

**Meeting date:** 23 May 2022  
**Report to:** Schools Forum  
**Subject/report title:** DSG Final Outturn Position 2021-22  
**Report from:** Local Authority  
**Report author/lead contact officer:** Sarah Cheale

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**Schools affected:**  All  
**Type of Report** For information  
**Forum Voting** Not a voting matter - for information item  
**Public/private report:** Public

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## 1. Purpose of Report

1.1 To update Schools Forum on the final 2021-22 outturn position for the DSG.

## 2. Decision(s) recommended

2.1 For Information

## 3. Matters for Consideration

3.1 This report provides details of the final DSG outturn position for 2021-22

### Financial Outturn for 2021-22

- 3.2 Financial monitoring is carried out throughout the year by individual budget holders. Key income and expenditure risk areas are monitored monthly by Financial Operations. Identified financial risks are discussed with Heads of Service and significant risks are reported monthly to Directorate Leadership Teams (DLTs) and the Corporate Leadership Team (CLT). Schools Forum Finance Work Group receive updates at their meetings each half term.
- 3.3 Appendix A which is attached to this report shows the overall 2021-22 financial outturn position by block for the DSG.
- 3.4 The overall accumulated deficit against the DSG as of 31<sup>st</sup> March 2022 is £13.212 million. This is comprised of an in-year overspend of £4.071 million and £9.141 million carried forward from previous years. The in-year overspend is comprised of a favourable variance of £41,000 against the Central Block, offset by adverse variances

against the Schools Block +£162,000 and the High Needs Block £3.951 million

- 3.5 The favourable £41,000 variance against the Central Block is a result of underspends against the Schools Forum budget and Combined Services. The allocation received from the ESFA for the Central Block is based partly on historical costs, and partly on overall pupil numbers. As there will be a small reduction to the allocation for 2022-23, the underspend will be carried forward against the Central Block in 2022-23 to offset any potential overspend.
- 3.6 The adverse variance against the Schools Block of £162,000 has arisen because of pressures against the primary contingency and the pupil growth fund. This variance will be carried forward against the Schools Block into 2022-23.
- 3.7 No variance is currently reported against the Early Years block. This is because the final funding allocation is not received until July of the following year. Therefore the final position for 2021-22 will not be known until July 22. Any in-year variance will be carried forward against the Early Years block in 2022-23.
- 3.8 A breakdown of the budget and expenditure for the High Needs Block is attached at Appendix B. The in-year overspend of £3.951 million is mainly driven by expenditure on education placements, both in terms of placements with Independent and Out of Borough schools, and top up funding paid to Solihull schools. The statement shows the outturn in the previous two financial years, and it is clear that expenditure is increasing year on year.
- 3.9 The financial pressures relate to continued pressure for Education Health Care Plans (EHCPs). High Needs Budgets nationally continue to come under significant pressure. In 2019 there was an estimated £470 million national deficit and a survey carried out in autumn 2020 showed that this position has been deteriorating – with the majority of LAs advising of a deficit position which is rising each year; doubling in some cases.
- 3.10 Financial implications:
- 3.10.1 Included throughout report

#### **4. List of appendices referred to**

- 4.1 Appendix A- 2021-22 DSG Outturn
- 4.2 Appendix B- 2021-22 High Needs Block Statement