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Agenda Item: 4(b)

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

**7th January 2020**

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

**DEDICATED SCHOOLS GRANT MONITORING 2019-20 – PERIOD 7  
(as at 31 October 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 October 2019 (Period 7).

**2. Information and Analysis**

**2.1. Forecast Summary**

The expected Dedicated Schools Grant (DSG) and 6<sup>th</sup> form grant income due to the Authority in 2019-20 is £371.143m. This, plus the expected use of reserves for 2019-20 of £2.042m covering planned expenditure, makes total income available to fund expenditure of £373.185m.

The Revenue Budget Monitoring Statement prepared at period 7 shows projected year-end expenditure of £376.652m. The expected overspend compared to income is £3.467m however this includes the benefit of £0.365m underspend which is ring-fenced to schools, the overspend falling to the Authority is therefore £3.832m.

Uncommitted DSG earmarked reserves of £0.551m are available to support this overspend meaning that the Authority will report a DSG deficit at the end of 2019-20.

Proposals to recover this deficit and plan for future expenditure are being prepared following the announcements from the DfE on indicative funding levels for 2020-21 in October 2019. Proposals for 2020-21 will be brought to Cabinet during February and March 2020.

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	6.705	(0.185)
Re-pooled school funding	4.984	4.619	(0.365)
Early Years Block	42.533	42.457	(0.076)
High Needs Block	61.208	65.447	4.239
Schools Block	257.425	257.425	0.000
<b>Total Expenditure</b>	<b>373.040</b>	<b>376.652</b>	<b>3.612</b>
<b>Dedicated Schools Grant Income</b>	<b>(373.040)</b>	<b>(373.185)</b>	<b>(0.145)</b>
<b>(Surplus)/Deficit</b>	<b>0.000</b>	<b>3.467</b>	<b>3.467</b>

## 2.2. Key Variances

### 2.2.1. Central School Services Block, underspend £0.185m

The underspend is primarily due to allocations to support schools to meet KS1 pupil/teacher ratios being lower than anticipated.

### 2.2.2. Re-pooled school funding, underspend £0.365m

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 £4.239m

£0.820m of the overspend is due to the 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. This 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 continued increase in the number of placements compared to November 2018.

## 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:

Service	Risk	Sensitivity* £m	Likelihood 1=Low 5=High
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**