



Walsall Council

Walsall Children's Services

Report to: Schools Forum

Date: 12 March 2013

Subject: Approval of Central Schools Budget Expenditure

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Purpose of the report: This report provides details of the authority's level of central schools budget expenditure, from the Schools Budget and Early Years Funding Blocks of the Dedicated Schools Grant. Approval for these items must be sought from School Forum before 15th March 2013.

Recommendation: That School Forum approve the levels of central school budget expenditure as detailed in the report together with the criteria for allocating pupil growth funding.

Central Expenditure for Schools Budget and Early Years Funding Blocks

1. Background

- 1.1 The reforms to the school funding system announced in March 2012 impacted on both the school funding formula, by limiting the number of allowed funding factors, and how expenditure may be retained centrally by a local authority from the newly established funding blocks of the Dedicated Schools Grant (DSG). Details of what may or may-not be held centrally and any limits which may apply are laid out in the Regulation 8 and Schedule 2 of The School and Early Years Finance Regulations.
- 1.2 The previously used term “Central Expenditure Limit” and the DfE’s calculation for the determination of the limit it is no longer a feature of school funding regulations.
- 1.3 There are increased restrictions on the expenditure which can be held centrally within the schools budget and a number of budget lines will require Schools Forum approval. Some services which could previously be held centrally have now to be delegated to schools through the formula. Others relating to historic commitments can only be retained centrally if the planned expenditure does not exceed that reported in the 2012-13 financial year. Some budgets lines can be retained centrally without any limit with Schools Forum approval.
- 1.4 Local authorities will be allowed to retain funding centrally for pupil/ infant class growth. The allocation criteria for this funding must also be approved by the Schools Forum.
- 1.5 The date by which the local authority must decide on their levels of central schools budget expenditure has been brought forward to 15th March, regulation 8(1).

2. Centrally Retained Expenditure 2013-14

- 2.1 Schedule 2 of The School and Early Years Finance Regulations sets out the services which can be retained or earmarked centrally within the funding blocks for 2013-14 and is split into five parts:
 - Part 1 Central services - historic commitments i.e. expenditure lines will be restricted to what was planned expenditure in 2012-13 as per regulation 8(2) & (3).
 - Part 2 Central schools expenditure - not restricted in terms of limit, as per regulation 8(5). This includes the growth fund to support increases in pupil classes, as per regulation 8(4) & 9(5). (*growth funding does not apply to existing non-recoupment academies*).

Part 2 now also includes the carbon reduction commitment and as costs may arise in 2013-14 this line will not be restricted to 2012-13 levels.

- Part 3 Central schools expenditure - early years block items, as per regulation 8(5).
- Part 4 High Needs budget.
- Part 5 De-delegated items for maintained primary and secondary schools.

It is the budget lines which form Parts 2 & 3 above which will be subject to School Forum approval.

3. Part 2 – Central School Expenditure

3.1 The following budget lines make up Central School Expenditure:

	<u>Proposed 2013 -14</u>
Carbon reduction commitments	270,000
Fees to independent schools without SEN	0
Equal Pay - back pay	0
Exceptions agreed with Secretary of State	43,000 **
Pupil Growth / Infant Class Sizes	<u>67,740</u>
Total	<u>380,740</u>

3.2 Where appropriate the funding lines above will apply to all sectors, including academies and specials schools.

3.3 As detailed in 1.4 and in addition to approving the spending levels quoted above, regulation 8(4) requires School Forum to approve the criteria on which any funding retained for pupil / infant class growth is to be allocated.

3.4 The funding is to be made available to three primary schools whose admission number has been formally increased. King Charles and Caldmore Primary schools' admission number has been increased from 30 to 60 and Hillary Primary from 60 to 90. In all cases funding for an additional reception class teacher will need to be allocated from September. The basis of the allocation, which has been costed at £22,490, is the approximate cost of a teacher for the period September '13 to March 2014.

3.5 An additional class at each of the three schools will be created every September until all year groups have admitted up-to their increased admission number. As King Charles and Hillary Primary schools admissions number increased with effect from September 2010 an allocation of £22,490 will be required for 2013 and for the following 3 financial years. In regard to Caldmore Primary, their increase was effective from September 2012 and therefore will be required for 2013 and the following 5 financial years.

** This covers funding for the new central licence for the Copyright Licensing Agency (CLA)

4 Part 3 – Central Expenditure Early Years

4.1 Central Spend for Early Years block items has been identified at £1,643,187 and includes:

	£
Contingency – to fund termly changes in pupils numbers	300,000
Expenditure on children under 5	310,000
Funding of entitlement for two year olds – trajectory funds	<u>1,033,187</u>
Total	1,643,187

4.2 Funding for disadvantaged two year olds will transfer into the schools budget from April 2013, this funding was previously part of the Early Intervention Grant (EIG). The total funding transferred into DSG includes the trajectory funding quoted above, approximately 50% of which will support the costs of two year old entitlement for remainder of 2012-13 academic year. The balance can be used to support a number of other areas including training, capacity building, start-up costs, promotion of the offer to parents and carers, peer to peer support networks and programmes plus small grant opportunities for resources and refurbishment.

5 Recommendations

School Forum to:

1. Approve the level of central school expenditure
2. Approve the level of central expenditure - early years
3. Approve the criteria for allocating growth funding in 2013-14