

**DSG FINANCIAL MONITORING REPORT PERIOD 4 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. £630.406m of the grant has been allocated to the Individual Schools Budget (ISB) which is delegated to schools, academies and Private, Voluntary and Independent (PVI)s. The remaining £71.929m (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 4 the DSG is forecasting an overspend of £2.208m. A summary of the variances by funding block is included in the report.

<b>Previous Variance £m</b>	<b>Funding Block</b>	<b>Budget £m</b>	<b>Forecast Expenditure £m</b>	<b>Forecast Variance £m</b>
-	Schools	556.729	556.729	-
0.014	High Needs	89.070	91.278	2.208
-	Early Years	50.681	50.681	-
-	Central Services	5.855	5.855	-
<b>0.014</b>	<b>Total</b>	<b>702.335</b>	<b>704.543</b>	<b>2.208</b>

**Explanation of Significant Under and Overspends**

4. High Needs Block

The high needs block is reporting a £2.208m forecast overspend, the major contributing variances are as follows:

Period 2 Forecast variance £000	Change £000	Service	Budget Allocation 2020/21 £000	Forecast Expenditure 2020/21 £000	Variance 2020/21 £000
104	239	Special School Budgets (Including Academy place funding paid directly by ESFA)	28,313	28,656	343
-	-	- Special School Equipment	823	823	-
(17)	-	- Place Funding for AP, CCP and FE providers	1,180	1,163	(17)
-	-	- Mainstream Enhanced Provision + Special School Hubs	748	748	-
(73)	(169)	Inclusion Services	3,725	3,483	(242)
-	5	Devolved Partnership Funding	5,265	5,270	5
-	(116)	Partnership Team	812	696	(116)
-	-	- SEN Home to School Transport	1,764	1,764	-
-	500	Post 16 High Needs (outside of special schools and academies)	6,100	6,600	500
-	1,741	Independent Specialist Provision (EHC Plan)	19,913	21,654	1,741
-	-	- 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	-
-	(2)	Health Related Education Team	961	959	(2)
-	(37)	Physical Disability Specialist Service	335	298	(37)
-	19	SEND Divisional Costs	960	979	19
-	14	Import/ Export Adjustment	250	264	14
<b>14</b>	<b>2,194</b>	<b>Total</b>	<b>89,070</b>	<b>91,278</b>	<b>2,208</b>

- £1.741m overspend is stemming from an unprecedented increase in demand for new Education, Health and Care plans (EHCP) meaning more places are required in the more expensive independent sector. The increase in demand is being felt across the country therefore the increase demand could also lead to even further price increases.
- £0.500m estimated overspend on Post-16 places, A firmer estimate will be made later in the Autumn as new places are confirmed to be taken up from September.
- £0.343m 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.
- £0.242m underspend in the Inclusion Service mainly due to vacant posts and less travel due to the pandemic.
- £0.116 underspend in the partnership team mainly due to vacant posts.

### Use of the Schools (Non-ISB) Reserve

5. The accumulated Schools (Non-ISB) Reserve was £3.982m at the beginning of 2021/22.
6. 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).
7. Based on the net effect of the in-year variances detailed in this report, there is currently a forecast deficit of £2.134m 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 £1.501m.

<b>Non ISB Reserve</b>	<b>Earmarked for Growth £m</b>	<b>General £m</b>	<b>Total £m</b>
<b>Balance bought forward 01.04.2021</b>	<b>3.635</b>	<b>0.347</b>	<b>3.982</b>
2020/21 carry forwards		(0.273)	(0.273)
Forecast High Needs Block Overspend 2021/22		(2.208)	(2.208)
<b>Balance carried forward 31.03.2022 surplus/(deficit)</b>	<b>3.635</b>	<b>(2.134)</b>	<b>1.501</b>

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

## RECOMMENDATION

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

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