

2025/26 Dedicated Schools Grant: Year End Outturn Report

Schools' Forum

Report Being Considered By:**Date of Meeting:**15th June 2026**Report Owner**

Ashley Milun

Report Author:

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Item for:

Discussion/Comment

Consulted By

Section 151 Officer/Deputy

Service Director

1. Purpose of the Report

- (1) The purpose of the DSG year-end outturn report is to provide Schools Forum with a clear and transparent overview of the Dedicated Schools Grant financial position at year-end. It sets out actual expenditure against budget, highlights key variances, and reports the resulting surplus or deficit for each DSG block.

2. Recommendation(s)

- 2.1 No recommendation, no decision required.

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. Executive Summary

3.1 **24/25** Cumulative Deficit **£16,133k**

3.2 **25/26** In Year Deficit **£8,765k**

3.3 **25/26** Cumulative Deficit **£24,898k**

Block	Income	Expenditure	Net
Schools Block	(£84,526k)	£84,199k	(£327k)
Central School Services Block	(£1,156k)	£1,049k	(£106k)
Early Years Block	(£29,432k)	£27,586k	(£1,846k)
High Needs Block	(£27,812k)	£38,856k	£11,044k
Total	(£142,925k)	£151,690k	£8,765k

Key: () means income or surplus

- 3.4 The Schools Block outturn position shows a £327k surplus, primarily due to underspends within de-delegated budgets. The Ethnic Minority and Traveller Achievement Service also underspent significantly as the service was wound down and subsequently closed.
- 3.5 The Central School Services Block outturn shows a £106k surplus, driven by higher-than-budgeted fixed penalty notice income and savings across supplies and services.
- 3.6 The Early Years Block outturn position shows a £1.846m surplus 2025/2026 only. This is predominantly due to higher than anticipated uptake of the new Early years entitlements, reduced central staffing costs, and a lower than expected DfE clawback relating to 2024/25
- 3.7 Controls are now in place, with regular reviews carried out jointly by Finance and the service team. Finance staff are attending DfE training sessions and reviewing all DfE updates to ensure we are applying the correct and most up-to-date accounting practices. Internal controls also include quarterly budget monitoring alongside service colleagues. Going forward where uptake increases significantly Finance and service with review potential scope for additional resources to be deployed, to support Early Years provision across West Berkshire.
- 3.8 The High Needs Block outturn position shows a £11.044m deficit, driven by continued pressures on top-up funding (£17.360m) and Independent Special School placements (£9.839m).

4. Statutory Override

- 4.1 As at 31 March 2026, the council's unusable reserve holds a total DSG deficit balance of £24.898m.
- 4.2 Under the 2020 Capital Finance Regulations, any DSG deficit must be calculated and presented as a single unusable reserve, referred to as the statutory override. The Council has compiled the reserve in accordance with the regulatory guidance, and confirmed with the DfE that, due to the overall DSG deficit position, the council is not permitted to hold a cumulative growth fund or carry forward any underspends on de-delegations.

5. Conclusion

- 5.1 Overall, the DSG outturn position reflects surpluses across the Schools Block, Central School Services Block, and Early Years Block, offset by a significant deficit within the High Needs Block.
- 5.2 While efficiencies, additional income, and reduced central costs have contributed positively in several areas, sustained pressures within the High Needs Block continue to drive the overall DSG deficit

6. Appendices

- 6.1 None
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