

<b>School Forum 02 December 2021</b>	
<b>Report from Executive Director of People - Children Services</b>	
<b>DSG Budget Monitoring Report 2021/22</b>	
<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	N/A
<b>No. of Appendices:</b>	None
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### 1. Purpose of the report

This report provides Schools Forum with an update on the forecast financial position for 2021/22. The position is reported against the budget set in consultation with Schools Forum and submitted to the Department for Education on the Section 251 budget return.

### 2. Recommendation

Schools Forum is asked to note the contents of this report.

### 3. Summary

The Dedicated School Grant (DSG) balance has been an increasing deficit for a number of years due to overspend on the High Needs Block. This mainly relates to increased demand for out of borough SEN placements, post 16 services and places at Special schools.

The carried forward deficit from 2020/21 for the High Needs Block is £19.6m, with a projected in year deficit of £4.5m. The total projected deficit at the end of the financial year is £24.1m.

This current projection is in line with the management action plan which was presented to DfE on 26th July as shown in table 1 below.

**Table 1: Dedicated Schools Grant**

BLOCKS	Budget £'000	Forecast Position £'000	Full Year Variance £'000	Previous month's Variance £'000	Change £'000	Cumulative surplus/ deficit £'000
Schools block	37,175	37,216	41	41	0	339
Central Schools Services block	1,020	1,025	5	0	5	(27)
Early Years block	15,230	15,230	0	0	0	(453)
High Needs block	19,804	24,302	4,498	4,551	(53)	24,269
<b>Total</b>	<b>73,229</b>	<b>77,826</b>	<b>4,597</b>	<b>4,359</b>	<b>238</b>	<b>24,128</b>

#### 4. Schools' Block

The schools block is showing an over spend of £0.041m mainly due to pressure on Growth Fund budget. This service will be monitored closely, and any variances will be reported accordingly.

The carried over deficit from previous year is £0.298m, projected total deficit for Schools Budget will be £0.339m. No change from last month's variance.

#### 5. Central Schools Services Block (CSSB)

CSSB block is forecasting an overspend of £0.006m mainly due to increase in School Licences charges, no change from previous month.

#### 6. Early Years Block

The current position is showing that this service will be on target. This is a demand funded/participation-based service with providers claiming funding for actual hours of provision at the hourly rate set by the authority for that particular financial year.

The carried over surplus for EY is £0.453m and currently this service is showing nil variance for 2021/22.

#### 7. High Needs Block

The DSG 2021/22 High Needs Block projected outturn shows, in-year overspend of £4.5m favourable variance of £0.053m from P6 mainly on adjustment on maintain schools. The carried over deficit from previous years is £19.6m, total deficit will be £24.2m. There is risk that there may be additional costs due to under accrual not been put through last year.

Overspend for high needs relates to the demand of out borough placement of SEN, this includes the post 16 and independence and Special schools. This deficit will be added to the already reported deficit on DSG of £19.8m. There is risk that there may be additional costs due to under accrual not been put through last year.

The service is currently looking into this, any changes will be reported in next budget monitoring.

The High Needs budget will be further adjusted for in year import/export in July/August, and any changes will be reported accordingly.

## **8. Financial Implications**

The financial implications have been detailed in the body of this paper.

## **9. Legal Implications**

There are no legal implications for this report.

## **10. Equality Implications**

Not applicable

## **11. Consultation with Ward Members and Stakeholders**

Not applicable

## **12. Human Resources/Property Implications (if appropriate)**

Not applicable