



Item 6: DSG Budget Monitoring July 2021

DSG Budget Monitoring July 2021

SUMMARY

- Introducing a new format for the Budget monitoring (Appendix A) with the central schools service block (CSSB) funded items shown in a separate section.
- No significant variances are shown on the appendix A but we are currently forecasting a pressure for High Needs budgets and Early Years Inclusion Budgets of £2.7m in 2021-22 in the Out of LA, Special School, Alternative Provision and Early Years Inclusion Budgets as in prior years.
- We took part in a national study conducted by the Society of Treasurers (Appendix B). This confirms high needs overspends are a National issue and makes several recommendations to Government.
- WNC is in a better position than many LAs and work will continue towards bringing the High Needs budgets in to a balanced position.

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Budgets by Block

DSG Block	WNC Prior Year Budget £k	Gross Budget £k	Recoupment £k	Net Budget £k
Schools Block	500,446	299,614	(235,679)	63,935
Central Schools Service Block	7,104	4,431	0	0
Early Years Provision	47,910	25,898	0	25,898
High Needs	92,022	55,548	(15,801)	39,747
DSG TOTAL	647,482	385,491	(251,480)	129,580

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Society of County Treasurers (SCT) Study on DSG balances by Block

- On 30 April, the Society of County Treasurers' Technical Support Team issued the Dedicated Schools Grant Deficits Survey to SCT members.

“We’re interested in getting a more granular picture from LAs on current and projected DSG deficits, in addition to engagement we know you’re having with DfE. This is so that we get the full picture of the impact of the deficits and how they interact with wider LA finances, in addition to DfE’s education-focussed approach.”

- 100% response rate
- We submitted a separated NCC set of data for WNC and NNC

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SCT Study Headlines

- In 2020-21 SCT members received £20.37bn of Dedicated Schools Grant, up from £19.2bn in 2018-19 and forecasted to rise to £23.2bn in 2024-25.
- An increasing share has been and will be allocated to high needs – from 14.8% in 2018-19 to 17.7% in 2024-25.
- Funding is expected to rise for all blocks except for Central Services.
- DSG Deficits are expected to reach £410m per year in 2024-25 – a cumulative deficit of £1.84bn.
- SCT members forecast a total transfer of £198m from schools and central blocks to High Needs over the surveyed period.
- Despite this, High Needs deficits are forecasted to increase in size each year following a slight contraction in 2020-21.
- In cumulative terms, High Needs deficits have increased or are forecasted to increase throughout the surveyed period; currently (March 2021) at almost £750m this is forecasted to almost triple to well over £2bn by March 2025. Almost all SCT members saw an in-year high needs deficit in 2019-20 and 2020-21.

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SCT Study recommendations

- Alignment of SEND and funding policy and consistent application nationally
- Reviewing the effect of the current Ofsted system which does not incentivise schools to take responsibility for the needs of all children as they are not held accountable for the children they permanently exclude,
- Capping of Independent school fees and review the parental option of school choices to prevent High cost places being the preferred choice even though Mainstream Special schools can provide the need at a fraction of the cost.

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Conclusion

Schools Forum to note 2021-22 budgets and new layout by funding block for the future budget monitoring items.

SCT work on block funding is brought for information and discussion regards the issues West Northants faces with the high needs budget pressure and future plans to achieve a balanced position.