
Dedicated Schools Grant Monitoring Report 2025/26 – Quarter One

Report being considered by:	Schools Forum on 14 th July 2025		
Report Author:	Elizabeth Griffiths		
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.

3. Introduction/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 2025. 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. Supporting Information

- 4.1 The 2025/26 Dedicated Schools Grant allocation is £203.1m. This includes £64m 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 2025/26 has been built utilising the remaining grant.
- 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 2025/26 budget, no balances were transferred between the blocks.
- 4.3 The DSG expenditure budgets required for 2025/26 total £156.3m, which is £14m more than the funding available. This is due to a rising demand for high needs provision, there is a lack of sufficient maintained SEN places and so more use is having to be made of independent non maintained schools, with significant cost implications. There are also pressures on top up funding allocations. As a result, a

£14m in-year efficiency target has been set against the High Needs Block, in order to balance the DSG budget.

- 4.4 There is a brought forward deficit on the DSG of £16.1m.
- 4.5 The forecast position at the end of June is shown in Table 1. A more detailed position per cost centre is shown in Appendix A.

Prior Years			Table 1 - DSG Block forecast 2025/26	2025/26				Deficit/ (surplus)
2022/23 Outturn	2023/24 Outturn	2024/25 Outturn		Original Budget	Budget Changes	Final Budget	Quarter 1 Forecast	
£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000
			Expenditure:					
73,090	77,070	77,955	Schools Block (inc ISB)	84,640	0	84,640	84,640	(0)
10,240	11,325	19,878	Early Years Block	27,240	0	27,240	27,204	(37)
967	935	950	Central School Services Block	1,068	0	1,068	1,063	(5)
26,456	31,157	36,344	High Needs Block	43,421	0	43,421	43,044	(377)
0	0	0	High Needs Block In-Year deficit recovery	(14,040)	0	(14,040)	0	14,040
110,754	120,487	135,127	Total Expenditure	142,329	0	142,329	155,951	13,622
			DSG Grant Income:					
(72,937)	(77,005)	(78,106)	Schools Block	(84,640)	0	(84,640)	(84,640)	0
(10,102)	(11,115)	(20,214)	Early Years Block	(27,240)	0	(27,240)	(27,240)	0
(992)	(973)	(951)	Central School Services Block	(1,068)	0	(1,068)	(1,068)	0
(24,983)	(26,892)	(27,750)	High Needs Block	(29,381)	0	(29,381)	(29,381)	0
(109,014)	(115,985)	(127,020)	Total DSG Income	(142,329)	0	(142,329)	(142,329)	0
(53)			In-year adjustments					
(109,067)	(115,985)	(127,020)	Total Income	(142,329)	0	(142,329)	(142,329)	0
			In year net deficit/(surplus):					
153	65	(151)	Schools Block	0	0	0	(0)	0
138	210	(335)	Early Years Block	0	0	0	(37)	0
(25)	(38)	(2)	Central School Services Block	0	0	0	(5)	0
1,474	4,265	8,594	High Needs Block	0	0	0	13,663	0
(50)	39		Grant adjustment (re PPG)					
1,689	4,541	8,107	Net In-year Deficit	0	0	0	13,622	0
2,964	4,761	9,450	Deficit Balance in reserves	16,133		16,133	16,133	16,133
108	148	94	In year reserve movement	0	0	0	57	0
0	0	(1,518)	Clawback from Schools	0		0		0
4,761	9,450	16,133	Cumulative Deficit	16,133	0	16,133	29,811	16,133

- 4.6 The Quarter One forecast shows an in-year forecast deficit of £13.6m versus budget, this includes the in-year efficiency target. When added to the cumulative deficit of £16.1m, the forecast year end deficit on the DSG is £29.8m.
- 4.7 With new funding streams in 2025/26 within the Early Years Block it is difficult to forecast accurately so early in the year. However, some savings have been identified against the service manager post and some vacancies, totalling £36k.
- 4.8 The High Needs Block is currently showing a £377k underspend at Quarter One against the budget. This is mainly due to vacant posts.
- 4.9 The High Needs Block in year deficit recovery target of £14m is a balancing figure between the budget set and the funding received. There is currently no savings being forecast against this. The service are reviewing to determine what further mitigations can be developed.

- 4.10 The table below shows the forecast position for the end of 2025/26 by block. The surplus balance on the Schools Block of £1m is supporting the forecast overspend position on the other blocks.

Reserve Balances (surplus)/deficit	1.4.2025 Actual	Change in reserves	In-year Deficit/ (Surplus)	31.3.2026 Forecast
Schools Block - growth fund	(729)	0	0	(729)
Schools Block De-delegated	(321)	57	0	(264)
Schools Block - other	(97)	0	0	(97)
Early Years Block	926	0	(37)	890
Central School Services Block	(1)	0	(5)	(5)
High Needs Block	17,872	0	13,663	31,534
Clawback from Schools	(1,518)	0		(1,518)
Total Deficit Balance	16,133	57	13,622	29,811

5. Conclusion

- 5.1 The total forecast deficit on the DSG amounts to £29.8m, comprising £16.1m from previous years and a further £13.6m forecast overspend in year. The forecast position will be kept under review and updates provided to Schools' Forum.

6. Appendices

- 6.1 Appendix A – DSG 2025-26 Budget Monitoring Report Month 3

Dedicated Schools Grant Monitoring Report 2025/26 – Quarter One

Appendix A

Dedicated School's Grant (DSG) 2025/2026 Budget Monitoring Month Three							
Cost Centre	Description	Original Budget 2025/26	Net Virements in year	Amended Budget 2025/26	Actual	Variance	Comments
90020	Primary Schools (excluding nursery funding)	60,640,630		60,640,630	60,640,630	0	
DSG top slice	Academy Schools Primary	0		0	0	0	
90025	Secondary Schools (excluding 6th form funding)	23,012,980		23,012,980	23,012,980	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	66,270		66,270	66,270	0	
90255	DD - Support to Ethnic minority & bilingual Learners	170,500		170,500	170,500	0	
90349	DD - Behaviour Support Services	261,330		261,330	261,330	0	
90424	DD - CLEAPSS	3,420		3,420	3,420	0	
90470	DD - School Improvement	310,390		310,390	310,390	0	
90423	DD - Statutory & Regulatory Duties	135,820		135,820	135,820	0	
90235	School Contingency - Growth Fund/Falling Rolls Fund	0		0	0	0	
90054	De-delegated funding from reserves	-56,850		-56,850	-56,854	-4	
	SSR	95,227		95,227	95,227	0	
	Schools Block Total	84,639,717	0	84,639,717	84,639,713	-4	
90583	National Copyright Licences	184,100		184,100	184,100	0	
90019	Servicing of Schools Forum	50,590		50,590	50,590	0	
90743	School Admissions	214,210		214,210	214,210	0	
90354	ESG - Education Welfare	214,440		214,440	210,220	-4,220	
90460	ESG - Statutory & Regulatory Duties	313,920		313,920	313,920	0	
90054	Surplus budget to off-set cumulative deficit	470		470	0	-470	
	SSR	90,210		90,210	90,210	0	
	Central School Services Block DSG	1,067,940	0	1,067,940	1,063,250	-4,690	
90010	Early Years Funding - Nursery Schools	1,239,660		1,239,660	1,239,660	0	
90037	Early Years Funding - Maintained Schools	2,375,750		2,375,750	2,375,750	0	
90036	Early Years Funding - PVI Sector	7,783,440		7,783,440	7,783,440	0	
90052	Early Years PPG & Deprivation Funding	341,800		341,800	341,800	0	
90053	Disability Access Fund	107,870		107,870	107,870	0	
90018	2 year old funding	6,371,460		6,371,460	6,371,460	0	
90023	Under 2's	8,009,290		8,009,290	8,009,290	0	
90017	Central Expenditure on Children under 5	442,390		442,390	416,960	-25,430	
90287	Pre School Teacher Counselling	77,565		77,565	66,434	-11,131	
90238	Early Years Inclusion Fund	108,000		108,000	108,000	0	
90054	Early Years adjustment re grant funding	297,450		297,450	297,450	0	
	Early Years Budget Grant			0	0	0	
	SSR	85,642		85,642	85,642	0	
	Early Years Block Total	27,240,317	0	27,240,317	27,203,756	-36,561	

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90026	Academy Schools RU Top Ups	1,297,350		1,297,350	1,321,400	24,050	
90539	Special Schools - Top Up Funding	6,601,730		6,601,730	6,504,400	-97,330	
90548	Non WBC Special Schools - Top Up Funding	257,870		257,870	291,520	33,650	
90554	Non WBC free schools	504,750		504,750	694,690	189,940	
90556	SEMH provision at Theale	1,901,700		1,901,700	1,901,700	0	
90557	Kennet Valley Resource Unit	655,840		655,840	655,840	0	
90575	Non LEA Special School (OofA)	1,456,230		1,456,230	1,556,140	99,910	
90579	Independent Special School Place & Top Up	11,425,820		11,425,820	11,316,080	-109,740	
90580	Further Education Colleges Top Up	1,726,810		1,726,810	1,376,710	-350,100	
90617	Resourced Units top up Funding maintained	725,120		725,120	725,120	0	
90618	Non WBC Resourced Units - Top Up Funding	43,720		43,720	60,050	16,330	
90621	Mainstream - Top Up Funding maintained	2,039,520		2,039,520	2,100,000	60,480	
90622	Mainstream - Top Up Funding Academies	1,199,630		1,199,630	1,169,380	-30,250	
90624	Non WBC Mainstream - Top Up Funding	124,980		124,980	144,440	19,460	
90625	Pupil Referral Units - Top Up Funding	1,196,370		1,196,370	1,196,370	0	
90627	Disproportionate No: of HN Pupils NEW	200,000		200,000	200,000	0	
90628	EHCP PRU Placement	1,255,470		1,255,470	1,255,470	0	
	High Needs Block: Top Up Funding Total	32,612,910	0	32,612,910	32,469,310	-143,600	
90320	Pupil Referral Units	860,000		860,000	860,000	0	
90540	Special Schools	3,410,000		3,410,000	3,410,000	0	
90546	Special Schools - Place Funding Post 16	790,000		790,000	790,000	0	
90551	Mainstream Maintained - post 16 SEN places	48,000		48,000	48,000	0	
90552	Special Schools and PRU Teachers Pay and Pension	334,600		334,600	334,600	0	
90584	Resourced Units - Place Funding	304,000		304,000	304,000	0	
	High Needs Block: Place Funding Total	5,746,600	0	5,746,600	5,746,600	0	
90240	Applied Behaviour Analysis	0		0	0	0	
90573	Education Other Than At School (EOTAS)	279,470		279,470	271,910	-7,560	
90574	Spot Purchases - Alternative Provision	376,090		376,090	370,710	-5,380	
90280	Special Needs Support Team	395,110		395,110	365,570	-29,540	
90281	SEND Strategy (DSG)	75,140		75,140	70,920	-4,220	
90282	Medical Home Tuition	403,760		403,760	285,780	-117,980	
90237	High Needs Contingency	289,910		289,910	289,910	0	
90286	Early Years Speech & Language	0		0	0	0	
90287	Pre School Teacher Counselling	151,355		151,355	129,636	-21,719	
90288	Elective Home Education Monitoring	72,360		72,360	56,310	-16,050	

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Cost Centre	Description	Original Budget 2025/26	Net Virements in year	Amended Budget 2025/26	Actual	Variance	Comments
90290	Sensory Impairment	251,220		251,220	251,220	0	
90295	Therapy Services	614,680		614,680	614,680	0	
90372	Therapeutic Thinking	76,700		76,700	65,630	-11,070	
90373	Emotional Based School Avoiders (EBSA)	144,520		144,520	144,520	0	
90374	SEMH Practitioner	54,240		54,240	39,020	-15,220	
90555	LAL funding	183,920		183,920	183,920	0	
90565	Equipment For SEN Pupils	20,000		20,000	20,000	0	
90577	SEN Commissioned Provision	722,340		722,340	722,340	0	
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	36,180	0	
90830	ASD Teachers	326,130		326,130	321,390	-4,740	
90961	Vulnerable Children	179,400		179,400	179,400	0	
90581	Dingleys Promise	125,000		125,000	125,000	0	
	High Needs Block: Non Top Up or Place Funding	4,888,725	0	4,888,725	4,655,246	-233,479	
90054	Efficiency Target	-14,039,870		-14,039,870	0	14,039,870	
	SSR	172,921		172,921	172,921	0	
	High Needs Block Total	29,381,286	0	29,381,286	43,044,077	13,662,791	
	TOTAL DSG EXPENDITURE	142,329,260	0	142,329,260	155,950,796	13,621,536	
90030	DSG Grant Account	-142,329,260		-142,329,260	-142,329,260	0	
90054	Clawback from Schools			0		0	
	Net In-year Deficit	0	0	0	13,621,536	13,621,536	
	Deficit Balance brought forward	16,132,638		16,132,638	16,132,638	0	
	In year reserve movement			0	56,854	56,854	Funding from reserves for de-delegations
	Cumulative Deficit	16,132,638	0	16,132,638	29,811,028	13,678,390	