

ANNEX D – DSG FORECAST KEY VARIANCES AND MANAGEMENT ACTIONS

The DSG is reporting an anticipated surplus carry forward at the end of 2020/21 of £2.564m.

Table 1 - The DSG High Level Forecast Summary to September 2020:

DSG Forecast	£m				
	Schools	Central School Services	Early Years	High Needs	Total
2019/20 Budgeted Surplus C/F	(0.727)	0.000	(0.243)	(1.774)	(2.636)
2020/21 Budgeted DSG Allocation	(203.584)	(1.496)	(21.652)	(44.506)	(271.236)
2020/21 Budgeted Expenditure	204.283	1.496	21.651	44.507	271.937
2020/21 Budgeted Carry Forward	(0.028)	0.000	(0.244)	(1.665)	(1.936)
2019/20 Actual Surplus C/F	(0.792)	(0.006)	(0.164)	(1.224)	(2.185)
2020/21 Actual DSG Allocation	(203.584)	(1.496)	(21.652)	(44.506)	(271.236)
2020/21 Forecast Expenditure	203.950	1.496	21.389	44.022	270.857
2020/21 Forecast Carry Forward	(0.425)	(0.006)	(0.427)	(1.707)	(2.564)
Variance to Budget	(0.398)	(0.006)	(0.183)	(0.042)	(0.629)

Table 2 – High Level Variations

Service Area	DSG	Responsible Officer	Mac Heath	Forecast Variance £m	(£2.564m)
<p>Key Variations:</p> <ul style="list-style-type: none"> <li data-bbox="203 341 2033 501">• Schools Block 0.2%: Forecast surplus carry forward into 2021/22 of £0.425m which will be held and allocated through the 2021/22 funding formula. The in-year underspend of £0.398m is as a result of an increased surplus carry forward from 2019/20 of £0.065m, a reduction in rates funding to schools of £0.055m and the growth fund contingency for additional places required at secondary schools is not expected to be required resulting in a reduction of £0.278m. <li data-bbox="203 555 1984 628">• Central School Services 0.4%: Forecast surplus carry forward into 2021/22 of £0.006m as a result of a surplus carry forward from 2019/20. <li data-bbox="203 683 2047 932">• Early Years Block 2.0%: Forecast surplus carry forward into 2021/22 of £0.427m which is being held to manage the volatility of take up within the block. The in-year underspend of £0.183m is due to a reduction of £0.079m carry forward from 2019/20 and an underspend of £0.336m on the 3 and 4 year olds, which is to be expected as the increase in grant funding was not fully passed to providers in order to build up a small contingency early in the year to manage fluctuations in take up during the year. An overspend of £0.074m on 2 year olds is forecast as take up is expected to be higher than the funding allocation due to the census being based on January 2020 only this year and therefore any increase in take up will not be funded. <li data-bbox="203 986 2047 1353">• High Needs Block 3.8%: Forecast surplus carry forward into 2021/22 of £1.707m. The in-year underspend of £0.042m is as a result of a reduced surplus carry forward of £0.442m from 2019/20 offset with: <ul style="list-style-type: none"> <li data-bbox="253 1070 2047 1187">○ Independent special school placements forecast underspend of £0.376m, based on current packages in place. The number of residential school placement numbers have fallen from 16 in 2019/20 to 14 in 2020/21 with a number of expensive packages coming to an end. <li data-bbox="253 1198 2047 1315">○ Top up funding in mainstream schools is forecast to underspend by £0.234m. This predominantly from seeing a reduction in the amount of SEN support payments being made to children without an EHCP, as schools have been closed due to Covid 19. <li data-bbox="253 1326 2047 1353">○ Special school top funding forecast overspend of £0.102m. The forecasts have been updated to reflect this based on the 					

information known in time for the September payments to special schools, however this will continue to be reviewed to ensure all new starters and leavers are properly accounted for, with the correct bandings for the October payments.

- Funding for special units is forecast to underspend by £0.095m. This is as a result of vacant places within departments during the summer term and therefore reductions in top up spend. The budget was set on 122 places during this period, whilst we have seen 99 places being occupied.