

# Appendix 5 - 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:

- Schools Block - This is intended to fund mainstream (non-special) schools;
- Central Services Schools Block - provided to provide funding to Local Authorities to support carrying out statutory duties on behalf of 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	Distribution / Spend 2020/21 £000	Forecast Surplus / (Deficit) £000
Schools Block	169,918	(850)	169,068	168,772	296
Central School Services Block	953	0	953	947	6
High Needs Block (Pre/Post 16)	24,425	850	25,274	27,096	(1,822)
Early Years Block Confirmed Funding	17,261	0	17,261	16,559	703
Early Years Block Estimated Funding Adjustment	(293)	0	(293)	0	(293)
<b>Total</b>	<b>212,264</b>	<b>0</b>	<b>212,264</b>	<b>213,375</b>	<b>(1,110)</b>

The outturn position against the 2020/21 DSG settlement is included in the table above which includes an estimated adjustment for Early Years funding. 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 on the High Needs Block brought forward from 2019/20 which will need to be addressed.

## Schools Block

There is a 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 7 schools) resulting in an increase in the costs of £0.021m. There is a surplus of £0.244m 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

The High Needs position for 2020/21 is an in- year deficit of £2.67m and after the 0.50% schools block transfer of £0.85m this reduces to £1.82m. This is an improved position since period 10 of £0.797m.

The significant changes in forecast since period 10 have been;

- Receipt of additional income and grants (relating to Pupil Premium, SEN Inclusion, Covid and increased income from OOB placements) £0.213m.
- The forecast included a number of commitments outstanding from previous years where invoices had not been received from providers. A full review of these has been completed which has resulted this year in writing-off commitments totalling £0.201m.
- Service redesign and active management of service spend in SEN Support Services (a post now funded from Early Years and savings on agency costs) and an underspend of Hospital Education totalling £0.087m, and additional in year adjustment to the budget by the DfE F £0.002m.
- The remainder of the reduction in costs is related to the reduction of both the number of placements and the cost of placements in both the Independent and Post 16 sector.

## **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. At present, we are anticipating a £0.410m surplus as a result of the estimated adjustment to funding the DfE will make in November 2021.

In Spring 2021 the vast majority of providers remained open through the lockdown period, with a number of providers having temporary closures as a result of Covid19 and the requirements for self-isolation. The 2<sup>nd</sup> period of lockdown has seen lower levels of participation than anticipated and as a result there is an estimated reduction on funding of £0.293m expected for 2020/21.

In 2021/22 the allocation of Early Years funding will be different as it will be based on data collections in the Summer 2021, Autumn 2021 and Spring 2022 terms, rather than the Spring term data as has been the case in previous years. This will have an impact on the 2021/22 Early Years Funding for the council and will need to be monitored closely throughout the year to assess the impact of this change in how the funding is allocated. There is a risk that participation will increase after the data collection point and funding allocated will not be sufficient to cover the actual cost. This will be closely monitored throughout 2021/22 and updates will be reported to Schools Forum and Members.

## **Central Services Schools Block**

There is a small surplus on the central school services block of £0.006m due to the cost of licences being slightly less than estimated and Schools Forum costs being lower than budget as a result of remote meetings due to the covid 19 situation.

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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 position for 2020/21.

	2019/20 Surplus / (Deficit) £000	2020/21 Surplus / (Deficit) £000
<b>DSG Reserve Brought Forward</b>	<b>3,228</b>	<b>(557)</b>
Schools Block	114	296
Central Service Block		6
In year deficit on High Needs Block	(4,568)	(1,822)
In year surplus on Early Years	251	703
Estimated Early Years 2019-20 Adjustment (TBC June 2020)	296	
Early Years Block 2018-19 Adjustment	122	(18)
Estimated Early Years 2020-21 Adjustment (TBC Nov 2021)	0	(293)
<b>DSG Reserve Closing balance</b>	<b>(557)</b>	<b>(1,686)</b>

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.

The 2020/21 cumulative deficit on DSG is £1.686m, mainly as a result of a continued pressure on High Needs but partly offset by surpluses on the other funding blocks. Under DfE regulations the authority 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.