

Dedicated Schools Grant Monitoring Report

2016/17 – Month 10

Report being considered by: Schools Forum

On: 6/03/2017

Report Author: Ian Pearson

Item for: Information By: All Forum Members

1. Purpose of the Report

- 1.1 This report sets out the current financial position of the services funded by the Dedicated Schools Grant (DSG), highlighting any under or over spends.

2. Recommendation(s)

- 2.1 That the report be noted.

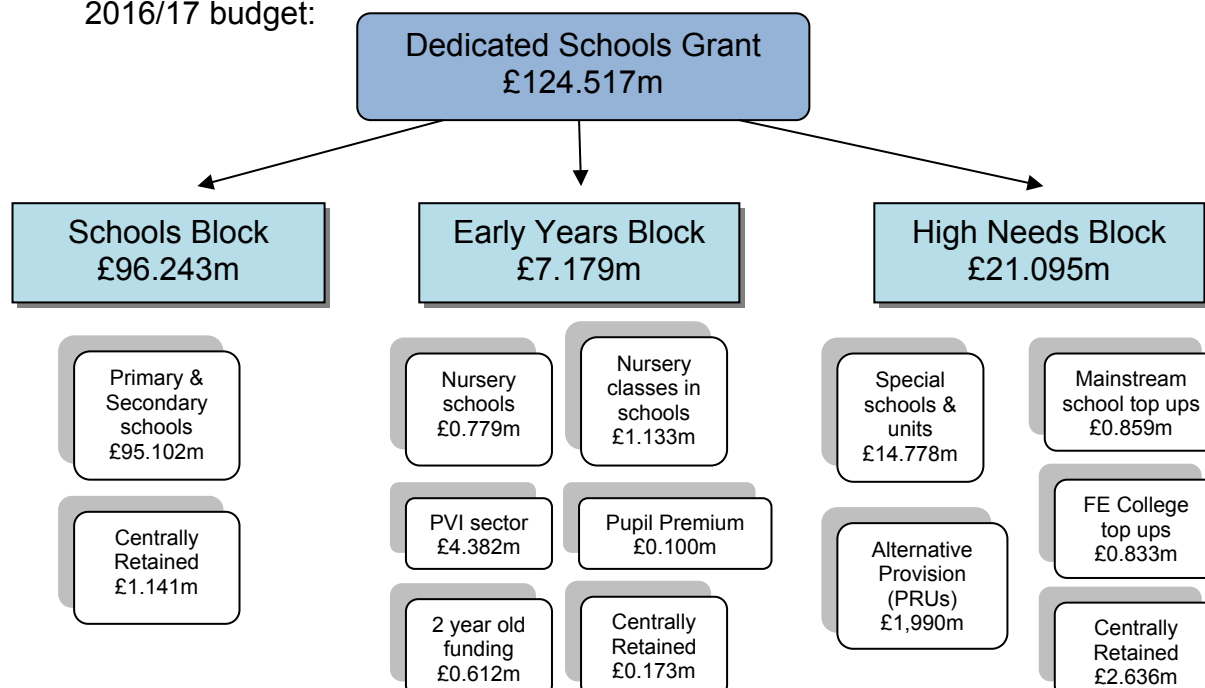
Will the recommendation require the matter to be referred to the Council or the Executive for final determination?

Yes: ☐

No: ☒

3. Background

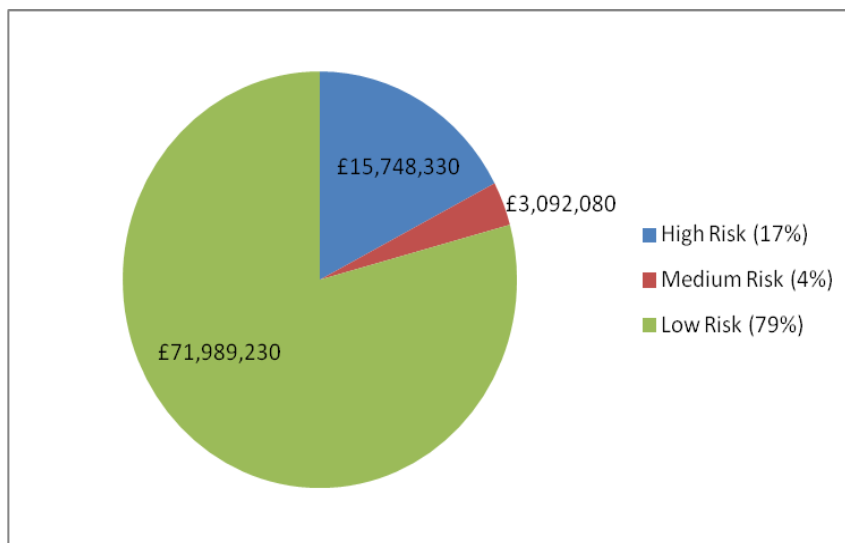
- 3.1 The Dedicated Schools Grant (DSG) is a ring fenced specific grant which can only be spent on school/pupil activity as set out in The School and Early Years Finance (England) Regulations 2015.
- 3.2 The grant is split into three funding blocks. Although separate allocations are received for each, the blocks themselves are not ring fenced.
- 3.3 The following diagram shows what is funded out of each of the three blocks in the 2016/17 budget:



Notes:

1. The figures above include expected carry forward of grant totalling £1,254m. The actual in-year grant allocation is £123.263m
2. The main centrally retained services are:
Schools Block – licences for all schools, growth fund for schools, school admissions service
Early Years Block – quality monitoring & compliance, eligibility checking, sufficiency & sustainability planning
High Needs Block – ASD advisory support, Home Tuition, Engaging Potential, therapy services, sensory impairment support, inclusion support, applied behaviour support, vulnerable children support, early intervention
3. The figures include funding to Academies and post 16 high needs place funding which form part of our allocation but not our budget as they are paid direct by the EFA – this totals £33,687k.

- 3.4 Overspends, unless funded from outside the DSG, are carried forward and top sliced from the following year's DSG allocation. Under spends must be carried forward to support the school's budget in future years.
- 3.5 The Authority and Schools' Forum are responsible for ensuring that the DSG is deployed correctly according to the Regulations, and monitoring of spend against the grant needs to take place regularly to enable decision making on overspends/underspends and to inform future year budget requirements.
- 3.6 The following chart illustrates the proportion and value of the DSG budget that is volatile and high risk due to regulations requiring funding to follow the pupil according to their individual needs (top up funding, early years funding), and where increases are largely outside the control of officers:



Medium risk relates mainly to contracts with external providers where the charge may vary or where staffing budgets may vary, and low risk is for budgets such as school delegated funding and high needs place funding which is fixed and will not vary at all in year.

4. Monitoring Position as at Month 10 (31 January 2017)

- 4.1 The forecast under or over spend position at the end of January is shown in Table 1 below. A more detailed position per cost centre is shown in Appendix A.

Table 1

DSG Block	Total Net Budget	Forecast (under) / over spend					Change from last report
		Month Three	Month Five	Month Seven	Month Nine	Month Ten	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Schools Block (inc ISB)	66,043	0	0	0	0	0	0
Early Years Block	7,147	0	0	140	140	140	0
High Needs Block	16,919	0	0	-202	-333	-183	150
Total Net Expenditure	90,109	0	0	-62	-193	-43	150
Support Service Recharges	721	0	0	0	0	0	0
Total Expenditure	90,830	0	0	-62	-193	-43	150
DSG Grant Expected	-90,830	697	1,000	1,000	1,000	1,000	0
Net Position	0	697	1,000	938	807	957	150

- 4.2 The forecast over spend on DSG grant income expected is partly (£697k) as per the decision made by the Schools' Forum when the budget was set in March 2016 to allocate out more grant than that expected to enable the continuation of some key high needs services. This decision was taken after consideration of the two year position whereby it was forecast that the 2016/17 overspend can be met from the 2017/18 DSG allocation, assuming costs overall do not significantly increase and our DSG allocation remains at a similar level.
- 4.3 The remaining £303k variance on grant income is due to the January 2016 early years PVI census returning a lower number than that estimated in the budget. This was notified to the local authority in July 2016 and has resulted in a claw back of funding relating to 2015/16 (91k), and a lower estimate of funding for 2016/17.
- 4.4 The final DSG grant position for the financial year won't be known until after the January 2017 census, when the early years block DSG can be forecast based on the census count. It is likely that the grant will reduce further (by approximately £60k) due to lower numbers of early years pupil.
- 4.5 There are further variances occurring in expenditure budgets. The highlights for each block are summarised in the following paragraphs.

5. Schools Block

- 5.1 Although not shown in Table 1, the Schools Block is expected to under spend by approximately £300k on the growth and falling rolls fund. Rather than carry this forward and add to next year's fund, this is to be allocated out to primary and secondary schools via the formula in 2017/18. All other budgets are expected to be on-line, with any under or over spend's in the de-delegated services (including the primary schools in financial difficulty budget), being ring fenced and carried forward to 2017/18, not impacting on the overall position of the DSG. There may be variations on the delegated primary and secondary budgets due to rating revaluations, but this will not be significant and will be offset by John O'Gaunt's transfer to Academy and receiving charitable relief on their rates bill.

6. Early Years Block

- 6.1 The early years block is difficult to predict due to the volatile nature of both early years block funding (the final grant allocation will be determined by the January 2017 census), and payments to providers (payments are made according to actual number of hours of provision each term). Summer term payments to providers were greater than budgeted, but lower numbers in the autumn and spring terms have helped mitigate this position, with an overall over spend of £180k on two, three and four year old payments. The indications from spring payments made so far are that this overspend will not increase.

7. High Needs Block

- 7.1 The High Needs Block is currently showing an under spend of just £43k. Although there has been a reduction of over £300k in top up budgets and £43k in centrally provided services, this has now been offset by a large overspend in the PRU top up budgets, mainly due to the increase in placements, in particular post 16 which is met in full from the high needs block. Although savings have been made in some central services such as Engaging Potential and therapy services, there are pressures in home tuition and charges for hospital tuition (in private settings).

8. Conclusion

- 8.1 The position outlined in this report will be used in the calculation of 2017/18 budgets, though due to the unpredictability of many of these services, the position could change again before year end.

9. Appendices

Appendix A – DSG 2016-17 Budget Monitoring Report Month 10

Dedicated School's Grant (DSG) 2016-17 Budget Monitoring Month 10								
Budget manager	Cost Centre	Description	Original Budget	Net Virements in year	Amended Budget	Forecast	Variance	Comments
Ian Pearson	90019	DSG Servicing of Schools' Forum	42,220		42,220	42,220	0	
Ian Pearson	90020	Primary Schools	47,945,750		47,945,750	47,945,750	0	
Ian Pearson	90025	Secondary Schools	16,477,900	-964,730	15,513,170	15,513,170	0	
Maxine Slade	90035	LAC Pupil Premium	0		0	0	0	
Ian Pearson	90038	Pupil Premium -	0		0	0	0	
Rob O'Reilly	90112	Special Costs Primary - closed	34,790	-34,790	0	0	0	
Rob O'Reilly	90117	Special Costs Secondary - closed	11,970	-11,970	0	0	0	
Rob O'Reilly	90113	Trade Union Costs - New	0	46,760	46,760	46,760	0	
Ian Pearson	90230	Schools in Financial Difficulty	117,320	215,280	332,600	332,600	0	
Ian Pearson	90235	School Delegated Contingency	290,000	143,920	433,920	433,920	0	
Ian Pearson	90236	Managed Moves/Exclusions	0		0	0	0	
Maxine Slade	90255	Virtual School Service	229,130	3,150	232,280	232,280	0	
Cathy Burnham	90349	Behaviour Support - DSG	203,890	10,640	214,530	214,530	0	
Caroline Corcoran	90583	CLA/MFA Licences	126,780		126,780	126,780	0	
Caroline Corcoran	90743	Admissions	190,400		190,400	190,400	0	
		Schools Block Total	65,670,150	-591,740	65,078,410	65,078,410	0	
Ian Pearson	90010	Nursery Schools	779,380		779,380	779,380	0	
Avril Allenby	90017	Early Years Support Team	95,960		95,960	95,960	0	
Avril Allenby	90018	Expenditure on 2 year olds	611,450		611,450	671,450	60,000	Based on Summer & Autumn Term Payments plus Spring Term Estimate
Avril Allenby	90036	Early Years Funding for PVI	4,382,000		4,382,000	4,452,000	70,000	Based on Summer & Autumn Term Payments plus Spring Term Estimate
Ian Pearson	90037	Early Yrs Funding Maintained Sector	1,133,080		1,133,080	1,183,080	50,000	Based on Summer and Autumn Term Payments
Avril Allenby	90052	Early Years FPG & Deprivation Funding	100,000		100,000	60,000	-40,000	Based on Summer & Autumn Term Payments plus Spring Term Estimate
Rhian Ireland	90287	Pre School Teacher Councelling	45,000		45,000	45,000	0	
		Early Years Block Total	7,146,870	0	7,146,870	7,286,870	140,000	
Nicola Ponton	90026	Academy Schools RU Top Ups	546,760		546,760	483,100	-63,660	Fewer EHC Plans requiring Top Up Funding
Nicola Ponton	90539	Special Schools - Top Up Funding	3,142,550		3,142,550	3,123,190	-19,360	Based on current demand
Nicola Ponton	90548	Non WBC Special Schools - Top Up Funding	1,068,100		1,068,100	919,580	-148,520	Alternative settings used due to TVFS being full.
Nicola Ponton	90575	Non LEA Special School (OofA)	750,950		750,950	805,080	54,130	Based on current demand
Nicola Ponton	90579	Independent Special School Place & Top Up	1,683,500		1,683,500	1,639,100	-44,400	Increased savings for month 10 due to late starters
Nicola Ponton	90580	Further Education Colleges Top Up	832,650		832,650	783,710	-48,940	Reduced costs negotiated by SEN Team. Change for month 10 due to 2 new placements
Nicola Ponton	90617	Resourced Units top up Funding Maintained	367,910		367,910	303,260	-64,650	Lower number of pupils than budgeted
Nicola Ponton	90618	Non WBC Resourced Units - Top Up Funding	50,000		50,000	39,150	-10,850	One Pupil less than in budget.
Nicola Ponton	90621	Mainstream - Top Up Funding maintained	480,420		480,420	526,410	45,990	Increased Top Up funding for Nursery places.
Nicola Ponton	90622	Mainstream - Top Up Funding Academies	184,790		184,790	184,790	0	Based on current demand
Nicola Ponton	90624	Non WBC Mainstream - Top Up Funding	66,220		66,220	74,130	7,910	Additional pupils
Cathy Burnham	90625	Pupil Referral Units - Top Up Funding	1,033,340		1,033,340	1,198,340	165,000	Pupils placed from other Specialist SEN Settings and Post 16 places not funded by School Contribution. High number of pupils placed with 'Exceptional' Banding.
Nicola Ponton	90627	Disproportionate No. of HN Pupils NEW	127,690		127,690	115,020	-12,670	Based on Summer & Autumn Term Actuals plus a Spring Term Estimate.
		High Needs Block: Top Up Funding Total	10,334,880	0	10,334,880	10,194,860	-140,020	
Cathy Burnham	90320	Pupil Referral Units	840,000		840,000	840,000	0	
Ian Pearson	90540	Special Schools	2,860,000		2,860,000	2,860,000	0	
Nicola Ponton	90584	Resourced Units - Place Funding (70)	470,830		470,830	470,830	0	
		High Needs Block: Place Funding Total	4,170,830	0	4,170,830	4,170,830	0	
Rhian Ireland	90238	Sen Pre School Childrn	50,210		50,210	44,210	-6,000	Unexpected low uptake in the Autumn Term
Nicola Ponton	90240	Applied Behaviour Analysis	76,130		76,130	82,130	6,000	Based on current demand.
Rhian Ireland	90280	Cognitive and Learning Team	300,280	-27,840	272,440	272,440	0	
Rhian Ireland	90288	Elective Home Education Monitoring - New	0	27,840	27,840	24,840	-3,000	Exam Grant uptake from parents lower than expected.
Jane Seymour	90289	Learning Independence for Travel	40,000		40,000	16,060	-23,940	Recruitment to post later than expected.
Jane Seymour	90290	Sensory Impairment	238,800		238,800	205,120	-33,680	Due to Joint Arrangement costs negotiations.
Jane Seymour	90295	Therapy Services	324,430		324,430	293,460	-30,970	Underspend of £8.5k in relation to FY 2014/15
Cathy Burnham	90315	Home Tuition	300,000		300,000	365,000	65,000	Due to Contract negotiations.
Rhian Ireland	90555	LAL Funding	116,200		116,200	116,200	0	Due to high numbers of pupils increase in 'Supply Teachers' costs.
Nicola Ponton	90565	Equipment For SEN Pupils	20,000		20,000	17,640	-2,360	
Jane Seymour	90577	SEN Commissioned Provision	540,260		540,260	502,830	-37,430	Based on current demand
Cathy Burnham	90582	PRU Outreach	117,000		117,000	117,000	0	One place funded by another LA
Jane Seymour	90585	HN Outreach Special Schools	70,000		70,000	70,000	0	
Nicola Ponton	90610	Hospital Tuition	20,000		20,000	45,000	25,000	Based on an estimate for demand.
Rhian Ireland	90830	ASD Teachers	139,720		139,720	137,720	-2,000	Employees Savings
Cathy Burnham	90961	Vulnerable Children	60,000		60,000	60,000	0	
		High Needs Block: Non Top Up or Place Funding	2,413,030	0	2,413,030	2,369,650	-43,380	
		High Needs Block Total	16,918,740	0	16,918,740	16,735,340	-183,400	
		Total Expenditure across funding blocks	89,735,760	-591,740	89,144,020	89,100,620	-43,400	
		SUPPORT SERVICE RECHARGES	720,890		720,890	720,890	0	
		TOTAL DSG EXPENDITURE	90,456,650	-591,740	89,864,910	89,821,510	-43,400	