Joint Report:
Director of Finance
Director of Education, Early Years and Skills

Item 3 – Dedicated Schools Grant Final Outturn 2023/24 and Budget Update for 2024/25 and 2025/26

Schools Forum – 10th July 2024

1. Purpose of the Report

1.1 This report provides an update on the following:

- The final 2023/24 outturn for the Dedicated Schools Grant (sections 2.1 and 2.2)
- An update to the Dedicated Schools Grant budget for 2024/25 and 2025/26 (sections 3)

2. Outturn 2023/24 and Budget Update 2024/25 and 2025/26

2.1 Table 1 below compares the 2023/24 outturn and updated forecast for 2024/25 and 2025/26 to the position reported to the last meeting in January 2024.

Table 1 – DSG Update 2023/24 to 2025/26

DSG Summary 2023/24 to 2024/25	2023/24 Outturn £000	2024/25 Forecast £000	2025/26 Forecast £000
Schools Block (excludes central services)	240,592	255,312	255,312
Central Schools Services Block	2,461	2,352	2,352
Early Years Block	15,748	17,771	17,771
High Needs Block – pre/post 16	59,146	61,749	62,870
Two Year Olds' Funding	3,653	12,721	12,721
Early Years Pupil Premium	226	425	425
Early Years Disability Access Fund	130	216	216
Total Grant	**321,956**	**350,546**	**351,667**
Budget Requirement			
Individual Schools Budgets	241,031	255,928	255,312
Early Year Funding Delegated to Schools	6,785	8,440	8,240
High Needs Funding for Schools (including Post 16)	45,471	47,685	49,713
Total Delegated to Schools	**293,287**	**312,053**	**313,265**
Central Schools Services	2,461	2,352	2,352
Central Early Years Services	1,047	915	915
Central High Needs Services	11,373	12,800	12,800
Three and Four Year old PVI's	7,765	8,998	8,998
Under two & Two Year Old Funding	3,480	12,339	12,339
Total Retained Centrally	**26,126**	**37,404**	**37,404**
Early Years Pupil Premium	226	425	425
Early Years Disability Access Fund	130	216	216
Budget Requirement	**319,769**	**350,098**	**351,310**
(Deficit)/Surplus	**2,187**	**448**	**357**
Balance brought Forward	899	3,702	4,150
Provisional (Deficit)/Surplus	**3,086**	**4,150**	**4,507**
Anticipated Growth underspend committed for 24/25	616		
Balance Carried Forward	**3,702**	**4,150**	**4,507**

2.2 The actual in-year surplus for 2023/24 was £2.187m, which when added to the surplus of £0.899m brought forward from 2022/23 and with a positive adjustment of £0.616m for Growth underspend committed in the following year produces a cumulative (provisional) surplus of £3.702m as at 31 March 2024, this position is subject to external audit and Department for Education approval.

2.3 This represents an improvement of £0.141m compared to the projected outturn surplus of £3.561m that was reported to the January 2024 Schools Forum meeting. Table 2 below provides further detail in relation to the movements across the three years when compared to the position reported to the last meeting in January 2024. An underspend on Early Years (£0.324m) and an increase in the Growth funding carried forward into 2024/25 (£0.071m) is offset by a net increase in expenditure of £0.254m within the High Needs Block

Table 2- Analysis of Movements 2023/24 to 2025/26

DSG Management Plan 2023/24 to 2025/26	2023/24 £000	2024/25 £000	2025/26 £000
Balance b/fd	899	3,561	4,387
Change in surplus / (deficit) from previous year	2,662	826	476
As reported in January 2024	**3,561**	**4,387**	**4,863**
Additional funding:			
Schools Block			
Central School Services Block			
Early Years Block		524	524
High Needs Block		275	300
Movement in Funding	**0**	**799**	**824**
Additional adjustment to budget requirement :			
SB-Adjust Growth Underspend c/fd	71	-71	
HNB- Increased costs special schools	-61	92	0
HNB- Resourced	-49	-60	-47
HNB- Post 16	57	-128	-33
HNB- EHCP's	19	-11	-64
HNB- Additional requirement Out Of Borough	-220		
HNB- Recommit £275k additional High Needs Block funding		-275	-275
Early Years underspend (schools)	324		
Early Years (offset by additional income)		-724	-524
Movement in Budget Requirement	**141**	**-1,177**	**-943**
Net In Year Movement	**141**	**-378**	**-119**
Adjustment to Opening Balance		141	-237
Total Movement	**141**	**-237**	**-356**
Revised Surplus	**3,702**	**4,150**	**4,507**

2.4 The January 2024 Schools Forum was advised, that there would be an estimated in-year surplus for 2024/25 of £0.826m and that this in turn would produce a closing cumulative surplus of £4.387m when added to the forecast surplus brought forward of £3.561m.

2.5 Based on revised funding allocations (additional £0.799m) and updated expenditure projections (additional £1.177m), the forecast in-year surplus has reduced by £0.378m to £0.448m for 2024/25. The cumulative surplus at the end of 2023/24 of £3.702m is however £0.141m higher than the previously reported position, resulting in a net reduction of £0.237m and a revised cumulative surplus of £4.150m.

2.6 Similarly for 2025/26, the combined effect of revised funding allocations (additional £0.824m) and updated expenditure projections (additional £0.943m) is to reduce the forecast in-year surplus by £0.119m to £0.357m for 2025/26. After taking account of the adjusted opening balance (£0.237m) the cumulative surplus at the end of 2025/26 of £4.507m is £0.356m lower than the £4.863m reported the previous meeting in January 2024

2.7 It is an important element of the financial management of the Authority that the DSG is not in a deficit position, clearly the financial position of the DSG; the surplus reported in 2022/23 has significantly increased in 2023/24. The DSG is forecast to continue generating in year surpluses in each of 2024/25 and 2025/26 and close with a forecast cumulative surplus of £4.507m. It should however be noted that the current position is cumulatively £0.356m worse than the position reported in January 2024.The forecast position for 2024/25 and 2025/26 is actually £0.497m worse when taking account of the £0.141m improved outturn position

2.8 Table 3 analyses the movement by the 4 funding blocks that comprise the DSG. It shows the in year surplus or deficit for each of the four blocks from 2023/24 to 2025/26 and the total cumulative impact on the DSG, arriving at a forecast surplus of £4.507m at the end of 2025/26

Table 3 - DSG Summary by Funding Block

DSG Summary by Block	2023/24 Outturn £000	2024/25 Forecast £000	2025/26 Forecast £000		Total 2023/24 to 2025/26 £000
Schools Block					
Income	-240,592	-255,312	-255,312		-751,216
Anticipated Growth underspend	-616				-616
Expenditure	241,031	255,928	255,312		752,271
In year -Surplus/ Deficit	**-177**	**616**	**0**		**439**
Central Services					
Income	-2,461	-2,352	-2,352		-7,165
Expenditure	2,461	2,352	2,352		7,165
In year -Surplus/ Deficit	**0**	**0**	**0**		**0**
High Needs Block					
Income	-59,146	-61,749	-62,870		-183,765
Expenditure	56,844	60,485	62,513		179,842
In year -Surplus/ Deficit	**-2,302**	**-1,264**	**-357**		**-3,923**
Early Years					
Income	-19,757	-31,133	-31,133		-82,023
Expenditure	19,433	31,333	31,133		81,899
Sub Total	**-324**	**200**	**0**		**-124**
DSG Totals					
Income	-322,572	-350,546	-351,667		-1,024,785
Expenditure	319,769	350,098	351,310		1,021,177
Total in Year Surplus	**-2,803**	**-448**	**-357**		**-36,08**
Surplus Brought Forward	-899	-3,702	-4,150		-899
Cumulative Surplus	**-3,702**	**-4,150**	**-4,507**		**-4,507**

2.9 Pressure within the DSG and in particular services within the High Needs Block is increasing both locally and nationally where both demand for and the cost of services continue to grow exponentially year on year. Therefore, it is vitally important that the level

of scrutiny and management intervention that has returned the DSG to a surplus position is upheld to ensure that the surplus is maintained in future years.

2.10 Implementation of the programme of work funded under the Delivering Better Value in SEND combined with the complimentary work undertaken in the North West Change Partnership Programme (NWCPP) and the Early Language Support for Every Child initiative (ELSEC) will be pivotal in the consolidation and future sustainability of the of the DSG in Oldham and work will continue throughout 2024/25 and beyond to hopefully ensure that the projected surplus position is maintained going forward.

3. Actions/ Recommendations

3.1 Schools Forum is requested to note:

1) The draft 2023/24 outturn for the Dedicated Schools Grant
2) The current DSG budget for 2024/25 and 2025/26 and the forecast consolidated position as at 31 March 2026