

School Budget Planning Report 2019/20

1 Introduction

- 1.1 The purpose of this report is to outline the funding available to the school in 2019/20 and how this translates into our proposed school budget for 2019/20, which is presented for governors' consideration and approval.
- 1.2 The report will outline the implications for future year school budgets and the impact on the school's revenue and capital balances. The report also presents for consideration and approval any other budgets that are managed by the school.

2 Executive Summary

- 2.1 The 2019/20 draft budget has been set and balanced using the 2019/20 total allocation resources received into the school's budget for this financial year. The outturn for 2018/19 financial year has been calculated and this shows a surplus of £39,227, which includes £1500 earmarked funding received for educational visits. This sum (£1500) has been used to balance the 2019/20 budget. The remaining surplus of £37,727 will be added to current reserves held, making total reserves £70,512.

The 2019/20 formula budget share and pupil premium funding is roughly in line with last year's figures at £827,079 and £30,660. However, income for AEN funding has increased slightly due to an increase in funded additional support.

The Devolved Formula Capital (DFC) continues to remain at a low allocation of £11.25 per pupil which creates a total of £2,374. This, along with the lump sum of £4000, means that our DFC allocation for 2019/20 is £6,370. In 2018/19, there was an underspend of £990.26 in our DFC allocation. In addition, the school received a grant of £9770 from the government, which has been ring-fenced to formula capital. Therefore, we currently hold £10,760 in DFC reserves.

When setting the draft budget, key considerations have been given to the school development plan, building inspection reports and the development of ICT. A minimum amount of internal building work will be necessary to ensure that the working environment and resources reflect the outstanding education which we provide to our pupils. Although the 2019/20 has been set without the use of any carry forward from 2018/19, there is some planned work intended on school building improvement that may require the use of some reserves. This will be brought to governors for approval throughout the financial year as required.

3 Background to the School Budget Settlement

- 3.1 The 2019/20 Schools Budget is now available to maintained schools in Staffordshire. The National Funding Formula (NFF) was implemented in full for 2018/19, this is the second year Staffordshire have used the NFF.
- 3.2 In 2017/18 the government made major changes to the Education Services Grant (ESG). For 2019/20 retained duties funding has been added to the overall school's allocation. Schools forum voted, again, for retained duties to be retained centrally, and maintained school members agreed to a levy of £48.49 per pupil to fund the same functions as in 2018/19, including maternity pay and premises insurances.

- 3.3 A list of the services that are de-delegated by Staffordshire County Council (SCC), and how much they cost, is now available on Staffordshire Learning Net as part of the Formula Budget Share documentation.
- 3.4 Schools budgets are again based on the National Funding Formula. The formula includes transitional protections of a minimum per pupil funding level per phase and a 1% per pupil uplift from the 2017/18 baseline.
- 3.5 The 2019/20 budgets also include a Minimum Funding Guarantee (MFG) of +0.5%. The MFG ensures all schools receive a per pupil increase of at least 0.5% from the 2018/19 baseline. This protects schools from excessive year on year changes due to changes in pupil characteristics.
- 3.6 To ensure the formula is affordable within the schools' block DSG allocation, gains have been capped at 0.7%, except where the gain is greater than 15%. In this case the alternative gains cap has been applied and schools also get 20% of the gains above the cap. This ensures very small schools are not disadvantaged.
- 3.7 There have been no changes to pupil premium, English as an additional language or devolved formula capital.
- 3.6 Funding for looked after children will continue to be held by the Virtual School Head in the Local Authority and allocated to schools as the programme of activity is agreed. The use of all pupil premium funding must be published on the school website annually.

4 Review of Budget Allocations to the School for 2019/20

- 4.1 Attached as Appendix 3 is the total resource allocation for the school that illustrates how the school's budget allocation for 2019/20 is made up. (Details of this are noted in the Executive Summary).

5 Benchmarking Review

- 5.1 The benchmarking review has been carried out. Comparison was difficult because you cannot exclude nursery data and therefore this distorts our figures.

6 School Redundancies – changes to cost sharing arrangements

- 6.1 For redundancies made after 1 April 2015, the redundancy cost is paid 70% by the school making the redundancy and 30% by the central schools' budget held at the Local Authority. Redundancy loans are no longer available through SCC schools should take this into account when setting the budget.

The cost to the school for redundancies made in 2018/19 is around £2000. This was the termination of a temporary contract, where the member of staff had been in continuous employment for over 2 years.

7 Outturn Forecast 2018/19 & Proposed 2019/20 Budget

- 7.1 The outturn forecast for 2018/19 is attached as Appendix 1 and the proposed budget for 2019/20 as Appendix 2.

7.2 Pupil Premium

Pupil Premium has again been allocated to provide teacher assistant support used specifically to provide appropriate intervention to identified children. This includes delivery of the Better Reading Programme, one-to-one and small group support for reading, writing and

mathematics. In addition, a percentage of the pupil premium has been allocated to provide enrichment opportunities for all children including theatre visits, music and outdoor education/residential experiences.

SEN

This year, we have 6 pupils who are subject to an EHCP (Education Health & Care Plan). This means, therefore, that we have to fund the first 10 hours of support from the school budget (around £6000 per pupil). We anticipate that additional funding will be received for children with specific learning difficulties and we have allowed for this in the budget.

7.3 The 2019/20 Service Level Agreements are attached for Governor Information.

8 Reserves

8.1 £1500 of reserves is to be carried forward to pay for educational visits (parental contributions) and £7000 is to be carried forward to cover the costs of arrears energy bills dating back to 2015. Therefore, the estimated revenue reserves at 31 March 2019 are £63,512 and the estimated capital reserves are £10,760. There is no restriction in the level of balances that the school can carry forward from 2018/19 to be used in 2019/20.

9 Three-Year Budget (2019/2022)

9.1 Good financial management requires financial planning beyond the current financial year. HCSS Budgeting provides schools with an integrated salary modeller and five-year modeller. Schools are able to model various scenarios, change pupil numbers, staffing structures etc to reflect different circumstances.

9.2 Attached as Appendix 4 is the school's draft five-year budget model.

10 Review of Other Budgets Managed by the School

10.1 The Nursery outturn for 2018/19 shows a surplus of around £38,000. The total amount held in contingency at 31 March 2018 was £82,161. £20,000 of this was donated to school for the purchase of automated gates. The total amount held in contingency at 31 March 2019 is £120,724. This means that the total profit made in nursery for 2018/19 was around £58,000. It is anticipated that some of this money will be used for the development of the outdoor areas in Nursery and Reception in 2019/20.

The nursery budget plan for 2019/20 is in the process of being prepared and will be discussed at the next resources committee meeting.

11 Recommendations

11.1 That governors consider the following issues as identified in the report: -

- 1 Approve the annual budget for 2019/20 (reference Appendix 1) and ask that it be submitted to the authority in accordance with the Staffordshire Scheme for Financing Schools.
- 2 Confirm that the five-year budget modeller for 2019/2024 can be submitted to the authority in accordance with the Staffordshire Scheme for Financing Schools.

Appendix 1	Outturn Forecast 2018/19
Appendix 2	Proposed Annual Budget 2019/20
Appendix 3	Total Resource Allocation and Formula Budget Share 2019/20
Appendix 4	Proposed 5 Year Modeller 2019/2024