

MUNICIPAL YEAR 2019/20 REPORT NO. 15

MEETING TITLE AND DATE:

Education Resources Group 03 Sept 2019
Schools Forum 11 December 2019

REPORT OF:

Director of Finance, Resources & Customer Services

Agenda –

Item: 4a

**Subject: Schools Budget -
2019/20 Monitoring Update**

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1. EXECUTIVE SUMMARY

This report provides details of the DSG budget monitoring position for 2019/20 including confirmation of the latest DSG allocation from the ESFA as at July 2019.

2. RECOMMENDATIONS

To note the contents of the report.

3. ACCUMULATED DSG CARRIED FORWARD

3.1 Table 1 sets out the cumulative DSG deficit position as at 31 March 2019.

The DSG Outturn position for 2018/19, as at 31st March 2019, has been reported at previous meetings. The accumulated DSG position has been updated to reflect the backdated Early Years Block adjustment of £13k to reflect January 2019 pupil data. As expected, this adjustment was minimal as overall early years pupil numbers had remained consistent between Jan 2018 and Jan 2019.

Table 1 – Accumulated DSG Carry Forward 2018/19

	£'000s
Balance brought forward 1 April 2018	(0.738)
2017/18 DSG Allocation (applied July 2018)	(0.743)
Net Balance b/f 1 April 2018	(1.481)
Net Underspend 2018/19	2.575
Surplus Balance 31 March 2019	1.094
Outstanding Adjustments 2018/19	(0.718)
2018/19 Carry Forward – 31/03/2019	0.376
2018/19 Early Years Adj – July 2019	0.013
2018/19 Carry Forward – FINAL	0.389

4. 2019/20 DSG ALLOCATION

4.1 The original estimate of gross DSG resources for 2019/20 amounted to £334.186m. Of this amount £1.945m 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 2019/20 were agreed within this level of resources.

- 4.2** In July 2019, revised DSG allocations for 2019/20 were published. These allocations reflected academy recoupment for the Schools Block and High Needs Block, an adjustment Early Years Block to reflect pupil numbers recorded on the January 2019 census and the latest import/export adjustment. The latest DSG position for 2019/20 is summarised in Table 2.

Table 2 – DSG Allocation 2019/20

DSG Summary 2019/20	ORIG 2019/20	Academy Recoup	Import/Export Adj 19/20	Early Years Adj 19/20	REVISED 2019/20
	£000	£000	£000	£000	£000
SCHOOLS BLOCK	259.009	(130.954)			128.054
CENTRAL SERVICES	2.925				2.925
EARLY YEARS BLOCK	25.410			0.022	25.431
HIGH NEEDS BLOCK	46.843		0.435		47.278
GROSS DSG	334.186	(130.954)	0.435	0.022	203.689
Direct ESFA Funding	(1.945)	0.081			(1.864)
NET TOTAL DSG	332.241	(130.873)	0.435	0.022	201.825

- 4.3** A further update to the 2019/20 DSG allocation is expected in December 2019, but at this stage we are not anticipating any changes.

5. 2019/20 DSG Budget Monitor

Appendix A details the DSG budget monitoring position as at the end of October 2019.

5.1 Schools Block

Projected Underspend – (£538k)

There are projected underspends in the Schools Block. These relate to the Growth Fund, where no additional classes are expected to be required for the 1920 academic year, an underspend on the Appeals Service budget and rates where there is 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

Projected Net Nil Variance

Monitoring indicates that across school nurseries and PVI settings, there is a net nil variance projected. The position will be closely monitored for the remainder of the financial year.

5.3 High Needs

Projected Overspend - £4.811m

The High Needs budgets for 2019/20 were set within the funding available

which did not allow for any contingency or provision for expected increase in demand. Key areas of overspend are as follows:

- Outborough Placements - £2.330
Budgets for out-borough placements were based on commitments as at January 2019. The projected overspend is due to a variety of factors including the full year effect of pupils starting during 2018/19 and new placements. Several students in residential settings have turned 19 so the Education budget has had to pick up the full cost of these placements rather than a 3 way split with health and children's services. The overspend in this area has reduced by £177k between September and October reflecting a higher level of starters than leavers.
- Post 16 Nigh Needs - £0.577
Overspend based on current projections of student numbers
- Exceptional Needs – £0.420
Exceptional needs overspend based on the summer term monitoring exercise. The autumn term data is currently being assessed and it is expected that the overspend will increase. This will be reflected in the next monitoring report
- Additional Places at West Lea - £600k
55 additional places were offered and filled at West Lea School with effect from September 2019. The overspend of £600k reflects the cost of these places for the autumn and spring terms
- SEN & Educational Psychology Service Salaries - £0.474
Staffing has been increased in both these service areas in order to meet the increase in demand for EHCPs and statutory assessments and to ensure that the teams are fit for purpose. The overspend reflects the impact of a re-structure of the SEN Service in the current financial year and additional staff agreed for the EP service
- ARPs – (£200k)
An underspend is projected due to a delay in start up for some provisions and difficulties in securing schools to open these units
- Speech and Language Service - £0.173k
Overspend due to increased charge from the Health Service. This overspend relates to 2018/19 and an invoice for this additional cost is also expected for 2019/20

Plans for additional in borough provision is ongoing and updates 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 2019/20 indicates an overspend of £4.273m which will result in an accumulated DSG deficit of £3.897m. Due to the issues highlighted above, this is expected to increase further by the end of the financial year. The 2019/20 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.