



London Borough of Hammersmith & Fulham

SCHOOLS FORUM

Tuesday 14th June 2022

Dedicated Schools Grant Outturn 2021/22

Open

Classification - For Scrutiny Review & Comment

Agenda Item 3

Key Decision: No

Wards Affected: (All Wards); All

Accountable Director: Jacqui McShannon, Strategic Director of Children's Services

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Purpose of the report

This report confirms the 2021/22 Outturn for the Dedicated Schools Grant and balances held at 31st March 2022.

1. Introduction

1.1. The summary outturn position on the Dedicated Schools Grant (DSG) for the 2021/22 financial year is outlined below.

DSG Block	2021/22 Budget	2021/22 Outturn	2021/22 Variance	DSG Bal at 31/03/22	Comments
	£m	£m	£m	£m	
Schools Block	39.255	39.945	0.690 Funded from reserves	0.065 Reserve	Retained underspend on schools in financial difficulty
Central Services Block	3.313	3.313	0	-	Nil variance after £1.25m transfer to support HNB expenditure

High Needs Block	24.920	24.617	(0.303) Favourable	11.820 Retained deficit	2021/22 in year favourable variance before £4.55m safety valve funding received
Early Years Block	14.694	14.460	(0.234) Favourable	0.234 Reserve	Favourable position pending 2021/22 ESFA adjustment
Total	82.182	82.335	0.153	11.521	Net deficit

2. Schools Block Outturn

- 2.1. All balances held with respect to all mainstream schools for Falling Rolls and established through the National Funding Formula process were passed through to schools in 2021/22, in accordance with the Schools Forum decision taken in March and grant regulations.
- 2.2. The outturn in 2021/22 on the Schools Block includes the payments made in year in respect of the funding brought forward from 2020/21 as agreed by Schools Forum. This accounts for £0.690m as shown above. The retained balance of funding for schools in financial difficulty at the 31st March 2022 is £0.065m.
- 2.3. It is proposed that the remaining unallocated balance of dedelegated funding for schools in financial difficulty is used in 2022/23 to support Flora Gardens during the period of uncertainty around rolls and future capital development. This subject to Schools Forum agreement.

3. Central Services Schools Block

- 3.1. The Central Services Schools Block outturn for 2021/22 was a £1.25m favourable variance versus grant of £3.1m.
- 3.2. The underspend was achieved through savings in advance of further reductions in the grant from 2022/23.

- 3.3. This underspend has been transferred to support High Needs Block expenditure in 2021/22, which has contributed to a favourable movement in outturn on the High Needs Block versus the Qtr3 monitoring report for 2021/22.

4. High Needs Block

- 4.1. The underspend of £0.3m at outturn 2021/22 represents a favourable movement of £2.4m versus the Qtr3 monitoring report 2021/22. This is after an increased contribution from the CSSB DSG.
- 4.2. The cumulative deficit on the HNB at 31/03/22 will be £11.82m. This is after the application of the £4.55m HNB Safety Valve Funding receipt and the £0.3m HNB 2021/22 underspend. This represents a £3.462m favourable movement in the retained deficit forecast at £15.282m in the Qtr 3 monitoring report.

5. Early Years Block

- 5.1. The carry forward to Early Years (EY) DSG reserve at 31st March 2022 is £0.234m.
- 5.2. The carried forward surplus represents the in year underspend on early years expenditure primarily on 3 and 4 year old funding.
- 5.3. The 2021/22 Grant allocation is subject to retrospective adjustment by ESFA in November 2022 when they are due to be revised for the January 2022 census. ESFA have indicated that they propose to revert to using January headcounts for funding calculations for 2022/23 onwards.
- 5.4. Officers should be able to estimate the impact of these retrospective changes to funding by the end of Qtr2 2022/23.

Report ends