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# DSG Outturn 2015/16 and Carry Forward to 2016/17

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**Report being considered by:** Schools Forum  
**On:** 6<sup>th</sup> June 2016  
**Report Author:** Claire White  
**Item for:** Decision      **By:** All Forum Members

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## 1. Purpose of the Report

- 1.1 To set out the actual deployment of the Dedicated Schools Grant (DSG) in 2015/16, explaining the main variances and amounts to be carried forward to 2016/17

## 2. Recommendation(s)

- 2.1 To approve the utilisation of the DSG funds being carried forward from 2015/16 to 2016/17 as set out in section 8 of the report.

<b>Will the recommendation require the matter to be referred to the Council or the Executive for final determination?</b>	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
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## 3. Introduction

- 3.1 The main source of funding for schools is the Dedicated Schools Grant (DSG). It is a ring fenced specific grant and can only be used on school/pupil activity. It is split between three funding blocks – schools, early years and high needs.
- 3.2 The majority of funding is delegated to schools, using national formula factors but applying local rates. The remainder is retained and spent centrally mainly on early years and specialist high needs provision, but also on some services for the benefit of all schools.
- 3.3 Centrally Retained Overspends, unless funded from outside the DSG, are carried forward and top sliced from the following year's DSG allocation. Underspends must be carried forward to support the school's budget in future years.
- 3.4 The Authority and Schools' Forum are responsible for ensuring that the DSG is deployed correctly, and monitoring of spend against the DSG needs to take place regularly to enable decision making on overspends/underspends and to inform future year budget requirements.
- 3.5 The Schools' Forum has received monitoring reports at each meeting held in the autumn and spring term during 2015/16.

## 4. Year End Position - Summary

- 4.1 Table 1 summarises the overall year end position for each DSG block, also comparing to the month 10 forecast which was used when setting the budget for 2016/17. The final position is an underspend of £253k. The breakdown for each cost centre within each block is detailed in Appendix A.

<b>TABLE 1</b>	<b>Final Budget £'000</b>	<b>Actual Spend £'000</b>	<b>Actual Variance £'000</b>	<b>Month 10 Forecast Variance £'000</b>
<b>Schools Block</b>	65,464	65,091	-373	-3
<b>Early Years Block</b>	7,630	6,868	-762	-805
<b>High Needs Block</b>	16,141	16,650	509	604
<b>Support Service Recharges</b>	721	721	0	0
<b>Total DSG Expenditure</b>	<b>89,956</b>	<b>89,330</b>	<b>-626</b>	<b>-204</b>
<b>DSG Grant</b>	-89,956	-89,583	373	228
<b>Net Position</b>	<b>0</b>	<b>-253</b>	<b>-253</b>	<b>24</b>

4.2 Note that the DSG grant variance is made up of £127k planned overspend in the high needs block, and £246k in relation to the early years block. This block cannot be accurately estimated until towards the end of the financial year because it is partly based on the in-year January census, unlike the other two blocks which are confirmed prior to the start of the financial year.

## 5. Schools Block

5.1 A breakdown of the variances in the schools block are shown in Table 2. No carry forward was assumed when setting the 2016/17 budget, so the total underspend of £373k is available for allocation in 2016/17.

<b>TABLE 2</b>	<b>Final Budget £</b>	<b>Actual Spend £</b>	<b>Actual Variance £</b>
<b>Primary schools in financial difficulty</b>	233,960	18,677	-215,283
<b>Other de-delegated services</b>	457,630	443,831	-13,799
<b>Growth fund/falling rolls fund</b>	322,160	158,563	-163,597
<b>Maintained primary &amp; Secondary school delegations</b>	64,108,250	64,136,131	+27,881
<b>Other centrally retained services</b>	342,140	333,941	-8,199
<b>Total Expenditure</b>	<b>65,464,140</b>	<b>65,091,143</b>	<b>-372,997</b>

- 5.2 During 2015/16 there was only one school receiving funding from the schools in financial difficulty de-delegated fund. It is highly likely that there will be several bids for funding during 2016/17, and it is proposed to add the carry forward to the funding available in 2016/17 – this would provide a total budget of £332,600 for 2016/17.
- 5.3 For this and all other de-delegated services, the only other option is to hold the carry forward in the current year’s budget for each specific service, and use to reduce the cost of that de-delegated service to schools in the following year (in other words, to benefit only those schools that have pooled their budgets). This is the proposal for the other de-delegated services – the virtual school service £3k, and behaviour support service £11k.
- 5.4 The overspend on maintained school delegations is due to actual business rates being higher than originally budgeted for in the school formula. For maintained schools the adjustment is carried out in year, whereas for Academies the DSG is adjusted in the following year.
- 5.5 There were several schools benefitting from growth funding in 2015/16. No schools qualified for falling rolls funding. It is proposed that the underspend (net of the overspend on business rate delegations and underspend on the other centrally retained services) is added to the 2016/17 budget – this would provide a total budget of £433,920. In the Government’s consultation on 2017/18 school funding it is being proposed that growth funding will become part of the school formula, but until this is confirmed and the details are known it would be prudent to hold these funds for future growth, including the new primary school due to open in Newbury in September 2017.

## 6. Early Years Block

- 6.1 Table 3 summarises the outturn of the early years block.

<b>TABLE 3</b>	<b>Final Budget £</b>	<b>Actual Spend £</b>	<b>Actual Variance £</b>
<b>3 &amp; 4 year old funding</b>	6,562,480	6,314,532	-247,948
<b>2 year old funding</b>	810,000	479,971	-330,029
<b>PPG &amp; deprivation funding</b>	209,590	22,781	-186,809
<b>Early years support team</b>	47,680	50,579	2,899
<b>Total Expenditure</b>	<b>7,629,750</b>	<b>6,867,863</b>	<b>-761,887</b>
<b>DSG Grant</b>			246,260
<b>Net Total</b>			<b>-515,627</b>

- 6.2 The actual numbers of hours of provision for 2, 3, and 4 year olds remained much the same in 2015/16 as in 2014/15 and did not see the level of increase that had

been experienced in previous years and had been budgeted for. It had also been predicted that the DSG would be uplifted based on this increase being recorded in the January 2016 census. Only a minimal increase to the DSG for early years in relation to 2015/16 is expected (in June 2016), and the budget for this will be adjusted accordingly when the amount is notified.

- 6.3 The uptake of pupil premium grant has also been extremely low, and the DfE is not clawing back any funding given for this.
- 6.4 Month 10 forecast was for a net underspend of £577k, and this figure was assumed as funding available in setting the 2016/17 early years block budget. The actual is £516k, which is £61k lower. It is proposed to reduce the available funding in the early years block budget accordingly (i.e. to reduce the assumed carry forward of DSG underspend at the end of 2016/17 from £148k to £87k).

## 7. High Needs Block

- 7.1 Table 4 summarises the outturn of the high needs block.

<b>TABLE 4</b>	<b>Final Budget £</b>	<b>Actual Spend £</b>	<b>Actual Variance £</b>
<b>Place Funding</b>	4,200,000	4,200,000	0
<b>Top Up funding – WBC schools</b>	4,203,120	4,322,678	119,558
<b>Top up funding – non WBC schools</b>	3,314,420	3,551,287	236,867
<b>Top up funding – Further Education</b>	990,040	937,842	-52,198
<b>Top up funding - PRUs</b>	1,061,000	1,267,764	206,764
<b>Home Tuition</b>	300,000	338,487	38,487
<b>Engaging Potential</b>	540,260	495,274	-44,986
<b>Hospital Tuition</b>	0	19,363	19,363
<b>Sensory Impairment</b>	227,440	244,083	16,643
<b>Applied behaviour analysis</b>	110,730	75,193	-35,537
<b>Other centrally retained high needs budgets</b>	1,194,000	1,197,836	3,836
<b>Total Expenditure</b>	<b>16,141,010</b>	<b>16,649,806</b>	<b>508,797</b>
<b>DSG Grant</b>			127,000
<b>Net Total</b>			<b>635,797</b>

- 7.2 The main overspends in the high needs budget are in relation to top ups, mainly for placements in specialist settings. This has been documented in reports throughout 2015/16, the main variances being placements in non WBC schools (particularly Thames Valley Free School) and PRUs.
- 7.3 The month 10 forecast was for a net overspend of £731k, and this figure was assumed as needing to be met from the 2016/17 high needs block budget. The actual is £635k, which is £96k lower. As the 2016/17 high needs budget has been set with a £889k overspend, it is proposed to reduce this budgeted overspend accordingly (i.e. to reduce the assumed DSG carry forward of overspend at the end of 2016/17 to £793k).
- 7.4 In addition to the main accounts, the local authority operates a holding account which receives funding deducted from schools for pupils they exclude, and pays this funding out to schools receiving the excluded pupils or towards the cost of placements in PRUs for these pupils. There is a balance in this account of £40k, mainly due to pupils moving out of the authority and the other authority claims a lower sum or does not claim the funding at all. For some authorities we have a reciprocal agreement not to do so. It is proposed that these funds are added to the vulnerable children fund and used to help prevent exclusions from our schools.

## 8. Summary of the Carry Forward Proposals

- 8.1 Table 5 summarises the 2016/17 budget virements required to reflect the use of unspent 2015/16 DSG carried forward to 2016/17 – an amount of £252k, but an increase of £407k compared to that assumed when setting the 2016/17 budget.

<b>TABLE 5</b>	<b>Original Budget 2016/17 £</b>	<b>Virement £</b>	<b>Revised Budget 2016/17 £</b>
<b>Primary schools in financial difficulty (90230)</b>	117,320	215,280	332,600
<b>Virtual Schools Service (90255)</b>	229,130	3,150	232,280
<b>Behaviour Support (90349)</b>	203,890	10,640	214,530
<b>Growth fund/falling rolls fund (90235)</b>	290,000	143,920	433,920
<b>Sub Total Schools Block</b>		<b>372,990</b>	
<b>DSG b/f grant (L990W)</b>	154,380	-407,200	-252,820
<b>DSG assumed 16/17 year end c/f grant (L999W early years block)</b>	148,290	-61,130	87,160
<b>DSG assumed 16/17 year end c/f grant (L999W high</b>	-888,600	95,340	-793,260

<b>needs block)</b>			
<b>DSG to be received in year</b>	<b>-89,870,720</b>	<b>0</b>	<b>-89,870,720</b>
<b>Sub Total DSG grant</b>	<b>-90,456,650</b>	<b>-372,990</b>	<b>-90,829,640</b>

8.2 The effect on the DSG budget is an increase of £373k in various schools block budgets, and an overall reduction of £34k in the budgeted overspend of grant at the end of 2016/17.

8.3 In addition it is proposed that £40,000 is moved from the exclusions holding account to the vulnerable children fund.

## 9. Conclusion

9.1 The 2015/16 year end carry forward is significantly lower than in previous years, a reflection that there is no contingency in the early years and high needs blocks and that expenditure/numbers of specialist places is increasing year on year.

9.2 The forecasting has improved, with a much lower difference between the month 9 and 10 forecasts to the actual outturn, giving more confidence when it comes to setting the following year's budget.

## 10. Appendices

Appendix A – Dedicated Schools Grant 2015-16 Final Outturn

## 11. Heads Funding Group Recommendation

That the proposals as set out in section 8 of the report be agreed.

# Appendix A

Dedicated School's Grant (DSG) 2015-16 FINAL OUTTURN									
A	B	C	D	E	F	G	H	I	
Budget manager	Cost Centre	Description	Final Budget	Month 10 Forecast	Agresso Actual Spend	SSRs	Published Outturn (E + F)	Actual Variance (E - C)	Comments on Variance
Ian Pearson	90019	DSG Servicing of Schools' Forum	36,840	36,840	31,209	18,464	49,673	-5,631	Members Expenses Underspend
Ian Pearson	90020	Primary Schools	47,457,760	47,457,760	47,481,192		47,481,192	23,432	Actual rates bills
Caroline Corcoran	90022	Universal Infant FSM Grant	0	0	0		0	0	
Ian Pearson	90024	EFA 6thform Grant	0	0	0		0	0	
Ian Pearson	90025	Secondary Schools	16,650,490	16,650,490	16,654,939		16,654,939	4,449	Actual rates bills
Ian Pearson	90027	Additional Grant for Schools	0	0	0		0	0	
Maxine Slade	90035	LAC Pupil Premium	0	0	0		0	0	
Ian Pearson	90038	Pupil Premium Grant	0	0	0		0	0	
Ian Pearson	90112	Special Costs Primary	29,080	29,080	28,546	9,904	38,450	-534	
Ian Pearson	90117	Special Costs Secondary	14,000	14,000	14,520	4,714	19,234	520	
Ian Pearson	90230	Schools in Financial Difficulty	233,960	233,960	18,677		18,677	-215,283	One approval in year - to carry forward balance
Ian Pearson	90235	School Delegated Contingency (Growth fund)	322,160	322,160	158,563		158,563	-163,597	Growth fund as per SF Jan '16. To carry forward balance
Ian Pearson	90236	Managed Moves/Exclusions Contingency	0	0	0		0	0	
Maxine Slade	90255	Virtual School Service	222,010	222,010	218,862	82,117	300,979	-3,148	Buy back income from non mainstream schools
Cathy Burnham	90349	Behaviour Support	192,540	192,540	181,903	75,196	257,099	-10,637	Buy back income from non mainstream schools
Caroline Corcoran	90583	CLA/MPA Licences	122,410	122,410	122,409		122,409	-1	
Caroline Corcoran	90743	Admissions	182,890	180,190	180,323	81,871	262,194	-2,567	Supplies and Services underspend
<b>Schools Block Total</b>			<b>65,464,140</b>	<b>65,461,440</b>	<b>65,091,143</b>	<b>272,266</b>	<b>65,363,409</b>	<b>-372,997</b>	
Ian Pearson	90010	Nursery Schools	808,730	749,730	751,200		751,200	-57,530	Actual hours of provision less than budget
Avril Allenby	90017	Early Years Support Team	47,680	54,330	50,579	35,535	86,114	2,899	
Avril Allenby	90018	Expenditure on 2 year olds	810,000	617,800	479,971		479,971	-330,029	Actual hours of provision less than budget
Avril Allenby	90036	Early Years Funding for PVI	4,673,650	4,281,550	4,491,803		4,491,803	-181,847	Actual hours of provision less than budget
Ian Pearson	90037	Early Yrs Funding Maintained Sector	1,080,100	1,070,220	1,071,529		1,071,529	-8,571	
Avril Allenby	90052	Early Years PFG & Deprivation Funding	209,590	51,410	22,781		22,781	-186,809	Minimal take up of premium
<b>Early Years Block Total</b>			<b>7,629,750</b>	<b>6,825,040</b>	<b>6,867,863</b>	<b>35,535</b>	<b>6,903,398</b>	<b>-761,887</b>	
Nicola Ponton	90026	Academy Schools RU Top Ups	419,730	419,730	418,346		418,346	-1,384	Demand led
Nicola Ponton	90539	Special Schools - Top Up Funding	2,730,940	2,865,940	2,815,857		2,815,857	84,917	Demand led plus increase in number of places funded.
Nicola Ponton	90548	Non WBC Special Schools - Top Up Funding	735,240	1,085,240	1,067,954		1,067,954	332,714	Placements in Thames Vallet Free School - less cost than NMSS/SP
Nicola Ponton	90575	Non LEA Special School (OfA)	905,320	827,100	829,669		829,669	-75,651	In year placement adjustments
Nicola Ponton	90579	Independent Special School Place & Top Up	1,583,850	1,550,100	1,527,967		1,527,967	-55,883	In year placement adjustments
Nicola Ponton	90580	Further Education Colleges Top Up	990,040	949,050	937,842		937,842	-52,198	Achieved through negotiations with Colleges by the SEN Team
Nicola Ponton	90617	Resourced Units top up Funding maintained	329,230	339,230	341,228		341,228	11,998	Demand led
Nicola Ponton	90618	Non WBC Resourced Units - Top Up Funding	27,860	44,240	36,768		36,768	8,908	Demand led
Nicola Ponton	90621	Mainstream - Top Up Funding maintained	459,980	481,980	477,633		477,633	17,653	Demand led
Nicola Ponton	90622	Mainstream - Top Up Funding Academies	213,240	183,240	181,648		181,648	-31,592	Demand led
Nicola Ponton	90624	Non WBC Mainstream - Top Up Funding	62,150	68,160	77,129		77,129	14,979	Demand led
Cathy Burnham	90625	Pupil Referral Units - Top Up Funding	1,061,000	1,261,000	1,267,764		1,267,764	206,764	Increase in number of Pupils funded by LA
Cathy Burnham	90626	Non WBC PRU - top up funding			11,800		11,800	11,800	Placement at Phenix College
Nicola Ponton	90627	Disproportionate No. of HN Pupils NEW	50,000	88,000	87,966		87,966	37,966	Demand led.
<b>High Needs Block: Top Up Funding Total</b>			<b>9,568,580</b>	<b>10,163,010</b>	<b>10,079,571</b>	<b>0</b>	<b>10,079,571</b>	<b>510,991</b>	
Cathy Burnham	90320	Pupil Referral Units	840,000	840,000	840,000		840,000	0	
Ian Pearson	90540	Special Schools	2,860,000	2,860,000	2,860,000		2,860,000	0	
Nicola Ponton	90584	Resourced Units - Place Funding (70)	500,000	500,000	500,000		500,000	0	
<b>High Needs Block: Place Funding Total</b>			<b>4,200,000</b>	<b>4,200,000</b>	<b>4,200,000</b>	<b>0</b>	<b>4,200,000</b>	<b>0</b>	
Rhian Ireland	90238	Sen Pre School Childrn	50,210	60,210	55,888	19,923	75,811	5,678	High number of complex children attending for more hours
Nicola Ponton	90240	Applied Behaviour Analysis	110,730	79,730	75,193		75,193	-35,537	In year placement adjustments
Rhian Ireland	90280	Spec Needs Spprt Team	261,950	258,950	259,246	145,128	404,374	-2,704	
Jane Seymour	90290	Sensory Impairment	227,440	244,060	244,083		244,083	16,643	Demand for visits from RBWM Sensory Consortium Service
Jane Seymour	90295	Therapy Services	315,430	324,430	324,932		324,932	9,502	Additional support for some children at Castle School.
Cathy Burnham	90315	Home Tuition	300,000	328,000	338,487		338,487	38,487	Increased number of students being supported .
Rhian Ireland	90555	LAL Funding	134,600	134,600	134,600		134,600	0	
Nicola Ponton	90565	Equipment For SEN Pupils	20,000	25,000	20,535		20,535	535	
Jane Seymour	90577	SEN Commissioned Provision (engaging Potential)	540,260	502,830	495,274	182,175	677,449	-44,986	Recharge to Other LA re one placement.
Cathy Burnham	90582	PRU Outreach	117,000	117,000	117,000		117,000	0	
Jane Seymour	90585	HN Outreach Special Schools	70,000	70,000	70,000		70,000	0	
Nicola Ponton	90610	Hospital Tuition	0	19,360	19,363		19,363	19,363	Specialist Hospital Tuition for WBC pupils
Rhian Ireland	90830	ASD Teachers	135,490	133,490	133,035	52,731	185,766	-2,455	
Rhian Ireland	90957	Early Intervention	0	0	0		0	0	
Cathy Burnham	90961	Vulnerable Children	60,000	60,000	58,836		58,836	-1,164	
Rhian Ireland	90965	SEN Inclusion Programme	29,320	24,820	23,764	13,132	36,896	-5,556	
<b>High Needs Block: Central Funding Total</b>			<b>2,372,430</b>	<b>2,382,480</b>	<b>2,370,236</b>	<b>413,089</b>	<b>2,783,325</b>	<b>-2,194</b>	
<b>High Needs Block Total</b>			<b>16,141,010</b>	<b>16,745,490</b>	<b>16,649,806</b>	<b>413,089</b>	<b>17,062,895</b>	<b>508,796</b>	
<b>Total Expenditure All Funding Blocks</b>			<b>89,234,900</b>	<b>89,031,970</b>	<b>88,608,812</b>	<b>720,890</b>	<b>89,329,702</b>	<b>-626,088</b>	
<b>Support Service Recharges</b>			<b>720,890</b>	<b>720,890</b>	<b>720,890</b>	<b>-720,890</b>	<b>0</b>	<b>0</b>	
<b>TOTAL DSG EXPENDITURE</b>			<b>89,955,790</b>	<b>89,752,860</b>	<b>89,329,702</b>	<b>0</b>	<b>89,329,702</b>	<b>-626,088</b>	
Ian Pearson	90030	DSG Grant Account	-89,955,790	-89,955,790	-89,582,526		-89,582,526	373,264	EY block actual lower than budgeted, plus planned overspend on HN block
<b>NET DSG EXPENDITURE</b>			<b>0</b>	<b>-202,930</b>	<b>-252,824</b>	<b>0</b>	<b>-252,824</b>	<b>-252,824</b>	