

Education Resources Group
Schools Forum

Meeting Date 10 January 2023
Meeting Date 18 January 2023

Subject: DSG Budget Monitoring Report 2022/23

Cabinet Member: Cllr Abdullahi

Report Number: 28

Item: 5b

Purpose of Report

This report provides details of the latest DSG budget monitoring position for 2022/23 including confirmation of the latest DSG allocation from the EFA as at July 2022.

Proposal

To note the contents of the report and the projected DSG cumulative deficit position for 31 March 2023.

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 brought forward on 01 April 2022.

Table 1 – Accumulated DSG Carry Forward 2021/22

		£'000s
Balance brought forward 1 April 2021		(8.048)
Net Overspend 2021/22		(4.570)
Cumulative Deficit Balance 31 March 2021		(12.618)

2. DSG Allocation 2022/23

The original estimate of gross DSG resources for 2022/23 amounted to £380.978m and initial budget allocations for 2022/23 were agreed within this level of resources. Of this amount, £2.4m will be recouped and used by the Education and Skills Funding Agency (ESFA) to directly fund places in mainstream academy units, academy special schools and FE colleges. In 2022/23, £3.273m of this amount will also be retained centrally by ESFA to pay NNDR bills for schools and academies directly to the Local Authority, reflecting the new arrangements introduced from April 2022.

In March, July and Nov 2022, revised DSG allocations for 2022/23 were published. These allocations reflected updated academy and college recoupment for the Schools Block and High Needs Block and an updated allocation for the Early Years Block. The latest DSG position for 2022/23 is summarised in Table 2 below and indicates that we will receive a net allocation of £228.338m.

Table 2 – DSG Allocation 2022/23

DSG Summary 2022/23	ORIG 2022/23	Academy Recoup	Import/Export Adj 22/23	Early Years Adj 22/23	REVISE D 2022/23
	£0	£0	£0	£0	£0
SCHOOLS BLOCK	285.544	-147.757			137.787
CENTRAL SERVICES	2.486				2.486
EARLY YEARS BLOCK	24.958				24.958
HIGH NEEDS BLOCK	67.990		0.324	0.435	68.749
GROSS DSG	380.978	-147.757	0.324	0.435	233.980
High Needs Recoupment	-2.208	-0.160			-2.368
NNDR Held centrally	-3.273				-3.273
NET TOTAL DSG	375.497	-147.917	0.324	0.435	228.338

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 2022/23

The DSG budget is monitored on a monthly basis and any variances are shared with DMT quarterly. Table 3 shows the monitoring position to the end of period 8, November 2022, with variances grouped into blocks.

In total, the DSG deficit has increased during the current financial year by £2,495m and the projected cumulative deficit at the end of 2022/23 is £15,113m. The increase in the deficit between Q2 and P8 is £188k. A breakdown of the variances is shown in Table 3 below.

Table 3 – DSG Monitor 2022/22 as at 30/11/2022

DSG Monitor 2022/23	Q1		P5	Q2	P8
	Jun-22	Aug-22	Sep-22	Nov-22	
	£0	£0	£0	£0	
DSG Deficit b/f 01/04/2022	12,618				
Schools Block					
PFI			107	107	300
Bulge Class at Hazelwood		61	61	61	61
Central Schools Services Block					
Appeals Service vacancy/pay award uplift		(14)	(12)	(12)	(7)
Early Years Block					
Backdated Funding Adj 21/22		(105)	(105)	(105)	(105)
High Needs Block					
Variance from initial 21/22		1,121	1,121	1,121	1,121
Import Export Adj - Increase to HNB					(324)
HNB Recoupment Adj					160
Special Schools revised Top Up rates		480	480	480	480
Special Schools - academic year place chg		0	0	0	(200)
PRU Orchardside		0	0	43	43
Exceptional Needs		0	0	0	0
ARPs and Special Units		0	0	0	0
Nurture Groups		(341)	(281)	(281)	(281)
Behaviour Support Service		0	69	69	69
Outborough Placements		(473)	(89)	421	687

Post 16 High Needs		0	400	200	0
Home & Hospital enhanced provision		155	155	155	155
Peripatetic Service - Hearing Impaired		0	0	0	40
Therapies		0	0	0	162
Educ Psychology		0	0	0	(50)
SEN Team mat cover/agency staff		60	37	27	50
Parenting Support		133	127	127	134
High Needs Block Variance		1,136	2,020	2,363	2,246
Total Variance		1,078	2,072	2,307	2,495
Cumulative DSG TOTAL 22/23		13,754	14,690	14,925	15,113

Changes between the Q2 (Sept22) and P8 (Nov22) monitoring position include

- Increase in PFI shortfall costs due to actual contract increases being higher than estimated and a backdated charge for 21/22 for Highlands contract
- Import/Export adjustment made to High Needs Block has been reduced following an inter authority checking exercise. This results in an increase in the HNB funding retained by Enfield
- Special Schools expenditure likely to be lower than expected due to Salmons Brook place funding being funded direct by ESFA in 2022/23
- Increase in costs for outborough placements due to demand and needs of specific children. Table below provides trend in nos across various types of provision which shows the main area of increase is independent day placements
- Expenditure on Post 16 SEN placements is now expected to be within budget
- Cost of hearing impaired service has increased
- Increased cost of speech and language therapies in special schools
- Projected underspend on DSG funded element of Education Psychology Service due to vacancies and difficulties with recruitment
- The budget for exceptional needs is on track at this stage but the spring term update is still to be processed and updates will be brought to future meetings.

Funding was included in the 2022/23 budget for the planned increase in special school and ARP places with effect from September 2022. The position for the ARPs has been updated and is reflected in the P8 monitoring position. October census information is awaited to confirm the adjustments to special school funding.

Table 4 below provides details of the number of ongoing placements on a monthly basis for the various categories of outborough placements.

Table 4 – Outborough Placements per Month

Pupil Nos- Outborough Placements	June	July	Aug	Sept	Oct	Nov
SEN Support Package	67	63	66	75	74	74
Other LA Mainstream	222	199	202	204	201	202
Other LA Special	106	104	103	98	94	97
Independent DAY	224	216	215	235	236	255
Independent RES	19	18	16	16	16	16
TOTAL	638	600	602	628	621	644

These numbers support the trends we are noting in the financial monitoring where expenditure projections reduced at the end of the 21/22 academic year but then increased at the start of the

new 22/23 academic year. This information will be provided in each monitoring update to support the financial data and note changes over the financial and academic year.

Further updates on the DSG monitoring position will be provided at each meeting.

4. 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 2022, including 40 places at the new Salmons Brook Special School, providing the most cost effective way of meeting pupil needs. New early intervention programmes were also introduced from September 2021 and will become fully embedded in 2022/23. These will identify 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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Appendices

None

Background Papers

DSG Updates to ERG/Schools Forum during Summer and Autumn terms 2022/23.