

**Oxfordshire County Council**  
**Schools Forum – 3 October 2017**  
**Dedicated Schools Grant Carry Forwards 2016-17**

Settings		Sector		Voting Entitlement (for decision papers only)	
Academies	✓	Foundation Stage	✓	PVI Representative	✓
Maintained Schools	✓	Primary	✓	16-19 Representative	
PVI Nurseries	✓	Secondary	✓	COTO Representative	✓
Special Schools	✓	Special	✓	Maintained Primary School Representatives	✓
Local Authority	✓	16+		Academy Primary School Representatives	✓
Schools Forum		High Needs	✓	Maintained Secondary School Representatives	✓
				Academy Secondary School Representatives	✓
				Pupil Referral Unit Representative	✓
				Special School Representatives	✓
				Nursery Representative	✓

## For Information

### 1. Purpose of Report

- 1.1 To inform Schools Forum of the centrally held Dedicated Schools Grant (DSG) balance for 2016-17.
- 1.2 Provide Schools Forum members with brief background information as to the DSG underspend.

### 2. Recommendations/Actions/Decisions for Schools Forum

Schools Forum is asked to:

- 2.1 Note this report.
- 2.2 Note the local authority's transfer of £0.018m DSG underspend to the High Needs Budget.

### 3 Background

- 3.1 The Dedicated Schools Grant (DSG), is initially allocated to the local authority in accordance with the Department for Education (DfE) criteria for three spending blocks, Schools, Early Years and High Needs Blocks. Although the DSG in totality is a ring-fenced grant the local authority and Schools Forum are permitted, within limitations, to move resources among the Blocks. However, DSG can only be spent for purposes defined in regulations<sup>1</sup>.

<sup>1</sup> Schools and Early Years Finance (England) Regulations 2012 to 2015

- 3.2 Since 1 April 2013 Regulations prevent any in-year redetermination of school budget shares. Currently a DSG underspend (excluding school held balances) brought forward from previous year may be used to support central expenditure (but subject to conditions), transferred either to High Needs or Early Years Blocks or carried forward to the next funding period and allocated to schools through the formula funding model. Any deficit on the non-school held DSG can be treated in a similar but negative way - reducing centrally held budgets or schools formula allocations.
- 3.3 Schools year end balances for 2016-17 were reported separately to Schools Forum as part of the briefing papers circulated to member on 22 June 2017 (paper reference 6.1 School Balances 2016-17), this paper looks briefly at DSG balances remaining from monies administered centrally.
- 3.4 Under the above mentioned Regulations the local authority will put forward its proposals to use these monies. What follow is a short explanation of where the non-schools DSG balance for 2016-17 has come from and a brief outline of the types of use these monies can be put to for members to consider.

#### **4 DSG Funding 2016-17**

- 4.1 As in previous years several papers have been presented over the course of the financial year updating Schools Forum as to changes in the local authority's total DSG and outlining how these resources had been allocated to schools and other education services. The position is summarised below:

	£m
Total Dedicated Schools Grant (DSG) 2016-17	438.055
Less academy recoupment	201.396
	236.659
DSG passed to schools through formula funding	191.653
	45.006
DSG funding spent centrally	44.988
Unspent DSG 2015-16 (rounded)	0.018

- 4.2 The local authority's final accounts, including use of the Dedicated Schools Grant was considered by Cabinet in June 2017. The Cabinet report included an overall summary but did not include previous years annexes detailing how actual expenditure and income for the year compared to the budgeted position. This information was provided as part of the routine monitoring process for Cabinet. Annex 1 of this paper includes a brief explanation as to the salient causes for under and overspends during 2016-17.

The June 2017 Cabinet report can be accessed through the following link.

<http://mycouncil.oxfordshire.gov.uk/ieListDocuments.aspx?CId=115&MId=5020>

- 4.3 The report identified a year-end underspend on centrally held DSG of £0.018m. Several areas of underspend being offset against overspends, the most significant being Special Educational Needs and are summarised below.

Service Area Spend	£m
EY SEN	0.082
Foundation Years	0.009
Early Years Sufficiency & Access	0.207
Early Years Single Funding Formula	0.440
Structural Repair & Maintenance	0.124
Non-Delegated Schools Costs	0.085
<i>Gross DSG Underspend</i>	0.947
Less overspends	
SEN	0.857
SENS	0.025
Schools & Learning	0.030
Admissions & Transport	0.017
Gross DSG Overspend	0.929
Centrally held DSG carry forward (rounded)	0.018

A brief summary of explanation for the above variations is included at annex 1.

- 4.4 In terms of the three DSG Blocks the net underspend can be grouped as follows.

DSG Block	£m
Early Years	0.580
Schools	0.192
High Needs	-0.754
Centrally held DSG carry forward (rounded) <sup>2</sup>	0.018

- 4.5 The local authority (LA) accounts were closed in June 2017.

## **5 Use of DSG Underspend**

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<sup>2</sup> Regulation does permit the carry forward of an underspend on de-delegation services, however there are no such services in Oxfordshire at this time.

- 5.1 Regulations require any under or overspend against the DSG to be carried forward into the next financial year. It will not be possible to carry these types of balances forward for longer periods. The underspend £0.018m has been transferred to an earmarked Reserve.
- 5.2 Schools Forum is now asked to note the deployment of these monies. In previous papers presented to Schools Forum the local authority has outlined the continued demand pressures faced by the various areas of responsibility covered by the High Needs Block. Given the small net amount balance centrally held DSG balance the local authority has simply transferred the £0.018m to High Needs.
- 5.3 From April 2018, with the phasing in of the national funding formula for schools and high needs it is expected that DSG Block allocations will be ring-fenced and transfer proposals of this type will no longer be possible.

## **6. Background Documents**

- 6.1 School Finance Regulations 2015-16 and 2016-17
- 6.2 Draft Provisional Outturn 2016-17 Background Paper, Cabinet June 2016

## **7. Contact Details of Lead Officers/Authors**

If you have any queries or comments in advance of the Schools Forum meeting about this report, please contact:

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If Schools Forum members have any subsequent questions about this paper, these will be dealt with outside the Forum's meeting.

## Annex 1 Summary Explanations of DSG Centrally Held Budgets

	2016-17 Amount £m
<p><u>CEF1-24 Early Years SEN Inclusion Teachers (EY SENITS)</u> A £0.082m underspend was reported, mainly on staffing due to changes in working practices from September 2016.</p>	0.082
<p><u>CEF1-42 Foundation Years</u> The service underspent by £0.009m. This position relates to net underspends totalling -£0.017m on Quality and Intervention, moderation and direct specific support to settings. -£0.008m overspend on central support leading the EYFS</p>	0.009
<p><u>CEF1-51 Early Years Sufficiency &amp; Access</u> There was an underspend of -£0.207m in this service area at outturn. The outturn position includes +£0.122m overspend on 2 year old funding allocated to settings arising from higher take up.  This was offset by a -£0.329m underspend on the rurality budget,</p>	0.207
<p><u>CEF4-2 Early Years Single Funding Formula (NEF)</u> There is an underspend of £0.440m in this service area. The outturn reflects the allocations made to nursery schools, nursery classes and PVI settings.  This position takes into account an estimated adjustment to the early years DSG based on numbers.</p>	0.440
<p><u>CEF4-3 Non-Delegated Schools Costs</u> The service is showing a year-end underspend of -£0.085m relating to unspent new schools allocations.</p>	0.085
<p><u>CEF4-5 Capitalised Repairs &amp; Maintenance</u> An outturn of £0.124m underspend is reported on schools repair and maintenance budgets. This reflects the costs of work over-estimated for and carried out in the previous financial year 2015-16.</p>	0.124
<p><i>Gross DSG Underspend</i></p>	<i>0.947</i>
<p><u>CEF1-22 SEN Support Services (SENSS)</u> The outturn position shows an overspend of £0.025m. Underspends of £0.192m on SENSS Leadership and £0.110m on Hearing Impairment are offset by overspends on school bases £0.273m and centrally provided services of £0.054m including Visual and Physical Disabilities along with a small net overspend on other services.</p>	0.025
<p><u>CEF1-21 Special Educational Needs</u></p>	0.857

	2016-17 Amount £m
An overspend of £1.690m was reported.  Overspend mainly relates to a high number of out of county placements and statementing requirements.	
<u>CEF1-41 Schools &amp; Learning</u> There was an overspend of £0.030m in this area. The position predominantly is due to £0.025m relating to In Year Fair Access panel decisions and £0.005m AP staffing costs.	0.030
<u>CEF1-53 Admissions &amp; Transport</u> The outturn of £0.017m reflects an overspend largely similar in nature to 2015-16, increased costs of printing and service delivery.	0.017
<i>Gross DSG Overspend</i>	<i>0.929</i>
<i>TOTAL DSG centrally held carry forward Transfer to Grants and Contributions Reserve (rounded)</i>	<i>0.018</i>

Annex 2

**Oxfordshire County Council  
Schools Forum: Decisions for Use of Dedicated Schools Grant Balance from 2016-17**

Service Area	Decision £m			Description	Forum Meeting Reference
	2017-18	2018-19	2019-20		
High Needs	0.18			Transfer of balance of 2016-17 DSG balance	
<b>TOTALS</b>					
Adjustment to agreed allocations		0.018			
Amount to be allocated to agreed Service Areas					
Balance remaining		0.018			
<b>Dedicated Schools Grant Balance</b>		<b>0.018</b>		Actual carry forward known (as at September 2017)	