

TO: SCHOOLS FORUM
DATE: 21 JUNE 2018

2017-18 PROVISIONAL OUTTURN ON THE SCHOOLS BUDGET
Director of Children, Young People and Learning

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to inform members of the Schools Forum of the provisional outturn on the 2017-18 Schools Budget, including the allocation of balances and the use of Earmarked Reserves. These funds are ring-fenced for the support of schools and pupils.

2 EXECUTIVE SUMMARY

- 2.1 The main trends from previous years continue, primarily around the reduction in aggregate school surplus balances, although the rate of reduction has slowed considerably, and the significant under spendings on High Needs Budgets where overall cost increases are lower than previously expected, generally as a result of improved commissioning, vigorous reviewing of provider costs and a lower increase in numbers of students.
- 2.2 Whilst the overall council managed elements of the Schools Budget continue to under spend, there is a known substantial future cost pressure that will arise from diseconomy funding for new and expanding schools. To minimise the resultant financial impact on future budgets, it is proposed to adopt a strategy of transferring relevant under spendings into the New school start up / diseconomies Reserve for draw down when required. Accordingly, a transfer of £1.171m is being proposed now.

3 RECOMMENDATIONS

That the Schools Forum NOTES:

- 3.1 **that the outturn expenditure for 2017-18, subject to audit, shows net income of £1.052m which represents an under spending of £1.325m before allocation of reserves and balances (paragraph 6.8);**
- 3.2 **that after transfers to and from earmarked reserves, the Schools Budget under spent by £1.335m (paragraph 6.9);**
- 3.3 **the main reasons for budget variances (paragraph 6.10);**
- 3.4 **as at 31 March 2018, the aggregate surplus on balances and Earmarked Reserves within the Schools Budget amounts to £5.818m (paragraph 6.12);**
- 3.5 **the previously agreed transfers to and from Earmarked Reserves (paragraph 6.13);**

- 3.6 the transfers to and from balances and Earmarked Reserves processed as part of the accounts closedown process (paragraph 6.14);**
- 3.7 as at 31 March 2018, the £1.994m surplus balance on the Schools Budget General Reserve (paragraph 6.15);**

That the Schools Forum AGREES:

- 3.8 The new allocations proposed from the Schools Budget General Reserve (paragraph 6.18).**

4 REASONS FOR RECOMMENDATIONS

- 4.1 The recommendations are intended to inform the Schools Forum of financial performance against budget in the 2017-18 financial year including the year end transfers to and from balances and Earmarked Reserves and other proposed movements.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Not appropriate.

6 SUPPORTING INFORMATION

2017-18 Schools Budget Revenue Expenditure

- 6.1 Based on recommendations of the Schools Forum, the Executive Member for Children, Young People and Learning approved the initial Schools Budget for 2017-18 with £96.722m of grant funding. This comprised the estimated amount of Dedicated Schools Grant (DSG) income that would be received from the DfE at £87.479m, anticipated income of £4.119m to reflect sixth form and post 16 SEN grant income from the Education and Skills Funding Agency (ESFA), £3.345m from the Pupil Premium grant, £1.487m from the Universal Infant Free School Meal grant and £0.292m from the Primary PE and Sports grant. In addition to grant funding, there is also a budget of £0.100m for other general
- 6.2 Subsequent to this decision, anticipated DSG income has been updated to reflect revised grant notifications from the DfE, including reductions arising from academy schools where the amount due from the BF Funding Formula for Schools is recouped from the council for the ESFA to directly fund academy schools, After making the following adjustments. The final DSG allocation amounted to £73.587m:
- £13.978m deduction for academy schools (full year for Ranelagh and Brakenhale Secondary schools, and St Margaret Clitherow Primary, part year for Edgbarrow Secondary and Crownwood, Great Hollands, Jennetts Park and Wildmoor Heath Primary schools).
 - £0.088m increase to High Needs Block funding following changes to the original allocation by the ESFA. This included an increase of £0.070m to reflect the closure of the SEN Resource Unit at Ranelagh Secondary Academy School where pupil numbers had significantly reduced.
 - £0.002m reduction to Early Years Block funding in-line with actual head count data which updated the estimate used in the initial funding allocation.

- 6.3 Furthermore, there have also been changes to other school grants, mainly in respect of sixth form funding. This arises from updated funding notifications for all secondary schools together with the impact of Edgbarrow Secondary School converting to an academy in-year. Therefore, rather than being funded through the EFSA grant received by the council to pass on to schools, which is how the budget was constructed, from January 2018 Edgbarrow was directly funded by the EFSA, with a consequential reduction in grant received by the council. Overall, there was a reduction of £0.303m in the budget for other school grants.
- 6.4 The changes to DSG income and other school grants are matched off by corresponding adjustments against the relevant expenditure budgets and therefore result in a net nil overall effect on the total budget.
- 6.5 There are 2 further budget adjustments to report:
- As part of the Schools Block budget setting process, on 12 January 2017, the Forum agreed that £0.180m should be released from the Schools Budget General Reserve to ensure that the budget proposals could be fully financed;
 - As part of the High Needs Block budget setting process, on 9 March 2017, the Forum agreed that £0.093m should be released from the SEN Resource Units Reserve to part fund diseconomy costs arising at the Rise@GHC Autistic Spectrum Disorder SEN Resource Unit.
- 6.6 The net effect of the budget changes set out above is that the final net Schools Budget totalled £0.273m.
- 6.7 In accordance with DfE Funding Regulations, a number of self-balancing budget adjustments have also been made during the year to reflect the transfer of funds from centrally managed budgets to schools where they have met qualifying criteria. The most significant adjustments reflect funding for the free entitlement to early years education and childcare, changes in SEN funding for named pupils i.e. Element 3 top up funding, allocations from the school specific contingency, mainly in respect of increases in pupil numbers and managing the financial impact of Key Stage 1 class size Regulations, and support to schools in financial difficulty.

Provisional Outturn Position

- 6.8 The provisional final accounts for the Schools Budget, as summarised at Annex A, shows a net budget of £0.273m, net income of £1.052m and therefore an aggregate under spend of £1.325m. This comprises over spendings of £1.575m against approved budget allocations and under spendings of £2.900m. These figures remain subject to change, pending external audit, although no significant movement is anticipated.
- 6.9 Some expenditure in the Schools Budget is ultimately financed from accumulated balances and earmarked reserves. Annex A sets out the transfers required as part of the accounts closedown process which are explained in more detail in paragraphs 6.12 to 6.15. Taking account of these financing adjustments, there was a net in-year under spending of £1.335m.
- 6.10 An explanation of the main changes (+/- £0.25m) from the approved budget plan, after transfers to or from reserves and balances are as follows, many of which are consistent with the update on budget performance that was reported to the Forum in September:

LA Managed Budgets:

Schools Block - £0.003m over spend:

- i. **Pupil behaviour - £0.055m under spend.** The main savings arose from £0.069m on staffing as a result of vacancies.
- ii. **Support to schools in financial difficulty – £0.103m under spend.** Under powers delegated by the Schools Forum, the Director of Children, Young People and Learning can approve funding allocations to schools where they are requested by a Standards Monitoring Board (SMB). An SMB is established by the LA where a school is in, or in danger of entering into an Ofsted category. Where actions are required to improve performance, and the school has insufficient budget to meet the cost, additional funding can be agreed. During the year, 6 schools received an aggregate £0.062m. £0.060m has been incurred by the LA in supporting schools in, or in danger of entering Ofsted categories which is the amount of annual charge previously agreed by the Forum.
- iii. **Under spend returned to maintained schools - £0.143m over spend.** Provided the overall Schools Budget achieves a net under spending, the Director of Children, Young People and Learning has agreed that any aggregate surplus on de-delegated budgets is repaid to mainstream schools. This recognises that these budgets are initially returned from schools and if they had under spend through their own management, they would have retained the surplus.
- iv. **Education Attainment and School Transport for Looked After Children – £0.032m over spend.** The overspending reflects higher costs than expected in supporting the delivery of Personal Education Plan (£0.012m) and transport arrangements required to ensure LAC can continue to attend their designated school (£0.020m).
- v. **Other Schools Block provisions and support services - £0.020m under spend.** There are 3 significant budget variances being reported in this area of the accounts. Firstly, there was a net under spending of £0.246m on the Growth Fund of which there are 3 elements; based on the actual pupil numbers on the October 2017 census, *in-year growth allowance payments* were made for 3 additional classes at schools experiencing significant increases in pupil numbers, rather than the 12 assumed from a roll forward of October 2016 pupil numbers which was used to calculate the original budget requirement which resulted in an under spending of £0.275m; secondly, top up funding allocations to schools experiencing additional teaching costs as a result of *Key Stage 1 maximum class size regulations* under spent by £0.074m; and thirdly, pre and post opening funding allocations to new schools over spent by £0.103m as it became apparent that a number of further costs needed to be incurred. The second significant variance relates to the on-going school building programme that is required to deliver sufficient school places creates a pressure from increased rates liabilities for which there is no budget provision and which has consistently been financed from within other under spendings. The pressure in 2017-18 was calculated at £0.268m. Finally, there have been fewer looked after children receiving their education in Childrens Homes resulting in a £0.026m under spending on associated fees.

High Needs Block - £1.171m under spend:

Members of the Forum will be aware that budget items vi. to viii. below represent the most unpredictable and volatile education budgets that the

council is responsible for. Placements requirements can change at short notice and new pressures can emerge that result in large movements in costs.

- vi. **Maintained schools and academies - £0.076m over spend.** The cost of additional Element 3 top up support i.e. individual support needs above £0.010m exceed the budget and reflects the support arrangements agreed for schools.
- vii. **Non-Maintained Special Schools and Colleges - £1.077m under spend.** This is the most significant area of budget variation and various reports have previously been provided to the Forum to explain the changing legislation, transfer of funding responsibilities to the Schools Budget and volatility on this high cost budget area. In terms of the outturn variances, an analysis of the external placements budget shows:
- As set out above in paragraph 6.2, the final amount of High Needs Block DSG was £0.088m higher than that anticipated in the original budget. This creates an equivalent saving as there was a corresponding increase in the expenditure budget with no directly attributable additional spending.
 - There was a total of 165.44 FTE placements. This was 12.86 FTE less than anticipated in the budget which mainly arose from the anticipated increase in post 16 placements not materialising. Based on the original estimated average costs of £0.031m, this resulted in a saving of £0.403m
 - At £0.027m the average cost of placement is £0.004m less than the original estimate. This results in a £0.662m under spending and has arisen from better commissioning, mainly in post-16 where costs have been reduced through challenging providers to demonstrate the reasonableness of charges compared to the educational needs of young people and reviewing those children in high cost Independent Specialist Providers to determine whether appropriate education could be delivered in more cost effective settings or whether existing charges could be reduced. (2016-17 had a cost of £1.237m for post-16 Independent Specialist Providers at 18.02 FTE. For 2017-18 this cost was reduced to £0.724m for 16.31 FTE).
 - As student numbers in colleges increased, additional places (Element 2 charges) needed to be purchased resulting in £0.046m additional spend compared to 2016-17.
- viii. **Other SEN provisions and support services - £0.139m under spend.** There are 3 significant variances. The main change relates to a £0.072m saving at the Children's Resource Centre following bringing the service in house from the Action for Children contract. Most of the saving relates to the recharges previously made by AfC. As the under spending will be on-going, a permanent saving has been taken in the 2018-19 budget. There was less demand than expected for the Sensory Consortium Service which together with a £0.010m refund for prior year services achieved a £0.027m under spending. There was also one significant over spending, and this related to element 3 top up payments to early years providers, including schools and amounted to £0.038m as demand for support increased. There were also a large number of relatively minor under spendings across a wide range of services.

Early Years Block - £0.301m under spend:

- ix. **Free entitlement to early years education - £0.275m under spend.** Payments to providers delivering the free entitlement to early education and childcare under spent by £0.275m as take up was lower than anticipated with

the main reduction on take-up of the extended entitlement which was introduced for the first time in September 2017. This is partially offset by a reduction in DSG funding which is based on actual head count data, but which the DfE do not confirm and adjust for until June each year, which is after the accounts have closed. The current estimate for the DSG adjustment is for a reduction of £0.130m which is reported in the DSG line at note xi below.

- x. **Other Early Years provisions and support services - £0.026m under spend.** The main savings arose from staffing as a result of vacancies.

Dedicated Schools Grant:

- xi. **Dedicated Schools Grant - £0.134m over spend.** ESFA have recalculated the 2016-17 Early Years Block DSG allocation for the period September 2016 to March 2017 on the validated January 2017 census data. This was confirmed in June and shows £0.004m less grant than the amount anticipated when the 2016-17 accounts were closed. The timing of announcing the actual change in funding means the variance falls into 2017-18.

In addition, and as set out above in note ix above, an adjustment will also be made for 2017-18 actual take up, with any change confirmed in June after the accounts have closed. The current estimate for the DSG adjustment is a reduction in grant of £0.130m.

Year end balance:

- xii. **Transfer to Earmarked Reserve - £1.335m under spend.** The unspent balance of net aggregate spending on budgets centrally managed in the Schools Budget. This amount is transferred to the Schools Budget General Reserve.

Annex A sets out the full Schools Budget at a summary level, with the above notes referencing to the appropriate lines with budget variances.

- 6.11 Due to the £2.093m funding transfer from Schools to the High Needs Block agreed by the BF Schools Forum as part of the 2015-16 budget proposals, there was an aggregate £1.171m under spending on High Needs Budgets. The budget transfer was agreed following the £1.23m over spending in 2014-15 and the projected on-going cost increases arising from the new legislation that placed additional duties on the LA and the effect of a growing population and shortage of local provisions. However, through more effective commissioning, a number of high cost placements initially agreed by the ESFA have been moved to alternative provisions at lower cost. The increase in number of students accessing education has also been lower than anticipated, but this is now starting to rise. Any savings achieved in the short term will provide a potential funding source to the meet part of the significant additional costs that will arise from diseconomy funding requirements for new schools.

Balances and reserves

- 6.12 As part of the financial planning process, there is the opportunity to establish and maintain reserves and balances. Earmarked Reserves are sums of money which have been set aside for specific purposes and the Schools Forum has agreed a number of Schools Budget reserves should be created. Each year these reserves can have funds added or deducted depending on financial performance and the purposes for which they were created. Balances reflect year end unspent funds and can be held separately as an unring-fenced amount or be transferred to Earmarked Reserves.

Table 1 below provides a summary of movements last year together with current balances on the earmarked reserves of which column 5 shows total available funds at 31 March 2017 of £5.818m, an increase of £1.051m.

Table 1: Earmarked reserves related to the Schools Budget

Reserve	Balance B/Forward 01-Apr-17 (1) £ 000	Movement in year (2) £ 000	Initial Balance 31-Mar-18 (3) £ 000	Year end Transfers (4) £ 000	Final Balance 31-Mar-18 (5) £ 000
<u>School Balances - Earmarked:</u>					
Primary	-1,894	0	-1,894	-93	-1,987
Secondary	-412	0	-412	307	-105
Special	-46	0	-46	8	-38
Outstanding School loans	657	0	657	201	858
College Hall PRU	-52	0	-52	-39	-91
(f)	-1,747	0	-1,747	385	-1,363
<u>Earmarked Reserves</u>					
SEN Resource Units Reserve (b), (c)	-304	-33	-337	0	-337
New school start up / diseconomies (e)	-300	-500	-800	0	-800
School Meals Re-tender Reserve	-40	0	-40	0	-40
School Expansion Rates Reserve (g)	-595	0	-595	-247	-842
SEN Strategy Reserve (d)	0	-439	-439	0	-439
Grants unapplied	-3	0	-3	0	-3
	-1,242	-972	-2,214	-247	-2,461
<u>Schools Budget General Reserve</u>					
Brought forward balance	-1,778	0	-1,778	0	-1,778
To fund 2017-18 budget (a)	0	180	180	0	180
To SEN Strategy Reserve (d)	0	439	439	0	439
To New school start up / diseconomies (e)	0	500	500	0	500
2017-18 in-year under spend (h)	0	0	0	-1,335	-1,335
	-1,778	1,119	-659	-1,335	-1,994
Total reserves	-4,767	147	-4,620	-1,197	-5,818

6.13 Column 2 from Table 1, movement in year, reconciles to the transfers previously agreed by the Forum:

Note a: 12 January 2017: that £0.180m is drawn down from the unallocated balance of the Schools Budget General Reserve to ensure that the budget proposals could be fully financed.

Note b: 9 March 2017: that £0.093m be transferred from the SEN Resource Units Reserve as a contribution to start-up costs at Rise@GHC Autistic Spectrum Disorder SEN Resource Unit. This amount was reduced by £0.004m by the Forum on 15 March 2018 following confirmed September 2017 pupil admissions on associated costs.

Note c: 9 March 2017: that £0.123m is transferred from the DSG allocation into the SEN Resource Units Reserve as a contribution to future year start-up costs.

Note d: 13 July 2017: £0.439m as a contribution to costs arising from implementation of the SEN Strategy, assisting with the early implementation of change to improve the outcomes of children e.g.

development of a SENCO network, explore the potential for different models of alternative provision.

Note e: 13 July 2017: £0.5m as a contribution to start-up costs in mainstream schools which has previously been reported to the Schools Forum as a particular concern, taking account of the high number of new schools expected to open over the short to medium term.

6.14 A number of year-end transfers, as set out in column 4 of Table 1 have been processed in accordance with accounts closedown:

Note f: School balances: Statutory Regulations require balances on school budgets to be earmarked to individual schools for use in a future financial year. There was an aggregate £0.184m withdrawal from balances during the year as schools spent a part of their accumulated surpluses. There was a further £0.201m advances to schools in respect of new loan agreements, resulting in a net reduction in balances of £0.385m. A separate item on tonight's agenda provides further detail on school balances.

Note g: School expansion rates reserve: a further £0.247m has been put aside in this reserve to cover the full estimated cost due on outstanding, back-dated rates re-valuations relating to new and recently expanded schools which have yet to be reassessed.

Note h: Schools Budget General Reserve: the in-year under spending on centrally managed budgets of £1.335m.

6.15 Column 5 of Table 1 shows that the accumulated unused balance on the Schools Budget General Reserve totals £1.994m. Annex B provides a summary of the purpose and policy of each reserve together with recent levels of funds.

This funding can only be used to support expenditure in the Schools Budget and proposals for use of some of this amount are set out below in paragraph 6.18.

Proposed use of Schools Budget General Reserve

6.16 In managing the Schools Budget General Reserve, the Borough Treasurer has determined that a minimum level of funds should be maintained to manage unforeseen circumstances and to also plan for any future known changes that may have a significant financial impact. This helps to manage risks in a planned, rather than reactive manner and also assists in longer term financial planning.

6.17 Taking account of the assessed risk in terms of budget volatility and value of those items managed by the Council on behalf of schools, a sum of £0.660m is considered the minimum level of balance that needs to be held. This means £1.334m is held above the minimum prudential level.

6.18 In order to better manage future known pressures, it is proposed to make further contributions to earmarked reserves from the general balances as follows:

- The net under spending on High Needs Block budgets of £1.171m as a contribution to start-up costs in mainstream schools which has previously been reported to the Schools Forum as a particular concern, taking account of the high number of new schools expected to open over the short to medium term. After taking account of the £0.394m draw down agreed by the Forum from this

Reserve as part of the 2018-19 budget setting process, this would result in a revised current Reserve balance of £1.577m.

- The remaining £0.163m above the minimum prudential balance as a contribution to costs that will arise from implementation of the SEN Strategy, assisting with the early implementation of change to improve the outcomes of children e.g. development of a SENCO network, explore the potential for different models of alternative provision. Agreeing this transfer would result in a total balance of £0.602m in the SEN Strategy Reserve.

Taking account of these adjustments results in the balance on the Schools Budget General Reserve reducing from £1.994m to £0.66m, which is at the level of minimum prudential balances that are assessed to be required to provide flexibility to manage a degree of in-year cost pressures, should they arise.

Conclusion

- 6.19 Taking account of the proposals in this report, balances and Earmarked Reserves held in the Schools Budget are considered sufficient to meet future the immediate known cost pressures from local factors, although other pressures will arise from national factors, of which the actual cost, and availability of new resources to fund them is not know at this stage. This includes any impacts from the national school funding reforms, in particular relating to funding LAs for new and expanding schools, where final decisions have yet to be made.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 7.1 The relevant legal provisions are contained within the body of the report.

Borough Treasurer

- 7.2 The financial implications arising from this report are set out in the supporting information. The budget variances were reviewed during the year and where appropriate, have been built into the 2018-19 budget, most notably relating to the on-going under spend on High Needs Budgets which will be available to finance the increased number of pupils expected to require additional support which would otherwise have created a new budget pressure.

Equalities Impact Assessment

- 7.3 There are no specific impacts arising from this report.

Strategic Risk Management Issues

- 7.4 There is a risk to the Schools Budget from not having sufficient reserves to manage unforeseen in-year cost pressures. This is mitigated by holding a minimum prudential level of reserves of £0.66m and other earmarked reserves where future pressures will occur.

8 CONSULTATION

8.1 Not applicable.

Background Papers

None

Contact for further information

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**2017-18 PROVISIONAL OUTTURN STATEMENT FOR THE
SCHOOLS BUDGET AS AT THE END OF MAY 2018**

Service Area	Approved Budget			Outturn Net Spend	Estimated Variance			Transfer to(+)/ from(-) reserves	Final variance	Note
	Spend	Income	Net		Under spending	Over spending	Net variance			
	£000	£000	£000		£000	£000	£000	£000	£000	
<u>Schools Block</u>										
Delegated Mainstream School Budgets	61,503	0	61,503	61,917	-75	489	414	-414	0	
School Grant income	0	-8,427	-8,427	-8,427	0	0	0	0	0	
Schools Block	61,503	-8,427	53,076	53,490	-75	489	414	-414	0	
<u>LA managed items:</u>										
Retained de-delegated Budgets:										
<i>Behaviour</i>	281	-7	274	218	-58	3	-55	0	-55	i
<i>Schools in Financial Difficulty</i>	168	0	168	65	-103	0	-103	0	-103	ii
<i>Official Staff Absences</i>	295	0	295	313	-7	26	19	0	19	
<i>English as an Additional Language</i>	109	0	109	119	-7	17	10	0	10	
<i>PRC / Licence Fees / FSM checking</i>	148	0	148	127	-37	15	-22	0	-22	
<i>Under spend returned to maintained schools</i>	0	0	0	144	0	143	143	0	143	iii
Combined Service Budgets:										
<i>Education Attainment and School Transport for LAC</i>	176	0	176	208	-13	45	32	0	32	iv
<i>Family Intervention Project / Domestic Abuse</i>	106	0	106	102	-4	0	-4	0	-4	
<i>CAF Co-ordinator</i>	42	0	42	46	0	3	3	0	3	
<i>SEN Contract Management</i>	33	0	33	28	-6	2	-4	0	-4	
<i>Education Health / Sport</i>	48	0	48	47	-1	0	-1	0	-1	
Statutory and Regulatory Duties	515	0	515	520	0	5	5	0	5	
Other Schools Block provisions and support services	912	0	912	645	-393	126	-267	247	-20	v
LA managed items:	2,833	-7	2,826	2,582	-629	385	-244	247	3	
Sub total Schools Block	64,335	-8,434	55,901	56,072	-704	874	170	-167	3	

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SCHOOLS BUDGET AS AT THE END OF MAY 2018**

Service Area	Approved Budget			Outturn Net Spend	Estimated Variance			Transfer to(+)/ from (-) reserves	Final variance	Note
	Spend	Income	Net		Under spending	Over spending	Net variance			
	£000	£000	£000		£000	£000	£000	£000	£000	
High Needs Block										
Delegated Special Schools Budgets	3,764	0	3,764	3,756	-8	0	-8	-8	-16	
Post 16 SEN and other grants	0	-513	-513	-513	0	0	0	0	0	
Maintained schools and academies	1,350	0	1,350	1,300	-387	337	-50	126	76	vi
Non Maintained Special Schools and Colleges	5,754	0	5,754	4,677	-1,140	63	-1,077	0	-1,077	vii
Education out of school	1,259	-3	1,256	1,203	-100	46	-54	39	-15	
Other SEN provisions and support services	1,667	-68	1,599	1,461	-221	82	-139	0	-139	viii
Sub total High Needs Block	13,794	-584	13,210	11,884	-1,856	528	-1,328	157	-1,171	
Early Years Block										
Free entitlement to early years education	4,573	-3	4,570	4,292	-312	37	-275	0	-275	ix
Other Early Years provisions and support services	199	-20	179	153	-28	2	-26	0	-26	x
Sub total Early Years Block	4,772	-23	4,749	4,445	-340	39	-301	0	-301	
Dedicated Schools Grant	0	-73,587	-73,587	-73,453	0	134	134	0	134	xi
Surplus for the year								1,335	1,335	xii
TOTAL - Schools Budget	82,901	-82,628	273	-1,052	-2,900	1,575	-1,325	1,325	0	
Net under spending before use of reserves				1,325						

See paragraph 6.10 for an explanation to the notes to variances. Note roundings may result in totals not cross checking

Earmarked reserves relating to the Schools Budget

Reserve	Purpose	Policy	Year end value
School Balances	These funds are used to support future expenditure within the Schools Budget relating to individual school balances.	Balances are permitted to be retained by Schools under the Schools Standards & Framework Act 1998. Policies are set and the reserves are managed by schools and the LA has no practical control over the level of balances.	March 14 £4.438m March 15 £4.087m March 16 £3.407m March 17 £1.746m March 18 £1.363m
SEN Resource Units	To set aside in a reserve for building adaptations to allow for the creation of SEN resource units on school sites.	To finance capital expenditure to assist with the development of local, cost effective provisions to support pupils with SEN.	March 14 £0.490m March 15 £0.490m March 16 £0.316m March 17 £0.304m March 18 £0.337m
New school start-up / diseconomies	To set aside an earmarked reserve to support the additional costs that will arise from the new school places building programme.	To help finance the diseconomy costs that will arise from new schools that will open with relatively low numbers of pupils as housing developments progress.	March 17 £0.300m March 18 £0.800m
School Meals Catering Re-tendering Reserve	To set aside an earmarked reserve for the School Meals Catering Re-tendering exercise	To help finance costs arising from future Schools Meals Catering tendering exercises.	March 14 £0.040m March 15 £0.040m March 16 £0.040m March 17 £0.040m March 18 £0.040m
Schools Expansion Rates Reserve	To set aside an earmarked reserve for the rates costs associated with school expansions.	To help finance costs arising from the school expansion programme.	March 14 £0.112m March 15 £0.196m March 16 £0.445m March 17 £0.595m March 18 £0.842m

Reserve	Purpose	Policy	Year end value
SEN Strategy Reserve	To set aside funding to contribution to costs arising from implementation of the SEN Strategy, assisting with the early implementation of change to improve the outcomes of children.	To help finance start-up and one-off initiatives arising from the SEN Strategy.	March 18 £0.439m
Grants unapplied Reserve	To set aside in a reserve for unspent Schools Budget related grants where there are no restrictions applied to the spending from the grant awarding body.	To facilitate the transfer of unspent grant balances between financial years.	March 15 £0.014m March 16 £0.008m March 17 £0.003m March 18 £0.003m
Schools Budget General Reserve	The Schools Budget is a ring fenced account, fully funded by external grants, the most significant of which is the Dedicated Schools Grant. Any under or overspending remaining at the end of the financial year must be carried forward to the next year's Schools Budget.	This reserve is held for specific accounting reasons. The funds in this reserve are ring fenced and cannot be used for any other purpose than a future years' Schools Budget.	March 14 £0.691m March 15 £0.208m March 16 £1.373m March 17 £1.779m March 18 £1.994m