

Bristol Schools Forum
DSG Budget Monitor 2022/23 Quarter 1

Date of meeting:	11 July 2022
Time of meeting:	5.00 pm
Venue:	Virtual meeting

1 Purpose of report

- 1.1 This report provides information of the forecast financial position for the DSG overall as at Quarter one (to end of May 2022 extrapolated).

2 Recommendation

2.1 Schools Forum is invited to:

- a) note the in-year 2022/23 position for the overall DSG.**

3 Background

- 3.1 This is the first budget monitor paper for 2022/23 to be presented to Schools Forum.
- 3.2 The report updates Schools Forum on the position at Quarter 1 (Q1, to end of May extrapolated) 2022/23.

4 Budget monitoring 2022/23

- 4.1 The DSG ended the 2021/22 financial year with a cumulative deficit of £24.650m including deficit brought forward from the previous years of £10.004m.
- 4.2 This first quarter forecast is showing the in-year forecast deficit of £15.618m, which when added to the brought forward balance will give a total deficit of £40.267m to carry forward at the end of the year. The main area of concern is the High Needs block which is forecasting an in-year overspend of £14.813m (excluding transformation programme), this is despite an increase in funding in this block.

The Quarter 1 position is set out in **Table 1** with more detail set out in **Appendix 2**.

Table 1: Forecast position on overall DSG for 2022/23 at Quarter 1 (to end of May 2022 extrapolated)

<i>All figures £'000</i>	<i>End of year b/f Deficit</i>	<i>Transfers</i>	<i>b/f Deficit</i>	<i>DSG Funding 2022/23</i>	<i>Forecast Outturn Quarter 1 2022/23</i>	<i>In-year variance</i>	<i>Forecast Carry- forward Quarter 1 2022/23</i>
Schools Block	(1,517)	1,517	0	304,661	304,661	0	0
De-delegation Schools	(504)		(504)	0	(0)	(2)	(506)
Central Block	8		8	2,742	2,742	0	8
Early Years High Needs Block	(472)		(472)	34,388	34,455	66	(406)
Education Transformation	27,876	(1,517)	26,358	78,214	93,028	14,813	41,172
	(740)		(740)	1,531	2,271	740	0
Funding	-		-	(421,537)	(421,537)	0	0
Total	24,650	0	24,650	0	15,618	15,618	40,267

- 4.3 **Schools Block (nil balance).** All of the formula funding for maintained mainstream schools and academies has been allocated. Scope for variation is in the growth fund, or if schools close during the year. P02 forecast is anticipating budget will be fully spent.
- 4.4 **De-delegated resources (Nil variance).** At this stage of the year it is anticipated that this will be in a balanced position. Any variance will be carried forwards to future years.
- 4.5 **School Central Services Block (Nil Variance).** It is expected that all of the services in this block will spend to budget.
- 4.6 **Early Years Block (£0.066m forecast overspend).** Early Years income and expenditure is based on participation throughout the academic year, so the reported position will change in subsequent reports.

Early Years is experiencing significant pressure in emerging SEN; the current overspend in this area is £0.2m. The Service is currently developing mitigation proposals following agreement in principle with the Forum in May 2022 to utilise some of the £0.472m carry forward fund for delivering mitigation programmes. A separate paper detailing resources requirement was presented by Early Year's Head of Service.

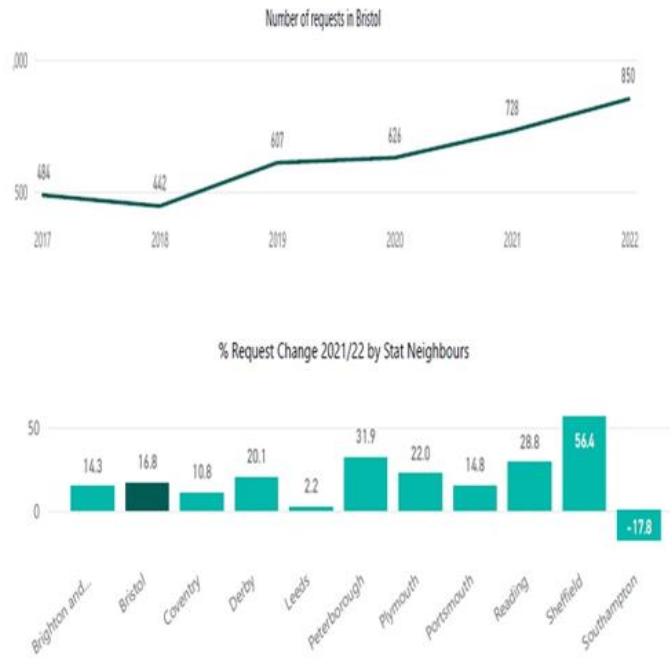
- 4.7 **High Needs Block (£14.813m forecast overspend).** The High Needs block is forecasting an in-year overspend of £14.813m at this stage of the year. This means at the end of this financial year the cumulative overspend in High Needs Block will reach £41.172m when adding

cumulative brought forward deficit balance of £26.358m after partially offset by £1.517m underspend transferred from the Schools' Block which was agreed with the Schools' Forum in May 2022 meeting.

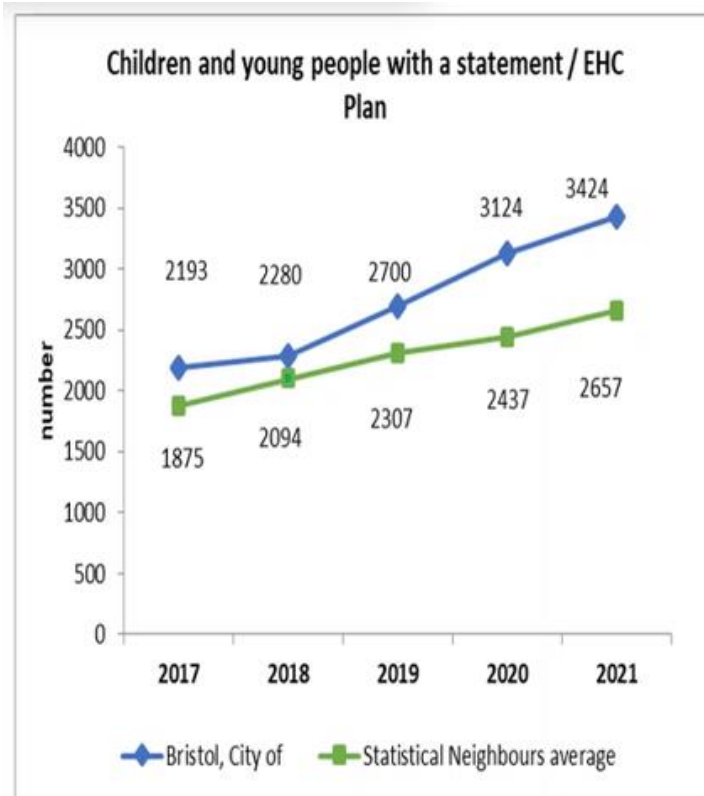
- 4.8 Top-up funding remains the single greatest pressure, with a significant forecast in year overspend of £10.687m in 2022/23. Current forecast is based on 2021/22 panels outcome which may result further deviation from this present outturn.
- 4.9 Detailed reports relating to SEND demand, forecasting and short to longer term changes in spend are being developed, these will be presented at future meetings, alongside the DSG Management Plan. Graphs outline current trend of Children and Young People requiring EHC plans is available in **Appendix 1**.
- 4.10 **The Education Transformation Programme** commenced in 2020-21 and is primarily concerned with SEN and consequently the High Needs Block, this will need to reduce future cost pressures in the block and make it more sustainable. Nationally High Needs continues to be challenging and in Bristol this has been exacerbated by work to clear the backlog of EHCP.
- 4.11 Following agreement of the Forum, the amount transferred from the Schools Block in 2022/23 is being used to contribute towards delivering the DSG Management Plan. We are currently forecasting that this funding of £1.531m will be fully utilised in 2022/23, and any underspends will be ring fenced and carried forward for this programme.
- 4.12 **Funding (Nil Variance).** £421.537m is the latest DSG amount notified by the ESFA as of 30th March 2022.

In summary the DSG is forecasting an in year overspend of £15.618m in Quarter 1 2022/23 against annual funding of £421.537m (per ESFA announcement on 30th March 2022), or a cumulative forecast overspend of £40.267m when including £24.650m deficit balance brought forward from previous years. As there is no indication of extending statutory overwrite by DfE or ESFA, therefore we will work on the assumption that this will end by 31/3/2023. This means delivering DGS management plan and mitigations will remain to be one of the key priorities for 2022-23. Detailed plans will be shared with the Forum in future meetings to bring High Needs overspend to a sustainable footing.

Appendix 1a: Number of initial EHCNA requests in Bristol and request increase benchmarking with neighbouring cities:



Appendix 1b:



**Appendix 2 - Forecast position for Overall DSG 2022/23 as at Quarter 1
(to end of May 2022 extrapolated)**

Bristol DSG Forecast Outturn position as at Quarter 1 2022/23	Brought forward 1.4.22	Funding 2022/23	Quarter 1 Forecast Outturn	In-year movement	Carry forward 31.3.23	2021/22 Outturn	Movement
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Maintained Schools		82,610	82,610	0		82,672	(82,672)
Academy Recoupment		219,162	219,162	0		209,874	(209,874)
Growth Fund		2,889	2,889	0		2,420	(2,420)
Schools Block	0	304,661	304,661	0	0	294,966	(294,966)
De-delegation Services	(504)	0	(2)	(2)	(506)	49	(51)
Admissions	6	557,581	558	0	6	532	(532)
Centrally Retained	1	2,185	2,185	0	1	2,102	(2,102)
Schools Central Services	8	2,742	2,742	0	8	2,634	(2,634)
National Formula		26,675	26,615	(60)		27,523	(27,583)
2 Year Old Funding		3,088	3,087	(1)		3,562	(3,563)
Pupil Premium (EYPP)		356	339	(18)		288	(306)
Additional Support Services		500	500	0		499	(499)
SEN Top up		1,600	1,800	200		1,774	(1,574)
Staffing		2,029	2,014	(15)		1,980	(1,995)
Disability Access Fund		140	100	(40)		56	(96)
Early Years Block	(472)	34,388	34,455	66	(406)	35,681	(35,615)
Commissioned Services		2,612	3,548	936		3,069	(2,133)
Core Place Funding		8,950	8,950	0		8,499	(8,499)
Staffing		1,202	1,232	30		2,178	(2,148)
Top Up		38,679	49,365	10,687		42,845	(32,158)
Placements		10,396	13,113	2,717		12,264	(9,547)
Pupil Support		936	1,294	359		1,241	(883)
HOPE Virtual School		236	321	85		269	(184)
Academy Recoupment		15,204	15,204	0		13,415	(13,415)
Education Transformation		1,531	2,271	740		1,472	(732)
High Needs Block	25,619	79,745	95,298	15,554	41,173	85,252	(69,699)
Funding		421,537	421,537			(403,936)	
Total	24,650	(0)	15,618	15,618	40,267	16,788	(1,171)