

ITEM 5



EDUCATION COMMISSION 17 January 2005

Report of the Director of Corporate Services

The Council's 2005/06 – 2007/08 Draft Revenue Budget

RECOMMENDATION

- 1.1 That the members consider those aspects of the Council's draft 2005/06 – 2007/08 Revenue Budget that fall within the remit of the Commission.
- 1.2 That where appropriate the Commission offers recommendations:
 - a) On proposals contained in the draft budget that fall within the remit of the Commission, and;
 - b) On what the Commission considers to be the best ways of using the £700,000 of unallocated public priority spending.
- 1.3 That members identify any aspects of the budget which they would like to track and scrutinise at subsequent meetings by the use of Performance Eye.

SUPPORTING INFORMATION

- 2.1 The Council's draft Revenue Budget was issued to Overview and Scrutiny Commission members at the briefing meeting on 11 January 2005.
- 2.2 All the Commissions will have an opportunity for detailed consideration of the draft Revenue Budget at their business meetings in January 2005.
- 2.3 From reading the draft budget document, members will be aware that decisions have yet to be taken about the ways in which a sum totalling £700,000 will be allocated for spending on public priorities.
- 2.4 It is suggested that where appropriate that each of the Commissions makes recommendations on:
 - a) Proposals contained in the draft budget that fall within the remit of the Commission, and;
 - b) What the Commission considers to be the best ways of using the £700,000 of unallocated public priority spending.

- 2.5 The Performance Eye performance monitoring facility gives the Overview and Scrutiny Commissions the means of monitoring the effects and outcomes of the funding for Council services agreed through the budget process. It is suggested that each Commission could identify particular service areas within its remit and could at subsequent meetings use Performance Eye to track progress and to examine performance and the outcome of the budget allocation within those areas.
- 2.6 A summary of the information from the draft Revenue Budget that relates to the Education Commission is contained within Appendix 2 of this report.
- 2.7 A list of the areas falling within the Commission's portfolio is contained in Appendix 3 of this report.

For more information contact:	David Romaine 01332 255598 e-mail david.romaine@derby.gov.uk
Background papers:	None
List of appendices:	Appendix 1 – Implications
	Appendix 2 – Summary of the Education Service revenue budget proposals
	Appendix 3 - Education Commission portfolio

Appendix 1

IMPLICATIONS

Financial

1. None arising from directly this report.

Legal

2. None arising from this report

Personnel

- 3 None arising from this report

Equalities impact

4. Recommendations concerning the Council's Revenue Budget have the potential to be of benefit to all Derby people

Corporate objectives and priorities for change

5. The Council's Revenue Budget relates to all the Corporate Objectives and Priorities for Change.

Education Service Budget Summary Information

Background

The Education Services is responsible for:

- Schools
- School Improvement
- Special Educational Needs
- Inclusion and Access
- Home to School Transport
- Strategic Management and Support Services
- Early Years Development and Childcare
- Sport and Leisure management (this falls within the remit of the Culture and Prosperity Commission)
- Adult Learning
- Youth Services

The work of the Education Service is covered by four Council Cabinet portfolios. These are:

- Lifelong learning
- Social Care and Youth
- Leisure and Cultural Services (for sport and leisure functions)
- Community Regeneration (for Community centres)

Current Service Planning Issues (p133) are:

- Raising attainment in schools
- School improvements
- Forthcoming curriculum changes
- Tackling disaffection and disengagement
- The Early Years Strategy
- Adult Learning
- The Youth Service
- Integrated Children's Services
- The government's Five Year Strategy for Children and Learners
- Workforce remodelling
- Primary and Secondary school place strategies
- Health and Safety

The Education Service has three broad aims (p135). These are to:

- Improve the prospects of Derby's residents
- Target the needs of disadvantaged communities and groups
- Develop the structure and improve the support

The Council's Vision and Priorities for 2005/06 include the following 'education related' priorities:

- No schools in 'causing concern' strategy
- Raising educational achievement

The Education Service has identified the following areas as needing a particular focus (p136). They are:

- Further raising attainment
- Bringing schools out of special measures
- Improving attendance
- Reducing exclusion
- Continuing to improve the completion of formal statements within prescribed timescales
- Participation in a range of lifelong learning services
- Reducing the number of young people post-16 who are not in education, employment or training
- Ensuring achievement of children in public care
- The provision of places in children's centres and services by public schools

Revenue Budget

Education budgets are categorised into 'Schools Budget' and 'LEA Budget' - 1.1.

The Schools Budget includes delegated and devolved school budgets and other direct provisions for pupils. Councils are expected to spend at least at the level of their Schools Budget assessment and to pass on increases from year to year.

The LEA Budget covers all those activities that are the statutory function of the LEA. It has two sub blocks, one for Youth and Community which it is expected to pass on in its entirety, and one for all other activities where there is no requirement on Council's to spend at the overall level of the funding assessment.

A comparison of Derby with similar LEAs (1.5 p137) shows that:

- Delegated funding to schools is very close to the average for similar LEAs
- Spending on central functions within the Schools Budget is 18% below the average, although this is due to the high levels of delegation in areas of special educational needs
- Spending on LEA budget activities is 4% below the average
- Overall spending on education is 2% below the average

In 2005/06, the Schools Budget and those dealing with the direct provision of special educational needs support will have substantial growth above inflation whilst the remainder of the Education Service will receive the inflation only increase set by the Council (1.6).

Within the Schools Budget the main budget pressure for schools in the next year will be implementation of workforce reform and in particular the requirement for teachers to have guaranteed planning, preparation and assessment time (1.7).

Derby has one of the highest rates of exclusions in the country and there are proposals in this year's budget to provide additional resources in behaviour support and early intervention and to the existing provision in the Pupil Referral Unit (1.8).

As the LEA budget is limited to an inflationary increase it may not be possible to continue to fund programmes in the youth service, adult learning and early years where external funding is ending (1.9).

Some savings from the early retirement budget can be used to offset the continued overspend on home to school transport. It will be necessary to increase or introduce charges for some support services to schools (1.9).

There is an estimated underspend of £719,000 on the education budget in 2004/05 (1.11). It is proposed to use half of this for a one-off expenditure linked to the capital programme and the remainder for various other initiatives.

Budget proposals have been presented for a three year period but those beyond 2005/06 will be affected by the government's proposed changes to the funding system for education (1.12).

The tables in Section 2 of Annex D (p139) summarise the budget proposals.

The proposed service efficiencies are listed in Section 3.5 (p141). There is a proposal to increase the income for existing services sold to schools by more than inflation and to charge schools for some statutory services previously funded by core budgets.

The overall efficiencies on central budgets total £918,000 in 2005/06, £457,000 in 2006/07 and £60,000 in 2007/08. The target is around £550,00 per year and so will be more than met in the first two years (3.5.6).

The growth proposals are detailed in Section 3.6. There are sufficient funds in the Schools Budget to deliver the necessary workforce reform and there will again be significant real terms growth in school budgets. There is sufficient growth available to support the proposals for restructuring of the Special Education Needs Support Service.

The principal pressure within the LEA budget is the £180,000 needed to cover existing overspend on the home to school transport budget (3.6.5).

The proposed use of the £719,000 underspend (p143) includes:

- £300,000 for a three year programme to recover the backlog of condition surveys
- £15,000 for ICT technical support for adult learning
- £25,00 to increase capacity for managing the Primary Strategy
- £40,00 to add two modules to an integrated pupil database
- £119,000 to add to the capital programme in 2005/06
- £145,000 to balance the 2007/08

There is also £109,000 remaining unallocated from 2003/04 underspends. It is proposed to use this to balance the 2005/06 budget (3.6.12).

Paragraphs 4.2 to 4.12 indicate some choices about the specific elements in the budget proposals. £28,000 is available in 2005/06 and £62,000 in 2006/07.

The choices listed are:

- Support for the PSHE and Citizenship Team - 4.3
- The primary strategy - 4.4
- Youth Service projects 4.5
- Adult Learning - 4.6
- Extended schools and children's services developments - 4.7
- The Sure Start programmes - 4.8
- Charges to schools - 4.9
- Management of the School Improvement and Inclusions functions - 4.10
- Changes to Standards Funds - 4.11

Details of the Revenue Budget for 2004/05 and the proposals for 2005/06, 2006/07 and 2007/08 are shown in the tables in Appendices 1,2,3 and 4.

Appendix 5 contains a report on Independent Special School fees which concludes that the 2005/06 budget is overstated by £205,000 rising to £226,000 in 2006/07 and £250,000 in 2007/08.

Appendix 6 contains a report on Education Premature Retirement Costs which concludes that the budget is overstated by around £100,00 for 2005/06 and that this may rise for future years.

DRR 12 January 2005.

Education Commission Portfolio

Schools

Centrally Funded School Services including Special Needs

Youth Service

Adult Education

Mandatory and Discretionary Awards

Access Support including Ethnic Minority Achievement Grant

(Role of Education Evaluation Panel)