

Dedicated Schools Grant Monitoring Report 2019/20 – Month Ten

Report being considered by:	Schools' Forum		
On:	9 th March 2020		
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Item for:	Information	By:	All Forum Members

1. Purpose of the Report

- 1.1 This report sets out the forecast financial position of the services funded by the Dedicated Schools Grant (DSG), highlighting any under or over spends.

2. Recommendation(s)

- 2.1 The Local Authority and Schools' Forum are responsible for ensuring that the DSG is deployed correctly according to the Regulations. Monitoring of spend against the grant needs to take place regularly to enable decision making on over spends/under spends and to inform future year budget requirements. Over spends, unless funded from outside the DSG, should be recovered by top slicing the following year's DSG allocation. Under spends must be used to support the schools' budget in future years.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
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3. Background

- 3.1 The Dedicated Schools Grant (DSG) is a ring fenced specific grant which can only be spent on school/pupil activity as set out in The School and Early Years Finance (England) Regulations 2018. There are four DSG funding blocks: Schools, High Needs, Early Years and Central Schools Services.

4. 2019/20 Funding

- 4.1 The 2019/20 Dedicated Schools Grant allocation is £131m. This includes £38m which funds Academies and post 16 high needs places and is paid direct by the Education and Skills Funding Agency (ESFA) to schools. The DSG budget for 2019/20 has been built utilising the remaining grant of £92.4m, other funding of £0.2m and an in-year £1.8m deficit recovery target.
- 4.2 The £1.8m is a deficit recovery requirement for the current financial year, and represents the difference between the expenditure budgets set across the blocks and actual funding received for 2019/20. £1.6m of the deficit is within the High Needs Block and £0.2m in the Early Years Block. This is in accordance with the 2019/20 budget agreed by Schools Forum at the meeting held on 11/03/2019.
- 4.3 In addition to this, there is a cumulative deficit of £100k from previous years.

4.4 All local authorities that have a cumulative DSG deficit of 1% or more (of the grant funding) at the end of a financial year are required to submit a recovery plan outlining how they will bring their deficit back into balance in a three-year time frame. The current 2019/20 deficit equates to 2.4%. Recovery plan information needs to be submitted to the ESFA by June 2020.

5. Month Ten Forecast (31 January 2020)

The forecast position at Month Ten is shown in Table 1. A more detailed position per cost centre is shown in Appendix A.

Table 1 - DSG Block forecast	Original Budget 2019/20	Budget Changes	Amended Budget 2019/20	Quarter One Forecast	Quarter Two Forecast	Quarter Three Forecast	Month Ten Forecast	Month Ten Forecast over/ (under) spend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Schools Block (inc ISB)	64,794	(1,163)	63,630	64,794	64,794	63,630	63,630	0
Early Years Block	9,812	0	9,812	9,812	9,812	9,956	10,265	453
Early Years Block Deficit Rec Target	(215)	0	(215)	0	0	0	0	215
Central School Services Block	972	0	972	972	972	967	924	(49)
High Needs Block	19,793	0	19,793	19,793	19,416	19,927	19,891	99
High Needs Block Deficit Rec Target	(1,650)	0	(1,650)	0	0	0	0	1,650
Total Block Expenditure	93,505	(1,163)	92,342	95,370	94,993	94,479	94,710	2,368
Support Service Recharges	444	0	444	444	444	444	444	0
Total Expenditure	93,949	(1,163)	92,786	95,814	95,437	94,923	95,154	2,368
Funded by:								
DSG Grant	(93,722)	1,163	(92,558)	(93,722)	(93,722)	(92,558)	(92,558)	0
Other Funding	(228)	0	(228)	(228)	(228)	(228)	(228)	0
Net In-year Deficit	0	0	0	1,864	1,488	2,137	2,368	2,368
Deficit Balance in reserves	100	26	126	126	126	126	126	126
Cumulative Deficit	100	26	126	1,990	1,614	2,263	2,494	2,494

5.1 The Month Ten forecast shows an in-year forecast deficit of £2.3m, comprising £503k against in-year expenditure and a £1.8m deficit recovery target which is as yet un-met. When added to the cumulative deficit of £126k, the forecast year end deficit on the DSG is £2.5m.

6. Reserves Forecast

The total deficit balance on reserves at 31.3.2019 was £100k. After in-year reserves movements and the Month Ten position, the forecast deficit reserve at 31.3.2020 is £2.5m.

Reserve Balances (surplus)/deficit	31.3.2019	Use of reserves	1.4.2019	M10 position	31.3.2020 Est
	£k	£k	£k	£k	£k
Schools Block	(642)		(642)	0	(642)
Early Years Block	247		247	668	915
Central School Services Block	(26)	26	0	(49)	(49)
High Needs Block	521		521	1,749	2,270
Total Deficit Balance	100	26	126	2,368	2,494

7. Schools Block

7.1 There are no forecast variances within the Schools block at Month Ten. There is however a risk of overspend in this block due to business rates, where properties may be revalued (as schools are funded according to their actual rates bill). De-delegated budgets within the Schools Block will be forecast as on line during the year. Any over or under spends are carried forward as part of the 2020/21 budget setting process as balances are only attributable to these specific services and cannot be allocated generally across the DSG.

7.2 The Schools Block reserve is detailed below:

Schools Block Reserve (surplus)/deficit	31.3.2019	Use of reserves	M10 position	31.3.2020 Est
	£k	£k	£k	£k
Schools in Financial Difficulty	(252)			(252)
Growth Fund	(193)			(193)
School Improvement	(41)			(41)
EMTAS	(45)			(45)
BST	(2)			(2)
Schools (re rates adj)	(109)			(109)
Total Surplus Balance	(642)	0	0	(642)

8. Early Years Block

8.1 The Early Years Block is forecasting a £668k overspend at Month Ten, comprising a £215k in-year deficit and a £453k overspend relating to forecast hours for two, three and four year old hours, including the extended hours provision.

8.2 Due to the nature of the volatility, it is difficult to forecast as the funding (the final grant allocation will be determined by the January 2020 census), and payments to providers (payments are made according to actual number of hours of provision each term) are unpredictable.

8.3 The reserve summary is shown below.

Reserve Balances (surplus)/deficit	31.3.2019	Use of reserves	1.4.2019	M10 position	31.3.2020 Est
	£k	£k	£k	£k	£k
Early Years Block	247		247	668	915

9. Central Schools Services Block

9.1 The Central School Services Block is currently forecasting an underspend of £49k at Month Ten. This is mainly due to savings on staff costs and additional income from Fixed Penalty Notices.

9.2 The reserve summary is shown below.

Reserve Balances (surplus)/deficit	31.3.2019	Use of reserves	1.4.2019	M10 position	31.3.2020 Est
	£k	£k	£k	£k	£k
Central School Services Block	(26)	26	0	(49)	(49)

10. High Needs Block

10.1 The High Needs Block is currently reporting a £99k overspend against in-year expenditure, which with the £1.6m deficit recovery target, totals a £1.7m forecast overspend. The main variances against expenditure are as follows:

- £63k pressure relating to the approval of four new personal budgets, one of which has created a £68k saving on the Independent Special School cost centre. Additional support for CYP in mainstream schools also agreed.
- Special Schools Top Up Funding has a significant overspend of £295k due to some very high needs pupils needing additional support to maintain their current placements.
- Top up funding for mainstream schools are reporting a current year pressure of £219k due to the increased number of EHCP and higher level of bandings.
- £256k pressures relate to Top ups for i-college. This relates to permanent exclusions, sixth form students and an increasing number of pupils with EHCP being placed within i-college.
- Underspends of £73k have been found from Non WBC top ups as pupils have moved from other placements to i-college
- Significant savings of £211k have been made on further education top up funding. Part of the saving is due to more pupils moving to employment, rather than college placements.
- £277k saving from utilising local mainstream and specialist provision instead of using independent special schools for four of the predicted transitions children.
- Other over and under spends within the Top Up funding areas are demand led and can be as a result of pupil movement from one setting to another.

10.2 Further work needs to be undertaken to ascertain if any of the current year savings are ongoing. This will help in compiling a recovery plan for 2020/21.

10.3 The reserve summary is shown below.

Reserve Balances (surplus)/deficit	31.3.2019	Use of reserves	1.4.2019	M10 position	31.3.2020 Est
	£k	£k	£k	£k	£k
High Needs Block	521		521	1,749	2,270

11. Conclusion

- 11.1 The DSG is forecasting an in-year overspend of £2.3m, comprising £503k against in-year expenditure and a £1.8m deficit recovery target which remains unallocated at Month Ten. It will remain unallocated until permanent savings against individual budgets can be identified to enable a permanent reduction of the target.
- 11.2 There has been an announcement that £700 million additional one off funding for the High Needs Block will be available for the 2020/21 financial year. West Berkshire have received notification confirming the 2020/21 allocation is an additional £1,597,237 (8%) compared to the 2019/20 allocation.

12. Appendices

Appendix A – DSG 2019/20 Budget Monitoring Report – Month Ten

Dedicated School's Grant (DSG) 2019/2020 Budget Monitoring Month 10							
Cost Centre	Description	Original Budget 2019/20	Net Virements in year	Amended Budget 2019/20	Forecast	Variance	Comments
90020	Primary Schools (excluding nursery funding)	48,316,300	-1,163,440	47,152,860	47,152,860	0	funding adjustment due to Francis Baily academisation
DSG top slice	Academy Schools Primary	0		0	0	0	
90025	Secondary Schools (excluding 6th form funding)	15,197,160		15,197,160	15,197,160	0	
DSG top slice	Academy Schools Secondary	0		0	0	0	
90230	DD - Schools in Financial Difficulty (primary schools)	0		0	0	0	
90113	DD - Trade Union Costs	51,470		51,470	51,470	0	
90255	DD - Support to Ethnic minority & bilingual Learners	187,770		187,770	187,770	0	
90349	DD - Behaviour Support Services	213,900		213,900	213,900	0	
90424	DD - CLEAPSS	3,320		3,320	3,320	0	
90470	DD - School Improvement	0		0	0	0	
90423	DD - Statutory & Regulatory Duties	167,780		167,780	167,780	0	
90235	School Contingency - Growth Fund/Falling Rolls Fund	655,800		655,800	655,800	0	
	Schools Block Total	64,793,500	-1,163,440	63,630,060	63,630,060	0	
90583	National Copyright Licences	136,330		136,330	136,770	440	
90019	Servicing of Schools Forum	42,350		42,350	39,950	-2,400	
90743	School Admissions	210,030		210,030	187,030	-23,000	
90354	ESG - Education Welfare	194,020		194,020	177,020	-17,000	
90460	ESG - Statutory & Regulatory Duties	389,680		389,680	382,800	-6,880	
	Central School Services Block DSG	972,410	0	972,410	923,570	-48,840	

Dedicated School's Grant (DSG) 2019/2020 Budget Monitoring Month 10							
Cost Centre	Description	Original Budget 2019/20	Net Virements in year	Amended Budget 2019/20	Forecast	Variance	Comments
90010	Early Years Funding - Nursery Schools	917,910		917,910	938,113	20,203	
90037	Early Years Funding - Maintained Schools	1,323,980		1,323,980	1,650,421	326,441	
90036	Early Years Funding - PVI Sector	6,344,850		6,344,850	6,326,863	-17,987	
90052	Early Years PPG & Deprivation Funding	131,460		131,460	188,375	56,915	
90053	Disability Access Fund	23,370		23,370	16,000	-7,370	
90018	2 year old funding	652,970		652,970	756,825	103,855	
90017	Central Expenditure on Children under 5	266,300		266,300	233,300	-33,000	saving on Capita One system and staff vacancy
90287	Pre School Teacher Counselling	60,690		60,690	60,690	0	
90238	Early Years Inclusion Fund	90,000		90,000	94,000	4,000	
90054	Deficit Budget	-214,515		-214,515	0	214,515	
	Early Years Block Total	9,597,015	0	9,597,015	10,264,588	667,573	
90026	Academy Schools RU Top Ups	946,530		946,530	809,870	-136,660	
90546	Special Schools - Place Funding Post 16	527,000		527,000	527,000	0	
90539	Special Schools - Top Up Funding	3,463,450		3,463,450	3,758,740	295,290	
90548	Non WBC Special Schools - Top Up Funding	1,065,960		1,065,960	992,660	-73,300	
90575	Non LEA Special School (OofA)	1,030,380		1,030,380	1,019,300	-11,080	
90579	Independent Special School Place & Top Up	2,683,020		2,683,020	2,405,840	-277,180	Placements now in Mainstream or Other Specialist Provision.
90580	Further Education Colleges Top Up	1,408,870		1,408,870	1,198,000	-210,870	
90617	Resourced Units top up Funding maintained	270,350		270,350	310,160	39,810	
90618	Non WBC Resourced Units - Top Up Funding	143,580		143,580	154,250	10,670	
90621	Mainstream - Top Up Funding maintained	667,330		667,330	803,590	136,260	

Dedicated School's Grant (DSG) 2019/2020 Budget Monitoring Month 10							
Cost Centre	Description	Original Budget 2019/20	Net Virements in year	Amended Budget 2019/20	Forecast	Variance	Comments
90622	Mainstream - Top Up Funding Academies	267,460		267,460	349,970	82,510	
90624	Non WBC Mainstream - Top Up Funding	73,030		73,030	94,660	21,630	
90625	Pupil Referral Units - Top Up Funding	757,700		757,700	847,980	90,280	
90627	Disproportionate No: of HN Pupils NEW	100,000		100,000	70,000	-30,000	
90628	EHCP PRU Placement	331,400		331,400	497,520	166,120	
	High Needs Block: Top Up Funding Total	13,736,060	0	13,736,060	13,839,540	103,480	
90320	Pupil Referral Units	660,000		660,000	660,000	0	
90540	Special Schools	2,860,000		2,860,000	2,860,000	0	
90584	Resourced Units - Place Funding (70)	234,000		234,000	234,000	0	
	High Needs Block: Place Funding Total	3,754,000	0	3,754,000	3,754,000	0	
90240	Applied Behaviour Analysis	119,120		119,120	181,720	62,600	New personal budgets agreed creating savings elsew here . Additional support in Mainstream setting.
90280	Special Needs Support Team	325,660		325,660	317,660	-8,000	Saving on Capita One costs
90281	SEND Strategy (DSG)	56,200		56,200	25,440	-30,760	Part Year vacancy
90282	Medical Home Tuition	119,920		119,920	119,920	0	
90287	Pre School Teacher Counselling	40,000		40,000	40,000	0	
90288	Elective Home Education Monitoring	28,240		28,240	23,740	-4,500	
90290	Sensory Impairment	236,000		236,000	231,320	-4,680	
90295	Therapy Services	261,470		261,470	261,470	0	
90315	Home Tuition	102,080		102,080	102,080	0	
90370	Behaviour Programme (Invest to Save)	0		0	0	0	
90371	PPEP Care Programme	0		0	0	0	Underspend from 18/19 to be added for next budget monitoring reporting cycle

Dedicated School's Grant (DSG) 2019/2020 Budget Monitoring Month 10							
Cost Centre	Description	Original Budget 2019/20	Net Virements in year	Amended Budget 2019/20	Forecast	Variance	Comments
90555	LAL Funding	98,400		98,400	98,400	0	
90565	Equipment For SEN Pupils	15,000		15,000	7,000	-8,000	
90577	SEN Commissioned Provision	527,150		527,150	527,150	0	
90582	PRU Outreach	61,200		61,200	61,200	0	
90585	HN Outreach Special Schools	50,000		50,000	50,000	0	
90610	Hospital Tuition	36,000		36,000	22,000	-14,000	
90830	ASD Teachers	146,210		146,210	148,700	2,490	
90961	Vulnerable Children	50,000		50,000	50,000	0	
90581	Dingleys Promise	30,000		30,000	30,000	0	
High Needs Block: Non Top Up or Place Funding		2,302,650	0	2,302,650	2,297,800	-4,850	
90054	DSG Deficit Recovery Target	-1,650,138		-1,650,138	0	1,650,138	
High Needs Block Total		18,142,572	0	18,142,572	19,891,340	1,748,768	
Total Expenditure across funding bocks		93,505,497	-1,163,440	92,342,057	94,709,558	2,367,501	
SUPPORT SERVICE RECHARGES		444,000	0	444,000	444,000	0	
TOTAL DSG EXPENDITURE		93,949,497	-1,163,440	92,786,057	95,153,558	2,367,501	
90030	DSG Grant Account	-93,721,680	1,163,440	-92,558,240	-92,558,240	0	funding adjustment due to Francis Baily academisation
	Council Funding	-227,817		-227,817	-227,817	0	
NET DSG EXPENDITURE		0	0	0	2,367,501	2,367,501	