

Schools Forum 10 November 2022	
Report from Executive Director of People - Children Services	
DSG Budget Monitoring Report 2022-23	
Wards Affected:	All
Key or Non-Key Decision:	N/A
No. of Appendices:	None
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This report relates to all schools forum representatives and is for information.

1. Purpose of the report

This report provides schools forum with an update on the forecast financial position for 2022-23 at the end of quarter 2. The position is reported against the budget set in consultation with Schools Forum and submitted to the Department for Education on the Section 251 budget return.

2. Recommendation

Schools Forum is asked to note the contents of this report.

3. Summary

The Dedicated School Grant (DSG) balance has seen an increasing deficit for several years primarily due to overspends on the High Needs Block. This mainly relates to increased demand for out of borough SEN placements, post 16 services and places at Special Schools.

The carried forward deficit from 2021-22 for the High Needs Block is £25.1 million, with a projected in year deficit of £1.8 million. The total projected deficit at the end of the financial year is £27.3 million.

Table 1: Dedicated Schools Grant

BLOCKS	Budget £'000	Forecast Position £'000	Full Year Variance £'000	Cumulative surplus/ deficit £'000
Schools block	37,960	37,573	(387)	(268)
Central Schools Services block	1,024	1,024	0	(2)
Early Years block	14,461	14,461	0	(110)
High Needs block	23,619	25,826	2,207	27,670
Total	77.064	78.884	1,820	27,290

4. Schools Block

The schools block is showing an underspend of £0.387 million and is mainly due to planned bulge classes from September 2022 not being needed.

5. Central School Services Block

CSSB block is forecasting a balanced budget in 2022-23.

6. Early Years Block

The current position is showing that this service will be on target in year and will continue to hold a small cumulative surplus of £0,100 million. This is a demand funded/participation-based service with providers claiming funding for actual hours of provision at the hourly rate set by the authority for that particular financial year

7. High Needs Block

The projected in-year deficit for 2022-23 is much reduced from the deficit of £4.7m in 2021-22, reflecting the ongoing work by officers to turn the deficit situation around.

In order to address the pressures being faced, the following governance structure was implemented to ensure there is oversight of the delivery of the DSG Action Plan:

- DSG Finance Group: meets weekly and is chaired by the Section 151 Finance Officer and provides assurance that actions to deliver the DSG plan is on track and provides financial reports to track impact. These actions are set out below.
- SEND Transformation Board; meets monthly and is jointly chaired by Section 151 Officer and the Executive Director People Children. Membership also includes chair of Schools Forum, Frimley Clinical Commissioning Group, Slough Children Trust Ltd, parent voice and Adult Social Care. This Board provides challenge and oversight of the DSG Management Plan and links to improving SEND outcomes and reports up to the SEND Strategic Board.

Options reviewed and implemented by the DSG Finance Group set up by the Director of Finance (S151) to reduce the in-year deficit include:

- Collaborative work is being undertaken with the local Clinical Commissioning Group (CCG) and care partners, to establish stronger working relationships. There is a local tripartite panel in place to make decisions around joint funding – SBC are requesting review of the ToR and decision-making processes, resolution of funding disputes, and future developments.
- The authority is currently reviewing the local offer for Alternative Provision (AP), to ensure that we secure sufficient places to meet our statutory 6-day provision for P-Ex pupils, and to work with providers to develop a traded model over time to support schools in identifying how best to purchase any additional AP interventions.
- Review of bandings to encompass a blended approach of top-ups and fixed costs will support with cost-effective commissioning, as LA can plan around mostly static costs in our IB maintained special schools.
- Our commissioning approach will be to develop cost-effective commissioning of places from OOB maintained special and independent non-maintained special schools to ensure we have sufficient, good quality, affordable places to meet the needs of all children and young people with SEND in SBC, throughout all phases.
- Capital investment initiatives have been used to support the expansion of two resource bases in primary sector, and development of one new resource base in secondary sector, to meet growing demand for specialist provision supporting ASD and complex needs

Furthermore, the Council is currently in discussion with the DfE in relation to its safety value programme.

Council officers have met with the DfE, and a series of workshops have taken place over July and August to review the DSG management plan in more detail as part of the Safety Valve programme. Meetings to discuss the Management Plan with the DfE will continue until February 2023 as a minimum. The Council will be required to submit an initial proposal for addressing the in-year deficit by 13 January 2023 with the final proposal required by 3 February 2023 and notification of approval expected in March 2023.

If the proposals are agreed to by the Secretary of State, they will form the basis of a published agreement. The agreement will require the Council to implement reforms to the agreed timetable, alongside maintaining an agreed savings profile. It will also set out additional funding which the department will release to support the reduction of the cumulative deficit. Once the agreement is reached, the Council will be required to submit quarterly monitoring reports in which progress towards reaching and sustaining an in-year balance on its DSG account, as set out in the agreement, should be demonstrated.

8. Financial Implications

The financial implications have been detailed in the body of this paper.

9. Legal Implications

There are no legal implications for this report.

10. Equality Implications

Not applicable

11. Consultation with Ward Members and Stakeholders

Not applicable

12. Human Resources/Property Implications (if appropriate)

Not applicable