

# North Somerset Council

## REPORT TO THE CHILDREN AND YOUNG PEOPLE'S SERVICES POLICY AND SCRUTINY PANEL

<b>DATE OF MEETING:</b>	<b>15 JANUARY 2016</b>
<b>SUBJECT OF REPORT:</b>	<b>BUDGET IMPLICATIONS FOR THE DEDICATED SCHOOLS GRANT (MANAGED THROUGH THE STRATEGIC SCHOOLS FORUM)</b>
<b>TOWN OR PARISH:</b>	<b>ALL</b>
<b>OFFICERS PRESENTING:</b>	<b>SERVICE LEADER (RESOURCES &amp; STRATEGIC PLANNING)</b>
<b>KEY DECISION:</b>	<b>NO</b>

### RECOMMENDATION

The Panel is asked to:

- Note the summary information presented in the report,
- Provide any comments to the Executive Member for Children and Young People to enable the views of the panel to be represented at the Strategic Schools Forum meeting on 20<sup>th</sup> January 2016.

### 1. SUMMARY OF REPORT

The Strategic Schools Forum (SSF) in North Somerset has responsibility for making decisions on a range of issues associated with the Dedicated Schools Grant (DSG) and the Schools Budget which it funds.

The Executive Member for Children and Young People, under his delegated powers, carries out the responsibilities of the Council in relation to the DSG through his attendance and input at meetings of the SSF.

At their meeting on 20<sup>th</sup> January the SSF will set the draft schools budget for the 2016-17 financial year. This report summarises the key decisions that will be taken at the SSF meeting. The purpose of this is to ensure that elected members:

- Are aware of the proposals to set the schools budget for 2016-17 and the implications for services to children and young people,
- Can ensure that the Executive Member for Children and Young People can represent the views of the panel and inform the decision making process.

The SSF will set the final schools budget for the 2016-17 financial year at their meeting on 2<sup>nd</sup> March 2016.

## **2. POLICY**

The use of the DSG, the setting of the schools budget and the role of the Schools Forum are all defined in regulations. Links to the main regulations and guidance can be found below:

[The School and Early Years Finance \(England\) Regulations 2014](#)  
[School Forum regulations](#)  
[Operational guidance](#)

## **3. DETAILS**

### 2015-16

The latest financial monitoring report, which will be presented to the SSF on 20<sup>th</sup> January, projects an overspend at the end of the financial year of £550,082. This has reduced from the level of £881,385 that was projected in October 2015. The decrease in the projected overspend is mainly due a reduction in funding that is allocated to education providers for children and young people with special educational needs and disabilities, called top up funding.

Any under or over spend on the schools budget, funded by the DSG, is carried forwards to the following financial year

### 2016-17

Given the level of overspending in the current financial year, reductions in the schools budget are required to set a sustainable budget for the future.

A number of reductions are proposed in the draft schools budget that will be considered by the SSF on 20<sup>th</sup> January. These savings amount to £319k and are detailed in the full paper for the meeting, which can be accessed through the link contained in the background papers section.

The key areas where reductions are proposed are:

- Business support savings as a result of the transfer to Agilisys amounting to £39k. This reduces the savings available to the Council.
- Staffing to support the development of early years provision for two year olds amounting to £98k. This support was required for an initial period only and the reduction in staffing has already taken place.
- Reduction in funding of £60k for parenting support. This is something that the SSF have historically supported but it is not an area where the responsibility for funding sits with the schools budget.
- Reduction in the budget for travellers of £18k. This reduction is mainly due to a budget that had been set aside by the SSF but is now funded from another source. This reduction will not have an associated reduction in either quantity or quality of service provided.

- Reduction in the budget for speech and language support for secondary aged children of £21k. This saving has been generated by a redesign of the service and will enable a service to commence again following a period where Weston Area Health Trust have been unable to deliver due to recruitment issues.
- Reduction in the budget of £24k to promote the impact of healthy nutrition on the health and wellbeing of children and young people. Instead this support will be funded via an increase in the cost of a school meal.

Even with this level of savings the proposed schools budget is still in excess of the dedicated schools grant available by £284,279, without repaying the overspend that is projected to be brought forward from the current financial year. The SSF will need to take further decisions at the meeting to reduce spending in order to set a sustainable budget for the future.

The SSF will need to reconsider all aspects of the proposed budget but a number of areas have been suggested as possible areas for consideration. They are:

- Removing the budget for post 16 low prior attainment to special schools £28k
- Reduce SEN equipment and other costs budget £25k
- Give notice to end additional funding for hearing impairment built into the sensory impairment arrangements from September 2016 £9k
- Reduce funding for family support provided through the Community Family Teams £17k. This is likely to result in a staffing reduction for the council.
- Do not create a permanent budget for multi-language support in early years £6k
- Reduce age weighted pupil unit rates to schools £199k. this represents a reduction of 0.23%

### De-delegations

Regulations specify that funding for certain areas of support funded through the schools budget, such as support for behaviour, cannot be retained and managed centrally. Instead the funding has to be delegated to individual schools for them to spend as they see fit in order to meet the needs of their pupils.

In some circumstances maintained mainstream schools are allowed to 'de-delegate' these resources. This means that maintained primary schools, for example, may choose, through their representatives on the SSF, to pool resources into an overall fund to support them all rather than manage the resources on a school by school basis.

All schools are consulted annually on de-delegations and the results used to inform the decisions of the SSF.

Listed below are the de-delegations that the SSF have agreed to continue for the 2016-17 financial year:

- Ethnic minority groups
- Future schools
- Schools central funds (maternity and suspended salary costs)

- Insurance
- Free school meal eligibility
- Contingencies

The SSF agreed a new de-delegation to support the work of recognised professional teachers associations.

The SSF agreed to significantly reduce the de-delegation for behaviour support. This has required a redesign of the services and as a result some termination of employment costs will be incurred. These costs will be funded by the DSG. Schools will retain the remaining resources individually and will need to make the necessary arrangements to procure the support required for their pupils.

#### **4. CONSULTATION**

Formal consultation exists for some areas of SSF decision making – such as de-delegations and changes to the formula that distributes resources to education providers.

For other areas there are no requirements for formal consultation. The education community is provided with regular updates on the issues that the SSF is facing and this helps to ensure that the representatives on the SSF can be guided by the views of their constituent groups.

#### **5. FINANCIAL IMPLICATIONS**

The information in this report has no direct implications for the council's budget.

#### **6. RISK MANAGEMENT**

The SSF are informed of all assumptions used to set the schools budget and of areas of risk.

#### **7. EQUALITY INFORMATION**

Members of the SSF are very aware that the decisions that they make have implications on the services available to children and young people and is particularly aware of the implications on vulnerable groups when it carries out its decision making. Where possible the SSF does whatever it can to mitigate the risks to vulnerable groups.

Equalities implications of the decisions made to create the draft schools budget will be presented to the SSF on 2<sup>nd</sup> March to inform the setting of the final schools budget for the 2016-17 financial year.

The SSF will be briefed on the savings planned in the Medium Term Financial Plan at their meeting on 2<sup>nd</sup> March and will have access to the associated equalities impact assessments.

## **8. CORPORATE IMPLICATIONS**

The decisions made when setting the schools budget can have a direct impact on the services delivered by the council.

## **9. OPTIONS CONSIDERED**

The SSF will consider all aspects of the schools budget when they meet on 20<sup>th</sup> January in order to set a balanced draft budget.

## **AUTHOR**

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## **APPENDICES**

Schools Budget 2016/17:

7.1 Strategic Overview and Executive Summary

7.2 Proposed schools budget 2016/17

## **BACKGROUND PAPERS**

[Home page for SSF reports](#)

[Papers for the October 2015 SSF meeting](#)

[Papers for the December 2015 SSF meeting](#)

[Papers for the January 2016 SSF meeting](#) – budget report is report number 7

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