

MUNICIPAL YEAR 2018/2019 REPORT NO. 6

MEETING TITLE AND DATE:
Education Resources Group 24 May 18
Schools Forum 11 July 18

REPORT OF:
Director of Finance, Resources & Customer Services

Contact officer and telephone number:

Louise McNamara 020 8379 4720
E mail: louise.mcnamara@enfield.gov.uk

Agenda – Part: 1 | Item: 4b

Subject:
DSG Outturn 2017/18

1. EXECUTIVE SUMMARY

1.1. This report provides a review of the DSG revenue expenditure for 2017/18 which resulted in a year-end deficit of £0.745m being carried forward into 2018/19. A detailed breakdown of the outturn position is included as an appendix to the report. The reasons for the key variances are detailed in the report.

2. RECOMMENDATIONS

2.1 To note the contents of the report.

3. 2016/17 DSG OUTTURN POSITION

3.1 The original estimate of DSG resources for 2017/18 amounted to £319.087m before the academies recoupment adjustment. Including ESFA funding for post 16 SEN pupils, Total Resources for 2017/18 amounted to £320.643m. Budget allocations for 2017/18 were agreed within this level of resources. As previously reported, there have been adjustments to the DSG allocation during the financial year for academy recoupment and early years pupil numbers recorded on the January 2017 census. The early years adjustment applied to both the 2017/18 allocation and, retrospectively, the 2016/17 allocation. The final position for 2017/18 is summarised in Table 1 below.

Table 1 – DSG Allocation 2017-18

DSG Summary 2017-18	ORIG 2017-18	Academy Recoup	ESFA Adj 1718	Early Years Adj 1718	Early Years Adj 1617	FINAL 2017-18
	£000	£000	£000	£000	£000	£000
SCHOOLS BLOCK	254,467	-80,819				173,648
EARLY YEARS BLOCK	24,662			-1,318	-652	22,692
HIGH NEEDS BLOCK	39,959	-257	-77			39,624
TOTAL DSG	319,088	-81,076	-77	-1,318	-652	235,965
ESFA Funding	1,556		77			1,633
TOTAL RESOURCES	320,643	-81,076	0	-1,318	-652	237,598

4. ACCUMULATED DSG CARRIED FORWARD

4.1 Table 2 sets out the cumulative DSG deficit position as at 31 March 2018.

Table 2 – Accumulated DSG Position

		£'000s
Balance brought forward 1 April 2017		-3,196
Balance applied in 2017/18		
<i>SEN Review Grant 1718 (received in 1617)</i>	-163	
Adjusted Balance b/f 1 April 2017		-3,360
<i>Top Slice from 2017/18 Allocation</i>	1,457	
<i>High Needs Contingency – used to offset deficit</i>	1,650	
Total Contribution towards Deficit 17/18		3,107
Net Deficit bought forward 1 April 2017		-253
2017/18 overspend		-492
Total 2017/18 Carry Forward		-754

The 2017/18 carry forward shows a significantly improved deficit position but it should be noted that due to a reduction in early years pupils between January 2017 and January 2018 we are expecting a clawback of funding in 2018/19 in respect of 2017/18. This is estimated to be approximately £1m and will be dependent on final, confirmed January 2018 Census published by the DfE. This will increase the deficit position but still shows an improvement of over £1.5m on the position as at 1st April 2017.

5. REASONS FOR VARIATIONS FROM ORIGINAL BUDGET

- 5.1 During 2017/18 we have bought regular DSG monitoring updates to the Education Resources Group and Schools Forum which have detailed the variances against the various budget areas during the financial year. Appendix A details the final monitoring position for 2017/18 which resulted in a net overspend of £0.492m
- 5.2 The Appendix shows variances for each expenditure block and this information can be summarised as follows

Schools Block

Underspend of £0.387m due to lower demand on the Growth Fund than estimated and saving on rates liability due to 17/18 academy conversions.

Early Years Block

Net underspend of £0.452m resulting from a 17/18 underspend of £1.105m due to lower numbers in early years provision offset by the 16/17 funding clawback of £0.652m. It should be noted that a level of funding similar to the underspend is expected to be clawed back from the Authority in 2018/19.

High Needs Block

Net overspend of £1.331m resulting from overspends against outborough provision, and exceptional needs and the development of additional in borough provision. The overspend also includes the deficit balance for Aylands School which was picked up by the Authority on academy conversion.

6. 2018/19 MONITORING POSITION

6.1 DSG 2018/19

The bought forward deficit from 2017/18 will result in an overspend in 2018/19 and this will be incorporated into the overall monitoring process. A detailed budget monitor for 2018/19 will be carried out in July and this information will be presented at the September meeting.