

**SUMMARY HEADLINES**

**1. Overall Position and Movement**

<b>Revised Budget</b>	<b>Forecast Outturn</b>	<b>Outturn Variance</b>	<b>Transfer to reserves</b>
<b>£0m</b>	<b>£0m</b>	<b>£0m</b>	<b>(£1.4m)</b>

**2. Revenue Position by Division**

**Summary DSG position 2018/19 Period 8 (All figures in £000s)**

	b/f	Funding 2018/19	Forecast 2018/19	In-year variance	P8 Carry- forward 2018/19	Previous (P7) c/f 2018/19	Movement
Schools Block		253,423	253,423	0	0		0
De-delegation	(357)				(357)	(339)	(18)
Schools Central Block		2,262	2,262				0
Early Years	(500)	36,574	36,089	(485)	(985)	(1,845)	860
High Needs Block	2,055	55,454	54,345	(1,109)	946	2,015	(1,069)
Funding	(182)	-	-	182			0
		347,713	347,531				
<b>Total</b>	<b>1,016</b>		<b>(1,413)</b>	<b>(1,413)</b>	<b>(397)</b>	<b>(169)</b>	<b>(228)</b>

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 (£228k) since Period 7. The main changes arise in Early Years which has worsened by £0.860m and High Needs which has improved by (£1.069m).
- While the Early Years position has worsened by £0.860m, it replaces the previous (tentative) forecasts with one based on a detailed analysis of the May and October 2018 pupil censuses. The forecasts for participation levels in January 2019 are based on the same level as January 2018. Any variance in participation by 1% up or down will have produce a better or worse outturn by £0.1m. It would be a surprise if participation levels were lower than January 2018 because families are still taking up the new 30 hour places that are available in the sector.
- The **High Needs** position has improved since P7 because the Department for Educaiton announced an increased High Needs DSG allocation of £0.983m for Bristol in 2018/19 (which they are repeating for 2019/20). This accounts for the majority of the variance since last period.
- At year-end, there may be choices to make about how any balance is treated. If there is a cumulative underspend of (£0.4m), this would have to be carried forward into 2019/20. Decisions, however, would need to be made about whether any of the Early Years surplus could be transferred to the High Needs budget to reduce its cumulative deficit. Schools Forum deferred a decision about possibly offsetting one with the other (to year-end) when it met in September 2018. Nonetheless, early years settings have been consulted in December 2018 to identify priorities within Early Years for unspent Early Years DSG.

**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.