

Financial Update and Budget Monitoring report

1. Purpose of the Report

This report has three main purposes. It looks at the budget monitoring position of the Dedicated Schools Grant, it considers the latest schools' finance information and the financial position of the mutual funds held by the Forum.

2. Recommendation

- i) The Forum note the report
- ii) The Forum agrees the contingency bid referred to in 7.23

3 High Needs SEN

The High Needs SEN budget consists of the funding that is given to Special, Primary and Secondary schools for matrix children and resource bases, to FE providers and to independent schools. At the end of last year this budget was overspent by £823k. This years forecast is that it will be overspent by £1,501k. The main pressure is the growth in the number of pupils within the SEN matrix bands. The position will need to be revised once all the Autumn Term numbers have been collected and the review of which band of needs each child within each Special Schools falls in is complete.

4. School Budget Monitoring

Details of individual school's monitoring positions will be tabled at the meeting. At the time of setting their budgets, schools were saying the end of year balance would be £5m. The first budget monitoring return relates to the financial position as at the end of September. 7 returns remain outstanding: all of these schools have been contacted and reminded that they have passed the deadline. There are 6 returns where we have requested further details or have asked for clarification

A paper will be tabled showing the position school by school.

Indications from the returns in previous years would suggest there is an element of under forecasting of the year end balances. If we assume that this under forecasting is consistent the schools carry forward at the end of last year would be £15m. This compares with £16m. It must be noted that in these figures there is a large element subjective judgement.

There are two with deficit licence applications, Deptford Green and All Saints. The request from Deptford Green has been received and is in the process of being considered. We are awaiting clarification on All Saints budget.

5. Peer Review

At the last meeting of the Forum a peer review system was discussed with finance professionals across the sectors, drawn from maintained schools, academies and local authority staff. This would bring an extended range of skills that could combine together to provide a more comprehensive package of schools support and challenge for schools.

Currently we have had a school business manager and a chair of governors volunteer. We still require two schools to volunteer to be reviewed and would like a Headteacher on the panel. We anticipate that this would allow the two schools to benefit directly from the process.

6. Mutual Funds

The Schools Forum has a number of mutual funds it manages on behalf of schools. At the end of the year any balances are returned to schools or rolled forward to the next year. The current position of the funds is described below:

Fund	Budget	Spent or committed to date	Balance
	£000	£000	£000
Growth Fund	1,739	1,865	(126)
Contingency	1,253	280	973
Maternity Fund	831	831	0

7. Growth Fund

With the exception of one external payment, all Growth Fund allocations have now been actioned. The forecast expenditure of £1.87m is £126k in excess of the budget as a result of the creation of more new places than was anticipated.

The 2014/15 Growth Fund budget is £1,739k and is made up as follows

- £672k bulge classes (equivalent of 12 bulge classes),
- £762k expanding schools (some new, some continuing. Covers 13 schools) and
- £306k continuing funding for resources (funding is paid each year as new places move through the school).

8. Contingency

8.1 Last year's position:

At the last meeting we highlighted that a revaluation of the business rates at Prendergast Ladywell School site of the Leathersellers' Federation of Schools had taken place. At the time the assessment has been back dated for 5 years to 2010/11. The total extra charge for the 5 years is £601k. This was appealed against and it has now been agreed that the new rateable value will commence from October 2014 with no back dating. This will mean that the cost will reduce from £601k to £60k. This will still need to be funded from the contingency. A further revaluation at Gordonbrock Primary School has also been received with a cost of £220k.

There are two other schools, Rushey Green and Forster Park, for whom sizeable revaluations are anticipated.

8.2 No further bids have been made since the last meeting of the Forum.

8.3 Creation of a contingency for secondary schools with falling rolls

A bid from this contingency has been received. It will be tabled at the meeting (as it contains confidential information) for discussion and a decision on whether it should be approved.

9. Non-Sickness Supply Fund

At the end of last year the non-sickness supply budget was under spent by £89k.

Autumn Term claims will not be actioned by Schools HR until the term has ended so at present only the Summer Term data is available. The Summer Term claims breakdown as shown in the table below:

Phase	Claim Type	Number	Amount	Average
			£	£
Primary	Jury	3	1,387	462
	Maternity	11	65,867	5,988
	Paternity	1	1,640	1,640
	Suspension	2	7,387	3,694
		17	76,281	4,487
Secondary*	Jury Service	2	1,418	709
	Maternity	11	87,955	7,996
		13	89,372	6,875
Special	Maternity	2	9,323	4,662
	Suspension	1	5,904	5,904
		3	15,227	5,076
		33	180,880	5,481

* includes all-through schools

Dave Richards

Group Finance Manager – Children and Young People

Contact on 0208 314 9442 or by e-mail at
 Dave.Richards@Lewisham.gov.uk