

2019/20 DEDICATED SCHOOLS GRANT

Budget Setting Report



2019/20 DSG has been notified to all Local Authorities, the allocation to Plymouth is detailed below:

2019/20 DSG Budget

	£m
DSG Allocation – December 2018 Notification	204.997
Made up of:	
Schools Block	154.619
Central Services Block	3.709
High Needs Block	30.058
Early Years Block	16.611

	£m
DSG Allocation	204.997
Deductions and additional income:	
High Needs deductions	(6.218)
Retained ESG (allocation to LA)	(0.586)
Retained ESG shortfall (allocation to LA)	(0.136)
Early Help Co-ordination (allocation to LA)	(0.060)
Additional Post 16 SEN funding – change to methodology this year	0.130
Allocated 2018/19	198.127

A draft budget for 2019/20 has been costed and totals £198.127m; this is a balanced budget.

A detailed breakdown of the DSG Budget is shown in Papers A and B

- The Central Services allocation of £3.709m includes £1.375m for the ceased historical commitment for the Excellence Cluster. Forum had agreed that this should be allocated to schools, with the exception of £0.136m to fund the ESG retained duties shortfall and £0.060m to fund Early Help co-ordination. As the disapplication to distribute this funding to schools fairly through the Schools Block has been rejected by the ESFA, there are two options to consider 1. Funding remains in Central Services Block, or 2. Funding is transferred to High Needs Block to be distributed to schools as top-up funding to fund SEMH Specialist Services. Two appendices accompany the report with both scenarios; forum will need to approve one version to set the budget.
- Notified deductions from the High Needs Block currently total £6.430m, however we expect this figure to decrease to £6.218m based on updated place funding data submitted to the ESFA.
- The funding Plymouth requires through the High Needs Block to meet the current level of need in the city is £30.728m however we are only receiving £30.058m. As such, savings targets

have been factored in to the budget in order to balance. Whilst ongoing BMG recovery actions and commissioning decisions and will meet some of these savings targets, it is not anticipated that this level of savings will be achievable in full.

- Additional income will be received from the ESFA for our Post 16 students in maintained special and secondary schools. This has previously been a figure of £0.390m; however in 2019/20 this will be £0.130m. From Sept 2019 the ESFA will no longer deduct and reimburse this amount; so this figure is the residual amount under the old method.
- The High Needs Block calculation includes an import/export adjustment, which provides additional funding for LA's who have a high number of pupils from other areas. This will be updated in March 2019, and could result in a change to the total High Needs Formula.
- The reimbursement for lost Support Centre place funding under the new arrangements has been included in the high needs block budget at £0.029m.

<u>DSG Balance Reconciliation</u>	£m
2018/19 forecast over/(under)spend	(0.574)
EY 2017/18 Adjustment	(0.142)
Commitment for retained ESG responsibilities	0.135
In year over/(under)spend	(0.581)
Historic Overspend b/f (before Ex. Cluster)	0.279
Manager transfer balance forecast - 18/19	(0.060)
Studio Schools funding balance	(0.123)
ESFA rates relief returned on conversion and in year rates adjustments - balance	(0.116)
Total additional balance	(0.020)
DSG funding remaining deficit/(surplus) to be carried forward to 2019/20	(0.601)

Actions required.

1. To approve the 2019/20 budget, as per either appendix '4.1 Paper B2 - Extended DSG budget report 2019/20' (No Transfer) or "4.2 Paper B3 - Extended DSG report 2019/20" (Transfer to High Needs Block). Forum should recognise that future adjustments may change the total DSG allocated.
2. To approve that the current in-year forecast underspend of £0.601m is taken forward into 2019/20; to be used to offset future DSG pressures.
3. To approve the carry forward of historical overspend outstanding and residual DSG balances, total nets off to -£0.020m.