

Service Area:	Learning and Early Support / Schools Finance
Presented By:	David Baxter
Report:	Dedicated Schools Grant (DSG) Outturn 2022/2023
Date:	23 June 2023
Purpose Of Report:	To report the Dedicated School Grant Outturn for 2022/2023
Is a Decision Required?	No

Kirklees Schools Forum Public

23 June 2023

Dedicated Schools Grant (DSG) Outturn 2022/2023

1. Introduction

- 1.1 The 2022/2023 balances of all maintained schools are produced from the finalised information produced from each individual maintained school and collated within the overall Local Authority financial ledger.
- 1.2 In addition to the individual school balances, both de-delegated and traded elements of the Dedicated Schools Grant (DSG) are managed centrally within the financial ledger operating against terms and conditions devised and agreed by Schools Forum for the benefit mainly for, but not exclusively, maintained schools.
- 1.3 The report also covers the overall DSG outturn for 2022/2023, including the funding resulting from participation in the Safety Valve programme.

2. Individual School Balances

- 2.1 The balance for all maintained schools as at 31st March 2023 totalled £11.7million (£15.5 million 2021/2022). This includes the in year academisation of academisation of three schools and represents an overall reduction of £4.5million in balances, summarised in the Table below.

For year on year comparison purposes the balances held by the schools that transferred to academy status totalled £1.5 million, meaning that the net adjusted reduction in balances totalled £3.0 million.

Area	Number of Establishments	Combined Balance 31 March 2023
Primary Schools	99	£6.2 million
Special Schools	4	£0.8 million
Secondary Schools	6	£4.5 million
Total	109	£11.5 million

- 2.2 Further information covering the 'excess balances' for those schools which have exceeded the 10% (primary & special schools) and 8% (secondary schools) tolerance of their total budget will be agreed with each individual school, with any potential recoupment on these amounts then be considered at a future School Forum meeting.

3. Centrally Managed School Budgets

- 3.1 Both the de-delegation and the traded aspects of central school budgets are managed centrally on behalf of all schools. These fall into the following categories within the Financial Ledger and ultimately reconcile back to the approved de-delegation and agreed support rates and charges associated with Kirklees Business Solutions.
- 3.2 The overall effect on the DSG account for the above for 2022/2023 is a reported surplus of £51k. This is as a result of careful in year management of the interrelated accounts ensuring that appropriate mitigating cover was allowed for throughout the financial year.
- 3.3 The resulting surplus on this account is offset against the overall DSG deficit position as at 31st March 2023.

4. Overall Dedicated School Grant 31st March 2023

- 4.1 The overall DSG as at 31st March 2023 reports an overall carry forward deficit of £28.9 million which is an adverse movement from 31st March 2022 of £6.6 million from a reported deficit of £22.3 million comprised as follows in the table below:

Dedicated Schools Grant - Blocks	Net Budget £ million
High Needs	29.0
Early Years	-0.2
Schools and Central Schools and Services	0.1
Net Dedicated Schools Grant Reserve Account	28.9

- 4.2 In-year spend on High Needs in excess of the DSG funding allocation was £10.4m (equivalent in-year deficit in 2021/22 was £12.8m). The Council's successful ongoing participation in the Round 2 Dedicated Schools Grant deficit reduction Safety Valve Programme resulted in a further payment of £4m in 2022/2023 (£13.5 m in 2021/2022) reducing the net overspend to £6.4 million. [Kirklees SV agreement \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

5. Next Steps

- 5.1 Schools Forum are asked to note the:
- Final the impact on the financial position for the 2022/2023 Dedicated Schools Grant.
 - the overall balances on individual school accounts and consider what level of recoupment should be applied for 2022/2023; and
 - the overall outturn Dedicated Schools Grant 2022/2023, and the positive impact of the deficit reduction Safety Valve Programme on the overall finances for Kirklees Council.