

**REGULATORY AND OTHER COMMITTEE REPORT**

<b>NAME OF COMMITTEE:</b>	Schools' Forum
<b>DATE OF MEETING:</b>	30 June 2010
<b>SUBJECT:</b>	2010/11 Budget
<b>REPORT BY:</b>	Tony Warnock Head of Finance – Children's Services
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<b>IS THE REPORT EXEMPT?</b>	No
<b>IS REPORT CONFIDENTIAL?</b>	No

**SUMMARY**

The purpose of this report is to provide information regarding the 2010/11 budget.

**DISCUSSION**

**Section 251 budget statement**

The section 251 (formerly s52) budget statement shows the Local Authority's (LA) planned spending on Children's Services for the following financial year. Ordinarily, the LA has a statutory duty to publish the statement by 31 March and this is then reported to the April meeting of the Schools' Forum. This year, the DCSF extended the deadline for publication by one month, due to late changes to the content of the statement.

The content and format is prescribed by the DfE and a copy of Lincolnshire's 2010/11 s.251 budget statement (Table 1) is attached at Appendix 1. The full section 251 statement is available on LCC's website at:

<http://www.lincolnshire.gov.uk/section.asp?catid=6909&docid=60434>

It is expected that DfE will once again publish benchmarking data later in the year, to allow LA spending plans to be compared with statistical neighbours. A report on that will be presented to the Schools' Forum in the Autumn.

### **Budget approval**

The Schools' Forum is not required to approve the budget. However, as in previous years, the Forum has been consulted on the LA's proposals for 2010/11:

- Individual Schools Budget (ISB).  
The Schools' Forum was consulted on proposed changes to the ISB/school funding formula at its meetings in January and February 2010. This included the change to the funding arrangements for special educational needs.
- Centrally held budgets.  
The Schools' Forum was consulted on proposed changes to centrally held budgets at its meetings in January 2010. The proposed changes included an increase in budget for the unavoidable pressures on early years, an increase in the school redundancies budget and a reduction in special educational needs out of county budget.
- Headroom funds  
The Schools' Forum was consulted on the proposed use of the remaining DSG or 'headroom' funds (i.e. the sum remaining after provision for centrally managed budgets and the 2.1% Minimum Funding Guarantee for schools) at its meetings in January and February 2010. It was proposed that the funds be used to provide protection in 2010/11 against losses to individual schools arising from the introduction of the new special needs funding arrangements and, given the gloomy economic outlook, that it would be prudent to retain and carry forward the balance to 2011/12.

The views of the Schools' Forum were considered carefully by Children's Services Directorate Management Team and Executive Portfolio Holder. Those views helped shape the final decisions, most notably the protection arrangements for special educational needs. Otherwise, there have been no material changes to the proposals outlined above and the final decisions were reflected in the school budget share information published on 19<sup>th</sup> March 2010 and the s.251 statement published in April 2010.

The Schools' Forum's approval is required where the LA proposes to increase centrally held budgets within the DSG by a greater percentage than the Individual Schools Budget. However, the s.251 statement shows that the Central Expenditure Limit has not been breached in 2010/11.

Schools' Forum members are aware that the DSG has to be estimated at the start of each year and is subject to verification and adjustment by the DfE later in the year. Hopefully, the LA has again made a prudent estimate of the 2010/11 DSG. Once the final figure is confirmed, the LA will be able confirm to the Schools Forum how much 'headroom' remains uncommitted for carrying forward in to 2011/12. It is intended that this will be reported to the Schools' Forum later in the year, along with information regarding any underspendings from the 2009/10 DSG.

At the previous meeting, the Schools' Forum asked for more detailed information regarding SEN and CERA (Capital Expenditure from the Revenue Account). This is attached at Appendix 2.

**RECOMMENDATIONS**

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

**BACKGROUND PAPERS**

The following reports were relied upon in the writing of this report.

<b>PAPER TYPE</b>	<b>TITLE</b>	<b>DATE</b>	<b>ACCESSIBILITY</b>
Schools' Forum Report	School Funding Arrangements 2010/11	27 January 2010	Committee Services, County Offices, Newland, Lincoln

**APPENDICES**

Appendix 1: Table 1 – Section 251 Budget statement 2010/11

Appendix 2: Analysis of SEN and CERA budgets