
Dedicated Schools Grant Monitoring Report 2022/23 – Month Ten

Report being considered by: Schools' Forum on 13th March 2023

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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"/>
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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 £157.4m. This includes £48.4m 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 2022/23 has been built utilising the remaining grant of £109m.
- 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 £110.7m, 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. Month Ten Forecast (31 January 2023)

5.1 The forecast position at the end of January 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	Month 10 Forecast	Deficit/ (surplus)
£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
			Expenditure:								
63,320	64,558	70,512	Schools Block (inc ISB)	71,663	1,274	72,937	71,663	71,770	71,827	73,319	382
10,042	10,441	9,899	Early Years Block	10,016	86	10,102	10,030	10,030	10,030	10,104	1
1,054	981	1,001	Central School Services Block	992		992	984	977	980	980	(12)
19,967	20,939	23,827	High Needs Block	26,651	38	26,690	26,515	26,959	27,690	27,790	1,100
(341)	0	0	High Needs Block In-Year deficit recovery	(1,707)		(1,707)	0	0	0	0	1,707
94,041	96,919	105,240	Total Expenditure	107,615	1,399	109,014	109,191	109,736	110,527	112,192	3,178
			DSG Grant Income:								
(63,602)	(65,700)	(70,293)	Schools Block	(71,663)	(1,274)	(72,937)	(71,663)	(71,663)	(71,663)	(72,937)	0
(9,491)	(10,229)	(9,834)	Early Years Block	(10,016)	(86)	(10,102)	(10,016)	(10,016)	(10,016)	(10,102)	0
(976)	(959)	(1,009)	Central School Services Block	(992)		(992)	(992)	(992)	(992)	(992)	0
(18,365)	(20,148)	(22,601)	High Needs Block	(24,944)	(38)	(24,983)	(24,944)	(24,944)	(24,944)	(24,983)	(0)
(92,434)	(97,037)	(103,737)	Total DSG Income	(107,615)	(1,399)	(109,014)	(107,615)	(107,615)	(107,615)	(109,014)	0
(16)	(112)		In-year adjustments								
(92,450)	(97,149)	(103,737)	Total Income	(107,615)	(1,399)	(109,014)	(107,615)	(107,615)	(107,615)	(109,014)	0
			In year net deficit/(surplus):								
(282)	(1,142)	219	Schools Block	0	0	0	0	107	165	382	382
551	211	65	Early Years Block	(0)	0	(0)	13	13	13	1	1
78	22	(8)	Central School Services Block	0	0	0	(8)	(15)	(12)	(12)	(12)
1,245	679	1,227	High Needs Block	0	0	0	1,571	2,015	2,746	2,807	2,807
1,591	(230)	1,503	Net In-year Deficit	0	0	0	1,575	2,120	2,911	3,178	3,178
100	1,691	1,461	Deficit Balance in reserves	2,964		2,964	2,964	2,964	2,964	2,964	2,964
			In year reserve movement	0		0	108	108	108	108	108
1,691	1,461	2,964	Cumulative Deficit	2,964	0	2,964	4,647	5,192	5,983	6,250	6,250

5.2 The Month Ten forecast shows an in-year forecast deficit of £3.2m, 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 £6.2m.

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 £1.1m 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 - growth fund	(1,283)	0	287	(996)
Schools Block De-delegated	(245)	108	94	(43)
Schools Block - other	(88)	0	1	(87)
Early Years Block	914	0	1	915
Central School Services Block	64	0	(12)	52
High Needs Block	3,597	0	2,807	6,404
Grant changes	6	0	0	6
Total Deficit Balance	2,964	108	3,178	6,250

6. Conclusion

- 6.1 The total forecast deficit on the DSG amounts to £6.2m, comprising £2.96m from previous years and a further £3.2m 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 Ten

Dedicated School's Grant (DSG) 2022/2023 Budget Monitoring Month Ten							
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	1,091,860	53,165,310	53,142,855	-22,455	Rates adjustment
DSG top slice	Academy Schools Primary	0		0	0	0	
90025	Secondary Schools (excluding 6th form funding)	18,816,950	182,600	18,999,550	19,021,976	22,426	Rates adjustment
DSG top slice	Academy Schools Secondary	0		0	0	0	
90230	DD - Schools in Financial Difficulty (primary schools)	30,000		30,000	124,423	94,423	Balance to be funded by reserves
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	2,412	-798	
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	286,695	286,695	Spend of £286k 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	1,274,460	72,937,385	73,319,056	381,671	
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	798,619	-26,271	
90037	Early Years Funding - Maintained Schools	1,875,190		1,875,190	1,972,647	97,457	
90036	Early Years Funding - PVI Sector	6,165,370		6,165,370	5,920,281	-245,089	
90052	Early Years PPG & Deprivation Funding	235,690		235,690	215,493	-20,197	
90053	Disability Access Fund	42,400		42,400	21,600	-20,800	
90018	2 year old funding	736,930		736,930	663,214	-73,716	
90017	Central Expenditure on Children under 5	281,980		281,980	276,850	-5,130	
90287	Pre School Teacher Counselling	62,505	13,195	75,700	73,950	-1,750	
90238	Early Years Inclusion Fund	90,000		90,000	91,750	1,750	Very high level of applications for funding for the spring term

Dedicated School's Grant (DSG) 2022/2023 Budget Monitoring Month Ten							
Cost Centre	Description	Original Budget 2022/23	Net Virements in year	Amended Budget 2022/23	Forecast	Variance	Comments
90054	Early Years adjustment re grant funding	-367,900	72,723	-295,177		295,177	
	SSR	69,307		69,307	69,307	0	
	Early Years Block Total	10,016,362	85,918	10,102,280	10,103,711	1,431	
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	551,800	-69,010	
90554	Non WBC free schools	331,700		331,700	535,720	204,020	
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	1,005,180	-108,820	
90579	Independent Special School Place & Top Up	4,656,200		4,656,200	4,395,790	-260,410	
90580	Further Education Colleges Top Up	1,016,940		1,016,940	1,366,660	349,720	
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	876,125	45,985	
90627	Disproportionate No: of HN Pupils NEW	42,000		42,000	86,321	44,321	
90628	EHCP PRU Placement	767,020		767,020	980,500	213,480	
	High Needs Block: Top Up Funding Total	18,095,110	0	18,095,110	19,244,196	1,149,086	
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 Ten							
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	241,986	74,076	
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	54,300	-1,600	
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	3,461,556	2,326	
90054	Efficiency Target	-1,706,840	51,675	-1,655,165	0	1,655,165	
	SSR	191,506		191,506	191,506	0	
	High Needs Block Total	24,944,251	38,480	24,982,731	27,789,948	2,807,217	
	TOTAL DSG EXPENDITURE	107,615,490	1,398,858	109,014,348	112,192,417	3,178,069	
90030	DSG Grant Account	-107,615,490	-1,398,858	-109,014,348	-109,014,348	0	
	Net In-year Deficit	0	0	0	3,178,069	3,178,069	
	Deficit Balance brought forward	2,964,515		2,964,515	2,964,515	0	
	In year reserve movement			107,970	107,970	0	Funding from reserves for de-delegations
	Cumulative Deficit	2,964,515	0	3,072,485	6,250,554	3,178,069	

