

Agenda Item 67

TITLE	Revenue Monitoring Report
FOR CONSIDERATION BY	Schools Forum on 18 July 2018
WARD	None Specific
DIRECTOR	Interim Director of Children's Services - Lisa Humphries

OUTCOME / BENEFITS TO THE COMMUNITY

Not applicable

RECOMMENDATION

Schools Forum are asked to note the content of this report

SUMMARY OF REPORT

This report shows the 2018/19 forecast on the school budget as at the 31st May 2018, and reflects an anticipated overspend of £1.59m.

At this early stage of the financial year the forecast is largely informed by the 2017/18 outturn position, and will continue to be updated by changes brought about by the new academic year.

2018/19 Schools Revenue Monitoring Report July 2018

.01 Purpose of the Report

This report provides the Schools Forum with details of the revenue budget position as at 31st May 2018.

.02 Suggested Action

The Forum is asked to note the contents.

.03 Background

This report shows the expected outturn for the Dedicated Schools Grant (DSG) in financial year 2018/19. It makes the assumption that the centrally retained amount will be fully spent.

The de-delegated items funding within the main schools block comes from the contribution made by maintained schools and subsequently any underspend belongs to them, and will be held on their behalf.

.04 Forecast Movement

Given the pressures experienced on the High Needs Block during 2017/18, an early indication of the 2018/19 financial year was presented to Forum in February. At that time an overspend of £1.7m was anticipated for the year, with this now being revised to £1m.

Forecasts will continue to be reviewed over the summer, to reflect further changes associated with the new academic year.

.05 High Needs Block

Pressure on the High Needs Block continues to provide the most significant challenge to the schools budget. In year pressure, alongside the deficit brought forward from 2017/18, represents a £1.593m forecast overspend for 2018/19.

An SEN Strategy Group has been established, chaired by the Assistant Director for Education with input from Finance, Strategic Commissioning, and relevant schools. The group are considering service planning in light of pressure on resources and will identify all possible actions for delivering a balanced budget position and reduce the deficit.

Actions underway include:

- review of banding system for the funding of resource bases
- review and recommissioning of block contracts, and
- costed proposals for the expansion of suitable places within WBC.

Council Officers have invited the Department for Education (DfE) to visit WBC to discuss the pressures experienced and potential solutions, and this meeting is scheduled for the 16th July.

.06 Financial Summary

The forecast as at 31st May 2018 shows the following projected overspend, against budget of £136.9m (1.2%):

Description	£000
Brought forward from 2017/2018	£527
Estimated overspend in 2018/2019	£1,066
TOTAL	£1,593

This position is largely informed by the 2017/18 outturn position, and represents a reduced estimated overspend for the year against the early indication figures reported to Forum in February. As anticipated, the budget pressure relates to the High Needs Block.

Please refer to:

Appendix A - Summary of 18/19 School Revenue Monitoring Report.

Appendix B - Detailed breakdown of 18/19 revenue monitoring.

Coral Miller
Interim School Finance Manager
July 2018

Bob Watson
Lead Specialist - Finance (deputy s.151 officer)
July 2018

Appendix A						
Summary of 1819 school revenue budget monitoring						
INCOME						
Ref	Description	A	B	C	D	E
		Budget	Forecast	Forecast	Last Mth	
		2018-19	February	May	Variance	Variance
			2018-19	2018-19	(C - B)	(C - A)
		£	£	£	£	£
	School Block Budget is the allocation to school based in the number of children in the school, the areas the children live i.e. rate of deprivation, children on free school meals, school academic achievement etc. This produces a unit cost per child per school and that unit cost is times by the number of children in that school.	(99,543)	(99,543)	(99,543)	-	-
	High needs Block funding is for funding Special needs children in all our education establishments this includes commissioned services from other boroughs and independent schools.	(18,083)	(18,083)	(18,083)	-	-
	Early Years Block Allocation including funding for Education of Children under 5s in Private/voluntary/independent settings as well as nursery provision and Primary schools with nursery provision.	(11,063)	(11,063)	(11,063)	-	-
	Centrally Retained Block - Contribution to pay for the council's statutory duties.	(944)	(944)	(944)	-	-
	Sub Total	(129,633)	(129,633)	(129,633)	-	-
	Government specific grant the the LA pass to the schools on behalf of DFE					
	Estimate for other grants like PE grant (actual allocation will be announce nearer October)	(2,193)	(2,193)	(2,193)	-	-
	UIFSM Revenue / Start Up	(2,227)	(2,227)	(2,227)	-	-
	Pupil Premium excl Academies	(2,209)	(2,209)	(2,209)	-	-
	6th form funding from EFA for Secondary school with a 6th form.	(664)	(664)	(664)	-	-
	Sub Total	(7,293)	(7,293)	(7,293)	-	-
	TOTAL INCOME	(136,925)	(136,925)	(136,925)	-	-
	check	-				
	EXPENDITURE					
	Description	£	£	£	£	£
A	Academy Allocated budget	46,318	46,318	46,318	-	-
A	School allocated budget excluding 6th form funding	51,031	51,031	51,031	-	-
F	School block budget - De-delegated items from maintained schools to council for central services like insurance for school, staff cover for maternity in schools etc.	1,393	1,393	1,393	-	-
G	Centrally retained activities for both Academies and Maintained schools like school improvement, council statutory duties etc. School admissions, School Forum costs, ESG and Growth fund. Support cost will be	1,744	1,744	1,737	(7)	(7)
E	Early year including EYPP grant	10,641	10,641	10,641	-	-
H	Centrally retained activities for Early years statutory duties.	421	421	421	-	-
B	Grant allocation to schools	7,293	7,293	7,293	-	-
D	High need grant allocated budget	18,083	19,793	19,156	(637)	1,073
	Miscellaneous	-	-	-	-	-
	TOTAL EXPENDITURE FORECAST	136,925	138,635	137,991	(644)	1,066
	Brought Forward Deficit/Surplus		717	527	(190)	527
	Surplus () Deficit +	0	2,427	1,593	(644)	1,593

APPENDIX B - Schools Budget 2018/2019					
	A	B	C	D	E
S251 title	2018/19 Budget	February Forecast 2018-19	May Forecast 2018-19	Variance against C-B changes from last month	Variance against C-A change against the forecasted budget
TOTAL EXPENDITURE					
SCHOOL BLOCK					
Schools Block Allocation excl Academies net of de-delegated funds including HNB allocations	51,031	51,031	51,031	-	-
Academy Recoupment from Schools Block	46,318	46,318	46,318	-	-
Total allocated to schools	97,349	97,349	97,349	-	-
De-delegated					
School-specific contingencies	107	107	107	-	-
insurance	453	453	453	-	-
Licenses and subscriptions	147	147	147	-	-
Staff Costs - supply cover	299	299	299	-	-
Support to under-performing ethnic minority groups and	118	118	118	-	-
Behaviour Support Services	269	269	269	-	-
Sub total of De-delegated	1,393	1,393	1,393	-	-
Pupil growth/ Infant class sizes	800	800	793	-	(7)
Total School Block Budget	99,543	99,543	99,536	-	(7)
CENTRALLY RETAINED BLOCK					
Strategic and Regulation function	350	350	350	-	-
SACRE	7	7	7	-	-
School Asset Management	81	81	81	-	-
1.6.2 Education welfare service	141	141	141	-	-
Statutory I.T. , census and information.	72	72	72	-	-
School admissions	289	289	289	-	-
Servicing of schools forums	4	4	4	-	-
Total of Centrally Retained Block	944	944	944	-	
EARLY YEAR'S BLOCK					
Early Years Block Allocation including Providers reserve fund inc exp for Education of Children under 5s in Private/voluntary/independent settings	10,641	10,641	10,641	-	-
Early years Centrally Retained for statutory LA duties	421	421	421	-	-
Total Early Year's block	11,063	11,063	11,063	-	-
HIGH NEEDS BLOCK					
High needs academy recoupment	1,386	1,386	1,386	-	-
High Needs Block allocations	7,427	7,444	7,478	34	51
Provision for pupils with SEN (including assigned resources)	1,819	2,212	2,070	(142)	251
Fees for pupils at independent special schools & abroad	5,542	6,686	6,449	(237)	907
Pupil Referral Units	470	470	470	-	-

Education out of school	638	638	638	-	-
SUB TOTAL	17,282	18,836	18,491	(345)	1,208
Centrally retained high needs block					
Moderating Panels	150	200	185	(15)	35
Provision for pupils with SEN, provision not included in line 1.2.1	20	20	20	-	-
Support for inclusion - HNB	401	507	231	(276)	(170)
SEN transport	230	230	230	-	-
SUB TOTAL	801	957	665	(292)	(135)
					-
TOTAL HNB	18,083	19,793	19,156	(637)	1,073
GRANTS					
UIFSM Revenue / Start Up	2,227	2,227	2,227	-	-
6th form funding from EFA	664	664	664	-	-
PE Grant - Additional school grants	2,193	2,193	2,193	-	-
Pupil Premium allocated to schools - mainstream	2,167	2,167	2,167	-	-
Pupil Premium 3-4 years	42	42	42	-	-
GRANTS TOTAL	7,293	7,293	7,293	-	-
TOTAL SCHOOLS BUDGET	136,925	138,635	137,991	(637)	1,066
					-
S251 title	2018/19 Forecast - Budget	February Forecast 2018-19	May Forecast 2018-19	Variance against C-B changes from last month	Variance against C-A change against the forecasted budget
FUNDED BY:					
Schools Block Allocation includes Academies	99,543	99,543	99,543	-	-
High Needs Block includes Academies	18,083	18,083	18,083	-	-
Early Years Block 3-4 year olds	11,063	11,063	11,063	-	-
Centrally retained block	944	944	944	-	-
Dedicated schools Grant total	129,633	129,633	129,633	-	-
PE Grant	2,193	2,193	2,193	-	-
UIFSM Revenue	2,227	2,227	2,227	-	-
Education Funding Agency 6th Form Funding	664	664	664	-	-
Pupil Premium 5-16 years	2,167	2,167	2,167	-	-
Pupil Premium 3-4 years	42	42	42	-	-
TOTAL FUNDING	136,925	136,925	136,925	-	-
Variance between the Expenditure and Income (I & E) (surplus)/deficit	0	1,710	1,066	(644)	1,066
Brought Forward High Needs block (surplus) /Deficit balance	-	717	527	(190)	527
Total Year-end (surplus)/Deficit	0	2,427	1,593	(834)	1,593

This page is intentionally left blank