

**TO: EXECUTIVE MEMBER FOR CHILDREN, YOUNG PEOPLE & LEARNING
19 JANUARY 2016**

**LOCAL AUTHORITY PROPOSALS FOR THE 2016-17
SCHOOLS BLOCK ELEMENT 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 2016-17 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 2016-17 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 15 December, the Executive agreed that the 2016-17 Schools Budget should be set at the estimated level of DSG and other grant income plus 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.

Unrestricted

- 5.3 Appendix A presents the proposals expected to be agreed by the Schools Forum in respect of Schools Block 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 2016 census, and the High Needs Block DSG provided on a provisional basis, whereas provisional Schools Block DSG funding was confirmed in late December 2015. 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 27 February 2016, 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 2016. The proposed BF return is included at Annex 6 on the attached Appendix A.
- 5.6 The *Fairer Funding for Schools in 2015-16* initiative, which has been permanently incorporated into the financial settlement delivered additional funds to the BF Schools Block DSG of £1.469m. However, significant financial pressures continue on external placement costs for High Needs Pupils, which the Schools Forum agreed would need to be partly financed from this new money. A key element of the budget proposals is that this funding transfer continues.
- 5.7 2016-17 has again presented a challenge in setting a balanced Schools Block element of the Schools Budget. A new pressure this year has been the first of the new schools beginning to require additional financial support, with £0.213m needing to be drawn down from accumulated balances to meet all the essential and affordable costs.
- 5.8 With the financial settlement from the DfE again making no allowance for cost pressures, schools are estimated to face unfunded cost pressures next year of £2.7m, equivalent to 3.3% of current expenditure. The on-going nature of requiring schools to absorb cost pressures becomes more of a challenge each year and will impact on achieving school improvement targets.
- 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

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 Appendices A and B.

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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