

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 20 January 2022
Responsible Officer(s):	Kevin McDaniel - Executive Director of Children's Services James Norris - Head of Finance Achieving for Children (RBWM)
Wards affected:	All

## REPORT SUMMARY

*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.*

### 1. DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION:** That Schools Forum notes the report and:

- i) ***the cumulative projected reserve deficit balance as at 31 March 2022***
- ii) ***provides comments on the Deficit Management Plan, as set out in section 5.***

### 2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

#### Options

**Table 1: Options arising from this report**

Option	Comments
Schools Forum to note the contents of the report and impact on the projected reserve deficit balance as at 31 March 2022. <b>This is the recommended option.</b>	Continued monitoring and timely reporting of material variances throughout 2021/22 reported to appropriate stakeholders including Schools Forums and RBWM Cabinet. This would enable up to date and accurate reporting of the projected reserve deficit as at 31 March 2022.
Do nothing. This is not recommended.	The failure to use relevant financial information to

Option	Comments
	understand the position of the Dedicated Schools Grant reserve.

- 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 with net retained funding of £69,720,000 consists of £36,916,000 of maintained schools delegated budgets and £32,804,000 central schools budget (including Early Years and High Needs). Delegated budgets are treated as spent as soon as they are delegated.
- 2.2 Since the March 2021 DSG budget notification there has been a net in-year grant increase of £1,256,000. This increase is partly in respect of the Early Years Block, relating to the receipt of deferred Education Skills Funding Agency funding for last year 2020/21 of £266,000 and as reflected in the current budget the estimated funding due for the current year 2021/22 of £672,000. The total Early Years Block grant movement being £938,000. In addition, there has been an in-year High Needs Block funding adjustment of £318,000.
- 2.3 In respect of 2021/22 the central schools budget has a projected net overspend of £933,000, representing a favourable movement within the High Needs Block of (£260,000) compared to the forecast variance previously reported to Schools Forum in December 2021.
- 2.4 The material forecast variances are as follows:
- Schools Block (£537,000) – this favourable variance relates to the release of the total uncommitted balance of the pupil growth fund of (£537,000) from a total allocation of £679,000. This forecast variance has not changed since the position previously reported.
  - Central School Services Block (£95,000) – this favourable variance mainly relates to the underspend within the Non Independent Special School Places (£51,000) and staffing vacancies (£30,000). This forecast variance has not changed since the position previously reported.
  - Early Years Block (£266,000) - this favourable movement relates to the final budget allocation received from the ESFA in November 2021 for 2020/21. The final allocation 2020/21 was 3% more than projected. It is confirmed that the Early Years Block funding for 2020/21 was allocated to all nursery settings. This forecast variance has not changed since the position previously reported.
  - High Needs Block £1,831,000 - increased costs relating to the provision of Independent Special or Non Maintained Special Schools and other associated direct support. In comparison to 2020/21 the average unit cost and volume for 2021/22 has increased by 1% and 9% respectively. This variance includes a favourable movement of (£260,000) compared to the previously reported position. This movement relates to a 15% reduction in the volume of pupils within the Further Education provision due to greater levels of turnover than anticipated at a cost of £6,000 per pupil.

- 2.5 There are pressures on the High Needs Block with this position continuing and replicated in most other local authorities. It is linked to a combination of factors to include rising demand for service provision that meets the increasingly complex needs of children and young people, and the SEND Reforms (2014) that increased support to include individuals from birth up to 25 years of age.
- 2.6 Further analysis of High Needs Block cost drivers will be reported to the Schools Forum in April 2022.
- 2.7 The further material forecast risks and opportunities are as set out below:
- Schools Block - there are no further applications for pupil growth funding anticipated for the remainder of 2021/22, therefore, the current forecast reflects the release of the total uncommitted balance of the pupil growth fund of £537,000 from a total allocation of £679,000. Any applications approved during the remainder of 2021/22 would impact on the reported position.
  - High Needs Block – reflected within the current reported position is an estimated provision of £450,000 for additional pupils from November 2021 who will meet the eligibility for Top Up funding or be placed at an Independent Special or Non Maintained Special School. This provision will be actively monitored as part of the continuing budget monitoring for 2021/22.
- 2.8 Table 2 sets out the summarised financial position for 2021/22

**Table 2 Summarised Financial Position 2021/22**

Schools Block Budget	S251 Budget Notification (March 2021)	Less Academy Recoupment & Direct Funding (Nov 2021)	Net Budget Notification (Nov 2021)	DfE & Indicative In-Year Budget Changes (Nov 2021)	Current Budget	Forecast Variance	Current Forecast
	£000	£000	£000	£000	£000	£000	£000
<b>Expenditure</b>							
Schools	99,611	(62,695)	36,916	0	36,916	(537)	36,379
Central School Services	1,097	0	1,097	0	1,097	(95)	1,002
Early Years	9,025	0	9,025	938	9,963	(266)	9,697
High Needs	24,180	(2,753)	21,426	318	21,744	1,831	<b>23,575</b>
<b>TOTAL EXPENDITURE</b>	<b>133,912</b>	<b>(65,448)</b>	<b>68,464</b>	<b>1,256</b>	<b>69,720</b>	<b>933</b>	<b>70,653</b>
<b>Funding</b>							
Dedicated Schools Grant	(133,912)	65,448	(68,464)	(1,256)	(69,720)	0	(69,720)
<b>TOTAL FUNDING</b>	<b>(133,912)</b>	<b>65,448</b>	<b>(68,464)</b>	<b>(1,256)</b>	<b>(69,720)</b>	<b>0</b>	<b>(69,720)</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>933</b>	<b>933</b>
	<b>Summary</b>					<b>£000</b>	
	Total in year (surplus) / deficit					933	
	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>2,724</b>	

### 3. KEY IMPLICATIONS

The key implications of this report are set out in Table 3.

**Table 3: Key Implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Schools Forum to note the contents of the report and impact on the projected reserve deficit balance as at 31 March 2022	Greater than 3% movement in reported variance of central schools budget as at 31 March 2022	Less than 3% movement in reported variance of central schools budget as at 31 March 2022	Less than 2% movement in reported variance of central schools budget as at 31 March 2022	Less than 1% movement in reported variance of central schools budget as at 31 March 2022	21 April 2022

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

- 4.1 The projected net in-year overspend of £933,000 is an adverse movement on the dedicated schools grant general reserve which as at 31st 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 31st March 2022 is £2,724,000.
- 4.2 The projected cumulative deficit for RBWM is 2.0% of the total budget allocation 2021/22.
- 4.3 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.
- 4.4 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 PLANS**

- 5.1 In accordance with the DfE conditions of grant, AfC working with RBWM must agree a Deficit Management Plan to address the cumulative deficit position with a recovery period of three to five years.
- 5.2 There is no specific timescale for implementing the Deficit Management Plan, however, initial steps are already underway and having an impact.

- 5.3 The Deficit Management Plan must be signed off by the Director of Children's Services and the Executive Director for Resources (section 151 officer). The Deficit Management Plan must be taken to Schools Forum meetings and discussed by members.
- 5.4 The Deficit Management Plan will be reported to the Schools Forum in April 2022.

## 6. LEGAL IMPLICATIONS

- 6.1 The DSG conditions of grant 2021/2022 (paragraph 5.2), requires that any Local Authority with an overall deficit on its DSG account at the end of the financial year 2020/21, or whose DSG surplus has substantially reduced during the year, must be able to present a plan to the Department for Education (DfE) for managing their future DSG spend.

## 7. RISK MANAGEMENT

- 7.1 The risks and their control are set out in table 4.

**Table 4: Impact of risk and mitigation**

<b>Risk</b>	<b>Level of uncontrolled risk</b>	<b>Controls</b>	<b>Level of controlled risk</b>
Poor financial management resulting in lack of accuracy and reliance upon reported position.	MEDIUM	Robust financial management within services to enable effective and timely reporting.	LOW

## 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. CONSULTATION

- 9.1 Financial reporting including the Dedicated Schools Grant is regularly provided to RBWM Commissioners and the Achieving for Children Board.

## 10. APPENDICES

10.1 This report is supported by the following appendix:

- Appendix A – Equality Impact Assessment

## 11. BACKGROUND DOCUMENTS

11.1 This report is supported by the following background document:

- Schools revenue funding 2021/22 Operational guide  
<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2021-to-2022>

## 12. CONSULTATION

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory: Statutory Officers (or deputies)</i>			
Adele Taylor	Executive Director of Resources/S151 Officer	10-01-22	12-01-22
Emma Duncan	Deputy Director of Law and Strategy / Monitoring Officer	10-01-22	
<i>Deputies:</i>			
Andrew Vallance	Head of Finance (Deputy S151 Officer)	10-01-22	
Elaine Browne	Head of Law (Deputy Monitoring Officer)	10-01-22	
Karen Shepherd	Head of Governance (Deputy Monitoring Officer)	10-01-22	11-01-22
<i>Other consultees:</i>			
<i>Directors (where relevant)</i>			
Duncan Sharkey	Chief Executive	10-01-22	11-01-22
Andrew Durrant	Executive Director of Place	10-01-22	10-01-22
Kevin McDaniel	Executive Director of Children's Services	10-01-22	12-01-22
Hilary Hall	Executive Director of Adults, Health and Housing	10-01-22	
<i>Heads of Service (where relevant)</i>			
Nikki Craig	Head of HR, Corporate Projects and IT	10-01-22	
Louisa Dean	Head of Communications	10-01-22	

Confirmation relevant Cabinet Member(s) consulted	Councillor Stuart Carroll	Cabinet Member for Adult Social Care, Children's Services,	Yes
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		Health and Mental Health	
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## REPORT HISTORY

<b>Decision type:</b>	<b>Urgency item?</b>	<b>To follow item?</b>
For information	No	No

Report Author: James Norris, Head of Finance AFC (RBM), 07824478100
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# 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: 10/01/2022	<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: 10/01/2022

# 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**

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