

Schools Forum – 3 July 2018

Schools Budget 2017-18: Final Outturn

Recommendations

1. That the Schools Forum note the 2017-18 Schools Budget financial outturn.

Report of the Director of Finance and Resources

PART A

Why is it coming here – what decision is required?

2. To inform Schools Forum of the 2017-18 final outturn and to note the contents of the report.

Reasons for recommendations

3. To inform Schools Forum of the Dedicated Schools Budget outturn for 2017-18.

PART B

Outturn on Schools' Budgets 2017-18

4. The outturn position for 2017-18 was a £3.298m variance over spend on planned expenditure across all services, which includes £1.2m use of reserves in setting the budgets. A summary of balances is shown in Appendix 1. As a consequence of the overspend, as shown in Appendix 1, DSG reserves are now showing a balance at the end of March 2018 of £5.053m, with available reserves in 2018-19 at a level of £4.726m. This does not include Early Years adjustment for late claims.
5. The Individual Schools Budget (ISB) shows an over spend of £0.090m (0.02 %). This outturn relates to budgets allocated to individual schools through the funding formula.
6. The high needs block budget included £1.2m of DSG reserve. However it overspent by £4.049m (5.69%) therefore utilising £5.249m of reserves. Numbers accessing the high needs service have continued to rise, and pressures have arisen as a consequence of this, mainly relating to top up funding and also in alternative provision.
7. There is a continued forecast overspend on the high needs block in 2018-19. This will result in a drawdown of reserves of between £5m - £7m (based on current trend) taking the reserve balance into a negative position at March 2019. A recovery plan is being proposed, which is the subject of a recovery plan paper at this Forum.
8. Early Years has underspent by £1.083m (-2.67%). This is not the full and final outturn for Early Years as the DSG is amended in July for the previous January's census. This could result in a deduction for 2018-19 which would relate to 2017-18. Also due to the process of claiming 30 hours there could be late claims and therefore the possibility that claims will still be paid in 2018-19 which relate to 2017-18.

9. Central and de-delegated items have underspent by £0.863m (-4.37 %). This has arisen mainly as a result of there being less call on the contingency, an underspend on growth fund and also on CERA related costs.
10. Where a school is giving cause for concern and has significant revenue balances, then a conversation is held between the school and the local authority as to how balances are being used to improve outcomes for learners.
11. There a number of approved licenced deficits (9 schools, with a value of £1.241m). The funding of these is met from school balances until such time as the school repays the deficit. With balances decreasing for example due to academisation, the growth in number and in value of licenced deficits is of concern.

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