

SCHOOLS BUDGET FINAL ACCOUNTS 2014-15

Purpose of the Report

1. To report the final accounts of the Schools Budget for 2014-15.

Information and Advice

2. The Schools Budget is funded from the ring-fenced Dedicated Schools Grant (DSG). In 2014-15 the total Schools Budget was £528.013m. This is made up of the Individual Schools Budget (ISB) of £465.097m which is delegated out to schools and the Schools (Non-ISB) Budget of £62.916m. The Schools (Non-ISB) Budget is used to support children and young people in schools and other forms of education. It also includes the payments made to Maintained Schools and the Private, Voluntary and Independent Sector for the free entitlement to child care for 2 year olds and 3 and 4 year olds.
3. There was net underspending of £5.609m against the Schools (Non-ISB) budget in 2014-15. Of this, there were £6.405m of year-end carry forwards allocated to services for the 2015-16 financial year. A summary of the Schools Budget is set out in **Appendix A**, attached to this report.
4. The underspend includes £1.080m of rate refunds which were received from district councils as a result of the County Council employing a property consultant to review the valuation of all County Council properties. It is the intention to pass these refunds onto schools in the near future. A list of schools and the refunds due to them is attached at **Appendix B**. Further refunds have been received this financial year and they will also be passed onto schools.
5. As the summary of the Schools Budget set out in **Appendix A** shows, the accumulated surplus in the Schools (Non-ISB) Reserve was projected to be £5.449m at the end of 2014-15. Based on the net effect of the underspend and year-end carry forwards outlined in paragraph 3, there is a projected surplus of £8.160m on the Schools (non-ISB) Reserve for 2015-16.

Use of the Schools (Non-ISB) Reserve

6. The Schools (Non-ISB) reserve has built up over a number of years from the accumulated underspends of the centrally retained budgets and contributions from the County Council towards premature retirement costs. It has been used in the past to support Local Protection funding, NJE back pay, Heads Count and a number of other services agreed by

the Schools Forum. The projected balance for 2015/16 allowing for the carry forward requests is £8.160m.

7. The reserve can be used to support additional expenditure provided that the Schools and Early Year Finance Regulations 2014 are complied with.
8. It may be used to support central expenditure in the schools block provided no spending limits are breached, for example the Combined Services Budgets are restricted to historic commitments and require Secretary of State approval to add new commitments or increase expenditure on existing ones.
9. It can also be transferred between funding blocks i.e. High Needs or Early years Block and be allocated to schools/early years providers via the funding formula but only in advance of the funding period it is to be used for and in agreement with the Forum. In-year redetermination of budget shares is not permissible under the regulations.
10. Proposals to utilise part of the reserve balance are included later on today's agenda.

RECOMMENDATION

That the Schools Forum:

- 1) Note the contents of this report.

Sue Summerscales
Acting Senior Finance Business Partner – CFCS
Environment and Resources Department
T: 0115 977 3468
E: sue.summerscales@nottsc.gov.uk