

REVENUE BUDGET OUTTURN REPORT 2016-17 – DEDICATED SCHOOLS BUDGET

Purpose of the Paper

1. To report on the outturn position for the dedicated schools budget in 2016-17.

Main Considerations

Outturn 2016-17

2. Appendix 1 shows expenditure as at 31st March 2017. The Dedicated Schools Grant (DSG) was underspent by £0.030 million at the end of the year, a decrease of £0.589m compared with the forecast at the end of January 2017.
3. There are a number of movements in the variance within the overall total and the January forecast is shown on the summary for comparison. The reasons for the key variances and the movements in the last two months of the year are outlined below.

Academy Recoupment

4. The final budget for 2016-17 has been adjusted to reflect all academy recoupment through the year, including part year adjustments for in-year converting schools. The budget has been reconciled to the DSG allocation notified to the local authority in March 2017.

High Needs Budgets (0-25 SEND Service)

5. Budgets within the 0-25 SEND Service were overspent by £1.020m.
6. Expenditure on Independent Special School placements continues to be higher than budgeted for and has overspent by £1.008m.
7. A number of savings plans were agreed by Schools Forum prior to the start of the financial year in order to reduce the risk of overspend against high needs budgets. These actions have impacted as follows:
 - a) ***Reduction in top up values*** – top up values for mainstream schools were reduced by an average of 20% across Resource Bases, Enhanced Learning Provision (ELP) and Named Pupil Allowances (NPA). Top up values in special schools were protected by the minimum funding guarantee and therefore subject to a maximum reduction of 1.5% compared with the previous year. An analysis of price and volume variances throughout the year indicates that the projected saving of £0.9 million was achieved through the reduction in the unit costs of top up payments. This was offset by an increase in costs due to increased volumes particularly in relation to NPAs. Top up budgets in Wiltshire schools overall were on budget.

- b) **Reduction in unit costs for independent providers** – unit costs of places in independent special schools have increased compared with 2015-16 however unit costs of post-16 placements have significantly reduced as a result of the increased use of local provision. The budget for top-up payments for post-16 students was underspent in 2016-17.
- c) **High Needs Recoupment** – Schools Forum agreed that where high needs places in schools were not being filled top up payments would not be made until the value of the unfilled places had been offset. Additional place funding continued to be made to schools where the numbers of eligible pupils exceeded the agreed place numbers. This was to ensure that the principle of funding following need was adhered to in the allocation of high needs funding. In 2016-17 £0.203m was recouped from schools with unfilled places and £0.582m paid to mainstream schools for additional places.

Early Years Budgets

- 8. Early years budgets underspent by £0.298m in 2016-17. It is expected that there will be a further adjustment to the DSG allocation for 2016-17 to reflect the impact of the January 2017 pupil census and this will need to be reflected in the 2017-18 financial year.

Support for the Education of Looked After Children

- 9. It was agreed at the Schools Funding Working Group meeting in June 2017 that the Virtual Head Teacher would be invited to attend Schools Forum in October to discuss the historical impact of expenditure of the Pupil Premium Grant and the DSG funding for personal education plans, and how that impact might be maximised in the future. This will be included on the agenda for the October meeting.
- 10. The total PPG grant received in respect of looked after children was £0.462m in 2016-17.
- 11. DfE guidance requires that the pupil premium for looked after children must be managed by the designated virtual school head and used for the benefit of the looked after child's educational needs. Analysis of the expenditure in 2016-17 indicates that 44% of the grant was used directly to provide in school, or in placement, support for pupils and a further 15% providing tutoring and mentoring support through the service at Aspire House. Funding was also used to support participation for looked after children including school trips, music tuition, etc.
- 12. As the new virtual head teacher comes in to post the operational priorities and spending plans will be reviewed and WASSH and PHF will be consulted as part of that process.

Impact on the DSG Earmarked Reserve

- 13. Any under or overspend against the Dedicated Schools Grant is to be carried forward in to the following financial year. The underspend of £0.030 million will therefore need to be transferred in to the earmarked DSG Reserve. The table below sets out the position of the DSG Reserve as at the end of 2016-17.

Impact on DSG Reserve	£m
DSG Reserve c/f from 2015-16	0.591
Less Late adjustment 2015-16 for final settlement not in 15-16 Note to Accounts	- 0.038
Add transfer to reserves for 16-17 variance	0.030
Closing Balance 16-17	0.583

Proposal

14. Schools Forum is asked to note the outturn position for the Dedicated Schools Budget in 2016-17.

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