

London Borough of Enfield

Education Resources Group – 12 January 2020
Schools Forum – 20 January 2020

Subject: DSG Budget Monitoring Report 2020/21
Report Number: 25 **Item No:** 4a

Purpose of Report

This report provides details of the latest DSG budget monitoring position for 2020/21 including confirmation of the latest DSG allocation from the EFA as at November 2020.

Proposal

To note the contents of the report and the projected DSG cumulative deficit position for 31 March 2021.

Relevance to the Council's Council Plan

The Dedicated Schools Grant (DSG) is a ringfenced grant which funds schools and some central education functions. Updates on the DSG position are provided on a quarterly basis to EMT and Cabinet as part of the council's overall financial monitoring reports.

Main Considerations for ERG and Schools Forum

1. Cumulative DSG Deficit Position

Table 1 sets out the cumulative DSG deficit position as at 31 March 2020 as presented at the last meeting.

Table 1 – Accumulated DSG Carry Forward 2019/20

		£'000s
Balance brought forward 1 April 2019		0.412
Net Overspend 2019/20		(4.894)
Cumulative Deficit Balance 31 March 2020		(4.482)
Outstanding Adjustments 2019/20		0.110
Net 2019/20 Carry Forward		(4.372)

2. DSG Allocation 2020/21

The original estimate of gross DSG resources for 2020/21 amounted to £351.258m. Of this amount £1.704m would be provided direct by the Education and Skills Funding Agency (ESFA) to fund places in mainstream academy units and academy special schools. Budget allocations for 2020/21 were agreed within this level of resources.

In March, July and November 2020, revised DSG allocations for 2020/21 were published. These allocations reflected updated academy recoupment for the Schools and High Needs Blocks and the latest import/export position. The latest DSG position for 2020/21 is summarised in Table 2.

Table 2 – DSG Allocation 2020/21

DSG Summary 2020/21	ORIG 2020/21	Academy Recoup	Import/Export Adj 20/21	Early Years Adj 20/210	REVISED 2020/21
	£000	£000	£000	£000	£000
SCHOOLS BLOCK	267.872				267.872
CENTRAL SERVICES	2.678				2.678
EARLY YEARS BLOCK	25.803			0.449	26.252
HIGH NEEDS BLOCK	54.905		(0.288)		54.617
GROSS DSG	351.258		(0.288)	0.449	351.419
Direct ESFA Funding		(136.558)			(136.558)
Direct ESFA Funding	(1.704)	(0.290)			(1.995)
NET TOTAL DSG	349.554	(136.848)	(0.288)	0.449	212.866

Further DSG allocation updates could be received between now and the end of the financial year and any changes will be shared at future meetings.

3. DSG Monitoring Update 2020/21

The DSG budget is monitored on a monthly basis and any variances are shared with DMT. The table below shows the monitoring position to the end of November 2020.

Table 3 – DSG Monitor 2020/21 as at 30/11/2020

DSG Monitor 2020/21		Oct-20
	£000	£000
DSG Deficit b/f 01/04/2020	4,482	
Schools Block		0
Central Schools Services Block		0
- Appeals Service		(44)
Early Years Block		0
- Backdated Funding Adj 19/20		(258)
- Salaries underspend		(108)
High Needs Block		
- Variance from initial 20/21 budget		2,851
- Outborough Placements		(216)
- Speech & Language/Other Therapies		155
- BSS Primary		(28)
- BSS Secondary		37
- Parenting Support		12
- Education Psychology		100
- SEN Salaries		94
- Exceptional Needs		630
- Post 16 High Needs		(4)
DSG Monitoring Position 20/21		3,220
Cumulative DSG TOTAL 20/21		7,702

The DSG overspend for 20/21 has increased by £672k between October and November which is mainly due to the impact of the autumn term exceptional needs adjustments and a reduction in the outborough placements underspend due to placement changes. Further increases in the High Needs Block overspend are expected over the next 4 months as additional EHCPs are agreed and placements made. Further updates will be provided at each meeting.

Conclusions

The DSG budget remains under considerable pressure due to ongoing high needs overspends. As part of an ongoing programme, additional in borough places have been made available from September 2020, providing the most cost effective way of meeting pupil needs. A High Needs working group is looking at other ways of using high needs funding in the most effective way to reduce the overspend over time and bring expenditure back within budget. Updates on the monitoring position will be provided at future meetings.

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Appendices

None

Background Papers

DSG Updates to ERG/Schools Forum during Summer term 2020/21.