

Subject: DSG Budget Outturn Report 2022/23
Cabinet Member: Cllr Abdul Abdullahi
Report Number: 4

Item: 6a

Purpose of Report

This report provides details of the DSG outturn position for 2022/23 including confirmation of the final DSG allocation from the EFA as at March 2023.

Proposal

To note the contents of the report and the DSG cumulative deficit position for 31 March 2023.

Relevance to the Council's Council Plan

The Dedicated Schools Grant (DSG) is a ringfenced grant which funds schools and some central education functions. Updates on the DSG position are provided on a quarterly basis to EMT and Cabinet as part of the council's overall financial monitoring reports.

Main Considerations for ERG and Schools Forum

1. Cumulative DSG Deficit Position

Table 1 sets out the cumulative DSG deficit position as at 31 March 2022. The closing cumulative balance of **-£12.618** is held in a council reserve and is the starting point for the 2022/23 DSG monitoring position.

Table 1 – Accumulated DSG Carry Forward 2021/22

	£'000s
Balance brought forward 1 April 2020	-4.482
Net Overspend 2020/21	-3.567
Cumulative Deficit Balance 31 March 2021	-8.049
Net Overspend 2021/22	-4.569
Cumulative Deficit Balance 31 March 2022	-12.618

2. DSG Allocation 2022/23

The original estimate of gross DSG resources for 2022/23 amounted to £378.770m. Of this amount £2.2m would be provided direct by the Education and Skills Funding Agency (ESFA) to fund places in mainstream academy units and academy special schools. Budget allocations for 2022/23 were agreed within this level of resources.

During 2022/23 revised DSG allocations were published, with the final allocation released in March 2023. The revised allocations reflected updated academy and college recoupment for the Schools Block and High Needs Block and updated the Early Years Block allocation for pupil numbers collected via the termly returns. The final DSG position for 2022/23 is summarised in Table 2.

Table 2 – DSG Allocation 2022/23

DSG Summary 2022/23	ORIG 2022/23	Academy Recoup	Import/Export Adj 22/23	Early Years Adj 22/23	REVISED 2022/23
3.	£0	£0	£0	£0	£0
SCHOOLS BLOCK	285.544	-147.757			137.787
CENTRAL SERVICES	2.486				2.486
EARLY YEARS BLOCK	24.958			0.435	25.393
HIGH NEEDS BLOCK	67.990		0.341		68.331
GROSS DSG	380.978	-147.757	0.341	0.435	233.997
High Needs Recoupment	-2.208	-0.160			-2.368
NNDR Held centrally	-3.273				-3.273
Early Years adj 21/22				0.105	0.105
NET TOTAL DSG	375.497	-147.917	0.341	0.540	228.460

g Update 2022/23

The DSG budget is monitored on a quarterly basis and any variances are shared with Schools Forum and DMT. The table below shows the outturn position for 2022/23 as at 31st March 2023.

Table 3 – DSG Outturn 2022/23 as at 31/03/2023

DSG Monitor 2022/23	£0	Q1	P5	Q2	P8	P12
		Jun-22	Aug-22	Sep-22	Nov-22	Mar-23
	£0	£0	£0	£0	£0	£0
DSG Deficit b/f 01/04/2022	12,618					
Schools Block						
PFI			107	107	300	277
Bulge Class at Hazelwood		61	61	61	61	61
Central Schools Services Block						
Appeals Service vacancy/pay award uplift		(14)	(12)	(12)	(7)	(5)
Early Years Block						
Backdated Funding Adj 21/22		(105)	(105)	(105)	(105)	-676
High Needs Block						
Variance from initial 21/22		1,106	1,106	1,106	1,106	1,106
Import Export Adj - Increase to HNB					(324)	(341)
HNB Recoupment Adj					160	160
Special Schools revised Top Up rates		480	480	480	480	480
Special Schools - academic year place chg		0	0	0	(200)	(99)
PRU Orchardside		0	0	43	43	43
Exceptional Needs		0	0	0	0	0
ARPs and Special Units		0	0	0	0	0
Nurture Groups		(341)	(281)	(281)	(281)	-101
Behaviour Support Service		0	69	69	69	69
Outborough Placements		(473)	(89)	421	687	345
Post 16 High Needs		0	400	200	0	957
Home & Hospital enhanced provision		155	155	155	155	17
Peripatetic Service - Hearing Impaired		0	0	0	40	40
Therapies		0	0	0	162	162
Educ Psychology		0	0	0	(50)	(50)
SEN Team mat cover/agency staff		60	37	27	50	50
Parenting Support		133	127	127	134	123
High Needs Block Variance		1,120	2,004	2,347	2,231	2,960
Total Variance		1,062	2,056	2,291	2,480	2,618
Cumulative DSG TOTAL 22/23		13,738	14,674	14,909	15,098	15,236

The main changes between the outturn position and P8 monitor are as follows

- Early Years Block 22/23 – As expected we received a positive funding adjustment in 22/23 in respect of 21/22 to reflect increasing nos in early years settings, we also received further positive adjusted to the 22/23 for 2,3- and 4-years old pupils.
- Early years - in year underspends for both 3 and 4 years old.
- Adjusted HNB Allocation 22/23 – to reflect final import/export adj
- PRU-Implementation of outcome of PRU review. A small increase in funding on 22/23 will be followed by reductions in 23/24 and 24/25 as the new funding model is phased in.
- Projected overspend on Behaviour Support Service reflecting vacancies being filled and increased staffing costs (pay award, increments)
- Nurture Groups -The opening of 4 new Nurture Groups with effect from September 2022 which has reduced the underspend
- Special Schools – following the review of top rates, this reflects the increases as expected
- Out borough Placements – outturn position lower than projected at P8 due to placements ending and some costs being re-assigned to Post 16 SEN budget area.
- Post 16 SEN –Projected overspend on Post 16 High Needs based on a significant increase in learners and increased costs. Charges are being reviewed on an individual basis to ensure that only support detailed in their EHCP is being provided
- Therapies – increased costs for speech and language provision in special schools

Conclusions

The DSG budget remains under considerable pressure due to ongoing high needs overspends but it is positive to note that due to some changes and underspend in the last quarter, the total overspend is significantly lower than projected in January 23. As part of an ongoing programme, additional in borough places have been made available from September 2022, including the opening of the new Salmons Brook School, providing the most cost-effective way of meeting pupil needs. New early intervention programmes introduced in September 2021 to identify and pupils with special needs as early as possible and provide them with support, with the aim of reducing the longer-term financial impact will continued to be monitored in 2023/24.

The cumulative DSG deficit of £15.236m will be carried forward to 2023/24 and updates on the in year monitoring position will be provided at each meeting.

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Appendices

None

Background Papers

DSG Updates to ERG/Schools Forum during 2022/23 financial year.