

# Dedicated Schools Grant 2020/21

The dedicated schools grant is allocated through a nationally determined formula to local authorities in 4 blocks the forecast position for 2020/21 is outlined below;

- Central Services Schools Block - provided to provide funding to Local Authorities to support carrying out statutory duties on behalf of schools.
- Schools Block - This is intended to fund mainstream (non-special) Schools
- High Needs Block - This is to fund Special Schools, additional support in mainstream schools for Special Educational Needs (SEND) and other SEND placements / support.
- Early Years Block -This funds the free/extended entitlement & funding of places for 2, 3 and 4 year olds in school nurseries and Private, Voluntary and Independent (PVI) Sector settings.

DSG Funding Blocks	Estimated DSG Settlement £000	Block Transfer 2020/21 £000	Revised DSG 2020/21 £'000	Projected Distribution / Spend 2020/21 £000	Forecast Surplus / (Deficit) £000
Schools Block	169,918	(850)	169,068	168,764	304
Central School Services Block	953	0	953	951	2
High Needs Block (Pre/Post 16)	24,425	850	25,274	28,112	(2,838)
Early Years Block	17,261	0	17,261	16,866	395
<b>Total</b>	<b>212,557</b>	<b>0</b>	<b>212,556</b>	<b>214,693</b>	<b>(2,137)</b>

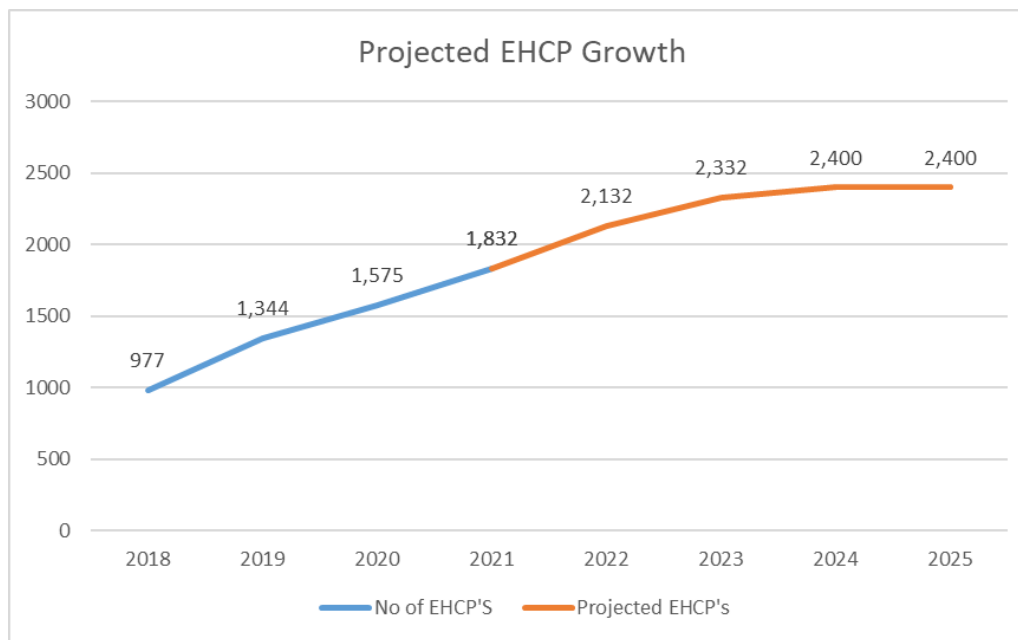
The projected outturn position against the 2020/21 DSG settlement is included in the table above. It should be noted that the DSG allocation is adjusted throughout the financial year by the DfE for High Needs allocations to academies and out of borough adjustments and Early Years Funding based on take-up of places. Tameside MBC starts the financial year with a carried forward deficit of £0.557m which will need to be addressed.

## Schools Block

There is a forecast surplus of £0.072m on the schools block relating to rates rebates in relation to schools that recently converted to Academy status and actual rates charges being lower than estimated. This partly offset by rates revaluations (relating to 6 schools) resulting in an increase in the costs of £0.019m. There is a surplus of £0.251m relating to unallocated growth funding. The growth allocation is based on pupil numbers at the October 2020 census point and the figures have now been updated in line with the census data. Any surplus is proposed to contribute to the DSG reserve deficit.

## High Needs

This High Needs position has improved since period 6. There appears to be a slowing or flattening in growth as shown in the graph below. In addition, a review of SEN Support services has identified some savings related staffing charged to the high needs block. These savings are now included above and the full year effect will be seen in next year's spend.



## **Early Years**

The Early Years block is projected to underspend in 2020/21. This is due to a reduction in participation due to lockdown and Covid19. It is more difficult project spend as we are in unprecedented times, at present, we are anticipating a £0.395m surplus at the end of the financial year but this could significantly change due to changing nature of government directives in managing the covid19 outbreak, and the rapidly changing environment we find ourselves in.

Autumn 2020 has seen the vast majority of providers re-open, with a number of providers have had temporary closures as a result of Covid19 and the requirements for self-isolation. The impact of the 2<sup>nd</sup> period of lockdown is not yet known. It is likely that this will have an impact on the 2021/22 Early Years Funding for the council. DfE have confirmed they will be funding the council on the actual participation of families, i.e. number of places taken at the January 2021 census. Which may be less than normal due to families not taking up their place due to being on furlough or changes in employment status. An update on funding will be brought back when the funding position is confirmed by DfE.

## **Central Services Schools Block**

There is forecast to be a small surplus on the central school services block of £0.002m due to the cost of licences being slightly less than estimated.

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## DEDICATED SCHOOLS GRANT RESERVE POSITION

Prior year's dedicated schools grant is set aside in an earmarked reserve details of which are outlined in the table below for both the final year end position in 2019/20 and the projection for 2020/21.

	2019/20 Surplus / (Deficit) £0	2020/21 Forecast Surplus / (Deficit) £000
DSG Reserve Brought Forward	3,228	(557)
Schools Block	114	304
Central Service Block		2
In year deficit on High Needs Block	(4,568)	(2,838)
In year surplus on Early Years	251	395
Estimated Early Years 2019-20 Adjustment (TBC June 2020)	296	
Early Years Block 2018-19 Adjustment	122	(18)
DSG Reserve after Commitments	(557)	(2,712)

In 2019/20 there has been a reduction in the reserve, in the main this due to funding the overspend on the High Needs Block. There have been contributions to the reserve in year too, the most significant of these relating to surplus funds in the Early Years Block.

If the 2020/21 projections materialise, there would be a deficit of £2.712m on the DSG. Under DfE regulations have produced a deficit recovery plan which has been submitted to the DfE outlining how we expect to recover this deficit and manage spending over the next 3 years. The position will be closely monitored throughout the year and updates will be reported to Members.