

London Borough of Sutton

Schools Forum – 6 October 2020

Report of the Strategic Finance Business Partner

REVENUE REPORT

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**Chair of Schools Forum:
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Summary

1. This report provides an update on the Dedicated Schools Grant (DSG) budget since the last meeting of the Forum.

Recommendations:

2. I recommend the Forum to:
 - i) note the latest position on the DSG for 2020/21, as at July 2020 (month 4);
 - ii) note the latest SEN funding position for 2020/21, as at July 2020 (month 4).

Background

3. Spending decisions on the DSG were agreed by the Schools Forum in February 2020 for the financial year 2020/21. This report refers to issues that have arisen since the last meeting on 17 June 2020 and provides details of the latest DSG budget for 2020/21.

DSG Budget 2020/21

4. The latest DSG allocation for 2020/21 is £104.244m after recoupment for academies and high needs place funding provision of £111.389m and £7.142m respectively. Please find attached, at Appendix A, a breakdown of the DSG for 2020/21 and the variance as at July 2020 (month 4). This is the latest corporately reported position.
5. The DSG forecast variance of £142k is due to committed therapy hours (36,300 hours) in current Education Health Care (EHC) plans, which continue to increase in the borough. Since the July position was reported, Cognus has indicated further significant increases to the therapy provision due to an ongoing rise in EHC plans against budget as well as some additional hours required for pupils with complex needs and associated costs of assessments. The level of therapy hours and any mitigations are still being considered and when finalised will be detailed in the September (month 6) reporting. There are also additional top-up payments for special and AP provision to be included for month 6. This increase will be reported to the December Schools Forum.
6. The SEN summary, attached at Appendix B, shows the detailed variations for SEN provision.
7. On Early Years, the DfE has confirmed that funding for local authorities and childcare providers for the free entitlement for the 2020 autumn term will be funded at the level before coronavirus until the end of the year.

8. The DSG balance as at the 1st April 2020 was £911k, so the overall DSG is currently underspent.

DSG Budget 2021/22 onwards

9. In July 2020 the DfE announced provisional funding allocations for 2021 to 2022 for the School, High Needs and Central Schools Services blocks. There are 2 technical changes:
 - Funding for the teachers' pay grant and teachers' pension employer contribution grant, including the supplementary fund, have been added to the basic entitlement factor; and
 - The 2019 update to the Income Deprivation Affecting Children Index (IDACI) has been incorporated so that deprivation funding allocated through the formulae is based on the latest data.
10. There are also increases to:
 - Schools funding which is due to rise by 4% overall, compared to this year;
 - High Needs funding which is increasing by a further £730m (10%) overall in 2021 to 2022 and the NFF will ensure that every local authority receives increases of at least 8% per head of population, compared to this year;.
 - Central Schools Services funding will increase by 4% for the ongoing responsibilities in 2021 to 2022 while funding for historic commitments within this block will decrease by a further 20%.
11. Local Authorities will continue to distribute schools' funding using the local schools' formula in 2021/22. The DfE plan to put forward its proposals, later this year, to move to a 'hard' NFF. A hard NFF will mean that schools' budgets will be distributed directly by the DfE rather than through local formulae.

Influence on the Council's Corporate Core Values and Objectives

12. One of the core values is working with partners. Setting the budget for the Dedicated Schools Grant, and considering related issues, is an important part of the budget process that fully involves schools as partners and particularly recognises the important role of the Schools Forum.

Background Papers

Budget file 2020/21, Sutton Schools Forum file.