

Report Title:	Dedicated Schools Grant Deficit Management Plan 2022/27
Contains Confidential or Exempt Information	No – Part I
Cabinet Member:	Councillor Stuart Carroll - Deputy Chairman of Cabinet, Adult Social Care, Children's Services, Health, Mental Health & Transformation
Meeting and Date:	Schools Forum 26 May 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 an update on the Dedicated Schools Grant Deficit Management Plan 2022/27.

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Schools Forum notes the report:

- i) **identifying any further options that could be considered within the Deficit Management Plan 2022/27**

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 identifies any further options that could be considered within the Deficit Management Plan This is the recommended option.	The DSG conditions of grant 2022/23 requires that any local authority with an overall deficit on its DSG account at the end of the 2021/22 financial year, must be able to present a plan to DfE for managing their future DSG spend.
Do nothing. This is not recommended.	This is not an option.

3. BACKGROUND

- 3.1 The DSG is a ring-fenced specific grant, provided outside the local government finance settlement. It must be used in support of the schools budget for the

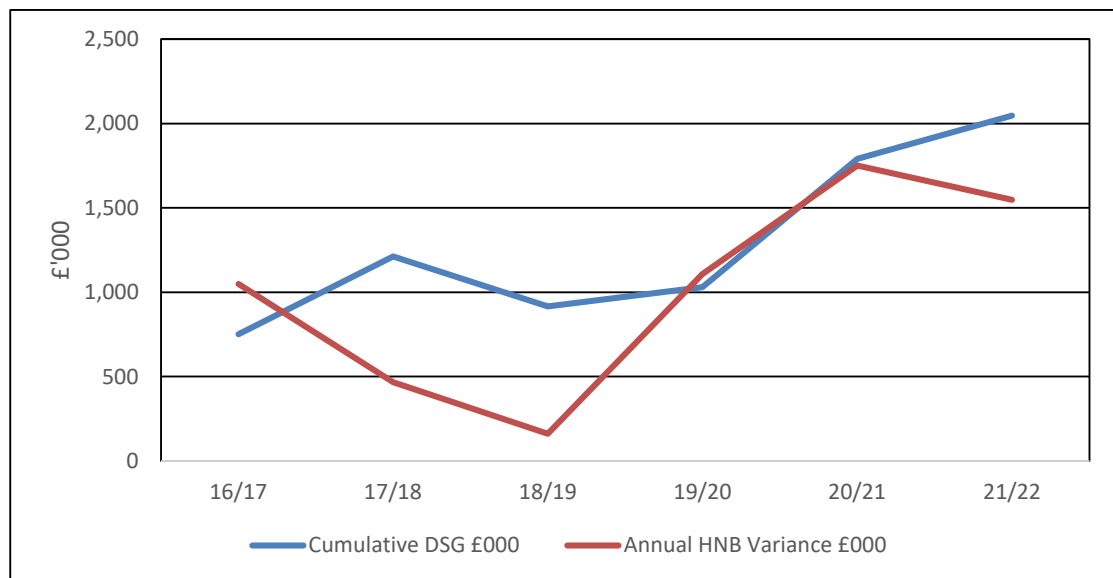
purposes defined in regulation 6 and schedule 2 of the School and Early Years Finance (England) Regulations 2022.

3.2 The 2021/22 net in-year overspend of £257,000 is an adverse movement on the dedicated schools grant general reserve. The revised deficit as of 31 March 2022 is £2,048,000 representing a cumulative deficit of 1.5% for RBWM against the total budget allocation 2021/22.

3.3 Since 2016/17 the Dedicated Schools Grant deficit has increased from £752,000 to £2,048,000 by 31 March 2022. This increase has been as a direct result of pressures within the High Needs Block which over the same period has seen an average annual overspend in of £1,014,000, which has been mitigated by underspends within other blocks.

3.4 The cumulative DSG deficit and annual High Needs Block variance is set out in chart 1. Other block underspends have been excluded from the chart.

Chart 1: Dedicated Schools Grant Deficit and annual High Needs Block variance since 2016/17



3.5 The expectation of the 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 the deficit by 2026/27.

3.6 Table 2 sets out the projected Dedicated Schools Grant and future expenditure projections based on recent trend data excluding any deficit management plan savings.

Table 2 High level projected grant and expenditure projections excluding any deficit management plan savings

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m	£m
	ACTUAL	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
Brought Forward Deficit	1.791	2.048	2.833	4.235	6.454	9.571
High Needs Block Variance	1.547	1.415	1.683	2.498	3.398	4.388
Other Blocks Variance	(1.290)	(0.630)	(0.280)	(0.280)	(0.280)	(0.280)
Net in-year deficit	0.257	0.785	1.403	2.218	3.118	4.108
Deficit Carried Forward	2.048	2.833	4.235	6.454	9.571	13.679
Cumulative Deficit 31st March 2021/22						2.048
Cumulative Deficit 2022/23 to 2026/27						11.631

3.7 The following assumptions have been factored into the high-level projection:

- In accordance with DfE advice the annual grant has been estimated to increase by 5.0% for 2023/24 and 3% thereafter
- Based on the trend since 2017 Education Health Care Plans estimated to increase annually by 4.7%
- Based on recent trends to 2021/22 inflation increases estimated to increase annually by 2.4%

If no management action is taken, modelling the above assumptions the cumulative high level projected deficit by 31 March 2027 is £13,679,000. Additionally, increased cost of living, that the UK has experienced since late 2021 and other adverse changes in demand on services will potentially lead to further pressures and result in the requirement to periodically review the key modelled cost drivers.

3.8 The management of future DSG spend requires both a short-term reduction in expenditure to recover the accumulated deficit and a sustainable reduction in future commitments to remain within the annual budget allocation.

4. PROPOSED DEFICIT MANAGEMENT PLAN ACTIONS

4.1 In conjunction with the Deficit Management Plan, RBWM is participating with the DfE Delivering Better Value (DBV) in SEND support programme. The programme will provide dedicated support and funding to help local authorities with substantial, deficit issues to reform their high needs systems. In addition, the aim of the programme is to establish more sustainable structure so authorities are better placed to respond to the forthcoming SEND Review reforms.

4.2 The DBV support programme recognises that, over recent years, rising demand and other pressures have contributed to many local authorities accruing deficits on their DSG and that the Pandemic has exacerbated these issues. These issues need to be addressed against the background of significant increases in high needs funding nationally in the last two years, the cross government SEND review and a targeted support for those local authorities with the biggest challenge. The support programme's aim is to support local authorities to improve the experience and outcomes for children and young people with SEND and secure the sustainability of local SEND services. The DBV is a 3-year transformation programme which will run as follows:

- **Pre-engagement strategy meeting March 2022:** RBWM met with DfE to discuss the programme, the nature of support the DfE would be providing and how Windsor and Maidenhead will best work with the Department to drive and achieve the objectives of the programme.
- **Phase 1 – 6 months:** The Department will provide project management and change management capacity, alongside SEND financial and practice advisers, to support RBWM in engaging with its key stakeholders and conducting a comprehensive diagnostic process to identify the underlying cost drivers of its high needs system and potential reforms to manage/mitigate these cost drivers more effectively.
- **Phase 2 – 30 months:** The DfE will work with RBWM to determine which identified reforms to fund and will provide grants directly to RBWM to enable you implement and embed these reforms, with ongoing support and challenge by DfE officials.
- The Secretary of State and DfE Ministers will be updated quarterly on the progress of these reforms for the 55 local authorities involved.

4.3 It is essential that in conjunction with the DBV support programme RBWM work to restrict, and where possible erode, the projected deficit over the coming financial years. Therefore, there have been four key themes identified to be implemented that will lead to a reduction in costs. The four themes are set out below with a full year indicative range of savings shown in brackets:

- Supporting partnership working (£570,000 to £100,000)
- Expanding the range and quality of local provision (£270,000 to £100,000)
- Assessment, planning and review (£130,000 to £20,000)
- Effective commissioning (£130,000 to £10,000)

4.4 For illustrative purposes the average savings has been modelled in table 3. For 2022/23 only a part year effect has been reflected. It has been modelled that savings will be fully delivered in 2023/24.

Table 3 High level projected savings – average delivery

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m	£m
	ACTUAL	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
Supporting partnership working	0.00	0.17	0.50	0.84	1.17	1.51
Expanding the range and quality of local provision	0.00	0.09	0.28	0.47	0.66	0.84
Expanding the range and quality of local provision	0.00	0.04	0.11	0.19	0.26	0.33
Effective commissioning	0.00	0.03	0.10	0.17	0.24	0.30
Projected Savings	0.00	0.33	1.00	1.66	2.33	2.99
Cumulative Savings	0.00	0.33	1.33	2.99	5.32	8.31

4.5 The projected cumulative savings 31 March 2027 total £8,310,000. This would result in a net deficit of £5,369,000 and not deliver a balanced budget position by 31 March 2027. This demonstrates the requirement to proactively manage and implement the Deficit Management Plan recognising the financial impact of any savings themes that under achieve or deliver savings behind profile.

4.6 For illustrative purposes the upper threshold of savings has been modelled in table 4. Savings have been reflected as being only part delivered in 2022/23 with a full year effect in future years.

Table 4 High level projected savings – upper threshold delivery

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m	£m
	ACTUAL	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
Supporting partnership working	0.00	0.28	0.85	1.42	1.99	2.56
Expanding the range and quality of local provision	0.00	0.14	0.41	0.68	0.95	1.22
Expanding the range and quality of local provision	0.00	0.07	0.20	0.33	0.46	0.59
Effective commissioning	0.00	0.06	0.19	0.32	0.45	0.57
Projected Savings	0.00	0.55	1.65	2.75	3.85	4.95
Cumulative Savings	0.00	0.55	2.20	4.95	8.80	13.74

4.7 The savings set out in table 4 reflect cashable savings that will deliver planned and sustainable reduction to the base budget expenditure, cumulative savings 31 March 2027 total £13,740,000. This would result in a net surplus of £61,000.

- 4.8 The Deficit Management Plan will be updated and presented at Schools Forum meetings and any high needs subgroups regularly and at least on a termly basis.
- 4.9 It should be recognised that should there be a significant increase in demand, change in legislation or other adverse factors the successful delivery of the Deficit Management Plan would inevitably be deferred. It is widely recognised across local authorities that the current High Needs Block funding mechanism does not meet the demand.
- 4.10 The DfE plans make changes to the High Needs Block funding, and recently launched a green paper for consultation – SEND review: Right Support, Right Place, Right Time. The DfE is seeking to address a number of high-level issues focused on delivering better outcomes and experiences for all children and young people with SEND. Proposals include making the system more transparent, accountable and effective through better working between education, health and social care. The green paper is looking to cap the growth of the high needs budget to deliver financial sustainability. The two main levers it proposes for achieving this are national standards and nationally set tariffs across the system, and more effective early intervention.
- 4.11 The following is the link to the Green Paper with consultation closing 1st July 2022.

<https://www.gov.uk/government/consultations/send-review-right-support-right-place-right-time>

5. KEY IMPLICATIONS

- 5.1 A significant indicator of the effectiveness of the Deficit Management Plan can be measured by the materiality of the savings delivered against the modelled annual savings set out in table 4.
- 5.2 The thresholds for measuring the effectiveness have been set in table 5.

Table 5: Key Implications

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Schools Forum to agree the contents of Deficit Management Plan	Greater than 5% underachievement at key milestones (31 March)	Less than 5% underachievement at key milestones (31 March)	Overachievement of 5% at key milestones (31 March)	Overachievement of 10% at key milestones (31 March)	31 March (each year)

6. DEFICIT MANAGEMENT PLAN SUBMISSION TO DfE

- 6.1 In accordance with the DfE conditions of grant, AfC working with RBWM must agree a Deficit Management Plan to address the cumulative deficit position.

- 6.2 The Deficit Management Plan should be discussed with Schools Forum and be signed off by the Director of Children's Services and the Executive Director of Resources (section 151 officer) before the plans are submitted.

7. LEGAL IMPLICATIONS

- 7.1 There are no legal implications directly arising from this report.

8. RISK MANAGEMENT

- 8.1 There are no potential risks directly 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.

9. POTENTIAL IMPACTS

- 9.1 Equalities. Equality Impact Assessments are published on the [council's website](#). The Equality Act 2010 places a statutory duty on the council to ensure that when considering any new or reviewed strategy, policy, plan, project, service or procedure the impacts on particular groups, including those within the workforce and customer/public groups, have been considered. It has been assessed that there are no Equality Impact risks arising from this report. Link to Equality Impact Assessments. <https://www.rbwm.gov.uk/home/council-and-democracy/equalities-and-diversity/equality-impact-assessments>
- 9.2 Climate change/sustainability. There are no climate change/ sustainability risks arising from this report.
- 9.3 Data Protection/GDPR. There are no data protection/ GDPR risks arising from this report.

10. CONSULTATION

- 10.1 Consultation has been undertaken with Schools Forum representatives who agreed with the key Deficit Management Plan themes reported in 4.3.

11. TIMETABLE FOR IMPLEMENTATION

- 11.1 The Deficit Management Plan delivery has commenced with changes in a number of practices already implemented, ownership of key themes allocated to senior AFC managers and processes to monitor the financial impact established.

12. APPENDICES

- 12.1 This report is supported by one appendix:

- Appendix A – Equality Impact Assessment

13.BACKGROUND DOCUMENTS

13.1 This report is supported by one background document:

13.2 Dedicated schools grant (DSG) deficit management plan
<https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-deficit-management-plan>

14.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	16-05-22	17-05-22
Emma Duncan	Deputy Director of Law and Strategy / Monitoring Officer	16-05-22	17-05-22
<i>Deputies:</i>			
Andrew Vallance	Head of Finance (Deputy S151 Officer)	16-05-22	
Elaine Browne	Head of Law (Deputy Monitoring Officer)	16-05-22	
Karen Shepherd	Head of Governance (Deputy Monitoring Officer)	16-05-22	16-05-22
<i>Other consultees:</i>			
<i>Directors (where relevant)</i>			
Duncan Sharkey	Chief Executive	16-05-22	16-05-22
Andrew Durrant	Executive Director of Place	16-05-22	
Kevin McDaniel	Executive Director of Children's Services	16-05-22	17-05-22
Hilary Hall	Executive Director of Adults, Health and Housing	16-05-22	17-05-22
<i>Heads of Service (where relevant)</i>			
Nikki Craig	Head of HR, Corporate Projects and IT	16-05-22	16-05-22
Louisa Dean	Head of Communications	16-05-22	

Confirmation relevant Cabinet Member(s) consulted	Councillor Stuart Carroll; Cabinet Member for Adult Social Care, Children's Services, Health, Mental Health, & Transformation	Yes
---	---	-----

REPORT HISTORY

Decision type:	Urgency item?	To follow item?
For information	No	No
Report Author: James Norris, Head of Finance AFC (RBWM), 07824478100		

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Dedicated Schools Grant Deficit Management Plan 2022/27

Essential information

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

Strategy		Plan		Project		Service procedure	X
----------	--	------	--	---------	--	-------------------	---

Responsible officer	James Norris	Service area	Finance	Directorate	Achieving for Children
---------------------	--------------	--------------	---------	-------------	------------------------

Stage 1: EqIA Screening (mandatory)	Date created: 13/05/2022	Stage 2 : Full assessment (if applicable)	Date created :N/A
--	--------------------------	--	-------------------

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: 13/05/22

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqlA : Dedicated Schools Grant Deficit Management Plan 2022/27

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

EqIA : Dedicated Schools Grant Deficit Management Plan 2022/27

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 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 Deficit Management Plan 2022/27

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	This report does impact on pupils within this protected characteristic; however, the impact of the Deficit Management Plan 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 Deficit Management Plan 2022/27

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

EqIA : Dedicated Schools Grant Deficit Management Plan 2022/27

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

EqIA : Dedicated Schools Grant Deficit Management Plan 2022/27

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 Deficit Management Plan 2022/27

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 Deficit Management Plan 2022/27

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 Deficit Management Plan 2022/27

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 Deficit Management Plan 2022/27