

SCHOOLS FORUM

Financial Outturn Report for the Financial Year 2014/15

Purpose of the Report

- 1 The purpose of this report is to provide details of the outturn position on the Schools Budget funded by the Dedicated Schools Grant (including EFA funding) and Pupil Premium Grant.

Suggested Action

- 2 The Forum are asked to note the contents of this report.

Update

- 3 The Final budget report set at the July 2014 Forum showed an outturn position of (£1,004k) as at the end of March 2015 the final outturn position is (£982k)

Whilst being only £22k adverse to the original budget set; this is £484k adverse to the forecasted outturn presented at the March Forum.

4	Material movements	£'000's	
	Budgeted deficit / (surplus)	(1,004)	
	Previously reported in year variance to budget	(462)	
	Material movements in period:		
		£'000's	
	Additional Income allocated to schools at Year End	150	
	Additional HNB distribution and Year End accrual	865	
	Early Years underspend and agreed c/fwd	(230)	
	Provision for pupils with SEN (including assigned resources)	179	
	Support for inclusion	(38)	
	Pupil Referral Units	(127)	
	Pupil growth/ Infant class sizes	(99)	
	Insurance	(29)	
	Licences/subscriptions	31	
	Staff costs - supply cover (not sickness)	26	
	Other	(28)	
	Additional Grant notification	(216)	484
	Carry forward deficit/ (surplus) to 15/16	(982)	

By way of explanation set out below is the context in which the budget was set, material movements in both income and expenditure that have occurred both throughout the year and at the financial year end.

5 **Context**

2014/15 was to be the second phase of the implementation of the National Funding Formula however the DfE recognised that rather to continue at the same rate of change there were areas where clarity was required and so 2014/15 became the settling down year of 2013/14 changes. Following a consultation the DfE acknowledged in its report, School Funding Reform: Findings from the Review of 2013-14 Arrangements and Changes for 2014-15, that a move to pupil-led funding would change schools budgets and to some degree re-allocate funds between schools. They stated that this was a necessary and not unintended consequence of the reforms. They did however acknowledge that there had been some unintentional consequences of the reforms that they wanted to resolve before moving onto the next phase.

Whilst funding was being reformed steps were also being taken to implement the Children and Families Act of 2013, which set about bringing together the strands of Education, Health and Social Care in providing a holistic approach to the needs of people aged 0-25 years. The impact here would be one of trying to implement new systems, train staff, convert Statements to Education, Health Care Plans whilst at the same time publishing their Local Offer and engaging with parents and guardians. This was a root and branch reform that not only affected LA's and the NHS, but also Nurseries, Schools, Colleges and residential care homes.

At the same time it was announced (after 2014/15 budget had been set) that Universal Infant Free School Meals would be introduced for all KS1 pupils from the 1/9/14 and that where necessary kitchen facilities would have to be installed. Both Capital and Revenue budgets were introduced (though on an academic year basis rather than financial) and as this was a new initiative these budgets were based on estimates.

6 **Material movements in income and expenditure.**

Movements in Income

Historically LA's have received an indicative budget late autumn and a finalised budget late spring, though as the Reforms have been implemented and wrinkles have arisen, numerous adjustments have taken place mid-year. Overall our income has been £405k higher than pupil based budgets, with a reducing recoupment adjustment of £48k, our net increase (and unbudgeted) in income is £357k.

Movements in Expenditure

When additional income has been received, this has automatically been distributed to schools. Thus where the outturn shows Total ISB and PVI allocations as over spent, part of this is mitigated by the £405k income shown in the Funding section of the report found in Appendix A

Throughout the year there were costs incurred that had not been budgeted for, there will always be a certain level of these, such as those incurred by new government initiatives. When setting the budget we were not aware of the introduction of UIFSM for September 2014. This initiative had an adverse impact of £130k. That said due to the successful introduction of the scheme, every infant child in Wokingham had access to a FSM from September without any further contingency funds needing to be called upon. Forum had set aside a further £250k by way of an emergency fund should installation over the summer holidays prove difficult.

Charvil required an additional £110k financial support. This was mostly mitigated when Wheatfield opened in September with more children than had been anticipated when the budget had been set the previous January. As their funding came direct from the EFA it produced a £99k saving for the growth fund.

An allocation of £60k was made to Aspire, and a £45k contribution was made to support the introduction of the Children and Families Act.

Due to the restructuring of the Resource Units transitional protection was allocated to 2 schools where the LA was reducing the number of places. This protection is on a reducing balance basis and is expected to be removed within the next three years. This protection totalled £305k.

Academy and Free School NWPU's required an additional in year adjustment of £84k

Overall our net unbudgeted expenditure outlined above has been £734k.

During March an invoice was received from Reading college for £325k relating to Post 16 pupils covering the period from September 2014 to March 2015 we had been unable to accrue accurately for this as we were awaiting confirmation of contract details and charges.

It is acknowledged by the DfE in its' report that changing an historic system will create turbulence, whilst overall we have managed to get through 2014/15 and come out the other side in a reasonable position the timeliness and accuracy of the reporting has not been ideal and for that the Local Authority accepts responsibility.

7 Appendix A contains the detail with comments.

Donna Munday
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