

DSG FORECAST KEY VARIANCES AND MANAGEMENT ACTIONS

The DSG is reporting an anticipated surplus carry forward at the end of 2019/20 of £2.636m.

Table 1 - The DSG High Level Forecast Summary to December 2019:

DSG Forecast	£m				
	Schools	Central School Services	Early Years	High Needs	Total
2018/19 Budgeted Surplus C/F	(0.578)	0.000	(0.517)	(1.774)	(2.869)
2019/20 Budgeted DSG Allocation	(188.837)	(1.466)	(21.293)	(40.800)	(252.396)
2019/20 Budgeted Expenditure	188.751	1.466	21.293	40.800	252.309
2019/20 Budgeted Carry Forward	(0.664)	0.000	(0.517)	(1.774)	(2.956)
2018/19 Actual Surplus C/F	(0.578)	0.000	(0.517)	(1.774)	(2.869)
2019/20 Actual DSG Allocation	(188.837)	(1.466)	(21.293)	(40.800)	(252.396)
2019/20 Forecast Expenditure	188.687	1.466	21.567	40.909	252.629
2019/20 Forecast Carry Forward	(0.728)	0.000	(0.243)	(1.665)	(2.636)
Variance to Budget	(0.064)	0.000	0.274	0.109	0.319

Table 2 – High Level Variations

Service Area	DSG	Responsible Officer	Mac Heath	Forecast Variance £m	£0.319m
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Key Variations:

- **Schools Block 0.4%:** Forecast surplus carry forward into 2020/21 of £0.728m which will be held and allocated through the 2020/21 funding formula. The **£0.064m** in year underspend is as a result of the growth fund contingency for additional places at primary schools not being required resulting in a reduction of £0.020m and there have been four primary school academy conversions resulting in a business rates rebate of £0.044m.
- **Early Years Block 1.1%:** Forecast surplus carry forward into 2020/21 of £0.243m which is being held to manage the volatility of take up within the block. The **£0.274m** overspend in year is as a result of the 2018/19 shortfall between the allocation and the funding paid to providers which has been covered by the contingency. There are also some minor underspends within the early years central budgets. The final 2019/20 funding allocation is yet to be confirmed (expected July 20) and this may impact on the 2019/20 allocation.
- **High Needs Block 4.1%:** Forecast surplus carry forward into 2020/21 of £1.665m. The **£0.108m** overspend in year is as a result of:
 - £0.529m Increased Top up funding in mainstream schools due to an additional 61 children with an education and health care plan (EHCP) since July 2019.
 - £0.733m An increase in the number of children being supported by the Outreach team and receiving tuition packages where the caseload has grown from 32 to 91 children.
 - £0.151m An increase in top up funding in special schools as a result of a recent banding review and additional children on roll.
 - (£0.526m) The contingency has been released as this is not expected to be needed in year.
 - (£0.600m) Independent special school fees are forecast to underspend due to a reduction in the number of placements from 26 in 2017/18 to the current number of 16 placements.
 - (£0.150m) Special units / departments are forecast to underspend as a result of vacant places.

Expenditure in both the early years and high needs block are highly volatile and there remains uncertainty about future funding levels particularly in the case of high needs. The surplus carried forward from previous years is one off and therefore cannot be committed to ongoing costs.