

Bristol Schools Forum
DSG Budget Monitor 2022/23 Period 8 (P8)

Date of meeting:	12 January 2023
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 Period 8 (P8 to end of November 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 P8 (to end of November 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.

Period 8 forecast is showing the in-year forecast deficit of £18.825m (v.s. £20.182m in P7), which when added to the brought forward balance will give a total forecast deficit of £43.475m to carry forward at the end of the year. This represents a favourable movement of £1.357m from P7 forecast position; mainly driven by reprofiling in planned overspend associated with improvement programmes in Early Years Block £0.217m; £0.5m reduction in ALP and £0.557m reduction in Growth funding.

The P8 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 P8 (to end of November 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 P8 2022/23</i>	<i>In-year variance</i>	<i>Forecast Carry- forward P8 2022/23</i>
Schools Block	(1,517)	1,517	0	304,661	304,661	0	(557)
De-delegation Schools	(504)		(504)	0	(0)	0	(504)
Central Block	8		8	2,742	2,742	0	8
Early Years	(472)		(472)	35,987	36,455	468	(4)
High Needs Block	27,876	(1,517)	26,358	78,466	96,641	18,175	44,533
Education Transformation	(740)		(740)	1,531	2,271	740	0
Funding	-		-	(423,388)	(442,213)	0	0
Total	24,650	0	24,650	0	18,825	18,825	43,475

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, which has been revised down to £2.332m; from £2.889m budgeted spend based on latest NOR (October 2022 Census return).

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 (£0.468m 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 £0.579m; partially offset by savings in Central Team staffing (£0.03m) and adjustments in other factors (£0.2m) to align with latest allocation (November 2022). The Forum has approved to utilise £0.340m from carry forward fund for Early Years (£0.25m) and Nursery (£0.09m) improvement programmes; £0.123m is included within total overspend in Early Years.

4.6 **High Needs Block (£18.915m forecast overspend).** The High Needs block is forecasting an in-year overspend of £18.175m, extrapolated based on September 2022 panel outcome; or £18.915m including

£0.740m planned overspend on Transformation Programme to utilise previous years' carry forward funds. This means at the end of this financial year the cumulative overspend in High Needs Block will reach £44.533m when adding cumulative brought forward deficit balance of £25.618m; 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 in year forecast overspend of £15.751m in 2022/23. Current forecast is based on September 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 and Department of Education Delivering Better Value for SEND Programme (DfE DBV programme) as part of the LA's priority to bring DSG spend to sustainable footing, further updates is available in a separate paper and is covered in Education Director's updates.

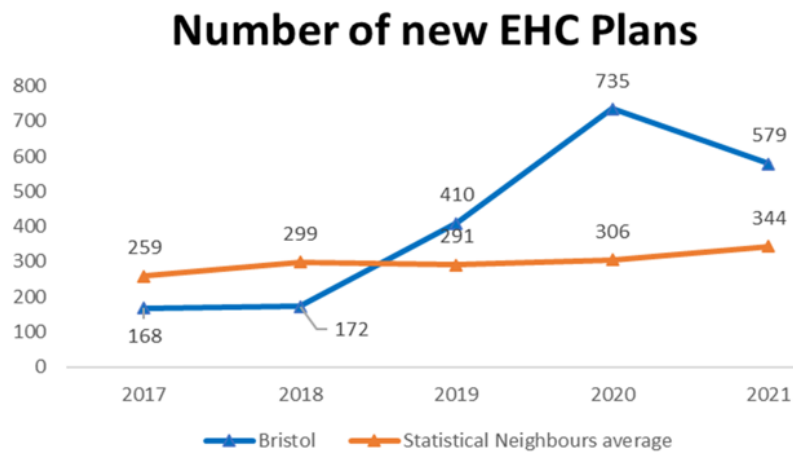
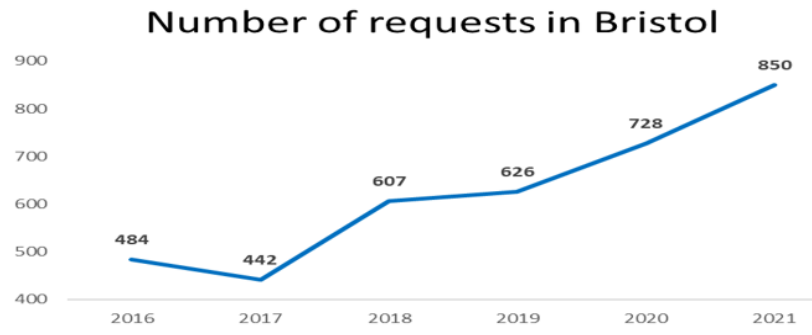
Graphs outline current trend of Children and Young People requiring EHC plans is available in **Appendix 1**.

- 4.9 **The Education Transformation Programme** commenced in 2020-21, now known as Belonging with SEND Programme, primarily concerned with SEN and consequently the High Needs Block, a separate report is provided to cover this (Agenda Item 7). 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)**. £423.388m is the latest DSG amount notified by the ESFA in November 2022.

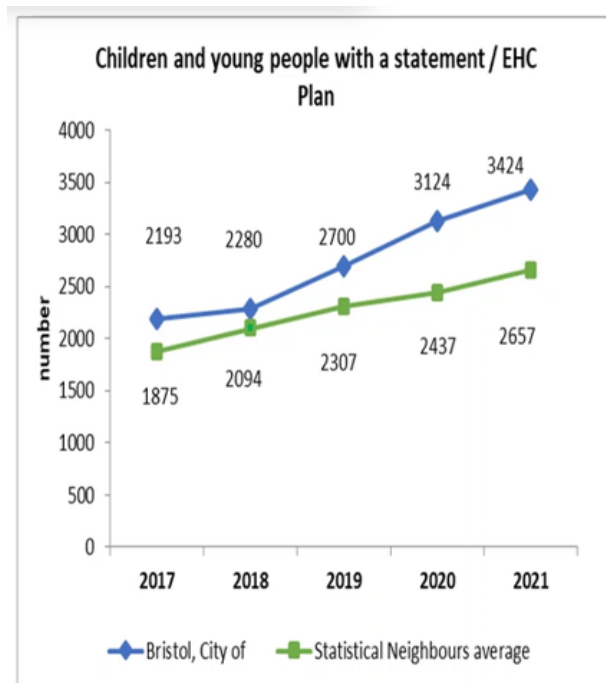
In summary the DSG is forecasting an in year overspend of £18.825m in P8 against annual funding of £423.388m (per ESFA announcement in November 2022). This is equivalent to a cumulative forecast overspend of £43.475m when including £24.650m deficit balance brought forward from previous years.

As statutory overwrite has been extended by DHCLG (Department of Housing, Communities and Local Government) for another three years, this gives the LA more time to deliver DGS management plan and mitigations with the aim to bring DSG annual spend back to a sustainable footing. Bristol has been actively engaging with DfE DBV programme (Delivering Better Value in SEND). Further details on DBV programme updates and High Needs Recovery plan with potential mitigation options is included within Education Director's update.

Appendix 1a: Increase in initial EHCNA requests in Bristol and Number of new EHC plans benchmarking with neighbouring cities:



Appendix 1b:



Appendix 2 - Forecast position for Overall DSG 2022/23 as at P8 (to end of November 2022 extrapolated)

Bristol DSG Forecast Outturn position as at Period 8 (P8) 2022/23	Brought forward 1.4.22	Funding 2022/23	P8 Forecast Outturn	In-year movement	Carry forward 31.3.23
	£'000	£'000	£'000	£'000	£'000
Maintained Schools		80,377	80,377	0	
Academy Recoupment		221,394	221,394	0	
Growth Fund		2,889	2,332	(557)	
Schools Block	0	304,661	304,104	(557)	(557)
De-delegation Services	(504)	0	0	(0)	(504)
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		27,811	27,716	(95)	
2 Year Old Funding		3,541	3,541	0	
Pupil Premium (EYPP)		370	328	(42)	
Additional Support Services		500	500	0	
SEN Top up		1,600	2,179	579	
Staffing		2,025	1,991	(34)	
Disability Access Fund		140	78	(62)	
EY & Nursery improvement work		0	123	123	
Early Years Block	(472)	35,987	36,455	468	(5)
Commissioned Services		2,612	3,548	936	
Core Place Funding		9,307	9,308	1	
Staffing		1,202	1,265	63	
Top Up		38,679	54,429	15,751	
Placements		10,396	11,442	1,046	
Pupil Support		936	1,299	363	
HOPE Virtual School		236	250	14	
Academy Recoupment		15,099	15,100	1	
Education Transformation		1,531	2,271	740	
High Needs Block	25,619	79,997	98,912	18,915	44,533
Funding		423,388	442,213		
Total	24,650	0	18,825	18,825	43,475