

Schools Forum

26th January 2016

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 December 2015.

School Budget

2. **Appendix 1** shows the revised budget against the projected outturn for 2015/16 on the Schools Budget as at 31st December, in the prescribed DfE Section 251 reporting format. Overall, there is currently a £370k overspend forecast at the end of this financial year. The main reasons for variances between planned and projected spend are: -
 - a. Line 1.0.1 Individual Schools Budget – £567k overspend - the majority of which relates to additional children taking up both the disadvantaged 2 year old provision and the 3 and 4 year old provision which will not be funded. These figures do include an element of additional funding expected to be received (See paragraph 6).
 - b. Line 1.1.1 Contingencies - £50k underspend. These were set aside for errors in the budget share calculation but were not fully required.
 - c. 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.
 - d. Line 1.2.3 Top-up funding Independent Providers –£329k overspent overall and of this £294k relates to out of area high cost agency placements.
 - e. Line 1.2.5 SEN Support Services – This is expected to be overspent by £15k mainly due to increased costs for Hearing Impaired and Visually Impaired support. This is partially offset by vacant posts in the Early Support Nursery.
 - f. Line 1.2.7 Hospital Education Services – £25k underspend. This money was set aside and due to a lack of cases is not expected to be utilised.

- g. Line 1.7.1 Dedicated Schools Grant 2015/16 – allocation has been reduced by £178k as a result of prior year adjustments for early years pupil numbers.
 - h. 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. As provided in October, 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, multiplied by 7/12ths of the change in FTE's between the two census points.
 5. Line 1.0.1 includes £180k of committed earmarked expenditure (against the £353k that was carried forward from 14-15) to further increase the take up particularly of the disadvantaged 2 year old provision. This will be spent in year with any remainder rolled over to meet the planned programme.
 6. 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 £149k of funding for disadvantaged 2 year olds and a further £139k for 3 and 4 year olds.
 7. For disadvantaged 2 year olds estimated pupil numbers to calculate the £149k additional income referenced in paragraph 6, are based on those at the end of Autumn '15 who are still eligible as 2 year olds and an estimate of how many of the 'new' applicants will be in their provision by census day.
 8. In relation to 3 and 4 year old funding, the estimated pupil numbers used to arrive at the additional £139k referenced in paragraph 6, are based on the assumption that the increase in pupils numbers between Autumn census 2014 and Autumn census 2015 are maintained when it comes to comparing January 2015 and January 2016.

9. With reference to Line 1.2.3 – Top Up Funding Independent Providers it should be noted that a number of post 16 places are still being finalised and as such this component of the line is assumed to be spent to budget (The variance of £329k is caused by pre 16 provision). This area will be monitored closely for the remainder of the financial year.

10. Any surplus or deficit on the Schools Budget supported by Dedicated Schools Grant (DSG) is carried forward to the following financial year. Repayment of the £370k overspend is covered in the Schools Budget report 2016/17 also on today's agenda.

Recommendation

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

David New
Senior Finance Manager – Service Strategy