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|-----------------------------|---|
| TITLE | 2019/20 DSG Revenue Monitoring Report |
| FOR CONSIDERATION BY | Schools Forum on 10 July 2019 |
| WARD | None Specific |
| LEAD OFFICER | Director of Children's Services - Carol Cammiss |

OUTCOME / BENEFITS TO THE COMMUNITY

N/A

RECOMMENDATION

Schools Forum is asked to note the current projected outturn for the 2019/20 Dedicated Schools Grant (DSG).

SUMMARY OF REPORT

The report shows the 2019/20 forecast income and expenditure of the schools budget as at 31st May 2019.

This reflects an anticipated deficit of £4.2m at year end, an increase of £71k from the March 2019 report. The main pressure continues to be the High Needs Block, with a separate report to Forum providing more detailed information.

2019/20 DSG Revenue Monitoring Report July 2019

.01 **Purpose of the Report**

This report provides the Schools Forum with an update on the Dedicated Schools Grant (DSG) revenue budget position as at 31st May 2019.

.02 **Recommendation**

Schools Forum is asked to note the current projected outturn for the 2019/20 Dedicated Schools Grant (DSG).

.03 **Background**

This report forms part of the regular updates to Schools Forum on the anticipated outturn for the Dedicated Schools Grant (DSG), with explanation for significant variances.

At the March 2019 Schools Forum meeting an early indication of the likely 2019/20 position was reported with a deficit of £4.13m anticipated at year end, largely due to pressure within the High Needs Block. This included an anticipated carried forward deficit from 2018/19 of £2.50m.

.04 **Forecast Movement**

The anticipated year end position has increased slightly by £71k, with a deficit of £4.2m now forecast to 31st March 2020. This remains largely due to the overspend projected in the High Needs Block (HNB).

Further detail on the HNB forecast and associated actions is reported to Forum separately.

.05 **Financial Summary**

The forecast as at 31st May 2019 shows the following projected overspend, against a budget of £142,484k representing 2.95% of the budget.

This budget also includes additional grant income allocated by the Department of Education (DfE) for schools to cope with the increase in Teacher's Pension expected in September 2019 and another year's allocation of the Teacher's pay grant from April to March 2020. The future of this funding is subject to the Government's spending review.

| Description | £,000 |
|--|---------------|
| Deficit brought forward from 2018/2019 | £1,572 |
| Estimated overspend in 2019/2020 | £2,637 |
| TOTAL | £4,209 |

This represents an increase in forecast overspend of £71k from that previously reported.

Please refer to:

Appendix A - Summary of 2019/20 School Revenue Monitoring Report.

Appendix B - Detailed breakdown of 2019/20 revenue monitoring.

Coral Miller
Interim Senior Finance Specialist - Schools
June 2019

Bob Watson
Lead Specialist - Finance (deputy s.151 officer)
June 2019

| Appendix A | As at May 2019 | | | | |
|---|------------------|------------------|------------------|----------------|----------------|
| Summary of 1920 School revenue budget monitoring | | | | | |
| INCOME | | | | | |
| Description | A | B | C | D | E |
| | Budget | Forecast | Forecast | Variance | Variance |
| | 2019 - 20 | Feb | May | (C - B) | (C - A) |
| | £ | £ | £ | £ | £ |
| SCHOOL BLOCK BUDGET | | | | | |
| 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. | (104,222) | (104,222) | (104,222) | - | - |
| Academy Allocated budget | 49,101 | 49,101 | 49,101 | - | - |
| School allocated budget excluding 6th form funding | 53,008 | 53,008 | 53,008 | (0) | (0) |
| School block budget - De-delegated items from maintained schools to council for central services eg insurance for school, staff cover for maternity in schools etc. | 1,313 | 1,313 | 1,363 | 50 | 50 |
| Centrally retained activities - Growth fund. | 800 | 800 | 800 | - | - |
| Sub Total of Schools block budget in Year | 0 | 0 | 50 | 50 | 50 |
| Brought Forward (+Deficit\Surplus) from previous year | | | (118) | (118) | (118) |
| TOTAL SURPLUS\DEFICIT | 0 | 0 | (68) | (68) | (68) |
| HIGH NEEDS BLOCK | | | | | |
| 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. | (18,861) | (18,861) | (18,861) | - | - |
| High need grant allocated budget | 18,861 | 20,493 | 21,447 | 954 | 2,586 |
| Sub Total of High needs block budget in Year | - | 1,632 | 2,586 | 954 | 2,586 |
| Brought Forward (+Deficit\Surplus) from previous year | | 2,506 | 1,399 | (1,107) | 1,399 |
| TOTAL SURPLUS\DEFICIT | - | 4,138 | 3,985 | (153) | 3,985 |
| 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. | (10,235) | (10,235) | (10,235) | - | - |
| Early year including EY PP grant | 9,728 | 9,728 | 9,728 | - | - |
| Centrally retained activities for Early years statutory duties. | 507 | 507 | 507 | - | - |
| Sub Total of High needs block budget in Year | - | - | - | - | - |
| Brought Forward (+Deficit\Surplus) from previous year | - | - | - | - | - |
| TOTAL SURPLUS\DEFICIT | - | - | - | - | - |
| CENTRALLY RETAINED BLOCK | | | | | |
| Centrally Retained Block - Contribution to pay for the council's statutory duties. | (946) | (946) | (946) | - | - |
| Centrally retained activities for both Academies and Maintained schools like school improvement, council statutory duties etc. School admissions, School Forum costs, etc | 946 | 946 | 946 | - | - |
| Sub Total Schools budget in Year | - | - | - | - | - |
| Brought Forward (+Deficit\Surplus) from previous year | - | - | 291 | 291 | |
| TOTAL SURPLUS\DEFICIT | - | - | 291 | 291 | - |
| 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) | (774) | (774) | (774) | - | - |
| UIFSM Revenue / Start Up | (1,850) | (1,850) | (1,850) | - | - |
| Pupil Premium excl Academies | (2,175) | (2,175) | (2,175) | - | - |
| 6th form funding from EFA for Secondary school with a 6th form. | (2,109) | (2,109) | (2,109) | - | - |
| Teacher Pay Grant | (296) | (296) | (512) | (216) | (216) |
| Teacher Pay Pension - Grant | - | - | (800) | (800) | |
| Grant allocation to schools | 7,204 | 7,204 | 8,220 | 1,016 | 1,016 |
| TOTAL SURPLUS\DEFICIT | - | - | - | - | - |
| TOTAL EXPENDITURE FORECAST | 141,468 | 145,606 | 146,693 | 1,087 | 5,225 |
| TOTAL INCOME FORECAST | (141,469) | (141,469) | (142,484) | (1,016) | (1,016) |
| Various | | | | | |
| Surplus () Deficit + | 0 | 4,138 | 4,209 | 71 | 4,209 |

| APPENDIX B - Schools Budget 2019/2020 | | | | | |
|---|-------------------------|----------------------------------|-----------------------------|---|--|
| | A | B | C | D | E |
| S251 title | 2019/2020 Budget | February Forecast 2019-20 | May Forecast 2019-20 | Variance against C-B changes from last month | Variance against C-A change against the forecasted budget |
| SCHOOL BLOCK | | | | | |
| Schools Block Allocation excl Academies net of de-delegated funds including HNB allocations | 53,008 | 53,008 | 53,008 | - | - |
| Academy Recoupment from Schools Block | 49,101 | 49,101 | 49,101 | - | - |
| Total allocated to schools | 102,109 | 102,109 | 102,109 | - | - |
| De-delegated | | | | | |
| Carried forward income from last year | | | - | | |
| School-specific contingencies | 107 | 107 | 107 | - | - |
| insurance | 453 | 453 | 453 | - | - |
| Licenses and subscriptions | 65 | 65 | 65 | - | - |
| Staff Costs - supply cover | 300 | 300 | 350 | 50 | 50 |
| Support to under-performing ethnic minority groups and bilingual | 119 | 119 | 119 | - | - |
| Behaviour Support Services | 269 | 269 | 269 | - | - |
| Sub total of De-delegated | 1,313 | 1,313 | 1,363 | 50 | 50 |
| Pupil growth/ Infant class sizes | 800 | 800 | 800 | - | - |
| Total School Block Budget Expenditure | 104,222 | 104,222 | 104,272 | 50 | 50 |
| Brought Forward School block (surplus) /Deficit balance | | | (118) | (118) | (118) |
| Total School Block Budget Income | (104,222) | (104,222) | (104,222) | - | - |
| Variance | - | - | (68) | (68) | (68) |
| CENTRALLY RETAINED BLOCK | | | | | |
| Strategic and Regulation function | 339 | 339 | 339 | - | - |
| SACRE | 7 | 7 | 7 | - | - |
| School Asset Management | 50 | 50 | 50 | - | - |
| 1.6.2 Education welfare service | 119 | 119 | 119 | - | - |
| Statutory I.T. , census and information. | 62 | 62 | 62 | - | - |
| School admissions | 236 | 236 | 236 | - | - |
| Servicing of schools forums | 4 | 4 | 4 | - | - |
| Licences | 129 | 129 | 129 | - | - |
| Total of Centrally Retained Block Expenditure | 946 | 946 | 946 | - | - |
| Brought Forward School block (surplus) /Deficit balance | | | 291 | 291 | 291 |
| Total Centrally Retained block income | (946) | (946) | (946) | - | - |
| Variance | - | - | 291 | 291 | 291 |
| EARLY YEAR'S BLOCK | | | | | |
| Early Years Block Allocation including Providers reserve fund | 9,690 | 9,690 | 9,690 | - | - |
| Early years Centrally Retained for statutory LA duties | 507 | 507 | 507 | - | - |
| Pupil Premium 3-4 years | 38 | 38 | 38 | - | - |
| Total Early Year's block Expenditure | 10,235 | 10,235 | 10,235 | - | - |
| Total Early Year's block Income | (10,235) | (10,235) | (10,235) | - | - |
| Variance | - | - | - | - | - |

| | A | B | C | | |
|--|------------------|---------------------------|----------------------|--|---|
| S251 title | 2019/2020 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 |
| HIGH NEEDS BLOCK | | | | | |
| High needs academy recoupment | 1,083 | 1,083 | 1,083 | - | - |
| High Needs Block allocations | 7,557 | 7,657 | 8,661 | 1,004 | 1,103 |
| Provision for pupils with SEN (including assigned resources) | 2,722 | 2,722 | 2,722 | - | - |
| Fees for pupils at independent special schools & abroad | 5,657 | 7,182 | 7,132 | (50) | 1,475 |
| Pupil Referral Units | 470 | 470 | 470 | - | - |
| Education out of school | 670 | 678 | 678 | - | 8 |
| SUB TOTAL | 18,160 | 19,792 | 20,746 | 954 | 2,586 |
| Centrally retained high needs block | | | | | |
| Moderating Panels | 150 | 150 | 150 | - | - |
| Provision for pupils with SEN, provision not included 1.2.1 | 20 | 20 | 20 | - | - |
| Support for inclusion - HNB | 301 | 301 | 301 | - | - |
| SEN transport | 230 | 230 | 230 | - | - |
| SUB TOTAL | 701 | 701 | 701 | - | - |
| TOTAL of High Need Block Expenditure | 18,861 | 20,493 | 21,447 | 954 | 2,586 |
| Brought Forward High Needs block (surplus) /Deficit balance | - | 2,506 | 1,399 | (1,107) | 1,399 |
| TOTAL of High Need Block Income | (18,861) | (18,861) | (18,861) | - | - |
| Variance | - | 4,138 | 3,985 | (153) | 3,985 |
| GRANTS | | | | | |
| UIFSM Revenue / Start Up | 1,850 | 1,850 | 1,850 | - | - |
| 6th form funding from EFA | 2,109 | 2,109 | 2,109 | - | - |
| PE Grant - Additional school grants | 774 | 774 | 774 | - | - |
| Pupil Premium allocated to schools - mainstream | 2,175 | 2,175 | 2,175 | - | - |
| Teacher's Pay Grant | 296 | 296 | 512 | 216 | 216 |
| Teachers Pension | | | 800 | 800 | 800 |
| Total GRANTS EXPENDITURE TOTAL | 7,204 | 7,204 | 8,220 | 1,016 | 1,016 |
| INCOME | | | | | |
| PE Grant | (774) | (774) | (774) | - | - |
| UIFSM Revenue | (1,850) | (1,850) | (1,850) | - | - |
| Education Funding Agency 6th Form Funding | (2,109) | (2,109) | (2,109) | - | - |
| Pupil Premium 5-16 years | (2,175) | (2,175) | (2,175) | - | - |
| Teacher Pay Grant | (296) | (296) | (512) | (216) | (216) |
| Teachers Pension (Sept 19 to March 20) | | | (800) | (800) | (800) |
| Total GRANTS INCOME TOTAL | (7,204) | (7,204) | (8,220) | (1,016) | (1,016) |
| Variance | - | - | 0 | 0 | 0 |
| Summary of the Variances | | | | | |
| SCHOOL BLOCK | - | - | (68) | (68) | (68) |
| EARLY YEAR'S BLOCK | - | - | - | - | - |
| HIGH NEEDS BLOCK | - | 4,138 | 3,985 | (153) | 3,985 |
| CENTRAL BLOCK | - | - | 291 | 291 | 291 |
| GRANTS | - | - | 0 | 0 | 0 |
| Deficit\Surplus (-). | - | 4,138 | 4,209 | 71 | 4,209 |
| TOTAL SCHOOLS BUDGET | 141,468 | 145,606 | 146,692 | 1,086 | 5,225 |