

MUNICIPAL YEAR 2017/2019 REPORT NO. 16

MEETING TITLE AND DATE:

Education Resources Group 30 Nov 2017
Schools Forum 13 December 2017

REPORT OF:

Director of Finance, Resources & Customer Services

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Agenda –

Item: 4a

**Subject: Schools Budget -
2017/18 Monitoring Update**

1. EXECUTIVE SUMMARY

- 1.1. This report provides an update of the DSG budget monitoring position for 2017/18.

2. RECOMMENDATIONS

- 2.1 To note the contents of the report.

3. 2017/18 DSG ALLOCATION

3.1 DSG 2017/18

Since the last meeting there has been no further update to our DSG allocation for 2017/18. Our current gross allocation remains at £318.679.

3.2 Academies Recoupment

The 2017/18 DSG allocation has been reduced in cash terms by £76.438m to reflect the recoupment for all academies as at 01 April 2017. We are expecting further adjustments to reflect the 2 primary schools that converted on 01 September 2017 and other schools converting to academy status during the autumn term. This adjustment has a nil effect on the overall the school's budget position as a reduction in income is matched by a reduction in expenditure.

4. 2017/18 DSG Budget Monitor

Appendix A details the DSG budget monitoring position as at the end of October 2017.

4.1 Schools Block

There are projected underspends in the Schools Block. These relate to the Growth Fund, where the additional classes required for the 1718 academic year are lower than expected, and rates where there will be reduced demand on the DSG for schools converting to academy status as they will be entitled to 80% charitable relief.

4.2 Early Years Block

At this stage of the financial year, it is assumed that any under/overspends within the various areas of early years will be contained within the Early Years Block funding. Officers will be reviewing October census information when this is available to project expenditure for the remainder of year and a further update will be brought to the next meeting.

4.3 High Needs

The current projected overspends in High Needs mainly relate to:

- out-borough placements where there continues to be an increase in the number of pupils placed in out-borough provision. Projections reflect new September placements and allow 10% contingency to make some provision for new placements over the autumn and spring terms.
- Exceptional needs allocations are expected to exceed budget provision due to the allocation of the Transition Fund and projected increases in EHCPs and associated funding over the next 2 terms.

The monitoring also reflects additional in borough provision as follows

- 30 additional places at West Lea School wef Sept 2017
- new ARP managed by Durants at Winchmore School wef Sept 2017
- ASD provision at St Mary's managed by Russet House – starting with 7 places wef Feb 2018.

There has been a net reduction in the High Needs Block overspend due to leavers in outborough provision and some revisions in placement costs.

5. DSG Outturn Position

Based on the latest monitoring position and the ongoing and additional pressures identified above, the 2017/18 DSG allocation is anticipated to be significantly overspent by the end of the financial year. As previously reported, the school funding regulations governing the DSG Conditions of Grant would apply and any deficit in would be the first call on the 2018/19 DSG budget and this would need to be agreed by Schools Forum.

The 2017/18 budget will be monitored closely for the remainder of the financial year monthly and updates will be provided to the Forum at future meetings.