
Dedicated Schools Grant Monitoring Report 2022/23 – Quarter Three

Report being considered by: Schools' Forum on 23rd January 2023

Report Author: Michelle Sancho

Item for: Information **By:** All Forum Members

1. Purpose of the Report

- 1.1 To report the forecast financial position of the services funded by the Dedicated Schools Grant (DSG), highlighting any under or over spends, and to highlight the cumulative deficit on the DSG.

2. Recommendation

- 2.1 That the report be noted.

| | | |
|---|-------------------------------|---|
| Will the recommendation require the matter to be referred to the Council or the Executive for final determination? | Yes: <input type="checkbox"/> | No: <input checked="" type="checkbox"/> |
|---|-------------------------------|---|

3. Background

- 3.1 The Dedicated Schools Grant (DSG) is a ring fenced specific grant which can only be spent on school/pupil activity as set out in The School and Early Years Finance (England) Regulations 2018. The Local Authority and Schools' Forum are responsible for ensuring that the DSG is deployed correctly according to the Regulations. Monitoring of spend against the grant needs to take place regularly to enable decision making on over spends/under spends and to inform future year budget requirements.
- 3.2 There are four DSG funding blocks: Schools Block, High Needs Block, Early Years Block and Central Schools Services Block. The funding for each of the four blocks is determined by a national funding formula.

4. 2022/23 Budget Setting

- 4.1 The 2022/23 Dedicated Schools Grant allocation is £157.3m. This includes £48.6m which funds Academies and post-16 high needs places which is paid direct by the Education and Skills Funding Agency (ESFA) to schools. The DSG budget for 2022/2 has been built utilising the remaining grant of £108.7m.
- 4.2 The schools block is ring fenced but the Local Authority can transfer up to 0.5% of the funding out of the schools block with Schools Forum agreement. The other blocks are not subject to this limitation on transfers. For the 2022/23 budget, Schools Forum agreed to transfer 0.25% of the Schools Block funding to the High Needs Block amounting to £300k for invest to save projects.

4.3 The DSG expenditure budgets required for 2022/23 total £109.3m, which is £1.7m more than the funding available. As a result, a £1.7m in-year efficiency target has been set against this in order to balance the DSG budget, against the High Needs Block

4.4 There is a brought forward deficit on the DSG of £2.964m.

5. Quarter Three Forecast (31 December 2022)

5.1 The forecast position at the end of December is shown in Table 1. A more detailed position per cost centre is shown in Appendix A.

| Prior Years | | | 2022/23 | | | | | | | |
|--------------------|--------------------|--------------------|---|--------------------|-------------------|------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2019/20 Outturn | 2020/21 Outturn | 2021/22 Outturn | Table 1 - DSG Block forecast 2022/23 | Original Budget | Budget Changes | Final Budget | Quarter 1 Forecast | Quarter 2 Forecast | Quarter 3 Forecast | Deficit/ (surplus) |
| £'000 | £'000 | £'000 | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| | | | Expenditure: | | | | | | | |
| 63,320 | 64,558 | 70,512 | Schools Block (inc ISB) | 71,663 | | 71,663 | 71,663 | 71,770 | 71,827 | 165 |
| 10,042 | 10,441 | 9,899 | Early Years Block | 10,016 | 13 | 10,030 | 10,030 | 10,030 | 10,030 | 0 |
| 1,054 | 981 | 1,001 | Central School Services Block | 992 | | 992 | 984 | 977 | 980 | (12) |
| 19,967 | 20,939 | 23,827 | High Needs Block | 26,651 | (13) | 26,638 | 26,515 | 26,959 | 27,690 | 1,052 |
| (341) | 0 | 0 | High Needs Block In-Year deficit recovery | (1,707) | | (1,707) | 0 | 0 | 0 | 1,707 |
| 94,041 | 96,919 | 105,240 | Total Expenditure | 107,615 | 0 | 107,615 | 109,191 | 109,736 | 110,527 | 2,911 |
| | | | DSG Grant Income: | | | | | | | |
| (63,602) | (65,700) | (70,293) | Schools Block | (71,663) | | (71,663) | (71,663) | (71,663) | (71,663) | 0 |
| (9,491) | (10,229) | (9,834) | Early Years Block | (10,016) | | (10,016) | (10,016) | (10,016) | (10,016) | 0 |
| (976) | (959) | (1,009) | Central School Services Block | (992) | | (992) | (992) | (992) | (992) | 0 |
| (18,365) | (20,148) | (22,601) | High Needs Block | (24,944) | | (24,944) | (24,944) | (24,944) | (24,944) | 0 |
| (92,434) | (97,037) | (103,737) | Total DSG Income | (107,615) | 0 | (107,615) | (107,615) | (107,615) | (107,615) | 0 |
| (16) | (112) | | In-year adjustments | | | | | | | |
| (92,450) | (97,149) | (103,737) | Total Income | (107,615) | 0 | (107,615) | (107,615) | (107,615) | (107,615) | 0 |
| | | | In year net deficit/(surplus): | | | | | | | |
| (282) | (1,142) | 219 | Schools Block | 0 | 0 | 0 | 0 | 107 | 165 | 165 |
| 551 | 211 | 65 | Early Years Block | (0) | 13 | 13 | 13 | 13 | 13 | 0 |
| 78 | 22 | (8) | Central School Services Block | 0 | 0 | 0 | (8) | (15) | (12) | (12) |
| 1,245 | 679 | 1,227 | High Needs Block | 0 | (13) | (13) | 1,571 | 2,015 | 2,746 | 2,759 |
| 1,591 | (230) | 1,503 | Net In-year Deficit | 0 | 0 | 0 | 1,575 | 2,120 | 2,911 | 2,911 |
| 100 | 1,691 | 1,461 | Deficit Balance in reserves | 2,964 | | 2,964 | 2,964 | 2,964 | 2,964 | 2,964 |
| | | | In year reserve movement | 0 | | 0 | 108 | 108 | 164 | 164 |
| 1,691 | 1,461 | 2,964 | Cumulative Deficit | 2,964 | 0 | 2,964 | 4,647 | 5,192 | 6,039 | 6,039 |

5.2 The Quarter Three forecast shows an in-year forecast deficit of £2.9m, against the in-year efficiency target in the High Needs Block. When added to the cumulative deficit of £2.96m, the forecast year end deficit on the DSG is £6.0m.

5.3 The majority of the reported £1m overspend on the High Needs Block relates to pressures on top up funding. The main areas seeing this pressure are the free schools and further education colleges. We are seeing increases across all top up areas as the number of EHCP's has risen by more than 10% from April 2022 to December 2022.

5.4 The table below shows the forecast position for the end of 2022/23 by block. The surplus balance on the Schools Block of £1.3m is supporting the forecast overspend position on the other blocks.

| Reserve Balances (surplus)/deficit | 1.4.2022 Actual | Change in reserves | In-year Deficit/ (Surplus) | 31.3.2023 Forecast |
|------------------------------------|--------------------|-----------------------|----------------------------------|-----------------------|
| Schools Block De-delegated | (245) | 108 | 56 | (81) |
| Schools Block - growth fund | (1,283) | 0 | 107 | (1,176) |
| Schools Block - other | (88) | 0 | 56 | (32) |
| Early Years Block | 914 | 0 | 0 | 914 |
| Central School Services Block | 64 | 0 | (12) | 52 |
| High Needs Block | 3,597 | 0 | 2,759 | 6,356 |
| Grant changes | 6 | 0 | 0 | 6 |
| Total Deficit Balance | 2,964 | 108 | 2,965 | 6,038 |

6. Conclusion

- 6.1 The total forecast deficit on the DSG amounts to £6.0m, comprising £2.96m from previous years and a further £2.9m forecast overspend in year. The forecast position will be kept under review and updates provided to Schools' Forum

Appendix A – DSG 2022-23 Budget Monitoring Report Month 9

Dedicated School's Grant (DSG) 2022/2023 Budget Monitoring Month Nine

| Cost Centre | Description | Original Budget 2022/23 | Net Virements in year | Amended Budget 2022/23 | Forecast | Variance | Comments |
|---------------|--|----------------------------|--------------------------|---------------------------|-------------------|----------------|---|
| 90020 | Primary Schools (excluding nursery funding) | 52,073,450 | | 52,073,450 | 52,073,450 | 0 | |
| DSG top slice | Academy Schools Primary | 0 | | 0 | 0 | 0 | |
| 90025 | Secondary Schools (excluding 6th form funding) | 18,816,950 | | 18,816,950 | 18,816,950 | 0 | |
| DSG top slice | Academy Schools Secondary | 0 | | 0 | 0 | 0 | |
| 90230 | DD - Schools in Financial Difficulty (primary schools) | 30,000 | | 30,000 | 85,755 | 55,755 | |
| 90113 | DD - Trade Union Costs | 52,750 | | 52,750 | 52,750 | 0 | |
| 90255 | DD - Support to Ethnic minority & bilingual Learners | 203,140 | | 203,140 | 203,140 | 0 | |
| 90349 | DD - Behaviour Support Services | 214,770 | | 214,770 | 214,770 | 0 | |
| 90424 | DD - CLEAPSS | 3,210 | | 3,210 | 3,210 | 0 | |
| 90470 | DD - School Improvement | 195,570 | | 195,570 | 195,570 | 0 | |
| 90423 | DD - Statutory & Regulatory Duties | 119,980 | | 119,980 | 121,360 | 1,380 | |
| 90235 | School Contingency - Growth Fund/Falling Rolls Fund | 0 | | 0 | 107,388 | 107,388 | Spend of £107k will be funded by reserves |
| 90054 | De-delegated funding from reserves | -107,970 | | -107,970 | -107,970 | 0 | |
| | SSR | 61,075 | | 61,075 | 61,075 | 0 | |
| | Schools Block Total | 71,662,925 | 0 | 71,662,925 | 71,827,448 | 164,523 | |
| 90583 | National Copyright Licences | 153,500 | | 153,500 | 149,410 | -4,090 | |
| 90019 | Servicing of Schools Forum | 46,480 | | 46,480 | 42,850 | -3,630 | |
| 90743 | School Admissions | 179,010 | | 179,010 | 184,220 | 5,210 | |
| 90354 | ESG - Education Welfare | 161,900 | | 161,900 | 161,900 | 0 | |
| 90460 | ESG - Statutory & Regulatory Duties | 320,590 | | 320,590 | 319,210 | -1,380 | |
| 90054 | Efficiency Target | 8,360 | | 8,360 | 0 | -8,360 | unallocated 22/23 grant to be used to off-set reserve deficit |
| | SSR | 122,112 | | 122,112 | 122,112 | 0 | |
| | Central School Services Block DSG | 991,952 | 0 | 991,952 | 979,702 | -12,250 | |
| 90010 | Early Years Funding - Nursery Schools | 824,890 | | 824,890 | 824,890 | 0 | |
| 90037 | Early Years Funding - Maintained Schools | 1,875,190 | | 1,875,190 | 1,875,190 | 0 | |
| 90036 | Early Years Funding - PVI Sector | 6,165,370 | | 6,165,370 | 6,165,370 | 0 | |
| 90052 | Early Years PPG & Deprivation Funding | 235,690 | | 235,690 | 235,690 | 0 | |
| 90053 | Disability Access Fund | 42,400 | | 42,400 | 42,400 | 0 | |
| 90018 | 2 year old funding | 736,930 | | 736,930 | 736,930 | 0 | |
| 90017 | Central Expenditure on Children under 5 | 281,980 | | 281,980 | 281,980 | 0 | |
| 90287 | Pre School Teacher Counselling | 62,505 | 13,195 | 75,700 | 73,950 | -1,750 | |

| Dedicated School's Grant (DSG) 2022/2023 Budget Monitoring Month Nine | | | | | | | |
|---|--|-------------------------|-----------------------|------------------------|-------------------|------------------|---|
| Cost Centre | Description | Original Budget 2022/23 | Net Virements in year | Amended Budget 2022/23 | Forecast | Variance | Comments |
| 90238 | Early Years Inclusion Fund | 90,000 | | 90,000 | 91,750 | 1,750 | Very high level of applications for funding for the spring term |
| 90054 | Early Years adjustment re grant funding | -367,900 | | -367,900 | -367,900 | 0 | |
| | SSR | 69,307 | | 69,307 | 69,307 | 0 | |
| | Early Years Block Total | 10,016,362 | 13,195 | 10,029,557 | 10,029,557 | 0 | |
| 90026 | Academy Schools RU Top Ups | 1,000,000 | | 1,000,000 | 985,450 | -14,550 | |
| 90539 | Special Schools - Top Up Funding | 4,924,490 | | 4,924,490 | 5,345,500 | 421,010 | |
| 90548 | Non WBC Special Schools - Top Up Funding | 620,810 | | 620,810 | 518,520 | -102,290 | |
| 90554 | Non WBC free schools | 331,700 | | 331,700 | 540,250 | 208,550 | |
| 90556 | SEMH provision at Theale | 775,390 | | 775,390 | 765,220 | -10,170 | |
| 90575 | Non LEA Special School (OofA) | 1,114,000 | | 1,114,000 | 965,740 | -148,260 | |
| 90579 | Independent Special School Place & Top Up | 4,656,200 | | 4,656,200 | 4,421,300 | -234,900 | |
| 90580 | Further Education Colleges Top Up | 1,016,940 | | 1,016,940 | 1,394,010 | 377,070 | |
| 90617 | Resourced Units top up Funding maintained | 314,000 | | 314,000 | 317,410 | 3,410 | |
| 90618 | Non WBC Resourced Units - Top Up Funding | 180,640 | | 180,640 | 150,990 | -29,650 | |
| 90621 | Mainstream - Top Up Funding maintained | 850,000 | | 850,000 | 1,142,580 | 292,580 | |
| 90622 | Mainstream - Top Up Funding Academies | 510,000 | | 510,000 | 548,920 | 38,920 | |
| 90624 | Non WBC Mainstream - Top Up Funding | 161,780 | | 161,780 | 190,030 | 28,250 | |
| 90625 | Pupil Referral Units - Top Up Funding | 830,140 | | 830,140 | 830,140 | 0 | |
| 90627 | Disproportionate No: of HN Pupils NEW | 42,000 | | 42,000 | 61,510 | 19,510 | |
| 90628 | EHCP PRU Placement | 767,020 | | 767,020 | 980,510 | 213,490 | |
| | High Needs Block: Top Up Funding Total | 18,095,110 | 0 | 18,095,110 | 19,158,080 | 1,062,970 | |
| 90320 | Pupil Referral Units | 660,000 | | 660,000 | 660,000 | 0 | |
| 90540 | Special Schools | 2,860,000 | | 2,860,000 | 2,860,000 | 0 | |
| 90546 | Special Schools - Place Funding Post 16 | 790,000 | | 790,000 | 790,000 | 0 | |
| 90551 | Mainstream Maintained - post 16 SEN places | 44,000 | | 44,000 | 36,000 | -8,000 | |
| 90552 | Special Schools and PRU Teachers Pay and Pension | 312,050 | | 312,050 | 304,690 | -7,360 | |
| 90584 | Resourced Units - Place Funding | 226,000 | | 226,000 | 242,000 | 16,000 | |
| | High Needs Block: Place Funding Total | 4,892,050 | 0 | 4,892,050 | 4,892,690 | 640 | |

| Dedicated School's Grant (DSG) 2022/2023 Budget Monitoring Month Nine | | | | | | | |
|---|--|-------------------------|-----------------------|------------------------|--------------------|------------------|--|
| Cost Centre | Description | Original Budget 2022/23 | Net Virements in year | Amended Budget 2022/23 | Forecast | Variance | Comments |
| 90240 | Applied Behaviour Analysis | 167,910 | | 167,910 | 226,660 | 58,750 | |
| 90280 | Special Needs Support Team | 334,140 | | 334,140 | 331,640 | -2,500 | |
| 90281 | SEND Strategy (DSG) | 60,740 | | 60,740 | 58,720 | -2,020 | |
| 90282 | Medical Home Tuition | 386,090 | | 386,090 | 224,140 | -161,950 | |
| 90237 | High Needs Contingency | 300,170 | -99,210 | 200,960 | 200,960 | 0 | |
| 90286 | Early Years Speech & Language | 0 | 31,330 | 31,330 | 31,330 | 0 | |
| 90287 | Pre School Teacher Counselling | 62,505 | 13,195 | 75,700 | 73,950 | -1,750 | |
| 90288 | Elective Home Education Monitoring | 29,310 | | 29,310 | 29,310 | 0 | |
| 90290 | Sensory Impairment | 243,900 | | 243,900 | 251,820 | 7,920 | |
| 90295 | Therapy Services | 323,820 | | 323,820 | 342,890 | 19,070 | |
| 90372 | Therapeutic Thinking | 55,900 | | 55,900 | 55,900 | 0 | |
| 90373 | Emotional Based School Avoiders (EBSA) | 123,840 | | 123,840 | 123,840 | 0 | |
| 90374 | SEMH Practitioner | 0 | 41,490 | 41,490 | 41,490 | 0 | |
| 90555 | LAL funding | 135,740 | | 135,740 | 187,550 | 51,810 | Additional funding approved by Schools Forum |
| 90565 | Equipment For SEN Pupils | 15,000 | | 15,000 | 15,000 | 0 | |
| 90577 | SEN Commissioned Provision | 584,480 | | 584,480 | 618,750 | 34,270 | |
| 90582 | PRU Outreach | 61,200 | | 61,200 | 61,200 | 0 | |
| 90585 | HN Outreach Special Schools | 50,000 | | 50,000 | 50,000 | 0 | |
| 90610 | Hospital Tuition | 39,950 | | 39,950 | 39,950 | 0 | |
| 90830 | ASD Teachers | 288,330 | | 288,330 | 273,330 | -15,000 | |
| 90961 | Vulnerable Children | 179,400 | | 179,400 | 179,400 | 0 | |
| 90581 | Dingleys Promise | 30,000 | | 30,000 | 30,000 | 0 | |
| | High Needs Block: Non Top Up or Place Funding | 3,472,425 | -13,195 | 3,459,230 | 3,447,830 | -11,400 | |
| 90054 | Efficiency Target | -1,706,840 | | -1,706,840 | 0 | 1,706,840 | |
| | SSR | 191,506 | | 191,506 | 191,506 | 0 | |
| | High Needs Block Total | 24,944,251 | -13,195 | 24,931,056 | 27,690,106 | 2,759,050 | |
| | TOTAL DSG EXPENDITURE | 107,615,490 | 0 | 107,615,490 | 110,526,813 | 2,911,323 | |
| 90030 | DSG Grant Account | -107,615,490 | | -107,615,490 | -107,615,490 | 0 | |
| | Net In-year Deficit | 0 | 0 | 0 | 2,911,323 | 2,911,323 | |
| | Deficit Balance brought forward | 2,964,515 | | 2,964,515 | 2,964,515 | 0 | |
| | In year reserve movement | | | 0 | 163,725 | 163,725 | Funding from reserves for de-delegations |
| | Cumulative Deficit | 2,964,515 | 0 | 2,964,515 | 6,039,563 | 3,075,048 | |