

SUMMARY HEADLINES

1. Overall Position and Movement

Revised Budget	Forecast Outturn	Outturn Variance	Transfer to reserves
£0m	£0m	£0m	(£1.1m)

2. Revenue Position by Division

Summary DSG position 2018/19 Period 6 (All figures in £'000s)

	b/f	Funding 2018/19	Forecast 2018/19	In-year variance	Carry-forward 2018/19
Schools Block		253,423	253,423		
De-delegation	(357)		300	300	-57
Schools Central Block		2,262	2,262		
Early Years	(500)	36,600	35,235	(1,365)	(1,865)
High Needs Block	2,055	54,471	54,230	(241)	1,814
Funding	(182)	(346,756)	(346,574)	182	
Total	1,016		(1,124)	(1,124)	(108)

NB, to be consistent with the figures reported to Schools Forum, this summary includes £164m for mainstream academies and £9m for High Needs recouped by the ESFA.

3. Latest Financial Position

- The overall DSG forecast position has improved by £1.1m since Period 5. This significant improvement, is nonetheless tentative, as it turns on the basis of the the pupil census from May 2018. Previously, the maintained participation levels had been included, but not those for PVI settings.
- It must be stressed that the Early Years forecast underspend is tentative because 2/3rds of the expenditure on early years settings and 7/12ths of the DSG Early Years Block income is dependent on the participation levels recorded in the October 2018 and January 2019 pupil censuses, which have not yet taken place. The forecast is based on patterns in 2017/18, so these may not be replicated.
- The High Needs position now includes a sum of £0.566m transferred from Schools Central Block, following a decision by Cabinet in October 2018. The High Needs forecast position is otherwise an improvement of £0.1m on the P5 position arising from some minor movements in placements.
- The combined cumulative underspend of -£0.1m would only be deliverable if £1.8m underspend on Early Years was transferred to High Needs. Schools Forum deferred a decision about possibly offsetting one with the other (to year-end) when it met in September 2018.
- The DSG forecast for de-delegated services includes a break-even position on Schools in Financial Difficulty for 2018/19. In reassessing the position on de-delegated services in preparation for Schools Forum in November 2018, it has been concluded that the brought forward surplus of £290k will not be spent in 2018/19. The figures will be updated for Period 7 and in the analysis which goes to Schools Forum.

4. Risks and Opportunities

- Variations in pupil numbers in early years may confirm a projected underspend or it may reverse the position.
- Cost and demand pressures and opportunities within High Needs have materialised and there is little scope for taking action to reduce them in this financial year in the context of plans for setting the High Needs Budget at Full council in November 2018 .
- Further academisation could erode de-delegated funding for the authority
- There are 17 schools that ended the year with a deficit balance. These deficits have accumulated over a long period of time and for some schools represent a significant proportion of their annual school budget. Officers have been meeting with those schools to develop a plan whilst ensuring they are able to meet statutory responsibilities and, there is recognition that any repayment of deficit would be over much longer timescales than the 3 or so years that might normally be expected of schools. Two of the schools who have recently become academies had combined deficits of £1.1m which the LA will have to address this financial year.