



Report to Schools Forum

Date: 22nd March 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 January (Period 10)

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 January 2022 (period 10).

2. Forecast 2021-22

2.1. The overall Dedicated Schools Budget is currently projected to overspend by £1.882m as at the end of January, this is an improvement of £1.959m compared with the previous month.

	Total 2021-22 Plan	Total Actuals at 31/1/22	Year End Forecast	Forecast Variance Period 10
	£'000	£'000	£'000	£'000
Schools Block	185,875	121,400	185,820	(55)
High Needs Block	91,149	72,904	94,704	3,555
Central Schools Services Block	5,908	2,123	5,690	(218)
Early Years Block	33,007	26,036	31,607	(1,400)
Total	315,939	222,463	317,821	1,882

- 2.2. The main reason for the reduction in the forecast variance is a favourable movement of £1.130m against the early years block forecast. This is to reflect a lower projected take up of places in the spring term. The early years block is therefore forecast to underspend by £1.4m. It is likely that the DSG settlement for 2021-22 will be adjusted downwards to reflect the January 2022 early years census and therefore a proportion of this underspend will be clawed back in 2022-23.
- 2.3. A summary of the current forecast against the high needs block is attached as an appendix to this report. High needs budgets are projected to overspend by £3.6m this year, this is a reduction of £837k in the forecast compared with last month. Whilst there are small movements against a number of budget lines, the main reduction is against the forecast for post-16 placements. This is as a result of continued review of payments and of other agency contributions.
- 2.4. 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.
- 2.5. Central schools services block is projected to underspend by £218k. 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 £4m if further savings cannot be identified before the end of the financial year.