

Report for Schools Forum

Service Area:	Schools Finance
Presented By:	David Baxter
Report:	2024/2025 Dedicated Schools Grant (DSG) Outturn
Date:	20 th June 2025
Purpose Of Report:	To update Schools Forum on the 2024/2025 DSG Outturn
Is a Decision Required?	No

Kirklees Schools Forum

20th June 2025

2024/2025 Dedicated Schools Grant (DSG) Outturn

1. Summary

- 1.1 This report is to inform Schools Forum members of the 2024/2025 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 31st March 2025.

2. Overall Dedicated Schools Grant (DSG) 31st March 2025

- 2.1 The overall DSG balance as at 31st March 2025 reports an overall deficit to be carried forward of £63.9 million, which is an adverse movement from 31st March 2024 of £20.2 million.
- 2.2 There were a number of significant underlying service pressures, including £20.1 m (2023/24: £15 m) on Special Educational Needs and Disability (SEND) activity, in excess of the resources available to fund this activity through the High Needs funding block allocation within the Dedicated Schools Grant (DSG).
- 2.3 The increase in costs was mainly due to rising complexity and demand in mainstream schools and inflationary increases from external providers. Following a period of enhanced monitoring during 2023/24 the DSG Safety Valve Management Plan has been extended until 2029/30 from 2026/27. The Council has now been removed from enhanced monitoring and the service continues to work collaboratively with schools and other partners to make every effort to reduce the cumulative deficit by 2029/30.
- 2.4 Costs continue to increase in relation to High Needs expenditure. The areas with cost pressures are Mainstream Top-Ups, Special School Top-Ups and Independent School Places. Additional local capacity has been introduced via Additionally Resourced Provisions and Special School Satellite provisions and a more robust approach to contract management and this has helped to mitigate any further increases. Cluster working for mainstream top up funding has also been implemented and it is anticipated that this will help to mitigate cost increases whilst also ensuring that the best possible outcomes for children are achieved.
- 2.5 Following the introduction of a Statutory Instrument in November 2020 and an extension for a further 3 years (from 2022/23 to 2025/26) along with an update of the CIPFA Code, this 'deficit' balance is held in the 'Dedicated Schools Grant Adjustment Account', an unusable reserve. The aim of the CIPFA code is to ensure that DSG deficits are ringfenced and held separately from General Fund resources so that specific measures can be put in place to address the deficits without placing pressure on resources required for other essential services.

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3. Individual School Balances

- 3.1 The balance for all maintained schools as at 31st March 2025 totalled £10.9 million (£11.2 million 2023/2024). This includes the in-year academisation of five schools and represents an overall reduction of £0.3 million in balances, summarised in the Table below.

Summary School Balances 31 st March 2025		
Sector	Number of LA Maintained Establishments	School Balance 31 st March 2025
Primary	88	£6.5m
Secondary	6	£4.4m
Special	4	£0.0m
Total	98	£10.9m

2024/2025 Academisation		
Sector	Number of Schools Academised	Total Balance Transferred
Primary	5	£0.4m

- 3.2 A total of 13 schools (26 in 2023/2024), reported a cumulative deficit position as at 31st March 2025 of £0.97 million (£0.76million 2023/2024). All these schools are working to reduce their deficit balance as part of their budget / resource planning process for 2025/2026 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 to Schools Forum.

4 Centrally Managed School Budgets

- 4.1 Both the de-delegation and the traded aspects of central school budgets are managed 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 2024/2025 is a surplus of £208k. 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 a surplus of £68k (£61k deficit in 2023/2024), the Trade union de-delegated / traded service reported on overspend of £36k (£45k deficit in 2023/2024) and the school reorganisations budget reported a surplus of £186k
- 4.3 The net surplus of £208k is included in the overall DSG deficit position as at 31st March 2025.

5. Recommendations / Actions

Schools Forum are asked to note the following:

- The overall deficit outturn of the Dedicated Schools Grant (DSG) for 2024/2025 of £63.9 million.
- The total net surplus balance on individual maintained school accounts of £10.9 million.
- The outturn position for the centrally managed schools services.

David Baxter
Schools Finance Manager