**Report to Hartlepool Schools’ Forum 14July 2020**

**From Amanda Whitehead (Assistant Director - Education)**

# Agenda Item 9 – Dedicated Schools Grant & De-delegated Budgets Update

1. **Introduction**
   1. The purpose of the report is to update Schools’ Forum on the outturn position for the Dedicated Schools Grant (DSG) and de-delegated budgets for the financial year 2019/20.
2. **Background**
   1. In accordance with the Education and Skills Funding Agency (ESFA) ‘Schools Revenue Funding 2019/20 Guide’, the local authority is required to outline the Dedicated Schools Grant financial outturn at the end of the financial year.
   2. Local authorities are also required to report any unspent de-delegated funding remaining at the year end and obtain the consent of the Schools’ Forum to fund any overspend from the schools budget. Funding may be carried forward to the following funding period and can be used specifically for de-delegated services if the local authority wishes.

**3** **DSG Financial Position for 2019/20**

3.1 The table below summarises the DSG actual spend against budget.

|  |  |  |  |
| --- | --- | --- | --- |
| **DSG Block** | **2019/20 Revised**  **Budget**  **£** | **2019/20**  **Actual**    **£** | **2019/20**  **Variance over/(under)**  **£** |
| **Early Years Block** | 6,165,127 | 6,195,286 | 30,159 |
| **High Needs Block** | 9,744,893 | 10,265,683 | 520,790 |
| **Central Block** | 551,013 | 539,615 | (11,398) |
| **Schools Block (after Academy recoupment)** | 31,199,091 | 31,199,091 | 0 |
| **Growth Funding** | 156,915 | 103,371 | (53,544) |
| **TOTAL DSG** | **47,817,039** | **48,303,046** | **486,007** |

3.2 Early Years Block

The Early Years Block shows an overspend of £0.030m. This is owing to an underspend of £0.098m in relation to 3 and 4 year-old funding and a £0.022m underspend on Disabled Access Funding. However, these underspends are offset by a £0.150m overspend against 2 year-old funding.

3.3 There is a historic funding shortfall against 2 year-old early years spending.  A Task and Finish Group was established in order to analyse and review two year old provision. However, owing to COVID-19, planned consultations have been delayed. Further reports will be presented to future Schools’ Forums.

3.4 High Needs Block

The High Needs Block shows a £0.521m overspend. A separate report on this agenda provides a detailed analysis of the final outturn position.

3.5 Central School Services Block

There is an overall underspend of £0.011m against the block. This relates to an underspend on the Admissions Team of £0.022m, an overspend from the continuing financial pressure of £0.008m relating to the pension costs for historic redundancies at Brierton school and an overspend of £0.003m against Copyright Licences.

3.6 This pension issue has been raised with ESFA who have confirmed that there is no additional funding available to cover the historic shortfall.

3.7 Space to Learn was transferred to the Diocese during 2019/20. The reserve of £0.022m was utilised to fund final closure costs.

3.8 Growth Fund

The Growth Fund underspent by £0.054m. This money will be utilised in 2020/21.

**4** **De-delegated Services**

4.1 De-delegated services shows a net underspend of £0.019m. This relates primarily to a £0.014m underspend against Union Representatives as there has been no funded teacher staff trade union activity in 2019/20.

4.2 In addition, the authority received £0.005m additional income from General Rate Duties than it budgeted for. This was owing to a later academy conversion.

4.3 In accordance with the Regulations, the £0.019m underspend in de-delegated services has been carried forward into 2020/21.

4.5 The cumulative reserve balance relating to Trade Union Representation amounts to £0.054m as at 31.03.2020.

**5** **Recommendations**

5.1 Forum is recommended to note the contents of this report.