

Report to Hartlepool Schools' Forum 21 June 2019
From Sally Robinson (Director of Children's and Joint Commissioning)

Agenda Item 8 – Dedicated Schools Grant Reserves

1 Introduction

- 1.1 Any underspend against Dedicated Schools Grant (DSG) spending can be taken to reserve balances for use in future years.
- 1.2 Although not specifically required under the regulations, Schools' Forum are always consulted about the use of DSG reserves.
- 1.3 Schools' Forum have historically agreed the use of reserves to support the financial pressure on high needs spending and recently approved the use of reserves to fund the Designated Education Officer post in 2019/20.

2 Background

- 2.1 This report summarises the current value of DSG reserves and outlines any planned use of reserves.

3 DSG Reserve Balances

- 3.1 The table below summarises the DSG reserve balances as at the end of financial year 2018/19.

Description	Schools	High Needs	Early Years	Trade Union	Space to Learn	Total DSG Reserves
	£m	£m	£m	£m	£m	£m
Brought Forward to 2018/19	0.003	0.314	0.241	0.022	0.011	0.591
Centrally retained underspend 2018/19	0.003					0.003
Trade Union de-delegated underspend 2018/19				0.035		0.035
Other de-delegated underspend 2018/19	0.005					0.005
High Needs underspend 2018/19		0.125				0.125
Early Years underspend 2018/19			0.057			0.057
Space to Learn 2018/19					0.011	0.011
Reserve Balances as at 31/03/19	0.011	0.439	0.298	0.057	0.022	0.827
Fund DEO Role 2019/20				(0.019)		(0.019)
Revised Balances	0.011	0.439	0.298	0.038	0.022	0.808

- 3.2 Planned use of reserves during 2019/20 include:
- Funding of 34% of the Designated Education Officer from the Trade Union reserve – as agreed by Schools' Forum on 7 May 2019;
 - Closure costs for Space to Learn – the £0.022m shown in the table at paragraph 1 is earmarked as a contribution to final costs
- 3.3 Forum members are aware of the reserve balance against de-delegated trade union services. Termly updates to Forum on trade union representation are now in place. Discussion is required on future charges for the service as part of budget setting for 2020/21.
- 3.4 The Early Years regulations expects local authorities to pass on a minimum of 95% (93% before 2018/19) of the early years funding directly to providers. Historically, this minimum threshold has not been met in Hartlepool. Any underspending against the early years block has been taken to reserves to meet any potential clawback from government. There has been no clawback to date, although a greater level of scrutiny is likely beyond 2019/20.

4 Recommendations

- 4.1 Forum is asked to note the contents of the report.