

# SCHOOLS BUDGET 2015/16

<b>Cabinet Member(s)</b>	Councillor Ray Puddifoot MBE Councillor Jonathan Bianco Councillor David Simmonds
<b>Cabinet Portfolio(s)</b>	Leader of the Council Finance, Property and Business Services Deputy Leader, Education and Children's Services
<b>Officer Contact(s)</b>	Peter Malewicz, Finance
<b>Papers with report</b>	<ol style="list-style-type: none"><li>1. Consultation Document – Fairer Schools Funding - Arrangements for 2015 to 2016</li><li>2. Report to Schools Forum - Formula Funding Review – Outcome of Schools Consultation</li></ol>

## 1. HEADLINE INFORMATION

<b>Summary</b>	The purpose of this report is to seek Cabinet's approval for the size and distribution of the schools budget for 2015/16, following consultation with school Headteachers, Governors and Early Years providers having regard to the advice of the Schools Forum.
<b>Contribution to our plans and strategies</b>	<b>Putting our Residents First: <i>Our People; Financial Management</i></b>  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. They deliver on the Council's 'Our People' theme along with improving aspiration through our education and learning priorities in the Sustainable Community Strategy. The distribution of funding to schools supports these strategic aims.
<b>Financial Cost</b>	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.
<b>Relevant Policy Overview Committee</b>	Children, Young People and Learning
<b>Ward(s) affected</b>	All

## **2. RECOMMENDATION**

**That Cabinet:**

- 1) Agree that the total Schools Budget for 2015/16 will be equal to the total of the Dedicated Schools Grant (as set out in paragraphs 25 to 28) provided to the Council.**
- 2) Approve the Early Years Single Funding Formula, as set out in paragraph 13.**
- 3) Approve the base rate of funding for the Two Year Old Free Entitlement Offer, as set out in paragraphs 14 and 15.**
- 4) Approve the Primary and Secondary schools funding formula as agreed by schools and the Schools Forum, as set out in paragraphs 16 to 24.**
- 5) Approve the proposed changes to the High Needs funding formula as agreed by Schools Forum**

### **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 2015.
2. The School and Early Years Finance (England) Regulations 2014 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 2015/16 budgets, this consultation ended on 13 October 2014 and was considered at the Schools Forum meeting on 22 October 2014. Additionally, Schools Forum are required to set and agree the DSG budget for 2015/16, taking into account any accumulated surplus balances, this was agreed at the Schools Forum meeting on 15 January 2015. The results of both of these decisions are reflected in the recommendations of this report.

### **Alternative options considered / risk management**

3. At its meeting on 25 June 2014 Schools Forum decided that they did not want to make changes to the Primary and Secondary schools funding formula. Schools were briefed and formally consulted on the proposal in October 2014. Feedback received from the consultation indicated that the Early Years Single Funding Formula and High Needs Funding formula needed to be amended for 2015/16. Schools Forum considered a range of options and agreed to implement an increase to the Early Years Single Funding Formula base rate and a new banded funding model for High Needs.
4. Cabinet could decide to recommend that the Schools Forum reconsider the proposed Primary and Secondary schools funding formula, the Early Years Single Funding Formula and the High Needs 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 2015/16.

5. The recommended Schools Budget 2015/16 contains a contingency to provide for the growth in nursery and reception age children and for the set up costs and diseconomies of scale funding for the three Basic Need Primary Academy schools. 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 Government announced in March 2014, that it would not be implementing a National Funding Formula in 2015/16. However, it made a commitment to provide additional funding for all of those authorities whose per pupil Guaranteed Unit of Funding was below the national average level of funding. Based on the information at the time, Hillingdon would benefit from this proposal.
8. The Government also proposed minor changes to the schools funding formula in its' paper Fairer Schools Funding Arrangements for 2015 to 2016, the most significant change relating to the inclusion of all schools within the dataset, including non recoupment academies, free schools, studio colleges and university technical colleges. It should be noted that all authorities are required to use this standard model to determine the budget shares for all schools in 2015/16.
9. Amendments have been made to the funding of the Two Year Old Free Entitlement Offer, which provides funding for the 40% most disadvantaged families in the country. This funding will be based on actual participation based on the January 2015 census data. The finance settlement released on 17 December 2014 does not provide any resources within the Dedicated Schools Grant for this provision.
10. Schools Forum agreed to increase the Early Years Single Funding Formula base rate, in response to feedback received from the October 2014 consultation.
11. Schools Forum also agreed to implement a new Banded Funding model for the determination of top up funding that will be provided for pupils that have a statement of Special Educational Need/Education Health and Care Plan.
12. Schools continue to convert to Academy status, following the introduction of the Academies Act 2010 where the current picture in Hillingdon is that 34 schools are now academies (15 Primary, 16 secondary (of which 2 are non recoupment academies), and 3 special), of which 5 schools (2 primary, 2 new basic need primary and 1 secondary) converted in 2014/15. Additionally, 1 primary and 1 special school will convert before the end of the 2014/15 financial year. Furthermore, based on the DfE website, 3 more schools are seeking to convert in 2015/16 (all primary). There will also be one new basic need primary academy opening in September 2015. The Borough also has 2 primary free schools, 2 Studio Colleges, 1 University Technical College and 1 special free school.

### **Early Years (3 and 4 Year Old Provision)**

13. 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 be amended by increasing the base rate level of funding to £4.22 per hour per pupil from £4.02 per hour per pupil for 2015/16, providing an additional £613k. There are no other proposed changes to the EYSFF, which will continue to include the following factors:

- A base rate per hour for all pupils (£4.22 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)**

14. This new provision came into force on 1 September 2013 and was extended further on 1 September 2014, to cover the 40% most disadvantaged families across the country.

15. 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 2015/16.

### **Primary and Secondary Schools**

16. 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 new legislative changes including the Special Educational Needs and Disabilities reform, as set out in the Children's and Families Act 2014, the continuation of the Schools Funding Reform review, as set out in the Fairer Schools Funding in 2015/16 paper and changes to the Pupil Premium.

17. In October 2014, Schools Forum consulted with schools to determine whether they had any concerns with the 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 2015/16. The main findings from this review are set out in paragraph 19 below.

18. In July 2014, the DfE published the Fairer Schools Funding – Arrangements for 2015 to 2016 document, which made a number of adjustments to the funding formula for inclusion within the 2015/16 funding model. The main changes are set out in paragraphs 22 to 23 below.

## Consultation with Schools - October 2014

19. It was clear from the responses received from schools, that the majority (76.2%) supported the proposal to make no changes to the school funding formula model for 2015/16. However a number of key points were raised with the most notable set out below:

- i) Consider increasing the Early Years factors in line with inflation.
- ii) Review the application of the Early Years quality factor.
- iii) Concern around the differential between the primary and secondary AWPU.
- iv) Concern around applying retrospective adjustment for pupil mobility.
- v) Review deprivation funding factor to take into account significant increase in Pupil Premium.
- vi) Review the need for the highest LAC funding factor in the country.
- vii) Consider introducing a different lump sum for each sector.
- viii) Review the current mobility factor.
- ix) Support for the proposal to review high needs top-up funding.
- x) Seek further clarity on the £6,000 SEN funding for each statemented pupils built into school budgets.
- xi) Concern around the high level of therapy costs incurred.
- xii) Concern around retaining a standstill budget.
- xiii) LAC Pupil Premium should be fully devolved to schools.
- xiv) Impact on school budgets of changes to Teacher's Pensions increases and changes to the NI rebate.

## Benchmarking

20. 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 how Hillingdon's School Funding Formula compared to the benchmarking data provided:

<b>Factor</b>	<b>Benchmarking National Average Amount Per Pupil</b>
Primary AWPU	Slightly above average
KS3 AWPU	Slightly above average
KS4 AWPU	Slightly above average
Deprivation	Very close to average
Looked After Children	The highest
Low Attainment	Above average
Mobility	Slightly below average
Lump sum	Slightly below average

21. This analysis indicates that Hillingdon is at the upper end of the rankings for Looked After Children, and Low Attainment when compared to all other authorities. Most of the others are slightly above average, with only Mobility and lump sum being below the average.

## Fairer Schools Funding - Arrangements for 2015 to 2016

22. In July 2014, the DfE published the Fairer Schools Funding Arrangements for 2015 to 2016. Set out below is an overview of the changes required.
23. The following sets out the reforms that the DfE are making to the schools funding system for 2015/16:
- i) No national funding formula.
  - ii) Minimum funding levels have been set for AWPU, deprivation, looked after children, low prior attainment, English as an additional language and lump sum.
  - iii) Increased funding for those Authorities below the national average.
  - iv) Conversion of all non-recoupment academies to recoupment academies.
  - v) Minimum Funding Guarantee (MFG) set at minus 1.5%.
  - vi) Additional funding for early years, through a new early years pupil premium to provide nurseries, schools and other providers of government funded early education with additional funding of £300 per eligible child for disadvantaged three and four year olds.
  - vii) The DfE are making amendments to the calculation of the 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, and does not apply to Hillingdon.
  - viii) The published high needs places for 2014/15 will be the numbers used to fund the places for 2015/16. Local authorities will be able to identify significant changes in SEN places that require more place funding.
  - ix) The funding of alternative provision places will increase from £8,000 to £10,000 per annum from September 2015. The scope for changes to local authorities high needs allocations on account of changes to alternative provision will become more limited with changes to the nature and scale of alternative provision to be met by local authorities.
  - x) The Membership of Schools Forum will be amended to increase the representation of special and alternative provision academies and ensure that important issues concerning SEN and alternative provision funding are discussed in the Forum.
24. Taking into account all of the changes required by the DfE, the results of the consultation with schools and the review of benchmarking data, Schools Forum consulted schools in October 2014 and proposed no changes to the funding formula model for 2015/16, which was agreed at its meeting on 22 October 2014.

## Dedicated Schools Grant Allocation 2015/16

25. The EFA released the draft DSG figures on 17 December 2014, which includes all of the adjustments for the post 16 SEN pupil numbers and an update on pupil numbers taken from the October 2014 census date. It, however, does not include an allocation for the Two Year Old Free Entitlement offer, as the basis for determining this has changed, and will be based on actual take up using the January 2015 census data. The DSG will continue to be calculated through three funding blocks (Early Years, Schools and High Needs).
26. The total DSG for 2015/16 will be £254.856 million which includes an estimate of £2,485k for two year old funding, resulting in an increase of £15.964 million on the 2014/15 budget. The increase is due primarily to growth in the primary pupil population and the requirement from 2015/16 for the DSG to fund 'non-recoupment academies', that were previously funded directly by the EFA.
27. The following table summarises the comparison between the original baseline budget data and the new budget as released on 17 December 2014:

<b>Funding Block</b>	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>Change £000</b>
Two Year Old Funding	4,737	2,485	-2,252
Early Years	15,848	16,141	293
Schools	187,015	204,018	17,003
High Needs	31,491	32,153	662
Other Adjustments	-199	59	258
<b>Total</b>	<b>238,892</b>	<b>254,856</b>	<b>15,964</b>

28. The following paragraphs set out the determination of Hillingdon's DSG for 2015/16 for each funding block.

### Two Year Old Funding

29. From April 2015, funding for 2 year olds, which has previously been distributed to local authorities on estimates, will move to funding on participation. Therefore, Hillingdon has been given no allocation at this point, the DfE have advised this will be announced in June 15. Initial allocations will be determined using the January 2015 census counts. A rough calculation (based on 530 children in January 2015, 750 children in September 2015 and 900 children in January 2016) equates to a budget requirement of £2.485m, which has been used as the assumed amount of funding that will be received in 2015/16.

### Early Years Funding Block

30. The funding for the Early Years Block in respect of 3 and 4 year olds will be further adjusted throughout the 2015/16 financial year based on the January 2015 census data and again in 2016 for the January 2016 census data. However, the GUF has been cash limited to the 2012/13 baseline figure as indicated in the table below:

<b>Funding Block</b>	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>Change £000</b>
Early Years - Pupil Numbers	3,181	3,236	55
Early Years - GUF per pupil	£4,897.51	£4,897.51	£0.00

31. The growth of £293k in this block relates to the allocation for the Early Years Pupil Premium, which comes into effect in April 2015.

#### Schools Funding Block

32. From 2015/16, there is now a requirement for the DSG to fund 'non-recoupment academies', that is, schools who were previously funded direct by the EFA. To reflect this, £12.972m has been added to the DSG, which has been calculated on Oct 14 data and growing school estimates where applicable.

33. Removing this, there is growth of £ 4.031m. This relates to funded Pupil Growth of £3,780k (783.5 pupils x £4,824.27) plus an additional £155k (39,580.5 pupils x £3.92 uplift in GUF) to reflect the uplift in the GUF to bring all local authority funding up to at least the same level of minimum GUF funding.

34. The Guaranteed Unit of Funding (GUF) for the Schools Blocks is noted in the following table along with the relevant pupil numbers:

<b>Funding Block</b>	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>Change £000</b>
Schools - Pupil Numbers	38,797	39,580.5	783.5
Schools - GUF per pupil	£4,820.35	£4,824.27	£3.92

35. The pupil number growth in schools reflects the change in pupil numbers between the October 2014 census and the October 2013 census. The following table analyses this further between the Primary and Secondary sectors:

<b>Sector</b>	<b>Oct-13</b>	<b>Oct-14</b>	<b>Change</b>
Primary	25,203.0	25,896.5	693.5
Secondary	13,643.5	13,755.5	112.0
Less High Needs	-102.0	-114.0	-12.0
Plus Reception Uplift	52.5	42.5	-10.0
<b>Total Schools</b>	<b>38,797.0</b>	<b>39,580.5</b>	<b>783.5</b>

#### High Needs Funding Block

36. The following table summarises the comparison between the original baseline budget data and the new budget as released on 17 December 2014:

<b>Funding Block</b>	<b>2014/15 £000</b>	<b>2015/16 £000</b>	<b>Change £000</b>
High Needs Funding	31,491	32,153	662



37. This funding block has increased by £662k, due to the following; an additional £358k relates to the full year effect of the 2014/15 growth in planned place numbers. Furthermore, the DfE have made available an additional £47m for top up funding based on the growth in the SEN population, of which Hillingdon has received £280k of this allocation.
38. The final growth of £24k relates to the determination of the exceptional case review for 2015/16 planned place numbers, which is equivalent to a growth of 4 places. However, this figure falls significantly short of the amount applied for, which identified a growth of 43 in planned place numbers (excluding Pentland Fields), which would have translated into additional funding of £251k, resulting in a shortfall of £228k.

### **Estimated DSG Budget for 2015/16**

39. 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 2014/15, there is a significant projected in year deficit on the DSG, which for month 8 was estimated to be £2.234 million. When added to the DSG opening surplus balance of £3.781m, which it carried forward from 2013/14, the adjusted projected year end surplus is £1.547m. This position assumes that the full budget allocation for 2 Year Old placements and capacity building is fully utilised, whereas the reality is that this is likely to underspend by £660k. This would then increase the year end surplus to £2.207m.
40. 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 2015/16, which Schools Forum considered at its meeting on 15 January 2015:

<b>Funding Source</b>	<b>£000</b>
Increase in DSG	2,992
Year End Cumulative DSG Surplus	2,207
<b>Total DSG Funds Available 2015/16</b>	<b>5,199</b>

### Proposals for use of DSG in 2015/16

41. Set out in the following table is a summary of all of the proposals that have been discussed earlier on in the Agenda, this includes the proposals from the Early Years Sub-Group, High Needs Sub-Group and the Centrally Retained Sub-Group:

<b>Proposal</b>	<b>£</b>
<b>Early Years</b>	
Educational Psychologists	196,000
Increase EYSFF Base Rate to £4.22	612,998
<b>High Needs</b>	
Impact of Banded Funding on Mainstream Schools	-441,602
Impact of Banded Funding on SRP's and Special Schools	455,457
Protection Funding for Schools not attracting £6k in Prior Attainment	214,267
Funding for all SEN pupils	
<b>Total of Proposals 2015/16</b>	<b>1,037,120</b>

## Technical Adjustments and Demographic Growth 2015/16

42. The draft Early Years Single Funding Formula identifies a budget requirement of £14,878,568, which when compared to the base budget of £14,058,000 results in an increase of £820,568 between 2014/15 and 2015/16. Of this £612,998, relates to the proposed increase in the base rate to £4.22 per hour, the remainder of £207,570 relates to demographic growth.
43. There are two elements in relation to SEN pupil numbers, one relates to the growth in planned place numbers and the other relates to the increase in top up funding.

**Planned Places:** As stated above, the Council does not appear to have received the full allocation for exceptional growth that was submitted in November 2014. The Council estimates that a further 55 new planned places will need to be funded in 2015/16, which would require additional funding of £532k. It is proposed that this additional funding is built into the base budget for 2015/16.

**Demographic Growth:** The table below sets out the latest projected numbers of SEN pupils as at 31 March 2014:

<b>Difficulty</b>	<b>Actuals 31/3/14</b>	<b>Projection 31/3/15</b>	<b>Change</b>
Autistic Spectrum Disorder	440	492	<b>52</b>
Behaviour, Emotional and Social Difficulty	129	129	<b>0</b>
Hearing Impairment	42	45	<b>3</b>
Moderate Learning Difficulty	298	305	<b>7</b>
Multi-Sensory Impairment	6	6	<b>0</b>
Other i.e.: (Medical/mental health)	39	39	<b>0</b>
Physical Disability	90	94	<b>4</b>
Profound & Multiple learning diffs	30	35	<b>5</b>
Speech Language and Communication Needs	272	282	<b>10</b>
Severe Learning Difficulty	117	118	<b>1</b>
Specific Learning Difficulty	37	38	<b>1</b>
Visual Impairment	26	27	<b>1</b>
Unclassified	8	35	<b>27</b>
<b>Total</b>	<b>1,534</b>	<b>1,645</b>	<b>111</b>
<b>Change - Percentage</b>			<b>6.99%</b>

44. The table above indicates that there will be a growth of 111 SEN pupils in 2014/15, half of whom will have an ASD SEN. However, looking back at previous year's growth the figure is closer to 4%. Therefore it would be reasonable to assume that this will be a more realistic growth in 2015/16, which would equate to a growth of 66 pupils. Assuming an even growth distribution with an average cost of £20k per place (over 50% of pupils are placed in mainstream schools) the estimated additional costs would be £721k.
45. The current budget for Two Year Old provision is £2,419k, the projected actual costs is £2,485k, which would require an increase of £66k in the 2015/16 base budget.

46. A review of the Growth Fund Contingency requirement, which provides funding for expanding schools and funding for new Basic Need Academies (including diseconomies of scale funding and set up costs), estimates that the budget should be £1,862k, which when compared to the base budget of £1,827k results in a required increase of £35k for 2015/16.

#### DSG Outturn 2014/15 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 1.5% of the centrally retained budget resulting in £500k being held as a reserve in 2015/16.

48. The DSG base budget includes an allocation of £519k for two year old capacity funding plus an earmarked balance of £937k, totalling £1,456k. The estimated draw down on this is estimated to be £600k (although it is likely that the majority of this will not be incurred in this year), leaving a balance of £856k. The Council is still in the position of identifying suitable sites and properties to ensure that the level of 2 Year Old free places meets the target set by the Government. It is therefore proposed that a provision of £856k is provided for in 2015/16, which would be funded from the base budget of £519k, with a further £337k being funded from a retained earmarked balance.

49. Following a review of the budget for the 3 Early Years Centres, it was identified that the hourly rate charged was significantly below the average charge rate for the area. Schools Forum proposed to increase the rate in line with the average charge rate for the area and introduce a subsidy for those families that are disadvantaged. It is estimated that this would generate an additional £312k income across all three centres.

50. Additionally Schools Forum agreed to set the Early Years Centre budgets at breakeven, which would free up an additional £419k. Schools Forum agreed that the resources freed up following this review, totalling £731k, would be held centrally to fund the placement of vulnerable children.

51. At the Schools Forum meeting in December 2014, it was agreed that funding would be provided on a temporary basis for an additional Procurement Officer. It is estimated that this will cost an additional £55k.

Proposed Increase in Schools Delegated Budget 2015/16 and Proposed DSG Budget for 2015/16

Schools Delegated Budget 2015/16

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

<b>Proposal</b>	<b>Budget £000</b>
<u>Growth</u>	
Growth in DSG 2015/16	2,992
Year End Cumulative DSG Surplus	2,207
<b>Total Funds Available</b>	<b>5,199</b>
<u>Proposals and Adjustments</u>	
Educational Psychologists	196
Increase EYSFF Base Rate to £4.22	613
Impact of Banded Funding on Mainstream Schools	-442
Impact of Banded Funding on SRP's and Special Schools	455
Protection Funding for Schools not attracting £6k in Prior Attainment Funding for all SEN pupils	214
Demographic Growth Early Years	208
Unfunded Increase in Planned Place Numbers	532
Demographic Growth SEN Pupil Numbers	721
Two Year Old Provision	66
Growth Fund Contingency	35
Retained Balances	500
Two Year Old Capacity Funding	337
Increased Early Years Centre Income	-312
Set Early Years Centre Budgets to Zero	-419
Retained Fund for the Placement of Vulnerable Children	731
Additional Procurement Post	55
<b>Total Proposals and Adjustments</b>	<b>3,490</b>
<b>Funds Available for Delegation</b>	<b>1,709</b>
<b>One Off Use of Surplus Balances 2013/14</b>	<b>-1,274</b>
<b>Growth in Delegated Budgets</b>	<b>435</b>

Proposed DSG Budget 2015/16

53. The following table sets out the final DSG Budget for 2015/16, ignoring academy recoupment to ensure that the baseline equates to the amount of DSG that has been noted above:

	<b>2015/16 Base Budget</b>	<b>Adjustments</b>	<b>Required Budget 2015/16</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
22850 Dedicated School Grant	-238,892	-18,171	-257,063
20998 Early Years Single Funding Formula	14,058	821	14,879
Individual Schools Budget	193,080	13,959	207,039
24553 16-19 EFA Funding	-479		-479
23161 DSG Funded Business Support	65		65
24702 Schools Forum	5		5
21393 Local Leaders in Education	87		87
21500 DSG-Trf to TYST	40		40
21501 DSG Trf to Procurement	55	55	110
22117 DSG-Barnhill PFI	209		209
23035 FE college provision (Alternative Provision)	222		222
23012 Admissions- DSG	162		162
Overheads	712		712
20396 DSG Growth Fund Contingency	1,827	35	1,862
22998 Courier Service School	21		21
23114 Early Years Psychology Team	0	196	196
24329 Core Childcare & Early Years- DSG	220		220
24361 Nestles Ave. Early Years Centre- DSG	307	-307	0
24362 Sth.Ruislip Early Years Centre- DSG	215	-215	-0
24363 Uxbridge Early Years Centre- DSG	209	-209	0
24509 Early Years Advisory Teachers	294		294
20691 DSG 2YO Funding	2,419	66	2,485
20699 2 YO Free Entitlement Capacity Building	519		519
21918 DSG Looked After Children	630		630
21994 Non statedmented LAC placements	100		100
20997 Maintained SEN primary top up funding	2,023	-228	1,795
21995 Non statedmented pupils - exceptional funding	32		32
21997 Maintained SEN secondary top up funding	116		116
22100 Independent placement provision	6,931		6,931
22991 Spec Contingency Spec Needs	1,404		1,404
26147 Tuition - SEN out of school	128		128
26150 Academy school SEN top up funding	6,396	721	7,117
26151 FE college ALS top up funding	323		323
26153 Special school & SRP top up funding	4,760		4,760
20310 Uxbridge Language Unit Erp	227		227
Learning Support Services	519		519
23109 DSG Education Psychology	394		394
23110 Sen Early Years Team/Portage	154		154
23002 Sick and Vulnerable pupils	326		326
60671 DSG LAC Education	183		183
Provision for Vulnerabel Children Placements	0	731	731
Surplus Balances - General Reserve 1.5%	0	500	500
Earmarked Balance - Two Year Old Capacity Fund	0	337	337
<b>Total</b>	<b>-0</b>	<b>-1,709</b>	<b>-1,709</b>
<b>Proposed Increase in Delegated Budget</b>		<b>1,709</b>	

## **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 2015/16, including the final individual school budget shares, which have to be distributed to schools on or before 28 February 2015.

### **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 2015/16, the consultation with schools revolved around changes to the primary and secondary schools funding formula, Early Years Single Funding Formula and High Needs Funding formula. The formal consultation ended on 13 October 2014, where consultation information sessions were held in the lead up to this.

Proposed amendments to Fees & Charges were included within the Council's main budget report and associated public consultation. There were 43 responses, which expressed dissatisfaction with the proposed 58.5% increase in fees for children's centres to subsidise concessionary places at the centres. The proposal has now been amended to an increase of 16.7% effective from 1 September 2015, as the 58.5% increase had been included in the original consultation document in error. These 43 responses have been sent to School's Forum for consideration. Any subsequent amendment proposed by School's Forum can be approved by Cabinet at a later date. This increase and related budget proposals within the Schools Budget are revenue neutral, so any subsequent amendment will not impact upon the budget proposals recommended for approval at this meeting.

## **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 2015/16 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 2015/16 set out in this report are fully consistent with the report on the Council's Budget and Medium Term Financial Forecast elsewhere on the agenda. Current budget proposals assume that no direct contribution to the Schools Budget is made from the General Fund in 2015/16, however, servicing and repayment of borrowing in support of school expansions continues to be borne by the General Fund. This provision totals £5,000k in 2015/16, rising to £6,700k by 2017/18.

The schedule of Fees & Charges included in the General Fund budget report on this agenda includes an increase of 16.7% on day care fees at the Nestles Avenue, South Ruislip and Uxbridge Early Year's Centres in line with Schools Forum's budget proposals. This increase is linked to the £312k additional income noted in paragraph 49.

### **Legal**

The Borough Solicitor confirms that the Council has followed the procedures specified in the School and Early Years Finance (England) Regulations 2014, 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