

Southend-on-Sea Borough Council

Report of Deputy Chief Executive - People
and Director of Finance and Resources

to
Education Board

on
18 January 2017

**Agenda
Item No.**

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Schools Budget 2017/18

1 Purpose of Report

To present a draft 2017/18 schools budget

2 Recommendation

- 2.1 That the proposed 2017/18 Schools Budget be agreed and recommended to the Council for approval

3 Background

- 3.1 This report sets out the proposed Schools Budget for 2017/18, to be set by the Council as part of its budget making in January 2017. This follows the DSG funding block announcements made on 20 December 2016.
- 3.2 In setting the individual school budgets, the agreed approach of keeping the underlying local formula unchanged has been applied, alongside the centrally retained funding approved by the Education Board at its last meeting. In addition the delegation to make minor adjustments to the basic entitlement allocations has also been used.
- 3.3 The 2017/18 Schools Budget has been prepared on a breakeven basis.

4 Dedicated Schools Grant Allocations

- 4.1 The Department for Education has set out the following funding blocks for Southend's Dedicated Schools Grant for 2017/18;

Schools Block	£116.377 Million
Early Years Block (provisional)	£9.942 Million
High Need Block (before direct recoupment)	£17.784 Million
Total	£144.103 Million

- 4.2 The Schools block is based on a confirmed payment of £4,598.78 per pupil. For information average per pupil funding for selected areas is given below;

Southend-on-Sea	£4,598.78
Thurrock	£4,440.54
Essex	£4,346.83
Statistical Neighbour Group	£4,429.65
London	£5,396.02
East of England	£4,424.67
South East England	£4,310.17
England	£4,618.63

- 4.3 The Early Years funding rates are confirmed at £4.40 per hour for 3 – 4 year olds and £5.24 per hour for 2 year olds.
- 4.4 The high needs block has increase by £915,000 to £17.784 Million. Of this £3.994 Million will be deducted for high needs places funded directly by the EFA, leaving the locally available sum at £13.790 Million.

5 Schools Block

- 5.1 As set out at the December meeting of Education Board, there are no changes to the underlying funding formula previously agreed. The formula has been modelled on the October 2016 census numbers released by the EFA.

- 5.2 Basic entitlement has been set at;

Primary	£3,022.98
Key Stage 3	£3,899.72
Key Stage 4	£4,748.79

- 5.3 This maintains the Primary to Secondary funding ratio at 1:1.32.
- 5.4 The allocations to each school from the 2016/17 funding formula are detail in Appendix 2. The total modelled in the funding formula is £113,454,844 (before de-delegation, £113,369,611 after de-delegation). This includes MFG allocations of £496,979. The detail of this funding formula is included in Appendix 2.
- 5.5 In addition to funding from the DSG, schools will receive Pupil Premium grant, which will provide £1,320 / £935 of funding per primary / secondary pupil (2016/17 = £1,320 / £935 per pupil) who have been registered for free school meals in any of the past 6 years. Based on estimates the Pupil Premium will provide an additional £8 million for schools in Southend-on-Sea (both Maintained and Academy schools).

6 Early Years Block

- 6.1 The Early Years Block will be set on the same basis as outlined in the October Education Board report, being around 530 2 year olds and 2,850 3 to 4 year olds accessing provision. The DfE funding includes additional monies for the extension of hours for working parents from September 2017. The income budget will also reflect this. The outcome of the Early Years Consultation is in line with the original DfE proposals, and therefore funding rates indicated in the October report will be implemented as agreed by the Education Board. This will include the transitional protection for school nurseries as Early Years moves to a single funding rate across all settings.

7 High Needs Block

- 7.1 The High Needs budget is shown as per the previous year, with indicative commissioning budgets for SLAs unchanged. There is currently a consultation being undertaken on a revised methodology for the distribution of the High Needs Block to ensure it remains sustainable and within its resource allocation into the future, and therefore individual budget lines have the potential to change. The revised methodology will be in place from 1 April 2017.

8 Centrally Retained Funding

- 8.1 Education Board approved the arrangements and amounts for Centrally Retained Funding. Those approved amounts have therefore been used in the construction of the schools budgets.
- 8.2 Two adjustments to the amounts have however been made:
- CLA/MPA Licences – the Council has received notification that the licences cost will be £122,297 (£121,000 had been assumed)
 - Education Service Grant (ESG) Retained Duties – given that confirmed pupil numbers are lower than estimated, less ESG Retained Duties is due. The amount will be £413,217 (£427,260 had been assumed)

8.3 The final amounts therefore are confirmed as;

	Amount
De-delegated budgets	£86,145
<i>Being:</i>	
<i>Behaviour Support</i>	<i>£75,000</i>
<i>Licences</i>	<i>£1,245</i>
<i>Staff Costs (TU)</i>	<i>£9,900</i>
CLA/MPA Licences	£122,297
Combined Budgets	£941,288
Growth Fund	£690,000
Schools Admissions	£236,300
Servicing of Schools Forum	£18,700
ESG Retained Duties	£413,217

9 Conclusion

9.1 The overall position set out for 2017/18 is a balanced schools budget that does not rely on the use of DSG reserves. Following agreement by the Education Board, this budget will be recommended to the Council for approval.

10 Appendices

Appendix 1 – DSG Budget 2017/18

Appendix 2 – DSG Budget 2017/18 – Individual Schools Budgets