

Schools Forum 12 June 2018

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Dedicated Schools Grant – 2017-18 Outturn report and Reserves
Report to Schools Forum

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

Date: 12th June 2018

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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
<u>Recoupment</u>	
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.

Dedicated Schools Grant – 2017-18 Outturn report and Reserves

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.

Dedicated Schools Grant – 2017-18 Outturn report and Reserves

- (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		

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			

Title:	Contingency Panel - Schools in Financial Difficulties 2017-18
Date:	12 th June 2018
Author:	Janaki Try – Senior Accountant – Education
Contact officer:	Janaki Try jtry@buckscc.gov.uk 01296 383063
Schools affected:	All mainstream maintained schools

1. Purpose of this report

- 1.1. This report is for information and updates members of Schools Form on the outcome of the contingency panel meetings held in 2017-18.

2. Background

- 2.1. At its meeting on 8th June 2017, Schools Forum agreed that £117,000 of 2016-17 dedelegated funding held on reserve be added to the contingency for schools in financial difficulties.
- 2.2. Schools Forum also agreed that an exceptional meeting was to be held to address any unresolved claims from 2016-17 as it was necessary to cancel the last meeting of the Contingency Panel due to lack of funds. This meeting was held in July 2017.
- 2.3. For 2017-18, Schools Forum agreed the new terms of reference for the Contingency Panel, including the move from 4 meetings a year to one a year, to be held the end of the financial year, (making the process fairer with all bids being considered at the same time). This meeting was held at the end February with all claims being paid to schools before the end of the financial year. The total fund made available through dedelegated budgets, from mainstream primary and secondary schools, was £452,178.

3. Outcomes of the Panel

- 3.1. The table below lists the anonymised applications from schools and the panel decisions. Only primary mainstream maintained schools submitted claims.
- 3.2. The Exceptional Meeting held in July 2017 allocated £89,283 of the £117,000 budget to 6 primary schools, although 9 schools submitted claims. Contingency funds awarded included unforeseen costs arising from long term absences and safeguarding issues. Unsuccessful applications included bids for SEN related provision that are not eligible under the panel's terms of reference. These SEN applications were referred to the SEN team for their consideration. The panel also used £5,016 to make up to the full agreed allocations made by the Panel in January 2017, to address the reduction in allocations

Report to Schools Forum - Contingency Panel - Schools in Financial Difficulties 2017-18 necessitated by the shortfall of funds at the time. The unused balance from this meeting of £22,701 was added to the 2017-18 contingency budgets.

3.3. The 2017-18 contingency meeting resulted in £278,603 being allocated to 19 primary schools. Successful bids included unforeseen staffing costs, additional costs arising from safeguarding issues, pupil premium for traveller children who arrived after the census date and cost associated with additional pupils up to a maximum of 7/12 AWPU. Unsuccessful applications included bids for SEN related provision that are not eligible under the panel's terms of reference. These SEN applications were referred to the SEN team for their consideration. The unused balance of £195,834 (after administration costs) has been added to the DSG reserve.

4. Recommendation

4.1. Schools Forum to note the report.

Exceptional Meeting 7th July 2017		
Total Budget Available	£117,000	
Requested - listed by school	Applications	Agreed by Panel
	£34,601	£0
	£32,774	£10,096
	£40,777	£40,777
	£26,000	£7,718
	£18,873	£5,692
	£27,000	£0
	£19,089	£0
	£14,000	£7,000
	£36,000	£18,000
Total	£249,115	£89,283
Fund pro rata reduction from January 2017	-	£5,016
Total allocated to schools		£94,299
Balance - budget not allocated		£22,701
To allocate 2016-17 funds held on reserve _ agreed by Schools Forum 8th June 2017		

Contingency Meeting 2017-18 - March 2018		
Budget available form 2017-18 sch. Dedelegation	£452,178	
Unused balance from Exceptional Meeting	£22,701	
Total Available	£474,879	
Requested - listed by school	Applications	Agreed by Panel
	£16,159	£5,311
	£37,814	£26,580
	£5,830	£5,500
	£4,307	£4,620
	£26,362	£6,925
	£19,523	£9,762
	£68,492	£31,474
	£25,039	£1,484
	£23,082	£11,541
	£105,634	£34,662
	£36,331	£21,344
	£14,478	£7,239
	£47,597	£23,396
	£24,399	£13,052
	£20,465	£18,465
	£16,308	£16,308
	£14,400	£1,950
	£63,000	£27,550
	£31,522	£11,440
Total	£600,742	£278,603
Administration costs		£442
Balance of funds at year end - transferred to reserves		£195,834

Schools Forum

Title: School Balances as at 31st March 2018

Date: 12th June 2018

Author: Jonathan Carter

Contact officer: Jonathan Carter 01296 383932

Local members affected: Maintained School members only

1. Purpose of this report

- This report is for information and discussion of any further actions. It looks at the balances at the financial year end for the 174 maintained schools in Buckinghamshire. Academies account for their own balances and report to the Department for Education.

2. Overall position

- Overall schools revenue balances are £10.9m in surplus, a reduction of £2.1m compared to 2016/17. Capital balances also dropped by £0.2m to £1.8m.

Type	No. of Schools	No. of Pupils	Total Income	16/17 Revenue Balance	17/18 Revenue Balance	Movement Revenue Balance
Nursery	2	179	1,313,230	-452	-91,305	-90,853
Primary	155	37,204	174,857,514	-10,337,809	-9,022,315	1,315,494
Secondary	6	6,148	32,526,910	-729,872	-171,081	558,791
Special	8	1,076	23,518,469	-1,789,994	-1,279,436	510,558
PRU	3	128	7,394,735	-153,044	-311,997	-158,953
Total	174	44,735	239,610,859	-13,011,170	-10,876,134	2,135,036

- Total Income includes all sources of funding including government grants and school generated income.
- Further details by school type are summarised in the sections below.

3. Schools with deficits

Name	16/17 Revenue Balance	17/18 Revenue Balance	Movement Revenue Balance	Balance as a % of Income
Little Chalfont Combined School	-26,601	587	27,188	0%
Wendover CE Junior School	-14,587	2,533	17,120	0%
Hazlemere CE Combined School	21,273	3,593	-17,680	0%
Bledlow Ridge School	-4,286	2,603	6,889	0%
Hughenden Infant School	-18,697	3,650	22,347	0%
Buckingham School	-35,279	28,742	64,021	-1%
Overstone Combined School	-6,706	6,405	13,111	-1%
Danesfield School	-23,168	12,813	35,981	-1%
West Wycombe Combined School	35,710	6,648	-29,062	-1%

Buckingham Primary	-80,829	23,540	104,370	-1%
Chartridge Combined School	-9,429	10,196	19,625	-1%
Chalfont St Giles Junior School	-4,886	11,121	16,007	-1%
Radnage CE Infant School	-13,221	6,611	19,832	-1%
Grange School - The	8,340	129,647	121,307	-2%
Manor Farm Community Junior	932	23,775	22,843	-2%
Cadmore End CE School	16,798	13,550	-3,249	-3%
Marsh Gibbon CE School	-34,729	25,143	59,872	-4%
Robertswood Combined and Nursery	35,057	79,118	44,061	-4%
John Hampden School Wendover	129	69,119	68,990	-5%
Manor Farm Community Infant	32,738	61,337	28,599	-6%
Steeple Claydon School	-22,124	62,029	84,153	-7%
Millbrook Combined School	57,106	209,579	152,473	-7%
Iver Village Infant School	-76,189	92,837	169,026	-10%
Mandeville, The	974,159	790,292	-183,867	-15%
Grendon Underwood Combined	82,382	151,857	69,475	-16%

- The Interim FD for Education will provide, given its significant deficit balance, a verbal update on the current progress to date at The Mandeville School in regards to deficit reduction and in year balance and the future plans and recent discussions with the school, DfE etc..

4. Surplus schools

- There are 15 schools with surpluses over 15% and £10,000 at year end. Of these 9 had surpluses which increased in 2017/18. 6 had in year deficits.
- The table below shows schools at year end with surpluses over 15% and greater than £10,000.

Name	16/17 Revenue Balance	17/18 Revenue Balance	Movement Revenue Balance	Balance as % of Income
Swanbourne CE School	-254,202	-248,513	5,688	38%
Drayton Parslow Village School	-95,140	-141,579	-46,439	38%
Speen CE School	-72,639	-66,937	5,702	22%
Thomas Hickman School	-364,105	-435,228	-71,123	21%
Chalfont St Peter Infant School	-149,966	-161,566	-11,600	20%
Whaddon CE School	-50,757	-69,059	-18,301	20%
Maids Moreton CE School	-68,814	-76,233	-7,420	20%
Hannah Ball Infant School	-194,186	-183,752	10,433	19%
Westfield School	-381,211	-251,601	129,610	19%
Bierton CE Combined School	-205,637	-207,476	-1,838	17%
Little Missenden CE School	-41,960	-49,782	-7,821	17%
Marsworth CE Infant School	-31,188	-41,310	-10,122	17%
St Joseph's Catholic Infant School	-222,789	-209,067	13,722	17%
Denham Village Infant School	-52,898	-51,779	1,119	16%
St Peter's CE Combined School	-177,243	-197,483	-20,240	16%

4.1. Schools Forum's attention is drawn to the following extract from the Scheme for financing schools (Link to: [Scheme for Financing Schools - Buckinghamshire County Council](#))

4.2 Controls on surplus balances

Schools that have excessive surplus balances will be required to report to Schools forum on an annual basis. Excessive surpluses are defined as 15% or more (on all the school's income) for the last 5 years and at least £10,000 each year. The authority reserves the right to clawback excessive surpluses following consultation with Schools Forum.

4.2. Appendix 1: 5 year balance 15% analysis, provides a table shows schools with significant balances over this period and further indicating those schools over the last 5 years meeting the control level.

4.3. Schools Forum to;

- Discuss the school's balances position at year end: the movement in balances and implications of (both deficit and surplus) in the light of the ongoing pressures, at both at DSG and individual school level.
- Discuss and consider attending any further actions or processes to recommend to the authority in the light of the Scheme for Financing Schools and the surpluses advised.

See also: Appendix 1: 5 year balance 15% analysis

Name	2013/14		2014/15		2015/16		2016/17		2017/18	
	Revenue Balance	Balance as a % of Income	Revenue Balance	Balance as a % of Income	Revenue Balance	Balance as a % of Income	Revenue Balance	Balance as a % of Income	Revenue Balance	Balance as a % of Income
Swanbourne CE School	-190,451	32%	-308,748	52%	-278,904	42%	-254,202	40%	-248,513	38%
Drayton Parslow Village School	-67,064	21%	-62,750	19%	-73,196	21%	-95,140	25%	-141,579	38%
Speen CE School	-90,668	32%	-97,475	35%	-77,976	27%	-72,639	24%	-66,937	22%
Thomas Hickman School	-79,929	4%	-190,768	10%	-232,500	12%	-364,105	18%	-435,228	21%
Chalfont St Peter Infant School	-117,028	16%	-96,011	13%	-128,179	17%	-149,966	19%	-161,566	20%
Whaddon CE School	-35,417	14%	-62,844	26%	-87,186	28%	-50,757	17%	-69,059	20%
Maids Moreton CE School	-1,532	1%	-26,159	10%	-53,646	13%	-68,814	17%	-76,233	20%
Hannah Ball Infant School	-68,340	11%	-191,919	31%	-316,015	34%	-194,186	21%	-183,752	19%
Westfield School	-181,335	18%	-252,615	25%	-392,651	28%	-381,211	30%	-251,601	19%
Bierton CE Combined School	-124,177	11%	-126,479	11%	-199,880	17%	-205,637	17%	-207,476	17%
Little Missenden CE School	-15,671	7%	-40,998	18%	-52,241	18%	-41,960	14%	-49,782	17%
Marsworth CE Infant School	11,032	-6%	16,483	-8%	-8,015	3%	-31,188	12%	-41,310	17%
St Joseph's Catholic Infant School	-257,708	26%	-204,018	20%	-257,303	24%	-222,789	21%	-209,067	17%
Denham Village Infant School	-28,876	11%	-26,415	10%	-30,271	9%	-52,898	17%	-51,779	16%
St Peter's CE Combined School	-230,261	21%	-275,205	25%	-213,603	16%	-177,243	14%	-197,483	16%

