

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	DSG Settlement 2021-22 at Nov 2021* £000	Block Transfer 2021-22 £000	Revised DSG 2021-22 £000	Forecast Distribution / Spend 2021-22 £000	Forecast Surplus / (Deficit) £000
Schools Block	183,081	(878)	182,203	182,025	178
Central School Services Block	1,114	0	1,114	1,114	0
High Needs Block	28,196	878	29,073	31,375	(2,301)
Early Years Block	16,798	0	16,798	16,707	91
Total	229,188	0	229,188	231,221	(2,033)

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.

Schools Block

The forecast surplus of £0.178m on the schools block relates to actual business rates charges being lower than estimated (£0.049m) and unallocated growth (£0.129m). 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

The in-year projected overspend is £2.3m, 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.

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Early Years

Early Years Funding Block	Early Years DSG Settlement 2021-22 at November 2021 £000	Forecast Distribution / Spend 2021-22 £000	Forecast Outturn Surplus / (Deficit) £000
3 and 4 Year Olds Universal Entitlement	9,117	8,646	472
3 and 4 Year Olds Extended Entitlement	4,335	3,888	446
2 Year Olds	2,820	2,870	(50)
EY Pupil Premium	136	166	(30)
Disability Access Fund	73	34	39
Central Retention	780	706	75
SEN Inclusion Fund	232	397	(165)
Estimated Grant Clawback	(696)		(696)
Total	16,798	16,707	91

There is an overall expected surplus on the Early Years Block of £91,000. 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 we are therefore expecting clawback of EYDSG from DfE of approximately £696,000.

The current forecast indicates an underspend of £0.918m for 3 & 4 year olds, an overspend of £50,000 for 2 year olds and an overspend £30,000 on early years pupil premium. There is an overspend on the SEN Inclusion Fund of £165,000. This area will need to be monitored closely, updates will be reported to Members and Schools Forum at year end.

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 Surplus / (Deficit) £000	2021-22 Forecast Surplus / (Deficit) £000
DSG Reserve Brought Forward	(557)	(1,686)
Schools Block Subtotal	296	178
In year surplus on Central Schools Services Block	6	0
In year deficit on High Needs Block	(1,822)	(2,301)
In year surplus on Early Years	702	91
Variation to Early Years Block 2019-20 Adjustment	(18)	0
Estimated Early Years 2020-21 Adjustment & final adjustment as confirmed in November 2021	(293)	5
DSG Reserve after Commitments	(1,686)	(3,713)

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 £3.713m 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.