

**Oxfordshire County Council**  
**Schools Forum – 19 June 2019**  
**Use of Schools Forum Budget Surplus for 2010-11 to 2017-18**

**For Decision**

**1. Purpose of Report**

- 1.1 To advise the Schools Forum of the proposed use of the Schools Forum budget surplus accumulated between 2010 -11 and 2017-18.

**2. Recommendation/Action/Decision for Schools Forum**

Schools Forum is asked to:

- 2.1 Approve the recommended use of the Schools Forum Budget surplus accumulated up to 31 March 2018 as proposed by the Schools and High Needs Sub-committee (section 4). To compensate for the effect of the lump sum adjustment applied to schools' formula funding in 2019-20 by providing additional funding to schools with less than 100 pupils. These monies to come from the Schools Forum budget surplus.

**3 Background**

- 3.1 Under the Dedicated Schools Grant (DSG) funding arrangements put in place from 1 April 2013 allowed the local authority to identify specific amounts that could be retained centrally from the Schools block of DSG. These amounts fell into three categories of exception and were "(1) Where schools agree to pool funding for a service to be provided centrally (de-delegation); (2) Historic commitments and (3) Statutory functions commitments". Schools Forum budget was met from the Schools block and fell under the last category.
- 3.2 The Schools Forum budget of £30,730, was primarily funded by monies from DSG Schools block. Increases to the budget provision have not been permitted and are limited to 2012-13 levels.
- 3.3 From April 2018 changes to the DSG allocation methodology came into effect and created a fourth DSG block – Central Schools Services block (CSSB). Into this new block were moved all previously identified funding relating to the three categories stated in paragraph 3.1 above. Schools Forum funding was therefore moved to the CSSB and the other DSG blocks allocations reduced accordingly. The CSSB, Schools Forum budget is now identified by the single amount of £30,730 and is the responsibility of and is administered directly by the local authority.

3.4 The underspend from 2010-11 to 2017-18 of £113,913 has, after meeting all relevant items of expenditure, been accumulated as follows:

| Year    | £       |
|---------|---------|
| 2010-11 | 9,755   |
| 2011-12 | 14,165  |
| 2012-13 | 43,879  |
| 2013-14 | 63,815  |
| 2014-15 | 66,708  |
| 2015-16 | 75,791  |
| 2016-17 | 85,827  |
| 2017-18 | 113,913 |

3.5 Over this period, it has been annually proposed and agreed by Schools Forum that any in-year underspend from the Schools Forum Budget and previous years carry forwards be retained by this specific budget rather than returned to the collective DSG underspend. This approach was adopted in that it could provide the financial resource for Schools Forum to at least be able to effectively fund the modelling work required for

- a contribution to the national funding reform debate and work expected over this period – National Formula Funding model
- any other schools related financial initiatives proposed by central government relating to new initiatives and also,
- a possible contribution to the local authority’s High Needs review.

3.6 With the local authority’s adoption, with agreement from Schools Forum and schools, of the National Formula Funding model, the need to find financial resources for Schools Forum to contribute to work either locally or nationally on this matter was no longer necessary. Similar conditions now also apply to the other two points in the above paragraph.

3.7 As the accumulated balance was deemed no longer needed for its original intentions (as above) Schools Forum initially agreed that most of these monies should be returned to the Schools block (as this was where the greatest part of the funding originated) and in such a way as to make as big an impact as possible. The Schools and High Needs sub-committee were tasked with considering possible options and making recommendation to Schools Forum.

3.8 Any surplus accumulated after the period which ended 31 March 2018 will, for now, be retained by the Schools Forum budget and act as its Contingency.

## 4. Recommended Use of Schools Forum Budget Balance

- 4.1 Over its meetings held during 2018-19 the sub-committee considered a number of different options concerning the use of the underspend. The following is the Schools and High Needs sub-committee preferred option and recommendation as to how some of the underspend should be used.
- 4.2 Forum will be aware from Paper 4 meeting 14 January 2019 and Paper 7 Schools & High Needs 25 March 2019 that following the Secretary of State for Education's approval of the local authority's disapplication request to transfer funding from the DSG Schools block to High Needs block, the funding transferred (£1m) was achieved by reducing the lump sum to all schools from £112,393.60 to £107,710.27, An initial reduction of £4,683.33 for 2019-20. All primary and secondary schools funding is affected by this.

Although this approach, in terms of magnitude, disproportionately effects small schools (by pupil number size) it offered significant advantages in that it

- was simple and predictable,
- did not have any impact on the national funding formula underlying baselining assessments between financial years used to ensure that schools receive at least minimum required levels of funding per pupil in future years
- is an easy factor to change (put back to full rate) in future funding model and;
- allowed schools to make simple funding adjustments to the income streams of their future budget plans.

However, feedback and comment to Schools Forum members indicate that small schools (less than 100 pupils) are feeling increase financial pressures and that this negative formula adjustment has been a significant contributor to this. Therefore, after discussion, Schools and High Needs are recommending to Schools Forum that £80,000, approximately the proportion of the surplus balance generated from the Schools block contribution to Schools Forum budget, be used to provide one-off additional funding support for schools with less than 100 pupils.

Where a school triggers the funding model's funding floor factor then the above allocation may need adjusting. The floor factor may have already provided sufficient or some funding toward negating the lump sum adjustment. In these circumstances any further allocation may in effect be a gain to the school. Where the funding floor adjustment "reallocates" back to the school less than the amount of the lump sum adjustment then it is proposed that additional funding will be scaled accordingly (i.e. if funding floor factor compensates a school by half of

the lump sum adjustment then the qualifying school would receive half of the amount proposed below).

The provisional amount proposed is £2,000 per school.

- 4.3 The sub-committee's proposal is that for 2019-20 only, to compensate for the effect of the lump sum adjustment applied to schools' formula funding in 2019-20 by providing additional funding to schools with less than 100 pupils. These monies to come from the Schools Forum budget surplus.
- 4.4 If proposal in section 4.2 is agreed by Schools Forum schools effected will be notified before the end of June 2019 of the additional monies available to them, with maintained schools' SAP accounts being created and academies receiving BACS transfer at that time. This prompt notification will give schools time to include the additional monies in the spending plans for the new academic year (September 2019) and have the potential to impact on their educational attainment and objectives for that year.

## 5. Contact Details of Lead Officers/Authors

If you have any queries or comments in advance of the Schools Forum meeting about this report, please contact:

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