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Report title:	2017-18 Schools Budgets and DSG Update 2016-17	
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Executive Summary

This report sets out the position as at the 28th February 2018 of the in-year budget monitoring for the 2017-18 Dedicated Schools Grant (DSG) both from a schools perspective and the centrally held budgets particularly in the High Needs block.

Schools Forum Actions

The Schools Forum is asked to note the:

- DSG budget monitor for 2017-18 and the forecast position on the DSG reserve as at 31 March 2018
- Position on schools finances

1. Overall Position

1.1 The overall position on budget monitoring is summarised in the table below.

	DSG 2017-18 £m	Over/ (Underspend) £m
Schools Block	128.22	0.5
High Needs Block	43.36	3.0
Early Years Block	27.67	0
Total	199.25	3.5

Note – these figures are after recoupment for academies

2. Schools Block

2.1 Overall the schools block (ISB, Central Retentions & de-delegations) is showing a budget pressure of £0.5m for the various areas identified in previous months and also sundry matters flowing from growth fund/ falling rolls and also split site funding. There are also some issues flowing from earlier year's overfunding of schools.

3. Early Years Block

3.1 The Early Years funding block is expected to balance at year end. At the time of writing this report work is underway to calculate the final allocations to providers. Originally the

funding for providers was based on the forecasts of the numbers of children these are now being revised to actual numbers. In undertaking this work there has been a number of difficulties encountered with the accuracy of the data held on the system and some further adjustments may be necessary in the new financial year although these are believed to be only small. Members will be updated at the meeting of these adjustments.

- 3.2 The Department for Education will also re-align the funding Southwark receives for Early Years in the light of the January census. This adjustment will not take place until July 2018.

4. High Needs Block

- 4.1 The forecast overspend position on this block remains at £3.0m that is the same as the position reported at the January meeting, though some pressures being forecast have reduced due to some savings being made on the funding of alternative provision/ the virtual school and some one off cost recoveries. Given the demand led nature of the budget there can be a risk to the accuracy of the forecast of expenditure and therefore this still needs to be viewed with caution.
- 4.2 There is a separate item on the agenda looking at the budget pressures on the High Needs Block both in the short term and the long term.

5. Schools Budget

- 5.1 The school budget monitoring returns from schools for December 2017 have now been collated. Collectively Primary and Secondary schools are forecasting a year end (March 2018) carry forward of £7.8m, this compares with the actual carry forward at the end of March 2016 of £13.3m, a reduction of £5.5m. Traditionally schools are quite prudent with their forecasts and it is anticipated the carry forward at the end of the year will be higher than the £7.8m. It does show through the general trend and the pressure school budgets are under.
- 5.2 The individual school budget monitoring returns at the end of December 2017 show that 85% of our maintained primary and secondary schools have an in-year deficit. That is they are spending more in the current year than they have received in income. There is a separate item on the agenda that will look at next year's schools funding which will also take this into account.

6. Schools Forum actions

The Schools Forum is asked to note this report.