

Schools Forum

20th October 2015

Schools Budget Monitoring 2015/16

Introduction

1. This paper provides members of the Forum with the current projected outturn position on the Schools Budget based on information to the end of September 2015.

School Budget

2. **Appendix 1** shows the revised budget against the projected outturn for 2015/16 on the Schools Budget as at 30th September, in the prescribed DfE Section 251 reporting format. Overall, there is currently a £202k overspend forecast at the end of this financial year. The reasons for variances between planned and projected spend are: -
 - a. Line 1.0.1 Individual Schools Budget – £297k overspend - the majority of which relates to additional children taking up the disadvantaged 2 year old provision and the 3 and 4 year old provision which will not be funded.
 - b. Line 1.2.1 Top-up funding maintained providers – expected to be £76k overspent. This is a result of additional top-ups being agreed and paid.
 - c. Line 1.2.3 Top-up funding Independent Providers –£348k overspent overall. This is due to additional placements, some of which are very high cost.
 - d. Line 1.2.5 SEN Support Services – This is expected to be overspent by £26k mainly due to increased costs for Hearing Impaired and Visually Impaired support. This is partially offset by vacant posts in the Early Support Nursery.
 - e. Line 1.7.1 Dedicated Schools Grant 2015/16 – allocation has been reduced by £178k as a result prior year adjustments for early years pupil numbers.
 - f. Line 1.7.2 Dedicated Schools Grant brought forward from 2014-15. The £710k underspend relates to the unallocated DSG carry forward that was not earmarked by the School's Forum in July but is now funding what would be an otherwise greater overspend.

3. The Appendix 1 is in a slightly different format to previous years. This has been done in order to still maintain the original budget position that was agreed by the Schools Forum, but at the same time two extra columns have been created to illustrate changes to the budget and subsequently a revised budget. These adjustments are explained in the notes at the bottom of the appendix.
4. It should be mentioned that at the moment pupil numbers are increasing in both 2 year old and 3 and 4 year old provision. The original budgeted DSG is based on FTE children as at the January 2015 census. There will be a funding adjustment based on January 2016 census that will increase or decrease the allocation by a unit value per FTE multiplied by 7/12ths of the change in FTE's between the two census points.
5. The figures presented in the appendix include an estimate of additional funding which may be received by the Local Authority based on the January 2016 census. There is an estimate of an additional £211k of funding for disadvantaged 2 year olds and a further £305k for 3 and 4 year olds.
6. With January 2016 pupil numbers not known at present there are a number of assumptions that have had to be made in order to produce an estimate of pupil numbers and subsequently funding. Regarding 2 year olds the pupil numbers as at the end of the Summer Term have been used as a conservative estimate for January 2016.
7. In relation to 3 and 4 year old funding, historical trends indicate that for Private, Voluntary and Independent providers Spring term numbers are around 80% of their previous Summer term numbers and in Schools and Academies it is nearer 90%. As a result of this when calculating additional funding it has been assumed that Spring '16 numbers will be 80% of Summer '15 numbers for PVI's and 90% for Schools and Academies.
8. Any surplus or deficit on the Schools Budget supported by Dedicated Schools Grant (DSG) is carried forward to the following financial year. As such, this position will continue to be monitored in the lead up to setting the 2016-17 budget.

Recommendation

9. That the Schools Forum note the current financial position on the Schools Budget.

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