

DEDICATED SCHOOLS BUDGET – BUDGET MONITORING 2021-22

Purpose of the Report

1. To present the year end budget monitoring information against the Dedicated Schools Grant (DSG) for the financial year 2021-22 as at 31st March 2022.

Main Considerations

2. Appendix 1 to this report outlines the budget monitoring summary as at 31st March 2022.
3. An overspend of £7.066 million is reported against the overall schools budget. This is an improved position than previously reported due to a slowing of plans. The main driver for the adverse 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 and highlights of each block outlined below.

Early Years Budgets (Budget £29.206m, final variance (1.881m))

4. Following COVID outbreak in March 2020, government expectations around opening of early years setting has seen much change. Most recently, from the Spring Term 2021, the government's expectation was that settings would remain open and will only be paid for children attending settings.
5. 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, COVID sickness, to lost private income to support the council's duty of sufficiency. The ringfenced sum for 2020-21 and 2021-22 was £1.6M. In addition, a new allocation was made available for flexible pastoral support for 2021-22 of £0.4M.
6. 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. It is likely some parents have concerns around infection control and are not taking up entitlements, there is a reduction in the take up for 2021 and the majority of this will be recouped in 2022-23 by the DfE in July. Disadvantaged 2-year-old take up is above planned and this is due to success with active promotion through Childrens Centres staff and health visitors.
7. There is a small underspend amount due to vacant posts within the entitlement and early years teaching teams.
8. The DfE have now made the 20-21 adjustment, and this is reflected in the early years DSG reserve.
9. The table overleaf shows an extract from Appendix 2, the volume variance analysis.

	Budgeted PTE	Actual PTE	PTE Variance	Budgeted Spend £M	Actual Spend £M	Actual spend Variance £M
3- & 4-year olds	10.619	9721	(898)	25.723	23.719	(2.004)
2-year-olds	781	828	47	2.438	2.549	0.110

10. The 20-21 adjustment based on the January 2021 census data was a decrease of £0.189 million. In addition, the 21-22 allocation increased by £0.989 million. This reflects a higher count of children than the previous year.

Schools Budgets (Budget £316.207m, variance (£0.945m))

11. The underspend on schools largely relates to the schools growth fund which is helping to offset the overall pressure on the DSG.

High Needs Budgets (Budget £59.695m, variance £9.723m)

12. High needs budgets are overspent by £9.723m. The biggest areas of overspend are named pupil allowances and top ups, particularly post 16, independent special school packages, and Wiltshire pupils in non-Wiltshire provision.

13. 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 under significant pressure.

14. 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 requested has slowed slightly however this could be due to a number of factors including reduced access to and contact with pupils due to the COVID pandemic.

	Children with an EHCP in Wiltshire
<i>Number as at 1st April 2018</i>	<i>3,052 (233 - 8.27% increase on previous April)</i>
<i>Number as at 1st April 2019</i>	<i>3,456 (404 - 13.24% increase on previous April)</i>
<i>Number as at 1st April 2020</i>	<i>3,860 (404 - 11.69% increase on previous April)</i>
<i>Number as at 31st March 2021</i>	<i>4,105 (245 – 6.35% increase on previous April)</i>
Number as at 31st March 2022	4,368 (263 – 6.41% increase)

15. At outturn, it is also useful to look at the average unit price variances to indicate where spend per pupil type has increased.

16. The table below shows an extract from Appendix 2, the volume variance analysis showing the movement from budgeted average unit cost;

	Increase in budgeted unit weekly price (average) 20-21	Increase in budgeted unit weekly price (average) 21-22
Special School Top Ups	+ £487	+ £785
ELP To Ups	+ £1,228	+ £1,749
Resource Base Top Ups	+ £392	- £80
Named Pupil allowance	+ £434	+ £353
Independent Special School Fees	- £99 (reduction)	+ £784 (incl. TPP)
6 th Form / College Top Ups	+ £634	-£161
Inter authority	+ £476	+ £1,723
Alternative Provision & Direct Payments	+ £3,031	-£ 316

17. As Schools Forum are aware, much work has been done, over recent years to investigate and address the issues. The High Needs Group meets regularly to discuss the recovery actions and more detail on activity and progress is reported regularly in the High Needs update report.

DSG Reserve

18. The reserve brought forward of £18.717 million is adjusted by the negative early years block adjustment of £0.189 million. The overspend takes the reserve into an overall deficit position of £25.973 million.

DSG Reserve	Early Years Ringfence (effective 01-04-21)	Schools Block, HNB & Central	Total 21-22 FY
Balance brought forward from 20-21		18.717	18.717
Early Years Adjustment 20-21 prior year	0.189		0.189
Final variance 21-22	(1.881)	8.948	7.066
Estimated balance carried forward 21-22	(1.692)	27.665	25.973

19. With effect from 2018-19, the department tightened the rules governing deficits in local authorities' overall DSG accounts, under which local authorities must explain plans for bringing DSG account back into balance. The DfE required a report from any local authority that had a DSG deficit of more than 1% as at the end of any financial year.

20. With effect from 2021-22, the department further updated the rules governing deficits and expanded the requirements around deficits to include a DSG management plan workbook. The latest DfE DSG Management Plan has been shared with the recovery group at the last meeting.

21. Officers from Wiltshire and two other local authorities had a meeting with the DfE in March to learn more about the DfE's Development Better Value (DVB) programme and the assistance on offer from the national recovery resources.

Proposals

22. Schools Forum is asked to note the year end position budget monitoring position and the deficit DSG reserve balance as at 31st March 2022.

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