

ROYAL BOROUGH OF WINDSOR & MAIDENHEAD SCHOOLS FORUM

Date:	16th January 2020	AGENDA ITEM:	1
Title:	Budget Monitoring and Forecast 2019/20		
Responsible officer:	Kevin McDaniel, Director of Children's Services		
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1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to provide the Schools Forum with:
- the projected financial position for 2019/20 with associated schedule of Risks & Opportunities
 - the projected reserve balance as at 31 March 2020
 - 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 2020.

3 FINANCIAL SUMMARY

- 3.1 The current DSG Budget 2019/20 is £63,857,000 reflecting the following in-year budget adjustments totalling a net reduction of £576,000 as shown in table 1. Budget reductions consist of:
- increased recoupment for academies direct funding (£652,000)
 - increased Early Years Block funding of £100,000.
 - reduction in the High Needs Block of (£24,000)
- 3.2 The current projected net in-year surplus of £117,000. The material variances are as follows:
- Early Years Block Private, Voluntary & Independent Nurseries 2018/19 underspend carried forward at (£435,000) after block recalculations.
 - High Needs Block £678,000 includes increases in volume of Top Up payments and changes placements of children in year between FE colleges and the independent sector.
 - Schools Block Growth Fund underspend of (£270,000).
 - Miscellaneous central block items totalling (£90,000) underspend
- 3.3 Table 1 sets out the summarised financial position for 2019/20.

Table 1 Summarised Financial Position

Schools Budget	S251 budget	Less Academy Recoupment	Budget Adjustment 2019	Current Budget (updated)	Forecast Variance	Projected Exp/ Funding	Note
	£000	£000	£000	£000	£000	£000	
<u>Expenditure</u>							
Schools Block	86,157	(50,669)	(652)	34,836	(270)	34,566	1
Central Block	1,133	0	0	1,133	(90)	1,043	2
Indicative Early Years Block	9,448	0	100	9,548	(435)	9,113	3
High Needs Block	19,758	(1,394)	(24)	18,340	678	19,018	4
TOTAL EXPENDITURE	116,496	(52,063)	(576)	63,857	(117)	63,740	
<u>Funding</u>							
Dedicated Schools Grant	(116,496)	52,063	576	(63,857)	0	(638 857)	
TOTAL FUNDING	(116,496)	52,063	0	(63,857)	0	(63,857)	
NET EXPENDITURE	0	0	0	0	(117)	(117)	
Summary						£000	
Total in year (surplus) / deficit						(117)	
Balance brought forward DSG general reserve (surplus) / deficit						917	
Net Projected (surplus) /deficit						800	5

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

Table 2 Material forecast variances

Note	Comments
1	Schools Pupil Growth Fund underspend estimated at (£270,000)
2	Apprenticeship Levy contribution lower than budget (£10,000); Admissions Team underspend due increased income and a vacant post (£30,000); and no placements in Independent Non SEN for 2 terms (£50,000)

3	Early Years Block Private, Voluntary & Independent Nurseries clawback provision not required (£435,000) from 2018-19. ESFA updated guidance due June 2019. The level of underspend is not expected to continue into 2019/20 following the agreement at Schools Forum in January 2019 to review the funding model which increased the deprivation element of the formula.
4	High Needs Block £678,000 forecast includes Place and Top Up funding increases estimated at £740,000 based on 2018-19 outturn and Summer term changes. Additional Outreach service cost in 2019-20 £76,000. Movements between Independent special schools and FE colleges resulting in a projected underspend of (£138,000).
5	Projected net surplus on DSG General Reserves for 2019/20 £117,000 (excluding the Risks & Opportunities listed in table 3).

- 3.5 The summarised material Risks & Opportunities for the current financial year are set out in table 3. 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 £000	Note
Expenditure		
Early Years Block	(20)	1
High Needs Block	200	2
Total Expenditure Risks & Opportunities	180	

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

Table 4 Details of Risks & Opportunities

Note	Comments
1	Early years block includes funding for EY Pupil Premium funded by the DSG. For the last two years RBWM has a low level of claims. Estimated underspend of £20,000.
2	High Needs Block savings are not achieved in full. Risk of under delivery £200,000.

4 PROJECTED RESERVE BALANCE

- 4.1 The net underspend will help to decrease the pressure on the dedicated schools grant general reserve which as at 31 March 2019 was a deficit of £917,000; the revised projected deficit as at 31 March 2020 has decreased by (£117,000) to £800,000.
- 4.2 The projected reserve balance as at 31 March 2020 of £800,000 excludes the Risk & Opportunities Register net balance of £180,000, therefore the projected reserve balance as at 31 March 2020 could increase to £980,000.

5 FUTURE ACTION

- 5.1 The level of overspend in the High Needs services remains unaffordable for the Council, therefore, it is important that all local partners continue to work to bring the cost of high needs services back in line with the Government grant allocation.
- 5.2 The 2019/20 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.
- 5.3 The financial trajectory will need to be carefully monitored in 2019/20 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.