

School & LA Education Budgets

Nina Dohel, Director of Education

Russell Dyer, Departmental Finance Manager

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Key Issues to cover

- **2018-19 & 2019-20 National Funding Formula (NFF)**
- **Cost pressures in Schools**
- **Mitigations to maintain standards**
- **Future Funding for LA Services and School Improvement**

2018-19 and beyond

- **NFF consultation and illustrative budgets (Reductions between -1.3% and -1.5% with an average of -1.4% in first year and -2.1% and -3.0% in second year based on 16-17 budgets)**
- **Growing Schools illustrative budgets now available**
- **For a typical primary school in Bermondsey with 2 forms of entry this would be a cash loss of £32k in year 1 (18/19) of NFF and £33k more in Year 2 of NFF (19/20), compared to a 16-17 budget of £2.186m**

NFF Issues

- **Local flexibility being limited**
- **Role for Schools Forum limited if any in future**
- **Any move to equalise rates will disadvantage areas previously well funded**
- **With gainers there are always losers, unless more funding goes into the system**
- **Lump sum will reduce by £40k per school – impact on smaller schools**
- **Area cost factor chosen disadvantages inner London's higher cost base**
- **Some data is starting to move against inner London – Free School Meals, Prior attainment**

Cost Pressures in Schools

- **National Audit Office report covers most of these areas:**
- **Salaries (including London Living Wage), National Insurance, Pensions**
- **Difficulty in recruiting & retaining teachers in the capital**
- **Business Rates**
- **Pupil Growth**
- **Apprentice levy**
- **Other areas?**

Mitigations to maintain standards

- **Response to consultation & can work – Nursery Schools**
- **Dept For Education have provided various guides & tools**
- **Lessons from other LAs/ schools where budget have reduced**
- **Schools grouping together to save on back office costs**
- **Strategic School Improvement Fund**
- **Some continued flexibility on Dedicated Schools Grant block transfers**
- **Free School Meals registration**
- **2 years to plan**
- **Council invests in free healthy school meals, education maintenance scheme & capital**
- **High number of schools with excess balances but one off**

Future Funding of LA Education services

Current & Future Funding of LA Education Services

- **DSG Central Block Services/ other blocks central retention - admissions**
- **Statutory: Retained Duties (all schools)**
- **Statutory: General Duties (maintained)**
- **De-delegated Services (maintained)**
- **School Improvement**
- **Non Statutory Services**

Education Services Grant (ESG) 16-17

Service Area	£000	£000
	General Duties	Retained Duties
School Improvement	944	45
Strategy and Regulation	837	300
Education Welfare	185	195
Asset Management	21	50
Monitoring of NCA	15	0
Speech and Language	6	10
Total	2,008	600

School Improvement - functions

School Improvement – distinction between standards team and wider school improvement role.

Some functions of role:

- **Accountability for all schools in Southwark**
- **Accountability nationally and locally for performance and outcomes**
- **Responsible for moderation of testing and assessment arrangements**

School Improvement - functions

- **Interface with Ofsted**
- **Safeguarding**
- **Oversight**
- **QA/ Challenge**
- **Data**
- **Aspects of Welfare**
- **Broader links with the whole council & partners**
- **CPD/NQTs**

School Improvement - Funding

- **Was partly core and ESG funded 16/17**
- **17/18 school improvement grant £0.16m (Sept 17 to Mar 18) and 'top up' de-delegation £0.78m (Primary only)**
- **Will grant continue 18/19 and bidding be allowed by LA for Strategic School Improvement Fund?**
- **Will de-delegation be allowed 18/19?**
- **Will need to move to traded/ subscription service 18/19 if de-delegation is not permitted**
- **De-delegation only possible if schools agree and budgets will be much tighter under NFF**
- **Govt. reviewing the role of LAs in Education**

Potential future models:



- **Some services will continue in blocks but will be limited**
- **Depends on funding and de-delegation rules and affordability**
- **Pay as you go;**
- **Subscription to a range of basic services – ‘insurance policy’;**
- **Individual fully traded/ subscription services;**
- **Schools Forum role**
- **Other LA grant reductions**