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Agenda Item 3(c)

**DERBYSHIRE COUNTY COUNCIL**  
**CABINET MEMBER FOR YOUNG PEOPLE**

**5th November 2019**

**Joint Report of the Executive Director of Children's Services and the  
Director of Finance & ICT**

**DEDICATED SCHOOLS GRANT MONITORING 2019-20 – PERIOD 5  
(as at 31 August 2019)**

**(YOUNG PEOPLE)**

**1. Purpose of the Report**

To provide the Cabinet Member with an update of the Revenue Budget position of the Dedicated Schools Grant (Young People portfolio) for 2019-20 up to the end of August 2019 (Period 5).

**2. Information and Analysis**

**2.1. Forecast Summary**

The expected Dedicated Schools Grant and 6<sup>th</sup> form grant income due to the Authority in 2019-20 is £373.016m. This, plus the expected use of reserves for 2019-20 of £2.161m covering planned expenditure, makes total income available to fund expenditure of £375.177m.

The Revenue Budget Monitoring Statement prepared at period 5 shows projected year-end expenditure of £377.391m. The expected overspend compared to income is £2.215m, however this includes the benefit of £0.452m underspend which is ring-fenced to schools, the overspend falling to the Authority is therefore £2.667m.

Earmarked reserves of £0.551m are available to support this overspend.

The Department for Education have confirmed in the spending round that all Authorities will see an increase of between 8% and 17% per head of population to their High Needs Block funding for 2020-21. Looking at total

allocated High Needs Block funding and the 2-18 population for 2019-20, the increase for Derbyshire in 2019/20 could be between £5.598m and £11.895m however at the time of writing this report, the precise details of the methodology and the data to be used are not known in sufficient detail.

The significant areas of expenditure and income are shown in the table below:

|                                       | Controllable Budget £m | Projected Actuals £m | Forecast Over/(Under) Spend £m |
|---------------------------------------|------------------------|----------------------|--------------------------------|
| <b>Expenditure</b>                    |                        |                      |                                |
| Central School Services Block         | 6.890                  | 6.706                | (0.184)                        |
| Re-pooled school funding              | 4.997                  | 4.545                | (0.452)                        |
| Early Years Block                     | 44.076                 | 44.115               | 0.039                          |
| High Needs Block                      | 61.208                 | 64.020               | 2.812                          |
| Schools Block                         | 258.272                | 258.272              | -                              |
| <b>Total Expenditure</b>              | <b>375.443</b>         | <b>377.658</b>       | <b>2.215</b>                   |
| <b>Dedicated Schools Grant Income</b> | <b>(375.176)</b>       | <b>(375.176)</b>     | <b>-</b>                       |
| <b>(Surplus)/Deficit</b>              | <b>0.267</b>           | <b>2.482</b>         | <b>2.215</b>                   |

## 2.2. Key Variances

### 2.2.1. Central School Services Block, underspend £0.184m

The underspend is primarily due to support to schools to meet KS1 pupil/teacher ratios being lower than anticipated when the budget was set.

### 2.2.2. Re-pooled school funding, underspend £0.452m

Due to lower projected spend supporting the additional costs in primary schools where staff are on maternity leave and the costs of insurance being lower than the allocated budget.

### 2.2.3. High Needs Block, overspend £2.812m

£0.791m of the overspend is due to the expected costs of the team supporting children and young people who have been permanently or temporarily excluded or are being supported as part of a preventative measure and is due to increased numbers of children and young people being supported. The additional support paid to primary schools for pupils with high needs is also above the allocated budget

reflecting the increased number of pupils being supported over the past 3 years. Finally, expenditure on out county placements reflects the increase in the number of placements in the second half of 2018-19. The allocated budget was set before the impact of these placements was apparent.

### 2.3. Risks

There is a risk that the following issues could negatively impact on the portfolio's forecast outturn position reported in the Forecast Summary above:

| <b>Service</b>                          | <b>Risk</b>  | <b>Sensitivity*<br/>£m</b> | <b>Likelihood<br/>1=Low<br/>5=High</b> |
|---|--|----------------------------|--|
| High needs block placements and top-ups | Increased number of children requiring placements or support | £0.5m - £2m                | 4                                      |

\*Sensitivity represents the potential negative impact on the outturn position should the event occur.

### 3. Financial Considerations

As detailed in the report.

### 4. Other Considerations

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality of opportunity, environmental, health, human resources, property, social value and transport considerations.

### 5. Key Decision

No

### 6. Call-in

No

### 7. Background Papers

Held on file within Children's Services Department. Officer contact details – Karen Gurney, extension 38755.

### 8. Officer Recommendations

That the Cabinet Member notes the report.

**Jane Parfremment  
Executive Director  
Children's Services**

**Peter Handford  
Director of Finance  
& ICT**