

Schools Forum

10 March 2015

Update on 2014/15 Forecast Surplus – as at January 2015

1. Purpose of report

- 1.1 To inform Schools Forum of potential surplus for 2014/15 and agreed and plans for usage.

2. Recommendations

- 2.1 That Schools Forum note the position set out in the update report.

3. Background

- 3.1 Schools Forum has been actively monitoring DSG expenditure in recent years to ensure that any 'underspend' or 'surplus' is committed as soon as possible to ensure money reaches children as quickly as possible. This report provides a further update.

4. High Needs Monitoring – January 2015

- 4.1 The High Needs current expenditure and projected surplus, as at January 2015, is shown in **Table 1** below:

Table 1 – High Needs Position as at January 2015			
High Needs Expenditure 2014/15	Budgets as reported on Section 251 (£)	Year to Date + Projected Expenditure as at January '15 (£)	Projected Balances for 2014/15 (£)
Base funding Mainstream ARP	930,000	730,000	200,000
Base funding Specials	5,940,000	5,940,000	-
Base funding PRU	1,144,000	1,100,000	44,000
Topup Early Years	70,000	70,000	-
Topup Primary schools & ARP	1,892,833	1,819,017	73,816
Topup Secondary schools & ARP	773,102	852,478	(79,376)
Topup Specials	7,983,557	6,918,069	1,065,487

High Needs Expenditure 2014/15	Budgets as reported on Section 251 (£)	Year to Date + Projected Expenditure as at January '15 (£)	Projected Balances for 2014/15 (£)
Toup Oof B recharges income/exp.	-	769,562	(769,562)
Topup Alternative Provision	1,159,092	1,012,477	146,615
Top up non-maintained, independent & FE providers	3,649,870	2,758,490	891,380
Additional high needs targeted funding	788,300	52,800	735,500
SEN Support Services	1,196,699	1,156,699	40,000
Other Alternative Provision	350,000	160,000	190,000
Support for Inclusion (outreach)	185,116	119,280	65,836
Special schools and PRU's in financial difficulty	480,000	13,383	466,617
Carbon Reduction PRUs	10,000	10,000	-
Exceptions SofS, Admissions, Forum	5,339	5,339	-
Shortfall income following July Adjustment to DSG	(913,092)	-	(913,092)
Total	25,644,816	23,487,594	2,157,221

- 4.2 The monitoring shows an anticipated surplus for 2014/15 of £2.157m.
- 4.3 In a report to the private part of Schools Forum agenda in December 2014, Schools Forum agreed for up to £1m of the forecast surplus to be allocated to support the development of further special school places in Walsall (subject to the outcome of the current consultation), and for up to £0.5m to be used to be utilised for the relocation and improvement of the Pupil Referral Unit. Both of these items were subject to disapplication requests to the EFA, which have now been granted.

- 4.4 This would leave a remaining surplus for 2014/15 of £0.657m, which it is currently envisaged will be held centrally pending the outcome of any update on the national High Needs funding formula which is expected during 2015/16.

5. Early Years Monitoring – January 2015

- 5.1 The Early Years current expenditure and projected surplus, as at January 2015, is shown in **Table 2** below:

Table 2 – Early Years Position as at January 2015			
Early Years Expenditure 2014/15	Budgets as reported on Section 251 (£)	Year to Date + Projected Expenditure as at January '15 (£)	Projected Balances for 2014/15 (£)
EY 2yr old entitlement	5,235,616	2,836,090	2,399,526
EYSFF 3 & 4 yr old entitlement	10,844,208	10,707,450	136,758
Early Years central team	460,000	460,000	-
Trajectory funding	1,518,031	255,506	1,262,525
School Readiness Project	1,000,000	-	1,000,000
School Admissions	12,871	12,871	-
Schools Forum	880	880	-
Exception approved by S of S	7,965	7,965	-
Shortfall in DSG notified December 2013	(190,334)	-	(190,334)
Total Expenditure	18,889,237	14,280,762	4,608,475

- 5.2 The monitoring shows an anticipated surplus for 2014/15 of £4.608m.
- 5.3 At their meeting on 14 October 2014 Schools Forum agreed to utilise up to £2.2m of the surplus in support of 2 year olds. A further £1m of the surplus was also agreed by Schools Forum, at their meeting on 11 February 2014, to be utilised for the School Readiness project, and the underspend on the Trajectory Funding was agreed at the meeting on 13 January 2015 to be carried forward to 2015/16 for the same purpose.

- 5.4 This would leave a remaining surplus for 2014/15 of £0.146m, which it is currently envisaged will be held centrally pending the outcome of any review by a local working group into the current Early Years Single Funding Formula.

6. Financial implications/Value for Money

- 6.1 Taking account of previous decisions by Schools Forum to allocate / utilise a large proportion of the forecast surplus for 2014/15 there is a small residual balance where it is intended that this will be held centrally in line with the reasons stated in the report. This will continue to be regularly reviewed to ensure appropriate use in a timely manner.

7. Legal Implications

- 7.1 No issues directly arising from this report.

8. School Improvement

- 8.1 No issues directly arising from this report.

9. Members eligible to vote

- 9.1 All elected members with voting rights are eligible to vote on this matter.