

**Bristol Schools Forum**  
**Dedicated Schools Grant (DSG) Budget Monitor 2020/21 P9**

<b>Date of meeting:</b>	30 March 2021
<b>Time of meeting:</b>	5.00 pm
<b>Venue:</b>	Virtual meeting

## **1 Purpose of report**

- 1.1 This report provides information of the forecast financial position for the DSG overall as at Period 9 (to end December 2020).

## **2 Recommendation**

### **2.1 Schools Forum is invited to:**

- a) note the in-year 2020/21 position for the overall DSG.**
- b) note potential risks to the forecasts for: High Needs and Early Years**

## **3 Background**

- 3.1 At its January 2021 meeting, the Schools Forum was presented with a budget monitor reporting the forecast position as at end of Period 8 (end of November). At this point the forecast overall carry forward position was a deficit of £11.447m.
- 3.2 This report updates Schools Forum on the position at the end of Period 9 (end of December) 2020/21.

## **4 Budget monitoring 2020/21**

- 4.1 The previously reported position in January 2021 was an in-year forecast deficit of £8.556m on the Dedicated Schools Grant budget at the end of Period 8.
- 4.2 This position has moved adversely by £0.037m giving a forecast in-year deficit of £8.593m. Added to the brought forward balance gives a forecast carry forward deficit of £11.484m. The main area for concern continues to be the High Needs block which is forecasting an in-year overspend of £8.159m. The Period 9 position is set out in **Table 1**.

Table 1: Forecast position on overall DSG for 2020/21 at Period 9 (December 2020)

<i>All figures £'000</i>	<i>b/f</i>	<i>DSG Funding 2020/21</i>	<i>Forecast Outturn Period 09 2020/21</i>	<i>In-year variance</i>	<i>Forecast Carry-forward Period 09 2020/21</i>	<i>Forecast Carry-forward Period 08 2020/21</i>	<i>Movement Period 08 to Period 09</i>
Schools Block	(174)	272,492	272,492	0	(174)	(174)	0
De-delegation	(464)	0	0	0	(464)	(464)	0
Schools Central Block		2,386	2,386	0	0	0	0
Early Years	20	37,119	37,553	434	454	380	74
High Needs Block	3,509	62,511	70,670	8,159	11,668	11,705	(37)
Funding		(374,508)	(374,508)	0	0	0	0
<b>Total</b>	<b>2,892</b>	<b>0</b>	<b>8,593</b>	<b>8,593</b>	<b>11,484</b>	<b>11,447</b>	<b>37</b>

- 4.3 The forecast on Schools Block, De-delegation and Central Services Block remains the same as reported in January 2021 (period 8).
- 4.4 The main areas of slight movement in period 9 are Early Years and High Need Blocks.
- 4.5 **Early Years (EY) Block (£0.434m forecast overspend).** The main area of pressure is in EY SEND where forecast overspend is £0.424m, an increase of £0.073m from period 8.
- 4.6 There are significant risks to the expected income from this block which will arise mainly from lower January 2021 census numbers. The 2020/21 EY Block income would normally be based on 5/12ths of the January 2020 census and 7/12ths of the January 2021 census.
- 4.7 Due to Covid-19, it is anticipated that January 2021 census count will be significantly lower than comparative period. The current proposal is to use a hybrid of January 2021 census and 2021 Summer term count to fund the 2021 Spring term allocations.<sup>1</sup> We currently don't have the final figures for January 2021 census but indication is that this is significantly lower than January 2020 figures. The 2021 Spring term allocation will only be known for certain after confirmation of Summer term count. The school forum will be updated once the final allocation is known.

<sup>1</sup> <https://www.gov.uk/government/publications/early-years-funding-spring-2021-and-financial-year-2021-to-2022>

- 4.8 **High Needs Block (£8.159m forecast overspend).** The High Needs block is forecasting a significant in-year overspend of £8.159m. This is slight reduction from the forecast in period 8. As reported in previous months, top-up funding continues to be a major area of budget pressure.
- 4.9 There are significant risks to the forecast in this block due to a number of reasons.
- 4.10 At the time of this forecast the final results of the November panel was not known and therefore an estimate of additional £0.15m was included in this forecast. The full impact of this as well as other panel meetings happening later in the financial year may add further pressure to this budget.
- 4.11 Another pressure area may be import/export adjustment which may affect final allocation in this block.
- 4.12 Following agreement of Forum, the amount transferred from the Schools Block in 2020/21 is being used to contribute towards the Education Transformation Programme. We are currently forecasting that this funding of £1.3m will be fully spent in 2020/21. The transformation programme is yielding result through increased assessment and issuance of EHCP. This in turn is driving demand for SEND places and provision. Some these cost pressures will become better known during the remainder of the year, and may impact on the final outturn position.
- 4.13 Alongside increased support through improved assessments, there are pressures associated with the pandemic that add uncertainty to the forecast position, such as the duration of any further restrictions and the degree to which the pandemic is driving the incidence of referrals for support.
- 4.14 **Funding (Nil Variance).** £374.508m is the latest DSG amount notified by the ESFA, this includes the first adjustments for the High Needs Import/Export and a slight adjustment in Early Years reflecting the final year-end actual position. As earlier explained, the final funding figure will change once further adjustments to High Needs and Early Years blocks are known. This will happen after year-end so an estimate of the change may have to be included in the final accounts.