



SCHOOLS' FORUM MEETING

24th January 2019

Schools Budget 2018/19 Latest Forecast

1. Introduction

1.1. The purpose of schools forums is to advise local authorities on the operation of the local Schools Budget and its distribution among schools and other bodies. This paper and its appendix updates the Forum on the latest forecast for the Schools Budget for 2018/19.

2. Attachments

2.1. The following items form the appendices to this paper.

- Appendix 1 – Latest forecast for 2018/19

3. Points to Note in the Budget Forecast

3.1 The DSG as a whole is forecast to be over spent by £162.1k, this is a reduction on that forecast at Q2 of £73.9k. The reasons for the over spends are detailed below.

3.1.1 The High Needs Block:

As can be seen from the attached appendix, the High Needs budget is showing a forecast overspend of £195.4k, a reduction of £33.5k on that reported at Q2. Forecast expenditure is actually £85k higher than Q2 but this has been offset by additional funding received from the DfE of £84k and an adjustment to the initial allocation of £34k.

This forecast is based on the pupils currently in the system with an EHC plan and an identified placement with costs. It does not include the outstanding EHC assessments for pupils where the outcome of the assessment is not yet known.

This overspend will be added to the overspend brought forward from 2017/18 of £59.6k, making a total overspend on the DSG reserve for high needs of £255.0k provided there are no additional spending requirements between now and the end of the financial year.

3.1.2 The Early Years Block:

The Early Years Block is forecast to be underspent by £22.9k for the financial year, a reduction of £38.6k since Q2. The reduction is due to a forecast underspend on 3 & 4 year old funding due to delays in the opening of new settings and the DfE adjusting the allocation of funding to reflect an increase in the number of 2 year olds being funded.

The final allocation of funding for early years will be based on 5/12ths of the January 2018 census and 7/12ths of the January 2019 census (to be completed on 17th January). Therefore the final position on the early years funding will not be known until July 2019. Based on the numbers of 2, 3 and 4 year olds claimed for by the settings in January and assuming that all of these pupils are recorded on the census, it is estimated that Rutland could potentially receive an additional £11k for this financial year.

3.1.3 Dedicated Grant Schools Income:

The funding received by the Council has been adjusted to reflect the delay in schools (Empingham, Great Casterton and Uppingham) converting to academies. At Q2, it had been assumed that the schools would convert on the 1st December, however the latest assumption is that they will convert on 1st February. The reduction in funding is reflected in a corresponding reduction in spend within the schools block. The funding has also been adjusted to reflect the additional funding being received from the DfE for High Needs and Early Years, a total increase of £202.9k.

3.1.4 DSG Reserve

The Council holds a deficit balance on the DSG of £175.6k as a result of previous years overspends as detailed in the outturn report presented in July. This overspend is split between High Needs (£59.6k) and Early Years (£124.1k). Based on the current forecast and the projected additional income that could be received next year for early years, the anticipated balance on the DSG reserve at the end of the year is a deficit of £124.1k equating to approximately 0.5% of the total DSG allocation, however the high needs overspend (on its own) equates to 0.9% of the total DSG.

Based on the above position, the Council may not have to submit a formal Recovery Plan to the DfE (please refer to the DSG Recovery Plan paper for more information) but will need to do a local Recovery Plan to address this position as current projections for 19/20 indicate further overspends (see 19/20 budget paper).

4 Recommendations

4.1 Schools Forum is asked to note the forecast position for 2018/19 Dedicated Schools Grant.

Dawn Greaves
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11th January 2019