

City of Wolverhampton Council

SCHOOLS' FORUM

Date	7 July 2022
Report title	Dedicated Schools Grant Outturn 2021-2022
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Summary

The purpose of this report is to inform Members of the Schools' Forum on the final expenditure against the Dedicated Schools Grant (DSG) in 2021-2022.

Decision

Members of the Schools' Forum are asked to:

1. Note the latest 2021-2022 DSG allocation published by the Department for Education.
2. Receive the report on the final out turn against the DSG in 2021-2022.

1.0 Background

- 1.1 On 17 December 2020, the Government announced the Local Authority's DSG allocation for 2021-2022. The City of Wolverhampton's initial allocation was £291.74 million detailed over the main funding blocks. Over the course of 2021-2022, the DSG has been updated to reflect initial changes in the levels of participation across the early years sector and changes as a consequence of the academisation process. The most recent 2021-2022 DSG allocation updated as at March 2022 was £290.05 million. The final update of the 2021-2022 DSG allocation will be published in July 2022.

Block	Latest DSG Allocation 2021-2022 £m	ESFA Recoupment £m	Net DSG received by Authority £m
Schools Block	223.90	(152.89)	71.01
Central Schools Services Block	2.09	0.00	2.09
High Needs Block	46.53	(5.83)	40.70
Early Years Block	17.53	0.00	17.53
Total	290.05	(158.72)	131.33

2.0 2021-2022 Outturn by Funding Block

Schools Block

	2021-2022 Budget £m	Schools Block £m	Growth Fund £m	Variance £m
Brought forward from 2020-2021			(1.96)	(1.96)
Recoupment for Academies	152.88	152.88		0.00
Transfer to growth fund	1.67	1.67	(1.67)	(1.67)
Transfer to Schools	69.35	69.35		0.00
Growth Fund expenditure in year			2.27	2.27
Total	223.90	223.90	(1.36)	(1.36)

- 2.1 The carried forward balance of £1.36 million relates to accruals and future commitments on the growth fund as per the agreed School's block budget for 2022-2023.

Central Schools Services Block

- 2.2 The Central Schools Services Block had a brought forward underspend of £0.04 million in 2021-2022 to support the appointment of the ONE System Manager. The underspend increased to £0.11 million at the end of 2021-2022 and will be used to develop the IT remote learning offer and to fund the statutory Children Missing Education (CME) post in 2022-2023.

DSG Central Services Block	2021-2022 Budget £m	2021-2022 Expenditure £m	Variance £m
Brought Forward Balance from 2020-2021	0.00	(0.04)	(0.04)
Tri-partied Funding	0.45	0.45	0.00
Termination of employment costs	0.05	0.05	0.00
School Admissions	0.41	0.41	0.00
Servicing of Schools' Forum	0.03	0.03	0.00
Licences/subscriptions	0.23	0.23	0.00
Statutory and Regulatory Services	0.16	0.16	0.00

DSG Central Services Block <small>continued</small>	2021-2022 Budget £m	2021-2022 Expenditure £m	Variance £m
Education Welfare	0.27	0.27	0.00
Asset Management	0.18	0.18	0.00
Contribution to One System Manager	0.03	0.02	(0.01)
MASH Support	0.06	0.06	0.00
Develop IT Remote Learning Offer	0.06	0.00	(0.06)
Centrally Employed Teachers	0.16	0.16	0.00
Total	2.09	1.98	(0.11)

High Needs Block

- 2.3 The budget of £40.37 million is made up of the government's allocation (£40.70 million), and a brought forward deficit balance from 2021-2022 (£0.33 million). The table below shows an overspend of £0.38 million (less than 1% of overall budget) on the High Needs Block in 2021-2022 which will be offset against the 2022-2023 allocation as mandated by the Education and Skills Funding Agency. Additional work continues to be undertaken in 2022-2023 to improve forecasting particularly in the areas of overspend in 2021-2022.
- 2.4 Although the in-year expenditure was close to the government's total allocation, there were variations at budget level as shown in the table below. This included an overspend against the original budget of £1.75 million on Out of City placements, and as detailed above the recent improvements in data should allow this budget to be set more accurately in future.
- 2.5 Work is ongoing to continue to improve the financial projections and scrutiny around SEN Education Out of City Placements. Processes are now in place to ensure that all invoices received in 2022-2023 relate to that financial year and not to previous years.

Cost Centre Description	2021-2022 Revised Budget £m	2021-2022 Expenditure £m	(Underspend) / Overspend £m
Brought Forward Balance from 2020-2021	0.33	0.33	0.00
SEN Early Years Team	1.13	0.94	(0.19)
SEN Sensory Inclusion	0.64	0.60	(0.04)
SEN Admin Team	1.69	1.22	(0.47)
SEN Education Out of City	3.99	5.74	1.75
Alternative Provision	0.85	0.19	(0.66)
Post 16 SEN Provision	1.50	1.69	0.19
High Needs Top Ups Maintained Schools	10.80	10.57	(0.23)
High Needs Place Funding	8.64	8.86	0.22
SEN Additionality	1.13	0.84	(0.29)
High Needs Top Up Academies	5.28	5.60	0.32
High Incidence SEN	0.14	0.02	(0.12)
PFI – Penn Fields	0.25	0.26	0.01
Outreach	0.90	0.92	0.02
Additional Nursery & Reception SEND	0.31	0.07	(0.24)
SEN Commissioning Team	0.83	0.62	(0.21)
SEN LAC Tripartite Funding	0.75	1.08	0.33
High Needs Funding – Hospital Education	0.49	0.48	(0.01)
High Needs Funding – Home Education	0.37	0.37	0.00
Teachers' Pay and Pensions	0.69	0.69	0.00
Total	40.71	41.09	0.38

Early Years Block

- 2.6 The Early Years Block had a brought forward underspend of £1.98 million, which has decreased in 2021-2022 to a carried forward underspend of £1.40 million. Additional work is being undertaken in 2022-2023 to utilise the amount carried forward to further support the City's Early Years settings.

Cost Centre Description	2021-2022 Budget £m	2021-2022 Expenditure £m	Variance £m
Brought Forward Balance from 2020-2021	0.00	(1.98)	(1.98)
Entitlement Funding Disadvantaged 2-Year-Olds	2.74	2.90	0.16
Universal Entitlement for 3- and 4-Year-Olds	9.87	10.06	0.19
Additional Entitlement for 3- and 4-Year-Olds	2.35	2.47	0.12
Pupil Premium	0.32	0.32	0.00
Disability Access Fund (DAF)	0.09	0.02	(0.07)
SEN Inclusion Fund	0.25	0.33	0.08
Weighted Deprivation 3- and 4-Year-Olds	0.98	1.08	0.10
Maintained Nursery School Supplement	0.87	0.87	0.00
Early Years Central Support Team	0.06	0.06	0.00
Total	17.53	16.13	(1.40)

The in-year overspend and resulting reduction in the brought forward balance in 2021-2022 was mainly due to an increase in the demand for places for disadvantaged two-year-old children, in addition to an increase in the demand for three- and four-year-old places.