

**Bristol Schools Forum**  
**DSG Budget Monitor 2019/20 P6**

<b>Date of meeting:</b>	26 November 2019
<b>Time of meeting:</b>	5.00 pm
<b>Venue:</b>	Writing Room, City Hall

## **1 Purpose of report**

- 1.1 This report provides an update on the forecast financial position for the DSG overall as at Period 6 (to end September 2019).

## **2 Recommendation**

### **2.1 Schools Forum is invited to:**

- a) **note the latest in-year 2019/20 position for the overall DSG.**

## **3 Background**

- 3.1 A DSG Overview paper was presented to Schools Forum on 25 September 2019, giving the financial position as at the end of Period 4 (end of July 2019). At this point the forecast carry forward was a surplus of £2,632m, this included the £2.407m additional budget approved from 2020/21 funding.
- 3.2 The report updates Schools Forum on the position at Period 6 (end of September) 2019/20.

## **4 Budget monitoring 2019/20**

- 4.1 The previously reported position in September 2019 was a forecast £0.670m in-year surplus on the Dedicated Schools Budget at Period 4 2019/20.
- 4.2 This position has moved adversely by £0.017m giving an in-year surplus of £0.653m, adding this to the brought forward balance gives a forecast surplus carry forward at year end of £2.615m. The movements are in the Early Years block and the High Needs block and are detailed below. The Period 6 position is set out in **Table 1** with more detail set out in **Appendix 1**.

**Table 1: Forecast position on overall DSG for 2019/20 at Period 6 (September 2019)**

	<i>b/f</i>	<i>DSG Funding 2019/20</i>	<i>Forecast Outturn Period 06 2019/20</i>	<i>In-year variance</i>	<i>Forecast Carry-forward Period 06 2019/20</i>	<i>Forecast Carry-forward Period 04 2019/20</i>	<i>Movement Period 04 to Period 06</i>
Schools Block		259,445	259,445				
De-delegation	(414)	0	0		(414)	(414)	0
Schools Central Block		2,329	2,329				
Early Years	(1,115)	36,461	35,702	(759)	(1,874)	(1,845)	(29)
High Needs Block	(433)	58,904	59,010	106	(327)	(373)	46
Funding		(354,732)	(354,732)				
<b>Total</b>	<b>(1,962)</b>	<b>2,407</b>	<b>1,754</b>	<b>(653)</b>	<b>(2,615)</b>	<b>(2,632)</b>	<b>17</b>

Note – the DSG funding column includes £2.407m of accelerated funding from 2020/21.

- 4.3 **Schools Block (Nil variance).** All of the formula funding for maintained schools and academies has been allocated. The only scope for variation is in the growth fund. Spend on the growth fund will depend on the pupil number information included on the October 2019 pupil census, so it will not be clear before December 2019 whether any variations will arise on this. The provision is sufficient to cover expected commitments.
- 4.4 **De-delegated resources (-£0.414m forecast underspend).** While this is being reported as not moving during 2019/20, there will be some calls on the Schools in Financial Difficulty balance, but none have so far been included in the first forecast.
- 4.5 **School Central Services Block (Nil Variance).** It is expected that all of the services in this block will spend to budget.
- 4.6 **Early Years Block (-£1.874m forecast underspend).** The Early Years DSG income is based on 5/12ths of the January 2019 census and 7/12ths of the January 2020 census. As the profile of participation in 2018/19 generated an underspend in excess of £1m, a similar level of participation will generate a similar underspend.
- 4.7 A 19% reduction in participation for 2 Year Olds has been forecast, which is being pursued by Early Years team, reducing funding by £415k (as 7/12ths is derived from the January 2020 census), along with a reduction in expenditure of £719k (as this is across the whole financial year).
- 4.8 The expenditure forecast has been updated to take into account the census figures for January and May 2019, further adjustments will be made when the October census figure is available, the final position will not be known until the January 2020 census is available.

- 4.9 The overall effect of these changes in both funding and expenditure has resulted in the forecast carry-forward underspend increasing by £0.029m to £1,874m
- 4.10 Given the underlying underspend in this block, the views of Schools Forum are invited regarding an in principal agreement to transfer any surplus funding into the High Needs Block at year end, and also in 2020/21. This is included in a separate paper on this agenda on 2020/21 DSG funding levels.
- 4.11 **High Needs Block (£0.327m forecast underspend).** The High Needs block is forecasting an in-year overspend of £0.106m at this stage of the year. The High Needs budget approvals for 2019/20 included £2.407m additional funding from 2020/21 in advance, this will affect the funding available in 2020/21.
- 4.12 The underlying position for High Needs is that the difference between the current level of spending and the pure High Needs DSG allocation for 2019/20 is a shortfall of £5m. The plan for addressing this presently is to lobby government for more resources, to pursue the High Needs Transformation Programme to deliver service improvements and to take any opportunities that present themselves to transfer funding from other blocks or elsewhere.
- 4.13 There are emerging pressures within the block, particularly in Out of Area Placements and for Alternative Provision so it is expected that the forecast will increase in the next reporting period.
- 4.14 **Funding (Nil Variance).** £355.148m is the latest DSG notified by the ESFA, this has been reduced by £0.415m to give a total figure of £354.732m reflecting the expected decrease to the Early Years DSG due to estimated reduced pupil numbers in the January 2020 census.

**Appendix 1 - Forecast position for Overall DSG 2019/20 as at Period 6  
(Block financing position)**

	Brought forward 1.4.19 £'000	Funding 2019/20 £'000	Forecast Outturn Period 06 2019/20 £'000	In-year movement £'000	Carry forward 31.3.20 £'000
Maintained Schools		80,270	80,270		
Academy Recoupment		176,829	176,829		
Growth Fund		2,346	2,346		
<b>Schools Block</b>		<b>259,445</b>	<b>259,445</b>		
<b>De-delegation Services</b>	<b>(414)</b>				<b>(414)</b>
Admissions		351	351		
Centrally Retained		1,978	1,978		
<b>Schools Central Services</b>		<b>2,329</b>	<b>2,329</b>		
National Formula		28,369	28,409	41	
2 Year Old Funding		3,722	3,085	(637)	
Pupil Premium (EYPP)		299	312	12	
Additional Support Services		805	805		
SEN Top up		1,250	1,249	(1)	
Staffing		1,916	1,779	(137)	
Disability Access Fund		100	62	(38)	
<b>Early Years Block</b>	<b>(1,115)</b>	<b>36,461</b>	<b>35,702</b>	<b>(759)</b>	<b>(1,874)</b>
Commissioned Services		2,499	2,253	(246)	
Core Place Funding		10,514	9,876	(638)	
Staffing		974	928	(45)	
Top Up		26,753	28,153	1,400	
Placements		7,438	7,245	(193)	
Pupil Support		740	669	(71)	
HOPE Virtual School		236	236		
Academy Recoupment		9,650	9,650		
<b>High Needs Block</b>	<b>(433)</b>	<b>58,904</b>	<b>59,010</b>	<b>106</b>	<b>(327)</b>
<b>Funding</b>		<b>(354,732)</b>	<b>(354,732)</b>		
<b>Total</b>	<b>(1,962)</b>	<b>2,407</b>	<b>1,754</b>	<b>(653)</b>	<b>(2,615)</b>