

Report to Schools Forum

Title: Dedicated Schools Grant – 2018-19 Outturn report and Reserves

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Author: Liz Williams, Head Of Finance, Childrens Services

Contact officer: Janaki Try – Senior Accountant – Education
jtry@buckscc.gov.uk
01296 383063

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 2018-19, the DSG Reserves as at 31st March 2019 and the forecasted reserve position for the financial year 2019-20.

2. Background

2.1. The final 2018-19 DSG allocation was £275,986,866. As expected, the DfE claw-backed £901k for 2017-18 Early Years allocation, based on updated pupil numbers, by reducing the 2018-19 income. Money was set aside at the end of 2017-18 in earmarked reserves in anticipation of this timing issue. The details are as follows:

4 blocks of the Dedicated Schools Grant 2018-19	Allocation Before Recoupment	Less Recoupment	Final after Recoupment
Schools Block	£309,656,442	-£144,547,768	£165,108,674
High Needs Block	£81,096,276	-£8,382,678	£72,713,598
Early Years	£30,697,436	£0	£30,697,436
Central School Service Block	£7,467,157	£0	£7,467,157
Total DSG Allocation 2018-19	£428,917,311	-£152,930,446	£275,986,866
Income received in 2018-19			-£275,085,982
Difference in income received compared to allocation			£900,884
Difference due to :			
Early years clawback for 2017-18			£901,018
Roundings			-£134

2.2. The table below summarises the outturn position for each of the 4 blocks and shows the use of DSG reserves in the budget set for 2018-19. The actuals against budgets at year end was balanced by a contribution from DSG Reserves of £28,540

Summary of Outturn 2018-19	Total Budget for the Year	Actuals for the Year	Variance Year End	Move to Ear- marked Reserves
Schools Block				
Schools Block Total	£165,423,136	£165,046,394	-£376,742	-£351,537
of which - met from reserve	-£948,067			
Dededelegation from Special School/PRU	-£16,395			
Transferred from Schools Block to High Needs	£650,000			
as per allocation	£165,108,674			
High Needs				
High Needs Block Total	£73,796,137	£76,832,972	£3,036,835	
of which - met from reserve	-£1,770,745			
Transfer from Schools Block	-£650,000			
Dededelegation from Special School/PRU	£16,395			
Additional High Needs funding (not allocated to budgets)	£1,321,811		-£1,321,811	
as per allocation	£72,713,598			
adjusted Variance year end			£1,715,024	
Early Years				
Early Years Total	£30,697,436	£29,995,556	-£701,880	
Central School Service Block				
Central Schools Service Block Total	£7,847,000	£7,239,272	-607,728	
of which - met from reserve	-£379,843			
as per allocation	£7,467,157			
DSG Expenditure Total	£277,763,709	£279,114,194	£1,350,485	-£351,537
Funded by :				
DSG Allocation	£275,986,866			
DSG Income (Includes reduction for Early Years clawback)		£275,085,982		
Additional High Needs funding (not allocated to budgets)	-£1,321,811		-£1,321,811	
Reserves from 2017 -18	£3,098,653	£3,098,653		
Early years clawback for 2017-18		£901,018		
Contribution from DSG Reserves to balance roundings		£28,540	-£28,674	
Total funding	£277,763,709	£279,114,194	-£1,350,485	
Contribution from DSG as at 31st March 2019				£28,540
Total Reserves as at 31st March 2019				-£2,939,205

3. 2018-19 Outturn

3.1. Detailed breakdown of the outturn position and earmarked reserves is given in the Appendix 1 and 2.

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

- (i) Schools Business rates overspend of £203,553 following revaluations is met from the underspend on Growth Fund
- (ii) Growth Fund budget underspend of £225,592
- (iii) Dedelegated Contingency Panel (Schools in financial difficulties) an underspend of - £205,654 added to earmarked reserves. The Contingency Panel has proposed that this, together with the last year's underspend in reserves, is refunded to maintained schools - a total refund of £300,000.

- (iv) Dedelegated Contingency (Deficits of closing schools), underspends of -£119,261. The use of this fund is dependent on when deficit schools convert to academies and level of their deficit at the point of conversion.

3.3. High Needs overspent by £ £1,715,024 after taking into account the additional High Needs grant of £1,321,811. The main points to note in the outturn are as follows:

- (i) Independent Schools and Hospital Schools budgets were overspent by £818,113.
- (ii) Post 16/FE colleges overspent by £861,248 and reflect growth in numbers for this age group.

3.4. Early Years underspend of -£701,880, of which -£200,000 is added to reserves to fund potential changes in grant funding. By adding this to the existing reserves from last year of £500,000 the total reserve available is now is £700,000.

3.5. Central Schools Service Block underspent by -£607,728, of which -£508,000 relates to unused Revenue contribution to Capital. This amount has been used to partially offset the overspend in High Needs.

4. DSG reserves

4.1. At the end of 2018-19 £28,540 was taken from reserves to balance DSG. The yearend position as at the 31st March 2019 is a balance of £2,939,205, details are given in the appendix. Proposals for the use of reserves in 2019-20 are as follows:

Proposed Use of Reserves				
Mandeville school - deficit write off				500,000
Early Years - changes in grant funding				700,000
Dedelegation including £300k refund to schools (see table below)				717,511
High Needs funding for 2019-20				1,021,694
Total Reserves				2,939,205

Ear-marked reserves for Mandeville School deficit write-off has reduced from £900k to £500k in line with the current deficit position, to be used when the school converts to an academy. Consideration needs to be given to the Contingency Panel's proposal to refund £300,000 of contingency balances back to maintained schools. The balance of reserves is to be allocated to High Needs budgets in 2019-20.

5. Recommendations

5.1. That Schools Forum note the outturn position as set out in the report and appendices.

5.2. Agree the recommend proposals for the use of DSG Reserves as set out in 4.1 above.