

---

# Dedicated Schools Grant Monitoring Report

## 2021/22 – Quarter Three

---

**Report being considered by:** Schools' Forum on 24<sup>th</sup> January 2022

**Report Author:** Ian Pearson

**Item for:** Information **By:** All Forum Members

---

### 1. Purpose of the Report

- 1.1 To report the forecast financial position of the services funded by the Dedicated Schools Grant (DSG), highlighting any under or over spends, and to highlight the cumulative deficit on the DSG.

### 2. Recommendation

- 2.1 That the report be noted.

<b>Will the recommendation require the matter to be referred to the Council or the Executive for final determination?</b>	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
---	-------------------------------	---

### 3. Background

- 3.1 The Dedicated Schools Grant (DSG) is a ring fenced specific grant which can only be spent on school/pupil activity as set out in The School and Early Years Finance (England) Regulations 2018. The Local Authority and Schools' Forum are responsible for ensuring that the DSG is deployed correctly according to the Regulations. Monitoring of spend against the grant needs to take place regularly to enable decision making on over spends/under spends and to inform future year budget requirements.
- 3.2 There are four DSG funding blocks: Schools Block, High Needs Block, Early Years Block and Central Schools Services Block. The funding for each of the four blocks is determined by a national funding formula.

### 4. 2021/22 Budget Setting

- 4.1 The 2021/22 Dedicated Schools Grant allocation is £149.8m. This includes £45.4m which funds Academies and post-16 high needs places which is paid direct by the Education and Skills Funding Agency (ESFA) to schools. The DSG budget for 2021/22 has been built utilising the remaining grant of £104.4m.
- 4.2 The schools block is ring fenced but the Local Authority can transfer up to 0.5% of the funding out of the schools block with Schools Forum agreement. The other blocks are not subject to this limitation on transfers. For the 2021/22 budget, Schools Forum agreed to transfer 0.25% of the Schools Block funding to the High Needs Block amounting to £274k for existing invest to save projects. A further 0.25% was agreed to be transferred for new invest to save projects.

- 4.3 The DSG expenditure budgets required for 2021/22 total £105.5m, which is £1.2m more than the funding available. As a result, a £1.2m in-year efficiency target has been set against this in order to balance the DSG budget, against the High Needs Block
- 4.4 There is a brought forward deficit on the DSG of £1.461m.

## 5. Quarter Three Forecast (30 December 2021)

- 5.1 The forecast position at the end of December is shown in Table 1. A more detailed position per cost centre is shown in Appendix A.

Table 1 - DSG Block forecast	2019/20 Outturn £'000	2020/21 Outturn £'000	2021/22						
			Original Budget £'000	Budget Changes £'000	Amended Budget £'000	Quarter 1 Forecast £'000	Quarter 2 Forecast £'000	Quarter 3 Forecast £'000	Deficit/ (surplus) £'000
Schools Block (inc ISB)	63,241	64,491	70,229	3	70,232	70,229	70,232	70,235	3
Early Years Block	9,983	10,346	10,290		10,290	10,290	10,290	10,290	0
Central School Services Block	918	856	886		886	886	890	882	(4)
High Needs Block	19,793	20,753	23,703		23,703	23,703	23,594	23,672	(31)
High Needs Block In-Year deficit recovery	(341)	0	(1,263)		(1,263)	0	0	0	1,263
<b>Total Block Expenditure</b>	<b>93,594</b>	<b>96,446</b>	<b>103,846</b>	<b>3</b>	<b>103,849</b>	<b>105,109</b>	<b>105,006</b>	<b>105,079</b>	<b>1,230</b>
Support Service Recharges	444	444	444	0	444	444	444	444	0
<b>Total Expenditure</b>	<b>94,038</b>	<b>96,890</b>	<b>104,290</b>	<b>3</b>	<b>104,293</b>	<b>105,553</b>	<b>105,450</b>	<b>105,523</b>	<b>1,230</b>
<b>Funded by:</b>									
DSG Grant	(92,447)	(97,120)	(104,290)	0	(104,290)	(104,290)	(104,290)	(104,263)	27
<b>Net In-year Deficit</b>	<b>1,591</b>	<b>(230)</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>1,263</b>	<b>1,160</b>	<b>1,259</b>	<b>1,257</b>
Deficit Balance in reserves	100	1,691	1,461		1,461	1,461	1,461	1,844	1,844
<b>Cumulative Deficit</b>	<b>1,691</b>	<b>1,461</b>	<b>1,461</b>	<b>3</b>	<b>1,464</b>	<b>2,723</b>	<b>2,621</b>	<b>3,104</b>	<b>3,101</b>

- 5.2 The Quarter Three forecast shows an in-year forecast deficit of £1.26m, against the in-year efficiency target in the High Needs Block. When added to the cumulative deficit of £1.84m, the forecast year end deficit on the DSG is £3.1m.
- 5.3 The High Needs Block is currently showing a £31k saving against the current year budget which has reduced the in-year deficit total.
- 5.4 The table below shows the forecast position for the end of 2021/22 by block. The surplus balance on the Schools Block of £1.5m is supporting the forecast overspend position on the other blocks.
- 5.5 The change in reserves is shown below:

Reserve Balances (surplus)/deficit	1.4.2021	change in reserves	Quarter 3 Forecast	31.3.2022 Est
	£k	£k	£k	£k
Schools Block De-delegated	(331)	57	3	(271)
Schools Block - growth fund	(1,501)	327	0	(1,174)
Schools Block - other	(80)	0	0	(80)
Early Years Block	970	0	0	970
Central School Services Block	72	0	(4)	68
High Needs Block	2,327	0	1,231	3,558
Grant changes	3	0	27	30
<b>Total Deficit Balance</b>	<b>1,461</b>	<b>384</b>	<b>1,257</b>	<b>3,101</b>

## 6. Conclusion

- 6.1 The total forecast deficit on the DSG amounts to £3.1m, comprising £1.84m from previous years and a further £1.26m forecast overspend in year. The forecast position will be kept under review and updates provided to Schools' Forum

Appendix A – DSG 2021-22 Budget Monitoring Report Month 9

Dedicated School's Grant (DSG) 2021/2022 Budget Monitoring Month Nine							
Cost Centre	Description	Original Budget 2021/22	Net Virements in year	Amended Budget 2021/22	Month 9 Forecast	Variance	Comments
90020	Primary Schools (excluding nursery funding)	51,721,830		51,721,830	51,721,830	0	
DSG top slice	Academy Schools Primary	0		0		0	
90025	Secondary Schools (excluding 6th form funding)	17,880,470		17,880,470	17,880,470	0	
DSG top slice	Academy Schools Secondary	0		0		0	
90230	DD - Schools in Financial Difficulty (primary schools)	27,500		27,500	30,000	2,500	Balance to be funded from reserves
90113	DD - Trade Union Costs	49,480		49,480	49,480	0	
90255	DD - Support to Ethnic minority & bilingual Learners	197,500		197,500	197,500	0	
90349	DD - Behaviour Support Services	204,340	2,880	207,220	207,220	0	
90424	DD - CLEAPSS	3,070		3,070	3,070	0	
90470	DD - School Improvement	0		0	0	0	
90423	DD - Statutory & Regulatory Duties	176,180		176,180	176,180	0	
90235	School Contingency - Growth Fund/Falling Rolls Fund	0		0	0	0	Spend of £327,000 will be funded by reserves
90054	Efficiency Target	-31,200		-31,200	-31,200	0	
	<b>Schools Block Total</b>	<b>70,229,170</b>	<b>2,880</b>	<b>70,232,050</b>	<b>70,234,550</b>	<b>2,500</b>	
90583	National Copyright Licences	150,490		150,490	150,490	0	
90019	Servicing of Schools Forum	45,290		45,290	41,710	-3,580	
90743	School Admissions	179,920		179,920	175,920	-4,000	
90354	ESG - Education Welfare	159,820		159,820	153,410	-6,410	
90460	ESG - Statutory & Regulatory Duties	357,310		357,310	360,700	3,390	
90054	Efficiency Target	-6,860		-6,860	0	6,860	
	<b>Central School Services Block DSG</b>	<b>885,970</b>	<b>0</b>	<b>885,970</b>	<b>882,230</b>	<b>-3,740</b>	
90010	Early Years Funding - Nursery Schools	854,520		854,520	854,520	0	
90037	Early Years Funding - Maintained Schools	1,561,780		1,561,780	1,561,780	0	
90036	Early Years Funding - PVI Sector	6,251,270		6,251,270	6,251,270	0	
90052	Early Years PPG & Deprivation Funding	200,350		200,350	200,350	0	
90053	Disability Access Fund	23,370		23,370	23,370	0	
90018	2 year old funding	635,550		635,550	635,550	0	
90017	Central Expenditure on Children under 5	270,770		270,770	270,770	0	
90287	Pre School Teacher Counselling	58,375		58,375	58,375	0	
90238	Early Years Inclusion Fund	90,000		90,000	90,000	0	
90054	Surplus budget re 20/21 clawback	344,120		344,120	344,120	0	
	<b>Early Years Block Total</b>	<b>10,290,105</b>	<b>0</b>	<b>10,290,105</b>	<b>10,290,105</b>	<b>0</b>	

Dedicated School's Grant (DSG) 2021/2022 Budget Monitoring Month Nine							
Cost Centre	Description	Original Budget 2021/22	Net Virements in year	Amended Budget 2021/22	Month 9 Forecast	Variance	Comments
90026	Academy Schools RU Top Ups	1,113,300		1,113,300	1,001,060	-112,240	
90539	Special Schools - Top Up Funding	4,403,120		4,403,120	4,782,500	379,380	
90548	Non WBC Special Schools - Top Up Funding	1,324,500		1,324,500	1,040,240	-284,260	
90551	Mainstream Maintained - post 16 SEN places	0		0	0	0	
90575	Non LEA Special School (OofA)	1,007,880		1,007,880	943,270	-64,610	
90579	Independent Special School Place & Top Up	3,535,280		3,535,280	3,352,730	-182,550	
90580	Further Education Colleges Top Up	1,437,800		1,437,800	1,236,300	-201,500	
90617	Resourced Units top up Funding maintained	314,000		314,000	304,530	-9,470	
90618	Non WBC Resourced Units - Top Up Funding	170,540		170,540	198,640	28,100	
90621	Mainstream - Top Up Funding maintained	818,660		818,660	970,880	152,220	
90622	Mainstream - Top Up Funding Academies	423,560		423,560	490,810	67,250	
90624	Non WBC Mainstream - Top Up Funding	160,510		160,510	209,030	48,520	
90625	Pupil Referral Units - Top Up Funding	821,920		821,920	821,920	0	
90627	Disproportionate No: of HN Pupils NEW	40,000		40,000	41,090	1,090	
90628	EHCP PRU Placement	571,450		571,450	707,130	135,680	
	<b>High Needs Block: Top Up Funding Total</b>	<b>16,142,520</b>	<b>0</b>	<b>16,142,520</b>	<b>16,100,130</b>	<b>-42,390</b>	
90320	Pupil Referral Units	660,000		660,000	660,000	0	
90540	Special Schools	2,860,000		2,860,000	2,860,000	0	
90546	Special Schools - Place Funding Post 16	790,000		790,000	790,000	0	
90584	Resourced Units - Place Funding (70)	242,000		242,000	226,000	-16,000	
	<b>High Needs Block: Place Funding Total</b>	<b>4,552,000</b>	<b>0</b>	<b>4,552,000</b>	<b>4,536,000</b>	<b>-16,000</b>	
90240	Applied Behaviour Analysis	150,470		150,470	201,990	51,520	
90280	Special Needs Support Team	328,100		328,100	328,100	0	
90281	SEND Strategy (DSG)	68,700		68,700	51,700	-17,000	
90282	Medical Home Tuition	172,730		172,730	136,730	-36,000	
90237	High Needs Contingency	110,930	-11,070	99,860	99,860	0	
90287	Pre School Teacher Counselling	58,375		58,375	58,375	0	
90288	Elective Home Education Monitoring	28,240		28,240	28,240	0	
90290	Sensory Impairment	247,860		247,860	244,750	-3,110	
90295	Therapy Services	314,500		314,500	314,500	0	
90372	Therapeutic Thinking	54,300		54,300	54,300	0	
90373	Emotional Based School Avoiders (EBSA)	110,660	11,070	121,730	121,730	0	
90552	Special Schools and PRU Teachers Pay and Pension	0		0	5,390	5,390	
90555	LAL Funding	122,000		122,000	122,000	0	
90565	Equipment For SEN Pupils	15,000		15,000	15,000	0	
90577	SEN Commissioned Provision	584,480		584,480	586,980	2,500	
90582	PRU Outreach	61,200		61,200	61,200	0	
90585	HN Outreach Special Schools	50,000		50,000	50,000	0	
90610	Hospital Tuition	39,280		39,280	62,940	23,660	

Dedicated School's Grant (DSG) 2021/2022 Budget Monitoring Month Nine							
Cost Centre	Description	Original Budget 2021/22	Net Virements in year	Amended Budget 2021/22	Month 9 Forecast	Variance	Comments
90830	ASD Teachers	282,660		282,660	282,660	0	
90961	Vulnerable Children	179,400		179,400	179,400	0	
90581	Dingleys Promise	30,000		30,000	30,000	0	
	<b>High Needs Block: Non Top Up or Place Funding</b>	<b>3,008,885</b>	<b>0</b>	<b>3,008,885</b>	<b>3,035,845</b>	<b>26,960</b>	
90054	Efficiency Target	-1,262,500		-1,262,500		1,262,500	
	<b>High Needs Block Total</b>	<b>22,440,905</b>	<b>0</b>	<b>22,440,905</b>	<b>23,671,975</b>	<b>1,231,070</b>	
	<b>Total Expenditure across funding bocks</b>	<b>103,846,150</b>	<b>2,880</b>	<b>103,849,030</b>	<b>105,078,860</b>	<b>1,229,830</b>	
	<b>SUPPORT SERVICE RECHARGES</b>	<b>444,000</b>	<b>0</b>	<b>444,000</b>	<b>444,000</b>	<b>0</b>	
	<b>TOTAL DSG EXPENDITURE</b>	<b>104,290,150</b>	<b>2,880</b>	<b>104,293,030</b>	<b>105,522,860</b>	<b>1,229,830</b>	
90030	DSG Grant Account	-104,290,150		-104,290,150	-104,263,480	26,670	
	<b>NET DSG EXPENDITURE</b>	<b>0</b>	<b>2,880</b>	<b>2,880</b>	<b>1,259,380</b>	<b>1,256,500</b>	