



Schools Forum

**Report title: Dedicated Schools Grant (DSG) –
Update on 2020/21 Early Years Outturn Position and Proposed
Allocation for 2021/22 Uplift in Funding**

Date: 16th December 2021

Key decision: No.

Item number: 7

Outline and recommendations

- *Schools Forum to note the final 2020/21 Outturn position (Early Years) and to agree the application of funding as defined in this report.*
- *Schools Forum to note the ongoing pressure on the High Needs Block and the mitigation plan.*

Timeline of engagement and decision-making

- *December 2021 – Agree application of funding brought forward from 2020/21 and inform all stakeholders either just before mid - January or February*

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Summary

- 1 The purpose of this report is to update Schools Forum with regards to the final 2020/21 Dedicated Schools Grant (DSG) position in respect of Early Years Funding. And to provide an updated position on the 2021/22 DSG.

Background

- 2 With regards to 2020/21, Schools forum will be aware that the DSG was finalised, pending two elements:-
 - a. Underspend on Schools Block (circa £367k). See report on term time only.
 - b. Early Years Funding Block £1.6m underspend, subject to clawback.

DSG 2020/21 update

- 3 The early years block settlement is always provisional pending the final position normally notified in June of the preceding year. As a consequence of Covid, the Department for Education (DfE) undertook further data cleansing including supporting the formula with additional protection to manage loss of funding arising from low numbers largely as a consequence of Covid. This has resulted in a delay of the data being finalised.
- 4 We have now had the final agreement from the DfE which is shown in the table below:-

	2020/21 Outturn underspend	DfE Clawback	LA Managed	Provider Specific
	£'000	£'000	£'000	£'000
2 YEAR OLD ENTITLEMENT	-£306.3	-£122.4	£0.0	-£183.8
3 & 4 YEAR OLD SUPPLEMENT	£0.0	-£13.4	£0.0	£13.4
EARLY YEARS QUALITY AND SUFFICIENCY TEAM	-£211.3	£0.0	-£211.3	£0.0
EY DISABILITY ACCESS FUND	-£84.3	£0.0	£0.0	-£84.3
EY INCLUSION FUND	-£530.1	£0.0	-£530.1	£0.0
3 & 4 YEAR OLD ENTITLEMENT	-£221.1	-£34.3	£0.0	-£186.8
EYS: DEPRIVATION	£0.0	£0.0	£0.0	£0.0
EARLY YEARS PUPIL PREMIUM	-£14.8	£2.9	£0.0	-£17.7

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EYS: CONTINGENCY	-£262.1	£0.0	£0.0	-£262.1
Total	-£1,629.9	-£167.3	-£741.4	-£721.3

LA funding 5% holdback

- 5 The table notes an unclaimed balance of £1.462m (being the total underspend of £1.629m less £167k clawback. Schools Forum will note that of this funding £211k relates to LA 5% holdback. It is proposed that this funding continues to support the LA function in particular the fall out of funding for Central School Services Block (CSSB).
- 6 The £530k is being utilised to support children who have moved from nursery class to reception in the Autumn term. This is because there was a significant drop in applications over last year as many schools did not open their nurseries or settings and therefore dealt with restricted numbers. In addition there were lower numbers of children taking up their place due to parental hesitancy and the impact of remote working.
- 7 Applications for Inclusion Funding for these children is being processed along with applications for children in nursery classes and provision.
- 8 This leaves a net balance of circa £721k to be redistributed amongst all providers. Due to the late notification of the final figures, it has not been possible to undertake a detailed review of data verses funding. However we consider the fairest view would be to consider the total number of hours (pupils) supported by each provider and allocate this funding as a one off reimbursement. **Schools Forum is asked to agree the distribution on this basis.**

2021/22 DSG funding outturn position

- 9 At the time of writing we are finalising detailed review of the High Needs Block. The expectation continues to be that the High Needs Block will overspend by between £5m to £6m. This would therefore result in a cumulative overspend position of circa £9m.
- 10 The number of EHCPs continues to cause a pressure as shown in the table below

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Phase – EHCPs	Under 5s	Primary	Secondary	Post-secondary	Grand Total	Year on Year increases
FY17/18 Used As Base Line	42	831	769	537	2179	
FY18/19	24	889	821	626	2360	181
FY19/20	37	929	887	774	2627	267
FY20/21	74	1027	974	931	3006	379
FY 21/22	90	1036	1056	1057	3239	233
Increase on Baseline Numbers	48	205	287	520	1060	
Increase on Baseline %	76.2%	23.6%	26.7%	73.4%	38.0%	

11 The table below shows the split between in-borough and out-borough placements.

Borough – EHCPs	LBL	OOB	Grand Total
FY17/18 Used As Base Line	1559	620	2179
FY18/19	1653	707	2360
FY19/20	1789	838	2627
FY 20/21	1953	1053	3006
FY 21/22	2054	1185	3239
Increase on Baseline Numbers	495	565	1060
Increase on Baseline %	25.3%	69.8%	38.0%

- 12 The Early Years Block remains provisional. The DfE has asked Local Authorities to undertake a further return which may inform the data on which the provisional figures are based, thus creating a further risk.
- 13 Central Schools Services Block is expected to be on target for this year largely as some costs are supported from General Fund and wider grants.
- 14 Schools block is expected to be on target as previously noted with schools forum.

Financial Implications

- 15 There are no direct financial implications arising from this report. The proposal to support schools in financial difficulties demonstrates the joint working relationship between Lewisham council and Schools forum, to support all schools towards longer term financial stability.

Equalities Impact

- 16 There are no direct equalities implications arising from this report as all providers would benefit from the reallocation of Early Years

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Funding, being the main decision item.

Legal Implications

17 There are no direct legal implications arising from this report.

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