

**TITLE OF REPORT: Dedicated Schools Grant Revenue Outturn 2019/20**

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**Purpose of the Report**

To inform Schools Forum of the provisional outturn position of Dedicated Schools Grant (DSG) for 2019/20.

**Background**

The DSG is made up of four funding blocks:

1. The **Early Years (EY) block** for 2 and 3 & 4-year-old funding;
2. **Mainstream Schools block** which includes some centrally held and de-delegated funding;
3. **High Needs block (HNB)** which includes special schools, alternative provision and top-ups to maintained schools and academies; and
4. **Central Services Schools block** which includes central functions carried out on behalf of schools, for example, licences, schools' admissions, pension costs.

Schools Forum receives details of DSG revenue monitoring throughout the financial year, with the format presented based on the expenditure headings of the Section 251 statement.

The quarter 3 report included an error in relation to the estimated impact of MFG and capping on special schools. The projection of spending at quarter 3 should have been £102.148m which would have been an overspend of £0.387m.

The final outturn report for 2019/20 is included at Appendix 1, which shows an outturn of £101.507m against the budget of £101.761m; an underspend of £0.255m. This is a movement of £0.641m on the revised quarter 3 position and relates primarily to:

- within HNB, the final outturn on alternative provision and independent schools being less than previously projected, although still resulting in an overall overspend of £1.135m on HNB;
- a further recoupment adjustment from DfE in relation to Thomas Hepburn of £0.141m;
- a further reduction in Early Years spending resulting in overfunding / underspending of £0.95m on statutory nursery entitlement in PVI and nursery classes in schools; and
- an underspend on Premature Retirement Costs of £0.215m in the Central block.

The balance of the DSG reserve at 31 March 2019 was £0.816m. The in-year underspend, together with the 2018/19 Early Years adjustment of £0.142m, will result in the reserve increasing to £1.212m at 31 March 2020. There is an expectation that there will be some clawback in July 2020 (estimated at c£0.260m) and an adjustment to the 2020/21 Early Years funding (estimated at c£0.450m) due to a reduction in the numbers of 2,3 and 4-year-olds eligible for statutory nursery provision in the January 2020 census.

**Proposal**

That Schools Forum notes the content of the report.

**Recommendations**

That Schools Forum notes the content of the report.

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## 2019/20 DSG Revenue Monitoring Quarter 4

DSG Area	Total Approved Budget £'000	Outturn £'000	Variance £'000	Comments/Notes
Maintained Schools Budget Share	73,067	72,851	(216)	Academy conversion adjustment; overfunding of Early Years
<b>DEDELEGATION</b>				
Contingencies	0	6	6	
Behaviour support services	270	270	0	
Support to UPEG and bilingual learners	235	227	(8)	
Staff costs	180	139	(41)	Maternity Credits & TU facilitator costs
<b>HIGH NEEDS BUDGET</b>				
High Needs Budget (including Special Schools, PRU and Additional Support Top-ups)	16,020	17,155	1,135	Special schools, maintained schools & academies top-ups +£0.341m Independent sector +£0.536m Alternative provision +£0.280m Staffing & other provision -£0.022m
<b>EARLY YEARS BUDGET</b>				
2,3- and 4-year-olds funding to PVI's	9,481	8,601	(880)	-£0.610m 3/4-year-olds -£0.185m 2-year-olds -£0.85m staffing
<b>CENTRAL PROVISION WITHIN SCHOOLS BUDGET</b>				
Contribution to combined budgets	421	421	0	
School admissions	142	134	(8)	
Servicing of Schools Forums	116	116	0	
Termination of employment costs	528	313	(215)	Premature retirement costs
Pupil growth/ Infant class sizes	780	780	0	Funding allocated to schools re Thomas Hepburn pupils
Other Items	165	138	(27)	CLA/ MPA Licences top sliced from DSG for all school licences
Statutory/ Regulatory duties	356	356	0	ESG topslice agreed by Schools Forum
<b>TOTAL DSG</b>	<b>101,761</b>	<b>101,507</b>	<b>(254)</b>	Appropriated to DSG reserve

	£'000
Reserves balance at 31 March 2019	(816)
Appropriation to reserve: July Early Years adjustment re 2018/19	(142)
Appropriation to reserve: in-year deficit	(254)
<b>Projected reserve balance at 31 March 2020 (surplus) / deficit</b>	<b>(1,212)</b>