

REPORT TO: Schools Forum
DATE: 16th February 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 £1,767,390 within the High Needs Block. The areas that are overspending are:

	Budget	Forecast	Variance
Top-up funding	£1,872,080	£2,034,124	£162,044 (8.66%)
INMSS	£4,452,830	£5,654,889	£1,202,059 (27.0%)
Inter Authority	£382,670	£874,891	£492,221 (128.63%)

The INMSS forecast has increased by £282.8k since the January report and the Inter Authority forecast has increased by £10.1k in the same period.

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 £1,783,410 plus the deficit balance from 2020-21 of £995,742 to give a cumulative deficit of £2,779,152.

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 It is evident that the major pressures on the High Needs Block are the costs of expensive out of borough provision, mostly linked to Social, Emotional and Mental Health (SEMH) provision at secondary level. All stakeholders must take an active part in helping to reduce these costs: schools through inclusive practice/approaches, the local authority through a range of its support services to schools and continued need for the Department for Education to progress with the in-borough SEMH Special Free School project, the appropriate early input from wider support services and agencies (early identification of needs and associated support) and continual budget monitoring by the Council.

7.0 EQUALITY AND DIVERSITY ISSUES

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