

6. 2020/21 DEDICATED SCHOOLS GRANT

Budget Setting Report



2020/21 DSG has been notified to all Local Authorities, the allocation to Plymouth is detailed below:

2020/21 DSG Budget

	£m
DSG Allocation – December 2019 Notification	219.143
Made up of:	
Schools Block	164.443
Central Services Block	3.210
High Needs Block	34.164
Early Years Block	17.326

	£m
DSG Allocation	219.143
Deductions and additional income:	
High Needs deductions	(5.953)
Retained ESG (allocation to LA)	(0.601)
Retained ESG shortfall (allocation to LA)	(0.142)
Allocated 2020/21	212.447

A draft budget for 2020/21 has been costed and totals £212.447m; this is a balanced budget.

A detailed breakdown of the DSG Budget is shown in Papers A2 and B2

- The Central Services allocation of £3.210m includes £0.849m for the ceased historical commitment for the Excellence Cluster. Forum had agreed that this should be allocated to schools, with the exception of £0.142m to fund the ESG retained duties shortfall. The remaining £0.707m will be distributed to schools through the High Needs Block, in the same manner as in 2019/20, as previously notified to Forum.
- The Central Services allocation also includes £0.601m funding for retained ESG duties, which forum has approved to allocate to the LA, along with the £0.142m mentioned above. The statutory retained duties are:
 - Leadership function and support within Local Authority
 - Finance
 - Education Welfare Service
 - Asset Management

The breakdown which was provided as part of the School Consultation is included at Appendix 6.5

- The forecast figure for deductions from the high needs block is £5.953m based on updated place funding data submitted to the ESFA.
- Plymouth has received an increase of approximately £3.998m through the High Needs Block in the 2020/21 allocation. Special schools have been subject to the following:
 - No increase to top-up funding rates for several years (last change 2013/14, no significant increases)
 - No increase to special school base funding for several years.
 - No increases under NFF
 - Increase in costs for all schools (est. 8.7% between 16/17 & 19/20 alone)

Through agreement with Schools Forum, a 10% increase to top-up funding banding rates for individual pupils has been applied to Mainstream, Support Centre, Special School and Alternative Provision.

This has been included in the relevant budget lines per the High Needs Budget breakdown, along with increases for expected demand. The remaining funding is being held as a contingency budget against the special school budget line, although it is not earmarked for this purpose yet.

Forum will determine the usage of this contingency budget through BMG recommendations; a progress report will come to the next Forum.

- 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 2020, 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 £0.018m. This relates to the change where Support Centre place funding was previously funded fully from High Needs Block. Now that funding is partly through Schools Block, some schools drop below the £10,000 they used to get, Forum continues to uplift funding for these schools to bring back to the £10,000. This relates to Goosewell (£3k), Eggbuckland Vale (£8k) and Thornbury (£7k).
- In 2019/20 Exceptional Cohort funding was issued based on requests which gathered some valuable data on the use of the funding. In 2020/21, subject to Forum approval, the funding will be automatically issued, based on the longstanding formula used in all previous years.

DSG BALANCE

The table below shows the year end forecast DSG balance.

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

Recommendations for Schools Forum

1. To approve the 2019/20 budget, as per appendix '6.2 Paper B2 - Extended DSG budget report 2021/21'. Forum should recognise that future adjustments may change the total DSG allocated.
2. To approve that the current forecast 2019/20 year end deficit DSG balance of £0.219m is carried forward to 2020/21. There may be some changes to the final brought forward balance by the end of the financial year.
3. To approve that exceptional cohort funding is issued automatically, rather than by request, using the same formula used in all previous years.