

**CABINET PORTFOLIO:** Education

**SERVICE PLAN AREA:** Schools Delegated Budgets

**A. Key Lead Cabinet Member Policy Steer for this area:**

Cabinet priority for the whole Council: support teachers in raising standards in our schools

**B. Resources**

Current net 2004/05 Budget (broken down by sub-divisions of main service area)

	<b>£'000</b>	<b>£'000</b>
Primary schools		87,067
Secondary schools		90,158
Special schools		14,003
'Headroom' devolved to schools		1,354
Gross funding		192,582
LSC grant for 16+ pupils		(8,931)
Net County Council funding		<b>183,651</b>

**Current Budget by type:**

	<b>£'000</b>
Employees	152,912
Premises	15,158
Transport	243
Supplies & services	24,152
Agency & contracted services	117
Gross expenditure	192,582
Income	(8,931)
Net expenditure	<b>183,651</b>

**Current FTE staff numbers:** 5100

**Standstill Pressures over the next 3 years:**

	<b><u>05/06</u></b> <b><u>£000</u></b>	<b><u>06/07</u></b> <b><u>£000</u></b>	<b><u>07/08</u></b> <b><u>£000</u></b>
Inflation	5,314	5,517	5,826
Other Standstill			
Pupil numbers/places	(621)	(567)	(893)
Number of school days	(38)	29	
Revenue effects of capital inc PFI	195	155	112
Pupil free meals	(230)	0	0
Balance to achieving passporting – schools minimum funding guarantee plus 'headroom'.	3,411	5,753	4,395
Total	8,031	10,887	9,440

### Other Financial Risk Issues over the Medium Term:

	<u>05/06</u> <u>£000</u>	<u>06/07</u> <u>£000</u>	<u>07/08</u> <u>£000</u>
<i>(list and scale)</i>			

#### **C. Current Relative/Comparative Performance based upon 2003/04 Outturn:**

The % of pupils at Key Stage 1 reaching Level 3 in Writing has increased from 3.6% to 14.0%, outstripping the national improvement and exceeding the target by 2%.

The % of pupils reaching Level 4 at Key Stage 2 for Mathematics has increased by 0.5%, compared with a static position nationally. The % of pupils reaching Level 5 or above has increased by 2.5% in English, 3.0% in Mathematics and 3.9% in Science. These results exceed the national improvements in English and Science, while matching it in Mathematics.

At Key Stage 3, overall pupil performance at level 5+ in 2003 has risen at an average rate of 3 percentage points across the three core subjects compared with the national average rate of 2.3 percentage points.

The percentage of pupils reaching level 5 in English, Mathematics and Science is 2 percentage points above the national average. These are our best set of results ever at Key Stage 3.

At Key Stage 4, overall pupil performance improved in 2003 to its best ever level with 52.9% of pupils achieving 5 or more grades A\* - C at GCSE. These results are now just above the national average.

In arriving at these achievements schools managed to increase their overall net balances by £1.4m to £6.5m (3.4% of the total budget shares for the year).

#### **Assessment of Relative/Comparative Performance by the end of 2004/05:**

2004 results:

Key Stage 1 maintained improvement secured in 2003.

Key Stage 2 in English and mathematics at level 4+ twice the national rate of progress. Above national average in English, in line in mathematics. In top 20 most improved LEAs. Second most improved shire this year.

Key Stage 3 at level 5+ twice the national rate of progress in mathematics. In line with science. No results for English. Overall, above the national average.

Key Stage 4 indications are best ever 5+ A\*-C grades

The total of schools' deficit stood at £1.7m at 31 March 2004. The allocation of Transitional Grant coupled with a robust approach by the LEA in requiring recovery plans from schools is likely to see the deficit reduced to around £0.6m by 31 March 2005. Full recovery is planned for a year later subject to changes in schools' circumstances. Medium term financial planning is becoming embedded in schools with more than 80% submitting three year budget plans.

#### D. Key Improvement Aims and Actions over the Medium Term:

Continue the initiative to improve financial management in schools. This has made steady progress over the last three years and will be complemented by delivery further training based on the DfES national financial management programme.

#### E. Key Risks to delivery of policy steers in short term

Recruitment and retention of teachers  
Implementing the workforce reforms  
Cost pressures in excess of the minimum funding guarantees

#### F. Recent and Future Approach to Efficiencies

Efficiency Initiative	Cash Saved £000	Improved Output £000	Total £000

#### G. Responding to the initial Financial Guidelines for 2005/06

##### a) Plans for internal reinvestment within Portfolio (net nil effect)

	<u>05/06</u> <u>£000</u>	<u>06/07</u> <u>£000</u>	<u>07/08</u> <u>£000</u>
<b>Savings</b> <i>(list from where)</i>			
<b>Reinvestment</b> <i>(list to where)</i>			

##### b) Efficiency Savings – list actions to achieve efficiency and low impact savings

	<u>05/06</u> <u>£000</u>	<u>06/07</u> <u>£000</u>	<u>07/08</u> <u>£000</u>
<i>(list specification with impact)</i>			

##### c) Other Savings – list actions and impacts and risks arising (including on the delivery of policy steer), of other savings proposals required to achieve set guidelines

	<u>05/06</u> <u>£000</u>	<u>06/07</u> <u>£000</u>	<u>07/08</u> <u>£000</u>
<i>(list specific action with impact)</i>			

The Cabinet's financial planning guideline is to passport to the Schools Budget the increase set by the Government. The amount to be passported to schools delegated budgets will depend on the Government's per pupil guarantee. If this is set at more than standstill pressures the excess will help offset the financial risks identified above. The extent to which such risks are not covered by passporting will require savings by schools which are a matter for individual governing bodies.

The County Council is able to provide a steer through the way funding is distributed to our schools via the different elements of our funding formula or across phases. However, this is currently constrained by the operation of the minimum funding guarantee which effectively freezes the existing distribution. The Section 52 statistics for 2004/05 shows that East Sussex funding per pupil is the fourth highest of all counties and some 3.5% above the county average.