

**Bristol Schools Forum**  
**DSG Overview 2019/20 (Outturn)**

<b>Date of meeting:</b>	20 May 2020
<b>Time of meeting:</b>	3.30pm
<b>Venue:</b>	Virtual meeting

## 1 Purpose of report

- 1.1 This report explains the year-end outturn for the 2019/20 DSG. This includes identifying year-end balances and seeking any indications from Schools Forum on the approach to treating them, plus reporting on maintained school balances.

## 2 Recommendation

### 2.1 Schools Forum is invited to:

- a) note the 2019/20 outturn position set out in Table 1, which includes a net cumulative deficit of £0.5m, which is an adverse movement of £1.5m from the forecast position at Period 8.
- b) note that the total DSG deficit carried forward will be £2.9m as £2.4m of funding was accelerated from 2020/21.
- c) note the carry forward balances in each block, and that discussion on the use or transfer of these balances will be discussed at the point of the first monitoring report.
- d) note the number of maintained schools with surplus and deficit balances and the overall position by sector.
- e) note the Covid-19 updates from ESFA/DfE and implications for 2020/21 budgets.

## 3 Background

- 3.1 Schools Forum has been receiving updates on the financial position of the DSG for 2019/20 throughout the financial year. Due to the cancellation of the March 2020 meeting the most recent update was for Period 8, which forecasted an overall in-year overspend of £0.961m. Taking account of the overall surplus of £1.962m brought forward, this indicated a forecast cumulative surplus of £1.001m at the end of March 2020. The final position has deteriorated by £1.486m and this is explained in the report.
- 3.2 The financial position of individual maintained schools is considered. This includes the numbers of schools with surpluses and deficits, the overall financial position of each sector and changes since March 2019.

#### **4 Summary DSG Outturn 2019/20**

- 4.1 The previously reported position in January 2020 was a forecast £0.961m in-year deficit on the Dedicated Schools Budget for Period 8 2019/20. This would have reduced the brought forward surplus on the DSG from £1.962m to £1.001m.
- 4.2 The latest position overall has worsened by £1.486m leading to a final deficit carry forward of £0.485m.
- 4.3 £2.407m funding was advanced from 2020/21, recognising the forecast pressures in the High Needs Block. This advanced funding will add to the carry forward deficit as it represents additional spend in-year over the available funding.
- 4.4 The Outturn position is set out in **Table 1** with more detail set out in **Appendix 1**.

Table 1: Summary DSG position 2019/20 Period 12 (all figures in £000s)

	b/f	DSG funding/ budget 2019/20	Outturn Period 12 2019/20	In-year variance	Cumulative c/f	Forecast Period 8 c/f	Movement since Period 8
Schools Block	0	259,445	259,271	(174)	(174)	0	(174)
De-delegation	(414)	0	(49)	(49)	(463)	(414)	(49)
Schools Central Block	0	2,329	2,329	0	0	0	0
Early Years	(1,115)	36,771	37,907	1,136	21	(1,531)	1,552
High Needs Block	(433)	58,904	60,438	1,534	1,101	944	157
Funding		(355,043)	(355,043)	0	0	0	0
<b>Total</b>	<b>(1,962)</b>	<b>2,407</b>	<b>4,853</b>	<b>2,447</b>	<b>485</b>	<b>(1,001)</b>	<b>1,486</b>

4.5 **Schools Block (-£0.174m cumulative underspend).** The Growth Fund underspent by £181k, this was offset by expenditure on historic NNDR commitments. Detail on Growth Fund Spending is outlined in **Appendix 2**.

4.6 **De-delegation (-£0.414m cumulative underspend).** The majority of this underspend is attributable to Schools In Financial Difficulty, this balance hasn't moved as no new funding was de-delegated and there were no financial commitments, this balance is held to provide additional support to eligible maintained primary schools if required. The in-year movement is attributable to underspends on the trades union services. The balances are set out in **Table 2**.

Table 2: Outturn for de-delegated items 2019/20

	Brought forward 1/4/2019 £'000	In-year movement £'000	Carry forward 31/3/2020 £'000
Schools In Financial Difficulty	(335)	0	(335)
TU Facility Time	(83)	(46)	(129)
Health & Safety Roving Reps.	4	3	1
<b>De-delegated Services</b>	<b>(414)</b>	<b>(49)</b>	<b>(463)</b>

- 4.7 **School Central Block (balanced budget).** This block ended the year in a balanced position.
- 4.8 **Early Years (£0.021m cumulative overspend).** The final analysis of the January 2020 pupil census was not available until very late in the financial year and accounts for the swing from the previous forecast as it generates 7/12ths of the income for this block.
- 4.9 For 2 year olds, we had been forecasting a 19% reduction in numbers, based on uptake figures and previous trends, but the final figure was only a 6% reduction. Whilst this reduced our income into the block by less than we were forecasting it also reduced expenditure, but by a lesser extent, as the January census is only used to calculate 1/3rd of the expenditure. This led to an increase from the previous forecast of £493k.
- 4.10 For 3 and 4 year olds we had seen an increase in payments in the Autumn term of around £1m and if participation levels had continued to increase into the spring term the increased census would have generated more income and compensated for the expenditure increase. The actual census figures only showed a very slight increase to numbers overall so the Autumn term spike has resulted in an increase in expenditure from forecast of £1.059m.
- 4.11 There was a carry forward balance of £1.1m at the start of the year on this block and Schools Forum agreed for this to be spent during the year on a number of items, including topping up the Maintained Nursery Supplement (£0.517m), a top up of SEN rates (0.208m), as well as support for quality and subsidy of 2 year old provision in areas of disadvantage (£0.390m). This was all spent during the year so the block has ended up with a very small deficit carry forward, the actual position ignoring this use of carry forward is that the block had a balanced in-year position.
- 4.12 **High Needs Block (£1.101m cumulative overspend).** The outturn for 2019/20 was broadly in line with the forecast position (£157k worse than at Period 8), ending with an in-year overspend against budget of £1.534m. The main areas of pressure in the block continue to be top-ups, which have seen an increase in number of pupils receiving them of 14%, equating to an increase in expenditure of £2.7m, as well as costs of Alternative Provision. Further detail of Alternative Provision spending is outlined in **Appendix 3**.
- 4.13 The underlying position in High Needs is worse than the reported position as £2.407m of funding was accelerated from 2020/21 and added to the budget. Nationally the pressures in this area have been recognised by government and we have seen an increase in funding for 2020/21 of 13%.

- 4.14 **Funding.** The outturn figure for funding has moved slightly as it has taken account of final recoupment figures as well an estimate of the change to the Early Years Block of the January census. The total funding of £355.043m is £0.311m less than previously forecast.
- 4.15 The overall in-year position for the DSG was a £2.447m overspend against budget but the advanced funding of £2.407m into the High Needs Block means the true position against funding was a £4.853m overspend. Adding this to the brought forward balance means the total carry forward balance is a £2.892m deficit.

## 5 2019/20 year-end balances by block.

- 5.1 The Local Authority is obliged to carry forward the balance on the Dedicated Schools Grant, whether it is in surplus or deficit. It has become customary for Schools Forum to review year-end balances and advise whether they should remain in the block where the surplus accrued, or to move surplus balances to other blocks where deficits might exist.
- 5.2 **Table 1** indicates that there is a net deficit on the DSG of £0.485m at the end of 2019/20 financial year. Both the High Needs Early Years Blocks ended the year in deficit, with a small surplus on the Schools Block. There is also a surplus on de-delegated items that will carry forward to be used for the purpose that it was de-delegated for.
- 5.3 In previous years balances have been moved between block, particularly to transfer spare funding to the High Needs Block, after retaining Early Years carry forward to fund priority areas. The proposal is to keep the balances in each of the blocks and to have a discussion about potential movements when the first quarter monitoring is reported, when we will have a better understanding of pressures in each of the blocks. **Table 3** sets out the carry forward positions.

**Table 3:** DSG year-end balances 2019/20

£'000	b/f	2019/20 movement	c/f
Schools Block	0	(174)	(174)
De-Del	(414)	(49)	(464)
CSSB	0	0	0
EYB	(1,115)	1,135	20
HNB	(432)	1,534	1,102
<b>Sub-total</b>	<b>(1,962)</b>	<b>2,446</b>	<b>485</b>
Advanced funding	0	2,407	2,407
<b>TOTAL</b>	<b>(1,962)</b>	<b>4,853</b>	<b>2,892</b>

## 6 Individual School Balances

- 6.1 Overall schools balances have improved by £0.544m on revenue and reduced by £1.234m on capital. **Table 4** has the summary position.

**Table 4: Maintained School (and Children's Centre) balances 2019/20**

	Revenue b/f 1/4/2019 £'000	Revenue Movement 2019/20 £'000	Revenue c/f 31/3/2020 £'000	Capital b/f 1/4/2019 £'000	Capital Movement 2019/20 £'000	Capital c/f 31/3/2020 £'000
Nursery	1,295	314	1,609	-304	66	-238
Primary	-6,741	-48	-6,789	-2,686	776	-1,909
Secondary	-592	74	-518	4	-4	0
Special	-1,478	-934	-2,412	-1,411	376	-1,035
Hospital	-263	-130	-393	-13	15	2
Children's Centre	-69	179	110	-26	5	-21
<b>Total</b>	<b>-7,848</b>	<b>-544</b>	<b>-8,392</b>	<b>-4,436</b>	<b>1,234</b>	<b>-3,202</b>

- 6.2 13 out of 72 LA maintained schools started the year with a revenue deficit. By the end of the year, 14 out of 69 had deficits to carry forward into 2020/21. **Table 5** has the summary position.

**Table 5: Numbers of schools with revenue b/f and c/f surpluses and deficits for 2019/20**

	Deficit April 2019	Surplus April 2019	Total	Deficit March 2020	Surplus March 2020	Total	Change in deficit	Change in surplus	Change in total
Nursery	8	4	12	9	3	12	1	-1	0
Primary	4	45	49	4	42	46	0	-3	-3
Secondary	0	2	2	0	2	2	0	0	0
Special	1	6	7	1	6	7	0	0	0
Hospital	0	2	2	0	2	2	0	0	0
<b>Total</b>	<b>13</b>	<b>59</b>	<b>72</b>	<b>14</b>	<b>55</b>	<b>69</b>	<b>1</b>	<b>-4</b>	<b>-3</b>
Children's Centre (amalgamated total)	0	1	1	1	0	1	1	-1	0

- 6.3 Part of this improvement has been because of the efforts made by schools to keep their budgets under control.
- 6.4 The reduction in the number of schools is a result of 3 primary schools becoming academies during the year. These schools had surplus balances

totalling £337k at the start of the year and these, along with any in-year movement, were transferred to the academy after conversion.

- 6.5 For those schools in surplus, the average surplus increased from £185k to £204k in the year, whilst for schools in deficit the average deficits also increased but by a smaller amount from £208k to £211k. 3 primary schools moved from deficit to surplus positions, whilst 3 moved into deficit from a surplus.
- 6.6 14 individual institutions are currently in deficit.
- 6.7 Directly managed “Children’s Centres” offer funded early years provision in locations where other providers are not doing so. The total balances in these setting have moved from a surplus to a deficit position, so work will need to be done to bring their finances to a more sustainable position.
- 6.8 The LA will continue to support and challenge the 4 primary schools and 1 special school with deficits to help them manage their recovery to a balanced position.
- 6.9 The nursery sector continues to be a concern, with 2/3rds of the 12 maintained nursery schools with a deficit, some of them representing a substantial proportion of their annual budgets.
- 6.10 An All-Party Parliamentary Group has been reviewing the future of maintained nursery schools and is due to report soon. This ought to lead to some conclusions about future funding arrangements for early years in the Spending Review whose timetable continues to be pushed back because of other more pressing government priorities.
- 6.11 Once it is clear how government sees the future for maintained nursery schools, Bristol can take a view about the policy and financial context in which our 12 nursery schools can operate. In the meantime, the Local Authority has tried to work with nursery schools to get them into a position where their financial position is not getting any worse. Of the 12 schools, 4 ended the year in a better position and 8 ended the year worse.

## 7 DSG Deficit

- 7.1 As outlined above the overall deficit in the DSG is £2.892m, this includes the advanced funding of £2.407m from 2020/21. The DSG is a ring-fenced budget and regulations state that it cannot be subsidised by the General Fund, so must balance in the longer term.
- 7.2 Whilst there are some small variations in each of the blocks, the High Needs Block is where the biggest pressure lies. The allocation for 2020/21

reflects the level of spend in 2019/20 but is still not sufficient to meet any increase in need or to tackle the historic deficit.

- 7.3 The high level strategy for dealing with the funding pressures in the High Needs Block, continues to be:
  - **Lobbying** central government for more High Needs funding;
  - **Transforming** the High Needs service through the Education Transformation Programme via stakeholder engagement and public consultation; and
  - **Transfers** of funding from different blocks or funds to support the High Needs budget (within limits set out by ESFA, and only where appropriate and agreed by Schools Forum).
- 7.4 The budget for 2020/21 has been set, with the High Needs Block having a total funding of £62.376m (after transfers from Schools Block and CSSB). The transfer of £1.369m from the Schools Block will be used towards funding the Education Transformation Programme, leaving £61.007m. In order to achieve a balanced in-year position in 2020/21 expenditure can only increase by 1%.
- 7.5 The prime intention of the Education Transformation Programme is not to save money, but the longer term outcomes should include a reduction in High Needs costs as more pupils stay in mainstream settings. Until this takes affect costs in the High Needs Block will need to be contained to stop the deficit from growing. The programme will need to build a model of provision that is sustainable and will meet longer term need.

## 8 Covid-19 update

- 8.1 Following the coronavirus (Covid-19) outbreak all schools closed to the majority of pupils from 20 March 2020, the exception being pupils of key workers. No reopening date has been announced at the time of writing this report.
- 8.2 ESFA have confirmed that schools will continue to receive their core funding in the normal way, they have said this will happen regardless of any periods of complete or partial closure. This is to ensure that schools can continue to pay staff and meet other regular financial commitments.
- 8.3 This is also the case for High Needs budgets, so top-up payments and funding for Alternative Provision will also continue as if pupils were still attending.
- 8.4 The DfE has also announced additional funding that is available for schools to cover additional costs as a result of Covid-19. Guidance for claiming this funding is expected in June, but in the meantime schools are being asked

to keep a record of any additional costs. Examples of these costs (as given by ESFA) are as follows;

- increased premises related costs
- support for free school meals for eligible children who are not attending school
- additional cleaning

- 8.5 DfE have also announced that to reduce the burden on education settings, a number of data collections will be either cancelled, deferred or, in some cases, replaced with simplified returns.
- 8.6 More detail on the Covid-19 measures and changes are available on the gov.uk website.

## Outturn position for Overall DSG 2019/20

## Appendix 1

	Brought forward 1.4.19	Funding 2019/20	Outturn Period 12 2019/20	In-year movement	Carry forward 31.3.20	Forecast Outturn Period 8 2019/20	Movement Period 9 to 12
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Maintained Schools		77,572	77,580	7		80,270	(2,690)
Academy Recoupment		179,527	179,527			176,829	2,698
Growth Fund		2,346	2,165	(181)		2,346	(181)
<b>Schools Block</b>		<b>259,445</b>	<b>259,271</b>	<b>(174)</b>	<b>(174)</b>	<b>259,445</b>	<b>(174)</b>
<b>De-delegation Services</b>	<b>(414)</b>		<b>(49)</b>	<b>(49)</b>	<b>(463)</b>		<b>(49)</b>
Admissions		479	479			479	
Centrally Retained		1,850	1,850			1,850	
<b>Schools Central Services</b>		<b>2,329</b>	<b>2,329</b>			<b>2,329</b>	
National Formula		29,182	29,332	150		28,223	1,109
2 Year Old Funding		3,459	3,955	496		3,085	870
Pupil Premium (EYPP)		267	235	(32)		312	(76)
Additional Support Services		805	829			809	20
SEN Top up		1,042	1,660	618		1,253	406
Staffing		1,916	1,792	(124)		2,308	(515)
Disability Access Fund		100	103	3		55	48
<b>Early Years Block</b>	<b>(1,115)</b>	<b>36,771</b>	<b>37,907</b>	<b>1,135</b>	<b>20</b>	<b>36,045</b>	<b>1,862</b>
Commissioned Services		2,499	2,443	(56)		2,372	72
Core Place Funding		10,514	9,816	(698)		10,026	(210)
Staffing		974	1,180	207		919	261
Top Up		26,753	28,537	1,784		28,694	(157)
Placements		7,438	7,930	492		7,746	184
Pupil Support		740	772	32		640	132
HOPE Virtual School		236	198	(37)		234	(36)
Academy Recoupment		9,561	9,561			9,650	(89)
<b>High Needs Block</b>	<b>(433)</b>	<b>58,904</b>	<b>60,438</b>	<b>1,534</b>	<b>1,101</b>	<b>60,281</b>	<b>157</b>
<b>Funding</b>		<b>(355,043)</b>	<b>(355,043)</b>			<b>(354,732 )</b>	<b>(311)</b>
<b>Total</b>	<b>(1,962)</b>	<b>2,407</b>	<b>4,903</b>	<b>2,446</b>	<b>484</b>	<b>3,368</b>	<b>1,485</b>

**Appendix 2**

<b>Growth Fund 2019/20</b>		
<b>Budget</b>	<b>£'000</b>	
Allocated from Schools Block	1,600	
Refund Recoupment	746	
<b>Total</b>		
<b>Budget</b>	<b>2,346</b>	
<b>Expenditure</b>		
<b>Phase</b>	<b>School Name</b>	<b>Amount</b>
Primary	Ashton Gate Primary School	63
Primary	St Werburgh's Primary School	57
Primary	Chester Park Junior School	7
Primary	Chester Park Infant School	38
Primary	Cotham Gardens Primary School	111
Primary	Filton Avenue Primary School	46
Primary	Southville Primary School	110
Primary	Redfield Educate Together Primary Academy	29
Primary	Oasis Academy Marksbury Road	48
Primary	Fairlawn Primary School	42
Primary	Barton Hill Academy	35
Primary	Wicklea Academy	32
Primary	Whitehall Primary School	63
Primary	Greenfield E-Act Primary Academy	18
<b>Primary subtotal</b>		
	<b>698</b>	
Secondary	Bristol Free School	194
Secondary	Orchard School Bristol	22
Secondary	The City Academy Bristol	78
Secondary	Ashton Park School	28
Secondary	Cotham School	125
Secondary	Fairfield High School	58
Secondary	St Bede's Catholic College	119
Secondary	Redland Green School	194
Secondary	Bristol Brunel Academy	172
Secondary	Bristol Cathedral Choir School	146
Secondary	Colston's Girls' School	133
Secondary	Oasis Academy John Williams	40
Secondary	Bristol Metropolitan Academy	158
<b>Secondary subtotal</b>		
	<b>1,467</b>	
<b>Total expenditure</b>		
	<b>2,165</b>	
<b>Variance (underspend)</b>	<b>(181)</b>	

### Appendix 3 – Breakdown of Alternative Provision expenditure.

Type	Establishment	Places	Budget (£)	Outturn (£)	Ave. cost per place £
EIB Funding	CLF Nest	15	150,000	150,000	10,000
EIB Funding	Woodstock	30	150,000	300,000	10,000
EIB Funding	Lansdown Park	15	150,000	150,000	10,000
<b>EIB Funding</b>	<b>sub-total</b>	<b>60</b>	<b>450,000</b>	<b>600,000</b>	
BHES	Bristol Hospital Education Service		2,155,000	2,156,610	
<b>BHES</b>	<b>sub-total</b>		<b>2,155,000</b>	<b>2,156,610</b>	
ALP Block Contracts	BFA [inc in recoupment]	50		-	8000
ALP Block Contracts	LPW [closed]	14		52,051	14,500
ALP Block Contracts	LPW	25		107,497	16,500
ALP Block Contracts	Include (Catch 22) [closed]	14		180,923	16,800
ALP Block Contracts	Include (Catch 22) [closed]	8		134,529	17,136
ALP Block Contracts	CLF	50		598,387	28,000
<b>ALP Block Contracts</b>	<b>sub-total</b>	<b>161</b>	<b>1,075,230</b>	<b>1,073,387</b>	
ALP Spot Purchasing			943,480	947,882	
<b>ALP Spot Purchasing</b>	<b>sub-total</b>		<b>943,480</b>	<b>947,882</b>	
PRU Top-up	Lansdown Park			299,189	
PRU Top-up	St Matthias			561,908	
PRU Top-up	Bristol Futures Academy			303,061	
<b>PRU Top-up</b>	<b>sub-total</b>			<b>1,164,158</b>	
<b>TOTAL AP Spend</b>			<b>4,623,710</b>	<b>7,587,038</b>	

Pupil Referral Unit place funding, funded via recoupment directly by ESFA from LA HNB gross allocation

Type	Establishment	Outturn (£)	Ave. cost per place
PRU Places	Lansdown Park	71	689,167
PRU Places	St Matthias	65	650,000
PRU Places	Bristol Futures Academy	50	305,833
<b>PRU Places</b>	<b>sub-total</b>	<b>186</b>	<b>1,645,000</b>

Notes:

- 1) Lansdown Park was 66 places April to August, now 71 from September
- 2) Average cost of ALP block contract is cost per placement, not forecast divided by places.