



Schools Forum
16 January 2019

**Report from the Strategic Director
of Children and Young People**

DSG Schools Budget Forecast – 2018/19

Wards Affected:	All
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	N/A
No. of Appendices:	1
Background Papers:	Prior Financial reports to Schools Forum.
Contact Officer(s): (Name, Title, Contact Details)	Andrew Ward, Head of Finance – CYP 0208 937 6462 Dena Aly, Senior Finance Analyst – CYP 0208 937 2179

1. Purpose of the Report

1.1. The purpose of this report is to provide School Forum Members with an update to the Q3 Forecast position of the DSG 'Schools Budget' for 2018/19.

2. Recommendation(s)

2.1. Schools Forum is asked to note this report.

3. Summary

3.1. The Q3 budget monitoring position has changed due to an updated forecast on pupil growth funding and on the cost of therapies in the High Needs block. It has also been updated to include the additional High Needs funding announced by the Secretary of State for Education on 17 December 2018. Appendix A is the updated budget monitoring.

4. Background

4.1. The Q3 budget monitoring presented in December 2018 reported an overall slight overspend of £0.1m. This is the net position of the High Needs block overspend pressures of £3m, mitigated by underspends mainly against the growth budgets.

4.2. It was also reported that the forecast meant that DSG reserves at year end should be slightly in excess of £3m, which would be carried forward into the 2019/20 financial year.

5. Pupil Growth Forecast

5.1. Following confirmation of the October 2018 pupil census it was possible to calculate the complete Rising Rolls funding to be allocated to those growing schools that meet the threshold. Total Rising Rolls funding will be £0.9m in 2018/19, which added to the £0.4m CAFAl allocations bring total growth spending to £1.3m, which is £0.5m more than forecast previously. This is an underspend against the budget of £1.9m.

6. High Needs Forecast

6.1. In completing the Q3 budget monitoring officers have confirmed that there were unpaid invoices relating to the previous year for Speech and Language Therapies (SaLT) provision. The forecast for the amount to be paid in 2018/19 has increased by £0.5m. This relates to the late receipting of invoices which won't be repeated and so this is not an ongoing budget issue. Improved commissioning will mean a reduction in the cost of the main SLT contract in 2019/20.

6.2. On Monday 17 December 2018 the Secretary of State for Education announced additional in-year funding for the High Needs block of the DSG. Brent's High Needs Block allocation has increased by £0.8m in 2018/19. The income forecast has been adjusted to account for this additional income. It is shown as £0.5m more than that budgeted for due to the previously reported £0.3m reduction on the import and export adjustment.

7. DSG Reserve

7.1. Appendix A shows that the current forecast is for DSG reserves to be reduced by around £250K, down to £3.2m going into 2019/20. However the main risk to this is that High Needs pressures will continue to rise and further deplete the reserve.

7.2. Given the growing High Needs pressures it is clear that it would be prudent for reserves to be held against these in 2019/20. Beyond that it remains clear that greater real increases in government funding than those already announced will be needed to maintain the current levels of provision for High Needs pupils.

8. Financial Implications

8.1. The financial implications have been detailed in the body of this paper.

9. Legal Implications

9.1. There are no legal implications for this report.

10. Equality Implications

10.1. Not applicable.

11. Consultation with Ward Members and Stakeholders

11.1. Not applicable.

12. Human Resources/Property Implications (if appropriate)

12.1. Not applicable.

Report sign off:

Gail Tolley

Strategic Director of Children and Young People