**AGENDA ITEM 4**

**Title of report: Dedicated Schools Grant Provisional Outturn 2020/21**

**Author of the paper: Kay Goodacre**

**Officer to present the paper to Schools Forum:** Kay Goodacre

**Details on who has been consulted with on this paper to date: N/A**

**Executive Summary**

This report sets out the provisional outturn position (excluding individual schools) for Tower Hamlets’ DSG Budget for 2020-21

The provisional net overspends of £0.2m is set out in Table 1 and the cumulative position in Table 2.

Forum is asked to note the position and agree/comment on the proposals to carry forward or transfer variances.

**Details of recommendations and timescales for decisions:**

Schools Forum is asked to:

1. To note the provisional outturn position.
2. Agree the use of Bought forward Balances

.

**1. 2020/21 Dedicated Schools Grant Provisional Outturn- Overview.**

* 1. The Dedicated Schools Grant (DSG) is distributed by the Department for Education (DfE) on a national formulaic basis. The DSG 2020-21 is allocated to local authorities in four blocks: Schools Block (SB), Early Years Block (EYB), High Needs Block (HNB) and the Central Schools Services Block (CSSB).

* 1. Table 1 gives an overview of the provisional outturn position for 2020-2021. The DSG budgets are shown after deductions have been made for direct payments to academies. The grant will be amended in June/July for the final position on the EYB.
	2. The figures presented are provisional and will be confirmed at the next meeting of the Forum.

**Table 1: Net DSG Budgets, Provisional Net Expenditure and Provisional Under/Overspends 2020-21.**

|  |  |  |  |
| --- | --- | --- | --- |
| Block | Net DSG Budgets1 | Net Expenditure2 | Under (-) /Over |
|  | £m | £m | £m |
| Schools Block | 199.6 | 199.3 | (0.3) |
| High Needs Block | 54.7 | 56.2 |  1.5  |
| CSSB | 4.2 | 4.2 |  - |
| Early Years Block | 31.1 | 30.1 |  (1.0)  |
| Total | 289.6 | 289.8 |  0.2 |

1. Net DSG excludes the recoupment of amounts due to academies
2. Net expenditure takes delegated budgets as allocated. Under or overspends on delegated budgets are recorded as individual school balances.
	1. In summary, the position of the total DSG spend shows a slight overspend with the major component of this being high needs spend offset by an early year’s underspend due to reduced take up in some areas.
	2. The in-year position needs to be added to balances brought forward as shown in Table 2.

**Table 2: Cumulative Position on Balances Brought Forward.**

|  |  |  |  |
| --- | --- | --- | --- |
| Block | B/F prior years | 2020-21 | Cumulative |
|  | £m | £m | £m |
| SB Central  | (1.0) | (0.3) |  (1.3) |
| High Needs Block | 11.8 |  1.5 |  13.3 |
| CSSB |  (0.4) |  - |  0.4 |
| Early Years Block |  0.7 | (1.0)  |  (0.3) |
| Total | 11.1 |  0.2 |  11.3 |

Note: Excludes individual school balances.

HNB Prior Years includes agreed offsetting contributions from CSSB and SB.

1. **Provisional Year-end outturn for 2019/20.**

**High Needs Block.**

* 1. A High Needs working group has been set up of the Schools Forum and an initial meeting has been arranged with the DfE for the 22nd June with the expectation of a Management plan being completed in the later part of the Autumn term. The draft management plan will be reviewed with both the working group and the full Schools Forum

**Early Years Block.**

* 1. The underspend on this block was partly due to funding being received differently this year because of the uncertainty caused by Covid. Funding from the Education and Skills Funding Agency (ESFA) was based 9/12ths on the January 2020 and 3/12ths on the January 2021 headcounts and censuses. This was previously more waited to the January 21 census. This change gave some level of protection where providers funding levels were protected for pupils signed up to provision but not attending. However there where less new children coming into the system due to parental caution which led to an underspend.

**Centrally Retained Schools Block and Central School Services Block.**

* 1. The Full Value of all agreed contributions to delegated services have been utilized this year through a contribution to the appropriate budgets in line with the amounts de-delegated and allocations to statutory services provided to maintained schools.
		1. Overall, there is an underspend of £0.3m in the schools which relates to an underspend in the School growth fund, which may carry forward to support future growth
	2. Central School Services Block (CSSB).
		1. The full value of the CSSB was utilized against central and statutory Education services, including additional costs incurred by the Council in relation to significant deficit write offs and redundancy costs of the closure of two schools in year.
1. **Carry Forward/ Transfer of Balances**
	1. It is recommended the balances bought forward from previous years offset the overspend in the high needs block, and that only the growth fund surplus from the 2020/21 of £0.3m is carried forward against the Schools block and the net underspend of 0.3m in the early years block. This would give a provisional outturn in the high needs block of £11.9m.