
TITLE OF REPORT: Dedicated Schools Grant Revenue Monitoring Quarter 2 2018/19

Purpose of the Report

To inform Schools Forum of the latest revenue monitoring position for Dedicated Schools Grant (DSG) at the end of the quarter 2 2018/19.

Background

The DSG is made up of four funding blocks:

1. The **Early Years block** for 2 and 3 & 4-year-old funding;
2. **Mainstream Schools block** which includes some centrally held and de-delegated funding;
3. **High Needs block** which includes special schools, alternative provision and top-ups to maintained schools and academies; and
4. **Central Services Schools block** which includes central functions carried out on behalf of schools, for example, licences, schools' admissions, pension costs.

Schools Forum receives details of DSG revenue monitoring throughout the financial year, with the format presented based on the expenditure headings of section 251.

The quarter 2 report for 2018/19 is included at Appendix 1. This shows a projected outturn of £100.480m against the budget of £99.001m, resulting in a projected over spend of £1.479m.

The over spend relates primarily to the High Needs Block:

- Spending on top-ups and additional place funding within special schools is projected to be £0.7m above budget;
- Spending on top-ups within mainstream schools and academies (including ARMS) is projected to be £0.6m over budget, although spending is in line with the previous financial year; and
- Spending on the independent sector is projected to be £0.35m above budget but in line with previous years.

Action planning is in place within the Council to attempt to reduce spending on the High Needs Block in the current year. However, it is expected that DSG reserves will be required to meet the final overspend which will require approval from Schools Forum.

At 31 March 2018, DSG reserves totalled £1.156m. The DSG funding settlement update received in July 2018 (to account for the January census for Early Years 17/18 funding) provided for a further £0.644m, thus increasing reserves to £1.8m. If the overspend for 2018/19 remains at the current level and reserves are used, the reserve balance will reduce to £0.321m to carry forward into 2019/20, subject to any further decisions made at Schools Forum.

A Task & Finish review is underway within the Council to examine all areas of High Needs spending to establish how it can be reduced to bring it in line with the budget allocation; any proposals will be brought to Schools Forum.

Proposal

To note the content of the report and, in principle, approve the projected overspend be met from DSG reserves in 2018/19, subject to the final outturn reported post-March 2019.

Recommendations

That Schools Forum:

- notes the contents of the report
- approves, in principle, the use of DSG reserves to fund the projected overspend in 2018/19.

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2018/19 DSG Revenue Monitoring Quarter 2

DSG Area	Total Approved Budget £'000	Outturn £'000	Variance £'000	Comments/Notes
Maintained Schools Budget Share	72,233	72,233	0	
DEDELEGATION				
Contingencies	0	12	12	Funded from DSG Reserves
Behaviour support services	216	216	0	
Support to UPEG and bilingual learners	226	226	0	
Staff costs – supply cover	180	192	12	
HIGH NEEDS BUDGET				
High Needs Budget (including special schools, PRU and Additional Support Top-ups)	15,003	16,581	1,578	Special schools +£0.7m, maintained schools' & academies' top-ups £0.6m, independent sector +£0.35m, staff slippage +£0.04m, alternative provision -£0.15
EARLY YEARS BUDGET				
2,3 and 4-year-olds funding to PVI's	9,411	9,555	144	+£0.26m 3 & 4-year-olds, -£0.11m other: 2-year-olds, staffing, DAF, IF
CENTRAL PROVISION WITHIN SCHOOLS BUDGET				
Contribution to combined budgets	413	413	0	
School admissions	137	137	0	
Servicing of schools forums	116	116	0	
Termination of employment costs	528	309	-219	PRC
Other Items	155	107	-48	CLA / MPA Licences top sliced from DSG for all school licences
Statutory/ Regulatory duties	383	383	0	ESG top slice agreed by Schools Forum
TOTAL DSG	99,001	100,480	1,479	Appropriated from DSG reserve