

SCHOOLS FORUM AGENDA ITEM

For Action

For Information



Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

To provide members with an update on the forecasted spending positions of centrally managed and de-delegated funds held within the DSG in 2016/17. This document gives members a view of the estimated value of one off monies that will be available to add to the 2017/18 DSG Headroom and provides a view of the uses of this funding.

Date (s) of any Previous Discussion at the Forum

The 2016/17 funds were agreed by the Schools Forum as part of the recommendations on the allocation of the DSG in the meetings of January 2016. An interim update of the spending position in this year was provided in July, where the Forum was notified of an expected £1.6m of available 'uncommitted' one off monies resulting from the reconciliation of the 2015/16 closedown position. The Forum asked that the Early Years Working Group further discuss the position of the £1.2m under spending in the DSG's resources originally earmarked for the building of places capacity for the delivery of the 2 year old free entitlement.

Background / Context

It is usual for underspends to be created within the DSG allocation process. This is because certain expenditure is estimated at the start of the year and the Forum has always taken a prudent approach to managing cost pressures. A normal part of the DSG allocation process then in previous years has been a reconciliation of planned vs. actual spending. Any balance from the net position of over / under spends has been added to the DSG headroom, to be spent on a one off basis in the following year. This funding is available on a one off basis only. When previously considering such funds, the Forum has sought to avoid allocating this to meet ongoing expenditure. This paper now provides an updated view on the value of balances available by individual expenditure line.

Details of the Item for Consideration

2016/17 DSG Activities Spending Positions

Appendix 1 shows spend to date and forecasted further spend and estimated position at the end of the 2016/17 financial year of DSG centrally managed funds. Further explanation of some of the key lines will be given verbally at the meeting. We estimate that at 31 March 2017 the DSG will have underspent in total by £5.874m. Please note that the £5.874m figure is estimated at this stage. The reconciliation of funds, as part of the year end closedown process in April / May 2017, will confirm the value of balances and this will be reported to the Forum. For reference, we estimated in December 2015 that a sum of £9.94m would remain at 31 March 2016. As reported in July 2016, the confirmed balance was £11.54m (a difference of £1.6m of which £1.2m relates to the 2 Year Old DSG resource).

As shown at the bottom of Appendix 1 and then listed in Appendix 2, against this £5.874m balance:

- £0.076m of estimated under spending has occurred in funds, where the balances should be recycled back to the DSG (Growth Fund) or should be retained for the same purpose in 2017/18 (de-delegated funds). This sum is not available for re-allocation more generally within the DSG. The removal of this £0.076m produces the final figure of £5.798m shown at the bottom of Appendix 1 and at the top of Appendix 2.
- £2.262m relates to commitments that have been made previously by the Forum for spending from 1 April 2017. Please see these items listed in paragraph 1 of Appendix 2. This includes provision for the remaining agreed sum for post-opening support for Bradford Forster Academy (£0.324m) and a sum of £1.938m for the cost of growth fund financial support for Belle Vue Boys (now Beckfoot Upper Heaton Academy). 2 out of a total of 7 years payments have now been made using the agreed model (£1.06m). The £1.938m includes a further £0.35m of provision on the expected retained balance at March 2017. The cost of this support will continue to be monitored.
- £0.294m is the current estimated value of the un-committed balance within the Joint Improvement Investment Fund to be held at the end of this financial year from the original £1.25m budget. This budget is being managed by the Bradford Education Improvement Commissioning Board. We expect the Schools Forum to retain any unspent sums at the end of this financial year for use from April 2017 for the purposes for which this Fund was originally established. The Forum received a detailed report in July 2016.
- £0.338m is the remaining balance of the previously set aside one off monies for behaviour support. The primary phase element of this (£0.85m) is being spent across 2016/17 and 2017/18 in providing budget protection for the primary behaviour centres. The secondary phase element (£0.60m) is being spent across 2016/17 and 2017/18 in providing additional fixed-term places at District PRU and Ellar Carr. As such, it is expected that the Schools Forum will retain any balances to be used for these agreed purposes.

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- £0.650m has been previously set aside by the Schools Forum to support the cost of the deficit of a secondary school at the point it converts to academy status. This school has not yet converted. The Authority anticipates a more detailed conversation with the Schools Forum about financial provision at the point this school converts. The £0.650m is expected to be retained at this stage.
- Please note that a sum of £0.750m was retained by the Schools Forum at January 2016 in support of the continued development of places capacity for the delivery of the 2 year old free entitlement. In Appendix 1 this is shown as fully spent this year. It is expected that any balance from under spending in this fund will be retained at the end of the current financial year to support work to further develop places capacity and to support a growth in the take up of the 2 year old offer in 2017/18.

A total of £3.544m of the total £5.798m DSG balance is specifically committed. On this basis, a sum of £2.254m remains.

This includes the £1.2m balance in the earmarked 2 year old free entitlement resources that the Schools Forum referred to the Early Years Working Group (EYWG) for further discussion. As set out in more detail in the separate Document GV, the EYWG recommends that £0.50m of this is fully allocated into 2017/18 to protect the 3 and 4 year old setting base rates. This is done on the understanding that no further one off monies will be available to be allocated in 2018/19 i.e. this approach provides for a more significant value of protection only next year, rather than providing for a smaller value of protection across 2 years (which is what would happen if 50% of the available £500,000 was allocated in each of the next 2 financial years).

At this stage, no further allocation of the £0.70m remaining from the £1.2m 2 year old balance is proposed. The £0.7m is contained within the £1.754m total DSG reserve figure shown at the bottom of Appendix 2. In thinking about this, it is important that Members are reminded that an additional £2.5m of one off monies within the DSG has been previously allocated to capital funding for the development of 2 year old places capacity i.e. if the £0.70m is brought back to the DSG reserve we will still have spent £1.8m more on the development of 2 year old places capacity than allocated by the DfE within the DSG.

If the EYWG's specific recommendation on the allocation of £0.50m in 2017/18 is accepted by the Schools Forum, a sum of £1.754m is estimated to remain. The Authority recommends that the Forum holds this balance in full as the DSG's 'Resilience Reserve', which will be available to meet unexpected / unplanned for costs as well as to finance items that are currently under negotiation. £1.754m represents 0.34% of the expected 2017/18 DSG.

Implications for the Dedicated Schools Grant (DSG) (if any)

These balances represent unallocated resources, which must be spent on DSG functions and in accordance with the Regulations.

Recommendations

The Forum is asked to consider & to note the information provided, Members are also asked to consider whether sufficient information has been provided to enable final recommendations to be made on 11 January 2017 on the use of one off monies.

List of Supporting Appendices / Papers (where applicable)

Appendix 1 – Update on DSG Funds 2016/17
Appendix 2 – Statement of Estimated One-Off Monies and Possible / Proposed Uses

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