

**Manchester City Council  
Report for Resolution**

**Report to:** Schools Forum

**Subject:** Dedicated Schools Grant (DSG) and School Balances 2021/22 –  
Outturn Report

**Report of:** Directorate Finance Lead – Children’s and Schools

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**Summary**

The provisional outturn for Manchester maintained schools is an overall surplus of **£19.50m**, which is a decrease of **£1.11m** (of which c.£400k relates to two schools that have since academised) in the total Schools Balances (Revenue & Capital) held compared to 2020/21. The final position on the centrally retained element of the Dedicated Schools Grant (DSG) was a **£2.70m overspend**.

This report summarises the:

- Outturn position on school balances as at 31 March 2022
- Final outturn position on the centrally retained DSG.

**Recommendations**

All Schools Forum members are asked to note and comment on:

- Maintained school balances, £19.50m as at 2021/22
  - The cumulative centrally retained DSG deficit balance £2.70m carried forward into 2022/23
  - Local Authority revisiting DSG recovery plan, to be reported to School Forum at a later date.
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**Contact Officers:**

Name: Anne Summerfield  
Position: Directorate Finance Lead  
Telephone: 0161 234 1463  
E-mail: anne.summerfield@manchester.gov.uk

Name: Nehal Ayub  
Position: Principal Finance Manager  
Telephone: 0161 234 1467  
E-mail: nehal.ayub@manchester.gov.uk

**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

**Supporting Reports:**

18 <sup>th</sup> January 2021	Dedicated Schools Grant 2021/22
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## 1. Introduction

1.1 The purpose of this report is to state and explain the provisional position of the Dedicated Schools Grant (DSG) for 2021/22 in respect of schools and the Council. The final position will be confirmed once the Council's audited accounts have been completed. The 2021/22 DSG allocation after recoupment for academies and high needs was **£328.13m**, of which **£307.91m** (94%) was delegated to schools, **£18.72m** (6%) was retained centrally by the Council and **£1.50m** earmarked towards DSG recovery.

## 2. Provisional Outturn Position for Schools

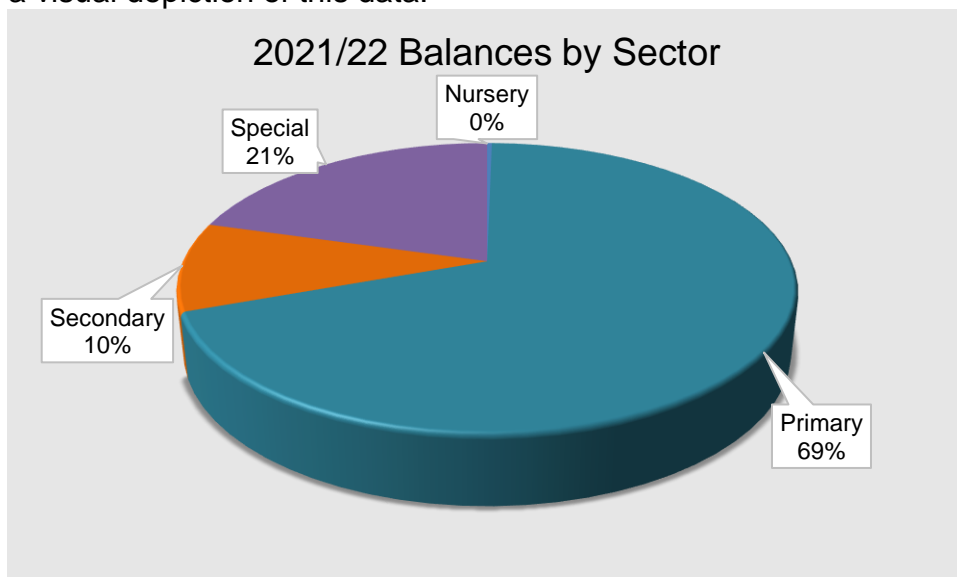
- 2.1 The provisional outturn position for maintained schools is an overall surplus of **£19.50m**. This is a decrease of **£1.11m** in the total balances held compared to 2020/21 (of which c.£400k relates to two schools that have since academised), where nursery and primary balances have dropped by 37.8% and 16.5% respectively compared to 2020/21 balances. Conversely, secondary, and special school balances have increased since 2020/21 by 18.5% and 44.3%. There has been one primary school, Mount Carmel Primary and one secondary school, St Matthews which converted to academy status in 2021/22, reducing primary and secondary school balances by £97k and £301k respectively.
- 2.2 Table one below displays total schools' balances by sector. The primary sector balances have decreased by £2.69m, whilst there has been an increase in special school's balances of £1.24m and secondary school balances of £304k since the previous financial year. The increase for special schools is accounted for by seven out of the twelve special schools, of which two out of the seven special schools seen increases of over £0.5m since 2020/21. All the five secondary school balance's increased since last financial year.
- 2.3 Tables two and three below, provide a breakdown of maintained schools' total balances (as shown in table one), by surplus and deficit balances respectively. There has been no change in the actual number of primary, secondary, or special schools in surplus and deficit, after taking account of the two academisations. There has been an improvement in the nursery sector, with one school recording a surplus balance in 2021/22, compared with both nursery schools recording deficits in the previous year 2020/21.
- 2.4 Schools' deficit balances have increased by £294k since last financial year, as shown in table three, due to movement within the primary sector. Appendix one provides individual school revenue and capital balances (excludes capital balances for voluntary aided schools).

**Table one: Total Balances for Maintained Schools**

Sector	2021/22		2020/21		Variance	
	No.	£000's	No.	£000's	No.	£000's
Nursery	2	(57)	2	(92)	0	35
Primary	91	13,575	92	16,265	(1)	(2,690)
Secondary	5	1,950	6	1,646	(1)	304

Special	12	4,036	12	2,797	0	1,239
<b>Total</b>	<b>110</b>	<b>19,504</b>	<b>112</b>	<b>20,616</b>	<b>(2)</b>	<b>(1,112)</b>

2.5 Of the total balances held by schools in 2021/22, 69% of the balances are held across the 91 primary schools, 21% held by 12 special schools, and 10% by 5 secondary schools. (Nursery balances are a net deficit of £57k.) The pie chart below shows a visual depiction of this data.



- 2.6 This means that **on average** (not actual):
- primary school balance is £149k surplus
  - secondary school balance is £390k surplus
  - special school balance is £336k surplus

**Table two: Surplus Balances for Maintained Schools**

Sector	2021/22		2020/21		Variance	
	No.	£000's	No.	£000's	No.	£000's
Nursery	1	22	0	0	1	22
Primary	89	14,199	90	16,582	(1)	(2,383)
Secondary	5	1,950	6	1,646	(1)	304
Special	12	4,036	12	2,797	0	1,239
<b>Total</b>	<b>107</b>	<b>20,206</b>	<b>108</b>	<b>21,025</b>	<b>(1)</b>	<b>(819)</b>

**Table three: Deficit Balances for Maintained Schools**

Sector	2021/22		2020/21		Variance	
	No.	£000's	No.	£000's	No.	£000's
Nursery	1	(79)	2	(93)	(1)	14
Primary	2	(624)	2	(316)	0	(308)
Secondary	0	0	0	0	0	0
Special	0	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>(703)</b>	<b>4</b>	<b>(409)</b>	<b>(1)</b>	<b>(294)</b>

2.7 Out of the 107 schools with surplus balances there are five primary schools and one nursery school that have balances below £50k, and there are five schools with

balances in excess of £430k. Table four below outlines the five schools with the highest surplus balances 2021/22: 1 primary school, 1 secondary school, and 3 special schools.

- 2.8 The annual analysis of reserves review will be completed for each maintained school that has an excessive revenue balance, identifying the planned use of the excessive reserves. Schools' balances are deemed excessive if the surplus is higher than the allowable balance, whereby the allowable balance is deemed to be 8% of the budget share for nursery, primary and special schools, and 5% of the budget share for secondary schools. This will be reported to School Forum July 2022.

**Table four: Surplus balances above £430k**

Sector	2021/22 Balance £000's
Secondary	653
Special	596
Special	543
Primary	468
Special	436

- 2.9 Table five outlines the range of 2021/22 school balances reported across each sector. The secondary and special school sectors notably have significantly higher balances when compared to nursery and primary sectors.

**Table five: Range of school balances 2021/22**

Sector	2021/22	
	£000's	£000's
	From	To
Nursery	(79)	22
Primary	(468)	468
Secondary	201	653
Special	100	596

- 2.10 Whilst Appendix one provides 2021/22 individual school revenue and capital balances for Manchester maintained schools, balances for academy schools for the academic year ending in August 2021, as well as useful benchmarking data, can be found published at the links below:

- [Report / summary position covering 2020/21 academic year](#) (Sept 20 – Aug 21), includes the full school re-opening in September 2020, partial school closures from January to March 2021, before full re-opening after that point.
- [Benchmarking data for LA maintained schools and academies.](#)

### 3. 2021/22 Dedicated School Grant (DSG) Position (deficit)

3.1 The 2021/22 in-year outturn position for the overall retained schools DSG budget is an **overspend of £0.75m**, taking the cumulative DSG position to an overspend of **£2.70m**. The Council's expenditure on schools is funded primarily by grant monies provided by the DfE in the DSG. An element of DSG is recouped by the DfE to fund academy schools in Manchester. DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget as defined in the Schools Finance (England) Regulations 2020. The schools budget includes elements for a range of educational services provided on an authority-wide basis and for the individual school's budget, which is divided into a budget share for each maintained school.

3.2 High needs block 2021/22 overspend of £3.14m, along with a £21k overspend on the central services block, have been offset by underspends in the schools block and early years block of £13k and £0.90m respectively. This net overspend of £2.25m across the four DSG blocks has been offset by the budget set aside for high needs block recovery £1.5m, giving an in-year DSG deficit of £0.75m.

**Table six: 2021/22 Summary of DSG Position**

<b>Dedicated School Grant (DSG) 2021/22</b>	
	<b>Over/(under) spend to budget £000's</b>
Early Years Block	(897)
Schools Block	(13)
High Needs Block	3,138
Central Block	21
<b>Net overspend</b>	<b>2,249</b>
Budget set aside for recovery	(1,500)
<b>In-year deficit</b>	<b>749</b>
Deficit b/fwd from 2020/21 (less school clawback)	1,954
<b>Cumulative deficit</b>	<b>2,703</b>

3.3 Early years block funding is based on estimated pupil numbers and an adjustment to funding is made by the DfE in July to reflect any increases/decreases between January censuses (i.e., January 2021 and January 2022). This funding methodology changed temporarily in 2021/22 due to the pandemic impacts on attendance and school census. The final 2021/22 early years block adjustment will be based on termly censuses, i.e., May 2021, October 2021, and January 2022. The LA has included approximated accruals for the expected adjustments to the allocation based on the January 2022 census data.

3.4 DSG carry forward from 2020/21 totalled £2.26m deficit. This position was reduced by £304k, the clawback of school's excess balances held for five years. Due to the increased growth within the high needs block, the DSG position in 2021/22 was an in-year deficit of £0.75m as shown in Table six above, which increased the cumulative DSG deficit to £2.70m to carry forward into 2022/23.

#### 4. Dedicated School Grant (DSG) Recovery

4.1 The 2021/22 plan was to reduce the DSG deficit of £2.26m, as reported 2020/21, but due to significant growth in the high needs area, the deficit has increased to £2.70m. This structural deficit within the HNB, has been caused primarily due to exponential growth within the Education, Health, & Care Plans (EHCP) and Post-16. This pressure which has been recognised on a national level, and forms part of the governments SEND review, includes looking at how to better equip mainstream settings to identify and support children and young people's needs, instead of being met by EHCPs or specialist provision. The council is working on a detailed DSG management plan and strategies to aid with HNB recovery and will bring these to Schools Forum at a future date.

#### 5. Recommendations

5.1 All Schools Forum members are asked to note and comment on:

- Maintained school balances, £19.50m as at 2021/22
- The cumulative centrally retained DSG deficit balance £2.70m carried forward into 2022/23
- Local Authority revisiting DSG recovery plan, to be reported to School Forum at a later date

#### Appendix One: Individual School's Revenue & Capital Balances as at 31<sup>st</sup> March 2022

DfE No	Type	Name of School	Schools Balance as at 31 March 2022		
			REVENUE	CAPITAL	TOTAL
			£	£	£
<b>Nursery</b>					
1008	CY	Collyhurst Nursery	-79,600	820	-78,780
1007	CY	Martenscroft Nursery	20,694	857	21,551
2		<b>Nursery Total</b>	<b>-58,906.16</b>	<b>1,677.41</b>	<b>-57,228.75</b>
<b>Primary</b>					
2001	CY	Abbott	45,282	11,533	56,814
2048	CY	Acacias	118,871	0	118,871
3301	VA	All Saints (NH)	127,779	0	127,779
2321	CY	All Saints (Gorton)	111,309	0	111,309
2006	CY	Alma Park	271,244	0	271,244
3043	VC	Armitage	228,743	0	228,743
2010	CY	Ashbury Meadow	389,501	9,055	398,556
2326	Foundation	Baguley Hall	381,312	13,600	394,912
2341	Foundation	Benchill	414,489	0	414,489
2328	CY	Birchfields	214,008	1,205	215,213
2039	CY	Bowker Vale	79,797	0	79,797
2298	CY	<b>Broad Oak</b>	<b>-467,731</b>	0	<b>-467,731</b>
2340	CY	Button Lane	224,517	12,250	236,767
2057	CY	Cavendish	247,445	0	247,445
2058	CY	Chapel Street	466,778	840	467,618
2060	CY	Charlestown	141,179	9,161	150,340
2288	VC	Cheetwood	44,436	0	44,436

DfE No	Type	Name of School	Schools Balance as at 31 March 2022		
			REVENUE	CAPITAL	TOTAL
			£	£	£
3003	VC	Chorlton	87,597	0	87,597
3402	VA	Christ the King	117,409	0	117,409
2068	CY	Claremont	294,783	19,976	314,759
3490	VA	CofE of The Resurrection	85,129	0	85,129
2296	CY	Crab Lane	261,639	5,548	267,187
2075	CY	Crosslee	144,690	20,421	165,111
2076	CY	Crowcroft Park	100,718	0	100,718
2327	CY	Crumpsall Lane	190,467	1,279	191,746
2129	CY	Heald Place	369,693	0	369,693
2303	CY	Higher Openshaw	133,359	0	133,359
3408	VA	Holy Name	101,126	0	101,126
3005	VC	Holy Trinity	172,839	0	172,839
2249	CY	Irk Valley	97,138	57	97,195
2142	CY	Lily Lane	137,761	0	137,761
2305	CY	Manley Park	259,858	23,037	282,895
2161	CY	Mauldeth Road	300,118	11,413	311,531
2324	CY	Medlock	341,294	0	341,294
<b>2164</b>	<b>CY</b>	<b>Moston Fields</b>	<b>-156,138</b>	<b>0</b>	<b>-156,138</b>
2165	CY	Moston Lane	177,527	186	177,713
2184	CY	New Moston	148,852	1,093	149,945
2186	CY	Northenden	75,532	16,084	91,615
2330	CY	Oswald Road	192,294	10,117	202,411
3475	VA	Our Lady's	147,732	0	147,732
3506	CY	Park View	102,784	1,066	103,850
2300	CY	Peel Hall	93,806	8,420	102,226
2302	CY	Pike Fold	205,340	9,159	214,500
2216	CY	Plymouth Grove	59	18,271	18,330
2232	CY	Rack House	128,754	8,818	137,573
2234	CY	Ravensbury	275,041	18,141	293,182
2008	CY	Ringway	178,949	679	179,628
3464	VA	Sacred Heart (Baguley)	103,030	0	103,030
3505	VA	Sacred Heart (Gorton)	143,530	0	143,530
2301	CY	Sandilands	137,061	18,663	155,724
3491	VA	Saviour	80,990	0	80,990
3041	VC	St Agnes	96,501	2,785	99,286
3415	VA	St Aidan's Catholic	64,845	0	64,845
3418	VA	St Ambrose	83,997	0	83,997
3310	VA	St Andrew's	114,464	0	114,464
3504	VA	St Anne's (Ancoats)	34,864	0	34,864
3422	VA	St Anne's (Crumpsall)	164,862	0	164,862
3011	VC	St Augustine's	230,410	-62,568	167,842
3473	VA	St Bernard's	281,532	0	281,532
3429	VA	St Brigid's	93,509	1,800	95,309
3432	VA	St Catherine's	233,621	0	233,621
3015	VC	St Chrysostom's	68,627	4,594	73,221



DfE No	Type	Name of School	Schools Balance as at 31 March 2022		
			REVENUE	CAPITAL	TOTAL
			£	£	£
3501	VA	St Clare's	190,872	0	190,872
3042	VC	St Clement's	112,461	8,315	120,776
3500	VA	St Cuthbert's	256,348	0	256,348
3439	VA	St Dunstan's	66,940	0	66,940
3440	VA	St Edmund's	88,016	0	88,016
3445	VA	St Francis	112,415	0	112,415
3316	VA	St James' (Rusholme)	73,697	0	73,697
3446	VA	St John Bosco	65,611	0	65,611
3045	VC	St John's (Longsight)	144,101	9,288	153,388
3489	VA	St John's (Chorlton)	198,998	0	198,998
3494	VA	St Joseph's	114,384	0	114,384
5200	VA	St Kentigern's	176,481	5,274	181,755
3044	VC	St Luke's	125,624	17,948	143,573
3452	VA	St Malachy's	149,410	0	149,410
3455	VA	St Margaret Mary's	115,587	0	115,587
3022	VC	St Margaret's	195,113	642	195,754
3028	VC	St Mary's (Moss Side)	181,873	0	181,873
3484	VA	St Mary's (Moston)	56,041	0	56,041
3457	VA	St Mary's (Levenshulme)	143,011	6,289	149,300
3460	VA	St Patrick's	74,359	0	74,359
3039	VC	St Paul's Primary	141,919	18,551	160,470
3465	VA	St Peter's Catholic	93,066	0	93,066
3325	VA	St Philip's	110,941	0	110,941
3482	VA	St Richard's	62,324	6,825	69,149
3034	VC	St Wilfrid's (NH)	63,697	6,576	70,273
3469	VA	St Wilfrid's (Hulme)	87,066	0	87,066
3472	VA	St Willibrord's	106,134	0	106,134
3507	VA	The Divine Mercy	28,565	23,154	51,719
2278	CY	Varna Street	201,064	2,445	203,509
<b>91</b>		<b>Total</b>	<b>13,273,068</b>	<b>301,991</b>	<b>13,575,059</b>
<u>Secondary</u>					
4271	CY	Abraham Moss High	385,925	44,176	430,101
4753	VA	Loreto High	201,478	0	201,478
4761	VA	Our Lady's High	292,723	0	292,723
4770	VA	St Peter's High	259,953	112,581	372,534
4768	VA	The Barlow High	624,338	29,066	653,404
<b>5</b>		<b>Secondary Total</b>	<b>1,764,417</b>	<b>185,823</b>	<b>1,950,240</b>
<u>Special</u>					
7749	CY	Ashgate	213,814	8,743	222,558
7023	CY	Camberwell Park	139,987	27,891	167,878
7029	CY	Lancastrian	394,101	0	394,101
7007	CY	Manchester Hospital	411,623	24,515	436,138
7042	CY	Meade Hill	98,083	1,561	99,644
7061	CY	North Ridge High	232,955	7,140	240,096
7047	CY	Rodney House	348,047	1,189	349,236

DfE No	Type	Name of School	Schools Balance as at 31 March 2022		
			REVENUE	CAPITAL	TOTAL
			£	£	£
7056	CY	Southern Cross	583,921	11,658	595,579
7041	CY	The Birches	181,403	8,224	189,626
7959	CY	Castlefield Campus	371,012	281	371,293
1102	CY	Bridglea PRU	426,210	818	427,028
1105	CY	Secondary PRU	538,720	3,881	542,601
<b>12</b>		<b>Special Total</b>	<b>3,939,877</b>	<b>95,901</b>	<b>4,035,777</b>
<b>110</b>		<b>Total All School</b>	<b>18,918,455</b>	<b>585,392</b>	<b>19,503,847</b>