Enclosure 5 a

London Borough of Sutton

Schools Forum – 9th February 2017

Report of the Business Advice & Support Manager

REVENUE REPORT

Author: Sue Holmes  
BAS Manager

Chair of Schools Forum:  
Brenda Morley MBE

Summary

This report provides an update on the Dedicated Schools Grant (DSG) budget since the last meeting of the Forum.

Recommendations:
I recommend the Forum to:

i) note the latest position on the DSG for 2016/17, as at month 9;

ii) note the SEN funding position for 2016/17, as at month 9;

iii) agree the draft budget for 2017/18.

1. Background

Spending decisions on the DSG were agreed by the Schools Forum in May 2016 for the financial year 2016/17. This report refers to issues that have arisen since the last meeting that took place on 8th December 2016.

2. Issues

2.1. DSG Budget 2016/17

The net DSG allocation for 2016/17 was £106.90m, as at month 9. Please find attached at Appendix A the breakdown of the DSG expenditure for 2016/17 and the details of the £1.63m variation.

There was a further academy conversion, Stanley Park High School, on the 1st December 2016 which will reduce the net DSG allocation for 2016/17 to £105.003m.

There is a further pressure on the 2016/17 budget not included in month 9 report relating to the provision of Speech and Language and Occupational Therapies that officers have been made aware of recently. Due to a combination of delayed invoicing from the CCG for Speech and Language therapies and the service not correctly accruing for these costs there appears to be a further pressure on the 2016/17 budget.Commissioning officers are working with the service to review the late invoices submitted by the CCG to ascertain if they correctly account for the services delivered. This work has recently started therefore it is difficult at this stage to state clearly what the financial pressure will amount to. However, assuming all of the delayed invoices are correct a there will be a likely overspend of £441k on the Speech and Language and Occupational Therapies contract £216k relating to 2015/16 and £225k to 2016/17.
The annual budget for this contract has been maintained at £252.5k since 2011/12, although the spend during this period appears to have fluctuated. This will therefore create a further pressure on the DSG in the current year and on future budgets if the level of service contracted is maintained at the current level. Commissioning officers are in the process of starting to recommission this contract and a further report will be brought to Forum when this work is complete.

Further analysis of the central services being provided by Sutton Educational Services is being undertaken to confirm the level of services being provided since the spin-out and if possible to address some of the in-year pressures.

2.2. SEN funding 2016/17

The SEN funding position as at month 9 is showing a forecast overspend of £1.33m. We have reported previously about the £1m pressure which was not funded in 2016/17, in order to provide a balanced budget. Please find attached in enclosure 5b the details of the variation.

2.3. Budget 2017/18

The provisional DSG allocation for Sutton for 2017/18 is £191.9m. After deduction of the high needs and academy recoupment the latest net DSG is £104.9m for 2017/18.

The draft budget for 2017/18 is attached at Appendix B, for approval.

2.4. Savings/Growth 2017/18

A summary of savings and growth included in the draft budget, based on decisions made at the Schools Forum on the 8th December, are attached at Appendix C.

A separate summary on SEN funding and top-up rates is appended to this document, however £500k is still expected to be realised in 2017/18.

3. Financial Implications

This report highlights DSG issues that have arisen since the last meeting of the Forum.

4. Influence on the Council’s Corporate Core Values and Objectives

One of the core values is working with partners. Setting the budget for the Dedicated Schools Grant, and considering related issues, is an important part of the budget process that fully involves schools as partners and particularly recognises the important role of the Schools Forum.

5. Background Papers

Budget file 2016/17, Sutton Schools Forum file.