

Proposal to allocate £1m to Schools from the Schools Non ISB Reserve

1. Purpose of the Report

To propose an allocation of £1m of reserves to schools in 2017/18.

2. Background

At the 9 June Schools Forum meeting the 2015/16 Schools Budget Final Accounts report was presented which reported a projected surplus of £8.843m on the Schools (non-ISB) reserve. The 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, more recently, the top up to the early years child care hourly rates for 2, 3 and 4 year olds.

3. Allowable Use of the Reserve

The reserve can be used to support additional expenditure provided that the Schools and Early Year Finance (England) Regulations 2015 are complied with.

It may be used to support central expenditure in the schools block provided no spending limits are breached and 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 in advance of the funding period it is to be used for and in agreement with the Forum.

4. The Proposal

It is proposed that £1million of the non-ISB reserve is allocated to schools in 2017/18 but via the funding formula on a per pupil basis. In order for all schools to benefit from this allocation, it is proposed that a disapplication request is made to the Secretary of State to exclude the additional funding from the MFG calculation.

5. Reason for the Proposal

Appendix A provides a summary of the projected commitments against the reserve. Schools are facing considerable cost pressures and although this would only be a temporary cash injection it may go some way to alleviating those pressures. The future of the reserve is also uncertain under the national funding formula.

6. Recommendation

That the Schools Forum:

- note the contents of the report

- approve the allocation of £1million to schools in 2017/18 from the Schools non-ISB reserve
- approve the disapplication request to the Secretary of State to allow the funding to be excluded from the MFG calculation

For any enquiries about this report please contact:

Tamsin Rabbitts

Senior Finance Business Partner

T: 01159 773427

E: tamsin.rabbitts@nottscc.gov.uk

Appendix A

Schools Statutory reserve forecast 2016/17

	B/Fwd 01/04/2016	£ 11,281,582.36	
	Early Years 2015/16 DSG Adjustment	£ 546,000.00	
Agreed Carry Forwards	Family SEN	-£ 88,279.00	
	Post 16 High Needs	-£ 378,000.00	
	Growth Fund	-£ 211,000.00	
	Early Years Trajectory	-£ 89,000.00	
	SFSS/ SEMH	-£ 532,000.00	
	Grant Adjustments	-£ 651,000.00	
	Rates Adjustments	-£ 361,000.00	
	Trade Unions	-£ 129,000.00	
Agreed Commitments	Early Years Rate Top Up	-£ 1,905,436.00	
	Tackling emerging Threats?	-£ 420,000.00	*
	Heads Count	-£ 38,000.00	*
	AFN	-£ 360,000.00	
	Safeguarding	-£ 7,000.00	*
	Balance C/Fwd to 2017/18 before overspends	£ 6,657,867.36	

This amount will need to fund any 16/17 overspends and any agreed commitments for 17/18

* These items are anticipated to continue in 17/18