

Title of meeting: Schools Forum

Date of meeting: 5 October 2022

Subject: Dedicated Schools Grant 2022-23 Quarter 1 Budget
Monitoring and Revised Budget

Report by: Chris Ward Director of Finance

Wards affected: All

Key decision: Yes/No

Full Council decision: Yes/No

1 Purpose of report

1.1 The purpose of this report is to inform Schools Forum of the projected revenue expenditure of the Dedicated Schools Grant (DSG) for the current financial year 2022-23 as at the end of June 2022, along with proposed budget revisions.

2 Recommendations

2.1 It is recommended that Schools Forum:

2.1.1 Notes the forecast year end budget position for the Dedicated Schools Grant as at 30 June 2022, together with the associated explanations contained within this report.

2.1.2 Endorse the delegation to the Section 151 Officer or their delegated representative, the responsibility to adjust the Early Years block budget in line with the DSG allocation adjustments annually in July

2.1.3 Endorse the proposed pre-opening grant to the Wymering Free School of £250,000 as set out in paragraph 7.8.

2.1.4 Endorse the revisions to the 2022-23 budget as set out in Appendix 1 and section 8.

3 Background

3.1 The DSG is a ring-fenced grant for Education and can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance (England) Regulations.



3.2 In February 2022, the Cabinet Member for Children, Families and Education approved, and Schools Forum endorsed, the Original DSG budget for the 2022-23 financial year. This report provides Schools Forum with the latest forecast of the year-end outturn as at 30 June 2022, which is set out in the Table below.

Table 1 - Dedicated Schools Grant				
	Original budget 2022-23 £000's	Revised Budget 2022-23 £000's	Projected outturn 2022-23 £000's	Projected over / (under) spend £000's
Income				
DSG Brought forward 2021-22	(8,454)	(8,454)	(8,454)	0
DSG and other specific grants	<u>(77,158)</u>	<u>(77,158)</u>	<u>(77,158)</u>	<u>0</u>
Total Income	(85,612)	(85,612)	(85,612)	0
Expenditure				
Schools block				
Primary ISB	23,807	23,807	23,807	0
Secondary ISB	14,390	14,390	14,390	0
De-delegated and growth fund	<u>1,419</u>	<u>1,419</u>	<u>1,079</u>	<u>(340)</u>
Total Schools block	39,616	39,616	39,276	(340)
Central School Service	1,020	1,020	1,019	(0)
Early Years block				
Nursery ISB	10,743	10,743	10,743	0
Other Early Years	2,586	2,586	2,586	0
High Needs block				
High Needs ISB	749	749	749	0
Other High Needs cost	22,874	22,874	22,874	0
Total Expenditure	77,587	77,587	77,246	(341)
DSG Carried forward	8,025	8,025	8,366	341

3.3 Overall, the budget is forecast to underspend by £340,500, the details of which are set out in the sections below.

4 Schools Block

4.1 At the end of the first quarter, all Growth Fund allocations for 2022-23 have been paid to the relevant schools. The underspend relates to the planned underspend



on the Growth Fund to be carried forward to 2023-24 to support future funding commitments agreed with schools.

5 Early Years Block

5.1 At the end of the first quarter, the Early Years Block is forecast to be on budget. As in previous years, the authority will not receive the confirmed pupil numbers until the end of the summer term, following the receipt of this data an updated expenditure forecast will be provided as part of the quarter two monitoring.

6 High Needs Block

6.1 As in previous years, the deadline for the class lists for Special Schools, Inclusion Centres and Alternative Provision settings was after the end of the quarter, and costs for placements starting in September are to be finalised. These budgets are therefore forecast on budget.

7 DSG Grant funding and carry forward balances

7.1 Following the end of the first quarter, the authority is expecting to receive adjustments to the 2022-23 DSG allocation in July 2022, which are included in Section 8.

7.2 As at the end of June 2022, the carry forward balance is projected to be £8.4m. The table below provides a breakdown of the movement on the carry forward balance from 1 April and future commitments against the balance.

Table 2 - forecast carry forward balance	
	£,000
Brought forward balance as at 1 April 2022	8,454
Schools specific contingency	(124)
Growth fund	(304)
Carry forward balance	8,026
Projected 2022/23 underspend as at 30 June 2022	341
Forecast carry forward	8,367
Future commitments 2022-23	
Early Years Block adjustment January 2022 to March 2022 ¹	147
Revenue implications of High Needs places for future years	(2,040)
Contingency to manage in-year pressures	(1,826)
Growth Fund budgeted carry forward to 2023-24	(341)
Uncommitted DSG carry forward	4,307
Proposed use of uncommitted DSG carry forward	
Relational Practice project	(530)
Wymering pre-opening grant	(250)
Revised budget proposals 2022-23	(102)
Remaining uncommitted DSG carry forward	3,425

¹ Estimated figure



- 7.3 In July, the authority will receive an adjustment to the Early Years Block to reflect the pupil numbers in the previous January census. The adjustment will relate to the period January 2022 to March 2022 for the 2021-22 financial year and the full 2022-23 financial year.
- 7.4 As in previous years it is proposed to use the 2021-22 carry forward balance to manage the adjustment relating to 2021-22 financial year and to adjust the Early Years Block budget to reflect the change in allocation for the 2022-23 financial year as set out in Section 8. There will be no change to the values paid to suppliers.
- 7.5 In 2021 the Section 151 Officer or their representative was given delegated authority to adjust the budget in line with the early years block allocation adjustments in November 2021 and January 2022.
- 7.6 This delegation enabled the authority to adjust the Early Years Block budget in a timely manner, as the adjustments were outside the normal formal meeting cycle and facilitated the internal budget monitoring and reporting process
- 7.7 As the change in Early Years allocation does not impact the funding paid to settings, it is proposed that the Section 151 Officer or their representative is given delegated responsibility to adjust the budget in line with the Early Years Block allocation adjustments, which are normally in July every year. This will allow the authority to avoid delays in updating its budgets, and any changes will be reported to Schools Forum and Cabinet Member as part of the normal budget processes.
- 7.8 The Authority and Delta MAT have been working closely on the opening of the new Wymering Special School, which is now due to open in April 2023. It has been established that the current banding formula provides the correct resource for the school when it is full. However, additional one off funding is required for the first term as the school is forecast to be 50% full, whilst also having to meet additional one off costs as a result of preparing the school for opening. It is proposed that this additional one off cost of £250,000 is met from the uncommitted 2022/23 DSG carry forward.

8 Budget Revision 2022-23

- 8.1 In July 2022, the authority received an adjustment to the DSG Allocation, which is summarised in the table below.

Table 3 DSG Funding Blocks	March 2022 allocation (excluding academies)	July 2022 allocation (excluding academies)	Revised DSG variation (excluding academies)
	£,000	£,000	£,000
Schools Block	39,187	39,187	0
Central School Services Block	1,020	1,020	0
Early Years Block	13,292	13,942	613
High Needs Block	23,710	23,959	249
Total DSG	78,933	77,797	862

8.2 The movement in the Early Years Block reflects the increase in pupil numbers on the January 2022 census. This has allowed the corresponding early years expenditure budgets to be increased to reflect the increase in pupil numbers and are detailed in the table in Appendix 1.

8.3 The High Needs Block increase relates to the annual import/export adjustment. The Authority has challenged the pupil numbers but is still expecting the funding to decrease by £84,000. Whilst the funding adjustment will not be confirmed until November 2022, it is prudent to assume that the High Needs block will be reduced and plan accordingly. The Table below sets out the expected DSG funding for 2022-23.

Table 4 DSG Funding Blocks	July 2022 allocation (excluding academies)	November import export adjustment	Revised DSG allocation (excluding academies)
	£,000	£,000	£,000
Schools Block	39,187	0	39,187
Central School Services Block	1,020	0	1,020
Early Years Block	13,942	0	13,942
High Needs Block	23,959	(84)	23,875
Total DSG	77,797	(84)	77,713

8.4 A review of the import/export data has indicated that the additional funding mostly relates to post-16 pupils it is therefore proposed to increase the Element 3 Top-up budget for post-16 colleges.

8.5 Since setting the budget in February 2022, the places required from September 2022 at several High Needs settings have been adjusted. The proposed budget revisions are set out in Appendix 1, relate to changes from September 2022, and are set out below:

- Clarification of the number of places (10) and associated Element 3 top-up funding relating to the Inclusion Centre at Devonshire Infant School,
- Increase of 8 places and associated Element 3 Top-up at Cliffdale Primary School.
- Increase of 3 places and associated Element 3 Top-up at Mary Rose Academy



- Post 16 pupil numbers have been updated to reflect an expected increase in costs from September 2022.

8.6 The budget also removes the places and associated element 3 top-up funding for the Wymering Special school following a delay in opening until the 20223-24 financial year.

8.7 Additionally, it is proposed to increase the funding to Portage to expand the provision of support and advice relating to pre-school children through the appointment of additional Portage Visitors in the autumn of 2022. The annual cost of these additional posts is expected to be £142,800 with the part year effect in 2022-23 of £74,000.

8.8 The proposed changes to the high needs budgets total £266,800, this is higher than the expected funding of £165,000. It is proposed that the balance is funded from the carry forward balance as set out in Table 3 above.

9 Reasons for recommendations

9.1 It is recommended that Schools Forum notes the contents of the report in respect of the financial forecast for 2022-23 as at the end of the first quarter, endorses the proposed budget delegation as set out in paragraph 7.4 and endorses the amendments to the budget for 2022-23 for the reasons set out in section 8 and Appendix 1.

10 Integrated impact assessment

10.1 An integrated impact assessment is not required as the recommendations do not have a positive or negative impact on communities and safety, regeneration and culture, environment and public space or equality and diversity.

11 Legal implications

11.1 There are no legal implications arising directly from the recommendations in this report.

12 Director of Finance's comments

12.1 Financial comments and implications are included in the body of this report.

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Signed by: Chris Ward, Director of Finance and Resources

Appendices:

Appendix 1: Dedicated Schools Grant Revised Budget 2022-23

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
School and Early Years Finance (England) Regulations 2022	The School and Early Years Finance (England) Regulations 2022

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by:

Appendix 1

	Approved 2022-23 Budget - Feb 2022 (inc. Academies)	Proposed Budget Revisions	2022-23 Schools Budget July 2022 (Including Academies)	2022-23 Schools Budget July 2022 (Excluding Academies)
	£000	£000	£000	£000
Schools Block				
Individual Schools Budgets (ISB)				
Primary	72,502	0	72,502	23,807
Secondary	63,822	0	63,822	14,390
Total ISB	136,324	0	136,324	38,197
De-Delegated and Central Budgets				
Growth Fund	1,295	0	1,295	1,295
De-delegated Budgets	124	0	124	124
Academy Conversions	0	0	0	0
Other Schools Block Sub Total	1,419	0	1,419	1,419
Total Schools Block	137,743	0	137,743	39,616
Central School Services Block				
Schools Forum	16	0	16	16
Admissions	346	0	346	346
Licences (negotiated by DfE)	130	0	130	130
ESG retained duties	478	0	478	478
Central Teachers Pay /pensions grant	49	0	49	49
Central School Services Block Total	1,020	0	1,020	1,020
Early Years Block				
3 & 4 Year Old Provision ¹	11,060	361	11,421	11,421
2 Year Old Provision	1,625	226	1,851	1,851
Central Expenditure on under 5's	644	27	671	671
Early Years Block Total	13,329	613	13,942	13,942
High Needs Block				
Individual Schools Budgets				
Special School Place Funding	6,385	(17)	6,368	383
Resource Unit Place Funding	767	(10)	757	374
Alternative Provision Place Funding	1,257	(0)	1,257	40
Total ISB	8,409	(27)	8,382	797
Element 3 Top-up funding	15,081	215	15,296	15,296
Out of City Placements	3,289	0	3,289	3,289
SEN Support Service	938	74	1,013	1,013
Medical Education	675	0	675	675
Outreach Services	192	0	192	192
Turnaround Project	100	0	100	100
Fair Access Protocol	60	0	60	60



	Approved 2022-23 Budget - Feb 2022 (inc. Academies)	Proposed Budget Revisions	2022-23 Schools Budget July 2022 (Including Academies)	2022-23 Schools Budget July 2022 (Excluding Academies)
Early Years Complex Needs Inclusion fund	835	0	835	835
Post-16 high needs places	884	0	884	0
Teachers Pay/Pension grants High Needs	565	4	569	569
High Needs supplementary funding	1,139	0	1,139	1,139
Other High Needs block sub total	23,758	293	24,051	23,167
Total High Needs block	32,167	267	32,433	23,964
Total Expenditure	184,258	880	185,138	78,542
Income				
Schools Block	(137,314)	0	(137,314)	(39,188)
Central Schools Services Block	(1,020)	0	(1,020)	(1,020)
Early Years Block	(13,329)	(613)	(13,942)	(13,942)
High Needs Block	(31,027)	(165)	(31,192)	(22,723)
High Needs supplementary funding	(1,139)	0	(1,139)	(1,139)
DSG Income ^{2,3}	(183,829)	(778)	(184,608)	(78,012)
One-off use of Carry Forward	(428)	(102)	(530)	(530)
Total Income	(184,258)	(880)	(185,138)	(78,542)

¹Includes early years pupil premium

²2022-23 per ESFA allocations July 2022

³ Includes reimbursement of Growth funding for Academy schools