

# City of Wolverhampton Council

## SCHOOLS FORUM

<b>Date</b>	<b>04 July 2019</b>
<b>Report title</b>	<b>Dedicated Schools Grant Outturn 2018-2019</b>
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### Summary

The purpose of this report is to inform Members of the Schools' Forum on the final expenditure against the Dedicated Schools Grant (DSG) in 2018-2019.

### Decision

Members of Schools Forum' are asked to:

1. Note the final DSG allocation for 2018-2019 as published by the Department for Education.
2. Receive the report on the final out turn against the DSG in 2018-2019.

### Schedule of background papers

Schools' Forum reports:

- February 2018
- July 2018
- December 2018
- January 2019

## 1.0 Background

- 1.1 On 19 December 2017, the Government announced the Local Authority's DSG allocation for 2018-2019. The City of Wolverhampton's initial allocation was £237.46 million detailed over the main funding blocks. Over the course of 2018-2019, the DSG has been updated to reflect initial changes in the levels of participation across the early years sector and changes as a consequence of the academisation process.

Details	Original 2018-2019 £m	Revised 2018-2019 £m	Basis of calculations
Schools Block	182.68	182.68	£4,100.67 per primary pupil £5,493.24 per secondary pupil
Central Schools Services Block	1.97	1.97	£31.77 per pupil + historic commitments
High Needs Block	33.76	34.55	
Early Years Block (Universal and Additional entitlement)	13.89	13.89	£4.68 per pupil hour
Early Years Pupil Premium	0.23	0.25	
2-year-old funding	3.94	3.91	£5.24 per pupil hour
Supplementary funding for Nursery Schools	0.92	0.94	£2.83 per pupil hour
Disability Access Fund	0.07	0.07	£615 per eligible pupil
<b>Total</b>	<b>237.46</b>	<b>238.26</b>	

The Early Years allocation shown in the table will be further adjusted in due course to reflect actual participation during 2018-2019.

The total DSG allocation shown above has been subsequently reduced to reflect the recoupment by the Skills and Funding Agency in respect of Mainstream Academies and for the Place Funding costs met from the High Needs Block.

The net DSG allocated to the City and received by the Authority can be summarised as follows:

Details	£m
Initial Gross Allocations 2018-2019	238.26
Academy recoupment (Mainstream)	(116.25)
Deductions for High Needs (Place funding)	( 6.39)
<b>Net DSG received by the Authority</b>	<b>115.62</b>

## 2.0 DSG Out turn 2018-2019

Appendix 1 provides a breakdown of the expenditure against the DSG in 2018-2019. Overall there has been an underspend against the budgeted DSG allocation for 2018-2019 of £1.49m which is detailed below.

The main variations are set out in the following table

<b>Variations</b>		
<b>Income Variations</b>		<b>(8.02)</b>
Adjustments to Local Authority allocation		<b>(8.02)</b>
- Final allocation of funding to City	0.17	
- Additional income received in year	0.68	
- Increase in recoupment	(8.87)	
<b>Expenditure Variations</b>		<b>9.51</b>
Variance to amounts transferred to settings:		<b>9.83</b>
- High Needs Block	0.50	
- Early Years Block	0.83	
- Main (Schools) Block	8.50	
Variance to Central Functions Allocations:		<b>(0.32)</b>
- SEN Out of City	(0.92)	
- Alternative Provision	(0.24)	
- Growth Fund	0.56	
- SEN Support teams	0.2	
- Contribution to External Placement Panel	0.08	
<b>Net Variance (from Original Budget)</b>		<b>1.49</b>

## 3.0 Analysis of Income Variations

The DSG allocation is adjusted throughout the year, and the following table illustrates the variations from the initial settlement figures in February 2018 to the latest available figures in March 2019. Further adjustments will be made to the Early Years Block and we will receive notification of these adjustments in July 2019.

	February 2018 £ million	March 2019 £ million	Variance £ million
<b>Dedicated Schools Grant Block</b>			
High Needs Block	27.74	28.16	0.42
Import/Export Adjustment	0.08	0.24	0.16
Recoupment	(6.02)	(6.39)	(0.37)
Additional Grant	0	0.63	0.63
Early Years Block	19.05	19.11	0.06
Universal 3 & 4-year-old	11.62	11.60	(0.02)
Extended Hours 3 & 4-year-old	2.27	2.30	0.03
2-year-old funding	3.94	3.91	(0.03)
EY Pupil Premium	0.23	0.24	0.01
Maintained Nursery School Supplement	0.92	0.94	0.02
Adjustment to 2017-2018 settlement	0	0.05	0.05
Schools Block	74.93	66.43	(8.50)
Recoupment	(107.75)	(116.25)	(8.50)

## 4.0 Analysis of Expenditure Variances

### Schools Block

- 4.1 The net variance on expenditure from the Schools block is £9.06 million less than budget. The amount transferred to settings reduced by £8.50 million, as this was recouped by the ESFA for schools converting to Academy status during the year. The remaining difference is an underspend in the Growth Fund of £0.56 million, which will roll forward to 2019-2020 to top up the short fall in required funding.

### High Needs Block

- 4.2 The net variance on expenditure from the High Needs Block is £0.38 million greater than budget.

Element	Budget £ million	Actual £ million	Variance £ million
Transferred to Settings Total	18.60	18.10	(0.50)
- PRU Viability variance	0.27	0.03	(0.24)
- Funded through formula variance (*)	18.33	18.07	(0.26)
Indirect provision Total	5.58	6.69	1.11
- Out of City Placement variance	4.29	5.21	0.92
- Outreach Services variance	0.69	0.64	0.05
- Alternative Provision (Excluded pupils) variance	0.60	0.84	0.24
Central Support Services Total	2.53	2.30	0.23
- SEN Support staff variance	1.88	1.73	(0.15)
- Contribution to External Placement Panel variance	0.40	0.32	(0.08)

(\*) The reduction in amount funded through formula is offset by the increase in re-coupmnt due to changes in place numbers and Post-16 provision.

At its meeting of 17 January 2019, Schools' Forum approved a borrow forward from the 2019-2020 High Needs Block to fund a forecast overspend of £368,000. As illustrated in Appendix 1, the outturn position led to a remaining balance of £42,000 in the High Needs Block. This balance is to be carried forward to 2019-2020. A revised budget was presented to and agreed by the High Needs Review Group in May 2019 and can be found in Appendix 2.

### Early Years Block

- 4.3 The net variance on expenditure from the High Needs Block is £830,000 less than budget.

In July 2018, it was reported to Schools' Forum that there was an underspend of £1.80 million in the Early Years Block which early indicators showed was due to low uptake of 2-year-old places, and it was anticipated that this would be recouped by the ESFA in the final Early Years settlement.

The announcement of the final settlement, led to an increase of funding of £51,432, which did not correlate with data used to make payments to providers. A piece of work to reconcile the difference has been undertaken and it has identified that a number of

schools have duplicated pupil data by including them on both the Early Years census and the School census, which has led to overfunding for both 2017-2018 and 2018-2019.

The ESFA have been informed of the error, and we are awaiting a recommended course of action from them and this will be reported at a future meeting of Schools' Forum.

Due to the above findings, we are not able to provide a breakdown of the Early Years Block by funding factor at present.

## **5.0 Impact**

- 5.1 The allocation of resources from the DSG has implications of the level of funds that can be directed to schools and therefore has a major impact on a school's ability to deliver its desired outcomes and as such has implications for all areas within the Education Service.

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