

REPORT TO: Schools' Forum
DATE: 14th June 2023
REPORTING OFFICER: Operational Director - Finance
SUBJECT: DSG Outturn for 2022-23
WARDS: Borough wide

1.0 PURPOSE OF THE REPORT

To report to the Schools' Forum the Dedicated Schools Grant final Outturn for 2022-23.

2.0 RECOMMENDATION: That

- 2.1 The overall deficit balance of DSG from 2022-23 of £2,892,585 is carried forward into the 2023-24 financial year to be noted by Schools' Forum.
- 2.2 Schools' Forum note the continuing pressures resulting in an in-year overspend on the High Needs block of £1,322,188.

3.0 SUPPORTING INFORMATION

3.1 Grant settlement

The final amount of DSG allocated to Halton for 2022-23 was £135,992,777 split as follows:

Schools Block	£102,178,425
CSSB	£728,189
Early Years Block	£9,276,678
High Needs Block	£23,809,485

3.2 DSG Expenditure

Schools Block:

Following the approved transfer to the High Needs Block of £1,013,904 for 2022-23 there was £101,164,521 available for mainstream primary and secondary schools and academies to be determined through the funding formula in compliance with the National Funding Formula (NFF) requirements.

The total Academy Recoupment from the Schools Block in 2022-23 was £50,171,099 which was provided directly to Academies via the Education and Skills Funding Agency (ESFA) General Annual Grant (GAG) process.

The balance of £52,007,326 was provided directly to Maintained schools via their Individual School Budget (ISB) allocations.

High Needs Block:

Including the transfer from the Schools Block the revised High Needs block available for 2022-23 was £24,823,389 which was subject to recoupment of £3,145,001 for Academies and Further Education high needs places.

The in-year overspend for High Needs block came to £1,322,188 due to the ongoing pressures of increasing volumes of pupils requiring an Education Health and Care Plan (EHCP) with all associated costs including top-up funding as well as high-cost specialist placements in or out of Borough.

The notable areas of overspend include:

- Independent and Non-Maintained Special (INMS) out-borough Placements £845,568
- Post-16 SEND placements £64,148
- EHCP top-up funding in Maintained and Academy provision £246,587

The in-year variance is adversely affected due to the revised High Needs block allocation notified in March 2023 when compared to original allocation notified in December 2021 used for budget setting, following the FE recoupment deduction, this accounts for £152,737.

The accumulating deficit as a result of High Needs pressures has resulted in Halton being included in tranche 3 of the DfE Delivering Better Value (DBV) in High Needs programme. Further details of this will be provided to Schools' Forum in due course.

Early Years Block:

The final Early Years block allocation for 2022-23 was £9,276,678 with the actual spend based on hourly participation of 2, 3, and 4 year olds accessing universal and/or extended entitlements in Maintained of Private, Voluntary, and Independent (PVI), including Childminder provisions.

The actual spend was £9,029,380 resulting in an underspend on the Early Years block of £247,298. The underspend is due to reduced population at Early Years age ranges and will be subject to a subsequent year adjustment to the Early Years block allocation expected to be announced by July 2023.

Central School Services Block (CSSB):

The final CSSB allocation for 2022-23 was £728,189 with the final spend of £686,661 resulting in a small underspend of £38,528. This was as a result of reduced spending due to vacancies impacting on central support services.

3.3 **Final Outturn position**

In-year overall the DSG has overspent by £1,036,363 and taking into consideration the carry forward deficit balance of £1,856,222 from the previous financial year there is a total DSG deficit of £2,892,585 to be carried forward into 2023-24.

Appendix A includes a more detailed analysis of the 2022-23 Final DSG Outturn

4.0 **FINANCIAL IMPLICATIONS**

4.1 The Council is required to ensure that DSG funding is allocated in accordance with the Schools and Early Years Finance (England) regulations and in compliant with the statutory operational guidance relevant to each block of DSG.

4.2 The deficit on the DSG, specifically in respect to the High Needs pressures, is subject to DfE scrutiny through their Delivering Better Value (DBV) programme, of which Halton is included in Tranche 3 which effectively commences from September 2023. The DfE have assigned an external partner (Newton Europe) to work with DBV local authorities including Halton. Newton Europe are currently in liaison with the local authority as part of their initial fact-finding, data collation and diagnostic evaluations.

5.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

5.1 **Children & Young People in Halton**

It is essential that schools and education support services receive sufficient funding to allow them to support all children and young people.

5.2 **Employment, Learning & Skills in Halton**

None.

5.3 **A Healthy Halton**

None.

5.4 **A Safer Halton**

None.

5.5 **Halton's Urban Renewal**

None.

6.0 RISK ANALYSIS

- 6.1 The Council will continue to closely monitor the level of DSG spend throughout the year to mitigate against the risk of overspend against available funding.

7.0 EQUALITY AND DIVERSITY ISSUES

- 7.1 The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.

8.0 CLIMATE CHANGE IMPLICATIONS

- 8.1 None identified.

**Dedicated Schools Grant (DSG) Final Outturn
2022-23**

APPENDIX A

DSG Block	S251 Ref	S251 Budget	Forecast Expenditure	In-Year Variance to Budget
Schools Block				
Individual Schools Budget - Maintained & Academy	1.0.1	100,652,876	100,652,876	0
<u>De-Delegated Items - Maintained Schools</u>				
Contingencies	1.1.1	192,590	192,590	0
Free school meals eligibility	1.1.4	6,570	6,570	0
Staff costs – supply cover excluding cover for facility time	1.1.8	24,710	24,710	0
Staff costs – supply cover for facility time	1.1.9	19,460	19,460	0
Total De-Delegated		243,330	243,330	0
<u>Education Functions - Maintained Schools</u>				
Central support services	1.6.1	85,800	85,800	0
Asset management	1.6.3	22,720	22,720	0
Statutory/Regulatory duties	1.6.4	159,795	159,795	0
Total Education Functions		268,315	268,315	0
Total Schools Block		101,164,521	101,164,521	0
<u>High Needs Block</u>				
High needs place funding - Mainstream Units	1.0.2	794,400	794,400	0
High needs place funding - Special	1.0.2	3,650,000	3,650,000	0
High needs place funding - PRU	1.0.2	600,000	600,000	0
Top-up funding – maintained Mainstream Schools	1.2.1	1,944,676	1,973,300	-28,624
Top-up funding – maintained Special	1.2.1	2,335,491	2,330,744	4,747
Top-up funding – maintained PRU	1.2.1	1,473,562	1,495,024	-21,462
Top-up funding – academies, free schools and colleges	1.2.2	1,072,600	1,242,269	-169,669
Top-up funding – academies Special	1.2.2	2,293,027	2,324,606	-31,579
Top-up and other funding – non-maintained and independent providers	1.2.3	5,759,220	6,604,788	-845,568
Top-up and other funding – Post-16 FE	1.2.3	969,000	1,033,148	-64,148
SEN support services	1.2.5	3,089,550	3,017,738	71,812
Support for inclusion	1.2.8	44,600	124,528	-79,928
Direct payments (SEN and disability)	1.2.11	0	8,229	-8,229
Therapies and other health related services	1.2.13	20,000	16,802	3,198
Total High Needs		24,046,126	25,215,577	-1,169,451
Final DSG High Needs Allocation notified March 2023		777,263		
FE / AP recoupment			930,000	-152,737
Final High Needs Outturn 22-23		24,823,389	26,145,577	-1,322,188

Early Years Block

EYSFF (3 & 4 year olds):

Base rate

1. Base Rate(s) per hour, per provider type	6,659,449	6,520,448	139,002
(a) Deprivation	388,125	388,125	0
(b) Quality	246,394	246,394	0
3. Maintained nursery school (MNS) lump sums (if applicable)	88,225	88,225	-0
TOTAL FUNDING FOR EARLY YEARS SINGLE FUNDING FORMULA (3 & 4 YEAR OLDS):	7,382,193	7,243,191	139,002

EYSFF (2 year olds)

EYSFF (2 year olds)	1,455,667	1,330,595	125,072
----------------------------	------------------	------------------	----------------

7. SEN Inclusion Fund

7. SEN Inclusion Fund	40,000	41,137	-1,137
------------------------------	---------------	---------------	---------------

8. Early years contingency funding

(a) 2, 3 & 4 Year Olds	9,947	9,947	0
------------------------	-------	-------	---

9. Early years centrally retained funding

(a) 3 & 4 Year Olds	200,458	161,929	38,529
(b) 2 Year Olds	45,908	45,908	0

TOTAL FUNDING FOR EARLY YEARS CENTRAL EXPENDITURE:

256,313	217,784	38,529
----------------	----------------	---------------

10. Early years pupil premium

TOTAL FUNDING FOR EARLY YEARS PUPIL PREMIUM:

167,180	142,273	24,907
----------------	----------------	---------------

11. Disability access fund

TOTAL FUNDING FOR EARLY YEARS DISABILITY ACCESS FUND:

54,400	54,400	0
---------------	---------------	----------

Total Early Years Pro-Forma Allocation 2022-23

9,355,753	9,029,380	326,373
------------------	------------------	----------------

Final DSG Early Years Allocation notified March 2023

-79,075

Final Early Years Outturn 22-23

9,276,678	9,029,380	247,298
------------------	------------------	----------------

Central Schools Services Block (CSSB)

Contribution to combined budgets	1.4.1	50,000	50,000	0
School admissions	1.4.2	9,440	9,440	0
Other Items - Copyright Licencing Agency	1.4.14	109,210	109,206	4

Central Schools Services Block (CSSB) (FORMER ESG RETAINED DUTIES)

Statutory/Regulatory duties	1.5.3	559,539	521,015	38,524
-----------------------------	-------	---------	---------	--------

Final Central School Services Block Outturn 22-23

728,189	689,661	38,528
----------------	----------------	---------------

Dedicated Schools Grant (DSG) Block 2022-23	Original Budget S251	Final DSG Allocation	Final Expenditure	In-Year Variance to Budget
Total Schools Block	101,164,521	101,164,521	101,164,521	-0
Total High Needs	24,046,126	24,823,389	26,145,577	-1,322,188
Total Early Years	9,355,753	9,276,678	9,029,380	247,298
Total Central School Services Block	728,189	728,189	689,661	38,528
Total DSG 2022-23	135,294,589	135,992,777	137,029,140	-1,036,363
		698,188		
Deficit brought forward from 2021-22				-1,856,222
Deficit carry forward to 2023-24				-2,892,585