

# Wiltshire Council

## Schools Forum

11<sup>th</sup> June 2020

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### **DEDICATED SCHOOLS BUDGET – BUDGET MONITORING 2020-21**

#### **Purpose of the Report**

1. To present the budget and budget monitoring information against the Dedicated Schools Grant (DSG) for the financial year 2020-21 as at 30th April 2020.

#### **Main Considerations**

2. Appendix 1 to this report outlines the overall DSG budget and budget monitoring summary as at 30<sup>th</sup> April 2020.
3. Appendix 2 to this report shows the budgeted and forecast activity across relevant expenditure lines.
4. In setting the budget for 2020-21 financial year, schools forum agreed a transfer of £2.065 million or 0.7 % from schools block to support the high needs demand pressures. This request was not approved by the secretary of state for Education.
5. An overspend of £8.329 million is currently projected against the overall schools budget. This is the first report of the new financial year although the on-going pressures on the high needs block are known and understood it is likely this forecast will be subject to change.

#### ***Schools Block and transfers between DSG blocks***

6. In setting the annual budget, Schools Forum have power to transfer up to 0.5% from schools block to any of the other blocks. In January as part of the budget setting, schools forum agreed to transfer 0.7% or, £2.065 million to support the high needs block. When the disapplication was submitted, it was not approved by the Secretary of State. The amount was too small to distribute to schools and the notification was received very late and so, following consultation with the Chair of schools forum, the balance of £0.600 million was transferred into the schools growth fund and is it anticipated it will generate an underspend.
7. Early forecasts around the growth fund indicate an overall favourable variance of £2.199 million.

#### ***Early Years Budgets***

8. Budgets for the free entitlement for 15 and 30 hours childcare for 2, 3 & 4 year olds are currently forecast to breakeven. This is because insufficient information is available from the May census following the government decision not to collect this data during the COVID19 pandemic.
9. No additional funding has been allocated to this sector during the COVID19 pandemic at the time of writing this report although settings were asked to remain open wherever possible during March, April and May for children with a social worker, EHCP or children of key workers. From 1<sup>st</sup> June 2020, it was the government's expectation that settings would be open for all children.
10. The local authority has a statutory duty to ensure there are sufficient childcare places across the county. It was therefore decided that the funding would be used to fund closed settings at 80% of their estimated childcare hours - in line with the support

provided for businesses and furloughed staff and the balance would be used to fund additional payments to open settings to cover the additional costs of staff, personal protective equipment and cleaning during this time. In additional settings who can evidence financial hardship will be able to apply to a hardship fund for support. It is the intention that this will not put pressure on the early years block and that the scheme will be self-financing.

11. The DfE's 19/20 adjustment based on the January 2019 census data is currently outstanding. At the time of setting the budget, there was insufficient funding to allocate an increase to 3 & 4-year-old funding but the full 8p increase was passed onto 2 year old funding. This will be reassessed during the autumn following the updated allocation from the DfE.

### **High Needs Budgets**

12. High Needs budgets are projected to overspend by £10.528m. At this early stage in the year, an assumption has been made across the demand driven high needs budgets that the 19-20 spend level plus an average 12% increase will continue.
13. More granular detail around the demand and activity has been provided in Appendix 2. It is important to note that the number of EHCPS being requested has not slowed significantly and is rising at a similar rate as 2019/20.
14. The local authority and schools have been responding to government statutory guidance and local needs of children and young people throughout the COVID19 pandemic. The extent to which additional pressure of children's needs both during the pandemic and when returning to school in the 'recovery' phase may be felt across the high needs block is not yet fully understood and is therefore a risk. To date, the DfE have not announced any additional financial support to local authorities for high needs pupils.

|  | <b>Children with an EHCIP in Wiltshire</b> |
|--|--|
| Number as at 1 <sup>st</sup> April 2020  | 3,860                                      |
| Forecast number as at 31 <sup>st</sup> March 2021 <i>(Assuming 12% increase)</i> | 4,321                                      |
| Forecast Year to Date Variance   | <b>461 (12% increase)</b>                  |

15. Much work has been done on the high needs block recovery plan and this was explored in more detail earlier in the agenda.

### **DSG deficit Reserve**

16. The deficit reserve brought forward of £11.376 million will be adjusted by the early years block adjustment in the Autumn. The forecast overspend would take the reserve into a deficit position of £19.705 million. This will be reduced by the brought forward amount plus any in year early years adjustment relating to 2019-20 moving into 2021-22 financial year.

|  | <b>DSG Reserve £ M</b> |
|--|------------------------|
| 2019-20 Brought Forward  | (11.376)               |
| 2019-20 Early Years Adjustment   | TBC                    |
| 2020-21 Forecast Overspend   | (8.329)                |
| 2020-21 Forecast DSG Deficit Reserve   | (19.705)               |
| 2021-22 Top slice 19-20 bwfd against schools budget <i>(will be adjusted by early years in due course)</i> | 11.376                 |
| 2021-22 Brought forward following top slice  | (8.329)                |

## **Proposals**

17. Schools Forum is asked to note the budget monitoring position at the end of April 2020 alongside the provisional outturn report for 2019-20, the update from the high needs working group and DSG deficit repayment reports.
18. Schools Forum is asked to note the forecast balance of the DSG deficit reserve as at the end of March 2021 pre and post the transfer to schools block.

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