

<b>Schools Forum</b>			
<b>REPORT TITLE</b>	<b>Financial Update</b>		
<b>KEY DECISION</b>	<b>Yes</b>	<b>Item No.</b>	<b>6</b>
<b>CLASS</b>	<b>Part 1</b>	<b>Date</b>	<b>4 February 2016</b>

### 1. Purpose of the Report

This report will update members on the final budgets for 2016/17. It looks at the budget monitoring position of the Dedicated Schools Grant and considers the financial position of the mutual funds held by the Forum. It then looks at the proposals on how the forecast overspend can be met.

### 2 Recommendation

The Forum agree

- To note the report.

### 3 School Budgets for 2016/17

Following the last meeting the school budgets have been calculated and sent to the Department for Education (DFE). The information was provided to schools on 26 January 2016. Following the documents provided at the consultation sessions a small number of changes were made to complete the allocation process, with an update to National Non-Domestic Rates (NNDR) charges being the change that affects most schools.

The School Budget figures are shown in Appendix 1. The overall position on changes in funding is as follows

Change in funding as a percentage of budget (ISB Formula Plus MFG)			Number of schools	
			Gaining	Losing
over	8%	7	0	
6% to	7.99%	4	0	
4% to	5.99%	5	3	
2% to	3.99%	12	8	
0% to	1.99%	21	20	

49	31
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The ISB allocations submitted to the DfE have been published and schools will receive full details of the calculation by the end of February, together with supporting details on how to calculate their school budget.

#### 4. School funding reform

The London Councils have been considering the likely impact of the funding reforms across London. At the moment they believe that with the limited amount of information available it is difficult to draw precise figures. However they take a similar view to us about potential funding reductions for Lewisham.

We have had a number of volunteers for the school funding task group who will look at the consultation documents on the reforms and prepare a draft response.

	Primary	Secondary	Academy	Special
Headteachers	1			
Governors	1	1		
School Bursars		2	1	
TOTAL	2	3	1	0

#### 5 Dedicated Schools Grant

5.1 The current level of the DSG for 2015/16 is at the same level as the last meeting:

	2015/16 Before Academy Recoupment £M	2015/16 After Academy Recoupment £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).

## 5.2 School Budget Monitoring

The date for schools to submit their December budget monitoring return to the Local Authority is 31 January. At the time of writing this report we have not reached the deadline but 29 schools have already made a return.

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.

## 6 Financial Position

6.1 The forecast overspend position on the High Needs block remains at £2.9m. At the last Forum meeting it was agreed to finance this as follows

- The carry forward provision of £2.2m
- The unspent £0.169m attendance and welfare services allocation
- The balance of the over spend remaining unfunded be met from the unspent schools contingency for 2015/16.

6.2 This will allow the DSG to balance at the end of the year

## 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:

<b>Fund</b>	<b>Budget</b>	<b>Spent or committed to date</b>	<b>Balance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Growth Fund	<b>1,792</b>	<b>1,572</b>	<b>220</b>
Contingency	<b>1,510</b>	<b>1,030</b>	<b>480</b>
Maternity Fund	<b>800</b>	<b>648</b>	<b>152</b>

### 7.1 Growth Fund

Growth Fund allocations for the year have been made in the following categories-

£961k      Permanent Expansions  
£353k      Bulge Classes

£258k            Ongoing Resources

Individual school allocations from the Growth Fund can be seen in Appendix 2.

## 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 five 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.
- £120k EAL student placements at Lewisham College
- £518k of High Needs Block overspend

Notification has been received of a revaluation of Beecroft Primary that is being backdated to March 2012. As yet the amount of the additional charge has not been notified.

## 7.3 Non-Sickness Supply Fund

The de-delegation charge for non-sickness supply cover for 2015/16 is £800k. To date the summer and autumn term claims have been paid. These totalled £648k.

Forecasting future claims is difficult, and the 2014/15 financial year bucked the previous trend, such as it was. However, it would seem very likely that this fund will end 2015/16 overspent.

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

Phase	Claim Type	Number	Amount	Average
			£	£
Nursery	Maternity	1	5,644	5,644
Primary	Jury Service	3	5,777	1,926
	Maternity	39	258,763	6,635
	Paternity	6	8,175	1,363
	Suspension	2	3,788	1,894
	TOFTUA	2	48,957	24,479
		52	325,460	6,259

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Secondary*	Adoption Leave	1	2,792	2,792
	Jury Service	1	1,325	1,325
	Maternity	32	263,340	8,229
	Paternity	7	10,824	1,546
	Suspension	2	5,683	2,841
		43	283,964	6,604
Special	Maternity	3	29,694	9,898
	Suspension	1	3,662	3,662
		4	33,356	8,339
		100	648,424	6,484

\* includes all-through schools

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