

West Northants Schools Forum: 7 February 2023
Agenda Item 5
2022-23 DSG Monitoring as at Quarter 3

List of Appendices

Appendix A – Q3 2022-23 DSG Monitoring

1 Purpose of Report

1.1 This report provides an assessment of West Northamptonshire Council’s (WNC) financial performance against its approved 2022-23 DSG budget, incorporating key financial risks, issues and opportunities identified since 1 April 2022.

1.2 Table 1 shows the relevant responsibilities in relation to in year monitoring which is taken from the Education and Skills Funding Agency’s Schools Forum Powers and Responsibilities, published in March 2021.

1.3 There are no votes required in relation to this agenda item.

Table 1

Local Authority	Schools forum	ESFA
De-delegation – proposes	Decides	Adjudicates where Forum disagrees with the Authority’s proposals
General Duties for maintained schools – proposes	Decides	Adjudicates where Forum disagrees with the Authority’s proposals
Growth Fund and Falling Rolls Fund – proposes	Decides	Adjudicates where Forum disagrees with the Authority’s proposals
Central Spend on Early Years and Central School Services – proposes	Decides	Adjudicates where Forum disagrees with the Authority’s proposals
Central Spend on High Needs – Decides	None, but good practice to Consult	None

2 2022-23 Forecast Outturn

2.1 Table 2 summarises the DSG forecast outturn and variance currently being estimated for this financial year. It highlights some increased service pressures against the high needs block and identified pressures relating to SEND against the early years block

which are demand led, mitigated in part by underspends on early years central expenditure. The Council will seek to manage the pressures within year and across the medium term.

Table 2 – Forecast Outturn 2022-23 by DSG Block £m

DSG Block	Gross Exp Budget *	Recoup -ment	Net Exp Budget	Forecast Net Spend	Q3 Var	Q2 Var	Movement
Schools*	318.8	(253.2)	65.6	65.6	0.0	0.0	0.0
Early Years Provision	26.6	0	26.6	26.1	(0.5)	0.2	(0.7)
High Needs	63.5	(16.0)	47.5	49.1	1.6	1.8	(0.2)
Central Schools Services Block*	4.2	0	4.2	4.3	0.1	0.0	0.1
TOTAL	413.1	(269.2)	143.9	145.1	1.2	2.0	(0.8)

*Includes carry forwards totalling £0.7m

2.2 The DSG is currently forecasting an overspend of £1.17m, which includes a £1.55m forecast high needs block overspend and a £0.07m forecast central schools services block overspend. These are offset in part by a forecast underspend of £0.46m in the early years block – a favourable movement of £0.7m from the prior reported position largely due to delayed recruitment to central posts and project work in the early years team.

2.3 The pressure in the high needs block in the main relates to increased demand for educational placements, and out of county placements provision for pupils with SEND due to a growth in education, health and care plans, and a shortage of placements in county. The 2022-23 capital programme includes investment to increase resourced places in mainstream schools and special school expansions.

2.4 The early years block variance is made up of a pressure of £0.4m on early education funding, largely relating to demand above budgeted levels, which is more than offset by staffing expenditure vacancies of £0.9m.

2.5 There is a small forecast overspend in the central school's services block which relates to rebasing the contribution to central overheads in line with inflation, which has increased since the setting of the budget.

2.6 Variances are detailed in Appendix A to this report.

2.7 Table 3 below summaries DSG balances by block as at 31 March 2022.

Table 3 – DSG Balances 2021-22 £m

DSG Block	Closing balance 2021-22
DSG general carry forwards (prior years)	(0.6)
High Needs Block	1.2
Central Schools Services Block	(1.7)
Early Years Block	(1.3)
TOTAL	(2.4)

3 Financial implications

3.1 The resource and financial implications of the WNC DSG budget are set out in the body of, and appendices to, this report.

4 Legal implications

4.1 There are no legal implications arising from the proposals.

5 Risks

5.1 This report sets out the financial forecast and risks identified following the Quarter 2 review of the Council's DSG budgets.

6 Recommendations for Schools forum

6.1 That Schools forum notes the forecast outturn position for the year ended 31 March 2023.

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