

London Borough of Enfield

Education Resources Group
 Schools Forum

Meeting Date 30 November 2021
 Meeting Date 8 December 2021

Subject: DSG Budget Monitoring Report 2021/22

Cabinet Member: Cllr Uddin

Report Number: 4a

Item: 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 November 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, July and November 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		-0.234		60.463
GROSS DSG	373.187	-145.835	-0.234	0	227.118
High Needs Recoupment	-2.100	-0.069			-2.169
NET TOTAL DSG	371.087	-145.904	-0.234	0	224.949

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 October 2021.

Table 3 – DSG Monitor 2021/22 as at 31/10/2021

DSG Monitor 2021/22	b/f	Q1	Q2	Latest
	£000	£000	£000	£000
DSG Deficit b/f 01/04/2021	8,048			
Schools Block				
Funds moved to Rolling Credit		-450	-450	-450
Growth Fund		0	0	-150
Schools Block Total		-450	-450	-600
Central Schools Services Block				
Appeals Service vacancy		-38	-16	-16
Early Years Block				
Backdated Funding Adj 20/21		1,330	1,330	585
High Needs Block				
Variance from initial 21/22		3,108	3,108	3,108
ARPs & Special Units		0	-13	-13
Special Schools		0	116	-136
Nurture Groups		0	-226	-226
New Early Interventions		0	-113	-113
Exceptional Needs		0	0	0
Outborough Placements		-18	1,369	1,752
SEN Team		0	333	342
Therapies		0	161	161
Home & Hosp 20/21 underspend		-56	-56	-56
Parenting Support		63	66	66
High Needs Block Total		3,097	4,745	4,884
DSG Monitoring Position 21/22		3,939	5,610	4,853
Cumulative DSG TOTAL 21/22	8,048	11,987	13,657	12,901

The main changes in the monitoring position since the last report are as follows

- Growth Fund – release of funding as not expected to be required this financial year
- Early Years Block 20/21 – confirmation of clawback for 2020/21 financial year. Maximum clawback had been projected but actual lower due to new methodology to allow for number fluctuations during the pandemic
- Special Schools – slight underspend projected based on latest places agreed and filled in Enfield special schools. Position still to be confirmed with 2 schools.
- Outborough Placements – significant overspend since the start of the academic year due to rise in placements. Analysis requested to show detail of new placements to identify trends/needs to inform actions going forward to minimise any further increase in expenditure in this area.
- Exceptional Needs - £500k contingency included in 21/22 original budget to allow for expected increase in mainstream pupils with EHCPs. The funding adjustments for the summer and autumn terms has fully utilised this funding with an 8.5% increase in pupils from the spring to autumn position. Any adjustments for the spring term 2022 will put additional pressure on the budget.

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.

Report Author: Louise McNamara
Finance Manager – Schools and Education
Louise.mcnamara@enfield.gov.uk
0208 132 1272

Date of report Nov 2021

Appendices

None

Background Papers

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