



Leicester
City Council

WARDS AFFECTED
All Wards

Agenda Item 6

Schools Forum

20th September 2018

Outturn 2017/18 – Dedicated Schools Grant (DSG) & School Balances and the Schools Budget for 2018/19

Report of the Head of Finance, Education & Children's Services

1. Purpose of Report

1.1. To report the following:

- i) Overall DSG expenditure for 2017/18.
- ii) Individual school revenue balances for schools maintained by the City Council as at 31st March 2018 (the end of financial year 2017/18).
- iii) The budget for the High Needs Block for 2018/19.

2. Recommendations

2.1 Schools Forum is recommended to note the report.

3. Report

Dedicated Schools Grant (DSG) Expenditure for 2017/18 and the DSG Budget for 2018/19

- 3.1. The total DSG expenditure exceeded the in-year allocation by £2.3m which was funded as planned by DSG reserves. As a result the DSG reserve balance reduced from £14.2m at the beginning of the year to £11.9m carried forward at the end of the financial year 2017/18.
- 3.2 DSG reserves were used to support the High Needs Block (HNB), to supplement the in-year Growth Fund and to pay for the final additional £1.2m of support funding to primary schools. The reserve balance carried forward will continue to be used to supplement the in- year allocation of the HNB until such time as the HNB cost reduction programme is complete. The balance will also be used to supplement any shortfall in Growth Funding.
- 3.3 Total Growth Fund expenditure was £3.8m, £1.9m more than the in-year fund set aside for the year. Forum will recall that the funds set aside for the Growth Fund was increased to £3.8m for 18/19 (split 50/50 between schools and DSG reserves) on the basis that the DfE would fund future years Growth Funds based on previous years' budgets. Subsequently the DfE announced that they will be looking to base the Growth

Fund on some combination of previous spend and census data. It is not clear yet what our Growth Fund will be for 2019/20.

- 3.4 Previous reports have highlighted the shortfall in the HNB allocation compared to current expenditure. The revised National Funding Formula (NFF) for the HNB does not adequately fund either the growth in the SEN population or the increasing need of those with SEN.
- 3.5 The DfE have announced in their operational guidance that they are delaying the full introduction of the NFF by a year to 2021/22. The full introduction would mean that local authorities have no discretion to change the formula factors or rates and so effectively the DfE are distributing funding directly to schools via the local authority as agent. Allowing local authorities the ability to operate their own formula and rates of minimum funding guarantee means that for the next two years they will continue to have the flexibility to transfer funds (albeit a capped amount) from the Schools Block to the HNB. The DfE are aware that there are many local authorities who are experiencing difficulties with their HNB and that the original NFF plan to ring-fence the blocks removes local flexibility to deal with increasing SEN demand, particularly as the DfE have inadequately funded the HNB.
- 3.5 Press reports indicate that there is still much debate within the DfE as to whether to continue with a 'soft' formula and allow some local flexibility or to fully implement a 'hard' formula. The issue for now has been deferred.
- 3.6 Forum will recall that we took a decision last year to fully implement the NFF but we capped individual school gains to fund an increased Growth Fund. No transfers were made from the Schools Block to the HNB on the grounds that DSG reserves would be used to support the HNB overspends until the HNB cost reduction programme has been fully implemented. This cost reduction programme involves reducing the council provided support services and reviewing the unit placement costs of special schools.
- 3.7 However whilst ever there is growth in SEN places the marginal increase in funding of £4k per place is only 20% of even the lowest cost per place. As a result we may well still need to consider transfers of funding between blocks if the system allows it in the future. This will not be the case in 2019/20 however.
- 3.9 In 2018/19 the HNB is planned to overspend by £2.6m (compared to £1.7m in 17/18). The number of special school places in maintained schools and academies is planned to be 1,137 compared to 1,095 in 17/18.
- 3.9 The 2017/18 expenditure for all blocks is highlighted in Appendix 1 and the 2018/19 HNB budget is included in Appendix 2.

School Revenue Balances

- 3.2. Total School Revenue Balances in Leicester as at 31st March 2018 were £15.25 million. This was an increase of £0.78m from balances at 31st March 2017. These figures are before the deduction of allowed exemptions and are referred to as the "headline" balances.

- 3.3. £2.4m in addition to the above £15.3m is held by the City Council on behalf of schools who have transferred revenue funds to a capital reserve for building or other capital projects in the future.
- 3.4. Within the £15.3m overall balance, 64 had a surplus balance totalling £16.8m and 18 schools had a deficit balance totalling £1.5m. This compares to the position at March 2017 when balances totalled £14.5m and 79 schools had surplus balances totalling £15.1m and 8 schools had a deficit balances totalling £0.6m. Surplus balances have increased and the number of schools with deficit balances has increased.

Publication and Reporting of the Balances

- 3.5. The DfE publish the total/headline balances annually at local authority and at school level on its website.

Detail of the Balances at 31st March 2018 and Potential for “Clawback”

- 3.6. Schools Forum in 2010 approved a School Balance Control Mechanism and under the current paragraphs on Control of Balances within the Scheme for Financing Schools, “Clawback” of balances at March 2018 can be applied where they are higher than 10% of the Normal Maximum Limit. However, various items detailed below are excluded from this calculation and schools were asked to complete a return detailing any such exemptions - the result of this analysis is shown in the table on page 4. The exemptions are explained in more detail at Appendix 4 with a school by school list shown in Appendix 5 (excluding academies). Twelve schools had not submitted a return at the time of writing this report and so the table makes the assumption that these school balances are uncommitted. Ten schools are showing as having an uncommitted balance over the 10% threshold; however four of these are ‘non-return’ schools where the uncommitted assumption has taken place.
- 3.7. It can be seen that the total “headline” balances are £15.25m (excluding Academies). The allowed exemptions reported by schools total £8.24m, leaving net uncommitted balances of £7.01m.

	Primary £000	Special £000	Secondary £000	Total £000		2016/17 Comparative Information £000
Total “Headline” Balance at March 2018	7,913	1,407	5,931	15,251		14,474
Unspent Funds from the LA and other bodies	214	0	114	329		255
Revenue	356	25	589	970		255

funding of Capital Projects						
BSF/Capital Contingency	0	437	250	687		362
Planning for Uncertainty	1,252	0	1,106	2,358		1,961
Committed or Planned Spending	1,496	484	1,917	3,897		3,253
Total of Exemptions	3,318	946	3,976	8,240		6,086
Total Balances after Exemptions	4,595	461	1,955	7,011		8,388

Of the £7.0m balances after exemptions, £0.6m* exceeds the 10% thresholds at individual school level and is therefore available for clawback.

*Pending the carry forward analysis returns of 4 schools holding a surplus balance over 10% of their allocation.

4. **FINANCIAL, LEGAL AND OTHER IMPLICATIONS**

Financial Implications

This report is concerned throughout with financial implications.

Legal Implications

There are no direct legal implications arising from this report.

Climate Change Implications

There are no direct climate change implications arising from this report.

OTHER IMPLICATIONS	YES/ NO	Paragraph/References Within the Report
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	

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APPENDIX 1 – DSG Out-turn 2017/18

DSG Expenditure - out-turn	2017/18
	<i>£'000</i>
Schools Block	
Primary schools	98,730
Secondary schools	70,841
Growth Funding	3,812
De-delegation	
ECP and SIFD	162
Behaviour support services	894
Closing the gap	491
Traveller Education	68
WiT	1,090
Academic coaching	323
Primary school improvement	408
FSM eligibility	30
Licenses	11
Union duties and staff cover	195
	177,055

Central Services	
Premature Retirement costs	149
Admissions and appeals	559
Schools Forum	13
Education welfare and SACRE	912
Copy right licenses and other	227
	1,860
Early Year's Block	
3 and 4 year old entitlement	15,499
SEN inclusion	770
Administration and audit	60
Children's centre teachers	697
Training	46
Bookstart	55
2 year old entitlement	4,275
Trajectory	42
Early Year's Pupil Premium	398
Disability Access	18
	21,860

APPENDIX 1 – DSG Out-turn 2017/18

DSG Expenditure - out-turn	2017/18
	<i>£'000</i>
High Needs Block	
Special schools	24,595
DSP	536
Independent provision	4,453
Mainstream top ups	6,177
PRUs	3,221
FE colleges	575
ISP	570
SEN transport	360
SNTS	3,483
Virtual school	319
Educational Psychology	528
Anti bullying	29
Equipment	57
Parent Partnership	105
Support for young carers	30
Children missing education	25
Council overheads	925
CMF	106
	46,094
Total DSG Expenditure	246,869
Early Year's 16/17 adjustment	181
Less DSG reserves	(2,305)
Total Allocation	244,745

APPENDIX 2 – High Needs Block Budget 2018/19

2018/19 Budget	£'000
High Needs Block	
Special schools	25,396
DSP	705
Independent provision pre 16	5,000
Mainstream top ups	5,427
PRUs	3,244
FE colleges	850
ISP	600
SEN transport	360
SNTS	3,863
Virtual school	437
Educational Psychology	528
Anti bullying	30
Equipment	85
Parent Partnership	115
Support for young carers	40
Children missing education	25
CMF	106
Council overheads	913
Total	47,724
Allocation	45,078
Shortfall	(2,646)

School Budget & Carry forward 2017-18

School	Budget 17-18	C-fwd March 2017	C-fwd March 2018	↑ = in-year surplus ↓ = in-year deficit	cfwd as % of Budget
Abbey Primary Community School	2,470,042	-89,998	-63,973	↑	-2.6%
Avenue Primary School	1,912,057	-39,790	-97,378	↓	-5.1%
Alderman Richard Hallam Primary	2,747,828	-160,192	-101,238	↑	-3.7%
Barley Croft Primary	1,541,177	193,519	230,839	↑	15.0%
Belgrave St Peters C.E Primary	914,394	208,550	155,490	↓	17.0%
Beaumont Lodge	931,661	80,355	4,563	↓	0.5%
Braunstone Frith Primary	2,575,812	111,627	112,515	↑	4.4%
Bridge Junior	1,423,033	25,192	82,937	↑	5.8%
Buswells Lodge Primary	1,836,388	314,457	377,132	↑	20.5%
Caldecote Primary	2,223,787	118,677	254,423	↑	11.4%
Catherine Infants	1,460,537	20,367	-3,829	↓	-0.3%
Catherine Junior	1,973,472	281,305	182,064	↓	9.2%
Charnwood Primary	1,743,687	105,039	140,052	↑	8.0%
Christ The King R.C	1,805,368	54,703	-58,582	↓	-3.2%
Coleman Primary	2,374,991	231,691	314,500	↑	13.2%
Dovelands Primary	1,846,705	179,649	225,699	↑	12.2%
Evington Valley Primary	1,310,670	88,786	99,881	↑	7.6%
Eyres Monsell Primary	1,343,850	171,669	204,510	↑	15.2%
Folville Junior	1,501,726	-1,271	55,371	↑	3.7%
Fosse Primary	1,673,718	-94,861	-27,924	↑	-1.7%
Granby Primary	1,671,107	183,722	114,762	↓	6.9%
Green Lane Infants	1,283,771	94,248	147,652	↑	11.5%
Glebelands Primary	1,059,786	60,159	34,560	↓	3.3%
Kestrels Field Primary	1,855,710	283,156	224,050	↓	12.1%
Hazel Primary & Community Centre	1,710,322	416,206	478,234	↑	28.0%
Herrick Primary	1,416,086	76,791	47,742	↓	3.4%
Sparkenhoe Primary	1,984,429	381,753	353,324	↓	17.8%
Highfields Primary	1,491,507	108,170	140,785	↑	9.4%
Holy Cross Catholic Primary	937,762	57,978	20,389	↓	2.2%
Imperial Avenue Infants	1,172,100	82,958	127,927	↑	10.9%
Inglehurst Infants	1,113,627	7,658	70,925	↑	6.4%
Inglehurst Junior	1,300,792	83,543	102,478	↑	7.9%
King Richard III Infant & Nursery School	874,872	64,772	35,703	↓	4.1%
Linden Primary	1,628,434	79,049	104,384	↑	6.4%
Marriott Primary	1,878,491	151,242	282,280	↑	15.0%
Mayflower Primary	1,622,394	70,389	83,009	↑	5.1%

Medway Community Primary	2,047,343	110,412	166,855	↑	8.1%
Mellor Community Primary	2,260,502	3,221	-16,597	↓	-0.7%
Merrydale Infants	1,350,632	43,824	86,059	↑	6.4%
Montrose Primary	1,556,780	144,268	166,420	↑	10.7%
Parks Primary	1,917,691	220,556	197,490	↓	10.3%
Overdale Infants	1,107,982	2,655	-6,925	↑	-0.6%
Overdale Junior	1,335,414	79,777	179,273	↑	13.4%
Rushey Mead Primary	2,254,166	249,615	268,672	↑	11.9%
Rolleston Primary School	1,795,726	141,147	111,218	↓	6.2%
Sandfield Close Primary	1,370,249	141,458	-15,250	↓	-1.1%
Scraptoft Valley Primary	1,786,790	238,458	287,190	↑	16.1%
Shaftesbury Junior	946,349	130,740	154,218	↑	16.3%
Shenton Primary	2,105,507	208,618	373,676	↑	17.7%
Slater Primary	752,810	-150,741	-98,561	↑	-13.1%
Spinney Hill Primary	2,430,008	371,412	422,771	↑	17.4%
St Barnabas C E Primary	1,303,141	100,793	-186,775	↓	-14.3%
St John the Baptist C E Primary School	1,467,435	41	-203,511	↓	-13.9%
St.Marys Fields Infants	1,682,424	23,810	-58,061	↓	-3.5%
St Patricks Catholic Primary	915,504	27,981	61,784	↑	6.7%
Hope Hamilton COE Primary School	1,656,926	322,194	322,813	↑	19.5%
Stokes Wood Primary	1,685,169	372,128	524,353	↑	31.1%
Taylor Primary	3,215,650	91,887	409,136	↑	12.7%
Uplands Infants	1,613,163	155,187	182,288	↑	11.3%
Whitehall Primary	1,833,607	64,186	52,598	↓	2.9%
Wolsey House Primary	1,963,321	43,088	22,639	↓	1.2%
Wyvern Primary	1,567,782	15,398	54,465	↑	3.5%
Total Primary School Allocation	102,534,164	7,153,381	7,913,494		
Oaklands	2,011,040	206,948	7,993	↓	0.4%
Ellesmere College	4,912,208	526,376	717,269	↑	14.6%
Keyham Lodge	3,701,467	304,352	571,964	↑	15.5%
Netherhall	2,154,955	415,795	428,820	↑	19.9%
The Children's Hospital School	1,833,000	30,531	-43,784	↓	-2.4%
Millgate	3,066,750	-47,825	-126,346	↓	-4.1%
West Gate School	4,509,236	327	-148,952	↓	-3.3%
Total Special School Allocation	22,188,656	1,436,504	1,406,964		
Beaumont Leys School	5,898,345	1,069,710	975,990	↓	16.5%
City of Leicester School	6,466,019	97,405	-156,601	↓	-2.4%
Crown Hills Community College	6,929,154	875,444	1,108,339	↑	16.0%
English Martyrs Catholic School	4,558,131	388,319	521,128	↑	11.4%
Judgemeadow Community College	6,295,486	-51,311	-111,993	↓	-1.8%
Madani High School - Girls	1,554,956	51,393	162,556	↑	10.5%
Madani High School - Boys	1,520,523	63,415	59,542	↓	3.9%
Moat Community College	6,487,968	334,640	553,185	↑	8.5%
Fullhurst Community College	5,297,725	224,766	95,154	↓	1.8%
New College Leicester	5,598,285	796,876	1,061,813	↑	19.0%
Sir Jonathan North Community College	6,100,018	216,251	460,895	↑	7.6%

Soar Valley Community College	6,962,808	827,809	895,965	↑	12.9%
St Paul's Catholic School	4,394,798	241,437	304,513	↑	6.9%
Total Secondary School Allocation	68,064,216	5,136,154	5,930,486		

Total School Allocation	192,787,036	13,726,039	15,250,944		
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School Balances Control Mechanism Exemptions

1. **Unspent Funds from the LA and other bodies received during the financial year.**
This includes income such as One to One Tuition, etc. which was not included on the reserve forms as a receipt in advance. Please do not include unspent income received for Whatever it Takes initiatives; this should be included in Category 5 – Uncommitted Balances.
This category may also be used for other external income which the school has received but not yet spent. Please list the names of the funders.
2. **Revenue funding of capital projects and BSF.** Schools are not normally expected to use revenue funding for capital projects but it is permitted under guidance from the DfE. Secondary and Special schools should show BSF reserves as a separate line within this category. Amounts already transferred to the City Council's reserve should not be included in this category.
3. **Exemptions under exceptional circumstances related to planning for uncertainty.**
This should be used where the school feels it is prudent to maintain a reserve over the 10% threshold in the short term to support short-term costs whilst a sustainable budget plan is implemented or where there has been a short-term change in circumstances. This is designed to assist in developing long-term solutions for events such as falling pupil numbers or changes in staffing.
4. **Exemptions under exceptional circumstances related to committed or planned spending.** A school may have substantial spending commitments that justify maintaining a reserve over the 10% threshold. For example, this may include a substantial long-term maintenance programme.

		Category 1	Category 2	Category 2A	Category 3	Category 4	Category 5
Reporting on Planned use of Surplus Balances	Total Surplus Balance	Unspent Funds from LA	Revenue Funding of Capital Projects	BSF Contingency	Exemptions relating to Planning for Uncertainty	Exemptions relating to Committed or Planned Spending	Uncommitted Balances
School							
Abbey Primary Community	-63,973						-63,973
Avenue Primary	-97,378						-97,378
Alderman Richard Hallam Primary	-101,238						-101,238
Barley Croft Primary	230,839					35,000	195,839
Belgrave CE Primary	155,490		24,000		80,000		51,490
Beaumont Lodge Primary	4,563						4,563*
Braunstone Frith Primary	112,515						112,515
Bridge Junior	82,937					24,421	58,516
Buswells Lodge Primary	377,132		12,500			29,000	335,632
Caldecote Primary	254,423				36,910	49,071	168,442
Catherine Infant	-3,829						-3,829
Catherine Junior	182,064						182,064*
Charnwood Primary	140,052						140,052
Christ The King RC Primary	-58,582						-58,582
Coleman Primary	314,500				141,155		173,345
Dovelands Primary	225,699					225,699	
Evington Valley Primary	99,881	10,040					89,841
Eyres Monsell Primary	204,510	41,300			30,000		133,210
Folville Junior	55,371	0	1,267		15,000	26,900	12,204
Fosse Primary	-27,924						-27,924
Granby Primary	114,762						114,762*
Green Lane Infant	147,652						147,652
Glebelands Primary	34,560					15,400	19,160
Kestrels Field Primary	224,050					65,000	159,050
Hazel Primary	478,234	7,081	21,000		238,000	20,000	192,153
Herrick Primary	47,742						47,742*
Sparkenhoe Community Primary	353,324						353,324*
Highfields Primary	140,785						140,785
Holy Cross Catholic Primary	20,389						20,389
Imperial Avenue Infant	127,927						127,927
Inglehurst Infant	70,925					20,000	50,925
Inglehurst Junior	102,478	35,345	26,000				41,133
King Richard III Infant	35,703				10,449		25,254
Linden Primary	104,384				50,000	30,000	24,384
Marriott Primary	282,280	4,150			264,240	13,890	

Mayflower Primary	83,009						83,009
Medway Community Primary	166,855						166,855
Mellor Primary	-16,597						-16,597
Merrydale Infant	86,059						86,059
Montrose	166,420						166,420*
Parks Primary	197,490				42,688		154,802
Overdale Infant	-6,925						-6,925
Overdale Junior	179,273						179,273*
Rushey Mead Primary	268,672	22,324			73,937	80,811	91,600
Rolleston Primary	111,218	6,679					104,539
Sandfield Close Primary	-15,250						-15,250
Scraptoft Valley Primary	287,190		50,000		80,000	20,000	137,190
Shaftesbury Junior	154,218					46,900	107,318
Shenton Primary	373,676		200,000			105,000	68,676
Slater Primary	-98,561						-98,561
Spinney Hill Primary	422,771	87,733			25,611	94,408	215,019
St Barnabas Primary	-186,775						-186,775
St John The Baptist Primary	-203,511						-203,511
St Marys Fields Primary	-58,061						-58,061
St Patricks RC Primary	61,784				61,784		
Hope Hamilton C of E Primary	322,813				12,700	149,550	160,563
Stokes Wood Primary	524,353					205,853	318,500
Taylor Road Primary	409,136					239,000	170,136
Uplands Infant	182,288		21,000		89,563		71,726
Whitehall Primary	52,598						52,598
Wolsey House Primary	22,639						22,639
Wyvern Primary	54,465						54,465*
TOTAL PRIMARY	7,913,494	214,652	355,767	0	1,252,037	1,495,903	4,595,136
Oaklands	7,993						7,993
Ellesmere College	717,269			286,500		231,118	199,651
Keyham Lodge	571,964						571,964
Netherhall School	428,820		25,500	150,000		253,320	
Childrens Hospital School	-43,784						-43,784
Millgate	-126,346						-126,346
West Gate	-148,952						-148,952
TOTAL SPECIAL	1,406,964	0	25,500	436,500	0	484,438	460,526
Beaumont Leys	975,990	29,500		100,000		173,695	672,795
City of Leicester	-156,601						-156,601
Crown Hills CC	1,108,339	50,409	70,000		200,000	587,266	200,664
English Martyrs	521,128						521,128*
Judgemeadow CC	-111,993						-111,993
Madani Girls' School	162,556						162,556*
Moat CC	553,185	29,174	200,000		324,011		
Fullhurst CC	95,154				81,654	13,500	

New College	1,061,813				500,000	270,000	291,813
Sir Jonathan North CC	460,895		243,607			206,686	10,602
Soar Valley CC	895,965	5,463	75,000	150,000		665,502	
St Pauls RC	304,513						304,513*
Madani Boys' School	59,542						59,542*
TOTAL SECONDARY	5,930,486	114,546	588,607	250,000	1,105,665	1,916,649	1,955,019
TOTAL ALL SCHOOLS	15,250,944	329,198	969,874	686,500	2,357,702	3,896,990	7,010,681

** Assumed uncommitted balances in the absence of a return at the time of writing the report*

*Schools in **bold** currently holding uncommitted balances over 10% of budget*