

Dedicated Schools Grant 2021/22

The dedicated schools grant is allocated through a nationally determined formula to local authorities in 4 blocks the forecast position for 2021/22 is outlined below;

- Central Services Schools Block - provided to provide funding to Local Authorities to support carrying out statutory duties on behalf of schools.
- Schools Block - This is intended to fund mainstream (non-special) Schools
- High Needs Block - This is to fund Special Schools, additional support in mainstream schools for Special Educational Needs (SEND) and other SEND placements / support.
- Early Years Block -This funds the free/extended entitlement & funding of places for 2, 3 and 4 year olds in school nurseries and Private, Voluntary and Independent (PVI) Sector settings.

DSG Funding Blocks	Estimated DSG Settlement £000	Block Transfer 2021/22 £000	Revised DSG 2021/22 £'000	Projected Distribution / Spend 2021/22 £000	Forecast Surplus / (Deficit) £000
Schools Block	183,081	(878)	182,203	182,036	168
Central School Services Block	1,114	0	1,114	1,114	0
High Needs Block (Pre/Post 16)	28,195	878	29,073	31,467	(2,393)
Early Years Block	17,495	0	17,495	16,706	787
Total	229,884	0	229,884	231,323	(1,439)

The projected outturn position against the 2021/22 DSG settlement is included in the table above. It should be noted that the DSG allocation is adjusted throughout the financial year by the DfE for High Needs allocations to academies and out of borough adjustments and Early Years Funding based on take-up of places. Tameside MBC starts the financial year with a carried forward deficit of £1.686m which will need to be addressed.

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Schools Block

The forecast surplus of £0.168m on the schools block relates to actual business rates charges being lower than estimated (£0.049m) and unallocated growth (£0.118m). As agreed with Schools Forum in January 2021, the unallocated growth should support the deficit on the DSG. The growth allocation is based on pupil numbers at the October 2021 census point and the figures will be updated once this has been finalised. Any surplus on the schools block is proposed to contribute to the DSG reserve deficit.

High Needs

A full review of funded places has taken place summer term and the projections updated accordingly for actual funded plans approved. The growth projection for the remaining financial year has been adjusted and reflected in the spend. The in-year projected overspend is £2.4m, the growth in Education Health Care Plans (EHCP's) is the reason for the overspend against the grant allocation given by DfE for 2021/22.

It is worth noting the funding for Tameside is capped and if there was sufficient funding in the national formula Tameside would receive an additional £3.2m in 2021/22 (£8m cap over the 3 period 2020/21 to 202/23). Tameside receives the lowest High Needs funding in Greater Manchester, receives £8m less than Bury MBC, using numbers of EHCP's as a proxy indicator Tameside receive £47k per plan where as Bury receive £72k per plan. Although the funding formula is significantly flawed, we must live within the ring-fenced funding envelope provided.

The SEN Team have reviewed the new plans issued to date this financial year and used this information to update the expected growth in EHCP's to the end of the financial year across the sectors. Initial projections expected 207 new EHCP'S to be issued in year, this was based on pre-covid assumptions and since covid this trend appears to have reversed. After reviewing the current plans issued to date this has been revised to include 407 new plans expected for the full financial year, it is this that is driving the increased costs and deficit.

Sector	Forecast April-21	Original-Expected-Growth-In-Year	Actual-Growth-Summer-21	Revised-Growth-In-Year	Expected-Growth-in-Plans-by-Year-End
Mainstream	575	63	82	249	824
Resourced	57	40	-2	40	97
Special	676	74	5	52	728
Pre-16 (Independent, OOB & NMSS)	212	0	25	36	248
Post-16	209	30	13	30	239
Totals	1,729	207	123	407	2,136

Early Years

As a result of the pandemic a different approach to funding has been taken by the DfE for 2021/22. The need for change arises as the number of children who were counted at the normal census point are expected to be lower than normal for that time of year as the measurement point was taken during a lockdown period. The change in approach means that rather than having one data collection point in the financial year from which the funding is calculated, there will be termly assessment points and the funding will be adjusted in line with those census collection points.

The projections are based on the actual payments made to providers for the summer term and estimated uptake for the autumn and spring terms for 2, 3 and 4 year olds. The current forecast indicates an underspend of £0.918m for 3 & 4 year olds, an overspend of £0.05m for 2 year olds and an overspend £0.03m on early years pupil premium.

The spending forecasts have been made against the funding we have been notified of for 2021/22, however it is possible this funding will reduce as outlined above, and the variance/underspend will fluctuate accordingly, it is envisaged that the position may become more balanced and there will not be an underspend by year end.

This area will need to be monitored closely throughout the year to assess the impact. There is a risk that participation will increase after the data collection point and funding allocated will not be sufficient to cover the actual cost, updates will be reported to Members and Schools Forum throughout the year.

Central Services Schools Block

The central service schools block is estimated to be fully spent.

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DEDICATED SCHOOLS GRANT RESERVE POSITION

Prior year's dedicated schools grant is set aside in an earmarked reserve details of which are outlined in the table below for both the final year end position in 2020/21 and the projection for 2021/22.

	2020/21 Forecast Surplus / (Deficit)	2021/22 Forecast Surplus / (Deficit)
DSG Reserve Brought Forward	(557)	(1,686)
Schools Block	295	168
Central Service Block	6	0
In year deficit on High Needs Block	(1,822)	(2,393)
In year surplus on Early Years	703	787
Estimated Early Years 2020/21-22 Adjustment (TBC Nov 2021)	(293)	0
Early Years Block 2019/20 Adjustment	(18)	0
DSG Reserve after Commitments	(1,686)	(3,124)

In 2020/21 the deficit has increased from £0.557m to £1.686m there has been a reduction in the reserve, in the main this due to funding the overspend on the High Needs Block. There have been contributions to the reserve in year too, the most significant of these relating to surplus funds in the Early Years Block, the underspend on schools block relates to business rates and unallocated growth.

If the 2021/22 projections materialise, there would be a deficit of £3.124m on the DSG. Under DfE regulations we are required to produce a deficit recovery plan which will be submitted to the DfE outlining how we expect to recover this deficit and manage spending and will require discussions and agreement of the Schools Forum. The position will be closely monitored throughout the year and updates will be reported to Members.