

Oxfordshire County Council
Schools Forum – 7 November 2018
Dedicated Schools Grant Carry Forwards 2017-18

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/Decision

1. Purpose of Report

- 1.1 To inform Schools Forum of the centrally held Dedicated Schools Grant (DSG) balance for 2017-18.
- 1.2 Provide Schools Forum members with brief background information as to the DSG blocks outturn positions - Early Years and Schools blocks, small underspends, High Needs block overspent.

2. Recommendations/Actions/Decisions for Schools Forum

Schools Forum is asked to:

- 2.1 Note the content of this report.
- 2.2 Note and confirm the local authority's transfer of DSG underspends to reduce the deficit incurred by the High Needs budget in 2017-18 (paragraphs 5.1 and 5.2).

3 Background

- 3.1 The Dedicated Schools Grant (DSG), is initially allocated to the local authority (LA) 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 have been permitted, within limitations, to move resources among the blocks. No such movement

was agreed in 2017-18. DSG can only be spent for purposes defined in regulations¹.

- 3.2 In April 2013 Regulations were introduced preventing 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 2017-18 were reported separately to Schools Forum as part of the briefing papers circulated to member on 28 June 2018 (paper reference 3.1 School Balances 2017-18), while this paper looks briefly at any 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 2017-18 has come from and a brief outline how these monies will be used.

4 DSG Funding 2017-18

- 4.1 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 final funding position is summarised below:

	£m
Total Dedicated Schools Grant (DSG) 2017-18	440.338
Less academy recoupment	221.067
DSG allocated to the local authority	219.271
DSG passed to schools through formula funding	135.193
Centrally held DSG	84.078
DSG funding spent centrally	85.661
Overspend DSG 2017-18 (rounded)	-1.583

- 4.2 The local authority's final accounts, including the use of the Dedicated Schools Grant in 2017-18 was considered by Cabinet in June 2018. The June 2018 Cabinet report, giving more detail can be accessed through the following link.

<http://mycouncil.oxfordshire.gov.uk/documents/g5409/Public%20reports%20pack%20Tuesday%2019-Jun-2018%2014.00%20Cabinet.pdf?T=10>

¹ Schools and Early Years Finance (England) Regulations 2012 to 2015

- 4.3 The report identified a year-end collective overspend on centrally held DSG of £1.583m. The key areas of spend are summarised below.

Service Area Spend	£m
Early Years block, all grant to providers and retained centrally spent in accordance with the regulations, slight overspend	-0.013
Early Years block, budgeted contingency held centrally not spent	0.400
Schools block, mainly relates to adjustments following the conversion of schools to academies, primarily related to the change in Rates liability	0.188
Schools block, unallocated recoupment funding for new schools that did not open as planned.	0.283
High Needs block, Special Education Needs (SEN) Overspend mainly relates to a high number of out of county placements and statementing requirements.	-2.567
High Needs block, overspend on resource bases in schools	-0.124
High Needs block, small saving from delay in take up of planned places in special provision	0.109
High Needs block, relates to net underspends on number of small cost centres mainly due to reduced demand for services	0.141
TOTAL	-1.583

- 4.4 In terms of the three DSG blocks the net overspend can be grouped as follows.

DSG block	£m
Early Years	0.387
Schools	0.471
High Needs	-2.441
Centrally held DSG carry forward (rounded) ²	-1.583

- 4.5 The local authority (LA) accounts were closed early June 2018.

5 Use of DSG

- 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 local authority has, being responsible for the use of the High Needs block, already deployed any underspends within the block against the out of

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

county placements and statementing requirements overspend. This still leaves a net overspend in this particular area of £2.441m for 2017-18.

- 5.2 In previous discussion and papers presented to Schools Forum the local authority has continued to outline the increasing demand pressures faced by the various areas of responsibility covered by the High Needs block. Schools Forum deliberations on this and in respect of any overall surplus balance on DSG has previously agreed that in the first instance to deploy any year-end surplus against High Needs overspend. Based on this earlier decision the local authority will use the Early Years and Schools blocks balances to reduce the overall deficit with the High Needs block to £1.583m. The deficit balance remaining represents a significant amount still to be financed.
- 5.3 Regulation, through schools' revenue funding operational guidance, confirms that "movements from the early years block can be made in compliance with pass through rate conditions and in consultation with schools' forum". The early years pass through rates were achieved by the local authority and therefore providers will be unaffected by this transfer and this paper will fulfil the consultation requirement.
- 5.4 However, Schools Forum may wish to reconsider their earlier decision as to how any DSG balance should be utilised and may wish to propose an alternative use or uses for the DSG blocks' surplus balances. If necessary LA officers will bring papers on any proposals to the next Forum meeting.
- 5.5 From April 2018, with the phasing in of the national funding formula for schools and high needs it is expected that with the DSG block allocations formally ring-fenced, any transfer proposals of this type (outlined in paragraph 3.2 above) will no longer be possible.

6. Background Documents

- 6.1 School Finance Regulations 2016-17 and 2017-18
6.2 Draft Provisional Outturn 2017-18 Background Paper, Cabinet June 2018

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.