

## Schools Forum Briefing

1.	Date of meeting:	17 <sup>th</sup> SEPTEMBER 2021
2.	Title:	DSG 2021/22 – MID YEAR UPDATE REPORT
3.	Directorate:	CYPS

### 1. SUBJECT: DSG 2021/22 – MID YEAR FUNDING UPDATE REPORT

### 2. PURPOSE OF REPORT

To update all members of Schools Forum on the the wider dedicated schools grant (DSG) position for 2021/22.

### 3. RECOMMENDATION (S)

That members note the current position.

### 4. REASON FOR RECOMMENDATION (S)

To ensure Schools Forum members are aware of the current year position of the wider dedicated schools grant (DSG) and the impact this has on the DSG reserve.

### 5. BACKGROUND INFORMATION

#### 5.1 The 2020/21 outturn provided the closing DSG reserve balances to be;

High Needs Block	-£22.378m
Early Years Block	£ 0.430m
Schools Block	£ 0.906m
Central Block*	£ 0.000m
Pupil Referral Units	-£ 0.216m
<b>Total</b>	<b>-£21.258m</b>

\*It was agreed by Schools Forum to transfer the central block reserve against the High Needs Block deficit

On closure of the 2020/21 accounts the local authority had not been notified of the final early year's adjustment for 2020/21 as a result of the January schools & early year's census. The local authority estimated that this would be a clawback of £221,660. Notification of the actual adjustment has been delayed until the autumn.

The spring 2021 census is also used to re-run the allocations for 2021/22 financial year as outlined further in 5.2 below.

## 5.2 2021/22 overall DSG position

The initial allocations were issued in December 2020 and the latest July 2021 allocations have been updated as follows;

	Dec 2020 (£m)	Jul 2021 (£m)	Movement (£m)
Schools block (incl. academy allocations)	£211.310m	£211.310m	Nil
Central schools block	£1.371m	£1.371m	Nil
High Needs block (incl. EFA funded places)	£42.159m	£42.192m	(+£0.033m)
Early Years block (inc. estimated Jan 20 Census Adjustment)	£17.942m	£17.942m	Nil
<b>Total</b>	<b>£272.782m</b>	<b>£272.815m</b>	<b>(£0.033m)</b>

*The above table excludes block transfers*

The High Needs adjustment can be analysed as:

Additional Funding for Imported Places (Jan 21 Census)	(£33k)
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This adjustment is to reflect any changes either in the placement by a local authority of pupils in schools and colleges located in other local authority areas (exports), or in the funding required by schools and colleges accepting pupils and students resident in other local authority areas (imports).

Excluding EFA direct funding of academies (and high needs places) the revised DSG allocations are;

	Allocation	Additional information
Schools block	£32,979m	After recoupment for all conversions as notified by the DfE in July 2021
Central schools block	£1.371m	
High Needs block	£35,340m	Allocation less £6.852m for ESFA direct funded places
Early Years block	£17.942m	Incl. EYPP & DAF funding allocations
<b>Total</b>	<b>£87.632m</b>	

## 5.3 As at the end of August (period 5), the anticipated outturn position is as follows:

Early Years are currently forecasting a breakeven position at year end.

High Needs DSG has a forecast overspend of £0.756m based on the DSG recovery plan and included anticipated growth on EHCs numbers and the implementation of new developments linked to the SEND Sufficiency Strategy see table below for details:

High Needs Block Budget Monitor @ 31 August 2021	Budgeted Place Numbers April to August 2021	Budgeted Place Numbers September - March 2022	Original Budget 2021/22	Revised Budget 2021/22	Forecast Expenditure 2021/22	Forecast Variance Revised Budget 2021/22	Comments
<b>Special Schools</b>	800	970	16,534,647	18,606,782	18,606,783	0	£2m growth relates to increase in place numbers above HNL returns. Actual places have grown by 10 above October census, with Rotherham pupils increasing by 23 and other LA's reducing by 13. Funding transferred from Top Up Budget.
<b>Primary Resource Units</b>	19	23	212,144	242,144	242,144	0	
<b>Secondary Resource Units</b>	21	30	332,447	332,447	332,447	0	
<b>Top Up Funding</b>	201	212	7,790,102	5,720,967	6,238,437	517,470	Based on additional place and top up funding for Special School academies
<b>Alternative Provision</b>	268	212	5,543,479	5,543,479	5,596,021	52,542	
<b>External Residential</b>	4	5	2,331,700	2,331,700	2,027,123	-304,577	Underspend relates to fewer post 18 in educational residential placements
<b>Independent Service Providers</b>	208	239	8,358,600	8,358,600	8,735,808	377,208	Pressure relates to number and cost of post 16 ISP placements.
<b>Inclusion Services</b>	19	19	2,292,169	2,292,169	2,433,399	141,230	Pressures relate to Hearing Impaired Service and Inclusion Services
<b>Other Education Services</b>	14	15	351,958	351,958	323,779	-28,179	
<b>CCP &amp; FE Places</b>	223	239	1,449,643	1,449,643	1,449,643	0	
<b>Total</b>	1,778	1,965	45,196,889	45,229,889	45,985,584	755,694	

Based on the above, the level of DSG central reserves deficit will increase from a deficit of £21.258m (carried forward from 2020/21) to £22.014m at the end of 2021/22. This would equate to 8.07% of the overall DSG allocation.

In summary, the financial sustainability of the high needs block remains a significant cause for concern for the borough and will require the support of the School Forum to implement the strategies to assist in reducing the financial pressures in the High Needs Bloc.

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