



SCHOOLS FORUM

TUESDAY, 12TH DECEMBER, 2017

At 2.30 pm

in the

COUNCIL CHAMBER - TOWN HALL, MAIDENHEAD,

SUPPLEMENTARY AGENDA

PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
6.	<u>SCHOOLS BUDGET MONITORING 2017/18</u> To consider the report.	3 - 6

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Agenda Item 6

ROYAL BOROUGH OF WINDSOR & MAIDENHEAD SCHOOLS FORUM

Date:	12th December 2017	AGENDA ITEM: 06
Title:	Budget Monitoring and Forecast 2017/18	
Responsible officer:	Kevin McDaniel, Director of Children's Services	
Contact officer:	James Norris, Head of Finance (RBWM) Achieving for Children	Email: James.norris@achievingforchildren.org.uk

1 PURPOSE AND SUMMARY

1.1 The purpose of this report is to provide the Schools Forum with:

- the projected financial position for 2017/18 with associated schedule of Risks & Opportunities
- the projected reserve balance as at 31 March 2018
- an understanding of the financial pressures which are currently being faced.

2 RECOMMENDATIONS

Schools Forum is asked to note:

2.1 The Forum is asked to note the contents of this report including the reported variance, schedule of Risks & Opportunities and the projected deficit balance carried forward as at 31 March 2018.

3 FINANCIAL SUMMARY

3.1 The overall Schools Budget 2017/18 is £62,031,000. There is a net in year deficit of £595,000 relating to the dedicated schools grant funded services mainly relating to the release of the underachievement of the High Needs Block savings plan.

3.2 The net movement to the last reported position is an increased deficit of £112,000. This consists of the following movements:

- an increased release from the risks and opportunities register into the reported forecast of additional non achievement of the savings plan £200,000
- in year staffing vacancies within Targeted Intervention (£76,000)
- other minor variances net (£12,000).

3.3 The deficit of £595,000 consists of:

- underachievement of the High Needs Block savings plan due to schools not agreeing to a reduction in Top Up allocations and an increase in annual fees £500,000; further strategies are underway to deliver the remainder of the savings plan
- estimated increased numbers of pupils receiving Alternative Provision support £80,000

- additional cost of conversion to academy status for Bisham Church of England Primary School exceeding funding available by £69,000.
- non domestic rates in year increased charges to the central school budget £40,000
- in year staffing vacancies within Targeted Intervention (£76,000)
- other minor variances net (£18,000) underspend.

3.4 The net overspend will be an additional pressure on the dedicated schools grant reserve which as at 31 March 2017 was a deficit of £752,000; the revised projected deficit as at 31 March 2018 has increased to £1,223,000.

3.5 Table 1 sets out the summarised financial position for 2017/18.

Table 1 Summarised Financial Position

Schools Budget	S251 budget	Budget Adjustments	Current Budget	Forecast Variance	Projected Expenditure/ Funding	Note
	£000	£000	£000	£000	£000	
Expenditure						
Schools Block (post recoupment)	35,839		35,839	133	35,972	1
Early Years Block	9,667	(387)	9,280	(30)	9,250	2
High Needs Block	16,912		16,912	492	17,404	3
TOTAL EXPENDITURE	62,418	(387)	62,031	595	62,626	
Funding						
Dedicated Schools Grant (net)	62,418	(387)	62,031	0	62,031	
TOTAL FUNDING	62,418	(387)	62,031	0	62,031	
Note:						
Total in year surplus / (deficit)	0	0	0	(595)	(595)	
Brought forward surplus / (deficit)	(752)		0	0	(752)	
Total surplus / (deficit)	(752)	0	0	(595)	(1,347)	4

3.6 The material forecast variances are set out below:

Note	Comments
1	School related costs; including Academy Conversion deficit balance £69,000; in year changes to school rates £40,000; increased licence charges £27,000; additional growth fund allocations £25,000; reduced school rental costs (£20,000); other minor variances net (£8,000) underspend
2	Reduced spend on the Early Years SEN Inclusion fund in the Spring Term (£30,000)
3	Estimated increased numbers of pupils receiving Alternative Provision support £80,000; underachievement of the High Needs Block savings plan £500,000; Targeted Intervention staffing vacancies (£76,000); other minor variances net (£12,000) underspend
4	Projected deficit on DSG General Reserves for 2017/18 £1,347,000 (excluding the Risks & Opportunities listed in table 2).

3.7 Table 2 sets out the summarised Risks & Opportunities a net pressure of £670,000. These are potential changes in forecast that currently are not being reported as there are plans to contain pressures or utilise underspends.

Table 2 Summarised Risks & Opportunities

	Variance to Current Budget	Note
	£000	
Expenditure		
Schools Block	80	1
Early Years Block	0	
High Needs Block	590	2
Total Expenditure Risks & Opportunities	670	

3.8 The material forecast risks & opportunities are set out below:

Note	Comments
1	Bad debt provision outstanding school loan £100,000; Other Central Provision for increased rental income (£20,000)
2	<p>The most significant risk of a further overspend is within the High Needs Block. Currently there is a risk of the under achievement of the savings plan which was budgeted to reduce costs by £900,000. The forecast includes the under achievement of £500,000, however, there is risk of a further £400,000 shortfall. Progress to date has been slower than expected The outcome of the recent Special Educational Needs inspection will add to the complexities of delivering some previously identified strategies.</p> <p>To address the pressures faced on the High Needs Block, Schools Forums on the 27th November 2017 approved funding of £416,000 from the 2018/19 Schools Block budgets to support the Special Educational Needs & Disability (SEND) Action Plan. The Action Plan will address the issues identified in the recent OfSTED inspection. Furthermore, there has been an agreement by the Local Authority and East Berkshire Clinical Commissioning Group for funding of £450,000 from the Better Care Fund. This will support a three year programme investing in the SEND transition to raise standards and performance.</p> <p>In respect of Top Ups and Independent School placements detailed work is being undertaken to review the current cohort of pupils within this category and based on historic spending a risk of £150,000 has been flagged.</p> <p>There is a potential further overspend of £40,000 relating to the estimated number of pupils requiring Alternative Provision for the remainder of the financial year</p>

4 PROJECTED RESERVE BALANCE

- 4.1 The net overspend will be an additional pressure on the dedicated schools grant reserve which as at 31 March 2017 was a deficit of £752,000; the revised projected deficit as at 31 March 2018 has increased by £595,000 to £1,347,000.
- 4.2 The projected reserve balance as at 31 March 2018 of £1,347,000 excludes the Risk & Opportunities Register net balance of £690,000. Incorporating this net further movement the projected reserve balance as at 31 March 2018 increases to £2,017,000.

5 FUTURE ACTION

- 5.1 The level of overspend is unaffordable for the Council. Achieving for Children officers are developing a recovery plan for consideration by both the Council and schools to bring the level of annual spend back into balance. Achieving for Children and the Council are also exploring options to address the cumulative DSG fund deficit. These options will be discussed with the Council and head teachers over the coming months.
- 5.2 On the 27th November 2017 the Schools Forum approved the transfer of budget allocation between the Schools Block and the High Needs Block, estimated at £416,000. The transfer will support the Special Educational Needs & Disability (SEND) Action Plan to address the issues identified in the recent OfSTED inspection.
- 5.3 Additionally, there has been an agreement between the Local Authority and East Berkshire Clinical Commissioning Group for funding of £450,000 from the Better Care Fund. This will support a three year programme investing in the SEND transition to raise standards and performance.