

REPORT TO: Executive Board

DATE: 19 November 2015

REPORTING OFFICER: Strategic Director, People and Economy

PORTFOLIO: Children, Young People & Families

SUBJECT: Proposal to Re-profile the Dedicated School Grant

WARDS: Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To inform the Board on the outcome of the consultation with schools and the School Forum on the proposal to re-profile the Dedicated School Grant (DSG) to address the funding gap to ensure a sustainable and balanced budget.

2.0 RECOMMENDATION: That Executive Board

- 1) approve the proposal to re-profile the DSG funding for 2016/2017 and 2017/2018; and**
- 2) support Option B.**

3.0 SUPPORTING INFORMATION

- 3.1 On 1st October 2015 the Board agreed that a consultation could be undertaken with all primary and secondary schools and the School Forum on the proposal to re-profile the Dedicated School Grant, in order to ensure that it can be balanced over the next two financial years.
- 3.2 The Board agreed that the Special Schools Budgets needed to be reviewed and reduced in line with the budget available. For primary and secondary schools the proposal was to reduce the budgets in 2016/2017 and 2017/2018. A consultation document was sent to all school and they were asked whether they would prefer to see a 1.5% cut in each of the two years saving an estimated £863k each year, Option A. Alternatively, it was proposed that there could be a 1% cut in each year alongside the deletion of the pupil growth budget of £180,000 and the Additional Notional SEND funding of £108,500. This would provide estimate savings of £794k each year, Option B.
- 3.3 A total of 25 schools responded to the consultation by the deadline date. Six schools supported Option A, seventeen schools supported Option B. The remaining schools did not identify a preference for either option. A further four schools responded after the consultation had closed with one

supporting Option A, one supporting Option B, the two other schools did not express a preference. The responses from the schools and the comments made were circulated to all the members of the School Forum at the meeting on 12th October 2015. Following discussions on the options and the likely impact School Forum agreed to recommend approval of Option B to Executive Board.

4.0 POLICY IMPLICATIONS

- 4.1 A return must now be submitted to the EFA with the formula factors for 2016/2017. Towards the end of December the authority will be notified of its indicative budget for 2016/2017. On receipt of this information the final cash values will need to be calculated by the Finance Team and the Education Funding Agency pro-forma must be completed and returned by 21st January 2016.

5.0 FINANCIAL IMPLICATIONS

- 5.1 The DSG funding gap is estimated to have increased to approximately £2.5 million. The estimated reduction in school budgets by £794k in each of the next two financial years along with the savings from the special schools budgets should ensure that the budgets available meet the estimated level of need.
- 5.2 The current level of balances for maintained schools within the borough is £6.69million. In addition, balances are held by the Academies.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

The funding changes will ensure that we have sustainable budget can meet the needs of all Halton pupils whether educated within the borough or in other LAs or independent specialist provision.

6.2 Employment, Learning & Skills in Halton

None.

6.3 A Healthy Halton

None.

6.4 A Safer Halton

None.

6.5 Halton's Urban Renewal

None.

7.0 RISK ANALYSIS

- 7.1 These changes will reduce schools budgets over a two year period. These losses will be capped at 1.5% through the minimum funding guarantee for primary and secondary schools. Schools with balances will be able to use these balances to cushion the impact of the budget reduction.

8.0 EQUALITY AND DIVERSITY ISSUES

- 8.1 It is the aim of the School Funding review to create a fairer funding system and ensure the funding is more responsive to the individual needs of pupils and students with high needs whether they are educated in the borough in mainstream provision or outside the borough in independent specialist provision. The profiling of the DSG is aimed at ensuring that there is sufficient funding available to meet the needs of all pupils.

9.00 REASON FOR DECISION

- 9.1 To ensure that there is a fair distribution of resources across the DSG and that the DSG is profiled so that its budget commitments are sustainable.

10.0 ALTERNATIVE OPTIONS

- 10.1 Consideration was given to reducing schools budget by £1.8 million to balance the budget in 2016/2017, however, the minimum funding guarantee would cap any reductions to 1.5% i.e. approximately £863,000.

11.0 IMPLEMENTATION DATE

- 11.1 1st April 2016.

12.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
School Funding Arrangements 2016/2017	DFE website	Ann McIntyre – Operational Director – Ann McIntyre – Operational Director- Education, Inclusion and Provision & Operational Director - Resources
Schools Funding: Moving Towards a National Funding Formula. Briefing	House of Commons Library	Ann McIntyre – Operational Director – Education Inclusion and Provision & Operational Director

Paper 6702 17 th July 2015		Resources
School Forum agenda, papers and minutes 12 th October 2015	HBC website	Ann McIntyre – Operational Director – Education Inclusion and Provision & Operational Director Resources