 1 sets out a breakdown of the 2016-17 de-delegated budgets by individual school together with the basis of calculation. In respect of schools receiving financial support from the contingencies, these will be made in accordance with the relevant policies previously approved by the Schools Forum.

- 6.16 To gather views from schools on de-delegation, a formal financial consultation was undertaken in November. Primary schools responding to consultations in the last five years have supported “de-delegation” and the return of budgets to the council. For 2017-18, 18 (60%) primary schools responded to the consultation and all agreed that “de-delegation” should continue.
- 6.17 Similarly, secondary schools responding to consultations in the last five years have supported “de-delegation” and the return of budgets to the council. For 2017-18, all 4 secondary schools responded to the consultation and agreed that “de-delegation” should continue although there was concern from 1 school that where different services were wanted to those made available by the council, in this case the IT software used to manage most school administrative systems, schools were in effect being ‘double charged’ as they need to finance their own purchase of an alternative product and still contribute to the LA purchased service.

Restricted Annex 6 sets out the individual comments made by schools.

As set out above, the decision making power in respect of de-delegating budgets to LAs rests with relevant school representatives of the Forum, and based on responses to the consultation where all supported the proposal, this is recommended to be agreed.

- 6.18 Two schools also used the consultation to request that more information is provided on the services in terms of the outcomes they achieve for pupils and families and also an assessment of their value for money. It is proposed to deal with this through the annual budget report.

ESG

Background

- 6.19 The ESG was introduced in 2013 to replace the Local Authority Central Spend Equivalent Grant (LACSEG) which was paid to academies to cover the cost of the statutory and regulatory services that LAs provided centrally to maintained schools but that academies had to secure independently. As LACSEG allocations to schools were based on the spending decisions of their resident LA, the system created a large variation in allocations to academies across the country and uncertainty about allocations from one year to the next. To move to a uniform, more predictable and simplistic funding system, ESG was introduced whereby aggregate current LA spend was removed from general council funding and then paid back at a set amount for each 3-19 year old pupil, either to the LA for pupils in maintained schools or directly to academies for their pupils in respect of 'general' statutory and regulatory duties. A second per pupil amount is paid only to LAs for all pupils in their area to reflect the 'retained' statutory and regulatory duties they are responsible for all pupils, irrespective of the type of school they attend.
- 6.20 ESG therefore comprises two component parts; a 'general duties' element that falls directly on to schools to fulfil should they become an academy; and a 'retained duties' element for the obligations that LAs have to fulfil to both academies and maintained schools. Current rates of funding are £77 and £15 respectively.
- 6.21 As part of the priority government policy to reduce the national debt, the DfE confirmed that of the remaining ESG funding, the £600m paid for 'general' statutory and regulatory duties will be taken as a further saving on top of the £200m saving taken in 2015-16, with the £117m currently used to fund LA 'retained' statutory and regulatory duties to remain for this purpose, but to in future be paid to LAs through the DSG. This then removes the need for an ESG payment and streamlines the grant funding process.

Annex 2 sets out a summary of the current BFC ESG related budgets, grant income and an outline of the statutory and regulatory duties it is intended to finance.

'Retained' duties funding transfer to the DSG

- 6.22 The 2017-18 funding transfer for BFC between the ESG and DSG for 'retained' duties has been confirmed at £15 per pupil, which is unchanged from the current rate. In order for the funds to be made available for the intended purpose, which is in accordance with line 1. of the agreed budget strategy at paragraph 6.35 below, and subject to appropriate provisions being included in the DfE Funding Regulations, the Schools Forum is recommended to agree that £15 per pupil is retained centrally within the SB by the LA and used to contribute to the cost of meeting the 'retained' statutory and regulatory duties. This is estimated at £0.26m.

Funding of LA 'general' duties

- 6.23 With the withdrawal of all 'general' duties ESG funding, "we [the DfE] recognise that LAs will need to use other sources of funding to pay for education services once the general funding rate has been removed. We [the DfE] therefore propose amending

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regulations to allow LAs to retain some of their maintained schools' DSG to cover statutory duties that they carry out for maintained schools." The precise duties this can cover, and any other limitations that may apply will be set out in the "forthcoming consultation" on the Funding Regulations, which has yet to be published.

- 6.24 The Council accepts that it is unreasonable to expect schools to pay the full £77 per pupil funding rate that will no longer be received from the DfE. Neither is the council in a position to fully fund school services, which Annex 2 shows are currently subsidised by the council to the value of £0.662m. Therefore, through the Council's Efficiency Plan that sets out the 4 year medium term budget position, the expectation is that school support services will need to move to an affordable cost base over that period. This work will be progressed through the Council's Transformation Programme which includes representation from 3 primary and 1 secondary head teacher. The expectation is that schools will need to make a contribution to these costs.
- 6.25 School Funding Regulations are expected to confirm that contributions will be determined through a single rate per pupil deduction from all maintained schools. A higher rate can be charged to special schools and PRUs, but the council proposes to charge all establishments the same rate. The amount to be retained by LAs will need to be agreed by the maintained schools members of the Schools Forum. The Secretary of State decides the amount of deduction where no agreement can be reached locally.
- 6.26 To gather views from schools on an amount of deduction, this matter was also included on the November financial consultation, with schools asked to indicate a suitable amount of per pupil contribution from:
1. Up to £20 (generates up to £0.31m)
 2. Between £20 to £30 (generates up to £0.47m)
 3. Between £30 and £40 (generates up to £0.62m)
 4. Above £40 (generates in excess of £0.62m)
- 6.27 Table 2 below sets out a summary of schools responses to the consultation.

Table 2: Summary school responses to financial contribution to LA statutory and regulatory duties

Amount of deduction:	Primary	Secondary	Special / PRU	Total	
Up to £20	11	3	1	15	65.2%
Between £20-£30	3	0	0	3	13.0%
Between £30-£40	1	0	0	1	4.3%
Above £40	1	0	0	1	4.3%
None of the above	2	1	0	3	13.0%
Total Responses	18	4	1	23	100.0%
Maximum Responses	30	4	2	36	
Response Rate	60.0%	100.0%	50.0%	63.9%	

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- 6.28 Restricted Annex 7 sets out all the school specific responses made to this question. These mention the financial difficulties that schools are already facing before a new charge is levied, but also generally recognise the need for the services currently being provided and that they have to be financed from somewhere. On the basis of a 64% response rate, with 65% preferring a £20 per pupil contribution, the council proposes a £20 per pupil contribution is made by maintained schools, which school representatives on the Schools Forum are recommended to agree.

Centrally Managed Schools Block budgets: Part 1 - Items where spending is limited to the amount agreed in the previous financial year

- 6.29 As part of the funding reforms, the DfE are requiring more information to be presented to Schools Forums when considering some items that an LA requests to be centrally managed from within the Schools Budget. In particular this relates to historic commitments and that adequate evidence is presented to a Schools Forum when a decision is taken, specifically:
1. The commitment is appropriate under the regulations
 2. The commitment was made prior to April 2013
 3. There is an on-going commitment
 4. Commitments have not increased compared to the previous year (this will be checked by the EFA).
- 6.30 The main area where the Schools Forum has previously agreed to central retention of historic commitments relates to combined services. These services enable Schools Budget funding to join other sources of funding to contribute to services outside the Schools Budget where there is an educational benefit, and amount to £0.404m. The council proposes to continue with central retention of funding for these services, and Annex 3 sets out the required evidence which has also been provided to the EFA.
- 6.31 Agreement has also previously been received for central retention of funds for miscellaneous purposes, which funding regulations allow for, provided the expenditure does not amount to more than 0.1% of the LAs Schools Budget. The current budget amounts to £0.039m, with the maximum amount permitted for BFC capped at £0.088m. These funds are spent on a small number of initiatives that benefit the majority of schools, including the School Sport Active Office, boroughwide recruitment and retention initiatives, an out of hours key service, and the annual carol concert. Again, the council proposes to continue with central retention of funding for these services.
- 6.32 There are 2 other budget lines covered by Part 1 of the funding regulations that are not classified as historic commitments but nonetheless have budgets limited to the previous year's amount, and these relate to arrangements for School Admissions and servicing the Schools Forum. The Forum has previously agreed funding of £0.176m and £0.021m be retained centrally for these items, and the council proposes to continue with central retention of funding for these services.

Annex 4 provides a summary of the Part 1 budgets that the council proposes to be centrally retained, which are necessarily unchanged from the current year, that aggregate to £0.643m and which the Forum is recommended to agree.

Initial budget position for 2017-18

Estimated Schools Block DSG income

- 6.33 The DfE is expected to publish verified October school census and other data that must be used to calculate 2017-18 school budgets in the middle of December. Therefore, at this stage, DSG income can only be estimated. Using provisional October 2016 census data, this indicates that the number of pre-16 pupils in mainstream schools are estimated at 15,947 and with 8 deferred entries into reception classes (January 2017 compared to October 2016) needing to be added, and 35 pupils in SEN Resource Units to be deducted and funded through the High Needs Block place funding allocation, DSG funding is expected to be based on 15,920 pupils, an increase of 396 (2.6%) compared to the current year. This compares to a 1.9% increase in each of the last 2 years, circa 290 pupils.
- 6.34 With the confirmed BFC per pupil DSG funding rate of £4,167.13 this results in total estimated funding of £66.341m.

Budget strategy

- 6.35 The Schools Forum has previously agreed a funding strategy to be adopted when setting the Schools Budget, as follows , which in priority order is:
1. It has been included in the financial settlement from the DfE and it is consistent with local funding priorities;
 2. It relates to a new or amended statutory responsibility / DfE Regulation;
 3. There is sufficient income to fully fund changes in pupil characteristics, i.e: changes in pupil deprivation, low prior attainment, number of looked after children, English as an additional language and mobility;
 4. The pressure relates to a key local priority;
 5. Any remaining funds should be allocated using per pupil, high deprivation and low prior attainment data in the same proportion as the distribution of funds at the start of the financial year (around 93.5%/3.3%/3.2% in primary and 89.5%/5.9%/4.6% in secondary).

Current budget and changes that are proposed to be made for 2017-18

Current base Schools Block Budget

- 6.36 At its meeting of 16 January 2016, the Forum agreed a base budget for allocation to schools of £63.480m (includes de-delegated budgets of £1.249m) and £1.164m to be centrally managed by the council, making a total current budget commitment of £64.644m. As set out above, the centrally managed budgets are detailed in Annexes 4 and 5.

Changes proposed to the current base budget

- 6.37 Assuming the proposal in paragraph 6.22 above that the additional DSG income to be received next year for financing the 'retained' statutory and regulatory duties is allocated for the intended purpose, further budget of £0.26m needs to be added to centrally managed items, making a total of £1.424m.

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- 6.38 There is also a change proposed to the budget held for allocation to schools. When a school converts to an academy, they become charitable organisations at which point they are eligible to 80% mandatory business rates relief. The current budget for Brakenhale Academy includes the full 100% provision which will now only need to be funded at 20% cost, thereby saving £0.096m, resulting a budget for allocation to schools of £63.382m.

The impact on schools from the national business rates revaluation exercise has yet to be established as details of transitional funding protections have not been confirmed by the government, meaning there is the possibility of a significant change to costs. This information is expected to be available for the 12 January Forum meeting, when final budget decisions on business rates will need to be taken.

Changes arising from the Funding Formula for Schools

- 6.39 The estimated impact from the pupil numbers contained on the provisional October 2016 census indicates there is £0.611m growth added to primary schools to reflect 201 additional pupils (+2.0%) and £0.913m for secondary schools where numbers have increased by 204 (+3.6%). Overall, estimated pupil numbers included in the Funding Formula have increased by 405, (2.6%) at a cost of £1.524m.
- 6.40 The different financial effect arising from funding pupil numbers in primary and secondary schools is clearly evident from above with similar increases in numbers in each phase, but a far greater cost in secondaries. This is a known outcome from the funding framework and reflects the different cost bases in each phase with the average per pupil funding allocation paid to primary schools calculated at £3,037 with £4,476 paid to secondaries.
- 6.41 With the DSG allocation to BF at £4,167 per pupil, irrespective of pupil age, this results in a funding gain of around £1,130 per primary aged pupil but a funding loss of around £309 per secondary aged pupil. The use of a uniform DSG rate to fund LAs for school pupils when there are necessarily differential funding rates paid to primary and secondary schools will always produce this outcome. Therefore, increases in secondary aged pupil numbers creates a budget pressure even when the headcount is reflected in the DfE funding settlement.
- 6.42 Other data changes from the October census impact on funding allocations through measures of deprivation, low prior attainment and a small number of other pupil related characteristics will be recalculated once numbers have been confirmed by the DfE in December. At this stage of the budget setting process, it is assumed that this financial impact will be at the average current amount and cost provision, for which an appropriate allowance is included in paragraph 6.39.

Changes arising from new / expanding schools

- 6.43 Current pupil forecasts indicate that the medium to long term expectation is that six new schools will be required. This is estimated to create a significant revenue budget pressure of around £10m for start-up and diseconomy funding. However, due to the long term nature of the build programme, the reliance on external factors, such as the speed of house building that will be determined by a range of developers, complexities around formulating accurate pupil forecasts down to individual school level and the unknown impact from the national funding reforms, the cost forecast and overall impact is very provisional. A more detailed update on the current position is included on a separate agenda item.

Unrestricted

- 6.44 Whilst medium to long term cost forecasts are potentially subject to considerable fluctuation, short term costs can be predicted with greater certainty. Using the provisional October 2016 census data and anticipated building programme, costs of £0.657m are forecast in 2017-18. In accordance with DfE funding Regulations, diseconomy funding is paid after schools open, directly into the delegated budget, with start-up costs held as centrally managed budgets, until such time as the need is confirmed. Table 3 below sets out the predicted costs for 2017-18 by school.

Table 3: Additional financial support for new / expanding schools

Item	Post opening cost	Start-up costs	
	Warfield West / Woodhurst (Opened Sept 2016)	Amen Corner North (To open Sept 2018)	Binfield Learning Village (To open Sept 2018)
Jan – March 2018	-	£20,100	£36,000
<u>Full year costs:</u>			
Fixed lump sum	£96,600	-	-
Business Rates	£17,900	-	-
Funding 5 classes from Apr –Aug	£164,375	-	-
Funding 7 Classes from Sept- Mar	£322,175		
Total	£601,050	£20,100	£36,000
		£657,150	
Funding Formula allocation	£285,480		
Diseconomy funding	£315,580		
Cost to be centrally managed	-	£56,100	

- 6.45 Diseconomy funding will need to be paid to the expanded Warfield Primary School for the Woodhurst site development. Based on current estimates, this will require funding of £0.601m. The provisional October 2016 census indicates 94 pupils on roll, which means the calculation for the Funding Formula for Schools that is set out above includes these 94 pupils at a cost of £0.285m. Therefore, the net cost of diseconomy funding is £0.316m and this is the amount that needs to be additionally funded.
- 6.46 Start-up costs are forecast at £0.056m. With the current approved centrally managed budget amounting to £0.106m, a saving of £0.05m is proposed on this Part 2 item.

Annex 5 sets out the current year Part 2 budgets that have previously been agreed for central retention by the Forum. These budgets can be changed each year, and apart from the £0.05m change proposed directly above for new / expanding schools, proposals will be presented to the Forum in January for these items, when relevant data will be available to confirm the appropriateness of current amounts or otherwise, for example in relation to the number of schools expected to be eligible to an in-year growth allowance.

Unrestricted

Summary of proposed changes

6.47 Based on provisional budget data, a series of changes have been set out above that the council proposes are reflected in the 2017-18 Schools Block budget. The proposals draw from the national funding framework, the budget strategy previously agreed by the Forum, and the estimated level of resources. To aid budget planning, the Forum is recommended to agree this approach, with final figures for the 2017-18 budget to be presented to the Forum for consideration at the 12 January 2017 meeting. Table 4 below summarises the changes proposed at this stage.

Table 4: Summary initial budget proposals for 2017-18

Para Ref.	Strategy	Budget proposal	Delegated school budgets 1 £'000	De-delegated budgets 2 £'000	Centrally managed budgets 3 £'000	Total 4 £'000
6.36		Original 2016-17 Schools Block budget	62,231	1,249	1,164	64,644
6.37	A	Funding for 'retained' statutory duties	0	0	260	260
6.38	B	Reduced rates liability from academy schools	-96	0	0	-96
		Re-stated base budget	62,135	1,249	1,424	64,808
		<u>Changes for 2017-18:</u>				
6.39	A	Change in number of primary pupils	610	0	0	610
6.39	A	Change in number of secondary pupils	913	0	0	913
6.42	C	Effect of changes in pupil characteristics e.g. FSM numbers, test results, EAL etc.	included in above	0	0	0
6.44	A	Diseconomy funding; new / expanded schools	316	0	0	316
6.44	A	Start-up cost; new / expanded schools	0	0	-50	-50
		Total requirement for 2017-18	63,974	1,249	1,374	66,5970
		Change	1,839	0	-50	1,789
		<u>Financing:</u>				
6.34		Estimated Schools Block DSG				66,341
		Anticipated funding shortfall				256

Managing the forecast budget gap

6.48 Table 4 above indicates a funding shortfall of £0.256m. Funding available for the Schools Budget can be adjusted by applying unspent DSG from previous years or other resources held in earmarked reserves. The Borough Treasurer considers that the Schools Budget should hold a minimum surplus of £0.66m to help manage unforeseen cost increases such as those experienced in 2014-15. Taking account of this requirement and the £0.277m in-year surplus forecast for 2016-17 (based on October budget monitoring cycle), there is estimated to be £0.377m available to support unfunded 2017-18 expenditure on a one-off basis, which is sufficient to fund these proposals and the Forum is recommended to agree this approach for the initial setting of the 2017-18 budget.

Budget pressures that are NOT proposed to be funded

- 6.49 Schools will experience a range of cost pressures next year and whilst funding is proposed to cover increases in pupil numbers and diseconomy funding for new schools, others will remain unfunded and will require schools to make savings to balance their budgets. The main pressures, which total to around £1.7m, and represent 2.1% of current spending levels are:
1. A new Apprenticeship levy is expected to be introduced from April 2017. It will in effect be a 0.5% payroll tax and is estimated to cost around £0.320m. In addition to the levy, there is also expected to be an apprenticeship quota obligation, with the Department for Business, Innovation and Skills proposing a target of 2.3% 'apprenticeship starts' each year. There could well be financial implications from this also.
 2. The cost of pay and price inflation. With public sector pay increases limited at 1%, with a similar assumption on other costs, this will equate to around a £0.8m pressure. We are currently experiencing historically low inflationary pressures. This is expected to start to increase moving forward.
 3. The statutory increase in the Living Wage, paid locally as the Bracknell Forest Supplement. This is due to increase in April 2017 and is estimated to cost schools around £0.150m on top of the 1% included in 2. above.
 4. The potential new 'top slice' to maintained school budgets to contribute to the 'general duties' education support services currently funded through the ESG. Assuming a £20 per pupil deduction would cost around £0.322m.
 5. The underlying deficit on the Local Government Pension Scheme is being reduced by way of additional lump sum contributions. Payments due from schools in the BF Local Government Pension Scheme are forecast to increase by £0.1m.

Most of these cost pressures equally apply to centrally managed Schools Block budgets, meaning they too require real terms savings of around 2.1% to be managed, a reduction in services provided, or a combination of both.

- 6.50 In terms of the proposed funding increases to be paid to schools for new pupils, the increased budget allocation will exceed the expected cost as per pupil funding contributes to more costs than classroom staff, most of which would not change as numerous schools admit relatively small numbers of pupils that do not require the recruitment of a new teacher. Of the £1.524m included in school budgets for changes in pupils, it should be expected that at least 50% of the funding will not result in equivalent cost increases. Nevertheless, schools are still facing unfunded cost increases. This will increase the likelihood that more pressure will be placed on the budget to support schools in financial difficulty and more schools seeking loans to manage required cost reductions over a number of years.

Conclusion Next steps

- 6.51 Due to the cash flat funding settlement in a period of significant cost increases, making proposals to balance the 2017-18 budget has again presented significant challenges. Moving forward, it seems likely that further financial challenges will need to be addressed in the years ahead, although as a consequence of the school funding reforms, these are likely to fall on the EFA.

6.52 Further work is on-going relating to the High Needs and Early Years Block items where the level of funding to be received next year has yet to be finalised. Budget proposals on these areas of the Schools Budget will be presented to the Forum in March.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

7.1 The relevant legal implications are addressed within the main body of the report.

Borough Treasurer

7.2 Included within the supporting information.

Equalities Impact Assessment

7.3 A decision on the need for an EIA will be taken when the final budget proposals are confirmed.

Strategic Risk Management Issues

7.4 The funding reforms and tight financial settlement present a number of strategic risks, most significantly:

1. Insufficient funding to cover anticipated pay and price inflation and changes in contributions to the Pension Funds and the new Apprenticeship Levy.
2. The ability of schools with loans to manage their repayments. Two secondary schools have significant loan advances that need to be managed during a period of real terms reduction in funding.
3. Ensuring sufficient resources are allocated into general school budgets to meet their SEN responsibilities, up to the £10,000 limit.
4. Managing the additional revenue costs arising from the new / expanded schools programme.
5. The ability of schools to admit an increasing number of pupils.

7.5 These risks will be managed through support and assistance to schools in the budget setting process which is a well established programme. It has ensured that schools develop medium term solutions to budget shortfalls and draws on funding retained to support schools in financial difficulty or through the allocation of short to medium term loans. Subject to the outcomes from the consultation with schools, there remains a de-delegated budget of £0.244m (after academy deduction) to support schools in financial difficulties that meet qualifying criteria.

7.6 The increase in school academisation is also likely to increase budget and general resource pressures on the council. These will need to be managed as they emerge.

8 CONSULTATION

Principal Groups Consulted

8.1 CYPL Departmental Management Team and schools.

Method of Consultation

8.2 Written report. To CYPL Management Team formal consultation with schools

Representations Received

8.3 Included in body of the report.

Background Papers

None:

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Outline of services subject to de-delegation and indicative funding allocations (2016-17 amounts)

		2016-2017 de-delegated budgets									
Primary funding rate		£14.10	£131.41	£5.84	£15.03	£1.54	£21.57	£3.23	£15.41		
Secondary funding rate		£26.50	£131.41	£5.74	£8.06	£1.73	£23.18	£3.52	£15.41		
Reference		A	B	C	D	E	F	G	I		
Ref	School	School Contingencies (incl support to those in financial difficulties)	Underperforming ethnic minority and bi-lingual pupils	SIMS and other licence fees	Behaviour Support Services	Anti-bullying Co-ordinator	Staff supply cover for official absences	Premature retirement / dismissal costs	Free school meals eligibility checking	Total	Ref
1	Ascot Heath Infant	£2,848	£4,625	£1,179	£3,566	£310	£4,357	£653	£62	£17,601	1
2	Ascot Heath Junior	£3,384	£1,051	£1,401	£4,256	£369	£5,177	£776	£108	£16,522	2
3	Binfield Primary	£5,894	£4,425	£2,440	£7,943	£642	£9,016	£1,351	£216	£31,927	3
4	Birch Hill Primary	£5,725	£4,626	£2,370	£9,097	£624	£8,758	£1,312	£786	£33,297	4
5	College Town Infant	£3,130	£5,395	£1,296	£4,020	£341	£4,789	£718	£77	£19,766	5
6	College Town Junior	£3,511	£2,628	£1,454	£5,039	£383	£5,371	£805	£185	£19,376	6
7	Cranbourne Primary	£2,891	£924	£1,197	£3,795	£315	£4,422	£663	£77	£14,283	7
8	Crown Wood Primary	£6,980	£6,058	£2,890	£12,330	£760	£10,677	£1,600	£909	£42,205	8
9	Crowthorne Primary	£2,947	£1,526	£1,220	£4,189	£321	£4,508	£675	£123	£15,510	9
10	Fox Hill Primary	£2,891	£2,617	£1,197	£6,736	£315	£4,422	£663	£617	£19,456	10
11	Great Hollands Primary	£5,697	£4,385	£2,358	£13,832	£621	£8,714	£1,306	£1,397	£38,310	11
12	Harmans Water Primary	£8,869	£8,296	£3,672	£14,861	£966	£13,568	£2,033	£848	£53,113	12
13	Holly Spring Infant	£4,033	£4,602	£1,670	£7,445	£439	£6,169	£924	£724	£26,006	13
14	Holly Spring Junior	£4,428	£3,296	£1,833	£8,399	£482	£6,773	£1,015	£817	£27,043	14
15	Jennetts Park Primary	£4,526	£2,909	£1,874	£7,084	£493	£6,924	£1,037	£493	£25,341	15
16	Meadow Vale Primary	£8,023	£6,811	£3,322	£14,264	£874	£12,274	£1,839	£789	£48,196	16
17	New Scotland Hill Primary	£2,933	£2,150	£1,214	£3,832	£320	£4,487	£672	£62	£15,669	17
18	Owlsmoor Primary	£7,544	£1,628	£3,123	£11,050	£822	£11,540	£1,729	£601	£38,038	18
19	The Pines Primary	£3,440	£3,098	£1,424	£6,480	£375	£5,263	£789	£462	£21,331	19
20	Sandy Lane Primary	£8,770	£7,978	£3,631	£15,847	£956	£13,417	£2,010	£1,048	£53,657	20
21	St Joseph's Primary	£2,961	£7,666	£1,226	£4,289	£323	£4,530	£679	£46	£21,719	21
22	St Margaret Clitherow Primary	£2,848	£4,296	£1,179	£4,877	£310	£4,357	£653	£77	£18,598	22
23	St Michael's (East) Primary	£3,455	£1,226	£1,430	£5,755	£376	£5,285	£792	£231	£18,550	23
24	St Michael's (Sand) Primary	£2,693	£1,046	£1,115	£3,468	£293	£4,120	£617	£154	£13,507	24
25	Uplands Primary	£2,961	£1,686	£1,226	£3,655	£323	£4,530	£679	£231	£15,291	25
26	Warfield Primary	£4,129	£3,010	£1,709	£5,215	£450	£6,317	£946	£43	£21,819	26
27	Whitegrove Primary	£6,345	£5,596	£2,627	£8,619	£691	£9,707	£1,454	£231	£35,270	27
28	Wildmoor Heath Primary	£2,806	£1,077	£1,162	£4,138	£306	£4,293	£643	£185	£14,608	28
29	Wildridings Primary	£5,584	£5,832	£2,312	£12,000	£608	£8,542	£1,280	£925	£37,082	29
30	Winkfield St Mary's Primary	£2,947	£1,227	£1,220	£3,972	£321	£4,508	£675	£15	£14,887	30
31	Wooden Hill Primary	£4,808	£1,988	£1,991	£9,550	£524	£7,356	£1,102	£478	£27,797	31
32	The Brakenhale	£21,993	£6,045	£4,764	£12,207	£1,433	£19,244	£2,919	£1,464	£70,068	32
33	Easthampstead Park	£19,290	£2,365	£4,178	£11,644	£1,257	£16,879	£2,560	£1,757	£59,931	33
34	Edgbarrow	£27,901	£526	£6,044	£10,899	£1,818	£24,414	£3,703	£539	£75,845	34
35	Garth Hill College	£36,831	£3,138	£7,978	£17,579	£2,400	£32,227	£4,889	£1,854	£106,896	35
36	Ranelagh	£20,933	£130	£4,534	£8,101	£1,364	£18,316	£4,778	£472	£56,629	36
37	Sandhurst	£23,052	£1,183	£4,993	£9,752	£1,502	£20,171	£3,060	£894	£64,607	37
Total Primary		£140,000	£113,679	£57,961	£229,604	£15,254	£214,170	£32,090	£13,019	£815,776	
Total Secondary		£150,000	£13,387	£32,491	£70,184	£9,773	£131,250	£19,910	£6,981	£433,976	
GRAND TOTAL		£290,000	£127,066	£90,452	£299,787	£25,027	£345,420	£52,000	£20,000	£1,249,752	

Services funded by the ESG

Service	Total 2016-17 £
Statutory and Regulatory Duties	1,282,150
Education Welfare Service	213,270
Asset Management	132,800
School Improvement	510,050
Monitoring National Curriculum Assessment	15,000
Total Costs*	2,153,270
'Retained' duties amount	260,300
'General' duties amount	1,230,480
Total ESG grant funding	1,490,780
Net cost to BFC	662,490

Note All figures are taken from the 2016-17 Section 251 budget statement returned to the DfE and include an appropriate share of Departmental and Corporate recharges, so represent full costs.

* Prior to the commencement of cuts in grant funding, the Council received £2.115m ESG from the DfE in 2014-15, close to the £2.153m 2016-17 estimated cost.

Outline of LA education related statutory and regulatory duties

In the 2015 Spending Review, the DfE announced a saving of £600m through the complete withdrawal of the ESG which is the mechanism used to fund LAs for their statutory and regulatory education related duties as prescribed in various Education Acts and other relevant statutes. This follows cuts of £200m in 2015-16.

Despite withdrawal of the funding, nothing has changed in terms of the duties and responsibilities on the LA from Education Acts of which the main matters are:

- a) School Improvement, in particular expenditure incurred in connection with functions under the Education and Inspections Act 2008. The LA is required to use statutory powers where schools are under performing. This includes implementing interventions as defined in the Schools Causing Concern document 2016, including Schools that have been judged inadequate by Ofsted, Schools that are coasting, and Schools that have failed to comply with a warning notice. A range of statutory powers are available for the fulfilment of duties, including requiring the governing body to enter into arrangements of additional support, collaboration with other schools, appointing additional governors which includes paying a National Leader of Governance to be a temporary Chair of Governors and establishing an interim executive board which has the power to suspend the delegated budget.

Furthermore, LAs must exercise their education functions with a view to promoting high standards. They need to act as champions of education excellence across schools, to understand the performance of schools, using data to identify those schools that require improvement and intervention, work with the Regional Schools Commissioner to ensure swift and effective action is taken when underperformance occurs in a maintained school, including and using their intervention powers, where this will improve leadership and standards, encourage good and outstanding maintained schools to take responsibility for their own improvement and to support other schools, and enable other schools to access such support.

- b) Expenditure on monitoring National Curriculum assessment arrangements in the EYFS, KS1 and KS2 which includes identifying and training of moderators. Supply cover for schools is provided where moderators are employed. The Standards and Testing Agency also have an expectation that a thorough quality assurance process is in place for visits in schools.
- c) Finance, including preparation of budgets (including the Funding Formula for Schools), making grant claims, completion of statutory accounts, internal and external audit arrangements, managing a school's suspended delegated budget, developing and maintaining the financial framework that schools need to operate within, including the issuing of notice of financial concern and the action and monitoring required thereafter, and providing advice on procurement with a view to securing continuous improvement.
- d) Human Resources, including recruitment, training, continuing professional development, performance management and personnel management of staff, investigations of employees, or potential employees, functions in relation to local government superannuation, advice in relation to staff pay and the management of all such staff, the determination of conditions of service for non-teaching staff, the appointment or dismissal of employees, the investigation and resolution of complaints, liaison and negotiation with trade unions.
- e) Health and safety, including compliance with duties under the Health and Safety at Work etc. Act 1974 and the relevant statutory provisions that are defined and the LAs monitoring the performance role, including the provision of advice.
- f) Legal services relating to the statutory functions of the council.

Unrestricted

- g) Planning and reviewing education related services.
- h) Provision of information to, or at the request of the Crown and the provision of other information which the authority is under a duty to make available.
- i) Compliance with the Equality Act 2010, including the LAs monitoring and performance role, including the provision of advice.
- j) Expenditure on establishing and maintaining electronic computer systems, including data storage, which are intended primarily to maintain linkage between local authorities and schools.
- k) Functions in relation to the standing advisory council on religious education including reconsideration and preparation of an agreed syllabus of religious education.
- l) Expenditure on the appointment of governors, the making of instruments of government, and the provision of information to governors. Links to statutory functions set out above in paragraph a).
- m) Education welfare services, including making arrangements to identify children not receiving education, send a written notice to a parent whose child of compulsory school age is not receiving suitable education and subsequent school attendance and education supervision orders, investigate the whereabouts of pupils who have poor attendance and administering and enforcing requirements and protections for those below compulsory school leaving age taking part in employment or performances.
- n) Asset management, including management of the authority's capital programme, preparation and review of an asset management plan, negotiation and management of private finance transactions and contracts (including academies which have converted since the contracts were signed), landlord premises functions for relevant academy leases, health and safety and other landlord premises functions for community schools.
- o) Therapies and other health related services. The Children and Families Act 2014 places a statutory duty on local authorities and local health bodies to commission services jointly to support disabled children and young people and those with special educational needs, including those who need therapy support.

Historic Spending Commitments – Supporting Information

Proposed 2017-18 Budget £m	Further information: explanation of historic commitments, confirm Schools Forum approval, description of any accompanying evidence provided
£0.100	Part funding for the Family Intervention Team that comprises 11.5 full time equivalent staff on permanent contracts that offers early intervention support to families and children to deliver a co-ordinated, cost effective and needs driven service. Areas of work include, parenting, housing issues, debt, anti - social behaviour, poor school attendance, mental health issues, physical health issues, poor attachment, substance misuse, domestic abuse, relationship problems etc. Supports around 150 families a year.
£0.134	Part funding for the Looked After Children's Education Service which falls within the remit of the Virtual School – a statutory requirement on all LA's as of April 2014. Covers approx. 2.1 full time equivalent Education Support Officers on permanent contracts and other specialist tutors and support workers as required to meet the specific, individual needs of the vulnerable children, to aid engagement and lead to pathways into education, employment or training. Around 170 LAC are supported each year and 100 care leavers, including support into higher education. Ensures targeted support to LAC, better outcomes, as evidenced in our narrow attainment gap to peers and low NEET percentage.
£0.043	Funds transport costs for Looked After Children to enable them to maintain their school placement after a change in their care needs. Costs are paid to external transport providers, via contract. Involves 13 young people.
£0.018	Funds the Young People in Sport programme that all 28 primary schools engage in at least 50% of the available sporting activities (Indoor Athletics, Cross Country, Tag Rugby, Kwik Cricket, Badminton, Hockey, Athletics, Sports Skills for Key Stage 1 and Ballroom Dance). Over the year, 900 coaching sessions are planned that are expected to be attended by 55,000 participants
£0.042	Part funding for the Common Assessment Framework (CAF) and review process that sets a standardised approach to conducting an assessment of a child's additional needs and deciding how those needs should be met. It answers enquiries from schools at any stage in the process, undertakes school visits to support reviews, share information and answer enquiries about thresholds and routes to support. Schools are provided with child view sheets and other resources that can support their work with families during the assessment process. The service processed 305 Family and individual CAFs and in addition supported 456 review referrals last year and triaged 121. In addition the CAF and Early Intervention Team Leader Chairs the Early Intervention Hub providing a multi-agency forum which schools are able to attend to ask for advice or additional support. Secondary schools frequently attend the Hub to discuss cases and the next steps for their students and families. Training on CAF and Assessment Skills for CAF is provided free of charge to school personnel and 105 practitioners were trained last year. In addition workshops have been provided for staff meetings and inset days. This funds 0.75 full time equivalent cost. This is a permanent contract.
£0.006	Part funds staff on permanent contracts working with domestic abuse in families, in particular co-ordination of multi agency risk assessments and supporting the Domestic Abuse Forum.

Unrestricted

Proposed 2017-18 Budget £m	Further information: explanation of historic commitments, confirm Schools Forum approval, description of any accompanying evidence provided
£0.030	Funds the Education Health Partnership which develops emotional health and well being in schools supporting teachers and young people. This is undertaken through teacher training and support materials, classroom teaching support, emotional health and well being showcase where young people were invited to share their school experiences plus the health school award. Covers 0.4 full time equivalent salary of staff member on permanent contract delivering courses, materials, tool kits and advice to schools. Supported by professional coaches.
£0.033	Part funding for the Placement Contracts Officer that ensures care and education establishments used for vulnerable children meet the required standards around quality and care as well as maximising value for money and performing an ongoing monitoring role. Secures around 140 contracts per annum and contributes to lower spend than would otherwise be the case on pupil placement costs. Funds 0.67 full time equivalent cost. This is a permanent contract.

Notes:

1. All budget proposals fall within paragraph 4 of Part 1 (Central Services) of Schedule 2 of the Schools and Early Years funding Regulations
2. Schools Forum agreement for central retention of these budgets prior to Aril 2013 was provided on 17 January 2013.
3. Schools Forum agreement for central retention of these budgets for 2016-17 was provided on 14 January 2016, on an on-going basis.

Proposed 2017-18 Schools Block budgets to be centrally managed by the Council

Budget item	Schools Block Centrally Managed		
	Budget 2016-17 £	Proposed Changes £	Draft Total 2017-18 £
<u>Part 1: Spending limited to amount agreed in the previous financial year</u>			
<u>Historic commitments (see Annex 4):</u>			
Combined Services Budgets*:			
Family Intervention Project	£100,000	£0	£100,000
Educational Attainment for Looked After Children	£133,590	£0	£133,590
School Transport for Looked After Children	£42,890	£0	£42,890
Young People in Sport	£18,050	£0	£18,050
Common Assessment Framework Co-ordinator	£42,470	£0	£42,470
Domestic Abuse	£6,000	£0	£6,000
Education Health Partnerships	£30,000	£0	£30,000
SEN Contract Monitoring	£32,680	£0	£32,680
Miscellaneous (up to 0.1% of Schools Budget):			
Forestcare out of hours support service	£4,850	£0	£4,850
Borough wide Initiatives	£27,270	£0	£27,270
Support to Schools Recruitment & Retention	£7,470	£0	£7,470
<u>Other expenditure</u>			
School Admissions	£175,970	£0	£175,970
Schools Forum	£21,440	£0	£21,440
Total Part 1 items	£642,680	£0	£642,680

* Combined Service Budgets funded by the DSG generally support vulnerable children, have an educational benefit and link to other programmes funded by the Council which together result in better, more effective use of resources with improved outcomes for children than if provided and managed independently.

Proposed 2017-18 Schools Block budgets to be centrally managed by the Council

Budget item	Schools Block Centrally Managed		
	Budget 2016-17 £	Proposed Changes £	Draft Total 2017-18 £
<u>Part 2: No restriction on annual increases</u>			
Schools Contingency:			
Significant in-year growth in pupil numbers	£182,648	£0	£182,648
Key Stage 1 class sizes	£86,392	£0	£86,392
Start up costs for new schools	£106,100	-£50,000	£56,100
Boarding Placements for Vulnerable Children	£75,880	£0	£75,880
Central copyright licensing	£70,000	£0	£70,000
Sub total Part 2 items	£521,020	-£50,000	£471,020
Total Part 2 items	£521,020	-£50,000	£471,020