


Agenda Item 6

	<p>London Borough of Hammersmith & Fulham</p> <p>SCHOOLS FORUM</p> <p>Tuesday, 5th March 2019</p>
DEDICATED SCHOOLS GRANT MONITORING QUARTER 3 2018/19	
Open	
Wards Affected: (All Wards); All	
Accountable Director: Steve Miley, Director of Children Services	
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Purpose of the report This report updates forum on the 2018/19 quarter 3 budget monitoring position after updates to the allocation received in December 2018 from the Education and Skills Funding Agency (ESFA). It also includes the forecast accumulated Dedicated Schools Grant (DSG) carry forward position to 2018/19.	

1. Introduction

- 1.1. This paper sets out the forecast variances in each of the blocks of the Dedicated Schools Grant in 2018/19.

2. Schools Block

- 2.1. Projected underspends in the 2018/19 schools Block are indicated in Table 1 below. Underspends on the Schools Block will be carried forward to 2019/20 as schools funds per the conditions of grant.

Table 1 - Schools Block Forecast 2018/19

	£m	£m	£m
	2018/19 Budget	2018/19 Forecast	2018/19 Variance
Schools Block 2018/19	2018/19 Budget	2018/19 Forecast	2018/19 Variance
Schools Block delegated (after academy recoupment)	36.79	36.79	0
Falling Rolls Protection Fund	0.59	0.36	(0.23)
Maintained schools de-delegated Budget	0.70	0.55	(0.15)
Transfer to High Needs Block	0.51	0.51	0
Total Schools Block received by LBHF. (underspend to c/f)	38.59	38.24	(0.40)

- 2.2. Schools Forum agreed in January 2019 to allocate the balance of the 2018/19 falling rolls fund to Schools in 2019/20. Of the £0.225m carry forward to 2019/20, Schools Forum have allocated £0.095m to schools most impacted by falling rolls between October 2017 and October 2018 census. The remaining falling roles fund of £0.13m in 2019/20 is yet to be allocated by Schools Forum.
- 2.3. The maintained schools de-delegated budget is forecast to outturn with a underspend with respect to payments from the 'schools in financial difficulty and contingency' budget in 2018/19. Any underspend will be carried forward to 2019/20 to support requests from maintained schools in the future.
- 2.4. The Local Authority has received a number of requests from maintained mainstream schools for financial support via the Schools in Financial Difficulty/Contingency budget in 2018/19. Requests will be reported to Schools Forum with payments over £25,000 requiring authorisation by a decision report of the Cabinet Member for Children and Education following an Officer recommendation. Before recommending any such payments Officers undertake due diligence with the school to:
- Understand the reason for the request and if support is required to avoid a potential deficit position
 - Verify the accuracy of budget monitoring in the school
 - Confirm that the schools budget forecasts and plans reasonably ensure a sustainable financial position over the medium term.
- 2.5. Table 2 summarises the requests received and provisional estimates for financial support/contingency payments

Table 2 – Requests for Schools in Financial difficulty/contingency

School	Reason for request	Year of request	Est £
Miles Coverdale	Financial/budgetary impact of recovery of High Needs place funding error 2018/19 for specialist unit. £56,000 recovery will result in deficit at 31/03/19.	2018/19	38,000
St Stephens	Adjustment required to 2018/19 opening reserves balance as a result of assumed 2017/18 place funding outstanding. The school were incorrectly advised. The correction will result in deficit at 31/03/19.	2018/19	32,000
Flora Gardens	Request support for restructure costs associated with setting a balanced budget for 2019/20 to 2020/21 (£38,000)	2019/20	31,000
Old Oak	Request support for restructure costs associated with setting a balanced budget for 2019/20 (£58,000)	2019/20	58,000

- 2.6. **Schools Forum is asked to consider and confirm agreement with the two recommended payments for 2018/19 financial year and totalling £70,000.** These payments will ensure that the two schools concerned close

the financial year 2018/19 with estimated surplus retained balances of £5,000 respectively.

- 2.7. **Schools Forum is asked to consider and indicate support for the two requests received for support with restructure costs in 2019/20** and subject to further development of proposals and due diligence by Officers in the new year. These payments will ensure that the schools concerned close the financial year 2019/20 with estimated surplus retained balances of £5,000 respectively.

3. Early Years Block

- 3.1. The early years block is forecast to overspend by £0.15m in 2018/19 as per Table 3 below:

Table 3 – Early Years Block Forecast 2018/19

	£m	£m	£m
	2018/19 Budget	2018/19 Forecast	2018/19 Variance
Early Years 2018/19	15.774	15.924	0.15
Total Early Years Received in 2018/19	15.774	15.774	0.00

- 3.2. There is an opportunity of increased Early Years Block funding as a result of an increased take up of the governments extended 30 hour offer in Spring term 2019. Early indications on the January 2019 Early Years census suggest this is the case.

4. Central Services Schools block

- 4.1. The CSSB block is forecast to outturn to budget as set out in Table 4 below:

Table 4 – Central Services Schools Block Forecast 2018/19

	£m	£m	£m
	2018/19 Budget	2018/19 Forecast	2018/19 Variance
CSSB 2018/19	4.430	4.430	0.00
Copyright Licensing	0.097	0.097	0.00
Asset Management, Place Planning and Strategic Operations	0.816	0.816	0.00
Asset Management – capital expenditure on the school's estate including windows repayments	1.435	1.435	0.00
Management, Support & Finance	1.087	1.087	0.00
Virtual School	0.276	0.276	0.00
Lilla Huset Professional Development Centre	0.200	0.200	0.00
Admissions and ACE	0.519	0.519	0.00
Total CSSB Received in 2018/19	4.430	4.430	0.00

5. High Needs block

- 1.1. The High Needs block is forecast to outturn over spend by £6.94m, as set out in Table 5 below. This would result in a cumulative deficit on the High Needs Block of £14m at 31st March 2019.

Table 5 – High Needs Block Forecast 2018/19

	£m	£m	£m
	2018/19 Budget	2018/19 Forecast	2018/19 Variance
High Needs block 2018/19	18.76	25.70	6.94
Place funding	4.53	4.53	0.00
Top-up funding and placement costs	9.85	15.5	5.65
Alternative provision education, home tuition, hospital education and outreach	2.20	3.00	0.80
SALT and OT contracts	0.32	0.77	0.45
HNB Central services	1.86	1.90	0.04
Total expenditure	18.76	25.7	6.94
Total HNB Received in 2018/19	18.26	18.26	0.00
Transfer from SB received in 2018/19	0.51	0.51	0.00

Report ends