

**SCHOOLS FORUM
3 MARCH 2011**

**LOCAL AUTHORITY PROPOSALS FOR THE 2011-12 SCHOOLS BUDGET
(Director of Children, Young People and Learning)**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to update members of the Schools Forum on the Schools Budget for 2011-12 and to seek views on:
- i. Final budget proposals from the Local Authority (LA), and
 - ii. Whether requests from the LA to exercise its statutory decision making powers are agreed.
- 1.2 Comments are being sought now on these updated proposals as this is the last opportunity for the Forum to make budget recommendations which the Executive Member for Education will be requested to agree.

2 RECOMMENDATIONS

2.1 That the Schools Forum RECOMMENDS to the Executive Member for Education that the 2011-12 Schools Budget includes:

- 1. funding the budget proposals as set out in the shaded column of Annex B calculated at £2.084m;**
- 2. allocating the remaining £0.051m uncommitted budget to schools and early years providers in accordance with the agreed budget strategy, as detailed in paragraph 5.31.**

2.2 That the Schools Forum AGREES the following decisions that it is solely responsible for:

- 1. that the school specific contingency for 2011-12 be set at £0.571m (paragraph 5.33 (1), Table 3);**
- 2. That the Minimum Funding Guarantee payment due to Brakenhale Secondary School be fully removed by the end of the 2012-13 financial year with the resultant savings redistributed within the Schools Budget (paragraph 5.33 (2));**
- 3. That the combined services budget that supports joint education and children's social care initiatives is set at £0.591m (paragraph 5.33 (3)).**

2.3 That the Schools Forum NOTES:

- 1. That the Central Expenditure Limit has not been exceeded (paragraph 5.34);**
- 2. That the resultant budget for each service is set out in Annex D.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 Regulations require the Schools Forum to be consulted on relevant budget proposals, and when requested, to consider whether any of the statutory budget decision making powers need to be exercised.
- 3.2 The views of the Schools Forum are now being sought so that they can be presented as final recommendations for the 2011-12 Schools Budget to the Executive Member for Education.

4 ALTERNATIVE OPTIONS CONSIDERED

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

5 SUPPORTING INFORMATION

Background and update from previous meeting

- 5.1 At its meeting on 3 February 2011, a report was presented to the Forum which set out preliminary proposals from the LA in respect of the Schools Budget for 2011-12. These proposals reflected the latest information from the government in respect of the Comprehensive Spending Review 2010, the provisional outcomes from the Local Government Financial Settlement which had frozen per pupil funding rates to 2010-11 values, and preliminary calculations of pressures and economies.
- 5.2 Based on the information available at that stage, it was estimated income would increase by £1.207m and that there would be net pressures, developments and economies of £3.722m, resulting in a budget gap of £2.515m. In order to move towards a balanced budget, the Forum agreed that a number of pressures and developments could not proceed and that they should be removed from the final budget proposals that the LA would present at this meeting. The items that would not be funded fell into 5 categories as follows, with more details set out in Annex A:
 - a. Pressures not recognised by the government in the funding settlement.
 - b. Desirable, not essential new developments.
 - c. Alternative funding source identified.
 - d. Items considered unaffordable in the current financial climate.
 - e. Funding duplicated in the new Pupil Premium grant.
- 5.3 Removing these pressures meant that the following items were expected to be affordable and therefore included in next year's Schools Budget, with more details set out in Annex B.
 - a. Increase in pupil numbers.
 - b. New Jennett's Park Primary School
 - c. Increase in numbers and needs of pupils with SEN.
 - d. Non pupil data changes that impact on the Funding Formula e.g. FSM.
 - e. One third of the cost of full time admission of 4 year olds from September.
 - f. Economies on school meals catering and pupil transport to Crownwood LAL.
 - g. Increasing funds available to support schools in Ofsted categories.
 - h. Net cost reductions on centrally managed budgets, most significantly in respect of SEN support services.

- 5.4 A consequence of these provisional decisions was that most units of resource used in the BF Funding Formula for Schools would be frozen at 2010-11 rates, as would the hourly funding rates paid to early years providers in the private, voluntary and independent (PVI) sector, excluding any previously agreed transitional funding adjustments.
- 5.5 It was also recognised that the initial budget proposals were based on a mix of January 2010 and October 2010 census data that would be updated with January 2011 actuals, and therefore all reported amounts would be subject to change. Furthermore, the DfE had yet to finalise the funding regulations that must be complied with, and there was also the potential that changes could arise from this.
- 5.6 The Forum also agreed that the “mainstreaming” of £7.4m of former specific grants into main school funding, to be made available to schools from April 2011 with all previous restrictions removed, should, in general, be at the same cash value as each school received in 2010-11.
- 5.7 The Forum also agreed that the proposals previously presented covered all the key issues required for next year’s budget and that no other areas needed to be considered. It was also recognised that whilst the Forum agreed that the draft budget proposals allowed for a balanced budget, this would only be possible by not funding all of the unavoidable pressures that schools would face, such as teachers and other pay inflation, increases to employer contributions to National Insurance and pension schemes, together with general inflationary pressures. Therefore, schools are facing real terms funding cuts and it is possible that a consequence of the tight financial settlement may be an increase in the number of schools facing financial difficulties.
- 5.8 More up to date budget information is now available, and as there is a statutory requirement to have published the budget by the end of March, which also requires ratification by the Executive Member for Education, this report represents the final opportunity for the Forum to make recommendations for the 2011-12 budget.

Final budget proposals for 2011-12

Estimated level of Dedicated Schools Grant funding

- 5.9 Members of the Forum will be aware that the main source of income to the Schools Budget is the Dedicated Schools Grant (DSG) and that the Council’s DSG allocation is determined by multiplying the guaranteed amount of per pupil funding of £4,861 by the actual number of pupils on roll each January. This headcount includes pupils at maintained schools, 3 and 4 year olds in private, voluntary and independent (PVI) sector settings and pupils receiving education out of school or out of borough in PVI special schools.
- 5.10 As part of the process to “mainstream” former specific grants into the DSG, the £0.735m made available in 2010-11 to fund the phased increase in free entitlement to early years and childcare for 3 and 4 year olds from 12½ hours a week to 15, relevant children are now being funded at a higher full time equivalent rate (0.6fte rather than 0.5fte). Due to the phasing of this change, and the absence of up to date data on current hours of provision, the previous budget report assumed that the cost of funding providers for the increase in weekly hours of provision would be broadly cost neutral when the extra DSG income was taken into account.
- 5.11 Provisional data from the January 2011 census in respect of these children shows an increase in full time equivalent hours of 187, with an extra 61 in maintained schools

and 126 in PVI sector settings. Overall, this change increases the DSG estimate from last month by £0.908m. Clearly there is additional cost associated with funding providers for the extra intake, and this is set out below in paragraph 5.20, but in general there is net additional income of around £1,500 per child as the DSG funding is an average for all pupils, including needing to provide for those with expensive special educational needs. This change therefore results in a net increase in funds of around £0.3m.

- 5.12 Provisional data from the actual January 2011 census relating to statutory aged pupils indicates an increase from the previous forecast of 27.1. There is expected to be a reduction of 17 pupils at College Hall, which mainly arises from a change in classification of pupils to be funded, with dually registered pupils no longer being funded twice, and a reduction of 9 in the number of pupils attending PVI special schools out of the borough. Overall, this results in a net increase in pupil numbers for DSG purposes of 1.1, equivalent to £0.006m.
- 5.13 There remains the possibility that pupil numbers will change following data checking by schools and the DfE, especially in respect of data from non-maintained schools and early years providers in the PVI sector where past experience has shown that this data is often subject to change. Confirmed numbers will not be released by the DfE until June, which will be after the point when budget decisions have to be taken. Therefore, the contingency of £0.220m included in the previous budget report is proposed to remain to cover a possible over estimate of DSG income or to meet unforeseen increases in costs on centrally managed budgets. Should the final DSG income be significantly different from that anticipated when the Executive Member makes final budget decisions later this month, the Forum will be informed of any adjustments that are made to the budget.
- 5.14 Taking these changes into account, the overall level of DSG income is expected to be £0.914m higher than previously reported.

Estimated balance from 2010-11

- 5.15 In terms of the estimated balances available from 2010-11 for centrally managed Schools Budget items, the Forum was informed at its previous meeting that based on the current monitoring information, an under spend of £0.388m was anticipated, with around £0.150m of commitments due to be paid in April relating to staff redundancies. This meant that around £0.200m of balances would be available for use in a future budget. The December monitoring information indicates that there is likely to be an under spending of £0.480m. An early review of potential school based redundancies indicates that whilst there is still £0.150m of know liabilities that will need to be paid in April, two further schools have contacted the LA to begin preliminary discussions around staffing reductions from September 2011. To limit any in-year pressure on the £0.050m budget set aside to fund redundancies, it is proposed to earmark £0.250m of the forecast under spend from 2010-11 to meet these potential costs. This leaves an estimated £0.230m of carry forward available for use in 2011-12. With £0.016m under spend already brought forward in the base budget, there is likely to be £0.214m additional income available from balances, an increase of £0.014m from the amount last reported.

Summary change in estimated income

- 5.16 Annex C sets out a summary of estimated Schools Budget income to be received by the Council and identifies an increase from the forecast made to the Forum in

February of £0.928m. This comprises £0.914m from DSG and £0.014m from balances.

Changes recommended to the budget proposals made in February

- 5.17 This section sets out the changes in funding needed for pressures and developments from the amounts estimated in the previous budget report. Therefore, the figures quoted represent the adjustment now proposed, and not the total budget requirement.

Budgets delegated to schools

- 5.18 The majority of budget allocations to schools for pupil led funding must be based on actual head count data collected from schools and other providers each January. At the time of writing this report, it has only been possible to complete provisional calculations of the effect of the school census on individual school budget allocations as data checking and calculations are still in progress. Based on current data, pupil budget allocations to mainstream schools, excluding allocations to fund the free entitlement to early years education and childcare have increased by £0.006m. This is much lower than would be expected from the 27.1 increase set out above in paragraph 5.12 and is due to the change in age profile, with a reduction in higher cost secondary aged pupils and an increase in lower cost secondary and primary aged pupils. There is also an impact for some schools which have reduced funding from the small school protection factor as a result of the increase in their number on roll.
- 5.19 For Kennel Lane Special School (KLS), there is a £0.031m increase in funding. This reflects a more complex and therefore expensive in-take than previously anticipated. KLS is judged outstanding by Ofsted and also represents the best value for money placement as well as maintaining more children in the borough, reducing the need for pupil disruption through excessive transport.
- 5.20 In respect of changes in funding allocations to providers of early years education and childcare, both in the maintained and PVI sector, paragraph 5.11 above indicated a significant increase in funded pupils, mainly as a result of increasing the free entitlement to early years education and childcare from 12½ hours a week to 15. Assuming take up in each provider is the same in 2011-12 as it was in 2010-11, after adjusting for the increase in free entitlement, it is estimated that an additional £0.555m will be paid to settings compared to the current base budget.
- 5.21 The school census also provides updated numbers of pupils with English as an Additional Language (EAL) and free school meals (FSM) eligibility, both of which are used for the purposes of funding schools. Allocations to schools for EAL have reduced by £0.003m, but deprivation funding allocated to schools based on the proportion of pupils eligible to a FSM has increased by £0.204m as numbers have risen by 14% from the October census, with 8.7% of all pupils now eligible.

Members of the Forum are reminded that the main criteria for pupil eligibility to a free school meal is where parents / guardians are in receipt of income support.

- 5.22 Following appointment of the new head teacher, more work has been undertaken on the likely cost of operating the new Jennett's Park Primary School which is scheduled to open at September 2011. Whilst most costs have remained generally in line with previous estimates, it is now clear that some of the fit out costs previously expected to be funded through the capital programme will in fact have to be funded from revenue. This particularly relates to teaching materials and general day to day

consumables which national accounting standards do not classify as capital related. A further £0.020m has been added to the provisional budget to cover these costs and ensures the per pupil funding rate is set at the amount recommended by the DfE.

- 5.23 The cost of support provided to statemented pupils in mainstream schools has also been updated from a costed schedule of pupils as at the end of January. This indicates a total cost increase of £0.060m, which is half the £0.120m forecast at the last meeting. There has been an increase of 8 pupils receiving a statement (total now 278) compared to the original 2010-11 budget, with average costs, excluding inflation, increasing by 1% to £5,483.
- 5.24 There are two further changes now proposed on budgets to be allocated to schools. In respect of the funding allocated to primary schools to cover the costs of the school meals catering contract, a revised calculation has been made for the likely subsidy required from schools next year and indicates a £0.015m cost increase, rather than the previous expectation of a £0.030m saving. The change here reflects the new reduced fixed contract meal price being in place from August, rather than from April which had been used in the previous calculation. Therefore, funding allocations need to increase by £0.045m.
- 5.25 The second change relates to the Independent Safeguarding Authority (ISA). School budgets are currently funded at £0.025m to finance the costs that were anticipated from the additional safeguarding checks anticipated from this new body. However, to date, the ISA has not been established, and latest information indicates it is unlikely to be implemented in the next financial year and therefore the funding is proposed to be removed. All schools have purchased the LA service to manage the ISA process in 2010-11 and a refund will now be made.
- 5.26 As elements of the budget have been amended, there has also been a re-calculation of the Minimum Funding Guarantee and this is now £0.076m lower than previously estimated. This also reflects the adjustment to Brakenhale school previously agreed by the Forum to pay only half the calculated amount in order to reflect the change in financial circumstances at the school and it's ongoing funding at the highest per pupil amount of any BF secondary school.

Budgets managed by the Council on behalf of schools

- 5.27 In respect of budgets managed by the LA, there are 2 significant changes in costs, both of which ultimately support schools. Firstly, there has been a change from the spending review in respect of the operation of the carbon reduction commitment (CRC). This scheme has previously been reported to the Schools Forum, and was originally intended to be cost neutral on a national scale as all organisations would need to purchase carbon allowances, with those making the biggest reduction to their carbon foot print receiving financial rewards that would be funded from penalties against organisations making the lowest reductions. However, the penalties and bonuses have now been removed from the CRC but all organisations will still need to purchase allowances. The DfE has indicated that the schools element of these costs should be charged to the Schools Budget as a central item and not delegated to individual schools. This change is estimated to cost £0.075m next year.
- 5.28 The second significant change relates to the school specific contingency. Members of the Forum will be aware that the main commitments against this budget relate to funding in-year increases in the cost of supporting children with SEN, significant increases in the number of pupils admitted by a school between January and September, and changes in take up of the free entitlement to early years education

and childcare. Reviewing these elements of costs, taking account of actual changes in 2010-11 and those forecast in 2011-12, an increase of £0.120m is proposed. More information on this is set out below at paragraph 5.33 (1).

- 5.29 The final changes proposed on centrally managed budgets relates to support for early years where an extra £0.001m saving is now anticipated on administration support, and a £0.012m saving can be made on the service purchased from the Margaret Wells Furby Children's Centre which provides for multi-disciplinary assessments, as the current budget is in excess of the cost of the agreement.

Net effect of proposed changes

- 5.30 Table 1 below summarises the financial effect of the changes now being proposed compared to those supported at the last meeting in February. Overall, there is an extra £0.551m of funds available. A breakdown of all the proposals, including those with no change is set out in Annex B.

Table 1: Summary of changes to budget proposals

Para Xref	Item of change from February report	2011-12 £ k
5.16	Estimated balance from 2010-11	-14
5.18	Mainstream pupil numbers	6
5.19	KLS places	31
5.20	Early Years providers	555
5.21	January 2011 census (FSM and EAL)	201
5.22	New Jennett's Park Primary School	20
5.23	Support to statemented pupils in mainstream schools	-60
5.24	Subsidy for primary school meals	45
5.25	Independent Safeguarding Authority	-25
5.26	Minimum Funding Guarantee	-76
5.27	Carbon reduction commitment	75
5.28	School specific contingency	120
5.29	Early Years support services	-13
	Sub total	863
5.14	Change in DSG income (also see Annex C)	914
	Net balance (- under / + over allocated)	-51

- 5.31 Should all of the proposals in this report be agreed, an estimated £0.051m remains unallocated in next year's budget that is available for distribution to schools and other providers. In such instances, the agreed budget strategy is that this would be allocated 85% to schools based on the number of pupils on roll, and 15% as a fixed allocation to each school. This is also consistent with responses from schools to the 2010 financial consultation where funding inflation was identified as the highest priority item. It is also proposed that funding for providers of the free entitlement to early years education and childcare, both in the maintained and PVI sectors receive the same percentage increase in funding to their basic rate as maintained schools will receive. The overall increase in funding is estimated at 0.075% and equates to approximated £3,200 for a secondary school and £800 for a primary school. A PVI early years provider would receive around £150.

The Forum may wish to consider whether any of the other budget pressures that are not currently funded, as set out in Annex A, should receive this unallocated funding, rather than the method proposed above.

Summary of provisional Schools Budget position

- 5.32 Table 2 below sets out a summary of how the additional £9.53m of income will be allocated in next year's budget, should the proposals set out in this paper be supported. Annex D provides a detailed breakdown of the budget by type of service delivery.

Table 2: Summary Schools Budget proposals for 2011-12

Item	Delegated £m	LA Managed £m	Total £m
Proposed changes from Annex B:	1.935	0.149	2.084
Unallocated balance	0.051	0	0.051
Mainstreamed grants (previously agreed)	7.270	0.125	7.395
Total overall increase	9.256	0.274	9.530

Decisions for the Schools Forum

- 5.33 Statutory regulations have conveyed powers to the Schools Forum in respect of certain decisions around the Schools Budget. Assuming the budget proposals made in this report are supported, then the Forum will need to agree the following:

- 1 That the level of school specific contingency for 2011-12 will increase by £0.120m to £0.571m. A breakdown of the relevant budget amounts in the current year, and those now proposed for next year are set out below in Table 3. Note, due to the nature of a contingency, where future liabilities are unknown, the proposed budget breakdown is indicative within the total estimated amount of funds. The contingency will be managed during the year across the relevant items, in the light of changing circumstances.

Table 3: Proposed break down of the school specific contingency

Item	2010-11	2011-12	Change
<u>Maintained schools</u>			
1. General provision for errors or exceptional costs	33	15	-18
2. In-year change in support to SEN pupils in mainstream schools	85	100	15
3. Exceptional pupil growth (8 classes)	117	185	68
4. Change in number / needs at Kennel Lane Special School / other exceptional SEN costs	41	121	80
5. Year on year budget protection for loses greater than 5%	30	30	0
Total maintained schools	306	451	145

Item	2010-11	2011-12	Change
<u>Early Years providers</u>			
6. General provision for errors / growth	100	100	0
7. Sustainability Fund	25	10	-15
8. SEN Fund	20	10	-10
Total Early Years	145	120	-25
Total Contingency Budget	451	571	+120

It can be seen that a number of changes are proposed, and these reflect a mixture of recent trends and future forecasts.

The changes proposed to the general provision, SEN pupils in mainstream schools, and the early years sustainability and SEN funds (items 1, 2, 7 and 8) have been amended to reflect recent trends.

The amendments to exceptional pupil growth and other SEN pressure (items 3 and 4) reflect the latest information the LA has in these pressures. In respect of exceptional pupil growth, which is paid to schools where their statutory number of pupils increase by at least 20 between January and September, the pupils expected to enter schools in September compared to the current year groups leaving indicates that 8 growth allowances will be payable. This is an increase from the 6 currently allowed for in the budget. Regarding other SEN pressures, whilst there has been growth to KLS, it is expected that more pupils will be admitted at September than currently allowed for in the budget. If this is the case, then growth allowances are also expected to be payable to KLS and are therefore reflected in the proposals.

- 2 The Forum has previously agreed that the high per pupil funding received by Brakenhale meant that the top up funding received through the Minimum Funding Guarantee (MFG) was no longer warranted and would be removed on a phased basis through to March 2013. The budget proposals assume this adjustment will continue.
- 3 That the total budget allocated to combined services that support both education and children's social care objectives be set at £0.591m. This reflects previous budget decisions and the proposals in this report, with Annex D providing a summary of where the budget is proposed to be spent.

5.34 Unlike previous years, there is no impact on the Central Expenditure Limitation (CEL) requirement from these proposals. The DfE prescribes a formula that LAs must use to determine whether Local Authority budget proposals result in a greater percentage increase in centrally managed budget items than those proposed for combined delegated school budgets, including YPLA funded sixth forms, and Early Years PVI providers. Where proposals indicate that LA managed items are increasing at a higher percentage than those to be delegated to schools, the CEL requires consent from the Schools Forum for the proposals to proceed. Using the DfE toolkit to calculate CEL, these budget proposals result in both LA managed expenditure and budgets being delegated to schools increasing by 2.8%, and therefore, there is no breach of the CEL. Note, these calculations make adjustment for the "mainstreaming" of grants.

Potential for further change

- 5.35 Due to the on-going process of checking and confirming data used for budget setting purposes, both by the LA, maintained schools and other providers, there is the possibility that this will identify the need to make amendments to these proposals. Should any further changes to these proposals be required, they will be presented to the Executive Member for a decision in March, and reported to the Forum in the new financial year.

Other items

- 5.36 The previous meeting of the Forum received a report on the outcomes of the survey of Early Years providers into the effectiveness of the new Early Years Single Funding Formula (EYSFF). The EYSFF was introduced from April 2010 and it is important to see whether there are any areas that needed improving. This report indicated that those providers making a response (20 – 31% in total) were broadly satisfied with the EYSFF.
- 5.37 At the Forum meeting, the Early Years PVI representative indicated that she had not received a copy of the survey and also knew of a number of other providers that were in the same position. A review of the process followed showed:
1. At a PVI provider meeting in October all providers in attendance were advised that a survey for the single funding formula would be sent out in early November. Providers were also advised that the survey would be sent out by e-mail and that this was an important opportunity to give views on current funding arrangements.
 2. The survey was e-mailed to all PVI providers on 09/11/2010 (with the exception of 1 provider who does not have an e-mail address, who was mailed a paper copy). No delivery failure messages were received.
 3. All PVI providers who had not returned the survey by 03/12/2010 were sent an e-mail reminder on 03/12/2010.
- 5.38 It seems that reasonable steps and communications have been undertaken with providers to alert them to this survey. Unfortunately, some providers have still not received important information and a review of all e-mail and other contact details is underway.

Conclusion

- 5.39 The financial position of the Schools Budget has improved from that anticipated when the budget report was presented in February. However, there are still a significant number of pressures that will not be funded and schools and providers will need to manage this through greater efficiencies and reductions in service levels. Schools should also review the use of “mainstreamed” grant income as all former restrictions have been removed meaning the funding can now be directed to the highest priorities.
- 5.40 There are also some uncertainties over income and costs, which are planned to be managed through the contingency proposals.
- 5.41 When determining where the increase in DSG should be applied in the Schools Budget, the Executive Member for Education will be requested to agree the recommendations from the Schools Forum, after taking account of any new

information that arises. These decisions will be taken later in March, with schools receiving their budget notifications before April.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The relevant legal requirements are contained within the body of the report.

Borough Treasurer

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

Impact Assessment

- 6.3 Impact assessments will be undertaken on the budget proposal agreed at this meeting in advance of the final budget decisions of the Executive Member which are due to be taken in March.

Strategic Risk Management Issues

- 6.4 A sum of £0.220m has been deducted from the anticipated level of DSG income over the next two years to meet the possibility of an over estimation of pupil numbers and the costs of unpredictable or unforeseen items that would represent in year budget risks. There is a further £0.571m proposed for the school specific contingency to meet the cost of other forecast in-year budget pressures and £0.304m if required to support schools in financial difficulty or in Ofsted categories. The Executive Member will need to consider whether sufficient contingencies have been set aside in the budget.

Other Officers

- 6.5 There are no issues arising from this report that are relevant to other officers.

7 CONSULTATION

Principal Groups Consulted

- 7.1 Governing bodies, early years PVI providers, Schools Forum.

Method of Consultation

- 7.2 Written consultation documents.

Representations Received

- 7.3 Set out in this and previous budget reports.

Background Papers

Reports to Schools Forum:

Various DfE guidance notes on School Funding

Contact for further information

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Budget 2011-12.doc

Pressures and developments agreed not to be funded in 2011-12

Ref	Item not to be funded	2011-12 current estimates		
		Delegated to schools £ 000	Managed by LA £ 000	Total £ 000
	<u>Cost pressures not recognised in the funding settlement</u>			
1	Inflation	487	123	610
2	Increase in employer NI rate	200	20	220
3	Increase in employer LGPS rate	40	5	45
	Net cost pressures not funded by DfE	727	148	875
	<u>Desirable budget developments (not essential)</u>			
4	Additional 0.5% inflation to minimum costs	230	30	260
5	Building maintenance	50	0	50
6	Family Support Advisers	180	0	180
7	Traded school improvement service	200	0	200
	Net non-essential budget developments	660	30	690
	<u>Alternative funding source identified</u>			
8	Capital expenditure (see paragraph 5.39)	0	150	150
	Net alternative funding source	0	150	150
	<u>Items considered unaffordable in the current climate</u>			
9	4 year olds from September 2011 – phase in over 3 years. Funds £230k only of £690k pressure	460	0	460
10	Playing for Success	0	50	50
	Net unaffordable items	460	50	510
	Total pressures not to be funded	1,847	378	2,225
	Initial Shortfall			2,515
	Remaining budget gap			290
	<u>Removal of funding duplicated in the Pupil Premium:</u>			
11	Looked After Children			18
12	Children from Service Families			15
13	Pupils eligible to a free school meal			257
	Total final savings			290

**Summary of budget pressures proposed to be incorporated
into the 2011-12 budget**

Ref	Item	2011-12 estimate		
		3 Feb Forum £ 000	3 March Forum £ 000	Change £ 000
	<u>Items delegated to schools</u>			
1	<u>Change in pupil numbers</u> Based on provisional analysis of the January 2011 census, there has been an increase of 239 pupils on roll.	549	555	6
2	<u>New primary school for Jennett's Park</u> The calculation reflects a September 2011 opening and is based on a preliminary staffing structure, including early appointments, and estimates for other costs.	400	420	20
3	<u>Change in pupil numbers at Kennel Lane</u> Reflects the agreed number and relative needs of individual pupils at the school.	193	224	31
4	<u>Free entitlement for 3 and 4 year olds</u> Estimate, based on 2011-12 participation rates, updated to reflect increase from 12½ hours provision per week to 15.	8	563	555
5	<u>Full time admission of 4 year olds</u> Funding for admissions from September, rather than current policy of January, has been added on a phased basis, with one third of the additional cost added in 2011-12. Future funding will be determined through the relevant budget setting process.	230	230	0
6	<u>Statemented pupils in mainstream schools</u> There has been an increase of 8 pupils receiving a statement (total now 278) compared to the original 2010-11 budget, with average costs, excluding inflation, increasing by 1% to £5,483 per pupil.	120	60	-60
7	<u>Data changes</u> Allocations to schools for pupils with English as an Additional Language have reduced by £0.003m, with deprivation funding based on the proportion of pupils eligible to a free school meal increasing by £0.204m as numbers have risen, with a reduction of £0.076m from the impact of the Minimum Funding Guarantee.	105	229	124
8	<u>School meals catering</u> A revised calculation has been made for the likely subsidy required from schools next year and indicates a £0.015m cost increase, rather than the previous expectation of a £0.030m saving. The change here reflects the new reduced fixed contract meal price being in place from August, rather than from April which had been used in the previous calculation.	-30	15	45

Ref	Item	2011-12 estimate		
		3 Feb Forum £ 000	3 March Forum £ 000	Change £ 000
9	<p><u>Items delegated to schools</u></p> <p><u>Crownwwod Language and Literacy Unit</u> A cost saving will arise as a result of moving from school based provision to specialist staff working in individual schools. The cost of transporting pupils will be removed, although there will be a £9k cost increase on staff travel, as set out in item 14 below.</p>	-47	-47	0
10	<p><u>Independent Safeguarding Authority</u> The ISA was intended to improve the process of background checks required on people working with children. Change in government policy means it has not been implemented and it is unclear if it will be.</p>	0	-25	-25
11	<p><u>Pupil Premium</u> The new Pupil Premium will be allocated to schools on the basis of eligibility to free school meals at January 2011. The core funding is £430 per eligible pupil, with children looked after for more than 6 months also qualifying for the funding. Children whose parents are in the armed forces will be funded at £200. In order to balance the overall budget, the BF Funding Formula will allocate less funds through these measures.</p>	-290	-290	0
12	Sub total items delegated to schools	1,238	1,935	697

Ref	Item	2011-12 estimate		
		3 Feb Forum £ 000	3 March Forum £ 000	Change £ 000
	<u>Items centrally managed by the Council</u>			
13	<u>External SEN placement costs</u> The latest costed schedule of pupils with SEN who are expected to be placed outside of BF maintained schools indicates a saving can be made next year against the current budget.	-50	-50	0
14	<u>Crownwood LAL</u> Whilst there is a £47k saving on pupil transport arising from the new service delivery model (see line 9 above), there will be a £9k increase in staff travel costs.	9	9	0
15	<u>Maternity leave cover</u> There has been an increase in the incidence of classroom staff taking maternity leave which has resulted in a budget over spend which is expected to continue into 2011-12..	40	40	0
16	<u>Early Years support services</u> Net on-going savings can be achieved from reduced administrative requirements and a budget surplus against the Margaret Wells Furby SLA which provides for multi-disciplinary assessments.	-10	-25	-15
17	<u>Support to schools in categories</u> This funding will be used in schools causing concern to support learning and teaching. Schools are likely to be in an Ofsted category of concern or at serious risk of becoming so. Such schools will need to demonstrate that they cannot make the necessary improvements to address any issues identified through inspection or review through the use of their own resources.	100	100	0
18	<u>Practical Learning Options for 14 years and over</u> Investment in this area has also been available as a result of the development of new diploma qualification, for which additional funding was available. As a result, it is possible to support further new developments with a reduced level of funding without compromising any of these valuable curriculum developments	-20	-20	0
19	<u>Speech and Language Therapy</u> The Speech and Language therapy service, via PCT and Symbol partnership to all schools for improved support to appropriate pupils was introduced as a short term service to improve awareness and skills in schools. This service has achieved its initial objectives and is therefore proposed to be scaled back.	-100	-100	0

Ref	Item	2011-12 estimate		
		3 Feb Forum £ 000	3 March Forum £ 000	Change £ 000
20	<p><u>Items centrally managed by the Council</u></p> <p><u>Carbon reduction commitment (CRC)</u> The spending review changed how the CRC was to operate, the effect of which is that all relevant organisations will need to purchase energy allowances. The DfE has indicated that the schools element of these costs should be charged to the Schools Budget as a central item and not delegated to individual schools.</p>	0	75	75
21	<p><u>School specific contingency</u> .A review of anticipated liabilities against the school contingency indicates the need to increase the budget. More information is set out in paragraph 5.33 (1).</p>	0	120	120
22	Sub total items managed by the Council	- 31	149	180
23	Total delegated and Council managed	1,207	2,084	877

Change in estimated income

Ref	DSG Income:	For Forum 3 Feb	For Forum 3 March	Change
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January 2011 provisional headcount data

1	DSG pupil numbers in maintained schools	14,433.0	14,521.1	88.1
2	Revised count for PRU pupils	0.0	0.0	0.0
3	DSG pupil numbers other than maintained schools	739.0	839.0	100.0
4	Contingency re overstated pupil numbers/in-year cost pressure	-45.0	-45.0	0.0

5	Final adjusted pupil numbers for 2011-12 DSG estimation	15,127.0	15,315.1	188.1
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DSG units of resource

6	Guaranteed DSG per pupil funding - core	£4,367.28	£4,367.28	
7	Guaranteed DSG per pupil funding - mainstreamed grants	£493.67	£493.67	

8	Total Guaranteed DSG	£4,860.95	£4,860.95	
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Estimated DSG income and available balances

9	Total Estimated DSG Income - core	£66.064 m	£66.885 m	£0.821 m
10	Total Estimated DSG Income - mainstreamed grants	£7.468 m	£7.561 m	£0.093 m

11	Total Estimated DSG Income	£73.532 m	£74.446m	£0.914 m
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12	Current DSG Base Budget	£65.129 m	£65.129 m	£0.0 m
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13	Change in DSG funding	£8.402 m	£9.316 m	£0.914 m
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14	Estimated available balances	£0.20 m	£0.214 m	£0.014 m
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15	Increase in income	£8.602 m	£9.530 m	£0.928 m
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16	Increase in income excluding mainstreamed grants	£1.207 m	£2.135 m	£0.928 m
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Objective Budget Book Analysis – 2011-12

Budget item	2010-11 Current Budget	Change Proposed	2011-12 Provisional Budget	Annual Change
<u>Delegated School Budgets</u>				
Primary	£27,199,380	£5,039,720	£32,239,100	18.5%
Secondary	£22,999,410	£3,402,000	£26,401,410	14.8%
Special	£2,903,640	£349,920	£3,253,560	12.1%
	£53,102,430	£8,791,640	£61,894,070	16.6%
<u>SEN provisions and support</u>				
External pupil placements	£4,662,250	-£50,000	£4,612,250	-1.1%
Sensory impairment support to schools	£115,000	£0	£115,000	0.0%
Teaching and support services	£813,110	-£100,000	£713,110	-12.3%
Language and Literacy (formerly at Crownwood)	£121,360	£9,000	£130,360	7.4%
Traveller Education	£75,140	£0	£75,140	0.0%
	£5,786,860	-£141,000	£5,645,860	-2.4%
<u>Combined Services</u>				
Procurement Specialist	£32,680	£0	£32,680	0.0%
Margaret Wells Furby Resource Centre	£169,390	-£12,540	£156,850	-7.4%
Young people in sport	£18,050	£0	£18,050	0.0%
Attainment of LAC	£113,590	£0	£113,590	0.0%
English as an Additional Language	£51,740	£77,000	£128,740	148.8%
Common Assessment Framework	£42,470	£0	£42,470	0.0%
Maintaining LAC in BFC	£62,890	£0	£62,890	0.0%
Education Health Partnerships	£30,000	£0	£30,000	0.0%
Families subject to domestic abuse	£6,000	£0	£6,000	0.0%
	£526,810	£64,460	£591,270	12.2%
<u>Education out of school</u>				
Pupil Referral Service	£698,750	£48,480	£747,230	6.9%
Home and group tuition	£264,090	£0	£264,090	0.0%
	£962,840	£48,480	£1,011,320	5.0%
<u>Pupil behaviour</u>				
CMCD	£31,870	£0	£31,870	0.0%
Behaviour Support Team and others	£495,060	£0	£495,060	0.0%
	£526,930	£0	£526,930	0.0%
<u>Early Years</u>				
PVI Providers	£2,438,710	£463,880	£2,902,590	19.0%
SEN Co-ordinators and others	£158,390	-£11,000	£147,390	-6.9%
	£2,597,100	£452,880	£3,049,980	17.4%
<u>Other items</u>				
Official staff absence	£292,880	£40,000	£332,880	13.7%
Licence fees	£109,730	£0	£109,730	0.0%
Practical learning options	£240,360	-£20,000	£220,360	-8.3%
School Specific Contingency	£308,210	£118,540	£426,750	38.5%
Early Years Specific Contingency	£145,000	£0	£145,000	0.0%
Premature retirement costs	£53,650	£0	£53,650	0.0%
School Admissions	£157,690	£0	£157,690	0.0%
Schools in financial difficulty	£204,470	£100,000	£304,470	48.9%
Former Standards Fund Projects	£72,000	£0	£72,000	0.0%
Carbon Reduction Commitment	£0	£75,000	£75,000	n/a
Other	£58,040	£0	£58,040	0.0%
	£1,642,030	£313,540	£1,955,570	19.1%
<u>Balance</u>				
Brought forward from 2009-10	-£16,000	-£214,000	-£230,000	n/a
	-£16,000	-£214,000	-£230,000	n/a
Total DSG	£65,129,000	£9,316,000	£74,445,000	14.3%