

Final Dedicated Schools Grant Outturn 2015-16

Schools Forum

Date: 12th July 2016

Author:	Finance Manager – Education
Wards:	All
Locality Affected:	All
Settings Affected:	As the DSG is ring fenced funding provided by the DfE to meet the educational needs of early years, school age and all 0 to 25 year old high need pupils. Any decisions on how the grant is utilised indirectly affects all settings.

1. Purpose and Reasons

- 1.1 To advise Schools Forum members on the final 2015-16 Dedicated Schools Grant (DSG) outturn position following closure of the Local Authority's (LA's) 2015-16 final accounts.
- 1.2 This report provides Forum Members with information on the final spend against the 2015-16 centrally retained budget including commentaries on those areas of the budget where forecast figures proved to be inaccurate. Although there is demand-led pressure in many areas of the retained budget, the LA is continuing to take action wherever possible to reduce centrally retained budgets in order to maximise the value of DSG that can be distributed to Schools and Academies via the local fair funding formula.
- 1.3 The retained DSG budget is monitored in accordance with standard Swindon Borough Council (SBC) budgetary control procedures and a report is submitted to the Education Leadership Team each month. Updates are also periodically provided to Corporate Management Team, Cabinet and the Children's Health, Social Care and Education Overview and Scrutiny Committee.
- 1.4 The LA is required to report the position on the DSG budget to the Schools Forum throughout the year and at the financial year end. In accordance with grant conditions, the year-end DSG balance (whether positive or negative) is ring-fenced and must be carried forward to the following year, and the Schools Forum must be consulted on how the surplus or deficit is managed.
- 1.5 Utilisation of the DSG has a direct link to one of the Council's four priorities – "Offer education opportunities that lead to the right skills and the right jobs in the right places".

2. Recommendations

The Schools Forum is recommended to:

- 2.1 Note that the final outturn on the 2015-16 centrally retained DSG budget is an overspend of **£0.889m**.

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- 2.2 Note that after taking account of the brought forward balance, the in-year overspend and allocations of funding previously agreed by the Schools Forum, the total DSG balance available for redistribution as at 31st March 2016 is **£0.209m.**

3. Detail

Final Outturn Position 2015-16

- 3.1 At the 15^h March 2016 Schools Forum meeting members were advised that the LA had anticipated finishing the 2015-16 financial year with an overspend of £0.722m, the final in year position is an overspend of £0.889m. Following the February monitoring period the anticipated outturn position had been updated to an overspend of £0.839m and notification of additional pressures were verbally provided to Schools Forum during the 15th March meeting.
- 3.2 The census numbers for 2 year olds and 3 and 4 year olds were lower than anticipated, affecting both the funding expected to be received and expenditure for participation.
- 3.3 The unallocated DSG balance carried forward at 31st March is £0.209m and all expenditure funded from this balance will need to be allowed under the early years and school finance regulations and be agreed by Schools Forum.
- 3.4 Attached at **Annex A** is the report issued to the Education Leadership Team on 6th June which provides commentaries on the main under and overspends on 2015-16 budgets.
- 3.5 It is important that budgets are managed effectively and that forecasts are as reliable as possible. The majority of the centrally retained budgets did not vary significantly to the end of February projections; the overall net variance for retained budgets was £0.050m.
- 3.6 In accordance with grant conditions, the year end DSG overspend was funded from reserves and the balance carried forward, Table 6 in Appendix A shows the current position, an unallocated balance of £0.209m.

Schools Forum is asked to note the following:

- **the final position on the 2015-16 retained budget was an in year overspend of £0.899m and**
- **the final DSG balance carried forward and uncommitted is £0.209m.**

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4. Alternative Options

- 4.1 The LA could distribute the full value of the retained underspend in 2016-17 but an equitable method for allocation would need to be agreed which complied with the new school finance regulations. Furthermore use of the DSG balance can only really be on one off items and it is difficult to allocate this via the local formula without locking in commitments via the MFG mechanism.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 Various financial implications are included in this report relating to management of the retained DSG budget.

Legal and Human Rights Implications

- 5.2 There are no legal or human rights implications arising from this report.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 This report does not make any recommendations that affect these areas.

Diversity Impact Assessment

- 5.4 As there are no proposals in this report, a DIA has not been completed.

Risk Management

- 5.5 There are no specific risk management implications not highlighted in the body of the report.

6. Consultees

- 6.1 The Board Director Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Appendix A –Dedicated Schools Grant Final 2015-16 Outturn report issued to the Education Leadership Team on 10th June 2016.