

DERBYSHIRE COUNTY COUNCIL

Schools Forum

2 October 2019

**Joint Report of the Executive Director of Children's Services and the
Director of Finance & ICT**

**DEDICATED SCHOOLS GRANT MONITORING 2019-20 – PERIOD 5
(as at 31 August 2019)**

1. Purpose of the Report

To provide the Schools Forum with an update of the Revenue Budget position of the Dedicated Schools Grant for 2019-20 up to the end of August 2019 (Period 5).

2. Information and Analysis

2.1. Forecast Summary

The expected Dedicated Schools Grant and 6th form grant income due to the Authority in 2019-20 is £373.016m plus the expected use of reserves for 2019-20 is now £2.161m covering planned expenditure, making total income available to fund expenditure of £375.177m.

The Revenue Budget Monitoring Statement prepared at period 5 (August 2019) shows projected year-end expenditure of £377.391m. The expected overspend compared to income is £2.215m, however, this includes the benefit of £0.452m underspend which is ring-fenced to schools. The overspend falling to the Authority is therefore £2.667m.

Earmarked reserves of £0.551m are available to support this overspend.

The Department for Education have confirmed in the spending round that all authorities will see an increase of between 8% and 17% per head of population to their High Needs Block funding for 2020-21. Looking at total allocated High Needs Block funding and the 2-18 population for 2019-20, the increase for Derbyshire in 2019/20 could be between £5.598m and £11.895m. However, at the time of writing this report, the precise details of the methodology and the data to be used are not known in sufficient detail to provide a more accurate forecast.

The significant areas of expenditure and income are shown in the table below:

	Controllable Budget £m	Projected Actuals £m	Forecast Over/(Under) Spend £m
Expenditure			
Central School Services Block	6.890	6.706	(0.184)
Re-pooled school funding	4.997	4.545	(0.452)
Early Years Block	44.076	44.115	0.039
High Needs Block	61.208	64.020	2.812
Schools Block	258.272	258.272	-
Total Expenditure	375.443	377.658	2.215
Dedicated Schools Grant Income	(375.176)	(375.176)	-
(Surplus)/Deficit	0.267	2.482	2.215

2.2. Key Variances

2.2.1. Central School Services Block, underspend £0.184m

The underspend is primarily due to support to schools to meet KS1 pupil/teacher ratios being slightly lower than anticipated when the budget was set.

2.2.2. Re-pooled school funding, underspend £0.452m

Due to lower projected spend supporting the additional costs in primary schools where staff are on maternity leave and the costs of insurance being lower than the allocated budget.

2.2.3. High Needs Block, overspend £2.812m

£0.791m of the overspend relates to higher than expected costs of the team supporting children and young people who have been permanently or temporarily excluded, or are being supported as part of a preventative measure. The overspend is due to increased numbers of children and young people being supported. The additional support paid to primary schools for pupils with high needs is also above the allocated budget reflecting the increased number of pupils being supported over the past 3 years. Finally, expenditure on out county placements reflects the increase in the number of placements in the second half of 2018-19. The allocated budget was set before the impact of these placements was apparent.

2.3. Risks

There is a risk that the following issues could negatively impact on the portfolio's forecast outturn position reported in the Forecast Summary above:

Service	Risk	Sensitivity* £m	Likelihood 1=Low 5=High
High needs block placements and top-ups	Increased number of children requiring placements or support	£0.5m - £2m	4

*Sensitivity represents the potential negative impact on the outturn position should the event occur.

3. Financial Considerations

As detailed in the report.

4. Other Considerations

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality of opportunity, environmental, health, human resources, property, social value and transport considerations.

5. Key Decision

No

6. Call-in

No

7. Background Papers

Held on file within Children's Services Department. Officer contact details – Karen Gurney, extension 38755.

8. Officer Recommendations

That the Schools Forum note the report.

**Jane Parfremment
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Children's Services**

**Peter Handford
Director of Finance
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