



North Northamptonshire Schools Forum: 20 October 2022

Agenda Item 3

DSG Overview - 2021-22 DSG Outturn and 2022-23 DSG Update

1. Background

1.1 This report gives an overview of North Northamptonshire Council's 2021-22 DSG Outturn and an update of 2022-23 DSG.

2. DSG 2021-22

2.1 Table 1 sets out the final outturn position for each of the four DSG blocks for 2021-22. This is followed by an explanation of the position in each of the four blocks.

Table 1: Summary 2021-22 DSG Outturn Expenditure Against Funding by Block

DSG Block	2021-22 DSG Funding (March 2022)	2021-22 DSG Expenditure	2021-22 DSG Variance
	£	£	£
Schools (after academies recoupment)	47,915,413	48,253,153	337,740
Central School Services	3,908,081	3,908,081	0
High Needs (after deductions for academies recoupment and direct funding of high needs places by ESFA)	35,958,745	36,148,616	189,871
Early Years	21,007,950	21,689,159	681,209
Total DSG	108,790,189	109,999,009	1,208,821

2.2 Schools Block.

2.2.1 The funding for the Schools Block was allocated in accordance with the Authority Proforma Tool exercise on the mainstream schools funding formula in January 2021. There is an overall overspend of 338K relating to:

- Overspend on Growth Fund – £350,431
- Overspend on De-Delegation Trade Union Facilities – £1,140
- Underspend on De-Delegation Contingency - £13,830

2.2.2 **Growth Fund** - 2021-22 growth fund allocation was £0.700m. There was an adjustment on Academy recoupment for growth paid by LA of £0.163m giving a total budget of £0.863m. The outturn was £1.213m resulting in a overspend of £350k. This means a larger slice of the 2023-24 budget will be required from school's block to cover this overspend. This will be explained in the separate growth fund report on the agenda.

2.2.3 **De-Delegated Budgets – Contingency for Premature Retirement / Redundancy Costs** - The budget for Contingency for Premature Retirement/ Redundancy Costs was set at £13,830 no costs have been charged to this budget by primary schools. Maintained Primary Schools Forum members are asked to propose the use of this unused Premature Retirements/Redundancy costs which has ceased in 2022-23.

2.2.4 **De-Delegated Budgets – Trade Union Facilities Time** - The overspend of £1,140 on this budget has contributed to the overall overspend on the school's block in 2021-22.

2.2.5 **De-Delegated Budgets – School Effectiveness** - Spending was contained within the available funding envelope.

2.3 Central School Services Block.

2.3.1 Expenditure on Central School Services Block budgets such as Admissions, School Licences, Schools Forum, Statutory and Regulatory Duties for Ongoing Responsibilities were spent within the available funding envelope.

2.4 High Needs Block.

2.4.1 Overall High Needs Block Overspent by £189,871 as a result of:

- Overspends in SEN Unit Place & Provision Top Ups, Special School Place Top Ups, Post 16 , Out Of County and SEN Provisions.
- Repayment of prior year High Needs Block deficit of £1.5m carried forward from the legacy council
- Underspend in Alternative Provision £1.5m

2.4.2 There is a separate report on this agenda which includes more detail about the pressures in the High Needs Block.

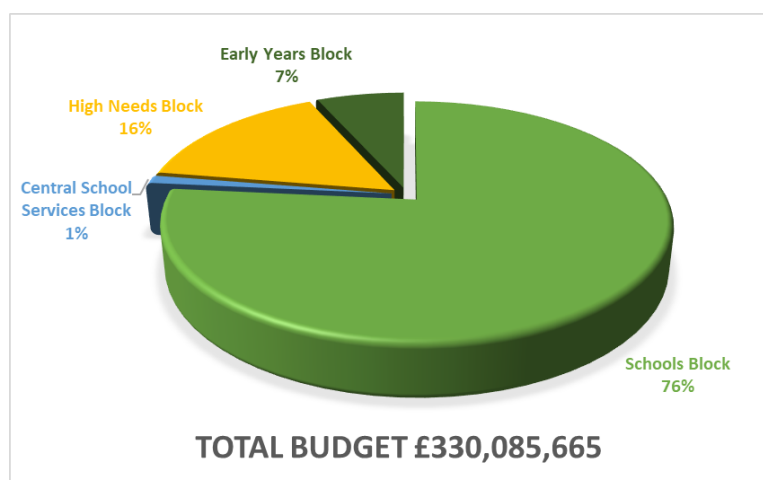
2.5 Early Years Block.

2.5.1 The ESFA confirmed in November 2021 that the 2020-21 Year end adjustment for Early Years was £268,504. This was accounted for from 2020-21 DSG reserves brought forward from the Legacy Council.

2.5.2 2021-22 Early Years Block overspent by £681,209. The Early Years update report on this agenda includes more detail about the pressures on the Early Years Block.

3. DSG Funding 2022-23

3.1 The 2022 to 2023 DSG allocations before academies recoupment and deductions for national non-domestic rates and for direct funding of high needs places by Education and Skills Funding Agency (ESFA) are as follows:



Block	Allocation Date: 16 Dec 2021	Allocation Date: 30 Mar 2022	Difference	Allocation Date: 19 July 2022	Difference
Schools Block	£254,876,162	£254,876,162	£0	£254,876,162	£0
Central School Services Block	£3,567,298	£3,567,298	£0	£3,567,298	£0
High Needs Block	£50,115,790	£52,005,755	£1,889,965	£52,370,722	£364,967
Early Years Block	£21,812,758	£21,812,758	£0	£22,271,483	£458,725
Total Gross DSG Allocation	£330,372,008	£332,261,973	£1,889,965	£333,085,665	£823,692

3.2 The increase in DSG funding is due to:

- Additional High Needs Block funding as announced in December 2021 (£1.889m)
- Favourable High Needs Block Import and Export adjustments in July 2022 (£0.365m)
- Recalculation of the Early Years Block indicative funding based on January 2021 and January 2022 census (£0.459m).

3.3 There were DSG deductions for academies recoupment, national non-domestic rates, and direct funding of high needs places by ESFA in 2022-23 of the following amounts:

Block	Allocation Date: 16 Dec 2021	Allocation Date: 30 Mar 2022	Difference	Allocation Date: 19 July 2022	Difference
Schools Block	-£1,720,380	-£207,136,497	-£205,416,117	-£207,136,497	£0
Central School Services Block	£0	£0	£0	£0	£0
High Needs Block	-£10,134,000	-£10,464,835	-£330,835	-£10,440,835	£24,000
Early Years Block	£0	£0	£0	£0	£0
Total DSG Recouped by ESFA	-£11,854,380	-£217,601,332	-£205,746,952	-£217,577,332	£24,000

3.4 The recoupment adjustments were for:

- Academies budget share recoupment deductions £205.416m
- Academies, Free Schools and FE colleges high needs place recoupment deductions £0.331m
- Favourable adjustment for AP Free School places £0.024m

3.5 The following is all the DSG that remained with North Northamptonshire for the maintained schools budget share and the delivery of central schools, high needs and early years services.

Block	Allocation Date: 16 Dec 2021	Allocation Date: 30 Mar 2022	Difference	Allocation Date: 19 July 2022	Difference
Schools Block	£253,155,782	£47,739,665	-£205,416,117	£47,739,665	£0
Central School Services Block	£3,567,298	£3,567,298	£0	£3,567,298	£0
High Needs Block	£39,981,790	£41,540,920	£1,559,130	£41,929,887	£388,967
Early Years Block	£21,812,758	£21,812,758	£0	£22,271,483	£458,725
Total DSG Allocation after ESFA Recoupment	£318,517,628	£114,660,641	-£203,856,987	£115,508,333	£847,692

4. Recommendations for Schools Forum

4.1 Schools Forum are asked to note the report.

5. Next steps

5.1 A more detailed report on the 2022-23 Budget will be brought back to Schools Forum in December.

6. Financial implications

6.1 As the 2020/21 legacy accounts are yet to be audited and agreed, we are only able to report on the 2021-22 financial position at this stage.

7. Legal implications

7.1 Schools funding is governed by The School and Early Years Finance (England) Regulations 2021. It is important to ensure decisions are made within the regulations set.

8. Risks

8.1 There is the risk that an adverse financial decision may be made by Schools Forum based on the content of this report. There is also the risk that decisions made could be ultra vires.

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