



Report to Schools Forum

Date: 13th October 2020

Title: Dedicated Schools Budget – Revenue Budget Monitoring 2020-21

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Recommendations: Schools Forum is asked to note the revenue budget monitoring position at the end of August and the requirement for a DSG Deficit Management Plan.

Reason for decision: For Information

1. Purpose of the Report

- 1.1. This report updates Schools Forum Funding Group on the current forecast for the Dedicated Schools Grant (DSG) budget for the 2020-21 financial year, based on the spend to 31st August 2020 (period 5).
- 1.2. An update on the impact of Covid-19 on school expenditure is included in the report.
- 1.3. The report also includes the latest position on the DSG reserve and the requirement for a deficit management plan.

2. DSG Allocation 2020-21

2.1. The latest DSG allocation for 2020-21 has been confirmed as follows:

| DSG Block | July 2020 Allocation before Recoupment £m | Less Recoupment £m | Allocation After Recoupment £m |
|--------------------------------|--|-----------------------|-----------------------------------|
| Schools Block | 343.6 | (171.8) | 171.9 |
| High Needs Block | 90.0 | (8.1) | 81.9 |
| Early Years Block | 32.6 | 0.0 | 32.6 |
| Central Schools Services Block | 6.5 | 0.0 | 6.5 |
| | 472.6 | (179.8) | 292.8 |

3. Forecast 2020-21

The overall Dedicated Schools Budget is currently projected to break even as at the end of August however risks of up to £1.1m have been identified and are being closely monitored with actions being put into place to mitigate. A summary is shown in the following table:

| DSG blocks 2020-21 | Risks at 30/09/20 £'000s |
|---------------------------------------|-----------------------------|
| Schools Block | 0 |
| High Needs Block | |
| Supply Teaching & Additional Support | 441 |
| Excluded pupils and re-integration | (58) |
| ARPS | 290 |
| Independent Placements | 250 |
| Learning support teachers | 64 |
| Equipment | 46 |
| Early Years Block | |
| Central Schools Services Block | 0 |
| Premature retirement costs | 53 |
| Capita one Software licences | 29 |
| Total Risks | 1,115 |
| | |

3.1. The key variances and risks are outlined as follows:

- Additional Places and Exceptional Support – this budget is forecast to be overspent by £441k against the budget of £513k, with a forecast spend of £954k. Costs for those with EHCPs placed at Aspire and those in receipt of home tuition via supply teaching account for the majority of this spend. Prior year spend in this area was £1.46m. Significant steps have been made to reduce spend showing an improvement of £507k compared to last year, particularly within the supply teaching spend which has reduced from £606k to £341k.
- Excluded pupils and re-integration is showing a below budget spend of £58k but this may be impacted by Covid and return to school.
- ARP placements are expected to be over plan by £290k. This is being reviewed but it is unlikely changes can be made to reduce this overspend this year

meaning that the cost will need to be offset by savings elsewhere in the high needs block.

- Independent placements, at the latest forecast position, is at risk of a £250k overspend with the pressures of tribunals and a number of high cost new starters. Placement data is analysed in more detail in the High Needs Update report on this agenda.
- The cost for additional Learning support teachers is higher than plan for EHCP delivery in schools by £64k.
- Special equipment is forecast to above plan by £46k in line with last years outturn. This is being reviewed.
- In the Central block, costs for Premature Retirement Costs are over budget £53k and the Capita One software licences are higher than budget £29k.
- Early Years the impact on settings as a result of COVID is uncertain so at August close the forecast position is held to breakeven. A sufficiency and sustainability plan is underway.

3.2. Work is under way to mitigate these pressures and to identify opportunities to further reduce costs.

4. Impact of Covid-19 on Schools Expenditure

Exceptional Costs related to Covid-19

4.1. The DfE published details of how schools can claim support for exceptional costs related to covid-19 on 24th June. Support has been limited to exceptional costs during the summer term for the following circumstances:

- **increased premises related costs** associated with keeping schools open during the Easter and/or summer half term holidays, for vulnerable children and the children of critical workers, over and above the costs that schools would have faced in other circumstances
- **support for free school meals for eligible children who are not attending school**, where those costs are not covered by the national voucher scheme
- **additional cleaning** – required due to confirmed or suspected coronavirus (COVID-19) cases, in line with COVID-19: cleaning of non-healthcare settings, over and above the cost of existing cleaning arrangements.

4.2. Whilst schools were not expected to draw down on reserves to meet exceptional costs, the DfE did not expect schools to claim if they were planning to add to their reserves in this financial year.



4.3. The first tranche of payments has been made by the DfE following claims from schools. The total paid to date across maintained schools in Buckinghamshire is £121k.

4.4. Budgets and forecasts for maintained schools will be reviewed at the end of Q2 to fully assess the financial position across schools. However there is a clear risk that the numbers of schools in financial deficit will increase as a result of the covid-19 pandemic.

Other Covid related Costs – Flu Vaccinations in Schools

4.5. The Buckinghamshire Council flu vaccination plan includes the aspiration to offer flu jab vouchers to all primary school staff who are not already eligible for a free NHS jab. It has been agreed at the Schools Leaders meeting with Public Health that the cost of this will be met from School budgets at a cost of £10.50 per staff member.

Coronavirus Catch Up Premium

4.6. On 19th June the government announced £1 billion additional funding to help England's children catch up on what they have missed while schools have been closed. Guidance on how this funding will be allocated has now been published. The funding is for the 2020-21 academic year.

4.7. The funding is split into two amounts:

- £650 million Universal Catch Up Premium
- £350 million National Tutoring Programme to support the most disadvantaged pupils

Universal Catch Up Premium:

4.8. Available for all state funded mainstream and special schools and alternative provision, and independent special schools to support all pupils in the 2020-21 academic year.

4.9. For mainstream schools funding will be allocated at **£80 per pupil**

4.10. For special schools and Alternative Provision funding will be allocated at **£240 per place**

4.11. Schools have the flexibility to spend their funding in the best way for their cohort and circumstances.

National Tutoring Programme

4.12. This funding is to provide additional, targeted support for those children and young people who need the most help.

4.13. The programme will comprise of at least 2 parts in the 2020 to 2021 academic year, including:

- 5 to 16 programme that will make high-quality tuition available to 5 to 16 year olds in state-funded primary and secondary schools from the second half of autumn term 2020
- 16 to 19 fund for school sixth forms, colleges and all other 16 to 19 providers to provide small group tutoring activity for disadvantaged 16 to 19 students whose studies have been disrupted as a result of coronavirus (COVID-19).

4.14. Guidance setting out further detail of this element will be issued by the DfE.

5. DSG Reserve and Deficit Management Planning

- 5.1. Any variance against the DSG is to be managed through the DSG reserve which is ringfenced. At the start of the 2020-21 financial year the council had a deficit of £1.153m against its DSG reserve. Following contributions agreed by Schools Forum in January from former Historic Commitment budgets and additional early years funding received in July to reflect the impact of the January 2020 census on the 2019-20 DSG allocation, the reserve now has a positive balance of £86k.
- 5.2. These additions have ensured that the DSG deficit has been recovered at the start of the year however the earmarked reserves that were held in previous years have not been reinstated. The reserve previously contained earmarked reserves of £917k against funds de-delegated from schools (£417k) and against the risk of the deficit at Mandeville School (£500k).
- 5.3. There is also no contingency to support further pressures against the High Needs Block.
- 5.4. The Dedicated Schools Grant (DSG): conditions of grant 2020 to 2021 paragraph 5.2, requires that any local authority (LA) with an overall deficit on its DSG account at the end of 2019 to 2020 financial year, or whose DSG surplus has substantially reduced during the year, must be able to present a plan to the Department for Education (DfE) for managing their future DSG spend. The plan should be shown to the local Schools Forum and should be kept regularly updated throughout the year to reflect the most recent forecast position and be viewed as an on-going live document.
- 5.5. To help LAs meet this requirement, the DfE has produced a management plan template. The aim of the template is to enable LAs to formulate and present their DSG management plans in a format that allows them to focus attention on comparison of high needs provision against spend. Schools Forum has previously agreed the main workstreams of the Buckinghamshire plan however the new template will enable us to populate and monitor the detail.
- 5.6. The LA should aim to present the first version of the plan to the schools forum in time for its budget planning discussions for 2021-22. It is proposed that the

detailed template be considered at the December 2020 Schools Forum meeting. Schools Forum may want to consider whether an additional meeting of the Schools Forum Funding Group should be held specifically to review the detail of this template.

