

WIRRAL COUNCIL

SCHOOLS FORUM – 19th JANUARY 2021

REPORT OF THE DIRECTOR FOR CHILDREN, FAMILIES AND EDUCATION

DSG MANAGEMENT PLAN 2020-21

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to update the Forum on the actions that are being undertaken to develop Wirral's DSG Management Plan.

2.0 BACKGROUND

2.1 At the end of the financial year 2019-20, Wirral's overall DSG deficit was £1.3m which was mainly due to pressure in the High Needs Block. Despite an increase in the budget for 2020-21, a further overspend of £1.1m is expected due mainly to further demand on the High Needs Block resulting in a forecast total DSG deficit of £2.4m by the end of financial year 2020-21.

2.2 Of the £1.1m net overspend that is forecast for 2020-21, £1.0m relates to High Needs and is expected to recur in future years unless significant and enduring action is taken to reduce costs. The 2021-22 budget setting process has identified additional demand and costs are expected to rise by further £1.2m.

2.3 The DSG conditions of grant require that any local authority with an overall deficit on its DSG account at the end of 2019-20 financial year, or whose DSG surplus has substantially reduced during the year, must be able to present a plan to the Department for managing their future DSG spend. The expectation of the Department for Education (DFE) is that local authorities should plan to recover their deficit in a 3-year period although a 5-year plan may be considered. The local authority is proposing action to mitigate any potential negative impact of the recovery plan. The action includes:

- spread the savings over the maximum time period, which is five years.
- make the least amount of savings possible to achieve an in-year balance, by year three, and go on to reduce the deficit by year five

2.4 To assist in the planning process, the DFE have issued a detailed Management Plan Tool that is to be completed with both statistical and financial information for the period 2017-18 to 2024-25. Once fully updated, this tool should enable LA's to compare their costs and activities with each other.

3.0 2021-22 DSG FUNDING

3.1 The Schools Funding Allocations were issued by the Department for Education on 17th December 2020 and this identified that High Needs funding for Wirral has increased by £5.8m for 2021-22. Of this £5.8m increase, around £1m relates to the Teachers Pay and Teachers Pension Employers Contributions (TPG/TPECG) costs which were previously paid as separate grants. The remaining £4.8m

reflects a 'real' increase in funding for 2021-22. The table below compares the planned expenditure for 2021-22 with the grant funding and this identifies an in-year surplus of £2.7m.

	£m
2020-21 forecast expenditure	41.7
Growth/demand	1.2
TPG/TPECG	1.0
2021-22 forecast expenditure	43.9
2021-22 High Needs funding	46.6
Contribution to reserve	2.7

- 3.2 Whilst it is expected that the increase in funding for 2021-22 will support both the expected increase in demand and a significant contribution to the deficit, the management plan will continue to be developed. For 2020-21, High Needs funding increased by £5.9m but this is still forecast to be exceeded by £1m so further work needs to be undertaken to ensure sustainability of support to service users and sufficiency of financial resources to meet demand in future years.

4.0 DSG DEFICIT MANAGEMENT PLAN ACTIONS

- 4.1 To date the Head of Special Educational Needs and Disabilities (SEND) and Inclusion has corresponded with the relevant stakeholders and attended their meetings to outline the issues and to identify the financial proposals that are being considered to reduce High Needs expenditure. The relevant stakeholder groups have been invited to both review the proposals and to contribute to the development of alternative proposals.
- 4.2 Following notification of the Dedicated Schools Grant (DSG) 2021-22 in December 2020. It is proposed to move from an 'engagement and participation' phase (June – December 2020) to a 'co-production' phase. The local authority's ambition is to work in a way which ensures that local leaders in education feel they have participated fully in the Dedicated Schools Grant (DSG) Management Plan process and have a sense of co-ownership. This is often referred to as 'co-production'. Mr Mark Williams, Strategic Adviser, would convene a workshop(s) approach to co-produce proposals for the Dedicated Schools Grant (DSG) Management Plan. This work is expected to finish by end of March 2021.

5.0 CONCLUSION

- 5.1 Wirral officers will continue to develop the Management Plan and will report back to the next Schools Forum meeting.

6.0 RECOMMENDATIONS

- 6.1 That the Forum notes the report.

Paul Boyce,
Director for Children, Families and Education