

## Schools Funding Forum 13<sup>th</sup> June 2024

## ITEM 4

<b>Subject Heading:</b>	<b>Dedicated Schools Grant – Year End Balance 2023-24</b>
<b>Report Author:</b>	<b>Hany Moussa – Principal Education Finance Officer</b>
<b>Eligibility to vote:</b>	<b>All members</b>

### SUMMARY

This report sets out the year end position on expenditure from the Dedicated Schools Grant in 2023-24 and the proposed use of balances in 2024-25. (Revised)

### RECOMMENDATIONS

That the Schools Funding Forum:

- (i) notes the areas of under or overspend from the 2023-24 Dedicated Schools Grant
- (ii) agrees the allocation of funding in financial year 2024-25 as set out in the proposals below

### REPORT DETAIL

#### 1. Balance carried forward from 2023-24

Including all earmarked funding from previous financial years, the carry forward balance from centrally retained DSG from 2023-24 into 2024-25 is a deficit of £15.296m. The revised deficit, after commitments have been taken in consideration, at the end of 2022-23 was £8.521m, so the in-year increase was £6.775m.

In comparison, at the start of the financial year 2023-24, the forecasted cumulative deficit was estimated to be up to £16m.

This is the fifth year that the combined total of all year end balances of activities funded by the DSG has been in deficit. This is due to High Needs costs rising faster than funding and DSG underspends in other areas being insufficient to cover the overspend in the High Needs Block.

Any local authority that has an overall deficit on its DSG account at the end of the 2023-24 financial year, or whose DSG surplus has substantially reduced during the year, is required to complete the Dedicated School Grant Management Plan or to have an equivalent framework.

The DfE have setup a Delivering Better Value (DBV) in SEND Programme, and this new programme commenced in financial year 2022-23. The programme has been phased, starting with a first tranche of 20 authorities in June 2022, followed by a second tranche of 20 authorities in autumn (2022) and the third tranche of 15 authorities in spring (2023). Havering are in the second tranche which commenced in autumn (2022). The DfE prioritised the programme based on those LAs with significant deficits, ensure a balanced spread of advisers and also specific local authority requests.

A full breakdown of the under and overspends along with proposals for the allocation of underspends for use in 2023-24 is shown in the tables below.

	<b>Under/(Over) spend</b>	<b>Proposals</b>
<b>Funding Block</b>	<b>£000</b>	
<b>Early Years</b>	<b>2</b>	
Provision for 2 year olds and 3&4 year olds	138	As agreed, the use of any unspent balances in the Early Years Block is discussed with EYPRG prior to a decision being made.
Provision for Early Inclusion Funding	(103)	
EYSG	(49)	
Centrally retained	16	Offset Early Years overspend to providers and HN deficit *

<b>Schools Block</b>	<b>584</b>	Offset HN deficit *
Pupil Growth/Falling Rolls	425	
Other	159	

<b>De-delegation</b>	<b>220</b>	
Maternity	74	Cost and claims less than previous year/budgeted amount. Offset HN deficit *
Insurance	38	Cost and claims less than previous year/budgeted amount. Offset HN deficit *
Free School Meals Checking Service	17	Cost and claims less than previous year/budgeted amount. Offset HN deficit *

Trade Union Facility Time	26	Carry-forward to 24-25
EAL	19	Cost and claims less than previous year/budgeted amount. Offset HN deficit *
Attendance and Behaviour	46	Cost and claims less than previous year/budgeted amount. Offset HN deficit *

<b>High Needs Block</b>	<b>(16,118)</b>	
In year overspend	(7,595)	Deficit to be partially offset by other DSG underspends
Cary forward of overspent DSG from 22-23 (prior year deficit)	(8,523)	Increases the in-year deficit

<b>Central Schools Support</b>	<b>16</b>	Offset HN deficit *
School Partnerships/SCC	10	
Central Services	6	

<b>TOTAL</b>	<b>(15,296)</b>	<b>2023-24</b>	<b>In year change</b>
		(8,523)	(6,773)

#### Committed for 2024-25

Trade Union Facility Time	26
<b>Total commitments</b>	<b>26</b>

<b>Revised DSG cfwd to HN Block</b>	<b>(15,322)</b>
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#### Reconciliation of offset of HN deficit

HN deficit	(16,118)
Early Years Block	2
Schools Block	584
Central Schools Support	16
Other Block Adjustments	161
<b>HN deficit carried forward</b>	<b>(15,322)</b>