

## SCHOOL'S FORUM



Subject	<b>Dedicated Schools Grant (DSG) Outturn 2020-21</b>
Meeting Date	25 <sup>th</sup> June 2021
Executive Summary	<p>The report considers the end of year position for the DSG budget 2020-21 at a net in-year deficit of £3.2 million. This is against a budgeted deficit of £4.9 million.</p> <p>The £1.7 million reduction is the result of high needs expenditure accrued in earlier years being settled at £1.3 million less than provided due to imperfect information from legacy councils, plus £0.4 million from funding adjustments and savings within other expenditure blocks. High needs expenditure relating to 2020/21 was on budget.</p> <p>The accumulated deficit has grown as a result from £4.6 million to £7.8 million at March 2021, with this required to be carried forward and recovered from future DSG allocations.</p>
<b>Recommendations</b>	To note the contents of the report.
Reasons for Recommendations	To update schools forum on the DSG financial position
Portfolio Holder(s):	Councillor Nicola Greene – Covid Resilience, Public Health and Education Councillor Mike White – Children and young People
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Wards	Council-wide
Classification	For Information

## Summary DSG Outturn 2020-21

1. The DSG outturn in-year deficit for 2020-21 is £3.2 million (£1.7 million less than the £4.9 million budgeted). This is in addition to the cumulative net £4.6 million deficit brought forward from the legacy councils to give an overall accumulated deficit at 31 March 2021 of £7.8 million.
2. The growing deficit is a result of unfunded pressures in high needs, with the in-year deficit for this block of expenditure at £4.6 million (£1.3 million less than budgeted). The improvement compared with the £1.4 million overspend forecast at the end of quarter three is from reduced use of alternative provision in the spring term during the third lockdown and other movements in provision for EHCPs. Over the year the growth in EHCPs numbers was not as high as budgeted but the average costs of plans requiring funding have been higher. As we return to normal after the pandemic, growth is likely to return to previous levels.
3. The high needs budget annual deficit was partially mitigated by prior year adjustments of £0.2 million and small underspends on the other three spending blocks of the DSG of £0.2 million.
4. The table below summarises the DSG outturn for 2020-21

**Table 1: Summary DSG Outturn 2020-21**

			<b>Funding</b>	<b>Spend</b>	<b>Net</b>
<b>Early Years Block</b>	Budget	£000's	-21,143	21,143	0
	Actual	£000's	-20,879	20,664	-215
	Variance	£000's	264	-479	-215
<b>School Block</b>	Budget	£000's	-208,104	207,108	-996
	Actual	£000's	-208,063	206,954	-1,109
	Variance	£000's	41	-154	-113
<b>Central School Services Block</b>	Budget	£000's	-1,978	1,978	0
	Actual	£000's	-2,037	1,969	-68
	Variance	£000's	-59	-9	-68
<b>High Needs Block</b>	Budget	£000's	-43,920	49,866	5,946
	Actual	£000's	-44,015	48,616	4,601
	Variance	£000's	-95	-1,250	-1,345
<b>Total DSG</b>	Budget	£000's	-275,145	280,095	4,950
	Actual	£000's	-274,994	278,203	3,209
	Variance	£000's	151	-1,892	-1,741

## DSG Income 2020-21

5. A net reduction in funding of £264,000 in the early years block. This includes the prior year adjustment from the January 2020 census resulting in additional funding of £189,000 but offset by reduced funding for 2020-21 estimated at £452,000. The funding calculation was changed due to the pandemic, with greater reliance on the January 2020 early years census to determine funding levels. An estimate based on the new guidance has been made and allowed for in the outturn figures.

6. Due to the disruption caused by the on-going pandemic, to better match funding levels with the uptake of provision, in 2021-22 the DfE has moved to using a termly census rather than relying only on the January position. Funding is expected to be £0.5 million less than budget once the adjustment has been made later this year with allocations to providers also lower.
7. Additional funding of £59,000 was received for the central schools services to restore commitment funding to the historic level. This has not been spent as budgets had already been set and agreed and saving made elsewhere within the block.
8. As previously reported, £95,000 of additional high needs block funding was provided due to updated pupil data. This comprises an extra £12,000 for special free school places, £56,000 from a pupil number adjustment to the high needs block allocation and £27,000 from the import / export adjustment.

### **DSG Expenditure 2020-21**

9. Expenditure for each block is summarised in the appendix.

### **Early Years Block Spend**

10. The funding payments made to early years providers has been slightly less than expected despite protection and additional support with personal protective equipment.
11. Overall, the early years block has a surplus of £0.2 million for 2020-21, largely made up of the additional funding relating to the previous year. The in-year funding has largely all been allocated to providers, except the agreed retention of less than 1%.

### **Schools Services Block Spend**

12. The mainstream schools funding formula is being paid to mainstream schools and recouped by the ESFA as per the formula set in January 2020.
13. Growth funding payments were £154,000 less than budgeted. However, the late funding adjustment for academy recoupment of £41,000 reduces the overall school block saving to £113,000.
14. Unallocated school block funds of £1.0 million have contributed to the overall DSG position at year end.

### **Central Schools Services Block Spend**

15. The cost of schools forum was £9,000 less than budgeted as meetings were moved online.

### **High Needs Block Spend**

16. The underspend of £1.1 million for independent and non-maintained special schools (INMSS) relates largely to fees accrued in earlier years but settled for less due to imperfect information from LGR. There was not, therefore, a significant saving in costs relating to 2020-21.

17. Additional places in resource bases and special schools were delivered leading to an overspend on the place funding and top-up funding to state school budgets. The increase in bespoke packages continued from last year, despite the creation of these extra places. Although this was less than projected at quarter three due to reduced delivery from these providers during lockdown.
18. A reduced number of medical pupils during the year, due to schools not being open for most pupils has led to reduced use of alternative provision.
19. There were other underspends from centrally commissioned services again due to lower activity due to the pandemic.

### **Legal Implications**

20. It is a requirement of the Council to monitor budgets during the financial year and for schools forum to be informed of the DSG outturn.

### **Background Papers**

Previous schools' forum papers are available at the link below:

[http://ced-pri-cms-02.ced.local/ieListMeetings.aspx?Committeed=149&\\$LO\\$=1](http://ced-pri-cms-02.ced.local/ieListMeetings.aspx?Committeed=149&$LO$=1)

### **Appendix**

Presentation of detailed DSG outturn budget variances for 2020-21.

## Appendix – DSG Outturn 2020-21

£000's	Budget					Outturn	
	Early Years	Schools	Central Services	High Needs	Total	Total	Variance
DSG 2 year olds NFF (estimated)	(2,582)				(2,582)	(2,370)	212
DSG 3 year olds NFF (estimated)	(18,394)				(18,394)	(18,124)	270
DSG Pupil Premium (estimated)	(89)				(89)	(118)	(29)
DSG Disability Access Fund	(78)				(78)	(78)	(0)
DSG Prior Year (January 2020 census)					0	(189)	(189)
DSG NFF School Block		(205,634)			(205,634)	(205,593)	41
DSG Premises		(1,658)			(1,658)	(1,658)	0
DSG Growth Fund NFF		(1,858)			(1,858)	(1,858)	0
High Needs Block Transfer		1,046		(1,046)	0	0	0
DSG High Needs Block				(42,874)	(42,874)	(42,969)	(95)
DSG Central School Services Block			(1,978)		(1,978)	(2,037)	(59)
<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>(274,994)</b>	<b>151</b>
Providers - 2 year olds	2,431				2,431	2,444	13
Providers - 3 and 4 Year olds	17,803				17,803	17,130	(673)
Disability Access Fund	89				89	41	(48)
Early Years Pupil Premium	78				78	126	48
Providers SEN top up grants	557				557	738	181
Early Years LA duties	185				185	185	(0)
Mainstream Schools Formula		206,608			206,608	206,608	(0)
Growth Fund		500			500	346	(154)
School Admissions			423		423	423	0
Servicing Schools Forum			18		18	10	(8)
Ex ESG Services (all schools)			1,007		1,007	1,007	0
Commitments - Premature retirements			20		20	20	0
Commitments - ASD Base / other			275		275	274	(1)
Licences Purchased by DfE			235		235	235	0
Place Funding				11,327	11,327	11,895	568
Top up Funding - State Sector				14,587	14,587	14,815	228
Top up Funding - Independent/NMSS				13,280	13,280	12,165	(1,115)
Top up Funding - Post Schools				3,883	3,883	3,252	(631)
Top up Funding - Pre schools				204	204	23	(181)
Top up Funding - Excluded Pupils/AP				1,899	1,899	1,377	(522)
Commissioned Services / outreach				1,083	1,083	1,304	221
Hospital Education Top up				128	128	39	(89)
Bespoke SEN /Therapies				1,964	1,964	2,454	490
Support for Inclusion				141	141	103	(38)
Early Years Central SEN support				612	612	533	(79)
Sensory Impaired Service				758	758	656	(102)
<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>278,203</b>	<b>(1,892)</b>
<b>In-year (Surplus) / Deficit</b>	<b>0</b>	<b>(996)</b>	<b>0</b>	<b>5,946</b>	<b>4,950</b>	<b>3,209</b>	<b>(1,741)</b>
<b>DSG Deficit brought forward</b>						4,644	
<b>DSG Deficit carried forward</b>						<b>7,853</b>	