

Schools Forum

12 October 2021

Review of Dedicated Schools Grant - Update on 2021/22 Forecast Position

1. Purpose of report

- 1.1 To inform Schools Forum of the Dedicated Schools Grant (DSG) forecast outturn position for 2021/22.

2. Recommendations

- 2.1 That Schools Forum note the updated position set out in the report.
- 2.2 The Schools Forum note that this position will continue to be reported regularly going forward.

3. Background

- 3.1 Schools Forum has been monitoring DSG expenditure in recent years, and this report provides an update.
- 3.2 As the Schools and Central Schools Services blocks of the DSG are fully committed at the beginning of the year, in agreement with Schools Forum, the forecast will not change through the year and these blocks are therefore not included within this report.
- 3.3 The accumulated surplus on the Dedicated Schools Grant (DSG) at the end of 2020/21 totalled £1.737m. The breakdown of this between allocated and unallocated balances is summarised in Table 1 below:

Table 1 – DSG Surplus as at end 2020/21	
Area	Amount (£m)
Balances Previously Allocated to Specific Areas of Investment:	
School Readiness / Early Help	0.072
2 Year Old Places	0.228
2 Year Old Trajectory	0.259
Walsall Association of Governors	0.004
Service Redesign	0.020
Sector Led Improvement Model	0.425
Development of Multidisciplinary Integration Team	0.035
Subtotal – allocated Reserve	1.043
Unallocated DSG reserve – held to manage in year pressures	0.694
Total DSG Reserve	1.737

- 3.4 The unallocated balance of £0.694m is being held by the Authority to manage any in year pressures on DSG seen during 2021/22, in line with the 2021/22

monitoring set out later in this report, and the Authority does not therefore recommend seeking to allocate any of this balance to other projects at this point in time.

4. 2021/22 High Needs Block Monitoring

- 4.1 The 2021/22 High Needs budget and projected expenditure, as at September 2021, is shown in Table 2 below:

Table 2 – High Needs Position as at September 2021			
High Needs Expenditure 2021/22	Annual Budget (£m)	Spend Forecast as at Sep'21 (£m)	Forecast Variance at year end over/ (underspend) (£m)
Place funding Specials	7.094	7.520	0.426
Place funding PRUs	0.921	0.921	0.000
Place funding – ARP's	0.554	0.557	0.004
Top-up mainstream schools & ARPs,	7.087	8.434	1.347
Top-up out of borough schools	1.865	1.865	0.000
Top-up specials schools	10.445	10.153	(0.293)
Top-up pupil referral units	0.628	0.628	0.000
Contingency for PRU & Special	0.269	0.053	(0.216)
Top-up non-maintained special, independent AP & FE	6.701	6.837	0.135
SEN Support Services	3.104	2.854	(0.250)
Other alternative provision incl. home & hospital tuition, support for inclusion, outreach	2.205	2.205	0.000
Tuition Costs	0.000	0.420	0.420
Import/export adjustment	0.326	0.000	(0.326)
Previous year's deficit	0.797	0.760	(0.037)
Updated HNB – July 2021 updated allocation	0.140	0.000	(0.140)
Total Budget / Expenditure	42.137	43.206	1.069

- 4.2 There is currently sufficient unallocated DSG reserve to fund the forecast overspend of £1.069m in 2021/22 (£0.694m unallocated DSG reserve brought forward plus a contribution to reserves of £0.760m shown in Table 2 above, less the currently forecast overspend of £1.069m would leave a small unallocated balance to carry forward of £0.385m).

5. 2021/22 Early Years Block Monitoring

- 5.1 The 2021/22 Early Years budget and projected expenditure, as at September 2021, is shown in Table 3 below:

Table 3 – Early Years Position as at September 2021			
Early Years Expenditure 2021/22	Annual Budget (£m)	Spend Forecast as at Sep'21 (£m)	Forecast Variance at year end over/ (underspend) (£m)
EYSFF - 2yr old entitlement	3.232	3.232	0.000
EYSFF – 3 & 4 year old Universal and Extended Entitlement	14.107	14.107	0.000
EYSFF - Maintained Nursery School supplement	1.307	1.307	0.000
EYSFF – Contingency to manage increases in provision throughout the year	2.319	2.319	0.000
Disability Access Fund for 3 & 4 year olds	0.090	0.090	0.000
SEN Inclusion Fund for 2 year olds	0.020	0.020	0.000
SEN Inclusion Fund for 3 & 4 year olds	0.070	0.070	0.000
Early Years Pupil Premium for 3 & 4 yr. olds	0.275	0.275	0.000
Early Years Support Team	0.500	0.500	0.000
Total Budget / Expenditure	21.920	21.920	0.000

- 5.2 The forecast is currently based on budget. This may change when actual pupil data is known for the autumn and spring term when the October 2021 and January 2022 census data is finalised, and therefore poses a further risk at this point which would need to be managed with any residual unallocated DSG balance referred to at 4.2 above.

6. Financial Implications

- 6.1 Taking account of previous decisions by Schools Forum and the Authority to allocate / utilise a large proportion of the surplus, and the current pressures and risks on DSG funding shown within the report, the overall reserve balance will need to be regularly reviewed going forward.

7. Legal Implications

- 7.1 No issues directly arising from this report.

8. School Improvement

- 8.1 No issues directly arising from this report.

9. Members eligible to vote

- 9.1 This item provides an update on the financial position and no vote is required.