

Report Title:	Budget Monitoring and Forecast 2021/22
Contains Confidential or Exempt Information	No – Part I
Cabinet Member:	Councillor Stuart Carroll - Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health and Mental Health
Meeting and Date:	Schools Forum 18 November 2021
Responsible Officer(s):	Kevin McDaniel - Director of Children's Services James Norris - Head of Finance Achieving for Children (RBWM)
Wards affected:	All

## REPORT SUMMARY

1. The purpose of this report is to provide the Schools Forum with the projected financial position for 2021/22 along with a summary of associated Risks & Opportunities; the projected reserve deficit balance as at 31 March 2022 and an understanding of the financial pressures faced in respect of the Dedicated Schools Grant. Details are set out in sections 2 and 3.
2. The Dedicated Schools Grant has a cumulative deficit position, therefore, it must work to mitigate this pressure including submitting a Deficit Management Plan to the Department for Education. The future action is set out in section 5.

## 1. DETAILS OF RECOMMENDATION

### 1.1 RECOMMENDATION: That Schools Forum:

**i) notes the report including the reported variance, schedule of Risks & Opportunities and the projected deficit balance carried forward as at 31 March 2022.**

**ii) provides comments on the recommendations of the Deficit Management Plan working party, as set out in section 5.**

## 2. REASONS FOR RECOMMENDATION AND OPTIONS CONSIDERED

### 2.1 FINANCIAL SUMMARY

2.1 The Indicative Settlement for the Royal Borough for 2021/22 (including Academy schools) based on the March 2021 budget notification is £133,912,000. The net retained funding of £69,061,000 consists of £37,513,000 of maintained schools delegated budgets and £31,548,000 central schools budget (including Early Years and High Needs). Delegated budgets are treated as spent as soon as they are delegated. In addition it is expected that there will be a net in-year budget change of £1,008,000 in respect of the Early Years

block mainly relating to the receipt of deferred Education Skills Funding Agency funding 2020/21 £672,000 and in year High Need Block adjustment of £336,000.

2.2 The central schools budget has a projected overspend of £1,755,000 for 2021/22. This high level reported adverse variance has remained constant since the start of the financial year.

2.3 The material forecast variances are as follows:

High Needs Block £1,755,000 - increased costs relating to the provision of Independent Special schools and other associated direct support. This forecast is reflective of the activity in 2020/21 along with updates to reflect known changes and the indicative increased volume of Education Health Care Plans. A more informed position will be confirmed in the late autumn following the start of the new academic year when most pupils will be placed within the appropriate educational establishment. In addition to the recent increased demand for services for children and young people with Special Educational Needs and Disabilities, the COVID-19 pandemic has created additional challenges. These challenges could impact on the progress of some of our most vulnerable pupils. It is highly likely that there will be requests for pupils to repeat an academic year increasing the demand and pressure on this service area and sector.

2.4 The material forecast risks and opportunities are as follows:

Further to the Cabinet Report, 24th June 2021, in respect of the Windsor expansion programme the latest forecast assumes the schools block growth fund of £679,000 will be fully utilised. Further updates with options will be explored over the coming months; following this review any variance on this budget will be incorporated as appropriate into the reported position.

2.5 The ESFA has advised that authorities with a carried forward deficit are no longer permitted to hold earmarked reserves. Programmes of activity previously supported would require a new bid to be recommended by the local authority and approved by Schools Forum. Therefore, the unused earmarked reserves as at 31st March 2021 of £134,000 have been released into the projected position.

2.6 Table 1 sets out the summarised financial position for 2021/22

**Table 1 Summarised Financial Position 2021/22**

Schools Block Budget	S251 Budget Notification (March 2021)	Less Academy Recoupment & Direct Funding	Net Budget Notification (March 2021)	DfE & Indicative In-Year Budget Changes	Current Budget	Forecast Variance	Current Forecast
	£000	£000	£000	£000	£000	£000	£000
<b>Expenditure</b>							
Schools	99,611	(62,098)	37,513	0	37,513	0	37,513
Central School Services	1,097	0	1,097	0	1,097	0	1,097
Early Years	9,025	0	9,025	672	9,697	0	9,697
High Needs	24,180	(2,753)	21,426	336	21,762	1,755	23,517
<b>TOTAL EXPENDITURE</b>	<b>133,912</b>	<b>(64,852)</b>	<b>69,061</b>	<b>1,008</b>	<b>70,069</b>	<b>1,755</b>	<b>71,824</b>
<b>Funding</b>							
Dedicated Schools Grant	(133,912)	64,852	(69,061)	(1,008)	(70,069)	0	(70,069)
<b>TOTAL FUNDING</b>	<b>(133,912)</b>	<b>64,852</b>	<b>(69,061)</b>	<b>(1,008)</b>	<b>(70,069)</b>	<b>0</b>	<b>(70,069)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,755</b>	<b>1,755</b>
	<b>Summary</b>					<b>£000</b>	
	Total in year (surplus) / deficit						1,755
	Balance brought forward DSG general reserve (surplus) / deficit						1,925
	Add back unused earmarked reserves 31 <sup>st</sup> March 2021 (surplus) / deficit						(134)
	<b>Net Projected (surplus) / deficit</b>						<b>3,546</b>

### 3. FINANCIAL DETAILS / VALUE FOR MONEY

3.1 The projected net in-year overspend of £1,755,000 is an adverse movement on the dedicated schools grant general reserve which as at 31<sup>st</sup> March 2021 was a net deficit of £1,925,000. Incorporating the release of the unused earmarked reserve of £134,000 the revised projected deficit as at 31<sup>st</sup> March 2022 is £3,546,000.

3.2 The projected cumulative deficit for RBWM is 2.6% of the total budget allocation 2021/22.

#### **4. FINANCIAL DETAILS / VALUE FOR MONEY**

- 4.1 The financial implications are set out in sections 2 and 3. The overall impact is a projected carried forward deficit on the Dedicated Schools Grant as at 31 March 2022 of £3,546,000.
- 4.2 This is a national challenge, with many authorities reporting a projected carried forward deficit by 31 March 2022. Those with the most significant balances are entering into a “safety valve” agreement with the DfE where the authority undertakes to reach a positive in-year balance on its Dedicated Schools Grant. The authority undertakes to control and reduce the cumulative deficit in line with the financial plan as submitted and funding assumptions as agreed with the DfE.
- 4.3 Local authorities are required to carry forward overspends to their schools budget either in the immediately following year or the year after. ESFA guidance states that DSG deficits should not be covered from the general fund or other grants but that over time they should be recovered from DSG income.

#### **5. Deficit Management Plan**

- 5.1 As previously reported, it is a requirement for any local authority that has an overall deficit on its DSG account at the end of the financial year, or whose DSG surplus has substantially reduced during the year, to co-operate with the Department for Education (DfE) in handling that situation.
- 5.2 As proposed at the Schools Forum 21 October 2021 a Deficit Management Plan working party was established. Their recommended key themes to be explored were as follows:
- expansion of the local offer within the Borough
  - increased local partnerships incorporating working with neighbouring authorities
  - improved commissioning arrangements including greater focus on annual reviews and unit costings
- 5.3 A review of the financial and non-financial impact will be undertaken and reported to the appropriate Schools Forum.

#### **6. LEGAL IMPLICATIONS**

- 6.1 There are no legal implications arising from this report.

## 7. RISK MANAGMENT

- 7.1 There are no potential risks arising from this report, however, the requirement from the DfE is RBWM/AfC will agree a Deficit Management Plan to address the cumulative deficit position in the short to medium term.

## 8. POTENTIAL IMPACTS

- 8.1 Equalities. Equality Impact Assessments are published on the [council's website](#). It has been assessed that there are no Equality Impact risks arising from this report.
- 8.2 Climate change/sustainability. There are no climate change/ sustainability risks arising from this report.
- 8.3 Data Protection/GDPR. There are no data protection/ GDPR risks arising from this report.

## 9. BACKGROUND DOCUMENTS

- 9.1 This report is supported by the following background documents:
- Schools revenue funding 2021/22 Operational guide  
<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2021-to-2022>

## 10. CONSULTATION

- 10.1 There is no requirement for stakeholder consultation arising from this report.

## 11. TIMETABLE FOR IMPEMENTATION

- 11.1 There is no timetable for implementation of any actions arising from this report.

## 12. CONSULTATION

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory:</i>		<i>Statutory Officers (or deputy)</i>	
Adele Taylor	Executive Director of Resources/S151 Officer	08-11-21	
Emma Duncan	Deputy Director of Law and Strategy / Monitoring Officer	08-11-21	
<i>Deputies:</i>			
Andrew Vallance	Head of Finance (Deputy S151 Officer)	08-11-21	
Elaine Browne	Head of Law (Deputy Monitoring Officer)	08-11-21	

Karen Shepherd	Head of Governance (Deputy Monitoring Officer)	08-11-21	09-11-21
<i>Other consultees:</i>			
<i>Directors</i>			
Duncan Sharkey	Chief Executive	08-11-21	09-11-21
Andrew Durrant	Executive Director of Place	08-11-21	
Kevin McDaniel	Executive Director of Children's Services	08-11-21	09-11-21
Hilary Hall	Executive Director of Adults, Health and Housing	08-11-21	09-11-21
<i>Heads of Service</i>			
Nikki Craig	Head of HR, Corporate Projects and IT	08-11-21	
Louisa Dean	Head of Communications	08-11-21	

Councillor Stuart Carroll	Cabinet Member for Adult Social Care, Children's Services, Health and Mental Health	Consulted on contents on report: Yes
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## REPORT HISTORY

<b>Decision type:</b> For information	<b>Urgency item?</b> No	<b>To Follow item?</b> No
Report Author: James Norris - Head of Finance Achieving for Children (RBWM)		

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqIA : Dedicated Schools Grant Budget Monitoring and Forecast 2021/22

#### Essential information

Items to be assessed: (please mark 'x')

Strategy		Plan		Project		Service procedure	X
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Responsible officer	James Norris	Service area	Finance	Directorate	Achieving for Children
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<b>Stage 1: EqIA Screening (mandatory)</b>	Date created: 08/11/2021	<b>Stage 2 : Full assessment (if applicable)</b>	Date created :N/A
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Approved by Head of Service / Overseeing group/body / Project Sponsor:

*"I am satisfied that an equality impact has been undertaken adequately."*

Signed by (print): Kevin McDaniel

Dated: 08/11/2021

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqlA : Dedicated Schools Grant Budget Monitoring and Forecast 2021/22

#### **Guidance notes**

##### **What is an EqlA and why do we need to do it?**

The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advancing equality of opportunity between those with 'protected characteristics' and those without them.
- Fostering good relations between those with 'protected characteristics' and those without them.

EqlAs are a systematic way of taking equal opportunities into consideration when making a decision, and should be conducted when there is a new or reviewed strategy, policy, plan, project, service or procedure in order to determine whether there will likely be a detrimental and/or disproportionate impact on particular groups, including those within the workforce and customer/public groups. All completed EqlA Screenings are required to be publicly available on the council's website once they have been signed off by the relevant Head of Service or Strategic/Policy/Operational Group or Project Sponsor.

##### **What are the "protected characteristics" under the law?**

The following are protected characteristics under the Equality Act 2010: age; disability (including physical, learning and mental health conditions); gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

##### **What's the process for conducting an EqlA?**

The process for conducting an EqlA is set out at the end of this document. In brief, a Screening Assessment should be conducted for every new or reviewed strategy, policy, plan, project, service or procedure and the outcome of the Screening Assessment will indicate whether a Full Assessment should be undertaken.

##### **Openness and transparency**

RBWM has a 'Specific Duty' to publish information about people affected by our policies and practices. Your completed assessment should be sent to the Strategy & Performance Team for publication to the RBWM website once it has been signed off by the relevant manager, and/or Strategic, Policy, or Operational Group. If your proposals are being made to Cabinet or any other Committee, please append a copy of your completed Screening or Full Assessment to your report.

##### **Enforcement**

Judicial review of an authority can be taken by any person, including the Equality and Human Rights Commission (EHRC) or a group of people, with an interest, in respect of alleged failure to comply with the general equality duty. Only the EHRC can enforce the specific duties. A failure to comply with the specific duties may however be used as evidence of a failure to comply with the general duty.

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqlA : Dedicated Schools Grant Budget Monitoring and Forecast 2021/22

#### Stage 1 : Screening (Mandatory)

##### 1.1 What is the overall aim of your proposed strategy/policy/project etc and what are its key objectives?

The overall aim of the report is to provide the Schools Forum with the projected financial position for 2021/22 along with a summary of associated Risks & Opportunities; the projected reserve deficit balance as at 31 March 2022 and an understanding of the financial pressures faced in respect of the Dedicated Schools Grant.

In addition, the report sets out the recommendations of the Deficit Management Plan working party to address the budget deficit position.

**1.2 What evidence is available to suggest that your proposal could have an impact on people (including staff and customers) with protected characteristics? Consider each of the protected characteristics in turn and identify whether your proposal is Relevant or Not Relevant to that characteristic. If Relevant, please assess the level of impact as either High / Medium / Low and whether the impact is Positive (i.e. contributes to promoting equality or improving relations within an equality group) or Negative (i.e. could disadvantage them). Please document your evidence for each assessment you make, including a justification of why you may have identified the proposal as “Not Relevant”.**

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqlA : Dedicated Schools Grant Budget Monitoring and Forecast 2021/22

Protected characteristics	Relevance	Level	Positive/negative	Evidence
Age	Yes	Low	Positive	This report does impact on pupils within this protected characteristic; however, as school funding is on a formula basis impact has already been considered within previous reports and decision making processes
Disability	Yes	Low	Negative	There will be a Deficit Management Plan developed which may impact on the current range of services provided for pupils within this characteristic. The impact will be continually reviewed and reassessed.
Gender re-assignment	No			There is nothing in the report which is considered to impact on this protected characteristic.
Marriage/civil partnership	No			There is nothing in the report which is considered to impact on this protected characteristic.
Pregnancy and maternity	No			There is nothing in the report which is considered to impact on this protected characteristic.
Race	No			There is nothing in the report which is considered to impact on this protected characteristic.
Religion and belief	No			There is nothing in the report which is considered to impact on this protected characteristic.
Sex	No			There is nothing in the report which is considered to impact on this protected characteristic.
Sexual orientation	No			There is nothing in the report which is considered to impact on this protected characteristic.

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqlA : Dedicated Schools Grant Budget Monitoring and Forecast 2021/22

#### Outcome, action and public reporting

Screening Assessment Outcome	Yes / No / Not at this stage	Further Action Required / Action to be taken	Responsible Officer and / or Lead Strategic Group	Timescale for Resolution of negative impact / Delivery of positive impact
Was a significant level of negative impact identified?	No	Continued monitoring and reporting of the Dedicated Schools Grant budgets including development of Deficit Management Plan.	James Norris	Termly reporting to Schools Forum.
Does the strategy, policy, plan etc require amendment to have a positive impact?	No	None		

If you answered **yes** to either / both of the questions above a Full Assessment is advisable and so please proceed to Stage 2. If you answered “No” or “Not at this Stage” to either / both of the questions above please consider any next steps that may be taken (e.g. monitor future impacts as part of implementation, re-screen the project at its next delivery milestone etc).

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqlA : Dedicated Schools Grant Budget Monitoring and Forecast 2021/22

#### Stage 2 : Full assessment

#### 2.1 : Scope and define

**2.1.1 Who are the main beneficiaries of the proposed strategy / policy / plan / project / service / procedure? List the groups who the work is targeting/aimed at.**

**2.1.2 Who has been involved in the creation of the proposed strategy / policy / plan / project / service / procedure? List those groups who the work is targeting/aimed at.**

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqlA : Dedicated Schools Grant Budget Monitoring and Forecast 2021/22

#### 2.2 : Information gathering/evidence

**2.2.1 What secondary data have you used in this assessment?** *Common sources of secondary data include: censuses, organisational records.*

**2.2.2 What primary data have you used to inform this assessment?** *Common sources of primary data include: consultation through interviews, focus groups, questionnaires.*

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqlA : Dedicated Schools Grant Budget Monitoring and Forecast 2021/22

Eliminate discrimination, harassment, victimisation

Protected Characteristic	Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)	If yes, to what level? (High / Medium / Low)	Negative impact : Does the proposal disadvantage them (Yes / No)	If yes, to what level? (High / Medium / Low)	Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqlA : Dedicated Schools Grant Budget Monitoring and Forecast 2021/22

#### Advance equality of opportunity

Protected Characteristic	Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)	If yes, to what level? (High / Medium / Low)	Negative impact : Does the proposal disadvantage them (Yes / No)	If yes, to what level? (High / Medium / Low)	Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqlA : Dedicated Schools Grant Budget Monitoring and Forecast 2021/22

#### Foster good relations

Protected Characteristic	Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)	If yes, to what level? (High / Medium / Low)	Negative impact : Does the proposal disadvantage them (Yes / No)	If yes, to what level? (High / Medium / Low)	Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					

**2.4 Has your delivery plan been updated to incorporate the activities identified in this assessment to mitigate any identified negative impacts? If so please summarise any updates.**

*These could be service, equality, project or other delivery plans. If you did not have sufficient data to complete a thorough impact assessment, then an action should be incorporated to collect this information in the future.*

**ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD**

**EQUALITY IMPACT ASSESSMENT**

**EqIA : Dedicated Schools Grant Budget Monitoring and Forecast 2021/22**