

SUMMARY HEADLINES

1. Overall Position and Movement

Fore cast 2017 / 18 - Over spend £3.5m (in-year), £5.1m cumulative											
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Revised Budget £ 325.4m	4.4	4.4	4.4	4.9	4.6	3.7	3.5	3.7	3.5		
	▲	▲	▲	▲	▼	▼	▼	▲	▼		

2. Revenue Position by Division

	Brought forward position April 2017 £m	In-year Over/ (under) spend 2017/18 £m	Forecast Carry Forward position March 2018 £m
Retained DSG			
Maintained Schools	0.0	0.0	0.0
Academy Recoupment	0.0	0.0	0.0
Early Years Block	-0.4	0.3	-0.1
High Needs Block	2.3	4.0	6.3
Schools Block (Central)	-0.3	-0.8	-1.1
Total	1.6	3.5	5.1

3. Latest Financial Position

There is still an overall cumulative forecast overspend of £5.1m for P10 which includes £1.6m brought forward from previous year.

Schools Forum considered the financial position at its meeting on 16th January 2018. The High Needs Budget continues to be the main concern, with offsetting underspends in the Growth Fund.

The overspend in the retained DSG coincides with decreasing balances in individual schools. Officers estimate that around 18 individual schools will be in deficit by the end of the financial year, with net school balances across the maintained sector running at £3m surplus by March 2018, rather than the £5m surplus at the end of 2016/17. The retained and devolved DSG overall will be in deficit and will need to be under-written by the General Fund under the position is regularised. Processes for monitoring, challenging and supporting schools in deficit are being strengthened. A reintroduction of Licenced Deficits will assist to provide formal acknowledgement of governing bodies' plans. Some deficits in schools with very large historic deficits or which have become academies, leaving the LA with the deficit, may need to be considered for write-off. The Service Director: Education and Skills is preparing an analysis of the status of deficits in schools.

4. Risks and Opportunities

The underlying position on the High Needs Budget in particular remains a great concern. The measures set out in Table 5 are starting to be delivered with £0.750m already reflected in this month's 2017/18 forecast, but full and swift delivery will not be straightforward for all components. For instance, discussions with Special Schools about a revised model for funding them are at an early stage. The savings measures on their own are only going to address the in-year position, rather than the historic deficit, too. Cabinet agreed to make available £2.7m more to the High Needs Block than the allocation in the DSG itself for 2018/19. Combined with the savings measures in Table 5, this is part of a three year recovery plan for the service.

5. Savings measures and mitigations being developed in the High Needs Block.

Category	Proposal	Savings measures 2017/18 £'000	Savings measures 2018/19 £'000	Savings measures 2019/20 £'000	Total £'000	Status
1. Places only	1.1 Revise agreed places, based on occupancy, including FE		-761	-95	-856	On track
2. SEN Top-ups	2.1 Negotiate lower contributions to FE Element 2s and to standardised FE top-ups	-500	-466		-966	On track
	2.2 Review how we fund Bands 2 and 3 without EHC plans and process for allocating top-ups.	-250	-1,151		-1,401	On track
	2.3 Develop revised models for special schools		-1,166	-834	-2,000	Early Stages
3. AP Top-ups	3.1 Develop revised models for PRUs		-150		-150	Planned
4. Other SEN provision	4.1 Use Capital Strategy to re-provide local, less expensive provision		0		0	Early Stages
5. Other AP provision	5.1 Share funding for Early Intervention Bases with schools		-450		-450	Planned
	5.2 Target saving for Hospital Education Service		-200		-200	Planned
	5.3 Restrict external AP provision to budget		-350	-150	-500	Planned
6. Services	6.1 Target saving for services		-408	-242	-650	Planned
Total full-year impact		-750	-5,102	-1,321	-7,173	