



Report to Schools Forum

Date: 18th January 2022

Title: Dedicated Schools Budget – Revenue Budget Monitoring 2021-22

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Recommendations:

Schools Forum is asked to note the revenue budget monitoring forecast at the end of December (Period 9)

Reason for decision: For Information

1. Purpose of the Report

1.1. This report updates Schools Forum on the current forecast for the Dedicated Schools Grant (DSG) budget for the 2021-22 financial year, based on the spend to 31st December 2021 (period 9).

2. Forecast 2021-22

2.1. The overall Dedicated Schools Budget is currently projected to overspend by £3.841m as at the end of December, this is an increase of £1.428m compared with the previous month.

DSG Forecast Period 9						
	Total 2021-22 Plan	Total Actuals at 30/12/21	Year End Forecast	Forecast Variance Period 9	Period 8 variance	Movement
	£'000	£'000	£'000	£'000	£'000	£'000
Schools Block	185,875	108,970	185,820	(55)	(55)	0
High Needs Block	91,149	68,574	95,541	4,391	2,991	1,401
Central Schools Services Block	5,908	1,940	5,682	(226)	(253)	27
Early Years Block	33,007	25,886	32,737	(270)	(270)	0
Total	315,939	205,370	319,780	3,841	2,414	1,428

- 2.2. A summary of the current forecast against the high needs block is attached as an appendix to this report. In addition to the increase in post-16 costs there are also increases to the forecast for top up costs in mainstream schools and to the forecast for placements in independent special schools.
- 2.3. A projected overspend of £4.4m against the high needs block is partially offset by underspends against the other 3 DSG blocks. This is an adverse movement of £1.4m compared with the previous month and the main reason is increased spend against post-16 colleges as payments for the autumn term have been cleared. It should be noted that in a number of cases contributions from other agencies need to be confirmed and incorporated into the forecast and therefore there is potential for the post-16 forecast to decrease before the end of the year. This work is ongoing in order to finalise the position before the end of the financial year.
- 2.4. Budgets for top up costs for pupils in mainstream schools are projected to overspend by £1.3m.
- 2.5. Schools block is currently projected to break even, there is potential for an underspend against the growth fund – this would be rolled forward against commitments in future years.
- 2.6. Early Years budgets are projected to underspend against the budget for vulnerable 2 year olds due to reduced take up of places in settings.
- 2.7. Central schools services block is projected to underspend by £250k. This is a planned underspend to support pressures against the high needs block.

3. DSG Reserve

- 3.1. Any variance against the DSG is to be managed through the DSG reserve which is ringfenced. At the start of the 2021-22 financial year the council had a deficit of £1.8m against its DSG reserve. The DSG deficit will be further impacted by a reduction of £392k against the 2020-21 Early Years block as a result of an adjustment by the DfE to reflect the January 2021 Early Years census.
- 3.2. The current projected overspend will increase the deficit to 6.0m if further savings cannot be identified before the end of the financial year.
- 3.3. Work continues on the development of mitigating actions to feed into the DSG Management Plan. The report on budget proposals for 2022-23 includes the recommendation the creation of 3 Area Inclusion Officers to support mainstream schools and it is anticipated that these roles will support a reduction in costs against the high needs block. The report further recommends that a proportion of the growth in high needs funding for 2022-23 is held against the increasing deficit.