School & LA Education Budgets

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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

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<th>Service Area</th>
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<td><strong>Total</strong></td>
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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