

**Schools Forum  
17 October 2018**

**Dedicated Schools Grant Update on 2017/18 Surplus and 2018/19 Position**

**1. Purpose of report**

- 1.1 To inform Schools Forum of the DSG outturn position for 2017/18 and the forecast year end position for 2018/19.

**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 2017/18 totalled £10.696m (down from £11.985m at the end of 2016/17). Following previous reports to and agreements by Schools Forum, £6.835m of this surplus has already been allocated to specific areas of priority investment. The position is summarised in Table 1 below:

<b>Table 1 – DSG Surplus as at end 2017/18</b>	
Area	Amount (£m)
<b>Total DSG Accumulated Surplus</b>	<b>10.696</b>
<b>Less Balances Previously Allocated to Specific Areas of Investment:</b>	
School Readiness / Early Help	0.632
2 Year Old Places	0.554
2 Year Old Trajectory	0.646
Increase in SEN Places	0.823
Relocation of Pupil Referral Unit	0.494
Walsall Association of Governors	0.005
Retained duties previously funded by ESG	2.431
Support to development of behaviour support model	0.660
Sector Led Improvement Model	0.590
<b>Total Amount Allocated</b>	<b>6.835</b>
<b>Total Unallocated High Needs Surplus</b>	<b>3.861</b>

- 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.

**4. 2018/19 High Needs Monitoring**

4.1 The 2018/19 High Needs budget and projected expenditure, as at August 2018, is shown in Table 2 below:

<b>High Needs Expenditure 2018/19</b>	<b>Budgets as reported on Section 251 (£)</b>	<b>Projected Expenditure as at Aug'18 (£)</b>	<b>Projected Balances for 2018/19 (£)</b>
Place funding – ARP's	617,000	617,000	0
Place funding Specials	6,870,005	6,870,005	0
Place funding PRUs	1,009,998	1,009,998	0
Top-up Early Years	350,000	350,000	0
Top-up Primary schools & ARPs	2,784,782	2,784,782	0
Top-up Secondary schools & ARPs	1,103,966	1,103,966	0
Top-up Specials Schools	7,676,618	7,676,618	0
Top-up PRUs & Alternative Provision	516,364	516,364	0
Top-up non-maintained, Indpt & FE	3,521,779	4,055,779	(534,000)
Additional HN targeted	70,000	70,000	0
SEN Support Services	2,204,032	2,204,032	0
Other Alternative Provision – home & hospital tuition	2,185,000	2,185,000	0
Support for Pupils at Risk incl.outreach	420,000	420,000	0
Carbon Reduction - PRUs	10,000	10,000	0
Admissions, Forum, Licensing	16,737	16,737	0
Capital – SEN / PRU Review	1,316,812	1,316,812	0
<b>Total Expenditure</b>	<b>30,673,093</b>	<b>31,207,093</b>	<b>(534,000)</b>

**5. 2018/19 Early Years Monitoring**

5.1 The 2018/19 Early Years budget and projected expenditure, as at August 2018, is shown in Table 3 below:

<b>Early Years Expenditure 2018/19</b>	<b>Budgets as reported on Section 251 (£)</b>	<b>Updated Budget 2018/19</b>	<b>Projected Expenditure as at Aug'18 (£)</b>	<b>Projected Balances for 2018/19 (£)</b>
EY 2yr old entitlement	3,784,276	3,531,493	3,531,493	0
EYSFF 3&4 yr old Universal Entitlement	12,393,525	12,220,580	12,220,580	0
EYSFF 3&4 yr old Enhanced Entitlement	2,864,957	2,758,500	2,758,500	0

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EY 3 & 4 yr old DAF and Social Inclusion (new)	372,570	372,570	372,570	0
EY 3 & 4 yr old Pupil Premium	318,595	268,869	268,869	0
EYSFF Contingency	500,000	500,000	500,000	0
Early Years central team	500,000	500,000	500,000	0
Est. Trajectory funding from 14-15	646,071	646,071	646,071	0
School Readiness Project	359,031	359,031	359,031	0
Creation of 2 Year Old Places - capital	554,000	423,663	423,663	0
Schools Forum	2,142	2,142	2,142	0
Central Licensing Charge	29,341	29,341	29,341	0
<b>Total Expenditure</b>	<b>22,324,508</b>	<b>21,612,260</b>	<b>21,612,260</b>	
<b>Final DSG Income</b>	<b>22,324,508</b>	<b>21,612,260</b>	<b>21,612,260</b>	
<b>Balance to Final DSG Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 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.