

2023/24 Dedicated Schools Grant: Year End Outturn Report

Report being considered by: Schools' Forum on 17th June 2024

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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 2024.

2. Recommendation

2.1 That the report be noted.

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 2023. 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 2023.

4. Year End Outturn

Table 1 - DSG Block forecast 2023/24	2023/24								
	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	115,656	828	116,484	118,892	120,300	120,282	120,897	120,487	4,003
Total Income	(115,656)	(711)	(116,366)	(115,656)	(115,656)	(115,656)	(116,117)	(115,985)	381
Net In-year Deficit	(0)	118	118	3,237	4,644	4,626	4,780	4,541	4,424
Deficit Balance in reserves	4,761		4,761	4,761	4,761	4,761	4,761	4,761	4,761
In year reserve movement	0	(118)	(118)	148	148	148	148	148	265
Cumulative Deficit	4,761	0	4,761	8,145	9,553	9,535	9,689	9,450	9,450

4.1 From previous years, there was a cumulative deficit of £4.761m.

- 4.2 The 2023/24 DSG expenditure budget was set £3.0m higher than available funding, and this was treated as an in-year deficit against the High Needs block.
- 4.3 The 2023/24 outturn position has increased the cumulative deficit position to £9.45m. This will be held in a separate reserve in the local authority accounts.

The year end position by block is shown in the chart below:

Table 1 - DSG Block forecast 2023/24	2023/24								
	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)	76,952	118	77,070	76,952	76,952	76,952	76,952	77,070	(0)
Early Years Block	10,848	711	11,559	10,848	10,849	10,849	11,483	11,325	(234)
Central School Services Block	973		973	966	967	954	950	935	(38)
High Needs Block	29,946	0	29,946	30,125	31,531	31,526	31,511	31,157	1,211
High Needs Block In-Year deficit recovery	(3,065)		(3,065)		0	0	0	0	3,065
Total Expenditure	115,656	828	116,484	118,892	120,300	120,282	120,897	120,487	4,003
DSG Grant Income:									
Schools Block	(76,952)		(76,952)	(76,952)	(76,952)	(76,952)	(77,005)	(77,005)	(52)
Early Years Block	(10,848)	(711)	(11,559)	(10,848)	(10,848)	(10,848)	(11,252)	(11,115)	443
Central School Services Block	(973)		(973)	(973)	(973)	(973)	(973)	(973)	0
High Needs Block	(26,882)	0	(26,882)	(26,882)	(26,882)	(26,882)	(26,887)	(26,892)	(10)
Total DSG Income	(115,656)	(711)	(116,366)	(115,656)	(115,656)	(115,656)	(116,117)	(115,985)	381
In-year adjustments									
Total Income	(115,656)	(711)	(116,366)	(115,656)	(115,656)	(115,656)	(116,117)	(115,985)	381
Net In-year Deficit	(0)	118	118	3,237	4,644	4,626	4,780	4,541	4,424
Deficit Balance in reserves	4,761		4,761	4,761	4,761	4,761	4,761	4,761	4,761
In year reserve movement	0	(118)	(118)	148	148	148	148	148	265
Cumulative Deficit	4,761	0	4,761	8,145	9,553	9,535	9,689	9,450	9,450

5. Schools Block

- 5.1 The 2023/24 budget was funded from DSG grant of £77m. The Schools Block ended the year online, with £148k use of balances from the schools block reserve. De-delegated budgets were underspent by £118k, 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 £148k from the Schools Block reserve has been spent in year and an in-year movement of £118k, leaving a surplus balance of £1.1m. A breakdown is provided below:

Schools Block Reserve (surplus)/deficit	1.4.2023	change in reserves	In year deficit/ (surplus)	31.3.2024
	£k	£k	£k	£k
Growth Fund	(996)		180	(817)
Schools in Financial Difficulty	0		0	0
School Improvement	(189)	130	(23)	(82)
EMTAS	(69)	18	(23)	(75)
Therapeutic Thinking	(8)		(11)	(18)
CLEAPPS	0			0
Trade Union	0		0	0
Stat and Reg	(5)		(5)	(10)
Schools (re rates adj)	(87)		0	(87)
Total Surplus Balance	(1,355)	148	118	(1,089)

6. Early Years Block

- 6.1 Early Years Expenditure was underspent by (£234k), with a grant adjustment of £443k leaving a net overspend of £210k.
- 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. Whilst the subsequent 2 years have not produced a saving, this has been 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 There are new entitlements for parents from 2024/25 and all of these new entitlements are subject to the same pass through rate.
- 6.5 The cumulative deficit on this block at the end of 2023/24 is £1.3m.

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 £38k. This was mainly achieved from the Education Welfare Service due to one-off staff savings.
- 7.2 The cumulative deficit on this block at the end of 2023/24 has now decreased to £1k.

8. High Needs Block

- 8.1 At year end, overall DSG funding received was £10k higher than budget due to a higher than predicted import export adjustment.
- 8.2 The 2022/23 budget was set with a £3.0m deficit recovery target. The block overspent by £1.2m, leaving an in-year deficit of £4.2m. The main variances against expenditure are as follows:

- An overall overspend of £1.4m on top up funding. There has been a large saving against independent special schools (£601k) with a corresponding pressure against top up funding in mainstream schools (£924k) and resource units (£728k) as we seek to use more of our own provision to fund placements, including the new SEMH provision at Theale.
- There were also large overspends against top up fees for further education (£417k)
- Other high needs areas that offered savings included the medical tuition service as they had delays on recruitment to posts.
- Overall, the pressure on top up funding is due to an increase in the number of EHCP's, moving from 1348 to 1566 (March 23 to March 24). There is also a significant growth in Emotional Based School Avoiders (EBSA) and children with dysregulated behaviour. There are higher packages of support being funded in mainstream for children for whom special school places are not available.

8.3 The forecast at month 10 included £447k of placements within independent schools which have been delayed.

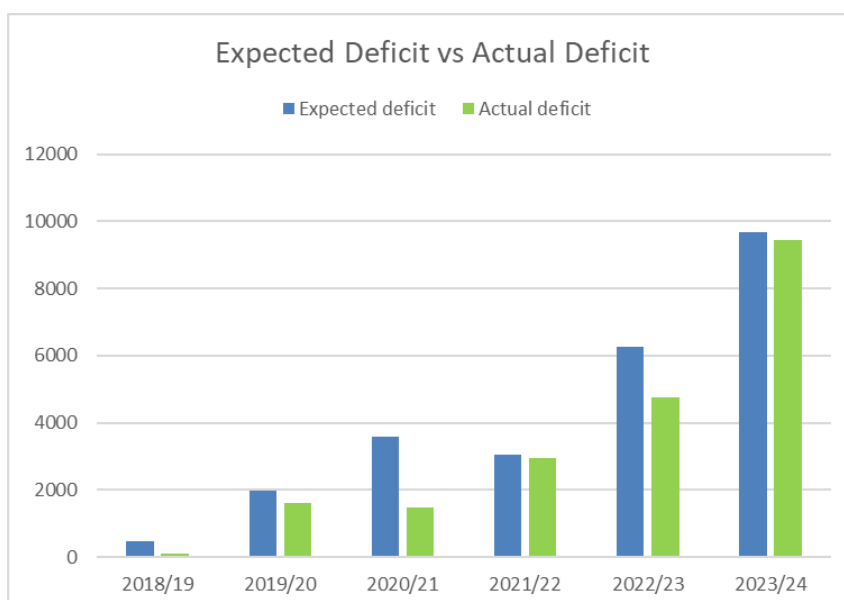
8.4 The cumulative deficit against this block is now £9.3m at the end of 2023/24.

9. Total Reserve Balance and cumulative deficit

9.1 The DSG now has a cumulative deficit of £9.5m. The High Needs Block deficit has increased by £4.3m to £9.3m. A £1m surplus in the schools block is reducing the overall total for the authority.

Reserve Balances (surplus)/deficit	1.4.2023 Actual	Change in reserves	In-year Deficit/ (Surplus)	31.3.2024 Actual
Schools Block - growth fund	(996)	0	180	(817)
Schools Block De-delegated	(267)	148	(57)	(176)
Schools Block - other	(92)	0	(5)	(97)
Early Years Block	1,052	0	210	1,261
Central School Services Block	39	0	(38)	1
High Needs Block	5,070	0	4,265	9,336
Grant changes	(45)	0	(13)	(58)
Total Deficit Balance	4,761	148	4,541	9,450

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



9.3 The main reason for the change between month 10 and outturn in 23/24 is explained in 8.3 above.

10. Conclusion

10.1 The cumulative deficit on the DSG blocks now totals £9.5m. Over spends in the High Needs Block are the most significant with a total deficit against this block of £9.3m and this will remain the area of focus going in 2024/25, in conjunction with the Department for Education's Delivering Better Value in SEND programme.

11. Appendices

Appendix A – DSG 2023/24 Budget Monitoring Report: Outturn

Dedicated School's Grant (DSG) 2023/2024 Budget Monitoring Outturn

Cost Centre	Description	Original Budget 2023/24	Net Virements in year	Amended Budget 2023/24	Outturn	Variance	Comments
90020	Primary Schools (excluding nursery funding)	55,688,850		55,688,850	55,688,850	0	
DSG top slice	Academy Schools Primary	0		0	0	0	
90025	Secondary Schools (excluding 6th form funding)	20,405,140		20,405,140	20,405,160	20	
DSG top slice	Academy Schools Secondary	0		0	0	0	
90230	DD - Schools in Financial Difficulty (primary schools)	0		0	0	0	
90113	DD - Trade Union Costs	57,830		57,830	57,832	2	
90255	DD - Support to Ethnic minority & bilingual Learners	186,100	-22,910	163,190	163,190	-1	
90349	DD - Behaviour Support Services	234,910	-10,690	224,220	224,220	0	
90424	DD - CLEAPSS	3,210		3,210	2,812	-398	
90470	DD - School Improvement	308,160	-23,250	284,910	284,906	-4	
90423	DD - Statutory & Regulatory Duties	124,230	-5,010	119,220	119,216	-4	
90235	School Contingency - Growth Fund/Falling Rolls Fund	0	179,520	179,520	179,519	-1	Spend funded by reserves
90054	De-delegated funding from reserves	-147,692		-147,692	-147,692	0	
	SSR	91,756		91,756	91,756	0	
	Schools Block Total	76,952,494	117,660	77,070,154	77,069,770	-384	
90583	National Copyright Licences	168,090		168,090	168,092	2	
90019	Servicing of Schools Forum	45,030		45,030	42,283	-2,747	
90743	School Admissions	189,150		189,150	189,253	103	
90354	ESG - Education Welfare	177,480		177,480	140,901	-36,579	one-off saving on staffing costs plus FPN income considerably higher than budget
90460	ESG - Statutory & Regulatory Duties	294,530		294,530	296,625	2,095	
90054	Efficiency Target	997		997	0	-997	unallocated 23/24 grant to be used to off-set reserve deficit
	SSR	98,039		98,039	98,039	0	
	Central School Services Block DSG	973,316	0	973,316	935,192	-38,124	
90010	Early Years Funding - Nursery Schools	931,080	67,170	998,250	1,028,904	30,654	
90037	Early Years Funding - Maintained Schools	2,016,590	139,620	2,156,210	2,164,143	7,933	
90036	Early Years Funding - PVI Sector	6,202,250	435,963	6,638,213	6,688,336	50,123	Adjustment still required for 2YO funding
90052	Early Years PPG & Deprivation Funding	218,930	14,110	233,040	220,711	-12,329	
90053	Disability Access Fund	43,060		43,060	25,414	-17,646	
90018	2 year old funding	724,260	53,840	778,100	832,499	54,399	
90017	Central Expenditure on Children under 5	339,480		339,480	342,091	2,611	Pay award higher than budgeted
90287	Pre School Teacher Counselling	64,040		64,040	64,650.91	611	Teacher payrise element that was more than the budgeted value
90238	Early Years Inclusion Fund	108,000		108,000	81,491	-26,509	Plans to spend were rejected
90054	Early Years adjustment re grant funding	122,681		122,681	-200,800	-323,481	
	SSR	77,731		77,731	77,731	0	
	Early Years Block Total	10,848,102	710,703	11,558,805	11,325,171	-233,634	

Dedicated School's Grant (DSG) 2023/2024 Budget Monitoring Outturn

Cost Centre	Description	Original Budget 2023/24	Net Virements in year	Amended Budget 2023/24	Outturn	Variance	Comments
90026	Academy Schools RU Top Ups	985,450		985,450	1,378,364	392,914	
90539	Special Schools - Top Up Funding	5,950,060		5,950,060	5,676,186	-273,874	
90548	Non WBC Special Schools - Top Up Funding	430,660		430,660	445,499	14,839	
90554	Non WBC free schools	536,480		536,480	660,692	124,212	
90556	SEMH provision at Theale	919,000		919,000	986,986	67,986	
90575	Non LEA Special School (OofA)	1,177,630		1,177,630	1,092,852	-84,778	
90579	Independent Special School Place & Top Up	5,566,450		5,566,450	4,965,814	-600,636	
90580	Further Education Colleges Top Up	1,212,000		1,212,000	1,628,914	416,914	
90617	Resourced Units top up Funding maintained	320,630		320,630	655,772	335,142	
90618	Non WBC Resourced Units - Top Up Funding	119,850		119,850	95,738	-24,112	
90621	Mainstream - Top Up Funding maintained	1,142,580		1,142,580	1,687,494	544,914	
90622	Mainstream - Top Up Funding Academies	548,920		548,920	928,159	379,239	
90624	Non WBC Mainstream - Top Up Funding	180,000		180,000	152,115	-27,885	
90625	Pupil Referral Units - Top Up Funding	999,700	90,000	1,089,700	959,950	-129,750	
90627	Disproportionate No: of HN Pupils NEW	65,000		65,000	194,565	129,565	
90628	EHCP PRU Placement	920,420		920,420	1,084,765	164,345	
	High Needs Block: Top Up Funding Total	21,074,830	90,000	21,164,830	22,593,864	1,429,034	
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	36,000		36,000	36,000	0	
90552	Special Schools and PRU Teachers Pay and Pension	312,050		312,050	324,864	12,814	
90584	Resourced Units - Place Funding	242,000		242,000	238,000	-4,000	
	High Needs Block: Place Funding Total	4,900,050	0	4,900,050	4,908,864	8,814	
90240	Applied Behaviour Analysis	226,660		226,660	335,102	108,442	
90280	Special Needs Support Team	346,350		346,350	345,230	-1,120	
90281	SEND Strategy (DSG)	64,940		64,940	66,653	1,713	
90282	Medical Home Tuition	388,730		388,730	208,124	-180,606	huge reduction in use of casual workers going forward, with emphasis on using permanent staff - plans have been further delayed re way forward so a current year saving plus removal of EOTAS post until next financial year
90237	High Needs Contingency	200,960	-90,000	110,960	111,199	239	
90286	Early Years Speech & Language	0	23,665	23,665	12,290	-11,375	
90287	Pre School Teacher Counselling	90,430		90,430	91,293.91	864	
90288	Elective Home Education Monitoring	34,320		34,320	33,084	-1,236	

Dedicated School's Grant (DSG) 2023/2024 Budget Monitoring Outturn

Cost Centre	Description	Original Budget 2023/24	Net Virements in year	Amended Budget 2023/24	Outturn	Variance	Comments
90290	Sensory Impairment	282,340		282,340	264,955	-17,385	
90295	Therapy Services	469,700		469,700	490,251	20,551	
90372	Therapeutic Thinking	58,590		58,590	30,986	-27,604	
90373	Emotional Based School Avoiders (EBSA)	134,840		134,840	105,075	-29,765	
90374	SEMH Practitioner	41,490		41,490	25,482	-16,008	
90555	LAL funding	161,690		161,690	161,690	0	
90557	Kennet Valley Resource Unit	0		0	1,319	1,319	
90565	Equipment For SEN Pupils	15,000		15,000	-872	-15,872	
90577	SEN Commissioned Provision	636,220		636,220	654,469	18,249	
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	36,180		36,180	5,055	-31,125	
90830	ASD Teachers	285,880		285,880	282,703	-3,177	
90961	Vulnerable Children	179,400		179,400	112,558	-66,842	
90581	Dingleys Promise	30,000		30,000	30,000	0	
	High Needs Block: Non Top Up or Place Funding	3,794,920	-66,335	3,728,585	3,477,847	-250,738	
90054	Efficiency Target	-3,064,547	-23,665	-3,088,212	0	3,088,212	
	SSR	176,475		176,475	176,474	-1	
	High Needs Block Total	26,881,728	0	26,881,728	31,157,050	4,275,322	
	TOTAL DSG EXPENDITURE	115,655,640	828,363	116,484,003	120,487,183	4,003,180	
90030	DSG Grant Account	-115,655,640		-115,655,640	-115,274,493	381,147	
	Early Years Supplementary Funding	0.00	-710,703	-710,703	-710,703	0	
	Pupil Premium adjustment from prior year				39,445	39,445	
	Net In-year Deficit	0	117,660	117,660	4,541,432	4,423,772	
	Deficit Balance brought forward	4,761,000		4,761,000	4,760,995	-5	
	In year reserve movement		-117,660	-117,660	147,692	265,352	Funding from reserves for de-delegations
	Cumulative Deficit	4,761,000	0	4,761,000	9,450,118	4,689,118	