

Budget Monitoring Period 7 2016/17

.01 Purpose of the Report

To provide the Schools Forum with an update of the projected 2016/17 financial position. The report's objective is to help Forum to understand the financial pressures which are currently being faced, and explore how they may be mitigated.

.02 Suggested Action

The Forum is asked to note the contents of this report and work with Finance colleagues to ensure a clear understanding of the likely 2016/17 outturn.

.03 Background

This report provides an update of the anticipated financial outturn for 2016/17, taking into account revised estimates from all schools.

The paper examines the rolled up position (budget, YTD actuals and projected full-year position) as currently reported in the Council's financial reporting system WISER.

.04 Financial Summary

The current projection for this financial year is as follows:

Summarised Financial Position				
<i>all figures £k</i>				
	s251 Budget 2016/17	Actuals Oct 2016	Forecasted position at March 2017	Variance Budget v Forecast
Expenditure	£000	£000	£000	£000
ISB and PVI allocations	111,817	108,944	112,323	506
Central Expenditure	13,696	9,006	15,020	1,324
Total Schools Budget	125,513	117,950	127,343	1,830
Funding				
Dedicated Schools Grant	(116,820)	(68,313)	(117,109)	(289)
DSG Other	(56)	(284)	(468)	(412)
EFA	(8,324)	(5,245)	(8,141)	183
In year adjustments b/fwd to 2016/17	0		(1,081)	(1,081)
Total Funding	(125,200)	(73,842)	(126,799)	(1,599)
Total in-year (surplus)/ deficit	313	44,108	544	231
Brought Forward (surplus) /Deficit balance	(1,151)	(2,177)	(1,096)	55
TOTAL YEAR-END (SURPLUS)/DEFICIT	(838)	41,931	(552)	286
<i>Underlying (surplus) / deficit</i>	<i>(838)</i>		<i>529</i>	

Key points to note are:

- 1) Expenditure increase to budget of £1,830k. This is due to:
- 2)
 - a. An additional allocation of £1,274k to the Schools Block which was agreed at the January 2016 Schools Forum, item no. 58 refers;
 - b. Additional expenditure of £234k within Other Areas which is due to private hospital education costs £93k and an increase in internal recharges resulting from the move from the Foundry cost centre £168k (as previously reported);
 - c. Additional expenditure of £260k within Pupil Growth / Infant Class Sizes resulting from:
 - i. Project start-up costs for Shinfield West brought forward to September 2016;
 - ii. Start-up costs for Bohunt School Arborfield, confirmed funding for Montague Park.

Detailed information is provided in Appendix B.

- 3) An income / funding increase of £518k the major elements of which are:
 - a. An increase in DSG of £289k due to pupil numbers in the October 15 census;
 - b. An increase in pupil premium (5-16 years) of £153k;
 - c. A Universal Infant Free School Meals (UIFSM) of £33k which is based upon the pupil census data at January 2016.
- 4) The net overall year-end (surplus) / deficit position is now projected to be (£552k) which is an improvement on the planned (£500k) which was agreed at January Forum.

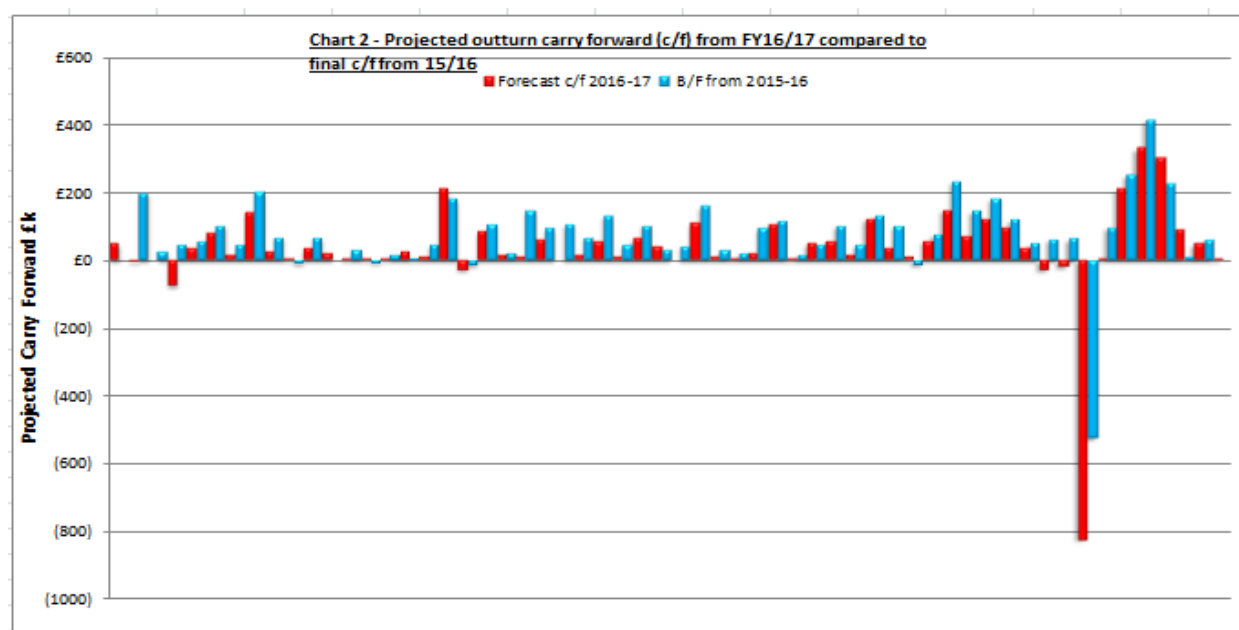
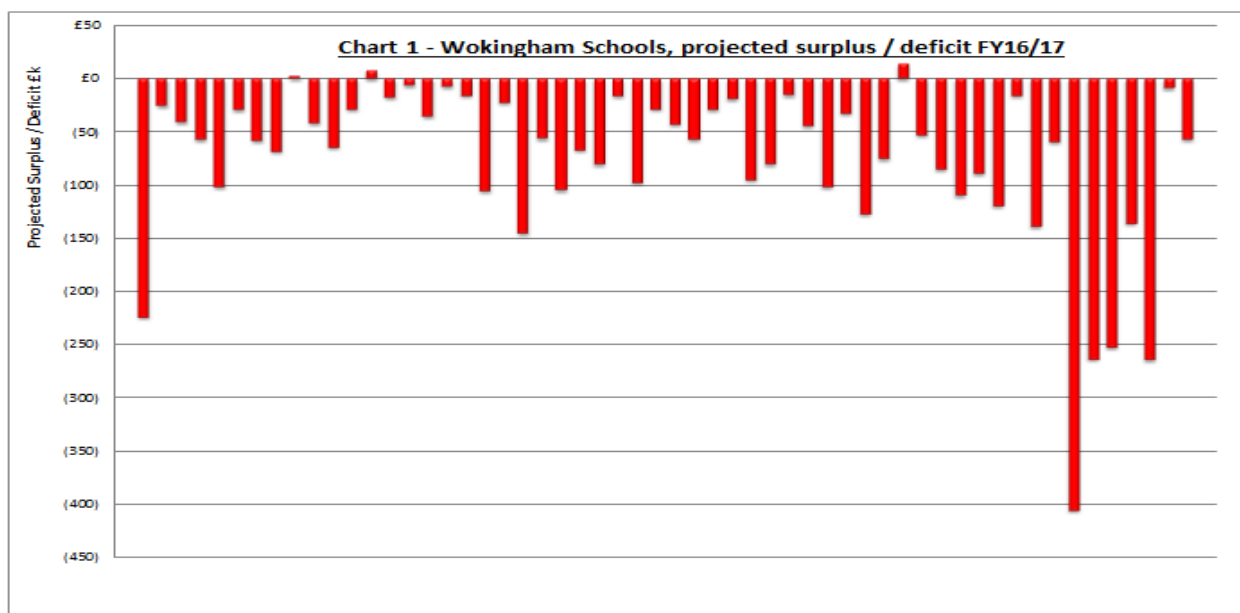
Detailed information is provided in Appendix A.

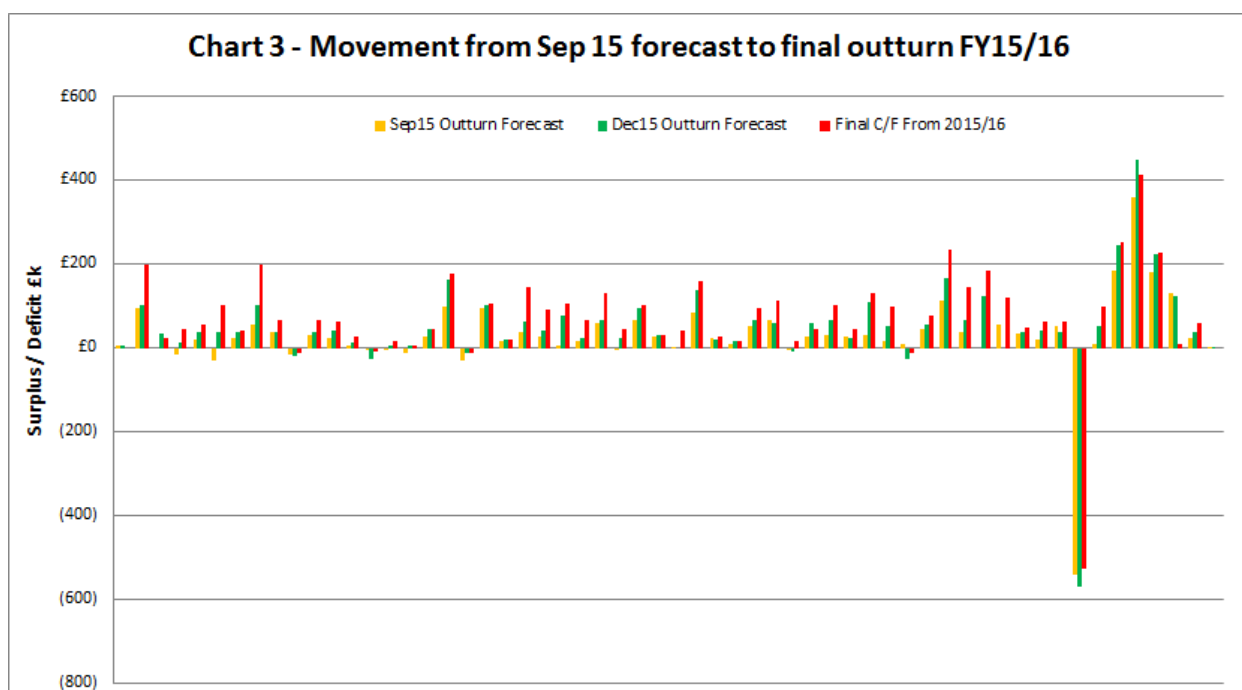
.05 Schools Position

The Schools Finance Team continues to work closely with colleagues in schools to determine the likely financial outturn for the financial year. An analysis of the combined position suggests that the vast majority of schools will face deficits totalling £4,298k this year; they are being kept afloat by carry forward balances and / or other sources of funds.

The following anonymised charts refer:

- 1) Chart 1 – Projected surplus / deficit by school;
- 2) Chart 2 – A comparison of projected carry forward balances between 15/16 and 16/17.
- 3) Chart 3 – which examines the movement between the projected outturn position and the potential pessimism or prudence bias in the September 15 / October 16 projections.





.07 Next Steps

1. The Schools Finance Team to complete their school budget monitoring task, and ensure that WiSER reflects the agreed position by the end of December.
2. Where cumulative deficits for 16/17 are a reality the Schools Finance Manager (who will join the Council w/c 5th December) will work with schools to address - potentially via the use of loan agreements.

.08 Recommendation

That the report be noted and that schools continue to work with the Council's Finance Team to ensure a clear understanding of the 16/17 financial position and ensure that any emerging deficits are addressed in an appropriate manner.

John Ogden
Head of Finance
November 2016

Appendix A – Schools Budget Monitoring November 2016 (October 2016 actuals)

Appendix A - SCHOOLS Budget Monitoring November 2016 (October Actuals)																							
Schools Budget																							
21 December 2016		Actual		Actual		Actual		2015-16		2016-17													
		2012-13		2013-14		2014-15		Actual	Variance	Budget	Variance	June Forecast	Variance	Oct Forecast			All Schools	Maintained	Academies	High Needs	Early Years	Pupil Premium	
INCOME																							
	Maintained Schools Block	92,391		92,932		68,118	-3.8%	65,637	-0.6%	63,980	0.0%	63,980	0.0%	63,979			250	63,979					
	Additional Schools Grant			333		533	-2.3%	521	-52.0%	250	0.0%	250	0.0%	250									
	Academy Recoupment					19,872	24.4%	26,274	0.0%	28,999	0.0%	28,999	0.0%	28,999				28,999					
	High Needs Block					17,588	-4.7%	16,795	0.0%	17,092	0.0%	17,092	0.0%	17,092					17,092				
	Early Years Block					6,373	6.0%	6,780	-0.5%	6,749	0.0%	6,749	4.3%	7,038							7,038		
	Early Years Block 2 year olds							0		0		0		428							428		
	Universal Infant FSM					1,298	40.9%	2,195	0.0%	2,195	0.0%	2,195	-1.5%	2,162							2,162		
	Education Funding Agency	6,226		4,658		4,384	-24.3%	3,528	-9.6%	3,191	0.0%	3,191	0.1%	3,194				3,194					
	Pupil Premium Grant 5-16	1,237		1,913		2,735	-4.5%	2,618	2.7%	2,688	0.0%	2,688	-5.7%	2,535								2,535	
	Pupil Premium Grant 3-4							57	-1.8%	56	0.0%	56	-28.6%	40								40	
	TOTAL FUNDING	99,854	0.0%	99,836	17.4%	120,901	2.8%	124,405	-0.5%	125,200	0.0%	125,200	0.4%	125,717			250	67,173	28,999	17,092	9,628	2,575	
OUTGOINGS																							
1.0.1	Schools Block excluding Academies	84,944	-15.9%	73,264	-2.9%	71,195	-4.3%	68,282	-1.9%	64,683	1.3%	65,507	2.0%	65,960				65,960					
1.0.1	Academy Recoupment					19,872	24.4%	26,274	0.0%	28,999	-2.6%	28,240	0.0%	28,999				28,999					
1.0.1	High Needs Block allocation (across all schools)			6,328	10.3%	7,052	-45.0%	4,864	27.2%	6,807	0.0%	6,807	-11.5%	6,022					6,022				
1.0.1	Pupil Premium (exc Academies)			1,880	29.4%	2,663	-4.7%	2,543	2.8%	2,613	0.0%	2,613	-9.3%	2,369								2,369	
1.0.1	Universal Infant FSM					1,298	40.9%	2,195	0.0%	2,195	0.0%	2,195	-1.5%	2,163							2,163		
1.0.1a	Early Years Block allocation	3,983	31.7%	5,835	4.1%	6,087	5.5%	6,438	-0.9%	6,520	0.0%	6,520	4.4%	6,809							6,809		
	Total ISB and PVI allocations	88,927	-1.9%	87,307	19.3%	108,167	2.2%	110,596	0.0%	111,817	0.1%	111,882	0.5%	112,322			0	65,960	28,999	6,022	8,972	2,369	
1.0.2	Pupil Premium mainstream	22	15.4%	26	46.9%	49	2.0%	50	0.0%	50	0.0%	50	158.0%	129								129	
1.0.3	Pupil Premium non-mainstream	34	-88.9%	18	21.7%	23	8.0%	25	0.0%	25	0.0%	25	48.0%	37								37	
	Pupil Premium 3-4 years							56	0.0%	56	0.0%	56	-28.6%	40								40	
1.1.3	Early Years contingency	172		0		184	36.3%	289	-20.8%	229	0.0%	229	0.0%	229							229		
1.2.1	Provision for pupils with SEN (actual charges)	1,433	18.2%	1,752	25.2%	2,343	-11.2%	2,107	7.1%	2,468	0.0%	2,468	0.0%	2,468					2,468				
1.2.2	Provision for pupils with SEN (additional charges)	110	5.2%	116	-3.6%	112	-460.0%	20	0.0%	20	0.0%	20	0.0%	20					20				
1.2.4	Fees for Independent Special Schools	4,931	4.8%	5,182	8.4%	5,655	-41.9%	3,984	40.0%	5,262	12.5%	5,920	14.0%	6,000					6,000				
	Element 2 funding for post 16							546		0		0		0					0				
1.2.5	SEN transport	230	0.0%	230	0.0%	230	0.0%	230	0.0%	230	0.0%	230	0.0%	230					230				
1.2.7	Inter-authority recoupment	-1,605		-46		0		0		0		0		0									
1.3.1	Pupil Referral Units	712	-54.8%	460	-22.0%	377	30.6%	543	22.8%	480	2.1%	490	-2.1%	470					470				
1.3.3	Education out of school	485	21.5%	618	2.1%	631	-8.4%	582	1.2%	617	-1.6%	607	15.1%	710					710				
1.3.4	14-16 More practical learning options	582		0		0		0		0				0									
1.4.5	Carbon reduction allowances			91		0		0		0				0									
1.5.1	School meals (nursery, primary, special)	223		0		0		0		0				0									
1.2.1	Support for inclusion	425	56.3%	973	-69.8%	573	-2.9%	557	0.9%	362	0.0%	362	0.0%	362					362				
1.2.3	Moderating panels					100	33.3%	150	0.0%	150	0.0%	150	0.0%	150					150				
1.6.5	Miscellaneous	92	-24.3%	74	17.8%	90	70.6%	306	-69.9%	97	173.2%	265	173.2%	265			92	173					
1.5.2	FSM eligibility	0		0		0		0		0				0									
1.5.4	School kitchens (repairs and maintenance)	413		-152		103		0		0				0									
1.1.2	NQT induction			32	0.0%	32	0.0%	32	0.0%	32	0.0%	32	0.0%	32				32					
1.6.3	School admissions	272	3.9%	283	-2.5%	276	-2.2%	270	4.1%	281	0.0%	281	0.0%	281				281					
1.6.6	Servicing of Schools Forum	4	0.0%	4	0.0%	4	0.0%	4	0.0%	4	0.0%	4	0.0%	4				4					
1.1.2	School specific contingencies	744	-171.5%	274	9.3%	302	18.2%	369	-24.4%	340	0.0%	340	0.0%	340				340					
1.3.2	Behavioural Support Services	619	-27.1%	487	-51.7%	321	0.0%	321	0.0%	321	0.0%	321	0.0%	321				321					
1.4.1	Support for ethnic minority and bilingual	134	-8.9%	123	9.6%	136	3.5%	141	3.5%	146	0.0%	146	0.0%	146				146					
1.6.1	Insurance	568	1.7%	578	-2.3%	565	11.4%	638	-12.5%	586	0.0%	586	0.0%	586				586					
1.6.4	Licenses / subscriptions	191	20.7%	241	2.4%	247	-10.3%	224		339	0.0%	339	0.0%	339				339					
1.4.10	Pupil growth / infant class sizes			639	-4.6%	611	19.6%	760	-23.0%	1,232	39.0%	1,713	21.1%	1,492				1,492					
1.6.7	Staff costs - supply cover	415	-5.1%	395	0.3%	396	3.4%	410	-10.0%	369	0.0%	369	0.0%	369				369					
	Total Central Expenditure	11,206	9.6%	12,398	7.2%	13,360	-5.9%	12,614	6.0%	13,696	9.5%	15,003	9.7%	15,020			1,869	2,306	0	10,410	229	206	
1.8.1	TOTAL SCHOOLS BUDGET	100,133	-0.4%	99,705	18.0%	121,527	1.4%	123,210	0.6%	125,513	1.1%	126,885	1.5%	127,342			1,869	68,266	28,999	16,432	9,201	2,575	
	Surplus / Deficit	-279		131		-626		1,195		-313		-1,685		-1,625			-1,619	-1,093	0	660	427	0	
	Reserves b/fwd	1,752		1,475		1,607		982		1,151		2,177		2,177									
	Reserves c/fwd	1,473		1,606		981		2,177		838		492		552									
Memo	WBC Central Overhead Costs							457	0.0%	457	0.0%	457											

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