



TOWER HAMLETS

Children and Education Scrutiny - Finance

October 2021



2021/22 Central Education Issues



- High Needs pressures continues, although overall DSG deficit remained at broadly the same level as 2019/20 bought forward to 2021/22 of £12m
 - 8% increase in High needs funding in 2021/22
 - Additional Funding in High Needs allows for additional commissioned places in Special Schools and Resource provisions
- Requirement to produce high needs management plan to the DfE, early in the new year (replaces recovery plan)
- Growth in EHCP numbers will require additional resourcing
- Transport remains a pressure, review of more cost effective delivery models
- Schools buyback of central services remain low post Covid



2020/21 School Issues



- Significant increase in School Balances increasing from £27m to £35m
- In year School Closures of Raines and Guardian Angels a £2.1m write off to the Council
- Significant improvement in Schools Year End procedures and collaborative working
- More transparency and compliance on Schools balances within the Statement of Accounts



2021/22 School Issues



- Revised Payment Methodology for Schools, going through normal bacs process more consistent payments, reduced costs to Schools of + £300k
- Refreshed policy of Schools with in year budget deficits and cash advances
- Falling rolls and the requirement of school closures and amalgamations continues to be an issue
- Regular updates to all School Business Managers
- Introduction of monthly “bite size” briefings for Head teachers and school business managers
- Headteacher training in collaboration by THEP



Initial DSG 2022/23



- Initial Budget Headlines
 - Schools MFG 2%
 - High Needs increase of 8%
 - Reduction in central DSG by 10.5%

- Further moves towards National Funding Formula expected, consultation closed 30/9/2021, details on proposals.

[Fair school funding for all: completing our reforms to the National Funding Formula \(education.gov.uk\)](https://www.education.gov.uk)



2021/22 Supporting Families possible future pressures



- Reduction in base budget as the previous time limited growth for the improvement plan removed
- Pressure to recruit and retain Social Workers means some level of interim staff
- Greater number of families with no access to public funds
- Higher number of Children in need whilst placements remain steady
- Completion of the Youth and Early years service reorganisation
- Future impact of Unaccompanied Asylum Seeking Children (UASC)

