

SCHOOLS FORUM



Report subject	DSG Budget Monitoring 2023-24
Meeting date	13 December 2023
Status	Public Report
Executive summary	<p>The report considers the projected year end position which is that the budgeted funding gap of £27.1 million will be realised across all DSG blocks.</p> <p>The cumulative deficit at 31 March 2024 is forecast to be £62.9 million including the schools block variance, which is not yet referenced in the deficit management plan.</p>
Recommendations	The contents of the report to be noted
Reason for recommendations	Budget monitoring is an important element of current year financial management and budget planning for future years.
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Corporate Director	Cathi Hadley – Director of Children's Services
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Wards	Council-wide
Classification	For Information

Summary DSG Forecast

1. The DSG budget for this year was set with a funding gap of £27.1 million, adding to the deficit brought forward of £35.8 million. The quarter two projection expects the funding gap to remain broadly unchanged overall. Table 1 summarises the budget monitoring position for each funding block.

Table 1: Summary DSG Forecast 2023-24

			Funding	Spend	Net
Early Years	Budget	£000's	-21,866	21,866	0
	Actual	£000's	-21,444	21,443	-2
	Variance	£000's	421	-423	-2
School Block	Budget	£000's	-251,100	250,915	-185
	Actual	£000's	-251,100	250,607	-493
	Variance	£000's	0	-308	-308
Central School Services Block	Budget	£000's	-1,965	1,965	0
	Actual	£000's	-2,024	2,023	0
	Variance	£000's	-58	58	0
High Needs Block	Budget	£000's	-59,240	86,519	27,279
	Actual	£000's	-59,216	86,758	27,541
	Variance	£000's	24	239	263
Total DSG	Budget	£000's	-334,172	361,265	27,093
	Actual	£000's	-333,785	360,831	27,046
	Variance	£000's	387	-434	-47

- The deficit management plan on the meeting agenda does not take account of the surplus school block balance in 2023-24, £0.2 million of which was allocated to the early years SEND project (Dingley's promise).

Estimated DSG Income

- Overall DSG funding has reduced by £387,000 from the total budgeted, main due to early years.
- The net reduction in early years funding reflects the additional funding from finalising 2022-23 (£350,000) and a reduced projection for 2023-24 of £773,000 reflecting the falling birth rate of recent years.
- The central school services block allocation was increased (£58,200) after the funding for historical commitments was restored.
- The import / export adjustment on the high needs block has led to a reduction in the allocation by £42,000 reflecting an increase in net flow of EHCP pupils educated outside of BCP.

Estimated DSG Expenditure

- Overall expenditure is projected to be £47,000 less than forecast, the majority reflects the reduction in the early years block allocation.

Early Years Block Spend

- The projected reduction in early years funding is expected to be broadly matched by an equivalent reduction in payments to providers through the early years funding formula.

Schools Block Spend

- The mainstream schools funding formula is being paid to mainstream schools and recouped by the ESFA as per the formula set in January 2023.

10. A late change to the formula was required which removed the need to include inflation for academy rates bills. An underspend on the formula is therefore expected of £0.2 million.
11. The growth allocations will be finalised after the autumn census has been agreed by government. It is expected that some of the contingency allowed for will not be required and a saving of £0.1 million will result.

Central Schools Services Block Spend

12. The restoration of the full allocation for historical commitments will be used to support central functions within the LA.

High Needs Block Spend

13. There is a small overspend expected on expenditure of £0.2 million. Despite a greater use of state provision to reduce expenditure on higher cost independent places for EHCP's leading to a saving, bespoke provision and commissioned services is overspent due to the high rate of permanent exclusions.
14. The block would be underspent due to the back log had it not been for the significant increase in exclusions over the 2022-2023 academic year. The alternative provision budget is expected to be £1.5 million overspent as a result.
15. The backlog of needs assessments is being reduced and estimated costs have been included in the forecast, at current averages.
16. The £0.2 million cost of Dingley's promise is also included in the forecast, paid for by the budgeted surplus in the school's block.

Financial Implications

17. The DSG deficit is forecast to grow by £27.1 million during the year, with the cumulative deficit at 31 March 2024 at £62.9 million.

Legal Implications

18. It is a requirement of the council to monitor budgets during the financial year and best practice that the Schools Forum is made aware of issues relating to the DSG.

Appendices

DSG Budget monitoring 2023-24

Appendix – DSG Budget monitoring at quarter two

Budget Monitoring	Early Years £000's	Schools £000's	Central Services £000's	High Needs £000's	Total Budget £000's	Forecast	
						Outturn £000's	Variance £000's
DSG 2 year olds NFF	-2,424				-2,424	-2,323	101
DSG 3 year olds NFF	-19,146				-19,146	-18,461	684
DSG Pupil Premium	-177				-177	-190	-13
DSG Disability Access Fund	-118				-118	-118	0
DSG Prior Year					0	-352	-352
DSG NFF School Block		-247,599			-251,100	-251,100	0
DSG Premises		-1,705				0	0
DSG Growth Fund NFF (final)		-1,796				0	0
Block Transfer	0	0	0	0	0	0	0
DSG High Needs Block				-59,240	-59,240	-59,216	24
DSG Central School Services Block			-1,965		-1,965	-2,024	-58
Total Funding	-21,866	-251,100	-1,965	-59,240	-334,172	-333,785	387
Providers - 2 year olds	2,296				2,296	2,323	27
Providers - 3 and 4 Year olds	17,967				17,967	17,154	-812
Providers SEN top up grants	1,123				1,123	1,473	350
Early Years Pupil Premium	177				177	190	13
Disability Access Fund	118				118	118	0
Early Years LA duties	184				184	184	0
Mainstream Schools Formula		250,448			250,448	250,243	-205
Growth Fund - budget		467			467	364	-103
School Admissions			387		387	387	0
Servicing Schools Forum			10		10	10	0
Ex ESG Services (all schools)			999		999	1,057	58
Commitments - Premature retirements			17		17	17	0
Commitments - ASD Base / other			275		275	275	0
Licences Purchased by DfE			277		277	277	0
Place Funding				13,794	13,794	14,267	473
Top up Funding - State Sector				23,448	23,448	26,771	3,323
Top up Funding - Independent/NMSS				28,384	28,384	24,256	-4,128
Top up Funding - Post Schools				7,073	7,073	6,595	-478
Top up Funding - Pre schools				152	152	216	64
Top up Funding - Excluded Pupils/AP				1,492	1,492	3,030	1,538
Commissioned Services including Outreach				1,427	1,427	1,507	80
Hospital Education Top up				100	100	67	-33
Bespoke SEN /Therapies				5,589	5,589	6,072	483
Support for Inclusion				146	146	153	7
Special Schools Teachers Pay & Pension Grants				830	830	2,161	1,331
Spend relating to supplementary grant				2,700	2,700	0	-2,700
School block surplus				0	0	0	0
Early Years Central SEN support				626	626	828	202
Sensory Impaired Service				758	758	834	76
Total Expenditure	21,866	250,915	1,965	86,519	361,265	360,831	-434
In-year (Surplus) / Deficit	0	-185	0	27,279	27,093	27,046	-47
(Surplus) / Deficit bf					35,844	35,844	
(Surplus) / Deficit cf					62,937	62,890	