

Bristol Schools Forum
DSG Budget Monitor 2020/21 P8

Date of meeting:	13 January 2021
Time of meeting:	5.00 pm
Venue:	Virtual meeting

1 Purpose of report

- 1.1 This report provides information of the forecast financial position for the DSG overall as at Period 8 (to end November 2020).

2 Recommendation

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

a) note the in-year 2020/21 position for the overall DSG.

3 Background

- 3.1 At the November meeting Schools Forum was presented with a budget monitor reporting the position as at Period 7 (end of October). At this point the forecast overall carry forward position was a deficit of £10.904m.
- 3.2 The report updates Schools Forum on the position at Period 8 (end of November) 2020/21.

4 Budget monitoring 2020/21

- 4.1 The previously reported position in September was a forecast £8.013m in-year deficit on the Dedicated Schools Grant budget at Period 7 2020/21.
- 4.2 This position has moved adversely by £0.543m giving a forecast in-year deficit of £8.556m, adding this to the brought forward balance gives a forecast carry forward deficit of £11.447m. The main area for concern continues to be the High Needs block which is forecasting an overspend in-year of £8.196m. The Period 8 position is set out in **Table 1** with more detail set out in **Appendix 1**.

Table 1: Forecast position on overall DSG for 2020/21 at Period 8 (November 2020)

<i>All figures £'000</i>	<i>b/f</i>	<i>DSG Funding 2020/21</i>	<i>Forecast Outturn Period 08 2020/21</i>	<i>In-year variance</i>	<i>Forecast Carry- forward Period 08 2020/21</i>	<i>Forecast Carry- forward Period 07 2020/21</i>	<i>Movement Period 07 to Period 08</i>
Schools Block	(174)	272,492	272,492	0	(174)	(174)	0
De-delegation	(464)	0	0	0	(464)	(464)	0
Schools Central Block		2,386	2,385	0	0	0	0
Early Years	20	37,119	37,480	360	381	385	(5)
High Needs Block	3,509	62,511	70,707	8,196	11,705	11,157	548
Funding		(374,508)	(374,508)	0	0	0	0
Total	2,892	0	8,556	8,556	11,447	10,904	543

- 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 2020 pupil census, any variation will be calculated and reported following receipt of this data.
- 4.4 **De-delegated resources (Nil variance).** At this stage of the year it is anticipated that this will be in a balanced position. Any variance will be carried forwards to future years.
- 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 (£0.360m forecast overspend).** The Early Years DSG income is based on 5/12ths of the January 2020 census and 7/12ths of the January 2021 census. In 2019/20 the participation levels generated a balanced budget (with the overspend last year in the block being the agreed expenditure to utilise the carried forward surplus). Similar participation levels in 2020/21 should once again lead to a balanced position.
- 4.7 The area in the block experiencing the most pressure at the moment is emerging High Needs, the current overspend in this area is £0.351m.
- 4.8 **High Needs Block (£8.196m forecast overspend).** The High Needs block is forecasting a significant in-year overspend of £8.196m at this stage of the year.

- 4.9 Top-up funding is experiencing the biggest pressure, with a significant increase from 2019/20. The current forecast is £7.353m over budget. There is currently another round of top-up applications in progress, analysis of the applications has indicated another increase in costs for this financial year and a £0.325m increase has been included in the forecast as an estimate of the impact of this.
- 4.10 Following agreement of Forum, the amount transferred from the Schools Block in 2020/21 is being used to contribute towards the Education Transformation Programme. We are currently forecasting that this funding of £1.3m will be spent in 2020/21.
- 4.11 The Education Transformation Programme commenced this year and is primarily concerned with SEN and consequently the High Needs Block, this will need to reduce future cost pressures in the block and make it more sustainable. Nationally High Needs continues to be challenging and in Bristol this has been exacerbated by work to clear the backlog of EHCP. Further detailed activity review & analysis has started to ensure planning is robust and sufficient resources are available to meet needs, and we will continue to lobby government for a more sustainable funding settlement.
- 4.12 **Funding (Nil Variance).** £374.508m is the latest DSG amount notified by the ESFA, this includes the first adjustments for the High Needs Import/Export adjustment and a slight adjustment in Early Years reflecting the final year-end actual position.

**Appendix 1 - Forecast position for Overall DSG 2020/21 as at Period 7
(Block financing position)**

	Brought forward 1.4.20 £'000	Funding 2020/21 £'000	Forecast Outturn Period 07 2020/21 £'000	In-year movement £'000	Carry forward 31.3.21 £'000	P4 Variance £'000	Movement P4 to P7 £'000
Maintained Schools		78,340	78,340				
Academy Recoupment		191,439	191,439				
Growth Fund		2,712	2,712				
Schools Block	(174)	272,492	272,492		(174)		
De-delegation Services	(464)				(464)		
Admissions		494	494				
Centrally Retained		1,891	1,891				
Schools Central Services		2,385	2,385				
National Formula		29,269	29,306	38		37	1
2 Year Old Funding		3,448	3,448				
Pupil Premium (EYPP)		538	538				
Additional Support Services		805	805				
SEN Top up		1,275	1,625	351		351	
Staffing		1,680	1,652	(28)		(23)	(5)
Disability Access Fund		105	105				
Early Years Block	20	37,119	37,480	360	381	365	(5)
Commissioned Services		2,301	2,597	296		502	(206)
Core Place Funding		10,302	10,216	(87)		(87)	
Staffing		1,160	1,273	113		14	98
Top Up		27,950	35,303	7,353		7,028	325
Placements		9,044	9,615	571		244	327
Pupil Support		814	759	(55)		(51)	(3)
HOPE Virtual School		236	240	4		(3)	7
Academy Recoupment		9,335	9,335				
Education Transformation		1,369	1,369				
High Needs Block	3,509	62,511	70,707	8,196	11,705	7,648	548
Funding		(374,508)	(374,508)				
Total	2,892	0	8,556	8,556	11,448	8,013	513