

TO: EXECUTIVE MEMBER FOR CHILDREN, YOUNG PEOPLE & LEARNING
DATE: 24 JANUARY 2019

**LOCAL AUTHORITY PROPOSALS FOR THE 2019-20 SCHOOLS BLOCK AND
CENTRAL SCHOOL SERVICES BLOCK ELEMENTS OF THE SCHOOLS BUDGET**
Executive Director: People

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek agreement from the Executive Member to set the 2019-20 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 3.1 of Appendix A having particular regard to the agreement reached on recommendation 3.1 1 option A.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the 2019-20 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 2019-20 Schools Budget should be set at the eventual level of grant income plus any accumulated balances in the Schools Budget together with up to £1m of council funding over the next 4 years to help meet the cost pressure arising from new and expanded schools.

The Executive also agreed that the Executive Member for Children, Young People and Learning would be 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 During the detailed calculation of individual school budgets, it became apparent to officers that the approach previously agreed to be taken by the Forum of aiming for as close a match as possible through the BF Funding Formula to the allocation made through the School National Funding Formula (SNFF) was advantageous to schools funded at the minimum per pupil funding rates of £3,500 for primary schools and £4,800 for secondary schools.
- 5.5 This arises as a result of having to use some SNFF funding to finance part of the cost of new schools which means the funding remaining for existing schools is insufficient to closely match the SNFF allocations with a scaling deduction needing to be applied. However, the current decision to fully fund schools at the minimum per pupil funding rates means that 9 schools do not experience a scaling deduction which results in a higher scaling for the remaining 28 schools. The Forum is being asked to consider whether all schools should experience a similar amount of scaling or those on the lowest per pupil funding rates should be fully protected at SNFF rates.
- 5.6 Protecting 9 schools at the minimum per pupil funding amounts requires £0.611m - £0.156m for 6 primary schools and £0.455m for 3 secondary schools. Applying a scaling at a similar level to all other schools would require £0.343m for 6 schools, £0.078m for 3 primary schools and £0.266m for 3 secondary schools. The £0.268m cost reduction would then be re-distributed through the BF Funding Formula.
- 5.7 Depending on the agreement reached by the Forum on 17 January, the Executive Member will be asked to agree the appropriate element of recommendation 3.1 1 on the attached Appendix A.
- 5.8 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 2019 census, and the High Needs Block DSG provided on a provisional basis, whereas Schools Block and Central School Services DSG funding were confirmed on 17 December 2018. 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.
- 5.9 In order to monitor progress of LAs in their production of individual school budgets, which must be published by 28 February 2019, 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 21 January 2019.
- 5.10 Despite the additional resources being available in 2019-20 from the new SNFF, 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.

- 5.11 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 1.5% – 2.5% cost increase during 2019-20.
- 5.12 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.

Director of Finance

- 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: 24 January 2019

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