



Northumberland County Council

Agenda Item 6

SCHOOLS' FORUM 20th November 2019

2019/20 DSG Monitoring - September 2019

	Annual budget before recoupment	Recoupment for Academies	Current budget after recoupment	Transfer from Schools Block to High Needs block	2018-19 funding adjustment	Final Budget Sept 2019	Year end forecast	Year end variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Central Schools block	3,128	0	3,128	0	0	3,128	3,226	98
Early Years block	16,994	0	16,994	0	52	17,046	17,046	0
High Needs block	32,863	(2,969)	29,894	1,796	(1,329)	30,361	31,272	911
Schools block	179,724	(87,605)	92,119	(1,796)	128	90,451	90,137	(-314)
Total DSG	232,709	(90,574)	142,135	0	(1,149)	140,986	141,681	695

Note:

- The Annual budget is based upon the latest DSG allocations issued by the DfE in July 2019, a further update is expected in November 2019 to take into account the conversion of 9 schools into the Tynedale Learning Trust.
- The overall DSG year-end deficit from 2018-19 was £1.236 million, however additional 2018-19 funding was received in July relating to the Early Years block of £0.087 million and it was agreed this would be used to further reduce the deficit carried forward.

The allocation of DSG for 2018-19 is £232.7m, of this £90.6m is deducted at source and passed on to Academies and for the direct funding of High Needs places and a further £1.1 million is used to meet the deficit brought forward from 2018-19, leaving £141 million which is received direct by the council.

As at September 2019, there is an overall forecast overspend of £0.6 million and this is largely due to the following:

Central Schools Block

There is a forecast overspend of £98k due to:

- There is a forecast overspend of £77k on independent school places for children without an EHCP. This is due to four children placed in an independent setting due to social care needs with one placement due to end in November 2019.

Early Years Block

The service is currently on target,. Funding for the year is based upon the average of the January 2019 and January 2020 headcount.

High Needs Block

There is a forecast overspend of £911k due to:

- There is a forecast overspend of £524k which is the shortfall between the deficit carried forward onto the High Needs block from 2018-19 less those reductions to budget that we have been able to identify in 2019-20 to meet this amount.
- There is a forecast overspend of £507k on special school sixth form funding. From August this funding was transferred into the DSG High Needs block, however this was not incorporated into the High Needs Budget plan at the beginning of the year and no funds were set aside for this purpose. We will look to re-align the High Needs block to rectify this matter once the next DSG allocation is released.
- There is a forecast overspend across Independent special schools of £102k. This position has been updated for the September report in light of any changes to placements from the Autumn term. There are currently 182 placements across a range of providers including schools and alternative provision, this is an increase of 10 since September 2018.
- There is a forecast overspend on the cost of alternative provision of £106k based upon an additional 5 children each month to add to the current number of 115 as at September 2019 (131 in Sept 2018). Additional staffing will be recruited to further support schools and try and prevent and reduce future exclusions.
- There is a predicted underspend of £112k across EHCP/STAR funding to all sectors based upon numbers as at the summer term, this will be revised following the Autumn term payments.
- There is an overall expected underspend of £150k across services within the Virtual school. The service has been restructured this year and this has offset overspends on supply staff and venue hire as well as achieving savings.

Schools Block

There is a forecast underspend of £314k due to:

- The Schools contingency budget currently has no commitments other than to pick up any outstanding costs relating to the schools that closed during 2018-19. £101k has been agreed by schools forum to support further work with schools on Inclusion in an attempt to prevent the number of excluded pupils rising.