



DEDICATED SCHOOLS GRANT OUTTURN 2020/21

Purpose of the Report

1. The purpose of this report is to provide the Early Years & Schools Forum (the Forum) with a summary of the Dedicated Schools Grants (DSG) 2020/21 final accounts.

Information and Advice

2. The DSG is a ring-fenced grant that is paid to Local Authorities specifically to be used in support of schools' budgets. For 2020/21 NCC's total indicative DSG is £643.680m. £580.677m of the grant has been allocated to the Individual Schools Budget (ISB) which is delegated to schools, academies and PVIs. The remaining £63.003m (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 £0.712m of approved contributions from the Non ISB reserve in 2020/21 and a net overspend of £2.145m against the Schools (Non-ISB) budgets. There are £0.273m of year-end carry forwards from de-delegated services for allocation to services for the 2021/22 financial year. A summary of the DSG is set out in below.

Previous Variance £m	Funding Block	Budget £m	Net Expenditure £m	Variance £m
-	Schools	509.903	508.666	(1.237)
2.692	High Needs	77.997	80.470	2.473
0.901	Early Years	49.985	50.807	0.822
0.286	Central Services	5.795	5.882	0.087
3.879	Total	643.680	645.825	2.145

Explanation of Significant Under and Overspends

4. Schools and Central Schools Services Blocks £1.150m underspend
 - £0.699m further underspend in the growth fund. This is on top of the £1.667m identified earlier in the financial year, making the total underspend on the growth fund £2.366m.

- £0.155m underspend against de-delegated trade union facilities funding. The underspend is to be carried forward into 2021/22.
- £0.118m underspend against de-delegated English as an additional language funding due to in year vacancies. This underspend is to be carried forward into 2021/22.
- £0.090m underspend on the admissions function due to temporary staffing vacancies within year.
- £0.103m underspend on the Education Psychology Service. This service received its first increase in budget since 2012/13. This additional funding combined with increased income generation has resulted in in the underspend.
- There was a funding shortfall of £0.286m against the Central School Services budget which the forum approved in September to be funded from the non ISB reserve.
- £0.193 underspend on business rates payments.
- 0.078m net underspend on various other services within the two blocks.

5. High Needs Block £2.473 overspend

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

- £2.510m overspend on EHCP specialist provision. This is made up of:
 - £2.301m for EHCP specialist provision where the lack of special school places is having an impact with 50 new starters in September 2020 and 30 CYP with a pending start date, which is the highest ever September intake.
 - £0.209m overspend for Looked After Children (LAC) Specialist Provision which relates to an increase in children residing and educated in other local authority areas but funded by NCC.
- £1.068m overspend on Post 16 Colleges. The 2020/21 September intake was much higher than previously estimated as more students are choosing this route.
- £0.392m overspend on places in other local authorities (OLA) for special schools, The income and expenditure to/from other LAs tend to go on for several years before final settlement. The 2020/21 figure also includes some exceptional costs.
- £0.179m overspend in the independent sector for SEND children without an EHCP. £0.3m is directly attributable to COVID-19 as children remained in alternative places longer during the closure of schools rather than being placed at a school. A further £0.2m is due to the closure of an alternative provider that needed to be placed elsewhere. This was offset by £0.3m of top up funding which was retained by the Authority.
- £0.198m overspend due to an adjustment to the import/export numbers for pupils educated in other local authority areas.
- £0.533m underspend on therapies within the Special School Equipment budget which was newly created in 2020/21 and is not forecast to be spent.
- £0.297m underspend on the ambitious capacity budget created to increase special school places.
- £0.275m underspend in the Inclusion Service mainly due to vacant posts and less travel due to the pandemic.
- £0.337 underspend on AFN as we received more from other LAs (OLA) for children we look after.
- £0.206m underspend due to delays in establishing the special school hubs, which have been further exacerbated by the impact of Covid-19.

- £0.226m net underspend mainly on staffing vacancies across the rest of the high needs block.

6. Early Years Block £0.822 Overspend (Indicative)

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

The predicted overspend is largely due to the approach taken to fund places in line with government guidance during Covid-19 which has resulted in more places being funded than in the previous financial year. This has been exacerbated by the payment of the temporary 10p per hour increase. There has also been a Government announcement to temporarily change the way the grant funding for the EYB is to be calculated.

The basis of the EYB funding has changed from being 5/12^{ths} of January 2020 census data and the remaining 7 months on the January 2021 (estimated) to be the following:-

$$\text{Funding} = 9/12 \text{ Jan 2020} + 3/12 \text{ Jan 2021}$$

The overspend on the Early Years Block will be confirmed in Summer / Autumn 2021 when the ESFA announce the final 2020-21 funding allocation for the Early Years Block.

Use of the Schools (Non-ISB) Reserve

7. As the summary of the Schools Budget set out above shows, the accumulated Schools (Non-ISB) Reserve was £5.709m at the beginning of 2020/21. Based on the net effect of the in-year overspend, and use of reserves outlined in paragraph 3, there is currently a surplus of £3.982m on the Schools (non-ISB) Reserve for 2020/21. See table below.
8. Of the £3.982m balance there is already commitment to spend the carry forwards for the de-delegated services, meaning a projected balance at the end of 2021/22 of £3.709m.
9. The reserve can be used to support additional expenditure provided that the Schools and Early Years Finance (England) Regulations 2021 are complied with.

Non ISB Reserve	Earmarked for Growth £m	General £m	Total £m
Balance bought forward 01.04.2020	1.520	4.189	5.709
2019/20 carry forwards agreed by Schools Forum	(0.251)	(0.461)	(0.712)
Early Years Block Adjustment 2019/20		(0.296)	(0.296)
2020/21 Forecast Growth underspend	1.667		1.667
Central Schools Services Block recovery of overpayment		(0.241)	(0.241)
Schools Block Underspend 2020/21	0.699	0.538	1.237
High Needs Block Overspend 2020/21		(2.473)	(2.473)
Early Years Block Overspend 2020/21		(0.822)	(0.822)
Central Schools Service Block Overspend 2020/21		(0.087)	(0.087)
Balance carried forward 31.03.2021 surplus/(deficit)	3.635	0.347	3.982
2020/21 underspends carried forward			
Dedelegated Trade Union Facilities		(0.155)	(0.155)
Dedelegated English as Additional Language		(0.118)	(0.118)
Projected Balance 2021/22	3.635	0.074	3.709

RECOMMENDATION

That the Early years and Schools Forum:

- 1) Note the contents of this report.
- 2) Note the carry forward of underspend detailed in paragraph 4 into 2021/22

Mark Needham
Finance Business Partner – Children & Families
Chief Executive's Department
T: 0115 977 3022
E: mark.needham@nottsc.gov.uk