

8. 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 which showed a reduction of £0.048m. As reported in October, the LA believed that the allocations would 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. This came to pass and the latest DSG allocations for 2021-22 can be seen in the table below

Block	Original DSG Allocation 2021-22*	July 2021 Amended DSG Allocation*	November 2021 amended DSG Allocation*	Variance
	£m	£m	£m	£m
Schools Block	153.735	153.735	153.735	0
Central	2.193	2.193	2.193	0
Early Years	30.189	30.189	30.189	0
High Needs	55.27	55.222	55.528	+0.257
DSG Income	241.387	241.339	241.645	+0.257

*After Recoupment

1.2 The November (Month 8) 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	55.528	56.512	1.026
Sub-total	85.411	86.701	1.026
DSG Income	(241.645)	(241.645)	0
Total DSG	0	(1.715)	(1.715)

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.
- 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 £1.026m. 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). Although this level of overspend has reduced from the £1.290m detailed in the October Schools Forum report.
- 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 based in the January 2022 census
- 1.8 Overall, the current forecast at Month 8 is indicating that the DSG reserve will increase by £1.715m in FY 21-22 as shown below

	£m
DSG Reserve brought forward from 20-21	3.244
In Year change	1.715
DSG Carried forward to 22-23	4.959