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**TITLE OF REPORT: Dedicated Schools Grant Revenue Q2 2022/23**

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**Purpose of the Report**

1. To inform Schools Forum of the quarter 2 projected outturn position of Dedicated Schools Grant (DSG) for 2022/23.

**Background**

2. The DSG is made up of four funding blocks:
  - The **Early Years (EY) block** for 2 and 3 & 4-year-old funding;
  - **Mainstream Schools block** which includes some centrally held and de-delegated funding;
  - **High Needs block (HNB)** which includes special schools, alternative provision and top-ups to maintained schools and academies; and
  - **Central Services Schools block** which includes central functions carried out on behalf of schools, for example, licences, schools' admissions, pension costs.
3. Schools Forum receives details of DSG revenue monitoring throughout the financial year, with the format presented based on the expenditure headings of the Section 251 statement. Details are provided in Appendix 1.
4. The Council-lead DSG budget for 2022/23 is £105.001m.
5. At quarter 2, the projected year-end outturn for the year was £103.142m, an underspend of £1.859m. The projections are based on expected activity at the time of preparing the report. The main areas of underspend relate to: additional HNB funding, special schools top-ups, ARMS, SEN Support Services, Support for Inclusion and alternative provision which are partially being offset by maintained, academy and independent school top ups.
6. The balance of the DSG reserve at 31 March 2022 was £2.255m. Factoring in the in year underspend of £1.859m and the Early Years adjustment for 2021/22 of £0.043m, it is forecast that the balance will increase to £4.071m at 31 March 2023. However, pay awards for teaching and non-teaching staff are not yet factored in.

**Proposal**

7. That Schools Forum notes the content of the report.

**Recommendations**

8. That Schools Forum notes the content of the report.

## 2022/23 DSG Revenue Monitoring Quarter 2

DSG Area	Central Services Budget £'000	Total Approved Budget £'000	Central Services Outturn £'000	Outturn £'000	Variance £'000	Comments/Notes
Maintained Schools Budget Share		70,813	0	70,813	0	Reduced further due to academy conversions
<b>DEDELEGATION</b>						
Contingencies		0	0	2	2	
Behaviour support services		214	0	189	(25)	
Support to UPEG and bilingual learners		227	0	173	(54)	
Staff costs		175	0	174	(1)	Maternity Credits & TU facilitator costs
<b>HIGH NEEDS BUDGET</b>						
High Needs Budget (including Special Schools, PRU and Additional Support Top-ups)	547	23,249	547	21,431	(1,818)	-£1,122k Additional HNB -£474k Special schools - OOB income -£332k ARMS -£212k SEN Support Services -174k Support for Inclusion -£97k All Alternative Provision +£429k Maintained and Academy +£194k Independent schools
<b>EARLY YEARS BUDGET</b>						
2,3 and 4 year-olds funding to PVI's	0	8,908	0	8,965	57	
<b>CENTRAL PROVISION WITHIN SCHOOLS BUDGET</b>						
Contribution to combined budgets	50	365	50	341	(25)	
School admissions		144	0	146	2	
Servicing of schools forums		47	0	47	0	
Termination of employment costs		313	0	325	12	Premature Retirement costs
Pupil growth/ Infant class sizes		40	0	40	0	
Other Items		148	0	139	(9)	CLA/ MPA Licences top sliced from DSG for all school licences
Statutory/ Regulatory duties		358	0	358	0	ESG topslice agreed by Schools Forum
<b>TOTAL DSG</b>	<b>597</b>	<b>105,001</b>	<b>597</b>	<b>103,142</b>	<b>(1,859)</b>	Appropriated to DSG reserve

	£'000	Comments/Notes
Reserves balance at 31 March 2022	(2,255)	
Appropriation to reserve: in year adjustments	43	EY 21/22 clawback
Appropriation (to)/from reserve: in-year (surplus)/deficit	(1,859)	
<b>Projected reserve balance at 31 March 2023 (surplus) / deficit</b>	<b>(4,071)</b>	