

FINANCE UPDATE

REPORT OF THE COUNTY TREASURER AND CHIEF OFFICER FOR CHILDREN'S SERVICES

Recommendations

It is recommended that DEF:

- a) Notes month 10 DSG monitoring position as set out in section 1
All to note
- b) Agrees the allocation of the deficit and surplus carry forward recommendations from 2018/19 as set out in section 2
Voting as set out in Table 3, 4 and 5, section 2.

1. Budget Monitoring Report - Month 10 (2018/19) – Dedicated Schools Grant

In November the DFE confirmed the revised DSG settlement allocation of £282.8millions including Early Years (before recoupment for academies). This is ring-fenced grant and any surplus/deficit will be shown as an assumed carry forward.

The 2017/18 carry forwards total £19.3millions have been approved by cabinet and are included within the above.

The increase from Month 9 of £420,000 predominately relates to the High Needs Block. The High Needs block has seen an overall increase of £418,000 due to reduction in the agreed contributions for Adult joint funded placements, plus increases in placements with Other AP Providers, Maintained Special Schools, SEN therapies and FE college placements

Table 1: Summary of Month 10 forecast position and major variations:

Dedicated schools Grant	Net Budget	Net spend Mth 10	Forecast at Mth 10	Variance	Ring fenced C/fwd	Deficit / (Surplus) Balance	Movement from Previous Mth	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Schools delegated budget	211,662	163,362	211,662	0	0	0	0	
DSG and School funding	(307,856)	(258,563)	(308,224)	(368)	0	(368)	0	
Total DSG	(96,194)	(95,201)	(96,562)	(368)	0	(368)	0	1.1
De-delegated budgets	6,333	3,511	4,608	(1,725)	1,657	(68)	6	1.2
Central Provision (Schools)	5,172	5,179	5,169	(3)	3	0	(12)	1.3
High Needs Funding	65,308	57,666	71,936	6,628	(2,407)	4,221	418	1.4
Early Years & Childcare Services	38,661	32,430	38,604	(57)	0	(57)	8	1.5
Total DSG central budgets	115,474	98,786	120,317	4,843	(747)	4,096	420	
Overall Net DSG budget	19,280	3,585	23,755	4,475	(747)	3,728	420	

1.1 Schools - Underspend £368,000

The underspend of £368,000 is due to the Early Years Spring 2018 lagged settlement which included additional income for 3- and 4-year olds £279,000; Disadvantaged 2-year olds £73,000; Early Years Pupil Premium £5,000 and Supplementary Early Years £11,000. Costs linked to this funding were seen in 2017/18.

1.2 De-delegated budgets – Underspend £68,000 after carry forwards

De-delegated budgets are showing an underspend of £68,000 which relates to the surplus balances within Trade Unions and Copyrights.

In addition, there are ring fenced surplus budgets currently being forecast within Schools' Contingency of £1.1millions and the Maternity scheme of £590,000. These are ring fenced for the maintained schools and will be carried forward into 2019/20 to meet future costs/commitments on these budget lines.

1.3 Central Provision within Schools – Breakeven after carry forwards

Central Provision is near breakeven as the balances within School Growth and Phase budgets, whether deficit or surplus will be carried forward to 2019/20.

£109,000 forecast overspend for school growth commitments will be carried forward into 2019/20 whilst there is a current surplus of £112,000 on DAPH activities will be ring fenced and carried forward and/or paid out to the new separate trading entity.

1.4 High Needs – Overspend £4.2millions after carry forwards

On the 17 December the Secretary of State announced an additional £250millions of funding for high needs, across the two financial years 2018/19 and 2019/20. This has been allocated on the basis of ONS projections for 2 to 18-year-old population in 2019 and sees Devon receive £1.54millions in each year.

The overspend within the High Needs Block, following the adjustment for the carry forward request, is currently forecast at £4.2millions, a worsening of £418,000 from month 9. Excluding the carry forward adjustment the overspend is £6.6millions.

This overall increase is due to reduction in the agreed contributions for Adult Joint Funded placements, plus increases in placements with Other AP Providers, Maintained Special Schools, SEN therapies and FE college placements.

Table 2: Summary of High Needs budgets and forecast position as at Month 10:

High Needs	Budget	Mth 10 Forecast	Variance	Movement Previous Mth
	£'000	£'000	£'000	£'000
Alternative Provision	2,279	2,668	389	28
Children in Care and Exclusions	1,463	1,428	(35)	0
Closing the Gap	1,500	1,500	0	0
Inclusion	349	334	(15)	0
Nursery Plus	1,164	1,164	0	0
Safeguarding Every Learner	144	144	0	0
SEN Mainstream	10,821	10,981	160	66
SEN Services	924	924	0	0
Maintained Special Schools	29,529	29,957	428	21
Hospital Education Services	375	375	0	0
Recoupment	284	694	410	9
Other Special School Fees	15,112	18,031	2,919	294
Support Centre Funding	1,364	1,329	(35)	0
TOTAL	65,308	69,529	4,221	418

1.5 Early Years – Underspend £57,000

The underspend is in relation to Trajectory funding, pupil led factors in Deprivation and FSM which has been partially offset by Tresillian balance and SEND funding.

1.6 Disapplication Request

Devon has received notification from the ESFA that the disapplication request to move the 0.25% from the Schools block to the High Needs block has been unsuccessful. A revised School budget share calculator has been made available to schools via the Education Finance blog.

The ESFA have stated they are committed to working with Devon to develop future plans and a SEN Advisor will in contact to discuss our High Needs strategy and offer help with longer term planning process.

1.7 Closedown

The closedown timetable (Appendix A) has now been produced and as last year the timescales are very tight due to how Easter Holidays fall. It is important to ensure that all accruals and other year-end actions are completed by the 29th March 2019.

1.8 Recommendation

Schools Forum is asked to note the update as set out in section 1 above.

All to note

2. 2018/19 Advanced notice of planned carry forwards

As in previous years we are seeking agreement that any residual deficit balance in the growth fund and High Needs Block be carried forward, to be offset by continued management action to control spending and any further increased High Needs funding on the basis that no one sector is disadvantaged over the other in the netting off process.

Maintained School balances and Special School balances will automatically carry forward to 2019/20 in individual budgets. The values of these will not be known until year end accruals have been undertaken.

£2.4m of the request represents management action which is believed to be achievable in 2019/20 and discussions are taking place around the LA meeting the remaining £3.7m overspend as part of the Outturn process for 2018/19.

The tables below set out all current known (estimated) carry forward requests, these will be confirmed and finalised during the closedown process. The total DSG overspend as at month 10 is £3.7m after the £747,000 requested carry forwards as detailed below:

Table 3: Deficit budgets carry forward requests

Budget Line	Amount £'000	Notes	Recommendations
Growth Fund	109	Deficit Balance – recognised to be offset in 2019/20	2.1.1 All to vote
High Needs Block	2,473	Deficit Balance – recognised Management Actions in 2019/20	2.1.1 All to vote
Total Deficit requests	2,582		

Table 4: Surplus budget carry forward requests

Budget Line	Amount £'000	Notes	Recommendations
Maternity	590	Rolled forward 2018/19 underspend to fund ongoing maternity cover	2.1.2 All to note

Schools and DSG Contingency	1,067	Rolled forward to fund contingency agreements in 2019/20 onwards	2.1.2 All to note
Total De-delegated budgets	1,657		
Hospital Education	49	Rolled forward 2018/19 underspend to fund ongoing Medical AP students	2.1.2 All to note
Mainstream SEN	17	Post 16 SEN – ESFA Funding that relates to summer term	2.1.2 All to note
Total High Needs	66		
Phase Associations	112	Traded income balance for 18/19 (£15k). Surplus income c/fwd prior to 18/19 (£97k)	2.1.3 All to vote
Total Central Provisions budgets	112		
Total Carry forward requested	1,835		

Table 5: Surplus budget no carry forward identified

Budget Line	Amount £'000	Notes
Licence and subscriptions	35	Accumulated savings no recognised demand in 2019/20
Trade Unions	33	Accumulated savings no recognised demand in 2019/20
Budget Underspends	68	

SFG discussed the option is to use the £68,000 underspend to offset in part the Growth and High Needs Block deficit budgets per guidance from the DfE for closedown in March 2017. However, they agreed that it would be better put to use as a grant for a specific piece of work, such as invest to save, which could have a higher impact on pupils than an allocation to the wider HNB deficit.

2.1 Recommendations

1. Agree deficit budgets carry forwards to 2019/20 as set out in Table 3 for Growth Fund and High Needs Block.
All to vote
2. Note the surplus budget carry forwards to 2019/20 as set out in Table 4 for De-delegated and High Needs budgets.
All to note
3. Agree surplus budget carry forwards to 2019/20 as set out in Table 4 for Phase Associations.
All to vote
4. Agree surplus budget carry forward 2019/20 in Table 5 to use for HNB projects such as invest to save.
All to vote

MARY DAVIS
County Treasurer

JO OLSSON
Chief Officer for Children's Services

Please ask for Adrian Fox
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TASKS AND DEADLINES 2018-19		
FIRST DATE	LAST DATE	ACTION REQUIRED BY SCHOOL
08 Apr	22 Apr	SCHOOL EASTER HOLIDAYS - Tasks during this period are shaded
		Undertake the housekeeping in SIMS
	05 Mar	Supply - Last day for supply upload for February
01 Mar	08 Mar	Printouts - Submission of Printout Queries for Period 11
01 Mar	08 Mar	Mutual Fund - Submission of claims to end February 2019
	08 Mar	LPS - Last day to raise debtor invoices to the LPS school (Withycombe Raleigh) only . Should you miss this deadline, you will need to raise the invoice in the new financial year. No maintained school whether LPS or central payment can raise year end debtors or creditors against another DCC maintained school.
	08 Mar	Capital - Schools with previous years' spending on intangible Assets (C701 & C702) need to confirm that they have not been impaired during the year and that they still exist.
	14 Mar	C£ASS - Last scheduled C£ASS run in March LPS Schools - Final scheduled C£ASS run before Year End returns
	15 Mar	Invoices - Last date for CT10/3 s to reach Revenue section for processing into Period 12.
	15 Mar	Banking - Cheques must be sent 1 st Class to County Hall and must be clearly marked on the cheque listing " OLD YEAR ". After the 15 March Revenue will not be able to process anything else in the old year. Add any external income (cash/cheques) received after 15 March to your debtor schedule.
	15 Mar	Banking - Last date for banking cash income to appear in Month 12 including giving money to G4S. Clear any remaining cash to bank. Last cash collections for old year
	15 Mar	Capital – supply Schools Leasing Review to Capital Team
	22 Mar	PFI – deadline for schools being charged their March contract values. PFI Schools will not need to raise an accrual. Should you have any queries relating to this matter please contact Leroy Venn on 01392 381200.
	22 Mar	Invoices - Central Payment School Online Internal Invoicing closes 5PM

	22 Mar	Mutual Fund - Deadline for March. Any short-term absence relating to March is required to be submitted by this date. Any new absence commencing 25 – 29 March would not be entitled due to the minimum 5 days waiting period.
	25 Mar	C£ASS - Final C£ASS run for OLD YEAR – non-LPS Schools. Final posting run of old year internal invoices
	26 Mar	Petty Cash - Last day for Petty Cash to be reimbursed before end of term. Submit by 5PM
	29 Mar	Capital - Please ensure that all capital projects have been appropriately coded to capital codes (Please do not split invoices between revenue codes and capital codes) if the SBS is funding part or all of the project please e-mail Capital Team or call on 01392 383669 to arrange the appropriate SBS transfer. Capital - Deadline for submitting Capital Debtor / Creditor Information including supporting documentation to the Capital Team . Capital – 29 Mar – 5PM SCHOOLS CAPITAL ACCOUNTS CLOSED TO SCHOOLS
	28 Mar	SCRAPS – all submissions to be made 4PM – errors may mean costs not posted to OLD YEAR if no contact at school.
	29 Mar	EOY Accruals - Deadline for Final End of Year Accruals workbook and Pay – End of Year Accruals Workbook to E&L finance team – 5PM
	29 Mar	Old Year - Final BACS & Finest run for OLD YEAR – 12 noon
	29 Mar	LPS – deadline for March VAT returns 12 noon
	29 Mar	School accounts closed to Schools – 3PM (FINEST closes)
	29 Mar	Capital - Deadline for Capital “Spend by site” details to Capital team . Capital – In Year Intangible Asset spend (C701 & C702) information to Capital Team
	31 Mar	Effective deadline by which goods/services need to be received/supplied to be included in 2018/19 accounts
	01 Apr	FMS – Period 13 opens FINEST - NEW FINANCIAL YEAR OPEN AND AVAILABLE First Cheque and BACS run in the New Year
	01 Apr	Reconcile - Download and reconcile all transactions to date. Submit queries to finance team.
	01 Apr	LPS – LPS School will receive their Final Accounts return from the Schools Finance Team.

	01 Apr	Journals - On-line Journal Transfers (journals not related to End of Year) close – 5PM
	04 Apr	Printouts - Schools Finance Team will run the normal monthly printouts
	05 Apr	FINAL ADJUSTMENTS - submission of <u>significant</u> corrections and <u>significant</u> omissions
	05 Apr	LPS - Submission of Final Accounts returns
	08 Apr	Easter Holiday (End of Spring term)
	12 Apr	SCHOOLS LEDGERS CLOSE – 5PM
	19 Apr	Good Friday Bank Holiday
	22 Apr	Easter Monday Bank Holiday
	23 Apr	Closedown - Run preliminary closedown of FMS after FMS period 12 reconciliation. Housekeeping complete.
	30 Apr	FINAL YEAR END CONFIRMATION PRINTOUTS available for download by schools – both Revenue and Capital
	30 Apr	Carry forward confirmed by issue of final printout. FMS – Close of Period 13 and Financial Year 2018/19
01 May	31 May	Once the school has submitted their end of year FRS monitoring report and it has been confirmed by the School Finance Team that it matches to FINEST, the school can Run final closedown of FMS system.

If you have any queries on the processes, please direct these through to your Finance Officer
01392 287209 email: schoolsfinance@babcockinternational.com