

School Forum 19 January 2022	
Report from Executive Director of People - Children Services	
DSG Budget Monitoring Report 2021/22	
Wards Affected:	All
Key or Non-Key Decision:	N/A
No. of Appendices:	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 forecast 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 £20.6m, with a projected in year deficit of £4.8m. The total projected deficit at the end of the financial year is £25.458m. The HN carry over deficit from 2020/21 has increased by £1m since last update, the details are in section 7 below.

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	Forecast Position	Full Year Variance	Previous month's Variance	Change	Cumulative surplus / deficit
	£'000	£'000	£'000	£'000	£'000	£'000
School Block	37,175	37,214	41	41	0	339
CSSB Block	1,020	1,023	3	5	-2	-27
HN Block	19,804	25,458	4,854	4551	303	25,458
EY Block	15,230	15,230	0	0	0	-453
Total	73,229	78,925	4,898	4,597	301	25,317

4. Schools' Block

The schools block is showing an overspend 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 £0.003m which is £2k favourable variance mainly due to reduction on recharges. The overspend is mainly due to increase in School Licences charges, no change from previous month.

6. Early Years Block (EY)

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 £0.027m 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 £4.854m, an increase of £0.303m from previous month. The movement is mainly due

to payment of Teachers pay and pension cost for LA's special school. The carried over deficit from previous years is £20.6m, total deficit will be £25.458m. There is an increase in overspend in 2020/21 of £1m for out of borough placements costs not previously accrued. There is a risk that other costs may also be identified as part of the year-end review process, which could further increase the deficit.

Overspend for high needs relates to the demand of out borough placement of SEN, this includes the post 16 and independence and Special schools. The service is currently looking into this and any changes will be reported in next budget monitoring as appropriate.

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