

2021/22 Dedicated Schools Grant: Year End Outturn Report

Report being considered by: Schools' Forum on 20th June 2022

Report Author: Melanie Ellis

Item for: Information **By:** All Forum Members

1. Purpose of the Report

- 1.1 To report on the outturn of the services funded by the Dedicated Schools Grant (DSG), highlighting any under or over spends, and to highlight the cumulative deficit at 31 March 2022.

2. Recommendation

- 2.1 That the report be noted.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
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3. Background

- 3.1 The Dedicated Schools Grant (DSG) is a ring fenced specific grant which can only be spent on school/pupil activity as set out in The School and Early Years Finance (England) Regulations 2018. There are four DSG funding blocks: Schools, High Needs, Early Years and Central Schools Services.
- 3.2 The Local Authority and Schools' Forum are responsible for ensuring that the DSG is deployed correctly according to the Regulations. Monitoring of spend against the grant needs to take place regularly to enable decision making on deficits and surpluses and to inform future year budget requirements.
- 3.3 The way in which local authorities account for DSG deficits has been altered by the Local Authorities (Capital Finance and Accounting) Regulations 2020, made by the Department for Levelling Up, Housing and Communities (DLUHC). This requires DSG deficits to be held in a separate reserve in local authorities' accounts. However, the way in which local authorities should plan their management of DSG and report to DfE remains governed by the School and Early Years Finance Regulations 2022.

4. Year End Outturn

Table 1 - DSG Block outturn 2021/22	2021/22								Deficit/ (surplus)
	Original Budget	Budget Changes	Final Budget	Quarter 1 Forecast	Quarter 2 Forecast	Quarter 3 Forecast	Outturn Actual		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Total Expenditure	104,290	(548)	103,742	105,553	105,450	105,523	105,016	1,274	
Total Income	(104,290)	551	(103,739)	(104,290)	(104,290)	(104,290)	(103,737)	2	
Net In-year Deficit	0	3	3	1,263	1,160	1,233	1,279	1,276	
Deficit Balance in reserves	1,461		1,461	1,461	1,461	1,845	1,688	1,688	
Cumulative Deficit	1,461	3	1,464	2,724	2,621	3,077	2,967	2,964	

4.1 From previous years, there was a cumulative deficit of £1.46m. The deficit increased to £1.69m during 2021/221 as surplus balances from the Schools Block were spent.

4.2 The 2021/22 DSG expenditure budget was set £1.6m higher than available funding, and this was treated as an in-year deficit against the High Needs block.

4.3 Overall DSG spend for 2021/22 was £327k less than budgeted, helping to reduce the in-year deficit to £1.27m.

4.4 The 2021/22 outturn position has increased the cumulative deficit position to £2.96m. This will be held in a separate reserve in the local authority accounts.

4.5 The year end position by block is shown in the chart below:

Table 1 - DSG Block outturn 2021/22	2021/22								
	Original Budget	Budget Changes	Final Budget	Quarter 1 Forecast	Quarter 2 Forecast	Quarter 3 Forecast	Month 10 Forecast	Outturn Actual	Deficit/ (surplus)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure:									
Schools Block (inc ISB)	70,293	3	70,295	70,293	70,295	70,298	70,298	70,288	(8)
Early Years Block	10,359	(525)	9,834	10,359	10,359	10,359	10,050	9,899	65
Central School Services Block	1,009		1,009	1,011	1,014	1,007	1,004	1,001	(8)
High Needs Block	23,892	312	24,204	23,891	23,782	23,860	24,428	23,827	(377)
High Needs Block In-Year deficit recovery	(1,263)	(339)	(1,601)	0	0	0	0	0	1,601
Total Expenditure	104,290	(548)	103,742	105,553	105,450	105,523	105,780	105,016	1,274
DSG Grant Income:									
Schools Block	(70,293)		(70,293)	(70,293)	(70,293)	(70,293)	(70,293)	(70,293)	0
Early Years Block	(10,360)	525	(9,836)	(10,360)	(10,360)	(10,360)	(9,834)	(9,834)	2
Central School Services Block	(1,009)		(1,009)	(1,009)	(1,009)	(1,009)	(1,009)	(1,009)	0
High Needs Block	(22,628)	27	(22,601)	(22,628)	(22,628)	(22,628)	(22,601)	(22,601)	0
Total DSG Income	(104,290)	551	(103,739)	(104,290)	(104,290)	(104,290)	(103,737)	(103,737)	2
In-year adjustments									
Total Income	(104,290)	551	(103,739)	(104,290)	(104,290)	(104,290)	(103,737)	(103,737)	2
In year net deficit/(surplus):									
Schools Block	(0)	3	3	(0)	3	5	5	(5)	(8)
Early Years Block	(2)	0	(2)	(2)	(2)	(2)	216	65	67
Central School Services Block	0	0	0	1	5	(2)	(6)	(8)	(8)
High Needs Block	2	0	2	1,263	1,154	1,232	1,828	1,227	1,225
Net In-year Deficit	0	3	3	1,263	1,160	1,233	2,044	1,279	1,276
Deficit Balance in reserves	1,461		1,461	1,461	1,461	1,845	1,845	1,688	1,688
Cumulative Deficit	1,461	3	1,464	2,724	2,621	3,077	3,888	2,967	2,964

5. Schools Block

- 5.1 The 2021/22 budget was funded from DSG grant of £70m. The Schools Block ended the year with an £8k underspend. De-delegated budgets were underspent by £49k, which will transfer to reduce the future cost of services.
- 5.2 £304k from the Schools Block reserve has been spent in year, leaving a surplus balance of £1.6m. A breakdown is provided below:

Schools Block Reserve (surplus)/deficit	1.4.2021	change in reserves	Actual Outturn	31.3.2022 Est
	£k	£k	£k	£k
Growth Fund	(1,501)	218	0	(1,283)
Schools in Financial Difficulty	(170)	75	0	(95)
School Improvement	(41)	0	0	(41)
EMTAS	(96)	0	0	(96)
Therapeutic Thinking	(27)	14	0	(13)
CLEAPPS	(1)	1	0	0
Trade Union	4	(4)	0	(0)
Schools (re rates adj)	(80)	0	(8)	(88)
Total Surplus Balance	(1,912)	304	(8)	(1,616)

6. Early Years Block

- 6.1 Early Years Expenditure was overspent by £67k.
- 6.2 The Early Years Block is difficult to predict due to the volatile nature of both the funding and payments to providers (payments are made according to actual number of hours of provision each term). For 2021/22 only, grant funding was based on termly uptake of hours, as this was deemed a fairer method of funding following the uncertainty of the pandemic.
- 6.3 A deficit recovery programme is in place to reduce the current deficit over a 5 year period, starting from April 2021. In the first year, the targeted savings were £123k. Based on the number of hours taken, we have saved £129k during this period. This will continue to be monitored.
- 6.4 The cumulative deficit on this block at the end of 2021/22 is £914k.

7. Central Schools Services Block

- 7.1 At year end, overall DSG funding received for the Central Schools Services Block was on budget and expenditure was underspent by £8k.
- 7.2 The cumulative deficit on this block at the end of 2021/22 is £64k. Options will be explored to continue to reduce this deficit when setting the 2023/24 budget.

8. High Needs Block

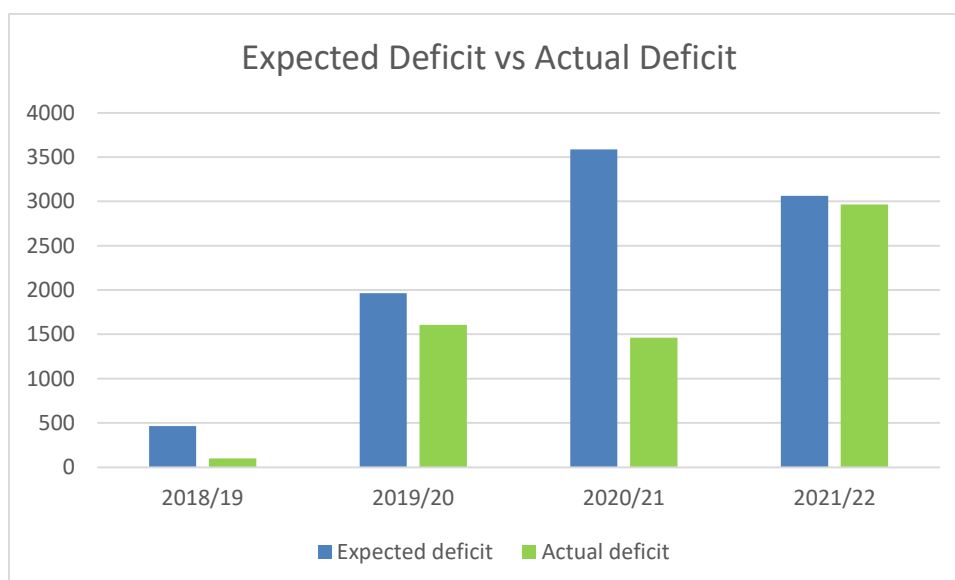
- 8.1 At year end, overall DSG funding received was £27k higher than budget due to a higher than predicted import export adjustment.
- 8.2 The 2021/22 budget was set with a £1.6m deficit recovery target. The block made expenditure savings of £377k, leaving an in-year deficit of £1.22m. The main variances against expenditure are as follows:
- £463k saving on Independent Special Schools have off-set pressure in mainstream schools of £326k as children are being placed in mainstream and local specialist provision.
 - £76k saving on ASD Teachers as the posts that were temporarily funded by the Schools Block transfer have now been made permanent, funding from prior years is no longer required.
 - £262k savings on the Further Education Top Up Funding.
- 8.3 The cumulative deficit against this block is now £3.6m at the end of 2021/22.
- 8.4 The graph below shows the cumulative deficit position that was forecast during the budget setting period, compared to the actual deficit cumulative position at the end of the financial year.

9. Total Reserve Balance and cumulative deficit

- 9.1 The DSG now has a cumulative deficit of £2.96m. The High Needs Block deficit has increased by £1.2m to £3.6m. Early Years has reduced their deficit to £0.9m. A £1.6m surplus in the schools block is reducing the overall total for the authority.

Reserve Balances (surplus)/deficit	1.4.2021 Actual	Change in reserves	In-year Deficit/ (Surplus)	31.3.2022 Forecast
Schools Block De-delegated	(331)	86	0	(245)
Schools Block - growth fund	(1,501)	218	0	(1,283)
Schools Block - other	(80)	0	(8)	(88)
Early Years Block	970	(122)	65	914
Central School Services Block	72	0	(8)	64
High Needs Block	2,327	45	1,224	3,597
Grant changes	3	0	2	6
Total Deficit Balance	1,461	227	1,276	2,964

- 9.2 The chart below shows the cumulative expected deficit compared to the actual deficit over the last four years.



9.3 The Department for Education has invited West Berkshire to be part of the Delivering Better Value in SEND programme which will start in June.

10. Conclusion

10.1 The cumulative deficit on the DSG blocks now totals £2.96m. Over spends in the High Needs Block are the most significant with a total deficit against this block of £3.6m and this will remain the area of focus going in 2022/23 and beyond.

11. Appendices

Appendix A – DSG 2021/22 Budget Monitoring Report: Outturn

Dedicated School's Grant (DSG) 2021/2022 Budget Monitoring Outturn

Cost Centre	Description	Original Budget 2021/22	Net Virements in year	Amended Budget 2021/22	Outturn	Variance	Comments
90020	Primary Schools (excluding nursery funding)	51,721,830		51,721,830	51,716,310	-5,520	
DSG top slice	Academy Schools Primary	0		0	0	0	
90025	Secondary Schools (excluding 6th form funding)	17,880,470		17,880,470	17,895,943	15,473	
DSG top slice	Academy Schools Secondary	0		0	0	0	
90230	DD - Schools in Financial Difficulty (primary schools)	27,500		27,500	27,501	1	
90113	DD - Trade Union Costs	49,480		49,480	54,939	5,459	
90255	DD - Support to Ethnic minority & bilingual Learners	197,500		197,500	158,364	-39,136	
90349	DD - Behaviour Support Services	204,340	2,880	207,220	197,001	-10,219	
90424	DD - CLEAPSS	3,070		3,070	2,573	-497	
90470	DD - School Improvement	0		0	0	0	
90423	DD - Statutory & Regulatory Duties	176,180		176,180	171,680	-4,500	
90235	School Contingency - Growth Fund/Falling Rolls Fund	0		0	-1	-1	
90054	Efficiency Target	-31,200		-31,200	0	31,200	
	SSR	63,373		63,373	63,373	0	
	Schools Block Total	70,292,543	2,880	70,295,423	70,287,683	-7,740	
90583	National Copyright Licences	150,490		150,490	150,494	4	
90019	Servicing of Schools Forum	45,290		45,290	44,111	-1,179	
90743	School Admissions	179,920		179,920	173,963	-5,957	
90354	ESG - Education Welfare	159,820		159,820	148,848	-10,972	One post partially vacant; £2k saving on lease costs and mileage savings during the year
90460	ESG - Statutory & Regulatory Duties	357,310		357,310	360,695	3,385	
90054	Efficiency Target	-6,860		-6,860	0	6,860	
	SSR	123,324		123,324	123,324	0	
	Central School Services Block DSG	1,009,294	0	1,009,294	1,001,435	-7,859	
90010	Early Years Funding - Nursery Schools	854,520		854,520	857,913	3,393	
90037	Early Years Funding - Maintained Schools	1,561,780		1,561,780	1,834,780	273,000	
90036	Early Years Funding - PVI Sector	6,251,270		6,251,270	5,902,804	-348,466	
90052	Early Years PPG & Deprivation Funding	200,350		200,350	242,624	42,274	
90053	Disability Access Fund	23,370		23,370	15,375	-7,995	
90018	2 year old funding	635,550		635,550	709,305	73,755	
90017	Central Expenditure on Children under 5	270,770		270,770	270,874	104	
90287	Pre School Teacher Counselling	58,375		58,375	57,817	-558	
90238	Early Years Inclusion Fund	90,000		90,000	89,110	-890	
90054	Early Years adjustment re grant funding	344,120	-524,556	-180,436	-149,658	30,778	
	SSR	68,513		68,513	68,513	0	
	Early Years Block Total	10,358,618	-524,556	9,834,062	9,899,456	65,394	

Dedicated School's Grant (DSG) 2021/2022 Budget Monitoring Outturn

Cost Centre	Description	Original Budget 2021/22	Net Virements in year	Amended Budget 2021/22	Outturn	Variance	Comments
90026	Academy Schools RU Top Ups	1,113,300		1,113,300	930,495	-182,805	
90539	Special Schools - Top Up Funding	4,403,120		4,403,120	4,985,051	581,931	
90548	Non WBC Special Schools - Top Up Funding	1,324,500		1,324,500	955,003	-369,497	
90575	Non LEA Special School (OofA)	1,007,880		1,007,880	851,541	-156,339	
90579	Independent Special School Place & Top Up	3,535,280		3,535,280	3,072,415	-462,865	
90580	Further Education Colleges Top Up	1,437,800		1,437,800	1,175,012	-262,788	
90617	Resourced Units top up Funding maintained	314,000		314,000	321,587	7,587	
90618	Non WBC Resourced Units - Top Up Funding	170,540		170,540	207,271	36,731	
90621	Mainstream - Top Up Funding maintained	818,660		818,660	974,686	156,026	
90622	Mainstream - Top Up Funding Academies	423,560		423,560	580,039	156,479	
90624	Non WBC Mainstream - Top Up Funding	160,510		160,510	174,581	14,071	
90625	Pupil Referral Units - Top Up Funding	821,920		821,920	861,561	39,641	
90627	Disproportionate No: of HN Pupils NEW	40,000		40,000	51,609	11,609	
90628	EHCP PRU Placement	571,450		571,450	755,402	183,952	
	High Needs Block: Top Up Funding Total	16,142,520	0	16,142,520	15,896,253	-246,267	
90320	Pupil Referral Units	660,000		660,000	660,000	0	
90540	Special Schools	2,860,000		2,860,000	2,860,000	0	
90546	Special Schools - Place Funding Post 16	790,000		790,000	790,000	0	
90551	Mainstream Maintained - post 16 SEN places	0		0	34,000	34,000	
90552	Special Schools and PRU Teachers Pay and Pension	0	312,050	312,050	312,046	-4	
90584	Resourced Units - Place Funding	242,000		242,000	226,000	-16,000	
	High Needs Block: Place Funding Total	4,552,000	312,050	4,864,050	4,882,046	17,996	
90240	Applied Behaviour Analysis	150,470		150,470	196,912	46,442	
90280	Special Needs Support Team	328,100		328,100	324,416	-3,684	
90281	SEND Strategy (DSG)	68,700		68,700	51,381	-17,319	
90282	Medical Home Tuition	172,730		172,730	151,500	-21,230	Sept - Dec lower than normal demand and therefore lower tutor costs, plus a tutor resigned
90237	High Needs Contingency	110,930	-11,070	99,860	99,585	-275	
90287	Pre School Teacher Counselling	58,375		58,375	57,817	-558	
90288	Elective Home Education Monitoring	28,240		28,240	21,889	-6,351	
90290	Sensory Impairment	247,860		247,860	229,972	-17,888	
90295	Therapy Services	314,500		314,500	335,164	20,664	

Dedicated School's Grant (DSG) 2021/2022 Budget Monitoring Outturn

Cost Centre	Description	Original Budget 2021/22	Net Virements in year	Amended Budget 2021/22	Outturn	Variance	Comments
90372	Therapeutic Thinking	54,300		54,300	53,272	-1,028	
90373	Emotional Based School Avoiders (EBSA)	110,660	11,070	121,730	65,623	-56,107	
90555	LAL Funding	122,000		122,000	122,000	0	
90565	Equipment For SEN Pupils	15,000		15,000	8,090	-6,910	
90577	SEN Commissioned Provision	584,480		584,480	572,815	-11,665	
90582	PRU Outreach	61,200		61,200	61,200	0	
90585	HN Outreach Special Schools	50,000		50,000	50,000	0	
90610	Hospital Tuition	39,280		39,280	53,847	14,567	2nd child funded during the year
90830	ASD Teachers	282,660		282,660	206,627	-76,033	Surplus funds on TA posts 20/21 and 21/22, to be funded as permanent posts in 22/23 and therefore take this as a saving
90961	Vulnerable Children	179,400		179,400	168,232	-11,168	
90581	Dingleys Promise	30,000		30,000	30,000	0	
	High Needs Block: Non Top Up or Place Funding	3,008,885	0	3,008,885	2,860,341	-148,544	
90054	Efficiency Target	-1,262,500	-338,717	-1,601,217		1,601,217	
	SSR	188,790		188,790	188,790	0	
	High Needs Block Total	22,629,695	-26,667	22,603,028	23,827,430	1,224,402	
	TOTAL DSG EXPENDITURE	104,290,150	-548,343	103,741,807	105,016,003	1,274,196	
90030	DSG Grant Account	-104,290,150	551,223	-103,738,927	-103,737,127	1,800	
	Net In-year Deficit	0	2,880	2,880	1,278,876	1,275,996	
	Deficit Balance brought forward	1,461,000		1,461,000	227,519	1,688,519	
	Cumulative Deficit	1,461,000	2,880	1,463,880	1,506,395	2,964,515	