

NORTH LINCOLNSHIRE COUNCIL

SCHOOLS FORUM

DEDICATED SCHOOLS GRANT 2021/22 OUTTURN

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To update the schools forum on the Dedicated Schools Grant (DSG) outturn 2021/22 and the DSG earmarked reserve as at 31st March 2022.

2. BACKGROUND INFORMATION

- 2.1 The DSG is a ring fenced specific grant that must be used in support of the schools budget as defined in the School and Early Years Finance (England) Regulations 2021. It can be used for no other purpose.
- 2.2 Local authorities are responsible for determining the split of the grant between central expenditure and the individual schools budget (ISB) in conjunction with local schools forums.
- 2.3 Local authorities are responsible for ensuring that the DSG is deployed in support of the schools budget. This includes both DSG funding allocated to central expenditure and funding for the ISB allocated in accordance with their local schools funding formula.

3. OPTIONS FOR CONSIDERATION

- 3.1 The final DSG allocation for 2021/22 was £152.590m (£92.128m following academy and high needs recoupmnt of £60.462m).
- 3.2 Funding deployed to maintained schools amounted to £64.310m.
- 3.3 Central Expenditure for early years, high needs and central provision amounted to £25.956m.

- 3.5 A breakdown of expenditure for each of the central budgets for early years, high needs and central provision is shown in appendix 1.
- 3.6 The net effect of spending resulted in a contribution to the DSG ring fenced earmarked reserve as detailed in the following table.

	Central expenditure £m	Individual schools budget £m	Total £m
Final DSG for 2021/22 before academy and high needs recoupment			152.590
Academy and high needs funding recouped for 2021/22			60.462
Total DSG after academy and high needs recoupment for 2021/22			92.128
Plus: Brought forward from 2020/21			3.859
Less: Carry Forward agreed in advance			-3.688
Agreed budgeted distribution in 2021/22	27.989	64.310	92.299
Early Years Prior Year Adjustment	-0.156		-0.156
Final budget distribution for 2021/22	27.833	64.310	92.143
Less: Actual central expenditure	25.956		25.957
Less: Actual ISB deployed to schools		64.310	64.310
Carry Forward to 2022/23	1.877		1.877
Plus: Carry Forward agreed in advance			3.688
DSG Carry Forward as at 31/3/22			5.565

4. ANALYSIS OF OPTIONS

- 4.1 Individual School Budgets were set in January 2021 for the 2021/22 financial year. Once allocated, school funding is counted as expenditure in support of the schools budget.
- 4.2 At the end of the financial year the central expenditure element of the schools budget may be under or overspent. If there is an underspend in respect of central expenditure, this must be carried forward to support the schools budget in future years, including any of the budget that is moved into earmarked reserves.
- 4.3 At the end of the financial year the central expenditure element of the schools budget may be under or overspent. If there is an underspend in respect of central expenditure at local authority level this should be separately identified within the associated notes to the accounts. The underspend must be carried forward to support the schools budget in future years, including any of the budget that is moved into earmarked reserves.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

- 5.1 A breakdown of 2021/22 expenditure is detailed in appendix 1.
- 5.2 The final expenditure and adjustments during 2021/22 result in an additional £1.705m being allocated to the DSG earmarked reserve.
- 5.3 The DSG earmarked reserve as at 31st March 2022 is £5.565m.
- 5.4 On 20th January 2022 the Schools Forum endorsed the use of £470k earmarked reserves in setting the individual school budgets for 2022/23.

6. OTHER IMPLICATIONS

- 6.1 The Chief Financial Officer (CFO) needs to ensure that expenditure charged to the schools budget falls within the definitions set out in regulations 6 and 7 of the Schools and Early Years Finance (England) Regulations 2021. This includes both DSG funding allocated to central expenditure and funding for the Individual Schools Budget (ISB).
- 6.2 At the end of the 2021/22 financial year the chief finance officer (CFO) is required to append an additional note to the statement of accounts confirming the deployment of the DSG in support of the schools budget.
- 6.2 The CFO is also required to confirm the final deployment of the DSG in support of the schools budget.

9. RECOMMENDATIONS

- 9.1 That the School Forum note the final reported outturn for 2021/22.

STRATEGIC LEAD (FINANCE SERVICEDESK)

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Background Papers used in the preparation of this report –
DSG Final Allocations 2021/22
DSG Conditions of Grant 2021/22