

SCHOOLS BUDGET 2014/15

Cabinet Member(s)	Councillor Ray Puddifoot Councillor David Simmonds Councillor Jonathan Bianco
Cabinet Portfolio(s)	Leader of the Council Education and Children's Services Finance, Property and Business Services
Officer Contact(s)	Peter Malewicz, Finance
Papers with report	<ol style="list-style-type: none">1. Letter to Schools - School Funding Reform – Arrangements for 2013/14. Impact on School Budgets Consultation and Feedback.2. Report to Schools Forum - Formula Funding Review – Outcome of Schools Consultation3. Consultation Document – Schools, Early Years & High Needs Special Educational Needs (SEN) Funding Arrangements 2014/154. Report to Schools Forum – Formula Funding Review – Outcome of Schools Consultation

1. HEADLINE INFORMATION

Summary	The purpose of this report is to seek Cabinet's approval for the size and distribution of the schools budget for 2014/15, following consultation with school Headteachers and Governors having regard to the advice of the Schools Forum.
Contribution to our plans and strategies	Schools are a key frontline service in the Borough, and are the largest service providing investment in residents' children's and young people's future life chances and delivering on Our People theme in the Council's Vision, and the improving Aspiration Through Education and Learning priority in the Sustainable Community Strategy. The distribution of funding to schools supports these strategic aims.
Financial Cost	Funding for schools and school related expenditure is provided through the Dedicated Schools Grant (DSG) and the Pupil Premium and as such has no impact on the Council's budget requirement.
Relevant Policy Overview Committee	Children, Young People and Learning Services Policy Overview Committee
Ward(s) affected	All

2. RECOMMENDATION

That Cabinet:

- 1) Agrees that the total Schools Budget for 2014/15 will be equal to the total of the Dedicated Schools Grant (as set out in paragraphs 24 to 27) provided to the Council.**
- 2) Approve the Early Years Single Funding Formula be set at the same rate as in 2013/14, as set out in paragraph 11**
- 3) Approve the base rate of funding for the Two Year Old Free Entitlement Offer, as set out in paragraphs 12 to 13**
- 4) Approve the proposed changes to the Primary and Secondary schools funding formula as agreed by schools and the Schools Forum, as set out in paragraphs 14 to 23.**

Reasons for recommendation

1. Cabinet is the decision making body for school funding issues and decisions are required on the arrangements to allow for final funding allocations to be provided to schools by no later than 28 February 2014.
2. The School and Early Years Finance (England) Regulations 2013 requires the Council to consult the Schools Forum on a range of financial matters prior to making decisions on them. Each year the Council consults with schools on the following years funding and school funding formulas. For 2014/15 budgets, this consultation ended on 16 October 2013 and was considered at the Schools Forum meeting on 23 October 2013. Additionally, Schools Forum are required to set and agree the DSG budget for 2014/15, taking into account any accumulated surplus balances, this was agreed at the Schools forum meeting on 20 January 2014. The results of both of these decisions are reflected in the recommendations of this report.

Alternative options considered / risk management

3. A number of funding models have been considered by Schools Forum as part of the review of the Primary and Secondary schools funding formula. Schools were briefed on the new proposal in October 2013 and formally consulted on the proposed changes in October 2013.
4. Cabinet could decide to recommend that the Schools Forum reconsider the proposed Primary and Secondary schools funding formula and the Early Years Single Funding Formula. However, such decisions are not recommended as the proposals contained in this report are the result of a significant consultation process with the Schools Forum, schools and other stakeholders and fully meet the requirements as set out in the School Funding Reform Arrangements for 2014/15.
5. The recommended Schools Budget 2014/15 contains a contingency to provide for the growth in nursery and reception age children and for the set up costs of the two Basic Need Academies. It also includes an increased contingency for the placement of children with Special Educational Needs, including a provision for the cost of 16-25 placements.

Policy Overview Committee comments

6. None at this stage.

3. INFORMATION

Supporting Information

7. The coalition Government announced that it would implement a National Funding Formula in 2015/16. On its journey towards that end, further amendments were made to the 2014/15 funding formula for primary and secondary schools to be effective from 1 April 2014. All authorities have to use this standard model as it will be used to determine the budget shares for all schools (including free schools) in 2014/15.
8. The Two Year Old Free Entitlement Offer will be extended to cover the 40% most disadvantaged families with effect from 1 September 2014, where Hillingdon has a target of providing 1,589 places (an increase of 832 places on the 1 September 2013 target of 757 places)
9. No amendments were proposed for the Early Years Single Funding Formula or the High Needs funding model (the "place-plus" funding model).
10. The school landscape continues to change in light of the introduction of the Academies Act 2010. Hillingdon now has 27 Academy schools (9 primary schools, 13 secondary schools (two of which are pre converter academies), 3 special and 2 all-through schools (Rosedale College and Guru Nanak). Notification has been received that 1 primary and 1 secondary will convert to academy status in 2014, with a further primary school in the process of becoming a sponsored academy. Additionally, there are 2 new primary free schools and 1 Studio College, with a further 2 basic need academy primary schools, 1 University Technical College, 1 Studio College and 1 special free school planned to open in September 2014.

Early Years (3 and 4 Year Old Provision)

11. The Early Years Single Funding Formula (EYSFF) provides funding for schools, Private, Voluntary and Independent Nursery providers and Childminders for 3 and 4 year old placements. It is proposed that the EYSFF will not change for 2014/15 and will continue to include the following factors:
 - A base rate per hour for all pupils (£4.02 per hour per pupil)
 - Deprivation funding, based on the Income Deprivation Affecting Children Index (IDACI), set at 8% of the total funds available
 - Quality funding, based on the Ofsted rating and Hillingdon Early Years Quality Framework scores, set at 4% of the total funds available
 - Lump Sum (only applies to McMillan Nursery)

Early Years (Two Year Old Free Entitlement Provision)

12. This new provision came into force on 1 September 2013 and provided funding for places for those families falling within the 20% most disadvantaged across the country.

This requirement will be extended further on 1 September 2014, to cover the 40% most disadvantaged families across the country.

13. The DfE strongly recommended that all Councils put in place a simple funding formula for the two year old free entitlement offer, which Hillingdon followed, having only a base rate of funding, which for 2013/14 was set at £6.00 per hour per pupil. Schools Forum agreed to maintain this formula and level of funding in 2014/15.

Primary and Secondary Schools

14. The main focus of Schools Forum has been to undertake a further review of the funding formula taking into account feedback received from schools, using benchmarking data provided by the DfE and applying the new factors that the DfE require all local authorities to implement as set out in the School Funding Reform – Findings from the Review of 2013/14 Arrangements and Changes for 2014/15.
15. In May 2013, Schools Forum consulted with schools to determine whether they had any concerns with the new funding formula, so as to inform them of areas that should be reviewed. Additionally, the DfE provided local authorities with a complete analysis of all of the funding models of each local authority, which Schools Forum also considered as part of its review of the schools funding formula for 2014/15. The main findings from this review are set out in paragraph 18 below
16. In June 2013, the DfE published the School Funding Reform – Findings from the Review of 2013/14 Arrangements and Changes for 2014/15 document, which made a number of adjustments to the 2013/14 funding formula for inclusion within the 2014/15 funding model. The main changes are set out in paragraphs 19 to 20 below.
17. Between June 2013 and September 2013, Schools Forum considered a number of funding models, taking into account the review that they had undertaken earlier in the year and ensuring that the new funding requirements as set out in the DfE document were factored into the proposed funding formula for 2014/15. Schools were provided with two options and consulted on them in October 2013. Schools were also invited to a number of briefing sessions to explain the proposed changes that would be made to the schools funding formula. The outcomes of this consultation were considered at the Schools Forum meeting on 23 October 2013, and led to a final formula being agreed that was submitted to the DfE before the 31 October 2013 deadline.

Consultation with Schools - May 2013

18. It was clear from the responses received from schools, that they had a number of concerns about the principles set and that they wished Schools Forum to undertake a further review of the funding formula for 2014/15. The most notable are set out below:
 - i) The protection of the ratio of funding between primary and secondary schools was raised as a concern. Primary schools have a view that if more funds are targeted at the primary sector the pupils will be better educated when

- transferring to secondary and thus reduce the need for high levels of support in the secondary sector.
- ii) The AWPU for each stage should reflect the minimum needs of all pupils
 - iii) Rather than moving towards the national average, the Schools Forum should consider moving towards the statistical neighbours average, which will take into account local circumstances
 - iv) High Needs Funding – schools are concerned that they are not receiving the £6,000; there is a need to review the 2% cluster school SEN funding level with an aim of reducing the percentage trigger
 - v) AWPU Levels
 - vi) Lump Sum – differentiate between primary and secondary; reduce the level of the lump sum
 - vii) Mobility – move funding into Deprivation
 - viii) Deprivation Funding – The level of deprivation funding should be reviewed as schools also receive Pupil Premium funding; consider using IDACI; increase the deprivation funding to the 2012/13 level
 - ix) EAL Funding – Aim to reduce this factor, using this factor as a mathematical exercise rather than through need is questionable as EAL children generally achieve good level of attainment

Benchmarking

19. The DfE published a report, which provided local authorities with a range of benchmarking information that could be used to compare its funding formula with all other local authorities (of which there are 151). The table below provides a summary of Hillingdon's School Funding Formula compared to the benchmarking data provided:

Factor	Ranking Amount/ Amount Per Pupil	Ranking Proportion of Funding
Primary AWPU	35 th Highest	21 st Highest
KS3 AWPU	30 th Highest	80 th Highest
KS4 AWPU	29 th Highest	103 rd Highest
Deprivation		130 th Highest
Looked After Children	The Highest	12 th Highest
Low Cost High Incidence Primary SEN	51 st Highest	92 nd Highest
Low Cost High Incidence Secondary SEN	91 st Highest	
EAL Primary	26 th Highest	4 th Highest
EAL Secondary	110 th Highest	
Mobility Primary	7 th Highest	11 th Highest
Mobility Secondary	9 th Highest	
Lump sum	62 nd Highest	116 th Highest
Split Sites	65 th Highest	63 rd Highest
MFG	37 th Highest	
Growth Contingency	25 th Highest	
Primary:Secondary Ratio	53 rd Highest	

20. This analysis indicates that Hillingdon is at the upper end of the rankings for Looked After Children, EAL and Mobility when compared to all other authorities. Most of the others are slightly above average, with only Deprivation being at the lower end of the rankings.

School Funding Reform – Findings from the Review of 2013/14 Arrangements and Changes for 2014/15

21. In June 2013, the DfE published the Findings from the Review of 2013/14 Arrangements and Changes for 2014/15. Set out below is an overview of the changes required.

22. The following sets out the changes that the DfE are making to the funding formula for 2014/15:

- i) A minimum of 80% of the delegated schools block funding must be allocated through a locally determined combination of the pupil-led factors (defined as Age Weighted Pupil Unit (AWPU), Deprivation, Prior Attainment, Looked After Children and English as an Additional Language). Hillingdon delegates 88.9%.
- ii) AWPU rates must be at least the following for each different stage:
 - Primary - £2,000
 - Key Stage 3 and Key Stage 4 - £3,000
- iii) The Early Years Foundation Stage Profile (EYFSP) will still be used as the factor for determining prior attainment in Primary schools, although with the introduction of the new EYFSP, pupils will qualify where they have not achieved a good level of development in all 12 prime areas of learning as well as maths and literacy.
- iv) The factor for Secondary schools will slightly be amended to pick up pupils that do not achieve a level 4 or higher in English or Maths. It is anticipated that this will double the current numbers. However from 2012 the Key Stage 2 English Assessment methodology changed. The figures that will be used include the reading or teacher assessed writing elements, but not the grammar, punctuation and spelling test results.
- v) The factor for Looked After Children will be based on a single day or more pupil numbers, no change for Hillingdon.
- vi) The Pupil Mobility Factor will be changed so that it only picks up pupils above a 10% threshold of number on roll.
- vii) The DfE are introducing a Sparsity Factor which measures the distance pupils live from their second nearest school. It is understood that this will only be applicable to a very small number of authorities
- viii) Lump Sum Factor set at a maximum of £175,000 (for 2013/14 it was £200,000). Hillingdon has a Lump Sum Factor of £140,000. The value for each sector can be different as long as it stays within the maximum allowance.
- ix) Merging schools will receive funding over the two full years following the merger based on 85% of the two lump sums.
- x) The DfE will allow a local authority to retain DSG to fund schools with falling rolls, but only where the schools Ofsted rating is good or outstanding. This might provide an opportunity to submit a case for Abbotsfield as the school is in the Priority School Building Programme, but is currently experiencing falling roll numbers, although the schools Ofsted rating is not good or outstanding.
- xi) The Membership of Schools Forum will be amended to replace the representative from the 14-19 partnership with a representative from an institution providing education beyond 16 (but not a school or academy).

xii) Special school funding will be based on actual learner numbers. It is not clear how this will work yet but it is understood that the pre 16 High Needs pupils will be funded more in line with the post 16 High Needs pupils. Where an authority has vacant spaces that it is currently funding, this will potentially create some financial challenges. In the main most of the special schools in Hillingdon are full or near to full.

23. Taking into account all of the changes required by the DfE, the results of the consultation with schools in May 2013 and the review of benchmarking data, Schools Forum consulted schools in October 2013 on a new proposed funding formula, which was agreed at its meeting on 23 October 2013. This proposal made changes to the Attainment pupil numbers in secondary schools and the mobility numbers across both sectors in line with the requirements as set out in the DfE paper, adjusted the rates of per pupil funding for FSM and EAL to the national average and adjusted AWPU rates to achieve a Primary to Secondary funding ratio of 1 to 1.29. Based on the 2013/14 budget, this would move approximately £150k into the primary sector from the secondary sector.

Dedicated Schools Grant Allocation 2014/15

24. The EFA released the draft DSG figures on 18 December 2013, which includes all of the adjustments for the two year old free entitlement offer, the post 16 SEN pupil numbers and an update on pupil numbers taken from the October 2013 census date. The DSG will continue to be calculated through three funding blocks (Early Years, Schools and High Needs).

25. The total DSG for 2014/15 will be £237.936 million, an increase of £6.087 million on the 2013/14 budget, due primarily to growth in the primary pupil population, an increase in the two year old free entitlement funding and adjusting for the full year effect of the changes in post 16 funding which will transfer in totality to the local authority in 2014/15.

26. The following table summarises the comparison between the original baseline budget data and the new budget as released on 18 December 2013:

Funding Block	2013/14 £000	2014/15 £000	Change £000
Two Year Old Funding	3,324	4,737	1,413
Early Years	15,640	15,579	-61
Schools	182,894	186,816	3,922
High Needs	29,991	30,804	813
Total	231,849	237,936	6,087

27. The following paragraphs set out the determination of Hillingdon's DSG for 2014/15 for each funding block.

Early Years Funding Block

28. The following table summarises the comparison between the original baseline budget data and the new budget as released on 18 December 2013:

Funding Block	2013/14 £000	2014/15 £000	Change £000
Early Years	15,579	15,579	0
Other – 90% 3 Year Old Floor Protection	61	0	-61
Total	15,640	15,579	-61

29. For 2014/15, the 90% funding floor protection for 3 Year Olds has been removed. In total the Early Years Funding Block has decreased slightly by £61k.

30. The Guaranteed Unit of Funding (GUF) has been cash limited to the 2012/13 baseline figure. For Hillingdon the Guaranteed Unit of Funding for the Early Years Block is noted in the following table along with the relevant pupil numbers:

Funding Block	2013/14 £000	2014/15 £000	Change £000
Early Years - Pupil Numbers	3,181	3,181	0
Early Years - GUF per pupil	£4,820.35	£4,820.35	£0.00

Schools Funding Block

31. The following table summarises the comparison between the original baseline budget data and the new budget as released on 18 December 2013:

Funding Block	2013/14 £000	2014/15 £000	Change £000
Schools	182,836	187,015	4,179
Other – NQT Funding	58	59	1
Other – CRC Scheme	0	-258	-258
Total	182,894	186,816	3,922

32. For 2014/15, the Government are changing the mechanism for the schools Carbon Reduction Commitment Scheme, which has resulted in funds being deducted from the DSG. In total the Schools Funding Block has increased by £3.922 million.

33. The Guaranteed Unit of Funding (GUF) has been cash limited to the 2012/13 baseline figure. For Hillingdon the Guaranteed Unit of Funding for the Schools Blocks is noted in the following table along with the relevant pupil numbers:

Funding Block	2013/14 £000	2014/15 £000	Change £000
Schools - Pupil Numbers	37,930	38,797	867
Schools - GUF per pupil	£4,897.51	£4,897.51	£0.00

34. The pupil number growth in schools reflects the change in pupil numbers between the October 2013 census and the October 2012 census. The following table analyses this further between the Primary and Secondary sectors:

Sector	Oct-12	Oct-13	Change
Primary	24,292.5	25,203.0	910.5
Secondary	13,679.5	13,643.5	-36.0

Less High Needs	-108.0	-102.0	6.0
Plus Reception Uplift	63.0	52.5	-10.5
Plus Alternative provision	3.0	0.0	-3.0
Total Schools	37,930.0	38,797.0	867.0

High Needs Funding Block

35. The following table summarises the comparison between the original baseline budget data and the new budget as released on 18 December 2013:

Funding Block	2013/14 £000	2014/15 £000	Change £000
High Needs Funding	29,877	30,804	927
Other – Non Maintained Special Schools Grant	114	0	-114
Total	29,991	30,804	813

36. The net growth of £813k relates to the full year effect of the integration of the post 16 funding that used to be managed directly by the EFA. It does not include any additional funding for SEN pupil growth as the provisional planned place numbers were submitted at the end of December 2013 for consideration by the DfE. It is understood that the final High Needs Funding Block will be agreed by the end of March 2014. On top of this the Council will receive funding directly from the EFA for post 16 students in Meadow Special School.

Estimated DSG Budget for 2014/15

37. In determining the final distribution of the DSG funds available, it is a requirement that predicted year end balances are built into the final determination. For 2013/14, there is a significant projected year end surplus accruing on the DSG, which for month 8 was estimated to be £2.472 million. The DSG also has a surplus balance of £709k, which it carried forward from 2012/13, increasing the amount of funds available to £3.181 million.
38. The following table summarises the amount of additional funds in the DSG that have been factored into the determination of the allocation of the DSG budget for 2014/15, which Schools Forum considered at its meeting on 20 January 2014:

Funding Source	£000
Increase in DSG	6,087
Year End Cumulative DSG Surplus	3,181
Total DSG Funds Available 2014/15	9,268

39. At its meeting on 20 January 2014, Schools Forum considered a range of funding proposals that could be funded from the increased DSG budget. This included a number of proposals to fund early intervention initiatives, to review the top-up rate of funding for Special Schools, take into account any technical adjustments, take into account any demographic pressures in Early Years and Special Educational Needs (SEN), realign the DSG base budget taking into account the 2013/14 outturn position and consider a suitable level of DSG balances.

Proposals for use of DSG in 2014/15

40. Set out in the following table is a summary of the proposals that were agreed to be funded in 2014/15 from the DSG budget:

Proposal	£
Early Years	
Home Intervention Services	200,000
Play Vans	53,208
Sensory Equipment	50,000
Increase Early Years Single Funding Formula Funding	50,000
High Needs	
Increased Top-up Fees for Hedgewood, Meadow, Grangewood and Moorcroft	593,000
Reduction in Planned Place Numbers	-300,000
Increased Top-up Fees for Special Resource Provisions at Harlington, Northwood, Vyners and Coteford Junior	60,000
Total of Proposals 2014/15	706,208

Technical Adjustments and Demographic Growth 2014/15

41. The High Needs Block Funding has been adjusted to reflect the full year impact of the transfer of responsibility for post 16 SEN pupils in FE Colleges and Independent Special Providers for pupils that have an identified Additional Learning Support Requirement or have a Learning or Physical Disability. The High Needs Block Funding has increased by £813k. As this would be the first full year of this new funding arrangement, it was proposed that this £813k is retained to fund these costs.
42. The Government have decided to remove the Carbon Reduction Commitment (CRC) from the DSG and fund this centrally. The DSG has been adjusted to take account of this. The base budget for 2013/14 includes £220k for this, which will no longer be required.
43. Based on the extension of the Two Year Old Free Entitlement Offer to cover the 40% most disadvantaged families across the country, and taking into account the current take up percentages, the estimated budget required for the cost of placements will be £3,195k, which when compared to the current budget of £2,387k, will require an increase in the budget of £808k.
44. Additionally the Council will receive £519k for capacity funding, which is a drop of £418k on the 2013/14 allocation of £937k.
45. The table below sets out the latest projected numbers of SEN pupils as at 31 March 2014:

	Actuals 1.04.13	Projected 31.3.14	Growth
Autistic Spectrum disorder	405	436	31
Behaviour, Emotional and Social Difficulty	149	138	-11
Hearing Impairment	38	43	5
Mild Learning Difficulty	298	313	15
Multi-Sensory Impairment	6	6	0
Other ie: (Medical/mental health)	37	39	2
Physical Disability	89	93	4
Profound & Multiple learning difficulties	32	31	-1
Speech Language and Communication Needs	259	270	11
Severe Learning Difficulty	114	115	1
Specific Learning Difficulty	32	33	1
Visual Impairment	21	23	2
Total SEN Pupil Numbers	1,480	1,540	60

46. The table above indicates that there will be a growth of 60 SEN pupils in 2013/14, half of whom will have an ASD SEN. This growth is consistent with previous years, therefore it would be reasonable to assume that there will be similar growth in 2014/15. Assuming an even growth distribution with an average cost of £20k per place, it is estimated that an additional £655k will be required to fund the growth in SEN pupil numbers.

DSG Outturn 2013/14 Review

47. Schools Forum agreed that it would be good practice to retain a working balance for the DSG, which they agreed to set at 2% of the centrally retained budget resulting in £650k being held as a reserve in 2014/15.

48. Additionally the DSG allocation for 2013/14 included a budget of £937k for two year old capacity funding, which has not been used. Schools Forum agreed to retain this fund for 2014/15 to support the continued requirement to grow capacity for the two year old free entitlement offer.

Proposed Increase in Schools Delegated Budget 2014/15 and Proposed DSG Budget for 2014/15

Schools Delegated Budget 2014/15

49. The following table sets out the proposed increase in the Schools Delegated Budget:

Proposal	Budget £000
<u>Growth</u>	
Growth in DSG 2014/15	6,087
Year End Cumulative DSG Surplus	3,181
Total Growth	9,268
<u>Proposals and Adjustments</u>	
Early Years and High Needs - Option 1	706
Post 16 Full Year Effect	813
Removal of CRC	-220
Two Year Old Funding	808
Two Year Old Capacity Funding	-418
SEN Pupil Growth	655
Retained Balances	650
Two Year Old Capacity Funding 2013/14	937
Realignment of Base Budget	-78
Total Proposals and Adjustments	3,853
Funds Available for Delegation	5,415

Proposed DSG Budget 2014/15

50. The following table sets out the final DSG Budget for 2014/15, ignoring academy recoupment to ensure that the baseline equates to the amount of DSG that has been noted above:

	Base Budget 2014/15	Adjustments	Required Budget 2014/15
	£		£
Surplus Balances - General Reserve (2%)	0	650,000	650,000
Surplus Balances - Earmarked Two Year Old Capacity Funding 2013/14	0	937,000	937,000
1.0.0 DSG Income	-231,849,000	-9,268,000	-241,117,000
1.0.0 Post 16 Funding	-479,200	-284,000	-763,200
1.0.1 Individual Schools Budget	199,909,600	-250,000	199,659,600
1.0.1 Two Year Old Funding	2,386,800	808,200	3,195,000
1.0.5 Central expenditure on education of children under 5	1,502,000	303,200	1,805,200
1.0.5 Two Year Old Capacity Funding	937,000	-418,000	519,000
1.1.2 Contingencies	1,827,000	-36,000	1,791,000
1.2.2 SEN support services	947,000	0	947,000
1.2.3 Support for inclusion	491,000	0	491,000
1.2.4 Fees for pupils with SEN at independent special schools & abroad	7,872,200	1,658,800	9,531,000
1.2.6 Fees to independent schools for pupils without SEN	100,000	20,000	120,000
1.2.6 Special School and SRP Top Up Funding	4,201,100	973,900	5,175,000
1.2.6 Maintained SEN Primary Top Up Funding	2,187,500	98,500	2,286,000
1.2.6 Maintained SEN Secondary Top Up Funding	246,500	-21,500	225,000
1.2.6 Academy School SEN Top Up Funding	5,724,400	5,600	5,730,000
1.2.6 FE College ALS Top Up Funding	323,100	-62,100	261,000
1.2.6 PRU Top Up Funding	651,700	0	651,700
1.2.8 Contribution to combined budgets	1,540,000	-420,000	1,120,000
1.3.1 Pupil Referral Units	177,300	0	177,300
1.3.3 Education out of school	696,300	109,700	806,000
1.4.12 Exceptions agreed by Secretary of State	78,700	300	79,000
1.6.3 School admissions	162,000	0	162,000
1.6.5 Miscellaneous (not more than 0.1% total of net SB)	142,000	0	142,000
1.6.6 Servicing of schools forums	5,000	0	5,000
1.6.9 Purchase of carbon reduction commitment allowances	220,000	-220,000	0
Total	0	-5,414,400	-5,414,400
Proposed Increase in Delegated Budget		5,414,400	

Financial Implications

This is a financial report dealing with funding issues affecting schools. The financial impact is explained throughout the report. The proposals contained within this report do not affect the General Fund proposals that are considered elsewhere on this agenda, as the School Budget is fully funded from the ring-fenced Dedicated Schools Grant.

4. EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

The approval of the recommendations as set out in this report will enable the distribution and confirmation of the funding arrangements for schools for 2014/15, including the final individual school budget shares, which have to be distributed to schools on or before 28 February 2014.

Consultation Carried Out or Required

The Council is required to consult with the Schools Forum on any changes to the school funding formula and the Early Years Single Funding Formula as prescribed in the Schools Forums (England) Regulations 2013, which are covered in this consultation paper. The Schools Forum has a limited range of decision making powers with regards to school funding. In most aspects the Schools Forum role is to advise the Council on decisions that rest with Cabinet, such as the school budget. The main role of the Schools Forum is to consult with schools on proposed changes to funding arrangements, including any changes to the school funding formula. For 2014/15, the consultation with schools revolved around the changes to the primary and secondary schools funding formula. The formal consultation ended on 17 October 2013, where consultation information sessions were held in the lead up to this.

5. CORPORATE IMPLICATIONS

Corporate Finance

Whilst the regulations covering the operation of school forums give more decision making powers to schools with regard to certain aspects of the schools funding it remains the responsibility of the Cabinet to agree the Schools Budget for 2014/15 as set out in this report. The Council may add to the amount of the Schools Budget from resources funded by Government grants or through Council Tax raised to fund the General Fund, but may not set the Schools Budget below the level of the DSG.

Funding proposals for the Schools Budget for 2014/15 set out in this report are fully consistent with the report on the General Fund Revenue funding and Capital Programme for 2014/15 elsewhere on the agenda .

Legal

The Borough Solicitor confirms that the Council has followed the procedures specified in the School and Early Years Regulations 2013, including consulting with the Schools Forum. The Borough Solicitor therefore advises that there are no legal impediments to Cabinet agreeing the recommendations set out in this report.

6. BACKGROUND PAPERS

NIL