

Budget update

1. Purpose of the Report

The report updates members on the latest budget position following the Forum setting the schools budget at the last meeting on 1 March and to decide the allocation of the temporary funding of £1m.

2 Recommendations

The Forum allocate the £1m funding to

1. To help fund the capital cost of bulge classes with an allocation of £500k
2. To help support school improvement activity through federation arrangements with an increased allocation of £220k.
3. To assist the increasing number of schools managing capital projects with an additional allocation of £50k.
4. To allocate £230k to all schools through the pupil led element of the formula on a one-off basis.

3 Capital Allocations

It was known from the Autumn Statement 2011, the Treasury was making available an additional £600 million of capital basic need funding for schools in England. On 11 April 2012, the Secretary of State announced the allocation of this funding for local authorities.

The funding has been allocated using 100 per cent capacity data to fund the shortfall in places as at 2013-14 (the same method as used for the £500m redirected basic need funding in November last year).

The share that Lewisham will receive is £15.9m. The current estimate of Capital need to meet demand from primary places is £69.5m to September 2015, to date £54m has been secured leaving a shortfall of £15.5m

4 Postal Services

A report was presented to the last Forum meeting on the Schools 'Blue Bag' service. It was proposed that Children and Young People Directorate reduce the costs of the Customer Services SLA which provides a daily

mail service for schools by at least £20k. It was identified that an increase of over 30% would be needed to produce a self-financing service.

Three options were proposed:-

- Option 1 End the service
- Option 2 Reduction of service to an alternate day service (SLA would however increase by inflation of 5% in line with other SLAs)
- Option 3 Increase charges to schools in line with the costs of service

Officers were asked to conduct a survey to see which option schools preferred

The outcome was as follows

- Option 1 - 7%
- Option 2 - 61%
- Option 3 - 32%

A total of 26 schools voted

The Chair of the Schools Forum approved, under delegated powers, that option 2 be adopted.

5 Allocation of the extra £1m of temporary funding

At the last meeting the possibility of allocating an extra £1m was discussed. There was a number of suggested areas but the detailed thinking had not taken place at that time. The initial thoughts were to

- to help fund the capital cost of bulge classes in order to close the funding gap mentioned in section 2.
- a one-off allocation to schools via the ISB in 2012/13 which would need to be reversed in 2013/14
- To help support school improvement activity(See section 4.1) and assist schools with managing capital projects(see section 4.2).
- Finally, there could be a combination of the three options above.

At the meeting the Forum agreed that firmer details relating to the proposals should be presented to members before decisions could be reached.

Members are asked to consider the following

5.1.1 Partnerships as School Recovery / Improvement Strategy

In Lewisham, we have worked for many years to secure strong, autonomous leadership in schools. We are clear that such leadership is the most crucial factor in securing the best possible outcomes for our children. We have been in the forefront of developments which have allowed Lewisham's great school leaders to expand their influence by taking on more than one school and use their skills and the strengths of their teams to forge rapid improvements in other schools which have been underperforming. Lewisham therefore has an increasing number of school 'federations' in both the primary and secondary sectors, including Academies.

We have worked intensively and successfully with governing bodies to convince them of the same and to broker federations with outstanding leaders. Success is breeding success: Improvements in a number of federations have been so great and fast, that many are now ready to take on more than one school.

Evidence shows clearly that these partnerships are very effective but costly in the first instance. Currently there are 14 partnerships which have been established to improve provision and outcomes rapidly, with the additional costs of 10 of these partnerships being funded or part funded by the School Improvement Team .

5.1.2 The extra costs can fall in one of the categories

Higher financial impact at outset due to:

- Additional Leadership costs (Exec HT as additionally in first instance)
- Inherited structures
- Personnel issues / conditions of contract
- Overlap' of senior leaders

Existing budgeting issues

- Potential deficit
- Unsustainable / inflated salary structures

Emergency needs

- Healthy and Safety issues
- Staffing needed to function properly
- Addressing legacy of underachievement

5.1.3 Costs:

Costs to date have been in the region of £100K for first 2 years, reducing to £50K for the third year. With the reduced funding available, this has been reduced to £80K for first 2 years and £35K for the 3rd year.

Existing partnership funding required over and above the current budget of £115k (using the 'reduced costs' formula):

12/13 – £220K

(13/14 – £150K)

5.1.4 Potential new partnerships:

There are 2 partnerships planned and estimate that the maximum amount for next year for new partnerships would be therefore be £160K.

5.1.5 The total of the proposal is £380k, although with the current changes proposed to the Dedicated Schools Grant for 2013/14 it would be worthwhile to make provision for the 2013/14 costs of £210k.

5.2.1 **Managing capital projects in schools**

The current budget is £410K, the funding proposed below takes into account not only major Building Schools for the Future projects and primary capital projects, but also support for a limited number of demanding projects to deliver “bulge” classes. The funding is used to allow the schools enough capacity in terms of staffing to manage the projects.

5.2.2 The following schools would be eligible for support for all or part of 2012/13 because of major capital projects, including, in some cases difficult “bulge” classes:

Completion Date

Addey and Stanhope	September 2012
Bonus Pastor	April 2013
Brent Knoll	January 2014
Brockley PS	September 2012
Crossways	2013
Gordonbrock PS	September 2012
Kender PS	September 2012
Kelvin Grove PS	September 2012

Kilmorie PS	September 2012
Prendergast Vale	September 2012
Drumbeat	April 2013
Prendergast Hilly Fields	April 2013
Sandhurst Infants	September 2012
St Bartholomew's	September 2013
Sydenham	2014
Trinity/Leahurst Road	September 2012

The total cost of the support for these projects is £322k.

5.2.3 The following schools will also have significant capital builds subject to mayoral approval:

Adamsrill	September 2013
Coopers Lane	2014
Forster Park	September 2014
Prendergast Ladywell Fields	September 2013

The total cost of these projects is expected to be £140K

5.2.4 The total funding estimated is £462k against a budget of £410k and the bid is to fund the balance of £42k.

5.3 One off allocation to schools

As noted in the last budget report a one-off allocation to schools via the ISB in 2012/13(which would need to be reversed in 2013/14) would result in the following extra allocations:

	Allocation of	
	£1m	£230k
	£	£
a one form entry primary school	5,000	1,150
a two form entry primary school	10,500	2,415
800 pupil secondary schools	31,000	7,130
1,250 pupil secondary schools	44,000	10,120

6. Future Funding Reform Implications

It is clear from the DFE proposals that the ability of the Schools Forum in the future to increase the budget for centrally managed services within the newly proposed schools block will be constrained. Further the DFE intend that future existence of such budgets / services will be dependent upon the individual or collective decisions of schools. The allocations proposed in this report recognise two current issues for schools and provides some buffer against any as yet unidentified issues in the implementation of changes in funding arrangements from April 2013.

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