



**Walsall Council**

**Walsall Children's Services**

**Report to:** Schools Forum

**Date:** 9th December 2014

**Subject:** Update on 2014/15 Surplus

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**Purpose of the report:** To inform Schools Forum of potential surplus for 2014/15 and agreed and potential plans for surplus

**Recommendation:** (See final section of report)

## 1. Background

1.1 Schools Forum has been actively monitoring DSG expenditure in recent years to ensure that any 'underspend' or 'surplus' is committed asap to ensure money reaches children as quickly as possible.

1.2 This report is a further update.

## 2. Overview

2.1 A full monitoring will be produced for the January 2015 meeting. This report focuses on High Needs and Early Years.

2.2 The significant areas of budget variance remain around High Needs and Early Years. Further work will be done on contingency as a number of rates variations have taken place.

## 3. High Needs at end of November 2014

3.1 The High Needs current expenditure and projected surplus is reflected in **Table 1**:

**Table 1**

Broad Summary of projected balances		Section 251 Budget	YTD plus projected @ Nov14	Projected surplus at Nov 14	Comments
Base funding Mainstream ARP	1.0.1	930,000	730,000	200,000	
Base funding Specials	1.0.1	5,940,000	5,940,000	0	
Base funding PRU	1.0.1	1,144,000	1,140,000	4,000	
Topup Early Years	1.2.1	70,000	112,610	-42,610	
Topup Primary schools & ARP	1.2.1 & 1.2.2	1,892,833	1,607,412	285,421	
Topup Secondary schools & ARP	1.2.1 & 1.2.2	773,102	824,045	-50,943	
Topup Specials	1.2.1	7,983,557	6,819,390	1,164,167	
Toup Oof B recharges income/exp.	1.2.1	0	769,562	-769,562	
Topup Alternative Provision	1.2.1	1,159,092	1,063,917	95,175	
Top up funding + other funding non maintained, independent & FE providers	1.2.3	3,649,870	3,156,526	493,344	
Exclusions		0	62,285	(62,285)	
Additional high needs targeted funding	1.2.4	788,300	52,800	735,500	
SEN Support Services	1.2.5	1,196,699	1,196,699	-	
Other Alternative Provision	1.2.7	350,000	180,000	170,000	
Support for Inclusion (outreach)	1.2.8	185,116	119,280	65,836	
Special schools and PRU's in financial difficulty	1.2.9	480,000	13,383	466,617	
Carbon Reduction PRUs	1.2.10	10,000	10,000	-	
Exceptions SofS, Admissions, Forum	1.4.2/4.3/4.12	5,339	5,339	-	
			-913,092		

1,841,567	
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3.2 **Table 2** shows the breakdown of the current Early Years position:

**Table 2 Early Years**

	EARLY YEARS BLOCK - KNOWN INFO TO DATE	DSG EYrs block	Section 251 14-15 Budget	YTD Actual	Projected	Total Projected Expenditure	Balance from DSG income	Balance from Section251
1.0.1	EYFF 3 & 4yr old entitlement	10,919,036	10,544,208	4,231,267	6,687,768	10,919,036	0	-374,828
1.0.1	EYFF 2yr old entitlement	5,235,616	5,235,616	1,835,162	971,882	2,807,044	2,428,572	2,428,572
1.3.1	Early Years - contingency	-	300,000	-	-	-	-	300,000
1.3.1	Early Years - team	0	460,000	153,333	306,667	460,000	-460,000	-
1.3.1	2 year old trajectory 14-15	634,844	634,844	193,506		193,506	441,338	441,338
1.3.1	2 year old trajectory 13-14 c/fwd	883,187	883,187	-		-	883,187	883,187
1.3.1	School Readiness Project – 2013-14 c/fwd	1,216,554	1,000,000	-	1,000,000	1,000,000	216,554	-
1.4.2	School Admissions	0	12,871	-	12,871	12,871	-12,871	-
1.4.3	SchoolForum	0	880	-	880	880	-880	-
1.4.12	Excep Sec of State	0	7,965	-	7,965	7,965	-7,965	-
		18,889,237	19,079,571	6,413,268	8,988,033	15,401,302	3,487,935	3,678,270

#### 4. Summary

4.1 'DSG EYrs' is the funding that was **actually** received in June 2014. Section 251 is the budget that was set on **forecast** income in March 2014. In short we have received less monies than thought.

4.2 The Early Years figure shows there is a massive underspend on 2 year olds but a small overspend on 3 and 4 year olds.

4.3 The projected underspend is c£3.5m. It is therefore proposed to apply the following approach:

4.3.1 To recognise that Schools Forum agreed to spend up to £2.2m of unspent 2 year old monies on capital for 2 year old places.

4.3.2 That the way the budget is constructed for the Early Years team is done differently for 2015/16. The Early Years team work across 2, 3 and 4 year olds but there has been a particular focus on 2 year old places in the last 12 months. It is therefore planned that the cost of the Early Years team be spread across both 2 and 3 and 4 year old workstreams. This year there is capacity in the 2 year old budget to do this and the carry forward for 2 year olds in excess of £1m

would be deployed to cover the remainder. (This is on the basis that the money follows the child principle and those 2 year olds will now be 3 year olds.

4.3.3 This process will still leave c£1.3m of uncommitted monies from 2 year olds. It is planned to bring further reports to Schools Forum to look how to commit these monies before the start of the 2015/16 financial year.

4.4 The High Needs funding shows a predicted surplus of c£1.8m in 2014/15. Further reports propose a use for the bulk of these funds

## **5. Recommendations**

5.1 Schools Forum note the update and that a full monitoring report will be produced in January 2015.

5.2 Schools Forum note that further work will be done on Early Years budgeting and ensuring '2 year old monies' are committed.