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

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

Schools Forum – 25th June 2025

1. Purpose of the Report

1.1 This report provides an update on the following:

- The provisional 2024/25 outturn for the Dedicated Schools Grant
- An update to the Dedicated Schools Grant budget for 2025/26

2. Outturn 2024/25 updated Forecast 2025/26

2.1 Table 1 below details the 2024/25 outturn, an updated forecast for 2025/26 and a summary of the movements compared to the position reported to the last meeting in March 2025.

Table 1 – DSG Update 2024/25 to 2025/26

DSG Summary 2024/25 to 2025/26	2024/25 Outturn £000	2025/26 Forecast £000
Schools Block (excludes central services)	255,312	274,777
Central Schools Services Block	2,378	2,559
Early Years Block	17,480	18,535
High Needs Block – pre/post 16	61,719	66,954
Under Two & Two Year Olds' Funding	13,281	20,564
Early Years Pupil Premium	573	648
Early Years Disability Access Fund	216	218
Total Grant	**350,959**	**384,255**
Budget Requirement		
Individual Schools Budgets	255,928	276,157
Early Year Funding Delegated to Schools	7,757	8,189
High Needs Funding for Schools (including Post 16)	51,747	57,310
Total Delegated to Schools	**315,432**	**341,656**
Central Schools Services	2,398	2,559
Central Early Years Services	1,043	1,692
Central High Needs Services	13,558	16,576
Three and Four Year old PVI's	9,001	9,542
Under two & Two Year Old Funding	12,783	19,853
Total Retained Centrally	**38,783**	**50,222**
Early Years Pupil Premium	618	603
Early Years Disability Access Fund	26	408
Budget Requirement	**354,859**	**392,889**
(Deficit)/Surplus	**-3,900**	**-8,634**
Balance brought Forward	3,702	1,182
Provisional (Deficit)/Surplus	**-198**	**-7,452**
Anticipated Growth underspend committed for 25/26	1,380	
Balance Carried Forward	**1,182**	**-7,452**
Reported to Schools Forum at March 25	220	-5,747

2.2 The actual in-year deficit for 2024/25 was £3.900m, which when added to the surplus of £3.702m brought forward from 2023/24 and with a positive adjustment of £1.380m for Growth underspend committed in the following year produces a cumulative (provisional) surplus of £1.182m as at 31 March 2025, this position is subject to external audit and Department for Education approval.

2.3 This represents a favourable movement of £0.962m compared to the projected outturn surplus of £0.220m that was reported to the March 2025 Schools Forum meeting. Table 2 below provides further detail in relation to the movements in both years when compared to the position reported to the last meeting in March 2025. Favourable movements within Early Years (£0.384m) and within the High Needs Block (£0.626m) are offset by a reduction in the Growth funding carried forward into 2024/25 (£0.048m).

Table 2- Analysis of Movements since March 25 Schools Forum

DSG Management Plan- Variances	2024/25	2025/26
	£000	£000
Balance brought forward	3,702	220
Change in surplus / (deficit) from previous year	-3,482	-5,967
As reported in March 2025	**220**	**-5,747**
Additional funding:		
Schools Block		
Central School Services Block (CSSB)		136
Early Years Block	1,411	123
High Needs Block		-253
Movement in Funding	**1,411**	**6**
Additional adjustment to budget requirement :		
Schools Block-Adjust Growth Underspend carried forward	-48	48
Early Years (offset by additional income & balance brought forward	-1,027	-445
High Needs Block- Special schools	-203	-1,807
High Needs Block- Resourced	-60	-212
High Needs Block- Post 16		-64
High Needs Block- Central	889	-57
CSSB – offset by additional income		-136
Movement in Expenditure	**-449**	**-2,673**
Movement in Opening Balance		**962**
Movement compared to previous position	**962**	**-2,667**
Revised Surplus	**1,182**	**-7,452**

2.4 The March 2025 Schools Forum was advised that there would be an estimated in-year deficit for 2024/25 of £5.967m and that this in turn would produce a closing cumulative deficit of £5.747m when added to the forecast surplus brought forward of £0.220m.

2.5 Based on revised funding allocations (net increase of £0.006m) and updated expenditure projections (additional £2.673m), the forecast in-year deficit has increased by £2.667m from £5.967m to £8.634m for 2025/26. The cumulative surplus at the end of 2024/25 of £1.182m is however £0.962m higher than the previously reported position, resulting in a net increases in the pressure of £2.667m and a revised cumulative deficit of £7.452m.

2.6 Table 3 summarises 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 for 2024/25 and 2025/26 and the total cumulative impact on the DSG, arriving at a forecast deficit of £7.452m at the end of 2025/26.

2.7 There is an increased pressure of £2.150m within the High Needs Block increasing to £2.403m with an anticipated downward adjustment to funding of funding of £0.253m anticipated in July. There are increases in pressures relating to Resourced Provision (£0.212m), Post 16 (£0.064m) and £0.057m. The largest single contributor is an increase

of £1.817m in the cost of Special Schools. An increase of £0.136m of funding in relation to the Central Services Block is matched with anticipated expenditure. Likewise, an increase in Early Years funding of £0.123m is offset by an increase in planned expenditure of £0.445m, the net expenditure of £0.220m is offsetting the balance brought forward from 2024/25. Finally, the Schools Block Growth Funding being carried forward from 2024/25 has reduced by £0.048m from £1.429m to £1.380m and is fully committed in 2025/26.

Table 3 - DSG Summary by Funding Block

	BLOCKS				
	Early Years £000	Schools £000	High Needs £000	CSSB £000	Total £000
Balance brought forward from 2023/24		**616**	**3,086**		**3,702**
2024/25					
Income	31,550	255,312	61,719	2,378	**350,959**
Expenditure	31,228	254,548	65,305	2,398	**353,479**
In Year Balance (-) is deficit	**322**	**764**	**(3,586)**	**(20)**	**(2,520)**
Balance Carried forward to 2025/26	**322**	**1,380**	**(500)**	**(20)**	**1,182**
2025/26					
Income	39,964	274,777	66,954	2,559	**384,254**
Expenditure	40,286	276,157	73,886	2,559	**392,888**
In Year Balance (-) is deficit	**(322)**	**(1,380)**	**(6,932)**	**0**	**(8,634)**
Balance Carried forward to 2026/27	**0**	**0**	**(7,432)**	**(20)**	**(7,452)**

2.8 It is an important element of the financial management of the Authority that the DSG, wherever possible is not in a deficit position, notwithstanding which, clearly the financial position of the DSG has worsened. A surplus of £1.182m is being reported for 2024/25 this is due to an underspend in relation to growth funding within the schools block and also within Early Years, both of which are committed in 2025/26 and without which there would have been a closing deficit of £0.520m. The forecast deficit at the end of 2025/26 has increased, by £2.667m to £7.452m.

2.9 The increase is driven by pressures within the High Needs Block where both demand for and the cost of services continue to grow exponentially year on year, both locally and nationally. Therefore, it is vitally important that the level of scrutiny and management intervention that previously returned the DSG to a surplus position is upheld to ensure that the use of funding is optimised and future deficits are mitigated wherever possible. 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 2025/26 and beyond to ensure that the current position is mitigated as far as is possible going forward.

3. Actions/ Recommendations

3.1 Schools Forum is requested to note:

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