

Schools Forum

7 July 2015

Dedicated Schools Grant Update on 2014/15 Surplus and 2015/16 Position

1. Purpose of report

- 1.1 To inform Schools Forum of the year end surplus position for 2014/15 and agreed plans for usage, along with an outline indication of the position for 2015/16.

2. Recommendations

- 2.1 That Schools Forum note the position set out in the update report.

3. Background

- 3.1 Schools Forum has been actively monitoring DSG expenditure in recent years to ensure that any underspend or 'surplus' is committed as soon as possible to ensure money reaches children as quickly as possible. This report provides a further update.

4. Surplus as at end 2014/15

- 4.1 The accumulated surplus on the Dedicated Schools Grant (DSG) at the end of 2014/15 totalled £8.492m. Following previous reports to and agreements by Schools Forum, £5.921m of this surplus has already been allocated to specific areas of priority investment. This leaves £2.571m of surplus which is not currently allocated. The position is summarised in Table 1 below:

Table 1 – DSG Surplus as at end 2014/15	
Area	Amount (£m)
2013/14 Surplus Brought Forward	5.847
Used in 2014/15 in support of Individual Schools Budgets	(3.549)
2014/15 Surplus	6.194
Total DSG Accumulated Surplus	8.492
Allocated to Specific Areas of Investment:	
School Readiness	1.000
2 Year Old Places	2.200
2 Year Old Trajectory	1.211
Increase in SEN Places	1.000
Relocation of Pupil Referral Unit	0.500
Walsall Association of Governors	0.010
Total Amount Allocated	5.921
Total Unallocated Surplus	2.571

- 4.2 The unallocated surplus mainly represents unspent High Needs Block funding. In line with previous discussions regarding potential use of surplus balances, the EFA advise Schools Forum to consider all allocations fully and carefully.
- 4.3 Previously schools have voted to utilise some surplus balances to distribute a one-off allocation to schools. However this is subject to agreement by the Secretary of State, and the last time that this was requested the feedback from the EFA was clear that they would not support this approach again in the future, as funding should be appropriately managed in year.
- 4.4 It is therefore recommended that this funding is held centrally in advance of potential changes to the high needs funding formula nationally from 2016/17, and use is reviewed as and when any further reports are presented to forum outlining potential investment areas and outcomes that this investment would deliver.

5. 2015/16 High Needs Monitoring – July 2015

- 5.1 The High Needs budget and projected expenditure, as at July 2015, is shown in **Table 2** below:

Table 2 – High Needs Position as at July 2015			
High Needs Expenditure 2015/16	Budgets as reported on Section 251 (£)	Projected Expenditure as at July '15 (£)	Projected Balances for 2015/16 (£)
Place funding mainstream - ARP	817,495	817,495	0
Place funding Specials Schools	5,808,326	5,808,326	0
Place funding PRUs	1,403,233	1,403,233	0
Topup Early Years	200,000	200,000	0
Topup Primary schools & ARPs	2,029,186	2,029,186	0
Topup Secondary schools & ARPs	600,000	600,000	0
Topup Specials Schools	7,700,000	7,700,000	0
Topup PRUs & Alternative Provision	1,331,417	1,331,417	0
Topup non-maintained, Indpt & FE	3,153,000	3,153,000	0
Additional HN targeted – exceptional circumstances	85,000	67,200	17,800
SEN Support Services	1,204,033	1,204,033	0
Other Alternative Provision – home & hospital tuition	165,000	165,000	0
Support for Inclusion (Outreach provision)	150,000	150,000	0
Carbon Reduction - PRUs	10,000	10,000	0
Admissions, Forum, Licensing	8,714	8,714	0
Capital - SEN Review	1,500,000	1,500,000	0
Total Expenditure	26,164,404	26,146,604	17,800

6. 2015/16 Early Years Monitoring – July 2015

- 6.1 The Early Years budget and projected expenditure, as at July 2015, is shown in **Table 3** below:

Table 3 – Early Years Position as at July 2015				
Early Years Expenditure 2015/16	Budgets as reported on Section 251 (£)	Committed Expenditure as at July (£)	Projected Expenditure as at July '15 (£)	Projected Balances for 2015/16 (£)
EY 2yr old entitlement	2,875,320	988,826	2,307,591	(421,097)
EYSFF 3 & 4 yr old	10,595,950	3,531,983	7,063,967	0
EY 3 & 4 yr old Pupil Premium	381,579	0	381,579	0
EYSFF Contingency	300,000	0	300,000	0
Early Years central team	460,000	106,154	353,846	0
Est. Trajectory funding from 14-15	1,100,000	187,453	912,547	0
School Readiness Project	1,000,000	0	1,000,000	0
Creation of 2 Year Old Places - capital	2,200,000	1,399,460	800,540	0
School Admissions	16,805	0	16,805	0
Schools Forum	1,035	0	1,035	0
Central Licensing Charge	13,032	0	13,032	0
Total Expenditure	18,943,720	6,213,876	13,150,941	(421,097)
Indicative DSG Income	18,475,935			
Shortfall to indicative DSG Income	(467,785)			

7. Financial implications/Value for Money

- 7.1 Taking account of previous decisions by Schools Forum to allocate / utilise a large proportion of the surplus for 2014/15 there is a residual balance where it is intended that this will be held centrally in line with the reasons stated in the report. This will continue to be regularly reviewed to ensure appropriate use in a timely manner.

8. Legal Implications

- 8.1 No issues directly arising from this report.

9. School Improvement

- 9.1 No issues directly arising from this report.

10. Members eligible to vote

10.1 This item provides an update on the financial position and no vote is required.