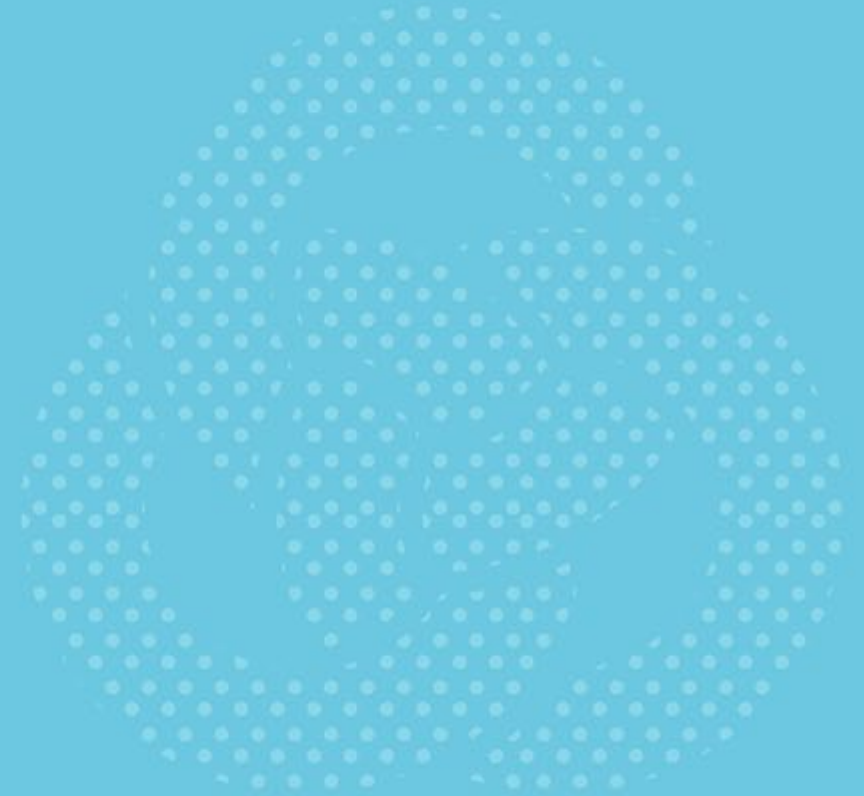




Item 7: DSG Outturn 2020-21



DSG Financial Summary

- The DSG in-year outturn for the financial year ending 31st March 2021 is an overspend of £3.66m against the budget of £647.5m (0.5%).
- This is an unfavourable movement of £0.04m from the position reported in March 2021
- 2020-21 Deficit will be financed by a £2.734m planned contribution from the 2020-21 DSG budget and growth fund recoupment refund from 2017-18 and the remaining £2m from 2021-22 high needs budgets of WNC and NNC.
- The net position including the carried forward commitments, reserves and in-year outturn was an overall DSG surplus of £6.1m at end 2020-21 as a result, there is no requirement from the DfE for a deficit recovery plan.
- Details of the variances and 2020-21 DSG budgets including carry forwards are shown in Appendix A.

DSG Financial Summary by Block

	Outturn Variance £k	Previous Variance as at March 2021 £k	Movement £k
Schools block	(187)	(399)	212
Early years block	0	0	0
High Needs block	4,830	4,011	819
DSG Grant	(986)	0	(986)
Total prior to reserves and Carry Forwards	3,656	3,612	44
Carried forward committed balances	(6,315)		
Reserve for PFI Wooldale	(3,406)		
DSG TOTAL (n)=surplus	(6,064)		

Schools Block

The Schools Block outturn is an underspend of £0.19m which is an unfavourable movement of £0.2m from the position reported in March 2021. The total variations to the budget in 2020-21 for the Schools Block are as follows:

- Schools rates on academy conversion, recoupment on converters rates is at 20% of budget (£141k)
- Minor variances under £100k

Carry Forwards for the Schools Block:

- Growth Fund underspend of £3.3m including £2.7m ear marked for offsetting the high needs overspend if unused in 2020-21. New growth requiring £300k in the West has been identified by the Place team since budget setting for 2021-22 was finalised. The full amount will need to be fairly split North and West so a carry forward is required.
- De-delegation carry forwards (SIG, redundancy, TU) large underspend due to delay in redundancy business cases being finalised in part due to covid, 2 in progress (£780k)
- School Standards and effectiveness vacancies (£371k) work was due to start on this and has been put on hold due to the covid19 closedown. To be carried forward.

Schools Block cont.

- The significant changes from period 10 are due to the following:
- The de-delegated redundancy previously shown as £0.2m is a committed carry forward so now shown as nil variance,
- Minor variances under £100k

Early Years Block

- The Early Years Block provisional outturn is a balanced position, as per the reported position in March 2021. This is an unusual position and is due to the covid situation LAs are able to fund nurseries who have had reduced claims due to covid. All grant from 2020-21 will therefore be spent once final calculations and DSG adjustments for the Early Years block have been reviewed.
- The variations to the budget in 2020-21 for the Early Years Block are as follows:
 - Overspend on EY staffing budget relating to the redundancy and pension strain costs from restructure £346k
 - Early Years - Inclusion Fund and DAF unexpected increased demand £331k

High Needs Block

- The High Needs Block provisional outturn is an overspend of £4.8m which is an unfavourable movement of £0.82m from the position reported in March 2021
- The total variations in the High Needs Block budget in 2020-21 due to increased demand for high needs places are as follows:

SEN Units Underspend of £0.4m and Special Schools overspend of £0.4m

High Needs Out of County budget overspent by £4.6m due to high demand and increased cost of placement

Provision for pupils with SEN underspend of (£0.97m)

Alternative provision underspend of £0.4m

Sensory impairment provision underspend of £67k

High Needs Block

- The High Needs Block provisional outturn is an overspend of £4.8m which is an unfavourable movement of £0.82m from the position reported in March 2021

The change from period 10 is due to the following:

Budget	£k	Description
SEN Units and Res Prov Top Ups	402	Additional provision - due to increased demand for places
Special School Top Ups	182	Very high demand for places in 2020-21
Post 16 Top Ups	(197)	
High Needs Out County	981	Special school places very high demand while at near capacity
Provision For Pupils With SEN	(113)	
Alternative Provision (AP)	(357)	LAC pupils PPG balance –relating to AP for LAC pupils
Sensory Impairment Provision	(79)	
Total Movement	(819)	

DSG Carry Forwards from 2020-21 (1)

Budget	Gross Exp £k	Outturn £k	Variance £k
School Admissions	1,025	1,014	(12)
Schools Budgets (DSG)	104,686	104,661	(25)
Academies	0	1	(1)
Redundancy/PRC - Schools de-delegated	344	6	(338)
Pupil Growth Fund	5,944	2,632	(3,312)
School Rates	0	-141	(141)
Union Facilities (DSG)	166	87	(79)
Schools Forum (DSG)	11	1	(11)
School Improvement Group (DSG)	456	93	(363)
School Standards & Effectiveness	1,168	797	(371)
Moderation	66	-20	(86)
Reserve for HN projects	621	28	(593)
DSG grant and other costs	2,653	1,667	(986)
TOTAL	117,142	110,826	(6,318)

DSG Carry Forwards from 2020-21 (2)

Budget	£k NCC	% North	% West	£k North	£k West
School Admissions	(12)	45.4%	54.6%	(5)	(6)
Schools Budgets (DSG)	(25)	44.9%	55.1%	(11)	(14)
Academies	(1)	45.4%	54.6%	0	0
Redundancy/PRC (Schools de(delegated	(338)	45.4%	54.6%	(154)	(185)
Pupil Growth Fund	(3,312)	44.9%	55.1%	(1,485)	(1,826)
School Rates	(141)	44.9%	55.1%	(63)	(78)
Union Facilities (DSG)	(79)	45.4%	54.6%	(36)	(43)
Schools Forum (DSG)	(11)	45.4%	54.6%	(5)	(6)
School Improvement Group (DSG)	(363)	45.4%	54.6%	(165)	(198)
School Standards & Effectiveness	(371)	45.4%	54.6%	(170)	(203)
Moderation	(86)	45.4%	54.6%	(39)	(47)
Reserve for HN projects	(593)	45.4%	54.6%	(269)	(324)
DSG grant and other costs	(986)	45.4%	54.6%	(448)	(538)
TOTAL	(6,318)			(2,850)	(3,468)

High Needs Pressures 2020-21

- Significant High Needs Budget Pressures were identified early in 2020-21 and during the 2021-22 budget setting process and continue to be the main concern within the DSG.
- Additional high needs funding of £10.6m for 2021-22 was announced in December 2020, with approx. £6.5m being WNC's part of the increase.
- £1.38m of the increase in HN funding was earmarked to largely cover the 2020-21 high needs overspend. The West share of the high needs overspend from 2020-21 is expected to be £1.14m.

Conclusions

The Net position on the DSG at the end of 2020-21 is 6.1m

The 2020-21 HN deficit to be carried forward is £4.8m

To be funded by £2.1m planned contribution from 2020-21 DSG HN Budget and Growth Fund
£2.7m

The key pressures identified in 2020-21 and the 2021-22 budget setting process have been addressed as far as possible through budget increases from the additional grant received.

Addressing high needs pressures remains the highest financial priority within the DSG.