

Bristol Schools Forum
DSG Management Plan Update (consultation with Schools Forum)

Date of meeting:	Tuesday 30 November 2021
Time of meeting:	5pm
Venue:	Zoom

1. Purpose of report

The purpose of the report is to present an update to the DSG Management Plan (“the Plan”) to Bristol Schools Forum for information, consultation, and discussion.

2. Recommendation(s)

The recommendation is that Schools Forum note:

- the update to the Plan
- that the consultation with Schools Forum regarding the Plan following review by High Needs and Early Years Task & Finish Groups continues
- that the Plan is intended as a dynamic document that will continue to evolve in future iterations
- additional stakeholder engagement, coproduction and engagement is required as the Plan evolves, and must include Schools Forum, education institutions, parents and carers, children and young people, elected members and health partners
- the next version of the Plan will be brought to Schools Forum in the Spring term 2022

3. Background

Local Authorities with an overall deficit on their DSG account at the end of a financial year must be able to present a plan to the DfE for managing their future DSG spend. The ESFA have designed a template to help local authorities manage their DSG and Bristol is using the template.

The Plan is intended to help LAs to develop evidence-based and strategic plans covering the provision available for children and young people with special educational needs and disabilities. Completion of the Plan will enable us to:

- comply with paragraph 5.2 of the DSG: conditions of grant 2020 to 2021
- monitor how DSG funding is being spent
- compare data on high needs spend between LAs
- highlight areas that may require a ‘deep dive’ to ensure resources are being used efficiently and best value is secured

- form evidence-based and strategic future plans for the provision of children and young people with SEND
- present complex funding information simply to Schools Forum and other external stakeholders
- provide a consistent reporting format to help us share best practice and initiatives

The template for the Plan is large and complex and includes a mixture of narrative relating to the current and recent position of the DSG, with a focus on the High Needs Block (HNB), actions to be taken, financial performance, SEND data and the ability to undertake benchmarking comparisons with other LAs, including the closest statistical neighbours.

The ESFA expect the plan to be updated and presented at Schools Forum meetings and any subgroups regularly and at least on a termly basis. The ESFA recognise that the management of DSG balances, both bringing spend in line with income and repaying deficits, will take time for some LAs. The template has therefore been developed in such a way that it is intended to be a live document and able to readily track progress. In summary, the Plan is:

- a needs-led tool to aid LAs' management of the DSG
- a DfE requirement for LAs with DSG deficits
- a means of sharing complex information with a range of stakeholders
- a live document that will constantly develop and change

4. Development since June Meeting

The DSG Management Plan presented to the Schools Forum in June 2021 showed a forecast deficit of £68.6m. The first iteration of the DSG Management Plan for Bristol presented a 'do nothing' baseline position. This report will not discuss the technical details of the Management Plan but will focus on work that has happened since the June meeting.

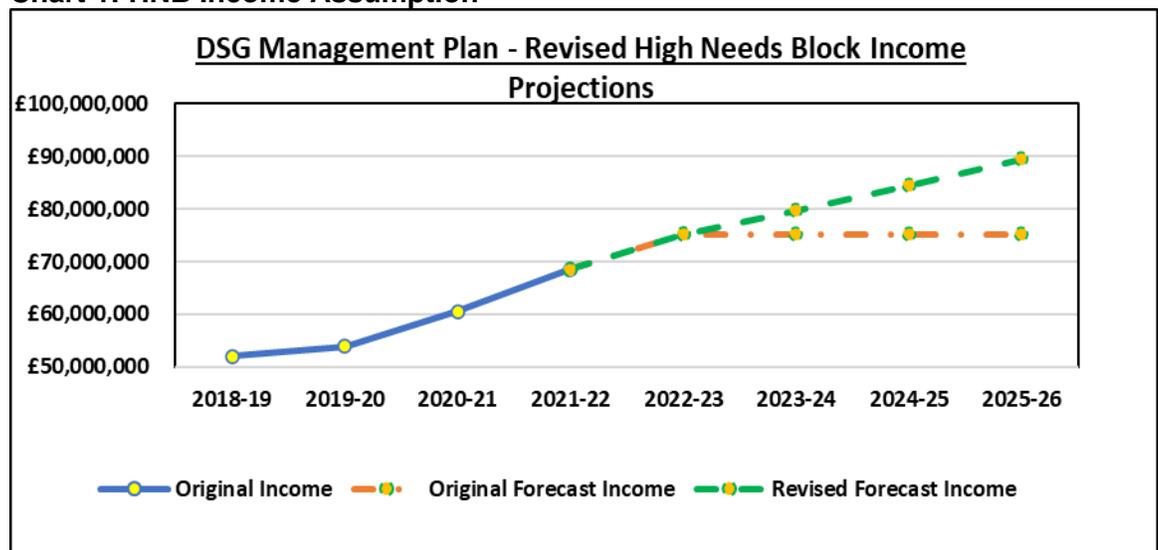
The ESFA issued a new template which extended the forecast horizon of the management plan from 2024/25 to 2025/26. The latest forecast has therefore been extended by a year.

There is a general acceptance that Covid has impacted (and will continue to impact) on the Children and Young People (CYP) presenting with SEND support and the council's ability to meet these increasing needs locally. The revised unmitigated forecast has therefore factored in an element of the impact of Covid easing gradually between 2023/24 and 2025/26. The impact of these changes are that the latest unmitigated DSG forecast is £89.1m.

The DfE have also announced indicative DSG blocks allocation for 2022/23. This has been used to update the income section of the plan with the following proviso:

- Schools block income and expenditure has been kept the same from 2023/24 to account for the proposed introduction of the “hard” National Funding Formula.
- The High Needs Block (HNB) allocation has been conservatively inflated to increase from the £75.2m announced for 2022/23 to about £89.5m by 2025/26. This is achieved by using 2022/23 allocation (announced by the DfE) as the baseline and inflating this by CPI +2%. For comparison, the HNB allocation has increased by 31.7% in the 4 years between 2018/19 and 2021/22 whilst our assumption has increased by a modest 19% in the next 4 years between 2022/23 and 2025/26. The chart below presents the impact of our assumption graphically.

Chart 1: HNB Income Assumption



5. Mitigations

SEND improvement and inclusion projects within the Education Transformation were viewed through a deficit mitigation lens i.e., what will be/might be the financial benefit of each project or intervention.

A series of hypotheses were formulated, and their impact analysed using tools developed by a Data & Finance Analyst funded by the Education Programme. The team were also able to develop a sensitivity analysis to predict changes to the deficit if (a) there are changes to pupil numbers in the different provisions and (b) if there are percentage changes to activities within each provision. These are then refined with Education DMT and Service Managers and grouped into themes **Demand Management** and **Supply of Specialist Provisions**.

These mitigations are still being worked on and would be subject to consultation and equality impact assessment at the appropriate time. The summary of these mitigations as well as assumptions on HNB allocations will yield £40.38m by

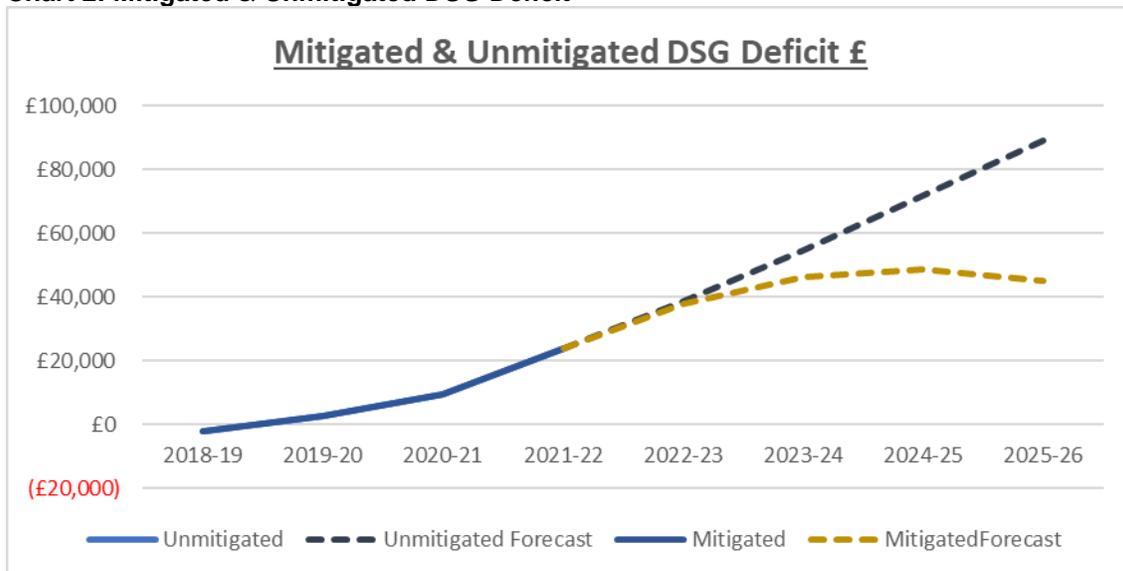
2025/26 as can be seen in the table below. The overall impact of these activities is to reduce the DSG forecast deficit to £45m by 2025/26.

Table 1: Summary of DSG mitigations

	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL
Demand management	£0	-£90,363	-£161,907	-£203,691	-£257,074	-£713,034
Supply of Provisions	£0	-£780,262	-£2,680,259	-£3,908,224	-£4,140,912	-£11,509,657
HNB Income Forecast	£0	£0	-£4,510,152	-£9,290,913	-£14,358,520	-£28,159,585
Total	£0	-£870,624	-£7,352,318	-£13,402,828	-£18,756,506	-£40,382,276

The overall impact of these changes, assumptions and mitigations are presented in chart 2 below.

Chart 2: Mitigated & Unmitigated DSG Deficit



6. Risks and Challenges

The forecast presented above is laden with some risks and challenges. Some of these are presented in bullet points below

- Schools Forum may reject request to transfer 0.5% to support transformation in 2022/23
- Projected increased in High Needs Block funding (at CPI +2%) may not materialise
- Long awaited national SEND Review may be of little consequence or positive impact
- Ofsted re-inspection may highlight new areas to address (as inspection framework is tightened and strengthened)
- Some of the thinking on mitigations may not deliver or may deliver at amount lower than originally anticipated.
- Impact of pressure in Early Years SEND.

- Introduction of National Hard Funding Formula
- Long tail of Covid – high numbers of young children joining education from low baseline

7. Opportunities

The opportunities within the current system are summarized below:

- Launch of Belonging Strategy (Belonging in Education)
- Impact of the announcement of £2.6 billion over the SR21 period for new school places for children with special educational needs and disabilities (SEND) in England.
- Impact of additional possible yield from SR21 on revenue funding for High Needs Block has not been factored in.
- Schools Forum choose to invest in 2022/23 Phase 3 (focusing on sector-led innovation and commissioning)
- Proactive Schools Forum engagement via Early Years and High Needs Task & Finish Groups
- Phase 1 and Phase 2 interventions land and mature
- SEND Reviews delivers policy reform with positive impact

8. High Needs & Early Years Funding Task & Finish Groups

Two Task & Finish Groups continued to meet throughout the summer has provided invaluable support, challenge and input into shaping the latest forecast.

Schools Forum members are asked to join the T&F group to provide necessary stakeholders engagement to this work.

9. Equalities Impact Assessment

Equalities Impact Assessments have been produced, or are underway, for the planned interventions and initiatives that may contribute to the management of the deficit position.

10. Financial Implications

No financial implications arise from completing the DSG Management Plan template. It is, however, expected to be a valuable tool in developing an effective response to the DSG deficit recovery requirements. The road to financial recovery will become clearer and more specific as the Plan evolves and becomes fully populated.

The Schools Forum has invested in the Education Transformation programme by using 0.5% top-slice of the Schools block in 202/21 (£1.396m) and 2021/22 (£1.4m) to fund initiatives and activities that will ensure cost drivers are better understood and outcomes contained in the SEND Written Statement of Actions

(WSoA) and wider Education Transformation programme are delivered. Although no explicit savings are attributed to this programme of work, it is expected to deliver improved outcomes throughout the SEND system, achieve value for money and set the course towards financial sustainability over the medium to longer-term.

11. Appendices

No.	Document
A.	Extract of latest Unmitigated DSG Management Plan
B.	Extract of latest Mitigated DSG Management Plan