

**REPORT TO:** Schools Forum  
**DATE:** 19<sup>th</sup> January 2022  
**REPORTING OFFICER:** Operational Director - Finance  
**SUBJECT:** DSG Forecast Outturn for 2021-22  
**WARDS:** Borough wide

## **1.0 PURPOSE OF THE REPORT**

To report to the Schools Forum the Dedicated Schools Grant forecast outturn for 2021-22.

## **2.0 RECOMMENDATION: That**

2.1 The report is noted.

## **3.0 SUPPORTING INFORMATION**

### **3.1 Grant settlement**

The Dedicated Schools Grant allocation for 2021-22 is £130,991,359 broken down as follows:

Schools Block	£99,050,733
CSSB	£698,973
Early Years Block	£9,862,865
High Needs Block	£21,378,788

Of this, £44,821,323 is recouped from the Schools Block and an estimated £3,050,000 is recouped from the High Needs Block for academies etc.

### **3.2 Schools Block**

No transfer to the High Needs Block was requested for 2021-22 so the full amount of £99,050,733 was devolved to mainstream primary and secondary schools and academies through the funding formula.

### **3.3 Central Schools Services Block**

We are currently forecasting the CSSB to come in over budget by £16,023. The income target for Permanently Excluded pupils is underachieving by approximately £102.7k. The individual budget lines are shown in Appendix A.

### **3.4 Early Years Block**

The Early Years Block is showing as balanced. While we are expecting this block to come under budget in the region of £580k, we are aware that this is only due to a lower number of children accessing this provision. As such, the Department for Education is likely to

recover these underspends next summer so year-end reserves will be required to fund this recovery of grant. Again the individual budget lines are shown in Appendix A.

### 3.5 High Needs Block

We are currently facing an in-year deficit of £1,509,131 within the High Needs Block. The areas that are overspending are:

	Budget	Forecast	Variance
Top-up funding	£1,872,080	£2,068,851	£196,771 (10.5%)
INMSS	£4,452,830	£5,372,048	£919,218 (20.6%)
Inter Authority	£382,670	£864,746	£482,076 (126.0%)

There are a number of areas forecast to come in under budget, totalling £314.9k however our High Needs Block grant allocation was reduced by £226k by the DfE in March after our budgets had been set. Therefore the rest of the High Needs Block is coming in £88.9k under budget.

### 3.6 DSG Balances

Therefore the in-year position is a deficit of £1,525,151 plus the deficit balance from 2020-21 of £995,742 to give a cumulative deficit of £2,520,893.

For the last two years we have not requested any transfer from the Schools Block to the High Needs Block. This was to allow the increase in the Schools Block to be passed to schools to allow them to be more inclusive. We have said previously that if costs within the High Needs Block continue to rise we would be requesting a transfer of funds for 2022-23. The disapplication to request a 1% transfer from the Schools Block to the High Needs block was submitted in November and we are awaiting the response from the Department for Education. This equates to £1,013,903 and in accordance with the consultation, the plan is to use £250k to fund three Invest to Save proposals and the balance to reduce the deficit.

## 4.0 **FINANCIAL IMPLICATIONS**

4.1 Further savings and reducing overspends are essential to getting back to a balanced DSG position.

## 5.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### 5.1 **Children & Young People in Halton**

It is essential that schools and education support services receive sufficient funding to allow them to support all children and young people.

### 5.2 **Employment, Learning & Skills in Halton**

None.

**5.3 A Healthy Halton**

None.

**5.4 A Safer Halton**

None.

**5.5 Halton's Urban Renewal**

None.

**6.0 RISK ANALYSIS**

6.1 If the transfer from the Schools Block to the High Needs Block is not permitted future year's funding and services from the High Needs Block will face some harsh decisions.

**7.0**

**EQUALITY AND DIVERSITY ISSUES**

**7.1**

The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.