



DEDICATED SCHOOLS GRANT OUTTURN 2019/20

Purpose of the Report

1. To report the final accounts of the Schools Budget for 2019-20.

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 2019-20 NCC's total indicative DSG is £604.610m. £549.013m of the grant has been allocated to the Individual Schools Budget (ISB) which is delegated to schools, academies and PVIs. The remaining £55.597m (Non-ISB) is held centrally by NCC and used to support children and young people in schools and other forms of education.
3. There were £0.159m of approved contributions from the Non ISB reserve in 2019/20 and a net overspend of £0.114m against the Schools (Non-ISB) budgets. There are £0.686m of year-end carry forwards requested from services for allocation to services for the 2020-21 financial year. A summary of the DSG is set out in **Appendix A**, attached to this report.

Explanation of Significant Under and Overspends

4. Schools and Central Schools Services Blocks £0.591m underspend
 - £0.251m underspend in the growth fund. This underspend is requested to be carried forward into 2020/21.
 - £0.120m underspend against de-delegated trade union facilities funding. This underspend is requested to be carried forward into 2020/21.
 - £0.090m underspend against de-delegated English as an additional language funding due to in year vacancies. This underspend is requested to be carried forward into 2020/21.
 - £0.069m underspend on the admissions function due to temporary staffing vacancies within year.
 - 0.196m overspend on the Education Psychology Service. This service has received a fixed budget of £1.2m since 2012/13. The overspend is due to the accumulated effect of inflationary pay awards.
 - 0.047m underspend against de-delegated FSM eligibility due to high levels of income generated from academies and other local authorities. The rate per child charged for the service will be reduced for 2020/21.

- £0.210 underspend on Joint Use arrangements due to two agreements coming to an end in year.

5. High Needs Block £1.002 overspend

Appendix B provides a full breakdown of the variances within the High Needs Block.

The High Needs Block has been increased for 2019/20 by transferring £2.654 million of funding from the Schools and Central Schools Services Blocks. If these transfers had not taken place then the High Needs Block would have a forecast overspend of £3.656 million for 2019/20.

6. Early Years Block £0.297 underspend (Indicative)

Appendix B provides a full breakdown of the variances within the Early Years Block.

£0.2 million of the underspend is due to the fluctuations in the number of 2, 3 & 4 year old places (Universal and Additional) being funded from the Early Years Block in each term of the year.

For 2019/20 the funding received by Nottinghamshire was based on the number of children recorded on the Jan 2019 and Jan 2020 censuses.

$$\text{Funding} = 5/12 \text{ Jan 2019} + 7/12 \text{ Jan 2020}$$

The payments made to providers are based on the number of children recorded on the termly school census or headcount return, this means that the number of places funded by the Early Years Block can fluctuate dramatically from term to term.

In September the Schools Forum recommended that the local authority increase the basic hourly rate paid to providers of 3 & 4 year old childcare in 2019/20 by £0.1 per hour. This recommendation was approved by NCC and subsequently the Secretary of State. The increased hourly rate has been paid to providers during the year.

The underspend on the Early Years Block will be confirmed in Summer 2020 when the ESFA announce the final 2019-20 funding allocation for the Early Years Block.

Use of the Schools (Non-ISB) Reserve

7. As the summary of the Schools Budget set out in **Appendix A** shows, the accumulated Schools (Non-ISB) Reserve was £4.632m at the beginning of 2019-20. Based on the net effect of the in year overspend, and use of reserves outlined in paragraph 3, there is currently a surplus of £5.709 million on the Schools (non-ISB) Reserve for 2019-20.
8. The reserve can be used to support additional expenditure provided that the Schools and Early Years Finance (England) Regulations 2020 are complied with.

RECOMMENDATION

That the Schools Forum:

- 1) Note the contents of this report.
- 2) Approves the carry forward of underspends detailed in **Appendix A** into 2020/21

Sue Summerscales

Senior Finance Business Partner – CFCS

Resources Department

T: 0115 977 3468

E: sue.summerscales@nottsc.gov.uk