

DSG FINANCIAL MONITORING REPORT PERIOD 2 2021/22

Purpose of the Report

1. The purpose of this report is to provide the Early Years & Schools Forum (the Forum) with a summary of the Dedicated Schools Grants (DSG) financial position for the current financial year.

Information and Advice

2. The DSG is a ring-fenced grant that is paid to Local Authorities specifically to be used in support of the schools budget. For 2021/22 NCC's total DSG is £702.335m. £630.402m of the grant has been allocated to the Individual Schools Budget (ISB) which is delegated to schools, academies and Private, Voluntary and Independent (PVIs). The remaining £71.933m (Non-ISB) is held centrally by NCC and used to support children and young people in schools and other forms of education.

Forecast Outturn 2021/22

3. At period 2 the DSG is forecasting an overspend of £0.014m. A summary of the variances by funding block is included in the report.

Funding Block	Budget £m	Forecast Expenditure £m	Forecast Variance £m
Schools	556.729	556.729	-
High Needs	89.070	89.084	0.014
Early Years	50.681	50.681	-
Central Services	5.855	5.855	-
Total	702.335	702.349	0.014

Explanation of Significant Under and Overspends

4. High Needs Block

The high needs block is reporting a small forecast overspend, the major contributing variances are as follows:

- £0.104m overspend on places in other local authorities (OLA) for special schools, The income and expenditure to/from other LAs tend to go on for several years before final settlement.
- £0.073m underspend in the Inclusion Service mainly due to vacant posts and less travel due to the pandemic.

Service	Budget Allocation 2020/21 £000	Forecast Expenditure 2020/21 £000	Variance 2020/21 £000
Special School Budgets (Including Academy place funding paid directly by ESFA)	28,313	28,417	104
Special School Equipment	823	823	-
Place Funding for AP, CCP and FE providers	1,180	1,163	(17)
Mainstream Enhanced Provision + Special School Hubs	748	748	-
Inclusion Services	3,725	3,652	(73)
Devolved Partnership Funding	5,265	5,265	-
Partnership Team	812	812	-
SEN Home to School Transport	1,764	1,764	-
Post 16 High Needs (outside of special schools and academies)	6,100	6,100	-
Independent Specialist Provision (EHC Plan)	19,913	19,913	-
Independent Specialist Provision (Non EHC Plan)	1,433	1,433	-
Targetted High Level Needs (HLN)	6,104	6,104	-
Additional family needs (AFN)	9,078	9,078	-
Family Network Funding (FNF)	1,306	1,306	-
Health Related Education Team	961	961	-
Physical Disability Specialist Service	335	335	-
SEND Divisional Costs	960	960	-
Import/ Export Adjustment	250	250	-
Total	89,070	89,084	14

5. There are risks associated with the forecast in relation to children who have an Education, Health and Care plan (EHCP) where a place at a special schools or alternative provider is required in September 2021. Given the high costs of special schools places and the even higher average cost at an alternative provider, the forecast is highly sensitive to changes in numbers of children and overall demand in the sector potentially increasing prices further.

Use of the Schools (Non-ISB) Reserve

6. The accumulated Schools (Non-ISB) Reserve was £3.982m at the beginning of 2021/22.
7. It was reported to the forum that £0.273m of de-delegated underspends was to be carried forward from 2020/21 to support services in 2021/22 (see below).
8. Based on the net effect of the in-year variances detailed in this report, there is currently a forecast surplus of £0.060m on the general element of the reserve at 31 March 2022. The earmarked growth funding of £3.635m meaning that the overall DSG position is a net surplus reserve of £3.695m.

Non ISB Reserve	Earmarked for Growth £m	General £m	Total £m
Balance bought forward 01.04.2021	3.635	0.347	3.982
2020/21 carry forwards		(0.273)	(0.273)
Forecast High Needs Block Overspend 2021/22		(0.014)	(0.014)
Balance carried forward 31.03.2022 surplus/(deficit)	3.635	0.060	3.695

List of Carry Forwards	£m
Dedelegated Trade Union Facilities	0.155
Dedelegated English as Additional Language	0.118
Total	0.273

RECOMMENDATION

1. That the Early Years & Schools Forum notes the content of the report.

Mark Needham
Finance Business Partner – Children & Families
Chief Executive's Department
T: 0115 977 3022
E: mark.needham@nottsc.gov.uk