**Report to Hartlepool Schools’ Forum 7May 2019**

**From Sally Robinson (Director of Children’s and Joint Commissioning)**

# Agenda Item 8 – Dedicated Schools Grant & De-delegated Budgets Update

1. **Introduction**
   1. The purpose of the report is to update Schools’ Forum on the outturn position for the Dedicated Schools Grant (DSG) and de-delegated budgets for the financial year 2018/19.
2. **Background**
   1. In accordance with the Education and Skills Funding Agency (ESFA) ‘Schools Revenue Funding 2018-19 Guide’, the local authority is required to outline the Dedicated Schools Grant financial outturn at the end of the financial year.
   2. Local authorities are also required to report any unspent de-delegated funding remaining at the year end and obtain the consent of the Schools’ Forum to fund any overspend from the schools budget. Funding may be carried forward to the following funding period and can be used specifically for de-delegated services if the local authority wishes.

**3** **DSG Financial Position for 2018/19**

3.1 The table below summarises the DSG actual spend against budget.

|  |  |  |  |
| --- | --- | --- | --- |
| **DSG Block** | **2018/19 Revised**  **Budget**  **£** | **2018/19**  **Actual**    **£** | **2018/19**  **Variance over/(under)**  **£** |
| **Early Years Block** | 5,929,150 | 5,872,509 | (56,641) |
| **High Needs Block** | 9,243,527 | 9,118,386 | (125,141) |
| **Central Block** | 597,382 | 592,508 | (4,874) |
| **Schools Block (after Academy recoupment)** | 31,952,907 | 31,912,558 | (40,349) |
| **TOTAL DSG** | **47,722,966** | **47,507,413** | **(215,553)** |

3.2 Early Years Block

The Early Years Block shows an underspend of £0.057m. This is owing to an underspend of £0.173m in relation to 3 and 4 year-old funding and a £0.039m underspend on Disabled Access Funding. However, these underspends are offset by a £0.156m overspend against 2 year-old funding.

3.3 There has been a historic funding shortfall against 2 year-old early years spending. A future report will be presented to Schools’ Forum meeting to outline the issue in more detail and discuss any possible rectification.

3.4 High Needs Block

The High Needs Block shows a £0.125m underspend. A separate report on this Agenda provides a detailed analysis of the final outturn position.

3.5 Central School Services Block

There is an overall underspend of £0.005m against the block. This relates to the continuing financial pressure of £0.007m relating to the pension costs for historic redundancies at Brierton school and an underspend of £0.011m against Space 2 Learn. This underspend has been ring fenced for final closure costs at the Centre.

3.6 This pension issue has been raised with ESFA and subsequently chased, with nil response to date. The local authority will continue to chase a response to understand any possible growth in funding to cover the shortfall.

3.6 Schools Block

The Schools Block outturn shows an underspend of £0.040m. This relates in full to underspending against De-Delegated services. Further detail is provided in section 4 below.

3.7 Contribution to DSG Reserves

The total underspend for 2018/19 of £0.216m has been added to DSG reserves.

**4** **De-delegated Services**

4.1 De-delegated services shows a net underspend of £0.040m. This relates primarily to a £0.035m underspend against Union Representatives as there has been no funded trade union activity in 2018/19.

4.2 In addition, Ethnic Minority Achievement underspent by £0.003m and the authority received £0.005m additional income from General Rate Duties than it budgeted for. This was owing to the later academy conversion.

4.3 When discussing de-delegated services for 2019/20, Forum will need to consider the consistent underspend against the Union Rep Services. Forum Members requested a review of the service during 2019 so that de-delegated budgets for 2020/21 could be revised accordingly. As agreed at Schools’ Forum on 15 March 2019, termly updates will be provided by the Council’s Head of HR.

4.4 In accordance with the Regulations, the £0.040m underspend in de-delegated services has been carried forward into 2019/20.

4.5 The cumulative reserve balance relating to Trade Union Representation (including the £0.035m for 2018/19) amounts to £0.057m.

**5** **Recommendations**

5.1 Forum is recommended to note the contents of this report.