

7. 2021/22 DSG and Budget Monitoring

1.1 The 2021/22 DSG allocations are shown in the table below. The allocations were provisionally amended in July 2021 to take into consideration High Needs Import & Export adjustments. Currently this adjustment is a reduction of £0.048m. However, as in previous years the LA believes that the allocations will be amended further with a finalisation of the High Needs Import & Export adjustments, and that in fact this reduction will be amended to show an increase to the allocation.

Block	Original DSG Allocation 2021-22*	July 2021 Amended DSG Allocation*	Variance
	£m	£m	£m
Schools Block	153.735	153.735	0
Central	2.193	2.193	0
Early Years	30.189	30.189	0
High Needs	55.27	55.222	-0.048
DSG Income	241.387	241.339	-0.048

*After Recoupment

1.2 The August (Month 5) forecast of the DSG (showing the revised DSG budget and the current outturn forecasts) is as below.

Block	Revised Budget £m	August Forecast £m	Variance £m
Schools			
- Individual Schools Budget	150.222	150.222	0
- ESG retained funding	0.700	0.700	0
- Growth Fund	2.814	0.073	(2.741)
Central School Services Block	2.193	2.193	0
Sub-total	155.928	153,188	(2.741)
Early Years Block	30.189	30.189	0
High Needs Block	55.222	56.512	1.290
Sub-total	85.411	86.701	1.290
DSG Income	(241.339)	(241.339)	0
Total DSG	0	(1.451)	(1.451)

1.3 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.

- 1.4 However we are showing a significant underspend in the growth fund of £2.741m. The current level of allocation for the growth fund is likely to significantly reduce in future years. The LA is currently undertaking an analysis to ascertain the level of growth that will need to be funded from the reserve, which this underspend will contribute to.
- 1.5 The Central Schools Services block will be spent to match the budget, leaving no under or over spend. This will not change through 2021/22.
- 1.6 The High Needs block is forecasting an overspend of £1.290m. This is due to increasing numbers of placements both in and out of Borough, and increasing numbers of pupils with EHCPs (Education, Health and Care Plans). As mentioned in paragraph 1.1, the High Needs block allocation is likely to change further in year, as will the forecast level of expenditure as more information regarding Post 16 places and new academic year places/banding levels is finalised, however it is not expected to materially change the overspend.
- 1.7 The expenditure in the Early Years block is currently forecast to match the budget. However, the Early Years block is not yet finalised, with in year adjustments yet to be made. The basis of these adjustments has not yet been published by the Government.
- 1.8 Overall, the current forecast at Month 5 is indicating that the DSG reserve will increase by £1.451m in FY 21-22 as shown below

	£m
DSG Reserve brought forward from 20-21	3.244
In Year change	1.451
DSG Carried forward to 22-23	4.695