

Schools Forum
11 October 2016

Dedicated Schools Grant Update on 2015/16 Surplus and 2016/17 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 2016/17.

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 2015/16 totalled £9.5232m. Following previous reports to and agreements by Schools Forum, £4.335m 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 2015/16	
Area	Amount (£m)
Total DSG Accumulated Surplus	9.523
Less Balances Previously Allocated to Specific Areas of Investment:	
School Readiness	0.982
2 Year Old Places	1.098
2 Year Old Trajectory	0.747
Increase in SEN Places	1.000
Relocation of Pupil Referral Unit	0.500
Walsall Association of Governors	0.008
Total Amount Allocated	4.335
Total Unallocated Surplus	5.188

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 three 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 need to identify, in consultation with Schools Forum, how to best utilise this unallocated funding going forward.

4. 2016/17 High Needs Monitoring

- 4.1 The 2016/17 High Needs budget and projected expenditure, as at August 2016, is shown in Table 2 below:

Table 2 – High Needs Position as at August 2016			
High Needs Expenditure 2016/17	Budgets as reported on Section 251 (£)	Projected Expenditure as at Aug '16 (£)	Projected Balances for 2016/17 (£)
Place funding mainstream - ARP	710,000	610,000	100,000
Place funding Specials Schools	6,609,954	5,900,000	709,954
Place funding PRUs	1,061,666	1,061,666	0
Topup Early Years	0	150,000	(150,000)
Topup Primary schools & ARPs	1,931,994	2,000,000	(68,006)
Topup Secondary schools & ARPs	946,844	850,000	96,844
Topup Specials Schools	6,506,968	6,506,968	0
Topup PRUs & Alternative Provision	848,908	848,908	0
Topup non-maintained, Indpt & FE	3,153,000	3,204,783	(51,783)
Additional HN targeted – exceptional circumstances	70,000	45,590	24,410
SEN Support Services	1,204,033	1,204,033	0
Other Alternative Provision – home & hospital tuition	1,935,000	1,935,000	0
Support for Inclusion (Outreach provision)	120,000	120,000	0
Carbon Reduction - PRUs	10,000	10,000	0
Admissions, Forum, Licensing	7,711	7,711	0
Capital - SEN Review	1,500,000	0	1,500,000
Total Expenditure	26,616,078	24,454,659	2,161,419

5. 2016/17 Early Years Monitoring

- 5.1 The 2016/17 Early Years budget and projected expenditure, as at August 2016, is shown in Table 3 below:

Table 3 – Early Years Position as at August 2016				
Early Years Expenditure 2016/17	Budgets as reported on Section 251 (£)	Updated Budget 2016/17	Projected Expenditure as at Aug '16 (£)	Projected Balances for 2016/17 (£)
EY 2yr old entitlement	3,640,807	3,549,162	3,549,162	0
EYSFF 3 & 4 yr old	10,437,621	11,516,964	11,516,964	0
EY 3 & 4 yr old Pupil Premium	381,579	333,730	333,730	0
EYSFF Contingency	386,430	386,430	386,430	0
Early Years central team	460,000	460,000	460,000	0
Est. Trajectory funding from 14-15	799,128	747,000	747,000	0
School Readiness Project	951,782	982,000	982,000	0
Creation of 2 Year Old Places - capital	1,002,000	1,098,000	1,098,000	0
School Admissions	16,804	16,804	16,804	0
Schools Forum	1,183	1,183	1,183	0
Central Licensing Charge	18,875	18,875	18,875	0
Total Expenditure	18,096,209	19,110,148	19,110,148	
Final DSG Income	17,426,077	18,226,086	18,226,086	
Balance to Final DSG Income	(670,132)	(884,062)	(884,062)	

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 need to 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.