

REPORT TO: Schools Forum
DATE: 12th June 2019
REPORTING OFFICER: Senior Finance Officer
SUBJECT: Dedicated Schools Grant Outturn
2018-19
WARDS: Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To report to the Schools Forum the final Dedicated Schools Grant position for 2018-19 and note the amount of DSG carried forward into the 2019-20 financial year.

2.0 RECOMMENDATION: That

- 2.1 The amount of unspent DSG from 2018-19 of £347,563 is carried forward into the 2019-20 financial year be noted by Schools Forum.

3.0 SUPPORTING INFORMATION

- 3.1 Each year all local authorities are required to submit a Section 251 Outturn return to the Department for Education. The authority records its total income and expenditure for the previous financial year (2018-19). This includes income and expenditure at individual school level, taken from the Consistent Financial Reporting return plus central local authority income and expenditure.

- 3.2 The DSG available for distribution in 2018-19 totalled £76.2M as below:

Final allocation of DSG for 2018-19	£75.7M
Plus unspent DSG from 2017-18	<u>£ 0.5M</u>
Total available DSG in 2018-19	£76.2M

- 3.3 The DSG expenditure in 2018-19 totalled £75.9M as below:

Actual DSG School level expenditure	£59.4M
Actual DSG Central expenditure	<u>£16.5M</u>
Total DSG expenditure in 2018-19	£75.9M

- 3.4 The unspent DSG from 2018-19 brought forward into 2019-20 is therefore £0.3M as below:

Total DSG available in 2018-19	£76.2M
Total DSG expenditure in 2018-19	<u>£75.9M</u>
Total DSG brought forward into 2019-20	£ 0.3M

- 3.5 This is a considerably better outturn than had been forecast. With the exception of the Schools Block which was fully devolved at the start of the financial year, all blocks have ended the year with an underspend. The CSSB underspend relates to the Premature Retirement budget which came in £73k lower than forecast.

The EY underspend of £89k is the position at the end of March but may change when the final EY update is issued in June/July. As we have spent less than forecast on provision, it is likely that we will see a reduction in the EY grant for 2018-19 with the adjustment coming from the 2019-20 allocation.

The High Needs underspend mainly relates to the top-up funding budget. It should be stressed that all schools have received the full amount of funding they were due to receive. The forecasting was based on 'worst case scenarios' due to the unpredictability of the funding from the top-up budgets. Staffing and specialist teams also produced an underspend.

- 3.6 Improvements to the monitoring process for 2019-20 had been discussed and introduced for 2019-20 prior to the outturn position being calculated. More meetings will be introduced to go through the DSG budget in its entirety as we endeavour to keep expenditure to within grant receivable. If we continue to spend at the same level as 2018-19 we will exceed grant receivable by roughly £25k.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The Council is required to ensure that DSG funding is allocated in accordance with the regulations attached to each DSG block. The balance of unspent DSG as at 31st March 2019 will contribute towards services supporting schools and achieving a balanced budget position for 2019-20.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 Children & Young People in Halton

It is essential that schools receive sufficient funding to allow them to support all children and young people.

5.2 Employment, Learning & Skills in Halton

None.

5.3 A Healthy Halton

None.

5.4 A Safer Halton

None.

5.5 Halton's Urban Renewal

None.

6.0 RISK ANALYSIS

6.1 Given the level of public spending austerity since 2010 this is resulting in increased pressure on school budgets. Financial support is offered to schools and the Council will continue to monitor the level of DSG spend throughout the year to mitigate against the risk of overspend against available funding.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

8.1 None