



**Report to:** Schools Forum

**Date:** 10<sup>th</sup> May 2018

**Subject:** Dedicated Schools Grant  
Outturn Position 2017/18

**Report of:** Alan Lindsay – Assistant Director for Education

**Contact officer:** John McDonald – Strategic Finance Manager  
John.mcdonald@wigan.gov.uk

---

**Summary:** To inform Schools Forum of the year end position of the Schools Budget and DSG for 2017-18. To update Forum on the level of schools balances as at 31/03/2018.

**Recommendation(s):** For Schools Forum to note the contents of the report

**Implications:**

*What are the **financial** implications?*

*What are the **staffing** implications?* n/a

**Risks:** n/a

## **1. Introduction**

1.1 The purpose of the report is to inform Schools Forum of the financial outturn position for 2017/18 for the DSG and other school specific grants.

## **2. 17-18 Outturn Position**

2.1 Appendix 1 attached to this report highlights the following:

- School balances have increased by £0.866m.
- There is an underspend on the Early Years Block which will be transferred to reserve and used to support future spending plans and pressures within the DSG.
- The High Needs block is reporting a significant overspend for 2017/18. The pressures facing this block of funding have previously been reported to Forum, the last report indicated a projected overspend of £1.035m. The final outturn position is £0.966m overspend. The main reasons for this are increased numbers requiring Post 16 support, increasing numbers of EHC statements in mainstream schools and extra places required within our special schools. As agreed by Forum the deficit will be carried forward to 2018/19.
- There was an underspend in relation to central funding on contingency of £77k as reported to Forum last June. There have also been some underspends across other de-delegated and central services. This in total comes to £107k which has been credited to the centrally held DSG reserve. This will be ring fenced for maintained schools only.

## **3. School Balances**

3.1 The mandatory requirement for Councils to operate a clawback scheme was removed in April 2011 following a decision by Forum to suspend the scheme in light of formula changes and future uncertainties around funding.

3.2 As a result the Finance Division works with and supports, on a less formal basis, those Schools who appear to be carrying excess balances. Below is a summary of balances as at 31/03/2018. Appendix 2 lists the balances held individually by schools, whilst we have not conducted an in-depth review of balances as in previous years, we are aware that those holding balances in excess of 15% of the DSG budget are mainly using these funds to support capital/building work and refurbishments.

3.3 Academy conversions and closing schools are excluded from both March 2017 and March 2018 values to enable a fair comparison to be made.

**Table 1 – Summary of School Balances**

Balances	Nursery & Primary (£)	Secondary (£)	Special (£)	Total (£)
As at 31/3/17	7,810,096	4,832,762	1,151,576	13,794,435
As at 31/3/18	8,822,350	5,132,279	706,261	14,660,891
Annual Increase / Decrease (+/-)	1,012,254	299,517	-445,315	866,456
Annual % Increase / Decrease (+/-)	12.96%	6.20%	-38.67%	6.28%

Number of Schools	89	12	6	107
-------------------	----	----	---	-----

Average Balance 31/3/18	99,128	427,690	117,710	137,018
Average Annual Increase	11,374	24,960	-74,219	8,098

3.4 The table shows a slight decrease in total across all sectors as schools begin to feel the impact of standstill budgets set against ever increasing cost pressures.

3.5 As a measure of what is a reasonable level of balances, DfE has historically used 5% of budget as a threshold for Secondaries and 8% for other sectors. The numbers of schools exceeding these thresholds are shown in Table 2 below.

**Table 2 – Number of Schools exceeding DfE Threshold**

Sector	Number of Schools	% of Schools
Nursery & Primary	49	55
Secondary	9	75
Special	1	17
<b>Totals</b>	<b>59</b>	<b>55</b>

3.6 The total number is seven less than the 66 reported in 2016/17.

3.7 It has been noted that there is significant use of balances to support budgets in 18/19, with a number of schools struggling to set a balanced budget even after taking reserves into account.

#### **4. Recommendations**

4.1 Forum to note the outturn position and level of balances held

4.2 Forum to advise if any further information or detailed review of school balances is required.