

Dedicated Schools Grant Monitoring Report 2024/25 – Quarter Two

Report being considered by: Schools Forum on 14th October 2024

Report Author: Lisa Potts

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 1.1 That the report be noted.

Is the Schools' Forum required to make a decision as part of this report or subsequent versions due to be considered later in the meeting cycle?

Yes:

No:

3. Implications and Impact Assessment

Equalities Impact:	Positive	No Impact	Negative	Commentary
	A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X	

B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
Data Impact:		x		
Consultation and Engagement:				

4. Introduction/Background

- 4.1 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 2024. 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.
- 4.2 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.

5. Supporting Information

- 5.1 The 2024/25 Dedicated Schools Grant allocation is £181.9m. This includes £57m 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 2024/25 has been built utilising the remaining grant.
- 5.2 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 2024/25 budget, Schools Forum agreed to transfer 0.25% of the Schools Block funding to the High Needs Block amounting to £335k.
- 5.3 The DSG expenditure budgets required for 2024/25 total £133.7m, which is £7.9m more than the funding available. As a result, a £7.9m in-year efficiency target has been set against this in order to balance the DSG budget, against the High Needs Block
- 5.4 There is a brought forward deficit on the DSG of £9.45m.

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

Prior Years			2024/25						
2021/22 Outturn	2022/23 Outturn	2023/24 Outturn	Table 1 - DSG Block forecast 2024/25	Original Budget	Budget Changes	Final Budget	Quarter 1 Forecast	Quarter 2 Forecast	Deficit/ (surplus)
£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000
			Expenditure:						
70,512	73,090	77,070	Schools Block (inc ISB)	79,518	0	79,518	79,518	79,518	0
9,899	10,240	11,325	Early Years Block	17,371	0	17,371	17,329	17,329	(42)
1,001	967	935	Central School Services Block	961	0	961	974	982	21
23,827	26,456	31,157	High Needs Block	35,823	0	35,823	34,927	35,942	119
0	0	0	High Needs Block In-Year deficit recovery	(7,881)	0	(7,881)	0	0	7,881
105,240	110,754	120,487	Total Expenditure	125,793	0	125,793	132,747	133,771	7,979
			DSG Grant Income:						
(70,293)	(72,937)	(77,005)	Schools Block	(79,518)	0	(79,518)	(79,518)	(79,518)	0
(9,834)	(10,102)	(11,115)	Early Years Block	(17,371)	0	(17,371)	(17,371)	(17,371)	0
(1,009)	(992)	(973)	Central School Services Block	(961)	0	(961)	(961)	(961)	0
(22,601)	(24,983)	(26,892)	High Needs Block	(27,942)	0	(27,942)	(27,942)	(27,942)	0
(103,737)	(109,014)	(115,985)	Total DSG Income	(125,793)	0	(125,793)	(125,793)	(125,793)	0
	(53)		In-year adjustments						
(103,737)	(109,067)	(115,985)	Total Income	(125,793)	0	(125,793)	(125,793)	(125,793)	0
			In year net deficit/(surplus):						
219	153	65	Schools Block	0	0	0	0	0	0
65	138	210	Early Years Block	0	0	0	(42)	(42)	(42)
(8)	(25)	(38)	Central School Services Block	0	0	0	13	21	21
1,227	1,474	4,265	High Needs Block	0	0	0	6,984	8,000	8,000
	(50)	39	Grant adjustment (re PPG)						
1,503	1,689	4,541	Net In-year Deficit	0	0	0	6,955	7,979	7,979
1,461	2,964	4,761	Deficit Balance in reserves	9,450		9,450	9,450	9,450	9,450
	108	148	In year reserve movement	0		0	94	94	94
2,964	4,761	9,450	Cumulative Deficit	9,450	0	9,450	16,499	17,523	17,523

5.6 The Quarter Two forecast shows an in-year forecast deficit of £8m, against the in-year efficiency target. When added to the cumulative deficit of £9.45m, the forecast year end deficit on the DSG is £17.5m.

5.7 In the Schools Block, the de-delegation for Ethnic Minority & Traveller Achievement Service is currently reviewing their staffing establishment and offer to schools. There could be a £50k underspend in year which will be off-set against future years costs. Other de-delegated services are also seeing some underspends against future year costs.

5.8 The Early Years Block has some savings against the service manager post of £42k. With new funding streams from April and September 2024 it is difficult to forecast the position on this block as the take up hours are variable.

5.9 Central Schools Services Block is showing a £21k pressure, mainly due to charges for Capita being higher than estimated.

5.10 The High Needs Block is currently showing a £119k overspend at Quarter Two. There are pressures on top up funding for Independent Special Schools of £760k which are being off-set by savings in Maintained Special Schools, Further Education and Out of Area Special Schools top ups.

- 5.11 Ongoing pressures are being driven by an increase in the number of children identified requiring an assessment of EHCP.
- 5.12 The table below shows the forecast position for the end of 2024/25 by block. The surplus balance on the Schools Block of £996k is supporting the forecast overspend position on the other blocks.

Reserve Balances (surplus)/deficit	1.4.2024 Actual	Change in reserves	In-year Deficit/ (Surplus)	31.3.2025 Forecast
Schools Block - growth fund	(817)	0	0	(817)
Schools Block De-delegated	(176)	94	0	(82)
Schools Block - other	(97)	0	0	(97)
Early Years Block	1,261	0	(42)	1,219
Central School Services Block	1	0	21	22
High Needs Block	9,336	0	8,000	17,335
Grant changes	(58)	0	0	(58)
Total Deficit Balance	9,450	94	7,979	17,522

6. Conclusion

- 6.1 The total forecast deficit on the DSG amounts to £17.5m, comprising £9.45m from previous years and a further £8m forecast overspend in year. The forecast position will be kept under review and updates provided to Schools' Forum.
- 6.2 The figures do not include any clawback from schools as this is a separate discussion at Schools Forum.

7. Heads' Funding Group Recommendation

- 9.1 n/a

8. Appendices

Appendix A – DSG 2024-25 Budget Monitoring Report Month 6

Dedicated Schools Grant Monitoring Report 2024/25 – Quarter Two

Dedicated School's Grant (DSG) 2024/2025 Budget Monitoring Month Six							
Cost Centre	Description	Original Budget 2024/25	Net Virements in year	Amended Budget 2024/25	Forecast	Variance	Comments
90020	Primary Schools (excluding nursery funding)	57,339,140		57,339,140	57,339,140	0	
DSG top slice	Academy Schools Primary	0		0	0	0	
90025	Secondary Schools (excluding 6th form funding)	21,226,730		21,226,730	21,226,730	0	
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	61,690		61,690	61,690	0	
90255	DD - Support to Ethnic minority & bilingual Learners	195,100		195,100	195,100	0	Forecast is £40,000 underspend at Q2
90349	DD - Behaviour Support Services	243,430		243,430	243,430	0	Forecast is £18,000 underspend at Q2
90424	DD - CLEAPSS	3,480		3,480	3,480	0	
90470	DD - School Improvement	318,730		318,730	318,730	0	Forecast is £12,000 underspend at Q2
90423	DD - Statutory & Regulatory Duties	128,030		128,030	128,030	0	Forecast is £3,900 underspend at Q2
90235	School Contingency - Growth Fund/Falling Rolls Fund	0		0	0	0	Forecast is £77,220 at Q2 funded by reserves
90054	De-delegated funding from reserves	-94,020		-94,020	-94,020	0	
	SSR	95,420		95,420	95,420	0	
	Schools Block Total	79,517,730	0	79,517,730	79,517,730	0	
90583	National Copyright Licences	179,860		179,860	175,330	-4,530	
90019	Servicing of Schools Forum	46,250		46,250	46,250	0	
90743	School Admissions	186,210		186,210	197,910	11,700	
90354	ESG - Education Welfare	179,900		179,900	181,750	1,850	
90460	ESG - Statutory & Regulatory Duties	271,250		271,250	288,500	17,250	Cost of Capita higher than estimated
90054	Surplus budget to off-set cumulative deficit	5,420		5,420	0	-5,420	
	SSR	92,425		92,425	92,425	0	
	Central School Services Block DSG	961,315	0	961,315	982,165	20,850	
90010	Early Years Funding - Nursery Schools	1,140,380		1,140,380	1,140,380	0	
90037	Early Years Funding - Maintained Schools	2,278,300		2,278,300	2,278,300	0	
90036	Early Years Funding - PVI Sector	7,218,660		7,218,660	7,218,660	0	
90052	Early Years PPG & Deprivation Funding	219,580		219,580	219,580	0	
90053	Disability Access Fund	90,090		90,090	90,090	0	
90018	2 year old funding	3,646,040		3,646,040	3,646,040	0	
90023	Under 2's	1,886,860		1,886,860	1,886,860	0	
90017	Central Expenditure on Children under 5	414,060		414,060	371,900	-42,160	
90287	Pre School Teacher Counselling	68,610		68,610	68,610	0	
90238	Early Years Inclusion Fund	108,000		108,000	108,000	0	
90054	Early Years adjustment re grant funding	218,295		218,295	218,295	0	
	SSR	82,458		82,458	82,458	0	
	Early Years Block Total	17,371,333	0	17,371,333	17,329,173	-42,160	

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90026	Academy Schools RU Top Ups	1,259,560		1,259,560	1,218,850	-40,710	
90539	Special Schools - Top Up Funding	6,218,340		6,218,340	5,965,800	-252,540	
90548	Non WBC Special Schools - Top Up Funding	215,290		215,290	352,730	137,440	
90554	Non WBC free schools	618,120		618,120	643,960	25,840	
90556	SEMH provision at Theale	1,450,880		1,450,880	1,450,880	0	
90557	Kennet Valley Resource Unit	0	419,810	419,810	419,810	0	
90575	Non LEA Special School (OofA)	1,423,550		1,423,550	1,276,440	-147,110	
90579	Independent Special School Place & Top Up	7,389,410		7,389,410	8,151,970	762,560	
90580	Further Education Colleges Top Up	1,465,000		1,465,000	1,276,790	-188,210	
90617	Resourced Units top up Funding maintained	1,095,930	-419,810	676,120	676,120	0	
90618	Non WBC Resourced Units - Top Up Funding	105,640		105,640	60,430	-45,210	
90621	Mainstream - Top Up Funding maintained	1,821,000		1,821,000	1,836,190	15,190	
90622	Mainstream - Top Up Funding Academies	1,142,500		1,142,500	1,142,500	0	
90624	Non WBC Mainstream - Top Up Funding	140,380		140,380	137,800	-2,580	
90625	Pupil Referral Units - Top Up Funding	1,139,400		1,139,400	1,139,400	0	
90627	Disproportionate No: of HN Pupils NEW	150,000		150,000	190,000	40,000	
90628	EHCP PRU Placement	1,045,800		1,045,800	1,045,800	0	
	High Needs Block: Top Up Funding Total	26,680,800	0	26,680,800	26,985,470	304,670	
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	332,520		332,520	332,520	0	
90584	Resourced Units - Place Funding	242,000		242,000	234,000	-8,000	
	High Needs Block: Place Funding Total	4,920,520	0	4,920,520	4,912,520	-8,000	
90240	Applied Behaviour Analysis	270,420		270,420	380,660	110,240	
90280	Special Needs Support Team	363,830		363,830	342,500	-21,330	
90281	SEND Strategy (DSG)	69,230		69,230	69,230	0	
90282	Medical Home Tuition	381,690		381,690	329,800	-51,890	
90237	High Needs Contingency	240,500		240,500	240,500	0	
90286	Early Years Speech & Language	0		0	0	0	
90287	Pre School Teacher Counselling	97,140		97,140	73,390	-23,750	
90288	Elective Home Education Monitoring	49,480		49,480	41,800	-7,680	

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Cost Centre	Description	Original Budget 2024/25	Net Virements in year	Amended Budget 2024/25	Forecast	Variance	Comments
90290	Sensory Impairment	296,460		296,460	253,380	-43,080	
90295	Therapy Services	526,080		526,080	534,910	8,830	
90372	Therapeutic Thinking	69,330		69,330	58,130	-11,200	
90373	Emotional Based School Avoiders (EBSA)	139,240		139,240	139,240	0	
90374	SEMH Practitioner	43,560		43,560	43,560	0	
90555	LAL funding	171,840		171,840	171,840	0	
90565	Equipment For SEN Pupils	15,000		15,000	15,000	0	
90577	SEN Commissioned Provision	650,830		650,830	680,040	29,210	
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	18,090	-18,090	
90830	ASD Teachers	301,490		301,490	301,490	0	
90961	Vulnerable Children	179,400		179,400	119,400	-60,000	
90581	Dingleys Promise	35,000		35,000	120,000	85,000	
	High Needs Block: Non Top Up or Place Funding	4,047,900	0	4,047,900	4,044,160	-3,740	
90054	Efficiency Target	-7,880,605		-7,880,605	0	7,880,605	
	SSR	173,697		173,697		-173,697	
	High Needs Block Total	27,942,312	0	27,942,312	35,942,150	7,999,838	
	TOTAL DSG EXPENDITURE	125,792,690	0	125,792,690	133,771,218	7,978,528	
90030	DSG Grant Account	-125,792,690		-125,792,690	-125,792,690	0	
	Net In-year Deficit	0	0	0	7,978,528	7,978,528	
	Deficit Balance brought forward	9,450,120		9,450,120	9,450,125	5	
	In year reserve movement				94,020	94,020	Funding from reserves for de-delegations
	Cumulative Deficit	9,450,120	0	9,450,120	17,522,673	8,072,553	