

Dedicated Schools Grant Outturn 2023-24

Date: 13 June 2024	Item 4	Type of report: Noting
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Purpose of Report

This report sets out the outturn of the Dedicated Schools Grant (DSG) 2023/24 which includes the carry forward to 2024/25.

Recommended Actions for School Forum

The Schools Forum is asked to note:

- i) Note that the Dedicated Schools Grant was in deficit by £8.7m at the end of the 2023/24 financial year, which included the deficit carry forward of £14.5m from 2022/23.
- ii) Note the position is provisional subject to external audit opinion.
- iii) Note that the position on maternity is noted and reviewed later in the year.

Dedicated Schools Grant 2023/24

- 1 The final end of year position for the 2023/24 financial year shows that the Dedicated Schools Grant had an in-year surplus of £1.9m. During the year, an additional £3.77m was received having met Safety Valve monitoring targets, taking the accumulated deficit down to £8.7m, to be carried forward into 2024/25.
- 2 The table below shows the final position by spending block. The allocations are those provided by the Department for Education, the outturn budgets are adjusted for the schools' block transfer:

	Southwark DSG Allocation 2023/24	Outturn 2023/24
	£000's	£000's
Schools Block	106,172	0
Central services block	1,882	(292)
High Needs Block	68,808	(1,692)
Early Years Block	24,011	0
Total before Safety Valve	200,874	(1,984)
Safety Valve Contribution		(3,770)
Deficit brought forward from 2022-23		14,467
Final Outturn for 2023-24		(5,754)

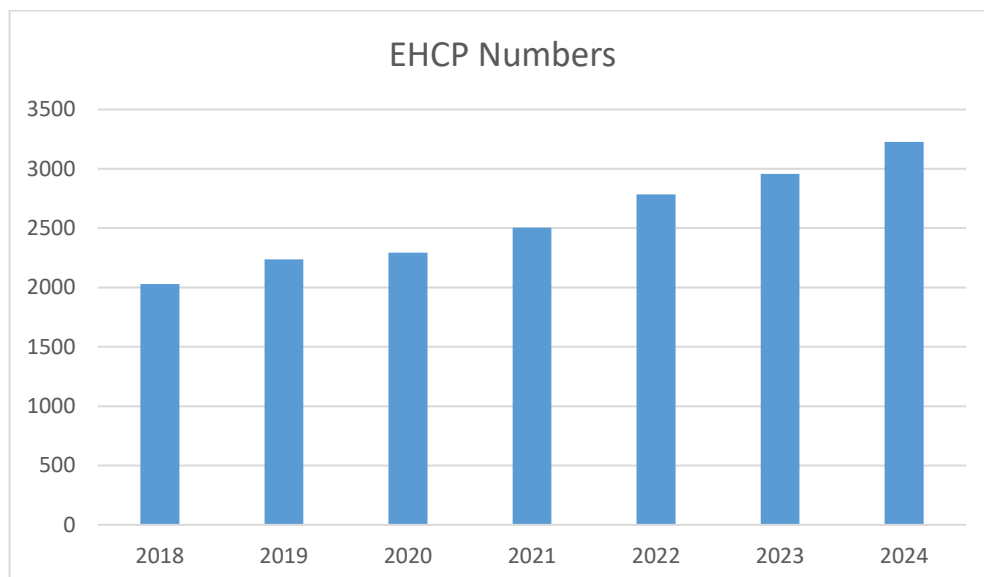
Final Cumulative Deficit for 2023-24		8,713
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Table 1: This table shows DSG Allocations and outturn

- 3 The key movements since the previously reported forecast is the underspend relating to the high needs budget, which ended the year with an underspend of £1.69m. This year saw higher than anticipated EHCP growth, although this was offset by the average cost of placements falling and a backlog of EHCP applications has been cleared, which has resulted in a reduction in expected cost for the year.
- 4 As a result of continuing pupil growth, spend increased by £3.6m, or 5.6%, a trend which is expected to continue with further growth in EHCPs. The growth in EHCP's over the last few years is shown in the table and chart below. EHCP numbers have risen by 59% since 2018.
- 5 The High Needs grant increase for 2023/24 was 12%, at £7.6m, significantly higher than is anticipated going forward so as costs continue to rise, the limited growth in grant will continue to drive pressure on High Needs budgets.
- 6 The Early Years block came in on budget despite previously forecasting a deficit due to the final spring census figures improving on expectation.

EHCP Numbers	2018	2019	2020	2021	2022	2023	2024
Under 5	13	80	84	112	113	91	75
Age 5 to 10	631	745	757	807	877	926	1026
Age 11 to 15	666	712	792	868	918	947	994
Age 16 to 19	532	522	490	518	588	629	709
Age 20 to 25	188	179	171	198	287	363	422
Total number by Age Group	2030	2238	2294	2503	2783	2956	3226

Table 2: This table shows the growth in EHCPs at January of each year.



- 7 The overall spend on the High Needs block was £68.3, an increase of £3.6m on last year. These figures are not inclusive of recoupment which funds commissioned places in Academy schools. On average the cost per EHCP fell by £699 per EHCP. More details are shown in the Appendix A.

De-Delegated Budgets

The summary position on De-Delegated budgets is shown in the table below:

	2023-24 Budget	2023-24 Outturn	Over/(Under) Spend
	£m	£m	£m
Schools in financial difficulty	0.6	0.4	(0.163)
Maternity	0.4	0.33	(0.08)
Trade Unions	0.06	0.06	0

- 9 The balances for both the Maternity and Schools in financial difficulty budgets has been rolled forward to the 2024-25 year to be made available for the schemes in the new year.

Maternity

- 10 Although there was a small underspend in the maternity scheme, it is noted that in previous years there has been a significant number of belated claims and so we will review the final position and provide an update in the new academic year should there be a remaining balance.

Schools In Financial Difficulty

- 11 Due to the variance between funds committed by the panel and final spend, there is a small balance to be carried forward and it is anticipated due to the ongoing financial pressures on schools that the balance will be fully committed in the new year.

Conclusion

- 12 The outturn for the year showed overall underspend on the DSG. However cost continued to rise, and whilst the increase in grant was sufficient to mitigate those costs this year, it is expected that the increase in grant in future years will be considerably lower, adding to the pressure on the High Needs block. In addition, EHCP numbers are anticipated to continue rise and to add pressure to high needs budgets and so the position on the DSG will remain extremely challenging as we progress through the next few years.

Appendix A – Comparison of Year-on-Year movement in the High Needs block spend.

	2023-24	2022-23	Change
	£000's	£000's	£000's
LBS Special and Hospital Schools	17,957	15,841	2,116
LBS Pru	2,376	2,158	218
SEND Placements	44,596	42,965	1,631
AP & Virtual School	1,275	1,049	227
Centrally Retained	2,112	2,602	-490
Total Spend	68,317	64,615	3,702
Total Pupils	3226	2956	270
Average EHCP Cost	21.18	21.86	-0.68