

Author: Karen Gurney (x38755)

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

**10 November 2020**

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

**DEDICATED SCHOOLS GRANT MONITORING 2020-21 – QUARTER 2  
(as at 30 September 2020)**

**(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 2020-21 up to the end of September 2020 (Quarter 2).

**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 2020-21 is £370.954m.

The Revenue Budget Monitoring Statement prepared at quarter 2 shows projected year-end expenditure of £370.338m. The expected underspend compared to income is £0.616m however this includes an underspend of £0.318m which is ring-fenced to schools, the underspend falling to the Authority is therefore £0.298m.

This underspend includes the benefit of £1.325m which Schools Forum agreed could remain uncommitted to assist with the pressures within the DSG therefore the underlying overspend against in-year grant is £1.027m.

The net total DSG reserves as at the end of 2019-20 were £0.188m surplus, within which the uncommitted DSG reserve stood at a deficit of £3.140m.

The DfE have included provisions in the School and Early Years Finance (England) Regulations 2020 - which came into force in February 2020 - that a

DSG deficit must be carried forward to be dealt with from future DSG income, unless the Secretary of State authorises the LA not to do this.

The Authority will seek opportunities to make reductions in DSG spend in 2020-21 where possible, and it is expected that this will be supplemented in 2021-22 should Derbyshire receive another above-inflation increase in its DSG settlement.

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	6.966	5.414	(1.552)
Re-pooled school funding	4.495	4.177	(0.318)
Early Years Block	41.165	41.207	0.042
High Needs Block	67.867	69.079	1.212
Schools Block	250.461	250.461	0.000
<b>Total Expenditure</b>	<b>370.954</b>	<b>370.338</b>	<b>(0.616)</b>
<b>Dedicated Schools Grant Income</b>	<b>(370.954)</b>	<b>(370.954)</b>	<b>0.000</b>
<b>(Surplus)/Deficit</b>	<b>0.000</b>	<b>(0.616)</b>	<b>(0.616)</b>

## 2.2 Key Variances

### 2.2.1 Central School Services Block, underspend £1.552m

The unallocated growth of £1.325m forms the majority of this underspend. The balance is primarily due to allocations to support schools to meet KS1 pupil/teacher ratios projected to be below the allocated budget.

### 2.2.2 Re-pooled school funding, underspend £0.318m

Projections for maternity costs and contingency payments for Primary schools are below allocated re-pooled amounts.

### 2.2.3 High Needs Block, overspend £1.212m

£0.201m 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 projected to be above the allocated budget by £0.757m. Additional places have been purchased at Derbyshire special schools and there has been an increase in forecast top-ups for individual pupils leading to a projected overspend of £0.832m in this area.

## 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* £m</b>	<b>Likelihood 1=Low 5=High</b>
High needs block placements and top-ups	Increased number of children requiring placements or support	£0.750m - £1.250m	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, karen.gurney@derbyshire.gov.uk.

## **8. Officer Recommendations**

That the Cabinet Member notes the report.

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

**Peter Handford  
Director of Finance  
& ICT**