

Bristol Schools Forum
DSG Budget Monitor 2022/23 Period 5 Quarter 2 (P5 Q2)

Date of meeting:	27 September 2022
Time of meeting:	5.00 pm
Venue:	City Hall

1 Purpose of report

- 1.1 This report provides information of the forecast financial position for the DSG overall as at Period 5 Quarter two (P5 Q2 to end of August 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 The report updates Schools Forum on the position at P5 Q2 (to end of August 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.

This second quarter forecast is showing the in-year forecast deficit of £19.906m (v.s. £15.618m in Q1), which when added to the brought forward balance will give a total deficit of £44.556m to carry forward at the end of the year. This represents an adverse movement of £4.288m from Quarter 1 (Q1) forecast. High Needs top up demand continue to surge as number of EHCP applications (new) reached 204 cases (Primary: 167; Secondary: 37) plus re-banding request of 106 cases (Primary: 87; Secondary: 19). This is equivalent to a total additional request of £ 1.343m in June 2022 panel only. The main area of concern is still within High Needs block which is forecasting an in-year overspend of £18.696m (excluding £0.740m planned overspend in transformation programme funded from previous years' underspend).

June 2022 top up panel results is summarised as below:

June 2022 top up panel results:			
Primary	No. Applications	Total Awarded	Total Increase
New	167	£744,568.48	£744,568.48
Increase	87	£686,198.51	£324,201.43
Total	254	£1,430,766.99	£1,068,769.91
Secondary	No. Applications	Total Awarded	Total Increase
New	37	£212,871.00	£212,871.00
Increase	19	£137,380.17	£61,179.25
Total	56	£350,251.17	£274,050.25

The P5 Q2 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 P5 Q2 (to end of August 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 2 2022/23</i>	<i>In-year variance</i>	<i>Forecast Carry- forward Quarter 2 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	(472)		(472)	35,988	36,457	469	(3)
High Needs Block	27,876	(1,517)	26,358	78,607	97,303	18,696	45,055
Education Transformation	(740)		(740)	1,531	2,271	740	0
Funding	-		-	(423,529)	(423,529)	0	0
Total	24,650	0	24,650	0	19,906	19,906	44,556

4.2 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. P05 forecast is anticipating budget will be fully spent.

- 4.3 **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.
- 4.4 **School Central Services Block (Nil Variance).** It is expected that all of the services in this block will spend to budget.
- 4.5 **Early Years Block (£0.469m 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 £0.369m; partially offset by savings in Central Team staffing (£0.15m) and adjustments in other factors (£0.09m) to align with latest allocation (July 2022). The Forum has approved to utilise £0.340m from carry forward fund for Early Years (£0.25m) and Nursery (£0.09m) improvement programmes which is included within total overspend in Early Years.

- 4.6 **High Needs Block (£18.696m forecast overspend).** The High Needs block is forecasting an in-year overspend of £18.696m, extrapolated based on June 2022 panel outcome. This means at the end of this financial year the cumulative overspend in High Needs Block will reach £45.055m 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.
- 4.7 Top-up funding remains the single greatest pressure, with a significant forecast in year overspend of £14.139m in 2022/23. Current forecast is based on June 2022 panel outcome which may result further deviation from this present outturn.
- 4.8 High Needs recovery plan proposals has been developed alongside the DSG Management Plan as part of the LA's priority to bring DSG spend to sustainable footing, these will continue to be shared with the Forum at future meetings.

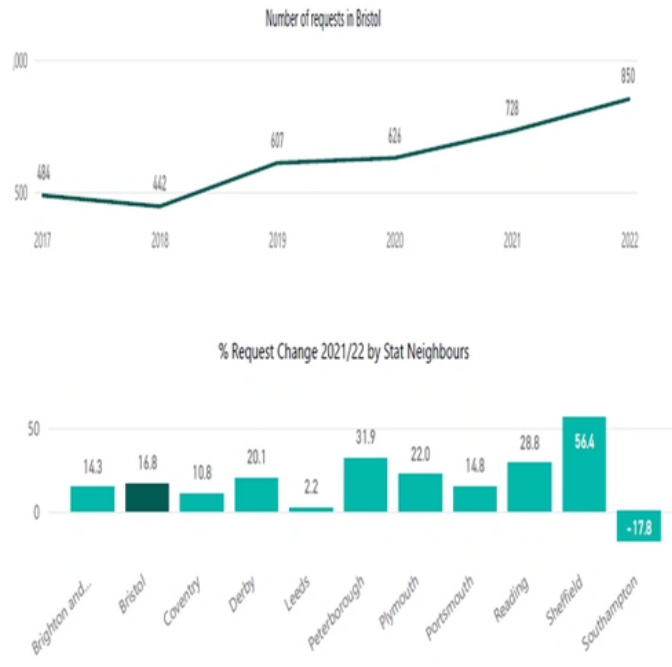
Graphs outline current trend of Children and Young People requiring EHC plans is available in **Appendix 1**.

- 4.9 **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.

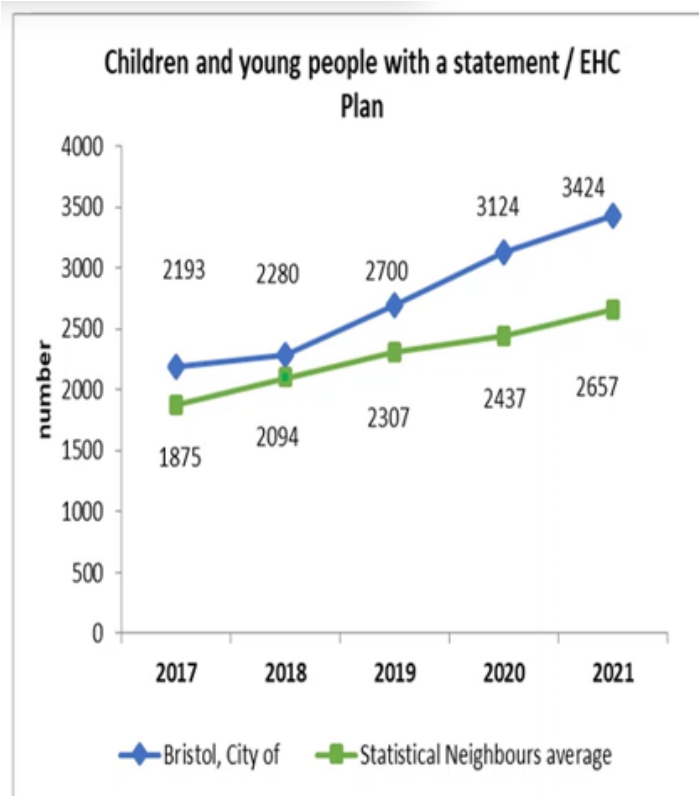
4.10 Funding (Nil Variance). £423.529m is the latest DSG amount notified by the ESFA as of 19th July 2022.

In summary the DSG is forecasting an in year overspend of £19.906m in Quarter 2 2022/23 against annual funding of £423.509m (per ESFA announcement on 19th July 2022), or a cumulative forecast overspend of £44.556m 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. In order to bring DSG annual spend back to a sustainable footing, Bristol has been actively engaging with DfE (Department for Education) DBV programme (Delivering Better Value in SEND). Further details on DBV programme updates and DSG Management Plan with potential mitigation options is included within other papers for designated agenda items in September 2022 meeting.

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 P5 Q2 (to end of August 2022 extrapolated)

Bristol DSG Forecast Outturn position as at Period 5 Quarter 2 (P5 Q2) 2022/23	Brought forward 1.4.22	Funding 2022/23	P5 Q2 Forecast Outturn	In-year movement	Carry forward 31.3.23
	£'000	£'000	£'000	£'000	£'000
Maintained Schools		82,610	82,610	0	
Academy Recoupment		219,162	219,162	0	
Growth Fund		2,889	2,889	0	
Schools Block	0	304,661	304,661	0	0
De-delegation Services	(504)	0	(2)	(2)	(506)
Admissions	6	557,581	558	0	6
Centrally Retained	1	2,185	2,185	0	1
Schools Central Services	8	2,742	2,742	0	8
National Formula		27,808	27,728	(79)	
2 Year Old Funding		3,541	3,541	0	
Pupil Premium (EYPP)		370	288	(82)	
Additional Support Services		500	500	0	
SEN Top up		1,600	1,969	369	
Staffing		2,029	2,353	324	
Disability Access Fund		140	78	(62)	
Early Years Block	(472)	35,988	36,457	469	(3)
Commissioned Services		2,612	3,548	936	
Core Place Funding		9,448	9,448	0	
Staffing		1,202	1,274	72	
Top Up		38,679	53,275	14,596	
Placements		10,396	13,113	2,717	
Pupil Support		936	1,294	359	
HOPE Virtual School		236	252	17	
Academy Recoupment		15,099	15,100	1	
Education Transformation		1,531	2,271	740	
High Needs Block	25,619	80,138	99,576	19,437	45,055
Funding		423,529	443,436		
Total	24,650	0	19,906	19,906	44,556