
Dedicated Schools Grant Monitoring Report

2018/19 – Month 3

Report being considered by: Schools Forum on 16th July 2018

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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

- 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: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
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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 2018.
- 3.2 The main change to the DSG for 2018 is that there are now four funding blocks: Schools Block, High Needs Block, Early Years Block and a new Central Schools Services Block. Each of the four service blocks has been determined by a separate national funding formula.
- 3.3 The schools block is ring fenced in 2018-19 but the Local Authority can transfer up to 0.5% of the funding out of the schools block with Schools Forum agreement. The other blocks are not subject to this limitation on transfers.
- 3.4 Table 1 shows the original DSG budget as set. The total budget was set with a planned over spend of £655k. This will be subject to change following the Schools Forum agreement on utilisation of actual over/under spends from 2017-18.
- 3.5 The actual in year grant allocation is £129m.

Table 1	Schools Block	Central Schools Services Block	Early Years Block	High Needs Block	DSG Total
Original Grant Allocation	98,011	992	10,357	19,665	129,025
Original Planned Budget carry forwards	-98	0	-747	-565	-1,410
Funding before any Block Transfers	97,913	992	9,610	19,100	127,615
Transfers in / -out		60	-33	-27	0
Funding after Transfers	97,913	1,052	9,577	19,073	127,615
Planned Over/-under spend	0	0	-48	703	655
Final Budget	97,913	1,052	9,529	19,776	128,270

- 3.6 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 £35.5m.
- 3.7 Over spends, unless funded from outside the DSG, can be carried forward and top sliced from the following year's DSG allocation. Under spends must be carried forward to support the schools' budget in future years.
- 3.8 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 over spends/under spends and to inform future year budget requirements.

4. Monitoring Position as at Month 3 (30 June 2018)

- 4.1 The forecast under or over spend position at the end of June is shown in Table 2 below. A more detailed position per cost centre is shown in Appendix A.

Table 2 - DSG Block Net Budgets	Total Net Budget £'000	Forecast (under) / over spend					Change from last Report £'000
		Month Three	Month Five	Month Seven	Month Nine	Month Ten	
		£'000	£'000	£'000	£'000	£'000	
Schools Block (inc ISB)	64,439	0					
Central Schools Services Block	847	0					
Early Years Block	9,479	0					
High Needs Block	17,569	0					
Total Net Expenditure	92,334	0	0	0	0	0	0
Support Service Recharges	444	0					
Total Expenditure	92,778	0	0	0	0	0	0
DSG Grant	92,123						
Net Position Over / -Under spend	655	0	0	0	0	0	0

- 4.2 The budgeted over spend on DSG is as per the decision made by the Schools' Forum when the budget was set in March 2018, which will be adjusted for the difference in the carry forward amounts following this meeting.

- 4.3 Explanations for variances per funding block are summarised in the following paragraphs.

5. Schools Block

- 5.1 Table 3 sets out the current position of the Schools Block. At this stage in the year, no variance is forecast. 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). Note that the de-delegated budgets within the Schools Block will be forecast as on line during the year because any over or under spending can only be used within these budgets and cannot be allocated generally across the DSG.

Table 3 - Schools Block	Current Budget £000	Current Forecast £000	Variance £000
Expenditure	64,439	64,439	0
Support services	62	62	0
Schools Block DSG	64,501	64,501	0
Net Position	0	0	0

6. Early Years Block

- 6.1 Table 4 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 the funding (the final grant allocation will be determined by the January 2019 census), and payments to providers (payments are made according to actual number of hours of provision each term). The budgeted under spend is due to the additional funding received in 2017-18 for estimated additional take up of the 30 hours allocation with a lower payment to providers because the actual take up was not as predicted. This enabled the brought forward over spend of £252k from 2016-17 to be paid back in 2017-18.

Table 4 - Early Years Block	Current Budget £000	Current Forecast £000	Variance £000
Expenditure	9,479	9,479	0
Support services	50	50	0
EY Block DSG	9,577	9,577	0
Net Position	-48	-48	0

- 6.2 The final grant for 2017/18 has still not been notified, and a claw back of £360k is expected and included in the above budget.

7. Central Schools Services Block

- 7.1 Table 5 shows the position for the Central Schools Services Block.

Table 5 - Central Schools Services Block	Current Budget £000	Current Forecast £000	Variance £000
Expenditure	847	847	0
Support services	205	205	0
CSSB Block DSG	1,053	1,053	0
Net Position	0	0	0

7.2 The budget for this new Block has been set with an on line budget position following transfers of funding from the Early Years Block and the High Needs Block towards paying for the central services that are carried out on behalf of settings within these blocks. There was a £27k brought forward under spend from 2017-18 which will be adjusted within this budget and will improve the year end projected carry forward position.

7.3 At this point there is no other variance to budget projected.

8. High Needs Block

8.1 Table 6 sets out the current position of the High Needs Block, which is set at a £703k over spend position. As per the detail in the outturn report, this position has improved and adjustments will be made following this meeting.

8.2 There is currently no variance to budget predicted.

Table 6 - High Needs Block	Current Budget £000	Current Forecast £000	Variance £000
Expenditure	17,569	17,569	0
Support services	127	127	0
CSSB Block DSG	16,993	16,993	0
Net Position	703	703	0

8.3 Top up budgets are the high risk budgets in this block due to funding following the pupil.

9. Conclusion

9.1 There are currently no significant variances, though it is not usually until the Autumn term when changes to high risk budgets such as high needs top ups and early years payments become apparent.

10. Appendices

Appendix A – DSG 2018-19 Budget Monitoring Report Month 3