

CITY OF PLYMOUTH



Overview and Scrutiny Commission

Scrutiny of:
Department for Lifelong Learning
Budget for Schools 2005-06

DECEMBER 2004

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Glossary

DfES – Department for Education and Skills
EFSS – Education Formula Spending Share
EIC – Excellence in Cities
ISB – Individual schools budget
LEA – Local Education Authority
SFG – Standards Fund Allocation
SFSS – Schools Formula Spending Share

Membership

Schools budget 2005-06 scrutiny

Councillor Mrs Aspinall (Chair)

Councillor Kerswell (Vice-Chair)

Councillor Fletcher

Councillor Fry

Councillor Gordon

Councillor Savery

Councillor Vincent

Mr Steve Medlin (co-opted member for education matters, Lifelong Learning Overview and Scrutiny Panel)

Meetings

The Overview and Scrutiny Commission met on 16 December 2004 to scrutinise the Department for Lifelong Learning School Budget for 2005-06.

1.0 SUMMARY

The purpose of this report is to submit recommendations to the City Council following a meeting of the Overview and Scrutiny Commission, with additional Members co-opted, for the purpose of reviewing and scrutinising Cabinet's proposals for the Department for Lifelong Learning school budget for 2005-06.

2.0 RECOMMENDATIONS

We recommend to the City Council that the amount of the school budget for 2005-06 of £125.875m be approved, including specific grants (as referred to in Appendix A to Cabinet report C87 04/05) in order that the Secretary of State can be notified of the proposed schools budget in accordance with Section 45 of the School Standards and Framework Act 1998 (as amended by the Education Act 2002) through the completion and submission of Appendix B of the Cabinet report.

For the attention of: City Council

3.0 INTRODUCTION

3.1 Introduction

- 3.1.1 Section 45 of the School Standards and Framework Act 1998 (as amended by the Education Act 2002) required Local Education Authorities (LEA's) to notify the Secretary of State for Education and Skills by 31 December 2004 of their proposed schools budget for 2005/05.
- 3.1.2 The Secretary of State continues to place great importance on passporting the full increase in SFSS (Schools Formula Spending Share) into the schools budget and expects full passporting by every LEA in 2005-06.
- 3.1.3 Following the meeting of Cabinet on 14 December 2004, the Overview and Scrutiny Commission met on 16 December 2004 to scrutinise the proposed school budget for 2005-06 prior to its consideration by the City Council on 20 December 2004.
- 3.1.4 As with previous schools budget proposals, the three statutory co-opted representatives for education matters were co-opted onto the Overview and Commission for this matter. An invitation was extended to the co-opted representatives to attend the meeting on 16 December 2004.

3.2 Terms of Reference

- 3.2.1 The purpose of the piece of scrutiny work and report was to submit recommendations to the City Council following a meeting of the Overview and Scrutiny Commission with additional Members co-opted for the purpose of reviewing and scrutinising Cabinet's proposal for the Department for Lifelong Learning school budget for 2005-06.

4.0 EVIDENCE

- 4.1 The Overview and Scrutiny Commission spoke with the Cabinet Member for Schools and Colleges, and the Directors for Lifelong Learning and Corporate Resources and was informed –
- that the Government funds education services through EFSS (Education Formula Spending Share) in three separate blocks: schools, LEA, and Youth and Community;
 - that the Council was required to inform the Secretary of State for Education and Skills by 31 December 2004 of the schools budget for 2005/06;
 - on the calculation of schools budget consistent with passing on the increase in schools formula spending share to the schools budget 2005-06 (Annex A to Cabinet report C87, 14 December 2004);
 - on the Section 45 B of the School Standards and Framework Act 1998 – Notification of proposed schools budget for 2005-06 that would have to be completed and returned to the Secretary of State by 31 December 2004 (Annex B to Cabinet report C87, 14 December 2004);
 - that the Cabinet was recommending to Council to set the amount of the schools budget for 2005-06 at £125.875m, including specific grants;
 - Cabinet had also been asked to note that following consideration of the budget and consultation with the Schools Forum it may be necessary to apply to the Secretary of State for approval of an increase in central expenditure higher than that permitted by the regulations;
 - the Council had been notified today that some of the funding relating to C3: 2005-06 Specific Formula Grant (Threshold and Performance Pay) (Annex A to Cabinet report C87, 14 December 2004) may relate to LEA staff contracts and a note of this would be made on the Annex B document, if appropriate, when it was compiled.

5.0 FINDINGS

5.1 Budget Passporting

- 5.1.1 The Commission learned that the Cabinet schools budget proposal for 2005-6 was based on the passporting figure consistent with passing on increases in accordance with DfES criterion.

5.2 Efficiency Savings

- 5.2.1 As part of overall budget setting processes, the Council will be required in the future to demonstrate efficiency savings of 2.5% (Gershon savings).
- 5.2.2 In response to questioning of the Officers, the Commission was informed that –
- schools had to demonstrate how efficiency savings were made, and were able to re-invest that money;
 - Gershon efficiency savings did not involve schools being allocated less money as part of the the schools' budget 2005-06 process;
 - DfES was developing guidelines on how schools could show how efficiency (Gershon) savings had been made.

5.3 Balances

- 5.3.1 The Commission questioned Officers on arrangements in place to monitor school budgets that were not fully expended and how this impacted on the budget setting process, and was informed that –
- school budgets for 2005-06 were based on a formula and this did not take into consideration balances carried over to the next year;
 - balances carried over were reported to the Schools Forum and the Department for Lifelong Learning, who were rigorous in challenging how individual school budgets were being used and spent;
 - it was often the case that schools carried over balances from a previous year to contribute towards a larger future improvement to a school;
 - the Department for Lifelong Learning was moving towards a three year budget setting process and this would assist in identifying why balances were being carried over by schools.

6.0 CONCLUSIONS AND RECOMMENDATIONS

6.1 Overall Conclusions

- 6.1.1 The Overview and Scrutiny Commission has considered the Department for Lifelong Learning School Budget 2005-06 and supports the Cabinet's recommendations to the City Council.
- 6.1.2 The Department for Lifelong Learning Schools Budget 2005-06 represents a decent increase from the previous year's budget allocation.
- 6.1.3 The Department for Lifelong Learning and Council Officers have done a good job in preparing the budget and are thanked for the uncomplicated way in which they have presented the information to the scrutiny process.

6.2 Overall Recommendations

- 6.2.1 The Overview and Scrutiny Commission recommends that the City Council approve the school budget for 2005-06. (see Section 2: Recommendations of this report).

Appendix 1 – Reference Materials

1. Department for Lifelong Learning Budget for Schools 2005-06, Report submitted to Cabinet meeting on 14 December 2004

Appendix 2 – Contributors

The Overview and Scrutiny Commission would like to express their sincere thanks to all those who provided information and advice:

Barbara Booth, Head of School Organisation and Services, Department for Lifelong Learning

Adam Broome, Director for Corporate Resources

Dennis Camp, Cabinet Member for Schools and Colleges

Kay Fice, Finance Manager, Department for Lifelong Learning

Bronwen Lacey, Director for Lifelong Learning