
Dedicated Schools Grant Monitoring Report 2020/21 – Month Seven

Report being considered by: Schools Forum on 7th December 2020

Report Author: Ian Pearson

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

1. Purpose of the Report

- 1.1 To report the forecast financial position of the services funded by the Dedicated Schools Grant (DSG), highlighting any under or over spends, and to highlight the cumulative deficit on the DSG.

2. Recommendation(s)

- 2.1 That the report be noted.

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. 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.
- 3.2 There are four DSG funding blocks: Schools Block, High Needs Block, Early Years Block and Central Schools Services Block. The funding for each of the four blocks is determined by a national funding formula.

4. 2020/21 Budget Setting

- 4.1 The 2020/21 Dedicated Schools Grant allocation is £138m. This includes £41m which funds Academies and post-16 high needs places which is paid direct by the Education and Skills Funding Agency (ESFA) to schools. The DSG budget for 2020/21 has been built utilising the remaining grant of £97m.
- 4.2 The schools block is ring fenced but the Local Authority can transfer up to 0.5% of the funding out of the schools block with Schools Forum agreement. The other blocks are not subject to this limitation on transfers. For the 2020/21 budget, Schools Forum agreed to transfer 0.25% of the Schools Block funding to the High Needs Block amounting to £263k.

4.3 The DSG expenditure budgets required for 2020/21 total £99m, which is £2m more than the funding available. As a result, a £2m in-year efficiency target has been set against this in order to balance the DSG budget. £1.2m of the target is allocated to the High Needs Block and £0.8m to the Early Years Block in accordance with the 2020/21 budget agreed by Schools Forum at the meeting held on 09/03/2020.

4.4 There is a brought forward deficit on the DSG of £1.691m.

5. Month Seven Forecast (30 October 2020)

5.1 The forecast position at the end of October is shown in Table 1. A more detailed position per cost centre is shown in Appendix A.

Table 1 - DSG Block forecast	Original Budget 2020/21	Budget Changes	Amended Budget 2020/21	Quarter 1 Forecast	Quarter 2 Forecast	Month 7 Forecast	Month 7 Forecast Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Schools Block (inc ISB)	65,221		65,221	65,221	65,221	65,221	0
Early Years Block	10,381		10,381	10,381	10,381	10,572	191
Early Years Block In-Year efficiency target	(795)		(795)	0	0	0	795
Central School Services Block	834		834	883	880	831	(3)
High Needs Block	21,387		21,387	21,343	21,566	21,259	(128)
High Needs Block In-Year efficiency target	(1,185)		(1,185)	0	0	0	1,185
Total Block Expenditure	95,843	0	95,843	97,828	98,049	97,883	2,040
Support Service Recharges	444	0	444	444	444	444	0
Total Expenditure	96,287	0	96,287	98,272	98,493	98,327	2,040
Funded by:							
DSG Grant	(96,287)		(96,287)	(96,287)	(96,287)	(97,037)	(749)
Net In-year Deficit	0	0	0	1,985	2,205	1,291	1,290
Deficit Balance in reserves	1,691		1,691	1,691	1,691	1,691	1,691
Cumulative Deficit	1,691	0	1,691	3,676	3,896	2,982	2,981

5.2 The Month Seven forecast shows an in-year forecast deficit of £1.3m. This comprises £60k against in-year expenditure and an unmet £1.9m efficiency target. Adjustments to the DSG funding in year has reduced the overall deficit to £1.3m in year. When added to the cumulative deficit of £1.691m, the forecast year end deficit on the DSG is £2.98m.

6. Schools Block

6.1 There are no forecast variances within the Schools block at Month Seven. 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).

6.2 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 2021/22 budget setting process as balances are only attributable to these specific services and cannot be allocated generally across the DSG. The de-delegated balances are detailed below:

Schools Block De-Delegated balances	31.3.2020	change in reserves	M7 position	31.3.2021 Est
	£k	£k	£k	£k
Schools in Financial Difficulty	(200)	0	28	(173)
School Improvement	(41)	0	0	(41)
EMTAS	(41)	0	10	(31)
Therapeutic Thinking	(2)	0	0	(2)
Total balance	(284)	0	38	(247)

7. Early Years Block

- 7.1 The Early Years Block is forecasting a £986k overspend at Month Seven; £191k against expenditure and £795k against the in-year efficiency target. Additional grant of £577k has been received relating to the Early Years Block, as shown against DSG grant in Table 1. This will be reflected in the block budgets for the next reporting period.
- 7.2 Due to the nature of the volatility in this block, it is difficult to forecast as the funding (the final grant allocation will be determined by the January 2021 census), and payments to providers (payments are made according to actual number of hours of provision each term) are unpredictable.

8. Central Schools Services Block

- 8.1 The Central School Services Block is forecasting an underspend of £3k at Month Seven. This comprises a £3k in-year underspend on staffing.

9. High Needs Block

- 9.1 The High Needs Block is forecasting an in-year underspend of £128k but the efficiency target of £1.2m remains unmet. The main variances against expenditure are as follows:
- £68k pressure relating to 13 new placements at Non WBC Mainstream schools
 - £124k pressure relating to an increase in use of Independent Special Schools and Special schools, which is a £162k reduction from the Q2 report.
 - £213k saving from 1 successful tribunal and children being placed in local mainstream and local specialist provision.
 - £114k savings have been achieved on the Disproportionate High Needs costs and the Medical Home Tuition service, which transferred in-house in Sept 2019.
 - 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.
 - Further work needs to be undertaken to ascertain which of the current year savings are ongoing or one off. This will help in compiling a recovery plan for 2021-22.

9.2 A breakdown of the PRU top up information for the autumn term has recently been received, information should be available for month 9 reporting. These codes are currently shown as reporting online, this is a risk which could have an impact on the block's forecast position.

10. Deficit Position

10.1 The DSG forecast is a £1.3m overspend in year.

10.2 When added to the prior year deficit, the total forecast deficit on the DSG amounts to £2.98m. The DfE recognises that some authorities still cannot afford to pay off the historic deficit from the DSG over the next few years. In these cases, the DfE expects to work together with LAs to agree a plan of action to pay off its deficit. The DfE expects to approach selected authorities to begin discussions during 2020 and expand discussions to other authorities during 2021/22 and subsequent years.

10.3 The deficit sits largely within the High Needs and Early Years blocks, and reports will be presented to Schools Forum on plans to address the deficits.

11. Conclusion

11.1 The total forecast deficit on the DSG amounts to £2.98m, comprising £1.7m from previous years and a further £1.3m forecast overspend in year. The forecast position will be kept under review and updates provided to Schools' Forum Appendices

Appendix A – DSG 2020-21 Budget Monitoring Report Month 7

Dedicated School's Grant (DSG) 2020/2021 Budget Monitoring Month 7							
Cost Centre	Description	Original Budget 2020/21	Net Virements in year	Amended Budget 2020/21	Forecast	Variance	Comments
90020	Primary Schools (excluding nursery funding)	47,677,060		47,677,060	47,677,060	0	
DSG top slice	Academy Schools Primary	0		0	0	0	
90025	Secondary Schools (excluding 6th form funding)	16,115,140		16,115,140	16,115,140	0	
DSG top slice	Academy Schools Secondary	0		0	0	0	
90230	DD - Schools in Financial Difficulty (primary schools)	19,000		19,000	19,000	0	
90113	DD - Trade Union Costs	47,090		47,090	47,090	0	
90255	DD - Support to Ethnic minority & bilingual Learners	224,660		224,660	224,660	0	
90349	DD - Behaviour Support Services	216,390		216,390	216,390	0	
90424	DD - CLEAPSS	3,070		3,070	3,070	0	
90470	DD - School Improvement	0		0	0	0	
90423	DD - Statutory & Regulatory Duties	172,930		172,930	172,930	0	
90235	School Contingency - Growth Fund/Falling Rolls Fund	756,100		756,100	756,100	0	
90054	Efficiency Target	-10,070		-10,070	-10,070	0	
	Schools Block Total	65,221,370	0	65,221,370	65,221,370	0	
90583	National Copyright Licences	140,190		140,190	140,190	0	
90019	Servicing of Schools Forum	43,940		43,940	43,940	0	
90743	School Admissions	176,270		176,270	176,270	0	
90354	ESG - Education Welfare	170,790		170,790	167,790	-3,000	
90460	ESG - Statutory & Regulatory Duties	351,590		351,590	351,590	0	
90054	Efficiency Target	-49,000		-49,000	-49,000	0	
	Central School Services Block DSG	833,780	0	833,780	830,780	-3,000	

Dedicated School's Grant (DSG) 2020/2021 Budget Monitoring Month 7							
Cost Centre	Description	Original Budget 2020/21	Net Virements in year	Amended Budget 2020/21	Forecast	Variance	Comments
90010	Early Years Funding - Nursery Schools	938,110		938,110	892,120	-45,990	
90037	Early Years Funding - Maintained Schools	1,650,420		1,650,420	1,651,970	1,550	
90036	Early Years Funding - PVI Sector	6,423,350		6,423,350	6,314,040	-109,310	
90052	Early Years PPG & Deprivation Funding	188,380		188,380	208,390	20,010	
90053	Disability Access Fund	23,370		23,370	23,370	0	
90018	2 year old funding	756,830		756,830	691,340	-65,490	
90017	Central Expenditure on Children under 5	258,450		258,450	258,450	0	
90287	Pre School Teacher Counselling	51,950		51,950	51,950	0	
90238	Early Years Inclusion Fund	90,000		90,000	90,000	0	
various	Additional payment re Autumn term	0		0	390,380	390,380	
90054	Efficiency Target	-794,570		-794,570	0	794,570	
	Early Years Block Total	9,586,290	0	9,586,290	10,572,010	985,720	
90026	Academy Schools RU Top Ups	948,280		948,280	979,462	31,182	
90546	Special Schools - Place Funding Post 16	790,000		790,000	790,000	0	
90539	Special Schools - Top Up Funding	3,986,360		3,986,360	4,122,321	135,961	
90548	Non WBC Special Schools - Top Up Funding	1,194,300		1,194,300	980,560	-213,740	One tribunal saving; children placed in local special schools and local independent
90575	Non LEA Special School (OofA)	1,068,200		1,068,200	1,008,830	-59,370	
90579	Independent Special School Place & Top Up	2,797,000		2,797,000	2,785,990	-11,010	
90580	Further Education Colleges Top Up	1,087,730		1,087,730	1,087,730	0	
90617	Resourced Units top up Funding maintained	313,650		313,650	291,223	-22,427	
90618	Non WBC Resourced Units - Top Up Funding	130,600		130,600	158,380	27,780	
90621	Mainstream - Top Up Funding maintained	779,450		779,450	796,684	17,234	

Dedicated School's Grant (DSG) 2020/2021 Budget Monitoring Month 7

Cost Centre	Description	Original Budget 2020/21	Net Virements in year	Amended Budget 2020/21	Forecast	Variance	Comments
90622	Mainstream - Top Up Funding Academies	389,600		389,600	398,336	8,736	
90624	Non WBC Mainstream - Top Up Funding	70,590		70,590	138,450	67,860	13 new placements
90625	Pupil Referral Units - Top Up Funding	818,400		818,400	818,400	0	
90627	Disproportionate No: of HN Pupils NEW	100,000		100,000	31,260	-68,740	
90628	EHCP PRU Placement	557,520		557,520	571,455	13,935	
High Needs Block: Top Up Funding Total		15,031,680	0	15,031,680	14,959,081	-72,599	
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)	230,000		230,000	230,000	0	
High Needs Block: Place Funding Total		3,750,000	0	3,750,000	3,750,000	0	
90240	Applied Behaviour Analysis	136,580		136,580	160,970	24,390	
90280	Special Needs Support Team	308,130		308,130	308,130	0	
90281	SEND Strategy (DSG)	61,060		61,060	61,060	0	
90282	Medical Home Tuition	205,000		205,000	159,000	-46,000	
90287	Pre School Teacher Counselling	51,950		51,950	53,000	1,050	
90288	Elective Home Education Monitoring	28,240		28,240	28,240	0	
90290	Sensory Impairment	227,590		227,590	245,633	18,043	
90295	Therapy Services	261,470		261,470	259,327	-2,143	
90372	Therapeutic Thinking	58,000		58,000	52,000	-6,000	
90555	LAL Funding	116,200		116,200	116,200	0	
90565	Equipment For SEN Pupils	15,000		15,000	22,480	7,480	
90577	SEN Commissioned Provision	567,650		567,650	567,041	-609	
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	39,050		39,050	39,050	0	

Dedicated School's Grant (DSG) 2020/2021 Budget Monitoring Month 7							
Cost Centre	Description	Original Budget 2020/21	Net Virements in year	Amended Budget 2020/21	Forecast	Variance	Comments
90830	ASD Teachers	208,390		208,390	157,240	-51,150	Saving £43,350 as a result of two HLTAs ASD Support posts now running 1 Jan 21 - 31 Dec 21, so funds to be carried forward
90961	Vulnerable Children	179,400		179,400	179,400	0	
90581	Dingleys Promise	30,000		30,000	30,000	0	
High Needs Block: Non Top Up or Place Funding		2,604,910	0	2,604,910	2,549,971	-54,939	
90054	Efficiency Target	-1,184,910		-1,184,910	0	1,184,910	
High Needs Block Total		20,201,680	0	20,201,680	21,259,052	1,057,372	
Total Expenditure across funding blocks		95,843,120	0	95,843,120	97,883,212	2,040,092	
SUPPORT SERVICE RECHARGES		444,000	0	444,000	444,000	0	
TOTAL DSG EXPENDITURE		96,287,120	0	96,287,120	98,327,212	2,040,092	
90030	DSG Grant Account	-96,287,120	0	-96,287,120	-97,036,582	-749,462	
NET DSG EXPENDITURE		0	0	0	1,290,630	1,290,630	