

SCHOOLS BUDGET FINAL ACCOUNTS 2015-16

Purpose of the Report

1. To report the final accounts of the Schools Budget for 2015-16.

Information and Advice

2. The Schools Budget is funded from the ring-fenced Dedicated Schools Grant (DSG). In 2015-16 the total Schools Budget was £532.109m. This is made up of the Individual Schools Budget (ISB) of £470.186m which is delegated out to schools and the Schools (Non-ISB) Budget of £61.923m. 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 £2.619m against the Schools (Non-ISB) budget in 2015-16. Of this, there were £2.439m of year-end carry forwards allocated to services for the 2016-17 financial year. A summary of the Schools Budget is set out in **Appendix A**, attached to this report.
4. 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 £8.160m at the end of 2015-16. Based on the net effect of the underspend and year-end carry forwards outlined in paragraph 3, there is a projected surplus of £8.843m on the Schools (non-ISB) Reserve for 2016-17.

Use of the Schools (Non-ISB) Reserve

5. 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 2016/17 allowing for the carry forward requests is £8.843m.
6. The reserve can be used to support additional expenditure provided that the Schools and Early Year Finance (England) Regulations 2015 are complied with.

7. 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.
8. 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.
9. The Schools National Funding Formula consultation stated that local authorities would be able to use previously accumulated reserves across all 4 blocks (Schools, Early Years, High Needs and Central) in 2017/18 and 2018/19. It is uncertain what will be allowed after that date.

RECOMMENDATION

That the Schools Forum:

- 1) Note the contents of this report.

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