

Item 7a – 2016/17 Schools Budget

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The draft Schools Budget will be considered by the council's Policy & Resources Committee on 16th February 2016, prior to submission to the government at the end of March as part of the Section 251 return. The Schools Budget is subject to continuing change until the end of the 2016-17 financial year due to updated funding allocations from the government and conversions of schools to academies.

Available resources derive from 3 sources:

1. Dedicated Schools Grant (currently partially announced, partially estimated);
2. Post 16 learning funding from the Education Funding Agency (EFA) for school 6th forms – not yet announced);
3. Use of underspends from previous years.

The last of these is important as the cost of pupil growth in schools, academies and free schools is not funded by the government, and underspends will remain crucial to balancing the budget over the next 5 years at least.

The budget has been compiled by

1. Estimating income (as above) as accurately as possible using projected pupil numbers
2. Entering the details of the Authority Proforma Tool (APT) submitted in January 2016
3. Calculating the need and therefore the cost of high needs places at various types of school and the likely top-ups or fees using information about the numbers and range of needs of young people with high needs
4. Projecting the cost of early years education, both 3 & 4 year olds, and the growing number of eligible 2 year olds taking up their entitlement.
5. Maintaining most other budgets at their 2015/16 level.

Barnet's Dedicated Schools Grant announced in December 2015 was as expected but with the unexpected addition of £350,000 for the High Needs block. However, the Early Years block for 2,3 and 4 year olds has been estimated by the DfE at the same level as 2015/16 and as we know that numbers in this age group are rising so we have made adjustment for this. We will also receive funding for the pupils at Menorah High School for Girls when it becomes a voluntary aided school on 1st April 2016.

Funding for post 16 students in Barnet maintained school 6th forms have not yet been announced, but as this is passported through to schools there is no impact on the budget

£1.3m of underspend from previous years has been required to balance the budget for pupil growth and the nursery school subsidy. This is not all the available underspend because some needs to be carried forward for growth in future years.

87% of the gross Schools Budget (ie before recoupment) is paid to schools, academies, free schools and early years providers to fund the provision of education and support to young people aged 2 to 19.

A further 10% is budgeted to be paid to schools in and out of Barnet as high needs top-ups and fees. Much work has been done to reduce the reliance on expensive out of borough placements and save money, so it has been possible to put in an extra £500K in the 2016/17 budget to raise statement top-up rates after having been frozen for some time.

The cost of pupil growth expected in September 2016 is nearly £3.6m. Our projections show that this figure will be between £3 and £4m per annum for the next 5 years at least. In the table attached, the growth fund (line 1.4.10) is shown as £1.2m, but this only includes lump sums paid for new classes and other non-capital costs associated with expansion. The cost of new year groups, £2.5m, is included in the APT on line 1.0.1.

The costs of central services have not been increased for 2016/17, so as the DSG rises these are a smaller percentage of total expenditure than in the past. The exception is additional support for the Virtual School to help raise achievement of the council's looked after children. This also reflects a new statutory duty to have a Virtual School headteacher, which was introduced in the Children and Families Act, 2014. Making this a full-time post increased the costs to the service.

Balancing the Schools Budget has not been as difficult as in previous years mainly because of the headroom created by savings in SEN.