

SCHOOL BUDGETS 2014-15

Purpose of the Paper

1. To update Schools Forum on school's budgets for 2014-15 and any issues arising from the budget setting process.

Background

2. At the meeting on 16th January 2014 Schools Forum resolved the following in relation to the 2014-15 schools budget:
 - a) That any increase in DSG arising from the January early years census be allocated to the EYSFF budget to support increases in population and take up of places.
 - b) To agree an hourly rate for 2 year old places in PVI settings of £5.43;
 - c) To remove the set up allowance of 25p per hour applied to places for 2 year olds from April 2014;
 - d) To roll forward any underspend against the funding allocation for 2 year old places to support the continuation of the hourly rate in future years.
 - e) To make no change to the hourly rate for 3 & 4 year olds;
 - f) To agree the assumptions to be used in calculating the delegated budget as outlined in the report;
 - g) To set the Top-up rates for Resource Bases and ELP as follows;

Resource Base Band:	1	2	3
	£10,823	£5,881	£2,920
ELP Band:		ELP2	ELP1
		£5,881	£2,920

- h) To note the work being carried out to finalise top up rates for special schools, and to agree final rates at the March meeting;
- i) To agree the budget for the post-16 top up budget and to set it at the level allocated within the funding settlement;
- j) To allocate £0.150m from the DSG Reserve to support the proposal to fund Hard to Place pupils;
- k) To formalise a proposal for consideration at the next meeting for a fund to support the transition of pupils with high needs in to Reception, to be funded in 2014-15 from the DSG Reserve;
- l) To set the overall schools budget at £303.919 million including the agreed utilisation of the DSG reserve to support Hard to Place Pupils. (This figure was not inclusive of the 150k that would be utilised from DSG Reserves to support the Hard to Place pupils (as in j above)).

3. The purpose of this paper is to update Schools Forum on the progress in relation to the school's budget for 2014-15 and any issues that have arisen since the last meeting. Following a request by the Schools Funding Working Group a separate report is also provided giving more detailed analysis of the impact of the Minimum Funding Guarantee (MFG)

Main Considerations

4. In accordance with recommendation 1) above, the Council has set an overall schools budget at £304.049 million in line with the estimated DSG allocation of £303.919m plus the utilisation of £0.150m from reserves.

Schools Delegated Budgets 2014-15

5. Confirmation has been received from the Education Funding Agency (EFA) that the final Wiltshire schools formula is compliant with the new regulations.
6. Five budget roadshows were held at venues across the County during January and February to inform schools of the main changes and headlines in the 2014-15 budgets. Roadshows were well attended. A separate roadshow was also held for special schools.
7. Funding Certificates and associated information for 2014-15 were issued to Wiltshire maintained schools on 26th February ahead of the statutory deadline. Funding certificates were issued electronically for the first time this year in line with the Council's policy to reduce the use of paper.
8. Details of budgets and funding rates have been sent to HCSS so that the financial planning software can be updated. HCSS will be issued as a web based system for 2014-15 and training sessions for schools have been arranged.
9. The EFA are expected to have issued indicative budgets for 2014-15 to academies by the end of February 2014.
10. Final allocations for post-16 funding have yet to be confirmed. Provisional allocations based on 2013-14 funding levels are included on funding certificates at this stage and allocations will be updated as more information is received.
11. Indicative budgets for 2015-16 and 2016-17 have yet to be issued to schools. Final pupil projections for the next two years have not been finalised and, like last year, a decision was taken not to delay the issue of 2014-15 budgets whilst waiting for this data. Indicative budgets for the next two years will be issued to schools as soon as the data is finalised. No details have been received of the potential changes a national funding formula might bring and so future year's budgets will be calculated on the current formula.

12. Budgets issued for 2014-15 cannot be adjusted to correct errors. Any adjustments required will need to be made in the following year.

Budgets for High Needs Provision

13. Budgets for Special Schools, Resource Bases and Enhanced Learning Provision (ELP) have been calculated on a place plus basis as required under the new regulations. Agreed planned places have been funded at £10,000 per place and top ups for individual pupils notified to schools. Top up rates for ELP and Resource Bases are as agreed at the Schools Forum meeting on 16th January.
14. Top up rates for Special Schools will be considered as a separate paper on this agenda.

Overall Impact of Funding Changes

15. Analysis of the budgets across all mainstream schools, including academies, shows that 77 schools will be receiving the Minimum Funding Guarantee (MFG) at a total cost of £1.611 million. Following discussion at the School Funding Working Group a separate paper has been provided giving more detail on the cost of the MFG and impact on individual schools.
16. The cost of the MFG has been met through the capping of gains to schools who would receive an increase in funding through the new formula. Gains are capped at 0.88% in order to meet the cost of the MFG.
17. In terms of other measures used by the EFA to compare budgets across the country to track the move towards consistency:
 - a) The Wiltshire per pupil funding rates are within the allowable range of greater than £2,000 for the primary per pupil funding rate, and greater than £3,000 per secondary aged pupil.
 - b) 82.86% of funding in Wiltshire is allocated through the basic per pupil funding element.
 - c) 86.49% of funding in Wiltshire is allocated through pupil-led factors (AWPU, deprivation, prior-attainment, EAL, etc).
 - d) The ratio of primary to secondary funding in Wiltshire is 1:1.24.

Other Issues

Pupil Premium Grant (PPG) – Conditions of Grant

18. The EFA has recently issued the conditions of grant for PPG. The main changes are in relation to the PPG for looked after children and these include:

- a) the cohort of looked after children who attract the premium includes children looked after from the first day of care rather than, as previously, only those who had been looked after for six months or more;
 - b) funding for looked after children, for 2014-15, will be retained by the virtual school head (VSH) in the local authority rather than passed down to schools as previously. The DfE expect that once the VSH has identified and agreed the programme of activity with the school the pupil attends, that the funding would be passed down;
 - c) a looked after child will attract the Pupil Premium of £1,900, but will not additionally attract the “Ever 6 FSM” premium of £1,300 or £935. A looked after child can still attract the Service Child Premium if eligible; and
 - d) the conditions of grant for 2014-15 make it a requirement for local authorities to pass down pupil premium funding to special PRUs and non-maintained special schools. It was considered that the previous arrangements, which gave LAs flexibility to retain this funding or pass it down to schools, may not result in the best use of resources as these schools were receiving funding for some of their pupil premium pupils but not others. Special academies and free schools, and AP academies and free schools will receive funding directly from the Education Funding Agency.
19. The changes outlined in (b) and (d) above formalise current practice in Wiltshire. Discussions are ongoing in relation to ensuring that PPG that is not identified as part of the Personal Education Plan is passed to schools more quickly.

Universal Infant Free School Meal Entitlement

- 20. It has been confirmed that the universal infant free school meal entitlement is to be implemented from September 2014. The limited guidance received so far is not clear on the implications for special schools however it is assumed that the entitlement will need to be delivered to all infant pupils in Reception and years 1 & 2.
- 21. Capital funding of £150m has been made available nationally to support the implementation. Wiltshire’s allocation is £0.786m for LA maintained schools with a further £0.280m allocation to support VA schools. Academies need to access capital via the Academies Capital Maintenance Fund.
- 22. A letter has been sent to primary schools in Wiltshire asking them to outline their intentions in terms of delivery of the FSM entitlement – this information will be used to support the prioritisation of the capital allocation.
- 23. The guidance on revenue funding indicates that the implementation will be funded at a rate of £2.30 per meal taken. Uptake will be measured as part of the census. It has also been announced that £22.5 million will be allocated nationally to support small schools but no details of this have yet been received.

24. The potential retrospective allocation of revenue funding is causing concern. More recent correspondence from NAHT suggests that there may be some movement on this but no revised guidance has yet been issued.
25. The issue of funding to support the implementation of this entitlement was the biggest concern raised by schools at the budget roadshows.

Proposal

- a) Schools Forum is asked to note the progress on the 2014-15 schools budget to date.

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