

Schools Forum			
REPORT TITLE	Financial Update And Budget Monitoring Report		
KEY DECISION	Yes	Item No.	9
CLASS	Part 1	Date	1 October 2015

1. Purpose of the Report

This report looks at the budget monitoring position of the Dedicated Schools Grant and considers the financial position of the mutual funds held by the Forum.

2 Recommendation

The Forum agree

- i. The bid on the contingency fund for the EAL high needs students at Lewisham college of £120k
- ii. To note the report

3 Dedicated Schools Grant

- 3.1 The grant for the two year old entitlement has now been confirmed at £3.3m and an extra £0.6m has been received to revise the forecast of January numbers of early years pupils to actual numbers on the census.

The funding for 2 years olds is lower than the current level of payments to providers. There is the opportunity in the Autumn to request an adjustment to funding to the actual 2 years olds funded.

The current level of the DSG is now as follows:

	Before Academy Recoupment	After Academy Recoupment
	£M	£M
Schools block	214.607	188.14
Early years block	21.196	21.196
High needs block	43.588	42.624
Total additions for non block funding	0.052	0.052
Total DSG allocation	279.443	252.012

The above table excludes the Pupil Premium (£18m), Post 16 funding (£7m), Universal Free School Meals Grant (£2m).

3.2 School Budget Plans

The date for schools to submit their budget plans to the Local Authority was the 31 May 2014. We have now received returns from all schools.

There are two secondary schools with deficit budgets, Sedgehill and Deptford Green and there is one primary school, All Saints. The latter had a deficit carry forward and is expected to remain in deficit next year.

The school budget plans are indicating a total carry forward for all Lewisham schools at the end of 2015/16 of £5m. Traditionally we know the actual year end carry forward is somewhat different from the budget plans of schools. Usually the year end position is 2 to 2.5 times higher than budget plans. In past years the budget plans have show a carry forward of around £6m at this point in the year. At 31 March 2015 this was £14m.

An Appendix will be tabled to show the financial indicators held for each school in Lewisham. The table includes the projected end of year balances over the three year period from 2015/16. These indicators feed into the School Review Board.

3.4 Budget Monitoring Template

The template discussed at the Schools Forum is available to schools in a test form. Schools have been asked to comment on its format and the ease of completion. It is intended to incorporate changes where possible and go live for the September monitoring returns.

3.5 Financial Position

At the end of last year the overspend position was higher than expected. This was caused by more SEN placements being made to providers outside of Lewisham than provided for in the budget. Some of the increase reflects wider age responsibilities for EHCP's. These placements were not in the independent sector but in FE colleges, other Local Authorities maintained schools and academies. The full year impact of this is a shortfall in the funding this year of £1.6m. The details are shown below

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Expenditure Type	£
Resource Base	1,298
SEN Matrix	2,391
Special School Top Up	8,922
Special School Place led funding	6,000
New Woodlands	1,100
Abbey Manor College	3,700
Non Lewisham Placements	12,017
Collaboratives	2,000
Health and Social care reimb.	-1,100
Contingency	400
	36,728
Budget Available	35,050
Overspend	1,678

The non Lewisham placements can be further broken down as follows:

	Forecast £	FTE
Academy	723,078	84.85
CTC	26,200	1.00
Further Education	1,519,835	126.82
Hospital	2,100	0.33
Independent	0	1.00
Independent Other	773,726	24.77
Independent Special	4,060,542	62.61
Maintained Mainstream	512,380	50.40
Maintained Special	1,714,727	65.98
Non-Maintained Special	1,074,741	16.51
Not A School	8,070	0.51
Other- Arranged By LEA	48,120	1.62
Registered Early Years Setting	9,977	1.60
Special Post 16 Institution	1,460,406	21.16
Units Attached To Mainstream	64,292	3.00
University Technical College	19,107	3.00

12,017,301 465.16

The fund set aside from previous years carry forwards is £2.5m. In the short term, the overspend can be covered but next year further reductions will need to be made in the cost base. The fund of £2.5m was largely created by a surplus on the 2 year olds grant within the DSG. This funding has moved to a

participation basis this year and it will not be possible to set aside further funding this year.

Further analysis is being undertaken on the needs of the pupils and age ranges to help formulate the development of in-house provision in the future. This will be reported back to the high needs group who are meeting in both October and November. The sub-group will report back to the budget setting meeting of the Forum in December.

The Schools Forum High Needs sub group are also looking at proposing new top-up funding bands for high needs pupils. Their objective is that any new system is cost neutral and that any implementation takes place in April 2016.

4. 3 and 4 year olds

The government have announced that they will bring forward plans to double free childcare for all working parents of 3 and 4 year olds to 30 hours a week from September 2016. The government is also looking at increasing the average childcare funding rates paid to providers. A paper will be brought to the December Forum meeting to consider the impact.

5. Alternative Provision

A full review of Alternative Provision will be taken to the high needs sub group and brought back to the Forum in December

6 Bid on Contingency

There are 30 students undertaking an EAL Programme at Lewisham Southwark College. The courses provide for more than 540 guided learning hours. This is usually funded at £4,000 per annum + 20% for inner London weighting, in total £4,800. For the 30 learners this would cost £120,000 or a part year impact of £70k. If these students were not being educated at Lewisham College they would need to be supported by schools in Lewisham. As they were not on the schools rolls no extra funding has been received for them and the Forum are asked to take the funding for them from the contingency.

7. 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	1,918	0	1,918
Contingency	1,510	392	1,118
Maternity Fund	800	226	574

7.1 Growth Fund

Growth Fund allocations are actioned during the autumn term, once all budge classes and expansions have been confirmed. Figures on the costs for the current financial year will be available for the next Forum Meeting.

7.2 Contingency

No Contingency de-delegation charge has been actioned in 2015/16 as Forum agreed that the brought forward balance would be sufficient for this year.

To date there have been three calls on the Contingency Fund

- £178k to cover the Growth Fund shortfall in 2014/15
- £99k falling rolls allocation for Sydenham (to maintain staffing levels during a temporary dip in pupil numbers)
- £115k backdated NNDR charge for the Rushey Green Primary rebuild.

The Contingency fund bid in Section 6 of this report is not included in the figures above.

7.3 Non-Sickness Supply Fund

The de-delegation charge for non-sickness supply cover for 2015/16 is £800k. To date only summer term claims have been paid. These totalled £226k.

Forecasting future claims is difficult, and the 2014/15 financial year bucked the previous trend, such as it was. However, an underspend of £115k is tentatively forecast.

The summer term claims breakdown is as shown in the table below:

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Phase	Claim Type	Number	Amount £	Average £
Nursery	Maternity	1	5,644	5,644
Primary	Jury Service	3	5,777	1,926
	Maternity	19	101,527	5,344
	Paternity	3	3,911	1,304
	TOFTUA	1	9,975	9,975
		26	121,190	4,661
Secondary*	Adoption Leave	1	2,792	2,792
	Maternity	11	70,600	6,418
	Paternity	2	3,280	1,640
	Suspension	2	5,683	2,841
		16	82,355	5,147
Special	Maternity	2	13,569	6,784
	Suspension	1	3,662	3,662
		3	17,231	5,744
		46	226,419	4,922

* 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