

TO: EXECUTIVE MEMBER FOR CHILDREN, YOUNG PEOPLE & LEARNING
DATE: 26 NOVEMBER 2019

**2020-21 SCHOOLS BUDGET: COMPLIANCE WITH
DEPARTMENT FOR EDUCATION PROCEDURES FOR
MANAGING BUDGET PRESSURES**
Executive Director: People

1 PURPOSE OF REPORT

- 1.1 To agree that subject to the outcomes from the Schools Forum budget discussions on 21 November, that requests are made to the Department for Education (DfE) to:
1. Transfer funds from the Schools Block (SB) to the High Needs (HN) Block
 2. Set Minimum Per Pupil Funding (MPPF) values below those ordinarily required by the DfE.

2 RECOMMENDATION

- 2.1 **That taking account of the decisions taken at the 21 November 2019 Schools Forum meeting, the Executive Member:**
1. **AGREES / DOES NOT AGREE that a request be made to the DfE to transfer 0.5%, around £0.375m, of SB Funding to the HN Block;**
 2. **AGREES / DOES NOT AGREE that a request be made to the DfE to set the MPPF values below the minimum amount normally required**

3 REASONS FOR RECOMMENDATION

- 3.1 To ensure that the 2020-21 Schools Budget is set in accordance with the priorities of the Executive, taking account of 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 report presented 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 statutory duty to set the overall level of the Schools Budget before the start of each financial year as well as the values used in the local Funding Formula for Schools.
- 5.2 The Executive Member has observer status on the Schools Forum, receiving all reports, is entitled to attend meetings, and is therefore actively involved in the operation and deliberations of the Schools Forum and is fully aware of current issues.

- 5.3 In setting the 2020-21 Schools Budget, there are 2 proposals that may need to be referred to the DfE for a decision. These are sensitive matters and therefore need appropriate consideration and agreement from the Executive Member.
- 5.4 Many LAs are experiencing significant cost pressures in supporting pupils with Special Educational Needs and Disabilities (SEND). For BF, preliminary estimates forecast a £1.802m funding gap for the HN Block in 2020-21. Whilst a recovery plan is being developed, a funding transfer of 0.5% (£0.375m) has been requested from the SB to help minimise the medium term over spending and improve financial stability.
- 5.5 Following consultation, 74% of school respondents did not support this proposal of which 11 (48% of respondents) comprised schools that cited the reason of affordability as the key factor in their decision. The consultation was undertaken prior to the details of the School and Education Spending review had emerged which will provide an average 4.8% increase in per pupil funding for BF schools after allowing for this transfer and other pressures, in particular, those relating to diseconomy costs at new schools.
- 5.6 It is considered likely that a number of schools would have supported the proposal if the impact of the financial settlement was known – 4 confirmed their support of the proposal in principle. 6 more schools supporting the proposal would have meant there was a majority support.
- 5.7 If the Schools Forum do not agree the transfer, the Executive Member is recommended to approve an appeal to the DfE to improve financial viability in the HN Block.
- 5.8 The Executive Member will be aware that the DfE has set mandatory Minimum Per Pupil Funding (MPPF) values of £3,750 for primary aged pupils and £5,000 for secondary. These are the minimum per pupil funding rates that an LA must pay their schools unless agreed by the DfE.
- 5.9 It was reported to the September meeting of the Forum that there was concern that if a significant number of schools were funded to the mandatory MPPF rates, then a disproportionate burden would fall on all other schools in meeting the other local cost pressures that are not adequately resourced by the DfE. With initial budget calculations indicating a reduction in the number of schools and cost associated with meeting the MFPPF rates, with an associated cost of £0.447m, this is no longer considered an area of significant concern. However, a request may still be required to the DfE to set lower rates, and this will be clarified at the Schools Forum meeting.
- 5.10 The Executive Member will be requested to agree that the DfE approve lower levels for the MPPF values if considered necessary.
- 5.11 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 issues and potential financial risks are set out in the report.

Director of Finance

6.2 The financial implications are set out in the supporting information.

Equalities Impact Assessment

6.3 There are no specific impacts arising from this report.

Strategic Risk Management Issues

6.4 These are set out in relevant reports to the Schools Forum B.

7 CONSULTATION

Principal Groups Consulted

7.1 People DMT, Schools, the Schools Forum.

Method of Consultation

7.2 Written reports.

Representations Received

7.3 Where relevant, included in the reports.

Background Papers

None.

Contact for further information

Paul Clark, Finance Business Partner: People Directorate 4054

Doc. Ref

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

Approved by Nikki Edwards
Executive Director: People

Signature.....

Signature.....

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