

**West Northants Schools Forum: 18 October 2022**  
**Agenda Item 5**  
**2021-22 Dedicated Schools Grant Provisional Outturn and**  
**2022-23 Monitoring as at Quarter 1**

**1 Purpose of Report**

- 1.1 The report provides an assessment of the Council’s provisional outturn position against the approved 2021-22 Dedicated Schools Grant (DSG) budget.
- 1.2 This report also 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 2021.
- 1.3 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.

Table 1

<b>Local Authority</b>	<b>Schools forum</b>	<b>ESFA</b>
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 2021-22 Provisional Outturn**

- 2.1 Table 2 summarises the 2021-22 DSG provisional outturn position. It is important to note that this position is provisional and still dependent on the completion of the 2021-22 external audit process and therefore may be subject to further adjustment until the completion and approval of the 2021-22 Statement of Accounts.

Table 2 – Provisional Outturn 2021-22 by DSG Block £m

DSG Block	Gross Expenditure Budget*	Recoupment **	Net Expenditure Budget	Forecast Net Spend	Variance	Movement from previously reported position
Schools*	300.3	(235.0)	65.3	64.6	(0.7)	(0.7)
Early Years Provision	25.4	0	25.4	24.7	(0.7)	(1.1)
High Needs	55.6	(15.1)	40.5	41.7	1.2	(1.3)
Central Schools Services Block*	4.4	0	4.4	4.4	0.0	0.0
<b>TOTAL</b>	<b>385.7</b>	<b>(250.1)</b>	<b>135.6</b>	<b>135.4</b>	<b>(0.2)</b>	<b>(3.1)</b>

\*includes carry forwards totalling £0.7m

2.2 The DSG provisional outturn position for 2021-22 is an underspend of £0.2m against the budget including carry forwards of £135.6m after academy recoupment. This represents a favourable movement of £3.1m from the position as at period 8 previously reported to January Schools Forum.

### High Needs Block

2.3 The High Needs Block has overspent by £1.2m, largely relating to the increased demand for special school places, and the resultant increased cost of places in independent schools which have had to be used due to WNC special school places being full. The 2022-23 WNC capital programme includes investment in additional resourced places in mainstream and special schools and the Council has recently approved a new 250 place special school, both in seeking to alleviate cost demand pressures across the medium term and provide quality education in county for children and young people.

2.4 This is an improvement of £1.3m from the previously reported position, due to a reduction in the anticipated level of demand for Alternative Provision places in the final quarter of the financial year.

### Early Years Block

2.5 The Early Years Block has underspent by £0.7m, due to underspends on vacant posts, projects not being undertaken due to capacity constraints, and an improved position for 2, and 3 & 4 year old funding based on the latest data driven from the Spring Census.

### Schools Block Movements

2.6 The Schools Block has underspent by £0.7m, with respect to de-delegations (approved by schools forum and ringfenced to maintained schools) for redundancy costs, school improvement activity and pupil growth. Schools Forum will be consulted on the application of these funds to their specific usage in the next financial year.

## 3 2022-23 Forecast Outturn

3.1 Table 3 summarises the DSG forecast outturn and variance currently being estimated for this financial year. It highlights some identified service pressures against the high

needs block which will be sought to be managed within year and across the medium term.

**Table 3 – Forecast Outturn 2022-23 by DSG Block £m**

<b>DSG Block</b>	<b>Gross Expenditure Budget*</b>	<b>Recoupment **</b>	<b>Net Expenditure Budget</b>	<b>Forecast Net Spend</b>	<b>Variance</b>
Schools*	318.8	(251.4)	67.4	67.4	0.0
Early Years Provision	26.6	0	26.6	26.6	0.0
High Needs	63.5	(16.0)	47.5	47.9	0.4
Central Schools Services Block*	4.2	0	4.2	4.2	0.0
<b>TOTAL</b>	<b>413.1</b>	<b>(267.4)</b>	<b>145.7</b>	<b>146.1</b>	<b>0.4</b>

\*includes carry forwards totalling £0.7m

- 3.2 The DSG is currently forecasting an overspend of £0.4m which is entirely in the high needs block.
- 3.3 Educational placements provision for pupils with SEND in mainstream and special schools due to growth in education, health and care plans are forecast to overspend by £0.85m based on latest projections.
- 3.4 The 2022-23 capital programme includes investment to increase resourced places in mainstream schools and special school expansions.
- 3.5 Post 16 top ups are forecast to overspend by £0.2m due to demand above budgeted levels.
- 3.6 These are mitigated in part by a £0.6m underspend on alternative provision following changes with one major provider of alternative education in the 2021-22 financial year which led to pupils having to be placed elsewhere. The current year budget assumed the majority of pupils would be re-placed with this provider for the whole financial year, but this has not yet materialised to date.

#### **4 Financial implications**

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

#### **5 Legal implications**

- 5.1 There are no legal implications arising from the proposals.

#### **6 Risks**

- 6.1 This report sets out the financial forecast and risks identified following the Quarter 1 review of the Council’s DSG budgets.

#### **7 Recommendations for Schools forum**

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

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