

Agenda Item 6

TITLE Revenue Monitoring report

FOR CONSIDERATION BY Schools Forum on 17 October 2018

WARD (All Wards);

DIRECTOR Interim Director of Children's Services - Jim Leivers

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 as at 31st August 2018 on the school budget has increase from the 31st May 2018 forecast of £.593m to by £260k and now the anticipated overspend is £1.853m.

**2018/19 Schools Revenue Monitoring Report
October 2018**

.01 Purpose of the Report

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

.04 Forecast Movement

In summary, the forecast on the DSG has increased by £260k from that reported to Schools Forum in July, with a year-end deficit of £1.853m now anticipated.

The pressure experienced on the High Needs Block during 2017/18 has continued in 2018/19, with a further adverse movement of £130k. This is mainly due to 9 more commissioned places in post-16 out of borough provision at £6k per place which reduced the High needs block income by £54k, also an additional 5 places in our maintained special school to help reduce the reliance on out of borough placements and increases in “top up” funding with a combined total increase of £76k.

Centrally Services Block expenditure has also increased, with an overspend of £125k now anticipated. This is as a result of clarity over copyright licences for both academies and schools, which now need to be funded from this block. No provision was made for this during budget setting for the current financial year.

Small increase in the provision for Growth fund of £5k.

.05 High Needs Block

Pressure on the High Needs Block (HNB) continues to provide the most significant challenge to the schools budget. In-year pressures, alongside the deficit overspend brought forward from 2017/18, represents a £1.731m forecast deficit by the end of the 2018/19 financial year.

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 meet with the Department for Education (DfE) and discussed the pressures experienced and potential solutions.

.06 Financial Summary

The forecast as at 31st August 2018 shows the following projected overspend, against budget of £136.9m (1.4%):

Description	£000
Brought forward from 2017/2018	£527
Estimated overspend in 2018/2019	£1,326
TOTAL	£1,853

The total increase in forecast from last month is £260k.

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 Senior Finance Specialist - Schools
October 2018

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

Appendix A		as at 31st August 2018				
Summary of 1819 school revenue budget monitoring						
INCOME						
		A	B	C	D	E
Ref	Description	Budget 2018-19	Forecast May 2018-19	Forecast Septem 2018-19	Last Mth Variance (C - B)	Variance (C - A)
		£	£	£	£	£
SCHOOL BLOCK BUDGET						
	Brought Forward Deficit/Surplus		-	(7)	(7)	(7)
	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)	(0)	(0)
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	1,400	7	7
G	Centrally retained activities - Growth fund.	800	793	798	5	(2)
TOTAL SURPLUS/DEFICIT		0	(7)	(3)	4	(3)
HIGH NEEDS BLOCK						
	Brought Forward Deficit/Surplus		527	527	-	527
	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)	(18,029)	54	54
D	High need grant allocated budget	18,083	19,156	19,232	76	1,149
TOTAL SURPLUS/DEFICIT		0	1,600	1,731	130	1,731
EARLY YEARS BLOCK						
	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.	(11,105)	(11,105)	(11,105)	-	-
E	Early year including EYPP grant	10,683	10,683	10,683	-	-
H	Centrally retained activities for Early years statutory duties.	421	421	421	-	-
TOTAL SURPLUS/DEFICIT		(0)	(0)	(0)	-	-
CENTRALLY RETAINED BLOCK						
	Centrally Retained Block - Contribution to pay for the council's statutory duties.	(944)	(944)	(944)	-	-
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	944	944	1,069	125	125
TOTAL SURPLUS/DEFICIT		-	-	125	125	125
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)	-	-
	UFSM Revenue / Start Up	(2,227)	(2,227)	(2,227)	-	-
	Pupil Premium excl Academies	(2,167)	(2,167)	(2,167)	-	-
	6th form funding from EFA for Secondary school with a 6th form.	(664)	(664)	(664)	-	-
B	Grant allocation to schools	7,251	7,251	7,251	-	-
TOTAL SURPLUS/DEFICIT		0	0	0	-	-
TOTAL EXPENDITURE FORECAST		136,925	138,518	138,725	206	1,799
TOTAL INCOME FORECAST		(136,925)	(136,925)	(136,871)	54	54
Various						
Surplus () Deficit +		0	1,593	1,853	260	1,853

APPENDIX B - Schools Budget 2018/2019		at at 31st August 2018				
		A	B	C	D	E
S251 line no.	S251 title	2018/19 Budget	May Forecast 2018-19	September Forecast 2017-18	Variance against C-B changes from last month	Variance against C-A change against the forecasted budget
	SCHOOL BLOCK					
1.0.1	Schools Block Allocation excl Academies net of de-delegated funds including HNB allocations	51,031	51,031	51,031	-	-
1.8.1	Academy Recoupment from Schools Block	46,318	46,318	46,318	-	-
	Total allocated to schools	97,349	97,349	97,349	-	-
	<i>De-delegated</i>				-	-
	<i>Carried forward income from last year</i>		-	(7)	(7)	(7)
1.1.2	School-specific contingencies	107	107	176	69	69
1.6.1	insurance	453	453	453	-	-
1.6.4	Licences and subscriptions	147	147	147	-	-
1.6.7	Staff Costs - supply cover	299	299	237	(62)	(62)
1.4.1	Support to under-performing ethnic minority groups and b	118	118	118	-	-
	Behaviour Support Services	269	269	269	-	-
	Sub total of De-delegated	1,393	1,393	1,393	7	7
1.4.10	Pupil growth/ Infant class sizes	800	793	798	5	(2)
	Total School Block Budget Expenditure	99,543	99,536	99,540	12	5
	Total School Block Budget Income	(99,543)	(99,543)	(99,543)	(0)	(0)
	Variance	-	(7)	(3)	11	4
	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	-	-
1.4.2	School admissions	289	289	289	-	-
1.4.3	Servicing of schools forums	4	4	4	-	-
	Licences			125	125	125
	Total of Centrally Retained Block Expenditure	944	944	1,069	125	125
	Total Centrally Retained block income	(944)	(944)	(944)	-	-
	Variance	-	-	125	125	125
	EARLY YEAR'S BLOCK					
1.0.1	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	-	-
1.3.1	Early years Centrally Retained for statutory LA duties	421	421	421	-	-
	Pupil Premium 3-4 years	42	42	42	-	-
	Total Early Year's block Expenditure	11,105	11,105	11,105	-	-
	Total Early Year's block Income	(11,105)	(11,105)	(11,105)	-	-
	Variance	-	-	-		

	HIGH NEEDS BLOCK					
1.0.1	High needs academy recoupment	1,386	1,386	1,386	-	-
1.0.1.	High Needs Block allocations	7,427	7,478	7,518	40	91
1.2.1	Provision for pupils with SEN (including assigned resources)	1,819	2,070	2,070	-	251
1.2.4	Fees for pupils at independent special schools & abroad	5,542	6,449	6,449	-	907
1.2.1	Pupil Referral Units	470	470	470	-	-
1.2.6 and 1.2.7	Education out of school	638	638	674	36	36
	SUB TOTAL	17,282	18,491	18,567	76	1,284
	Centrally retained high needs block					
1.2.1	Moderating Panels	150	185	185	-	35
1.2.2	Provision for pupils with SEN, provision not included in line 1.2.1	20	20	20	-	-
1.2.3	Support for inclusion - HNB	401	231	231	-	(170)
1.2.5	SEN transport	230	230	230	-	-
	SUB TOTAL	801	665	665	-	(135)
	TOTAL of High Need Block Expenditure	18,083	19,156	19,232	76	1,149
	Brought Forward High Needs block (surplus) /Deficit balance	-	527	527	-	527
	TOTAL of High Need Block Income	(18,083)	(18,083)	(18,029)	54	54
	Variance	0	1,600	1,731	130	1,731
	GRANTS					
UIFSM	UIFSM Revenue / Start Up	2,227	2,227	2,227	-	-
1.7.4	6th form funding from EFA	664	664	664	-	-
	PE Grant - Additional school grants	2,193	2,193	2,193	-	-
1.0.2	Pupil Premium allocated to schools - mainstream	2,167	2,167	2,167	-	-
	Total GRANTS EXPENDITURE TOTAL	7,251	7,251	7,251	-	-
	INCOME					
	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)	-	-
	Total GRANTS INCOME TOTAL	(7,251)	(7,251)	(7,251)	-	-
	Variance	-	-	-	-	-
	Summary of the Variances					
	SCHOOL BLOCK	-	(7)	(3)	4	(3)
	EARLY YEAR'S BLOCK	-	-	-	-	-
	HIGH NEEDS BLOCK	0	1,600	1,731	130	1,731
	CENTRAL BLOCK	-	-	125	125	125
	GRANTS	-	-	-	-	-
	Deficit/Surplus ().	0	1,593	1,853	260	1,853
	Check Expenditure		138,519	138,724		
	Check Income		(136,925)	(136,871)		
	Various		1,593	1,853		