

**DEDICATED SCHOOLS GRANT FINANCIAL POSITION 2018-19****To: Cambridgeshire Schools Forum****Date: 5 October 2018****From: Martin Wade – Strategic Finance Business Partner****Purpose: To provide Schools Forum with an update on the current in-year position for the Dedicated Schools Grant.****Recommendation:**

- a) Members of Schools Forum are asked to note the contents of the report and consider alongside the other papers in respect of the 2019/20 funding position.**

**1.0 INTRODUCTION**

- 1.1 This report provides a summary of the overall 2018-19 Dedicated Schools Grant (DSG) financial position to the end of August 2018.

**2.0 UPDATED 2018-19 DSG**

- 2.1 Following revised announcements to reflect in-year funding changes and recoupment for academies and High Needs Places the table below shows the revised level of DSG to be received in 2018-19:

	Revised 2018-19 DSG as at July 2018
<b>Schools Block DSG</b>	<b>£341,467,591</b>
<b>Central Schools Services Block</b>	<b>£8,034,402</b>
3&4 YO Early Years Block DSG Universal	£23,525,360
3&4 YO Early Years Block DSG Extended Entitlement	£7,589,647
Indicative Early Years Pupil Premium	£245,946
2YO Early Years Block DSG	£3,186,944
Disability Access Fund	£115,005
Maintained Nursery School Supplementary Funding	£1,257,697
<b>Total Estimated Early Years Block</b>	<b>£35,920,599</b>
High Needs Block (HNB) Baseline	£61,343,727
Headcount Adjustment	£4,878,381
Import/Export Adjustment	-£492,000
<b>Total High Needs Block</b>	<b>£65,730,108</b>
<b>Total Estimated DSG Pre-Recoupment</b>	<b>£451,152,699</b>
less High Needs Place Funding	-£10,323,650

less Academy Recoupment Estimate	-£212,629,269
<b>Estimated DSG</b>	<b>£228,199,780</b>
less Copyright Licence Adjustment	-£500,203
17/18 EY DSG Adjustment	-£1,068,791
<b>Estimated DSG to be received by LA*</b>	<b>£226,630,786</b>

\*Please note: The actual DSG to be received by the LA will be adjusted further to reflect in-year academy conversions

- 2.2 As previously reported to Schools Forum a deficit of £720k was carried forward on the overall DSG at the end of 2017/18. Following confirmation of final prior-year Early Years adjustments by the ESFA this figure has now decreased to £642k.
- 2.3 Based on the DSG conditions of grant there are 3 options when there is a DSG deficit:
- The local authority may decide to fund all the overspend from its general resources in the year in question.
  - The local authority may decide to fund part of the overspend from its general resources in the year in question and carry forward part to the schools budget in the next year or the year after that.
  - The local authority may decide not to fund any of the overspend from its general resources in the year in question and to carry forward all the overspend to the schools budget in the next year or the year after that.

A local authority needs to obtain the consent of the schools forum, or failing that the Secretary of State, to fund this deficit from the schools budget.

- 2.4 Given the current in-year position highlighted below it is likely consent will be sought from Schools Forum at the January meeting to carry forward the deficit to the following year as set out in the options within the DSG conditions of grant.

### 3.0 2018-19 IN-YEAR BUDGETARY CONTROL POSITION

- 3.1 At the end of August 2018, there is a forecast in-year pressure of **£3,951k** against available DSG allocations (including the £642k deficit brought forward from 2017/18.) The main pressures can be summarised as:

- There is a forecast pressure against the High Needs top-up budget of £1.5m as a result of increasing numbers of young people with Education Health and Care Plans (EHCP) in Secondary and Post-16 Further Education.
- It is estimated that the Special Education Needs (SEN) Placements budget will have a pressure of £518k.
- It is estimated that the Out of School Tuition Budgets will have a pressure of £291k
- Financing DSG includes the £642k deficit brought forward from 2017/18.
- There is a forecast pressure of £750k against the budget allocations to Special Schools. This is primarily as a result of an overall increase in commissioned places and actual pupils.
- Based on current commitments the High Needs Unit budget is showing a forecast pressure of £250k.

All of the above are subject to change as 2018/19 placements are finalised.

### 3.2 DSG BCR to the end of August 2018:

	Budget 2018/19	Outturn Forecast as at end of August 2018	
	£000's	£000's	%
<b>Director of Commissioning</b>			
<u>Childrens Commissioning</u>			
Commissioning Services	245	0	0.0%
Home to School Transport - Special	150	0	0.0%
<b>Director of Commissioning Total</b>	<b>395</b>	<b>0</b>	<b>0.0%</b>
<b>Director of Children &amp; Safeguarding</b>			
Support to Parents	733	0	0.0%
<u>District Delivery Service</u>			
Early Help District Delivery Service - North	220	0	0.0%
Early Help District Delivery Service - South	206	0	0.0%
<b>Director of Children &amp; Safeguarding Total</b>	<b>1,159</b>	<b>0</b>	<b>0.0%</b>
<b>Director of Education</b>			
Strategic Management - Education	27	0	0.0%
Early Years Service	612	0	0.0%
Schools Partnership Service	150	0	0.0%
Redundancy & Teachers Pensions	13	0	0.0%
SEND Specialist Services (0 - 25 years)			
SEND Specialist Services	7,314	0	0.0%
High Needs Top Up Funding	13,730	1,500	10.9%
SEN Placements	9,973	518	5.2%
Early Years Specialist Support	381	0	0.0%
Out of School Tuition	1,519	291	19.2%
<u>0-19 Place Planning &amp; Organisation Service</u>			
0-19 Organisation & Planning	3,034	0	0.0%
<b>Director of Education Total</b>	<b>36,752</b>	<b>2,309</b>	<b>6.3%</b>
<b>Financing</b>			
Financing DSG (Deficit b/fwd from 17/18)	0	642	0.0%
Contribution to Combined Budgets	<b>3,027</b>	<b>0</b>	<b>0.0%</b>
<b>Total</b>	<b>41,333</b>	<b>2,951</b>	<b>7.1%</b>
<b>Schools</b>			
Primary Schools	124,128	0	0.0%
Secondary Schools	1,511	0	0.0%
EOTAS Devolution	5,036	0	0.0%
Special Schools (including Outreach)	14,466	750	5.2%
Nursery Schools, Classes and PVI Providers	35,236	0	0.0%
High Needs Units	2,423	250	10.3%
PRUs	702	0	0.0%
Broadband & Copyright	1,876	0	0.0%
Pools and Contingencies (includes Retained Duties)	1,489	0	0.0%
<b>Schools Total</b>	<b>186,867</b>	<b>1,000</b>	<b>0.5%</b>
<b>Overall Total including Schools</b>	<b>228,200</b>	<b>3,951</b>	<b>1.7%</b>

## 4.0 NEXT STEPS

- 4.1 Based on current commitments and the likelihood of increased demand over the latter part of the year it is likely the DSG deficit will increase to £4m+ unless reductions in spend or one-off mitigations are identified.
- 4.2 A separate report will provide more details of the High Needs Block pressures which are contributing to the overall deficit, alongside supporting data and details of the mitigations and actions being developed to reduce spend.
- 4.3 Under the new national funding arrangements although the schools block will be ring-fenced from 2018 to 2019, local authorities will retain limited flexibility to transfer up to 0.5% of their schools block funding into another block, i.e. the High Needs Block, with the approval of their schools forum.
- 4.4 An updated report on the 2018/19 DSG financial position will be presented to Schools Forum at the January 2019 meeting.

Source Documents	Location
Dedicated schools grant (DSG): 2018 to 2019	<a href="https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2018-to-2019">https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2018-to-2019</a>