

Towards a National Funding Formula

7.1 2017/18 Draft budget

In an update to the detail provided to Schools Forum at the meeting on 9 February, Appendix III shows the revised 2017/18 draft budget that formed the basis of the section 251 submission on 31st March.

The main changes since the draft budget was last presented to Schools Forum on 9 February are:

1. INCOME

- The gross Schools Block income has been revised in light of actual pupil numbers on the October 2016 school census combined with our estimates of EY pupil numbers from the January census.
- £289k Increased call on reserve as a result of the items detailed below.

2. EXPENDITURE

- Line 1.0.1 – Reduced 2, 3 & 4 year old expenditure, based on actual 2016/17 claims
- Line 1.0.1 – Updated actual budget shares to all schools now incorporating increased NNDR liability for VA/ Foundation schools. This reflects our amended section 251 submission to ensure NNDR was included in school baselines.
- Line 1.0.1 – amended HN place numbers in light of EFA approval for increased places at Oak Lodge w.e.f September 2017
- Line 1.1.1 – use of contingency budget to offset increased cost of NNDR to VA/ F schools.
- Line 1.3.1 – Reduction in central spend on Under 5s as a result of expected reduction in EY block income due to lower pupil numbers
- Line 1.3.1 – EY contingency. Allocation set aside to cover expected reduction in EY block income that will be recovered by the EFA.
- Line 1.4.3 – CLA. Copyright licencing now correctly shown as expenditure on this line, rather than as a reduction to Schools Block income as presented previously.

The following table gives the revised breakdown by block, and these figures formed the basis of our baseline return to the DfE as discussed in the next agenda item.

Block Analysis			
	DSG Income	DSG Expenditure	Difference
Schools Block	242,110,175	245,234,560	3,124,384
Early Years Block	27,319,557	26,689,468	- 630,089
High Needs Block	48,696,715	48,033,977	- 662,738
Total DSG	318,126,448	319,958,006	1,831,558

Towards a National Funding Formula

After the 2017/18 drawdown of £1.8m as shown above, the position on the DSG reserve is:

DSG Reserve	2016/17
Balance brought forward	5,019,442
Drawdown from reserve	(1,342,,390)
Contribution to reserve (underspend)	547,757
<i>Estimated Balance to be carried forward</i>	4,224,809
2017/18 Drawdown from reserve	(1,831,558)
<i>2017/18 Estimated Balance to be carried forward</i>	2,393,251

7.2 DSG baselining exercise

After the stage 2 consultation on the National Funding Formula, the DfE carried out an exercise to establish accurate 2017-18 baselines upon which to base 2018-19 allocations through the national funding formulae. Local authorities submitted 2017-18 baseline information directly to enable the production of 2018-19 allocations and give local authorities the opportunity to provide a more accurate starting point for each block, constrained to their overall 2017-18 DSG allocation.

Barnet has completed this return, and it was submitted to the DfE by the required deadline of 13th April 2016. There have been no further details on the outcome of this baselining exercise released by the DfE since the date of submission.

Towards a National Funding Formula

7.3 2017/18 Growth fund update

St Mary's & St John's diseconomy funding

Officers have been in discussion with the school regarding allocation of an 'Exceptional' amount of diseconomy funding to St Mary's & St John's for the 2017/18 financial year. Due to the application of the minimum funding guarantee/ cap for a Primary school expanding to All-through, the school does not benefit fully from the formula funding for secondary pupils. As a result of this, the secondary per pupil funding has been capped and reduced by £117,517. It has therefore been agreed that this amount will be awarded from the Growth Fund as an exceptional diseconomy allocation for 2017/18.

The school has been advised that this is likely to be a one-off allocation as, depending on any future National Funding Formula arrangements, the LA may not have the discretion to award exceptional diseconomy funding in future.

Saracens High School

The council has been working with the DfE to support the provision of new secondary school places in Colindale through the development of the Saracen's High School. This new free school will eventually offer 6 forms of secondary provision on its permanent site on Grahame Park Way (subject to planning permission). Our projections indicate a pressing need for the provision to open in September 2018 ahead of when the school's permanent site is ready for occupation. The DfE is prepared to open the school in temporary premises as an exception, on condition that the revenue funding awarded to the school equates to the minimum of 120 pupils attending in its first year. To enable the school to open within this very tight timescale, an undertaking has been provided to the DfE to underwrite the risk that fewer than 120 pupils attend in its first year of opening. Based on current pupil data, the risk is considered low. If the funding is required, it would have to come as an exceptional allocation from the Growth Fund.

Recommendation:

- To approve use of the growth fund for these exceptional items.