


Agenda Item 4

	London Borough of Hammersmith & Fulham SCHOOLS FORUM March 15th 2022
DEDICATED SCHOOLS GRANT MONITORING QUARTER 3 2021/22	
Open	
Wards Affected: (All Wards); All	
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Purpose of the report This report updates forum on the 2021/22 quarter 3 budget monitoring position for the Dedicated Schools Grant covering: <ul style="list-style-type: none">• High Needs Block• Schools Block including dedelegated budgets• Central Services Schools Block• Early Years Block	

1. Introduction

- 1.1. This paper sets out:
- Carry forward balances at 1st April 2021
 - Forecast variances in each of the blocks of the Dedicated Schools Grant in 2021/22
 - Projected closing balances at 31st March 2022
 - Changes in 2021/22 dedicated schools grant allocations advised by Education and Skills Funding Agency (ESFA)

2. Summary Position

- 2.1. Table 1 below shows the high-level position for 2021/22 financial year at quarter 2.

Table 1 – Accumulated Adjusted DSG Carry Forward from 2020/21 (balances at 31/03/21 and forecast balances at 31/03/22)

Dedicated Schools Grant (DSG) Balances by Block			
Figures in red and brackets represent surplus	Balances 31/03/21	2021/22 Forecast Variance	Forecast Balance 31/03/22
	£m	£m	£m
Schools Block	(0.755)	0.755	0
Central Services Schools Block	0	0	0
High Needs Block (including Safety Valve £4m)	16.679	(3.725)	12,954
Early Years Block	(1.418)	1.418	0
TOTAL DSG	14.505	(1,572)	12,934

3. Schools Block and Maintained De-delegation 2021/2022

- 3.1. The £0.755m Schools Block surplus carry forward at 31/03/21 relates to the underspend on maintained primary dedelegated budget since April 2018.
- 3.2. It is expected that the £0.755m will be fully utilised or passed back to contributing schools in 2021/22 financial year as follows:
- £0.124m contingency support agreed March 2021 with respect to maintained schools not eligible for schools block falling rolls support due to DfE grant funding regulations.
 - £0.042m additional cost of Asbestos Management and Surveys 2021/22 noted in Qtr2 report.
 - £0.265m passed back to contributing schools Summer 2021
 - £0.217m proposed to be passed back to contributing schools March 2022 – see paragraph 3.3 below
 - £0.057m proposed use for contingency support 2021/22 – see paragraph 3.4 below
- 3.3. Appendix 1 sets out the proposed allocation of the remaining of £0.267m of dedelegated funding between contributing maintained schools. Allocations are calculated pro rata to schools contributions in 2019/20 financial year. Following approval these amounts will be paid in March 2022, the total funds returned to maintained mainstream schools following close financial control since 2018 will be £0.532m.
- 3.4. Following the due diligence process, contingency support for schools in financial difficulty totalling £0.249m for 5 schools across the 2021/22 and 2022/23 financial years is shown below. The contingency payments would be funded from £0.057m of retained balances and the £0.192m in-year contingency budget.

Table 2 – Proposed Contingency Support to Schools in Financial Difficulty

	2021/22	2022/23	Total
	£	£	£
Melcombe Primary	106,700		106,700
Old Oak	34,887		34,887
St Thomas of Canterbury	26,791		26,791
St Pauls	15,409		15,409
Flora Gardens	0	65,000	65,000
Total Proposed	183,787	65,000	248,787

3.5. It is proposed that the contingency support totalling £183,787 for 2021/22 and £65,000 for 2022/23 is agreed by Schools Forum. Payment would be contingent on receipt of balanced medium-term budget agreed by respective governing bodies.

3.6. It should be noted that following the contingency support proposed £175,000 of contingency budget for schools in financial difficulty is available in 2022/23 to support maintained primary schools as they finalise budgets with governing bodies.

3.7. The Schools Block budget 2021/22 is summarised below in Table 3, with the Schools block expenditure in excess of budget funded from balances carried forward as per paragraph 3.2.

Table 3 - Schools Block Forecast 2021/22

	£m	£m	£m
	2021/22 Budget	2021/22 Forecast	2021/22 Variance
Schools Block delegated (after academy recoupment)	38.086	38.086	0
Falling Rolls Fund	0.200	0.200	0
Maintained schools de-delegated Budget	0.696	1.451	0.755
Maintained schools Education Functions	0.273	0.273	0
Transfer to High Needs Block	0.528	0.528	0
Total Schools Block received by LBHF	39.780	40.530	0.755

4. Central Services Schools block 2021/22

4.1. The £3.313m CSSB block is forecast to outturn to budget. Any efficiencies or savings possible within the CSSB ahead of the notified further grant reduction in April 2022 will be passed through to support the High Needs Block pressure in year.

5. High Needs Block

- 5.1. The High Needs Block is forecast to overspend by £0.255m versus the funding allocation of £29.082m in 2021/22 including academy recoupment funding. This represents a £0.177m favourable position versus the High Needs Block Safety Valve in year deficit agreed with the Department of Education for 2021/22 financial Year which allowed for investment associated with the High Needs transformation.
- 5.2. The retained HNB deficit at 31/03/21 was £16.7m after receipt of the first £6m of agreed Safety Valve funding in 2020/21 financial year.
- 5.3. The retained deficit is forecast to reduce to £12.954m at 31/03/22 following the expected receipt of £4m further safety valve funding in 2021/22 financial year and following the benefit of final Early Years surplus balances from 2020/21 financial year after final funding adjustments confirmed by the ESFA.

6. Early Years Block 2021/22

- 6.1. Early years DSG closed with a provisional retained surplus in 2020/21 of £1.418m, subject to final funding adjustments by the ESFA. Final funding for 2020/21 was reduced by £0.501m leaving revised surplus balance of £0.917m. This balance has been offset against the High Needs Block retained deficit of £16.7m as agreed at Schools Forum in January 2022.

Table 4 Early Years Grant Funding 2021/22

	£m
Early Years Funding Element	2021/22 Original Budget
3 and 4 YO universal & extended offer	14.860
2 YO Disadvantaged offer	1.161
EY Pupil Premium	0.089
Disability Access Fund	0.048
MNS supplementary funding	0.850
Total 2020/21 Early Years	17.008

- 6.2. The Early Years block is forecast to spend to budget in 2021/22 based on current data available. There are risks and uncertainties concerning the final level of funding due to the change in methodology used by the ESFA to determine entitlement.
- 6.3. For the 2021/22 financial year funding will be calculated on a term by term basis; Summer term 2021 headcount will be used to determine 5 months of funding, Autumn term 2021 headcount 4 months of funding and January 2022 headcount 3 months of funding. It is expected that for 2022/23 ESFA

will revert to using January headcounts to determine the annual allocation. As funding will follow the individual headcount numbers it seems reasonable to assume that funding will be adequate to cover the costs incurred.

- 6.4. The Early Years block is adjusted retrospectively each year so the final allocation for 2021/22 will not be known until July 2022.

Report ends

Appendix 1 - Proposed Reimbursement of Surplus Funds to Maintained Primary schools

School	2019/20 Dedelegation	Proposed Reimbursement
Addison Primary School	-30,032	11,345.90
Avonmore Primary School	-18,177	6,867.26
Brackenbury Primary School	-40,504	15,302.04
Miles Coverdale Primary School	-20,647	7,800.31
Flora Gardens Primary School	-17,486	6,606.00
Kenmont Primary School	-19,758	7,464.41
Melcombe Primary School	-36,058	13,622.55
Old Oak Primary School	-29,538	11,159.29
Sir John Lillie Primary School	-28,155	10,636.79
Wendell Park Primary School	-38,627	14,592.92
Wormholt Park Primary School	-38,429	14,518.28
All Saints CofE Primary School	-19,956	7,539.05
Holy Cross RC School	-58,187	21,982.69
John Betts Primary School	-23,611	8,919.97
St Augustine's RC Primary School	-20,943	7,912.28
St Johns Walham Green Church	-35,268	13,323.97
St Mary's Catholic Primary School	-19,165	7,240.48
St Paul's CofE Primary School	-19,659	7,427.09
St Peter's Primary School	-20,450	7,725.66
St Stephen's CofE Primary School	-40,158	15,171.41
Good Shepherd RC Primary School	-19,758	7,464.41
St John XXIII Catholic Primary School	-28,501	10,767.41
St Thomas of Canterbury Catholic	-24,500	9,255.87
Larmenier & Sacred Heart Catholic	-40,998	15,488.65
Normand Croft Community School	-17,881	6,755.29
	-706,447	266,889.98