

**Title of Report:** Quarter 2 DSG Monitoring

**Report of:** Darren Collins, Strategic Director, Resources & Digital

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## **Purpose of the Report**

1. To inform Schools Forum of the projected outturn position of the Dedicated Schools Grant (DSG) for 2024/25 as at quarter 2.

## **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 2024/25 is £123.352m.
5. The projected outturn for the year is £125.750m, an overspend of £2.398m, an increase of £0.233m compared to the previous quarter. The High Needs Block is projected to overspend by £2.448m, which is an increase of £0.271m. The main areas of variance are:
  - +£1,397k top-ups
  - +£287k Support for Inclusion
  - +£688k Alternative Provisions Services
6. The balance of the DSG reserve at 31 March 2024 was £2.719m. Factoring in the in year overspend of £2.398m and the Early Years clawback for 2023/24 of £0.131m is forecast to decrease the balance to £0.190m at 31 March 2025.
7. Whilst the projections include the teachers pay award of 5.5% from September it does not yet factor in any Local Government pay award for 2024/25, although this has now been confirmed as £1,290 per FTE. This will put further pressure on the budget and reserve position. All areas of spend are under review.

## **Proposal**

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

## **Recommendations**

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

## 2024/25 DSG Revenue Outturn as at quarter 2

DSG Area	Budget after Recoupment	Outturn	Variance	Comments/Notes
	£'000	£'000	£'000	
Maintained Schools Budget Share	66,584	66,584	0	
High needs place funding within Individual Schools Budget	4,620	4,620	0	Place funding only
<b>DEDELEGATION</b>				
Contingencies	0	0	0	
Behaviour support services	244	247	3	
Support to UPEG and bilingual learners	247	173	(74)	Change in staffing structure
Staff costs Maternity cover	102	107	5	
Staff costs Trade Union Facility Time	54	50	(4)	
<b>HIGH NEEDS BUDGET</b>				
High Needs Budget (including Special Schools, PRU and Additional Support Top-ups)	28,227	30,676	2,448	+£1,397k top-ups +£287k Support for Inclusion +£688k Alternative Provisions Services
<b>EARLY YEARS BUDGET</b>				
2,3 and 4 year-olds funding to PVI's	21,808	21,800	(8)	Subject to clawback in following year
<b>CENTRAL PROVISION WITHIN SCHOOLS BUDGET</b>				
School admissions	239	232	(7)	
Servicing of schools forums	47	56	9	
Termination of employment costs	312	360	48	Premature Retirement costs
Pupil growth/ Infant class sizes	210	210	0	
Other Items	166	143	(23)	CLA/ MPA Licences top sliced from DSG for all school licences
Education Welfare service	143	143	0	
Asset Management	107	107	0	
Statutory/ Regulatory duties	241	241	0	
<b>TOTAL DSG</b>	<b>123,352</b>	<b>125,750</b>	<b>2,398</b>	

	£'000	Comments/Notes
Reserves balance at 31 March 2024	(2,719)	
Appropriation from reserve: in year adjustments	131	EY 23/24 clawback
Appropriation (to)/from reserve: in-year (surplus)/deficit	2,398	
<b>Projected reserve balance at 31 March 2025 (surplus) / deficit</b>	<b>(190)</b>	