

## CITY OF WESTMINSTER

### SCHOOLS' FORUM 13<sup>th</sup> NOVEMBER 2023

#### REPORT BY LEAD STRATEGIC FINANCE MANAGER - CHILDREN'S SERVICES

#### 2023/24 DEDICATED SCHOOLS GRANT BUDGET MONITORING AND ESTIMATED SCHOOL BALANCES

This report provides Schools' Forum with an update on the revised Dedicated Schools Grant (DSG) allocation, budgets set and forecasts for 2023/24.

Information is also provided on estimated school balances.

**FOR INFORMATION**

## 1 INTRODUCTION

- 1.1 The Dedicated Schools Grant allocation for 2023/24, based on information published by the Education and Skills Funding agency (ESFA) in July 2023, was £95.358m. This figure was after deductions for academies recoupment, and funding of high needs places in academies.
- 1.2 Table 1 shows a comparison between the updated DSG allocation as reported by the ESFA in July 2023 compared to the March 2023 position.
- 1.3 The changes since March are: a decrease of £0.084m to the Early Years block to reflect a headcount decrease compared to numbers (particularly 2 year olds) used for the March 2023 DSG; an increase of £0.322m to the High Needs allocation mainly due to a net increase in the import / export adjustment as a result of an increase of other borough residents with Education, Health and Care Plans (EHCPs) attending Westminster provision.

## 2 2023/24 DSG ALLOCATION

2.1 The DSG allocation as at July 2023 compared to the March 2023 DSG allocation is shown in table 1:

**Table 1 – DSG Allocations 2023/24**

<b>Funding Blocks</b>	<b>2023/24 DSG @ July 23</b>	<b>2023/24 DSG @ Mar 23</b>	<b>Change since March 23</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Early Years Block</b>			
3-4yo funding	9,967	9,936	31
Maintained Nursery Supplement	1,279	1,300	(21)
2 yo funding	1,191	1,285	(94)
Early Years Pupil Premium	122	123	(1)
EY DAF	58	58	0
<b>Total Early years Block</b>	<b>12,617</b>	<b>12,701</b>	<b>(84)</b>
<b>Schools and Central Schools Services Block (CSSB)</b>			
Schools Block Formula and CSSB	126,305	126,306	0
Academy Recoupment Adjustment	(80,714)	(79,328)	(1,386)
Transfer to High Needs Block	0	(0)	0
<b>Total Schools and CSSB (before NNDR deduction)</b>	<b>45,591</b>	<b>46,978</b>	<b>(1,386)</b>
<b>High Needs Block</b>			
High Needs Block Formula Funding	41,977	41,587	390
Deductions for High Needs Places in Academies	(3,493)	(3,425)	(68)
Transfer from Schools Block	0	0	0
<b>Total High Needs Block</b>	<b>38,484</b>	<b>38,162</b>	<b>322</b>
<b>Total DSG Allocation 2023/24</b>	<b>96,693</b>	<b>97,841</b>	<b>(1,148)</b>
Schools Block NNDR deduction	(1,334)	(1,334)	0
<b>Total DSG after NNDR deduction</b>	<b>95,358</b>	<b>96,506</b>	<b>(1,148)</b>

### 3 DSG BUDGETS AND BUDGET MONITORING

3.1 At October 2023, the projected year end DSG position is shown below in table 2 and includes overspend and underspend variances. This is based on the amended DSG allocation, the resulting revised budgets and is for information.

**Table 2 – DSG Budget Monitoring 2023/24**

<b>Budget Area</b>	<b>Revised Budget</b>	<b>Forecast Oct 2023</b>	<b>Projected Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Early Years Block</b>			
3 to 4-year old Formula Funding (PVI)	4,313	4,313	0
3 to 4-year old Formula Funding (Schools)	4,313	4,313	0
3 to 4-year old Formula Contingency	284	284	0
2-Year old Funding	1,191	1,191	0
Deprivation	388	388	0
Maintained Nursery Supplement	1,279	1,279	0
SEN Inclusion Fund (SENIF)	170	170	0
Disability Access Fund (DAF)	58	58	0
Early Years Pupil Premium	122	122	0
Early Years Provision	0	0	0
Children in Need Provision	104	104	0
EY Miscellaneous and Nursery Rents	0	0	0
Childcare and Early Education Service	372	372	0
<b>Total Early Years</b>	<b>12,617</b>	<b>12,617</b>	<b>0</b>
<b>Schools Block &amp; CSSB</b>			
Schools Formula	42,484	42,484	0
Falling Rolls and Growth Fund	92	225	133
Copyright Licences	113	113	0
De-delegated Trade Unions supply	73	73	0
Schools Contingency	57	57	
School Restructures	427	427	0
School Standards	170	170	
Virtual School	146	146	0
Admissions (including Fair Access Payments)	346	426	80
Servicing of Schools' Forum	46	46	0
Statutory duties chargeable to the DSG eg planning for education service and finance functions	303	303	0
<b>Total Schools and CSSB</b>	<b>44,257</b>	<b>44,470</b>	<b>213</b>

Budget Area	Revised Budget	Forecast Oct 2023	Projected Variance
<b>High Needs Block</b>			
Top-Up Maintained Pre-16	8,022	7,555	(467)
Top-Up Academies, Free, College Pre-16	3,883	3,418	(465)
Top-Up Out of Borough	6,383	6,201	(182)
Top-Up Independents Pre-16	3,705	3,377	(328)
Top-Up Post 16 Academies, Colleges	2,947	4,144	1,197
Top-Up Post 16 Independents	2,539	2,593	54
Top-Up Post 16 Maintained	203	234	31
Targeted Support	250	250	0
Special Schools and Units Places	3,439	3,539	100
Alternative Provision Commissioning	1,033	1,233	200
Hospital Education	379	379	0
Looked After Children Belongings Regulations	700	700	0
SEN Outreach	845	880	35
SEN Commissioning ABA	0	0	0
SEN Services	567	567	0
Occupational Therapy	687	737	50
Portage	211	211	0
Other Support & Therapies	173	173	0
Speech & Language Therapy (SALT)	1,420	1,470	50
Equipment	50	50	0
2022/23 costs variance to accruals estimate in accounts	0	0	0
Earmarked for High Needs pupil development	755	456	(299)
Additional DSG allocation	293	0	(293)
<b>Total High Needs Block</b>	<b>38,484</b>	<b>38,167</b>	<b>(317)</b>
<b>Total Dedicated Schools Grant 23/24 (Rounding's to £1,000)</b>	<b>95,358</b>	<b>95,254</b>	<b>(104)</b>

## EARLY YEARS

- 3.2 The 3 to 4 year old formula funding budget is derived from the January 2022 school census and early years census. The hourly rate set was adjusted to take account of deprivation, SENIF and centrally retained budgets.
- 3.3 The 2 year old funding allocations are based on the January 2022 census data.

- 3.4 The Early Years block will be adjusted to reflect the January 2023 census data and a final adjustment will be made in 2024/25 to reflect 2023/24 early years census counts.
- 3.5 Following a reconciliation between census and Synergy portal data, payments relating to 2022/23 will need to be made. Additionally, there were historical commitments exceeding the funding available and as a result, there is no underspend in the Early Years block to report for 2022/23.
- 3.6 Providers are encouraged to ensure census data is completed accurately and in a timely manner to ensure resulting payments are as expected. The data team can provide further advice where needed.

## **SCHOOLS AND CSSB**

- 3.7 The forecast overspend is mainly due to the falling rolls funding totalling to £133,000 which was agreed to be funded from reserves in the January 2023 forum. Additionally, there is an in-year funding pressure for secondary fair access DSG payments of £80,000.

## **HIGH NEEDS**

- 3.8 Overall there is an in-year £160,000 underspend forecast against top ups, the costs for independent sector and out of borough placements are subject to further review. Other forecast top up figures are also subject to change, as validation continues to take place regarding new starters and costs for individual young people, particularly those in the FE colleges, to ensure that all additional costs are included.
- 3.9 Special School and units place funding shows an overspend of £100,000 due to additional pupils at Dorothy Gardner Nursery School and Marylebone Boys' School.
- 3.10 Alternative Provision Commissioning is forecast to overspend by £200,000 to reflect allocations including the cost of The Pears Family school placements.
- 3.11 SEN outreach is forecast to overspend by £35,000 to reflect staffing pay costs.
- 3.12 Occupation therapy is forecast to overspend by £50,000 regarding pay award increases in therapy costs.
- 3.13 Speech and Language therapy (SALT) is forecast to overspend by £50,000 regarding pay award increases.
- 3.14 The review of costs relating to 2022/23 which were estimated during the closure of the 2022/23 accounts is underway and is currently forecast as breakeven.

- 3.15 The funds for high needs pupil development are currently forecast to underspend for £299,000.
- 3.16 The high needs review group will continue to review costs and ensure value for money within the high needs block.
- 3.17 The additional high needs funding currently has a forecast underspend of £293,000 after required allocations are taken account of and this is needed to cover forecast overspends.

## 4 SCHOOL BALANCES

- 4.1 The detail of individual school balances as held at 31st March 2023 and latest forecasts for expected balances at 31st March 2024 are shown in Appendix A. These balances reflect information provided by schools and are RAG rated as summarised below:

RAG Rating	2021/22 Outturn	2021/22 Revenue Balance	2022/23 Outturn	2022/23 Revenue Balance	2023/24 Forecast	2023/24 Forecast Revenue Balance
Red	11	(1,779)	15	(2,607)	14	(2,669)
Amber	9	506	7	165	10	353
Green	20	5,358	17	5,924	14	4,891
<b>Total</b>	<b>40</b>	<b>4,085</b>	<b>39</b>	<b>3,482</b>	<b>38</b>	<b>2,575</b>

- 4.2 There have been improvements in the response rate for returns from non-deficit schools however, there are still several schools that are repeatedly not meeting return deadlines and officers have been following up with the non-compliant schools. Where returns haven't been received for Quarter 2, figures from Quarter 1 or budget plan forecasts have been used in Appendix A.
- 4.3 The fourteen schools shown with forecast deficits at the end of 2023/24 in Appendix A are all RAG rated as red to highlight the urgent need for a sustainable position to be achieved in order to return to a balanced budget position within 3 years. Collectively, these schools had an aggregate deficit of £2.106m at 31<sup>st</sup> March 2023 and are forecasting a deficit of £2.669m at 31<sup>st</sup> March 2024. Appendix B shows the RAG rating criteria.
- 4.4 St Peter's Eaton Square had a deficit at the end of 2022/23 and are forecasting to have a surplus at the end of 2023/24.
- 4.5 St Stephen's has now amalgamated with St Mary Magdalene's and their deficit will not be recovered.
- 4.6 Of the fourteen schools, six have a licensed deficit recovery plan in place and the remainder are still being worked on or updated.

4.7 The latest forecasts show an estimated use of £1.459m of balances which would reduce school balances to £2.164m from £3.622m.

## **5 CONCLUSION**

5.1 Schools' Forum are asked to note:

5.1.1 the revised 2023/24 DSG allocation of £95.358m and forecast underspend of £0.104m; and

5.1.2 the projected year end school balances.

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### **Background Papers:**

EFSA – DSG Allocations 2023-24

Additional funding for 2023/24 to support schools in financial difficulty [Financial support for local authorities supporting maintained schools in financial difficulty \(2023 to 2024\) - GOV.UK \(www.gov.uk\)](#)