



# Report to Schools Forum

**Date:** 30<sup>th</sup> June 2020

**Title:** Dedicated Schools Budget – Outturn 2019-20

**Author and/or contact officer:** Liz Williams, Head of Finance (Children’s Services)

**Recommendations:** Schools Forum Funding Group is asked to note the final outturn position against the Dedicated Schools Grant in 2019-20

**Reason for decision:** For Information

## 1. Purpose of the Report

1.1. This report updates Schools Forum on the Dedicated Schools Grant (DSG) allocation, outturn for 2018-19, the DSG Reserves as at 31st March 2020 and the forecasted reserve position for the financial year 2020-21.

## 2. DSG Allocation 2019-20

2.1. The final DSG allocation for 2019-20 has been confirmed as follows:

DSG Block	Allocation Prior to Academy Recoupment £m	Less Recoupment £m	Final Allocation After Recoupment £m
Schools Block	322.171	156.779	165.391
High Needs Block	82.572	7.989	74.584
Early Years Block	31.559	0.000	31.559
Central Schools Services Block	7.425	0.000	7.425
<b>Total DSG Allocation 2019-20</b>	<b>443.728</b>	<b>164.768</b>	<b>278.960</b>
Income Received in 2019-20			(279.511)
<b>Difference in income received compared to allocation</b>			<b>(0.551)</b>
Difference due to:			
Additional Early Years income for 2018-19			(0.510)
Adjustment to funding for PRU places			(0.041)
<b>Total</b>			<b>(0.551)</b>

### 3. Outturn 2019-20

3.1. The final outturn position for 2019-20 was an overspend of £2.718 million against the overall Dedicated Schools Budget. A summary of expenditure and income for 2019-20 is shown in the following table:

Funding Block	Budget £	Actual £	Variance £
<b>Schools Block</b>	165,407,823	165,488,915	81,092
<i>Of which:</i>			
Dedelegation from Special School/PRU	16,324		
Schools Block Allocation	165,391,499		
<b>High Needs Block</b>	77,443,627	81,711,768	4,268,141
<i>Of which</i>			
Contributions from Reserve	1,048,354		
Former Historic Commitment from Central Block	1,708,000		
Import/Export Adjustment from reserve	120,000		
Dedelegation from Special School/PRU	(16,324)		
High Needs Block Allocation	74,583,598		
<b>Early Years Block</b>	31,559,329	30,594,244	(965,085)
<b>Central Schools Services Block</b>	5,717,363	5,482,396	(234,967)
<i>Of which</i>			
Contribution to High Needs	(1,708,000)		
Central Schools Services Block Allocation	7,425,363		
<b>Total DSG Expenditure 2019-20</b>	<b>280,128,142</b>	<b>283,277,323</b>	<b>3,149,181</b>
DSG Allocation	(279,079,789)		279,079,789
DSG Income (incl EY from 2018-19)		(279,510,641)	(279,510,641)
Planned Contribution from Reserves	(1,048,354)	(1,048,354)	0
<b>Total DSG Income 2019-20</b>	<b>(280,128,143)</b>	<b>(280,558,995)</b>	<b>(430,852)</b>
<b>Net (Contribution)/Drawdown (to)/from Reserve</b>			<b>2,718,329</b>

3.2. A more detailed table is provided in Appendix 1 to this report.

3.3. The main pressures through the year continued to be within the High Needs Block which is £4.268 million overspent at the end of the year against the budget of £77.444 million. The main variances were as reported through the year:

- Placements in Independent Special Schools – overspend of £1.105 million
- Placements in Post-16 colleges – overspend of £829k
- Support for pupils with EHCPs in mainstream schools – overspend of £1.212 million

- Additional places and exceptional support in special schools and PRUs – overspend £938k.

3.4. The overspend in High Needs budgets is partially offset by an underspend of £965k against the Early Years block, most of which is against the budget for the free entitlement for early education and childcare for 3 and 4 year olds. This underspend had not been projected during the year, work is taking place to review forecasting methodology for early years expenditure in the new financial year. Analysis of the provisional January census data indicates that there will not be a clawback of Early Years block DSG for 2019-20.

#### 4. DSG Reserve

4.1. Any variance against the DSG is to be managed through the DSG reserve which is ringfenced. At the end of the 2019-20 financial year the council had a deficit of £1.153m against its DSG reserve.

<b>DSG Reserve - Surplus/(deficit)</b>	<b>£</b>
Mandeville School Deficit	500,000
Early Years - changes in grant funding	700,000
De-delegation	717,511
Unallocated reserve	1,021,694
<b>Opening Balance 2019-20</b>	<b>2,939,205</b>
<b>Drawdown 2019-20</b>	
Contingency appeals from 2018-19 paid in 2019-20	(26,000)
Refund of Contingency surplus to schools	(300,000)
Allocation to support High Needs overspend agreed by Schools Forum June 2019	(1,048,353)
Drawdown at year end to support overspend	(2,718,329)
<b>Total Drawdown during 2019-20</b>	<b>(4,092,682)</b>
<b>Closing Balance 2019-20 - Surplus/(Deficit)</b>	<b>(1,153,477)</b>

4.2. In January 2020 Schools Forum agreed a number of actions to reduce the projected deficit against the DSG reserve. The impact of these actions has been reviewed as follows:

<b>Proposed Action 2020-21</b>	<b>Agreed January 2020 £</b>	<b>Revised After Outturn £</b>
Use of funding historic commitment funding for ex BLT services	0	110,000
Use of unallocated revenue contribution to capital (historic commitment)	884,000	884,000
Early Years Additional funding for January Census 2020	420,000	300,000
	<b>1,304,000</b>	<b>1,294,000</b>
Opening Deficit 1/4/20		<b>(1,153,477)</b>
<b>DSG Reserve as at 1 April 2020 after recovery actions</b>		<b>140,523</b>

4.3. The updated actions will ensure that the deficit is removed at the start of the year however this does not replenish the earmarked reserves that were held in previous years. 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).

4.4. There is also no contingency to support further pressures against the High Needs Block.

## 5. Impact on 2020-21

5.1. Schools Forum set a balanced budget for 2020-21 against the increased High Needs Block. An additional £7.5 million has been allocated to Buckinghamshire for the 2020-21 financial year. This additional funding is fully committed against pressures in 2020-21 and there is currently no confirmation that it will continue in future years. It is essential that a longer term recovery plan is developed to ensure that high needs spend can be managed in future years.

5.2. Mitigating actions that have been taken to date include:

- a) Revised SEN panel procedures which will impact on the decision making processes for September 2020.
- b) Review of processes for EHC Plans to ensure resource allocation is appropriate and is reviewed.
- c) Speech and Language link – this is expected to reduce the numbers of requests for EHC Plans, focused on children aged 5-7years as an early intervention measure.
- d) Focus on Ordinarily Available Provision: greater highlighting of the provision that is expected to be put in place for those children at SEND Support utilising already delegated funds to schools before requests for additional funding are considered.

- e) Side by Side work with schools to focus on inclusion, therefore meeting more needs in county.
- f) Review of the methodology for allocating top up funding for pupils with EHCPs; following consultation with schools a new model is proposed for the allocation of top-up funding for pupils with EHCPs.

5.3. Further work has taken place to identify the key workstreams for the high needs recovery plan and these are outlined in more detail in the High Needs Update report on this agenda.

