

Schools Management Forum

Report of: James Glover

Subject: Dedicated Schools Grant 2022-23 Outturn

Date: 13th June 2023

Introduction

1. The Dedicated Schools Grant (DSG) can only be spent for the purposes defined in regulations as within the Schools Budget. This includes the Schools, Early Years, High Needs and the LA Central Services Blocks. Any surplus or deficit on the DSG must be carried forward to the following year.
2. Any DSG underspend brought forward from the previous year may be used to support central expenditure (providing no limits are breached) in the schools block, or transferred to either the high needs or early years block (if agreed before April). Alternatively, any underspend may be carried forward to the next funding period and allocated to schools via the funding formula.
3. The purpose of the report is to:
 - Provide information on the final draft outturn for 2022-23 in respect of the High Needs Block, Early Years Block and centrally retained items including de-delegated services, as a consolidated DSG reserve balance;

2022-23 Outturn

4. The accounts for 2022-23 have now been provisionally closed and are now subject to External Audit. The final draft DSG outturn for 2022-23 was a £2,808,359.94 overspend. The main variances that make up this balance are in following paragraphs to explain how the different variances have arisen.
5. From the Schools block, a Growth Fund budget of £136k has been created to facilitate the identified requirement of 30 year 7 places from September 2022.
6. DSG has been under significant pressure and has carried deficits since the financial year 2017/18. The economy has seen increased levels of inflationary cost with the impact of Covid. Due to ongoing pressures of demand and support needs of children; exacerbating complexity, increased High Needs referrals and volume of plans, along with the associated costs, the overall DSG reserve balance deficit has worsened.

Summary of available funding

7. The following table highlights the funding available for reallocation.

Table 1: Dedicated schools grant (DSG) allocation for financial year 2022 to 2023 <i>(Published: 16 March 2023)</i>	
DSG Total after recoupment and deductions	£58,517,621
Schools block	£18,699,065
Central school services block	£1,042,205
High needs block	£26,903,499
Early years block	£11,872,852

Summary of DSG outturn and movement

8. The following table outlines the DSG outturn and movement per year.

Table 2: DSG reserve and outturn balances	
DSG Reserves balance of funding from 2020-21	3,291,132.04
DSG Outturn 2021-22 (Overspend)	465,126.09
DSG Reserves balance of funding from 2021-22	3,756,258.13
DSG Outturn 2022-23 (Overspend)	2,808,359.94
DSG Reserves balance of funding from 2022-23 (Deficit)	6,564,618.07

RECOMMENDATIONS

- That SMF note the current 2022/23 draft outturn position of £2,808,359.94 overspend;
- That SMF note the carry forward of the total DSG reserve deficit balance of £6,564,618.07 for 2022/23.