

8.	Items for information	
8a)	2015/16 Budget Monitoring – Final Outturn	Catherine Peters, Head of Finance

Introduction

The purpose of this report is to inform the Schools Forum of the final outturn position for the Schools Budget 2015/16.

The final outturn position for the Schools Budget was reported as part of the Quarter 4/End of Year Performance Monitoring 2015/16 paper to the Performance and Contract Management Committee on 31st May 2016. It is presented to Schools Forum to note. Details are contained in Appendix 1.

2015/16 Schools budget

There have been no changes to the schools budget since it was reported to the Schools Forum on 11th February 2016.

2015/16 Schools budget monitoring

The final outturn position for the financial year 2015/16 was an underspend of £2.802m.

This is a net position of the following main over and underspends. The details are contained in Appendix 1.

S251 Line reference	Main reasons for over/underspend	£'000
1.0.1	The main underspends are as follows: <ul style="list-style-type: none"> • Underspend on payments to providers for two year olds and three and four year olds due to lower than projected take up: (£598k) • Reclaim of NNDR credits: (£491k) and no expenditure for Noam • Lower than forecast costs for special school places: (£190k) • Pupil premium - lower than expected take-up of the early years pupil premium: (£178k) • Reduced expenditure on excluded pupils and ARP base funding: (£84k) • Additional expenditure for in year adjustments and a payment in advance for post-16 learners at JCOS: £397k 	(1,144)
1.1.1	Reduced requirement for contingency	(117)
1.2.1, 1.2.2 & 1.2.3	This is the net position relating to top up funding for high needs in: <ul style="list-style-type: none"> • maintained schools (nursery, primary and secondary) including those that are out of borough. • academies and free schools plus additional funding for high needs pupils in academy ARPs and • independent and non-maintained special schools, pre- and post-16 	(1,658)

	This is the net underspend based on final claims submitted and reduction in the use of expensive independent school placements.	
1.3.1	Early years vulnerable children – fewer referrals than budgeted	(85)
1.4.10	Growth – Overspend due to higher growth than initially estimated	138
1.7.1	Adjustments in grant funding from the DfE relating to final allocation adjustments and copyright licensing and from the EFA for increased allocations and bursaries	64

Note: figures in brackets denote an underspend

The third quarter monitoring position reported to Performance and Contract Monitoring Committee on 15th February 2016 and discussed at 11th February Schools Forum projected an underspend of £1.702m.

The main changes to that reported in quarter 3 are due to the following:

Variance since Q3 report	
Conversion of Claremont School to academy status and adjustments for two and three year olds for the spring term	(750)
Top up funding for maintained schools, academies, free schools & colleges – more up to date information on top-up liability from out of borough schools and local authorities for starters and leavers following final submission of claims by providers	(470)
DSG grant adjustments for copyright licensing made by the DfE (reduced income)	208
EFA funding adjustments for the spring term	(101)
Net variance	(1,113)

Recommendation:

To note the final outturn position for 2015/16.

Previous reports to the Forum:

- 14 May 2015 noted budget changes
- 15 October 2015 noted budget changes and the quarter one budget monitoring position
- 11 February 2016

8b)	School Balances	Nick Adams, Finance Manager Schools Accountancy
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School Balances as at 31 March 2016

Introduction

This report informs the Forum of the maintained schools balances for 31 March 2016 and provides a comparison with the previous year. These are set out in Appendix 1.

Overall - all sectors

Total balances have remained relatively high at £12.3m compared to £13.4m last year.

Capital balances have decreased from £311k to £165k.

Revenue balances have decreased from £13.1m to £12.1m.

School funding/Budget shares have remained cash limited.

Inflationary cost increases on items such as salaries has been limited to small pay awards.

General inflationary price increases have been variable although generally small, with some decreases such as energy.

The significant variations in balances between individual schools indicate that these factors impact on different schools in different ways.

Nursery Sector

There has been consistently high revenue balances for four small institutions over the two years. Although the revenue balances decreased from £926k to £744k, it is still high in relation to funding.

Primary Sector

This sector has revenue balances at £9.1m. Within that total there is a range of balances from deficit balances to a number of significant balances. These include Colindale £666,977, Danegrove £437,563, Northside £442,174.

The following schools have licenced deficits and recovery plans – Beis Yaakov, Hasmorean Primary, Pardes House, St Johns N20, Courtland.

A number of schools have made staff redundant due to budget problems.

Secondary sector

There were seven maintained secondary schools, only one of which has significant balances – Finchley Catholic High at £517,084. St James and St Michael's have licenced deficits and recovery plans. St Mary's High School closed on 31 August 2016. Bishop Douglass converted to an academy on 1 September 2016.

Special sector

There are four special schools, all of which had moderate balances.

Pupil Referral Units

The two PRUs now have moderate balances, with an increase since 31 Mar 2015.

Conclusion

This report is for information. The LA will continue to work closely with its schools to challenge those that appear to have "high" balances and support and challenge those with deficits or in danger of having a deficit budget position.

8c)	2016/17 Budget	Catherine Peters, Head of Finance
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Introduction

This report shows the quarter one position which was reported as part of the Quarter one Budget and Performance Monitoring 2016/17 to the Performance and Contract Management Committee on 6th September 2016. It is presented to Schools Forum to note. The details are also contained in Appendix 2.

2016/17 Schools budget

The budgets have been changed as a result of corrections since the budget was last reported to Schools Forum on 11th February 2016:

- Re-profiling of expenditure from the central block to high needs block as part of the re-baselining exercise for the EFA. (lines 1.2.5 and 1.4.1) - £156k
- Correction relating to the treatment of academy recoupment for bulge classes (lines 1.4.10 and 1.7.1) - £112k

The changes and S251 line reference numbers can be seen in Appendix 3.

2016/17 Schools budget monitoring

The first quarter monitoring position, as at June 2016, forecasts an underspend of £1.5 million.

Details of the variations are contained in Appendix 2. The main over and underspends are as follows:

S251 Line reference	Main reasons for over/underspend	£'000
1.0.1	Expenditure on Early years pupil premium pending confirmation of data	(201)
1.1.1	No call on contingency anticipated	(147)
1.2.1, 1.2.2 & 1.2.3	This is the net position relating to top up funding for high needs in <ul style="list-style-type: none">• maintained provider schools (nursery, primary and secondary) including those that are out of borough.• academy and free schools and additional funding for high needs pupils in Academy ARPs and• independent and non-maintained special schools, pre and post 16 The underspend is due to adjustments for the summer term and commitments based on current known data.	(882)
1.3.1	Salary overspend resulting from changes to National Insurance rates	30
1.4.10	Growth – Additional bulge classes	387
1.7.1	Academy recoupment	(149)
1.7.2	Additional funding increase for JCOSS received in 2016/17.	(593)

Figures in brackets denotes an underspend

Note: There have been additional pressures on the budget since the Q1 figures were reported, including an adjustment to funding to early years budgets to reflect lower take-up of places than were forecast for 2015-16. An update on the projected outturn will be provided at the meeting.

Recommendation:

To note the revisions to the budget and the quarter one monitoring position for 2016/17 and to agree to receive further budget monitoring reports at future meetings.

Previous reports to the Forum:

- 11 February 2016 agreed 2016/17 draft budget proposals