

**Open Report on behalf of Heather Sandy, Interim Director of Education**

Report to:	<b>Lincolnshire Schools' Forum</b>
Date:	<b>20 June 2019</b>
Subject:	<b>Section 251 Budget Statement 2019/20</b>

**Summary:**

The purpose of this report is to provide Schools Forum with a copy of the Section 251 (s.251) budget statement for the 2019/20 financial year.

**Recommendation(s):**

The Schools Forum is asked to note the content of the report.

**Background**

Local Authorities (LAs) are required under s.251 of the Apprenticeship, Skills, Children and Learning Act 2009 to prepare and submit an education and children's social care budget statement for the relevant period to the Secretary of State for Education by 30 April each year. The s.251 return is intended to provide a clear picture of the LA's planned spending on its schools budget, de-delegated items, high needs budget, early years budget, central provision within the schools budget and children's and young people's services.

The LA's s.251 budget statement and the Department for Education's (DfE's) benchmarking data that is published later in the year should assist the Schools Forum's consideration of budget levels across the activity headings.

The information for 2019/20 was submitted to the DfE via its data collection and management system for education (COLLECT). As is customary, the DfE will carry out a number of checks on it, and should any amendments be required, it will be updated at a later stage. However, to ensure compliance with the statutory requirements, the LA has published the Early Years report, the LA Table report and the Schools Table report in the 'Downloads' section of Lincolnshire County Council's website at:

<https://www.lincolnshire.gov.uk/local-democracy/finances-and-budget/schools-financial-information/s251-statements>

This allows all maintained schools and academies; private, voluntary and independent providers (that are funded to provide free early years provision to two, three and four year olds) oversight of how budgets have been set for the financial year.

The overall Dedicated Schools Grant (DSG) funding is considered when the LA completes its annual detailed budget setting exercise. For 2019/20 the DSG continues to consist of

four blocks – Schools Block, Central Schools Services Block (CSSB), High Needs Block and Early Years Block, each of these blocks have been determined by a separate national funding formula. The Schools Block continues to be ring-fenced and LA's are only able to transfer 0.5% of their Schools Block funding to an alternative block with the agreement of their Schools Forum following consultation with all schools and academies. Movements of budget from the CSSB to the Schools Block, or from the High Needs Block to any other block are not subject to any limit, and can be made in consultation with Schools Forum.

The only block transfer the LA has made for 2019/20 relates to a £0.250m movement from a school' broadband saving in the CSSB historic commitments to the Schools Block to enable the government's national funding formula for schools to be replicated subject to the government's agreed floors and ceiling approach.

Attached to this report is a copy of Table 1 – LA level information. This provides an overall picture of the funding being allocated direct to schools and high needs delegations; the amount being spent on education centrally and children's social care.

The total DSG for 2019/20 is £560.080m. The Schools Block is £428.021m, of this 99.5% is devolved to schools through the agreed national funding formula with the remainder of funding supporting LA planned growth to provide sufficient school places for the children of Lincolnshire. The CSSB is for central services provided to schools to reflect the ongoing LA role in education. The Early Years Block is allocated to the sector based on a participation-led approach to funding providers. Overall, 96.24% of the Early Years Block is planned to be distributed to the sector with the remainder held for early years central support services. Of the High Needs Block, 70.21% is earmarked to devolve out to Lincolnshire schools and colleges for pupils requiring additional support, with the remainder of funding for supporting school support services (including outreach arrangements) and externally commissioned placements for Lincolnshire pupils.

The changes that the DfE implemented in 2018/19 create limitations in terms of movement of funding between blocks to respond to arising cost pressures. There are a number of budgets that are difficult to estimate and control due to the demand-led nature of the services supported through the DSG High Needs Block in particular, (e.g. top up funding for Education Health Care (EHC) plans for mainstream pupils, special school pupil placements, out of county placements, and meeting the education needs for pupils through alternative provision placements). This therefore creates a potential future financial risk to the affordability of the High Need Block in light of these changes, added with the uncertainty in future funding levels which will be determined by the next spending review starting 2020.

In 2019/20, Lincolnshire received c.£5.776m of protection funding following the implementation of the new High Needs national funding formula to provide stability against the prior year's funding level. The government also responded to national concerns over the increasing costs to support growth and increased complexity of young people requiring additional support. Lincolnshire received a one-off allocation of £1.533m to its High Needs Block in 2019/20.

The final year of the four year funding settlement is 2019/20. Funding levels from 2020/21 are subject to the government's next spending review. Officers from the Education Skills Funding Agency (ESFA) have indicated an announcement on schools funding for 2020/21 will now be known until the Autumn of 2019 at the earliest.

## Consultation

### a) Have Risks and Impact Analysis been carried out?

No

### b) Risks and Impact Analysis

n/a

## Appendices

These are listed below and attached at the back of the report	
Appendix A	The LA's s.251 Table 1 data for 2019/20.

## Background Papers

Document title	Where the document can be viewed
Schools Funding arrangements 2019/20	<a href="http://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=166&amp;MId=5316&amp;Ver=4">http://lincolnshire.moderngov.co.uk/ieListDocuments.aspx?CId=166&amp;MId=5316&amp;Ver=4</a>

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