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SCHOOLS BUDGET MONITOR 2015-16 QUARTER 3

Report of the Director of Children's Services

Author: Jolyon Adam
Tel: 01992 555078

1. Purpose

- 1.1 To inform Schools Forum of the quarter 3 position for the Schools Budget 2015/16 at 31 December 2015.

2. Background

- 2.1 Government funding for schools by way of the Dedicated Schools Grant (DSG) means that any variances in the Schools Budget are "ring fenced" and cannot be used elsewhere. Details of the variances in the forecast revenue outturn against the Schools Budget are outlined in Section 3 below.
- 2.2 The Schools Budget for 2015/16 is as follows:

Description	Amount £m's
Schools Delegated Budget including sixth form grant	540.693
Schools Non-Delegated Budgets	7.876
Schools Central Budgets	51.285
Net Schools Budget including use of carry forward	599.854
Academies Recoupment	281.129
Gross Schools Budget including Academies Recoupment	880.983

3. Schools Budget Variances

- a. The forecast underspend within the schools budget for 2015/16 is £3.6m. The table below provides a more detailed breakdown of the underspend:

Description	Latest Approved Budget £m's	Forecast Over / (Under) Spend £m's
Schools Delegated	540.693	-5.856
Schools Non-Delegated	7.876	-0.057
Schools Central Budgets	51.285	-2.965
Schools Grants & Other Funding including use of carry forward	-599.854	5.282
Total	0.000	-3.596

b. Schools Delegated – Underspend of £5.856m

- i. The main element of this underspend represents the budget shares of newly converted academies of £5.888m. This allocation is no longer required as the academies have been funded directly by the DfE. There is an offsetting loss reported under Schools Grants & Other Funding (see 3.5.1).
- ii. The underspend is partially off-set by a £0.200m overspend on Special School places.
- iii. In addition there is an underspend of £0.168m on Private and Voluntary Nurseries. This is made up of a £0.314m underspend on Pupil Premium funding due to take up to date being lower than expected, offset by an overspend of £150k in place funding. The underspend against Early Years Pupil Premium is offset below against a reduction in DSG funding following the Autumn Term Pupil count (see 3.5.3).

c. Schools Non-Delegated – Underspend of £0.057m

- i. The underspend of £0.057m represents two main elements. There is an underspend by a £0.152m which constitutes a reserve for the High Needs budget which, at this stage, it is not anticipated will be required.
- ii. This is off-set by an overspend of £0.095m on the Growth fund. This is due to a £0.393m overspend due to the requirement to fund Academies Growth fund allocations in the summer term (as they are funded on an academic year basis) and an additional school qualifying for falling rolls fund. This is offset by £0.298m underspend on additional learning resources for schools with one-off bulge classes; Infant class size protection due to less schools meeting the criteria and slippage in opening new schools and therefore previously expected start-up costs not falling into 2015/16.

d. Schools Central Budgets – Underspend £2.965m

- i. The underspend is made up of a variety of factors, the largest being an underspend on Independent School Placements of £2.543m due to lower number of pupils requiring placements than originally anticipated.
- ii. There is an overspend of £0.600m due to increased number of 2 year olds accessing their 15 hour entitlement. This will be offset by an increase in DSG funding reported under Schools Grants & Other Funding.

- iii. Following a review of Autism provision the Keeping Children in Local Provision (KCLP) service is declaring an underspend of £0.200m.
- iv. An underspend of £0.157m is reported against the Early Years' Service, caused by vacancies within the teams.
- v. A post for a Secondary SpLD Teacher has not been advertised following the retirement of the post holder. This post, and the initiatives (with costs) managed by this post holder are subject to a review. The SPLD provision budget is therefore reflecting an underspend of £0.129m.
- vi. Speech and Language Therapy is expected to underspend by £0.087m. Whilst the anticipated contract value is as expected, uncommitted funding is being held pending a review of the Speech and Language joint contract and delivery model.
- vii. The delivery of the ESTMA Service has been transferred from the ESC's to within ISL. At present, a £0.107m underspend is predicted.
- viii. The forecast number of funded placements in SEN Bushey Meads has been lower than anticipated, and an underspend of £0.025m is expected.
- ix. AWT provides funding for training and development of individual children with SEN. Current forecast expenditure based on the number of children and cost of support provided is £0.275m lower than budgeted.
- x. The residual £0.042m underspend is made up of a number of smaller under and overspends.

e. Schools Grants & Other Funding – Overspend of £5.282m

- i. The overspend comprises of a number of elements, the largest of which relates to the loss (overspend) of DSG of £5.888m as a result of schools that converted/converting to academy status due to in year academy recoupment (see 3.2.1 for the impact on the Delegated Schools Budget). This is off-set slightly by a saving on Rates as a result of this conversion (£94k).
- ii. In addition there is £100k overspend due to reduction in DSG in respect of additional places deducted by the EFA in non-maintained special schools and alternative provision in free schools.
- iii. There is also a £314k overspend now forecast on DSG in respect of Pupil Premium funding for 3 & 4 year olds. The budget was set based on a DFE estimate; however the

Autumn Term 2015 pupil count was considerably lower than previously estimated by the DfE. At this stage it is unknown if the DfE will amend the funding; it is currently being assumed that they will, and that there will be a reduction in DSG income of £314k. This overspend offsets against the underspend being experienced in P & V Nurseries (see 3.2.3 for the impact on the Delegated Schools Budget) - but it is not certain at this stage whether DfE will amend the existing funding agreement nationally.

Subsequent to production of this monitor it has since been confirmed by the DfE that they will not be clawing back overpayments of Early Years Pupil Premium. The Year End Outturn position will not include this overspend against DSG income, and the overall underspend against Schools Budgets will increase from the total reported at Q3.

- iv. These overspends are offset by £325k additional DSG income in respect of the Growth fund. There is an offsetting overspend reported on the Growth fund. There is also £600k additional DSG income expected in respect of increased number of 2 year olds accessing their 15 hour entitlement. This is offset by additional expenditure in the 'Int tfr of DSG' line.

3. Conclusion

- 3.1 The Forum is asked to note and comment on the quarter 3 monitor position.