

Dedicated Schools Grant Monitoring Report

2017/18 – Month 9

Report being considered by: Schools Forum

On: 22/1/2018

Report Author: Ian Pearson

Item for: Discussion 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.

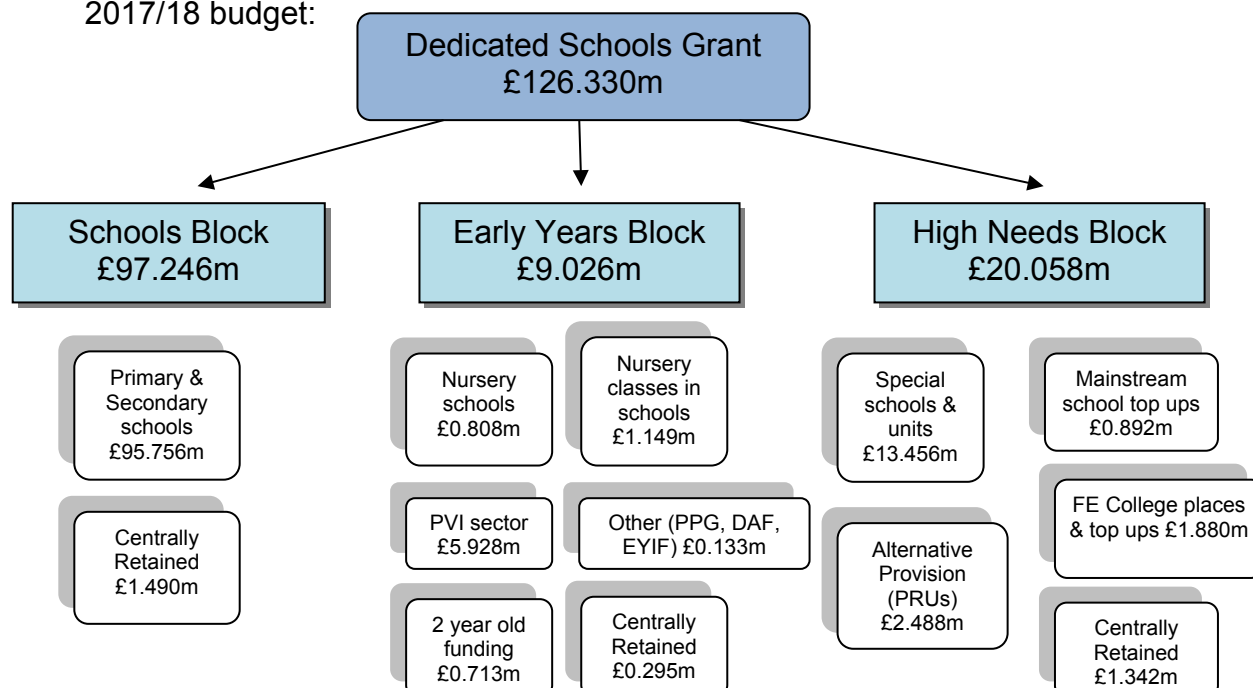
Will the recommendation require the matter to be referred to the Council or the Executive for final determination?

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 2017.
- 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 2017/18 budget:



Notes:

1. The figures above include expected net overspend of grant totalling £0.426m. The actual in-year grant allocation is £125.904m
 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 £35,020k.
- 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.

4. Monitoring Position as at Month 6 (30 September 2017)

- 4.1 The forecast under or over spend position at the end of September 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 Six	Month Seven	Month Nine	Month Ten	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Schools Block (inc ISB)	64,286	0	0	0	-16		-16
Early Years Block	8,983	0	0	0	-12		-12
High Needs Block	17,518	0	11	10	35		+25
Total Net Expenditure	90,787	0	11	10	7		-3
Support Service Recharges	523	0	0	0	0		0
Total Expenditure	91,310		0	0	7		-3
DSG Grant Expected	-90,506	0	0	0	0		0
Net Position	804	0	11	10	7		-3

- 4.2 The budgeted over spend of £844k on DSG in 2017/18 was approved by the Schools' Forum in March 2017, after consideration of the three year position, as it was forecast that the over spend could be paid back over two years (assuming costs overall do not significantly increase and our DSG allocation remains at a similar level). The budgeted overspend in 2017/18 has now been reduced by £40k to £804k, because the final amount of grant brought forward from 2016/17 was £80k higher than expected, but this was offset by the claw back of 2016/17 early years funding and other minor adjustments made by the DfE in July 2017.
- 4.3 Explanations for variances per funding block are summarised in the following paragraphs.

5. Schools Block

- 5.1 Table 2 sets out the current position of the Schools Block. The main risk of over spend in this block is in relation to business rates (as schools are funded according to their actual rates bill) and there is a small budgeted overspend due to the 2016/17 carry forward of over spend arising from rating revaluations during the year. Expenditure in the schools block is now forecast to be under spent by £16,000 because of vacancy savings which have arisen in the Education Welfare Team.

Table 2 – Schools Block

	Current Budget £	Current Forecast £	Variance £
Expenditure	64,286,490	64,270,490	-16,000
Support services	333,800	333,800	0
Schools Block DSG	-64,593,080	-64,593,080	0
Net Position	27,210	11,210	-16,000

6. Early Years Block

- 6.1 Table 3 sets out the current position of the early years block. 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 2018 census), and payments to providers (payments are made according to actual number of hours of provision each term). The budgeted overspend is due to last year's grant not meeting the payments made to providers, and is planned to be repaid over a three year period.

Table 3 – Early Years Block

	Current Budget £	Current Forecast £	Variance £
Expenditure	8,982,690	8,970,690	-12,000
Support services	43,690	43,690	0
EY Block DSG	-8,739,610	-8,739,610	0
Net Position	286,770	274,770	-12,000

- 6.2 Summer term and autumn term payments have now been made to providers and these are in line with the budget set. At month 9, a small under spend is forecast due to lower than expected take up of the early years inclusion fund. However, there is still a strong possibility that further variances may arise before year end, as a result of spring term payments and funding changes following the January 2018 census.

7. High Needs Block

- 7.1 Table 4 sets out the current position of the High Needs Block.

Table 4 – High Needs Block

	Current Budget £	Current Forecast £	Variance £
Expenditure	17,517,790	17,552,410	34,620
Support services	145,640	145,640	0
HN Block DSG	-17,172,790	-17,172,790	0
Net Position	490,640	525,260	34,620

- 7.2 Forecast spend in the High Needs Block has increased by £24k since month 7. This is mainly due to an increase in top up payments to mainstream schools, resourced units, West Berkshire and Non West Berkshire special schools. As in month 7 a variance of 11k is still forecast in respect of the Sensory Consortium because of additional pupils with HI or VI who have either moved in to the area or who have moved from specialist to mainstream provision.
- 7.3 It is also expected that the budget for PRU top-ups will be overspent at year end because of an increase in the number of places taken up at the i-College, but it is not yet possible to estimate the level of overspend, because the split of funding of those places between schools and the Local Authority has not yet been calculated.

8. Conclusion

- 8.1 As at the end of month 9, an over spend of £35k is forecast in the High Needs Block, which is offset by forecast savings in the Schools and Early Year's block. This gives an overall forecast overspend of £7k, which is a small reduction from the overspend forecast at month 7. However it is expected that the over spend on the High Needs Block will increase by year end and there is also strong possibility that further variances may arise in the spring term on the budgets for early years payments and early years funding.

9. Appendices

Appendix A – DSG 2017-18 Budget Monitoring Report Month 9

Dedicated School's Grant (DSG) 2017-18 Budget Monitoring Month 9								
Budget manager	Cost Centre	Description	Original Budget 2017-18	Net Virements in year	Amended Budget 2017-18	Forecast	Variance	Comments
Ian Pearson	90020	Primary Schools (excluding nursery funding)	47,293,060		47,293,060	47,293,060	0	
Ian Pearson	DSG top slice	Academy Schools Primary	0		0	0	0	
Ian Pearson	90025	Secondary Schools (excluding 6th form funding)	14,544,690		14,544,690	14,544,690	0	
Maxine Slade	DSG top slice	Academy Schools Secondary	0		0	0	0	
Ian Pearson	90230	DD - Schools in Financial Difficulty (primary schools)	119,980	194,670	314,650	314,650	0	
Rob O'Reilly	90113	DD - Trade Union Costs	44,040		44,040	44,040	0	
Hazel Davies	90255	DD - Support to Ethnic minority & bilingual Learners	210,580	41,450	252,030	252,030	0	
Michelle Sancho	90349	DD - Behaviour Support Services	193,860	23,330	217,190	217,190	0	
Ian Pearson	90424	DD - CLEAPSS	2,980		2,980	2,980	0	
Elaine Ricks-Neal	90470	DD - School Improvement	223,240		223,240	223,240	0	
Ian Pearson	90423	DD - Statutory & Regulatory Duties	144,200		144,200	144,200	0	
Ian Pearson	90235	School Contingency - Growth Fund/Falling Rolls Fund	202,000		202,000	202,000	0	
Ian Pearson	90583	National Copyright Licences	128,940		128,940	128,940	0	
Ian Pearson	90019	Servicing of Schools Forum	42,240		42,240	42,240	0	
Ian Pearson	90743	School Admissions	236,460		236,460	236,460	0	
Linda Curtis	90354	ESG - Education Welfare	224,810		224,810	208,810	-16,000	Employee savings
Ian Pearson	90422	ESG - Asset Management	54,030		54,030	54,030	0	
Ian Pearson	90460	ESG - Statutory & Regulatory Duties	361,930		361,930	361,930	0	
		Schools Block Total	64,027,040	259,450	64,286,490	64,270,490	-16,000	
Ian Pearson	90010	Early Years Funding - Nursery Schools	807,540		807,540	807,540	0	
Avril Allenby	90037	Early Years Funding - Maintained Schools	1,148,970		1,148,970	1,148,970	0	
Avril Allenby	90036	Early Years Funding - PVI Sector	5,928,090		5,928,090	5,928,090	0	
Ian Pearson	90052	Early Years PPG & Deprivation Funding	39,900		39,900	39,900	0	
Avril Allenby	90051	Disability Access Fund	18,450		18,450	18,450	0	
Avril Allenby	90018	2 year old funding	713,430		713,430	713,430	0	
Avril Allenby	90017	Central Expenditure on Children under 5	206,310		206,310	206,310	0	
Rhian Ireland	90287	Pre School Teacher Counselling	45,000		45,000	45,000	0	
Rhian Ireland	90238	Early Years Inclusion Fund	75,000		75,000	63,000	-12,000	Uptake lower than expected
		Early Years Block Total	8,982,690	0	8,982,690	8,970,690	-12,000	
Nicola Ponton	90026	Academy Schools RU Top Ups	768,370		768,370	768,370	0	
Nicola Ponton	90539	Special Schools - Top Up Funding	3,237,280		3,237,280	3,250,680	13,400	Based on current demand
Nicola Ponton	90548	Non WBC Special Schools - Top Up Funding	1,086,890		1,086,890	1,062,910	-23,980	Two Pupils changed setting
Nicola Ponton	90575	Non LEA Special School (OofA)	891,130		891,130	808,920	-82,210	Based on current demand
Nicola Ponton	90579	Independent Special School Place & Top Up	2,012,700		2,012,700	2,022,700	10,000	Based on current demand
Nicola Ponton	90580	Further Education Colleges Top Up	1,309,980		1,309,980	1,293,670	-16,310	Expected demand
Nicola Ponton	90617	Resourced Units top up Funding maintained	202,620		202,620	235,040	32,420	Based on current demand
Nicola Ponton	90618	Non WBC Resourced Units - Top Up Funding	55,000		55,000	107,170	52,170	Two Pupils changed setting
Nicola Ponton	90621	Mainstream - Top Up Funding maintained	534,010		534,010	557,280	23,270	Based on current demand
Nicola Ponton	90622	Mainstream - Top Up Funding Academies	191,410		191,410	199,200	7,790	Based on current demand
Nicola Ponton	90624	Non WBC Mainstream - Top Up Funding	66,960		66,960	74,520	7,560	Based on current demand
Michelle Sancho	90625	Pupil Referral Units - Top Up Funding	875,870		875,870	875,870	0	
Nicola Ponton	90627	Disproportionate No: of HN Pupils NEW	100,000		100,000	100,000	0	
		High Needs Block: Top Up Funding Total	11,332,220	0	11,332,220	11,356,330	24,110	
Michelle Sancho	90320	Pupil Referral Units	735,000		735,000	735,000	0	
Ian Pearson	90540	Special Schools	2,860,000		2,860,000	2,860,000	0	
Nicola Ponton	90584	Resourced Units - Place Funding (70)	350,000		350,000	350,000	0	
		High Needs Block: Place Funding Total	3,945,000	0	3,945,000	3,945,000	0	
Nicola Ponton	90240	Applied Behaviour Analysis	76,000		76,000	77,920	1,920	
Rhian Ireland	90280	Spec Needs Spprt Team	311,840		311,840	311,840	0	
Rhian Ireland	90287	Pre School Teacher Counselling	40,000		40,000	40,000	0	
Rhian Ireland	90288	Elective Home Education Monitoring	27,660		27,660	23,660	-4,000	Exam Grant uptake from parents lower than expected.
Jane Seymour	90290	Sensory Impairment	215,710		215,710	227,040	11,330	Additional visits required due to need.
Jane Seymour	90295	Therapy Services	267,460		267,460	271,090	3,630	Based on current need
Michelle Sancho	90315	Home Tuition	345,000		345,000	345,000	0	
Rhian Ireland	90555	LAL Funding	116,200		116,200	116,200	0	
Nicola Ponton	90565	Equipment For SEN Pupils	10,000		10,000	10,000	0	
Jane Seymour	90577	SEN Commissioned Provision	455,160		455,160	462,790	7,630	Building Maintenance costs
Michelle Sancho	90582	PRU Outreach	77,000		77,000	77,000	0	
Jane Seymour	90585	HN Outreach Special Schools	50,000		50,000	50,000	0	
Nicola Ponton	90610	Hospital Tuition	45,000		45,000	35,000	-10,000	Based on an estimate for demand.
Rhian Ireland	90830	ASD Teachers	139,560		139,560	139,560	0	
Michelle Sancho	90961	Vulnerable Children	40,000	23,980	63,980	63,980	0	
		High Needs Block: Non Top Up or Place Funding	2,216,590	23,980	2,240,570	2,251,080	10,510	
		High Needs Block Total	17,493,810	23,980	17,517,790	17,552,410	34,620	
		Total Expenditure across funding blocks	90,503,540	283,430	90,786,970	90,793,590	6,620	
		SUPPORT SERVICE RECHARGES	523,130		523,130	523,130	0	
		TOTAL DSG EXPENDITURE	91,026,670	283,430	91,310,100	91,316,720	6,620	