

Meeting:	<b>Schools Forum</b>
Date:	4 May 2021
Subject:	<b>Item 4: DSG Budget 2020-21 Provisional Outturn</b>
Responsible Officer:	Jo Frost, Finance Business Partner – Children's Services

## Section 1 – summary

1. This report is the 2020-21 *provisional* budget outturn report for the Dedicated Schools Grant (DSG)
  - Centrally retained and de-delegated budgets
  - Early Years Block
  - Schools Block
  - High Needs Block
2. Schools Forum is asked to:
  - Note that this is a provisional position and will be updated at the next reporting period.
  - Note the underspend on the Central Block
  - Note the net position on the Early Years Block and proposed treatment of underspend
  - Note the net position on the Schools Block
  - Note the net position on the High Needs Block

## Section 2 – report

### Overall DSG Position

3. The final notified DSG budget for 2020-21 is £128.024m after recoupment for academies and free schools and including a contribution of £1m from the schools brought forward contingency. A summary of funding blocks and final expenditure is shown at Table 1.

**Table 1 – DSG budget and outturn 2020-21**

Block	Budget	Outturn	Variance	Contingency	Revised Variance
Central	£1,250	£1,159	£-91		£-91
Early Years	£19,223	£17,656	£-1,566		£-1,566
High Needs	£33,502	£35,061	£1,560	£-700	£860
Schools Growth	£1,994	£1,827	£-167		£-167
Schools ISB	£76,783	£76,783	£0		£0
<b>Totals</b>	<b>£132,751</b>	<b>£132,487</b>	<b>£-264</b>	<b>£-700</b>	<b>£-964</b>

### Central Block

4. There is an underspend on the Central Services Block of £91k due to funding set aside for administering Schools Forum as well as funding for ESOL courses which was not required.

### Early Years Block

5. In 2020-21 the final Early Years Block is £19.223. The overall outturn in the Early Years Block was a net underspend of £1.566m.

**Table 2 – Early Years Block budget and outturn 2020-21**

Early Years Block	2020-21 Budget	2020-21 Outturn	Variance
3&4 year old maintained nursery classes	£2,599	£2,605	£6
3&4 year old PVI	£9,538	£8,731	£-806
3&4 year old additional 15 hours	£3,666	£3,004	£-662
Early Years Pupil Premium	£62	£79	£16
Early Years Disability Access Fund	£43	£12	£-31
Early Years SEND Inclusion Fund	£795	£594	£-201
2 year old PVI	£1,682	£1,794	£111
Early Years Centrally Retained	£837	£837	£0
<b>Early Years Block Total</b>	<b>£19,223</b>	<b>£17,656</b>	<b>£-1,566</b>

### **3&4 year old 15 hour free entitlement & additional hours**

6. There is an underspend on the 3&4 year old maintained and PVI nursery provision of £1.486m. The majority of this is due to COVID-19.
7. In Summer term 2020 providers were funded based on the eligible children on roll regardless whether they were open or closed
8. In Autumn term 2020 providers were paid as the same level as Autumn 2019 or actual participation, whichever amount was higher
9. In Spring term 2021 providers were funded based on eligible children on roll regardless whether they were open or closed or if the children are attending.
10. Providers have been funded based on a combination of actual participation or previous years' participation. Take up in the Spring term has been lower than in previous years as despite most early years settings remaining open, parents have either not needed or not wanted to enrol their children.
11. The January 2021 census recorded a significantly lower number of children on roll (approx. 500). The implications for this are that not only is the funding paid out this term much lower than the budget, this census will be used to inform next year's funding. Therefore there could be a reduction of around £1.6m in funding in 2021-22 despite at this point anticipating that nurseries will continue to remain open and more children will begin to attend.
12. Therefore it is proposed that the underspend in 2020-21 is earmarked for a combination of clawback for reduced spring term 2021 participation and to support increased participation in 2021-22 against a reduced budget.

### **Early Years Pupil Premium and Disability Access Fund**

13. Funding for EYPP and DAF are distributed based on claims by providers for eligible children. There was a combined underspend of £15k.

### **SEND Inclusion Fund**

14. The SEND Inclusion Fund is a mandatory fund required to support providers in improving outcomes for children with special educational needs. The fund is focussed on children with lower level and emerging SEN, since those with more complex SEN can receive funding through an Education Health & Care Plan.

15. There is an underspend of £200k due to COVID-19 and many settings not being open or operating to capacity. It is proposed to carry this forward to 2021-22 to be earmarked for SEND Inclusion.

### **2 year old 15 hour free entitlement**

16. There is an overspend on this funding because the census funding is based on the Spring Term (January ) count however the highest term for participation is the Autumn Term so more funding is paid out than received. Despite COVID-19 there has still been a pressure on this budget. There were also approximately 40 fewer children on the spring term census than in previous years which means there could be a small clawback in the budget in 2021-22.

## **Schools Block**

17. The final outturn is shown at Table 3 below

**Table 3 – Schools Block outturn 2020-21**

Category	Budget	Outturn	Variance
	£'000	£'000	£'000
TU Duties	£24	£24	£0
Maintained School Budgets	£76,759	£76,759	£0
Growth Fund	£1,994	£1,827	£-167
<b>Total Schools Block</b>	<b>£78,777</b>	<b>£78,611</b>	<b>£-167</b>

18. The budget for the schools block includes £1m allocated from the 2019-20 contingency.

## **Growth Fund**

19. The underspend on the growth fund has been reported in previous periods and is committed to the schools funding formula in 2021-22.

## **High Needs Block**

20. The budget for the High Needs Block in 2020-21 is £33.502m after recoupment for place funding for academies, free schools and post 16 provision. It is made up of a number of service areas covering staffing, funding to schools, academies, independent & non maintained school sector and further education institutes and is considered to cover educational provision for young people aged 0-25 years in line with the SEND reforms. An overview of the High Needs Block is set out at Table 4 below.

**Table 4 – High Needs Block 2020-21**

<b>Provision Type</b>	<b>Budget</b>	<b>Final Outturn</b>	<b>Variance</b>
Independent & NMSS Day & Residential	£6,950	£6,797	-£153
Independent Specialist Provision	£1,287	£1,037	-£250
Harrow Maintained Special Schools	£9,886	£9,565	-£322
Harrow Academies Special Schools	£1,098	£1,022	-£76
Other LA Special Schools	£2,424	£2,147	-£277
Harrow Academies ARMs Units	£649	£433	-£217
Harrow Schools ARMs Units	£1,126	£1,136	£11
EHCPs in Harrow Academies	£2,410	£2,457	£47
EHCPs in Harrow Maintained Schools	£2,398	£2,280	-£118
EHCPs in Out Borough Mainstream	£771	£771	-£1
SEND Support Fund	£564	£1,260	£696
FE Colleges	£1,578	£1,632	£54
Early Years SEN Provision	£266	£249	-£17
EOTAS & Alternative Provision	£324	£202	-£122
Pupil Referral Unit	£1,437	£1,437	£0
PFI Special Schools	£449	£449	£0
Sensory Teams	£1,151	£1,151	£0
SEN Transport	£187	£187	£0
Therapy	£927	£849	-£79
BUDGETED DEFICIT	-£2,383	£0	£2,383
<b>Total</b>	<b>£33,502</b>	<b>£35,061</b>	<b>£1,559</b>
Less contingency funding	£0	-£700	-£700
<b>Final Outturn</b>	<b>£33,502</b>	<b>£34,361</b>	<b>£859</b>

21. The outturn position is a net overspend of £0.86m. The is s further improved position that reported in previous periods due to a reduction in the rate of growth than previously built into the budget. Part of this is due to a lower take up in post 16 provision as well as a lower than expected requirement for INMSS and out of borough provision.

### **High Needs Block Deficit**

22. The revised updated provisional deficit position is as follows:

<b>Year</b>	<b>Deficit £'000</b>
Deficit 2019-20	£2,944
Deficit 2020-21	£859
<b>Total cumulative deficit</b>	<b>£3,803</b>

23. The treatment of HNB deficits and the LA Deficit Management Plan is covered at Item 5 on this agenda.

## **Section 3 – contact details**

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