

# Central Bedfordshire Council

Committee: Schools Forum

Date: 11 March 2019

## Report: Dedicated School Grant Contingency Budgets

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**This report relates to a decision that is Non-Key**

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### Purpose of this report

To provide an update on the use of the Dedicated Schools Grant Contingency Budgets for the financial year 2018/19.

### RECOMMENDATIONS

The Forum is asked:

**To note the Dedicated School Grant (DSG) Contingency spend for the financial year 2018/19 to 31 January 2019.**

### Background

- 1 From 2018/19 the Dedicated School Grant is split into four notional blocks; Schools, High Needs, Early Years and Central Services 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 2018; '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 2018. The Early Years Contingency budget has been set aside to fund the headcount adjustment that is allowable within the regulations.

### **Central Services Block**

- 6 This is a new block for 2018/19. It was created from the existing funding streams previously held within the Schools Block: the DSG funding that was held centrally by the local authority for central services and the retained duties element of the Education Services Grant. This block funds ongoing responsibilities for Admissions, Schools Forum, Copyright Licenses and ongoing responsibilities for all schools. Any balance is held in a contingency.

## Update

### School Contingency

7 The following table sets out the expenditure to 31 January 2019

	<b>BUDGET</b>	<b>SPEND</b>	<b>BALANCE</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Carry Forward from 2017/18	220,757		
Carry forward from 2017/18 (Ashton Middle School Fund a/c)	29,470		
Unallocated DSG	53,922		
Rates adjustment Academy transfers	2,228		
VAT Reimbursement CLA		42,798	
Fairfield Park Split site funding		(10,000)	
<b>Total School Contingency</b>	<b>306,377</b>	<b>32,798</b>	<b>339,175</b>

8 The balance brought forward to 2018/19 of £220,757 is split £123,776 de-delegated funding for Maintained schools only and £96,981 for all schools.

9 The current unspent balance of £339,175 is ring-fenced de-delegated funding of £123,776, £185,929 for all schools and £29,470 Ashton Middle School Fund Account balance. The balance for all schools of £185,929 has been included in the initial ISB allocation for 2019/20.

## High Needs Contingency

10 The following table sets out the expenditure to 31 January 2019:

	<b>BUDGET</b>	<b>SPEND</b>	<b>BALANCE</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Carry Forward from 2017/18	0		
Unallocated HN Block 2018/19	0		
Special School additional places / top-up	400,000		
Adjustment to Special Schools	(173,112)		
Additional payment to HI Toddington St George		(18,309)	
Additional places / top up Special Schools		(58,065)	
Reduced HN Block recoupment (AP places)	64,163		
Increased HN Block recoupment	(107,994)		
Academy and maintained schools' top-up adjustments October / November 2018	(116,310)		
<b>Total HN Contingency</b>	<b>66,747</b>	<b>(76,374)</b>	<b>(9,627)</b>

11 The current budget of £66,747 is after transferring £116,310 to fund the overspend following adjustments to the EHCP budgets for academies and maintained schools. With expenditure of £76,374 to date the contingency is overspent by £9,627. There is a risk as there are no funds remaining for any further adjustments for special schools or mainstream school provision should they be required.

## Early Years Contingency

12 The following table sets out the expenditure to 31 January 2019:

	<b>BUDGET</b>	<b>SPEND</b>	<b>BALANCE</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Carry Forward from 2017/18	341,117		
Unallocated Early Years Block 2018/19	2,183,039		
2017/18 Block adjustment		(208,013)	
PVI budget revision		(998,887)	
2017/18 census adjustment		(294,339)	
January 2018 census adjustment		(2,092)	
May 2018 census adjustment		(80,748)	
Allocation adjustment July 18		(303,270)	
October 2018 census adjustment		(198,998)	
<b>Total Early Years Contingency</b>	<b>2,524,156</b>	<b>(2,086,347)</b>	<b>437,809</b>

13 The SEN Inclusion Fund is currently overspending by £173,280 and will be funded from this contingency. In addition, funding may be required for adjustments to PVI payments for March adjustments for both universal 15 hours and the additional 15 hours entitlement.

## Central School Services Contingency

14 The following table sets out the expenditure to 31 January 2019:

	<b>BUDGET</b>	<b>SPEND</b>	<b>BALANCE</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Carry Forward from 2017/18	97,071		
Unallocated Central School Services Block 2018/19	57,144		
<b>Total Central Services Contingency</b>	<b>154,215</b>	<b>0</b>	<b>154,215</b>

15 The carry forward balance has been identified as one of the balances that may be used to fund the High Needs Block deficit at the November Schools Forum meeting.

16 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

## Background Papers

None

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