

Schools Forum funding & SEN working group
27th September 2021

Schools Forum
7th October 2021

DEDICATED SCHOOLS BUDGET – BUDGET MONITORING 2021-22

Purpose of the Report

1. To present budget monitoring information against the Dedicated Schools Grant (DSG) for the financial year 2021-22 as at 31st August 2021.

Main Considerations

2. Appendix 1 to this report outlines the budget monitoring summary as at 31st August 2021.
3. An overspend of £8.227 million is currently projected against the overall schools budget. The main driver for this forecast variance is the on-going pressures on the high needs block, the reasons for these are known and understood. The detailed budget monitoring report is shown in Appendix 1.

Early Years Budgets (Budget £28.217M, forecast variance (0.083M))

4. Following COVID outbreak in March 2020, government expectations around opening of early years setting has seen much change.
5. From the Spring Term 2021, the government's expectation is that settings would remain open and will only be paid for children attending settings.
6. The Council has continued to use COMF funding to support settings with a range of schemes from a universal offer to support specialist kit and cleaning to lost income. The ringfenced sum for 2020-21 and 2021-22 is £1.6M. The amount paid out to date to settings is £0.912M.
7. No variance is yet forecast on the budgets for the free entitlement for 15- and 30-hours childcare for 2-, 3- & 4-year-olds. There is a reduction in the take up for 2021 and so it is likely that there will be an underspend and that this will be recouped in 2022-23 by the DfE.

	Number of 2YO children	Number of 2YO Hrs	Number of - & 4-year-olds	Number of 3&4YO Hrs
2019	830	127,067.25	7,145	1,601,165.00
2020	850	131,200.25	7,306	1,685,881.05
2021	736	111,831.20	6,900	1,607,776.10

8. The underspend forecast reflects vacant posts within the entitlement and early years teaching teams.
9. The DfE have confirmed that due to both the disruption and flexibility around funding for 2020-21 the post financial year adjustment would only take place for local authorities who have seen significant change – Wiltshire's take up last year was in line with previous years and therefore there will be no post year adjustment.

	Budgeted PTE	Forecast PTE	Forecast PTE Variance	Budgeted Spend £M	Forecast Spend £M	Forecast spend Variance £M
2-year olds	774	774	Nil	2.382	2.382	Nil
3- & 4-year olds	9,938	9,938	Nil	24.358	24.358	Nil
ISF	447	447	Nil	0.357	0.357	Nil

Schools Budgets (Budget £316.207M, forecast variance (£1.328M))

10. The forecast underspend on schools largely relates to the schools growth fund which currently shows an underspend and is helping to offset the overall pressure on the DSG.

High Needs Budgets (Budget £59.599M, forecast variance £9.643M)

11. High Needs budgets are projected to overspend by £9.643m. The biggest areas of overspend are Independent Special School packages, named pupil allowances and top ups in special schools, enhanced learning provision (ELP) and post 16. Inevitably post pandemic re-bandings are being requested which is putting pressure on the high needs block. When the level of funding available does not match the local needs, the budget cannot be set at an achievable level and so the location of the overspend is not an indication of individual budget issues but that the whole block is under significant pressure.

12. The major driver of the increased cost is volume. Activity (volume) is measured in FTE – full time equivalent pupils. Variance analysis is provided at Appendix 2. It is important to note that the number of EHCPs being created has increased following the pandemic and requests for additional support for children with existing EHCPs continues which leads to an increase in overall unit cost.

	Children with an EHCP in Wiltshire
Number as at 1 st April 2021	4,122
As at 31 st August 2021	4,248
Forecast demand (<i>based on historical trend</i>)	4,434
Forecast Year to Date Movement	312 (7.6% increase)

13. As Schools Forum are aware, much work has been done, over recent years to investigate and address the issues. More detail is reported regularly through the high needs working group update from the Director, Education and Skills.

DSG Reserve

14. The reserve brought forward is £19.474 million. Schools Forum will recall that with effect from 1st April 2021, the early years reserve will be ringfenced. The current forecast overspend would take the reserve into an overall deficit position of £27.701 million.

15. With effect from 2021-22, the department updated the rules governing deficits and expanded the requirements around deficits to include a DSG management plan workbook or equivalent plan. Wiltshire's was approved at the January Schools Forum and at Full Council on the 23rd February 2021. This was shared with the DfE in July 2021 and officers are meeting with the DfE later this month to discuss plans and progress. Cabinet are kept informed in the quarterly budget monitoring report.

DSG Reserve	Early Years Ringfence (effective 01-04-21)	Schools Block, HNB & Central	Total 20/21 FY
Balance Brought Forward from 20/21		18.474	18.474
Early Years Adjustment 20/21 prior year		n/a	
Forecast variance 21/22	(0.083)	8.310	8.227
Estimated balance CFWD 2022	(0.083)	26.784	26.701

Proposals

16. Schools Forum is asked to note the budget monitoring position at the end of August 2021.

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