

Dudley Schools Forum – 16th December 2014

De-delegated Schools Specific Contingency for 2015/16

Purpose

1. This is an additional proposal as part of agenda item 7 De-delegated Service Options – 2014/15 Projected Outturn and 2015/16 Proposals.

Background

2. In Table 3 of the main report (page 34 of Schools Forum agenda) there is an option for Schools Forum members to approve the de-delegation of the Schools Specific Contingency budget of £182,809 for 2015/16; this relates to Dudley maintained mainstream schools and is broadly earmarked to fund the ongoing costs of former Dudley schools now closed.

Proposal

3. This paper outlines a revised proposal for the de-delegated Schools Specific Contingency to be increased by approximately £430k for 2015/16 in order to provide a safety net in respect of Dudley Schools in financial difficulty; this is a permitted use of the Schools Specific Contingency where de-delegated. See Appendix A for the Schools Finance Regulation guidance.
4. In order to fund the additional £430k contingency, it is proposed that the lump sum allocation to all mainstream schools through the annual formula funding model is increased by £5,000 for each school sector in 2015/16 to fund the proposed increase in the de-delegated Schools Specific Contingency.
5. This will increase the 2015/16 lump sums as follows:
 - a. Primary from £144,000 to £149,000
 - b. Secondary from £138,500 to £143,500
6. The additional £5,000 per school will be funded from the Dedicated Schools Reserve and will be for 2015/16 only at this stage. This will not directly impact adversely on the recurrent funding or minimum funding guarantee to Dudley schools but will provide an increase in the de-delegated Schools Specific Contingency which allows the Director of Children's Services to have some budget headroom to support those school's reserves which may be at risk if Coseley School should default on their approved licensed deficit arrangement.
7. Paragraph 6 of the agenda item 6, Schools with Licensed Deficit Arrangement states:
 - A licensed deficit is funded against the collective surplus of school balances held by the local authority on behalf of all maintained schools and therefore Schools Forum must be advised and updated on behalf of all schools in the

local authority.

8. Schools Forum is required to approve, by school sector, the de-delegations for 2015/16. This is outlined in detail at paragraph 17 to 19 of the main report at agenda item 7.
9. Any de-delegated funds remaining at year end can be either returned to Schools or retained for use as the Schools Specific Contingency in the following financial year.

Headteachers Consultative Forum - Budget Working Group

10. At the meeting on 10th December, Headteachers were in support of the proposal.

Recommendation

11. The recommendation is that Schools Forum:

- a. approve the increase of the lump sum allocations to all mainstream schools by an additional £5,000 for 2015/16 to provide a lump sum allocation of £149,000 to Primary Schools and £143,500 to Secondary Schools; this will be funded from the central Dedicated Schools Grant reserve.

Voting

Whilst the Director's decision on this matter is final, Schools Forum members (excluding non school members other than the representative of the early years providers) are invited to vote in respect of the proposed formula change for 2015/16 before a final decision is reached.

- b. Approve the de-delegation in respect of the Schools Specific Contingency at £182,809, per Table 3 of the original report, together with a further £5,000 per maintained primary and secondary school, in order that the Director of Children's Services can have sufficient contingency funds to ensure that maintained mainstream schools are not put at a financial disadvantage during 2015/16.

Voting

Regulation 8 paragraph 9A - Only the Schools members of the schools forum who are representatives of maintained primary schools (other than nursery schools) may vote to decide whether or not to authorise the matters referred to as de-delegation where they relate to primary schools (other than nursery schools); and

Regulation 8 paragraph 9B - Only the Schools members of the schools forum who are representatives of maintained secondary schools may vote to decide on whether or not to authorise the matters referred to as de-delegation where they relate to secondary schools.

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**Extract from the DfE Instructions and Guidance for Financial Reporting on the Section 251
Financial Data Collection**

DEDELEGATED ITEMS

These apply only to maintained primaries and secondaries.

1.1.1 Contingencies: Include here expenditure as defined in Part 1 of the School and Early Years Finance (England) Regulations 2013. This “expenditure on the schools specific contingency” is central expenditure deducted for the purpose of ensuring that monies are available to enable increases in a school’s budget share after it has been allocated and where it subsequently becomes apparent that a governing body has incurred expenditure which it would be unreasonable to expect it to meet from the school’s budget share which may include expenditure in relation to -

- (i) schools in financial difficulty;
- (ii) the writing-off of deficits of schools which are discontinued, excluding any associated costs and overheads;
- (iii) new, amalgamating or closing schools; or
- (iv) other expenditure where such circumstances were unforeseen when initially determining the school’s budget share.