

# Approach to setting the Schools Budget 2013/14 - Update

Schools Forum 20 December 2012

# Budget Setting Roles & Responsibilities

	LA	Forum
1. Formula Changes	Proposes & decides	Must be consulted
2. De-delegation budgets	Proposes	Pri & Sec reps maintained schools decide for their phase
3. <u>Central spend on:</u> <ul style="list-style-type: none"> <li>▪ Pupil growth contingency</li> <li>▪ Early years expenditure</li> </ul>	Proposes	Decides
4. <u>Central spend on:</u> <ul style="list-style-type: none"> <li>▪ Admissions</li> <li>▪ Servicing Schools Forum</li> <li>▪ Carbon Reduction Commitment</li> <li>▪ Capital Expenditure from Revenue Account (CERA)</li> <li>▪ Contribution to combined budgets</li> <li>▪ Termination employment costs</li> <li>▪ Prudential borrowing</li> </ul>	Proposes up to the value in 2012/13 and where expenditure has already been committed	Decides for each line
5. <u>Financial issues relating to:</u> <ul style="list-style-type: none"> <li>▪ Arrangements for pupils with Special Education Needs (SEN)</li> <li>▪ Arrangements for use Pupil Referral Units (PRU's)</li> <li>▪ Arrangements for EY provision</li> </ul>	Consults	Gives a view



# Key Dates & Timescales

<b>10 December</b>	<b>Education Funding Agency (EFA) due to confirm pupil numbers and provide budget datasets</b>
<b>? December</b>	<b>Department of Education (DfE) confirms Dedicated Schools Grant (DSG) allocations for 2013/14</b>
<i>20 December</i>	<i>Schools Forum</i>
<b>18 January</b>	<b>Local Authority's (LA) must submit final funding formula pro-forma and calculations</b>
<i>24 January</i>	<i>Schools Forum</i>
<i>14 February</i>	<i>Schools Forum</i>
<b>31 March</b>	<b>Deadline for confirmation of Individual School Budgets (ISB)</b>
<b>31 March</b>	<b>Deadline for submitting 2013/14 spending plans (S251) to DfE</b>



# Approach

<b>20 December Forum</b>	<ul style="list-style-type: none"><li>▪ <b>Verbal update on Schools Budget 2013/14 outlook</b></li><li>▪ <b>Consult Forum on approach to updating formula for any potential additional delegation</b></li></ul>
Early January	<ul style="list-style-type: none"><li>▪ LA decides final formula unit rates in consultation with Portfolio holder for Children &amp; Families</li></ul>
18 January	<ul style="list-style-type: none"><li>▪ EFA submission final formula</li></ul>
<b>24 January Forum</b>	<ul style="list-style-type: none"><li>▪ <b>Verbal update on final formula and budget outlook</b></li><li>▪ <b>Presentation on planned arrangements for high needs pupils and early years provision</b></li></ul>
<b>14 February Forum</b>	<ul style="list-style-type: none"><li>▪ <b>Schools Budget Paper 2013/14 seeking approvals in relation to central spend</b></li></ul>
Late February	<ul style="list-style-type: none"><li>▪ Issue budget shares to maintained schools</li></ul>
19 March	<ul style="list-style-type: none"><li>▪ Schools Budget Paper 2013/14 to Executive Board</li></ul>
31 March	<ul style="list-style-type: none"><li>▪ Submit 2013/14 S251 budget to DfE</li></ul>



# Budget journey so far

- In 2012/13 Nottingham had a local funding formula.
- DfE have implemented a new formula consisting of **10 formula elements** and new delegated funding streams to schools:
  - Extended schools coordination,
  - Museums,
  - Water rates,
  - Copyright licensing
- Some services can be de-delegated back to the LA and these have been agreed with Schools Forum (SF).
- Formula now consists of 3 funding blocks with the High Needs block containing the most risks.
- Consultation has been undertaken with the DfE, SF, the Portfolio Holder and the Corporate Director of Children's Services on the formula changes.
- Initial submission was given to the DfE in October.
- Headcounts for schools was October census and for Early Years and PRU's was January census.

# Schools Budget Update

Dataset issued:

- Allocating ISB to schools.
- De-delegated services treated as agreed at Forum on 20 September 2012 (slightly changes due to pupil numbers changed).
- Delegated budgets as per DfE.
- Balance = headroom

## **How will this be allocated?**

- ISB statement setting out de-delegated values and compulsory buy backs.

# Budget Risks

- Reserve cannot exceed 5% of DSG.
- Revalue the risk register.
- Pupil growth – contingency requirement.
- Setup and transition for academisation of schools.
- High Needs Block –
  - ISB plus top up (need to make sure this is a correct level).
  - Cross border and other authority payments.
- Allocation of LA responsible functions in ISB.
- Ensure the CEL remains within its limit or seek any appropriate approval.



# Proposals

- Allocate headroom out using inflation rates translated into the formula.
  - 1% pay award
  - 2% supplies & services
  - TBC% on other specific inflation e.g energy etc.
- Mitigate as many risks as possible.
- Utilise a further £0.500m of the reserve for the partnerships.
- Ensure reserves align to DfE and corporate guidelines.
- Compulsory buyback for statutory services from ISB's:
  - BMD budgets
  - Business Rates
- De-delegate top up relating to schools mergers and amalgamation of £50k.



# Requirements of Schools Forum

- **Note** the approach of the budget process previously presented to SF.
- **Note** the latest budget update statement.
- **Note and comment** on the current highlighted risks.
- **Note and comment** on the proposals associated with mitigating risks.
- **Note and comment** on the proposals of allocating headroom.
- **Agree** the compulsory buyback of LA statutory functions.
- **Agree** the de-delegation of a £50k budget for mergers and amalgamations of infant and junior schools.

