

## 8. Towards a National Funding Formula

### 8.1 2018/19 draft budget

At the last Schools Forum meeting of 24<sup>th</sup> May 2018, the 2018/19 DSG draft budget was presented to members giving provisional expenditure figures.

Since the May meeting, there have been adjustments to the High Needs Block allocation (a net reduction) because of:

- Higher 2018/19 academic year high needs place numbers in Post16 establishments, and
- Fewer imported HN pupils from other authorities

There has also been an adjustment (increase) to the Early Years block due to higher pupil numbers in January 2018.

As a result of these adjustments, the revised 2018/19 DSG draft budget is presented to Schools Forum below:

2018/19 Draft budget				
	Block expenditure			
	Net			
	Schools Forum - February 2018	Schools Forum - May 2018	Schools Forum - October 2018	Variance
	£	£	£	£
EYrs	28.392	28.392	29.037	0.645
Schools	141.578	141.143	141.056	-0.087
Schools - Growth	0.840	0.897	0.984	0.087
HN	43.808	43.808	44.110	0.302
Central	2.120	2.120	2.120	0.000
	216.739	216.360	217.307	0.947
	DSG net income			
	Net			
	Schools Forum - February 2018	Schools Forum - May 2018	Schools Forum - October 2018	Variance
	£	£	£	£
EYrs	28.392	28.392	29.037	0.645
Schools	142.419	142.040	142.040	0.000
Schools - Growth				0.000
HN	43.808	43.808	43.609	-0.199
Central	2.120	2.120	2.120	0.000
	216.739	216.360	216.806	0.446
Balance	0.000	0.000	-0.501	-0.501

NB - The net figure is the income and expenditure after recoupment for HN places and academy funding

To clarify the detailed expenditure, Appendix A shows the 2018/19 Draft budget by Section 251 format and shows the changes made since the last Schools Forum in May 2018.

The main changes for Schools Forum to note are as follows:

Line 1.0.1 – Individual Schools Budget (includes funding of EY pupils and SEN places).

- Early Years expenditure to providers realigned based on increased pupil numbers
- Minor change in HN recoupment figure

Lines 1.2.2 – 1.2.3 – Top-Up funding

- Increased HN contribution to joint placements for 2018/19

Line 1.3.1 – Central expenditure on Under 5s

- An increase in the EY contingency budget as a result of increased pupil numbers, set aside to allow for any EY block adjustment in case of future DfE clawback.

Because of the HN block reduction in income but higher expenditure due to a greater contribution to joint placement costs, the overall expenditure currently exceeds income by £0.501m. In order to balance the 2018/19 DSG budget, it will be necessary to use the full amount of £0.501m carry forward from 2017/18.

We are asking that Schools Forum:

- (iii) Notes the revised 2018/19 draft budget as shown in Appendix A
- (iv) Agrees to the use of carry forward reserve to set a balanced budget.