

## Schools Forum

4<sup>th</sup> June 2020**2019/20 Dedicated School Grant Outturn Position**

This report relates to both maintained and academy schools and all members of the Schools Forum.

**Recommendation(s)**

The Schools Forum is recommended to:

- Note the DSG financial outturn position for 2019/20.

**1. Introduction**

1.1. This report sets out the final outturn position of the Dedicated Schools Grant (DSG) for 2019/20.

**2. 2019/20 Final Outturn Position**

2.1. The total DSG allocation for Warwickshire, as last reported to Schools Forum in March 2020, was £427.250 million, with total recoupment of £203.654 million, resulting in a net allocation across Blocks after recoupment of £223.596 million. There were no further changes to this allocation before the end of the financial year.

<b>Table 1: 2019/20 DSG Allocations</b>	<b>Gross Allocation £m</b>	<b>Total Recoupment £m</b>	<b>Allocation across Blocks £m</b>	<b>Notes</b>
Schools	327.385	(191.283)	136.102	Academy recoupment
High Needs	62.926	(12.371)	50.555	High Needs recoupment
Early Years	32.534	0	32.534	
Central School Services	4.405	0	4.405	
<b>Total DSG</b>	<b>427.250</b>	<b>(203.654)</b>	<b>223.596</b>	

2.2. The final DSG outturn position for 2019/20 is an overspend of £5.063 million. This is a reduction to the January 2020 forecast overspend of £5.349 million, as reported to Schools Forum in March 2020. However, this is offset as part of the council budget resolution in February 2019 with by a council contribution to the High Needs block of £2.103 million. Therefore, the final position is an overall over-spend of £2.960 million.

2.3. Table 2 summarises the outturn by DSG Block, with the narrative in this report providing further analysis and Appendix A providing a detailed breakdown:

<b>Table 2: 201920 Outturn</b>	<b>Final Net Allocation</b>	<b>Outturn</b>	<b>Variance</b>	<b>Forecast Variance @ Jan20</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Schools Block*	136.102	135.910	(0.192)	135.802
High Needs Block	50.555	57.899	7.343	58.447
Early Years Block	32.534	31.5686	(1.848)	32.566
Central School Services Block	4.404	4.164	(0.240)	4.233
<b>Total DSG</b>	<b>223.596</b>	<b>228.659</b>	<b>5.063</b>	<b>231.049</b>
Council contribution to High Needs Block agreed in February 2019 prior to change in DSG terms and conditions		(2.103)	(2.103)	(2.103)
<b>Total</b>	<b>223.596</b>	<b>226.556</b>	<b>2.960</b>	<b>228.946</b>

\*ISB allocations to individual schools within this block are treated as fully spent.

2.4. It should be noted that historically the DfE have required all local authorities to complete a recovery plan should the expenditure on the DSG exceed 1%. The outturn position of £5.063 million equates to a 1.19% overspend, which exceeds the DfE threshold.<sup>1</sup>

2.5. The position is not unique to Warwickshire and is a national one that is being closely monitored. At the October Schools Forum meeting, we provided an overview of the previous year's DfE guidance relating to recovery plan requirements. The exact requirements of the DfE for Local Authorities who exceeded the 1% threshold has not yet been made clear by the DfE, so in the meantime a paper is being put to Schools Forum today to enable us to consult with Schools Forum on a Recovery Plan by a provisional submission deadline of 30 June.

### 3. Explanations for Variances

The sections below explain the main reasons for the variances across the blocks. A detailed breakdown of variances is shown in Appendix A.

#### Schools Block (£0.192 million underspend)

3.1. There is an underspend of £0.192 million on the Schools block which comprises:

- Rates reimbursements overspend to maintained schools of £0.209 million
- Exceptional Pupil Numbers (growth fund) underspend of £0.383 million
- An overspend on Ethnic Minority & Traveller Achievement Service of £0.036 million
- An underspend on Education Functions - DBS checks of £0.020 million

<sup>1</sup> Calculation of overspend is based on original DSG allocation of £427.249m, i.e. the allocation prior to academy recoupment and adjustments for pupil numbers.

- An underspend on Free School Meals of £0.044 million due to the cost of the portal being absorbed by the admissions team
- An overspend on Schools Performance of £0.010 million

### **High Needs Block (£5.240 million overspend)**

3.2. High Needs has a total overspend of £7.343 million, this has been offset by a local authority contribution of £2.103 million which was agreed in February 2019 prior to the change in DSG terms and conditions.

3.3. There have been significant overspends in the SEN top-ups:

- Mainstream Schools £1.848 million
- Special Schools and Academies £0.943 million
- Independent Service Provider day and residential placements £0.512 million
- Resourced Provision £0.383 million
- Post-16 funding £0.928 million
- Area Behaviour Partnerships £0.304 million
- The SEN Inclusion Grant £0.108 million

3.4. In addition, there are some minor underspends within the High Needs Block totalling £0.453 million and the shortfall in budget of £2.770 million highlighted throughout the year.

### **Early Years Block (£1.848 million underspend)**

3.5. This underspend is made up of:

- Underspends of £0.692 million on Nursery funding for 3 and 4 year olds (Universal Funding and Additional 15 hours).
- Overspends IDS TL Early Years of £0.120 million
- Underspends of £1.001 million due to DSG clawback anticipated from 2018/19 that did not materialise (due to higher than expected census figures) and anticipated additional funding for 2019/20 to be announced in July 2020.
- Minor underspends amounting to £0.275 million

3.6. It is recommended that the £1.848million underspend should be set aside within an Early Years Block Reserve and will be used to sustain the increase in the Early Years Universal rate that was unanimously approved at a previous Schools Forum meeting this year.

### **Central Schools Services Block (£0.240 million underspend)**

3.7. There are underspends of £0.240 million, consisting of underspends in Child Protection and Taking Care of £0.094 million, Admissions of £0.134 million, Heads Termly/SACRE of £0.006 million and in Employers Liability Insurance of £0.006 million.

#### 4. DSG Reserve position for 2020/21

<b>Table 3: Individual DSG Reserves*</b>	<b>Reserves 31/3/2020 £m</b>
Schools Block	0.192
High Needs Block	(5.240)
Early Years Block	1.848
Central School Services Block	0.240
<b>Total</b>	<b>(2.960)</b>

\*Brackets reflect an over-drawn reserve

**Purnima Sherwood**  
**Service Manager for Finance**

Author Contact Details

Email: [purnimasherwood@warwickshire.gov.uk](mailto:purnimasherwood@warwickshire.gov.uk)

Tel: 01926 742035

## Appendix A

<b>Table 3: Schools Block</b>	<b>Budget 2019/20 £m</b>	<b>Outturn 2019/20 £m</b>	<b>Overspend / (Underspend) £m</b>	<b>Forecast @ end January 2020 £m</b>
Mainstream Individual School Budgets	133.599	133.599	0.000	133.599
Rates reimbursement to maintained schools	0.000	0.209	0.209	0.112
Growth Fund (exceptional pupil numbers)	1.669	1.286	(0.383)	1.253
Schools Block Contingency (unallocated budget)	0.000	0.000	0.000	0.000
<b>Education Functions - Maintained Schools</b>				
DBS checks	0.190	0.170	(0.020)	0.185
<b>De-delegated budgets</b>				
School Performance	0.208	0.218	0.010	0.208
STS SEND Support (Previously "EIS")	0.033	0.033	0.000	0.033
Ethnic Minority & Traveller Achievement Service	0.242	0.278	0.036	0.252
Free School Meals	0.021	(0.023)	(0.044)	0.021
Teaching Union Cover	0.071	0.071	0.000	0.071
Non-Teaching Union Cover	0.016	0.016	0.000	0.016
Occupational Health	0.014	0.014	0.000	0.014
Central Establishment Charges	0.039	0.039	0.000	0.039
<b>Total Schools Allocations</b>	<b>136.102</b>	<b>135.910</b>	<b>(0.192)</b>	<b>135.803</b>

<b>Table 4: High Needs Block</b>	<b>Budget 2019/20 £m</b>	<b>Outturn 2019/20 £m</b>	<b>Overspend / (Underspend) £m</b>	<b>Forecast @ end January 2020 (Period 10) £m</b>
SEN – Place Funding for Maintained Mainstream, Special and Resourced Provision	5.127	5.127	0.000	5.127
SEN Top up - Mainstream Schools & Academies	6.217	8.065	1.848	7.535
SEN Top up - WCC Special Schools & Academies	13.890	14.833	0.943	14.857
SEN Top up - Independent & OLA Special Schools	14.082	14.594	0.512	15.126
Tier 4 Hospital Education	0.180	0.091	(0.089)	0.160
Resourced Provision - SEN Support	1.701	2.083	0.383	2.062
SEND Speech & Language	0.191	0.191	0.000	0.191
Post 16 Funding	4.726	5.654	0.928	5.749
SEND Commissions	0.067	0.061	(0.006)	0.075
SEND Integrated Services (Low incidence SEND)	1.416	1.410	(0.005)	1.381
SEND Integrated Services (Flexible Learning)	0.457	0.457	0.000	0.369
Area Behaviour Partnerships (Primary and Secondary Exclusions)	2.132	2.436	0.304	2.789
Contribution to Early Intervention Behaviour Panels	0.063	0.027	(0.036)	0.066
SEND Integrated Services (Specialist Teaching Service)	1.371	1.055	(0.317)	1.149
Integrated Disability Service SEN Inclusion Grant (EY)	0.277	0.385	0.108	0.385
Central Establishment Charges	1.428	1.428	0.000	1.428
Shortfall in budget allocated	(2.770)	0.000	2.770	0.000
<b>High Needs Allocations</b>	<b>50.556</b>	<b>57.899</b>	<b>7.343</b>	<b>58.448</b>
High Needs Block Funding	(50.556)	(50.556)	0.000	(50.556)
<b>Forecast High Needs Block Funding Shortfall</b>	<b>0.000</b>	<b>7.343</b>	<b>7.343</b>	<b>7.892</b>
Local Authority Contribution		(2.103)	(2.103)	(2.103)
<b>Net (Surplus) / Deficit</b>	<b>0.000</b>	<b>5.240</b>	<b>5.240</b>	<b>5.789</b>

<b>Table 5: Early Years Block</b>	<b>Budget 2019/20 £m</b>	<b>Outturn 2019/20 £m</b>	<b>Overspend / (Underspend) £m</b>	<b>Forecast @ end January 2020 £m</b>
Nursery schools (Universal Hours)	1.626	1.626	(0.000)	1.626
Special nurseries (Universal Hours)	0.043	0.043	(0.000)	0.043
Nursery Funding 3&4 year olds (Universal funding - Independent Providers & Nursery Classes and Additional 15 hours)	26.141	25.449	(0.692)	24.974
Maintained Nursery Supplement	0.000	0.000	0.000	0.000
DSG Pupil Premium	0.160	0.022	(0.138)	0.134
Funded 2 year olds	3.016	3.066	0.050	2.996
Disability Access Fund	0.118	0.000	(0.118)	0.118
IDS TL Early Years	0.826	0.946	0.120	0.891
Early Years - Sufficiency & Business Support	0.250	0.221	(0.029)	0.280
Early Years Quality & Development	0.040	0.000	(0.040)	0.000
Early Years – Year end account adjustment	0.000	(1.001)	(1.001)	1.190
EYB Central Establishment Charges	0.314	0.314	0.000	0.314
<b>Early Years Allocations</b>	<b>32.534</b>	<b>30.686</b>	<b>(1.848)</b>	<b>32.566</b>

<b>Table 6: Central Schools Services Block</b>	<b>Historic or Ongoing</b>	<b>Budget 2019/20 £m</b>	<b>Outturn 2019/20 £m</b>	<b>Overspend / (Underspend) £m</b>	<b>Forecast @ end January 2020 (Period 10) £m</b>
Child Protection & Taking Care	Historic	0.175	0.081	(0.094)	0.114
Children’s Mental health	Historic	0.150	0.150	0.000	0.150
Admissions	Ongoing	0.718	0.584	(0.134)	0.614
Heads Termly / SACRE	Ongoing	0.018	0.012	(0.006)	0.018
DSG SF Allocation - Historic Pension Contribution	Historic	0.737	0.737	0.000	0.737
DSG SF Allocation - North Leamington School Borrowing	Historic	0.266	0.266	0.000	0.266
DSG SF Allocation - Copyright Licences	Historic	0.422	0.422	0.000	0.422
Employers Liability Insurance	Ongoing	0.051	0.045	(0.006)	0.045
Planning for the education service as a whole (Sch 2, 15b)	Ongoing	0.378	0.378	0.000	0.378
Formulation and review of local authority schools funding formula (Sch 2, 15d)	Ongoing	0.047	0.047	0.000	0.047
School attendance (Sch 2, 16)	Ongoing	0.377	0.377	0.000	0.377
Responsibilities regarding the employment of children (Sch 2, 18)	Ongoing	0.069	0.069	0.000	0.069
Admissions (Sch 2, 9)	Ongoing	0.086	0.086	0.000	0.086
Cost of support services for Education Functions	Ongoing/ Historic	0.910	0.910	0.000	0.910
<b>Central Schools Services Allocations</b>		<b>4.404</b>	<b>4.164</b>	<b>(0.240)</b>	<b>4.233</b>