

Budget 2014/15

1. Purpose Of This Report

The purpose of this report is to update Forum members on the Dedicated Schools Grant settlement, to look at the outstanding issues and to consider the impact on the Schools Budget of the latest financial decisions. The paper also considers the capital allocations announcements.

2. Recommendations

The Forum

1. Agree that the data used by the DFE in error should continue to be used.
2. Note the intention to use of £200k in the early years block to support the early intervention in the Better Start Lottery bid.
3. Agree the support for LeSoCo of £50k for Key Stage 4 pupils educated by the college under the local commercial agreement.

3. Schools Block

- 3.1 On 18 December 2013 the Education Funding Agency (EFA) announced details of the Schools Revenue Funding Settlement for 2014 to 2015. The High Needs Block allocations announced were provisional and the actual High Needs block allocation has now been provided on the day of publication of these paper. The details of the announcement will be provided at the meeting. The Early Years block will be adjusted for pupil numbers as they become known during the year.
- 3.2 It was expected that a consultation on the new national funding formula would be received at the same time as the settlement but this has not happened.
- 3.3 The settlement details are as follows

	Per Pupil Rate £	£m
Schools block (£million)	5950.43	201.464
Early years block (£million)	5814.37	16.984
High needs block		42.379
Total additions and deductions *		<u>6.780</u>
Total DSG allocation		<u>267.607</u>

*This mainly relates to the funding of 2 years old.

3.4 The schools budget is allocated in the following way

SCHOOLS BUDGET	£'000
Individual Schools Budget	191,472
De-Delegated Items	
Contingencies *1	2,788
Support To UPEG And Bilingual Learners	160
Free School Meals Eligibility	26
Non-Sickness Supply Cover	831
Central Provision Within Schools Budget	
Contribution To Combined Budgets *2	903
School Admissions	604
Servicing Of Schools Forums	78
Capital Expenditure From Revenue (CERA) *3	4,086
Pupil Growth/ Infant Class Sizes	1,740
TOTAL	202,688

*1 Contingencies includes the Former Standards Funds Collaborative Budget (£1.5m), which is passed to schools via their Collaboratives.

*2 This contribution relates to funds passed to New Woodlands for the outreach service and funding for partnership development.

*3 The CERA budget covers support to the Schools Asset Management programme (£1.2m), Group Schools PFI contribution (£0.7m), BSF Programme contribution (£0.7m), Capital projects support (£0.8m) and maintenance contribution (£0.7m).

3.5 Broadly the settlement was in line with expectations and the schools budget were issued with the funding rates fixed at the same level as the 2013/14 funding rates. The was as agreed at the Schools Forum meeting on 12 December 2013.

4. Notification of School budgets

4.1 The DFE were notified of schools indicative budgets by the set date 21 January 2014. The DFE asked for clarification regarding the terms of reference for the growth fund but were otherwise satisfied with the information provided. Schools received their indicative budgets on February 4th

4.2 The final submission of the budgets were published on 28 February 2014. The budget are not fixed of course. The early years funding is based on an estimate of children and will change to actual numbers and funding will change for statement children if the leave or join the school.

5. Education Funding Agency data

5.1 All Local Authorities are obliged to use the data provided by the Education Funding Agency(EFA). The dataset released to authorities

on secondary prior attainment included teacher assessment scores on English reading as well as for English writing. This is different from the regulations, which state that only test scores for English reading should be used. To ensure that local authorities are fully compliant with the regulations in calculating school budgets, Ministers agreed to issue a general disapplication to this regulation so that the teacher assessment scores for this measure can be used. In the allocations to our schools we used the data as supplied. The DFE believe that any changes are immaterial but we do not have access to the corrected data to model it.

- 5.2 Schools with Post 16 provision have also found that there has been a number of errors with their students numbers as notified by the EFA. It is important that schools careful check the 6th form data they receive from the EFA.

6. Big Lottery – Fulfilling Lives : A Better Start bid

- 6.1 A bid is being made to the Big Lottery which if successful, could mean extra funding of between £30 - £50million over the next 10 years. The bid is led by the Children’s Society supported by the Council and CYP partners
- 6.2 To be successful it needs to be demonstrated that we will make a step change in outcomes for 0-3 year olds and their families with a commensurate reduction in the need for reactive or remedial interventions from statutory organisations specifically in the areas of:
- Diet and nutrition
 - Speech and communication
 - Social and emotional wellbeing
- 6.3 Lewisham’s bid is through to the final 15 local authorities. It proposes intensive activity in four wards: Bellingham, Downham, Evelyn and New Cross. With these activities extending across the Lewisham area later in the project. It has the potential to provide schools with savings in the long term. As part of the bid, Lewisham and it partners had to demonstrate their willingness to contribute an extra £2m over the 10 year life the project to the proposed intervention packages. It was agreed under the authority of the chair to offer £200k out of the Early Years block to support the bid. This will only happen if the bid is successful.

7. Education Services Grant (ESG)

There are a range of activities that LAs are required to do, some of which are regulatory and some of which you could not reasonably

expect a school to pay for from their budget. The following are examples

- Attendance and Welfare prosecutions;
- School budget and quarterly monitoring returns;
- Strategic leadership of the LA;
- Co-ordination of school and staff census returns;
- Schools Asset Management Planning;

These LA responsibilities are funded through the Education Services Grant. Lewisham receives £113 per pupil or £4.2m in total. The funding is not ring-fenced.

8. One Off Payment Of £250 To Staff

The current position on the national pay award (for NJC staff) is still uncertain. In the past two years the Mayor of Lewisham has agreed that a one off payment of £250 should be made to staff earning less than £21,000. This matched the past commitment to do this by central government to all public sector workers. However Local Government Staff were excluded from this as their pay negotiation body was different. The Mayor has indicated that he is minded to make the payment again this year to staff who are in the service as at 1 April 2014. The funding for this will be provided by the council.

9. Year 10 And 11 Transfer To Colleges

Under a Local Commercial Agreement and strategic partnership with LeSoCo a number of Key Stage 4 learners are being educated full time by the college. These learners are some of Lewisham's most vulnerable who are struggling to remain in mainstream education. The programme at LeSoCo is designed to support the learners and ensure appropriate progression at post-16.

Currently there are 40 students, most of them are Year 11 students but 10 are Year 10 learners. If these pupils were in school, they would be included in the census and funding for them would be included in the schools block of the DSG. However, whilst at the college these pupils are not included on a school roll and will consequently not be funded in the schools block. In order to fund these learners at the college, it is proposed take the funding from the high needs block. It is estimated that this will be £50k.

10. Capital Funding

10.1 Devolved Formula Capital And Maintenance Allocations

The Department for Education have confirmed the devolved formula funding rates. They are as follows

	Per Pupil	Lump Sum
Nursery / Primary	£11.25	£4,000
Secondary	£16.88	£4,000
Special	£33.75	£4,000

10.2 The total allocation available to Lewisham schools is £800k exactly. The overall maintenance budget is split across various sectors using weighted pupil numbers, in a similar fashion to the Devolved Formula Capital. Maintenance is calculated for academies, non-maintained special schools, sixth form colleges and independent specialist providers and allocated as separate budgets. The remaining budget for maintenance is then allocated to local authority and VA schools.

10.3 The allocation for each local authority and VA school is based on the relative proportion of DFC paid to the schools in the respective local authority. For example, if a local authority receives 1% of the national DFC budget, then it will receive 1% of the maintenance budget. The proportions of the local authority and voluntary aided pots are adjusted using a location factor to reflect the relative costs of building in different regions across the country. The allocation also includes a lower weighting for schools which have been modernised, as reported in the Schools Building Survey in October 2011.

Devolved Formula Capital		Maintenance		Total
Local Authority	Voluntary Aided	Local Authority	Voluntary Aided	
£'000	£'000	£'000	£'000	£'000
590	210	3,090	1,082	4,972

10.4 Basic Need

The basic need allocation supports the capital requirement for providing new pupil places by expanding existing maintained schools, free schools or academies, and by establishing new schools.

10.5 Nationally £1.6bn was allocated to local authorities for the financial years 2013 to 2014 and 2014 to 2015. The DFE then provided an extra £800m allocation for the second of these two years which has now been confirmed.

- 10.6 A further amount of £2.35bn is available nationally for 2015 to 2016 and 2016 to 2017 financial years, split £1.1bn in the first year and £1.25bn in the second. The DFE has set aside top slices of £100 million and £200 million, in order to be able to provide additional funding to local authorities which face significant and unexpected increases to pupil numbers during these years (or other exceptional and unexpected circumstances), leaving £2.05b to be allocated to local authorities for the two years.
- 10.7 As with the 2013-15 allocations, the DFE have allocated the funds using planning area data. The funding to support the capital works to Kitchens to ensure there is sufficient capacity to deliver the universal free school meals offer has also been notified.

Year	Basic Need	Universal Free Meals	
	Basic Need	Local Authority	Voluntary Aided
	£'000	£'000	£'000
2014-15	9,777	664	173
2015-16	8,917	Not yet announced	
2016-17	9,363		
Total	28,057	664	173

- 10.8 The most recent update (January 2014) indicates that the demand for places will remain high and measures continue to be required to increase the supply of places through a mixture of permanent and temporary enlargements tailored to meet the needs of each area. Overall figures are set out in the following table.

Year	Planned Admission Number	Forecast Reception demand	Shortfall
2014/15	3634	3930	296 (10FE)
2015/16	3724	3915	191 (6.5 FE)
2016/17	3754	3863	109 (3.5FE)
2017/18	3754	3964	210 (7FE)

- 10.9 Overall, with the new announcements, and allowing for existing approvals for September 2014 and September 2015 projects, there is £28m to cover future primary and secondary place demands which are currently projected at £55m to September 2016.
- 10.10 For completeness the following table summarises the additional places that have been opened since 2008:

Year	Permanent Places opened	Temporary Places opened
2008/09		60 (2FE)
2009/10		255 (8.5FE)
2010/11		555 (18.5FE)
2011/12		564 (19FE)
2012/13	180 (6FE)	564 (19FE)
2013/14	90 (3FE)	375 (12.5FE)

10.11 The DFE have also announced the capital funding available for 2014-15 to address 16-19 demographic needs through the Demographic Growth Capital Fund. We have been allocated £938k for the expansion of Drumbeat post 16 provision.

10.12 Funding has been obtained through the Priority School Building programme to rebuild and enlarge Sir Francis Drake from one form of entry to two. The scheme is now to be delivered without a PFI. The Education Funding Agency will project manage the procurement and construction of the building but requires the LA to undertake the statutory process to enlarge the school.

11. Conclusion

There are still a number of issues to be resolved around the Dedicated Schools Grant before the final figures are known. There are no new risks that have come to our attention since the Forum set the budget last month but of course the high needs budget and the capital allocations still are areas of concern.