

## DSG FINANCIAL MONITORING REPORT PERIOD 2 2020/21

### Purpose of the Report

1. The purpose of this report is to provide the Schools Forum with a summary of the Dedicated Schools Grants (DSG) financial position for the current financial year.

### Information and Advice

2. The DSG is a ring fenced grant that is paid to Local Authorities specifically to be used in support of the schools budget. For 2020/21 NCC's total DSG is £643.898m. £580.649m of the grant has been allocated to the Individual Schools Budget (ISB) which is delegated to schools, academies and Private, Voluntary and Independent (PVI)s. The remaining £63.248m (Non-ISB) is held centrally by NCC and used to support children and young people in schools and other forms of education.

### Forecast Outturn 2020/21

3. At period 2 the DSG is forecasting an overspend of £1.644m. A summary of the variances by funding block is included in the report.

Previous Variance £m	Funding Block	Budget £m	Forecast Expenditure £m	Forecast Variance £m
	- Schools	509.903	509.903	-
	- High Needs	78.195	79.554	1.359
	- Early Years	50.005	50.005	-
	- Central Services	5.795	6.080	0.285
	- <b>Total</b>	<b>643.898</b>	<b>645.542</b>	<b>1.644</b>

### Explanation of Significant Under and Overspends

4. High Needs Block £1.4m overspend

The high needs block is reporting a forecast £1.4m overspend, the major contributing variances are as follows:

- The independent non maintained schools and alternative provision with an EHC is predicting an overspend of £1.5m. This is based upon numbers currently on roll and

projected growth. It also includes the possible continuation in Alternative Provision for a number of CYP, post 16, due to missed education during the Covid-19 pandemic.

- The overspend is offset by underspends in the inclusion services, due to vacant posts and the delay in setting up the Special School Hub which has been further exacerbated by the Covid-19 pandemic.

Service	Budget Allocation 2020/21 £000	Forecast Expenditure 2020/21 £000	Variance 2020/21 £000
Special School Budgets (Including Academy place funding paid directly by ESFA)	26,629	26,629	-
Special School Equipment	823	823	-
Special School Hub	235	190	(45)
Place Funding for AP, CCP and FE providers	1,190	1,190	-
Mainstream Enhanced Provision	441	441	-
Inclusion Services	3,546	3,466	(80)
Devolved Partnership Funding	4,979	4,979	-
Partnership Team	731	731	-
SEN Home to School Transport	1,764	1,764	-
Post 16 High Needs (outside of special schools and academies)	5,100	5,100	-
Independent Non Maintained Schools and Alternative Provision (EHC Plan)	13,301	14,785	1,484
Independent Non Maintained Schools and Alternative Provision (Non EHC Plan)	1,183	1,183	-
Targetted HLN	6,104	6,104	-
Additional family needs	8,555	8,555	-
Family Network Funding	1,306	1,306	-
Health Related Education Team, Physical Disability unit and Residential	1,421	1,421	-
SEND Divisional Costs	887	887	-
Import/ Export Adjustment	-	-	-
<b>Total</b>	<b>78,195</b>	<b>79,554</b>	<b>1,359</b>

#### 5. Central School Services Block £0.3m overspend

The Central School Services Block (CSSB) is currently underfunded due a larger reduction being made to the ESFA funding in 2020/21 than initially expected. For the current financial year this shortfall will be a challenge to contain within the overall CSSB and will result in an overspend. Further work will be undertaken by the local authority to consider how this and future reductions can be addressed in future years.

#### Use of the Schools (Non-ISB) Reserve

6. The accumulated Schools (Non-ISB) Reserve was £5.709m at the beginning of 2020/21.
7. Schools Forum have been asked to agree a carry forward of £0.686m of underspends from 2019/20 to support services in 2020/21.
8. Nottinghamshire's funding for the CSSB has been calculated incorrectly for 2018/19 and 2019/20 resulting in an overpayment of £241,082. This was due to the treatment of the Copyright Licence as part of the historic spend which was incorrect. This will be recovered by the ESFA during 2020/21 and will need to be met from the Non-ISB reserve.
9. Based on the net effect of the in-year variances detailed in this report, there is currently a projected surplus of £4.805m on the un-ringfenced Schools (non-ISB) Reserve for 2020/21.

	£m
<b>Opening Non ISB reserve (un-ringfenced) 01.04.2020</b>	<b>5.709</b>
2019/20 carry forwards agreed by Schools Forum	(0.686)
Early Years Block Adjustment 2019/20	-
ESFA Funding error recovery	(0.241)
Pupil Growth Fund	1.667
Forecast High Needs Block Overspend 2020/21	(1.359)
Forecast Early Years Block Underspend 2020/21	-
Forecast Central Schools Services Block overspend 2020/21	(0.285)
<b>Forecast Non ISB reserve (un-ringfenced) 31.03.2021</b>	<b>4.805</b>

## RECOMMENDATION

1. That the Schools Forum notes the content of the report.

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