



SCHOOLS FORUM
06 June 2023

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ITEM 01

Dedicated Schools Grant Centrally Held Budgets – 2022-23 Final Outturn

SUMMARY

- 1.1 The Dedicated Schools Grant (DSG) is a ring-fenced grant. Regulations allow any underspends or overspends to be carried forward and dealt with as part of the budget setting process for the following financial year. **Schools Funding Regulations do not permit a redetermination of schools budgets in year.** This report excludes balances held by schools.
- 1.2 The final outturn position for the central elements of the DSG for the financial year 22-23 was a £3.675 million pressure.

Overall DSG balances at the end of the financial year 31 March 2023, were £4.443m deficit. 3.2, gives contextual information to situation in Derby with 3.3 giving details of the final out turn.

RECOMMENDATIONS

- 2.1 To note the final outturn position for 2022-23 and cumulative mitigated forecast deficit in 23-24.

SUPPORTING INFORMATION

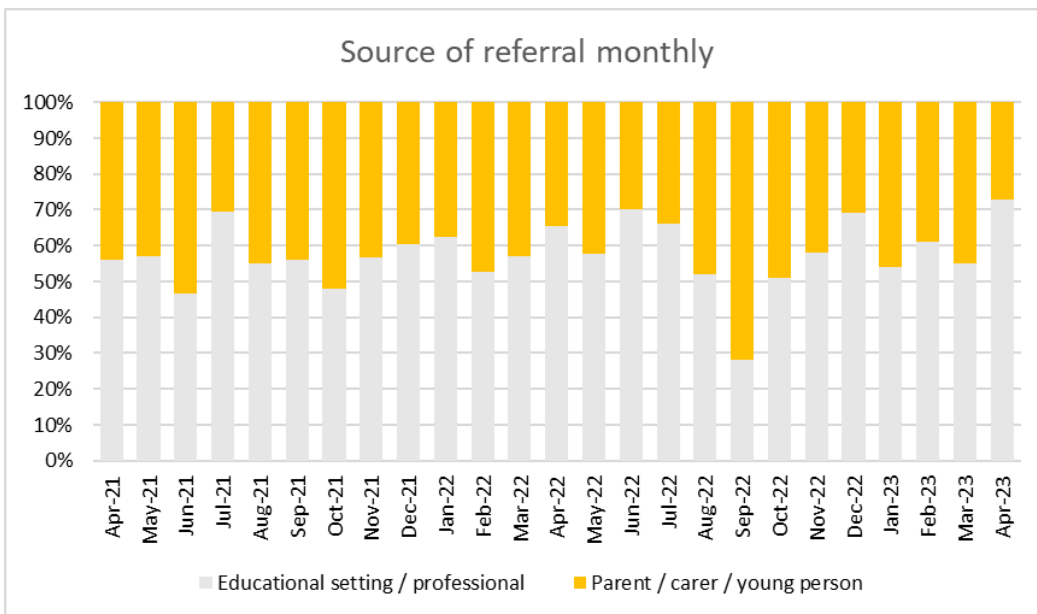
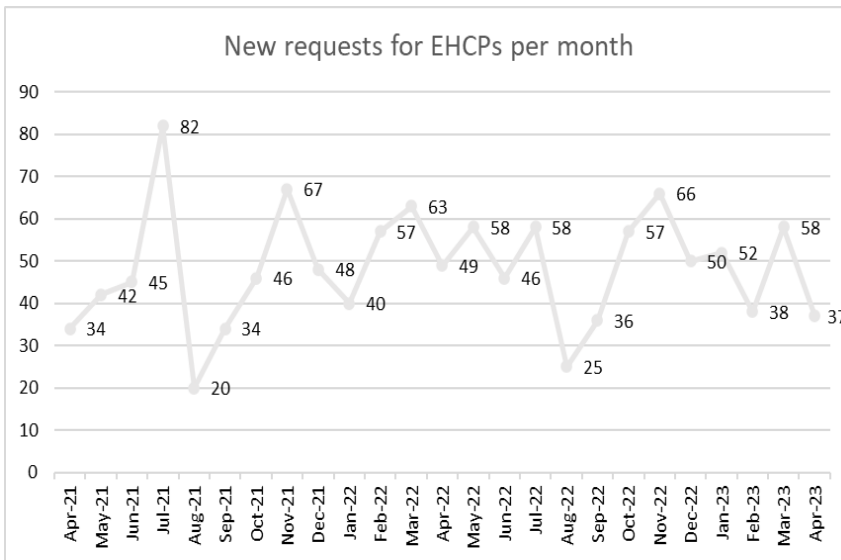
- 3.1 The DSG continues to report a deficit due to pressures within the High Needs Block. The deficit has reduced from the forecast reported at quarter 3 due to a reduction in HN out of authority charges, early years block underspend and cumulated underspends from assigned contingencies.

As part of the DSG deficit monitoring plan the following projects continue to be developed.

- Capital strategy to increase capacity within the City, increase support for SEMH and embed the Right Time, Right Place placement strategy for every child with SEND.

- Embedding the eDIT tool to all schools
- Establish SEN/AP centres of Excellence within the City.
- Establish 'spoke' schools with the support of mainstream schools.
- Develop SEND training within schools, increased digitalisation of the SEND service and continue to work with stakeholders and school forum on the progress of the initiatives

3.2 Within Derby the demand for Education and Health Care Plans (EHCP) continues to rise at an average of 50 new requests each month (and increase from 40 in 2019/20). The greater proportion of referrals are coming from educational setting and other professionals. Leaving around and average of 30-40% being referrals from parents, carers and young people



This demand is comparable with other local authorities both regionally and across England as shown in the table below.

Placement: EHCP by type (Source: SEN2 return)	Derby	Comparator authorities average	All unitary authorities (LG Inform)	East Midlands authorities	England
% special school total	37	37	35.1	38.9	35.7
% special academies	17.4	9.7	12.6	16.9	11.2
% LA maintained special schools	13.4	22.9	17.3	17	19.5
% independent special schools	3.9	3.7	4.2	4.1	4.1
% non-maintained special schools	2.3	0.7	1	0.9	0.9
% mainstream school total	37.4	36.4	40.4	37.4	40.1
% mainstream school academies	20.1	15	20.5	18.9	16.2
% LA maintained mainstream schools	10.4	15.1	14.3	13.4	17.3
% resourced provision LA maintained schools	3.2	2.8	1.9	0.8	1.5
% resourced provision mainstream academies	2.8	1.1	1.9	0.7	1.4
% mainstream free school	0.7	0.4	0.6	0.4	0.7
% mainstream independent school	0.2	0.5	0.6	0.6	1.1
% SEN units in LA maintained / academies	0	1.5	0.6	2.6	1.9
% post-16 provision total	16.5	18.3	14.6	15.6	16.6
% sixth form college	0.1	0.3	0.6	0.3	0.6
% other further education	5.6	1.7	1.6	1.8	1.2
% general FE and tertiary college / HE	9.1	14.6	12.4	11.9	13.2
% specialist post-16	1.7	1.7	N/A	1.6	1.6
% other provision total	9.3	8.1	1	8.2	7.6
% alternative provision / pupil referral unit	0.3	0.6	0.4	0.4	0.7
% non-maintained early years	0.3	0.4	0.5	0.7	0.5
% other than at school	0.9	0.2	0.1	0.2	0.5
% educated elsewhere	1.4	3	N/A	5.1	3.4
% NEET	6.4	3.9	N/A	1.8	2.5
Total	100	100	91.1	100	100

Special: Derby has the same proportion placed in all special schools as in comparator authorities, which is lower than in the East Midlands, and slightly higher than the national figure and unitary authorities average.

Derby has more EHCP pupils in special academies than in L.A. maintained special schools, which is the opposite in all other areas included in the table for comparison. Derby has over twice as many pupils placed in non-maintained special schools as all other areas.

Mainstream: Derby has a similar proportion placed in all mainstream schools as regionally and in comparator authorities, which is 2.7% lower than the national figure and 3% lower than the unitary authorities average.

Derby has more EHCP pupils in mainstream academies than in L.A. maintained mainstream schools, which is the same in both unitary and East Midlands authorities.

When looking at mainstream resourced provision placements, in both academies and L.A. maintained schools, Derby has a higher proportion in these than all other areas but no pupils in SEN units.

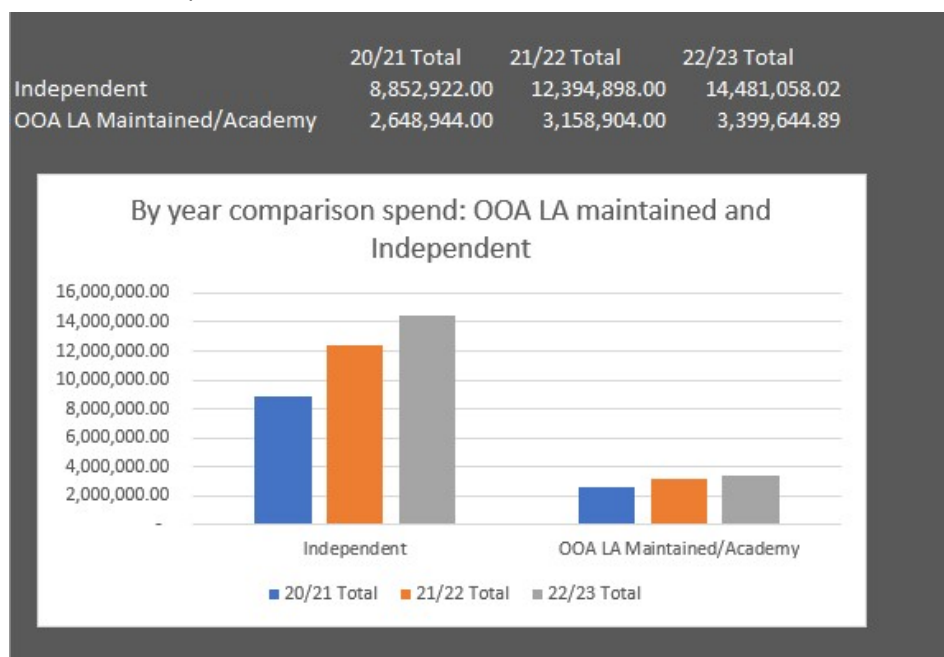
Post-16: Derby has a similar proportion placed in post-16 institutions as regionally and nationally, which is lower than in comparator authorities.

Other: The largest difference within the placements outside of these three main categories is the proportion with EHCPs who are NEET in Derby, which is 2.5% higher than in comparator authorities, over twice as high as nationally and over three times as high as regionally.

3.3

The High Needs Block outturn was a **£4.617m** deficit. Which is an increased deficit position from the original budget plan of £0.609m (original budget was set at a £4.08m deficit) there are some significant pressures reported, offset by savings including one-off maximisation of grants to ease in year pressures, details of the outturn position are reported below

- Out of Authority payments for children year end position was £17.77 on a budget of £17.9m. (Which was a £2.327m increase from 2021/22) At Qtr 3 the forecast reported a spend of £19.6m (taking into consideration potential fee increases and additional demand) however further analysis at the end of year reconciled the work undertaken to actually reduce demand (circa 10 commissioned places) with the outturn reflecting this. The graph and chart below show's the increased demand and increased costs over the last 3 years. Demand has increase by 17% since 21/22.



Learner placements	20/21 Placements	21/22 Placements	22/23 Placements
OOA LA Maintained/Academy	159	168	213
Independent	190	233	258
Total Learner Placements	349	401	471

^{*2} This includes any approved placements in FY 22/23 not yet started.

- Additional funded places within Special Schools were an additional **£1.4m** spend to existing budgets recognising both demand and increased costs for individual placements. This increase was a combination of additional exceptional funding required for the additional need circa £0.7m, and approximately 60 additional places costing circa £0.7m.
- E3 additional support to mainstream schools reported year end position of

£6.4m, this is a pressure of **£0.32m** against the original budget. On average 693 E3 plans at an average annual cost of £9,200.

- Personal budgets and additional tailored support reported a pressure of year end position was a spend of £0.29m a slight pressure of **£0.09m** on the original £0.2m budget set.
- Staffing supporting HN processes reported a pressure of **£0.1m** on a budget of £1.17m, this is partly due to the unplanned pay award.

The above pressures were mitigated by underspends within the following areas

- Post 16 provision reported an underspend of **£0.3m** on a budget of £3m.
- ERS provision reported a year end underspend of **£0.17m** due to reduced demand for the type of provision. A reduction of 5 places.
- Contingencies and efficiencies across the programmes contributing a further **£0.11m**
- One off import and export adjustment for 22-23 **£0.793m**

- 3.4 The High Needs Transformation Project which had previously been approved was spent as planned, of the £1m approved £0.455m is earmarked in the 23-24 budget noted at the January School Forum meeting.

The regulations remain whereby there is little or no ability to allow other funding blocks to offset the pressure. This is due to the both the ring-fencing of some of the elements of the DSG and financial pressures across the whole system. For 22-23 £0.303m was transferred for speech and language project and SENDIASS services, all reported full spend.

- 3.5 The **School's block** underspent by **£0.3m**, due to Growth fund allocations being lower than forecast and de-delegation services year end position being more favourable.

- 3.6 **The Central Block** reported a balanced position

- 3.7 **The Early years block** was forecasting a balanced position in Quarter 3 (which included the anticipated clawback of funding totalling £0.4m due to the reduced actual participation).

The final allocations did not reflect the clawback which has resulted in an in-year underspend of **£0.455m** (budget £19m). Work is ongoing to understand if there is a likely clawback for 22-23 in the 23-24 financial year for the this. Once known that will be reported to School's forum as part of the in-year monitoring.

A further favourable variance related to the 2021–2022-year EY adjustment of **£0.184m**.

3.8

The balance of the DSG reserves carried forward into 2022/23 was £0.768m deficit. The in-year deficit for 2022/23 of £3.675m leaves a cumulative deficit balance on the DSG reserve of £4.443m.

The mitigated forecast deficit for 2023/24 as per the DSG management plan is £2.988m leaving a cumulative forecast deficit balance for the end of 2023/24 of £7.431m.

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Background papers:	None
List of appendices:	None