

Item 5

TITLE OF REPORT: Quarter 3 DSG Monitoring

Purpose of the Report

1. To inform Schools Forum of the projected outturn position, as at the end of quarter 3, of Dedicated Schools Grant (DSG) for 2023/24.

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 2023/24 is £110.550m.
5. The projected outturn for the year is £111.103m, an overspend of £0.553m, an increase in overspend of £0.136m since the last report. The projections are based on expected activity at the time of preparing the report. The High Needs Block is projecting a £1.075m overspend with the Early Years Block offsetting this by £0.579m. The main areas of variance are:
 - +222k school in financial difficulty approved by Schools Forum
 - +£526k top-ups
 - +£409k SEN Support Services
 - -£81k Support for Inclusion
 - -£579k Early Years Block as actual places are less than estimated
6. The balance of the DSG reserve at 31 March 2023 was £3.965m. Factoring in the in year overspend of £0.553m and the Early Years clawback for 2022/23 of £0.182m would decrease the balance to £3.230m at 31 March 2024.

Proposal

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

Recommendations

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

2023/24 DSG Revenue Outturn as at quarter 3

DSG Area	Budget after Recoupment £'000	Outturn £'000	Variance £'000	Comments/Notes
Maintained Schools Budget Share	68,077	68,025	(52)	Variance relates to Early Years
High needs place funding within Individual Schools Budget	4,600	4,600	0	
DEDELEGATION				
Contingencies	0	2	2	
Behaviour support services	266	285	19	
Support to UPEG and bilingual learners	205	147	(58)	Change in staffing structure
Staff costs Maternity cover	104	143	39	
Staff costs Trade Union Facility Time	52	38	(14)	
HIGH NEEDS BUDGET				
High Needs Budget (including Special Schools, PRU and Additional Support Top-ups)	26,676	27,751	1,075	£222k School in financial difficulty £162k maintained topups £209k academy topups £156k Independent topups £409k SEN Support -£81k Support for Inclusion"
EARLY YEARS BUDGET				
2,3 and 4 year-olds funding to PVI's	9,167	8,639	(528)	Subject to clawback in following year
CENTRAL PROVISION WITHIN SCHOOLS BUDGET				
Contribution to combined budgets	77	78	0	
School admissions	234	240	6	
Servicing of schools forums	47	47	0	
Termination of employment costs	313	343	30	Premature Retirement costs
Pupil growth/ Infant class sizes	24	40	16	
Other Items	148	166	18	CLA/ MPA Licences top sliced from DSG for all school licences
Education Welfare service	143	143	0	
Statutory/ Regulatory duties	417	417	0	Includes ESG topslice agreed by Schools Forum
TOTAL DSG	110,550	111,103	553	

	£'000	Comments/Notes
Reserves balance at 31 March 2023	(3,965)	
Appropriation from reserve: in year adjustments	182	EY 22/23 clawback
Appropriation (to)/from reserve: in-year (surplus)/deficit	553	
Projected reserve balance at 31 March 2024 (surplus) / deficit	(3,230)	