

2022/23 Dedicated Schools Grant: Year End Outturn Report

Report being considered by: Schools' Forum on 19th June 2023

Report Author: Melanie Ellis

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

1. Purpose of the Report

- 1.1 To report on the outturn of the services funded by the Dedicated Schools Grant (DSG), highlighting any under or over spends, and to highlight the cumulative deficit at 31 March 2023.

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 2022. There are four DSG funding blocks: Schools, High Needs, Early Years and Central Schools Services.
- 3.2 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 deficits and surpluses and to inform future year budget requirements.
- 3.3 The way in which local authorities account for DSG deficits has been altered by the Local Authorities (Capital Finance and Accounting) Regulations 2020, made by the Department for Levelling Up, Housing and Communities (DLUHC). This requires DSG deficits to be held in a separate reserve in local authorities' accounts. However, the way in which local authorities should plan their management of DSG and report to DfE remains governed by the School and Early Years Finance Regulations 2022.

4. Year End Outturn

Table 1 - DSG Block forecast 2022/23	2022/23								
	Original Budget	Budget Changes	Final Budget	Quarter 1 Forecast	Quarter 2 Forecast	Quarter 3 Forecast	Month 10 Forecast	Month 12 Outturn	Deficit/ (surplus)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total Expenditure	107,615	1,549	109,165	109,191	109,736	110,527	112,192	110,754	1,589
Total Income	(107,615)	(1,397)	(109,012)	(107,615)	(107,615)	(107,615)	(109,014)	(109,067)	(55)
Net In-year Deficit	0	153	153	1,575	2,120	2,911	3,178	1,686	1,534
Deficit Balance in reserves	2,964	0	2,964	2,964	2,964	2,964	2,964	2,964	2,964
In year reserve movement	0	(153)	(153)	108	108	108	108	108	261
Cumulative Deficit	2,964	0	2,964	4,647	5,192	5,983	6,250	4,758	4,758

- 4.1 From previous years, there was a cumulative deficit of £2.964m.
- 4.2 The 2022/23 DSG expenditure budget was set £1.7m higher than available funding, and this was treated as an in-year deficit against the High Needs block.
- 4.3 Overall DSG spend for 2022/23 was £118k less than budgeted, bringing the in year position to £1.6m over budget.
- 4.4 The 2022/23 outturn position has increased the cumulative deficit position to £4.76m. This will be held in a separate reserve in the local authority accounts.
- 4.5 The year end position by block is shown in the chart below:

Table 1 - DSG Block forecast 2022/23	2022/23								
	Original Budget	Budget Changes	Final Budget	Quarter 1 Forecast	Quarter 2 Forecast	Quarter 3 Forecast	Month 10 Forecast	Month 12 Outturn	Deficit/ (surplus)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure:									
Schools Block (inc ISB)	71,663	1,427	73,090	71,663	71,770	71,827	73,319	73,090	0
Early Years Block	10,016	73	10,089	10,030	10,030	10,030	10,104	10,240	151
Central School Services Block	992		992	984	977	980	980	967	(25)
High Needs Block	26,651	50	26,701	26,515	26,959	27,690	27,790	26,456	(244)
High Needs Block In-Year deficit	(1,707)		(1,707)	0	0	0	0	0	1,707
Total Expenditure	107,615	1,549	109,165	109,191	109,736	110,527	112,192	110,754	1,589
DSG Grant Income:									
Schools Block	(71,663)	(1,274)	(72,937)	(71,663)	(71,663)	(71,663)	(72,937)	(72,937)	0
Early Years Block	(10,016)	(73)	(10,089)	(10,016)	(10,016)	(10,016)	(10,102)	(10,102)	(13)
Central School Services Block	(992)		(992)	(992)	(992)	(992)	(992)	(992)	0
High Needs Block	(24,944)	(50)	(24,994)	(24,944)	(24,944)	(24,944)	(24,983)	(24,983)	11
Total DSG Income	(107,615)	(1,397)	(109,012)	(107,615)	(107,615)	(107,615)	(109,014)	(109,014)	(2)
In-year adjustments								(53)	(53)
Total Income	(107,615)	(1,397)	(109,012)	(107,615)	(107,615)	(107,615)	(109,014)	(109,067)	(55)
In year net deficit/(surplus):									
Schools Block	0	153	153	0	107	165	382	153	0
Early Years Block	(0)	0	(0)	13	13	13	1	138	138
Central School Services Block	0	0	0	(8)	(15)	(12)	(12)	(25)	(25)
High Needs Block	0	0	0	1,571	2,015	2,746	2,807	1,474	1,474
Grant adjustment (re PPG)								(53)	(53)
Net In-year Deficit	0	153	153	1,575	2,120	2,911	3,178	1,686	1,534
Deficit Balance in reserves	2,964	0	2,964	2,964	2,964	2,964	2,964	2,964	2,964
In year reserve movement	0	(153)	(153)	108	108	108	108	108	261
Cumulative Deficit	2,964	0	2,964	4,647	5,192	5,983	6,250	4,758	4,758

5. Schools Block

- 5.1 The 2022/23 budget was funded from DSG grant of £73m. The Schools Block ended the year online, with £153k use of balances from the schools block reserve. De-delegated budgets were underspent by £229k, which will transfer to reduce the future cost of services.
- 5.2 The month ten reported position included balances for the growth fund and schools in financial difficulty, which have been funded from reserves
- 5.3 £108k from the Schools Block reserve has been spent in year and an in-year movement of £153k, leaving a surplus balance of £1.4m. A breakdown is provided below:

Schools Block Reserve (surplus)/deficit	1.4.2022	use of reserves	In-year Deficit/ (Surplus)	31.3.2023
	£k	£k	£k	£k
Growth Fund	(1,283)		287	(996)
Schools in Financial Difficulty	(95)		94	(1)
School Improvement	(41)	41	(189)	(189)
EMTAS	(96)	55	(28)	(69)
Therapeutic Thinking	(13)	12	(6)	(7)
Stat and Reg	0		(5)	(5)
Schools (re rates adj)	(88)		1	(87)
Total Surplus Balance	(1,616)	108	153	(1,355)

6. Early Years Block

- 6.1 Early Years Expenditure was overspent by £138k.
- 6.2 A deficit recovery programme is in place to reduce the current deficit over a 5 year period, starting from April 2021. Year 1 saw a reduction of £56k. We have finished year 2 with an increase of £138k due to a high pass through rate which we are seeking to reduce in the coming years.
- 6.3 The Early Years Block is difficult to predict due to the volatile nature of both the funding and payments to providers (payments are made according to actual number of hours of provision each term).
- 6.4 The cumulative deficit on this block at the end of 2022/23 is £1.05m.

7. Central Schools Services Block

- 7.1 At year end, overall DSG funding received for the Central Schools Services Block was on budget and expenditure was underspent by £25k.
- 7.2 The cumulative deficit on this block at the end of 2022/23 is £39k. Options will be explored to continue to reduce this deficit when setting the 2024/25 budget.

8. High Needs Block

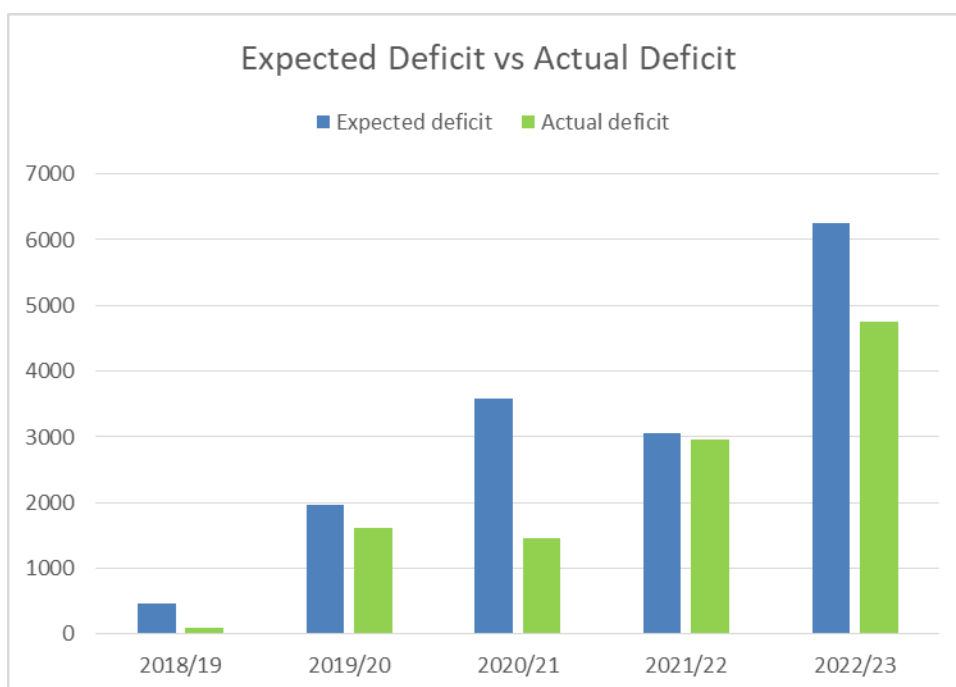
- 8.1 At year end, overall DSG funding received was £11k lower than budget due to a lower than predicted import export adjustment.
- 8.2 The 2022/23 budget was set with a £1.7m deficit recovery target. The block made expenditure savings of £244k, leaving an in-year deficit of £1.5m. The main variances against expenditure are as follows:
- An overall overspend of £23k on top up funding. There has been a large saving against independent special schools (£972k) with a corresponding pressure against top up funding in mainstream schools (£463k) and WBC Special schools (£308k) as we seek to use more of our own provision to fund placements, including the new SEMH provision at Theale.
 - Other high needs areas that offered savings included the medical tuition service as they had delays on recruitment to posts and a saving on the expansion to i-college which has been pushed back to 23/24.
- 8.3 The forecast at month 10 included £380k of placements within independent schools which have been delayed and £123k of services ending sooner than expected.
- 8.4 The cumulative deficit against this block is now £5.0m at the end of 2022/23.

9. Total Reserve Balance and cumulative deficit

- 9.1 The DSG now has a cumulative deficit of £4.76m. The High Needs Block deficit has increased by £1.5m to £5.0m. A £1.4m surplus in the schools block is reducing the overall total for the authority.

Reserve Balances (surplus)/deficit	1.4.2022 Actual	use of reserves	In-year Deficit/ (Surplus)	31.3.2023 Forecast
Schools Block - growth fund	(1,283)	0	287	(996)
Schools Block De-delegated	(245)	108	(130)	(267)
Schools Block - other	(88)	0	(4)	(92)
Early Years Block	914	0	138	1,052
Central School Services Block	64	0	(25)	39
High Needs Block	3,597	0	1,474	5,070
Grant changes	6	0	(53)	(47)
Total Deficit Balance	2,964	108	1,686	4,758

- 9.2 The chart below shows the cumulative expected deficit at month 10 compared to the actual deficit over the last four years.



9.3 The main reason for the change between month 10 and outturn in 22/23 is explained in 8.3 above.

9.4 The Department for Education has invited West Berkshire to be part of the Delivering Better Value in SEND programme which will start in the summer.

10. Conclusion

10.1 The cumulative deficit on the DSG blocks now totals £4.76m. Over spends in the High Needs Block are the most significant with a total deficit against this block of £5.0m and this will remain the area of focus going in 2023/24 and beyond.

11. Appendices

Appendix A – DSG 2022/23 Budget Monitoring Report: Outturn

Dedicated School's Grant (DSG) 2022/2023 Outturn

Cost Centre	Description	Original Budget 2022/23	Net Virements in year	Amended Budget 2022/23	Outturn	Variance	Comments
90020	Primary Schools (excluding nursery funding)	52,073,450	1,091,860	53,165,310	53,143,502	-21,808	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	94,420	124,420	124,423	3	Spend of £94k will be funded by reserves
90113	DD - Trade Union Costs	52,750		52,750	52,747	-3	
90255	DD - Support to Ethnic minority & bilingual Learners	203,140	-28,440	174,700	174,699	-1	
90349	DD - Behaviour Support Services	214,770	-6,360	208,410	208,412	2	
90424	DD - CLEAPSS	3,210		3,210	2,877	-333	
90470	DD - School Improvement	195,570	-189,220	6,350	6,346	-4	The majority of spend was against the grant previously received (outside of the DSG).
90423	DD - Statutory & Regulatory Duties	119,980	-4,570	115,410	115,404	-6	
90235	School Contingency - Growth Fund/Falling Rolls Fund	0	286,700	286,700	286,696	-4	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	1,426,990	73,089,915	73,090,187	272	
90583	National Copyright Licences	153,500		153,500	149,410	-4,090	
90019	Servicing of Schools Forum	46,480		46,480	43,104	-3,376	
90743	School Admissions	179,010		179,010	180,621	1,611	
90354	ESG - Education Welfare	161,900		161,900	154,017	-7,883	
90460	ESG - Statutory & Regulatory Duties	320,590		320,590	317,311	-3,279	
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	966,575	-25,377	
90010	Early Years Funding - Nursery Schools	824,890		824,890	800,082	-24,808	
90037	Early Years Funding - Maintained Schools	1,875,190		1,875,190	1,982,171	106,981	
90036	Early Years Funding - PVI Sector	6,165,370		6,165,370	5,941,485	-223,885	
90052	Early Years PPG & Deprivation Funding	235,690		235,690	225,056	-10,634	
90053	Disability Access Fund	42,400		42,400	27,200	-15,200	
90018	2 year old funding	736,930		736,930	673,407	-63,523	
90017	Central Expenditure on Children under 5	281,980		281,980	269,233	-12,747	
90287	Pre School Teacher Counselling	62,505		62,505	60,273	-2,232	
90238	Early Years Inclusion Fund	90,000		90,000	90,749	749	
90054	Early Years adjustment re grant funding	-367,900	72,723	-295,177	101,295	396,472	
	SSR	69,307		69,307	69,307	0	
	Early Years Block Total	10,016,362	72,723	10,089,085	10,240,258	151,173	

Dedicated School's Grant (DSG) 2022/2023 Outturn

Cost Centre	Description	Original Budget 2022/23	Net Virements in year	Amended Budget 2022/23	Outturn	Variance	Comments
90026	Academy Schools RU Top Ups	1,000,000		1,000,000	993,556	-6,444	
90539	Special Schools - Top Up Funding	4,924,490		4,924,490	5,233,228	308,738	
90548	Non WBC Special Schools - Top Up Funding	620,810		620,810	524,418	-96,392	
90554	Non WBC free schools	331,700		331,700	535,617	203,917	
90556	SEMH provision at Theale	775,390		775,390	765,987	-9,403	
90575	Non LEA Special School (OofA)	1,114,000		1,114,000	875,863	-238,137	
90579	Independent Special School Place & Top Up	4,656,200		4,656,200	3,683,566	-972,634	
90580	Further Education Colleges Top Up	1,016,940		1,016,940	1,149,072	132,132	
90617	Resourced Units top up Funding maintained	314,000		314,000	317,407	3,407	
90618	Non WBC Resourced Units - Top Up Funding	180,640		180,640	131,516	-49,124	
90621	Mainstream - Top Up Funding maintained	850,000		850,000	1,182,597	332,597	
90622	Mainstream - Top Up Funding Academies	510,000		510,000	640,595	130,595	
90624	Non WBC Mainstream - Top Up Funding	161,780		161,780	169,046	7,266	
90625	Pupil Referral Units - Top Up Funding	830,140		830,140	902,512	72,372	
90627	Disproportionate No: of HN Pupils NEW	42,000		42,000	86,321	44,321	
90628	EHCP PRU Placement	767,020		767,020	927,182	160,162	
	High Needs Block: Top Up Funding Total	18,095,110	0	18,095,110	18,118,483	23,373	
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	222,000	-4,000	
	High Needs Block: Place Funding Total	4,892,050	0	4,892,050	4,872,690	-19,360	
90240	Applied Behaviour Analysis	167,910		167,910	246,773	78,863	
90280	Special Needs Support Team	334,140		334,140	328,257	-5,883	
90281	SEND Strategy (DSG)	60,740		60,740	56,157	-4,583	
90282	Medical Home Tuition	386,090		386,090	202,609	-183,481	£89k saving on vacancies / delays on recruitment.
90237	High Needs Contingency	300,170	-99,210	200,960	99,864	-101,096	£90k for expansion of i-college to be used in 23/24
90286	Early Years Speech & Language	0	31,330	31,330	7,665	-23,665	to be spent in 23/24
90287	Pre School Teacher Counselling	62,505	26,390	88,895	86,663	-2,232	
90288	Elective Home Education Monitoring	29,310		29,310	26,123	-3,187	
90290	Sensory Impairment	243,900		243,900	250,722	6,822	
90295	Therapy Services	323,820		323,820	329,133	5,313	

Dedicated School's Grant (DSG) 2022/2023 Outturn

Cost Centre	Description	Original Budget 2022/23	Net Virements in year	Amended Budget 2022/23	Outturn	Variance	Comments
90372	Therapeutic Thinking	55,900		55,900	52,457	-3,443	
90373	Emotional Based School Avoiders (EBSA)	123,840		123,840	123,879	39	
90374	SEMH Practitioner	0	41,490	41,490	14,497	-26,993	to be spent in 23/24
90555	LAL funding	135,740		135,740	187,553	51,813	Additional funding approved by Schools Forum
90565	Equipment For SEN Pupils	15,000		15,000	16,231	1,231	
90577	SEN Commissioned Provision	584,480		584,480	622,999	38,519	
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	34,000	-5,950	
90830	ASD Teachers	288,330		288,330	268,046	-20,284	
90961	Vulnerable Children	179,400		179,400	178,980	-420	
90581	Dingleys Promise	30,000		30,000	30,000	0	
	High Needs Block: Non Top Up or Place Funding	3,472,425	0	3,472,425	3,273,808	-198,617	
90054	Efficiency Target	-1,706,840	49,675	-1,657,165	0	1,657,165	
	SSR	191,506		191,506	191,506	0	
	High Needs Block Total	24,944,251	49,675	24,993,926	26,456,488	1,462,562	
	TOTAL DSG EXPENDITURE	107,615,490	1,549,388	109,164,878	110,753,508	1,588,630	
90030	DSG Grant Account	-107,615,490	-1,396,858	-109,012,348	-109,012,348	0	
90038	Pupil Premium Grant				-52,650	-52,650	need to forward to Compton/Downs
	Net In-year Deficit	0	152,530	152,530	1,688,510	1,535,980	
	Deficit Balance brought forward	2,964,515		2,964,515	2,964,515	0	
	In year reserve movement		-152,530	-152,530	107,975	260,505	Funding from reserves for de-delegations
	Cumulative Deficit	2,964,515	0	2,964,515	4,761,000	1,796,485	