

London Borough of Enfield

Schools Forum
Education Resources Group

Meeting Date: 6 October 2021
Meeting Date: 22 September 2021

Subject: DSG BUDGET MONITORING REPORT 2021/22

Cabinet Member: Cllr Uddin

Report Number: 14

Item Number: 4a

Purpose of Report

This report provides details of the latest DSG budget monitoring position for 2021/22 including confirmation of the latest DSG allocation from the EFA as at July 2021.

Proposal

To note the contents of the report and the projected DSG cumulative deficit position for 31 March 2022.

Relevance to the Council's Council Plan

The Dedicated Schools Grant (DSG) is a ringfenced grant which funds schools and some central education functions. Updates on the DSG position are provided on a quarterly basis to EMT and Cabinet as part of the council's overall financial monitoring reports.

Main Considerations for ERG and Schools Forum

1. Cumulative DSG Deficit Position

Table 1 sets out the cumulative DSG deficit position as at 31 March 2021 as presented at the last meeting.

Table 1 – Accumulated DSG Carry Forward 2020/21

		£'000s
Balance brought forward 1 April 2020		(4.482)
Net Overspend 2020/21		(3.567)
Cumulative Deficit Balance 31 March 2021		(8.049)
Outstanding Adjustments 2020/21		0.950
Net 2020/21 Carry Forward		(8.999)

The outstanding adjustments largely relates to the clawback of Early Years funding and this is still to be confirmed by the ESFA. This would normally be confirmed as part of the July DSG update but has been delayed for 2021/22 due to additional data collections requested by the ESFA to identify trends in pupil numbers in early years settings.

2. DSG Allocation 2021/22

The original estimate of gross DSG resources for 2021/22 amounted to £373.187m. Of this amount £2.1m would be provided direct by the Education and Skills Funding Agency (ESFA) to fund places in mainstream academy units and academy special schools. Budget allocations for 2021/22 were agreed within this level of resources.

In March and July 2021, revised DSG allocations for 2021/22 were published. These allocations reflected updated academy and college recoupment for the Schools Block and High Needs. The latest DSG position for 2021/22 is summarised in Table 2.

Table 2 – DSG Allocation 2021/22

DSG Summary 2021/22	ORIG 2021/22	Academy Recoup	Import/Export Adj 21/22	Early Years Adj 21/22	REVISED 2021/221
	£000	£000	£000	£000	£000
SCHOOLS BLOCK	283.399	(145.835)			137.564
CENTRAL SERVICES	2.537				2.537
EARLY YEARS BLOCK	26.554				26.554
HIGH NEEDS BLOCK	60.697				60.697
GROSS DSG	373.187	(145.835)	0	0	227.352
High Needs Recoupment	(2.100)	(0.069)			(2.169)
NET TOTAL DSG	371.087	(145.904)	0	0	225.183

Further DSG allocation updates could be received between now and the end of the financial year and any changes will be shared at future meetings.

3. DSG Monitoring Update 2021/22

The DSG budget is monitored on a monthly basis and any variances are shared with DMT. The table below shows the monitoring position to the end of June 2021, Quarter 1.

Table 3 – DSG Monitor 2021/22 as at 30/06/2021

DSG Monitor 2021/22	£000	Aug-21 £000
DSG Deficit b/f 01/04/2021	8,049	
Schools Block		
Funds adv to schl moved to Rolling Credit		(450)
Central Schools Services Block		
Appeals Service vacancy		(38)
Early Years Block		
- Backdated Funding Adj 20/21 tbc		1,330
High Needs Block		
- Variance from initial 21/22		3,108
- Outborough Placements		(18)
- Home & Hospital 20/21 underspend		(56)
- Parenting Support		63
DSG Monitoring Position 21/22		3,940
Cumulative DSG TOTAL 21/22		11,988

Further increases in the High Needs Block overspend are expected over the next 2 terms as additional EHCPs are agreed and placements made. Some financial provision was built into the 2021/22 budget to allow for the expected increase in EHCP pupils in mainstream schools and the planned increase in special school and ARP places with effect from September 2021. The position for the new academic year is currently being updated to assess whether the

provisions made are sufficient or whether there are any increased pressures on the High Needs Block. Further updates will be provided at each meeting.

Conclusions

The DSG budget remains under considerable pressure due to ongoing high needs overspends. As part of an ongoing programme, additional in borough places have been made available from September 2021, providing the most cost effective way of meeting pupil needs. New early intervention programmes have also been introduced from September 2021 to identify and pupils with special needs as early as possible and provide them with support with the aim of reducing the longer term financial impact. Updates on the monitoring position will be provided at future meetings.

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Date of report Sept 2021

Appendices

None

Background Papers

DSG Updates to ERG/Schools Forum during Summer term 2021/22.