

## Report for Schools Forum

<b>Service Area:</b>	Schools Finance
<b>Presented By:</b>	David Baxter
<b>Report:</b>	2023/2024 Dedicated Schools Grant (DSG) Outturn
<b>Date:</b>	21 <sup>st</sup> June 2024
<b>Purpose Of Report:</b>	To update Schools Forum on the 2023/2024 DSG Outturn
<b>Is a Decision Required?</b>	No

## Kirklees Schools Forum

21<sup>st</sup> June 2024

### 2023/2024 Dedicated Schools Grant (DSG) Outturn

#### 1. Summary

- 1.1 This report is to inform Schools Forum members of the 2023/2024 outturn position of the Dedicated Schools Grant (DSG). This includes the additional funding from the participation in the High Needs Safety Valve programme, as revised in March 2024 reflecting the updated grant payment profile that extends the scheme until 2029/2030, rather than 2026/2027 as originally agreed.
- 1.2 The summary information of the delegated maintained schools surplus and deficit balances is also provided as at 31<sup>st</sup> March 2024.

#### 2. Overall Dedicated Schools Grant (DSG) 31<sup>st</sup> March 2024

- 2.1 The overall DSG balance as at 31st March 2024 reports an overall deficit to be carried forward of £43.7 million, which is an adverse movement from 31<sup>st</sup> March 2023 of £14.8 million. The table below shows the individual funding block analysis:

Dedicated Schools Grant Reserve Account - Blocks	Net Outturn 2023/2024	Net Outturn 2022/2023	Year on Year Movement
	£ million	£ million	(+ adverse) £ million
High Needs	44.1	29.0	15.1
Early Years	-0.5	-0.2	-0.3
Schools and Central Schools and Services	0.1	0.1	0
<b>Net Dedicated Schools Grant Reserve Account</b>	<b>43.7</b>	<b>28.9</b>	<b>14.8</b>

- 2.2 The Council continues to participate in the Dedicated Schools Grant deficit reduction Safety Valve Programme that was updated in March 2024. This has resulted in payments totalling £19.7 million as at 31<sup>st</sup> March 2024. The total agreed ESFA contribution, to be paid by 31<sup>st</sup> March 2030, is £33.5 million (£13.8 million outstanding) to be paid annually at £2.3 million per financial year. [Kirklees SV agreement \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

#### 3. Individual School Balances

- 3.1 The balance for all maintained schools as at 31<sup>st</sup> March 2024 totalled £11.2 million (£11.7 million 2022/2023). This includes the in-year academisation of academisation of six schools and represents an overall reduction of £0.5 million 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 £0.3 million (including 1 school in deficit), equivalent to £11.5 million or a like for like reduction in balances of £0.2 million.

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Area	Number of Establishments	Combined Balance 31 March 2024
Primary Schools	93	£5.4 million
Special Schools	4	£0.6 million
Secondary Schools	6	£5.2 million
<b>Maintained Total</b>	<b>103</b>	<b>£11.2 million</b>
<b>In Year Academisation</b>		
Primary Schools	6	£0.3 million
<b>Comparison</b>	<b>109</b>	<b>£11.5 million</b>

3.2 A total of 26 schools, all primary, reported a cumulative deficit position as at 31<sup>st</sup> March 2024 of £0.78 million. All these schools are working to reduce their deficit balance as part of their budget / resource planning for 2024/2025 onwards.

3.3 Information covering the 'excess surplus balances' for those schools which have exceeded the 10% (primary & special schools) and 8% (secondary schools) tolerance of their total revised budget will be agreed with each individual school. Any potential recoupment on these schools will be considered in an additional report.

#### 4 Centrally Managed School Budgets

4.1 Both the de-delegation and the traded aspects of central school budgets are managed centrally on behalf of all schools. These fall into the two 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.

4.2 The overall effect on the DSG account for the above for 2023/2024 is a reported deficit 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. The maternity / paternity de-delegated resource reported an overspend of £61k and the Trade union de-delegated / traded service reported on overspend of £45k. Both these elements were mitigated through the use of the de-delegated contingency and continue to be monitored and reviewed in 2024/2025.

4.3 The net deficit of £24k is included in the overall DSG deficit position as at 31<sup>st</sup> March 2024.

### 5. Recommendations / Actions

Schools Forum are asked to note the following:

- The overall deficit outturn of the Dedicated Schools Grant (DSG) for 2023/2024 of £43.7 million.
- The total net surplus balance on individual maintained school accounts of £11.7 million.
- The outturn position for the centrally managed schools services.

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