

# Schools Management Forum

**Report of:** Dianne Nielsen / Judi Libby

**Subject:** Dedicated Schools Grant 2019-20 Outturn

**Date:** 8<sup>th</sup> July 2020

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## Introduction

1. The Dedicated Schools Grant (DSG) can only be spent for the purposes defined in regulations as within the Schools Budget. This includes the Schools, Early Years, High Needs and the LA Central Services Blocks. Any surplus or deficit on the DSG must be carried forward to the following year.
2. Any DSG underspend brought forward from the previous year may be used to support central expenditure (providing no limits are breached) in the schools block, or transferred to either the high needs or early years block (if agreed before April). Alternatively, any underspend may be carried forward to the next funding period and allocated to schools via the funding formula.
3. The purpose of the report is to:
  - Provide information on the final draft outturn for 2019-20 in respect of the High Needs Block, Early Years Block and centrally retained items including de-delegated services;

## 2019-20 Outturn

4. The accounts for 2019-20 have now been provisionally closed and are now subject to External Audit. The final draft DSG outturn for 2019-20 was a £1,099,798.93 overspend. The main variances that make up this balance are attached in Appendix A. The following paragraphs explain how the different variances have arisen.

### High Needs Block

5. The total variance for the High Needs Block for 2019/20 was an in-year overspend of £1,191,859.90. Due to ongoing pressures of demand and support needs of children.
  - £516k due to a change in funding provided by DfE – SSF Maintained Element 2
  - Additional £107k made on top up funding payments
  - Home & Hospital Teaching additional £81k
  - Secondary KS3 & KS4 turnaround places additional £205k
  - Year 7 places from September 19 – March 20 £74k

6. In 2019/20 there has been a support services saving of £112,603.29. The main areas of this are:
  - Early Years Specialist Support Service £100,553.59
  - HI/VI Service £12,049.70
  - SEN Support £0
7. The cumulative overspend to date is £3,075,040

#### Early Years Block

8. The total underspend for the Early Years Block is £1,065. This is explained in more detail below: -
9. The budget for 3 and 4 year old funding in mainstream schools and PVI settings has overspent by £285,264.82 of which £134,845 relates to the 2018-19 deprivation payment and £151,626 summer 18 payment, made in 2019-20. Therefore, the 3 & 4 year old in year position is underspent by £1,206.
10. The budget for 2 year old funding for 2019/20 was underspent by £189,536.66 based on payments paid. This is mainly due to the summer 19 take up being low.
11. The Early Years SEN Inclusion Fund was underspent by £42,524.89.
12. There were overspend on the Early Years Pupil Premium Budget of £13,074.30 and a saving on Disability Access Fund of £24,015. These are included in the outturn currently, but it is anticipated that these will be reclaimed by the DfE when they complete the In-Year adjustment for 2019/20 in July 2020.
13. The in-year adjustment for 2018-19 was a payment of £43,328 received in July 2019. This forms part of the overall underspend.
14. The cumulative position for Early Years is an underspend of £321,757.69 is to be carried forward for Early Years purposes, however the forum should note the figure is provisional because we haven't received the final allocation for 19-20, as this isn't received until July 20 and there are some outstanding payments which will adjust this balance. Any balances remaining will be used to balance the future Early Years funding formula.

#### Central School Services Block

15. There are one off savings on IT, copyright licences, admin officer and DSG Combined Services totalling £93,513.68. There has been a small overspend on Admissions of £2,518. Net underspend of £90,995.
16. The CSSB underspend is to be carried forward. This is due to the opening balance for the CSSB reserve is overspent by £120,081.24. The in-year underspend will reduce the reserve to a closing balance overspend of £29,085.90.

## De-Delegation

17. In 2019-20, Union Facility time has underspent by £27,835.47, I have rolled this balance forward in 2019-20. The balance will be held until the outcome of the Union Facility Time is resolved.

## **Summary of available funding**

18. The following table highlights the funding available for reallocation.

<b>Table 1: Summary of DSG Reserves as at 31/03/20</b>	
	£
High Needs Block Outturn 2019/20	1,191,859.90
Early Years Block	-1,065.43
Centrally Retained	-90,995.54
<b>Outturn Balance of funding from 2019/20</b>	<b>1,099,798.93</b>
<b>Balance of reserves as at 31/03/19:</b>	<b>1,682,568.69</b>
High Needs Block £1,883,179.71	
Early Years Block -£320,692.26	
Centrally Retained Block £120,081.24	
<b>DSG Overspend (to be recovered) as at 31/03/20</b>	<b>2,782,367.62</b>

## **RECOMMENDATIONS**

- That SMF note the current 2019/20 draft outturn position of £1,099,798.93 overspend;
- That SMF note the carry forward of High Needs balance.
- That SMF note the carry forward of Early Years balance.
- That SMF note the carry forward of the Central School Services balance.
- That SMF note the carry forward of Union Facility time.