



Schools Forum

Report title: DSG 2022/23 Outturn Position Including Schools Balance Position

Date: 29th June 2023

Key decision: No.

Item number: 11

Outline and recommendations

The report sets out the Dedicated Schools Grant (DSG) outturn position including the position with regards schools' balances.

Schools forum is asked to note the contents of this report with particular focus on:-

- *the pressure on the DSG – High Needs Block*
 - *Central Schools Services Block*
 - *Surplus balance position for schools*

Timeline of engagement and decision-making

This report is for information and discussion

1. Summary

- 1.1 The report confirms the Dedicated Schools Grant Position for 2022/23 with an overspend of £2.6m and a cumulative position of £12.8m net.
- 1.2 This is broadly in line with the projected spend position. It should however be noted that the outturn position confirms the continuing pressure on the Dedicated Schools Grant – High Needs Block and the Central Schools Services Block. The Early Years funding is provisional, and will not be finalised until the later part of Summer 2023.

	Schools Block	CSSB	High Needs Block	Early Years Block	Total
	£m	£m	£m	£m	£m
Funding	180.1	4.2	70.3	24.7	279.3
Outturn	-180.1	-4.8	-73.8	-24.7	-283.4
Net position	-0.1	-0.6	-3.5	0.0	-4.1
Prior Year Reserves Applied	0.1	0.6	0.9		1.5
Net Position	0.0	0.0	-2.6	0.0	-2.6
Cumulative Position	0.3	0.0	-13.1	0.0	-12.8

2. Background

- 2.1. Each Local Authority receives a ringfenced grant known as the Dedicated Schools Grant (DSG) which requires adherence to detailed Grant Conditions.
- 2.2. The DSG is split into four parts being:
- **Schools Block** – this covers mainly the schools main budget share allocated to schools via the Schools Funding Formula and the Growth Fund. This mainly covers the 5 to under 16 age range.
 - **The Central Block** – This varies for each Local Authority based on the agreed spend positions as at baseline year 2012/13. The “historic baseline” element continues to be abated by 20% per annum. The second element of this block is pupil led. Each year funding is adjusted for total pupil numbers multiplied by the unit price determined by the DfE.
 - **High Needs Block**- This funding supports costs associated with special needs and alternative provision. The High Needs Block includes the costs of our special schools (and special units) as well as payments made via other provisions including outborough placements, residential placements, Further Education etc. This covers 0 to 25 specialist provision costs.
 - **Early Years Block** covers the 2, 3 and 4 years entitlement costs. Including supplementary funding for the Maintained Nursery Schools, Disability Fund, EY pupil Premium etc. There is a requirement on the main 3 and 4 year old budget that 95% of the budget must be identified for budgets that support providers. This could include hourly rate, deprivation funding, inclusion funding etc.
- 2.3. The DSG 2022/23 position remains provisional until the January Pupil Census data is finalised for Early Years which is always post closure of accounts and mainly at

Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

end of June/early July.

3. DSG 2022/23 Position

- 3.1. Table 1 below shows the DSG position for 2022/23. Schools Forum will note that overall the DSG is broadly in line with prior year reporting. There is a provisional overspend of £2.6m in year after application of prior year reserves, where stated. The reported position is subject to the finalisation of the Early Years Block.
- 3.2. There remains a duty to spend within budget.
- 3.3. Table 1 below further shows the outturn position for 2022/23.
- Schools Block has a minor overspend of £100k relating to in year expansions for secondary schools (this is met from centrally held growth fund, revised balance is now £300k)
 - Central Schools Services Block – Schools forum recall that the CSSB has faced in year reductions of 20% for the last three years. General fund support has been applied of £500k plus the final reserves held in anticipation of reduction in funding. Officers are currently reviewing delivery of services as part of a wider strategic review of service.
 - High Needs Block in year overspend was a more favourable £4.2m (a reduction on the previous forecasts by £800k). The cost was partially offset by £900k from the EY funding agreed (2022/23) and £700k Schools Block, as agreed with Schools Forum. Schools Forum will be aware of the mitigation plan in place. Update from the Head of Integrated SEND Services for Children & Young People is to be provided at this meeting.
 - Early Years Block – Schools Forum will be aware that the Early Years Block is funded on January counts, so funding for 2022/23, is based on January 2021 and January 2022. At the time of writing we have not had finalisation of information from the DfE, but would expect the final position to be a surplus. Once the DfE has confirmed, a report will be presented to Schools forum to discuss the next steps.

Table 1

	Schools Block	CSSB	High Needs Block	Early Years Block	Total
	£m	£m	£m	£m	£m
Funding	180.1	4.2	70.3	24.7	279.3
Outturn	-180.1	-4.8	-73.8	-24.7	-283.4
Net position	-0.1	-0.6	-3.5	0.0	-4.1
Prior Year Reserves Applied	0.1	0.6	0.9		1.5
Net Position	0.0	0.0	-2.6	0.0	-2.6
Cumulative Position	0.3	0.0	-13.1	0.0	-12.8

Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

4. Schools Balances

4.1. The table below notes the schools' balances position for 2022/23.

	2022/23			2021/22			Movement	
	£m	%	£m	£m	%	£m	£m	£m
	cumulative		in year	cumulative		in year	cumulative	in -year
Nursery	0.68	-4%	0.26	0.42	-2%	0.33	0.3	-0.07
Primary	-7.90	41%	8.20	-16.10	62%	2.46	8.2	5.73
Secondary	-4.27	22%	-0.22	-4.05	16%	-1.41	-0.2	1.19
All Through	-0.61	3%	-0.26	-0.35	1%	-0.03	-0.3	-0.24
Specialist	-7.07	37%	-1.00	-6.07	23%	-1.14	-1.0	0.14
	-19.16	1	6.98	-26.14	100%	0.22	7.0	6.76

4.2. Some key headlines are that overall, the school balance position has reduced from £26m to £19m.

- Nursery schools' position is worsened by £0.26m – (-4%)
- Primary schools' position has worsened by £8.2m – 41%
- Secondary has increased by £0.2m – 22%
- All through has increased by £0.26m -3%
- Special Schools has increased by £1m - 37%

4.3. Table below shows the number of schools by phase and balances. The figures below are supported by 3 schools having loan arrangements to the value of £1.3m. Therefore, the overall number of schools in deficit is now 21. There are various reasons for this, including, falling numbers, school improvement issues, lack of long-term planning, amongst other reasons.

2021/22	Schools By Phase	Deficit	Surplus <5%	Surplus <10%	Surplus <15%	Surplus >20%	Surplus <20%
Nursery	2	1	0	1	0	0	0
Primary	57	8	4	7	11	15	12
Secondary	8	1	2	3	2	0	0
All through	2	1	1	0	0	0	0
Specialist	6	1	0	0	0	2	3
	75	12	7	11	13	17	15
2022/23	Schools By Phase	Deficit	Surplus <5%	Surplus <10%	Surplus <15%	Surplus less than 20%	Surplus more than 20%
Nursery	2	2	0	0	0	0	0
Primary	57	17	11	9	4	6	10
Secondary	8	1	1	4	1	0	1
All through	2	0	1	0	1	0	0
Specialist	6	1	0	0	0	2	3

Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>

Total	75	21	13	13	6	8	14
Difference	Schools By Phase	Deficit	Surplus <5%	Surplus <10%	Surplus <15%	Surplus less than 20%	Surplus more than 20%
Nursery	0	1	0	-1	0	0	0
Primary	0	9	7	2	-7	-9	-2
Secondary	0	0	-1	1	-1	0	1
All through	0	-1	0	0	1	0	0
Specialist	0	0	0	0	0	0	0
Total	0	9	6	2	-7	-9	-1

4.4. **Schools Forum is asked to note the overall school balances position.**

5. Financial implications

5.1. The number of schools falling into deficit is of concern.

5.2. The High Needs Block and Central Schools Services Block both also remain areas of concern and review to consider longer term sustainability. As stated, work has been progressing on both areas as part of wider strategic reviews.

6. Legal implications

6.1. There are no specific legal implications arising at this stage.

7. Equalities implications

7.1. At this stage there are no direct implications arising from this report. Equalities impact will need to be considered as Lewisham progresses options towards mitigating an overspend position on the high needs block.

8. Climate change and environmental implications

8.1. Not applicable

9. Crime and disorder implications

9.1. Not applicable

10. Health and wellbeing implications

10.1. Not applicable

Report author and contact

Mala Dadlani Strategic Business Partner -CYP

mala.dadlani@lewisham.gov.uk 020 8314 3581

Is this report easy to understand?

Please give us feedback so we can improve.

Go to <https://lewisham.gov.uk/contact-us/send-us-feedback-on-our-reports>