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**WESTMINSTER CITY COUNCIL**

**SCHOOLS FORUM 20 MARCH 2017**

**REPORT BY THE HEAD OF RESOURCES**

**DEDICATED SCHOOLS GRANT MONITORING 2016/17**

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| **Purpose of the report**  This report informs Schools Forum of the current 2016/17 DSG grant allocation and provides a projection of the year end position and likely carry forward into 2017/18.  **FOR INFORMATION** |

1. **Introduction**
   1. The total Dedicated Schools Grant (DSG) allocation for 2016/17 (based on the most recent information published by the Department for Education) is £82.444m before adjustments.
2. **2016/17 DSG allocation**

2.1 Table 1 below shows a comparison between the DSG allocation as reported to Schools Forum in January 2017 against the February 2017 position.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2016/2017 DSG** | **Change** | **2016/2017 DSG** |
| **January** | **February** |
|  |  |  |  |
|  | ***£’000*** | ***£’000*** | ***£’000*** |
|  |  |  |  |
| **Early Years Pupil Funding** | 10,158 |  | 10,158 |
| 2YO Funding | 1,171 |  | 1,171 |
| Early Years Pupil Premium | 109 |  | 109 |
| **TOTAL Early Years Block** | **11,438** |  | **11,438** |
|  |  |  |  |
| **Schools Block** | 112,807 |  | 112,807 |
| NRA Cash Adjustment | 50 |  | 50 |
| Academy Recoupment | -64,217 |  | -64,217 |
| **TOTAL Schools Block** | **48,640** | **0** | **48,640** |
|  |  |  |  |
| **High Needs Block** | 24,230 |  | 24,230 |
| Deductions to High Needs Block | -1,891 | - | -1,891 |
| **TOTAL High Needs Block** | **22,339** | **-** | **22,339** |
|  |  |  |  |
| **Additions/Deductions** |  |  |  |
| NQT Funding | 27 | - | 27 |
| **TOTAL Additions/Deductions** | **27** | **-** | **27** |
|  |  |  |  |
| **TOTAL DSG Allocation 2016/17** | **82,444** | **0** | **82,444** |
|  |  |  |  |
| **Adjustments** |  |  |  |
| Prior Year Early Years | -400 |  | -400 |
| Copyright Licensing | -103 |  | -103 |
| **TOTAL Available Funds** | **81,941** |  | **81,941** |
|  |  |  |  |

1. **DSG budgets and budget monitoring**
   1. Table 2 below sets out the current DSG out-turn. There is a forecast overspend of £1.224m which has been broken down by funding block in the commentary below (3.2 – 3.4).
   2. ***Early Years (overspend of £2.002m)***
      1. There is an overspend of £2.002m projected on the early years block.
      2. There are a number of factors that have caused this, however the main contributing factor is a £2.195m overspend shown against the 3- and 4-year old formula budget.
      3. In 2015/16 this budget overspent by £1.075m, in the main due to the costs associated with funding full time places.

In 2016/17 this increased to £2.195m, a total increase of £1.020m caused by:

* the Department for Education clawing back £400k of DSG relating to the 2015/16, as their pupil estimates were higher than recorded on the final January 2016 census; and
* the Local Authority’s latest trend analysis suggesting that we can expect to have 1,542 FTE equivalent 3 and 4 year old pupils on the January 2017 census. The result of this is current DSG information under reporting the Westminster 3 and 4 year old funding by approximately £388k.
  1. **Schools Block (underspend of £208k)**
     1. The net variance in the schools block is an underspend of £208k, made up of a number of small items.
  2. **High needs block (underspend of £208k)**
     1. There is a projected under spend within the high needs block of £208k.
     2. This is primarily due to a £337k under spend on maintained school’s top-up funding.
     3. This under spend is partially offset by an over spend of £411k in alternative provision commissioning.
     4. The reduction in Belongings Placements costs (£154k) is due to the transfer of several pupils from high cost looked after children placements back into the school sector.
     5. There is significant work being undertaken to address the pressure within the alternative provision commissioning budget (£411k). Measures to reduce this overspend will have an immediate impact from the start of the coming financial year. A commissioning process will be undertaken between January – August 2017 which will result in new contracts coming into effect from 1 September 2017.
     6. Detailed budgets and current projections of the out-turn position can be found in Table 2.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **TABLE 2** | **Amended Budget** | **Projected Actual (Feb)** | **Projected Actual (Jan)** | **Projected Variance** | **Change from P6 Report** |
|  | *£'000* |  | *£'000* | *£'000* | *£'000* |
| **Early Years Block** |  |  |  |  |  |
| 2 Year Old Offer | 1,171 | 985 | 985 | -186 | 0 |
| 2YO Project | 0 | 34 | 34 | 34 | 0 |
| Early Years Formula | 8,547 | 10,380 | 10,380 | 1,833 | 0 |
| Early Years Pupil Premium | 109 | 116 | 116 | 7 | 0 |
| Children with Disabilities Provision | 41 | 42 | 42 | 1 | 0 |
| EAL and Early Years Team | 55 | 97 | 97 | 42 | 0 |
| Early Years Commissioners | 46 | 59 | 59 | 13 | 0 |
| Early Help and Partnerships Team | 240 | 240 | 240 | 0 | 0 |
| Early Years and Children´s Centres Team | 293 | 293 | 293 | 0 | 0 |
| Early Years Provision | 266 | 161 | 161 | -105 | 0 |
| Children's Centre and Family Support | 48 | 49 | 49 | 1 | 0 |
| Children In Need Provision | 622 | 622 | 622 | 0 | 0 |
|  | **11,438** | **13,078** | **13,078** | **1,640** | **0** |
| **Schools Block** |  |  |  |  |  |
| Schools Formula Funding | 47,982 | 47,614 | 46,963 | -368 | 651 |
| Schools Central - Growth / Falling Rolls | 1,402 | 34 | 34 | -1,368 | 0 |
| Schools Central - Trade Union | 41 | 41 | 41 | 0 | 0 |
| Schools Central - Other (TU, Redundancy) | 54 | 1,293 | 1,231 | 1,239 | 35 |
| Finance and Resources | 56 | 245 | 245 | 189 | 0 |
| Tri-Borough Portfolio Team | 0 | 100 | 100 | 100 | 0 |
| School Standards | 66 | 66 | 66 | 0 | 0 |
| Intervention Fund | 75 | 75 | 75 | 0 | 0 |
| Admissions | 431 | 431 | 431 | 0 | 0 |
| Multi Agency Safeguarding Hub | 17 | 17 | 17 | 0 | 0 |
| Virtual School | 102 | 102 | 102 | 0 | 0 |
|  | **50,226** | **50,018** | **49,305** | **-208** | **686** |
| **High Needs Block** |  |  |  |  |  |
| Element 2 Funding | 1,727 | 1,727 | 1,727 | 0 | 0 |
| Special Unit Place Funding | 1,890 | 1,890 | 1,890 | 0 | 0 |
| Educational Psychology | 100 | 100 | 100 | 0 | 0 |
| Top-Up Funding – Maintained | 5,673 | 5,336 | 5,336 | -337 | 0 |
| Top-Up Funding - Academy, Free, Ind. | 7,918 | 7,890 | 7,890 | -28 | 0 |
| Alternative Provision Commissioning | 750 | 1,161 | 1,161 | 411 | 0 |
| Belongings Placements | 564 | 410 | 410 | -154 | 0 |
| SEN Commissioning | 776 | 768 | 768 | -8 | 0 |
| Vulnerable children placements | 113 | 113 | 113 | 0 | 0 |
| SEN Business and Finance Administration | 212 | 212 | 212 | 0 | 0 |
| SEN Outreach | 579 | 579 | 579 | 0 | 0 |
| Portage | 240 | 240 | 240 | 0 | 0 |
| Speech and Language Therapy (SALT) | 238 | 146 | 146 | -92 | 0 |
|  | **20,780** | **20,572** | **20,572** | **-208** | **0** |
| **TOTAL DSG Applied** | **82,444** | **83,668** | **82,955** | **1,224** | **686** |

1. **Recommendations**
   1. Schools Forum are asked to note the DSG allocation and monitoring position.
   2. Schools Forum are asked to note that the projected carry forward is forecast to be £5.064m, down from £6.288m brought forward on 1 April 2016.

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