

Southend-on-Sea Borough Council

Report of Deputy Chief Executive - People
and Director of Finance and Resources

to
Education Board

on
15 March 2017

Agenda
Item No.

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Schools Budget 2016/17 Forecast Outturn

1 Purpose of Report

To update the Schools Forum on the anticipated outturn for the 2016/17 schools budget.

2 Recommendations

- 2.1 Schools Forum members are asked to note the anticipated outturn for the 2016/17 schools budget, and the anticipated level of balance carry forward to 2017/18.

3 Background

- 3.1 This report sets out the anticipated outturn for the 2016/17 schools budget, which is the starting point for setting the 2017/18 draft budget.

4 2016/17 Schools Budget

- 4.1 Appendix 1 provides the DSG Budget, forecast and variance for 2016/17. It represents the latest forecast position as we near the end of the financial year.
- 4.2 The budget is given as per the Section 251 return submitted to the DfE. This is a gross budget which includes allocations which are recouped by the DfE in order to pass funding onto Academies. The recoupment figures are reported in separate columns. This report seeks to explain the variances.

Schools Block

- 4.3 The Schools block contains the £112M budgeted for mainstream schools in Southend including Academies. As this was set by the funding formula in early 2016, there is little overall variance, but the forecast outturn column shows the amount allocated directly to maintained primary and secondary schools and the amount recouped for Academies by the DFE.
- 4.4 The variance for the block remains at £264,000 underspent. This is due to the recoupment figure being adjusted to reflect lower business rate charges as Academies qualify for 80% charitable relief, and for adjustments to the additional growth funding allocated to academies which operate on a separate financial year.
- 4.5 The final outturn will need to be updated for academisation of Bournemouth Park Primary, but this is not expected to cause a significant variance.

Early Years Block

- 4.6 The total forecast underspend on the Early Years Block remains unchanged at £58,000 as reported in December.

High Needs Block

- 4.7 The high needs block continues to cause concern. The overspend has continued to increase, having risen a further £288,000 since the last report in December 2016.
- 4.8 From the December Education Board position, the following movements has taken place

	Variance since December	Variance for Year
Place Funding	0	-£20,000
Increase relating to Bandings in special schools and special units	£84,000	£192,000
Top-ups for statemented pupils	£60,000	£282,000
Top-ups for out of borough placements	£65,000	£113,000
Post 16 Top-ups	£72,000	£72,000
Other	£7,000	£71,000

- 4.9 As can be seen the primary cause for the overspend continues to be that the value of top-ups has increased significantly. Notably this has been majorly caused by schools rebanding pupils into higher bands, particularly in the primary phase.
- 4.10 Overall therefore this latest forecast indicates a probable overspend of £710,000 in the High Needs Block. Clearly this is an unsustainable position

going forward, and work is underway to rebalance the High Needs Block, so that expenditure can be controlled within DSG resources made available

Centrally Retained

4.11 The total forecast underspend for centrally retained remains at £66,000.

Income

4.12 There is no change from the anticipated income reported in December which showed a drop in income of £184,000.

Overall Position for 2016/17 Budget

4.13 The bottom line indicates an overspend of £506,000 against the budgeted £140.9M as set out below.

Block

Schools	(£264,000)	Underspend
Early Years	(£58,000)	Underspend
High Needs	£710,000	Overspend
Centrally Retained	(£66,000)	Underspend
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	£322,000	Overspend
DSG & Planned use of Balances	£184,000	Overspend
Unplanned use of Balances	£506,000	Overspend

4.14 This overspend will need to be met from DSG balances brought forward from 2015/16, which will still leave some £283,000 in reserves to flow forward to support the schools budget in future years.

5 Conclusion

5.1 This report has set out the likely outcome for 2016/17 based on best available information. It highlights the need to address spending on the High Needs Block as a matter of urgency so as to bring it sustainably back within the funding resource available.

6 Appendices

Appendix 1 – DSG Budget 2016/17 – Forecast Outcome