

## ITEM 3

### Final Dedicated Schools Grant (DSG) Outturn position for 2021/22

Schools Forum – 13 June 2022

#### **Recommendation:**

Schools Forum is asked to:

Note the final Dedicated Schools Grant (DSG) Outturn position for 2021/22

#### **1. Background and context**

1.1 Each year the local authority is allocated funding from the Department for Education (DfE) in the form of the Dedicated Schools Grant (DSG), to be distributed to schools and other establishments for the provision of education within the borough. This report features the overall outturn position for the 2021/22 financial years. It focuses on the following areas:

- (a) Total DSG allocated to the London Borough of Croydon
- (b) Total expenditure analysed by each DSG block and compared to 2020/21
- (c) Overall allocation and movement of DSG grant and reserves from 2021 to 2022
- (d) Cumulative DSG position and trend analysis from 2019 to 2022

1.2 Croydon was allocated a total DSG grant of £387.9m for 2021/22 financial year prior to academy recoupment of £213.1m. The net amount post recoupment payable to the LA was £174.8m. [£387.9m less £213.1m for academies = £174.8m]

1.3 However, the final amount received by the LA from the (DfE) was further reduced by £1.103m to an overall net amount of £173.668. This represents further charges from the DfE for £329k License and Subscriptions fees and another £774k related to Early Years prior year claw back. See Table 1 below column 2.

#### **2. Total DSG allocation by Blocks for 2021/22**

2.1 The Total DSG allocation by blocks is as shown in table 1, below.

**Table 1 - DSG allocation by blocks**

Block	2020/21	2021/22
Schools Block*	74.422	74.102
Early Years Block*	29.756	26.467
High Needs Block	61.240	67.052
Central Service Schools Block	6.044	6.045
Total	171.462	173.668

\* Those figures are after £329.9k license fees and £774k Early Years prior year adjustments.

### 3. Total Expenditure by Blocks for 2021/22

3.1 The table below shows a total expenditure of £176.435m for the 2021/22.

**Table 2 - Expenditure over various DSG blocks**

Description	Expenditure £m 2020/21	Expenditure £m 2021/22	Movement £m
Schools Delegated including growth	74.419	73.471	-0.948
High Needs	67.147	70.520	3.373
Early Years	27.821	26.399	-1.422
Central Support Services block	6.044	6.045	0.001
<b>Total</b>	<b>175.431</b>	<b>176.435</b>	<b>1.004</b>

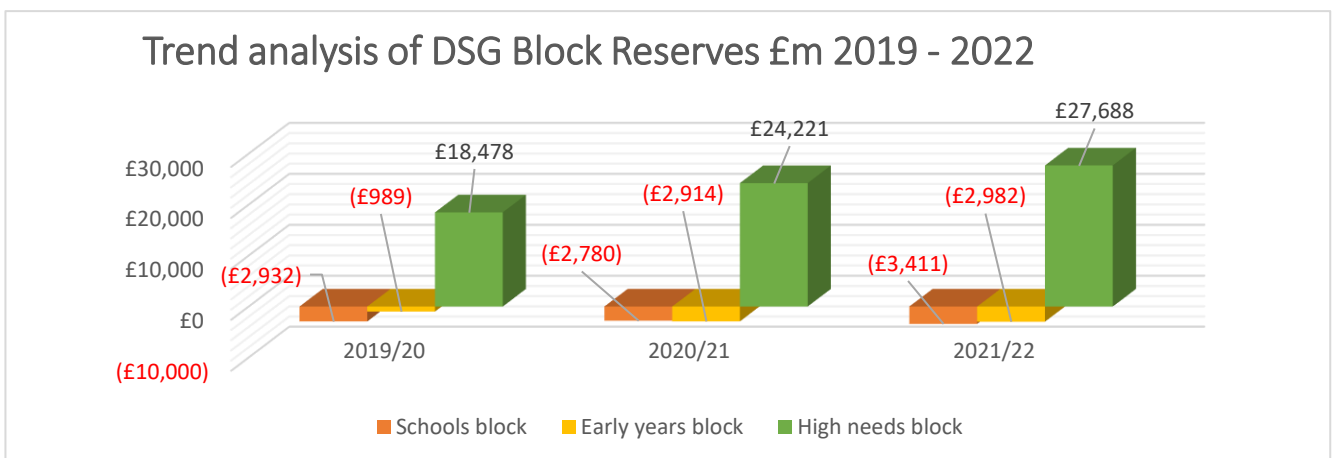
3.2 Table 3 below represents the overall outlook of the DSG grant over the last two years.

**Table 3 – Overall DSG Reserves Balances and movement**

Description	Total £m	Total £m
Final DSG for before academy recoupment	365.277	387.879
Academy figure recouped	-193.815	-213.107
<b>Total DSG after academy recoupment</b>	<b>171.462</b>	<b>173.668</b>
plus: Brought forward from previous year	-14.558	-18.527
Final Budget distribution	156.904	155.141
Of which:		
Actual Central Expenditure allocated	8.102	17.245
Actual ISB Deployed to schools allocated	167.329	159.191
<b>Total Actual Expenditure</b>	<b>175.431</b>	<b>176.436</b>
Carry-forward overspend	-18.527	-21.295

3.3 The chart below represents the overall trend analysis of the overall DSG reserves over the last three years.

Trend Analysis – 2019 to 2022



**Table 4 - DSG Overspend / Cumulative expenditure C/F**

Details	Balance b/f	movement	Balance b/d
<b>DSG Reserves</b>	Total £m	Total £m	Total £m
High Needs Block	24,221	3,467	27,688
Early Years	-2,914	-68	-2,982
Schools Block	-2,780	-631	-3,411
Balance b/d	18,527	2,768	21,295

Central Support Services Block - The 2020/21 allocation of £6.045 was fully spent against the historic and ongoing commitments. The DfE reduced the 2022/23 allocation as indicated hence the LA need to re-align its budget requirement for 2022/23.

#### 4. Growth Funding

- 4.1 From the overall DSG allocation, funding is top sliced to fund growth allocation that supports in year pupil growth within schools in the borough. Funding is allocated based on various criteria. More work needed to be done in this area going forward to ensure that the right schools are funded.

**Table 5 - Growth Expenditure in 2021/22**

Details	Actual Spend
Academy & Maintained - Expansion	513,000
Start up	220,000
Bulge	30,000
KS4 Pupils in Alternative Provision	625,000
<b>Total</b>	<b>1,388,000</b>

#### 5. Conclusion

Although the budget monitoring process had shown to be robust with significant progress achieved, the LA should always review the financial risks related to the High Needs and the Central Support Services Blocks and look for strategies to mitigate those financial risks.

<p>Recommendation: that Schools Forum note the final Dedicated Schools Grant (DSG) Outturn position for 2021/22</p>
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