

ROYAL BOROUGH OF WINDSOR & MAIDENHEAD SCHOOLS FORUM

Date:	27th September 2018	AGENDA ITEM:	1
Title:	Budget Monitoring and Forecast 2018/19		
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 2018/19 with associated schedule of Risks & Opportunities
 - the projected reserve balance as at 31 March 2019
 - 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 2019.

3 FINANCIAL SUMMARY

- 3.1 The current DSG Budget 2018/19 is £62,686,000 reflecting the following in-year budget adjustments totalling a net reduction of £502,000 as shown in table 1 consisting of:
- Early Years Block 3 & 4 year old reduced allocation £779,000
 - High Needs Block additional allocation £277,000
- 3.2 The current reported projected in-year deficit is £365,000 consisting of:
- High Needs top up funding £436,000
 - Special School top up and place funding increase of £352,000
 - Early Years 2017/18 unallocated PVI and maintained provider funding (£258,000)
 - Contingency provision greater challenge resulting in reduced allocations (£97,000)
 - Inclusion Fund first term lower take up (£45,000)
 - Sensory Consortium Service (£20,000)
 - other minor variances net (£3,000)
- 3.3 The net in-year deficit will be an additional pressure on the dedicated schools grant reserve which as at 31 March 2018 was a deficit of £1,212,000; the revised projected deficit as at 31 March 2019 is £1,577,000.
- 3.4 Table 1 sets out the summarised financial position for 2018/19.

Table 1 Summarised Financial Position

Schools Budget	S251 budget	Less Academy Recoupment	Budget Adjustment 2018	Current Budget	Forecast Variance	Projected Exp/ Funding	Note
	£000	£000	£000	£000	£000	£000	
Expenditure							
Schools Block	83,684	(49,628)	0	34,056	0	34,056	
Central Block	1,142	0	0	1,142	(97)	1,045	1
Early Years Block	10,212	0	(779)	9,433	(258)	9,175	2
High Needs Block	17,778	0	277	18,055	720	18,775	3
TOTAL EXPENDITURE	112,816	(49,628)	(502)	62,686	365	63,051	
Funding							
Dedicated Schools Grant	(112,816)	49,628	502	(62,686)	0	(62,686)	
TOTAL FUNDING	(112,816)	49,628	502	(62,686)	0	(62,686)	
NET EXPENDITURE	0	0	0	0	365	365	4
Summary			£000				
Total in year (surplus) / deficit			365				
Balance brought forward (surplus) / deficit			1,212				
Net Projected (surplus) /deficit			1,577				

3.5 The reported material forecast variances are set out below in table 2.

Table 2 Material forecast variances

Note	Comments
1	Contingency provision greater challenge resulting in reduced allocations (£97,000)
2	Early Years 2017/18 unallocated PVI and maintained provider funding (£258,000) underspend following the Education and Skills Funding Agency Early Years 2017/18 Block recalculation.
3	High Needs top up funding £436,000; increase in place and top up funding for Manor Green Special School £352,000; Inclusion Fund first term lower take up (£45,000); Sensory Consortium Service (£20,000); other minor variances net (£3,000)
4	Projected net deficit on DSG General Reserves for 2018/19 £365,000 (excluding the Risks & Opportunities listed in table 3).

3.6 Table 3 sets out the summarised material Risks & Opportunities for the current financial year. These potential material changes to the forecast are not being reported as either there is a degree of uncertainty around them with plans to contain pressures.

Table 3 Summarised Risks & Opportunities

	Variance to Current Budget	Note
	£000	
Expenditure		
High Needs Block	303	1
Total Expenditure Risks & Opportunities	303	

3.7 The details of the material forecast risks & opportunities are set out below in table 4.

Table 4 Details of Risks & Opportunities

Note	Comments
1	High Needs Block savings plan of £900,000 potential underachievement of £600,000 reflected in risks based on cost reductions delivered in final quarter of 2017/18; partly offset by an opportunity of £297,000 relating to the in-year High Needs Block allocation of £277,000 received in June 2018 and other opportunities net £20,000.

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 2018 was a deficit of £1,212,000; the revised projected deficit as at 31 March 2019 has increased by £365,000 to £1,577,000.
- 4.2 The projected reserve balance as at 31 March 2019 of £1,577,000 excludes the Risk & Opportunities Register net balance of £303,000 overspend, therefore the projected reserve balance as at 31 March 2019 could increase to £1,880,000.

5 FUTURE ACTION

- 5.1 The level of overspend in the High Needs services remains unaffordable for the Council.
- 5.2 A significant amount of work has been undertaken to evaluate the options to manage demand and control expenditure. The Special Educational Needs & Disability (SEND) Action Workstream are focusing on reducing the number of out of borough placements, raising standards, performance and improving value for money.
- 5.3 A range of services including the statutory Pupil Referral Unit, Fair Access fund and Wellbeing are funded from the High Needs Block along with a number of places in alternative provision. The local authority, in partnership with providers and schools, will assess the impact and priority of the services over the coming months, and bring forward a cost reduction programme for consultation with the Forum.
- 5.4 Existing cost control measures such as rejecting top up increment requests from Non Maintained Special Schools, and reviewing the impact of the highest cost provision will continue.
- 5.5 The 2018/19 budget relies on promoting independence and use of the local education offer, managing increasing demand for services through increased early intervention, working with partners to ensure that everyone involved in a child's education is confident in

supporting children with additional needs and increasing the amount of local provision as well as ensuring that provision is aligned to need. These themes continue in 2019/20 and 2020/21.

- 5.6 The financial trajectory will need to be carefully monitored in 2018/19 to ensure that the level of spending on education services is affordable. Schools Forum and schools will have a clear role in monitoring the position and in implementing the plans in partnership with AfC and the Council.