

Meeting/Date	Schools Forum 31 March 2022	Agenda Item No.	<b>4</b>
Report Title	<b>FY2021-22 Dedicated Schools Grant (DSG) Monitoring forecast</b>		
Decision/ Discussion/ Information	Information		
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Appendices			

## 1. Recommendation

1.1. For members of the forum to note the contents of the paper.

## 2. Summary

2.1. DSG brought forward balance from Financial Year 2020-21 was a £3.244m surplus.

2.2. The total DSG allocation for the London Borough of Barnet for Financial Year 2021-22 is £378.57m. The total academy recoupment was £137.836m, leaving £240.745 of receipts into the LA. (Table 1)

2.3. Allocations are updated for changes in High Needs import/export adjustments (a gain of £0.258m as well as changes to Early Years pupil numbers from the January 2022 census which resulted in a reduction of £0.91m in the Early Years block allocation.

2.4. The forecast expenditure for FY2021-22 is £238.476m (Table 2)

2.5. The current forecast is to increase the DSG reserve with the addition of a surplus of £2.3m resulting in a forecast overall carry forward reserve of £5.5m (see Table 2)

**Table 1 - DSG Allocations, FY2021-22**

Description	FY2021-22				
	Original Allocation	Nov 21 Update	Jan 22 Update	Mar 22 Update	Latest Change
	£m	£m	£m	£m	£m
Schools Block	153.735	153.735	153.735	153.735	-
Central Schools Services Block	2.193	2.193	2.193	2.193	-
Early Years Block	30.189	30.189	29.278	29.278	-(0.91)
High Needs Block	55.270	55.528	55.528	55.528	0.258
<b>Total DSG</b>	<b>241.387</b>	<b>241.645</b>	<b>240.735</b>	<b>240.735</b>	<b>-(0.653)</b>

*Allocation figures are after recoupment for academies for SB and HN*

**Table 2 - DSG Forecast FY2021-22**

Description	Revised Allocation	Outturn Forecast	Variance
	£m	£m	£m
Dedicated School Grant Allocation	378.571	378.571	-
Academy recoupment (SB and HNB)	-(137.836)	-(137.836)	-
<b>Total DSG attributable to LA</b>	<b>240.735</b>	<b>240.735</b>	
Schools Block (SB) Expenditure			
• Individual School Budget (ISB)	150.222	150.418	0.197
• ESG Retained Funding	0.70	0.70	-
• Growth Fund	2.814	0.073	-(2.741)
Central Services Block Expenditure	2.193	2.193	0.0
Early Years Expenditure	29.278	28.797	-(0.481)
High Needs Block (HNB) Expenditure	55.528	56.294	0.766
<b>Total Expenditure</b>	<b>240.735</b>	<b>238.476</b>	<b>-(2.259)</b>
Net FY2021-22 position	0.0	2.259	2.259
B/Fwd Reserves	3.244	3.244	-
<b>Carry Forward Reserves (Deficit)/Surplus</b>	<b>3.244</b>	<b>5.503</b>	<b>2.259</b>

### 3. Expenditure

#### 3.1. Early Years (EY)

- 3.1.1. The forecast expenditure for EY is currently £28.797m with 95% of the funding passed to schools and settings in accordance with the conditions of the grant.
- 3.1.2. The EY block was adjusted downwards following the spring EY pupil number updates. The adjustment was a reduction of £0.91m from the allocated budget.
- 3.1.3. Despite this adjustment, the forecast underspend for the EY block is £0.481m.
- 3.1.4. The funding for EY is based on actual take up. Any underspend is therefore most likely going to be taken up by adjustments by the ESFA in future funding updates and as such can be considered to be held as provision in reserves.

#### 3.2. Schools Block

- 3.2.1. Individual schools' income is passported to schools based on the funding formula. LBB applies the Schools National Funding Formula.
- 3.2.2. The ISB line of the Schools' Block is forecasting an overspend of £0.197 for the year. This is because of the overspend in the de-delegated contingency fund due to higher than expected redundancy costs in schools facing financial

difficulties, as previously reported. The Schools Forum has already agreed to make adjustments for this by increasing the de-delegated contingency fund in 2022-23.

- 3.2.3. There will be a significant underspend in the growth fund allocation of £2.74m which is making a significant contribution to the DSG reserves.
- 3.2.4. The expenditure for services for maintained schools previously funded from the Education Services Grant is still forecasted to come in on budget.
- 3.2.5. The Schools block as a whole is therefore expected to be underspent by the net amount of £2.544m with most of that as a result of the growth fund allocation.

### **3.3. Central Schools Services Block (CSSB)**

- 3.3.1. This block of the DSG is retained by the LA to support central services for schools and to fund historic commitments.
- 3.3.2. The CSSB spend is approved by the Schools' Forum. There is no expected variance on the expenditure of this block against its budget for FY2021-22

### **3.4. High Needs Block**

- 3.4.1. The current forecast spend for the high needs block is £56.294m against a net budget allocation £55.528m after recoupment for academies.
- 3.4.2. This is giving us a current overspend forecast of £0.766m for the HNB for FY2021-22.
- 3.4.3. The key areas of overspend include £0.410m for independent special schools and a £0.266m overspend in independent mainstream schools.
- 3.4.4. The overspend figure may change in the final outturn as a result of the allocation of costs for some tripartite placements that are funded jointly by education, health and social care.