



SCHOOLS FORUM

04 June 2024
Report sponsor: Sharon Buckby, Service Director – Learning Skills and Inclusion.
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**ITEM
01/24**

**Dedicated Schools Grant Centrally Held Budgets –
2023-24 Final Outturn**

SUMMARY	
1.1	The Dedicated Schools Grant (DSG) is a ring-fenced grant. Regulations allow any underspends or overspends to be carried forward and dealt with as part of the budget setting process for the following financial year. Schools Funding Regulations do not permit a redetermination of schools budgets in year. This report excludes balances held by schools.
1.2	The Dedicated Schools Grant (DSG) 2023/24 allocation for Derby is £307.482m and is split into four blocks: - <ul style="list-style-type: none"> • Schools Block £228.23m • Central School Services Block £2.65m • High Needs Block £56.601m • Early Years Block £20.00m
1.3	The final outturn position for the central elements of the DSG for the financial year 23-24 is a £8.246 million pressure. Overall DSG balances at the end of the financial year 31 March 2024, were £12.689m deficit.
RECOMMENDATIONS	
2.1	To note the final outturn position for 2023-24 and cumulative deficit carrying forward to 24-25.
SUPPORTING INFORMATION	
3.1	The DSG continues to report a deficit due to pressures within the High Needs Block. The reported cumulative forecast deficit at quarter 3 was £13.781m. The actual cumulative deficit for the financial year 2023-24 was £12.689m, a reduction of £1.092m. The primary reason for the reduction was the realisation of the Early Years underspend as intimated at quarter 3. The High Needs Block has an overspend of £9.031 which is broadly in line with the quarter 3 forecast. The following information gives detail on the final position for Derby for the 2023-24.

3.2	<p>The Schools Block reported a slight pressure of £0.052m on a budget of £228m. the main reason for this was backdated charges for NNDR.</p>
3.3	<p>The Central Block is reporting a balance position.</p>
3.4	<p>The Early Years Block outturn position was a favourable (£0.837m) surplus. The potential favourable census position that was reported at quarter 3 did materialise. The Spring uptake was greater than the reduced Autumn term numbers, meaning the actual forecast financial clawback for 23-24 is reduced, the 22-23 clawback was £0.2m.</p> <p>From 24-25 the early years allocations will be assessed at each census and actual allocation adjustments will be administered in year for the first time, financial impacts will be reported through the financial monitoring.</p>
3.5	<p>The High Needs Block in year outturn was a £9.031m deficit, a reduction from the unmitigated budget plan of £3.195m, details of the outturn position of the High Needs Block categories are as follows:</p> <p>Quarter 3 reported High Needs Block in-year deficit of £9.185m, the actual HNB in year deficit was £9.031m a favourable change of (£0.154m). this is made up of:-</p> <ul style="list-style-type: none"> • Element 3 Funding outturn position was £9.509m against an unmitigated budget plan of £7.064m. This was a decrease in the quarter 3 position of (£0.72m) from the forecast spend of £10.229m. A final variance from original budget of £2.445m pressure. It needs to be noted that the LA currently has a backlog of 169 plans waiting to be finalised, the current average package cost is £11,500 per annum. This backlog could potentially incur additional costs which would be realised in 2024/25. • Special Schools placement outturn position was £13.082m against an original budget of £12.883, this was an increase from the quarter 3 position of £0.673m, due to increased exception costs. A final variance from original budget of £0.199m pressure. • Enhanced Resource Settings outturn position was £1.731m against the budget of £1.536, this was a small reduction of (£0.036m) from quarter 3 position. A final variance from original budget of £0.195 pressure. • Independent out of authority specialist and other LA's placement outturn position was £18.383m against and unmitigated budget of £18.746, this was a decrease in the quarter 3 forecast position of (£0.897m) from a forecast of £19.280. A final variance from original budget of (£0.363) underspend. The reduction is primarily due to an unspent contingency. • Personal budgets (PB) outturn position was £0.374m a slight increase from quarter 3 of £0.019m. A final variance from original budget of £0.175 pressure, this is due to increased demand and uptake for such support, currently there are 24 families are in receipt of a PB. Expenditure has seen a 30% increase due to an increased in response to the growing need to create bespoke packages through education other than at school (EOTA). Typically for those children who are unable to access a school provision and allow the council to discharge its legal duty under section 19 of the education act and section 42 of the children and families act.

	<ul style="list-style-type: none"> • Post 16 provision outturn position was £3.553m against a budget of £3.090m. A final variance from original budget of £0.463m pressure, this is due to the growth in numbers at Derby College, numbers are now at 500 from 400 at the time of setting the budget. • Other high needs support services outturn position was £1.371m against a budget of £1.337m. A final variance from original budget of £0.032m pressure. The pressure is due to the 2023/24 pay award. • Contingency budget for demand was set at £8.260m, this reported a final outturn position of £1.919m, a final variance of (£6.341) underspend. The significant underspend was primarily due to the profile set in the budget for growth across other LA schools and independent settings.
3.6	<p>The balance of the DSG reserves carried forward into 2023/24 was £4.443m deficit. The in-year deficit for 2023/24 of £8.246m leaves a cumulative deficit balance on the DSG reserve of £12.689m.</p> <p>The mitigated forecast deficit for 2024/25 as per the DSG management plan was set at £2.988m thus forecasting a cumulative forecast deficit balance for the end of 2024/25 of £7.431m. The planned financial impact of the mitigations implemented did not materialise as forecast.</p>

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Background papers:	None
List of appendices:	None