



Date: Thursday, 16 September 2021
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Venue:
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SCHOOLS FORUM

TO FOLLOW REPORT (S)

- 7 Dedicated Schools Grant Monitoring 2021-22
(Stephen Waters) (Pages 1 - 6)**
Report attached.

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Item

Public

Paper

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DEDICATED SCHOOLS GRANT MONITORING

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Summary

This report outlines to Schools Forum members the centrally retained Dedicated Schools Grant (DSG) forecast outturn position at the end of August 2021.

Recommendation

This report is for information only.

REPORT

1. The overall 2021-22 outturn against centrally retained DSG is forecast to be £0.437m in surplus as at the end of August 2021. It should be noted that this figure is the in-year surplus and needs to be added to the £0.659m overspend carried forward from 2020-21 in order to give an overall cumulative DSG deficit position of £0.223m.
2. Please note that this cumulative DSG deficit is provisional at this point in time as the final Early Years Block DSG allocation for 2020-21 is not expected to be published until the Autumn.
3. In December 2020, Schools Forum approved a transfer of 0.5% from the Schools Block to the High Needs Block to support growth pressures on the High Needs Block. Agreement was given to transfer the remaining schools block budget, up to 0.5% after fully funding schools with the National Funding Formula factors and values. In 2021-22, the Council has been able to fully fund schools in this way, while transferring across the full 0.5% of the Schools Block budget to the High Needs Block budget which has increased the High Needs Block budget in year by £0.876m from the published allocation of £31.767m to a budget of £32.644m.

Centrally Controlled Early Years Budget

4. The outturn position for the Early Years Block is still forecast to be at the provisional budgeted level of £17.028m. Once officers have processed the invoices for the Autumn Term funding for 2 year olds and 3-4 year olds a more precise forecast will be made and this position will be reported to Schools Forum in November.

Centrally Controlled High Needs Budget

5. The centrally controlled High Needs Block for 2021-22 is £24.141m. This budget excludes the place funding element of the High Needs Block totalling £8.503m but does include the transfer of £0.876m funding from the Schools Block to the High Needs Block as approved by Schools Forum.
6. It is important to note that Shropshire's High Needs Block DSG allocation has increased by £3.751m from £28.016m in 2020-21 to £31.767m in 2021-22. This is partly due to the funding floor factor in the high needs national funding formula for 2021-22 providing for every local authority to receive an underlying increase of at least 8% per head of 2 to 18 population. The other explanation for the increase is that the High Needs Block DSG now incorporates the Teachers Pay and Pension grant for both Special Schools and Alternative Provision settings.
7. Overall, the forecast outturn position for the High Needs Block is an in-year surplus of £0.512m. Given that £0.876m of high needs funding represents a one-off transfer of funding from the Schools Block, this indicates that the High Needs Block DSG allocation without the transfer of funding from the Schools Block to Shropshire is insufficient to meet expenditure requirements if currenting spending levels continue.

Lines 1.2.1 & Line 1.2.2 - Top Up funding – Mainstream Schools and Post 16 Further Education

8. On budget lines 1.2.1 and 1.2.2, shown in the Appendix, there is a forecast underspend of £0.498m. This accounts for the majority of the £0.512m projected in-year surplus on the High Needs Block DSG.

Top Up funding - Mainstream Schools

9. This underspend reflects a forecast underspend of £0.186m on top-up funding paid to mainstream schools. This figure includes the Graduation Support Pathway payments as well as top-up funding.
10. The 2021-22 forecasted expenditure is £4.992m so an increase of £0.558m compared to the 2020-21 outturn figure of £4.434m. This forecast is based on the level of top-up funding and GSP payments in the Summer Term with some growth anticipated for the Autumn Term and Spring Term, however the forecast

position will be clearer once the first Autumn Term top-up payments have been processed.

Post 16 Further Education Colleges

11. Within the “1.2.2 - Top Up funding - Academies, Free Schools and Colleges” budget heading there is a budget of £2.770m allocated for Post 16 funding at further education colleges and sixth form colleges. Of the overall increase in allocation against the High Needs Block DSG, £0.581m was allocated against this budget heading.
12. The reason for significant growth in the expenditure budget on post 16 further education college placements is that this reflects the national picture and Shropshire has seen particularly significant growth in recent years in terms of the number of post 16 FE college placements. In 2021-22, forecasted expenditure on Post 16 FE college placements is £2.436m so there is a forecast underspend of £0.335m against this budget heading but as with top-up funding to mainstream settings it is important to note that while there is a forecast underspend against the budget set internally which anticipated significant growth, the recent trend of increasing expenditure does continue as evidenced by this year’s forecast expenditure of £2.436m being £0.218m higher than last year’s outturn.
13. The Council has and will continue to experience significant expenditure growth in this area as a direct result of changes in legislation which has seen local authorities having significant new statutory duties for students with special educational needs up to the age of 25 years under the Childrens and Families Act (September 2014). The local authority’s SEN team work closely with local colleges to increase accessibility to education within mainstream colleges rather than more expensive independent specialist providers. Council officers have been successful in achieving this to date with a much lower proportion of Post 16 students in independent specialist provider settings when compared with several years ago.

De-Delegated Items

14. It should be noted that there is a £0.063m forecasted overspend on de-delegated maternity pay for schools where forecast expenditure is £0.294m but the de-delegated value from schools based on £19.27 per pupil is £232,000. Consequently, officers are likely to increase the per pupil unit when a decision is put to Schools Forums in November around the de-delegation of this funding for 2022-23.

Accounting for the DSG Deficit

15. The DSG guidance states conditions relating to DSG deficits for those local authorities that have an overall deficit on their DSG as follows:
 - Provide information as and when requested by the department about its plans for managing its DSG account in the 2020 to 2021 financial year and subsequently.

- Provide information as and when requested by the department about pressures and potential savings on its high needs budget.
 - Meet with officials of the department as and when they request to discuss the local authority's plans and financial situation.
 - Keep the schools forum regularly updated about the local authority's DSG account and plans for handling it, including high needs pressures and potential savings
16. Given that the overall DSG deficit is forecast to reduce to £0.223m from a brought forward position of £0.659m this is positive in terms of the Council meeting the Department for Education's requirement to reduce or manage down the deficit. It is important to note that this projected reduction in deficit is as a result of forecast less growth in expenditure compared to growth in High Needs Block DSG allocation rather than any reductions to High Needs Block DSG expenditure itself.

APPENDIX

CENTRALLY RETAINED DEDICATED SCHOOLS GRANT FUNDING PERIOD (2021-22)

	2021-22 Budget £	2021-22 Spend £	2021-22 Variance £	
DEDELEGATED ITEMS				
1.1.1	Contingencies	50,000	50,000	-
1.1.2	Behaviour Support Services	-	-	-
1.1.3	Support to UPEG and bilingual learners	-	-	-
1.1.4	Free school meals eligibility	-	-	-
1.1.5	Insurance	-	-	-
1.1.6	Museum and Library Services	-	-	-
1.1.7	Licences/subscriptions	-	-	-
1.1.8	Staff costs Maternity supply cover	232,000	294,502	62,502
1.1.9	Staff costs Trade Union Duties	25,000	26,881	1,881
1.1.10	School Improvement	95,570	95,570	-
	DEDELEGATED ITEMS SUB TOTAL	402,570	466,953	64,383
CENTRALLY CONTROLLED EARLY YEARS BUDGET				
1.3.1	Central Expenditure on Children under 5	344,700	344,851	151
1.0.1	Individual Schools Budget - Early Years PVI's and Maintained Nursery Provision	16,683,450	16,683,450	0
	CENTRALLY CONTROLLED EARLY YEARS SUB TOTAL	17,028,150	17,028,301	151
CENTRALLY CONTROLLED HIGH NEEDS BUDGET				
1.2.1	Top Up funding - Maintained Providers	4,181,940	4,163,658	-18,282
1.2.2	Top Up funding - Academies, Free Schools and Colleges	9,972,530	9,492,448	-480,082
1.2.3	Top Up funding - Non-Maintained and Independent Providers	6,550,210	6,499,823	-50,387
1.2.4	Additional High Needs Targeted Funding for Maintained Schools and Academies	409,450	409,450	-
1.2.5	SEN Support Services	1,553,560	1,567,706	14,146
1.2.6	Hospital Education Services	170,190	170,190	-
1.2.7	Other Alternative Provision Services	138,040	167,831	29,791
1.2.8	Support for Inclusion	1,164,900	1,157,558	-7,342
1.2.9	Special Schools and PRUs in Financial Difficulty	-	-	-
1.2.10	PFI / BSF Costs at Special Schools and AP / PRUs	-	-	-
1.2.11	Direct Payments (SEN and Disability)	-	-	-
1.2.12	Carbon Reduction Commitment Allowances (PRUs)	-	-	-
	CENTRALLY CONTROLLED HIGH NEEDS BUDGET SUB TOTAL	24,140,820	23,628,664	-512,156
CENTRAL SCHOOL SERVICES BLOCK				
1.4.1	Contribution to combined budgets	112,110	121,737	9,627
1.4.2	Schools Admissions	250,120	251,267	1,147
1.4.3	Servicing of Schools Forums	10,000	10,000	-
1.4.4	Termination of employment costs	963,660	963,660	-
1.4.5	Falling Rolls Fund	-	-	-
1.4.6	Capital Expenditure from Revenue (CERA)	-	-	-
1.4.7	Prudential Borrowing Costs	295,350	295,350	-
1.4.8	Fees to independent schools without SEN	-	-	-
1.4.9	Equal Pay - Back Pay	-	-	-
1.4.10	Pupil growth / Infant Class sizes	-	-	-
1.4.11	SEN Transport	-	-	-
1.4.12	Exceptions agreed by Secretary of State (Deficit)	-	-	-
1.4.13	Other Items (Copyright Licensing Agency fee)	227,090	227,090	-
1.5.	Ongoing duties	741,250	741,250	-
	CENTRAL SCHOOL SERVICES BLOCK BUDGET SUB TOTAL	2,599,580	2,610,354	10,774
	TOTAL CENTRAL DSG	44,171,120	43,734,272	-436,848
	SCHOOLS BLOCK GROWTH FUNDING (PART OF ISB)	438,190	438,190	-
	TOTAL CENTRAL DSG + SCHOOLS BLOCK GROWTH FUNDING	44,609,310	44,172,462	-436,848

	£
DSG DEFICIT CARRIED FORWARD FROM PREVIOUS YEARS	659,423
PROJECTED 2021-22 IN YEAR SURPLUS	- 436,848
CUMULATIVE CENTRAL DSG DEFICIT	222,575

Breakdown of total DSG:

TOTAL CENTRAL DSG	44,609,310
High Needs Budget - Place Funding	
Post 16 FE Colleges	920,000
Pre and Post 16 SEN Places - Special Academies	4,949,170
Pre and Post 16 SEN Places - Resourced Provisions	227,170
Total deduction to 2021-22 High Needs Block for direct funding of places by ESFA	6,096,340
TMBSS	1,560,000
Maintained School SEND Hubs	339,830
Additional Commissioned Place Funding at Special Academies	180,000
Teachers Pay/Pension for Special Academies	326,650
Total deduction to 2021-22 High Needs Block for central funding of places	2,406,480
HIGH NEEDS BUDGET - Place Funding	8,502,820
INDIVIDUAL SCHOOLS BUDGET SHARES (Excluding De-delegated Items)	181,665,740
TOTAL DSG Allocation (Updated July 2021)	234,777,870

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