

REPORT OF DIRECTOR OF CHILDREN'S SERVICES

SCHOOLS BUDGET UPDATE

EXECUTIVE SUMMARY

This report describes the changes to funding within the Schools Budget following the announcement made by the Department for Education (DFE) earlier this month.

1. Background

- 1.1 The Government's initial plans to tackle the national deficit were announced in May. Part of these measures include reductions to local authority grant allocations in 2010-11, specifically reductions in overall DFE Area Based Grants (ABGs).
- 1.2 The announcement by the Secretary of State for Education protects frontline spending on schools, children's centres and 16-19 provision in the current year. Literacy, numeracy and one to one tuition initiatives will continue as does the commitment to extending Early Years entitlement for 3 and 4 year olds to 15 hours per week.

2. Budget Savings 2010-11

- 2.1 There is an overall reduction in DFE Area Based Grants paid to local authorities of 24%. For Wirral Children's Services ABGs will reduce from £11 million to £8.4 million, a reduction of £2.643 million in the current year.
- 2.2 Nationally these changes account for just less than half of the DFE's expected in year savings. Other changes include:
 - reductions to TDA, National College and CWDC budgets;
 - abolition of BECTA;
 - savings from lower take up of diplomas and savings from support for delivery and development;
 - not proceeding with new high performing Specialist Schools;
 - reducing Extended Schools capital;
 - savings in Specialist Schools capital.

3. Impact on School Budgets

- 3.1 School budgets, Sixth Form funding and Standards Funds for 2010-11 are unaffected by these changes. Further details are needed with regard to Extended Schools capital. Until these are known schools have been asked not to commit further expenditure.
- 3.2 The reduction in Children and Young People Area Based Grants are significant and affect a wide ranging programme of work including school improvement, intervention, Connexions and Positive Activities. The reductions may also have some impact on the centrally managed Schools Budget. ABGs in respect of SEN and admissions

totalling £493,200 may need to be reduced in order to meet savings targets. The Council is currently considering the potential impact of these in year reductions and will be considering options as to how they are to be managed.

4. Budget 2011-12

- 4.1.1 Few details have been announced so far. The Chancellor of the Exchequer announces his Emergency Budget on 22nd June. This is the first budget of the new government. It is anticipated that this will contain forecasts for the economy and public finances, produced for the first time by the Office for Budget economy.
- 4.1.2 The distribution and level of grants for the Schools Budget will be considered as part of the Autumn Spending Review. The Spending Review report will be preceded by a period of consultation. The indications are that Schools Funding will include a Pupil Premium for schools with children from disadvantaged families. The premium is to be funded from outside the Education Budget.

RECOMMENDATION

That

- (1) the Forum note the report.

Howard Cooper
Director of Children's Services