

REPORT TO SUNDERLAND SCHOOLS FORUM

REPORT OF DIRECTORS OF FINANCE AND EDUCATION

11 January 2024

Dedicated Schools Grant Update and Projected Outturn 2023/24

1. Purpose of the Report

- 1.1 The purpose of this report is to provide the Schools' Forum with a projected outturn position for the Dedicated Schools Grant (DSG) in 2023/24 based on extant activity and funding information.
- 1.2 Section 2 of the report sets out the quantitative issues affecting the DSG and Section 3 covers some of the qualitative aspects.

2. Dedicated Schools Grant Projected Outturn 2023/24

- 2.1 The 2023/24 DSG in year forecast outturn position is a projected deficit of £3,525,026 as at January 2024. This is an increase in deficit of £1,212,790 compared to deficit reported at October 2023 Schools Forum. Therefore, the overall DSG deficit as at 31 March 2024 is projected to increase to £8,051,248. Details of the 2023/24 in-year projected overspend are provided in the table and paragraphs below:

2023/24 DSG Budget (After Recoupment)	Revised DSG Budget as at January 2024 £	Projected Outturn £	Total (Over) / Underspend £
Schools Block	42,684,426	42,086,201	598,225
Central School Services Block	1,407,262	1,263,438	143,824
Early Years Block	19,917,452	19,929,900	(12,448)
High Needs Block	33,199,430	37,454,057	(4,254,627)
TOTAL DSG	97,208,570	100,733,596	(3,525,026)

Schools Block and Central School Services Block (CSSB)

- 2.2 The Schools' Block is currently projected to be £598,225 underspent at the end of the current financial year due to projected underspends in Growth funding of £480,171 and Academy Rates savings following conversion of £118,054.
- 2.3 The Central School Services Block (CSSB) is projecting an overall underspend of £143,824. This is due to £100,352 underspend in Historic School Redundancy budget and an underspend of £43,472 in the Admissions Team.

Early Years Block

- 2.4 As at January 2024 the overall Early Years Block budget is projected to overspend by £12,448, compared to an underspend of £30,840 reported in October 2023.

High Needs Block

- 2.5 The volatility, uncertainty, and unknown variables in the High Needs Block (HNB) continue to make budget monitoring and forecasting the outturn position extremely challenging.
- 2.6 The HNB budget has reduced by £574,993 since last reported in October 2023. The budget has been adjusted as a result of Columbia Grange converting to an academy from 1 October 2023 and now receiving Commissioned Place funding directly.

As at January 2024, the projected HNB in-year outturn position for 2023/24 is an overspend of £3,525,026, which is an increase in deficit of £1,212,790 since last reported in October 2023.

The anticipated overspend is based on known commitments at this stage and is a result of a continued requirement for the increased number of commissioned places needed in both pre and post 16 along with EHCP top-up payments made during the year. Other factors include is an increase in number of Non-Maintained Independent Schools (NMIS) places and substantial percentage increases in fees paid due to Staff pay awards and cost of living increased costs.

- 2.7 The HNB forecast overspend is analysed in the table below:

High Needs Block	2023/24 Budget	2023/24 Projected Outturn	Variance
	£	£	£
Commissioned Places - Special	3,380,204	3,658,120	(277,916)
Commissioned Places - AP/Returners/Young Mums	2,540,476	2,537,891	2,585
Commissioned Places - Resource Provisions	230,166	332,474	(102,308)
Pay & Pensions Grant NEW in 21/22	806,124	813,769	(7,645)
Top Ups	15,256,614	16,872,744	(1,616,130)
Top Ups - Post 16	1,600,000	1,775,000	(175,000)
Virtual School	355,163	344,504	10,659
Residential – Non-Maintained Independent	5,974,459	8,095,003	(2,120,544)
Retained HNB	3,056,224	3,024,552	31,672
Total HNB - Together for Children	33,199,430	37,454,057	(4,254,627)

DSG Reserves

- 2.8 The previously reported adjusted DSG deficit reserve balance brought forward as at 31 March 2023 was £4,526,222. The projected in-year outturn position for 2023/24 is £3,525,026 overspend, therefore the overall projected deficit on the DSG Reserve as at 31 March 2024 is £8,051,248.
- 2.9 Appendix A provides a summary position of the 2023/24 budget and projected outturn.

3. High Needs Block Pressures

3.1 High Needs Block pressures 2023/24:

- Increase in number of successful EHCP applications.
- Total number of EHCP as at September 2021 was 2,067 increasing by 326 to a total of 2,393 as at September 2022. This further increased by 320 to a total of 2,713 EHCPs as at October 2023. As at January 2024 total EHCP pupils is 2,779, which is an increase of 66 in 3 months.
- Commissioned Places: there was an overall increase of 134 places from 1,740 in September 2022 to 1,874 in September 2023 required in special schools and Resource Provisions. A detailed report on Commissioned Place numbers for 2024/25 academic year was shared with Schools Forum at the November 2023 meeting, which showed a further requirement of 72 places from September 2024 taking total to 1,946.
- NMIS: increased charges for inflation plus increase in pupil numbers placed.
- Current projections for 2023/24 for top-up fees are based on the current EHCP numbers as at January 2024.
- Uncertainty of future Health funding for EHCPs.
- Retained staff pay awards.

4. Recommendations

4.1 The Schools Forum is invited to:

- i. Note the contents of the report;
- ii. Seek updates on the 2023/24 projected outturn position at the February 2024 School Forum meeting.

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2023/24 DSG Funding as at January 2024					APPENDIX A		
	Schools Block	Central School Services Block	High Needs Block	Early Years Block	Total 2023/24 BUDGET		
	£		£	£	£		
Funding Settlement 2023/24 (includes Pay & Pensions)	204,273,125	1,407,262	40,485,323	20,567,499	266,733,209		
Rates Deduction	(1,754,563)		0		(1,754,563)		
Central Teachers & AP provision Pay/Pension Grant			181,759		181,759		
Additional HNB Funding NEW 23/24			1,843,253		1,843,253		
Less import/Export adj for High Needs block			(426,000)		(426,000)		
Free Special Schools funding			898,667	0	898,667		
Total DSG (Before High Need Deductions)	202,518,562	1,407,262	42,983,002	20,567,499	267,476,325		
Less Academy Recoupment high Needs places			(10,796,161)		(10,796,161)		0
Early Years Adjustment 23/24				(650,047)	(650,047)		
	202,518,562	1,407,262	32,186,841	19,917,452	256,030,117		
Transfer from Schools Block to High Needs block	(1,012,590)		1,012,589		(1)		
Total Adjusted DSG (Before Academy Recoupment)	201,505,972	1,407,262	33,199,430	19,917,452	256,030,116		
Academy Recoupment	(158,821,546)				(158,821,546)		
Total DSG & YPLA After Schools recoupment	42,684,426	1,407,262	33,199,430	19,917,452	97,208,570		
						Projected Spend	(Over)/ Underspend
Local Authority							
Schools Block Breakdown							
Maintained Schools Budgets - Primary	41,551,727				41,551,727	41,551,727	0
Maintained Schools Budgets - Secondary					0	0	0
NEW De delegation Union Facility	23,425				23,425	23,425	0
Academy Recoupment Rates Saving	118,054				118,054	0	118,054
ESG Transfer into DSG - Retained functions		583,000			583,000	583,000	0
Admissions 1/4/23-31/7/23			66,000		66,000	51,787	14,213
Termination Of Employment Costs			100,352		100,352	0	100,352
Growth Fund	991,220				991,220	511,049	480,171
Copyright Licencing		236,354			236,354	236,354	0
Total DSG - Local Authority	42,684,426	985,706	0	0	43,670,132	42,957,342	712,790
Together for Children							
CSSB Retained including Schools Forum & NMIS Fees No EHCP		257,980			257,980	257,980	0
SACRE		13,000			13,000	13,000	0
Teachers Pensions Grant-Retained Teachers		48,576			48,576	48,576	0
Admissions from 1/8/23		102,000			102,000	72,741	29,259
Commissioned Places - Special			3,380,204		3,380,204	3,658,120	(277,916)
Commissioned Places - Link School & Alternative Provisions			2,540,476		2,540,476	2,537,891	2,585
Commissioned Places - Resource Provisions			230,166		230,166	332,474	(102,308)
Teachers Pay & Pensions Grant £660 per place			806,124		806,124	813,769	(7,645)
Top Ups			15,256,614		15,256,613	16,872,743	(1,616,130)
Top Ups - Post 16			1,600,000		1,600,000	1,775,000	(175,000)
Virtual School			355,163		355,163	344,504	10,659
Residential - Non Maintained Independent			5,974,459		5,974,459	8,095,003	(2,120,544)
Retained HNB			3,056,224		3,056,224	3,024,552	31,672
3&4 Year old				9,906,045	9,906,045	9,934,045	(28,000)
Additional hours 3 & 4 year olds				4,508,946	4,508,946	4,508,946	0
Pupil Premium				341,067	341,067	323,164	17,903
Additional Nursery funding				1,050,510	1,050,510	1,050,510	0
Retained by LA 5%				700,000	700,000	555,847	144,153
2 year olds				2,719,616	2,719,616	2,710,616	9,000
SEN inclusion				500,000	500,000	776,504	(276,504)
Disability allow				191,268	191,268	70,268	121,000
Total High Needs Block	0	421,556	33,199,429	19,917,452	53,538,437	57,776,254	(4,237,816)
Total Adjusted DSG	42,684,426	1,407,262	33,199,429	19,917,452	97,208,569	100,733,596	(3,525,026)
						DSG Deficit Reserve Balance 31/3/23	(4,526,222)
						Projected DSG Deficit Reserve Balance 31/3/24	(8,051,248)