

THE EXECUTIVE

16 DECEMBER 2003

REPORT OF THE DIRECTOR OF FINANCE

PASSPORTING OF SCHOOLS FSS INCREASE AND TAKE UP OF THE STANDARDS FUND GRANT ALLOCATION 2004 / 2005		FOR DECISION
<i>This report concerns a significant financial matter.</i>		
<u>Summary</u> Authorities are required to confirm to the Department for Education and Skills (DfES) whether they intend to passport the full amount specified by the DfES to the Schools Block for 2004 / 2005, and take up the full allocation of 2004/05 Standards Fund grants by 31 December 2003.		
<u>Recommendation</u> The Executive is asked to agree to the Director of Education, Arts and Libraries informing the DfES that the Authority intends to passport the required increase in schools' funding of £5.97m in full to the Schools Block, and to take up in full the Standards Fund grant allocation for 2004 / 2005.		
<u>Reasons</u> A decision is needed on the proposed schools budget before 31 December 2003.		
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1. Education Formula Spending Share (EFSS)

1.1 The provisional EFSS allocation for 2004/05 is £115.035m and is made up of the following elements:

- The Schools Block which covers the Individual Schools Budget (ISB) and other services providing direct support for pupils such as Special Education Needs and provision for pupils out of school which are controlled by the LEA.
- The LEA Block which covers the remaining areas of education spending

1.2 The Authority's provisional 2004/05 FSS for the schools block in isolation is £101.91m which represents an effective increase of £5.97m compared with 2003/04. The Secretary of State for Education and Skills has written to Directors of Education indicating that he expects all LEAs to passport their full increase in schools FSS into the schools budget. Where LEAs fail to do so, the Secretary of

State has indicated that he will use his powers under the Education Act 2002 to set a minimum schools budget for that LEA unless it can be demonstrated that there are exceptional circumstances.

- 1.3 Based on the DfES formula, the minimum schools budget required to passport in full from the total EFSS, as defined on the DfES Section 52 Budget Statement 2004/05, is £102.794m. This is subject to any changes in the baseline budget which may subsequently be made by the DfES. In addition to this, the DfES also include within their passporting calculation the ring fenced Excellence in Cities grant of £1.787m, which has to be allocated to schools in full. The total provisional passporting requirement is therefore £104.581m.
- 1.4 The Authority has also been allocated £1.546m in 2004/05 for transitional targeted support for schools with particular difficulties and will receive 50% of this sum in 2005/06. This grant is payable to those Authorities identified by the DfES as being particularly disadvantaged by the formula changes introduced in the 2003/04 settlement and has to be fully allocated to schools. If the Authority does not passport its full increase in schools FSS there is a significant risk that the DfES will withdraw this grant, as passporting is detailed as one of the grant conditions.

2. Standards Fund Grant Allocations 2004 / 2005.

- 2.1 Currently the DfES has notified the Authority of grant allocations amounting to £11.182m, most of which has to be devolved to schools.
- 2.2 The majority of these grants are fully funded by the DfES, however there are a number that require an LEA contribution in order to take them up. Currently the total LEA contribution required is £2.619m.
- 2.3 There are still a few large grants to be announced by the DfES, which are expected to be 100% funded.

Background Papers

- DfES correspondence
- Westminster Council FSS information and analysis
- FSS Information and Analysis