

Committee(s)	Dated:
Policy and Resources Committee Resource Allocation Sub-Committee	14 December 2017 18 January 2018
Subject: Proposed Education Budget for 2018/19	Public
Report of: Director of Community and Children's Services	For Decision
Report author: Anne Bamford	

Summary

This report asks Members to approve the proposed Education Budget for the 2018/19 Financial Year. The Education Board approved the proposed budget to be submitted to the Policy and Resources Committee at their meeting on 9 November 2017.

The draft Education Budget proposes that each City of London academy secondary school receives a grant of £250K (instead of £100k) and each primary academy a grant of £100K (instead of £50k). The increase in grant was suggested and discussed at the Resource Allocation away day, due to the evidence of success in using the existing grant allocation for targeted projects to raise progress levels well above national expectations. The impact of this grant has been termed 'The City Premium' and has helped secure the City of London Corporation as the sponsor with the greatest average progress outcomes in the country. (TES and Sutton Report on Chain effects - 2016)

Recommendations

Members are asked to:

- Approve the proposed Education Budget for the 2018/19 Financial Year.
- Consider the longer term funding implications of any budget decisions, including further funding requirements in future years as new academies are opened.

Main Report

Background

1. When the Education Board was constituted by the Court of Common Council in May 2014, the Policy and Resources Committee and the Finance Committee agreed that the Education Board would be allocated £700,000 from City's Cash funds in 2014/15 and £1 million from City's Cash funds for each Financial Year thereafter.

Current Position

2. The Education Budget for 2016/17 was increased to £1,300,000 to reflect the increase in the number of academies the City Corporation sponsors and uplifted by a further £4,000 to offset increased pension costs.
3. The increase in 2016/17 was based on the principle that grant allocations are made on the basis of a secondary academy receiving £150K and a primary £50K for raising attainment activities.

Proposal

4. Members are asked to approve a proposed budget increase of £1,021K to £2,325K. An itemised version of the proposed budget is attached as **Appendix 1**.
5. There are three reasons for the increase in budget: To cover the additional costs of five new schools joining the City of London Academies Trust (the Trust) by April 2018; to

cover the cost of the new post of the Strategic Director for Education, Culture and Skills and to provide a budget for this post; and to increase the 'City Premium Grant' to the City Corporation's academies to improve outcomes.

Increasing the 'City Premium Grant' to academies

6. The majority of the proposed increase (£930K) consists of increase in 'City Premium Grant' funding to schools on the basis of £250,000 for each full secondary school and £100,000 for each full primary school. As some of the Trust's newer schools are not currently full, they will receive a smaller grant proportionate to the number of pupils. As the schools grow, the amount they receive will increase year on year until the school is full, at which point it will receive the full amount.
7. Members are asked to consider increasing this grant as special additional project funds to enable schools to address particularly identified areas of underperformance and to improve the outcomes. The identified needs will change from year to year depending on priorities and results. For example, the extra funding for 2017/18 provides resources to address the under-performance in mathematics progress. The academies will apply for the 'City Premium Grants' and may use the extra resource to:
 - Mitigate the effects of staff turnover by over-staffing in the mathematics area to ensure continuity of provision.
 - Provide opportunities for smaller extension groups for exceptional mathematicians and support groups for the least able.
 - Establish Mathematics Hubs across schools and at different phases.
 - Provide 1-2-1 tutoring and intervention for low progress pupils.
 - Fund an extension of the Freeman's residential experience.
 - Provide greater pastoral and well-being support for vulnerable pupils by providing mental health first aid training for staff.
8. The grant will increase the impact the Education Board has on school outcomes and therefore on the disadvantaged communities we serve. According to the established procedures, schools must produce a high quality bid for the funds and are required to report via half-termly impact meetings to the Strategic Director Education and Skills and the CEO of the Trust, and annually to the Education Board each July.
9. The funding is termed the 'City Premium Grant' and is the key factor in City of London sponsored academies showing the best progress of any academies group in 2015/16. (TES and Sutton Report on Chain effects – 2016)
10. 'The City Premium Grant' allows our schools to excel beyond the national expected averages. The impact on outcomes are due to the support offered by the City of London Corporation as sponsor through governance, leadership ethos and through the extra resources provided that enable impactful raising achievement interventions. These outcomes are significant and quantified in **Appendix 2**.
11. The 'City Premium Grant' plays an important role in Objective 2 of the Corporation's Education Strategy, which aims to ensure that all schools are rated Outstanding within three years of joining the City of London family of schools. As the inspection focus is largely progress and impact led the funding will help secure this objective and ensure our schools are able to act in innovative and responsive ways to emerging challenges and areas of underperformance.

Other increases

12. The increase to the budget includes the additional costs of the five new academies that will have joined the Trust by April 2018.
13. The remainder of the increase (£91K) reflects increased salary costs due to the new post of Strategic Director for Education, Culture and Skills, and increased budget to promote a range of specific cultural, educational and employability partnership projects supporting the delivery of the Education Strategy.

Reduction in the Grant to the central City of London Academies Trust team

14. The Trust received a grant of £130,000 in the 2017/18 financial year from the Education Budget to cover central team costs. Due to the delay in the funding agreements for Newham Collegiate 6th Form College and Highbury Grove, and lower pupil numbers than expected at another new academy Highgate Hill, the Trust requires continued support to cover the costs of its central services.
15. The draft budget proposes a tapering down of the central services grant to the Trust to £110,000 in 2018/19, £90,000 in 2019/2020, and £50,000 in 2020/21 when the 2% recharge to the Trust schools will fully cover central cost. No further financial support is envisaged beyond 2020/21.

Other financial implications

16. Maintaining the current grant support at an equitable level across all secondary and primary academies would imply a significant increase in funding as the schools grow in size and the Trust grows to the current 12 school limit.
17. In total, by 2025 the financial modelling would indicate a total 'City Premium Grant' of approximately £2.65M, a further increase of £930K. The financial modelling can be found in **Appendix 3**.
18. For the purpose of modelling an assumption has been made that two new schools would join the Trust in 2017/18 and that there would be the agreed 12 schools in the Trust.

Conclusion

19. Members are asked to approve the proposed Education Budget for the 2018/19 Financial Year.

Appendices

- Appendix 1 – Proposed 2018/19 Education Budget
- Appendix 2 – Financial Model 2016-2025 – Grant Funding of CoL Academies
- Appendix 3 – Grant Funding for Schools Narrative for Resources Allocation Away day

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2017-2018 Budget allocation £1,300,000		Proposed budget 2018-19
Local Risk		
Salaries (inc On costs) (£)		
130000	MAT grant funding	110000
61000	Education Strategy Director	122000
99000	Director of Academy Development	100000
44000	Policy Officer	46000
21000	Policy Support Officer	36000
4000	Pension Adjustment	0
359,000		414000
Learning & Engagement Forum (£)		
30000	School Visits Fund	30000
37780	Research by A New Direction	0
7900	Arts GCSE Ebacc Research	0
75,680		30000
Partnership Activities (£)		
0	Careers Fair (+5K from CLS/CLSG alternate yrs)	0
5000	Subject Event	5000
5000	Prefects Dinner	5000
6000	Schools Concert	6000
3000	City Schools Conference	3000
2500	Debating Competition	2500
500	City Track Meet (Travel costs only)	1000
0	Freemen's residential	5000
4000	Art Exhibition	4000
20000	Ind Schools Outreach Projects Music etc	10000
0	Potential Governor reception	6500
10,000	Education Strategy Partnership Activities	
	Strand 1 Cultural	30000
	Strand 2 Schools	30000
	Strand 3 Employability	30000
56,000		138000
Other (£)		
1500	Staff Training	1000
1000	Forum & Project board meeting costs	1000
2000	Printing Charges	2000
3000	Legal Fees	3000
1000	Governor Training	1000
2000	Memberships/Subscriptions	2000
1000	IT/Mobiles/ipads	1000
1820	Fees Contingency	2000
13,320		13000
504,000		595000
Central Risk		
Academy Funding (£)		
150000	COLAS	250000
150000	COLAI	250000
150000	COLAH	250000
50000	Redriff	100000
15000	Galleywall	40000
10000	COLPAI	20000
50000	Highgate Hill	140000
20000	Shoreditch Park	80000
80000	Highbury Grove	250000
0	NCS	150000
125000	Interventions - leadership/standards - new schools	200000
800000		1730000
1,304,000		2,325,000