

# 2019/20 Dedicated Schools Grant: Year End Outturn Report

**Report being considered by:** Schools Forum on 15<sup>th</sup> June 2020

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**Item for:** Discussion **By:** All Forum Members

## 1. Purpose of the Report

- 1.1 To report on the outturn of the services funded by the Dedicated Schools Grant (DSG), highlighting any under or over spends, and to highlight the cumulative deficit at 31 March 2020.

## 2. Recommendation

- 2.1 That the report be noted.

<b>Will the recommendation require the matter to be referred to the Council or the Executive for final determination?</b>	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.
- 3.2 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 deficits and surpluses and to inform future year budget requirements.
- 3.3 Deficits, unless funded from outside the DSG, should be recovered by top slicing the following year's DSG allocation. Surpluses must be used to support DSG budgets in future years.

#### 4. Year End Outturn

DSG Summary Outturn	Amended Budget 2019/20	Quarter 4 Outturn	Deficit/ (surplus)
	£'000	£'000	£'000
Funds available	(92,786)	(92,575)	211
Total expenditure incl SSR	94,249	94,594	344
Deficit recovery target	(1,865)	(556)	1,309
<b>Net in year (surplus)/deficit</b>	<b>(402)</b>	<b>1,463</b>	<b>1,864</b>
Deficit / (surplus) balance in reserves	100	(302)	(302)
<b>Cumulative (surplus)/deficit</b>	<b>(302)</b>	<b>1,161</b>	<b>1,562</b>

4.1 The 2019/20 DSG expenditure budget was set £1.86m higher than available funding, and this was treated as a deficit recovery target against the High Needs and Early Years blocks. The deficit recovery targets had £1.3m remaining at year end. Overall DSG funding received was £211k less than budgeted, and budgeted expenditure was overspent by £344k. This resulted in a total in year deficit of £1.86m, but with balances already held in reserves, the cumulative deficit position is £1.56m. This will be top-sliced against the relevant DSG blocks in the 2020/21 budget.

4.2 The year end position by block is shown in the chart below:

DSG Block outturn	Original Budget 2019/20	Budget Changes	Amended Budget 2019/20	Quarter 1 Forecast	Quarter 2 Forecast	Quarter 3 Forecast	Quarter 4 Outturn	Deficit/ (surplus)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Expenditure:</b>								
Schools Block (inc ISB)	64,794	(1,565)	63,229	64,794	64,794	63,630	63,241	12
Early Years Block	9,812	0	9,812	9,812	9,812	9,956	10,198	386
Central School Services Block	972	0	972	972	972	967	918	(54)
High Needs Block	19,793	0	19,793	19,793	19,416	19,927	19,793	0
<b>Total Block Expenditure</b>	<b>95,370</b>	<b>(1,565)</b>	<b>93,805</b>	<b>95,370</b>	<b>94,993</b>	<b>94,480</b>	<b>94,150</b>	<b>344</b>
Early Years Block Deficit Recovery Target	(215)	0	(215)	0	0	0	(215)	(0)
High Needs Block Deficit Recovery Target	(1,650)	0	(1,650)	0	0	0	(341)	1,309
<b>Total Deficit Recovery Target</b>	<b>(1,865)</b>	<b>0</b>	<b>(1,865)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(556)</b>	<b>1,309</b>
Support Service Recharges	444	0	444	444	444	444	444	0
<b>Total Expenditure</b>	<b>93,949</b>	<b>(1,565)</b>	<b>92,385</b>	<b>95,814</b>	<b>95,437</b>	<b>94,924</b>	<b>94,038</b>	<b>1,653</b>
<b>Funded by:</b>								
DSG Grant	(93,722)	1,163	(92,558)	(93,722)	(93,722)	(92,558)	(92,347)	211
Other Funding	(228)		(228)	(228)	(228)	(228)	(228)	(0)
<b>Total Funds Available</b>	<b>(93,949)</b>	<b>1,163</b>	<b>(92,786)</b>	<b>(93,950)</b>	<b>(93,950)</b>	<b>(92,786)</b>	<b>(92,575)</b>	<b>211</b>
<b>Net In-year (surplus)/deficit</b>	<b>0</b>	<b>(402)</b>	<b>(402)</b>	<b>1,864</b>	<b>1,488</b>	<b>2,138</b>	<b>1,463</b>	<b>1,864</b>
Deficit / (surplus) balance in reserves	100	0	100	(302)	(302)	(302)	(302)	(302)
<b>Cumulative (surplus)/deficit</b>	<b>100</b>	<b>(402)</b>	<b>(302)</b>	<b>1,562</b>	<b>1,186</b>	<b>1,836</b>	<b>1,161</b>	<b>1,562</b>

## 5. Schools Block

Schools Block 2019/20	Gross Budget	Academy & High Needs	Draft Budget	Budget Changes	Amended Budget	Draft Actuals	Quarter 4 Outturn	Deficit/ (surplus)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Funds available	(100,009)	35,246	(64,763)	1,163	(63,601)	(63,602)	(63,602)	(2)
Expenditure	100,039	(35,246)	64,793	(1,565)	63,229	63,241	63,241	12
SSR	66		66		66	66	66	0
<b>Net in year (surplus)/deficit</b>	<b>96</b>	<b>0</b>	<b>96</b>	<b>(402)</b>	<b>(306)</b>	<b>(295)</b>	<b>(295)</b>	<b>11</b>
Surplus held in reserves			(642)	(402)				(1,044)
<b>Cumulative surplus</b>								<b>(1,033)</b>

NB rounding may apply to nearest £1k

- 5.1 The 2019/20 budget was funded from DSG grant of £64.7m.
- 5.2 At year end, overall DSG funding received was £2k more than budgeted, and expenditure was overspent by £12k. The table below shows the year end reserve balance.

Schools Block Reserve (surplus)/deficit	31.3.2019	Movement in reserves	31.3.2020
	£k	£k	£k
Schools in Financial Difficulty	(252)	71	(181)
Growth Fund	(193)	(473)	(666)
School Improvement	(41)		(41)
EMTAS	(45)	4	(41)
CLEAPPS	0	(3)	(3)
BST	(2)		(2)
Schools	(109)		(109)
<b>Total Surplus Balance</b>	<b>(642)</b>	<b>(402)</b>	<b>(1,044)</b>

## 6. Early Years Block

Early Years Block 2019/20	Gross Budget	Draft Budget	Budget Changes	Amended Budget	Quarter 4 Outturn	Deficit/ (surplus)
	£'000	£'000	£'000	£'000	£'000	£'000
Funds available	(9,647)	(9,647)		(9,647)	(9,405)	242
Deficit recovery target	(215)	(215)		(215)	(215)	(0)
Expenditure	9,812	9,812		9,812	10,198	386
SSR	50	50		50	50	0
<b>Net in year deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>628</b>	<b>628</b>
Prior year deficit held in reserves						247
<b>Cumulative deficit</b>						<b>875</b>

- 6.1 At year end, overall DSG funding received was £242k lower than budgeted as a result of the 2018/19 final grant notification. Expenditure was overspent by £386k, resulting in a year end position of £628k deficit.

- 6.2 The Early Years Block is difficult to predict due to the volatile nature of both the funding (the final grant allocation is determined by the January 2020 census), and payments to providers (payments are made according to actual number of hours of provision each term).
- 6.3 The main reason for the overspend is because more of our schools are providing extended hours and these are at a higher rate due to the quality of staff at these settings.

## 7. Central Schools Services Block

Central School Services Block 2019/20	Gross Budget	Draft Budget	Budget Changes	Amended Budget	Quarter 4 Outturn	Deficit/ (surplus)
	£'000	£'000	£'000	£'000	£'000	£'000
Funds available	(976)	(976)		(976)	(976)	0
Expenditure	972	972		972	918	(54)
SSR	136	136		136	136	0
<b>Net in year surplus</b>	<b>132</b>	<b>132</b>	<b>0</b>	<b>132</b>	<b>78</b>	<b>(54)</b>
Surplus held in reserves		(26)				(26)
<b>Cumulative surplus</b>						<b>(80)</b>

- 7.1 At year end, overall DSG funding received was on budget and expenditure was underspent by £54k.
- 7.2 Underspends were largely due to vacancies within the Education Welfare and School admissions teams.

## 8. High Needs Block

High Needs Block 2019/20	Gross Budget	Draft Budget	Budget Changes	Amended Budget	Quarter 4 Outturn	Deficit/ (surplus)
	£'000	£'000	£'000	£'000	£'000	£'000
Funds available	(18,335)	(18,335)		(18,335)	(18,365)	(30)
Deficit recovery target	(1,585)	(1,585)	(65)	(1,650)	(341)	1,309
Expenditure	19,793	19,793		19,793	19,793	0
SSR	127	127		127	127	0
<b>Net in year deficit</b>	<b>(0)</b>	<b>(0)</b>	<b>(65)</b>	<b>(65)</b>	<b>1,214</b>	<b>1,279</b>
Prior year deficit held in reserves						521
<b>Cumulative deficit</b>						<b>1,800</b>

- 8.1 At year end, overall DSG funding received was £30k higher than budget due to a higher than predicted import export adjustment.
- 8.2 The 2019/20 budget was set with a £1,650k deficit recovery target. A reduction in expected costs in the year led to a slight off-set against the target.
- 8.3 The main variances against expenditure are as follows:
- Significant savings of £268k 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.

- £477k saving from utilising local mainstream and specialist provision instead of using independent special schools for four of the predicted transitions children.
- Special Schools Top Up Funding has a significant overspend of £286k due to some very high needs pupils needing additional support to maintain their current placements.
- Top up funding for mainstream schools are overspent by £248k due to the increased number of EHCP and higher level of bandings.

## 9. Total Reserve Balance and cumulative deficit

- 9.1 The total surplus balance on reserves at 31.3.2020 is £302k. As announced in July 2018, the Department for Education requires a recovery plan from all local authorities that have an overall cumulative DSG deficit of 1% or more at the end of the 2018/19 financial year. For 2019/20 we have met the threshold requiring us to submit a deficit recovery plan to ESFA, however the submission of plans has been delayed and we are awaiting guidance.

Reserve Balances (surplus)/deficit	31.3.2019	Increase in reserves	31.3.2020	In Year deficit	Cumulative (surplus)/deficit
	£k	£k	£k	£k	£k
Schools Block	(642)	(402)	(1,044)	11	(1,033)
Early Years Block	247	0	247	628	875
Central School Services Block	(26)		(26)	(54)	(80)
High Needs Block	521	0	521	1,279	1,800
<b>Total (surplus)/deficit reserve</b>	<b>100</b>	<b>(402)</b>	<b>(302)</b>	<b>1,864</b>	<b>1,562</b>

## 10. Conclusion

- 10.1 The cumulative deficit on the DSG blocks now totals £1.56m. A recovery plan is due to the Department of Education and guidance is awaited on when to submit this. Over spends in the High Needs Block are the most significant with a total deficit against this block of £1.8m and this will remain the area of focus going in 2020/21.

## 11. Appendices

Appendix A – DSG 2019/20 Budget Monitoring Report: Outturn

Cost Centre	Description	Original Budget 2019-20	Net Virements Agreed In Year	Movement Through Reserves	Final Budget 2019/20	Actual Outturn	Variance	Comments
90020	Primary Schools (excluding nursery funding)	48,316,300	-1,163,440		47,152,860	47,163,313	10,453	Funding adjustment due to Francis Baily academisation, School Business Rates adjustments following Formula Allocation.
DSG top slice	Academy Schools Primary	0			0	0	0	
90025	Secondary Schools (excluding 6th form funding)	15,197,160			15,197,160	15,196,628	-532	
DSG top slice	Academy Schools Secondary	0			0	0	0	
90230	DD - Schools in Financial Difficulty (primary schools)	0		70,880	70,880	70,880	0	
90113	DD - Trade Union Costs	51,470			51,470	51,470	0	
90255	DD - Support to Ethnic minority & bilingual Learners	187,770		3,674	191,444	191,444	0	
90349	DD - Behaviour Support Services	213,900			213,900	213,517	-383	
90424	DD - CLEAPSS	3,320		-3,321	-1	-1	0	
90470	DD - School Improvement	0			0	0	0	
90423	DD - Statutory & Regulatory Duties	167,780			167,780	170,287	2,507	
90235	School Contingency - Growth Fund/Falling Rolls Fund	655,800		-472,752	183,048	183,048	0	
	<b>Schools Block Total</b>	<b>64,793,500</b>	<b>-1,163,440</b>	<b>-401,519</b>	<b>63,228,541</b>	<b>63,240,587</b>	<b>12,046</b>	
90583	National Copyright Licences	136,330			136,330	136,772	442	
90019	Servicing of Schools Forum	42,350			42,350	40,065	-2,285	Saving on staff vacancies
90743	School Admissions	210,030			210,030	186,581	-23,449	Saving on staff vacancies
90354	ESG - Education Welfare	194,020			194,020	172,137	-21,883	Saving on staff vacancies
90460	ESG - Statutory & Regulatory Duties	389,680			389,680	382,797	-6,883	Saving on Capita ONE costs
	<b>Central School Services Block Total</b>	<b>972,410</b>	<b>0</b>	<b>0</b>	<b>972,410</b>	<b>918,352</b>	<b>-54,058</b>	
90010	Early Years Funding - Nursery Schools	917,910			917,910	939,893	21,983	
90037	Early Years Funding - Maintained Schools	1,323,980			1,323,980	1,652,808	328,828	More hours being offered by school settings
90036	Early Years Funding - PVI Sector	6,344,850			6,344,850	6,413,742	68,892	
90052	Early Years PPG & Deprivation Funding	131,460			131,460	157,901	26,441	
90053	Disability Access Fund	23,370			23,370	9,840	-13,530	
90018	2 year old funding	652,970			652,970	742,314	89,344	
90017	Central Expenditure on Children under 5	266,300			266,300	223,946	-42,354	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	87,680	-2,321	
90054	Deficit Budget	-214,515			-214,515	-305,799	-91,284	
	<b>Early Years Block Total</b>	<b>9,597,015</b>	<b>0</b>	<b>0</b>	<b>9,597,015</b>	<b>9,983,014</b>	<b>385,999</b>	
90026	Academy Schools RU Top Ups	946,530			946,530	826,870	-119,660	Reduction in pupil numbers across most Resource Units with the exception of one, where numbers have increased in year compared to Budget Provision.
90546	Special Schools - Place Funding Post 16	527,000			527,000	526,666	-334	
90539	Special Schools - Top Up Funding	3,463,450			3,463,450	3,749,817	286,367	This additional cost is due to some very high needs pupils needing additional support to maintain their placement. Increase in number of pupils placed in the ASD Bands.
90548	Non WBC Special Schools - Top Up Funding	1,065,960			1,065,960	920,557	-145,403	
90551	Mainstream Maintained - post 16	0			0	20,000	20,000	Post 16 SEN places not factored into budget
90575	Non LEA Special School (OcfA)	1,030,380			1,030,380	911,178	-119,202	
90579	Independent Special School Place & Top Up	2,683,020			2,683,020	2,205,989	-477,031	Placements now in Mainstream or Other Specialist Provision.
90580	Further Education Colleges Top Up	1,408,870			1,408,870	1,141,252	-267,618	
90617	Resourced Units top up Funding maintained	270,350			270,350	312,583	42,233	Movement of pupils between bandings for 2 Units.
90618	Non WBC Resourced Units - Top Up Funding	143,580			143,580	164,744	21,164	
90621	Mainstream - Top Up Funding maintained	667,330			667,330	822,349	155,019	This is due to the number of EHCP rising significantly and the level of banding pupils are on.
90622	Mainstream - Top Up Funding Academies	267,460			267,460	360,616	93,156	Through the last academic year there has been an increase in EHCP issued, Francis Bailey Top up costs included here following conversion
90624	Non WBC Mainstream - Top Up Funding	73,030			73,030	79,555	6,525	
90625	Pupil Referral Units - Top Up Funding	757,700			757,700	871,370	113,670	Increase in Demand
90627	Disproportionate No: of HN Pupils NEW	100,000			100,000	68,001	-31,999	Actual funding based on pupil numbers compared to Formula
90628	EHCP PRU Placement	331,400			331,400	505,724	174,324	Increased number of Pupils with EHCPs including placements in the Pod
	<b>HNB: Top Up Funding Total</b>	<b>13,736,060</b>	<b>0</b>	<b>0</b>	<b>13,736,060</b>	<b>13,487,271</b>	<b>-248,789</b>	
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	
	<b>HNB: Place Funding Total</b>	<b>3,754,000</b>	<b>0</b>	<b>0</b>	<b>3,754,000</b>	<b>3,754,000</b>	<b>0</b>	
90240	Applied Behaviour Analysis	119,120			119,120	136,178	17,058	New personal budgets agreed creating savings elsewhere. Additional support in Mainstream setting.
90280	Special Needs Support Team	325,660			325,660	319,240	-6,420	Saving on Capita One costs
90281	SEND Strategy (DSG)	56,200			56,200	33,015	-23,185	Part Year vacancy
90282	Medical Home Tuition	119,920			119,920	90,601	-29,319	Reduction from moving service from i-college to within WBC
90287	Pre School Teacher Counselling	40,000			40,000	40,000	0	
90288	Elective Home Education Monitoring	28,240			28,240	21,603	-6,637	
90290	Sensory Impairment	236,000			236,000	228,079	-7,921	
90295	Therapy Services	261,470			261,470	244,291	-17,179	
90315	Home Tuition	102,080			102,080	71,277	-30,803	Reduction from moving service from i-college to within WBC
90370	Behaviour Programme (Invest to Save)	0			0	56,304	56,304	
90371	PPEP Care Programme	0			0	3,880	3,880	
90555	LAL Funding	98,400			98,400	81,595	-16,805	
90565	Equipment For SEN Pupils	15,000			15,000	8,429	-6,571	
90577	SEN Commissioned Provision	527,150			527,150	515,446	-11,704	Grants allocated against costs for Alternative Provision as per Guidance.
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	16,345	-19,655	Costs for 2 placements
90830	ASD Teachers	146,210			146,210	153,307	7,097	
90961	Vulnerable Children	50,000			50,000	50,000	0	
90581	Dingleys Promise	30,000			30,000	30,000	0	
	<b>HNB: Non Top Up or Place Funding</b>	<b>2,302,650</b>	<b>0</b>	<b>0</b>	<b>2,302,650</b>	<b>2,210,790</b>	<b>-91,860</b>	
90054	DSG Deficit Recovery Target	-1,650,138			-1,650,138	0	1,650,138	
	<b>High Needs Block Total</b>	<b>18,142,572</b>	<b>0</b>	<b>0</b>	<b>18,142,572</b>	<b>19,452,060</b>	<b>1,309,488</b>	
	<b>Total Expenditure across funding blocks</b>	<b>93,505,497</b>	<b>-1,163,440</b>	<b>-401,519</b>	<b>91,940,538</b>	<b>93,594,013</b>	<b>1,653,475</b>	
	<b>SUPPORT SERVICE RECHARGES</b>	<b>444,000</b>			<b>444,000</b>	<b>444,000</b>	<b>0</b>	
	<b>TOTAL DSG EXPENDITURE</b>	<b>93,949,497</b>	<b>-1,163,440</b>	<b>-401,519</b>	<b>92,384,538</b>	<b>94,038,013</b>	<b>1,653,475</b>	
90030	DSG Grant Account	-93,721,680	1,163,440		-92,558,240	-92,347,446	210,794	
	Council Funding	-227,817			-227,817	-227,817	0	
90030	NET DSG EXPENDITURE	0	0	-401,519	-401,519	1,462,750	1,864,269	