



Report to: Schools Forum

Date: 18th May 2023

Subject: Dedicated Schools Grant (DSG) -
Outturn Position 2022/23

Report of: Colette Dutton - Director Children and Families

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Summary: To inform Schools Forum of the year end position of the Schools Budget and DSG for 2022-23. To update Forum on the level of school's balances as at 31/03/2023.

Recommendation(s): For Schools Forum to note the contents of the report.

Implications:

*What are the **financial** implications?* Recorded within the report.

*What are the **staffing** implications?* n/a

Risks: n/a

1. Introduction

1.1 The purpose of the report is to inform Schools Forum of the financial outturn position for 2022/23 for the schools and the Dedicated Schools Grant (DSG).

2. 2022-23 Outturn Position

2.1 The appendices attached to this report highlight the following:

- School balances have decreased by **£2.405m**. (excluding schools closed and academised in-year).
- There was an underspend of **-£0.526m** on the Early Years block due to volatility in numbers.
- High Needs Block – We have an underspend of **-£0.541m** in-year (excluding the deficit contribution). As a result of the above we have reduced the overall High Needs block deficit from £3.612m to £3.071m. Overall funding increased by c15.8% (after recoupment) in 2022/23, compared with an increase in net expenditure of c14%. In 2023/24 we are seeing a reduction in funding growth to 11% year on year and therefore will need to look to stem the growth in expenditure to align to avoid adding to the historic deficit.

Further information is included in Appendix 3 of this report.

- The overall underspend in relation to centrally retained funding (including growth fund), totals **-£0.351m**. In summary, the underspends were as follows:
 - Growth Funding - £0.180m
 - NNDR adjustments in-year - £0.074m
 - Miscellaneous central underspends - £0.097m (e.g. Schools Forum, TU/Staff Costs de-delegation out-turn, other misc. spend/income)

It is proposed that this underspend will be committed to support an increase in EHCP funding bands. The practicalities and impact in terms of timescales for implementation and values of increases are currently being explored and will be subject of a future report to be brought through schools forum.

3. School Balances

3.1 Provided below is a summary of maintained school balances as at 31/03/2023. Appendix 2 lists the balances held individually by schools.

Table 1 – Summary of School Balances

Balances	Nursery & Primary (£)	Secondary (£)	Special (£)	Total (£)
As at 31/3/22	11,853,294	6,472,762	2,320,378	20,646,433
As at 31/3/23	9,762,375	6,388,661	2,090,725	18,241,760
Annual Increase / Decrease (+/-)	-2,090,919	-84,101	-229,653	-2,404,673
Annual % Increase / Decrease (+/-)	-17.64%	-1.30%	-9.90%	-11.65%

Number of Schools	80	10	6	96
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Average Balance 31/2/23	122,030	638,866	348,454	190,018
Average Annual Increase/Decrease	-26,136	-8,410	-38,276	-25,049
Median Balance 31/3/23	97,965	420,333	163,515	121,220
Median Annual Increase/Decrease	-24,054	3,894	-100,147	-24,485

- 3.2 The table shows an overall decrease in maintained school balances of - £2.405m, which now total £18.242m as at 31/03/2023. There has been an overall decrease in balances in all sector. 62 maintained schools had an in-year overspend, which represents 65%. This is indicative of the increasing cost pressures seen in the last 12 months in particular inflationary increases on utilities, non-pay costs and pay awards. 9 schools reported an overall cumulative deficit, totalling £0.258m. 6 schools had an in-year underspend in excess of £100,000 (2 primary, 3 secondary and 1 special)
- 3.3 At year end we had 9 schools reporting an overall cumulative deficit, totalling £0.258m. At the end of 21/22 we had 3 schools reporting a cumulative deficit of £0.125m and therefore this sees an increase of 6 schools and £0.133m respectively.
- 3.4 For completeness, in the past we have also reported on Academy balances, however, at the time of writing some accounts have not yet been published and will therefore be collated and reported at a future meeting once all information is available.

4. Recommendations

- 4.1 Forum to note the outturn position and level of balances held.
- 4.2 Forum to advise if any further information is required.