

Agenda Item 8



REGULATORY AND OTHER COMMITTEE REPORT

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| NAME OF COMMITTEE: | Lincolnshire Schools' Forum |
| DATE OF MEETING: | 28 June 2017 |
| SUBJECT: | Section 251 Budget Statement 2017/18 |
| REPORT BY: | Mark Popplewell (Head of Finance – Children's Services) |
| NAME OF CONTACT OFFICER: | Mark Popplewell |
| CONTACT OFFICER TEL NO: | 01522 553326 |
| CONTACT OFFICER EMAIL ADDRESS: | mark.popplewell@lincolnshire.gov.uk |
| IS THE REPORT EXEMPT? | No |
| IS REPORT CONFIDENTIAL? | No |

SUMMARY

The purpose of this report is to provide the Schools Forum with a copy of the s.251 budget statement for the 2017/18 financial year.

DISCUSSION

Local Authorities (LA) 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 31 March 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 DfE's benchmarking data that will be published later in the year, should assist the Schools Forum's consideration of budget levels and the balance of funding between early years, primary, secondary and special schools.

The information for 2017/18 was submitted to the DfE via its data collection and management system for education (COLLECT) by the 31st March 2017 deadline. As is customary, the DfE will carry out a

number of checks on it. 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 LCC's website at:

<http://www.lincolnshire.gov.uk/parents/schools/for-schools/s251-statements>

This means that details are available to 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. The documents will be refreshed should the DfE require any amendments to the LA's statement.

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, the amount being spent on education centrally and the amount being spent on children's social care.

The overall Dedicated Schools Grant funding is considered when the LA carry out its annual detailed budget setting exercise. This has in the past resulted in movements between the notional schools, early years and high needs blocks to ensure affordability. The values of the blocks largely reflect the historic funding mechanisms of the Dedicated Schools Grant, rather than a needs-based approach to funding. The implementation of the early years national funding formula in April 2017 was intended to address the disparities in funding across the country and provide a fairer level of funding to the sector. The 2017/18 early years block funding is assigned fully to early years activities, which was supported by Schools Forum at the 22nd February 2017 meeting.

Following a review of historical commitments within the central schools block in 2016/17, the LA was able to make significant savings to the Dedicated Schools Grant for 2017/18 of £4.274m relating to: the costs of the capital investment made by the LA in schools over the years and the PFI contractual commitment; Stamford Endowed phased reduction, and; the removal of the Redeployment Officer. These savings have allowed the LA to fund the high needs pressures reported within the Annual report on Special Educational Needs and Disabilities (June 2017). This moves £4.274m from the central schools block to the high needs block. These cost pressures include: the growth in special school pupil placements made including exceptional funding to support schools to maintain placements; the provision for schools pupil banding; a revision to the Pilgrim hospital schools funding following a review that identified capacity to support medical placements particularly those with severe anxiety levels that are unable to support mainstream provision; a revision to the pupil referral unit funding to support the agenda of providing pre-exclusion places and the re-integration of pupils back into mainstream school settings, and; pupil placements made to out of county provisions and independent school where Lincolnshire schools have stated that they are unable to meet the special educational needs of a particular learner.

The LA has also seen a growth in top up and targeted funding devolved to mainstream schools in 2016/17, which reported an overspend of £1.495m. Funding is provided where pupils meet the threshold for support through an Education Health Care Plan. The LA made no changes to the local school funding formulae for 2017/18 maintaining the same cash values in line with the government's schools block funding of the Dedicated Schools Grant. The minimum funding guarantee released for those protected schools of up to minus 1.5% released funding (£0.847m); the removal of a split-site factor for a school (£0.341m), and; the funding available from the schools block historical funding mechanism (£0.438m) have allowed this cost pressure to be funded, which has resulted in a movement of funding from the schools block to the high needs block of £1.626m.

The targeted funding approach was introduced in 2015/16 following the government's direction to implement the notional SEN changes, which led to £2.401m being delegated through mainstream schools formula factors to support fully the first £6,000 of SEN support for those higher needs learners. It was expected that the schools national funding formula planned for 2018/19 would consider notional SEN and targeted funding, but this is presently unclear. Therefore the LA is

planning to consider the methodology and overall approach due to the significant rise in costs (2015/16: £1.395m, £2016/17: £1.721m) compared to the 2015/16 budget of £0.893m.

The movement between the blocks described above are a direct result of the decisions to respond to budget pressures as highlighted in previous reports to the Schools Forum.

The LA will present a report on the s.251 benchmarking data later in the year, following publication of LAs' data by the DfE.

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| RECOMMENDATIONS |
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The Schools Forum is asked to note the content of the report and approve the budget changes between the notional blocks.

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

| PAPER TYPE | TITLE | DATE | ACCESSIBILITY |
|-------------------------|--------------------------------------|-------------------------------|----------------------------------|
| Report to Schools Forum | Schools Funding arrangements 2017/18 | 12 th January 2017 | County Offices, Newland, Lincoln |

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| APPENDICES |
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Appendix 1: the LA's s.251 Table 1 data for 2017/18.

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