

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;

- 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	169,037	31
Central School Services Block	953	0	953	951	3
High Needs Block (Pre/Post 16)	24,425	850	25,274	28,817	(3,543)
Early Years Block	17,261	0	17,261	16,815	446
Total	212,557	0	212,556	215,620	(3,063)

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.

APPENDIX 5 - Dedicated Schools Grant 2020/21

Schools Block

There is a forecast surplus of £0.050m 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 may be an increase in this surplus in relation to the allocation of growth funding. The growth allocation is based on pupil numbers at the October 2020 census point and the figures will be updated once this has been finalised. Any surplus is proposed to contribute to the DSG reserve deficit.

High Needs

A full review of funded places has taken place summer term and the projections updated accordingly for actual funded plans approved. The growth projection for the remaining financial year adjusted in line with this spend. The in-year projected overspend is £3.543m. The growth is very much an estimate at this time and work is continuing to try and accurately predict the cost of future growth.

The current figures do show although the number of plans being issued continues to be at a steady predicted rate but the cost of the plans seems to be lower than estimated. This could be related to the setting the pupil has been placed, this is currently weighted (mainstream and special), but also that plans are still in the statutory process and therefore the full costs haven't yet been allocated. It is also unclear at this stage what the full year impact of COVID school closure will be on numbers of request to assess. The information below shows the numbers of requests to assess and those completed. The number completed would be the indicator of costs. This shows us that there are less coming into the system for assessment, which may mean Tameside is now coming to the end of its historic catch-up in numbers. Last financial year a significant element of the growth occurred in the Autumn term a more robust picture will be known then.

	Cumulative Number of plans			
	Requests		Completed	
	2019	2020	2019	2020
Jan	48	64	40	15
Feb	86	91	67	40
Mar	139	111	47	55
Apr	181	139	48	59
May	234	175	64	63
Jun	265	204	65	54
Jul	331	250	75	49
Aug	339	259	55	50

Early Years

Due to the current Covid19 situation, it has been more difficult to complete the projections for spend, due to the impact on providers and it is currently unknown what the financial impact of wider opening of provision from September will have. At present we are anticipating a £0.446m surplus at the end of the financial year but this could dramatically change due to current circumstances and the rapidly changing environment we find ourselves in.

There may be significant financial pressures in this sector relating to sustainability for providers due to Covid-19 closures. The DfE have enabled local authorities to use the funding in this area of funding more flexibly, however with a caveat that the Local Authority must continue to fund early year's settings for free entitlement as normal. The flexibility allows the LA to utilise its centrally held funding to support the sector if they underspend their part of the allocation.

Wider reopening of settings from September will give us a better understanding of sufficiency and sustainability of providers. Some of the Private and Voluntary Sector Early Years setting have taken advantage of the furlough scheme and grants allowable. 21 of our settings applied to the Tameside Discretionary Grants scheme and were awarded £210k funding to support sustainability.

Central Services Schools Block

There is forecast to be a small surplus on the central school services block of £0.003m due to the cost of licences being slightly less than estimated.

APPENDIX 5 - Dedicated Schools Grant 2020/21

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	31
Central Service Block		3
In year deficit on High Needs Block	-4,568	-3,543
In year surplus on Early Years	251	446
Estimated Early Years 2019-20 Adjustment (TBC June 2020)	296	
Early Years Block 2018-19 Adjustment	122	-18
DSG Reserve after Commitments	-557	-3,638

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 £3.638m on the DSG. Under DfE regulations we are required to produce a deficit recovery plan which will be submitted to the DfE outlining how we expect to recover this deficit and manage spending over the next 3 years and will require discussions and agreement of the Schools Forum. The position will be closely monitored throughout the year and updates will be reported to Members.