

TO: EXECUTIVE MEMBER FOR CHILDREN, YOUNG PEOPLE & LEARNING
DATE: 19 JANUARY 2018

**LOCAL AUTHORITY PROPOSALS FOR THE 2018-19 SCHOOLS BLOCK AND
CENTRAL SCHOOL SERVICES BLOCK ELEMENTS OF THE SCHOOLS BUDGET**
Director of Children, Young People and Learning

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek agreement from the Executive Member to set the 2018-19 Schools Block element of the Schools Budget on the basis of recommendations made by the Schools Forum.
- 1.2 The Executive Member has observer status on the Schools Forum, receiving all reports and entitled to attend meetings, and is therefore actively involved in the operation and considerations of the Schools Forum.

2 RECOMMENDATIONS

- 2.1 **That the Executive Member AGREES the recommendations proposed by the Schools Forum as set out in paragraph 3.2 of Appendix A.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the 2018-19 Schools Budget is set in accordance with the views of schools, the Schools Forum, the funding framework and the anticipated level of resources.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 These have been considered during the budget consultation stage and previous reports to the Schools Forum.

5 SUPPORTING INFORMATION

- 5.1 Whilst spending on the Schools Budget is funded by the ring fenced Dedicated Schools Grant (DSG), and therefore outside of the Council's funding responsibilities, Local Authorities (LA) retain a legal duty to set the overall level of the Schools Budget before the start of each financial year. In deciding the relevant amount, LAs must plan to spend at least to the level of estimated DSG and can also take account of any accumulated under or overspending on the Schools Budget from previous years.
- 5.2 At its meeting of 19 December, the Executive agreed that the 2018-19 Schools Budget should be set at the eventual level of grant income plus any accumulated balances, with the Executive Member for Children, Young People and Learning authorised to make amendments and agree budgets for schools and services centrally managed by the Council.

- 5.3 Appendix A presents the proposals expected to be agreed by the Schools Forum in respect of Schools Block and the new Central School Services elements of the DSG, and also the details behind the budget build process which the Executive Member is now recommended to endorse. Budget decisions taken by the Executive Member have always been in accordance with the wishes of the Schools Forum, and the recommendations on this paper maintain that position.
- 5.4 Detailed proposals in respect of the Early Years and High Needs Blocks will be presented for a decision in March. This approach reflects the different timescales that relevant budget and costing information becomes available, with Early Years Block DSG being partly set on January 2018 census, and the High Needs Block DSG provided on a provisional basis, whereas Schools Block and Central School Services DSG funding were confirmed on 21 December 2017. A delay in making these decisions will allow for the most up to date information to be taken into account and the setting of a more robust budget.
- 5.5 In order to monitor progress of LAs in their production of individual school budgets, which must be published by 28 February 2018, the DfE requires LAs to submit a pro forma template setting out funding allocations to be made in the Local Funding Formula for Schools, including confirmed data used for funding purposes and units of resource no later than 19 January 2018. The proposed BF return is included at Annex 3 on the attached Appendix A.
- 5.6 Despite the additional resources being available in 2018-19 from the new School National Funding Formula, it has again presented a challenge in setting a balanced budget that properly reflects the needs of existing schools and the new ones emerging that require additional financial support in the early years to become successful and established schools.
- 5.7 Through effective medium term planning, where the council foresaw this pressure arising, £0.8m of Schools Budget funding was deposited in an earmarked reserve to help smooth the effect of future cost increases. Taking account of the September 2018 opening of the new Binfield Learning Village, £0.394m is proposed to be drawn down from the earmarked reserve to balance the 2018-19 budget. This ensures existing schools receive the full benefit of the £1.728m funding increase to be received next year through the national funding reforms.
- 5.8 In setting their budgets, schools will need to be aware that costs are starting to rise at a greater pace than the historically low amounts experienced in recent years, with the potential for a 2% – 3% cost increase during 2018-19.
- 5.9 Should the Forum make any changes to the recommendations set out on the Appendix, a verbal update will be provided to the Executive Member to agree final decisions.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The relevant legal provisions are contained within the main body of the attached Appendix A.

Borough Treasurer

6.2 The financial implications arising from this report are set out within the supporting information of Appendix A and present a budget that can be funded from the overall level of anticipated resources.

Equalities Impact Assessment

6.3 There are no specific impacts arising from this report.

Strategic Risk Management Issues

6.4 These are contained within the main body of the attached Appendix A.

7 CONSULTATION

Principal Groups Consulted

7.1 Schools Forum.

Method of Consultation

7.2 Written consultation documents.

Representations Received

7.3 Set out in reports to the Schools Forum.

Background Papers

None.

Contact for further information

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Approved by Cllr Dr Gareth Barnard
Executive Member, Children, Young People
& Learning

Approved by Nikki Edwards
Director, Children, Young People
& Learning

Signature.....

Signature.....

Date: 19 January 2018

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