



**Report to:** Schools Forum

**Date:** 16<sup>th</sup> May 2024

**Subject:** Dedicated Schools Grant (DSG) -  
Outturn Position 2023/24

**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 2023-24. To update Forum on the level of school's balances as at 31/03/2024.

**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 2023/24 for the schools and the Dedicated Schools Grant (DSG).

## 2. 2023-24 Outturn Position

2.1 The appendices attached to this report highlight the following:

- School balances have increased by **£2.436m** (including £0.011m schools closed in-year).
- There was an underspend of **-£0.106m** on the Early Years block due to volatility in numbers.

2.2 High Needs Block – We have an overspend of **£2.514m** in-year. As a result of the above we have increased the overall High Needs block deficit from £3.071m to £5.585m. During the year the overall funding after deductions reduced from £47.490m to £47.398m 0.2% in 2023/24

2.3 In 2023/24 we are reported that we would see a reduction in funding growth to 11% year on year and therefore would need to look to stem the growth in expenditure to align to avoid adding to the historic deficit. The growth in funding from the NFF formula and basic need for high needs was 4.59% in 2023/24 compared to 4.12% in 2022/23. This compares to an increase in net expenditure of 18.8% from 2022/23.

Further information is included in Appendix 3 of this report.

2.4 The overall underspend in relation to centrally retained funding (including growth fund), totals **-£0.141m**. A contribution of **£0.077m** was made to SEND transformation and a further **£0.750m** to assist with the high needs overspend. Net position was **£0.685m** reduction in the centrally retained funding. In summary, the variances were as follows:

- Growth Funding £0.040m overspend
- Miscellaneous central underspends - £0.141m (e.g. Schools Forum, TU/Staff Costs de-delegation out-turn, other misc. spend/income)

2.5 The final position of the DSG at 31 March 2024 shows an overall deficit of **£0.700m**. This compares to an overall surplus as at 31<sup>st</sup> March 2023 of £2.394m. It is concerning that for the first time Wigan's overall DSG reserve has moved into a deficit position. As it currently stands, the statutory override, which separates out the DSG position from the wider Council financial position, is in place until 31<sup>st</sup> March 2026. With the current projection of the High Needs financial position, it is likely that the overall DSG deficit will increase in the intervening time.

2.6 The high needs outturn is attached as Appendix 2 to this report. The areas of overspend are in the table below. There have been increases in pupil

numbers and in the complexity of need in the special school provision and the independent school provision. This has put pressure on these budgets which both overspent by c£510k and c£2.078m respectively. Post 16 provision also was over budget by c£376k. There were additional costs to support pupils being educated outside of school in the Other AP and Hospital Tuition of c£25k and various other costs of c£80k including additional place funding.

2.7 There were savings which partly offset the increased costs. The main areas of saving and income generated were.

- staffing salaries due to posts vacant for part of the year
- increased buy back of services
- changes between the resourced provision providers used in the year
- increased recoupment income

2.8 Following a meeting of the High Needs Sub Group on the 27/02/24 the High Needs Recovery Plan is being reviewed and updated to work through the timing and impact of the potential mitigations. The updated plan and High Needs financial forecast will be presented to the next meeting of Schools Forum.

### 3. School Balances

3.1 Provided below is a summary of maintained school balances as at 31/03/2024. Appendix 2 lists the balances held individually by schools.

**Table 1 – Summary of School Balances**

Balances	Nursery & Primary (£)	Secondary (£)	Special (£)	Total (£)
As at 31/3/23	9,762,375	6,388,661	2,090,725	18,241,760
As at 31/3/24	10,392,994	7,585,209	2,699,556	20,677,760
Annual Increase / Decrease (+/-)	630,620	1,196,549	608,831	2,436,000
Annual % Increase / Decrease (+/-)	6.1%	10.8%	9.9%	11.7%
<b>Number of Schools</b>	<b>80</b>	<b>10</b>	<b>6</b>	<b>96</b>
<b>Average Balance 31/2/24</b>	<b>129,912</b>	<b>758,521</b>	<b>449,926</b>	<b>215,393</b>
<b>Average Annual Increase/Decrease</b>	<b>7,883</b>	<b>119,655</b>	<b>101,472</b>	<b>25,375</b>
<b>Median Balance 31/3/24</b>	<b>94,558</b>	<b>717,629</b>	<b>209,114</b>	<b>142,988</b>
<b>Median Annual Increase/Decrease</b>	<b>8,207</b>	<b>91,543</b>	<b>99017</b>	<b>12,125</b>

3.2 The table shows an overall increase in maintained school balances of - £2.436m, which now total £20.678m as at 31/03/2024. There has been an overall increase in balances in all sectors. Whilst overall this is a positive position it must be noted that 37 maintained schools had an in-year

overspend, which represents 39%. This relates to the continued increasing cost pressures in respect of inflationary increases on utilities, non-pay costs and pay awards.

- 3.3 9 schools reported an overall cumulative deficit, totalling £0.486m (2022/23 £0.258m). 5 of these schools had a deficit balance at 31/03/2023 and all but one of those balances increased. 3 schools had an in-year underspend in excess of £100,000 (2 primary and 1 secondary). Overall the schools deficit balances increased by £0.228m.
- 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.