

Date: 1 October 2020	Item 7	Type of report: For Discussion
Report title:	2020-21 Dedicated Schools Grant Budget Monitoring and Financial Update.	
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Executive Summary

This report sets out the latest in-year budget monitoring for the 2020-21 Dedicated Schools Grant (DSG) and provides an update to members on the latest school finance events.

Schools Forum Actions

That the Schools Forum

- Note the DSG end of year financial forecast position for the year ending 31 March 2021

Overall Position

- This is a very early look at budget monitoring and the information contained in this report needs to be viewed with extreme caution given that many of the budgets are demand and participation led.
- The overall position on budget monitoring is summarised in the table below.

	DSG Allocation 2020-21 £m	Over/ (Underspend) £m
Schools Block	120,627	0
Central services block	1,692	0
High Needs Block	48,103	3.200
Early Years Block	26,645	0
Total	197,067	3.200
Deficit carry forward from 2018-19		18,525
Total deficit		21,725

The 2020/21 DSG allocations are after deductions for academies recoupment and direct funding of high needs places by ESFA but before the Schools Block transfer. These allocations will be revised by the ESFA during the year for changes in pupil numbers.

2 High Needs

The High Needs block remains the main DSG budget pressure. The current deficit recovery plan shows the end of year deficit growing to £19.6m, this assumes growth in placements of 100 at an average cost of £17k, a total of £1.7m. However the current growth in numbers is exceeding this forecast with it approaching 250 placements. It is currently expected that with the situation surrounding Covid we may see the numbers of EHCP's stay around this amount. We are also seeing that the cost per place is increasing and the forecast allows for an increase to £18k. As this is a needs led budget this forecast is highly subjective and could change significantly during the year.

Provisionally the forecast has been increased to a deficit in-year of £3.2m.

3 Financial position on de-delegated budgets and growth fund

The summary position is shown in the table below

2020-21	Budget £m	Forecast Outturn £m	Over/ (Underspend) £m
Schools in financial difficulty	0.5	0.5	0
Behaviour Support services	1.6	1.6	0
Maternity	0.8	0.7	(0.1)
Trade Unions	0.1	0.1	0
Growth Funds	0.1	0.1	0
Falling Rolls	1.5	1.5	0

4 Schools in financial difficulty and Maternity

As members will be aware, the current difficult financial position of schools is expected to increase the number of applications that the schools in financial difficulty panel will receive. Although the current situation with Covid-19 has delayed a number of staffing restructures, it is expected they will still occur, just later than expected and the fund will still come under pressure. At the moment the financial forecast of the fund has been left at a balanced position. If the fund does overspend then this overspend will be carry forward to next year and it will be necessary to increase the amount of funds that are de-delegated from schools.

The maternity fund has over the few years traditionally overspent, however this trend has currently been reversed and the fund is currently underspending, a small underspend has been allowed for. The number of maternity cases can vary each year and the number is highly subjective to predict.

5 **Schools in financial difficulty panel and other funding panel.**

At the last meeting of the Schools Forum there were discussions surrounding the falling rolls fund, balance control mechanism and the strategic direction of school provision in the light of the financial constraints schools face. Officers are planning to merge these groups into one rather than have a number of separate groups requiring both significant input from both head teachers and officers. The Schools in Financial Difficulty Panel has met to consider the current bids. The panel has three headteachers as members. The revised set of terms of reference is still to be considered by officers alongside the work of the strategic planning of schools.

6 **Balance control mechanism**

Appendix A to this report provides a list of balances for schools over the past 5 years.

7 **Covid**

Schools to the Department for Education over the summer for extra funds to cover the costs of Covid in the follow areas

- increased premises related costs (including utilities and resources needed to keep the school open, such as hygiene services)
- support for free school meals for eligible children who are not attending school, where those costs are not covered by the national voucher scheme - this covers:
- additional cleaning

The funds were limited by size of school, 32 of our schools received funding totalling £451k (these figures exclude academies). We are waiting further announcements from the Department of what costs they will cover for the Autumn Term and if not all pupils are in school at the time October census how they will handle that. Obviously, this is an on-going situation and we will update members at the meeting if further information is available.

8 **Covid – Catch-up funding**

The Department for Education have announced further details of the catch up funding although allocations have not been confirmed. The funding is to support Children and young people across the country who have experienced unprecedented disruption to their education as a result of coronavirus (COVID-19). In total there is £1 billion of funding to support children and young people to catch up. This includes a one-off universal £650 million catch-up premium for the 2020 to 2021 academic year to ensure that schools have the support they need to help all pupils make up for lost teaching time.

The £650 million of universal catch-up premium funding will be available for all state-funded mainstream and special schools, and alternative provision. It covers

- primary, secondary and all through local authority-maintained schools, academies and free schools
- local authority-maintained special schools
- special academies and free schools

- special schools not maintained by a local authority
- pupil referral units
- alternative provision (AP) academies and free schools
- local authority-maintained hospital schools and academies
- independent special schools

Schools' allocations will be calculated on a per pupil basis, providing each mainstream school with a total of £80 for each pupil in years reception through to 11. Special, AP and hospital schools will be provided with £240 for each place for the 2020 to 2021 academic year. This means a typical primary school of 200 pupils will receive £16,000 while a typical secondary school of 1,000 pupils will receive £80,000.

This funding will be provided in 3 tranches. There will be an initial part payment in autumn 2020, based on the latest available data on pupils in mainstream schools and high needs place numbers in special, AP, hospital schools and special schools not maintained by a local authority.

There will then be a second grant payment in early 2021, based on updated pupil and place data. For mainstream schools, we will use the 4 to 15 pupil headcount from the October 2020 census.

The second grant payment will also take account of the initial part payment made in autumn 2020 so that schools will receive a total of £46.67 per pupil or £140 per place across the first 2 payment rounds.

A further £33.33 per pupil or £100 per place will be paid during the summer term 2021.

Though funding has been calculated on a per pupil or per place basis, schools should use the sum available to them as a single total from which to prioritise support for pupils according to their need. As the catch-up premium has been designed to mitigate the effects of the unique disruption caused by coronavirus (COVID-19), the grant will only be available for the 2020 to 2021 academic year. It will not be added to schools' baselines in calculating future years' funding allocations.

Schools should use this funding for specific activities to support their pupils to catch up for lost teaching over the previous months, in line with the guidance on curriculum expectations for the next academic year.

Schools have the flexibility to spend their funding in the best way for their cohort and circumstances.