

Schools Forum
4th July 2017

Schools Budget & Balances 2016/17

Introduction

1. This paper informs the Forum of the outturn position of the Schools Budget and provides an overview of the Maintained School Balances for the 2016-17 financial year.

School Budget

2. Appendix 1 shows the planned spend against the actual outturn for 2016/17 on the Schools Budget. Please note that these figures are all prior to any academy recoupment. Overall, there is a £79k surplus, compared with a £166k overspend previously reported for the period to the end of September 2016 and presented to the Schools Forum 18th October 2016. The reasons for significant variances between planned and actual spending for the full year are:-
 - a. Line 1.0.1 Individual Schools Budget - £255k surplus. This is predominantly caused by the backdated funding from DFE in relation to the over spend which occurred in 2015/16 on disadvantaged 2 year olds. This is because the original funding allocated to the LA is based on January 2016 census data whereas payments to providers are based on more accurate data.
 - a. Line 1.1.1 Contingencies - £32k underspend. These were set aside for errors in the budget share calculation but were not fully required.
 - b. Line 1.2.2 Top up Funding - Academies and Free Schools – Overspend in top up payments of £414k to nurseries, academies, special academies and other out of area provision due to increased demand.
 - c. Line 1.2.3 Top up Funding – Independent Providers - £307k overspend. Relates to the increase in the number of children requiring out of area high cost agency placements.
 - d. Line 1.2.5 SEN Support Services - £53k overspend - £86k of this is an overspend relating to the contracted costs for hearing and visually impaired services with Middlesbrough BC. This is offset by £33k in general running cost savings from the early support nursery.
 - e. Line 1.4.10 Pupil Growth / Infant Class sizes - £304k underspend - growth fund criteria not met in a number of cases during the year.
 - f. Line 1.4.11 SEN Transport - £56k overspend due to the increase in pupils requiring transport services to the PRU.

- g. Line 1.7.1 Dedicated Schools Grant 2016/17 – £168k prior year adjustments related to the over allocation of 3 to 4 year old funding in 2015/16.
- h. Line 1.7.2 Dedicated Schools Grant brought forward from 2015-16. The £144k underspend has arisen because the actual overspend carry forward figure from 2015/16 was less than budgeted.

School Balances

- 3. Overall maintained school balances stand at £3.66m. This is a reduction of £610k between 2015/16 and 2016/17. This reduction means that overall maintained school balances have reduced from 6.2% in 2015/16 to 5.2% at the end of 2016/17.
- 4. On prima facie evidence there are 12 primary schools holding excess surplus balances i.e. with balances above the 8% thresholds. This compares with 16 schools (2 secondary's and 14 primaries) holding balances above the thresholds at the end of 2015/16. For 2016/17 from the 12 schools with excess surplus balances 11 of these have received permission to hold these. One application has been put on hold pending a feasibility study on the required capital works and associated cost.
- 5. At 31st March 2017 there were 2 schools with a deficit below £10k which compares to 1 in the previous year. The schools plan to repay the deficit in full in the current financial year.

Recommendation

- 6. The Schools Forum is asked to note the position for 2016-17

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