

Meeting: Schools Forum
Date: 18 September 2017
Subject: Dedicated School Grant Contingency Budgets
Report of: Director of Children's Services
Summary: To provide an update on the use of the School Contingency Budgets for the financial year 2017/18.

Contact Officer: Dawn Hill, Priory House, Shefford

Public/Exempt: Public

Wards Affected: All

Function of: Council

RECOMMENDATIONS:

- 1. To note the Dedicated School Grant (DSG) Contingency spend for the financial year 2017/18.**

Background

1. From 2013/14 the Dedicated School Grant is split into three notional blocks; Schools, High Needs and Early Years with each block holding its own contingency budget.

School Block

2. The Schools Specific Contingency Budget falls under Schedule 2 (Part 6) of The School and Early Years Finance (England) Regulations 2017; 'Classes or descriptions of planned expenditure prescribed for the purposes of the Schools budget of a Local Authority which may be deducted from it to determine the Individual Schools Budget (ISB)'. Part 6 relates to items that may be removed from Maintained Schools' Budget Shares (Primary and Secondary) by way of de-delegation. De-delegation is not an option for Academies, special schools, nurseries or PRUs.
3. Expenditure on the Schools Specific Contingency is central expenditure deducted for the purpose of ensuring that monies are available to enable an increase in a school's budget share after it has been allocated; and where it subsequently becomes apparent that a governing body have incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share which may include expenditure in relation to:
 - schools in financial difficulty
 - the writing off of deficits of schools which are discontinued, excluding any associated costs and overheads
 - new, amalgamating or closing schools, or
 - other expenditure where the circumstances were unforeseen when initially determining the school's budget share

High Needs Block

4. Contingencies are held centrally to fund unforeseen circumstances and any potential overspends in the centrally retained High Needs Budgets. This includes the funding of additional places and top up payments for those schools accepting pupils above the place funding provided in their initial budget allocation.

Early Years Block

5. Early Years provision is funded based on predicted total number of hours' attendance of registered pupils. The LA must review the budget share when further information on actual hours of attendance is available, in accordance with Part 3 of The School and Early Years Finance (England) Regulations 2017. The Early Years Contingency budget has been set aside to fund the headcount adjustment that is allowable within the regulations.

Update

School Contingency

6. The following table sets out the expenditure to 31 August 2017:

	BUDGET £	SPEND £	BALANCE £
Carry Forward from 2016/17	149,629		
Unallocated DSG	134		
Rates adjustment Academy transfers	24,838		
VAT Reimbursement CLA		41,831	
Closing School Invoices		(193)	
Total School Contingency	174,601	41,638	216,239

7. The balance brought forward to 2017/18 of £149,629 is split £124,416 de-delegated funding for Maintained schools only and £25,213 for all schools.
8. The current unspent balance of £216,239 is ring-fenced de-delegated funding of £124,416 and £91,823 for all schools, which can be distributed in 2018/19 as part of the initial ISB allocation via the Age-Weighted Pupil Unit (AWPU).

High Needs Contingency

9. The following table sets out the expenditure to 31 August 2017:

	BUDGET £	SPEND £	BALANCE £
Carry Forward from 2016/17	0		
Unallocated HN Block 2016/17	311,172		
Contingency to fund Special School places / top-up	400,000		
Additional payment to HI HAST Apr - Aug		(6,820)	
HN Block adj Academy Transfers / Post 16		21,458	
Increased HN Block recoupment	(405,833)		
Total HN Contingency	305,339	14,638	319,977

The balance will be required to fund the following:

- Additional places and top up agreed with special schools (estimated £577,855)
- Ardley Hill ASD provision for the period Apr – Aug (£33k)
- Post 16 places (Maintained Special Schools and Manshead Upper)

Early Years Contingency

10 The following table sets out the expenditure to 31 August 2017:

Carry Forward from 2016/17	139,234		
Unallocated Early Years Block 2017/18	955,512		
2016/17 census adjustment		(247,437)	
January 17 census adjustment		(62,344)	
May 2017 census adjustment		(91,884)	
Total Early Years Contingency	1,094,746	(401,665)	693,081

11 The balance will be required to fund October 17 census adjustment and the additional 15 hour entitlement from September 2017. There is a risk that the balance will not be sufficient and an overspend could be reported for 2017/18.

12 School Forum approval is required for:

- central early years block provision
- any movement of funding out of the schools block
- any deficit from the previous funding period that reduces the amount of the schools budget
- any brought forward deficit on de-delegated services which is to be met by the overall schools budget

Appendices:

None