

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 School Services 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	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	1,107	7
High Needs Block (Pre/Post 16)	28,196	878	29,073	31,046	(1,973)
Early Years Block Confirmed Funding	16,577	0	16,577	16,424	153
Early Years Block Estimated Funding Adjustment	78	0	78	0	78
Total	229,045	0	229,045	230,602	(1,558)

The forecast 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 started the financial year with a carried forward deficit of £1.686m which will need to be addressed.

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Schools Block

The surplus of £0.178m on the schools block relates to actual business rates charges being lower than estimated (£0.049m) and unallocated growth (£0.128m). As agreed with Schools Forum in January 2021, the unallocated growth should support the deficit on the DSG. Any surplus on the schools block is proposed to contribute to the DSG reserve deficit.

High Needs

The high needs budget continues to be under significant pressure with a closing in year deficit for 2021/22 of £2.851m and after the schools block transfer of £0.878m, this reduces to £1.973m. This is a slightly improved position on period 10 by £0.300m.

The main reason for the pressure relates to the growth in Education Care Plans (EHCP's), although there has been significant growth in-year this is slightly lower than anticipated (see table below). The SEN Team were expecting to see growth of approx. 407 new plans throughout the financial year and the actual growth has landed at 294 new plans, taking the total number of EHCP's to 2,023.

Sector	Actual EHCP's April 21	Expected Growth In Year	Expected Plans at Year End	Final EHCP's March 22	Actual Growth Final 2021-22
Mainstream	575	249	824	688	113
Special	676	52	728	760	84
Resourced Units	57	40	97	87	30
Independent Schools	72	36	108	69	-3
PVI Settings	23		23	23	0
NMSS	9		9	10	1
OOB (Pre 16)	108		108	149	41
Post 16	209	30	239	237	28
Totals	1,729	407	2,136	2,023	294

As previously noted, there are a number of factors affecting and causing the pressure on the high needs budget. This includes the cap on the national funding formula which was £3.2m in 2021/22 and which will continue to affect the 2022/23 budget position and the growth in EHCP's, projections show these will continue to rise at similar levels in 2023 and 2024 before some slowing down in 2025 onwards.

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 was termly assessment points and the funding adjusted in line with those census collection points.

The Early Years block is forecast to underspend in 2021/22. This is mainly as a result of reducing participation for 3 and 4 year olds, partly offset by rising participation of 2 year olds. At present we are anticipating an overall £0.225m surplus, which takes into account the estimated adjustment to funding the DfE will make in July 2022.

The distribution/spend is based on the actual payments made to providers for 2, 3 and 4 year olds and central spend to support for the Early Years sector. The current position indicates an underspend of £0.289m for 3 & 4 year olds, an overspend of £0.055m for 2 year olds and an overspend £4k on early years pupil premium. The SEN Inclusion Fund has an overspend of £0.173m which is partly offset by underspends of £0.035m on the Disability Access Fund and £0.134m on the centrally retained budget. Savings on the centrally retained budget are as a result of reduced activity due to the Covid 19 pandemic and some staffing savings.

Due to the pressure on the SEN Inclusion Fund in 2021/22, it was agreed at Schools Forum in March 2022 to increase the budget as demand continues to grow in this area. This was afforded through an increase in the funding rates from DfE. This will be closely monitored throughout 2022/23 and updates will be reported to Schools Forum and Members.

Central Services Schools Block (CSSB)

There is a small surplus on the CSSB of £7k. This relates to Schools Forum costs being lower than budget as a result of remote meetings and a small surplus on Admissions as a result of reduced expenditure on non staffing resources.

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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 Surplus / (Deficit) £000
DSG Reserve Brought Forward	(557)	(1,686)
Schools Block	296	178
In year surplus on Central Service Block	6	7
In year deficit on High Needs Block	(1,822)	(1,973)
In year surplus on Early Years	703	147
Variation to Early Years 2019-20 Adjustment	(18)	0
Estimated Early Years 2020-21 Adjustment and Final Adjustment	(293)	6
Estimated Early Years 2021-22 Adjustment	0	78
DSG Reserve Closing balance	(1,686)	(3,243)

In 2020/21 the deficit increased from £0.557m to £1.686m. In the main this movement is 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.

The 2021/22 cumulative deficit on DSG is £3.243m, mainly as a result of the continued pressure on High Needs but partly offset by surpluses on the other funding blocks. Under DfE regulations the authority have produced a deficit recovery plan which has been submitted to the DfE outlining how we expect to recover this deficit and manage spending over the next 3 years. There is continual review with the DfE on the deficit recover and the position will continue to be closely monitored throughout the year and updates reported to Members.