



## BOURNEMOUTH, CHRISTCHURCH and POOLE SCHOOLS FORUM

Subject	Dedicated Schools Grant (DSG) Budget Monitoring 2020-21
Meeting Date	14 January 2021
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Status	Public
Classification	For information
Executive Summary	<p>The report considers the projected end of year position for the DSG budget 2020-21 at a net deficit of £1.0 million. This is in addition to the budgeted funding gap of £5 million with the deficit estimated to increase by £6 million overall.</p> <p>There is a predicted overspend of £1.4 million resulting from pressures within the high needs block, but this is partially offset by funding adjustments and savings in the other expenditure blocks. (£0.4m).</p> <p>The resulting forecast deficit at 31 March 2021 is £10.6 million.</p>
Recommendation	The report is to be noted
Reason for the recommendation	Budget monitoring is an important element of current year financial management and budget planning for future years.

### Estimated DSG Income 2020-21

1. There have been no changes to the forecast DSG income since the October report. Early years funding remains estimated. The national lockdown in January may mean that the January 2021 census will no longer be used to determine final funding as intended by the DfE in December as take up levels of provision by the normal January census data is likely to remain below normal levels.

### Estimated Expenditure 2020-21

2. Estimated expenditure for each block is summarised in the appendix. An overspend of £1.4 million is expected in the high needs block despite actions taken to date to limit demand with planned savings not fully delivered. Savings in other areas reduce the in-year deficit to £1 million. The cumulative deficit is therefore

expected to increase from £4.6m to £10.6m when the budgeted funding gap of a further £5 million is also included.

### **Early Years Block Spend**

3. Providers have continued to be funded in the autumn term according to either actual levels of take up of the free entitlement or based on pre-covid levels where demand has remained lower. The spring term was originally planned to move to actual provision, but this is now unlikely, and we await further guidance from the DfE. The forecast assumes both funding and expenditure will be maintained at normal levels.

### **Schools Block Spend**

4. The mainstream schools funding formula is being paid to mainstream schools and recouped by the ESFA for academies as per the formula set in January 2020.
5. The growth fund allocations are being paid out to schools based on the October 2020 census growth with a small saving of £0.1 million.

### **Central School Services Block Spend**

6. The funding is provided for LA duties supporting the DSG system and services for all schools – mainstream and special in both maintained and academy sectors.
7. The small saving in this block is from additional funding received after the budget had been set and remaining unallocated.

### **High Needs Block**

8. The reasons for the growing high needs funding gap have been explored at length in previous reports. The overspend of £1.4 million reflects that not all budgeted savings have been delivered. These included reducing the growth in demand for education, health and care plans below the levels seen over 2019-20 and this has not been achieved. Additional place and top up funding have been provided across state schools as well as the independent sector to manage the increase in high needs pupils.

### **Financial Implications**

9. The DSG deficit is forecast to grow from £4.6 million at the start of the year to £10.6 million by 31 March 2021 as a result of the budgeted funding gap of £5 million and the forecast outturn overspend of £1.0 million.
10. A sustainable budget position has not yet been achieved for 2021-22 with the deficit expected to grow further by 31 March 2022 due to the growing funding gap for high needs pupils.

### **Legal Implications**

11. It is a requirement of the Council to monitor budgets during the financial year and best practice that the Schools Forum is made aware of issues relating to the DSG.

## Appendix

DSG Budget Monitoring 2020-21	Budget 2020-21					Forecast at December 2020	
	Early Years £000's	Schools £000's	Central Services £000's	High Needs £000's	Total £000's	Total £000's	Variance £000's
DSG 2-year olds NFF (est)	(2,582)				(2,582)	(2,391)	191
DSG 3/4 -year olds NFF (est)	(18,394)				(18,394)	(18,408)	(14)
DSG NFF other Blocks		(205,634)	(1,978)	(42,874)	(250,486)	(250,544)	(58)
DSG July 20 adjustment					0	(95)	(95)
DSG Premises		(1,658)			(1,658)	(1,658)	0
DSG Growth fund NFF		(1,858)			(1,858)	(1,858)	0
DSG Pupil Premium	(89)				(89)	(118)	(29)
DSG Disability Access Fund	(78)				(78)	(78)	0
DSG Transfer to high needs		1,046		(1,046)	0	0	0
DSG Prior year (July 20)					0	(188)	(188)
<b>Total Funding</b>	<b>(21,143)</b>	<b>(208,104)</b>	<b>(1,978)</b>	<b>(43,920)</b>	<b>(275,145)</b>	<b>(275,338)</b>	<b>(193)</b>
Providers – 2-year olds	2,431				2,431	2,240	(191)
Providers – 3/4 Year olds	17,803				17,803	17,817	14
Providers SEN top up grants	557				557	557	0
Early years Pupil Premium	89				89	119	30
Disability Access Fund	78				78	78	0
Early Years LA duties	185				185	185	0
Mainstream Schools Formula		206,608			206,608	206,608	0
Growth Fund		500			500	369	(131)
School Admissions			423		423	423	0
Licences Purchased by DfE			235		235	235	0
Servicing Schools Forum			18		18	18	0
Ex ESG Services			1,007		1,007	1,007	0
Premature retirements			20		20	20	0
ASD Base / other			275		275	275	0
Place Funding				11,327	11,327	11,869	542
Top up Funding - State				14,587	14,587	15,208	621
Top up Funding - Independent/NMSS				13,280	13,280	13,752	472
Top up Funding - Post Schools				3,883	3,883	4,092	209
Top up Funding - Pre schools				204	204	78	(126)
Top up Funding - Excluded/AP				1,799	1,799	1,509	(290)
Outreach				1,083	1,083	1,113	30
Hospital Education Top up				128	128	39	(89)
Bespoke SEN /Therapies				1,964	1,964	2,205	241
Support for Inclusion				241	241	141	(100)
Early Years Central SEN				612	612	586	(26)
Sensory Impaired Service				758	758	758	0
Rounding					0	0	0
<b>Total Expenditure</b>	<b>21,143</b>	<b>207,108</b>	<b>1,978</b>	<b>49,866</b>	<b>280,095</b>	<b>281,301</b>	<b>1,206</b>
<b>Budget (Surplus) / Deficit</b>	<b>0</b>	<b>(996)</b>	<b>(0)</b>	<b>5,946</b>	<b>4,950</b>	<b>5,963</b>	
<b>Outturn (surplus) / Deficit</b>	<b>* (187)</b>	<b>(131)</b>	<b>(58)</b>	<b>1,389</b>			<b>1,013</b>
Brought forward April 2020					4,644	4,644	0
<b>Carried forward April 2021</b>					<b>9,594</b>	<b>10,607</b>	<b>1,013</b>

\* adjustment to 2019-20 funding