

20 September 2017

SCHOOLS BUDGET MONITOR 2017-18 QUARTER 1

Report of the Operations Director, Education

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1. Purpose

- 1.1 To inform Schools Forum of the quarter 1 position for the Schools Budget for the 2017-18 at 30 June 2017.

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 revenue outturn against the Schools Budget are outlined in Section 3 below.
- 2.2 The Schools Budget for 2017/18 was as follows:

Description	Amount £m
Schools Delegated Budget including sixth form grant	541.496
Schools Non-Delegated Budgets	8.622
Schools Central Budgets	71.469
Net Schools Budget including use of carry forward	621.586
Academies Recoupment	309.595
Gross Schools Budget including Academies Recoupment	931.181

3. Schools Budget Variances

- 1.2 The forecast underspend within the schools budget for 2017-18 is £0.598m. The table below provides a more detailed breakdown of the underspend:

Description	Latest Approved Budget £m	Over / (Under) Spend £m
Schools Delegated	543.544	(13.607)
Schools Non-Delegated	8.622	(0.683)
Schools Central Budgets	69.420	686
Schools Grants & Other Funding	(621.587)	13.006

including use of carry forward		
Total	0	(0.598)

1.3 **Schools Delegated** – Underspend of £13.607m

1.3.1 This underspend represents the budget shares of newly converted academies of £13.607m including a forecast for schools expected to convert later in the year. 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).

1.4 **Schools Non Delegated** – Underspend of £0.683m

1.4.1 There is a net underspend on the Growth Fund of £585k, however £389k of the expenditure is offset by additional DSG. This relates to the requirement to make allocations to academies for the summer term. Adjusting for this, there is an underspend on the Growth Fund of £974k, due to a lower number of bulge classes, a delay in opening new free schools and an underspend on infant class size funding as some of these schools are expanded. As this funding will be received from the EFA, there is an offsetting increase of £389k income reported under Schools Grants & Other Funding.

1.4.2 In addition there are a number of other smaller variances under this heading which net to an underspend of £98k.

1.5 **Schools Central Budgets** – Overspend of £0.686m

3.4.1 The overall £0.686m overspend is made up of a number of variances, as follows:

3.4.2 Independent Placements: This budget is expected to overspend by £0.369m due to higher costs being forecast than originally anticipated.

3.4.3 Speech and Language Therapy: This budget is expected to underspend by £87k. Whilst the anticipated contract value is as expected, uncommitted funding is being held pending a review of Speech and Language joint contract (with the CCGs) and delivery model.

3.4.4 Communication Disorder & Low Incidence: This budget is forecasting an overspend of £67k due to an increase in contribution towards the logistics element of running the service and actual equipment spend.

3.4.5 Attendance Team: The Attendance Teams will cease trading at the end of the 2016/17 academic year. Approximately 56% of academies/free schools are currently purchasing a traded service. However given the pressures on school's budgets, and changes to academies funding, the trading environment has become increasingly challenging and at the end of this academic year there will be a shortfall in the trading income giving £58k forecast overspend. The service is looking at alternative ways to deliver their service from September.

3.4.6 Education Access & Provision: The overspend of £94k is due to pressures on staffing within the Schools Admission Team. A number of agency staff are being used to cover work pressures, maternity is being covered and staff

movements. We are looking at mitigation measures here also and the extent to which additional expenditure must be borne by the DSG account.

3.4.7 Information Technology: There is an £117k overspend on Information Technology & Projects which is due to £23k additional expenditure on licenses and subscriptions than budgeted and £103k due to the cost of consolidation of the Liquid Logic case management systems. We are reviewing in detail what these expenditures relate to and the monitor position may change later this year. There are then smaller underspends of £6k within the service.

3.4.8 The remaining balance of £68k overspend has arisen as a result of a number of smaller variances on DSG budgets.

3.5 **Schools Grants & Other Funding** – Overspend of £13.006m

3.5.1 There is a loss of DSG of £13.607m as a result of schools that are 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 these conversions (£211k) and Growth Fund reimbursements (£389k).

4. **Schools Contingency**

Since the end of quarter 1 the DfE has approved the disapplication request, reported to the last Forum for an additional central budget of up to £3.5m. This represents extra in year expenditure in 2017-18. However, it is now anticipated that there will be an underspend on the SEN Strategy Development Fund of a similar amount. These two offsetting amounts will be reported on in the quarter 2 monitor.

5. **Conclusion**

5.1 The Forum is asked to note and comment on the quarter 1 monitor position.