

Schools Forum funding & SEN working group  
29<sup>th</sup> November 2021

Schools Forum  
9<sup>th</sup> December 2021

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**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 October 2021.

**Main Considerations**

2. Appendix 1 to this report outlines the budget monitoring summary as at 31st October 2021.
3. An overspend of £8.271 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 (1.264M))***

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. In addition, a new allocation is available for flexible pastoral support for 2021-22 of £0.4M.
7. The variance on the budgets for the early years entitlement for 15- and 30-hours childcare for 2-, 3- & 4-year-olds is tabled below. There is a reduction in the take up for 2021 and the majority of this will be recouped in 2022-23 by the DfE.
8. There is a small underspend forecast due to vacant posts within the entitlement and early years teaching teams.
9. The DfE have now made the 20-21 adjustment, and this is reflected in the early years DSG reserve.

	<b>Budgeted PTE</b>	<b>Forecast PTE</b>	<b>Forecast PTE Variance</b>	<b>Budgeted Spend £M</b>	<b>Forecast Spend £M</b>	<b>Forecast spend Variance £M</b>
2-year olds	774	780	6	2.382	2.401	(0.016)
3- & 4-year olds	10,197	8,986	(1,211)	24.358	23.458	(1.245)
ISF	447	447	Nil	0.357	0.357	Nil

**Schools Budgets (Budget £316.189M, forecast variance (£1.376M))**

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 £59.713M, forecast variance £10.911M)**

11. High Needs budgets are projected to overspend by £10.911m. The biggest areas of overspend are Independent Special School packages, named pupil allowances (NPA) and top ups in special schools, enhanced learning provision (ELP) and post 16. The needs of some learners changed during periods when schools were closed to most pupils. Inevitably post pandemic EHCNAs and re-bandings are being requested which is putting additional activity into the system, in response, temporary support fund payments (TSF) have been introduced to support learners whose needs are taking longer than 20 weeks to be assessed.

12. The overall level of demand across the whole system 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.

13. 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.

	<b>Children with an EHCP in Wiltshire</b>
Number as at 1 <sup>st</sup> April 2021	4,122
As at 31 <sup>st</sup> October 2021	4,264
Forecast demand ( <i>based on historical trend</i> )	4,314
Forecast Year to Date Movement	192 (4.7% increase)

14. 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. Cabinet is kept informed in the quarterly budget monitoring report.

**DSG Reserve**

15. The reserve brought forward is £19.474 million. Schools Forum will recall that with effect from 1<sup>st</sup> April 2021, the early years reserve will be ringfenced. The current forecast overspend would take the reserve into an overall deficit position of £26.555 million.

**DSG Management Plan and Informal Meetings with the DfE**

16. Officers are currently updating the 2021-22 version of the DfE's DSG management plan with forecast need, plans to address need and progress against recovery plans. A further informal meeting with the DfE is planned and Schools Forum will be updated on this at the January 2022 meeting.

<b>DSG Reserve</b>	<b>Early Years Ringfence (effective 01-04-21)</b>	<b>Schools Block, HNB &amp; Central</b>	<b>Total 20/21 FY</b>
Balance Brought Forward from 20/21		18.474	18.474
Early Years Adjustment 20/21 prior year		(0.189)	(0.189)
Forecast variance 21/22	(1.264)	9.535	8.271
Estimated balance CFWD 2022	<b>(1.264)</b>	<b>27.820</b>	<b>26.555</b>

### **Proposals**

17. Schools Forum is asked to note the budget monitoring position at the end of October 2021 and the current balance on the DSG reserve.

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