

Schools Outturn Report 2016/17

Schools Budget Financial Monitoring Report

1 Purpose of the Report

The purpose of this report is to provide details for the year of the final outturn position on the Schools Budget, funded by the Dedicated Schools Grant, DSG (including EFA funding), Pupil Premium Grant and Universal Infant Free School Meal grant.

The report also shows opening schools balances at 1/4/2016 and the resulting closing balances at 31/3/2017.

2 Suggested Action

Schools Forum is asked to note the contents of this report.

3 Background

The Schools Budget 2016/17 was presented to School Forum in January 2017 and showed an in-year deficit of £313k, resulting in a forecast year-end reserve (balance carry forward at 31/3/2017) of £838k.

The actual outturn for the year in Appendix Ai shows the opening balance/reserves brought forward as £2,177k which includes the in-year adjustment to reserves of £1,081k as discussed in the Budget Monitoring Report to Schools Forum in December 2016 (Agenda Item 5) and as shown in the abbreviated excerpt below:

‘This was additional ‘in-year’ DSG income in February 2016 by which time the budget position for that year had already been finalised. This was because the budget is fixed at a point when DSG funding is only indicative. Note there were approximately 11 revised allocations for 2015/16. A decision was made at the May Forum to carry forward this surplus fund to 2016/17 which is standard practice for revised late receipts’.

Hence opening balance/reserves at 1/4/2016 were as follows:

Table 1 Schools Opening Balances/Reserves at 1/4/2016

Note	£ 000
In year adjustments 2016/17	1,081
B/forward surplus from previous year 2015/16	1,096
Total adjusted Opening Balances/Reserves at 1/4/2016	2,177

4 Schools Final Out-turn 2016/17

Schools Final Out-turn for 2016/17 is shown in detail in Appendix Ai and summarised as follows:

Table 2 Schools Final Out-turn 2016/17 (Budget –v- Actual) (Appendix Ai)

	Final Budget 2016/17 £000	Final Out-turn 2016/17 £000	Variance £000
Opening balance (reserves) at 1/4/2016	(1,151)	(2,177)*	(1,026)
In-year deficit (surplus)	313	821	508
Closing balance (reserves) at 31/3/2017	(838)	(1,356)	(518)

*See section 3 above regarding adjusted Opening Balance at 1/4/2016.

The Final Out-turn is supported by the following documents:

Appendix Ai	Schools Final Out-turn 2016/17 (Budget –v- Actual)
Appendix Aii	Schools Final Out-turn 2016/17 (Budget/Forecast March 2017/Actual/Variance)
Appendix B	Contingencies 2016/17
Appendix C	Growth Analysis 2016/17

Table 3 Schools Final Out-turn 2016/17 (Budget /Forecast March 2017/Actual/Variance) (Appendix Aii)

	Final Budget 2016/17 £000 a	Forecast Out-turn March 2017 £000 B	Final Out-turn 2016/17 £000 c	Variance £000 (c-a)
Opening balance (reserves) at 1/4/2016	(1,151)	(2,177)*	(2,177)*	(1,026)
In-year deficit (surplus)	313	1,669	821	508
Closing balance (reserves) at 31/3/2017	(838)	(508)	(1,356)	(518)

Table 3 above shows the actual out-turn for the year 2016/17, £821k deficit, compared to the forecast out-turn presented to Schools Forum in March 2017 of £1,669k deficit, an improved position of £848k.

A detailed analysis of Table 3 is provided in Appendix Aii, the main movements from the March 2017 Forecast Out-turn for the year and the Final Out-turn are shown as follows in Table 4:

Table 4 Schools Final Out-turn 2016/17 - Main Movements from March 2017

	£000
March 2017 Forecast Out-turn presented to Forum - Deficit	1,669
i) DfE High Needs Funding allocation 2016/17: March 2017 Forecast included funding known at that point in time of £17.7million. At the end of March 2017 this was reduced to £16.9 million to reflect WBC deductions to high needs block for direct funding of places by EFA, hence a difference of £0.8m	808
ii) SEN Transport double counted in March 2017 Forecast	(230)
iii) De-delegation recognised as a disbursement to Schools twice in March 2017 forecast	(1,700)
iv) March 2017 forecast showed Contingencies as fully spent, however, actual out-turn showed an underspend of £190k as shown in Appendix B (Schools £65k and Early Years £125k)	(190)
v) March 2017 forecast expenditure for High Needs Block excluded initial HN Block allocation to schools (only included special schools)	507
vi) Miscellaneous variances	(43)
Final Out-turn for 2016/17 (Actuals) – Deficit	821

As shown in the detailed analysis in Appendix Aii, the main reason for a deficit in year was an overspend on Independent Special Schools of £893k (ISS line 1.2.3). Schools Forum have asked that the Interim Head of Learning & Achievement provides an update on the High Needs Block Budget, including ISS, to all future Forum meetings.

Contingencies 2016/17

Appendix B shows in detail Schools Contingencies 2016/17 for both the Schools Block and Early Years Block as summarised in Table 4 below.

Table 5 Contingencies 2016/17

	Schools Block Contingency £000	Early Years Contingency £000
Contingency 2016/17	(340)	(229)
Appropriated	275	104
Balance Unallocated at 31/3/2017	(65)	(125)

The £275k appropriated for the Schools Block includes £142k for business rates for the schools listed. As agreed at Schools Forum in March 2017, following a steer from the Chair, WBC Schools Finance are looking into the possibility of recouping business rates and the treatment of Academies, and a paper will be presented to Forum shortly.

Growth Fund 2016/17

Table 6 Growth Fund 2016/17

2016/17 Budget £000	2016/17 Actual £000	2016/17 Variance £000
1,232	1,339	(107) Overspend

As shown in Appendix C in detail by individual schools, the Growth Fund overspent by £107k in 2016/17.

Expenditure against the Growth Fund was challenged by a member of the Forum at the March 2017 meeting and will be subject to closer scrutiny in 2017/18.

The Growth Budget for next year, 2017/18, is £1.3 million. There is a further paper on today's agenda forecasting 2017/18 expenditure to be £1.132 million, albeit with a health warning.

This budget will be monitored closely in 2017/18 and reported regularly to Schools Forum.

5 Summary

Schools Final Out-turn for 2016/17 showed an in-year deficit of £821k, mainly due to overspending on the High Needs Block.

The closing balance (reserves) at 31 March 2017 was £1.356 million which will carry forward into 2017/18.

6 Recommendations

Further to the Schools Forum Chairman and Member recommendations at the March 2017 Forum Meeting, it is recommended that closer monitoring, scrutiny and reporting takes place in 2017/18 in the following areas for Forum's consideration and decision making:

- Budget Variances in year
- High Needs Block
- Growth Fund (and more detail and clarity around academies and maintained schools Growth Fund budgets)
- Contingencies

The Schools Finance Manager is also asked to investigate the possibility of recouping business rates (Section 4 above).

John Ogden
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May 2017

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