

# MUNICIPAL YEAR 2017/2018 REPORT NO. 1

**MEETING TITLE AND DATE:**  
Schools Forum 14<sup>th</sup> June 2017

**REPORT OF:**  
Director of Finance, Resources & Customer Services

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**Agenda – Part: 1** | **Item: 5a**

**Subject:**  
**2016/17 DSG Outturn Report**

## 1. EXECUTIVE SUMMARY

1.1. This report provides a review of the DSG revenue expenditure for 2016/17 which resulted in a year-end deficit of £3.196m being carried forward into 2017/18. A detailed breakdown of the outturn position is included as an appendix to the report. The reasons for the key variances are detailed in the report.

## 2. RECOMMENDATIONS

2.1 To note the contents of the report.

## 3. 2016/17 DSG OUTTURN POSITION

3.1 The original estimate of DSG resources for 2016/17 amounted to £310.207m before the academies recoupment adjustment. Budget allocations for 2016/17 were agreed within this level of resources. As previously reported, subsequent adjustments resulted in the final DSG allocation being £308.296m as the estimated Early Years Block adjustments were significantly lower than estimated. The final position for 2016/17 is summarised in the table below.

<b>DSG Summary 2016/17</b>	£'000s
<b>Total Estimated DSG Resources 2016/17</b>	<b>310,207</b>
Final Allocation – lower Early Years funding	-1,911
<b>Final DSG Resources 2016/17</b>	<b>308,296</b>
Academies Recoupment Transfer	-65,253
Early Years Block – Adj 2015/16 – rec'd 2016/17	202
<b>Net DSG Resources 2016/17</b>	<b>243,245</b>

\* DSG resources include £1,234k EFA funding for post 16 special school pupils

## 4. ACCUMULATED DSG CARRIED FORWARD

4.1 The following table sets out the cumulative DSG deficit position as at 31 March 2017.

		£'000s
<b>Balance brought forward 1 April 2016</b>		<b>1,204</b>
Balance applied in 2016/17		
<i>Two Year Old Trajectory Funding</i>	-136	
Contingency Funding 2016/17		
<i>High Needs Contingency</i>	1,037	
<i>Early Years Adj 2015/16 (rec'd in 2016/17)</i>	202	1,103
<b>Total Contingency Funding 2016/17</b>		<b>2,307</b>
2016/17 overspend		-5,503
<b>Total 2016/17 Carry Forward</b>		<b>-3,196</b>

## 5. REASONS FOR VARIATIONS FROM ORIGINAL BUDGET

5.1 The outturn DSG position for 2016/17 shows a deficit carry forward of £3,196m due to overspends totalling £5.503m in some budget areas during the financial year. The following table provides an analysis of the key budget variances and those areas where the actual outturn position is significantly different to that projected at the January 2017 meeting.

2016/17 Outturn Analysis	£'000s
<b>Additional DSG Funding Available</b> Due to Early Years funding adj for 2015/16 made in 2016/17	202
<b>Early Years PVI – 2 Year Olds / 3 &amp; 4 Year Olds</b> Underspend due to lower take up of places	-787
<b>Early Years Schools – 3 &amp; 4 Year Olds</b> Underspend due to lower take up of places	-99
<b>Schools Block - Rates</b> Underspend due to academy conversions and in year adjustments	-532
<b>Schools Block – Growth Fund</b> Underspend due to contingency for emerg provision not being required	-105
<b>Schools Block – Maternity Reimbursement Scheme</b> Overspend due to high level of reimbursements	143
<b>High Needs – Outborough SEN Placements</b> Overspend due to increase in demand for places	3,975
<b>High Needs – Speech Therapy</b> Overspend due to increase in cost for speech therapy	468
<b>High Needs – Exceptional Needs</b> Overspend reflects an in year increase in EHCPs	718
<b>High Needs – Post 16 SEN</b> Overspend reflects increase in demand for post 16 SEN support	606
<b>High Needs – Home and Hospital Service</b> Overspend due to increased costs in 2015/16 and 2016/17	161
<b>High Needs – New Special School Provision</b> Creation of additional places at Waverley and Durants	422
<b>Behaviour Support</b> Overspend mainly relating to hospital education costs	129

## 6. 2017/18 MONITORING POSITION

### 6.1 DSG 2017/18

During the 2017/18 budget setting process the 2016/17 DSG overspend was estimated to be £1.457m and this was funded from the 2017/18 allocation. The increased deficit position at the end of 2016/17 will result in an overspend in 2017/18. A detailed budget monitor for 2017/18 will be carried out in July and this information will be presented at the September meeting.