

**REPORT TO:** Schools Forum  
**DATE:** 16<sup>th</sup> January 2019  
**REPORTING OFFICER:** Senior Finance Officer  
**SUBJECT:** Forecast Outturn 2018-19  
**WARDS:** Borough wide

## **1.0 PURPOSE OF THE REPORT**

To inform Schools Forum of the forecast outturn position, as at 20<sup>th</sup> December 2018.

## **2.0 RECOMMENDATION: That the report is noted.**

## **3.0 SUPPORTING INFORMATION**

3.1 The detailed monitoring of the Dedicated Schools Grant is continuing to enable a forecast outturn position to be identified. As at 20<sup>th</sup> December we are expecting an overspend of £753,787 at the end of March 2019.

3.2 Schools Block  
In line with the regulations we have fully devolved the Schools Block to primary and secondary schools with the exception of the 0.5% transfer to the High Needs Block, as agreed by schools and Schools Forum last year.

3.3 Central School Services Block  
This block is showing an expected underspend of £189,025, mainly due to no longer needing the full £233,980 budget set for Premature Retirement costs. The De-delegated budgets are showing a slight underspend however this is offset by what appears to be an underachievement of de-delegated income. This will be investigated and will be reported at the next meeting.

3.4 Early Years Block  
The forecast outturn is now an overspend of £502,634. This is due to the costs of 3&4 year old provision. We have spent £4.24M to 20<sup>th</sup> December for two terms, so an estimate of £2.12M is reasonable for Spring Term. As the budget was set at £5.2M we have an overspend on this line alone of £1.16M.

The Early Years contingency is forecast to underspend by £481k and we have built in an expected final grant increase of £178k but this will not be confirmed until June or July 2019.

### 3.5 High Needs Block

The current forecast is an overspend of £622,027 after the additional High Needs funding announced by the Secretary of State on 16<sup>th</sup> December 2018.

The key variances are:

Special schools	£115k overspend (increase in pupil nos)
Top-up funding	£269k overspend
Specialist provision	£217k underspend
INMSS provision	£601k overspend (increase in pupil nos)
Inter-authority	£115k overspend (increase in pupil nos)
Post 16 provision	£208k overspend
Staffing	£94k underspend
HN Contingency	£296k underspend

### 3.6 DSG carry forward from 2017-18

The carry forward of £466,755 has commitments of £284,907 leaving an underspend of £181,848.

### 3.7 Summary

Schools Block	£0
CSSB	£189,025
Early Years Block	(£502,634)
High Needs Block	(£622,027)
DSG cfwd balance	<u>£181,848</u>
Total	(£753,787)

3.8 We have built in all known and expected costs and are monitoring expenditure on a month by month basis, but we have to acknowledge costs will be incurred that are currently unknown to us.

## 4.0 FINANCIAL IMPLICATIONS

4.1 An overspend against the Dedicated Schools Grant in excess of our carried forward balance will result in the overspend having first call against our grant allocation for 2019-20. Thus, next year's grant will effectively be reduced by the level of this year's overspend.

## 5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

### 5.1 Children & Young People in Halton

It is essential that schools receive sufficient funding to allow them to support all children and young people.

### 5.2 Employment, Learning & Skills in Halton

None.

**5.3 A Healthy Halton**

None.

**5.4 A Safer Halton**

None.

**5.5 Halton's Urban Renewal**

None.

**6.0 RISK ANALYSIS**

6.1 The outturn currently forecast will undoubtedly change for a variety of reasons, the level of demand on the High Needs Block budgets is likely to continue to increase. Stringent measures and monitoring are in place to minimise overspending, subject to the LA and all schools/academies working together.

**7.0 EQUALITY AND DIVERSITY ISSUES**

7.1 The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.