

Meeting/Date	Schools Forum 01 December 2022	Agenda Item No.	6
Report Title	2022-23 DSG Forecast Outturn		
Decision/ Discussion/ Update	Update		
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Appendices	None		
Summary	This report contains an update of 2022-23 DSG forecast outturn as at Month 7 (Oct-22)		
Recommendations	That School Forum note: 1. 2022-23 Forecast outturn		

1. Summary

1.1. In July 2022, the DSG allocation for 2022-23 was revised, increasing the overall budget by £2.688m (Table 1).

1.2. The forecast expenditure for FY 2022-23 is £248.813m (Table 2).

2. DSG revised allocation

2.1. The 2022-23 DSG allocations are shown in Table 1 below. The allocations were provisionally amended in July 2022 to take into consideration High Needs for Import & Export adjustments. The increase in Early Years is due to an increase in the number of pupils eligible for entitlement. Currently, this adjustment is an increase of £2.688m.

Table 1: DSG Allocation including the latest adjustment in July 2022

Block	Original DSG Allocation 2022-23*	July 2022 Amended DSG Allocation*	Change
	£m	£m	£m
Schools Block	155.040	155.04	0
Central	2.266	2.266	0
Early Years	28.297	30.719	2.422
High Needs	62.353	62.618	0.265
DSG Income	247.955	250.643	2.688

*After Recoupment

3. DSG FY2022-23 Forecast

3.1. The October (Month 7) forecast in Table 2 shows the updated DSG budget based on the latest allocation as set out by the DfE and the current outturn forecast is shown in the table below.

Table 2: DSG 22-23 forecast as at M7

Description	Full Year Current Budget as at M7	Full Year Forecast 22-23 as at M7	Full Year Variance
	£m	£m	£m
Schools Block			
- Individual Schools Budget	151.595	151.595	0
- ESG Retained Funding	0.700	0.700	0
- Growth fund	2.745	1.285	(1.460)
Central School Services Block	2.266	2.266	0
Sub-total	157.306	155.846	(1.460)
Early Years Block	30.720	30.720	0
High Needs Block	62.618	62.247	(0.370)
Sub-total	93.337	92.967	(0.370)
DSG Income	(250.643)	(248.813)	0
NET DSG Balance	0	0	(1.830)

3.2. Within the schools' block, the amount forecast expenditure for individual school budgets and the ESG retained funding matches the budget. This is unlikely to change through the year.

3.3. We are showing an underspend in the growth fund of £1.460m, however, this is earmarked in part for Barnet Hill Academy and Hong Kong & Afghanistan Refugee support.

3.4. The Central Schools Services block will be spent to match the budget, leaving no under or overspending. This will not change through 2022-23.

3.5. High Needs is reporting an overall underspend of £0.370m as at Month 7 due to lower spending on specialist packages and a lower number of placements agreed than budgeted in the independent school sector.

3.6. The expenditure in the Early Years block forecast is in line with the budget.

4. DSG Reserves Forecast FY2022-23

Table 3: Forecast Reserve as at M7

DSG reserves	B/Fwd	Use of Reserve	Top Up Reserve	C/Fwd
	£m	£m	£m	£m
DSG Reserve	(4.870)	2.400	(1.830)	(4.300)

4.1. The current reserve for DSG has a brought forward balance of £4.870m. The schools' forum (13.01.22) has agreed to earmark £1.0m of this reserve to fund Hong Kong & Afghanistan Refugees joining our schools in Barnet. Funding for the Barnet Hill Academy will be drawn down from reserves pending discussions.

4.2. The current forecast at Month 7 is indicating that the DSG reserve will be £4.300m for FY 22-23 as shown in Table 3.