



Lancashire Schools Forum

CC Matthew Tomlinson,
Cabinet Member for Children, Young People and
Schools

Tel. 07752878206
Email jfletcherd@hotmail.co.uk
Date 14 January 2014

C. CC Nikki Hennessy,
Lead Member for Schools

Dear CC Tomlinson,

Schools Budget 2014/15

As you will be aware, the Schools Forum meeting on 14 January 2014 was presented with information about the latest proposals for setting the Schools Budget from April 2014, including the allocation of available headroom.

Following consideration of the proposals, the Forum agreed a number of recommendations for your consideration in setting the Schools Budget for 2014/15. The Forum:

- Supported the methodology used to construct Schools Budget for 2014/15, amounting to £843.574m.
- Recommended that available headroom be allocated as follows:

Schools Block

- The basic pupil element is increased to reflect the additional one-off funding available in 2014/15 due to underspends carried forward from 2013/14 and the release of contingencies, as follows:
 - £9.18 across both primary and secondary to allocate the £1.400m of funding carried forward from 2012/13;
 - £5.37 in primary and £8.69 in secondary to reflect the reallocation of the CRC reserve.
- The basic pupil element is increased by a further £35.11 across both primary and secondary, to be funded from general headroom;
- The lump sum in both primary and secondary is increased by £700 to maintain the lump sum at the 2013/14 level, following adjustments for the growth fund for expanding schools and academies;

Chairman John Davies

C/O The Clerk to the Schools Forum, Resource Management and Planning Team
PO Box 61, County Hall, Preston, PR1 8RJ

- In addition, the secondary lump sum is increased by £5,000 to provide support to smaller secondary schools and academies, especially where they are experiencing falling rolls;
- In accordance with the latest guidance from the DfE, which indicates that "Any limiting or scaling back of the funding of schools and academies that gain from the formula must not exceed in total the cost of funding the minimum funding guarantee for schools and academies entitled to MFG", we recommend that the cap be relaxed from the current level of 1.50% to 2.65%.

Early Years Block

- Top up funding in nursery schools is increased by £0.01 per child per hour to reflect their share of the additional one-off funding allocated from the CRC reserve;
- The base rate for the 3 and 4 year old Early Years Single Funding Formula is increased by 1.2% to reflect the same increase in the primary basic pupil element, providing an extra £0.05 per child per hour across all base rates;
- The £0.08 per child per hour transitional protection for the 2 year old offer is reinstated for 2014/15 and the same £0.05 per child per hour uplift applied to the 3 and 4 year old offer is applied to the 2 year old offer. This will increase the 2 year old base rate by £0.13 per child per hour (£0.08+£0.05).

High Needs Block

- Top up funding in special schools and PRUs is increased to reflect their share of the additional one off funding allocated from reserves, providing £0.296m to special schools and £0.069m to PRUs;
- To support High Needs Block centrally retained commissioned services budget pressures, allocations be made as follows:
 - High Needs Top Up – Increase £0.750m
In 2013/14 £0.750m of high needs top up was funded from the Dedicated Schools Grant reserve. Latest estimates indicate that this funding will be required in 2014/15 and it is recommended that this is included within the centrally retained commissioned services budgets for 2014/15;
 - Other budget pressures – Increase £1.000m
 - The PRU primary intervention budget is increased by £0.250m to reflect an increase in demand. Estimated at £0.400m in 2014/15;

- ACERs have experienced difficulty in finding a place for some hard to place pupils who have either been excluded from a Lancashire schools or from out of county. An estimated cost pressure of £0.300m has been identified for 2014/15;
 - Latest estimates indicate that there will be an overspend on what was formally known as SEN recoupment where Lancashire are required to fund element 3 top up funding for Lancashire pupils placed in mainstream schools and academies outside Lancashire. The current estimate in 2014/15 is £0.200m;
 - From April 2014 the Hospital Education provision based at Royal Preston Hospital will be extended to include inpatients of the Platform for young people with mental health needs. This is due to changes in the age profile of young people accessing the Platform from 16 to 18 to 13 to 18. The NHS will meet the cost of additional premises and the Schools Budget will meet the cost of an additional teacher, teaching assistant and associated computer kit. Latest estimates indicate that additional funding of £0.100m will be required.
- It is recommended that element 3 top up funding is increased to a level that will represent a 1.2% increase in special school pupil related budgets, resulting in an increase of the cost of a WPN from £3,980.39 in 2013/14 to £4,100.00 in 2014/15. This increase be applied to all pupils with high needs across all phases both pre and post 16 and is allocated across the phases as detailed below:
 - Schools Block – Increase £0.091m
 - High Needs Block
 - Special Schools – Increase £0.283m
 - Post 16 – Increase £0.021m
 - It is recommended that the budgets for PRUs are also uplifted by 1.2%

I should also like to inform you that the Forum approved the following central expenditure items under our decision making powers:

Central spend on	£000
● growth fund	1,384
● falling rolls fund for surplus places in good or outstanding schools where a population bulge is expected in 2-3 years	No proposals
● funding for significant pre-16 pupil growth	No Proposals
● equal pay back-pay	No Proposals
● places in independent schools for non-SEN pupils	No Proposals
● early years expenditure	323
● high needs block contingency	2,550
Central spend on (not more that the value committed in 2013/14)	
● admissions	937

• servicing of schools forum	188
• carbon reduction commitment PRUs	47
• capital expenditure funded from revenue	No Proposals
• contribution to combined budgets	1,550
• schools budget centrally funded termination of employment costs	500
• schools budget funded prudential borrowing cost	240
• special education needs transport costs	No Proposals
Carry forward a deficit on central expenditure to the next year to be funded from the schools budget	No Proposals

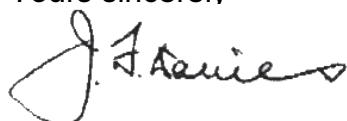
In coming to our recommendations we took no account of the Government's Universal Infant Free School Meals Entitlement. I had written to the EFA requesting urgent clarification of the revenue funding implications of the entitlement and we were informed that the project would be funded by a ring fenced grant.

The Forum remains concerned about the resource implications associated with the introduction of the SEND reforms from September 2014, however we have not recommended any headroom is allocated in response to the reforms as no quantifiable costs are available at this stage. We recommend that any underspends in the 2013/14 Schools Budget that may become available should be earmarked to support any additional costs related to the SEND reforms, utilising the greater flexibility that exists in the operation of the High Needs Block.

I hope that you will be able to accommodate our recommendations and decisions when you set the Schools Budget for 2014/15.

With best wishes.

Yours sincerely



John Davies
Chairman, Lancashire Schools Forum