

Title: Dedicated Schools Grant – 2017-18 Outturn report and Reserves

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Schools affected: All schools and Early Years providers

1. Purpose of this report

1.1. This report updates Schools Forum on the Dedicated Schools Grant (DSG) allocation, outturn for 2017-18 and the Reserves as at 2017-18 and the forecasted reserve position for the financial year 2018-19.

2. Background

2.1. The final 2017-18 DSG income was £276,837,000 and is made up as follows:

Dedicated Schools Grant 2017-18	
Final Allocation Before Recoupment	£411,089,990
Recoupment	
Schools Block - Academies	-£127,124,636
High Needs (direct payments by ESFA)	-£6,456,003
Total recoupment	-£133,580,638
DSG after Recoupment to the nearest £000s	£277,509,000
Clawback for Early Years 2016-17	-£672,000
DSG income 2017-18	£276,837,000

2.2. The table below summarises the outturn position and shows the use of 2016-17 reserves to balance the budget. As expected, the DfE claw-backed £672k for 2016-17 Early Years allocation based on updated pupil numbers by reducing the 2017-18 income. Money was set aside at the end of 2016-17 in earmarked reserves in anticipation of this timing issue. Other 2016-17 reserves used in 2017-18 included £662k shortfall in ESG budgets and £117k for an exceptional Contingency Panel meeting.

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Summary of Outturn 2017-18	Total Budget for the Year	Actuals for the Year	Variance Year End	Move to Ear-marked Reserves
Schools Block and Central Services				
Schools Block and Central Services Total	£175,476,511	£172,122,009	-£3,354,502	-£3,054,477
Balance after move to reserves		underspend	-£300,025	
High Needs				
High Needs Total	£73,565,848	£73,732,348	£166,500	£0
Balance after move to reserves		overspend	£166,500	
Early Years				
Early Years Total	£29,245,743	£26,642,956	-£2,602,787	-£2,602,787
Balance after move to reserves			£0	
DSG Expenditure Total	£278,288,102	£272,497,313	-£5,790,789	-£5,657,265
Funded by :				
DSG Income (Includes reduction for Early Years clawback)	-£276,837,102	-£276,837,000	£102	
Reserves from 2016-17				
Contingency panel- schools in financial difficulties	-£117,000	-£117,000	£0	
ESG retained duties shortfall	-£662,000	-£662,000	£0	
Early years 2016-17 claw back	-£672,000	-£672,000	£0	
Total funding	-£278,288,102	-£278,288,000	£102	
Contribution to DSG as at 31st March 2018				
Ear-marked Reserves				-£5,657,265
Balance after move to ear - marked reserves				-£133,423
Total Reserves 2017-18				-£5,790,688

3. 2017-18 Outturn

3.1. Detailed breakdown of the outturn position and earmarked reserves is given in the Appendix 1,

3.2. Schools Block and Central Services, the main points to note in the outturn are as follows:

- (i) One-off Schools Business rates refund following revaluations including backdated refunds resulted in additional income of -£683k.
- (ii) Growth Fund budgets set aside were not fully used because of tighter controls on agreed levels of funding -£297k
- (iii) Dedelegated Contingency Panel (Schools in financial difficulties) the move to one year end meeting of the panel from four a year, has seen a reduction in the number of applications for contingency funds resulting in an underspend of -£196k
- (iv) Dedelegated Contingency (Deficits of closing schools), underspends of -£155k due to timing of schools converting to academies.
- (v) Revenue Contribution to Capital -£1,708k has been set aside for high needs as agreed by Schools Forum in October 2016, and will be used in 2018-19.
- (vi) Legal Services (Admissions Appeals) tighter controls on legal costs allocated to DSG has resulted in -£218k underspend.

3.3. High Needs, the main points to note in the outturn are as follows:

- (i) Independent Schools budgets were underspent by -£921k because of tighter controls on placements.

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- (ii) Overspends in other areas, including top-up payments, has resulted in a net overspend for High Needs of +£166k and this was covered by central services underspends.
- (iii) Further work on the High Needs strategy in 2018-19 and onwards will mean the budgets are better aligned with demand, though pressures continue.

3.4. Early Years underspend of -£2,602,787 has been set aside as an earmarked reserve for anticipated clawback.

- (i) The underspend is due to lower demand for places than forecast by the DfE; £1.3k of which was due to reduced demand for 30 hours provision.
- (ii) Central spend was budgeted as 5% of overall allocation and had to be further reduced in line with lower demand with £257k set aside for DfE clawback.
- (iii) Sufficiency and sustainability was underspent due to some staff vacancies and decision taken not to fill posts. Deploying staff resources differently will be considered in 2018-19.
- (iv) Contingency, Inclusion and Disability Access Fund are new elements of the Early Years allocation introduced last April. Schools Forum agreed that the budget and outturn would be reviewed year on year to ensure the amounts are appropriate. Further work in 2018-19, including work with the SENDIAN pilot will mean the Inclusion Fund will be better utilised to speed up support to providers so that they can intervene sooner where there are SEND concerns and so reduce escalation to High Needs block funding.

4. DSG reserves

4.1. At the end of 2017-18 -£5,790,688 was added to the reserves. Together with the balance of reserves from 2016-17 of -£1,176,729, the total held in reserves was -£6,967,417. The table in Appendix 2 gives further details for reserves including earmarked reserves.

The main points to note are:

- (i) Use of £3,098,654 reserves in 2018-19 to balance the budget, including £1,770,745 for High Needs (mainly from the £1.708m 2017-18 revenue contribution to capital set aside for this purpose and agreed previously by Schools Forum).
- (ii) Early Years £2,602,787 set aside for DfE clawback in 2018-19.
- (iii) Earmarked reserve £900,000 for The Mandeville School from 2016-17 set aside under contingency for closing schools deficit write offs.
- (iv) Uncommitted balance from de-delegated budgets of -£365,975. There are a number of areas this can be used for in 2018-19 including High Needs, for example, to reconfiguring current provisions to help contain on-going demand.

5. Decision and recommendation

5.1. That Schools Forum notes and agrees the report and appendices.

Attached: Appendix 1 Dedicated Schools Grant – 2017-18 Outturn report and Reserves
Appendix 2 **Dedicated Schools Grant 2017-18 Outturn report & Reserves**

Dedicated Schools Grant – 2017-18 Outturn report and Reserves

Appendix 1 Dedicated Schools Grant – 2017-18 Outturn report and Reserves

Dedicated Schools Grant - Description	Total Budget for the Year	Actuals for the Year	Variance Year End	Move to Ear-marked Reserves	Notes
Schools Block and Central Services					
Primary Schools Delegated Budget	135,403,606	135,377,115	-26,491		
Secondary Schools Delegated Budget	28,929,860	28,881,898	-47,962		
Growth Fund for Planned Places	2,087,321	1,790,248	-297,073	-297,073	
School Business Rates top slice from schools	-2,402,021	-2,402,021	0		
School Business Rates to District Councils	2,402,021	1,718,591	-683,430	-683,430	
Iver Village Hall (Joint Provision)	0	-6,604	-6,604		
Dedelegation from maintained schools					
Contingency Panel (Schs. in financial difficulties)	569,178	373,344	-195,834	-195,834	Use of £117k from 16/17 Reserves
Contingency (Deficits of closing schools)	324,888	169,570	-155,318	-155,318	
Central Funds (Supply Cover for Small Schools)	13,124	6,927	-6,197	-6,197	
Central Funds (Union Facilities)	30,621	21,996	-8,625	-8,625	
Education Visits	29,366	29,366	0		
BCC Finance Support	19,578	19,578	0		
Schools Financial Management Advice service	70,968	70,968	0		
Central Services					
Schools Forum- administration	2,000	9,754	7,754		
Schools Admissions - Including Admissions Team	890,000	858,678	-31,322		
BASL and TSAN	85,000	78,000	-7,000		
Safeguarding in Ed. Project Team	210,000	202,492	-7,508		
Legal Services (Admissions Appeals)	319,000	100,546	-218,454		
CFGB552 Licences (DSG)	397,000	396,798	-202		
ESG retained duties - paid through DSG	1,178,000	1,178,000	0		£662k use of 16/17 reserves for shortfall on ESG
Contribution to overheads	264,001	264,001	0		
Central Services - Historic Commitments					
Bucks Learning Trust - Contrib. to combined budgets	2,311,000	2,311,000	0		
Raising Participation Age	139,000	139,000	0		
Practical Learning Opportunities	224,000	211,983	-12,017		
DSG Funded Premature Retirement Costs	271,000	320,781	49,781		
Revenue Contribution to Capital	1,708,000	0	-1,708,000	-1,708,000	
Schools Block and Central Services Total	175,476,511	172,122,009	-3,354,502	-3,054,477	
Balance after move to reserves		underspend	-300,025		

Dedicated Schools Grant – 2017-18 Outturn report and Reserves

Appendix 2 Dedicated Schools Grant – 2017-18 Outturn report and Reserves

DSG Reserves	Reserves	Use of reserves in 2018-19		
		Shortfall of Central Services funding	premises due to lagged DfE funding	High Needs pressures
Balance from 2016-17 Reserves				
School deficit write offs (Mandeville - academy conversion did not occur in 2017-18)	-900,000			
Free Reserves	-276,729	276,729		
Total for 2016-17 Reserves	-1,176,729	276,729		
DSG Reserves 2017-18				
School Business Rates (net refund) - a number of significant refunds in 2017-18)	-683,430		683,430	
Growth Fund (tighter control on funding and projects)	-297,073	32,436	264,637	
De-delegation from schools: (report underspends to Schools Forum)				
a) Contingency schools in financial difficulties (move from 4 meetings during the year to 1 at year end has seen a drop in the number of bids for contingency)	-195,834			
b) Contingency for deficit write-offs - schools converting to academies	-155,318			
c) Union facilities underspend - to be used in 2018-19	-8,625			
d) Supply Cover for small schools	-6,197			
High Needs				
Revenue contribution to Capital (budget earmarked for SEN) part of High Needs strategy planned spend in 2018-19 as agreed with Schools Forum	-1,708,000			1,708,000
Early Years				
Expected DfE clawback in 2018-19	-2,602,787			
Underspend balance after move to ear - marked reserves	-133,423	70,678		62,745
Total Reserves 2017-18	-5,790,688			
Total Reserves as at 31.03.18	-6,967,417			
Use of reserves 2018-19	3,098,654	379,843	948,067	1,770,745
Committed balance - School deficit write offs (Mandeville)	900,000			
Committed balance - Early Years DfE clawback	2,602,787			
Uncommitted Balance - Dedelegated budgets	-365,975			