

DSG Management Plan Update

Purpose of report

The purpose of this report is to present latest DSG Management Plan (“the Plan”) to Bristol City Council Cabinet for information and consideration in making final decisions on the Schools Budget for 2022/23. The updates within this report are subsequent to the Plan presented in November 2021 Schools Forum’s meeting.

1. Recommendation(s)

The Cabinet is invited to note the following:

- the latest updates in the Plan, to which a verbal update will be provided to the Schools Forum on 13th January 2022 regarding latest position / changes reported to the Cabinet as described in this paper
- the next version of the Plan update will be provided to the Schools Forum in March 2022

2. Background

Subsequent to November 2021 Schools Forum meeting, ESFA announced 2022/23 DSG allocations on 18th December 2021, DSG management plan was updated for January 2022 Cabinet meeting.

3. Developments since November 2021 Schools Forum meeting

3.1 As illustrated in Table 1, ESFA confirmed 2022-23 DSG funding allocation, which is an uplift of £13.257m or 3.3% from 2021-22 allocation. However, as additional £8.928m is for Schools Block where majority of the funding is passported to schools and will be fully spent. £75.523m for High Needs Block representing £7.157m or 10.5% uplift from 2021-22, this is not sufficient to cover current forecasted annual need or contribute to the accumulated historic deficits. The DSG deficit forecast is anticipated to rise further until mitigations plans can be fully developed, consulted on, and begin to take effect in the coming years.

Table 1 - Bristol ESFA DSG funding allocation	2022-23 at December 2021	2021-22 allocation	changes in £ (-: reduction)	changes in % (-: reduction)	notes on changes:
Schools block (£s)	306,191,892	297,263,671	8,928,221	+3.0%	unit funding has gone up by 2.5% & 2.8% plus secondary numbers increased by 3.2%; offset by slight primary number reduction.
Central school services block (£s)	2,742,301	2,773,572	-31,271	-1.1%	historic responsibilities was 599k & 147k in 2020/21, but £147k element no longer exist (Prudential borrowing)
High needs block (£s)	75,523,356	68,366,381	7,156,975	+10.5%	mainly driven by increase in numbers.
Early years block (£s)	34,388,430	37,185,464	-2,797,034	-7.5%	Based on participation, numbers participating is reducing.
Total DSG allocation (£s)	418,845,979	405,589,088	13,256,891	+3.3%	overall 3.3% increase in funding allocation

3.2 DSG Management Plan deficit is forecasted to increase further due to an increase in current year deficit forecast of £2.689m (movement between P08 forecast in this report and P04 forecast in previous version). Without mitigations and increased government funding the current trends indicate that this would result in an unmitigated DSG deficit of £26.788m for 2021-22.

3.3 In order to deliver the service need on a sustainable footing, work and collaboration continue with Transformation Programme working group to finalise early mitigation proposals for consideration by the Schools Forum in March 2022, and further work and engagement thereafter and where appropriate consultation on the co-design of these potential mitigations for development and implementation in subsequent years.

3.4 Table 2 below provide high level calculations, for illustration purposes only of the potential variation in the financial position if the hypothesis being considered, including additional government funding where implemented.

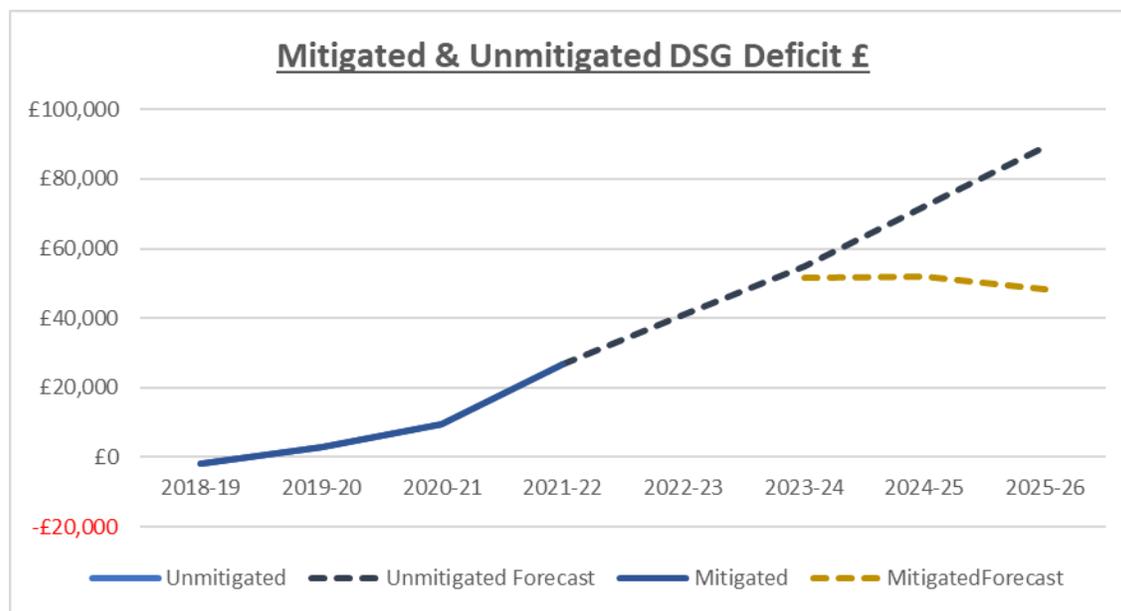
Table 2	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL
Demand management	£0	£0	-£161,907	-£203,691	-£257,074	-£622,672
Supply of Provisions	£0	£0	-£2,680,259	-£3,908,224	-£4,140,912	-£10,729,395
HNB Income Forecast	£0	£0	-£4,510,152	-£9,290,913	-£14,358,520	-£28,159,585
Total	£0	£0	-£7,352,318	-£13,402,828	-£18,756,506	-£39,511,652

3.5 Based on the work completed to date mitigations of £0.871m originally outlined in the 2022-23 financial year has been removed to enable further work. This has been offset by increased funding in HNB of £0.351m confirmed by ESFA December 2021 allocation and resulting in an indicative £39.512m of mitigations.

3.6 The movement outlined above results in a movement in the mitigated DSG deficit forecast of £3.163m from 2022-23 to £40.975m, and will reach £48.175m in 2025-26, as opposed to £45.012m in the November version of the DSG deficit management report. The projected movement is illustrated in Table 3 and graph below.

DSG Summary of end of year positions as at January 2022

Table 3	2018-19 £,000s	2019-20 £,000s	2020-21 £,000s	2021-22 £,000s	2022-23 £,000s	2023-24 £,000s	2024-25 £,000s	2025-26 £,000s
Revised DSG position (surplus)/deficit reported to the Cabinet in January 2022	-£1,962	£2,893	£9,527	£26,788	£40,975	£49,481	£51,831	£48,175
Planned DSG position (surplus)/deficit reported to Schools' Forum in November 2021	-£1,962	£2,893	£9,527	£24,099	£37,812	£46,318	£48,668	£45,012



Further details of previous version of DSG management plan and its background context is available via [Nov2021 DSG Mgt Plan](#).