



ISLINGTON SCHOOLS FORUM

Chair: Barrie O'Shea
c/o Governor Services
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SCHOOLS FORUM

MEETING DATE	29 November 2018
AGENDA ITEM 4	DSG Forecast Outturn
RECOMMENDATIONS	That Schools Forum note the forecast DSG Outturn for 2018/19

1 Purpose of this report

- 1.1 The purpose of this report is to provide Schools forum with a forecast of spend to 31 March 2019 against the 2018/19 DSG budget. This report is based on actual spend to 31 October 2018 (M7) in the schools, central schools services, and high needs blocks. Spend within the early years block will be considered separately by the Early Years Sub Group on 6 December once the outcome of the October census has been processed. A summary of the overall position is in Appendix 1.

2 Schools block

- 2.1 £700k of funding is retained centrally within the schools block for explicit growth (£400k) and falling rolls (£300k). Following the October school's census an underspend of £43k is forecast against the growth fund (see Item 5 on today's agenda) and an underspend of £100k is forecast against falling rolls.

3 High needs block

- 3.1 The forecast spend as at the end of October (M7) for specialist SEND provisioned commissioned through centrally retained budgets in academies, independent schools, out of borough placements, post-16 provision and in joint agency panel provision is an overspend of £566k. This is an increase of £205k as at the end of August (M5), taking into account known changes to provision from September. It should be noted that spend within the High Needs Block on SEN placements can be volatile, and subjected to significant in-year variation from new high cost placements.
- 3.2 The overspend has arisen despite the ongoing work under the SEND strategy 2018-20 that seeks to:
- Strengthen inclusion by improving our SEND Support offer in all schools.
 - Ensure best outcomes by improving preparation for adulthood pathways (thereby reducing the number of young adults who remain in education through lack of accessible alternatives).
 - Improve provision for children and young people with SEMH needs through locally managed partnership arrangements (thereby reducing expenditure on costly independent provision with poor outcomes for young people)
- 3.3 The trend in increased overall costs of provision reflects a trend seen nationally where all local authorities are experiencing acute cost pressures against their high needs budgets and underlines the importance of continuing the work under the SEND strategy to improved outcomes while containing costs.
- 3.4 In the 2017/18 DSG outturn, a one-off contingency budget of £384k was set-aside for growth, falling rolls and high needs in 2018/19 from underspends with the schools block and central schools services block. We are not currently expecting any overall overspend against growth and falling rolls in the schools block, therefore the contingency budget is expected to be available to offset pressures in high needs in full. In addition an in year funding adjustment of

£72k has been received from the ESFA for high needs, reducing the in-year forecast overspend for 2018/19 to £110k, as shown below.

	M7	M5	Movement
	£k	£k	£k
Gross forecast overspend	566	361	205
In-year high needs funding adjustment	(72)	(72)	0
One-off contingency	(384)	(384)	0
Net forecast overspend / (underspend)	110	(95)	205

- 3.5 Unless the forecast overspend can be eliminated by the end of the year, or offset by any underspends that may occur elsewhere within the DSG at year end, we may be in a position where we are forced to carry forward a small deficit into 2019/20.

Provisional position for high needs in 2019/20

- 3.6 There is little scope to absorb any further increases in cost in high needs above current levels of demand. Estimated funding allocations from the ESFA (see Item 6 on today's agenda) indicate that we will receive an additional £578k in high needs block funding in 2019/20. Based on current trends the pressure could be a further £500k in excess of this. Continued work under the SEND strategy is essential to reduce costs while improving outcomes.

4 Early years block

- 4.1 Spend within the early years block will be considered separately by the Early Years Sub Group on 6 December once the outcome of the October census has been processed. However, it should be noted that the balance of trajectory funding for 2-year olds (£478k) from previous years is not expected to be spent this year. It is being used to smooth in reductions in 2-year old funding for providers, however the Secretary of State agreed that this could be met from 3 and 4-year old funding in 2018/19. Therefore, this balance will be carried forward to 2019/20 for its intended purpose.

Contact

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DSG Forecast M7 <u>DRAFT</u>	Forecast outturn (£k)			Comments / options for use
	Schools Block	High Needs Block	Early Years Block	
Balances from previous years				
2-year olds. Carry forward of 2-year old DSG funding from previous years that is being used to smooth in funding reductions for the statutory entitlement for free childcare for deprived 2-year olds now funding is allocated to local authorities based on take-up.			(478)	Being met from 3 and 4 year old funding in 2018/19 following agreement of the Secretary of State. Will be carried forward for its intended purpose in 2019/20.
	0	0	(478)	
Other Variances				
Balance of growth fund set aside to fund the cost of new school classes in year	(43)			The DSG guidance states that these should be carried forward for the same purpose, however Schools Forum have the option to allocate these elsewhere if they see fit.
Balance of contingency budget set aside to protect schools with falling rolls	(100)			
Gross forecast overspend against SEN placements budget		566		3.5 Unless the forecast overspend can be eliminated by the end of the year, or offset by any underspends that may occur elsewhere within the DSG at year end, we may be in a position where we are forced to carry forward a deficit of £110k into 2019/20
DSG funding adjustments		(72)		
One-off contingency budget for high needs, growth and falling rolls		(384)		
	(143)	110	0	
	(143)	110	(478)	
	Total (all blocks)		(511)	