

**Schools Forum
5 December 2017**

Dedicated Schools Grant Update on 2016/17 Surplus and 2017/18 Position

1. Purpose of report

- 1.1 To inform Schools Forum of the forecast year end surplus position for DSG as at the end of 2017/18.

2. Recommendations

- 2.1 That Schools Forum note the updated position set out in the report.
- 2.2 The Schools Forum note that this position will continue to be reported regularly going forward.

3. Background

- 3.1 Schools Forum has been actively monitoring DSG expenditure in recent years, and this report provides a further update.
- 3.2 The accumulated surplus on the Dedicated Schools Grant (DSG) at the end of 2016/17 totalled £11.985m. Following previous reports to and agreements by Schools Forum, £5.244m of this surplus has already been allocated to specific areas of priority investment. The position is summarised in Table 1 below:

Table 1 – DSG Surplus as at end 2016/17	
Area	Amount (£m)
Total DSG Accumulated Surplus	11.985
Less Balances Previously Allocated to Specific Areas of Investment:	
School Readiness	0.646
2 Year Old Places	1.068
2 Year Old Trajectory	0.646
Increase in SEN Places	1.000
Relocation of Pupil Referral Unit	0.500
Walsall Association of Governors	0.005
Retained duties previously funded by ESG	1.379
Total Amount Allocated	5.244
Total Unallocated High Needs Surplus	6.741

- 3.3 It must be noted that the unallocated surplus shown above relates in full to unutilised DSG high needs funding (as both the early years and schools block funding of DSG have been fully allocated over at least the four years whilst this surplus has accumulated).
- 3.4 As such the local authority, who are ultimately accountable for the use of high needs funding, will identify, in consultation with Schools Forum, how to best utilise this unallocated funding going forward.

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4. 2017/18 High Needs Monitoring

- 4.1 The 2017/18 High Needs budget and projected expenditure, as at September 2017, is shown in Table 2 below:

Table 2 – High Needs Position as at September 2017			
High Needs Expenditure 2017/18	Budgets as reported on Section 251 (£)	Projected Expenditure as at Sep'17 (£)	Projected Balances for 2017/18 (£)
Place funding maintained – ARP's	767,499	767,499	0
Place funding maintained Specials	6,145,040	6,145,040	0
Place funding PRUs	1,325,950	1,325,950	0
Top-up Early Years	249,000	249,000	0
Top-up Primary schools & ARPs	2,302,990	2,302,990	0
Top-up Secondary schools & ARPs	961,311	961,311	0
Top-up Specials Schools	8,041,482	8,041,482	0
Top-up PRUs & Alternative Provision	955,261	955,261	0
Top-up non-maintained, Indpt & FE	3,403,000	3,354,555	48,445
Additional HN targeted	70,000	70,000	0
SEN Support Services	1,204,033	1,204,033	0
Other Alternative Provision – home & hospital tuition	985,000	985,000	0
Support for Pupils at Risk incl.outreach	1,120,000	1,120,000	0
Carbon Reduction - PRUs	10,000	10,000	0
Admissions, Forum, Licensing	7,303	7,303	0
Capital - SEN Review	1,500,000	1,000,000	500,000
Total Expenditure	29,047,869	28,499,424	548,445

5. 2017/18 Early Years Monitoring

- 5.1 The 2017/18 Early Years budget and projected expenditure, as at September 2017, is shown in Table 3 below:

Early Years Position as at September 2017				
Early Years Expenditure 2017/18	Budgets as reported on Section 251 (£)	Updated Budget 2017/18	Projected Expenditure as at Sep '17 (£)	Projected Balances for 2017/18 (£)
EY 2yr old entitlement	3,925,083	3,925,083	3,925,083	0
EYSFF 3&4 yr old Universal Entitlement	12,705,838	12,705,838	12,705,838	0
EYSFF 3&4 yr old Enhanced Entitlement	1,611,109	1,611,109	1,611,109	0

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EY 3 & 4 yr old DAF and Social Inclusion (new)	367,650	367,650	367,650	0
EY 3 & 4 yr old Pupil Premium	333,730	333,730	333,730	0
EYSFF Contingency	346,430	346,430	346,430	0
Early Years central team	500,000	500,000	500,000	0
Est. Trajectory funding from 14-15	646,071	747,000	110,000	637,000
School Readiness Project	729,024	982,000	582,000	400,000
Creation of 2 Year Old Places - capital	1,073,079	1,098,000	423,000	675,000
School Admissions	0	0	0	0
Schools Forum	1,035	1,035	1,035	0
Central Licensing Charge	19,248	19,248	19,248	0
Total Expenditure	22,258,297	22,637,123	20,925,123	
Final DSG Income	22,258,297	22,258,297	22,258,297	
Balance to Final DSG Income	0	(378,826)	1,333,174	1,712,000

6. Financial Implications

- 6.1 Taking account of previous decisions by Schools Forum to allocate / utilise a large proportion of the surplus, the overall balance will continue to be regularly reviewed, and as set out within the report, the local authority, as the accountable body for high needs funding, will identify, in consultation with Schools Forum, how to best utilise the unallocated funding going forward.

7. Legal Implications

- 7.1 No issues directly arising from this report.

8. School Improvement

- 8.1 No issues directly arising from this report.

9. Members eligible to vote

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