

MUNICIPAL YEAR 2017/2018 REPORT NO. 23

MEETING TITLE AND DATE:

Education Resources Group 11 January 2018
Schools Forum 17 January 2018

Agenda –

Item: 5a

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

REPORT OF:

Executive Director of Finance, Resources & Customer
Services

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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

In November 2017, we received a revised DSG allocation for 2017/18 but the total allocation has not changed and the gross allocation remains at £318.679.

3.2 Academies Recoupment

The 2017/18 DSG allocation will be reduced in cash terms to reflect recoupment for academies. This figure has increased from an initial adjustment of £76.438m (based on academies as at 01 April 2017) to £80.378m to reflect the 3 primary schools that converted 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 November 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 January census information as soon as this is available as this will provide a good indication of spring term costs and whether these will be accommodated within the overall 1718 funding allocation. This data will also give an indication of whether any retrospective adjustment for 1718 funding will be made in 1819 for the autumn and spring terms so that this can be built into future budget planning.

4.3 High Needs

The monthly SEN monitoring process has included a contingency to allow for new or changed placements for the remainder of the financial year. Now that we are nearing the end of the financial year the contingency has been removed as there is lower risk of high additional costs. This has resulted in a net reduction of £860k in the projected cost of outborough provision and an overall high needs block reduction of £829k. The budget will continue to be closely monitored for the remaining 3 months of the year as any new placements will impact on the projected year end position.

An exercise is currently being completed to review the reserves submitted at the end of 2016/17 and joint funded placements to ensure that these are accurately reflected in monthly monitoring and outturn forecasts.

The reduction in high needs overspend has reduced the projected DSG overspend for 2018/19 from £4.5m to £3.7m.

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.