

London Borough of Enfield

Schools Forum

Meeting Date 14 July 2021

Subject: DSG Budget Outturn Report 2020/21

Cabinet Member: Cllr Uddin

Report Number: 8

Item: 4a

Purpose of Report

This report provides details of the DSG outturn position for 2020/21.

Proposal

To note the contents of the report and the 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 which was the position b/f into 2020/21.

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.

Periodically across the financial year, 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 final 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	FINAL 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		(0.108)		54.797
GROSS DSG	351.258		(0.108)	0.449	351.599
Direct ESFA Funding		(136.558)			(136.558)
Direct ESFA Funding	(1.704)	(0.290)			(1.995)
NET TOTAL DSG	349.554	(136.848)	(0.108)	0.449	213.047

3. DSG Outturn 2020/21

The DSG budget is monitored on a monthly basis and any variances have been shared with DMT prior to being shared with this group and Schools Forum. Table 3 below shows the monitoring position as at 31 March 2021, summarised by block.

Table 3 – DSG Monitor 2020/21 as at 31/01/2021

Block	Deficit b/f	In Year Variance	Position 31/3/21	Adj due in 21/22	Adj Outturn Position
Schools	0	-52	-52	-450	-502
Cent Services	0	-24	-24		-24
Early Years	0	-1,754	-1,754	1,400	-353
High Needs	4,482	5,397	9,878		9,878
TOTAL	4,482	3,567	8,049	950	8,999

A full breakdown of the outturn variances is detailed in the Appendix at the end of the report.

The DSG overspend for 2020/21 has increased by £157k between December 2020 (Quarter 3) and the final outturn position which is mainly due to an increase in the cost of outborough placements, increased costs for Post16 SEN pupils and the impact of the spring term adjustment for exceptional needs pupils in mainstream schools. These increases have been offset by underspends on the other blocks, in particular a significant underspend in the early years block due to a reduction in pupil numbers.

The cumulative net deficit at year end is £8.049m and this will be the first call on the 2021/22 grant allocation and therefore reduce the funding available for next year's allocation. We are, however, expecting adjustments in 2021/22 in relation to 2020/21 and this will increase the deficit to £8.999m. The Schools Block Adj relates to a repayment from a primary school of funds received in advance as they have now moved onto the rolling credit agreement. The Early Years Block Adj relates to a recovery of funding due to an in year reduction in pupil numbers but, as this is largely as a result of the pandemic, the DfE have not confirmed the amount to be clawed back at this stage and it may be lower than the amount stated.

4. 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 and January 2021, 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.

The authority's ongoing and increasing DSG deficit position is a general London and national issue resulting from additional demand for high needs provision which is increasing at a higher rate than the additional funding being provided by Government. The Department for Education are carrying out a review of SEND and it is hoped that the outcome of this will address the shortfall in high needs funding

Updates on the monitoring position for the 2021/22 Financial Year will be provided at future meetings.

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Date of report June 2021

Appendices

None

Background Papers

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

Appendix – Detailed DSG Outturn Analysis 2020/21

Education - DSG		Q3	Q3 by Block	Outturn	Total by Block	Variance Q3 to Outturn	
DSG Deficit b/f 01/04/2020	4,482	4,482	4,482	4,482	4,482		
Schools Block							
- Growth Fund		0		(245)		(245)	
Southbury		0		180		180	
Misc - Rates etc		0	0	13	(52)	13	(52)
Central Services Block							
- Appeals Service		(41)		(46)		(5)	
Licences		0	(41)	22	(24)	22	17
Early Years Block							
- Backdated Funding Adj 19/20		(258)		(258)		(0)	
- Salaries underspend		(103)		(65)		39	
Early Years Pupil Premium		0		(30)		(30)	
Provider Allocations		0	(361)	(1,400)	(1,754)	(1,400)	(1,392)
High Needs Block							
- Variance from initial 20/21 budget		2,851		2,851		0	
In Year Adj to HNB Alloc		0		394		394	
- Outborough Placements		(175)		110		285	
Unplaced Pupils		0		(219)		(219)	
- Speech & Language/ Other Therapies		155		223		68	
- BSS Primary		(34)		(63)		(29)	
- BSS Secondary		0		(34)		(34)	
- Parenting Support		12		0		(12)	
- Education Psychology		100		100		0	
- Exceptional Needs		630		804		174	
Special Schools		0		80		80	
- Post 16 High Needs		176		865		690	
Out of School Activities		0		10		10	
- SEN Salaries		98	3,812	136	5,257	39	
LAC Allocated to Schls		0		140	140	140	1,585
Education - DSG TOTAL 20/21		3,410	3,410	3,567	3,567	157	157
Cumulative DSG TOTAL 20/21		7,892	7,892	8,049	8,049		