

## DEDICATED SCHOOL'S GRANT (DSG) - KEY VARIANCES AND MANAGEMENT ACTIONS

The DSG surplus carry forward at the end of 2019/20 was £2.096m.

**Table 1 - The DSG High Level Summary to 31<sup>st</sup> March 2020:**

DSG Outturn	£m				Total
	Schools	Central School Services	Early Years	High Needs	
2018/19 Budgeted Surplus C/F	(0.578)	0.000	(0.517)	(1.774)	<b>(2.869)</b>
2019/20 Budgeted DSG Allocation	(188.837)	(1.466)	(21.293)	(40.800)	<b>(252.396)</b>
2019/20 Budgeted Expenditure	188.751	1.466	21.293	40.800	<b>252.309</b>
<b>2019/20 Budgeted Carry Forward</b>	<b>(0.664)</b>	<b>0.000</b>	<b>(0.517)</b>	<b>(1.774)</b>	<b>(2.956)</b>
2018/19 Actual Surplus C/F	(0.578)	0.000	(0.517)	(1.774)	<b>(2.869)</b>
2019/20 Actual DSG Allocation	(188.837)	(1.466)	(21.293)	(40.800)	<b>(252.396)</b>
2019/20 Outturn	188.624	1.461	21.734	41.352	<b>253.171</b>
<b>2019/20 Carry Forward</b>	<b>(0.792)</b>	<b>(0.006)</b>	<b>(0.076)</b>	<b>(1.222)</b>	<b>(2.096)</b>
<b>Variance to Budget</b>	<b>(0.128)</b>	<b>(0.006)</b>	<b>0.441</b>	<b>0.552</b>	<b>0.859</b>

**Table 2 – High Level Variations**

Service Area	DSG	Responsible Officer	Mac Heath	Variance £m	£0.859m
Key Variations:					
<p>Schools Block 0.4%: There is a surplus carry forward into 2020/21 of £0.792m which has been allocated through the 2020/21 funding formula. The £0.128m 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 £0.044m and there have been four primary school academy conversions resulting in a business rates rebate of £0.056m.</p>					
<p>Early Years Block 0.3%: There is a surplus carry forward into 2020/21 of £0.076m which is being held to manage the volatility of take up within the block. There was an in-year overspend of £0.202m as a result of the 2018/19 shortfall between the allocation and the funding paid to providers which was covered by the contingency. There are also some minor underspends within the early years central budgets £0.038m. The final 2019/20 funding allocation is yet to be confirmed (expected July 20), however an estimate has been made and an accrual processed. The estimates show that the in-year expenditure for 2 year olds and 3 and 4 year olds is higher than the 2019/20 grant allocation by £0.157m and £0.079m (respectively) and this also contributed to the in-year overspend.</p>					
<p>High Needs Block 2.9%: There is a surplus carry forward into 2020/21 of £1.222m. The £0.552m overspend in year is as a result of:</p>					
<ul style="list-style-type: none"> <li>• £0.742m Increased top up funding in mainstream primary and secondary schools, where a total of 444 children received funding in April 2019, which rose to 557 by March 2020.</li> <li>• £0.759m Due to 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 111 children by the end of the financial year.</li> <li>• £0.115m Overspend on specialist equipment, due to seeing more requests from schools through the integrated community equipment budget</li> <li>• £0.099m overspend within the SEN personal budgets due to an increased number of packages. In 2019/20 25 families received personal budgets compared to 8 families in 2018/19.</li> <li>• £0.085m Other Local Authority Special School Top Ups, due to late invoicing from OLA special schools and other LA's</li> </ul>					

which caused issues with forecasting and setting the budget. For 2020/21, the ONE system will include the costs of all placements based on 2019/20, and communication will be made more regularly with billing schools and LA's in order to give us a more accurate forecast.

- (£0.526m) The contingency has been released as this was not used for any specific expenditure, so offsets the overall overspend within High Needs.
- (£0.845m) Independent special school fees underspent due to a reduction in the number of placements from 26 in 2017/18 to the current number of 15 placements within 38 and 52 week residential settings. During the year we saw three expensive packages either transition into Adults or move provision which saved (£0.375m).

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.