

To: All Members and Officers of the Schools
Forum.

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Date: 11 October 2019

Dear Sir/Madam,

Schools Forum - Thursday, 17th October, 2019

I have recently forwarded to you a copy of the agenda for the next meeting of the Schools Forum.

I am now able to enclose, for consideration at next Thursday, 17th October, 2019 meeting of the Schools Forum, the following reports that were unavailable when the agenda was printed.

7. **Schools Budget 2018-19: Final Outturn TO FOLLOW (Pages 1 - 4)**

Report of the Deputy Chief Executive and Director for Families and Communities

John Tradewell
Director of Corporate Services

Enc

Schools Forum – 17th October 2019

Schools Budget 2018-19: Final Outturn

Recommendations

1. That the Schools Forum note the 2018-19 Schools Budget financial outturn.

Report of the County Treasurer

PART A

Why is it coming here – what decision is required?

2. To inform Schools Forum of the 2018-19 final outturn and to note the contents of the report.

Reasons for recommendations

3. To inform Schools Forum of the Dedicated Schools Budget outturn for 2018-19.

PART B

Outturn on Schools' Budgets 2018-19.

4. The outturn position for 2018-19 was a £1.783m variance (0.29%) over spend on planned expenditure across all services. A summary of balances is shown in Appendix 1. As a result of the overspend, as shown in Appendix 1, DSG reserves are now showing a balance at the end of March 2019 of £3.951m. This includes the Early Years adjustment for 17/18 which was received in July 2018.
5. The Individual Schools Budget (ISB) shows an over spend of £0.052m (0.01%). This outturn relates to budgets allocated to individual schools through the funding formula. Any under or overspends are contributed to each individual school's balances. Individual school balances were £18.795m at the end of the financial year.
6. The high needs block has overspent by £5.125m (7.20%). The pressure areas in the service were top up budgets which overspent by £5m (mainly academy top ups), and other overspends across the service, most significantly for independent special school costs which overspent by 2.5m. This was mitigated by the receipt of in year DSG adjustments of £600k and additional government funding of £1.8m which was part of the additional £125m allocation. Numbers accessing the high needs service have continued to rise, and pressures have arisen because of this, mainly relating to top up funding.
7. There is a continued forecast overspend on the high needs block in 2019-20. There is a separate high needs update report giving the latest position for 2019-20 including the projected impact on reserves.
8. The Early Years' service has underspent by £1.430m (-3.05%). This is not the full and final outturn for Early Years as the DSG is amended in July for the previous January's census. The underspend is due to lower take up than funding allocated based on the

January censuses for 3 and 4 year old universal hours, and an underspend on the amount of deprivation payments budgeted for. To some extent this underspend has been countered by overspends for 3 and 4 year olds additional hours and 2 year olds. Over or underspends in this area are volatile and will vary depending on the actual payments made throughout the year compared with the funding we receive, which is driven from the January census.

9. Central and de-delegated items have underspent by £1.963m (-10.06%). This has arisen mainly as a result of a growth in the contingency budget due to the number of academy converters in 18/19 that were awarded discretionary relief for their business rates. Along with this much increased contingency budget for 18/19, there has been very little call on this budget. There have also been minor underspends on growth fund, Statutory testing and compliance funding and redundancies.
10. Where a school is giving cause for concern and has significant revenue balances, then a conversation is held between the school and the local authority as to how balances are being used to improve outcomes for learners.
11. There are several approved licenced deficits (8 schools, with a value of £0.980m). The funding of these is met from school balances until such time as the school repays the deficit. With balances decreasing for example due to academisation, the growth in number and in value of licenced deficits is of concern.

Report author:

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**2018-19 Schools Budget
Final Outturn**

	Budget*	Final Outturn	Variation (over)/under spend	Notes
	£	£	£	
Planned Expenditure:				
Individual Schools Budget / In-year allocations	475,548,667.00	475,600,387.41	-51,720.41	Note 1
Central and De-Delegated Items	19,520,270.00	17,557,014.11	1,963,255.89	Note 2
High Needs Budget, excluding place funding included above	71,226,100.00	76,351,030.25	-5,124,930.25	Note 3
Early Years Budget - two year olds and central expenditure	46,913,290.00	45,483,356.08	1,429,933.92	Note 4
Total (A)	<u>613,208,327.00</u>	<u>614,991,787.85</u>	<u>-1,783,460.85</u>	
Funding for 2018-19 budget:				
Use of carry forward of DSG	0.00	0.00	0.00	
2018-19 DSG settlement	-586,608,327.00	-587,288,026.48	679,699.48	
EFA Post 16 funding	-26,600,000.00	-26,600,000.00	0.00	
Total (B)	<u>-613,208,327.00</u>	<u>-613,888,026.48</u>	<u>679,699.48</u>	
Overall variance on 2018-19 budget (A + B)	0.00	1,103,761.37	-1,103,761.37	
DSG reserve				
Opening DSG reserve 1 April 2018			5,054,439.45	
In-year variance on 2018-19 budget			-1,103,761.37	
DSG reserve at 31 March 2019			<u>3,950,678.08</u>	

* Please note all budget figures are pre-recoupment (DfE adjusts funding through recoupment for academy conversions)

Note 1

Includes delegated schools' budgets and initial budgets to Private, Voluntary and Independent Providers (PVI) of early years education, 'place' funding for high needs and the Pupil Premium.

Note 2

Those areas voted for by Schools Forum covering De-delegation, Central Expenditure & Education Functions.

Note 3

Includes top up funding for high needs pupils, SEN support services and inclusion

Note 4

Includes all central expenditure on children under 5 and place funding for 2 year olds.

