

Schools Budget 2016-17

Pressures and additional responsibilities

- B.1 Post 16 high needs places commissioned by other authorities
A technical change by the DfE means that authorities have to fund post 16 high needs places and all places in non-maintained special schools according to the location of the school, rather than according to the home area of the pupil occupying the place. This results in a net extra cost which is funded by an equivalent increase in high needs DSG.
- B.2 Inflation on pay and prices
This is based on a general 1% increase in pay and prices, with specific inflation rates for utilities and repairs and maintenance.
- B.3 National Living Wage (NLW)
The Government has announced significant increases in the Minimum Wage, starting with a rise to £7.20 per hour on 1st April 2016. The pressure shown does not take account of the potential additional costs resulting from amendments to salary scales to keep grade differentiation, or from increasing costs of providers being passed on.

Whilst the cost impact of the move to the NLW on most suppliers is unknown, the largest impact on schools is likely to be felt via the cost to Herts Catering (HCL) and other meals providers. HCL will be reporting to Forum early next year on likely changes in meal prices, but it is expected that there will be above-inflation cost increases through to 2019/20. A related point is that, if Universal Free Infant meals continue, it would seem unlikely that the DfE will increase the reimbursement rate of £2.30 per meal. Thus the burden of cost inflation will fall directly on schools

- B.4 Teachers pensions
The rate of employers' oncost in respect of the Teachers' Pension Scheme has increased from 14.1% to 16.48% from September 2015. The budget pressure shown represents the full year effect of this pressure, covering the period April to August 2016.

B.5 National Insurance- ending of contracted out rebate
The lower national insurance contribution rates for staff in employers' pension schemes, such as the teachers and local government pension schemes, will cease from April 2016.

B.8 Rates
This pressure includes both an estimated increase in rates costs due to school expansions and inflation on rates.

B.9 Demography – Primary, Secondary and Early years

This constitutes the impact of increases in pupil numbers on AWPU and other pupil led funding in the schools and early years budget shares. The pupil numbers used in the calculation will be updated when the Autumn term 2015 census data is available.

B.10 Special Schools
Increases in per place and top up funding to reflect the growth in the number of pupils in special schools.

B.11 Contingency for special schools in financial difficulty
This contingency will assist any special schools facing financial difficulty as a result of reductions in place numbers.

B.12 Demography- Exceptional Needs
This comprises a general demographic increase in the exceptional needs budget of £0.1m, plus a £0.2m increase in the budget for multiple cases.

B.13 Growth Fund
There is expected to be an increase in the cost of the Growth Fund, due to the ongoing impact of the school expansions programme.

B.14 Growth in existing free schools
The DSG will not take account of the additional cohort starting in free schools in September 2016. The Authority will, however, have to fund this cohort and this constitutes a budget pressure.

B.15 Falling Rolls Fund
A DfE requirement is that one of the eligibility criteria for the Fund is that a school has to be classified by Ofsted as Good or Outstanding. The projected cost increase results from small secondary schools which were previously in the Requires Improvement category, but which otherwise qualify for the Fund,

moving to Good. In addition the cap on falling rolls fund allocations has been removed.

B.16 AP Free Schools

The Authority is now required to pay the DfE for any places in AP Free Schools outside Hertfordshire, which are occupied by Hertfordshire pupils.

B.17 Minimum Funding Guarantee

There is expected to be an increase of £0.5m in the amount of MFG recouped from the Authority in respect of Samuel Ryder academy. In addition it is estimated that there will be a general increase of approximately £0.5m in the level of MFG protection resulting from the changes in additional needs data (such as free school meal numbers) between years. In previous years such a general increase in MFG has been offset by a reduction in MFG protection due to the annual increase in unit funding rates in school budget shares. However, in 2016-17 there is not expected to be any increase in unit funding rates.

The final element of this pressure is a £0.3m cost from the discontinuation of capping.

Savings

B.17 Amalgamations

There is a saving in lump sum funding in budget shares due to the amalgamation of Peartree Spring Infants and juniors.

B.18 2 year olds

Due to eligible children not taking up their full entitlement of hours, there will be a reduction in the budget for 2 year olds provision

B.19 Independent Placements

There is an existing underspend in the budget for placements in independent and non-maintained special schools and it is proposed to take this as a saving.

B.20 Secondary SpLD Bases

It is proposed to close the two secondary SpLD bases at Francis Combe and Barnwell with effect from September 2016.

- B.22 Reduction in special unit places
Several special units have significant amounts of spare capacity and it is proposed to reduce the overall number of special unit places.
- B.23 Keeping Children in Local Provision
An underspend has been identified in this budget.
- B.24 SpLD Training and Advice
An underspend has been identified in this budget.
- B.25 High Needs Contingencies
It is proposed to take these budgets as a saving.
- B.26 DSPL and Nurture Groups
It is proposed to merge the nurture groups budget with the DSPL budget and take a saving from this total resource.

New initiatives

- B.27 SEN Strategy Development Fund
It is proposed to create a budget to support new initiatives.

Reductions to match budget to DSG available

- B.28 Pressures not being funded
Given the resources available it is not possible to fund the pressures for inflation, national insurance, teachers' pension and the NLW in the schools and early years block. In this high needs block half of these pressures are funded.
- B.29 Balance of reduction to match DSG available
This is the further reduction required in the schools and early years blocks to match the budget to the resources available. This reduction will result in a slight decrease in unit funding rates in schools and early years budget shares.