

## **SCHOOLS BUDGET FINAL ACCOUNTS 2017-18**

### **Purpose of the Report**

1. To report the final accounts of the Schools Budget for 2017-18.

### **Information and Advice**

2. The Schools Budget is funded from the ring-fenced Dedicated Schools Grant (DSG). In 2017-18 the total Schools Budget was £562.277m. This is made up of the Individual Schools Budget (ISB) of £515.004m which is delegated to schools, academies and PVI's and the Schools (Non-ISB) Budget of £47.273m. The Schools (Non-ISB) Budget is used to support children and young people in schools and other forms of education.
3. There were £3.369m of approved contributions from the Non ISB reserve in 2017/18 and a net overspending of £1.382m against the Schools (Non-ISB) budgets. There are £0.331m of year-end carry forwards requested from underspending services for allocation to services for the 2018-19 financial year. A summary of the DSG is set out in **Appendix A**, attached to this report.

### **Explanation of Significant Under and Overspends**

#### **4. Schools Block £0.204m Underspend**

- £0.337m underspend in the growth fund. This underspend is requested to be carried forward into 2018/19. Further information on the proposed use will be detailed in agenda item 3d.
- £0.121m underspend against de-delegated trade union facilities funding. This underspend is requested to be carried forward in 2018/19.
- £0.247m school rates overspend of which £204k will be recovered in 2018/19 as part of the budget setting process. School rates are only estimated when constructing the budget and over/underspends can arise as a result of revaluations and other changes.
- £0.058m overspend on the admissions function due to admissions appeals.
- 0.051m underspend on school security. This is a permanent underspend and the budget has been removed for 2018/19 (the Central School Services Block report refers to this).

#### 5. High Needs Block £2.737m Overspend

The overspend has reduced by £0.799m from a forecast £3.536m at period 9. The main reasons for this are vacancies being frozen in the Inclusion service and Partnership team (£53k), EHCP placements finishing earlier than anticipated (£338k), additional income for EHCP being received (£102k), net expenditure on other local authorities' special school places, HLN and AFN reducing (£150k), additional income being claimed through CRM (£120k) and a Primary Partnership not receiving all their funding (36k).

Appendix B provides a full breakdown of the variances within the High Needs Block.

#### 6. Early Years Block £1.151m Underspend

The underspend is mainly due to the redetermination of the Early Years block funding allocation for the 15 hours of childcare for working parents. The funding allocation is calculated using the January 2017 census data and then redetermined when the January 2018 census data is available. Due to a higher than expected take up of the additional 15 hours of childcare for working parents, the authority is expecting an additional £1m of income in June. This is due to the way the additional 15 hours of free entitlement has been funded and is expected to be a one off benefit.

There is also an underspend on the universal funding for 3 & 4 year olds due to attendance on census dates being higher than the average attendance for the year.

£115k of Early Years Pupil Premium and Disability Access Fund was unspent at the year end. It is not expected that the ESFA will reclaim this.

#### **Use of the Schools (Non-ISB) Reserve**

7. As the summary of the Schools Budget set out in **Appendix A** shows, the accumulated Schools (Non-ISB) Reserve was £6.724m at the beginning of 2017-18. Based on the net effect of the in year overspend and use of reserves outlined in paragraph 3, there is a projected surplus of £1.642 on the Schools (non-ISB) Reserve for 2018-19.
8. It had previously been forecast that the Non ISB reserve would have a £437k deficit (January 2018 HNB pressures report) as a result of the HNB overspend. As a result of the reduction in the HNB overspend and the additional Early Years block funding the deficit position has been avoided.
9. The reserve can be used to support additional expenditure provided that the Schools and Early Years Finance (England) Regulations 2017 are complied with.
10. It may be used to support central school services block expenditure 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.

11. 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.
12. 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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