

MUNICIPAL YEAR 2018/2019 REPORT NO. 15

MEETING TITLE AND DATE:

Education Resources Group 04 December 2018
Schools Forum 12 December 2018

REPORT OF:

Director of Finance, Resources & Customer Services

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Agenda –

Item: 4a

**Subject: Schools Budget -
2018/19 Monitoring Update**

1. EXECUTIVE SUMMARY

This report provides an update of the final DSG Outturn position for 2017/18 and details of the DSG budget monitoring position for 2018/19. The monitoring update includes confirmation of the latest DSG allocation from the EFA (July18) adjusted for the latest academies recoupment position (September18).

2. RECOMMENDATIONS

To note the contents of the report.

3. ACCUMULATED DSG CARRIED FORWARD

- 3.1 The DSG Outturn position for 2017/18, as at 31st March 2018, was reported at the last meeting. At this stage it was highlighted that an adjustment would be made in 2018/19, in respect of 2017/18, to adjust the DSG allocation for the Early Years Block to reflect January 2018 pupil data. This Early Years funding clawback for 2017/18 was confirmed by the EFA in July 2018 and was lower than the estimated £1m. Table 1 details the final DSG carry forward position.

Table 1 – Accumulated DSG Carry Forward 2017/18

	£'000s	£'000s
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 DSG Carry Forward (as at 31.03.18)		(745)
2017/18 Early Years Clawback (Jan18 census)		(743)
Total 2017/18 DSG Carry Forward FINAL		(1,488)

4. 2018/19 DSG ALLOCATION

- 4.1 The original estimate of gross DSG resources for 2018/19 amounted to £331.540m. Of this amount £2.118m will be provided direct by the Education and Skills Funding Agency (ESFA) to fund post 16 places in special schools and places in mainstream academy units and academy special schools. Budget allocations for 2018/19 were agreed within this level of resources.
- 4.2 In July 2018, revised DSG allocations for 2018/19 were published. These allocations reflected academy recoupment for the Schools Block and High Needs Block and an adjustment Early Years Block to reflect pupil numbers recorded on the January 2018 census. There has also been an adjustment to the High Needs Block to reflect the latest import/export adjustment. Since the July publication, there has been a further update to the adjustment for academies recoupment to reflect September 2018 conversions. The latest DSG position for 2018/19 is summarised in Table 2.

Table 2 – DSG Allocation 2018/19

DSG Summary 2018/19	ORIG 2018/19	Academy Recoup	Import/Export Adj 18/19	Early Years Adj 18/19	REVISED 2018/19
	£000	£000	£000	£000	£000
SCHOOLS BLOCK	255.796	(103.411)			152.385
CENTRAL SERVICES	2.972				2.972
EARLY YEARS BLOCK	26.955			(1.549)	25.406
HIGH NEEDS BLOCK	45.817		(0.114)		45.703
GROSS DSG	331.540	(103.411)	(0.114)	(1.549)	226.466
Direct ESFA Funding	(2.117)	(0.464)			(2.581)
NET TOTAL DSG	329.423	(103.875)	(0.114)	(1.549)	223.885

- 4.3 Further updates to the 2018/19 DSG allocation are expected in December 2018, to reflect any further academy conversions in the Autumn term. Recoupment adjustments have a nil effect on the overall the school's budget position as a reduction in income is matched by a reduction in expenditure.

5. 2018/19 DSG Budget Monitor

Appendix A details the DSG budget monitoring position as at the end of October 2018.

5.1 Schools Block

There are projected underspends in the Schools Block. These relate to the Growth Fund, where the contingency for additional classes is not required, 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.

5.2 Early Years Block

As reported in 4.2. above, the Early Years Block allocation has been revised to reflect the pupil numbers recorded on the January 2018 census. The £1.549m reduction in funding reflects small increases in take up for 2-year-old provision and the 15 hours free entitlement for 3 and 4 year olds but a much lower take

up than estimated for the 30 hours provision.

At this stage of the financial year it is estimated that expenditure will reduce in line with the funding reduction and that the budget will be on target overall.

5.3 High Needs

The current projections for High Needs budgets indicate that

- Expenditure for out-borough placements will be within budget provision. An underspend of £230k is being projected across the 4 areas and this will be closely monitored to reflect any new or ended placements. The contingency element of the budget will be reduced as we move through the year
- An overspend on Post 16 SEN is projected at this stage of the financial year based on current levels of demand. This overspend has increased this month reflecting an increase in the number of learners
- Exceptional needs allocations are expected to exceed budget provision due to an increase in EHCPs over the summer term and projected increases over the next 2 terms.
- An increase in expenditure due to funding for Durants School to make specific provision for 3 pupils with complex needs
- A reduction in expenditure due to a delay in the opening of St Mary's Unit until January 2019
- An underspend on ARPs due to closed provisions. This is a short-term position until new providers are agreed.

Plans for additional in borough provision is being developed and an update will be provided as soon as the details and start dates have been confirmed.

5.4 DSG Outturn Position

Overall, the latest monitoring position for 2018/19 indicates an overspend of £0.262k which will increase the overall DSG deficit to (£1.749k). The 2018/19 budget will continue to be monitored closely for the remainder of the financial year and updates will be provided to the Forum at future meetings.