



Report to Schools Forum

Date: 7th December 2021

Title: Dedicated Schools Budget – Revenue Budget Monitoring 2021-22

Author: Liz Williams, Head of Finance, Children's Services

Recommendations:

Schools Forum is asked to note the revenue budget monitoring forecast at the end of October.

Reason for decision: For Information

1. Purpose of the Report

- 1.1. This report updates Schools Forum on the current forecast for the Dedicated Schools Grant (DSG) budget for the 2021-22 financial year, based on the spend to 31st October 2021 (period 7).

2. Forecast 2021-22

- 2.1. The overall Dedicated Schools Budget is currently projected to overspend by £2.095m as at the end of October, this is an increase of £1.367m compared with the previous month.
- 2.2. At the end of September it was reported that further risks were expected to crystallise during the first half of the autumn term as the financial impact of post-16 placements and top up costs in schools is quantified. These risks have been confirmed this month as the forecast has increased against post-16 independent colleges and against the budget for payments for pupils with Education, Health and Care Plans (EHCPs) in schools and early years settings.

Table 1 - DSG Forecast Period 7						
	Total 2021-22 Plan	Total Actuals at 31/10/21	Year End Forecast	Forecast Variance Period 7	Period 6 variance	Movement
	£'000	£'000	£'000	£'000	£'000	£'000
Schools Block	185,875	72,774	185,820	(55)	(55)	0
High Needs Block	91,149	53,168	93,819	2,669	1,361	1,308
Central Schools Services Block	5,908	1,716	5,658	(250)	(308)	58
Early Years Block	33,007	21,670	32,737	(270)	(270)	(0)
Total	315,939	149,328	318,034	2,095	728	1,367

2.3. A projected overspend of £2.7m against the high needs block is partially offset by underspends against the other 3 DSG blocks. This is an adverse movement of £1.3m compared with the previous month due to increased spend against post-16 colleges, top up payments in mainstream schools and top up payments in early years settings. A summary of the current forecast against the high needs block is attached as appendix 1 to this report.

2.4. The September forecast for top up payments for pupils with EHCPs in mainstream schools included an estimate of the likely increase in activity and costs in the autumn term. The October forecast has been updated to reflect the pupil data schedules sent to schools and this shows an increase of £528k compared with the previous estimate. Queries and amendments submitted by schools are now being worked through in order to finalise payments and so the forecast may move again as all of those data queries are resolved.

2.5. Data on placements in independent specialist colleges (ISPs) for post-16 students has now been updated and the forecast has increased by £200k. Analysis of placements in independent specialist colleges shows that the full-time equivalent number of students placed in independent colleges in 2021-22 is slightly lower than in the previous year (50.54 FTE in 2021-22 financial year compared with 52.67 FTE in 2020-21). Unit costs are higher in 2021-22, the average unit cost in the current financial year is £56,039 compared with £53,162 in 2020-21. The forecast for post-16 ISPs includes a small contingency for further activity and price changes during the remainder of the year.

2.6. The budget for top up payments for pupils with EHCPs in early years settings is now projected to overspend by £391k.

3. DSG Reserve

3.1. Any variance against the DSG is to be managed through the DSG reserve which is ringfenced. At the start of the 2021-22 financial year the council had a deficit of £1.8m against its DSG reserve. The current projected overspend will increase the

deficit to 3.9m if further savings cannot be identified before the end of the financial year.

- 3.2. Work continues on the development of mitigating actions to feed into the DSG Management Plan. Initial financial modelling is being focused on proposals to support early intervention and support for pupils, and to quantify the proposals from the draft SEND Sufficiency Strategy. The financial impact of these proposals will need to be modelled and monitored in terms of cost reductions or cost avoidance to measure impact on each mitigating action on the pressures within the high needs block.

