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# DSG Outturn 2017/18 and Carry Forward to 2018/19

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**Report being considered by:** Schools Forum on 16<sup>th</sup> July 2018

**Report Author:** Wendy Howells

**Item for:** Recommendation    **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 2017/18, explaining the main variances and to propose the amounts to be carried forward to 2018/19

## 2. Recommendation

- 2.1 To approve the overall carry forward, and the utilisation of the unspent DSG funds being carried forward from 2017/18 to 2018/19 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 Schools Forum has already considered the DSG outturn which set out the year end DSG position for each block and explained the variances.
- 3.2 Schools Forum will now consider the recommendations made by Heads Funding Group on the 3<sup>rd</sup> July in relation to the de-delegation un-utilised carried forward amounts and the £100k proposal to invest to save High Needs funding.

## 4. Year End Position – Summary

- 4.1 Table 1 shows the year end position including variances to the final budget.

Table 1 - 2017/18 Year End Outturn - Breakdown by Funding Block						
Funding Block	Original Budget for Year	Virements	Final Budget for Year	Actual (period 13)	Variance	
<b>Schools Block</b>						
Expenditure	64,027,040	259,450	64,286,490	63,846,712	-439,778	
SSRs	333,800	0	333,800	333,800	0	
Total Expenditure	64,360,840	259,450	64,620,290	64,180,512	-439,778	
Grant	-64,360,840	-232,710	-64,593,550	-64,593,548	2	
<b>Net Position (planned carry forward)</b>	<b>0</b>	<b>26,740</b>	<b>26,740</b>	<b>-413,036</b>	<b>-439,776</b>	
<b>Early Years Block</b>						
Expenditure	8,982,690	0	8,982,690	8,452,978	-529,712	
SSRs	43,690	0	43,690	43,690	0	
Total Expenditure	9,026,380	0	9,026,380	8,496,668	-529,712	
Grant	-8,766,180	23,470	-8,742,710	-8,378,718	363,992	
<b>Net Position (planned carry forward)</b>	<b>260,200</b>	<b>23,470</b>	<b>283,670</b>	<b>117,950</b>	<b>-165,720</b>	
<b>High Needs Block</b>						
Expenditure	17,493,810	23,980	17,517,790	17,336,212	-181,578	
SSRs	145,640	0	145,640	145,640	0	
Total Expenditure	17,639,450	23,980	17,663,430	17,481,852	-181,578	
Grant	-17,055,470	-117,750	-17,173,220	-17,173,217	3	
<b>Net Position (planned carry forward)</b>	<b>583,980</b>	<b>-93,770</b>	<b>490,210</b>	<b>308,635</b>	<b>-181,575</b>	
<b>Total</b>						
Expenditure	90,503,540	283,430	90,786,970	89,635,902	-1,151,068	
SSRs	523,130	0	523,130	523,130	0	
Total Expenditure	91,026,670	283,430	91,310,100	90,159,032	-1,151,068	
Grant	-90,182,490	-326,990	-90,509,480	-90,145,483	363,997	
<b>Net Position (planned carry forward)</b>	<b>844,180</b>	<b>-43,560</b>	<b>800,620</b>	<b>13,549</b>	<b>-787,071</b>	

- 4.2 It should, however be noted that the “swing” in the Schools Block relates to de-delegation under spends which cannot be used to offset anything other than de-delegations and is not used for the setting of the overall DSG budget. For this reason the forecast at Month Ten for these budgets was set to on line. The situation was similar in 2016/17 where there was a similar under spend and therefore “swing” in the Schools Block where the de-delegations were under spent by £260k
- 4.3 Note that the final grant allocation for the Early Years Block is not notified by the Department for Education (DfE) until June/July as it is partly based on the January 2018 census. It is expected that there will be a further reduction in grant of approximately £364k; this adjustment has been accounted for in the 2017 outturn position for the Early Years Block.

## 5. Schools Block

- 5.1 A breakdown of the variances in the schools block is shown in Table 2:

TABLE 2	Final Budget £	Actual Spend £	Actual Variance £	Utilised for 2018/19 Budget	Unutilised Variance £
Primary schools in financial difficulty	314,650	55,551	-259,099	0	-259,099
Other de-delegated services	660,440	575,743	-84,697	50,990	-33,707
Growth fund/falling rolls fund	202,000	126,287	-75,713	0	-75,713
Maintained primary & Secondary school delegations	61,837,750	61,917,436	79,686	0	79,686
School improvement	223,240	149,830	-73,410	0	-73,410
Other centrally retained services	1,048,410	1,021,865	-26,545	0	-26,545
Support Service Recharges	333,800	333,800	0	0	0
<b>Total Expenditure</b>	<b>64,620,290</b>	<b>64,180,512</b>	<b>-439,778</b>	<b>50,990</b>	<b>-388,788</b>

Brought forward under spends from 2016/17 are included in the total actual variance. It has already been agreed by Schools Forum to utilise £38k and £13k of the 2016/17 brought forward variance in Ethnic and Minority Bilingual Learners and Behaviour Support respectively to reduce the cost to schools for these services in 2018/19. This reduces the overall amount of under spend available.

5.2 The options for utilising the unspent budgets are as follows:

- There is an option to use the under spend (as one off expenditure) in the current year's budget for each specific service.
- Alternatively the under spend can be used 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).
- Any carried forward over spends can be funded from the unspent budgets or carried forward to increase the charge to schools in 2019/20.

5.3 The following are the recommendations for utilising the unspent budgets

- For the Primary Schools in Financial Difficulty it is recommended that the unspent budget of £259,099 be added to the funding available in 2018/19 to help meet restructuring costs for schools in deficit – this would provide a total budget of £379,120.
- Support to Ethnic and Minority and Bilingual Learners - £35,170 – it is proposed to use this money to offset the cost to schools for this service in 2019/20 (this will be an approximate reduction of £50 per pupil)
- Behaviour Support - £4,500 – it is proposed to add this to the current year budget and utilise this in 2018/19.
- Growth Fund - £75,710 – it is proposed to roll this money into the budget already set for 2018/19 thereby increasing the budget to £277,710.
- School improvement - £73,410 – it is proposed to utilise £5,960 to offset the over spend in the Statutory and Regulatory Duties budget. School improvement is funded via a new school improvement grant and therefore the remainder of the under spend could be used to either fund additional school improvement services or increase the budget of any other de-

delegated service or be carried forward to the next funding period to reduce the cost of de-delegations in 2019/20. No further proposal was made in relation to the remaining under spend.

- Statutory and Regulatory Duties – (£5,960) is proposed to be covered by the school improvement under spend above.

## 6. Early Years Block

The explanations relating to Early Years has been the subject of the full report at the last Schools' Forum meeting and there is no carry forward under spend to consider.

## 7. High Needs Block

- 7.1 Table 5 summarises the outturn of the high needs block, listing separately both the high cost and demand led/unpredictable services.

<b>TABLE 3</b>	<b>Final Budget £</b>	<b>Actual Spend £</b>	<b>Actual Variance £</b>
<b>Place Funding</b>	3,945,000	3,945,000	0
<b>Top Up funding – WBC schools</b>	4,933,690	4,994,350	60,660
<b>Top up funding – non WBC schools</b>	4,112,680	3,906,715	-205,965
<b>Top up funding – Further Education</b>	1,309,890	1,155,852	-154,038
<b>Top up funding - PRUs</b>	875,870	1,086,906	211,036
<b>Disproportionate funding</b>	100,000	100,972	972
<b>Home Tuition</b>	345,000	320,100	-24,900
<b>Engaging Potential</b>	455,160	456,177	1,017
<b>Hospital Tuition</b>	45,000	1,646	-43,354
<b>Sensory Impairment</b>	215,710	221,312	5,602
<b>Therapy Services</b>	267,460	266,257	-1,203
<b>Vulnerable Children funding</b>	63,980	63,980	0
<b>Other centrally retained high needs budgets</b>	848,350	816,945	-31,405
<b>Support Service Recharges</b>	145,640	145,640	0
<b>Total Expenditure</b>	17,663,430	17,481,852	-181,578
<b>DSG Grant</b>	-17,173,220	-17,173,217	3
<b>Net Total to carry forward</b>	<b>490,210</b>	<b>308,635</b>	<b>-181,575</b>

- 7.2 The original 2017/18 budget set an over spend of £490k. At month 10 the forecast was for a net overspend of £565k, and this figure was assumed as needing to be met from the 2018/19 high needs block grant. The actual over spend position is £309k, which is £256k lower than expected.

- 7.3 As the 2018/19 high needs budget has been set with a £565k over spend, but the actual position is £256k better off therefore it is proposed to use £156k of this to reduce the deficit in 2018/19 and to utilise £100k in invest to save proposal(s) to lower the ongoing cost of the high Needs Block. A separate report details the

proposals and the recommendations from this report are as follows (the numbering follows the report numbering):

- 5.1 - £10k to be utilised as one off money for equipment for Resource Units and Nursery Schools. For future budgets this needs to be addressed via the budgeting process.
- 5.2 - £78.4k to be utilised on a training programme for behaviour leads in schools if the bid to the Strategic Schools Improvement Fund is unsuccessful. This would be a reduced programme to bring the cost within an affordable budget.
- 5.3 - £11k to be utilised on PPEP Care training module on ASD for schools.
- 5.4 – the remainder of the money (approx. £0.6k) to be used for setting up an online forum for SENCOs.

## 8. Summary of the Carry Forward Proposals

8.1 Table 4 details the 2018/19 proposed budget virements to reflect the net reduction in DSG resources carried forward to 2018/19 as proposed in the detail of each block in the preceding paragraphs.

TABLE 4	Original Budget 2018/19 £	Virement Agreed £	Virement Proposal £	Revised Budget 2018/19 £	Carry Forward to 2019/20	Still to be Decided
Primary schools in financial difficulty	120,020	0	259,100	379,120		
Trade Union Costs	43,680			43,680		
Support to Ethnic Minority and Bilingual Learners	151,750	38,300		190,050	35,170	
Behaviour Support Services	196,830	12,690	4,500	214,020		
CLEAPPS	3,170			3,170		
Statutory and Regulatory Duties *	147,590		5,960	147,590		
Growth Fund	205,000		75,710	280,710		
To be allocated - School Improvement	0		-5,960	-5,960		67,450
<b>Sub Total Specific Service Budgets</b>		<b>50,990</b>	<b>339,310</b>		<b>35,170</b>	<b>67,450</b>
DSG b/f grant (L990W)	695,256		-681,710	13,546		
DSG assumed 18/19 year end c/f grant (L999W schools block)	0		-58,360	-58,360	35,170	67,450
Central Services Block	0		-26,550	-26,550		
DSG assumed 18/19 year end c/f grant (L999W early years block)	47,860		-84,930	-37,070		
DSG assumed 18/19 year end c/f grant (L999W high needs block)	-702,900		156,010	-546,890		
High Needs - proposals			100,000	100,000		
<b>Sub Total General Budgets</b>		<b>0</b>	<b>-595,540</b>		<b>35,170</b>	<b>67,450</b>
* note - the Statutory and Regulatory Duties budget has not increased but as a result of offsetting the over spend it has not reduced and not been carried forward to increase the budget in 2019/20						

8.2 If the proposals above are agreed there will be an increase of £390k (including increases already agreed) in various service budgets as detailed above. If the proposal to invest to save a sum of £100k from the High Needs budget this will be held in a separate fund in order to monitor specific spend; if not agreed this will reduce the amount of the High Needs over spend forecast for 2018/19.

## 9. Conclusion

The overall variance to the final budget was a positive £787k and compared to the month 10 forecast was a positive £682k. The “swing” in the Schools’ Block budget is explained above and there has been a substantial impact on the overall budget position for the High Needs Block which has allowed for some additional investment in the High Needs Block in 2018/19 together with a reduction in the planned carry forward budget into 2019/20.