

## 5. DEDICATED SCHOOLS GRANT 2019/20 BUDGET MONITORING

February 2020



The Council receives funding for schools through the Dedicated Schools Grant. The grant funds expenditure either directly through the Individual Schools Budget (ISB) or incurred by the Council on behalf of schools. Any over or underspends on the DSG are carried forward. The distribution of the ISB element of the grant is in accordance with the schools funding formula and the overall DSG has to be approved by the Schools Forum.

	£m
<b>Updated DSG Allocation 2019/20 (January 2020 notification)</b>	<b>205.531</b>
Made up of:	
Schools Block	154.619
Central Services Block	3.709
High Needs Block	30.166
Early Years Block	17.037

Plymouth have received additional High Needs funding in 2019/20 of £0.550m; this was included in the budget.

	£m
<b>DSG Allocation</b>	<b>205.531</b>
<b>Deductions &amp; Adjustments:</b>	
Academies recoupment	(129.567)
High Needs deductions	(6.207)
Retained ESG (allocation to LA)	(0.586)
Retained ESG shortfall (allocation to LA)	(0.136)
Additional Post 16 income	0.130
2018/19 EY Adjustment	0.272
<b>DSG to allocate</b>	<b>69.437</b>
<b>Actually allocated 2019/20</b>	<b>68.560</b>
Under allocation	0.877
High Needs 2019/20 additional funding – included in forecast	(0.117)
Early Years 2019/20 additional funding – included in forecast	(0.426)
<b>Under allocation to report</b>	<b>0.334</b>

The 2019/20 DSG allocation has been increased due to the following:

- Additional £0.108m received through High Needs Block due to increase in import/export funding. There was also a small £0.009m adjustment at the beginning of the year relating to a change in deductions compared to the estimate at budget setting.
- Additional £0.426m received through Early Years Block due to increased uptake 2019/20

- Additional £0.272m received relating to 2018/19 Early Years Block.

The current forecast DSG overspend is £0.991m (previous reported overspend £1.061m)

This is made up of the following:

Schools Block (£0.095m) underspend – relates to growth funding forecast

High Needs Block £1.198m overspend – see high needs monitoring report for more details.

Early Years Block (£0.112m) underspend – relates to decrease in demand for SEND inclusion funding

Papers A and B, and the High Needs Monitoring Breakdown (Appendix 5.3) give more detail regarding budget monitoring.

## DSG BALANCE

The table below shows the year end forecast DSG balance.

<b>DSG Balance Reconciliation (£m)</b>	
Balance b/f from 2018/19 (surplus)	(0.589)
Forecast overspend 2019/20	0.991
Under allocation	(0.334)
Final EHVB payment	0.151
<b>Forecast year end DSG deficit balance</b>	<b>0.219</b>

The previous reported balance forecast was a deficit of £0.349m

## MAINTAINED SCHOOLS HEALTH CHECK

The financial stability of maintained schools is monitored using the budget monitoring returns and is RAG rated to highlight those schools whose financial position is cause for concern. There are currently 3 schools rated 'red' (concerned) and 14 schools with some concerns. Of the 3 schools rated 'red', 1 is being monitored under a licensed deficit agreement and the remaining 2 are being closely monitored. Where schools are recorded as showing some concerns this is mainly due to future budget forecasts showing a possible deficit.

### Short Term and Medium Term Risks and Issues

Rating	Detail	Mitigation/Further Actions
<b>Red</b>	<p><b>High Needs</b></p> <p>Continuing and growing pressures on the high needs block. Large overspend in 2019/20 and growing pressures.</p>	<p>Continuing the good governance initiated in 2017/18 and 2018/19 for the High Needs budget.</p> <p>Implementing recommendations from BMG, further BMG work.</p> <p>Funding due to be received in 2020/21 should have a positive impact.</p>